

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO MODERNIZE ENERGY DISTRIBUTION SYSTEMS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Hansen and Fenberg
Reps. Duran and Brown

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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 05/04/24.

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.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$607,478 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department of Regulatory Agencies for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 5.0 FTE.

This clause does not reflect the updated fiscal impact of the bill as shown in the Revised Fiscal Note, which was updated to reflect new information.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to change the existing clause to appropriate \$420,500 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department of Regulatory Agencies for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 3.5 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 \$63.1 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 \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
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
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

This bill requires a transfer of \$800,000 General Fund to the newly created Line Worker Apprenticeship Grant Program Cash Fund for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

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 \$498,328 in FY 2024-25 and by \$464,978 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 \$498,328 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.

Is it **not** necessary for the Department of Labor and Employment to seek annual authority from the General Assembly to spend money from the Line Worker Apprenticeship Grant Program Cash Fund?