

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING STATE CAPITAL FINANCING MANAGED BY THE STATE TREASURER, AND, IN CONNECTION THEREWITH, EXPANDING THE TYPES OF COLLATERAL THAT CAN BE USED TO SECURE SUCH FINANCING AND, IF DEEMED FEASIBLE AND IN THE BEST INTEREST OF THE STATE BY THE STATE TREASURER AFTER A REQUIRED STUDY IS COMPLETED, AUTHORIZING THE USE OF SECURITY TOKEN OFFERINGS FOR SUCH FINANCING, AND MAKING AN APPROPRIATION.

Prime Sponsors: Senator Hansen  
Reps. Bird and McCluskie

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**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**General Fund Impact**

**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 05/03/22.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> 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.003	Bill Sponsor amendment - does not change fiscal impact
J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

**Current Appropriations Clause in Bill**

The bill includes a provision that appropriates a total of \$389,285 General Fund to the Department of the Treasury for FY 2022-23. Of that amount, \$49,285 is reappropriated to the Department of Law, based on the assumption that the Department of Law will require an additional 0.3 FTE.

**Description of Amendments in This Packet**

**L.003** Bill Sponsor amendment **L.003** (attached) adds a provision that grants the Department of the Treasury authority to spend up to \$100,000 cash funds from the State Public Financing Cash Fund for the purpose of conducting a study. This cash fund is continuously appropriated to the Department, so no appropriation is required.

**J.002** Bill Sponsor amendment **J.002** (attached) strikes the existing appropriation clause and replaces it with one that decreases the appropriation to a total of \$125,000 General Fund to the Department of the Treasury for FY 2022-23. Of that amount, \$30,000 is reappropriated to the Department of Law, based on the assumption that the Department of Law will require an additional 0.3 FTE.

**The Committee may adopt any combination of these amendments.**

**Points to Consider***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.

This bill creates a one-time obligation and requires a General Fund appropriation of \$389,285 for FY 2022-23, reducing the \$900.0 million set aside by \$447,678 in order to maintain a 15.0 percent statutory General Fund reserve.

If **J.002** is adopted, this bill would create a one-time obligation and require a General Fund appropriation of \$125,000 for FY 2022-23, reducing the \$900.0 million set aside by \$143,750 in order to maintain a 15.0 percent statutory General Fund reserve.

*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.

## **SB22-025**

## **JBC Staff Analysis**

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 the Treasury to **not** seek annual authority from the General Assembly to spend money from State Public Financing Fund?