

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING FUNDING FOR JUST TRANSITION PROGRAMS TO ASSIST COMMUNITIES WITH ECONOMIC TRANSITIONS.

Prime Sponsors: Reps. Esgar and Roberts  
Sens. Winter and Donovan

JBC Analyst: Abby Magnus  
Phone: 303-866-2149  
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**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 Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/21/22.

	<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>XXX</b>	<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 Transportation & Local Government Committee Report (04/26/22) includes amendments to extend prior year appropriations. As amended, the bill authorizes the Office of Just Transition to expend the following appropriations through FY 2023-24:

- \$8.0 million appropriated for FY 2020-21,
- \$1.3 million appropriated for FY 2021-22, and
- \$555,000 appropriated for FY 2022-23.

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.002	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.002** Staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$15.0 million cash funds to the Department of Labor and Employment for FY 2022-23. The bill stipulates that the Department may expend \$5.0 million of this amount through FY 2025-26, and \$10.0 million of this amount through FY 2026-27.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and includes a General Fund transfer of \$15.0 million for FY 2022-23, reducing the \$900.0 million set aside by the same amount.

*Legislative Appropriation Authority*

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Department of Labor and Employment to **not** seek annual authority from the General Assembly to spend money from the Just Transition Cash Fund and the Coal Transition Worker Assistance Program Account?