JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING THE CREATION OF FINANCIAL LITERACY AND EXCHANGE PROGRAM ACCOUNTS.

Prime Sponsors: Representative Herod
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Phone: 303-866-4956
Date Prepared: April 28, 2022

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

New Cash Fund (with Continuous Appropriation)

Significant Cost Increase in Second Year

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 04/25/22.

<table>
<thead>
<tr>
<th>XXX</th>
<th>No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill</th>
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<tbody>
<tr>
<td></td>
<td>Update: Fiscal impact has changed due to new information or technical issues</td>
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<tr>
<td></td>
<td>Update: Fiscal impact has changed due to amendment adopted after LCS Fiscal Note was prepared</td>
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<td>Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill</td>
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The House Business Affairs & Labor Committee Report (04/27/22) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

<table>
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<tr>
<th>Amendment</th>
<th>Description</th>
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<tr>
<td>J.001</td>
<td>Staff-prepared appropriation amendment</td>
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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 a total of $103,355 General Fund to the FLEX Fund administered by the Department of Local Affairs for FY 2022-23.

The amount included in the appropriation does not include $19,462 General Fund for centrally appropriated costs. This accounts for the difference between the $122,817 General Fund appropriation identified in the fiscal note and the $103,355 appropriation included in J.001.

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 $103,355 for FY 2022-23, reducing the $40.0 million set aside by the same amount.

Future Fiscal Impact
The bill is assumed to require a General Fund appropriation of at least $332,081 in FY 2023-24 and future years.

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. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Department of Local Affairs to not seek annual authority from the General Assembly to spend money from the FLEX Fund?