

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE 911 SERVICES ENTERPRISE.

Prime Sponsors: Senator Gonzales

JBC Analyst: Kelly Shen

Phone: 303-866-5434

Date Prepared: April 12, 2024

**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund Impact**

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

**Significant Cost Increase in Second Year**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/21/24.

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 Senate Finance Committee Report (04/02/24) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
J.001	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$107,695 General Fund to the Department of Regulatory Agencies for FY 2024-25. Of this amount, \$38,406 is further appropriated to the Department of Law. This provision also states that the appropriation is based on the assumption that the Department of Regulatory Agencies will require an additional 0.8 FTE and the Department of Law will require an additional 0.2 FTE.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$93.5 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$14.0 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	42,478,261
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
<b>TOTAL Placeholders for Other 2024 Legislation</b>	<b>\$93,497,320</b>

The bill requires a General Fund appropriation of \$107,695 for FY 2024-25, reducing the \$93.5 million set aside by the same amount.

*Future Fiscal Impact*

The bill is projected to increase annual cash fund revenue and expenditures by at least \$696,000 in FY 2025-26 and ongoing. Since the proposed cash fund is an enterprise, this revenue would not be subject to TABOR.

*Related Budget Information*

The attached fiscal note was prepared without feedback from affected agencies.

The bill creates the 911 Services Enterprise Cash Fund in the Department of Regulatory Affairs, which receives revenue from a fee on service users. This fee revenue is continuously appropriated

to the enterprise.

*Legislative 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.

Is it not necessary for the Department of Regulatory Agencies to seek annual authority from the General Assembly to spend money from 911 Services Enterprise Cash Fund?