

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning health-care support for large employers' workers.

Prime Sponsors:

Representative Feret
Senator Mullica

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Fiscal Impacts

Appropriation Required, Amendments 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 04/09/26.

Update: The Legislative Council Staff and Joint Budget Committee staff agree that the legal services costs should be slightly updated to reflect the current rates per hour and the Fiscal Note omitted a TABOR revenue impact associated with the legal services. The bill is projected to increase the General Fund obligation for a TABOR refund by \$59,625 in FY 2026-27 and \$270,300 in FY 2027-28 and on-going. When an enterprise purchases services from the state, including legal services, the revenue is TABOR revenue. In a year when a TABOR refund is due, that additional TABOR revenue increases the General Fund obligation for a TABOR refund.

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

L.005 Bill Sponsor amendment – changes fiscal impact

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 \$59,625 reappropriated funds to the Department of Law for the provision of legal services. This reflects 0.3 FTE.

L.005

Bill Sponsor amendment **L.005** (attached) makes a number of changes to the bill. See the attached memo from Legislative Council Staff for a summary. The projected fiscal impact changes, as described in the LCS memo, but the bill does not require an appropriations clause, because the money in the Large Employer Health-care Support Fund is still continuously appropriated to the enterprise.

The Committee should adopt **J.001** whether it adopts **L.005** or not.

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

General Fund Impact

The bill is projected to decrease the available General Fund by \$154,625 in FY 2026-27, reducing the \$57.3 million set aside by the same amount. This is attributable to two impacts.

First, the bill allows the State Treasurer to loan money from the General Fund to the enterprise in FY 2026-27. Without sponsor amendment **L.005**, the loan is up to \$95,000. With sponsor amendment **L.005**, the loan amount is whatever amount is needed for expenses before the enterprise receives fee revenue (the LCS memo for **L.005** estimates this amount is \$100,437, but it could be more or less).

Second, the bill is projected to increase the General Fund obligation for a TABOR refund by \$59,625 in FY 2026-27 and \$270,300 in FY 2027-28 and on-going. When an enterprise purchases services from the state, including legal services, the revenue is TABOR revenue. In a year when a TABOR refund is due, that additional TABOR revenue increases the General Fund obligation for a TABOR refund.

Future Budget Processes/Legislative Authority

How will the General Assembly figure out how much General Fund is needed for Medicaid under this bill?

The bill gives the enterprise authority to set the fees and determine how the revenue is used. That revenue is continuously appropriated to the enterprise, and the General Assembly has no control over how it is spent. This lack of oversight could create challenges for balancing the state budget.

If the enterprise uses the fee revenue to cover Medicaid costs, it will save significant General Fund. The Fiscal Note assumes General Fund savings of \$33.3 million per year from FY 2027-28 through FY 2029-30 with larger savings in FY 2030-31 and beyond, depending on the decisions of the enterprise and whether sponsor amendment **L.005** is adopted. However, the enterprise could spend the revenue in ways that provide no General Fund savings. The enterprise could spend the money on wellness programs or, if the sponsor amendment passes, grants for large employers' costs for health insurance. Also, the enterprise could set the fees to generate more or less revenue than assumed in the Fiscal Note. The General Assembly won't know the General Fund impact until the enterprise acts. The bill sets no deadline for those decisions and provides no way for lawmakers to influence how much revenue is collected and applied to Medicaid.