

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO SUPPORT RURAL SCHOOL DISTRICTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Pettersen and Wilson
Sens. Grantham and Donovan

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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 03/31/15.

	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>
XXX	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 Legislative Council Staff Fiscal Note, dated March 31, 2015, indicates that the bill requires an appropriation of \$10.0 million General Fund for FY 2015-16. However, as amended by the House Appropriations Committee and passed by the House, the bill specifies that local education providers receiving funds under the bill may only use the funds for purposes that align with authorized uses of the State Education Fund, including: implementing accountable education reform; implementing an accountable program to meet state academic standards; reducing class sizes; expanding technology education; improving student safety; expanding the availability of preschool and kindergarten programs; providing performance incentives for teachers; implementing accountability reporting; or implementing public school building capital construction. The specified uses allow for appropriations from the State Education Fund to support the bill. The bill includes an appropriation clause appropriating \$10.0 million cash funds from the State Education Fund to the Department of Education for FY 2015-16.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$10,000,000 cash funds from the State Education Fund to the Department of Education for FY 2015-16.

Points to Consider*State Education Fund Impact*

The bill includes an appropriation of \$10.0 million cash funds from the State Education Fund for FY 2015-16. Based on the Legislative Council Staff March 2015 Revenue Forecast, and incorporating appropriations in the FY 2015-16 Long Bill (S.B. 15-234), it is projected that approximately \$300.5 million would remain in the State Education Fund at the end of FY 2015-16. However, that balance is the result of significant transfers of one-time funding from the General Fund, including \$1.074 billion in FY 2013-14, and annual appropriations from the State Education Fund currently exceed annual revenues. For example, the FY 2015-16 Long Bill appropriates \$935.3 million in funds that originate in the State Education Fund (including funds transferred from the State Education Fund to other cash funds), while annual revenues pursuant to Amendment 23 are projected to be \$538.0 million in FY 2015-16 – a revenue shortfall of \$397.3 million or 42 percent of Long Bill appropriations. The use of additional State Education Fund moneys in FY 2015-16 will reduce the amount available in subsequent years and require additional General Fund appropriations once one-time funding in the State Education Fund is depleted.