

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning state public education K-12 funding, and, in connection therewith, increasing appropriations for state public education K-12 by up to two percent for ten years, using the increased appropriations for district school financing factor funding, allowing the state to retain an amount of state revenue in excess of the limitation on state fiscal year spending equal to state public K-12 education funding, and submitting a ballot question to the registered electors of the state.

Prime Sponsors:

Senators Bridges; Kipp
Representatives Bacon; Lukens

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Fiscal Impacts

Appropriation Not Required, Amendments in Packet
General Fund/TABOR Impact

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/25/26.

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

Amendments in This Packet

- L.006 Bill Sponsor amendment – does not change fiscal impact
- L.008 Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2026-27.

Description of Amendments in This Packet

L.006

Bill Sponsor amendment **L.006** creates financial reporting requirements for local education providers related to the positive factor. JBC Staff and Legislative Council staff agree that **L.006** does not change the fiscal impact.

L.008

Bill Sponsor amendment **L.008** has the following fiscal impacts relative to the current bill:

- Reduces TABOR refunds by \$276.4 million in FY 2026-27; and
- reduces expenditures by \$825.4 million in FY 2027-28.

See the attached Legislative Council Staff Fiscal Note Memorandum dated April 14, 2026 for additional information. JBC Staff and Legislative Council staff agree on the impact of adopting this amendment.

The Committee may adopt both **L.006** and **L.008**.

Points to Consider

The Joint Budget Committee (JBC) has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSP) revenue forecast. The forecast does not anticipate a TABOR surplus liability for FY 2025-26, but does anticipate a surplus liability of \$711.1 million for FY 2026-27 to be refunded to taxpayers out of the General Fund.

TABOR/ Excess State Revenues Impact

Conditional on voter approval, the bill allows the state to retain and spend revenue in excess of the Referendum C cap, which would otherwise be refunded to taxpayers as TABOR refunds under current law. The additional amount that may be retained and spent is equal to the amount spent on state public education funding in the prior year, estimated at \$4.6 billion for FY 2026-27.

Under the current version of the bill and the Legislative Council Staff Revised Fiscal Note dated 03/25/26, the bill is expected to reduce TABOR refunds by \$1.1 billion in FY 2027-28, and by varying amounts in future years. If Bill Sponsor amendment **L.008** is adopted, the bill is expected to reduce TABOR refunds by \$276.4 million in FY 2026-27, \$1.1 billion in FY 2027-28, and by varying amounts in future years.

General Fund Impact/ Future Fiscal Impact

Under the current version of the bill and the Legislative Council Staff Revised Fiscal Note dated 03/25/26, the bill increases expenditures from the General Fund and the Excess State Revenues Account in the General Fund (created in the bill) by \$1.1 billion in FY 2027-28 and varying amounts in subsequent years, conditional on voter approval. Increased expenditures are equal to the amount of additional revenue retained each year under the measure. If Bill Sponsor amendment **L.008** is adopted, additional revenue retained under the measure would be expended in the year after it is retained.