

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING TEMPORARY ASSISTANCE FOR INDIVIDUALS WHO ARE FACING A FINANCIAL HARDSHIP DUE TO THE COVID-19 PANDEMIC, AND, IN CONNECTION THEREWITH, CREATING THE EMERGENCY DIRECT ASSISTANCE GRANT PROGRAM; AND TRANSFERRING MONEY TO THE EMERGENCY DIRECT ASSISTANCE GRANT PROGRAM FUND, AND TO THE HOUSING DEVELOPMENT GRANT FUND, AND TO THE EVICTION LEGAL DEFENSE FUND FOR THIS ASSISTANCE; AND MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Gonzales and Holbert  
Reps. Exum and Tipper

JBC Analyst: Andrea Uhl  
Phone: 303-866-4956  
Date Prepared: December 1, 2020

**Appropriation Items of Note**

**Appropriation Required, 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 11/30/20.

XXX	<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

The House Public Health Care & Human Services Committee Report (12/01/20) 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.002	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates a total of \$1,000,000 cash funds from the pandemic subaccount of the Eviction Legal Defense Fund to the Judicial Department and \$16,751

reappropriated funds from the General Fund transfer to the Housing Development Grant Fund within the Department of Local Affairs to the Office of Information Technology in the Governor's Office for FY 2020-21.

**Description of Amendments in This Packet**

**J.002** Staff has prepared amendment **J.002** (attached) to correct a technical error that appropriated funds from the pandemic subaccount of the Eviction Legal Defense Fund in the Judicial Department; the proposed amendment corrects this error to appropriate funds from the broader Eviction Legal Defense Fund.

**Points to Consider***General Fund Impact*

The FY 2020-21 transfers of \$54.0 million General Fund into the Housing Development Grant Fund, \$5.0 million General Fund into the Emergency Direct Assistance Grant Program Fund, and \$1.0 million General Fund into the pandemic subaccount of the Eviction Legal Defense Fund included in this bill will reduce the amount of General Fund available for other purposes in FY 2020-21 or FY 2021-22 by \$60.0 million.

There is significant uncertainty regarding the total amount of General Fund revenue that will be available in FY 2020-21 and FY 2021-22.

- *FY 2019-20 General Fund Reserve.* Based on the September 2020 economic forecasts, both the Office of State Planning and Budgeting (OSPB) and Legislative Council Staff (LCS) anticipate the General Fund reserve for the fiscal year ending June 30, 2020 to exceed the statutorily required reserve of \$363.5 million (3.07 percent of FY 2019-20 General Fund appropriations). OSPB anticipates an excess reserve of \$1,427.2 million and LCS anticipates an excess reserve of \$1,265.5 million.
- *FY 2020-21 General Fund Reserve.* The required General Fund reserve for the fiscal year ending June 30, 2021 is 2.86 percent of FY 2020-21 General Fund appropriations (currently \$306.9 million). Based on the September 2020 economic forecasts, both OSPB and LCS anticipate the General Fund reserve for the fiscal year ending June 30, 2021 to exceed the statutorily required reserve.
- *General Fund Revenue Uncertainty.* The OSPB and LCS projections of gross General Fund revenues to be collected in FY 2020-21 differ significantly, with the OSPB projections exceeding those of LCS by \$887.6 million in FY 2020-21 and by \$292.0 million in FY 2021-22. In addition, the quarterly September 2020 economic forecasts do not reflect the revenue impacts of voter-approved statewide ballot measures (e.g., Proposition 116 which reduced the state income tax rate) or the economic impacts associated with the recent increases in COVID-19 cases. The economic forecasts that will be released on Friday, December 18, 2020, will reflect these impacts.