

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning expanding the scope of the "Colorado Cottage Foods Act".

Prime Sponsors:

Representative Gonzalez R.; Duran
(None)

Date Prepared:

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Fiscal Impacts

Appropriation Required, Amendments in Packet

General Fund Impact

New Cash Fund (with Continuous Appropriation)

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/19/26.

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

Amendments in This Packet

- J.001 Staff-prepared appropriation amendment
- L.011 Bill Sponsor amendment - changes fiscal impact and appropriation

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 a total of \$119,354 General Fund to the Department of Public Health and Environment for FY 2026-27. The appropriation reflects 1.0 FTE.

L.011

Bill Sponsor amendment **L.011** (attached) creates the Cottage Foods Cash Fund in the Department of Public Health and Environment and includes the following transfers into the fund:

- \$200,000 from the Medication Administration Cash Fund; and

- \$100,000 from the Assisted Living Residence Cash Fund.

The Cottage Foods Cash Fund is continuously appropriated to the Department and does not require further appropriations. Legislative Council Staff and JBC staff agree on the fiscal impact of this amendment.

If the Committee adopts **L.011**, it should not adopt **J.001**.

Points to Consider

The Joint Budget Committee has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$57.3 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 13.0 percent reserve associated with the placeholders.

General Fund Appropriation Placeholders for Other 2026 Legislation

Item	FY 2026-27
SB 26-149 (Pathways for Individuals with Mental Health Disorders)	\$23,222,868
Competency services	20,000,000
Potential prison capacity supplemental	5,900,000
Applied Behavioral Analysis Licensing	5,000,000
County Administration shared services	3,100,000
Medicaid Working Group	500,000
HB 26-1331 (Modify 2026 Interim Committees)	-396,469
Total - Placeholders for other legislation	\$57,326,399

General Fund Impact

This bill requires a General Fund appropriation of \$119,354 for FY 2026-27, reducing the \$57.3 million set aside by the same amount.

If the Committee adopts **L.011**, the General Fund impact is eliminated.

Revenue Source

As introduced, the bill utilizes General Fund for the costs of the Cottage Foods Program. However, if the Committee adopts **L.011**, these costs shift to the newly created Cottage Foods Cash Fund. The fund will initially be funded through transfers totaling \$300,000, which is estimated to fully fund the program through FY 2027-28. Staff notes, however, that the fund has no source of ongoing revenue. This would make the program a General Fund obligation from FY 2028-29 and beyond, unless a revenue source is established for the Cottage Foods Cash Fund.

Legislative Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year.

While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority. This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.

Is it necessary for the Department of Public Health and Environment to **not** seek annual authority from the General Assembly to spend money from the Cottage Foods Cash Fund?