

# Colorado CARE Act

## 2026 Fiscal Analysis

Revenue-Neutral Workforce Protection in the Context of Colorado's \$850M Budget Shortfall

Prepared by:

**Caregiver Advocacy Support Initiative (CASI)**

mark\_fukae@casiadvocacy.org

*February 2026*

## Executive Summary

Colorado faces an \$850 million budget shortfall for the 2026 fiscal year. In this constrained environment, the Colorado CARE Act represents a strategic legislative solution that protects workforce stability without requiring new state appropriations.

By modernizing the Colorado Anti-Discrimination Act (CADA) to include 'caregiver status' as a protected class, this legislation prevents the workforce exodus that occurs when family caregivers are forced to choose between employment and care responsibilities. The Act generates estimated annual Medicaid savings of \$9-18 million by reducing premature institutionalization, while imposing zero fiscal burden on the general fund.

### Key Findings

- Affected Population: 600,000+ Colorado family caregivers
- Annual Medicaid Savings: \$9-18 million
- General Fund Appropriation Required: \$0
- Implementation Timeline: Immediate (upon passage)
- Administrative Mechanism: Existing CCRD infrastructure

## I. Budget Context: The \$850M Challenge

Colorado's FY 2026 budget faces an unprecedented \$850 million shortfall, driven by federal funding reductions, TABOR constraints, and increased demand for social services. In this environment, legislative proposals requiring general fund appropriations face significant headwinds.

**The CARE Act operates outside this constraint by:**

1. Requiring zero general fund appropriation
2. Utilizing existing Colorado Civil Rights Division (CCRD) enforcement infrastructure
3. Generating Medicaid savings through avoided institutional care costs
4. Preventing workforce exits that reduce state tax revenue

## II. The Economic Case: Preventing the Medicaid Cliff

When family caregivers are terminated or forced to resign due to caregiving discrimination, two economic catastrophes occur simultaneously:

### A. Workforce Exodus

Colorado loses skilled workers who often cannot re-enter the workforce during peak earning years. The state forfeits income tax revenue, economic productivity, and institutional knowledge.

### B. Premature Institutionalization

When family care systems collapse, care recipients enter institutional settings earlier than medically necessary. Colorado Medicaid bears the full cost—averaging \$75,000-120,000 annually per nursing facility resident versus \$15,000-25,000 for HCBS waiver support that maintains family caregiving.

### Annual Cost Comparison: Family Care vs. Institutional Care

Care Setting	Average Annual Cost	Medicaid Share
Nursing Facility	\$75,000 - \$120,000	100%
HCBS Waiver + Family Care	\$15,000 - \$25,000	Partial (waiver only)
<b>Annual Savings per Individual</b>	<b>\$50,000 - \$95,000</b>	

### Projected Annual Medicaid Savings

Conservative estimates suggest that protecting family caregivers from workplace discrimination prevents 120-200 premature nursing facility placements annually in Colorado.

Scenario	Annual Medicaid Savings
Conservative (120 prevented placements)	<b>\$9 million</b>
Moderate (200 prevented placements)	<b>\$18 million</b>

### III. Implementation Framework: Zero Appropriation Required

The CARE Act leverages existing Colorado Civil Rights Division (CCRD) infrastructure, requiring no new administrative apparatus or general fund appropriation.

### Administrative Mechanism

- Enforcement: Existing CCRD complaint investigation process
- Training: Incorporation into current CCRD employer education programs
- Compliance: Voluntary employer adoption of reasonable accommodation frameworks
- Legal Framework: Amendment to CADA (C.R.S. § 24-34-401 et seq.)

## Projected Caseload Impact

Based on comparative data from jurisdictions with caregiver protections, Colorado can expect 80-150 caregiver discrimination complaints annually—well within CCRD's existing capacity of 3,000+ annual cases across all protected classes.

## IV. Revenue Neutrality and TABOR Compliance

The CARE Act complies with Colorado's Taxpayer Bill of Rights (TABOR) constraints by:

1. Requiring No New Revenue: The Act imposes no fees, taxes, or assessments
2. Generating Medicaid Savings: Estimated \$9-18M annually through avoided institutional care
3. Preserving Tax Base: Workforce retention maintains state income tax revenue
4. Zero General Fund Impact: Administrative costs absorbed within existing CCRD operations

## V. Conclusion: Strategic Alignment with Fiscal Constraints

The Colorado CARE Act represents a rare legislative opportunity: a policy intervention that simultaneously strengthens workforce stability, generates Medicaid savings, and requires zero new appropriations during a period of severe budget constraint.

By preventing the workforce exodus and premature institutionalization that occur when family caregivers face employment discrimination, Colorado protects both its economic productivity and its fiscal health.

**In an \$850 million shortfall environment, revenue-neutral solutions are not merely desirable—they are essential. The CARE Act delivers workforce protection without fiscal burden, making it a strategic fit for the 2026 legislative session.**

## **Appendix: Methodology and Data Sources**

### **Population Estimates:**

600,000+ Colorado family caregivers derived from 2023 AARP Caregiving in the U.S. report, applying national prevalence rates to Colorado's population demographics.

### **Cost Estimates:**

Nursing facility and HCBS waiver costs based on Colorado Department of Health Care Policy & Financing (HCPF) FY 2024-25 rate schedules and CMS Medicaid expenditure data.

### **Prevented Placement Projections:**

Conservative estimates of 120-200 prevented placements annually based on workforce protection impact studies from jurisdictions with caregiver discrimination protections, adjusted for Colorado's demographic profile.

### **Administrative Capacity:**

CCRD caseload data from Colorado Department of Regulatory Agencies annual reports, FY 2020-2024.

---

*For questions or additional analysis, contact CASI at [mark\\_fukae@casiadvocacy.org](mailto:mark_fukae@casiadvocacy.org)*