

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning modifications to the Colorado health insurance affordability enterprise to address the affordability of health insurance in the individual market using nonappropriated funding sources.

Prime Sponsors:

Representatives Brown; Gilchrist
Senators Jodeh; Mullica

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303-866-2062

Fiscal Impacts

Appropriation Required, Amendment in Packet

Possible 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 08/24/2025.

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

Amendments in This Packet

J.003 Staff-prepared appropriation amendment

L.019 Bill Sponsor amendment – changes fiscal impact, does not change appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.003

Staff amendment **J.003** (attached) appropriates a total of \$3,173,500 cash funds to the Department of Treasury for FY 2025-26 from the Tax Credit Sale Proceeds Cash Fund.

L.019

Bill Sponsor amendment **L.019** (attached) modifies the face value of tax credits that may be issued under the bill, adding related administrative costs of \$3,173,500 to the total, so that the face value that may be issued will be \$103.2 million. The change will increase the total tax credit proceeds that may be deposited to the Health Insurance Affordability Enterprise Cash Fund to a full \$100.0 million. Legislative Council Staff and JBC Staff concur that this will not change the administrative costs related to the bill.

The Committee may adopt both J.003 and L.019.

Points to Consider

The July 2025 revenue forecast updates from the Office of State Planning and Budgeting (OSPB) and Legislative Council Staff (LCS) anticipate that state revenues will fall short of the TABOR limit in FY 2025-26. The update from OSPB projects that revenues will fall \$742.2 million below the TABOR limit in FY 2025-26 and then be \$411.4 million above the TABOR limit in FY 2026-27. Legislative Council Staff projects a shortfall of \$661.8 million below the TABOR limit in FY 2025-26 and a surplus of \$758.8 million above the TABOR limit in FY 2026-27. TABOR surpluses must be refunded to taxpayers out of the General Fund.

The required General Fund reserve for the fiscal year ending June 30, 2026 is 15.0 percent of FY 2025-26 General Fund appropriations. Based on the July 2025 revenue forecast updates, both the OSPB and LCS anticipate the General Fund reserve will end the current fiscal year below the reserve requirement. OSPB anticipates a deficit of \$783.1 million and LCS anticipates a deficit of \$691.9 million below the statutory reserve requirement.

General Fund Impact

The bill, as amended by the Senate Finance Committee, specifies that if tax credit sales do not generate enough revenue to provide a \$100 million transfer to the Health Insurance Affordability Cash Fund, the balance will be transferred to the Health Insurance Affordability Cash Fund from the General Fund. If this occurs, it will reduce the 15.0 percent General Fund reserve by up to \$100 million, reducing the cushion available to address revenue declines and expenditure increases.