



Legislative
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HB 20-1382

FINAL FISCAL NOTE

Drafting Number: LLS 20-1102 **Date:** September 24, 2020
Prime Sponsors: Rep. McCluskie; Ransom **Bill Status:** Signed into Law
 Sen. Moreno; Rankin **Fiscal Analyst:** Greg Sobetski | 303-866-4105
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Bill Topic: **REPEAL CASH FUNDS WITH GENERAL FUND REVERSIONS**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Budget package bill. The bill transfers the balance of the Technology Advancement and Emergency Fund to the General Fund, and abolishes the fund.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This final fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 20-1382**

		FY 2019-20 <i>(current year)</i>	FY 2020-21	FY 2021-22
Revenue		-	-	-
Expenditures		-	-	-
Transfers	General Fund	\$14,060,065	\$1,200,000	\$1,200,000
	Cash Funds	(\$14,060,065)	(\$1,200,000)	(\$1,200,000)
	Total	\$0	\$0	\$0
TABOR Refund		-	-	-

Summary of Legislation

On its effective date, the bill transfers the unexpended and unencumbered balance of the Technology Advancement and Emergency Fund to the General Fund. Statute creating the fund is repealed effective June 30, 2020.

Under current law, General Fund appropriations to the Office of Information Technology (OIT) or another state agency for information technology (IT) resource procurement that are unexpended and unencumbered at the end of the fiscal year are transferred to the Technology Advancement and Emergency Fund. The bill repeals this transfer, allowing unexpended appropriations to revert to the General Fund.

Background

Technology Advancement and Emergency Fund. The fund was created in Senate Bill 17-255 to be used for one-time costs associated with emergency IT expenditures, addressing deferred maintenance of state agency IT assets, and providing additional services to address unforeseen IT service demands. In addition to startup resources transferred to the fund via SB 17-255, the fund receives annual transfers of unexpended General Fund appropriations for IT procurement. The Office of the State Controller reports that \$8.9 million was transferred at the close of FY 2017-18 and \$6.2 million was transferred at the close of FY 2018-19.

State Transfers

The bill creates a one-time transfer to the General Fund in FY 2019-20 and eliminates ongoing transfers from the General Fund starting in FY 2019-20. On net, these changes to transfers to and from the General Fund increase available General Fund by approximately \$14,060,065 in the current FY 2019-20 and approximately \$1,200,000 per year in FY 2020-21 and subsequent fiscal years. These transfers and the cash funds involved are shown in Table 2.

Table 2
Transfers under HB 20-1382

	FY 2019-20 <i>(current year)</i>	FY 2020-21	FY 2021-22
Cash Fund Transfers to the General Fund			
Technology Advancement and Emergency Fund	\$12,860,065	-	-
General Fund Transfers to Cash Funds			
Technology Advancement and Emergency Fund	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)
Net General Fund Impact	\$14,060,065	\$1,200,000	\$1,200,000

Table 2 reflects the actual unexpended and unencumbered balance, \$12,860,065, that was transferred from the Technology Advancement and Emergency Fund to the General Fund on June 30, 2020. The bill eliminates transfers of unexpended General Fund IT procurement appropriations to the Technology Advancement and Emergency Fund, which is expected to increase the General Fund balance by about \$1.2 million annually. This amount is less than that observed for prior years, reflecting lower expected appropriations for IT procurement during and following the economic recession.

Effective Date

The was signed into law by the Governor and took effect on June 30, 2020.

State and Local Government Contacts

Information Technology

Personnel