

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE MODERNIZATION OF PROCEDURES FOR THE ENFORCEMENT OF LAWS GOVERNING THE EMPLOYER-EMPLOYEE RELATIONSHIP, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Danielson and Jaquez Lewis
Reps. Duran and Froelich

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund Impact

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 05/04/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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 a provision appropriating \$504,419 General Fund to the Department of Labor and Employment, of which \$31,050 is reappropriated to the Department of Law. The provision states that the appropriation is based on the assumption that the Department of Labor and Employment will require an additional 4.8 FTE and the Department of Law will require an additional 0.2 FTE. In addition, the provision appropriates \$95,200 General Fund to the Department of Law, based on the assumption that the Department of Law will require an additional 0.8 FTE.

The revised fiscal note identifies the necessary appropriation to each department as: 1) \$345,069 to the Department of Labor and Employment, of which \$31,050 is reappropriated to the Department of Law, and based on the assumption that the Department of labor and Employment will require an additional 3.4 FTE and the Department of Law will require an additional 0.2 FTE; and 2) \$189,080 General Fund to the Department of Law based on the assumption that the Department of Law will require an additional 1.6 FTE.

Legislative Council Staff received additional information after the revised fiscal note was published. As a result, the General Fund appropriation to the Department of Labor and Employment should be reduced by \$159,350, based on the assumption that the Department of Labor and Employment will require an additional 3.4 FTE as opposed the 4.8 FTE identified in the appropriation clause. In addition, subsection (3) of the provision is confirmed to be the correct appropriation to the Department of Law.

Adoption of J.003 (see below) will align the appropriation clause in the bill with the updated information concerning the fiscal impact of the bill.

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 a total of \$504,419 General Fund to the Department of Labor and Employment for FY 2022-23, and reappropriates \$31,050 to the Department of Law for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department of Labor and Employment will require an additional 4.8 FTE and the Department of Law will require an additional 0.2 FTE.

The provision also appropriates a total of \$95,200 General Fund to the Department of Law for FY 2022-23. This provision states that the appropriation is based on the assumption that the Department of Law will require an additional 0.8 FTE.

The provision included in the reengrossed bill appropriates an excess of \$159,350 General Fund to the Department of Labor and Employment for FY 2022-23 and reflects 4.8 FTE as opposed to 3.4 FTE.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to appropriate a total of \$345,069 General Fund to the Department of Labor and Employment for FY 2022-23. This appropriation is based on the assumption that the Department of Labor and Employment will require 3.4 FTE.

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 \$440,269 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.