



**Legislative Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

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# Fiscal Note

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**Drafting Number:** LLS 21-1024      **Date:** May 28, 2021  
**Prime Sponsors:** Sen. Moreno; Rankin      **Bill Status:** Senate Appropriations  
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**Bill Topic:**      **AMERICAN RESCUE PLAN ACT OF 2021 CASH FUND**

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a cash fund and transfers federal funding the state receives pursuant to the American Rescue Plan Act of 2021. The bill increases state expenditures through FY 2026-27.

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**Appropriation Summary:**      No appropriation is required.

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**Fiscal Note Status:**      The fiscal note reflects the introduced bill.

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**Table 1**  
**State Fiscal Impacts Under SB 21-288**

		<b>Current Year FY 2020-21</b>	<b>Budget Year FY 2021-22</b>	<b>Out Year FY 2022-23</b>
<b>Revenue</b>		-	-	-
<b>Expenditures</b>		-	-	-
<b>Transfers</b>	Federal Funds	(\$3,448,761,790)	-	-
	Cash Funds	\$3,448,761,790	-	-
	<b>Net Transfer</b>	<b>\$0</b>	-	-
<b>TABOR Refund</b>		-	-	-

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## **Summary of Legislation**

As part of the federal American Rescue Plan Act of 2021 (ARPA), Colorado will receive \$3.8 billion for fiscal recovery related to the COVID-19 pandemic. States may use recovery funding for allowable purposes identified in the federal act. This bill creates the American Rescue Plan Act of 2021 Cash Fund (ARPA fund) and requires that the state treasurer transfer \$3,448,761,790 to the ARPA fund.

The General Assembly does not appropriate money from the ARPA fund; rather, the money may be transferred to another cash fund established to use federal recovery funding. If there is any money remaining in the ARPA fund after transfers required by 2021 legislation, then the governor is authorized to allocate up to \$300,000,000, which is continuously appropriated to the designated departments. State departments may use recovery funding for any allowable purpose under the federal law. If money is transferred or appropriated to a recipient cash fund that also receives money from other sources, the bill requires the creation of a companion cash fund for the proper segregation and accounting of federal funds.

Recovery funds must be expended or obligated by 2024. Obligated funds must be spent by 2026. Any unused and unobligated funds as of December 30, 2024, revert to the ARPA fund and the state treasurer must transfer the balance to the Unemployment Compensation Fund.

The State Controller in the Department of Personnel and Administration (DPA) and the Office of State Planning and Budgeting (OSPB) must establish compliance, record keeping, and reporting requirements for any department receiving an appropriation from a recipient cash fund. OSPB must also give guidance on program implementation and evaluation. The bill requires periodic and annual reports of fund uses and program evaluations. Money may be appropriated from a recipient fund to the DPA and OSPB for any direct or indirect expenses to administer ARPA recovery funding.

If ARPA funds are transferred to the State Highway Fund, the Multimodal Transportation and Mitigation Options Fund, and the Highway Users Tax Fund, those transfers are subject to the same requirements as other transfers of recovery funding.

## **State Expenditures**

The bill requires that all ARPA funds must be expended or obligated by 2024. Obligated funds must be spent by 2026. It is assumed that expenditures will be specified in other bills or through the annual budget process, and have not been estimated in this fiscal note.

## **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that Section 24-75-226 (6), C.R.S. only takes effect if SB 21-260 becomes law.

## **State and Local Government Contacts**

All State Agencies