JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE

CONCERNING THE PROVISION OF ADDITIONAL RESOURCES TO PROTECT AIR QUALITY, AND, IN CONNECTION THEREWITH, INCREASING FEES AND CREATING THE AIR QUALITY ENTERPRISE.

Prime Sponsors: Senator Fenberg
Reps. Jackson and Caraveo

JBC Analyst: Tom Dermody
Phone: 303-866-4963
Date Prepared: May 29, 2020

Appropriation Items of Note

Appropriation Required, 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 Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/02/20.

<table>
<thead>
<tr>
<th>Update</th>
<th>Fiscal impact has changed due to new information or technical issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX</td>
<td>Fiscal impact has changed due to amendment adopted after LCS Fiscal Note was prepared</td>
</tr>
<tr>
<td>Non-Concurrence</td>
<td>JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill</td>
</tr>
</tbody>
</table>

The Finance Committee Report (05/27/20) amends the bill to:

- further specify the responsibilities of the Air Quality Enterprise;
- further specify the make up of the Enterprise's Board of Directors;
- eliminate the General Fund loan to the Enterprise; and
- delay the implementation of fee collection by the Enterprise until July 1, 2021.

Legislative Council Staff and JBC Staff agree these changes reduce the fiscal impact of the bill in FY 2020-21 by reducing the required hours of legal services to 100, thereby reducing the required appropriation for those hours.

JBC Staff Fiscal Analysis 1
Amendments in This Packet for Consideration by Appropriations Committee

<table>
<thead>
<tr>
<th>Amendment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.001</td>
<td>Staff-prepared appropriation amendment</td>
</tr>
</tbody>
</table>

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 $10,660 General Fund to the Department of Public Health and Environment for FY 2020-21 for the purchase of legal services.

Points to Consider

General Fund Impact
The Joint Budget Committee has proposed a budget package for FY 2020-21 based on the following:
• the May 12, 2020, Office of State Planning and Budgeting revenue forecast;
• a school finance bill placeholder for a reduction of $723.8 million General Fund;
• a placeholder for the reduction of $202.0 million General Fund through one or more non-JBC package bills; and
• an adjusted statutory General Fund reserve percentage of 3.84 percent equal to $402.0 million.
This bill requires a General Fund appropriation of $10,660 for FY 2020-21, thereby decreasing the proposed fiscal year-end General Fund reserve or increasing the proposed placeholder reductions by the same amount.

Legislative Authority
Is it necessary to "continuously appropriate" money in the Air Quality Enterprise Cash Fund? This method of funding essentially moves related expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.