

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A WORKER'S RIGHTS IN THE WORKPLACE FOR CONDUCT RELATED TO A PRINCIPAL'S ACTIONS DURING A PUBLIC HEALTH EMERGENCY.

Prime Sponsors: Reps. Herod and Sullivan
Sens. Pettersen and Rodriguez

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Date Prepared: June 7, 2020

Appropriation Items of Note

Appropriation Required, Amendments in Packet

General Fund Impact

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 06/05/20.

	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 Legislative Council Staff Fiscal Note dated June 5, 2020, indicates that this bill should be funded from the Employment Support Fund. However, the Employment Support Fund may only be used to fund this bill if statutes related to the Fund are modified to allow this. Because of this, the bill requires a General Fund appropriation in its current form.

The Finance Committee Report (06/06/20) 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

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.005/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

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 \$270,153 General Fund to the Department of Labor and Employment for FY 2020-21. Of this amount, \$63,960 is reappropriated to the Department of Law. This provision also states that the appropriation is based on the assumption that the Department of Labor and Employment will require an additional 2.5 FTE and the Department of Law will require an additional 0.3 FTE.

L.005 and J.002

Bill sponsor amendment **L.005** (attached): (1) authorizes the use of the Employment Support Fund to support the provisions of this bill; and (2) repeals the bill's provisions on July 1, 2022. Amendment **J.002** (attached) adds a provision appropriating a total of \$270,153 cash funds to the Department of Labor and Employment from the Employment Support Fund for FY 2020-21. Of this amount, \$63,960 is reappropriated to the Department of Law. This provision also states that the appropriation is based on the assumption that the Department of Labor and Employment will require an additional 2.5 FTE and the Department of Law will require an additional 0.3 FTE.

The Committee may adopt either J.001 or L.005 with J.002 but should not adopt all three amendments.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2020-21 based on the following:

- the May 12, 2020, Office of State Planning and Budgeting revenue forecast;
- a school finance bill placeholder for a reduction of \$723.8 million General Fund;
- a placeholder for the reduction of \$202.0 million General Fund through one or more non-JBC package bills; and
- an adjusted statutory General Fund reserve percentage of 3.84 percent equal to \$402.0 million.

This bill requires a General Fund appropriation of \$270,153 for FY 2020-21, thereby decreasing the proposed fiscal year-end General Fund reserve or increasing the proposed placeholder reductions by the same amount. Amendments L.005/J.002 address this issue.

HB20-1415

JBC Staff Analysis

Revenue Source

Sponsor amendments L.005/J.002 fund this bill from the Employment Support Fund, which derives from a portion of unemployment insurance premiums paid by employers. This fund had a fund balance of \$37.0 million at the end of FY 2018-19. Recent projections from the Department of Labor and Employment indicate that expenditures are likely to exceed revenues by \$9.3 million in FY 2020-21, due to declining unemployment insurance premium revenue. However, the fund balance is still expected to exceed \$33.0 million at the end of FY 2020-21 and will therefore be sufficient to cover the additional costs of this bill for two years.