

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE EMPLOYMENT SUPPORT AND JOB RETENTION SERVICES PROGRAM.

Prime Sponsors: Reps. Duran and Exum
Sens. Fields and Priola

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

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 02/23/22.

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

The House Business Affairs & Labor Committee Report (03/17/22) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.006/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

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 a total of

HB22-1230

JBC Staff Analysis

\$500,000 General Fund to the Employment Support and Job Retention Services Program Cash Fund in the Department of Labor and Employment for FY 2022-23.

L.006 and J.002

Amendment **L.006** (attached) makes the Employment Support and Job Retention Services Program Cash Fund (Fund) NOT continuously appropriated to the Department of Labor and Employment and reduces the annual appropriation from the General Fund to the Fund by \$250,000. Staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$250,000 General Fund to the Fund in the Department of Labor and Employment for FY 2022-23. In addition, the provision reappropriates \$250,000 cash funds from the Fund to the Department of Labor and Employment in FY 2022-23.

If the Committee adopts amendment L.006 then it should adopt amendment J.002 and should not adopt amendment J.001.

Points to Consider

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Department of Labor and Employment to **not** seek annual authority from the General Assembly to spend money from the Employment Support and Job Retention Program Cash Fund which will receive annual appropriations of \$500,000 from the General Fund?

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

HB22-1230**JBC Staff Analysis**

This bill creates an ongoing obligation and requires a General Fund appropriation of \$500,000 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

Adoption of L.006 creates an ongoing obligation and requires a General Fund appropriation of \$250,000 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.