

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE USE OF MONEY THE STATE RECEIVES FROM THE FEDERAL GOVERNMENT UNDER THE "AMERICAN RESCUE PLAN ACT OF 2021" TO MAKE INVESTMENTS IN HOUSING TO ASSIST PERSONS DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY FACING HOUSING INSECURITY.

Prime Sponsors: Reps. Gonzales-Gutierrez and Woodrow JBC Analyst: Andrea Uhl  
 Sens. Holbert and Gonzales Phone: 303-866-4956  
 Date Prepared: June 3, 2021

**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**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 06/02/21.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Transportation & Local Government Committee Report (06/02/21) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
J.001	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates \$100,000,000 from the Affordable Housing and Home Ownership Cash Fund to the Department of Local Affairs for FY 2021-22. The clause does not specify a specific program or cash fund to which the funds are appropriated, but instead lists a several allowable uses of the funds. The appropriation clause also includes a provision allowing the Division of Housing to use up to three percent of the funds for administrative costs.

**Description of Amendments in This Packet**

**J.001** Bill Sponsor amendment **J.001** (attached) makes the following changes:

- Replaces the statutory language that makes a continuous appropriation for the Task Force with a non-statutory clause that appropriates \$200,000 from the newly created Affordable Housing and Home Ownership Cash Fund, and specifies that the source of this funding is *General Fund* that is credited to this new cash fund. This allows the Legislative Department to spend up to \$200,000 for the Task Force during the interim. Any money not needed for this purpose would remain in this cash fund.
- Moves information about the types of intended uses of the funds and the limitation on administrative expenses to the legislative declaration and to subsection (3) where the new cash fund is created. Adds language to authorize the newly created cash fund to be appropriated to cover related costs related to the Task Force.
- Makes a number of changes to the existing appropriation to the Department of Local Affairs, including: (a) specifying that the source of funding is *federal American Rescue Plan Act (ARPA) funds* that are transferred into the newly created cash fund; (b) adding language to authorize the Department to spend these funds in subsequent fiscal years, consistent with ARPA; (c) describing the purpose of the appropriation by referencing those purposes authorized in subsection (3) in the bill; and (d) moving the limitation on the use of money for administrative costs to subsection (3) of the bill.
- Makes changes so that the definition for "department" covers all departments (including the Legislative Department), and specifies the Department of Local Affairs where appropriate.

**Points to Consider***Technical Issues*

The current version of the bill includes the following technical issues:

- The bill includes statutory language that makes a continuous appropriation for the Task Force from the Affordable Housing and Home Ownership Cash Fund, which originates from money the State received from the Federal Coronavirus State Fiscal Recovery Fund. This is not an allowable use of these federal funds.
- As currently written, the appropriation clause does not conform to Office of Legislative Legal Services (OLLS) guidelines, and it would likely make it challenging for the State Controller to track expenditures of federal funds and submit the related reports required by ARPA.
- The appropriation clause includes an administrative cap of up to three percent. This provision should be included in a statutory portion of the bill.
- The bill does not define "department" broadly enough to apply to the Legislative Department, which would need to expend funds from the Affordable Housing and Home Ownership Cash Fund for the Task Force.

Sponsor amendment **J.001** addresses the technical issues discussed above.