

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A PROHIBITION AGAINST AN EMPLOYER TAKING ADVERSE ACTION AGAINST AN EMPLOYEE WHO ACCEPTS A GRATUITY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Representative Valdez
Senator Rodriguez

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Appropriation Items of Note

Appropriation Already Added to Bill, 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 05/01/23.

	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 Revised Fiscal Note identifies an appropriation of \$79,262 General Fund and 0.8 FTE is required for this bill. The appropriation in the bill assumes the Department would only require \$38,436 General Fund and an additional 0.4 FTE on a one-time basis. This appropriation is based on an assessment that the anticipated number of claims the Department will receive as a result of this legislation included in the Revised Fiscal Note is an overestimation, and thus the 0.5 FTE for an ongoing compliance investigator could be absorbed by the Department.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.010	Bill Sponsor amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$38,436 General Fund to the Department

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of Labor and Employment for FY 2023-24. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.4 FTE.

Description of Amendments in This Packet

L.010 Bill Sponsor amendment **L.010** (attached) requires the Department to complete and publish a study on the effects of gratuity practices on employees and the labor market by January 1, 2024. The Department indicates that the implementation of **L.010** can be accomplished within existing allocations.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

This bill creates a one-time obligation and requires a General Fund appropriation of \$38,436 for FY 2023-24, reducing the \$469.0 million set aside by the same amount.