

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE ESTABLISHMENT OF A STATE GRANT PROGRAM THAT PROVIDES FUNDING TO LOCAL GOVERNMENTS THAT DEDICATE RESOURCES FOR WILDFIRE MITIGATION PURPOSES.

Prime Sponsors: Reps. Cutter and Snyder  
Sens. Story and Lee

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**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund Impact**

**New Cash Fund (with Continuous Appropriation)**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/31/22.

|            |  |
|------------|--|
| <b>XXX</b> | <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 |

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

| <b>Amendment</b> | <b>Description</b>  |
|------------------|---|
| J.001            | Staff-prepared appropriation amendment                                  |
| L.002            | Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation |

**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 \$20,000,000 General Fund to the Wildfire Mitigation Incentives Local Government Grant Program Fund

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## JBC Staff Analysis

for FY 2022-23. The Department of Higher Education is responsible for accounting related to this appropriation.

**L.002** Bill Sponsor amendment **L.002** (attached) provides a statutory transfer of \$10,000,000 from the General Fund to the Wildfire Mitigation Incentives Cash Fund. This amendment also adds a sunset date for the program.

Unless the Committee wishes to provide \$30.0 million for this program, **it should adopt J.001 or L.002, but should not adopt both.**

### Points to Consider

#### *General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

**If J.001 is adopted**, this bill creates a one-time obligation and requires a General Fund appropriation of \$20.0 million for FY 2022-23, reducing the \$900.0 million set aside by \$23.0 million in order to maintain a 15.0 percent statutory General Fund reserve.

Alternatively, **if L.001 is adopted**, this bill creates a one-time obligation and includes a General Fund transfer of \$10.0 million for FY 2022-23, reducing the \$900.0 million set aside by the same amount.

#### *Legislative Appropriation Authority*

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Pursuant to Section 23-1-104 (3)(a), C.R.S., the higher

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education governing boards are generally authorized to retain all money appropriated or otherwise generated from fiscal year to fiscal year; therefore the structure included in this bill includes a level of legislative oversight similar to other appropriations for higher education.