

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MODIFICATIONS TO THE SKILLED WORKER TRAINING PROGRAM ADMINISTERED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT.

Prime Sponsors: Reps. Pabon and Exum
Sens. Cooke and Williams A.

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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 03/29/18.

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

The Finance Committee Report (04/02/18) 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.002/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 \$3,400,000 General Fund into the Skilled Worker Outreach, Recruitment, and Key Training Grant Program Fund (the Fund) for FY 2018-19. This provision also authorizes the Department of Labor and Employment to spend \$3,400,000 out of the Fund and states that the appropriation is based on the assumption that the Department will require an additional 2.0 FTE.

L.002 and J.002

Bill Sponsor amendment **L.002** (attached) modifies the bill to specify that for fiscal years 2018-19, 2019-20, and 2020-21, the General Assembly shall appropriate a total of \$7,600,000 General Fund into the Fund (rather than \$10.0 million), of which not more than \$3,300,000 may be appropriated in any fiscal year. Sponsor amendment **J.002** (attached) is the same as J.001, but it appropriates \$1.0 million, rather than \$3.4 million, into and out of the Fund for FY 2018-19.

The three-year fiscal impact of the bill, with L.002 and J.002 is shown in the table below. Legislative Council Staff concurs with this analysis.

**Fiscal Impact of HB 18-1316
with L.002 and J.002**

	FY 2018-19	FY 2019-20	FY 2020-21
Department of Labor and Employment			
Personal Services	\$154,209	\$154,209	\$154,209
Operating Expenses	1,900	1,900	1,900
Grants	843,891	3,143,891	3,143,891
Total Cost*	\$1,000,000	\$3,300,000	\$3,300,000

*This excludes Centrally Appropriated costs, which are estimated at \$29,089 each year.

The Committee may adopt J.001 or it may adopt L.002 and J.002.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting revenue forecast. The budget package leaves approximately \$40.8 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$38.3 million General Fund to fund 2018 legislation and maintain a 6.5 percent General Fund reserve. This bill requires a General Fund appropriation of \$3,400,000 for FY 2018-19, reducing the excess General Fund reserve by \$3,621,000.