



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Initiative #19

## Fiscal Summary

<b>Date:</b>	April 2, 2021	<b>Fiscal Analyst:</b>	Greg Sobetski (303-866-4105)
--------------	---------------	------------------------	------------------------------

### LCS TITLE: REQUIREMENTS FOR SPENDING CUSTODIAL MONEY

### Fiscal Summary of Initiative #19

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at [www.ColoradoBlueBook.com](http://www.ColoradoBlueBook.com). This fiscal summary identifies the following impact.

**State revenue.** The measure may increase state revenue from investment earnings by a minimal amount if custodial funds are held for a longer period of time before being appropriated for expenditure. It potentially reduces state revenue from gifts, grants, and donations if grantors or donors are deterred by the requirement that custodial funds be made subject to appropriation.

**State expenditures.** The measure is expected to delay expenditure of custodial funds by requiring appropriations before the funds can be spent. Depending on legislative decisionmaking, the measure could decrease state expenditures or result in offsetting changes to expenditures relative to those that would occur under current law.

The measure increases workload for budget offices across all state agencies to include custodial funds in their annual budget requests, and for the General Assembly to appropriate these funds. It is assumed that the General Assembly will take action to continuously appropriate most custodial funds, in which case additional budget process workload can be accommodated within existing appropriations.

**Economic impacts.** The measure is not expected to have a significant economic impact. To the extent that the measure delays or reduces spending of custodial funds, it may result in reduced or delayed public services and public sector employment in the state economy.