

**STATE
FISCAL IMPACT**

Drafting Number: LLS 07-0047

Date: January 9, 2007

Prime Sponsor(s): Sen. Williams
Rep. Todd

Bill Status: Senate Education

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TITLE: CONCERNING A COMMISSION TO STUDY ISSUES IMPACTING EARLY CHILDHOOD PROGRAMS, AND, IN CONNECTION THEREWITH, REPLACING THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION WITH THE EARLY CHILDHOOD COMMISSION, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
NET TOTAL		
State Revenue	\$ 0	\$ 0
State Expenditures	\$ 87,429	\$ 35,927
FTE Position Change	0.5 FTE	0.5 FTE
State Revenue Detail		
Cash Funds Exempt - Early Childhood Cash Fund*	\$ 87,429	\$ 35,927
State Expenditures Detail		
General Fund	\$ 87,429	\$ 35,927
Cash Funds Exempt - Early Childhood Cash Fund	87,429	35,927
Effective Date: Upon signature by the Governor.		
Appropriation Summary for FY 2007-2008: See appropriations section.		

* CFE revenue results from a General Fund appropriation. Additionally, the fund may receive gifts, grants, and donations. Presently, no gifts, grants, or donations have been identified.

Summary of Legislation

Initially established in the Department of Human Services in 2000 as the Childcare Commission, the Early Childhood and School Readiness Commission has 15 members responsible for studying, reviewing, and evaluating comprehensive early childhood systems. The commission is to report their findings and suggest legislation to the General Assembly on July 1, 2007.

This interim committee bill, recommended by the commission, dissolves the current commission and reconstitutes it as the Early Childhood Commission. The composition of the board is expanded from 15 to 22 members. Three of the new members will be appointed by the Governor and four members will be from executive agencies. Appointments to the commission must be made by July 1, 2007.

The bill expands the commission's responsibilities to include establishing guidelines for a governing authority over all early childhood programs and services offered in the state. The commission is instructed to consult with a broad array of sources in its development of the guidelines. Additionally, the commission is to oversee a statewide fiscal analysis of the cost and quality of early childhood services in the state. The commission will report the results of both the fiscal analysis and its recommendations for a governing authority to the General Assembly and Governor no later than July 1, 2010.

Finally, the bill removes the requirement that the commission report their findings and suggested legislation to the General Assembly by July 1, 2007. This report will now be provided on July 1, 2008, and July 1st each year thereafter. The report will be distributed to an expanded audience that includes the Senate and House Education Committees, the Health and Human Services Committees, the Joint Budget Committee, and the Governor's Office.

The commission is repealed on August 1, 2010.

State Revenue

The commission is authorized to receive gifts, grants, and donations for the Early Childhood Cash Fund, formerly the Early Childhood and School Readiness Fund. At this time, no gifts, grants, or donations are identified for deposit in the fund. If the commission does receive gifts, grants, and donations, it would be able to either: (1) spend the funds in place of General Fund monies; (2) request a supplemental appropriation to use the money for activities outside of the currently appropriated amount; or (3) save the money to be used in future fiscal years.

State Expenditures

Background. Current law, repealed by this bill, specifies that commission expenditures cannot be paid with General Fund monies. In past years, the Department of Human Services was appropriated funds sufficient to cover anticipated commission expenditures from the Early Childhood and School Readiness Fund. While the funds were appropriated, the monies did not always materialize. In FY 2006-07, the department was again authorized to spend monies from the Early Childhood and School Readiness Fund as well as \$50,000 federal funds. However, the Governor line-item vetoed these appropriations. The commission continued to meet with the Colorado Foundation for Families and Children voluntarily providing staffing assistance and arranging meetings. The foundation spent roughly \$100,000 to support the commission.

The fiscal impact of this bill is estimated to be \$87,429 and 0.5 FTE in FY 2007-08 and \$35,927 and 0.5 FTE in FY 2008-09. Costs are for the following three items:

- \$22,597 for a General Professional II at 0.5 FTE to support the work of the commission (\$21,095 in out years);

- legislator per diem and expenses and other member expenses - \$14,832; and
- fiscal analysis study contract - \$50,000 (first year only).

The amount shown for the General Professional II is for a state employee with benefits and operating expenses included. The statute authorizing the commission does indicate that the commission can be staffed using contract resources. This fiscal note assumes a state employee will be used. The Department of Human Services is responsible for the personal services and costs for the fiscal study, Legislative Council is responsible for paying per diem and expenses.

The bill includes a blank appropriations clause which appropriates money out of the General Fund to the Early Childhood Cash Fund. Because of this, it is assumed that the intent of the bill is to secure support for the commission from the General Fund.

State Appropriations

This fiscal note implies a FY 2007-08 General Fund appropriation of \$87,429 to the Early Childhood Cash Fund. The Department of Human Services is appropriated \$72,597 cash funds exempt in FY 2007-08 from the Early Childhood Cash Fund and 0.5 FTE. Additionally, Legislative Council is appropriated \$14,832 cash funds exempt from the Early Childhood Cash Fund in FY 2007-08.

Departments Contacted

Education
Higher Education

Governor
Human Services

Health Care Policy and Financing