

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Carolyn Kampman, JBC Staff Director (303-866-4959)
DATE March 13, 2020
SUBJECT Recommended Changes to Long Bill Headnotes

Pursuant to Article V, Section 32 of the State Constitution, the annual general appropriation bill (called the “Long Bill”), “shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state, state institutions, interest on the public debt and for public schools.” All other appropriations are required to be made by separate bills, each embracing a single subject. The Long Bill typically includes the following sections:

- Section 1: Definitions and general provisions (called “headnotes”).
- Section 2: Appropriations for each state department’s *operating* expenses.
- Section 3: Appropriations for *infrastructure*, including controlled maintenance and capital construction projects as well as information technology projects. This section also includes a second set of headnotes that provide related definitions and general provisions.
- Sections 4 and subsequent sections: Amendments to prior year appropriations.

On February 28, 2020, as part of the Committee’s consideration of appropriations for capital construction projects, the Committee approved amendments to the associated headnotes that will be included in section 3 of the FY 2020-21 Long Bill.

The attached document includes staff’s recommended changes to the headnotes that will be included in section 1 of the FY 2020-21 Long Bill. These headnotes:

- Reference the relevant statutory provision that defines certain line items of appropriation (e.g., “personal services”, “operating expenses”, “FTE”, etc.);
- Designate funds to constitute the state emergency reserve as required by Article X, Section 20 (5) of the State Constitution (the Taxpayer’s Bill of Rights or “TABOR”);
- State that the amounts appropriated in the Long Bill indicate the maximum amount that may be expended from a certain fund source;
- Describe and define the format of the appropriated amounts, including the columns that indicate the nature of the fund source (e.g., “general fund”, “cash funds”, etc.);
- Explain the meaning of notations associated with certain appropriations (i.e., the (M), (L), (H), and (I) notations);
- State that while most amounts from federal fund sources are included for informational purposes only, the amounts from four sources of federal funds limit the amount of expenditures of such funds (e.g., Title XX Social Services Block Grant, Maternal and Child Health Block Grant, Child Care Development Funds, and Temporary Assistance for Needy Families Block Grant);
- State that the General Assembly is not obligated to support programs that are funded with nonappropriated federal fund sources;
- State that no money appropriated in the bill shall knowingly be paid to entities that place certain restrictions on employment or membership; and
- Require the State Controller to examine all contracts entered into during the fiscal year to determine whether such contracts are authorized by an appropriation in the Long Bill.

→ RECOMMENDED CHANGES

The attached document reflects two recommended changes to the FY 2020-21 Long Bill headnotes:

- Update all fiscal years referenced to reflect FY 2020-21; and
- Amend the language stating that no money appropriated in the bill shall knowingly be paid to entities that place certain restrictions on employment or membership by replacing “physical handicap” with “disability” [Page 8, line 16].

Staff has also highlighted the existing provision designating the TABOR emergency reserve [page 2, line 7 through page 3, line 16]. Staff will prepare a separate memo for the Committee to approve the specific components of this reserve for FY 2020-21 after the March 2020 forecasts are available. Staff requests permission to update the headnotes accordingly.

Finally, staff requests permission to make other technical drafting changes that may be discovered in the process of drafting the bill.

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT

LLS NO. 20-0700.01 Carolyn Kampman x4959

HOUSE BILL

HOUSE SPONSORSHIP

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House Committees

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE PROVISION FOR PAYMENT OF THE EXPENSES OF THE
102 EXECUTIVE, LEGISLATIVE, AND JUDICIAL DEPARTMENTS OF THE
103 STATE OF COLORADO, AND OF ITS AGENCIES AND INSTITUTIONS,
104 FOR AND DURING THE FISCAL YEAR BEGINNING JULY 1, ~~2019~~
105 2020, EXCEPT AS OTHERWISE NOTED.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Provides for the payment of expenses of the executive, legislative, and judicial departments of the state of Colorado, and of its agencies and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

institutions, for and during the fiscal year beginning July 1, 2019 2020, except as otherwise noted.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Definitions - general provisions.** As used in this
3 act, the following definitions and general provisions shall apply:

4 (1) Section 24-75-112, Colorado Revised Statutes, provides
5 definitions in order to specify the purpose of certain line items of
6 appropriation.

7 (2) The funds designated to constitute the state emergency
8 reserve for the ~~2019-20~~ 2020-21 fiscal year are: <Staff will prepare a
9 separate memo for the JBC to approve the components of the TABOR
10 emergency reserve after the March 2020 revenue forecasts are available.

11 >

12 (a) The major medical insurance fund, created in section 8-46-202
13 (1)(a), Colorado Revised Statutes, up to a maximum of \$70,000,000;

14 (b) The controlled maintenance trust fund, created in section
15 24-75-302.5 (2)(a), Colorado Revised Statutes, up to a maximum of
16 \$96,038,807;

17 (c) The unclaimed property tourism promotion trust fund, created
18 in section 38-13-116.7 (1), Colorado Revised Statutes, up to a maximum
19 of \$5,000,000;

20 (d) The severance tax perpetual base fund, created in section
21 39-29-109 (2)(a)(I.5), Colorado Revised Statutes, up to a maximum of
22 \$33,000,000;

23 (e) The Colorado water conservation board construction fund,
24 created in section 37-60-121 (1)(a), Colorado Revised Statutes, up to a
25 maximum of \$33,000,000;

- 1 (f) The wildlife cash fund, created in section 33-1-112 (1)(a),
2 Colorado Revised Statutes, up to a maximum of \$34,000,000; and
- 3 (g) Up to \$178,648,163 of state properties as follows:
- 4 (I) The state parking garage located at 1350 Lincoln Street,
5 Denver, Colorado 80203, which has a value of \$11,986,350;
- 6 (II) The legislative services building located at 200 E. 14th
7 Avenue, Denver, Colorado 80203, which has a value of \$17,357,350;
- 8 (III) The centennial building located at 1313 Sherman Street,
9 Denver, Colorado, 80203, which has a value of \$37,308,975;
- 10 (IV) The state services building located at 1525 Sherman Street,
11 Denver, Colorado, 80203, which has a value of \$44,879,625;
- 12 (V) The human services building located at 1575 Sherman Street,
13 Denver, Colorado, 80203, which has a value of \$32,180,900;
- 14 (VI) The capitol annex building located at 1375 Sherman Street,
15 Denver, Colorado, 80203, which has a value of \$28,930,625; and
- 16 (VII) The grant street building located at 1570 Grant Street,
17 Denver, Colorado, 80203, which has a value of \$6,004,338.

18 **SECTION 2. Appropriation.** (1) The sums included in this
19 section are appropriated out of any money in the general fund, the
20 indicated cash funds, and reappropriated funds, for the payment of the
21 ordinary operating costs of the executive, legislative, and judicial
22 departments of the state, and of its agencies and institutions, for and
23 during the fiscal year beginning July 1, ~~2019~~ 2020; and:

24 (a) The figures in the column headed "item & subtotal" are the
25 amounts made available by appropriation for expenditure within each line
26 item, except for the figures that appear directly beneath a line, which
27 figures are subtotals of the preceding line item appropriation amounts.

1 The figures in the "total" column are the amounts made available by
2 appropriation for expenditure by the department, division, institution, or
3 program to which the totals relate.

4 (b) The figures in the "general fund", "general fund exempt",
5 "cash funds", "reappropriated funds", and "federal funds" columns
6 indicate the source of funds for the amounts authorized in the expenditure
7 columns or the source of funds for the figures that are included for
8 informational purposes only.

9 (c) The figures in the "general fund" and "general fund exempt"
10 columns indicate the maximum amount that may be expended from the
11 general fund for the purposes shown.

12 (d) Where the letter "(M)" appears directly to the right of a
13 general fund or general fund exempt figure, that general fund or general
14 fund exempt appropriation, when combined with the related general fund
15 or general fund exempt transfers from the centralized appropriations to
16 the office of the executive director, is used to support a federally
17 supported program and is the maximum amount of general fund or
18 general fund exempt money that may be expended in that program, except
19 where otherwise provided. In the event that additional federal funds are
20 available for the program, the combined general fund or general fund
21 exempt amount noted as "(M)" shall be reduced by the amount of federal
22 funds earned or received in excess of the figure shown in the "federal
23 funds" column for that program. In the event that the federal funds earned
24 or received are less than the amount shown in the "federal funds" column,
25 the combined general fund or general fund exempt amount noted as "(M)"
26 shall be reduced proportionately. Where general fund or general fund
27 exempt support is required as a condition for the acceptance of federal

1 funds and the state matching requirements are reduced, the combined
2 general fund or general fund exempt amount noted as "(M)" shall be
3 reduced proportionately. These provisions shall apply only to the general
4 fund or general fund exempt amount which remains unexpended at the
5 time of the change in federal requirements or funding. It is intended that
6 the general fund or general fund exempt amount and the federal funds
7 amount shall be expended in equally proportioned amounts throughout
8 the year.

9 (e)(I) The figures in the "cash funds" or "reappropriated funds"
10 columns, including the figures in any related letter notes, indicate all
11 non-general fund and non-general fund exempt sources and all nondirect
12 federal fund sources and may be cash funds established by statute,
13 nonstatutory cash accounts, tuitions, overhead reimbursements, certain
14 fees, governmental and nongovernmental "third-party" payments,
15 payments for services, and interagency transfers. Such figures indicate the
16 maximum amount that may be expended from cash funds or the specified
17 cash fund sources for the purposes shown. The amount of each cash funds
18 or reappropriated funds appropriation is expressly declared to be
19 nonseverable from the agency, source, and purpose of such appropriation,
20 and such amount shall not be used for any other agency, source, or
21 purpose.

22 (II) The provisions of this subsection (1)(e) shall not apply where
23 this act specifically provides otherwise or where cash funds are marked
24 with an "(L)". The "(L)" designation refers to the funds of local
25 governments or to the funds of service organizations from which the state
26 purchases services, the amounts of which are not appropriated in this act
27 and the inclusion of which is informational only.

1 (III) Whenever a state agency receives cash funds or
2 reappropriated funds from a centralized appropriation made to the office
3 of the executive director of such agency's department and this act does not
4 set forth such funds as a duplicate appropriation to said receiving agency,
5 the provisions of this subsection (1)(e) shall not apply to the receipt of
6 such funds.

7 (IV) Whenever the controller creates an account solely for the
8 purpose of establishing the obligation of a state agency to generate cash
9 funds or reappropriated funds for distribution to another state agency to
10 which such funds are appropriated by this act, the provisions of this
11 subsection (1)(e) shall not apply to the account created or to such
12 distribution.

13 (f) Where the letter "(H)" appears directly to the right of a cash
14 funds or reappropriated funds figure, that appropriation, when combined
15 with the related cash funds or reappropriated funds transfers from the
16 centralized appropriations to the office of the executive director, is used
17 to support a federally supported program and is the maximum amount of
18 cash funds or reappropriated money that may be expended in that
19 program, except where otherwise provided. In the event that additional
20 federal funds are available for the program, the combined cash funds or
21 reappropriated funds amount noted as "(H)" shall be reduced by the
22 amount of federal funds earned or received in excess of the figure shown
23 in the "federal funds" column for that program. In the event that the
24 federal funds earned or received are less than the amount shown in the
25 "federal funds" column, the combined cash funds or reappropriated funds
26 amount noted as "(H)" shall be reduced proportionately. Where cash
27 funds or reappropriated funds support is required as a condition for the

1 acceptance of federal funds and the state matching requirements are
2 reduced, the combined cash funds or reappropriated funds amount noted
3 as "(H)" shall be reduced proportionately. These provisions shall apply
4 only to the cash funds or reappropriated funds amount which remains
5 unexpended at the time of the change in federal requirements or funding.
6 It is intended that the cash funds or reappropriated funds amount and the
7 federal funds amount shall be expended in equally proportioned amounts
8 throughout the year.

9 (g) Reappropriated funds means money appropriated again
10 subsequent to an initial appropriation in the same fiscal year. The
11 designation of money as reappropriated funds has no bearing on whether
12 the money constitutes a grant from the state of Colorado pursuant to
13 section 20 (2)(d) of article X of the state constitution.

14 (h)(I) The figures in the "federal funds" column earned or received
15 under the following federal programs which are subject to a state match
16 or which are subject to transfer to other block grants shall be limits on the
17 amount of expenditures of such funds, and such funds shall be expended
18 in accordance with applicable state and federal statutes, including all
19 provisions of this act:

20 Title XX Social Services Block Grant

21 Maternal and Child Health Block Grant

22 (II) The figures in the "federal funds" column earned or received
23 under the following federal programs shall be limits on the amount of
24 expenditures of such funds, and such funds shall be expended in
25 accordance with applicable state and federal statutes, including all
26 provisions of this act:

27 Child Care Development Funds

1 Temporary Assistance for Needy Families Block Grant

2 (III) The figures in the "federal funds" column for all other
3 programs are anticipated federal funds, and, although these funds are not
4 appropriated in this act, they are noted for the purpose of indicating the
5 assumption used relative to those funds in developing the basic
6 appropriations amounts.

7 (i) The general assembly accepts no obligation directly or
8 indirectly for support or continuation of non-state-funded programs or
9 grants where no direct or indirect state contribution is required.
10 Furthermore, the general assembly accepts no obligation for costs
11 incurred by or claimed against nonappropriated federally funded
12 programs.

13 (j) No money appropriated by this act shall knowingly be paid to
14 any organization, business firm, person, agency, or club which places
15 restrictions on employment or membership based on sex, sexual
16 orientation, race, age, marital status, creed, color, religion, national origin,
17 ancestry, or ~~physical handicap~~ DISABILITY.

18 (k) Pursuant to section 24-30-202 (2), Colorado Revised Statutes,
19 the controller shall examine all state contracts entered into during the
20 fiscal year commencing July 1, 2019 2020, to determine whether such
21 contracts are authorized by an appropriation within this act, and, pursuant
22 to section 24-30-202 (3), Colorado Revised Statutes, no agency shall
23 incur obligations by contract in excess of the amounts appropriated by
24 this act.

25 (l)(I) Where the letter "(I)" appears directly to the right of a figure
26 or in a letternote referencing a figure, that amount is not an appropriation,
27 nor does it limit the expenditure of such money. The figure is included for

1 informational purposes only. It provides a record of funds anticipated to
2 be expended and, in some instances, may indicate assumptions used
3 relative to those funds in developing appropriated amounts.

4 (II) The "(I)" notation applies to a general fund, general fund
5 exempt, or cash funds figure when the amount is continuously
6 appropriated to, or otherwise authorized by law to be spent by, a
7 department or agency of state government pursuant to a provision of state
8 statute or the state constitution.

9 (III) The "(I)" notation applies to a reappropriated funds figure
10 when the amount is continuously appropriated to, or otherwise authorized
11 by law to be spent by, a department or agency of state government
12 pursuant to a provision of state statute or the state constitution or, in some
13 instances, when the underlying federal funds source from which the
14 amount is reappropriated is subject to the "(I)" notation.

15 (IV) The "(I)" notation applies to all federal funds except when the
16 federal funds represent a limit on expenditures as specified in subsection
17 (1)(h) of this section, when the letter "(M)" or "(H)" appears to the right
18 of a general fund, cash funds, or reappropriated funds figure in the same
19 line item, or when the general assembly has the authority to appropriate
20 the federal funds.