

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE IMPROVEMENT OF PROGRAMS THAT BENEFIT WORKING FAMILIES.

Prime Sponsors: Reps. Willford and Garcia
Senator Cutter

JBC Analyst: Louellen Lowe
Phone: 303-866-2981
Date Prepared: April 29, 2024

Appropriation Items of Note

Appropriation Required, Amendments in Packet

General Fund Impact

Significant Cost Increase in Second and Third Year

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 04/29/24.

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
L.008	Bill Sponsor amendment - changes fiscal impact
L.010	Bill Sponsor amendment - changes fiscal impact

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 \$100,000 General Fund to the Department of Early Childhood for FY 2024-25 for the Community and

HB24-1223

JBC Staff Analysis

Family Support Division to study the Child and Adult Care Food Program.

L.008/L.010

Bill Sponsor amendment **L.008** (attached) makes certain requirements related to provider reimbursements subject to available federal appropriations.

Bill Sponsor amendment **L.010** (attached) makes multiple requirements related to changes to the Child Care Assistance Program subject to available federal appropriations; it removes presumptive eligibility by counties as well as the requirement that the Department provide full child care assistance through CCCAP to any early care and education provider or an employee of an early care and education provider; and it creates a pilot program for unlicensed providers to seek license exempt status.

Legislative Council Staff and JBC Staff agree that the combination of **L.008** and **L.010** reduces the amount of General Fund required by the bill by \$14.5 million in FY 2025-26 and by \$57.6 million in FY 2026-27.

The Committee should adopt J.001 regardless of whether it adopts L.008 or L.010.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSP) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

The bill requires a General Fund appropriation of \$100,000 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

HB24-1223

JBC Staff Analysis

In addition to the General Fund appropriation for FY 2024-25, this bill is projected to require General Fund appropriations of \$19,195,993 in FY 2025-26 and \$60,329,984 in FY 2026-27.

As amended by **L.008** and **L.010**, the bill is anticipated to require General Fund appropriations of \$670,922 in FY 2025-26 and \$746,234 in FY 2026-27. The reduction in future costs as calculated by the Department is based largely on the assumption that federally-mandated requirements (new as of April 2024) included in the bill will have to be implemented regardless of the bill's passage, and that the **Department will request funding for these provisions in a future budget request.** This includes funding provisions related to the following:

- Enrollment-based payments;
- Prospective payments;
- Lower parent co-pays;
- CCCAP application simplification; and
- All systems updates related to federally-required provisions, including but not limited to changes to CHATS and PEAK, which cannot be absorbed within existing resources.

The amount of federal funding available in future years for implementation of the new federal requirements is unknown at this time, and the Department may request General Fund in the future to implement the changes directed by the federal government. Legislative Council Staff and JBC staff agree that there will likely be a significant increase in future costs to implement the federally-mandated portion of the bill. However, both agencies also agree that those costs will be necessary with or without the implementation of this bill and therefore do not reflect the fiscal impact of this legislation.