

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF AN EMPLOYMENT-RELATED PUBLIC BENEFITS ENTERPRISE AS A GOVERNMENT-OWNED BUSINESS FOR THE PURPOSE OF PROVIDING BUSINESS SERVICES THAT BENEFIT COVERED EMPLOYERS BY IMPROVING PUBLICLY SUBSIDIZED HEALTH CARE PROGRAM SERVICES FOR LOW-WAGE EMPLOYEES AND THEIR FAMILIES, AND, IN CONNECTION THEREWITH, AUTHORIZING THE ENTERPRISE TO FUND THE BUSINESS SERVICES THAT IT PROVIDES BY IMPOSING, COLLECTING, AND DISTRIBUTING AN EMPLOYMENT-RELATED PUBLIC BENEFITS FEE ON COVERED EMPLOYERS.

Prime Sponsors: Reps. Duran and Becker K.
Sens. Kefalas and Ulibarri

JBC Analyst: Eric Kurtz
Phone: 303-866-4952
Date Prepared: May 2, 2016

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 05/02/16.

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

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 \$831,684 General Fund to the Department of Health Care Policy and Financing for FY 2016-17. This provision also states that the appropriation is based on the assumption that the Department will require an additional 2.8 FTE.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2016-17 based on the March 2016 Legislative Council Staff revenue forecast. The budget package allocates \$3.0 million General Fund to be available to fund 2016 legislation that is not accounted for in the budget package. If the full \$3.0 million is not used to fund legislation, it will remain in the General Fund reserve.

Timing Issues

As noted on page 7 of the Legislative Council Staff Revised Fiscal Note, dated 05/02/16, the bill requires the implementation of a fee before it is technically feasible to begin collection of the fee. If the enterprise cannot begin collection of the fee until July of 2018, as assumed in the Fiscal Note, then FY 2017-18 implementation costs will need to be financed with General Fund.

Technical Issues

The House Health, Insurance, & Environment Committee Report (04/28/16) added language indicating that the money in the Employment-related Public Benefits Fee Fund is subject to annual appropriation "by the enterprise" (see page 3 of the committee report, lines 12 and 13). The JBC Staff Fiscal Analysis assumes this is a technical error and the fund should be subject to annual appropriation "by the general assembly", since it is not clear how the enterprise could appropriate funds. If this is a technical error, it should be corrected, and if it is not a technical error, then some clarifying language may be necessary to explain what the language means.

Future Fiscal Impact

Beginning in FY 2018-19 several state agencies will require appropriations to pay the fee imposed by the Employment-related Public Benefits Enterprise (see Table 3 on page 5 of the Legislative Council Staff Revised Fiscal Note).

TABOR Revenue

While revenue collected and expended by an enterprise is exempt from TABOR, payments from an enterprise to state agencies to purchase services are subject to TABOR. The Legislative Council Staff Revised Fiscal Note projects payments from the enterprise to the Governor's Office of Information Technology of \$15,060 in FY 2018-19.