

**JBC Staff Fiscal Analysis**  
**House Appropriations Committee**

Concerning limits on the amounts that certain health insurers may reimburse for the provision of certain health-care services, and, in connection therewith, creating the "Support Colorado's Health-Care Safety Net Act of 2025".

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**Prime Sponsors:**

Representatives Brown; Sirota  
Senators Bridges; Jodeh

**Date Prepared:**

March 6, 2025

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**Fiscal Impacts**

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Appropriation Required, Amendment in Packet

General Fund Impact

New Cash Fund with Continuous Appropriation

**Fiscal Note Status**

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The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/05/25.

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

**Amendments in This Packet**

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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 \$100,183 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies, of which \$60,183 is further reappropriated to the Department of Law for FY 2025-26. The appropriation reflects 0.3 FTE for the Department of Law.

## Points to Consider

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### General Fund Impact

Pursuant to Section 10-3-209 (4), C.R.S., taxes on insurance premiums are credited to the Division of Insurance Cash Fund (with a maximum transfer of five percent of premium tax collections) to cover appropriations made by the General Assembly. Any increase in appropriations reduces the amount of tax revenue deposited in the General Fund, thereby reducing the amount of General Fund available for other purposes.

The Joint Budget Committee (JBC) is developing a budget package for FY 2025-26. This bill requires a General Fund diversion of \$100,183 for FY 2025-26, reducing the General Fund available for other FY 2025-26 appropriations by this 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 Department of Health Care Policy and Financing to **not** seek annual authority from the General Assembly to spend money from the Health Care Reimbursement Feasibility Study Cash Fund?

### Cash Fund Interest

The interest earned on the investment of cash fund revenue that is not exempt from TABOR is considered revenue subject to TABOR. It has been common practice in legislation creating new cash funds to credit any interest earned on the money in the fund to the fund. In cases where money within a cash fund originate as General Fund, this practice creates an unintended consequence of increasing cash fund revenue subject to TABOR, which reduces the amount of General Fund otherwise available. In years where revenue surpasses the TABOR/Referendum C cap, this earned cash fund interest displaces otherwise available General Fund money.

If the March 2025 revenue forecast adopted by the Joint Budget Committee (JBC) projects a TABOR surplus liability for FY 2025-26 or for FY 2026-27, these sums must be refunded to taxpayers out of the

General Fund. Legislation that increases non-exempt revenue (such as cash funds) to the State will further increase the TABOR refund made out of the General Fund. This will reduce the amount of General Fund available for programs.

Is it the General Assembly's intent for interest earned on the funds in the Health Care Reimbursement Feasibility Study Cash Fund, the Group Benefit Plans Expenditure Savings Cash Fund, and the Behavioral Health Safety Net Cash Fund to remain in the funds?