

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE PUBLIC UTILITIES COMMISSION'S REGULATION OF ENERGY UTILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Fenberg and Cutter	JBC Analyst: Mitch Burmeister
Reps. deGruy Kennedy and Martinez	Phone: 303-866-3147
	Date Prepared: May 2, 2023

Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

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 05/01/23.

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 (05/01/23) 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
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$1,265,551 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department of Regulatory Agencies for FY 2023-24; and \$856,494 to the Department of Law for FY 2023-24, including \$713,745 reappropriated funds from the appropriation to the Department of Regulatory Agencies and \$142,749 cash funds that originate from custodial federal funds from the Colorado Energy Office in the Office of the Governor. This provision also states that the appropriation is based on the assumption that the Department of Regulatory Agencies will require an additional 5.0 FTE and the Department of

Law will require an additional 4.6 FTE. Based on the reengrossed bill, the existing appropriation is \$82,003 cash funds and 0.8 FTE less than what is identified in the Revised Fiscal Note.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$1,347,554 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department of Regulatory Agencies for FY 2023-24; and a total of \$856,494 to the Department of Law for FY 2023-24, including \$713,745 reappropriated funds from the appropriation to the Department of Regulatory Agencies and \$142,749 cash funds that originate from custodial federal funds from the Colorado Energy Office in the Office of the Governor. This provision also states that the appropriation is based on the assumption that the Department of Regulatory Agencies will require an additional 5.8 FTE and the Department of Law will require an additional 4.6 FTE.

Points to Consider*TABOR/ Excess State Revenues Impact*

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25 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 \$30.0 million General Fund for ongoing appropriations and \$469.0 million General Fund for bills that create one-time obligations in FY 2023-24.

This bill is estimated to increase cash fund revenues by \$1,465,737 in FY 2023-24 and by \$1,236,767 in FY 2024-25, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund made out of the General Fund by \$1,465,737 for FY 2023-24, reducing the \$30.0 million General Fund set aside for FY 2023-24 by the same amount.