

JBC Staff Fiscal Analysis House Appropriations Committee

Concerning transit and housing investment zones.

Prime Sponsors:

Representative McCluskie; Woodrow
Senator Roberts; Exum

Date Prepared:

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Fiscal Impacts

Appropriation Required, Amendment in Packet

General Fund and TABOR 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 03/25/26.

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

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

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 \$190,849 General Fund to the Office of the Governor for FY 2026-27. The appropriation reflects 1.0 FTE

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

Additionally, 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 and \$515.6 million in FY 2027-28 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund.

General Fund Impact

This bill requires a General Fund appropriation of \$190,849 for FY 2026-27, reducing the \$57.3 million set aside by the same amount.

TABOR/ Excess State Revenues Impact

This bill is estimated to reduce General Fund revenues by \$0.6 million in FY 2026-27 and by \$5.4 million in FY 2027-28, which will result in a reduction in the TABOR surplus liability of equal amounts.

Meanwhile, the bill increases cash fund revenues by \$22,500 in FY 2026-27 and by \$46,200 in FY 2027-28, which will reduce the available General Fund in each year by equal amounts. This bill increases the TABOR refund paid from the General Fund by \$22,500 for FY 2026-27, reducing the \$57.3 million General Fund set aside for FY 2026-27 by the same amount.

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 Office of the Governor to **not** seek annual authority from the General Assembly to spend money from the Transit Investment Zones Cash Fund?