

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE FINANCING OF PUBLIC SCHOOLS.

Prime Sponsors: Reps. Scanlan and Pommer
Senator Bacon

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Summary of Amendments Made to the Bill After the 03/18/10 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision adjusting FY 2010-11 Long Bill appropriations as detailed in the following table.

Adjustments to FY 2010-11 Long Bill Appropriations (J.001)		
Purpose	Amount	Fund Source
<i>Department of Education:</i>		
(1)(a) and (b) Management and Administration, Reprinting and Distributing Laws Concerning Education	(\$35,480)	State Public School Fund (SPSF) - rental income
	35,480	SPSF - interest/income earned on Public School Fund
(1)(c) Public School Finance, State Share of Districts' Total Program Funding	(365,411,313)	General Fund
(1)(d) and (e) Public School Finance, State Share of Districts' Total Program Funding	(8,491,876)	SPSF - rental income
	8,491,876	SPSF - interest/income earned on Public School Fund
(1)(f) Public School Finance, Hold-harmless Full-day Kindergarten Funding	(487,964)	State Education Fund

Adjustments to FY 2010-11 Long Bill Appropriations (J.001)		
Purpose	Amount	Fund Source
(1)(g) and (h) Grant Programs, Distributions, and Other Assistance, State Match for School Lunch Program	(2,472,644) 2,472,644	SPSF - rental income SPSF - interest/income earned on Public School Fund
(1)(i) Grant Programs, Distributions, and Other Assistance, Facility School Funding	(1,120,923)	State Education Fund
(1)(j) and (k) Colorado School for the Deaf and the Blind, School Operations	85,334 (85,334)	General Fund Reappropriated Funds
<i>Department of Human Services:</i>		
(2)(a) and (b) Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Educational Programs	13,439 (13,439)	General Fund Reappropriated Funds
Totals	<u>(\$367,020,200)</u> (365,312,540) (1,608,887) 0 (98,773)	Total Funds General Fund State Education Fund State Public School Fund Reappropriated Funds

Please note that the above table includes several adjustments that are not reflected in the "State Appropriations" section of the Legislative Council Staff Revised Fiscal Note (attached). These adjustments are required for two reasons:

- Three line item appropriations from the State Public School Fund are adjusted to change the source of funds from rental income to interest income as required by the House Education Committee Report (see page 3, line 11, through page 4, line 10, of the Report); and
- Two line item appropriations need to be adjusted to reflect a decrease in reappropriated funds that are transferred from the Facility School Funding line item to support educational services provided by the Colorado School for the Deaf and the Blind and the Colorado Mental Health Institutes.

Alternative Appropriation Clause

As indicated in the above table, this bill will reduce FY 2010-11 State Education Fund expenditures by a total of \$1,608,887. These moneys would remain in fund balance and be available for appropriation in the future. **The General Assembly could choose to use these savings to further assist in addressing the FY 2010-11 General Fund revenue shortfall.**

Specifically, the General Assembly could increase the appropriation from the State Education Fund for the State Share of Districts' Total Program Funding for FY 2010-11 by \$1,608,887, and decrease the General Fund appropriation for the State Share by the same amount. Staff has prepared an **alternate amendment (J.002, attached)** in the event that the Appropriations Committee chooses to do so. This amendment **would result in total General Fund savings of \$366,921,427, and no net change in State Education Fund expenditures.**

The Committee should adopt J.001 or J.002, but not both.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

The general appropriations bill for FY 2010-11 has not yet been introduced and the Joint Budget Committee has not yet finalized its budget balancing package for FY 2010-11. Based on Legislative Council Staff's December 2009 revenue projection, adjusted to reflect supplemental appropriation bills and revenue enhancement bills passed to date, General Fund revenues will fall about \$550 million short of funding General Fund obligations in FY 2010-11. This bill is anticipated to reduce General Fund expenditures in FY 2010-11 by \$365.3 million, thereby decreasing the General Fund shortfall.