

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A REVOLVING LOAN FUND WITHIN THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS TO MAKE INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Bridges and Zenzinger
Reps. Ortiz and Will

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Date Prepared: May 2, 2022

Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

TABOR Impact

New Cash Fund (with Continuous Appropriation)

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/26/22.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Finance Committee Report (05/02/22) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$379,081 reappropriated funds from the Department of Local Affairs to the Office of Information Technology for FY 2022-23. This

provision also states that the appropriation is based on the assumption that the Office of Information Technology will require an additional 4.3 FTE to implement the act.

Points to Consider

TABOR/ Excess State Revenues Impact

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$46.0 million General Fund for ongoing appropriations, (\$40.0 million plus \$6.0 million for a 15.0 percent General Fund reserve) and \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

This bill is estimated to increase cash fund revenues by \$332,500 in FY 2022-23 and by \$1,465,000 in FY 2023-24, which will reduce the available General Fund in each fiscal year by an equal amount. This bill increases the TABOR refund made out of the General Fund by \$332,500 for FY 2022-23, reducing the \$46.0 million General Fund set aside for FY 2022-23 by the same amount.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. 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 Local Affairs to **not** seek annual authority from the General Assembly to spend money from Transformational Affordable Housing Revolving Loan Fund? Can a revolving loan program operate properly if it is subject to annual appropriation?