

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2020-21

### OFFICE OF THE GOVERNOR

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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# OFFICE OF THE GOVERNOR

## DEPARTMENT OVERVIEW

This Joint Budget Committee staff supplemental recommendations document includes the following offices and agencies within the Office of the Governor:

- The **Office of the Governor (division)** oversees operation of the executive branch of state government including coordination, direction, and planning of agency operations. The Office represents the state, and serves as a liaison with local and federal governments. The Office houses the Colorado Energy Office, which appears as a subdivision. Finally, the division performs administrative functions of a traditional executive director's office for all programs in its budget with the exception of the Office of Information Technology.
- The **Office of the Lieutenant Governor** directly oversees the Colorado Commission of Indian Affairs and the Commission on Community Service. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties.
- The **Office of State Planning and Budgeting (OSPB)** develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office develops, manages, and tracks the evidence based policy methodology that aims to determine the monetary value of state policies and programs.
- The **Office of Economic Development and International Trade (OEDIT)** assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.
- The **Governor's Office of Information Technology (OIT)** is responsible for the operation and delivery of all information and communications technology services across state executive branch agencies. The Office is tasked with providing information technology services, as well as promoting Colorado as the ideal location for information technology companies and technology-based workers. It houses the Colorado Broadband Office, which coordinates the state's broadband with other agencies and other governmental entities

## SUMMARY: FY 2020-21 APPROPRIATION AND RECOMMENDATION

Governor - Lt. Governor - State Planning and Budgeting: Recommended Changes for FY 2020-21						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2020-21 Appropriation</b>						
HB 20-1360 (Long Bill)	\$389,113,937	\$43,115,696	\$46,715,872	\$292,708,552	\$6,573,817	1,178.0
Other legislation	5,351,325	21,146,998	(21,425,921)	5,630,248	0	0.9
<b>Current FY 2020-21 Appropriation</b>	<b>\$394,465,262</b>	<b>\$64,262,694</b>	<b>\$25,289,951</b>	<b>\$298,338,800</b>	<b>\$6,573,817</b>	<b>1,178.9</b>
<b>Recommended Changes</b>						
Current FY 2020-21 Appropriation	\$394,465,262	\$64,262,694	\$25,289,951	\$298,338,800	\$6,573,817	1,178.9
S1 (GOV) MTCF for central approp. technical change	0	0	0	0	0	0.0
S1 (CEO) Clean energy finance stimulus	0	0	0	0	0	0.0
S1 (OIT) Expand statewide broadband access	0	0	0	0	0	0.0
S2 (OIT) Cash funds technical change	0	0	0	0	0	0.0
S1 (OEDIT) Creation of Colorado Startup Loan Fund program	0	0	0	0	0	0.0
S2 (OEDIT) Advanced Industries Accelerator transfer	0	0	0	0	0	0.0
S3 (OEDIT) Transfer to Strategic Fund	0	0	0	0	0	0.0
S4 (OEDIT) Creation of Cannabis Advancement Program	0	0	0	0	0	0.0
Staff-initiated (OEDIT) Letternote Corrections	0	0	0	0	0	0.0
NP1 Annual fleet vehicle true-up	406	(8,387)	0	8,793	0	0.0
<b>Recommended FY 2020-21 Appropriation</b>	<b>\$394,465,668</b>	<b>\$64,254,307</b>	<b>\$25,289,951</b>	<b>\$298,347,593</b>	<b>\$6,573,817</b>	<b>1,178.9</b>
<b>Recommended Increase/(Decrease)</b>	<b>\$406</b>	<b>(\$8,387)</b>	<b>\$0</b>	<b>\$8,793</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	< 0.0%	(< 0.0%)	0.0%	< 0.0%	0.0%	0.0%
<b>FY 2020-21 Executive Request</b>	<b>\$584,465,668</b>	<b>\$249,254,307</b>	<b>\$25,289,951</b>	<b>\$303,347,593</b>	<b>\$6,573,817</b>	<b>1,178.9</b>
Request Above/(Below) Recommendation	\$190,000,000	\$185,000,000	\$0	\$5,000,000	\$0	5.0

<sup>a</sup> Items highlighted in green require separate special legislation, which the Governor's Office requested the Joint Budget Committee to sponsor and introduce as part of the supplemental bill package.

NOTE: Numbers Pages were not included because each of the technical corrections shows \$0 changes and all other items require legislation and thus would not appear in the numbers pages.

### REQUEST/RECOMMENDATION DESCRIPTIONS

**S1 (GOV) MTCF FOR CENTRAL APPROP. TECHNICAL CHANGE:** The request and recommendation includes a technical change to the letternote to identify the Marijuana Tax Cash Fund as accounting for \$28,099 of the total cash funds appropriated for central appropriations with a decrease in the amount coming from various sources of cash funds, which results in a net \$0 change in total cash funds.

**S1 (CEO) CLEAN ENERGY FINANCE STIMULUS:** The request includes a transfer of \$40 million General Fund to the Energy Fund administered by the CEO for leveraging private capital for clean energy projects. The recommendation is to deny the request due to it not meeting supplemental

criteria. The discussion provides detail on the proposal if the JBC wishes to pursue the requested legislation.

**S1 (OIT) EXPAND STATEWIDE BROADBAND ACCESS:** The request includes a transfer of \$140 million General Fund to the Office of Information Technology and the Department of Regulatory Agencies through legislation. The recommendation is to deny the request due to it not meeting supplemental criteria, however, the recommendation is also to request draft legislation be undertaken. The discussion provides detail on the proposal if the JBC wishes to pursue the requested legislation.

**S2 (OIT) CASH FUNDS TECHNICAL CHANGE:** The request and recommendation includes a technical change to the letternote to the Application Administration line item to identify \$9,200 as coming from the Mobile Home Park Act Dispute Resolution and Enforcement Program Cash Fund and reducing the amount coming from the Marijuana Tax Cash Fund by an equal amount, resulting in a net \$0 change in total cash fund appropriations.

**S1 (OEDIT) CREATION OF COLORADO STARTUP LOAN FUND PROGRAM:** The request includes a transfer of \$30 million General Fund to a newly created Colorado Startup Loan Fund in OEDIT. The recommendation is to deny the request due to it not meeting supplemental criteria and because it creates an entirely new program. The discussion provides detail on the proposal if the JBC wishes to pursue the requested legislation.

**S2 (OEDIT) ADVANCED INDUSTRIES ACCELERATOR TRANSFER:** The request includes a transfer of \$10 million General Fund to the Advanced Industries Accelerator Cash Fund in OEDIT. The recommendation is to deny the request due to it not meeting supplemental criteria, however, JBC Staff would recommend the JBC sponsor the requested legislation if supplemental criteria had been met since it is supplementing funding for an existing program. The discussion provides detail on the proposal if the JBC wishes to pursue the requested legislation.

**S3 (OEDIT) TRANSFER TO STRATEGIC FUND:** The request includes a transfer of \$15 million General Fund to the OEDIT's "Strategic Fund". The recommendation is to deny the request due to it not meeting supplemental criteria. The discussion provides detail on the proposal if the JBC wishes to pursue the requested legislation.

**S4 (OEDIT) CREATION OF CANNABIS ADVANCEMENT PROGRAM:** The request includes a transfer of \$5 million from the Marijuana Tax Cash Fund to the OEDIT's "Strategic Fund" to run a new technical assistance and grant or loan program targeted at potential cannabis entrepreneurs. The recommendation is to deny the request due to it not meeting supplemental criteria and because it creates a completely new program, which does not fall within one of the allowable uses of Marijuana Tax Cash Fund. The discussion provides detail on the proposal if the JBC wishes to pursue the requested legislation.

**STAFF-INITIATED (OEDIT) LETTERNOTE CORRECTIONS:** The request and recommendation includes two technical adjustments to the letternotes in the 2020 Long Bill for the Office of Economic Development and International Trade that result in a net \$0 change in the total amount of cash funds appropriated to the Office. Those changes include:

- Eliminating a reference to the Advanced Industries Acceleration Cash Fund, replacing \$69,955 spending authority with fees collected pursuant to Colorado Job Creation and Main Street Revitalization Act, if available; and
- Correcting the appropriation to the Council on Creative Industries, which stemmed from the Office's 2020 R7 Creative District interest spending authority, to identify \$10,786 from the Creative District Community Loan Fund and \$2,023,000 from the Creative Industries Cash Fund.

**NP1 ANNUAL FLEET VEHICLE TRUE-UP:** The request includes an increase of \$406 total funds included a decrease of \$8,387 General Fund and increase of \$8,793 cash funds. The recommendation is pending action on statewide common policy supplementals.

## PRIORITIZED SUPPLEMENTAL REQUESTS

### S1 (GOV) MTCF FOR CENTRAL APPROPRIATIONS TECHNICAL

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of technical error in calculating the original appropriation.

**DEPARTMENT REQUEST:** The Office requests a correction to the letternote on cash fund appropriations made to its Special Purpose subdivision, the request replaces \$28,099 various sources of cash funds with \$28,099 from the Marijuana Tax Cash Fund.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve the Office request.

**STAFF ANALYSIS:** Due to a limited amount of time to review Long Bill drafts in 2020 prior to final passage, a few errors made it through review. Over the summer, the Governor’s Office identified one such error in the letternote on line item appropriations from cash funds for centralized appropriations, which should have identified \$28,099 as being from the Marijuana Tax Cash Fund. The current text of the footnote provides flexible spending authority to the Governor’s Offices centralized appropriations by identifying the entire amounts as being from various sources of cash funds. Because of the legislature’s caution when appropriating MTCF, primarily to ensure it is not overspent, the State Controller’s Office has had the practice of requiring specific references in the Long Bill to the Marijuana Tax Cash Fund in order for it to approve expenses.

The Department requests and JBC Staff recommends that letternote “a” throughout the Special Purpose section of the Governor’s Office budget be amended to identify this spending authority specifically. The recommended change follows, new words are identified by small caps and deletions by strikeout.

<sup>a</sup> ~~These~~ OF THESE amounts, \$28,099 SHALL BE FROM THE MARIJUANA TAX CASH FUND, CREATED IN SECTION 39-28.8-501 (1), C.R.S., AND \$635,726 shall be from various sources of cash funds.

### S1 (CEO) CLEAN ENERGY FINANCE



	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$40,000,000</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	40,000,000	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** The Office submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific clean energy finance. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

**DEPARTMENT REQUEST:** The Energy Office (CEO) requests a transfer of \$40.0 million General Fund to the Energy Fund to invest in clean energy finance programs that will stimulate Colorado’s economy. The Energy Fund is continuously appropriated to the Colorado Energy Office and can be used to facilitate investment in a number of clean energy projects discussed in more detail in the analysis.

**STAFF RECOMMENDATION:** JBC Staff recommends denying the Office’s request due to it not meeting supplemental criteria. JBC Staff would recommend the Committee carry legislation to make the transfer if not for it not meeting the supplemental criteria. The CEO request targets the transfer of the funds requested to programs that already exist and simply supplements the funding available for programs that already receive more applications for assistance than is available in their budget.

**STAFF ANALYSIS:** Lack of accessible and affordable capital is one of the largest market barriers to increasing investments in renewable energy, energy efficiency, and electric vehicles. To address this, CEO operates public-private partnership programs that facilitate private capital investments into clean energy technologies. This stimulus funding would provide one-time investments into these established and market-proven programs, allowing for the deployment of limited state dollars to leverage significantly larger amounts of private capital. In order to immediately stimulate the economy, CEO expects that funds provided can be deployed into existing financing entities or programs by the end of FY 2020-21. Each of the programs targeted by the CEO are described in the following paragraphs.

**COLORADO CLEAN ENERGY FUND**

The CEO proposes that the majority of the requested funding will be targeted to the Colorado Clean Energy Fund program, a total of \$30.0 million. In 2018, following a multi-year collaboration among the CEO, the Department of Energy, and the Coalition for Green Capital (CGC), the Colorado Clean Energy Fund was incorporated as a 501(c)(3) nonprofit financial institution. CCEF operates as Colorado’s “Green Bank” with the purpose of identifying barriers to financing clean energy projects and bridging gaps between clean energy projects and private capital providers. CEO would provide investment capital to CCEF to implement innovative financing mechanisms that leverage private capital. Early focus areas for CCEF investment are on small and rural commercial projects and low- and moderate-income residential projects. As CCEF grows its operations, it will expand its financial

product offerings to support clean transportation, forestry, and sustainable agriculture, and other clean energy market segments necessary for Colorado to meet its climate goals.

Nationally, “Green Banks” have caused \$5.3 billion in clean energy investment since 2011 (\$1.5 billion of green bank investment and \$3.8 billion of total private co-investment), with \$1.5 billion of this investment taking place in 2019. The green bank concept was first proposed in 2009, and there are now 15 green banks in the U.S. with more in development. The mobilization ratio (overall investment/green bank investment) of American green banks was \$3.6 to \$1 as of the end of calendar year 2019, meaning that every green bank dollar invested resulted in \$3.60 of overall investment in the American clean energy economy.

This leverage/mobilization ratio is reflective of an aggregate national/portfolio level. To that end, some Green Banks achieve leverage ratios far greater than this. For example, the Connecticut Green Bank achieved a portfolio-level leverage ratio of \$8.5:\$1 (private:public) in 2020. Further, specific loan products managed by Green Banks can achieve leverage ratios greater than \$10:\$1 (private:public). The CEO anticipate two loan products to be offered if the requested transfer approved. The Small Commercial & Industrial (C&I) Clean Energy Loan Product is estimated to leverage public funds at a \$10:\$1 ratio and the Low-and Moderate-Income (LMI) Residential Clean Energy Loan Product expects a \$5:\$1 ratio. Both leverage rates are based on the experience of other similarly structured green banks operating in the United States.

#### **NEW ENERGY IMPROVEMENT DISTRICT**

Of the amount request, CEO plans to direct \$3.0 million to the New Energy Improvement District, a statewide special district authorized by Section 32-20-104 et. seq., C.R.S., governs the Commercial Property Assessed Clean Energy (C-PACE) financing program in Colorado. This district is governed outside of the executive branch, but receives administrative support from CEO through an MOU. The District is a public-private partnership with capital providers that drives low-interest investments in commercial real estate through clean energy retrofits and energy efficient new construction. Since 2016, commercial building owners have used the C-PACE program and its network of 38 capital providers to finance 76 projects totaling \$80.0 million worth of energy improvements.

#### **RESIDENTIAL ENERGY UPGRADE (RENU) LOAN PROGRAM**

The CEO request would direct \$2.0 million to the Colorado RENU Loan program, which is a statewide residential loan program sponsored by CEO in partnership with Colorado-based credit unions. The program makes home energy upgrades easy and affordable by offering low-cost, long-term financing to residents throughout the state. CEO provides a loan loss reserve for private capital providers to de-risk their investments and demonstrate the viability of clean energy lending, a model that has proven to be highly successful. Since inception in 2017, the RENU program has partnered with two lenders to provide over 1,100 loans totaling roughly \$18 million in renewable energy and energy efficiency investment in Colorado homes. The average loan in the portfolio is \$16,500. The loan loss reserve structure allows RENU to leverage \$13 or more of private financing for every \$1 of public funds set aside for the reserve. In addition to the loan loss reserve, CEO manages and oversees a statewide contractor network of 140 authorized contractors who offer the RENU loan to their customers.

#### **CHARGE AHEAD COLORADO PROGRAM**

The CEO plans to utilize the final \$5.0 million transferred in the request for the Charge Ahead Colorado (CAC) program, a partnership between CEO and the Regional Air Quality Council, which

provides grants for community and workplace electric vehicle charging infrastructure. Access to dedicated charging infrastructure is considered a prerequisite to replacing a gas-powered vehicle with an EV. Lack of sufficient charging infrastructure at State facilities limits the ability of agencies to purchase new EVs, even for use cases where they are shown to reduce operational costs and vehicle emissions. Providing funding for the installation of EV charging stations at State facilities will ensure that agencies can replace all light duty vehicles with EVs as directed in the Greening Government Executive Order.

Approving the CEO’s request would not guarantee that the amount of funding identified in each of the four programs discussed above. The CEO request is for the entire \$40.0 million to be transferred to the continuously appropriated Energy Fund and the planned allocation discussed above is based on the Office’s current expectations.

**S1 (OIT) EXPAND STATEWIDE BROADBAND ACCESS**

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$140,000,000</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** The Department submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific to broadband. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

In discussions with the Governor’s Office, it indicated that it also submits the request under the same criterion because at the time the 2020 Long Bill was finalized, the length of time and impact to Coloradans of limited broadband access was unknown.

**DEPARTMENT REQUEST:** The Department requests a one-time transfer of \$140.0 million General Fund and no FTE, of which \$50.0 million is requested to be transferred to the Broadband Administrative Cash Fund at the Department of Regulatory Agencies (DORA), and \$90.0 million is requested to be transferred to a newly created Broadband Initiatives Cash Fund for the Colorado Broadband Office (CBO) within the Governor’s Office of Information Technology (OIT) to expand broadband infrastructure in response to the social and economic disruption caused by the COVID-19 pandemic. This request requires legislation.

**STAFF RECOMMENDATION:** Staff recommends the Committee deny the request for not meeting supplemental criteria. However, JBC Staff recommends the Committee consider the request as a separate JBC bill, either running with the Long Bill or on its own. The recommendation would be to

request a bill draft to direct funding to DORA and OIT as requested, and authorize JBC staff to work with the Office of Legislative Legal Services, Legislative Council Staff, and staff from the involved executive branch agencies to develop that initial draft. Legislation would also move the authorization of the Colorado Broadband Advisory Board from an Executive Order to being created in statute and would include guidelines for making grants to expand statewide broadband access. JBC staff also suggests creating new cash funds for both OIT and DORA.

**STAFF ANALYSIS:** Broadband is coordinated at the state level by CBO within OIT. In addition, several agencies play a critical role in broadband infrastructure development including the Colorado Office of Economic Development and International Trade (OEDIT), the Department of Regulatory Agencies (DORA), Department of Local Affairs (DOLA), and Department of Transportation (CDOT). There are numerous agencies in the state, like the Office of eHealth Innovation (OeHI) and the Colorado Department of Education (CDE) that have programs and initiatives that rely on broadband infrastructure to deliver services, which can influence positive outcomes to Colorado's residents.

Predominantly, broadband investments are made through two existing programs administered by DOLA and DORA. The DOLA Broadband Program, funded through the Energy/Mineral Impact Assistance Fund Grant (EIAF), supports local governments' efforts to improve broadband fiber infrastructure (middle mile) to drive community economic development. The Energy Impact Grants are not dedicated solely to broadband fiber infrastructure and competes with other projects local governments have identified as mitigating energy development impacts.

The DORA Broadband Fund, funded through transfers from the Colorado High Cost Support Mechanism (CHCSM) collected by the Colorado Public Utilities Commission (CoPUC), provides grants to internet service providers and electric cooperatives to deploy broadband service (last mile) to unserved (under 25Mbps/3Mbps service access) households and community anchor institutions (CAI) across the state. Due to the funding source, industry stakeholders oppose targeting the funding for projects that are not supported by the industry, for example, in cases where it believes the project would overbuild the broadband networks.

OIT and DORA investigated what resources it would take to consolidate broadband grant making in the OIT and due to complications with funding sources associated with other programs that already make grants related to broadband, the Governor's Office continues to support its original request as the best path forward. Notably, the High Cost Support Mechanism, which funds broadband expansion projects approved by DORA's Broadband Deployment Board.

Broadband has become as necessary for Coloradans to access as electricity to conduct business and interact with government. As of the spring 2020, 87% of Colorado's rural households have access to broadband, defined as 25 Mbps (Megabits per second) download and 3 Mbps upload (25/3Mbps). This is a lagging indicator, which the state does not directly influence. However, while a household might have access to broadband, the pandemic has created new demands on the broadband network statewide, and are stretching its ability to deliver fast and reliable connections to the internet as multiple users in a household are on the internet at the same time. In short, the Federal Communications Commission (FCC) and state standard of 25/3 Mbps is insufficient for the two-way interactive video needs of e-commerce, telehealth & telemedicine, or e-learning with multiple users or devices. Students, businesses, healthcare workers, and all Coloradans deserve the opportunity to access broadband that

delivers speeds higher than 25/3 Mbps. However, to connect Coloradans, fiber, cable, wireless, and other technologies must be deployed in high-cost project areas of the state.

Since 2016, DORA has awarded \$42.0 million to 54 projects, providing broadband access to over 25,000 rural households across Colorado. However, current data shows there are 85,000 - 90,000 rural Colorado households lacking broadband access. Many of these communities are in high-cost or difficult areas of the state to reach. Assuming the cost of reaching these truly high-cost and often topographically constrained households, using technology that is commercially available today, it could be two to three times the cost per location of previously funded projects. Rough estimates indicate the cost of providing broadband to the remaining unserved households in this way would range between \$500 million and \$700 million.

DORA will leverage the Broadband Deployment Board to award funding to local recipients for last mile broadband infrastructure. These funds should be targeted for previously unfunded but previously accepted DORA Broadband Deployment Board applications and new applications, which the request would include in statute. The projects must be shovel ready, include an income qualified plan, and demonstrate that the project will not overbuild existing broadband infrastructure. JBC staff recommends that the DORA funding be transferred to a new cash fund created specifically for this purpose, an idea to which neither the Governor's Office nor DORA objected.

The funding requested for OIT would be transferred to a newly created Broadband Initiative Cash Fund and would be used to make grants to Federally Recognized Tribes, Local Government and Municipalities, Community Anchor Institutions, Rural Electric Associations/Co-Ops, State Agencies, Public Private Partnerships, and other qualifying entities. OIT would then coordinate with other experts such as DOLA for middle mile investments, the Office of eHealth Innovation for telemedicine, or the Colorado Commission on Indian Affairs for Federally Recognized Tribes.

The funding is requested to be continuously appropriated to each agency because it is unlikely to encumber the full amount requested by the end of FY 2020-21. If these funds are continuously appropriated, JBC Staff recommends statutory repeals of the funds be included in legislation.

OIT and DORA investigated what it would take to centralize all broadband grant-making in one agency and it continues to support its original request. After meeting with OIT, JBC Staff is inclined to agree. JBC Staff believes centralizing broadband efforts could reduce or eliminate the amount of funds available from other sources than the requested General Fund transfer, such as from the Broadband Administration Cash Fund in DORA or the Energy Impact Assistance Cash Fund in DOLA. It also would create some redundancy instead of relying on program staff with experience identifying projects that fill gaps. The Broadband Advisory Board can serve as the centralized expert on the state's actions regarding broadband while subject matter experts without their full-time dedicated to this broadband request can remain in place at individual agencies.

JBC Staff finds the proposal generally a good idea but desires more of the details to be determined before making a final recommendation. For that reason, JBC Staff recommends that the Committee request a draft of the legislation from the Office of Legislative Legal Services and to grant the ability for Legal Services to work with JBC Staff, Legislative Council Staff, and staff from the involved executive branch agencies to develop that initial draft. To ensure the bill receives sufficient review, JBC Staff recommends that the bill requested would outside of the supplemental package, but if ready at the time the Long Bill is, it could run in conjunction with it.

## S2 (OIT) CASH FUNDS TECHNICAL CHANGE

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of technical error in calculating the original appropriation.

**DEPARTMENT REQUEST:** The Office requests a correction to the letternote on cash fund appropriations made to its Special Purpose subdivision, the request replaces \$9,200 from the Marijuana Tax Cash Fund with \$9,200 from the Mobile Home Park Act Dispute Resolution and Enforcement Program Cash Fund.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve the Office request.

**STAFF ANALYSIS:** Due to a limited amount of time to review Long Bill drafts in 2020 prior to final passage, a few errors made it through review. Over the summer, the Office of Information Technology (OIT) identified one such error in the letternote on the Applications Administration line item, which should have identified \$9,200 as coming from the Mobile Home Park Act Dispute Resolution and Enforcement Program Cash Fund. This funding was related to annualization of H.B. 19-1309 (Mobile Home Park Act Oversight).

The Department requests and JBC Staff recommends that letternote “a” associated with the Applications Administration line item be amended to correct this error. The recommended change follows. New words are identified by small caps and deletions by ~~strikeout~~.

<sup>a</sup> OF THIS ~~This~~ amount, \$606,812 shall be from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S., AND \$9,200 SHALL BE FROM THE MOBILE HOME PARK ACT DISPUTE RESOLUTION AND ENFORCEMENT PROGRAM CASH FUND CREATED IN SECTION 38-12-1110, C.R.S.

## S1 (OEDIT) CREATION OF COLORADO STARTUP LOAN FUND PROGRAM

	REQUEST	RECOMMENDATION
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<b>TOTAL</b>	<b>\$30,000,000</b>	<b>\$0</b>
FTE	3.0	0.0
General Fund	30,000,000	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** The Office submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific to private access to capital. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

**DEPARTMENT REQUEST:** The Office of Economic Development & International Trade (OEDIT) is requesting a one-time \$30.0 million infusion in General Fund, via a General Fund transfer, to the Colorado Economic Development Fund (“Strategic Fund”), for the creation of the Colorado Startup Loan Fund. This fund will provide lending capital to historically underserved entrepreneurs and entrepreneurs bankrupted or shut down as a result of COVID-19. This request includes support for one OEDIT phased-out contractor to start up and manage the deployment of funds and OEDIT administrative support necessary for the accounting, procurement, and operations of the new program. As part of the Governor’s stimulus package proposal, this request provides direct financial support for starting up new businesses to fill the needs created by business closures due to COVID-19. It is anticipated that most of these funds would go to new businesses, though some could also go to re-start businesses that were temporarily closed but capable of resuming operations.

**STAFF RECOMMENDATION:** Staff recommends denying the request because it does not meet supplemental criteria. Beyond the supplemental criteria not being met, JBC Staff has reservations about recommending the Governor’s request to use existing statutory authority to operate a newly created program. The request asks for the creation of a new Colorado Startup Loan Fund and to transfer \$30.0 million to the fund from the General Fund, actions which both require legislation. Considering the request requires legislation and is creating a brand new economic development program, JBC Staff believes committees of reference may want to weigh in on the program guidelines.

JBC Staff acknowledges that this is not a regular budget cycle and utilizing existing statutory authority can reduce the time between legislation being enacted and funds being awarded. But the request would fund 3.0 FTE to help start-up the program. This further supports the conclusion that it is creating a new program and not just utilizing existing statutory authority to quickly fund projects.

However, if the Committee wishes to provide funding to OEDIT for the creation of the Colorado Startup Loan Fund, JBC staff recommends the Committee include in the transfer legislation some program guidelines in statute.

**STAFF ANALYSIS:** COVID-19 has had significant economic impacts on businesses across the state. Despite efforts to support existing businesses with financial resources, many have already closed and more are likely to do so in the coming months. As a result, there will be opportunities to open new businesses to fulfill returning demand in many sectors, but entrepreneurs who were bankrupted or

shut down due to COVID-19 may be prevented from re-entering the market because of low credit scores or other COVID-19-related financial difficulties. While there has been substantial capital formation in response to COVID-19, including, for example, the CLIMBER and Energize Colorado Gap Funds, the majority of the funds from these programs aim to help existing businesses weather the pandemic, not for new business formation.

Furthermore, there is evidence that certain entrepreneurs have traditionally lacked meaningful access to business formation capital. Based on data from the 2018 Small Business Credit Survey, the Brookings Institution found that large banks approve around 60 percent of loans sought by White small-business owners, 50 percent of those sought by Hispanic or Latinx small-business owners, and 29 percent of those sought by Black small-business owners. Research has also found that Black small-business owners are significantly more likely to be asked by banks to provide additional information about their personal financials than White small-business owners are, thereby introducing additional barriers to their ability to seek capital.

In response to the aforementioned impacts of COVID-19 and evidence that certain entrepreneurs have traditionally lacked meaningful access to business formation capital, OEDIT proposes the creation of the Colorado Startup Loan Fund (“Fund”). The proposed Fund would provide grants to community development financial institution (CDFI) network and non-profit lenders, both of which would then provide lending capital (and also potentially some small grants) to entrepreneurs. Preference would be given to historically underserved entrepreneurs and/or to entrepreneurs who’ve been bankrupted or shut down as a result of COVID-19. OEDIT will also encourage the CDFIs and nonprofits to support entrepreneurs with innovative business models that leverage social, technological, and economic changes and have been pioneered in response to COVID, but have potential for lasting success. This program will not require a statutory change but it will require an additional 3.0 FTE.

OEDIT and its partners have successfully utilized Colorado’s CDFI and non-profit lender networks for the implementation and distribution of a variety of capital programs, including the Energize Colorado Gap Fund, which was provided a one-time \$20 million infusion from the General Assembly (S.B. 20-222), the CLIMBER Fund (H.B. 20-1413), the Colorado Microloan Program, the Community Development Block Grant Revolving Loan Fund program (run jointly with the Department of Local Affairs), and credit enhancement programs managed by Colorado Housing & Finance Authority. Notably, both S.B. 20-222 and H.B. 20-1413 include statutory changes and include program guidelines. The Office did not specify that it intends to use statutory authority authorized by either of those bills.

The proposed fund would provide grants to CDFIs and nonprofit lenders who would in turn provide loans (and potentially some grants) to entrepreneurs across the State, with preference to those who were shut down and/or bankrupted as a result of COVID-19 and those who have traditionally lacked meaningful access to business formation capital. The following table provides a summary of fund allocations and anticipated outcomes if the Office’s request is funded.

DESCRIPTION OF FUNDING ALLOCATION	GENERAL FUND
Amount reserved for administrative costs at OEDIT	\$0.40 million
Amount granted to CDFI and Non-profit lenders	\$29.60 million
Amount reserved for administrative costs at CDFI and lenders	\$1.48 million
Amount to be loaned or granted	\$28.13 million
<b>Total Amount of Request</b>	<b>\$30.00 million</b>



OUTCOMES EXPECTED	
Average Loan Principal	\$40,000
Average Grant	\$10,000
Average Total Capital	\$50,000
Maximum Grant-to-Loan Ratio	4 to 1
Average Capital per Job	\$40,000
Businesses Supported	562
Jobs Supported	937

OEDIT will measure the success of this program using similar performance and reporting requirements to those associated with other OEDIT grant programs. At a minimum, OEDIT will require that funded companies provide annual reports including information on jobs created, jobs retained, intellectual property developed, projected annual revenue and revenue growth, new capital investments and third party capital raised and leveraged and other key business milestones.

## S2 (OEDIT) ADVANCED INDUSTRIES ACCELERATOR TRANSFER

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$10,000,000</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** The Office submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific to the advanced industries accelerator. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

**DEPARTMENT REQUEST:** The Department requests a one-time transfer of \$10.0 million General Fund to the Advanced Industries Acceleration Cash Fund in FY 2020-21 to replace and supplement the estimated \$5.0 million revenue that would have been transferred to it without enactment of H.B. 20-1399, which temporarily suspended revenue transfers from gaming activities.

**STAFF RECOMMENDATION:** JBC Staff recommends denying the Office's request due to it not meeting supplemental criteria. JBC Staff would recommend the Committee carry legislation to make the transfer if not for it not meeting the supplemental criteria. Unlike the prior request, this one focuses on a program with demonstrated outcomes that already exists in statute. Therefore a bill to implement the Department's request would be a simple transfer bill.

**STAFF ANALYSIS:** The AI grant program accelerates economic growth through grants that improve and expand the development of seven advanced industries in Colorado: advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and

technology and information. This program requires a 2:1 match from outside investors, thereby bringing additional new money into the economy, which will be particularly necessary in the months and years ahead as we battle the recovery from the pandemic recession.

Companies funded by the AI grant program have been essential to economic and public health recovery efforts. In fact, OEDIT has identified at least 13 AI-funded bioscience and advanced manufacturing companies that are actively working on COVID-19 relief efforts in Colorado. These companies are also the start-ups that promote job growth, maintain a diversified economy, and ultimately will bring us out of the recession.

Due to COVID-19’s impact on the State’s gaming funds, the AI program did not receive transfers that typically amount to \$5.0 million in FY 2020-21. Because AI’s gaming funds were dedicated to supporting businesses within the bioscience sector, this loss disproportionately impacted those beneficiaries of the program. Thus, OEDIT prioritizes being able to fill this gap in funding and deploy additional capital to these businesses, especially due to their potential for disproportionately positive impacts during and immediately following the COVID-19 pandemic.

This proposal requests a one-time transfer of \$10.0 million General Fund to the AI grant program to support bioscience and other advanced industry businesses. This request does not include any additional staffing needs, but it does require additional accounting and procurement support. AI companies funded if request is funded will be subject to the same performance and reporting requirements as all other AI companies.

The AI program promotes economic diversification, and the advanced industries are key drivers of the U.S. and Colorado economies. The seven advanced industries that the AI program supports account for nearly 30 percent of the state’s total wage earnings, around 30 percent of total sales revenue, and almost 35 percent of the state’s total exports. Note that these figures are for the industries statewide and not limited to those supported through the accelerator program. Based on prior average grant awards, OEDIT anticipates being able to support at least an additional 40 AI companies with the \$10,000,000 infusion.

### S3 (OEDIT) TRANSFER TO STRATEGIC FUND

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$15,000,000</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?** **NO**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** The Office submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is

the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific to cash incentives that support and encourage new business development. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

**DEPARTMENT REQUEST:** The Office of Economic Development & International Trade (OEDIT) is requesting a one-time transfer of \$15.0 million General Fund to the Colorado Economic Development Fund ("Strategic Fund"). These funds will be used to take advantage of unique economic development opportunities by providing cash incentives to businesses that will provide significant numbers of new jobs and stimulate investment in the Colorado economy. This request provides the resources to attract a large headquarters or support other efforts that create net new jobs and will bolster the economy in an expedient manner.

**STAFF RECOMMENDATION:** JBC Staff recommends denying the request due to not meeting the criteria for supplemental requests. If the Committee wishes to move forward with the Department request, a simple transfer bill is all that is required. The Economic Development Commission has authority to provide the incentives it has requested and therefore no further statutory changes would be required for this request.

**STAFF ANALYSIS:** The Strategic Fund provides, among other economic development incentives, job creation cash incentives that support and encourage new business development, business expansions, and relocations that will generate new jobs throughout the State as well as cash grants to support initiative projects that have an economic development impact for the State.

Job creation incentive projects funded by the Economic Development Commission must include an inter-state or international competition element and require dollar-for-dollar local match performance-based cash incentives associated with the future creation of net new jobs in Colorado. Additional considerations include a project's potential for significant economic "spinoff" benefits (*e.g.*, including high prestige companies, large expansion initiative, attracting suppliers, generating tourism/travel activity), a Colorado headquarters, significant capital investment (*i.e.*, at least \$100,000 per employee), and response to a special local economic event (*e.g.*, replacing recent layoffs). These projects are executed in conjunction with businesses, partner communities, key industry leaders, local economic development organizations, and other regional organizations. All Strategic Fund job creation incentive and initiative projects must be approved at the discretion of the Colorado Economic Development Commission (EDC).

One item to note, while the EDC is authorized to create cash incentives for the creation of new jobs and relocation of businesses, the authority it has is broad in the types of economic development activities it can prioritize. For example, similar to its decisions in 2019, the EDC recently approved \$2.0 million from the Strategic Fund be granted to the Colorado Office of Film, Media, and Television, which has been funded by direct General Fund appropriations in past years but were cut from the 2020 Long Bill and are continued in the Governor's FY 2021-22 budget request. In the approval, the EDC notes that without this state funding it is likely the film industry would evaporate from Colorado.

Strategic Fund job creation projects are performance-based, such that projects will not receive Funding unless and until they document the creation and maintenance of the net new jobs for at least one year, at the required wages, and have obtained the required local matching funds. Thus, investments from the Strategic Fund by nature *must* create meaningful economic impacts within

Colorado. In addition, due to the funds additional consideration of businesses that will make these impacts in rural and other distressed areas of the State, the impacts of these investments could be especially important, especially as Colorado emerges from the pandemic recession.

**S4 (OEDIT) CREATION OF CANNABIS ADVANCEMENT PROGRAM**

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>\$0</b>
FTE	2.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO**  
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** The Office submitted this request under the criterion: "Data Which Was Not Available When the Original Appropriation Was Made". The sole reason provided by the Department that this request qualifies under this criterion is the fact that the amount of available General Fund is higher than anticipated last session. There is no new data specific to providing technical and financial support to cannabis entrepreneurs. For purposes of applying the criteria used to screen supplemental requests, JBC Staff do not consider changes in the amount of available General Fund "new data". Thus, staff concludes that this request does not fall under any of the criteria used to screen supplemental funding requests.

**DEPARTMENT REQUEST:** The Office of Economic Development & International Trade (OEDIT) is requesting a one-time \$5.0 million transfer to the Colorado Economic Development Fund (“Strategic Fund”) from the Marijuana Tax Cash Fund to fund grants and/or loans, for the temporary hire of up to 2.0 FTE to establish a new cannabis advancement program, as well as workshops and business support staff for the program.

**STAFF RECOMMENDATION:** JBC Staff recommends the Committee deny the Department request because it does not meet the supplemental criteria as discussed above. Further, JBC Staff has reservations about recommending a Marijuana Tax Cash Fund transfer bill to create a new program without providing statutory guidelines. Finally, the Marijuana Tax Cash Fund has a long list of allowable uses in statute and this request does not clearly fall within any of those currently in statute.

If the Committee wishes to pursue legislation to approve this request, JBC Staff recommends the legislation include changes to the allowable uses of the Marijuana Tax Cash Fund to include economic development and technical assistance or to specify that the requested transfer is allowable. The legislation should also create a new cash fund to receive the transfer as opposed to transferring it to the Strategic Fund and provide some program guidelines.

**STAFF ANALYSIS:** House Bill 20-1424 (Social Equity Licensees in Regulated Marijuana) created in statute a process for identifying and removing statutory bureaucratic hurdles at Marijuana Enforcement Division for people who traditionally are denied access to the existing business creation structure. The program proposed to be created through this request will aim to tackle the next barriers

to entry: access to technical assistance and start-up capital. By setting up incentives at OEDIT, with a focus on under-served communities recovering from decades of the war on drugs, this program would open up pathways for small businesses and those wishing to create new businesses in Colorado's cannabis industry.

OEDIT has experience in providing financial and technical assistance to small business owners through its network of small business development centers (SBDCs). The majority of the funding for operating the SBDC network comes from federal sources which is thus prohibited from being expended on providing technical assistance to businesses the federal government considers illegal, such as regulated marijuana businesses in Colorado.

For technical assistance, OEDIT's SBDCs help small businesses statewide achieve their goals by providing free, confidential consulting and low- or no-cost training programs. The SBDC combines information and resources from federal, state, and local governments with those of the educational and private sectors to meet the specialized and complex needs of the small business community. Regulatory, management, financial, and marketing experts work in partnership with entrepreneurs to provide crucial information that can mean the difference between success and failure. There are 15 full-time centers and more than 70 part-time satellite offices throughout Colorado.

Because the SBDC Network is barred from serving marijuana businesses, there is a significant gap in OEDIT's ability to help entrepreneurs in the industry. The SBDCs provide candid, free advice on developing a business plan, how to access capital, how to market a business, etc., and unfortunately, marijuana businesses have not been able to take advantage of that assistance due to the federal prohibition. Additionally, cannabis businesses cannot access traditional banking or capital markets for the same reason. Therefore, the sector has diminished levels of entrepreneurship that could be increased by providing access to traditional business support services that are currently lacking.

The demographic divide in entrepreneurship is exacerbated in the cannabis industry by the limited availability of capital outlined above and state laws that previously prohibited persons with certain criminal records from entering the industry. Colorado helped to address this gap by changing the requirements for licensure in the cannabis industry in 2019 and defining equity applicants in 2020. This cannabis advancement program represents the next piece in the puzzle to provide greater opportunities for communities harmed by the war on drugs to benefit economically, in the new, legal, regulated market place.

To address the aforementioned divide and support small businesses and entrepreneurs seeking entry to the cannabis industry, OEDIT is proposing a program that would (1) establish and fund a technical assistance program specific to cannabis businesses but modeled after existing OEDIT programming, and (2) establish a grant and/or revolving loan program for businesses that qualify as "social equity licensees".

The Office wishes to create this grant and/or revolving loan program within its Strategic Fund, which it states will allow the Economic Development Commission to provide additional oversight of the program via regular, public meetings where OEDIT staff will report out on the program's development and success and respond to any requests for further information from the Commissioners.

JBC Staff does not recommend the Committee make transfers to the Strategic Fund from the Marijuana Tax Cash Fund. However, JBC Staff does think there is value in creating a program to address these gaps and does not see a barrier to creating a new fund for the Economic Development Commission to administer that could support marijuana entrepreneurs through the SBDC network and through a new grant or loan program. Due to not meeting supplemental criteria, JBC Staff does not recommend the Office’s request. Staff does not recommend the Committee run this as a JBC bill, because it may be better addressed by the committees of reference.

## STAFF-INITIATED SUPPLEMENTAL REQUESTS

### STAFF-INITIATED – (OEDIT) LETTERNOTE CORRECTIONS

	REQUEST	RECOMMENDATION	
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>
FTE		0.0	0.0
General Fund		0	0
Cash Funds		0	0
Federal Funds		0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC Staff and the Office agree that the request is made due to a technical error in calculating the original appropriation.

**DEPARTMENT REQUEST:** The Office of Economic Development and International Trade (OEDIT) did not formally request a correction be made to two letternotes attached to appropriations, but did identify two errors in the 2020 Long Bill letternotes, which JBC staff agreed should be corrected through a JBC Staff-initiated recommendation. The Office supports the JBC Staff recommendation.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve two changes to letternotes in OEDIT’s section of H.B. 20-1360 to correct errors identified since its enactment:

- Eliminating a reference to the Advanced Industries Acceleration Cash Fund, replacing \$69,955 spending authority with fees collected pursuant to Colorado Job Creation and Main Street Revitalization Act, if available; and
- Correcting the appropriation to the Council on Creative Industries, which stemmed from the Office’s 2020 R7 Creative District interest spending authority, to identify \$10,786 from the Creative District Community Loan Fund and \$2,023,000 from the Creative Industries Cash Fund.

**STAFF ANALYSIS:** Due to a limited amount of time to review Long Bill drafts in 2020 prior to final passage, a few errors made it through review. Over the summer, the Office of Economic Development and International Trade (OEDIT) identified two such errors in the letternotes on two line item appropriations from cash funds.

The first is the letternote on the cash fund appropriation to Economic Development Commission - General Economic Incentives and Marketing. This line item pays expenses of the Economic Development Commission, including personal services, operating expenses, and economic development incentives and initiatives.

In the 2020 Long Bill, the letternote “F” in OEDIT’s section includes a reference to the Advanced Industries Acceleration Cash Fund, however, all of the cash funds appropriations should have been from fees collected pursuant to Colorado Job Creation and Main Street Revitalization Act (Section 39-22-514.5 (6), C.R.S.) for administration of tax credits issued pursuant under the act.

For letternote “F”, JBC Staff recommends the following changes. New words are identified by small caps and deletions by strikeout.

<sup>f</sup> THIS AMOUNT ~~Of this amount, an estimated \$143,837 shall be from fees collected pursuant to Sections 39-22-514.5 (6), C.R.S., and an estimated \$69,955 shall be from the Advanced Industries Acceleration Cash Fund created in Section 24-48.5-117 (7)(a), C.R.S.~~

The second error identified by OEDIT Staff over the summer is related to a budget request approved by the JBC last year, which was referred to as OEDIT’s R7 Creative District interest spending authority. While the increased appropriation of \$10,786 cash funds was included in the 2020 Long Bill for the Council on Creative Industries line item, the new cash fund was omitted from letternote “h”.

The technical correction recommended by JBC Staff is to add this cash fund to letternote “h” and the recommended changes are summarized below.

<sup>h</sup> OF THIS ~~this~~ amount, \$2,023,000 shall be from the Creative Industries Cash Fund created in Section 24-48.5-301 (2)(a), C.R.S., AND \$10,786 SHALL BE FROM THE CREATIVE DISTRICT COMMUNITY LOAN FUND CREATED IN SECTION 24-48.5-315, C.R.S.

Neither of the changes recommended in this Staff-initiated supplemental request require increasing total cash fund appropriations.

## STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

This request is not prioritized and is not analyzed in this packet. The JBC will act on these items when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
NP1 Annual fleet vehicle supplemental true-up	\$406	(\$8,387)	\$0	\$8,793	\$0	0.0

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<b>DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS</b>	\$406	(\$8,387)	\$0	\$8,793	\$0	0.0
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**STAFF RECOMMENDATION:** The staff recommendation for this request is pending Committee action on common policy supplementals. Staff will include the corresponding appropriation in the Department's supplemental bill based on Committee action on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

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