

**JBC STAFF FISCAL ANALYSIS
SENATE 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 AND MAKING AN APPROPRIATION.

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

JBC Analyst: Scott Thompson
Phone: 303-866-4957
Date Prepared: May 3, 2024

Appropriation Items of Note

Appropriation Already Added to Bill, No 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.

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 to the bill adopted by the House on second reading (04/25/24), however, Legislative Council Staff and JBC Staff agree that the amendments do not change the fiscal impact of the bill. The amendments do change the repeal date of the program from 2033 to 2032.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates 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.

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
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

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.

TABOR/ Excess State Revenues Impact

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. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$7.5 million in FY 2025-26 and by \$15.0 million in FY 2026-27, which will result in a decrease in the TABOR surplus liability of equal amounts.

The bill is also expected to increase cash fund revenues by \$12,100 in FY 2024-25 and by \$129,200 in each year thereafter, which amounts offset the anticipated TABOR surplus refund liability identified in the previous paragraph by equal amounts.