

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning expanding work-based learning experiences in higher education.

Prime Sponsors:
Representatives Martinez; Lukens

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Fiscal Impacts

Appropriation Not Required, Amendment in Packet
New Cash Fund with Continuous Appropriation
Dependent on Gifts, Grants, and Donations

Fiscal Note Status

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

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

The Education Committee Report (03/03/25) adopted amendment L.001, and amendments to L.001, which makes implementation of the bill conditional on the receipt of sufficient gifts, grants, and donations, and creates the Higher Education Work-based Consortium Fund which is continuously appropriated to the Department of Higher Education. Legislative Council Staff and JBC staff agree that the Fiscal Note accurately reflects the fiscal impact of the bill with the adoption of L.001.

Amendments in This Packet

L.007 Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause.

Description of Amendments in This Packet

L.007

Bill Sponsor amendment **L.007** (attached) amends the timeline for the transfer of funds from the Universal High School Scholarship Program Cash Fund to the General Fund, extending it from December 30, 2026 to June 30, 2027. It amends the administrative expenditure cap for the Universal High School Scholarship Program, capping it at \$1.5 million rather than 6.0 percent of the total appropriation. Legislative Council Staff and JBC staff agree that this changes the fiscal impact of the bill.

Points to Consider

Gifts, Grants, and Donations

The bill is dependent on gifts, grants, and donations. For implementation, the bill requires expenditures of \$612,372 in FY 2025-26 and \$637,540 in FY 2026-27. If the necessary revenue from these sources is not realized, the implementation of this bill is at risk. Section 24-75-1305, C.R.S., prohibits the future use of General Fund, or any other source of state funding, to implement a bill that is exclusively funded by gifts, grants, and donations.

Is it the General Assembly's intent to fund this program exclusively through gifts, grants, and donations?

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 Department of Higher Education to **not** seek annual authority from the General Assembly to spend money from the Higher Education Work-based Consortium Fund?