

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A DUTY OF THE DIVISION OF FIRE PREVENTION AND CONTROL TO CONDUCT WILDLAND FIRE INVESTIGATIONS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Senator Donovan
Representative Roberts

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Date Prepared: April 29, 2022

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund 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 04/01/22.

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
L.003/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

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 \$106,334 reappropriated funds to the Department of Personnel for FY 2022-23.

L.002 and J.002

Bill Sponsor amendment **L.002** (attached) amends the Fire Origin and Investigation Fund from a continuously appropriated cash fund to an annually appropriated cash fund and reduces the annual General Fund transfer required by the bill from \$3,000,000 to \$1,400,000. Amendment **J.002** (attached) provides the necessary spending authority to the Department of Public Safety from the cash fund for FY 2022-23.

If the Committee adopts L.003, it should adopt J.002 and not J.001.

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 an ongoing obligation and requires an annual General Fund transfer of \$3,000,000 for FY 2022-23 and each year thereafter, reducing the \$40.0 million set aside by the same amount.

If the Committee adopts L.003, the ongoing obligation is reduced to \$1,400,000 General Fund, reducing the \$40.0 million set aside by the same amount.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriations**, allows departments to 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 Department of Public Safety to **not** seek annual authority from the General Assembly to spend money from the Fire Origin and Cause Investigation Fund?