

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE DEPLOYMENT OF BROADBAND THROUGH GRANTS ADMINISTERED BY THE COLORADO BROADBAND OFFICE, AND IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Prime Sponsors: Reps. Parenti and Weinberg  
Sens. Rodriguez and Priola

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Phone: 303-866-4957  
Date Prepared: April 25, 2024

**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**General Fund/TABOR Impact**

**New Cash Fund (with Continuous Appropriation)**

**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 04/19/24.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Finance Committee Report (04/25/24) includes amendments to the bill. Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill, however, the amendments do change the new cash fund created by the bill from one annually appropriated to being continuously appropriated. Therefore, the appropriation included in the bill from the Broadband Office Administrative Fund is no longer required.

**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 provides a total of \$525,393 cash funds to the Office of the Governor for FY 2024-25 from the Broadband Office Administrative Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 3.5 FTE. The provision also reduces the cash funds appropriation from the Broadband Administrative Fund by \$280,102 which amount is based on the assumption that this appropriation was for 2.0 FTE.

**Description of Amendments in This Packet**

**J.002** Staff has prepared amendment **J.002** (attached) to strike the portion of the appropriation clause adding \$525,393 cash funds from the Broadband Office Administrative Fund because appropriations from this new cash fund are continuously appropriated and thus no longer need to be included in the appropriation clause.

**Points to Consider***TABOR/ Excess State Revenues Impact*

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$1.3 billion for FY 2024-25 and \$1.8 billion for FY 2025-26 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$63.1 million General Fund for appropriations in FY 2024-25.

This bill is estimated to increase cash fund revenues by \$525,393 in FY 2024-25 and by \$533,042 in FY 2025-26, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund made out of the General Fund by \$525,393 for FY 2024-25, reducing the \$63.1 million General Fund set aside for FY 2024-25 by the same amount.

*Legislative Appropriation Authority*

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

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.

## **HB24-1336**

## **JBC Staff Analysis**

Is it necessary for the Office of the Governor to **not** seek annual authority from the General Assembly to spend money from Broadband Office Administrative Fund?