

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING UNEMPLOYMENT COMPENSATION, AND, IN CONNECTION THEREWITH, REDUCING EMPLOYER PREMIUM RATES; CREATING SUPPORT SURCHARGE RATES; AND ADJUSTING THE ALLOCATIONS OF EMPLOYER PREMIUMS AND SUPPORT SURCHARGE PAYMENTS TO THE UNEMPLOYMENT COMPENSATION FUND, THE EMPLOYMENT SUPPORT FUND, THE EMPLOYMENT AND TRAINING TECHNOLOGY FUND, AND THE BENEFIT RECOVERY FUND TO COMPLY WITH FEDERAL LAW.

Prime Sponsors: Sens. Zenzinger and Kirkmeyer
Reps. Bird and Sirota

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Phone: 303-866-2149
Date Prepared: April 12, 2023

Appropriation Items of Note

Appropriation Not Required, Amendment in Packet

TABOR Impact

Significant Cost Increase in 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 04/05/23.

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|------------|--|
| 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 |

Amendments in This Packet for Consideration by Appropriations Committee

| Amendment | Description |
|------------------|--|
| L.008 | Bill Sponsor amendment - technical adjustment. |

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2023-24.

Description of Amendments in This Packet**L.008**

Bill Sponsor amendment **L.008** (attached) removes the repeal of the provision allowing the Employment Support Fund to be used to fund labor standards, labor relations, and the Colorado works grievance procedure. Legislative Council Staff and JBC Staff agree that the repeal of this provision would require an increase in annual General Fund appropriations of at least \$3.5 million beginning in FY 2025-26, and the adoption of amendment **L.008** would eliminate the need for out-year increased General Fund appropriations.

Points to Consider*TABOR/ Excess State Revenues Impact*

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$30.0 million General Fund for ongoing appropriations and \$469.0 million General Fund for bills that create one-time obligations in FY 2023-24.

The LCS fiscal note indicates that this bill is estimated to decrease non-exempt cash fund revenues by \$51,060,988 in FY 2023-24 and by \$22,130,316 in FY 2024-25, which will increase the available General Fund in each fiscal year by equal amounts. Under the OSPB forecast, this bill is estimated to decrease cash fund revenues by \$45,270,419 in FY 2023-24 and \$12,808,343 in FY 2024-25, increasing the amount of General Fund available for other purposes in each fiscal year by equal amounts.

Future Fiscal Impact

Although this bill would not require a General Fund appropriation for FY 2023-24, it is projected to require a General Fund appropriation of at least \$3,155,180 in beginning in FY 2025-26 on an ongoing basis.

If the committee adopts **L.008**, this bill would not require any ongoing General Fund appropriations.