



## Long Bill Debated & Passed by Senate

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The 2021 Long Appropriations bill, [SB21-205](#), was introduced in the Senate on April 5. It was heard in the Senate Appropriations Committee the next day, along with SB 206 through SB 228, the 23 orbital bills that make statutory changes necessary to balance the budget. SB 205 was subject to floor debate and several amendments on Thursday. After consideration of nearly 40 amendments, the majority of which were not passed, the bill was approved on third reading Friday and introduced in the House where it will undergo a similar process beginning April 12.

Following debate and amendments in the House, the Joint Budget Committee (JBC) will act as the conference committee responsible for reconciling the amendments made by both the House and Senate. The JBC will provide a conference committee report for policymakers' consideration, followed by the eventual repassage of the bill by both chambers.

Due to the improved economic outlook following the COVID-19 pandemic, SB 205 restores nearly all the spending cuts the JBC was forced to make last year as the economic crisis set in, while also building the state general fund reserves to historic levels--\$1.7 billion in the FY 2021-22 budget. As debate got underway, Senator Moreno, the chair of the JBC, noted that it was only possible to balance the nearly \$35 billion budget because policymakers were able to draw on one-time resources. While revenue for next year is expected to be sufficient to sustain the current investments and spending, Moreno urged the Senate take a cautious approach. Senator Moreno further noted that by paying off debt, restoring emergency funds, and funding the state's PERA obligations, Colorado will be in a strong position to manage the financial uncertainty that may lie ahead. Republicans spent time during opening remarks questioning whether the historically large reserve was the best approach, suggesting money would be better spent by investing in infrastructure and efforts to get the economy moving again. This philosophy was reflected in the 14 Republican-sponsored amendments focused on transportation projects.

Some of the key areas in which previous funding cuts were restored through SB 205 include:

- \$480 million in school funding to reduce the budget stabilization factor
- \$473 million to higher education
- \$380 million to the Public Employees' Retirement Association (PERA) Direct Distribution payments
- \$124 million for transportation
- \$100 million to the State Education Fund

Policymakers will have \$50 million to fund 2021 legislative proposals.

In addition, SB 205 sets aside \$800 million for the state stimulus package which includes funding to support infrastructure, rural economic development and rural communities, schools, and job creation efforts. Several measures related to this effort were also introduced by House and Senate leadership this week focusing on support for the restaurant and event industries, child care, rural communities and agricultural supports, and youth mental health supports. These eight bills include:

- HB 1265 (Restaurant Sales Tax Relief) which would continue sales tax assistance provided during the 2020 special session allowing restaurants and food services to deduct up to \$70,000 in taxable sales from their monthly state sales tax return and retain the revenue during June, July, and August 2021.
- HB 1263 (Incentives for Conferences and Events) creates a program to provide organizations and businesses rebates of up to 10% of the hard costs of holding an event in Colorado to incentivize tourism and business in the state.
- HB 1258 (Mental Health Sessions for Youth) creates a program in the Office of Behavioral Health to reimburse providers for up to three mental health sessions with youth.
- HB 1262 (Support for CO Stock Show, State Fair & Agricultural Events) provides \$3.5 million to the CO Stock Show, \$3.5 million to the State Fair, and \$2 million to agricultural events organizations.
- HB 1264 (Workforce Centers and Training Awards) invests \$25 million toward reskilling, upskilling, and “next-skilling” workers during periods of unemployment.
- HB 1260 (Support for State Water Plan) provides \$20 million to the CO Water Conservation Board to implement the CO Water Plan.
- SB 234 (Agriculture & Drought Resiliency) establishes the Agriculture & Drought Resilience Fund to promote the state’s ability to anticipate, mitigate, and respond to droughts.
- SB 235 (Funding for ACRES3) provides funding to expand and enhance ACRES3, a program for agriculture energy management to help agriculture producers and processors cut energy costs and develop their own energy resources.
- SB 236 (Childcare Business Support) establishes three new grant programs focused on early childhood care and education to increase capacity and improve recruitment, retention, and compensation for educators.

More information on the Colorado Recovery Plan can be found [here](#).