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Fiscal Note

Drafting Number: LLS 22-0957 Date: April 29, 2022
Prime Sponsors: Rep. McCluskie; Herod Bill Status: House Appropriations
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Bill Topic: MONEY FROM CORONAVIRUS STATE FISCAL RECOVERY FUND

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill amends the administrative requirements for spending federal American Rescue Plan Act funds and substitutes money that was allocated in 2021 legislation from the Federal Coronavirus State Fiscal Recovery Fund with General Fund or cash funds through transfers and changes to appropriations.

Appropriation Summary: The bill makes adjustments to funding sources in other bills. See State Appropriations section.

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

Table 1
State Fiscal Impacts Under HB 22-1411

Table with 3 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures, Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts.

## Summary of Legislation

The bill amends the administrative requirements for spending federal American Rescue Plan Act (ARPA) funds and substitutes money that was allocated in 2021 legislation from the Federal Coronavirus State Fiscal Recovery Fund with General Fund or cash funds through transfers and changes to appropriations.

The changes to the administrative requirements include:

- requiring subrecipients to spend or obligate ARPA funds by November 30, 2024, expend the funds by December 11, 2026, and return unspent funds by December 11, 2026;
- requiring the State Controller to transmit the unspent funds to the U.S. Department of the Treasury;
- clarifying that the compliance, reporting, record-keeping, and program evaluation requirements established by the Office of State Planning and Budgeting and the State Controller apply to a person regardless of whether the person is a beneficiary or a subrecipient and regardless of whether the person receives the money directly from a department or from a subrecipient;
- requiring the Department of Revenue to provide the controller with information about reductions or increases in net tax revenue; and
- establishing that money transferred from the fund to a recipient fund is available to be reported as being an expenditure for the provision of government services.

## State Transfers

For FY 2022-23, the bill requires the following transfers.

### From the General Fund:

- \$28.0 million to the Housing Development Grant Fund;
- \$30.9 million to the Workers, Employers, and Workforce Centers Cash Fund; and
- \$5.6 million to the Revenue Loss Restoration Cash Fund.

### From Cash Funds:

- \$10.0 million from Workers, Employers, and Workforce Centers Cash Fund to the Revenue Loss Restoration Cash Fund;
- \$1.5 million from the Affordable Housing and Home Ownership Cash Fund (that originates from the General Fund) to the Housing Development Grant Fund; and
- \$29.5 million from the Housing Development Grant Fund to the Affordable Housing and Home Ownership Cash Fund.

## State Expenditures

The bill will increase workload for the Department of Personnel and Administration, the Department of Revenue, and the Treasury Department to comply with the bill requirements. This increase does not require an increase in appropriations.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For the current FY 2021-22:

- the bill changes the source of the appropriation for House Bill 21-1288 to specify that the amount from the Colorado Startup Loan program Fund is from the General Fund instead of from ARPA funds; and
- the bill changes the source of the appropriation for House Bill 21-1329 to specify that the amount from the Affordable Housing and Home Ownership Cash Fund is from the General Fund instead of ARPA funds.

## State and Local Government Contacts

Personnel

Revenue

Treasury