



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: February 12, 2025
Subject: Potential Legislation Packet 4

This packet includes a bill draft for the Committee’s consideration. If the Committee would like to approve a bill draft for introduction, the motion should include the following:

- Approve for introduction in the Senate as a JBC bill LLS 25-XXXX (indicate if it is part of the Long Bill package or not);
- Identify prime sponsors and co-sponsors from the JBC; and
- Grant staff permission to make technical changes including adding appropriations.

Each individual item has page numbers, but also a packet page number (P-XXX) to help navigate the whole document. The page numbers below refer to the packet page number that begins with a “P”.

Potential Legislation

LLS 25-0721 Spending Authority Statutes (Dermody)P-1



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee
From: Tom Dermody, JBC Staff (303-866-4963)
Date: Monday, February 10, 2025
Subject: LLS 25-0721 – Statutory Overexpenditure Authority Modification and Extension

On November 18, 2024, during the staff briefing for the Department of Personnel, the Committee approved for drafting a five-year extension of the repeal dates for statutory overexpenditure authority provided in seven sections of Title 24, Article 74, Part 1. Every five years the repeal dates for these sections of statute are extended, generally for another five years. At least the last three iterations of this legislation have been Joint Budget Committee sponsored legislation. The sections of statute to have their repeal date extended are listed below.

- **24-75-105.**
 - Allows for transfers of appropriations amongst centralized appropriations, as defined by Section 24-75-112 (1)(b), C.R.S.
- **24-75-106.**
 - Allows for transfers between the Departments of Health Care Policy and Financing and Human Services to ensure sufficient appropriations to meet matching requirements for Medicaid programs, exclusive of administrative costs.
- **24-75-106.5.**
 - Transfers under this section require Governor approval and are limited by the applicable and relevant footnotes in the Long Bill.
- **24-75-107.**
 - Requires transfers to be consistent with statutes governing cash funds.
- **24-75-108.**
 - Requires approval of the Governor, or Chief Justice of the Colorado Supreme Court in the case of the Judicial Branch.
 - Must be within a single fiscal year, must be within the same department, and must be for like purposes; and
 - All such transfers for all departments cannot exceed a total of \$10.0 million in a given fiscal year.
- **24-75-109.**
 - Upon approval of the Governor, allows the State Controller to record an overexpenditure within a fiscal year.

February 10, 2025

- Requires the State Controller to “restrict, in an amount equal to said overexpenditure, the corresponding item or items of appropriation” in the next fiscal year.
- Departments are required to seek supplemental appropriations from the General Assembly to lift the restriction.
- **24-75-110.**
 - Limits the total amount transferred pursuant to Sections 24-75-108 and 109 to \$1.0 million annually.

Additionally, on January 24, 2025, during the staff supplemental presentation for the Department of Corrections, the Committee approved staff’s recommendation to amend the provisions of Section 24-75-108 (2), C.R.S.; this section allows for and defines intradepartmental transfer for like purposes. Subparagraph (2) of this section defines those transfers that **are not** like purposes. The additional language recommended to the Committee by staff makes explicit that Personal Services and Operating Expenses line items are not like purposes, as well as excluding the Department of Corrections from intradepartmental transfers. These changes are found on page 3, lines 11-17 of the draft legislation included in this memo.

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
1/28/25

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LLS NO. 25-0721.01 Rebecca Bayetti x4348

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Spending Authority Statutes

A BILL FOR AN ACT

101 **CONCERNING STATUTES GOVERNING SPENDING AUTHORITY, AND, IN**
102 **CONNECTION THEREWITH, EXTENDING THE REPEAL DATE OF**
103 **CERTAIN STATUTES THAT ALLOW TRANSFERS AND**
104 **OVEREXPENDITURES IN LIMITED CIRCUMSTANCES AND**
105 **CLARIFYING WHICH TRANSFERS BETWEEN APPROPRIATIONS ARE**
106 **NOT FOR LIKE PURPOSES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill extends the repeal date from

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

September 1, 2025, to September 1, 2030, for statutes authorizing the transfer of spending authority between line items in specified circumstances and allowing overexpenditures in excess of the amount authorized by an item of appropriation in specified circumstances.

The bill also clarifies that, in addition to those already expressed in statute, the following transfers between appropriations are not for like purposes:

- Transfers between items of appropriation for personal services and for operating expenses; or
- Transfers between any line items of appropriation in the department of corrections that are not explicitly authorized in a footnote to the annual general appropriation act.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-105, **amend**
3 (2) as follows:

4 **24-75-105. Transfers required to implement conditional and**
5 **centralized appropriations - repeal.** (2) This section is repealed,
6 effective ~~September 1, 2025~~ SEPTEMBER 1, 2030.

7 **SECTION 2.** In Colorado Revised Statutes, 24-75-106, **amend**
8 (2) as follows:

9 **24-75-106. Transfers between departments of health care**
10 **policy and financing and human services for materially similar items**
11 **of appropriation for medicaid programs - limitation - repeal.** (2) This
12 section is repealed, effective ~~September 1, 2025~~ SEPTEMBER 1, 2030.

13 **SECTION 3.** In Colorado Revised Statutes, 24-75-106.5, **amend**
14 (5) as follows:

15 **24-75-106.5. Transfers between departments of health care**
16 **policy and financing and human services for corresponding items of**
17 **appropriation - limitations - repeal.** (5) This section is repealed,
18 effective ~~September 1, 2025~~ SEPTEMBER 1, 2030.

19 **SECTION 4.** In Colorado Revised Statutes, 24-75-107, **amend**

1 (2) as follows:

2 **24-75-107. Cash fund transfers pursuant to sections 24-75-105**
3 **and 24-75-106 - repeal.** (2) This section is repealed, effective ~~September~~
4 ~~1, 2025~~ SEPTEMBER 1, 2030.

5 **SECTION 5.** In Colorado Revised Statutes, 24-75-108, **amend**
6 (2) introductory portion and (11); and **add** (2)(h) and (2)(i) as follows:

7 **24-75-108. Intradepartmental transfers between**
8 **appropriations - repeal.** (2) None of the following transfers ~~shall be~~
9 ARE deemed to be between like purposes within the meaning of
10 subsection (1) of this section:

11 (h) TRANSFERS BETWEEN ITEMS OF APPROPRIATION FOR PERSONAL
12 SERVICES, AS DEFINED IN SECTION 24-75-112 (1)(m), AND OPERATING
13 EXPENSES, AS DEFINED IN SECTION 24-75-112 (1)(l); OR

14 (i) TRANSFERS BETWEEN ANY LINE ITEMS OF APPROPRIATION IN
15 THE DEPARTMENT OF CORRECTIONS THAT ARE NOT EXPLICITLY
16 AUTHORIZED IN A FOOTNOTE TO THE ANNUAL GENERAL APPROPRIATION
17 ACT.

18 (11) This section is repealed, effective ~~September 1, 2025~~
19 SEPTEMBER 1, 2030.

20 **SECTION 6.** In Colorado Revised Statutes, 24-75-109, **amend**
21 (6) as follows:

22 **24-75-109. Controller may allow expenditures in excess of**
23 **appropriations - limitations - appropriations for subsequent fiscal**
24 **year restricted - repeal.** (6) The controller may allow overexpenditures
25 pursuant to this section only for the fiscal years beginning on or after July
26 1, 1998, but prior to ~~July 1, 2025~~ JULY 1, 2030. This section is repealed,
27 effective ~~September 1, 2025~~ SEPTEMBER 1, 2030.

1 **SECTION 7.** In Colorado Revised Statutes, 24-75-110, **amend**
2 (2) as follows:

3 **24-75-110. Limitation on judicial department - repeal.** (2) This
4 section is repealed, effective ~~September 1, 2025~~ SEPTEMBER 1, 2030.

5 **SECTION 8. Safety clause.** The general assembly finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, or safety or for appropriations for
8 the support and maintenance of the departments of the state and state
9 institutions.