

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO IMPROVE AIR QUALITY IN THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Fenberg and Gonzales
Reps. Valdez A. and Froelich

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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 04/20/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

The House Energy and Environment Committee Report (04/21/22) eliminates the Diesel Truck Emissions Reduction Grant Program from the bill and makes the Electrifying School Buses Grant Program Cash Fund a continuously appropriated cash fund, rather than subject to annual appropriation by the General Assembly. The Committee Report also creates the Cannabis Resource Optimization Cash Fund, which is continuously appropriated to assist cannabis growers with using energy efficient practices.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$87.0 million total funds to the Department of Public Health and Environment for FY 2022-23, including \$7.0 million General

Fund, \$65.0 million cash funds from the Electrifying School Buses Grant Program Cash Fund, and \$15.0 million cash funds from Diesel Truck Emissions Reduction Grant Program Cash Fund. This provision also states that the appropriation is based on the assumption that the Department of Public Health and Environment will require an additional 11.5 FTE. The provision also appropriates a total of \$750,000 General Fund to the Department of Personnel and reappropriates \$90,725 to the Governors Office of Information Technology.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to change the existing clause to reappropriate \$44,365 to the Department of Education from the continuously appropriated Electrifying School Buses Grant Program Cash Fund within the Department of Public Health and Environment, based on the assumption that the Department of Education will require an additional 0.5 FTE. Amendment **J.002** also eliminates the \$65.0 million cash funds appropriation from the Electrifying School Buses Grant Program Cash Fund, and \$15.0 million cash funds appropriation from Diesel Truck Emissions Reduction Grant Program Cash Fund.

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 \$7,750,000 million for FY 2022-23, reducing the \$900.0 million set aside by \$8,912,500 in order to maintain a 15.0 percent statutory General Fund reserve.

This bill also creates a one-time obligation and includes a General Fund transfer of \$102.0 million for FY 2021-22, reducing the \$900.0 million set aside by the same amount.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriations**, allows departments to

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spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Colorado Energy Office and Department of Public Health and Environment to **not** seek annual authority from the General Assembly to spend money from the Industrial and Manufacturing Operations Clean Air Grant Program Cash Fund, the Community Access to Electric Bicycles Cash Fund, the Cannabis Resource Optimization Cash Fund, and Electrifying School Buses Grant Program Cash Fund?