



Fiscal Note

Legislative Council Staff

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SB 26-096: JUSTICE-INVOLVED VETERANS

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Fiscal note status: This initial fiscal note reflects the introduced bill. This analysis is preliminary and will be updated following further review and any additional information received.

Summary Information

Overview. The bill creates a veterans deferred sentencing program for certain offenses, and requires court, law enforcement, and correctional staff to complete training on veteran trauma.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires an appropriation of \$2.6 million to multiple departments. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$6,300	\$14,803
State Expenditures	\$2,979,320	\$2,134,174
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$6,300	\$14,803
Change in State FTE	13.9 FTE	15.6 FTE

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

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$6,300	\$14,803
Total Revenue	\$6,300	\$14,803

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$2,605,680	\$1,718,960
Cash Funds	\$33,363	\$33,363
Federal Funds	\$0	\$0
Centrally Appropriated	\$340,277	\$381,852
Total Expenditures	\$2,979,320	\$2,134,174
Total FTE	13.9 FTE	15.6 FTE

Summary of Legislation

The bill allows courts to defer a criminal sentence when the defendant is a veteran, is convicted of certain nonviolent crimes, and suffers from certain conditions that stem from their service and that resulted in the offense. If a defendant is found guilty, the defendant may request the court to conduct an eligibility assessment. If the court finds the defendant eligible, the court places the defendant on probation and requires specific rehabilitation programs to be completed before a final hearing on the case. The Department of Public Safety (CDPS) must track program outcomes.

In addition, the Department of Corrections (CDOC) must track its veteran population, and veteran status must be considered, when applicable, for veteran housing and rehabilitation programs.

Finally, court, law enforcement, and corrections staff must complete training on veteran trauma.

Background

Currently, the Judicial Department has a problem-solving court for veterans ([Veterans Treatment Court](#)) designed to serve justice-involved military and former-military members with substance use and mental health needs through intensive supervision and treatment to increase the likelihood for successful community reintegration. The use of this problem-solving court is dependent on referral and whether it is available in the jurisdiction. Currently, these are available in the 1st, 2nd, 4th, 8th, 10th, 17th, 18th, and 23rd districts.

Assumptions

Assumptions made by the fiscal note that are relevant to impacts of the bill are discussed below.

Eligible Cases – Judicial Department Workload

Since 2023, an average of **47,974 nonviolent cases** per year have been granted diversion, deferred sentencing, or have been adjudicated as guilty.

Of these cases, the fiscal note assumes:

- 8 percent of the cases involve a veteran (**3,838 cases**);
- of those, 87 percent are eligible for deferred sentencing under the bill (**3,339 cases**); and
- of those, 75 percent will opt for deferred sentencing assessment (**2,504 cases**).

Sentencing Outcomes

Despite the additional judicial review, the fiscal note assumes that the bill will not substantially change sentences to the CDOC. Offenses that involve a prison sentence are not typically suited for deferred sentencing, which is a determination made by the judge with approval from the district attorney. It is assumed the bill will primarily impact defendants currently sentenced to community supervision.

Additionally, since 2023, an average of **488 cases** per year received deferred sentencing outside of probation. Assuming 8 percent of total cases involve a veteran, that leaves a total of **39 additional cases** that are expected to be supervised on probation as a result of the bill.

Training on Veteran Trauma

The bill requires court, law enforcement, and corrections staff to be trained on veteran trauma. For law enforcement, the fiscal note assumes that the POST Board will coordinate this training effort as the most cost-effective option, though this is not explicitly required by the bill.

State Revenue

The bill increases revenue to the Offender Services Cash Fund by \$6,330 in FY 2026-27 and \$14,803 in future years due to an additional 39 individuals being supervised by probation, and assuming collections will occur over multiple years. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures by \$2.9 million in FY 2026-27 and \$2.1 million in FY 2027-28 and ongoing. These costs will be incurred in the Judicial Department, the Department of Public Safety, and the Department of Law. Costs are paid from the General Fund and the POST Cash Fund, as shown in Table 2 and described in the sections below. The Department of Corrections will also have minimal workload impacts.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28
Judicial Department	\$2,662,772	\$1,873,694
Department of Public Safety	\$275,732	\$219,665
Department of Law	\$40,816	\$40,816
Total Costs	\$2,979,320	\$2,134,174

Judicial Department

The bill increases expenditures in the Judicial Department by about \$2.7 million in FY 2026-27 and about \$1.9 million in FY 2027-28 and ongoing to hire additional judicial officers, probation officers, training, and support staff. All staff are prorated for a September 2026 effective date.

Trial Court

Based on the assumed number of additional cases being processed under the new deferred sentencing, the trial courts require 3.6 FTE judicial officers. This assumes each eligibility assessment will take about 2 hours to complete, and challenge hearings, while assumed uncommon, will take an additional hour. It also assumes that developing case plans for eligible defendants will take an hour, and any discharge hearings will take 30 minutes. Based on the department's common policies, each judicial officer requires a ratio of support staff. The fiscal note assumes a county court support staff ratio of 1:2, and a district court ratio of 1:3, resulting in a need of 8.6 FTE for support staff.

Additionally, to train all 2,700 court staff and judicial employees on veteran involvement in the criminal justice system, an additional 0.3 FTE is required.

Probation

As outlined in the Assumptions section, probation will see an increase in yearly average cases. The department requires 0.5 FTE to handle the increase in cases.

All probation officers will also need further specialized training for working with veterans that is more in-depth than the general training for all staff. This requires 2.0 FTE education specialists on a 6-month contract to train probation staff, and an additional, permanent, 0.3 FTE probation services staff for continued training.

District Court Operating Costs

In additional to standard operating costs, court judicial officers require an additional \$5,120 in operating costs that differ from standard state employees. This includes costs for a law library, robes and cleaning, and travel.

District Court Capital Outlay Costs

There are capital outlay costs for each FTE, totaling about \$870,105 in addition to standard capital outlay costs in FY 2026-27 only. These costs include courthouse infrastructure and maintenance, AV costs, and necessary furniture.

**Table 2A
 State Expenditures
 Judicial Department**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$1,342,368	\$1,495,395
Operating Expenses	\$39,439	\$46,355
Capital Outlay Costs	\$982,105	\$0
Centrally Appropriated Costs	\$298,860	\$331,944
Total Costs	\$2,662,772	\$1,873,694
Total FTE	12.0 FTE	13.3 FTE

Department of Public Safety

The CDPS requires staff and software costs of \$276,000 in FY 2026-27 and about \$220,000 in FY 2027-28 to implement the bill.

Staff

The bill requires 2.0 FTE analysts to create work on the software, facilitate data sharing, and report and track outcomes. Standard operating and capital outlay costs are included, as well as costs of \$5,000 per year for training and travel per staff.

Software Services

CDPS requires a new program to track veterans in deferred sentencing and their outcomes. This will involve creating a system and facilitating data sharing agreements with a broad array of groups. Based on previous criminal justice outcome tracking, this requires \$100,000 in the initial fiscal year to set up the system and program, and \$20,000 ongoing in maintenance costs.

**Table 2B
 State Expenditures
 Department of Public Safety**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$115,720	\$144,650
Operating Expenses	\$2,048	\$2,560
Capital Outlay Costs	\$14,000	\$0
Software Services	\$100,000	\$20,000
Travel and Training	\$10,000	\$10,000
Centrally Appropriated Costs	\$33,964	\$42,455
Total Costs	\$275,732	\$219,665
Total FTE	1.6 FTE	2.0 FTE

Department of Law

To develop and enact the training required for law enforcement, the Department of Law requires 0.3 FTE Special Agent III in FY 2026-27.

**Table 2C
 State Expenditures
 Department of Law**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$33,363	\$33,363
Centrally Appropriated Costs	\$7,453	\$7,453
Total Costs	\$40,816	\$40,816
Total FTE	0.3 FTE	0.3 FTE

Department of Corrections

The Department of Corrections (DOC) currently tracks veteran status, and offers certain facilities for veterans. Workload will increase to ensure staff are trained on veteran trauma. No change in appropriations is required.

As discussed in the Assumptions section, the fiscal note assumes that the bill will not significantly change the number of veteran offenders sentenced to the CDOC. Any change will be adjusted for through the annual budget process based on the prison population forecast.

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, indirect cost assessments, and other costs, are shown in the tables above.

Local Government

In order for the CDPS to assess the outcomes for housing and employment, multiple federal, state, and local agencies would need to enter into data sharing agreements to ensure consistent and timely sharing of information. This includes collecting housing information from individual county housing authorities, or employment records from local entities. In addition, workload to district attorneys will increase to attend additional hearings.

Effective Date

- The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of:

- \$2,363,912 to the Judicial Department, and 12.0 FTE; and
- \$241,768 to the Department of Public Safety, and 1.6 FTE.

It also requires a cash fund appropriation of:

- \$33,363 and 0.3 FTE from the Peace Officers Standards and Training Cash Fund to the Department of Law.

State and Local Government Contacts

Corrections

Judicial

District Attorneys

Military Affairs

Information Technology

Public Safety