

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning the division of unemployment insurance funding adjustments, and, in connection therewith, making and reducing an appropriation.

Prime Sponsors:

Senators Amabile; Bridges
Representatives Sirota; Taggart

Date Prepared:

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JBC Analyst:

Phoebe Canagarajah
303-866-2149

Fiscal Impacts

Appropriation Already Added to Bill, No Amendment in Packet

General Fund and TABOR Impact

Fiscal Note Status

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/31/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

None.

Current Appropriations Clause in Bill

The bill includes appropriations clauses that make various changes to appropriations to the Department of Labor and Employment for FY 2024-25 and FY 2025-26.

In the Executive Director's Office for FY 2024-25, the appropriation clause shifts \$14,599,685 that is currently appropriated from the Employment Support Fund to the Unemployment Insurance (UI) Program Support Fund (\$8,227,673) and the Workforce Development Fund (\$6,372,012) for centrally appropriated costs. In the Executive Director's Office for FY 2025-26, the appropriation clause shifts \$14,571,029 from the Employment Support Fund to the UI Program Support Fund (\$8,210,933) and the Workforce Development Fund (\$6,360,096) for centrally appropriated costs.

In the Unemployment Insurance Division for both FY 2024-25 and FY 2025-26, the appropriation clauses create a new "technology initiatives" line item in the Long Bill, shifts \$10,459,436 from the UI Program

Support Fund and 74.0 FTE from the “program costs” line item to the “technology initiatives” line item, and increases appropriations to the Division from the UI Program Support Fund by \$30.0 million.

Points to Consider

TABOR/ Excess State Revenues Impact

The March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$642.7 million for FY 2025-26 and \$775.8 million for FY 2026-27 to be refunded to taxpayers out of the General Fund. Legislation that decreases non-exempt revenue (such as cash funds) will decrease the TABOR refund from the General Fund.

The Joint Budget Committee (JBC) has proposed a budget package for FY 2025-26 based on the March 2025 Office of State Planning and Budgeting revenue forecast. Using the Office of State Planning and Budgeting’s forecast assumptions, this bill is estimated to decrease cash fund revenues by \$25.7 million in FY 2025-26 and by \$23.0 million in FY 2026-27, which will increase the available General Fund in each fiscal year by equal amounts. The JBC has included as part of its FY 2025-26 budget package the decrease in cash fund revenues for FY 2025-26 that would result from the passage of this bill.