



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-290: STABILIZATION PAYMENTS FOR SAFETY NET PROVIDERS

Prime Sponsors:

Sen. Mullica; Kirkmeyer
Rep. Bird; Brown

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0992

Version: Final Fiscal Note

Date: August 25, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill creates the Provider Stabilization Fund and funds it with a loan from the Unclaimed Property Trust Fund in order to distribute provider stabilization payments to safety net providers.

Types of impacts. The bill is projected to affect the following areas though FY 2044-45:

- State Revenue
- State Expenditures
- State Loan
- TABOR Refunds

Appropriations. For FY 2025-26, the bill requires and includes an appropriation of \$25 million to the Department of Health Care Policy and Financing.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	By Out Year FY 2044-45 ²
State Revenue	-\$346,631	-\$1,060,832	-\$1,642,159	-\$74,000,000 ³
State Expenditures	\$25,037,725	\$20,000,000	\$15,000,000	\$90,000,000
State Loan	\$25,000,000	\$20,000,000	\$15,000,000	\$90,000,000
Change in TABOR Refunds	\$413,768	\$331,015	not estimated	not estimated
Change in State FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

² The loan must be repaid by January 1, 2045.

³ This amount represents total lost interest to the Unclaimed Property Trust Fund by FY 2044-45, is inclusive of the amounts shown in the first three columns and all years through FY 2044-45. This revenue loss will continue to accumulate in perpetuity.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	By Out Year FY 2044-45
General Fund	\$413,768	\$331,014	\$248,261	\$0
Unclaimed Property Trust Fund	-\$760,399	-\$1,391,846	-\$1,890,420	-\$74,000,000
Total Revenue	-\$346,631	-\$1,060,832	-\$1,642,159	-\$74,000,000

**Table 1B
State Loan¹**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	By Out Year FY 2044-45
Unclaimed Property Trust Fund	-\$25,000,000	-\$20,000,000	-\$15,000,000	\$90,000,000
Provider Stabilization Fund/GF	\$25,000,000	\$20,000,000	\$15,000,000	-\$90,000,000
Net Transfer	\$0	\$0	\$0	\$0

¹ This transfer is in the form of an interest-free loan from the Unclaimed Property Trust Fund to the Provider Stabilization Fund. Sources of revenue to repay the \$90 million loan by January 1, 2045, have not been identified, so the fiscal note assumes General Fund.

**Table 1C
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	By Out Year FY 2044-45
General Fund	\$0	\$0	\$0	\$90,000,000
Cash Funds	\$25,000,000	\$19,962,275	\$14,962,275	\$0
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$37,725	\$37,725	\$37,725	\$0
Total Expenditures	\$25,037,725	\$20,000,000	\$15,000,000	\$90,000,000
Total FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE

Summary of Legislation

The bill creates the Provider Stabilization Fund (cash fund) within the Department of Health Care Policy and Financing (HCPF) to distribute provider stabilization payments to safety net providers who provide services to low-income, uninsured individuals on a sliding-fee schedule or at no cost. These payments are distributed to eligible safety net providers based on the proportion of low-income, uninsured individuals that the provider serves in comparison to the total number of low-income, uninsured individuals served by all eligible safety net providers.

The bill transfers interest earnings or, if necessary, principal from the Unclaimed Property Trust Fund (trust fund) into the cash fund as a loan to be repaid by January 1, 2045. The bill specifies that this loan does not constitute state fiscal year spending under TABOR.

The bill creates a support board (board) and requires the board to submit an annual report. Members, appointed by the Governor, serve without compensation or expense reimbursement. The board is subject to a sunset review before its repeal on September 1, 2031.

Finally, the bill grants the State Treasurer authority to transfer funds from the General Fund to the trust fund if needed to pay claims from the Unclaimed Property Act. This authority applies generally to the trust fund when there are insufficient funds to pay claims, not only in relation to the loan made under this bill.

Background

The State Treasury holds, in perpetuity or until claimed, lost or forgotten assets of individuals and businesses in Colorado. The trust fund consists of all moneys collected under the Unclaimed Property Act, and interest earned on the account. The trust fund is TABOR-exempt; however, if the funds are spent by the state, they generally become subject to TABOR.

Assumptions

Federal Funding

The fiscal note assumes that no federal funds will be collected as a result of HCPF's increased expenditures. HCPF can typically only draw federal funds for programs that service Medicaid clients. The bill specifies that the program will distribute funds based on how providers service low-income or uninsured individuals. While exceptions have been granted in the past, [recent federal guidance](#) indicate further exceptions will not be granted.

Loan Repayment

The only identifiable positive revenue resulting from the bill is the interest earned in the Provider Stabilization Fund, which is subject to TABOR and credited to the General Fund. The fiscal note assumes that this revenue will be spent in the year in which accrues.

State Revenue

The bill reduces revenue from interest earnings, as shown in Table 1A and discussed below. It may increase revenue from gifts, grants, and donations.

Reduced Interest Earnings to the Unclaimed Property Trust Fund

The bill reduces interest revenue earned on money held in the Unclaimed Property Trust Fund. The amount of lost revenue depends on interest rates and other changes to the trust fund's balance. Assuming a 3 percent annual interest rate, compounded monthly, and that the transferred money and interest earnings would have otherwise stayed in the fund, the amount of lost revenue is estimated at about \$760,000 in FY 2025-26, \$1.4 million in FY 2026-27, and \$1.9 million in FY 2027-28 and increasing amounts in perpetuity. The total lost by FY 2044-25, inclusive of these amounts, is estimated at \$74 million. Interest earned on money in the trust fund is not subject to TABOR.

Interest Earnings to the Provider Stabilization Fund

Based on the amount transferred, about \$415,000 in FY 2025-26, \$330,000 in FY 2026-27, and \$250,000 in FY 2027-28 through FY 2029-30, in interest will accrue in the new Provider Stabilization Fund and, per the bill, be credited to the General Fund. These amounts assume that funding transferred each year is spent evenly throughout the year and that the fund earns 3 percent annual interest. Interest earned in state funds is subject to TABOR.

Gifts, Grants, and Donations

The bill may increase state revenue to the Provider Stabilization Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Loans

As shown in Table 1B, the bill transfers the following amounts from the Unclaimed Property Trust Fund into the Provider Stabilization Fund:

- \$25 million in FY 2025-26;
- \$20 million in FY 2026-27;
- \$15 million in FY 2027-28;
- \$15 million in FY 2028-29; and
- \$15 million in FY 2029-30.

These transfers are in the form of interest-free loans from the Unclaimed Property Trust Fund to the Provider Stabilization Fund. The loans, totaling \$90 million, must be repaid by January 1, 2045.

State Expenditures

Expenditures in HCPF will increase based on the amounts transferred starting in FY 2025-26. These expenditures, paid exclusively from the Provider Stabilization Fund (see Assumption section), are summarized in Table 2 and discussed below. Additionally, the bill will require a General Fund expenditure of \$90 million, to repay the total amount loaned, by FY 2044-45. Finally, the bill increases workload in the Department of Regulatory Agencies (DORA) and the Governor’s Office.

**Table 2
State Expenditures
Department of Health Care Policy and Financing**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	By Out Year FY 2044-45
Personal Services	\$138,505	\$138,505	\$138,505	\$0
Operating Expenses	\$2,560	\$2,560	\$2,560	\$0
Capital Outlay Costs	\$13,340	\$0	\$0	\$0
Provider Stabilization Payments	\$24,845,595	\$19,821,210	\$14,821,210	\$0
Loan Repayments	\$0	\$0	\$0	\$90,000,000
Centrally Appropriated Costs	\$37,725	\$37,725	\$37,725	\$0
Total Costs	\$25,037,725	\$20,000,000	\$15,000,000	\$90,000,000
Total FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE

Department of Health Care Policy and Financing

HCPF requires 2.0 FTE to monitor applications for provider stabilization payments and otherwise support the board as they establish rules for the program, make payments, and produce the annual report. The remaining funds will be expended directly on the payments.

Loan Repayment

HCPF will be required to repay the \$90 million loan by January 1, 2045. The fiscal note assumes that a General Fund appropriation will be required for this purpose, unless alternative sources of funding are identified or made available. Reductions in expenditures in HCPF or other state agencies may be required.

Other Agency Impacts

Workload will minimally increase for the Governor’s Office of Boards and Commissions to make the required appointments to the board. This work can be accomplished within existing appropriations. Workload will minimally increase for DORA to perform the sunset review of the board in FY 2030-31. This work can be accomplished within existing appropriations.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

Funds in the Unclaimed Property Trust Fund are exempt from TABOR, but may become subject to TABOR when transferred to other funds to be used for governmental purposes. If funds are returned to the trust fund, the fiscal note assumes they are not subject to TABOR. As an interest-free loan, interest earned on the funds in the Provider Stabilization Fund are not expected to be repaid to the trust fund and are subject to TABOR.

Thus, the bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amount of interest earned in the Provider Stabilization Fund, which is then credited to the General Fund, as discussed in the State Revenue section and shown in Table 1A. This estimate assumes the March 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased General Fund revenue will increase the TABOR refund obligation, but result in no net change to the amount of General Fund available to spend or save.

Additionally, if HCPF is unable to repay the loan in full, any unpaid balance will constitute a transfer to a state cash fund and will count against the state's TABOR limit in FY 2044-45.

Effective Date

This bill was signed into law by the Governor and took effect on May 28, 2025.

State Appropriations

For FY 2025-26, the bill requires and includes an appropriation of \$25,000,000 from the Provider Stabilization Fund to the Department of Health Care Policy and Financing, and 2.0 FTE.

State and Local Government Contacts

Health Care Policy and Financing

Treasury

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).