

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ASSISTANCE FOR INDIVIDUALS WHO ARE UNABLE TO PAY THEIR ENERGY UTILITY BILLS, AND, IN CONNECTION THEREWITH, TRANSFERRING MONEY FROM THE GENERAL FUND TO THE ENERGY OUTREACH COLORADO LOW-INCOME ENERGY ASSISTANCE FUND.

Prime Sponsors: Sens. Fields and Crowder
Reps. Duran and Landgraf

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Date Prepared: December 1, 2020

Appropriation Items of Note

Appropriation Not Required, No Amendment in Packet

General Fund/TABOR Impact

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 11/30/20.

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 Senate Finance Committee Report (11/30/20), which was adopted by the Senate on Second Reading (11/30/20), 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 neither requires nor contains an appropriation clause for FY 2020-21.

Points to Consider

The FY 2020-21 transfer of \$5.0 million General Fund into the Energy Outreach Colorado Low-income Energy Assistance Fund included in this bill will reduce the amount of General Fund available for other purposes in FY 2020-21 or FY 2021-22 by the same amount.

There is significant uncertainty regarding the General Fund revenues that will be collected in FY 2020-21 and FY 2021-22.

- *FY 2019-20 General Fund Reserve.* Based on the September 2020 economic forecasts, both the Office of State Planning and Budgeting (OSPB) and Legislative Council Services (LCS) anticipate the General Fund reserve for the fiscal year ending June 30, 2020 to exceed the statutorily required reserve of \$363.5 million (3.07 percent of FY 2019-20 General Fund appropriations). OSPB anticipates an excess reserve of \$1,427.2 million and LCS anticipates an excess reserve of \$1,265.5 million.
- *FY 2020-21 General Fund Reserve.* The required General Fund reserve for the fiscal year ending June 30, 2021 is 2.86 percent of FY 2020-21 General Fund appropriations (currently \$306.9 million). Based on the September 2020 economic forecasts, both OSPB and LCS anticipate the General Fund reserve for the fiscal year ending June 30, 2021 to exceed the statutorily required reserve. Adjusted to reflect the estimated FY 2019-20 excess reserve, the FY 2020-21 excess reserve is anticipated by OSPB to be \$1,468.2 million, and by LCS to be \$385.4 million.
- *General Fund Revenue Uncertainty.* The OSPB and LCS projections of gross General Fund revenues to be collected in FY 2020-21 differ significantly, with the OSPB projections exceeding those of LCS by \$887.6 million in FY 2020-21 and by \$292.0 million in FY 2021-22. In addition, the quarterly September 2020 economic forecasts do not reflect the revenue impacts of voter-approved statewide ballot measures (e.g., Proposition 116 which reduced the state income tax rate) or the economic impacts associated with the recent increases in COVID-19 cases.