

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING AN INCREASE IN THE GENERAL FUND RESERVE.

Prime Sponsors: Sens. Lundberg and Lambert
Reps. Hamner and Young

JBC Analyst: John Ziegler
Phone: 303-866-4956
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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/30/18.

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
L.001	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2018-19.

Description of Amendments in This Packet

L.001 Bill Sponsor amendment **L.001** (attached) does two things. First, it inserts a legislative declaration into the bill. Second, it increases the statutory reserve from 6.5 percent to 7.25 percent (an incremental increase of 0.75 percent). The 0.75 percent incremental increase to the reserve would require approximately \$88.3 million General Fund. This results in a reduction to the amount available for appropriation of approximately that amount. The final reserve amount cannot be computed until actual FY 2018-19 appropriations are finalized in 2019.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting revenue forecast. The budget package leaves

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approximately \$40.8 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$38.3 million General Fund to fund 2018 legislation and maintain a 6.5 percent General Fund reserve. If the sponsor amendment (L.001) is adopted, this bill requires approximately \$88.3 million General Fund to be added to the statutory reserve for FY 2018-19, and would thus: (a) eliminate the excess General Fund reserve; and (b) require other General Fund appropriations for existing programs to be reduced by \$50.0 million in order to maintain a 6.5 percent statutory General Fund reserve.