

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MODIFICATIONS TO THE COLORADO WORKS PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Duran and Jodeh  
Senator Moreno

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**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**General Fund and 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 04/30/22.

	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
<b>XXX</b>	<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 Revised Fiscal Note (04/30/22) identifies the Unclaimed Property Trust Fund as a source of funding in FY 2023-24 and ongoing. When money in the Unclaimed Property Trust Fund is used for purposes other than those specified in Section 38-13-801 (1)(b), C.R.S., that money is considered revenue subject to TABOR and will increase the TABOR refund made out of the General Fund. The Revised Fiscal Note estimates that the Unclaimed Property will provide \$5.0 million in FY 2023-24 and \$9.3 million in FY 2024-25 for the implementation of this bill, reducing the available General Fund in each fiscal year by an equal amount. Legislative Council Staff and JBC Staff agree on the updated fiscal impact.

The Finance Committee Report (05/04/22) 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
L.013/J.003	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that provides a total of \$7.0 million cash funds from the Economic Recovery and Relief Cash Fund to the Department of Human Services for FY 2022-23 for the Employment Opportunity with Wages Program. Additionally, the bill includes an appropriations clause that provides \$12,824,070 cash funds from the Colorado Long-term Works Reserve to the Department of Human Services for FY 2022-23, of which \$1,066,400 is reappropriated to the Governor's Office for the provision of information technology services. This provision also states that the appropriation is based on the assumption that the Department will require an additional 5.0 FTE.

**Description of Amendments in This Packet**

**L.013 and J.003**

Bill Sponsor amendment **L.013** (attached) makes the following changes:

- delays provisions affecting basic cash assistance payments so that rule making is completed and changes to benefits begin July 1, 2023, reducing from \$11.4 million to \$8.4 million the increase in basic cash assistance payments in FY 2022-23;
- makes the use of Unclaimed Property Trust Fund revenue optional and dependent on the State being below the TABOR limit;
- increases from \$18.0 million to \$21.5 million the transfer from the Economic Recovery and Relief Cash Fund to the Colorado Long-term Works Reserve; and
- decreases from \$7.0 million to \$3.5 million the appropriation from the Economic Recovery and Relief Cash Fund to the Employment Opportunities with Wages Program.

Staff has prepared **J.003** (attached) to reduce from \$12.8 million to \$9.8 million the total appropriation from the Colorado Long-term Works Reserve and to reduce from \$11.4 million to \$8.4 million the appropriation for county block grants, which is for basic cash assistance payments.

**If L.013 is adopted, then J.003 should also be adopted.**

**Points to Consider**

*Future Fiscal Impact*

Although this bill would not require a General Fund appropriation for FY 2022-23, it is projected to require General Fund appropriations of \$5.0 million in FY 2023-24 and \$9.3 million in FY 2024-25. Additionally, the bill is projected to require appropriations from the Unclaimed Property Trust

## HB22-1259

## JBC Staff Analysis

Fund of \$5.0 million in FY 2023-24 and \$9.3 million in FY 2024-25. The required appropriations from both the General Fund and the Unclaimed Property Trust Fund would continue to increase in FY 2025-26 and ongoing.

The Unclaimed Property Trust Fund (UPTF), created in section 38-13-801 (1)(a), C.R.S., consists of the proceeds from the sale of unclaimed property and abandoned securities. The State Treasurer is required to verify ownership of the money in the fund and return that money to the rightful owners. Currently, the UPTF has an unfunded liability of approximately \$623.5 million. This unfunded liability grows every year by at least \$30.0 million because of the use of revenue from the UPTF for funding the Adult Dental Benefit provided through the Department of Health Care Policy and Financing. Increasing the amount of revenue used from the UPTF for purposes other than the return of money to the rightful owner will increase the unfunded liability.

### *TABOR/ Excess State Revenues Impact*

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24. These sums must be refunded to taxpayers out of the General Fund. As a result of the use of money from the Unclaimed Property Trust Fund in FY 2023-24, this bill is estimated to increase revenue subject to TABOR by \$5.0 million in FY 2023-24, which will result in an increase in the TABOR surplus liability of an equal amount.

If **L.013** is adopted, the FY 2023-24 TABOR impact is eliminated.