

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A GRANT PROGRAM TO BUILD COMMUNITY RESILIENCE REGARDING ELECTRIC GRID DISRUPTIONS THROUGH THE DEVELOPMENT OF MICROGRIDS.

Prime Sponsors: Reps. Pelton and Snyder
Sens. Hisey and Winter

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund 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 02/07/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
J.002	Bill Sponsor amendment - changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$5.0 million General Fund to the Department of Local Affairs for the Microgrids for Community Resilience Grant Program for FY 2022-23, and allows expenditure of the funds through FY 2025-26. The appropriation does not include an associated 1.6 FTE for the Department of Local Affairs or the \$20,713 General Fund appropriation to the Colorado Energy Office identified in the Legislative Council Staff Revised Fiscal Note.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to strike the existing appropriation and add a provision appropriating a total of \$5,000,000 General Fund to the Department of Local Affairs for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.6 FTE to implement the act, and that the money is further appropriated through FY 2025-26. Additionally, \$20,713 General Fund is appropriated to the Colorado Energy Office in the Governor's Office for FY 2022-23, and is based on the assumption that the Office will require an additional 0.2 FTE.

J.002 Staff has prepared amendment **J.002** at the request of the Sponsor (attached) to strike the existing appropriation and add a provision appropriating a total of \$3,500,000 General Fund to the Department of Local Affairs for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.6 FTE to implement the act, and that the money is further appropriated through FY 2025-26. Additionally, \$20,713 General Fund is appropriated to the Colorado Energy Office in the Governor's Office for FY 2022-23, and is based on the assumption that the Office will require an additional 0.2 FTE.

The Committee should adopt **J.001** or **J.002**, but **not** both.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and requires a General Fund appropriation of \$5,020,713 for FY 2022-23, reducing the \$900.0 million set aside by \$5,773,820 in order to maintain a 15.0 percent statutory General Fund reserve.

Amendment **J.002** reduces the appropriation to \$3,520,713 General Fund for FY 2022-23, which would reduce the \$900.0 million set aside by \$4,048,820 in order to maintain a 15.0 percent statutory General Fund reserve.