SB22-163

JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING ESTABLISHMENT OF A PROCUREMENT EQUITY PROGRAM TO REMEDIATE DISPARITIES IN
STATE PROCUREMENT, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Coleman and Kolker  JBC Analyst: Tom Dermody
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Appropriation Items of Note

Appropriation Already Added to Bill, No 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 04/29/22.

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

The State, Civic, Military, & Veterans Affairs Committee Report (05/04/22) 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

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<th>Amendment Description</th>
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Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides a total of $2,007,707 General Fund to the
Department of Personnel for FY 2022-23, of which $114,824 is reappropriated to the Governor's
Office for the provision of information technology services. The clause also states that the

JBC Staff Fiscal Analysis 1
appropriation is based on the assumption that the Department of Personnel will require an additional 4.6 FTE.

**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 an ongoing obligation and requires a General Fund appropriation of $2.0 million for FY 2022-23, reducing the $40.0 million set aside by the same amount. This bill creates a one-time obligation and includes a General Fund transfer of $2.0 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. Is it necessary for the Department of Personnel to *not* seek annual authority from the General Assembly to spend money from Bond Assistance Program Cash Fund?