

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A PAYMENT TO THE STATEWIDE DEATH AND DISABILITY TRUST FUND TO PAY BENEFITS FOR MEMBERS HIRED BEFORE JANUARY 1, 1997, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Hansen and Hisey
Reps. Bird and Van Winkle

JBC Analyst: Mitch Burmeister
Phone: 303-866-3147
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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 03/29/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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 Legislative Staff Revised Fiscal Note (03/29/22) contains a technical issue that indicates a necessary appropriation for FY 2021-22. The reengrossed bill, however, requires the initial appropriation of \$6,650,000 General Fund on July 1, 2022. Legislative Council Staff and JBC Staff agree that in the bill's current form, no appropriation is necessary for FY 2021-22.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.003	Staff-prepared appropriation amendment
L.003/J.004	Bill sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes a provision that appropriates \$6,650,000 General Fund per year to the Department of the Treasury for FY 2021-22 and FY 2022-23.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to change the existing clause to eliminate the FY 2021-22 appropriation to the Department of the Treasury. According to the bill, the first appropriation will occur on July 1, 2022, so no appropriation is required in FY 2021-22.

L.003 and J.004

Bill sponsor amendment **L.003** (attached) adds a provision that eliminates the multi-year appropriation to the Department of the Treasury and requires a one-time appropriation on or before June 30, 2022.

Staff has prepared amendment **J.004** (attached) to add a provision shifting the appropriation to FY 2021-22 instead of FY 2022-23.

If the Committee adopts L.003 it must also adopt J.004 and should not adopt J.003.

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 ongoing obligation and requires a General Fund appropriation of \$6,650,000 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

If the Committee adopts **L.003** and **J.004**, the bill will create a one-time obligation and require a General Fund appropriation of \$6,650,000 for FY 2021-22. There will be no further obligations as a result of this bill.