



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated April 9, 2021)

<b>Drafting Number:</b>	LLS 21-0874	<b>Date:</b>	May 6, 2021
<b>Prime Sponsors:</b>	Sen. Hansen; Winter Rep. Valdez A.; Bennett	<b>Bill Status:</b>	House Energy & Environment
		<b>Fiscal</b>	Christina Van Winkle   303-866-6289
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**Bill Topic:** TRANSFER TO COLORADO ENERGY OFFICE ENERGY FUND

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill transfers \$40.0 million in the current FY 2020-21 from the General Fund to the Energy Fund administered by the Colorado Energy Office for renewable and clean energy programs. In addition to the one-time transfer, the bill increases state expenditures and may increase local government revenue and expenditures through FY 2024-25.

**Appropriation Summary:** No appropriation is required. The Energy Fund is continuously appropriated to the Colorado Energy Office.

**Fiscal Note Status:** This revised fiscal note reflects the reengrossed bill.

**Table 1  
State Fiscal Impacts Under SB 21-230**

		Current Year FY 2020-21	Budget Year FY 2021-22 <sup>1</sup>	Out Year FY 2022-23
<b>Revenue</b>		-	-	-
<b>Expenditures</b>	Cash Funds	-	\$39,992,146	-
	Centrally Appropriated	-	\$7,854	-
	<b>Total Expenditures</b>	-	<b>\$40,000,000</b>	-
	<b>Total FTE</b>	-	<b>0.5 FTE</b>	-
<b>Transfers</b>	General Fund	(\$40,000,000)	-	-
	Cash Funds	\$40,000,000	-	-
	<b>Net Transfer</b>	<b>\$0</b>	-	-
<b>TABOR Refund</b>		-	-	-

<sup>1</sup> While the bulk of the \$40 million in transferred funds must be spent in FY 2021-22, a portion of funds may be expended through FY 2024-25.

## Summary of Legislation

This bill makes a one-time transfer of \$40.0 million from the General Fund to the Energy Fund. The Colorado Energy Office is authorized to use the funds to advance energy efficiency and renewable energy throughout the state, and for the purposes of:

- making grants of up to \$30.0 million to the Colorado Clean Energy Fund;
- making grants of up to \$3.0 million to the Colorado New Energy Improvement District;
- expending up to \$2.0 million on the Residential Energy Upgrade Loan Program; and
- expending up to \$5.0 million on the Charge Ahead Colorado Program.

The Colorado Energy Office must expend at least 75 percent of the money prior to July 1, 2022, and at least 85 percent by July 1, 2023. On June 30, 2025, remaining unexpended money will be transferred to the General Fund, and the provision is repealed on July 1, 2025.

The Colorado Energy Office must report on January 15, 2022, and annually until all money has been expended by grant recipients, the amount and purpose of all grants awarded. The report must contain the names of all contractors, vendors, grantees, or recipients of state money, how the money was used, and all overhead and administrative costs associated with the grants. This information must also be incorporated into the office's SMART Act presentations.

## State Transfers

The bill transfers \$40.0 million from the General Fund to the Energy Fund in the current FY 2020-21.

## State Expenditures

The bill increases state expenditures by \$40.0 million beginning in FY 2021-22 from the Energy Fund, as listed in Table 2 and discussed below.

**Table 2**  
**Expenditures Under SB21-230**

	FY 2021-22 <sup>1</sup>	FY 2022-23
<b>Colorado Energy Office</b>		
Personal Services	\$31,537	-
Operating Expenses	\$2,700	-
Capital Outlay Costs	\$2,400	-
Grant and Loan Amount	\$39,955,509	-
Centrally Appropriated Costs	\$7,854	-
<b>Total Cost</b>	<b>\$40,000,000</b>	-
<b>Total FTE</b>	<b>0.5 FTE</b>	-

<sup>1</sup> While the bulk of the \$40 million in transferred funds must be spent in FY 2021-22, a portion of funds may be expended through FY 2024-25.

**Colorado Energy Office.** In FY 2021-22, the Colorado Energy Office will require 0.5 FTE to manage the application and award process, provide assistance to applicants and grant recipients, and oversee reporting requirements. The required FTE is divided between a project manager and an accountant. Standard operating and capital outlay costs are included for this FTE. The remainder of funding will be used for the grants and loans outlined in the bill. These costs are paid from the continuously appropriated Energy Fund.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$7,854 in FY 2021-22.

## **Local Government**

In FY 2021-22, workload will increase for local governments and special districts that apply for funding, and for local governments and special districts that are awarded grant funding, revenue and expenditures will increase to implement the projects.

## **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## **State and Local Government Contacts**

Colorado Energy Office

Information Technology