



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1361: PAY FOR SUCCESS PROGRAM REPEAL

Prime Sponsors:

Rep. Brown; Taggart
Sen. Bridges; Kirkmeyer

Fiscal Analyst:

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Published for: House Appropriations**Drafting number:** LLS 26-0957**Version:** Initial Fiscal Note**Date:** April 2, 2026

Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill transfers the balance of the Pay for Success Contracts Fund to the General Fund on June 30, 2026, and repeals the Pay for Success Contracts Program on July 1, 2026.

Types of impacts. The bill is projected to affect the following areas in FY 2025-26 only:

- State Transfers

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Transferred Funds	\$1,561,746	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the table below.

Table 1A
State Transfers

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$1,561,746	\$0	\$0
Cash Funds	-\$1,561,746	\$0	\$0
Net Transfer	\$0	\$0	\$0

Summary of Legislation

The bill transfers the balance of the Pay for Success Contracts Fund to the General Fund on June 30, 2026, and repeals the Pay for Success Contracts Program in the Governor’s Office of State Planning and Budgeting (OSPB) on July 1, 2026.

Background

[House Bill 15-1317](#) authorized the OSPB to enter into Pay for Success (PFS) agreements, also known as social impact bonds, in order to expand or provide new services to Colorado at-risk populations. In a PFS contract, investors fund an intervention program that could save public dollars and if the program meets success targets, the investors are paid back. Colorado executed three PFS agreements related to foster care education, homelessness, and juvenile justice; however, the OSPB has not operated the program since the expiration of the last PFS contract in FY 2023-24. Therefore, repealing the program results in no change to state expenditures.

State Transfers

In the current FY 2025-26, the bill transfers the balance of the Pay for Success Contracts Fund to the General Fund. As of writing, this transfer is estimated at \$1,561,746.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Joint Budget Committee Staff

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](#).