

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0874
Prime Sponsor(s): Sen. Steadman

Date: April 22, 2013
Bill Status: Senate SVMA
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE REPEAL OF CERTAIN REQUIREMENTS IN CONNECTION WITH ANY BILL ENACTED BY THE GENERAL ASSEMBLY THAT RELIES ON GIFTS, GRANTS, OR DONATIONS AS ITS FUNDING SOURCE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	Minimal workload savings. See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

Under current law, legislation relying in any part on gifts, grants, or donations is subject to reporting and review in concert with the annual budget process. This bill limits annual reporting by state agencies to only include reports on government functions that rely entirely on grants from nongovernmental entities. The bill repeals the duties of the Legislative Council Staff (LCS) and Office of Legislative Legal Services (OLLS) to track enacted legislation, prepare an annual report, and periodically prepare legislation for the Committee on Legal Services (COLS). The bill also repeals the current prohibition on refinancing functions that otherwise rely on grants.

Background

The grant reporting process affected by Senate Bill 13-268 was enacted in 2010 by House Bill 10-1178. As a result of that bill, state agencies are required to provide with their annual budget request a report to the General Assembly concerning funding received from grants of \$50 or more, including federal grants and any other gifts or donations. Any state agency, other than an institution of higher education, that relies in any part on such grants to fund a government function must specify in an annual report the source and size of grants, the legislative authority for the grant-funded function, and a statement concerning the sustain ability of the function if grants are discontinued.

HB 10-1178 also requires the LCS and OLLS to track legislation that relies in any part on grants as a funding source. The LCS prepares an annual report of bills passed since January 1, 2011, that rely on grants, and the status of grant funding for these bills. If sufficient grants are not received within two years after becoming effective, beginning in the 2013 legislative session, the OLLS is to prepare, for review by the COLS, a bill that repeals prior legislation that relies on, but has not received, sufficient grant funding.

Finally, HB 10-1178 specifies that state agencies may not request, and that the General Assembly may not make appropriations, to provide an alternate source of funding for functions relying on grants.

Since HB 10-1178 became effective, the majority of state agencies have not provided a report. In a report on December 3, 2012, the LCS listed 12 bills from the 2011 and 2012 legislative sessions, affecting 12 state agencies, that rely as least in part on gifts, grants, or donations. The report noted that March 17, 2013, was the first deadline for LCS to receive notice of adequate funding (two years after the effective date of HB 11-1027). As of this writing, no affected state agency has notified the LCS that adequate gifts, grants, or donations have been received.

State Expenditures

The bill results in a minimal savings for affected state agencies.

Executive and Judicial Branches. The bill reduces reporting requirements associated with the annual budget process. Based on current practice, there are few Executive Branch and no Judicial Branch state agencies with workload impacts from HB 10-1178. The savings related to reduced reporting requirements are therefore minimal and primarily associated with reducing future workload.

Legislative Branch. The bill eliminates all responsibilities assigned to the LCS and the OLLS under HB 10-1178. In FY 2012-13, this workload consisted of the LCS preparing a two-page annual report and OLLS preparing one bill draft that would repeal prior legislation. Thus, savings to legislative service agencies under the bill are minimal.

Departments Contacted

All Departments