

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A STATE INCOME TAX CREDIT FOR INDIVIDUALS IN THE CARE WORKFORCE.

Prime Sponsors: Reps. Sirota and Garcia
Senator Rodriguez

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Appropriation Items of Note

Appropriation Required, Amendments in Packet

General Fund/TABOR Impact

Significant Cost Increase in Second 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 04/24/24.

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.009/L.010/ L.011/L.012/ L.013	Bill Sponsor amendments - change fiscal impact <i>not</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 \$47,193 General Fund to the Department of Early Childhood for FY 2024-25. This provision also

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states that the appropriation is based on the assumption that the Department will require an additional 0.2 FTE.

L.009/L.010/L.011/L.012/L.013

Bill Sponsor amendments **L.009**, **L.010**, **L.011**, **L.012**, and **L.013** (attached) change who is eligible to claim the tax credit by removing Certified Nurse Aides, requiring that informal caretakers must provide care to children 5 years or younger, and requiring that home health care workers and personal care aids must be employed by a licensed or certified facility. The amendments also change the certification process to administer the credit.

Amendments **L.009**, **L.010**, **L.011**, **L.012**, and **L.013** do not change the FY 2024-25 appropriation, but do reduce the required FY 2025-26 General Fund appropriation to \$767,457. Additionally, the amendments reduce the General Fund revenue impact of the bill and collectively are projected to decrease General Fund revenues by \$27.0 million in FY 2024-25 and by \$54.5 million in FY 2025-26. Legislative Council Staff and JBC Staff agree on the fiscal impact of the amendments.

The Committee should adopt amendment **J.001**, and may adopt amendments **L.009**, **L.010**, **L.011**, **L.012**, and **L.013**.

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 (OSPB) 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

This bill requires a General Fund appropriation of \$47,193 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

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TABOR/ Excess State Revenues Impact

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$1.3 billion for FY 2024-25 and \$1.8 billion for FY 2025-26 to be refunded to taxpayers out of the General Fund. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$65.4 million in FY 2024-25 and by \$132.2 million in FY 2025-26, which will result in a decrease in the TABOR surplus liability of equal amounts.

If **L.009, L.010, L.011, L.012, and L.013** are adopted, then the bill is estimated to decrease General Fund revenues by \$27.0 million in FY 2024-25 and by \$54.5 million in FY 2025-26, which will result in a decrease in the TABOR surplus liability of equal amounts.

Future Fiscal Impact

Although this bill would only require a \$47,193 General Fund appropriation for FY 2024-25, it is projected to require a General Fund appropriation of \$1.4 million in FY 2025-26.

If **L.009, L.010, L.011, L.012, and L.013** are adopted then this bill would require a \$47,193 General Fund appropriation for FY 2024-25, but it is projected to require a General Fund appropriation of \$767,457 in FY 2025-26.