

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee  
FROM Carolyn Kampman, JBC Staff Director (303-866-4959)  
DATE March 14, 2022  
SUBJECT Recommended Changes to Long Bill Headnotes

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Pursuant to Article V, Section 32 of the State Constitution, the annual general appropriation bill (called the “Long Bill”), “shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state, state institutions, interest on the public debt and for public schools.” All other appropriations are required to be made by separate bills, each embracing a single subject. The Long Bill typically includes the following sections:

- Section 1: Definitions and general provisions (called “headnotes”).
- Section 2: Appropriations for each state department’s *operating* expenses.
- Section 3: Appropriations for *controlled maintenance and capital construction projects*. This section also includes headnotes that provide related definitions and general provisions. These headnotes were approved by the Committee on March 9.
- Section 4: Appropriations for *information technology projects*. This section also includes headnotes that provide related definitions and general provisions. These headnotes were approved by the Committee on March 8.
- Sections 5 and subsequent sections: Amendments to prior year appropriations.

**The attached document includes staff’s recommended changes to the headnotes that will be included in section 1 of the FY 2022-23 Long Bill.** These headnotes:

- Reference the relevant statutory provision that defines certain line items of appropriation (e.g., “personal services”, “operating expenses”, “FTE”, etc.);
- \*Designate assets to constitute the state emergency reserve as required by Article X, Section 20 (5) of the State Constitution (the Taxpayer’s Bill of Rights or “TABOR”);
- State that the amounts appropriated in the Long Bill indicate the maximum amount that may be expended from a certain fund source;
- Describe and define the format of the appropriated amounts, including the columns that indicate the nature of the fund source (e.g., “general fund”, “cash funds”, etc.);
- Explain the meaning of notations associated with certain appropriations (i.e., the (M), (L), (H), and (I) notations);
- State that while most amounts from federal fund sources are included for informational purposes only, the amounts from four sources of federal funds limit the amount of expenditures of such funds (e.g., Title XX Social Services Block Grant, Maternal and Child Health Block Grant, Child Care Development Funds, and Temporary Assistance for Needy Families Block Grant);
- State that the General Assembly is not obligated to support programs that are funded with nonappropriated federal fund sources;
- State that no money appropriated in the bill shall knowingly be paid to entities that place certain restrictions on employment or membership; and
- Require the State Controller to examine all contracts entered into during the fiscal year to determine whether such contracts are authorized by an appropriation in the Long Bill.

→ RECOMMENDED CHANGES

**The attached document reflects recommended changes to the FY 2022-23 Long Bill headnotes to update all fiscal years referenced to reflect the correct fiscal year. This document also adds a provision to designate the TABOR emergency reserve for FY 2022-23.**

For FY 2021-22, the Long Bill headnotes did not include a provision designating the TABOR emergency reserve. Instead, this provision was included in S.B. 21-227, which created the State Emergency Reserve Cash Fund. For FY 2022-23, staff recommends designating the TABOR emergency reserve in the Long Bill. For purposes of this memo, staff has added this provision using the assets and amounts that were designated in S.B. 21-227.

Please note that the total amount of the reserve will need to increase based on higher projected state revenues (an estimated increase of \$27.0 million based on the December 2021 revenue forecasts). Additional funds will be needed to restore funds that the Governor has utilized in the current fiscal year (a total of \$135.2 million has been transferred out to date). In addition, staff plans to recommend that the Committee consider reducing or eliminating certain designated assets. Staff will prepare a separate memo with recommendations, including recommend legislation to transfer additional General Fund into the State Emergency Reserve Cash Fund. **Staff requests permission to update the headnotes consistent with Committee action concerning the TABOR emergency reserve.**

Finally, staff requests permission to make other technical drafting changes that may be discovered in the process of drafting the bill.

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

DRAFT

LLS NO. 22-0479.01 Carolyn Kampman x4959

HOUSE BILL

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HOUSE SPONSORSHIP

McCluskie,

SENATE SPONSORSHIP

Hansen,

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House Committees

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE PROVISION FOR PAYMENT OF THE EXPENSES OF THE  
102 EXECUTIVE, LEGISLATIVE, AND JUDICIAL DEPARTMENTS OF THE  
103 STATE OF COLORADO, AND OF ITS AGENCIES AND INSTITUTIONS,  
104 FOR AND DURING THE FISCAL YEAR BEGINNING **JULY 1, 2022**,  
105 EXCEPT AS OTHERWISE NOTED.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Provides for the payment of expenses of the executive, legislative, and judicial departments of the state of Colorado, and of its agencies and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

institutions, for and during the fiscal year beginning July 1, 2022, except as otherwise noted.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Definitions - general provisions.** As used in this  
3 act, THE FOLLOWING DEFINITIONS AND GENERAL PROVISIONS SHALL  
4 APPLY:

5 (1) SECTION 24-75-112, Colorado Revised Statutes, provides  
6 definitions in order to specify the purpose of certain line items of  
7 appropriation.

8 (2) The funds designated to constitute the state emergency  
9 reserve for the 2022-23 fiscal year are {assets and amount to be updated  
10 after March 2022 forecast}:

11 (a) The disaster emergency fund created in section 24-33.5-706  
12 (2)(a), C.R.S., up to a maximum of \$48,000,000;

13 (b) The state emergency reserve cash fund created in section  
14 24-77-104 (6), C.R.S., up to a maximum of \$201,000,000;

15 (c) The marijuana tax cash fund created in section 39-28.8-501  
16 (1), C.R.S., up to a maximum of \$100,000,000;

17 (d) The unclaimed property tourism promotion trust fund created  
18 in section 38-13-801.5 (1), C.R.S., up to a maximum of \$5,000,000;

1 (e) The major medical insurance fund created in section 8-46-202  
2 (1)(a), C.R.S., up to a maximum of \$59,000,000;

3 (f) The Colorado water conservation board construction fund  
4 created in section 37-60-121 (1)(a), C.R.S., up to a maximum of  
5 \$33,000,000; and

6 (g) The capitol annex building located at 1375 Sherman Street,  
7 Denver, Colorado, 80203, which has a value that exceeds \$29,000,000.

8 **SECTION 2. Appropriation.** (1) The sums included in this  
9 section are appropriated out of any money in the general fund, the  
10 indicated cash funds, and reappropriated funds, for the payment of the  
11 ordinary operating costs of the executive, legislative, and judicial  
12 departments of the state, and of its agencies and institutions, for and  
13 during the fiscal year beginning July 1, 2022; and:

14 (a) The figures in the column headed "item & subtotal" are the  
15 amounts made available by appropriation for expenditure within each line  
16 item, except for the figures that appear directly beneath a line, which  
17 figures are subtotals of the preceding line item appropriation amounts.  
18 The figures in the "total" column are the amounts made available by  
19 appropriation for expenditure by the department, division, institution, or  
20 program to which the totals relate.

21 (b) The figures in the "general fund", "general fund exempt",  
22 "cash funds", "reappropriated funds", and "federal funds" columns  
23 indicate the source of funds for the amounts authorized in the expenditure  
24 columns or the source of funds for the figures that are included for

1 informational purposes only.

2 (c) The figures in the "general fund" and "general fund exempt"  
3 columns indicate the maximum amount that may be expended from the  
4 general fund for the purposes shown.

5 (d)(I) Where the letter "(M)" appears directly to the right of a  
6 general fund or general fund exempt figure, that general fund or general  
7 fund exempt appropriation, when combined with the related general fund  
8 or general fund exempt transfers from the centralized appropriations to  
9 the office of the executive director, is used to support a federally  
10 supported program and is the maximum amount of general fund or  
11 general fund exempt money that may be expended in that program, except  
12 where otherwise provided.

13 (II) In the event that additional federal funds are available for a  
14 federally supported program, the combined general fund or general fund  
15 exempt amount noted as "(M)" is reduced by the amount of federal funds  
16 earned or received in excess of the figure shown in the "federal funds"  
17 column for that program. In the event that the federal funds earned or  
18 received are less than the amount shown in the "federal funds" column,  
19 the combined general fund or general fund exempt amount noted as "(M)"  
20 is reduced proportionately. Where general fund or general fund exempt  
21 support is required as a condition for the acceptance of federal funds and  
22 the state matching requirements are reduced, the combined general fund  
23 or general fund exempt amount noted as "(M)" is reduced proportionately.  
24 This subsection (1)(d)(II) only applies to the general fund or general fund  
25 exempt amount that remains unexpended at the time of the change in  
26 federal requirements or funding. This subsection (1)(d)(II) does not apply  
27 to an appropriation noted as "(M)" to the department of health care policy

1 and financing, unless the appropriation is in a line item for the executive  
2 director's office. It is intended that the general fund or general fund  
3 exempt amount and the federal funds amount be expended in equally  
4 proportioned amounts throughout the year.

5 (e)(I) The figures in the "cash funds" or "reappropriated funds"  
6 columns, including the figures in any related letter notes, indicate all  
7 non-general fund and non-general fund exempt sources and all nondirect  
8 federal fund sources and may be cash funds established by statute,  
9 nonstatutory cash accounts, tuitions, overhead reimbursements, certain  
10 fees, governmental and nongovernmental "third-party" payments,  
11 payments for services, and interagency transfers. Such figures indicate the  
12 maximum amount that may be expended from cash funds or the specified  
13 cash fund sources for the purposes shown. The amount of each cash funds  
14 or reappropriated funds appropriation is expressly declared to be  
15 nonseverable from the agency, source, and purpose of such appropriation,  
16 and such amount shall not be used for any other agency, source, or  
17 purpose.

18 (II) The provisions of this subsection (1)(e) shall not apply where  
19 this act specifically provides otherwise or where cash funds are marked  
20 with an "(L)". The "(L)" designation refers to the funds of local  
21 governments or to the funds of service organizations from which the state  
22 purchases services, the amounts of which are not appropriated in this act  
23 and the inclusion of which is informational only.

24 (III) Whenever a state agency receives cash funds or  
25 reappropriated funds from a centralized appropriation made to the office  
26 of the executive director of such agency's department and this act does not  
27 set forth such funds as a duplicate appropriation to said receiving agency,

1 the provisions of this subsection (1)(e) shall not apply to the receipt of  
2 such funds.

3 (IV) Whenever the controller creates an account solely for the  
4 purpose of establishing the obligation of a state agency to generate cash  
5 funds or reappropriated funds for distribution to another state agency to  
6 which such funds are appropriated by this act, the provisions of this  
7 subsection (1)(e) shall not apply to the account created or to such  
8 distribution.

9 (f) Where the letter "(H)" appears directly to the right of a cash  
10 funds or reappropriated funds figure, that appropriation, when combined  
11 with the related cash funds or reappropriated funds transfers from the  
12 centralized appropriations to the office of the executive director, is used  
13 to support a federally supported program and is the maximum amount of  
14 cash funds or reappropriated money that may be expended in that  
15 program, except where otherwise provided. In the event that additional  
16 federal funds are available for the program, the combined cash funds or  
17 reappropriated funds amount noted as "(H)" shall be reduced by the  
18 amount of federal funds earned or received in excess of the figure shown  
19 in the "federal funds" column for that program. In the event that the  
20 federal funds earned or received are less than the amount shown in the  
21 "federal funds" column, the combined cash funds or reappropriated funds  
22 amount noted as "(H)" shall be reduced proportionately. Where cash  
23 funds or reappropriated funds support is required as a condition for the  
24 acceptance of federal funds and the state matching requirements are  
25 reduced, the combined cash funds or reappropriated funds amount noted  
26 as "(H)" shall be reduced proportionately. These provisions shall apply  
27 only to the cash funds or reappropriated funds amount which remains



1 unexpended at the time of the change in federal requirements or funding.  
2 It is intended that the cash funds or reappropriated funds amount and the  
3 federal funds amount shall be expended in equally proportioned amounts  
4 throughout the year.

5 (g) Reappropriated funds means money appropriated again  
6 subsequent to an initial appropriation in the same fiscal year. The  
7 designation of money as reappropriated funds has no bearing on whether  
8 the money constitutes a grant from the state of Colorado pursuant to  
9 section 20 (2)(d) of article X of the state constitution.

10 (h)(I) The figures in the "federal funds" column earned or received  
11 under the following federal programs which are subject to a state match  
12 or which are subject to transfer to other block grants shall be limits on the  
13 amount of expenditures of such funds, and such funds shall be expended  
14 in accordance with applicable state and federal statutes, including all  
15 provisions of this act:

- 16 Title XX Social Services Block Grant
- 17 Maternal and Child Health Block Grant

18 (II) The figures in the "federal funds" column earned or received  
19 under the following federal programs shall be limits on the amount of  
20 expenditures of such funds, and such funds shall be expended in  
21 accordance with applicable state and federal statutes, including all  
22 provisions of this act:

- 23 Child Care Development Funds
- 24 Temporary Assistance for Needy Families Block Grant

25 (III) The figures in the "federal funds" column for all other  
26 programs are anticipated federal funds, and, although these funds are not  
27 appropriated in this act, they are noted for the purpose of indicating the

1 assumption used relative to those funds in developing the basic  
2 appropriations amounts.

3 (i) The general assembly accepts no obligation directly or  
4 indirectly for support or continuation of non-state-funded programs or  
5 grants where no direct or indirect state contribution is required.  
6 Furthermore, the general assembly accepts no obligation for costs  
7 incurred by or claimed against nonappropriated federally funded  
8 programs.

9 (j) No money appropriated by this act shall knowingly be paid to  
10 any organization, business firm, person, agency, or club which places  
11 restrictions on employment or membership based on sex, sexual  
12 orientation, race, age, marital status, creed, color, religion, national origin,  
13 ancestry, or disability.

14 (k) Pursuant to section 24-30-202 (2), Colorado Revised Statutes,  
15 the controller shall examine all state contracts entered into during the  
16 fiscal year commencing July 1, 2022, to determine whether such contracts  
17 are authorized by an appropriation within this act, and, pursuant to section  
18 24-30-202 (3), Colorado Revised Statutes, no agency shall incur  
19 obligations by contract in excess of the amounts appropriated by this act.

20 (l)(I) Where the letter "(I)" appears directly to the right of a figure  
21 or in a letternote referencing a figure, that amount is not an appropriation,  
22 nor does it limit the expenditure of such money. The figure is included for  
23 informational purposes only. It provides a record of funds anticipated to  
24 be expended and, in some instances, may indicate assumptions used  
25 relative to those funds in developing appropriated amounts.

26 (II) The "(I)" notation applies to a general fund, general fund  
27 exempt, or cash funds figure when the amount is continuously

1 appropriated to, or otherwise authorized by law to be spent by, a  
2 department or agency of state government pursuant to a provision of state  
3 statute or the state constitution.

4 (III) The "(I)" notation applies to a reappropriated funds figure  
5 when the amount is continuously appropriated to, or otherwise authorized  
6 by law to be spent by, a department or agency of state government  
7 pursuant to a provision of state statute or the state constitution or, in some  
8 instances, when the underlying federal funds source from which the  
9 amount is reappropriated is subject to the "(I)" notation.

10 (IV) The "(I)" notation applies to all federal funds except when the  
11 federal funds represent a limit on expenditures as specified in subsection  
12 (1)(h) of this section, when the letter "(M)" or "(H)" appears to the right  
13 of a general fund, cash funds, or reappropriated funds figure in the same  
14 line item, or when the general assembly has the authority to appropriate  
15 the federal funds.