

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning the provision of services to young people, and, in connection therewith, requiring certain social media platforms that provide online gaming services, products, and features to young people to impose a fee on each add-on transaction and remit the fee to the youth mental health services access enterprise, which enterprise is created in the bill, and to the youth programming and protections enterprise, which enterprise is also created in the bill, to be used to fund programs that provide services to young people, and making an appropriation.

Prime Sponsors:

Representatives Zokaie; Camacho
Senators Amabile; Roberts

Date Prepared:

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Fiscal Impacts

Appropriation Already Added to Bill, Amendment in Packet

General Fund/ 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 05/11/26.

Update: Fiscal impact has changed due to new information or technical issues.

The Legislative Council Staff Revised Fiscal Note (05/11/26) identifies legal services costs of \$26,500 General Fund in the Department of Revenue, \$145,750 from the Youth Mental Health Services Access Enterprise Fund in the Behavioral Health Administration, and \$79,500 from the Youth Programming and Protections Enterprise Fund in the Department of Education, but does not identify corresponding reappropriations. Legislative Council Staff agrees that the bill should also include a \$251,750 reappropriation to the Department of Law to provide legal services.

Amendments in This Packet

J.002 Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$294,984 General Fund to the Department of Revenue for FY 2026-27. Additionally, \$251,750 is reappropriated to the Department of Law. The appropriation reflects 1.2 FTE.

Description of Amendments in This Packet

J.002

Staff amendment **J.002** (attached) is a net-zero funding shift within line items in the Department of Revenue's appropriation. These changes are based on new information received from the Department and do not impact the total appropriation to the Department of Revenue.

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 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. The budget package includes \$42.3 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 (\$ in millions)

Item	FY 2026-27
SB 26-149 (Pathways for Individuals with Mental Health Disorders)	\$25.9
Potential prison capacity supplemental	5.9
Applied behavioral analysis licensing	5.0
County Administration shared services	3.1
SB 26-042 (Revenue Classification TABOR)	2.3
Medicaid working group	0.5
HB 26-1331 (Modify 2026 Interim Committees)	-0.4
Total - Placeholders for other legislation	\$42.3

General Fund Impact

This bill requires a General Fund appropriation of \$294,984 for FY 2026-27, reducing the \$42.3 million set aside by the same amount. The bill decreases General Fund expenditures in the Behavioral Health Administration (BHA) by \$2.5 million in FY 2027-28 and \$5.0 million in later years as a result of the transfer of administration of the I Matter program from the BHA to the Youth Mental Health Services Access Enterprise.

Technical Issues/TABOR Impact

The bill requires the Youth Programming and Protections Enterprise to support CDE in its enforcements of educational rights. If the Enterprise's support includes direct payments to CDE, that money may be counted as state revenue subject to TABOR. For example, if the Enterprise makes direct payments to CDE for the Department's educational rights enforcement related to S.B. 26-125, this may be considered enterprise spending on state services, resulting in the funds becoming subject to TABOR. Whether or not enterprise

revenue becomes subject to TABOR will depend on how it is spent to support CDE's enforcement of educational rights.

This bill is estimated to increase cash fund revenues by \$225,250 in FY 2026-27 and by \$99,375 in FY 2027-28, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund paid from the General Fund by \$225,250 for FY 2026-27, reducing the \$42.3 million General Fund set aside for FY 2026-27 by the same amount.

Legislative Appropriation 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 Behavioral Health Administration and the Department of Education to **not** seek annual authority from the General Assembly to spend money from Youth Mental Health Services Access Enterprise Fund or the Youth Programming and Protections Enterprise Fund?