

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF INCENTIVES AGAINST THE STATE INCOME TAX FOR STUDENTS PURSUING POST-SECONDARY CREDENTIALS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Bird and Taggart  
Sens. Kirkmeyer and Zenzinger

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Date Prepared: May 6, 2024

**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment 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 05/06/24.

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

The Senate Finance Committee Report (5/6/24) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the amendments make very minor or no changes to the fiscal impact of the bill, and make no change to the required appropriation for FY 2024-25.

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
J.003	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates \$293,896 General Fund to the Department of Revenue, of which \$3,875 is reappropriated to the Department of Personnel, for FY 2024-25.

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Additionally, the provision appropriates \$123,772 General Fund to the Department of Higher Education for FY 2024-25. The provision assumes the Department of Revenue will require an additional 3.6 FTE and the Department of Higher Education will require an additional 1.5 FTE.

The Revised Fiscal Note identifies that the Department of Revenue no longer requires an appropriation for FY 2024-25, and the appropriation to the Department of Higher Education is reduced by \$21,966 for FY 2024-25.

### Description of Amendments in This Packet

**J.003** Staff has prepared amendment **J.003** (attached) to amend the current provision and appropriate a total of \$101,756 General Fund to the Department of Higher Education for FY 2024-25 and assumes the Department requires an additional 1.3 FTE.

### 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
<b>TOTAL Placeholders for Other 2024 Legislation</b>	<b>\$63,062,537</b>

This bill requires a General Fund appropriation of \$101,756 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

#### *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 \$18.1 million in FY 2024-

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25 and by \$36.7 million in FY 2025-26, which will result in a decrease in the TABOR surplus liability of equal amounts.

In addition to the General Fund appropriation made in FY 2024-25, this bill will require General Fund appropriations of \$477,856 in FY 2025-26, and \$329,669 in FY 2026-27. Additionally, this bill will reduce General Fund revenues by an estimated \$37.8 million in FY 2026-27, reducing the amount of General Fund available for other purposes.