

**JBC STAFF FISCAL ANALYSIS
SENATE 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

JBC Analyst: Amanda Bickel
Phone: 303-866-4960
Date Prepared: May 5, 2022

Appropriation Items of Note

Appropriation Not 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 05/04/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

| Amendment | Description |
|------------------|--|
| L.005 | Bill Sponsor amendment - does not change fiscal impact |

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2022-23.

Description of Amendments in This Packet

L.005 Bill Sponsor amendment **L.005** (attached) changes the repeal date and associated sunset review for this program from September 1, 2025 to September 1, 2027. This extends the period over which the \$10.0 million transfer included in this bill may be expended.

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.

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. This bill transfers funds to a new continuously appropriated cash fund, and if Amendment L.005 is adopted, funds will be expended through 2027. However, most operating funding for higher education institutions is included in single line items by governing board, which limits transparency, and most other funding for wildfire mitigation administered by the Colorado State Forest Services at Colorado State University is also provided through continuously appropriated cash funds. Thus the level of legislative oversight included in this bill is similar to that provided for other state funding administered by the Colorado State Forest Service.