

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF PROGRAMS FOR THE DEVELOPMENT OF CHILD CARE FACILITIES.

Prime Sponsors: Reps. Bradfield and Lukens
Sens. Marchman and Rich

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Appropriation Items of Note

Appropriation Not Required, Amendment in Packet

General Fund Impact

New Cash Fund (with Continuous Appropriation)

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 04/09/24.

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.003	Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2024-25.

Description of Amendments in This Packet

L.003 Bill Sponsor amendment **L.003** (attached) reduces the General Fund transfer to the Child Care Facility Cash Fund beginning in FY 2024-25 from \$3.3 million to \$250,000.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

The bill requires a General Fund transfer of \$3.3 million for FY 2024-25, reducing the \$63.1 million set aside by the same amount. If **L.003** is adopted, the General Fund transfer is reduced to \$250,000.

Future Fiscal Impact

This bill is estimated to require a General Fund appropriation to the Child Care Facility Development Cash Fund of \$3.3 million in FY 2025-26 through FY 2027-28. If **L.003** is adopted, this future appropriation requirement is reduced to \$250,000.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

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-

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budget, and thus expenditures are not reported or accounted for through the budget process.

Is it necessary for the Department of Local Affairs to **not** seek annual authority from the General Assembly to spend money from the Child Care Facility Cash Fund?