

JBC Staff Fiscal Analysis House Appropriations Committee

Concerning a requirement that state agencies implement zero-based budgeting.

Prime Sponsors:

Representative Brooks
Senator Carson

Date Prepared:

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JBC Analyst:

Eric Kurtz
303-866-4952

Fiscal Impacts

Appropriation Required, Amendment in Packet

General Fund Impact

Significant Appropriation Increase in Second and Third Year

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/25/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) appropriates \$246,095 total funds, including \$215,247 General Fund, and 2.7 FTE. The appropriations are spread across the following departments:

Appropriations in J.001 to H.B. 25-1216				
Item	Total Funds	General Fund	Cash Funds - State Highway Fund	FTE
Governor's Office	<u>\$90,465</u>	<u>\$90,465</u>	<u>\$0</u>	<u>0.9</u>
Personal Services	82,643	82,643	0	0.9
Operating Expenses	7,822	7,822	0	0.0
Education				
General Department and Program Administration	77,815	77,815	0	0.8
Revenue	<u>46,967</u>	<u>46,967</u>	<u>0</u>	<u>0.5</u>
Personal Services	39,657	39,657	0	0.5
Operating Expenses	7,310	7,310	0	0.0
Transportation				
Administration	30,848	0	30,848	0.5
Total	\$246,095	\$215,247	\$30,848	2.7

Points to Consider

Future Fiscal Impact

The bill is projected to require General Fund appropriations of \$2.2 million in FY 2026-27 and \$3.7 million in FY 2027-28.

Future Budget Processes

The General Assembly may want to change the budget submission and review timelines. The bill will result in significantly more information and spending justification from departments through zero-based budgets. For the General Assembly to use this additional information to make more informed decisions, the legislature will need corresponding additional time to review the materials. The budget submission deadlines are in statute. The General Assembly sets its own timeline for reviewing the budget submissions. An increase in legislative budget review time may result in an increase in per diem payments, depending on the implementation.