

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING RESOURCES FOR DISASTER PREPAREDNESS AND RECOVERY, AND, IN CONNECTION THEREWITH, CREATING THE DISASTER RESILIENCE REBUILDING PROGRAM, THE SUSTAINABLE REBUILDING PROGRAM, AND THE OFFICE OF CLIMATE PREPAREDNESS.

Prime Sponsors: Senator Fenberg

JBC Analyst: Scott Thompson

Phone: 303-866-4957

Date Prepared: April 29, 2022

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

New Cash Funds (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 04/29/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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 attached Legislative Council Staff Revised Fiscal Note accurately describes the fiscal impact of the bill, however, the Colorado Firefighting Air Corps Fund is continuously appropriated and therefore does not need further appropriation. Appropriations required by the bill are reduced by the \$18,267,618 cash funds identified for the Department of Public Safety. Therefore, the bill requires a total appropriation of \$1,135,218 total funds, including \$905,218 General Fund.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
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 has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$1,135,218 to the multiple state agencies for FY 2022-23, including \$905,218 General Fund and \$230,000 cash funds from the Department of Insurance Cash Fund. This provision also states that the appropriation is based on the assumption that the impacted agencies will require an additional 24.7 FTE. The appropriations include:

- \$472,137 General Fund for the Office of the Governor, including a provision that states the appropriation is based on the assumption the Office will require an additional 2.7 FTE;
- \$162,751 reappropriated funds to the Department of Law;
- \$233,837 General Fund to the Department of Local Affairs including the assumption that the department will require an additional 2.8 FTE;
- \$91,937 General Fund to the Department of Agriculture including the assumption that the department will require an additional 0.9 FTE
- \$107,307 General Fund to the Department of Natural Resources including the assumption that the department will require an additional 0.9 FTE
- \$19,334 reappropriated funds to the Department of Personnel; and
- \$230,000 cash funds to the Department of regulatory Agencies.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and includes a General Fund transfer of \$35.0 million for FY 2022-23, reducing the \$900.0 million set aside by the same amount. It also creates an ongoing obligation of \$905,218 General Fund.

Further, 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 900.0 million

SB22-206

JBC Staff Analysis

General Fund set aside for one-time obligations. This bill is anticipated to reduce the set aside by \$230,000.

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:

- Colorado Energy Office to **not** seek annual authority from the General Assembly to spend money from Sustainable Rebuilding Program Fund?
- Department of Local Affairs to **not** seek annual authority from the General Assembly to spend money from Disaster Resilience Rebuilding Program Fund?