

CASB BRIEF - September 24 Vol. 50



Advocacy Newsletter

State Revenue Forecast

With the fall season officially underway it is time for state lawmakers to once again take the temperature of the state economy. Members of the [Colorado General Assembly Joint Budget Committee](#) heard from the state's economists with their September quarterly revenue forecasts this week. Much has changed since the last update in June. The [United States Congress](#) passed and [President Trump](#) signed [H.R.1](#), aka the "Big Beautiful Bill" in July.

H.R. 1 made significant changes to the Federal tax rates. Since Colorado is one of 4 states that use the Federal rates to set statewide tax rates the passage of H.R.1 had an immediate impact on state tax revenue. Colorado uses what is known as "rolling conformity" to establish state tax rates. This means that when the Federal government makes tax code changes those changes immediately require state updates. The newly implemented tax rates mean that state lawmakers will have less revenue to work with. Some early estimates had the shortfall at more than \$1 billion. Colorado law requires the state to pass a balanced budget.

In August the General Assembly returned to work for a special session to address the budget issue. Lawmakers closed some so-called tax "loopholes" and approved the spending of some state reserve funds. Additionally, Colorado [Governor Jared Polis](#) made cuts to state department budgets. Looking ahead to the 2026 legislative session the budget will continue to be a major focus as Lawmakers scramble to pay for programs.

Uncertainty is never easy to predict, and the September revenue forecast highlighted a great deal of uncertainty. The Joint Budget Committee receives two separate forecasts. One from the non-partisan [Legislative Council Staff](#) (LCS) and the other from the Governor's [Office of State Planning and Budget](#) (OSPB). CASB members are able to view the [LCS forecast](#) and the [OSPB forecast](#) online. Of note for CASB members the potential impacts on School Finance start on page 23 of the LCS document.

Here are two most important takeaways:

- The current, 2025-26 budget has a projected shortfall of \$307 million below the 15 percent reserve, according to LCS. OSPB is more optimistic, estimating \$192.5 million.
 - ◊ In July shortfall estimates ranged from \$692 million (LCS) to \$735.6 million (OSPB).
- The projected shortfall for 2026-27 is a bigger problem. LCS sets it at \$841 million, while OSPB does not make such projections for upcoming budget years.

[Read the Entire State Revenue Forecast Here!](#)

Sign Your Students Up for the Student Leadership Academy!

The [CASB Student Leadership Academy](#) brings together high school students from across Colorado to sharpen their leadership skills, learn from school board members and superintendents, and ignite real change in their schools and districts. Designed by students, for students, the Academy empowers you with tools and strategies to elevate your advocacy and drive positive impact. Join your peers, grow your voice, and be part of the next generation of changemakers and register your students and chaperones today!

For registration questions, please reach out to Bryce Reedy (breeedy@casb.org).

[Register Here!](#)