

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES RELATED TO CREATING HIGHER EDUCATION OPPORTUNITIES FOR PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Young and Bradfield
Sens. Cooke and Bridges

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund Impact

New Cash Fund (with Continuous Appropriation)*

*While the bill provides for continuous appropriation, any excess remaining at the end of a fiscal year reverts to the General Fund.

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/08/22.

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

The reengrossed bill includes amendments adopted in the House Appropriations Committee Report (04/29/22), however, Legislative Council Staff and JBC Staff agree that the amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.001/J.002	Bill Sponsor amendment - changes appropriation structure

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides an appropriation of \$450,000 General Fund to the Inclusive Higher Education Opportunities Cash Fund for FY 2022-23. The Department of Higher Education is responsible for the accounting related to this cash fund.

Description of Amendments in This Packet**L.001 and J.002**

Bill Sponsor amendment **L.001** (attached) eliminates the Inclusive Higher Education Opportunities Cash Fund. As included in the reengrossed bill, the balance of the cash fund was required to revert to the General Fund at the end of each year, making the purpose of the cash fund unclear. Instead of requiring an annual appropriation of \$450,000 General Fund to the cash fund for five years, amendment L.001 requires an annual appropriation of \$450,000 General Fund to the Department of Higher Education for the Inclusive Higher Education Program for five years.

Bill Sponsor amendment **J.002** (attached) strikes the existing appropriation clause that appropriates \$450,000 General Fund to the Inclusive Higher Education Opportunities Fund for FY 2022-23 and replaces this with an appropriation of \$450,000 General Fund to the Department of Higher Education for FY 2022-23.

If the Committee adopts amendment L.001 it should ALSO adopt amendment J.002.

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 an ongoing obligation and requires a General Fund appropriation of \$450,000 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

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.

This bill creates a new cash funds with continuous appropriations authority. However, it also requires that any amounts that are not expended or encumbered revert to the General Fund at the end of each fiscal year. The appropriation method reduces the information on expenditures that will be reported through the budget process but will require the Department to receive an annual appropriation for the program. Is it necessary for the Department of Higher Education to receive support for this program through a continuously appropriated cash fund, rather than a direct annual appropriation?

Sponsor amendments L.001 and J.002 address this issue.