



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0951 Date: April 20, 2022
Prime Sponsors: Sen. Hansen; Zenzinger Bill Status: Senate Appropriations
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Bill Topic: INFRASTRUCTURE INVESTMENT & JOBS ACT CASH FUND

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checked)
State Transfer (checked)
TABOR Refund (checkbox)
Local Government (checked)
Statutory Public Entity (checkbox)

The bill creates the Infrastructure Investment and Jobs Act Cash Fund to be used for by state and local governments for non-federal matching funds required to receive federal infrastructure funds under the Infrastructure Investment Jobs Act. It increases state expenditures beginning in FY 2022-23, and may increase local government revenue and expenditures.

Appropriation Summary: No appropriation is required. The Infrastructure Investment and Jobs Act Cash Fund is continuously appropriated to any principal departments or the Office of the Governor.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB 22-215

Table with 4 columns: Category, Sub-category, Current Year FY 2021-22, Budget Year FY 2022-23, Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Total Expenditure), Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts.

1 Expenditures will occur through June 30, 2028, upon which date any unexpended funds revert to the General Fund.

## **Summary of Legislation**

The bill creates the Infrastructure Investment and Jobs Act Cash Fund (fund) to provide non-federal matching funds for infrastructure projects allowed under the federal Infrastructure Investment and Jobs Act (federal act). The fund is continuously appropriated to any principal department and the Governor's Office. Subject to approval by the Governor, a department may expend money in the fund as matching funds for the following infrastructure categories as set forth in the federal act:

- transportation infrastructure projects;
- water, environmental, and resiliency projects;
- power, grid, and broadband projects; and
- any other infrastructure projects explicitly funded and set forth in the federal act.

The Governor's Office will develop a process for departments to apply for funds and for reviewing and approving applications. It will submit a report by October 1, 2022 and each year thereafter to the Joint Budget Committee and relevant legislative committees detailing expenditures from the fund.

The bill creates a statutory transfer in FY 2021-22 of \$81.5 million from the General Fund to the fund. On June 30, 2028, all unexpended money in the fund will be transferred to the General Fund.

## **State Transfers**

In FY 2021-22, the bill transfers \$81.5 million from the General Fund to the Infrastructure Investment and Jobs Act Cash Fund.

## **State Expenditures**

The bill will affect state agency workload and spending in several ways, as described below.

**Administration.** Beginning in FY 2022-23, workload will increase in the Governor's Office to administer the cash fund and provide project planning and grant writing support to state agencies. The office will develop an application process for departments, review and approve applications, disburse matching funds for approved projects, and prepare annual reports. This workload will vary based on the number of applicants and level of grant writing and project planning support required by the departments. Any additional staffing required will be paid from the cash fund.

**Infrastructure funding.** Spending from the Infrastructure Investment and Jobs Act Cash Fund will increase by up to \$81.5 million from FY 2022-23 through FY 2027-28 to pay for the non-federal portion of project funding. By providing the state share of project funding, additional federal matching funds will also be available for projects, which will increase expenditure of federal funds on eligible projects conducted by the state. The timing of spending from the fund will depend on when projects are approved, and the amount of federal funds available will depend of the matching rate for specific projects.

## **Local Government**

Revenue and expenditures in local governments will increase to the extent matching funding is provided from the fund for an infrastructure project that will be conducted by a local government.

## **Effective Date**

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

## **State and Local Government Contacts**

Office of State Planning and Budgeting