



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 22-0951	Date:	July 22, 2022
Prime Sponsors:	Sen. Hansen; Zenzinger Rep. Herod; McCluskie	Bill Status:	Signed into Law
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Bill Topic: INFRASTRUCTURE INVESTMENT & JOBS ACT CASH FUND

Summary of Fiscal Impact:

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

The bill creates the Infrastructure Investment and Jobs Act Cash Fund to be used for by state and local governments for non-federal matching funds required to receive federal infrastructure funds under the Infrastructure Investment Jobs Act. It increases state expenditures beginning in FY 2022-23, and may increase local government revenue and expenditures.

Appropriation Summary: The bill requires and includes a \$60 million appropriation to any principal department and the Office of the Governor.

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

**Table 1
State Fiscal Impacts Under SB 22-215**

		Current Year FY 2021-22	Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-	-
Expenditures¹	Cash Funds	-	\$60.0 million	-
	Total Expenditure	-	\$60.0 million	-
Transfers	General Fund	(\$80.25 million)	-	-
	Cash Funds	\$80.25 million	-	-
	Net Transfer	\$0	-	-
Other Budget Impacts		-	-	-

¹ The bill provides roll-forward spending authority through FY 2026-27.

Summary of Legislation

The bill creates the Infrastructure Investment and Jobs Act Cash Fund (fund) to provide non-federal matching funds for infrastructure projects allowed under the federal Infrastructure Investment and Jobs Act (federal act). The fund is annually appropriated to any principal department and the Governor's Office. Subject to approval by the Governor, a department may expend money in the fund as matching funds for the following infrastructure categories as set forth in the federal act:

- transportation infrastructure projects;
- water, environmental, and resiliency projects;
- power, grid, and broadband projects; and
- any other infrastructure projects explicitly funded and set forth in the federal act.

The Governor's Office will develop a process for departments to apply for funds and for reviewing and approving applications. It will submit a report by October 1, 2022 and each year thereafter to the Joint Budget Committee and relevant legislative committees detailing expenditures from the fund.

The bill creates a statutory transfer in FY 2021-22 of \$80.25 million from the General Fund to the fund. On June 30, 2028, all unexpended money in the fund will be transferred to the General Fund.

Background

The Infrastructure Investment Jobs Act (IIJA) includes around 200 programs that impact Colorado. Through formula funding, Colorado is expected to receive approximately \$3.5 billion from the federal government. Colorado may be eligible for additional funding through competitive grants by providing non-federal matching funds. The IIJA legislation specifies that non-federal matching funds will be required for at least 40 percent of these programs, but exact matching amounts are not specified.

The Office of State Planning and Budgeting estimates the maximum match amount that may be required across all programs where non-federal matches are required to be around \$971 million. The IIJA funds may be allocated and granted over the next five years, and more information will be available on non-federal matching requirements in the coming months.

State Transfers

In FY 2021-22, the bill transfers \$80.25 million from the General Fund to the Infrastructure Investment and Jobs Act Cash Fund.

State Expenditures

The bill will affect state agency workload and spending in several ways, as described below.

Administration. Beginning in FY 2022-23, workload will increase in the Governor’s Office to administer the cash fund and provide project planning and grant writing support to state agencies. This fiscal note assumes that the office will require 2.5 FTE and \$475,904 in FY 2022-23, including an infrastructure coordinator, a budget and policy analyst, and a controller to establish an application process, review and approve grant applications, award and monitor grants, and prepare annual reports. Costs beyond FY 2022-23 will depend on the number of applicants and level of grant writing and project planning support required by the departments.

Infrastructure funding. Spending from the Infrastructure Investment and Jobs Act Cash Fund will increase by up to \$60 million from FY 2022-23 through FY 2026-27 to pay for the non-federal portion of project funding. By providing the state share of project funding, additional federal matching funds will also be available for projects, which will increase expenditure of federal funds on eligible projects conducted by the state. The timing of spending from the fund will depend on when projects are approved, and the amount of federal funds available will depend of the matching rate for specific projects. If the remaining \$20.25 million in the cash fund is appropriated in future fiscal years, spending will increase by the appropriated amount.

Local Government

Revenue and expenditures in local governments will increase to the extent matching funding is provided from the fund for an infrastructure project that will be conducted by a local government.

State Appropriation

For FY 2021-22, the bill requires and includes an appropriation of \$60 million from the Infrastructure Investment and Jobs Act Cash Fund to a principal department of the state and to the Office of the Governor. Any money appropriated and not expended is further appropriated through FY 2026-27.

Effective Date

This bill was signed into law by the Governor and took effect on June 7, 2022.

State and Local Government Contacts

Office of State Planning and Budgeting