

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PROVIDING STATE MATCHING MONEY FOR PROPERTY TAX REVENUE COLLECTED BY SCHOOL DISTRICTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Zenzinger and Rankin
Representative McCluskie

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund Impact

New Cash Fund

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 05/03/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.004	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill currently includes a clause that appropriates a total of \$20,041,238 to the Department of Education for FY 2022-23, including \$41,238 General Fund and \$20,000,000 cash funds from the Mill Levy Override Match Fund (which originates as a transfer from the General Fund). This provision also states that the General Fund appropriation is based on an assumption that the Department will require an additional 0.5 FTE.

Description of Amendments in This Packet

L.004 Bill Sponsor amendment **L.004** (attached) makes the following changes to the bill:

- Reduces a FY 2022-23 transfer from the General Fund to the State Education Fund in H.B. 22-1390 (School Finance) from \$300.0 million to \$290.0 million (a reduction of \$10.0 million).
- Reduces the transfer in S.B. 22-202 from the General Fund to the Mill Levy Override Match Fund for FY 2022-23 from \$20.0 million to \$10.0 million.
- Changes the FY 2022-23 appropriation to the Department of Education to align with the reduced transfer (reducing the appropriation of cash funds from the Mill Levy Override Match Fund from \$20.0 million in the reengrossed bill to \$10.0 million).
- Adds an effective date clause stating that the transfers and appropriations in the bill only take effect if H.B. 22-1390 becomes law.

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.

The bill currently includes an impact of \$20,041,238 General Fund in FY 2022-23, only \$41,238 of which is clearly one-time funding and would therefore count against the \$900.0 million set aside. As the current bill does not identify an offset for the funding, if intended as an ongoing appropriation, the \$20.0 million transfer to the Mill Levy Override Match Fund would reduce the \$40.0 million set aside by \$20.0 million.

Sponsor amendment L.004 would reduce the General Fund requirement to \$10,041,238 for FY 2022-23, including a transfer of \$10.0 million to the Mill Levy Override Match Fund and the additional (one-time) appropriation of \$41,238. In addition, the amendment reduces a FY 2022-23 transfer from the General Fund to the State Education Fund by \$10.0 million and therefore does not impact the \$40.0 million set-aside for FY 2022-23.