

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO INCREASE THE AFFORDABILITY OF HOUSING IN TRANSIT-ORIENTED COMMUNITIES.

Prime Sponsors: Reps. Woodrow and Jodeh
Sens. Hansen and Winter F.

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund/TABOR 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 04/10/24.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

The Legislative Council Staff Revised Fiscal Note (04/10/24) identifies a cost of \$70,000 for the Governor's Office of Office of Information Technology (OIT) to provide upgrades to the Local Government Information System in the Department of Local Affairs but does not identify the cost as a required appropriation. Legislative Council Staff and JBC Staff agree that this is a technical error and that the bill requires an appropriation of \$70,000 to OIT from reappropriated funds from the Transit-oriented Communities Infrastructure Fund, which is continuously appropriated to the Department of Local Affairs.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

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 a total of \$183,138 General Fund to the Office of the Governor for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Office will require an additional 0.8 FTE. This provision also provides \$70,000 reappropriated funds from the Department of Local Affairs to the Office of Information Technology for FY 2024-25.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$93.5 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$14.0 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	42,478,261
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$93,497,320

This bill requires a General Fund appropriation of \$183,138 for FY 2024-25, reducing the \$93.5 million set aside by the same amount.

TABOR/ Excess State Revenues Impact

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$1.3 billion for FY 2024-25 and \$1.8 billion for FY 2025-26 to be refunded to taxpayers out of the General Fund. This bill will reduce General Fund revenues in FY 2024-25 through FY 2038-39, with a maximum estimated reduction of \$59.8 million in FY 2027-28. This bill is estimated to decrease General Fund revenues by \$2.6 million in FY 2024-25 and by \$21.9 million in FY 2025-26, which will result in a decrease in the TABOR surplus liability of equal amounts.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

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 Local Affairs to **not** seek annual authority from the General Assembly to spend money from Transit-oriented Communities Infrastructure Fund?