

March 2, 2026

Members of the Joint Budget Committee
Legislative Services Building
200 E. 14th Ave, #300
Denver, Colorado

Dear Chair and Members of the Joint Budget Committee:

On behalf of the undersigned chambers of commerce and business organizations representing employers across Colorado, we write to express our strong opposition to the Governor's proposed cuts to Indirect Medical Education (IME) funding that supports physician residency programs.

Colorado's business community depends on a stable, accessible, and high-quality health care system to attract workers, retain employers, and sustain economic growth. Proposed reductions to IME funding undermine that foundation.

IME funding supports the real, documented costs hospitals incur to train physicians in residency programs. Doctors are significantly more likely to practice in the communities where they complete their training. Reducing this funding directly reduces Colorado's future physician workforce. This is especially true for primary care, behavioral health, and rural communities where shortages already exist.

From a fiscal and economic perspective, the proposed cuts are deeply concerning. The budget proposal reduces state spending by approximately \$14.6 million while forfeiting more than \$36 million in federal physician education funds. The net result is more than \$50.6 million in annual losses to Colorado's physician training system, hospital capacity, and patient access to care.

For employers, this means:

- Greater difficulty recruiting and retaining workers, especially outside the Front Range
- Higher health care costs and reduced workforce productivity
- Increased pressure on already strained rural and community hospitals
- Longer wait times and reduced access to care for employees and families

Health care access is a core issue of economic competitiveness. Businesses cannot grow, and communities cannot thrive, without a reliable health care workforce.

We respectfully urge the Joint Budget Committee to reject proposed cuts to Indirect Medical Education funding and to preserve Colorado's investment in physician training, workforce stability, and long-term economic health.

Thank you for your consideration and your service to the people and businesses of Colorado.

Sincerely,

Statewide, regional, and local business and workforce advocates across Colorado

