

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning the implementation of proposition 130.

Prime Sponsors:

Senators Kirkmeyer; Bridges
Representatives Birds; Taggart

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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 Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/28/25.

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

Updated information changes the technical note on page 9 of the fiscal note and consequently increases General Fund appropriations in FY 2026-27 by \$206,072. The update pertains to 2.0 FTE for Department of Public Safety in FY 2026-27 and future years. These 2.0 FTE would administer the distributions to local law enforcement agencies. The fiscal note assumes that these 2.0 FTE would be paid from the Peace Officer Training and Support Fund (the Fund), which is continuously appropriated to the Department. However, these costs are not an allowable use of the Fund and are therefore assumed to be paid from the General Fund.

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 \$5,046,967 cash funds from the Death Benefit Fund to the Department of Public Safety for FY 2025-26. The appropriation reflects 0.5 FTE.

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2025-26 based on the March 2025 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its FY 2025-26 budget package the \$5,000,000 General Fund transfer to the Death Benefit Fund.

TABOR/Excess State Revenues Impact

The March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$642.7 million for FY 2025-26 and \$775.8 million for FY 2026-27 to be refunded to taxpayers out of the General Fund. The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 OSPB revenue forecast.

This bill is estimated to reduce General Fund revenues by \$5.0-\$25.0 million in FY 2025-26 and \$5.1-\$26.3 million in FY 2026-27, which will result in a reduction in the TABOR surplus liability of equal amounts.

Legislative Appropriation Authority

Is it necessary for the Department of Public Safety to **not** seek annual authority from the General Assembly to spend money from the Peace Officer Training and Support Fund?

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.

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.

General Fund Reserve Impact

The bill designates the \$500.0 million issued to PERA as part of the State's General Fund reserve and requires the General Assembly to reduce the direct distribution to PERA if the General Assembly reduces the reserve requirement below \$1.0 billion (including the \$500.0 million issued to PERA). However, the General Assembly will not be able to directly access the \$500.0 million issued to PERA through the bill. Would the State be able to access sufficient reserves in the time-frame necessary to address a recession?