

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING REGIONAL TALENT DEVELOPMENT INITIATIVES, AND, IN CONNECTION THEREWITH, CREATING THE REGIONAL TALENT SUMMIT GRANT PROGRAM AND AN INCOME TAX CREDIT FOR FACILITY IMPROVEMENT AND EQUIPMENT ACQUISITION COSTS ASSOCIATED WITH TRAINING PROGRAMS DESIGNED TO ALLEVIATE WORKFORCE SHORTAGES.

Prime Sponsors: Reps. Lukens and Soper  
Sens. Bridges and Will

JBC Analyst: Scott Thompson  
Phone: 303-866-4957  
Date Prepared: April 19, 2024

**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund/TABOR Impact**

**Significant Cost Increase in Second and Third 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 04/09/24.

|            |  |
|------------|--|
| <b>XXX</b> | <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 |

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

| <b>Amendment</b> | <b>Description</b>                                     |
|------------------|--|
| J.001            | Staff-prepared appropriation amendment                 |
| L.009            | Bill Sponsor amendment - does not change fiscal impact |

**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 \$109,603 General Fund to the Office of Economic Development and International Trade for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.8 FTE.

**L.009** Bill Sponsor amendment **L.009** (attached) changes the repeal date for the program from 2033 to 2032. Legislative Council Staff and JBC Staff agree that this amendment does not change the fiscal impact of the bill.

**The Committee should adopt amendment J.001 regardless of whether it adopts amendment L.009.**

**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 \$109,603 and a transfer of \$4.0 million for FY 2024-25, reducing the \$63.1 million set aside by \$4,109,603.

*Future Fiscal Impact*

This bill will reduce General Fund revenues by an estimated \$7.5 million in FY 2025-26 and by \$15.0 million in FY 2026-27, reducing the amount of General Fund available for other purposes.

*General Fund/TABOR/ Excess State Revenues Impact*

## **HB24-1365**

## **JBC Staff Analysis**

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. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$93.5 million General Fund for appropriations in FY 2024-25.

The bill is estimated to decrease General Fund revenue by \$7.5 million in FY 2025-26, thereby decreasing the available General Fund, but it also reduces the TABOR revenue, thereby by reducing the General Fund obligation for a TABOR refund by the same amount. The net impact is no change in the available General Fund from the current forecast. In addition, the bill is projected to increase cash fund revenue by \$12,100 in FY 2024-25 and \$129,200 in FY 2025-26, thereby increasing the TABOR revenue and the General Fund obligation for a TABOR refund. The increase in cash fund revenue decreases the available General Fund by \$12,100 in FY 2024-25 and \$129,200 in FY 2025-26.