



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 10-0188
Prime Sponsor(s): Rep. Middleton
 Sen. Romer

Date: January 28, 2010
Bill Status: House Education
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TITLE: CONCERNING THE MODIFICATION OF CERTAIN PROVISIONS RELATED TO THE ADMINISTRATION OF PUBLIC SCHOOLS FROM KINDERGARTEN THROUGH THE TWELFTH GRADE.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
General Fund	\$98,767	\$98,767
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill, recommended by the Interim Committee on School Finance, makes the following modifications to statute related to the administration of public schools in Colorado.

Monthly Funding of Capital Construction. The bill requires that school districts provide funding for capital construction to each qualified charter school, and for the Colorado Department of Education (CDE) to provide capital construction funding to the state charter school institute on a monthly basis. Under current law, this funding is provided in a lump-sum payment.

Business Incentive Agreements (BIAs). The bill eliminates a local Board of Education's authority to negotiate BIAs with a taxpayer who establishes a new or expanded business facility in the school district. The bill also repeals an existing provision allowing a school district that has entered into a BIA with a taxpayer to receive the state's share of the district's total program funding in an amount at least as much as the payment or credit to the taxpayer.

Notification Requirements on a Mill Levy Override. The bill eliminates an existing requirement that a school district notify the State Board of Education of its intention to seek voter approval to increase, from 20 to 25 percent, the local property tax revenue collected above the district's basic funding in the School Finance Act (SFA).

Division of Wildlife (DOW) Impact Assistance. The bill eliminates the requirements that the CDE reduce the state share of total program funding for a school district by the amount that the district receives as impact assistance payments from the Division of Wildlife.

Matching Funds for the Federal School Lunch Program. Historically, some school food authorities have used money from their general fund to subsidize school lunches. Under current law, these authorities are prohibited from using state matching funds, as defined under the National School Lunch Act, in lieu of moneys from the authority's general fund. This bill repeals the prohibition.

Note: Only the sections related to the DOW impact assistance payments are anticipated to have a fiscal impact. Thus, the remainder of this note focuses exclusively on these provisions.

Transfers and Diversions

Pursuant to the requirements of Section 22-54-114 (3) (a), C.R.S., 50 percent of the money remaining at the end of the year in the State Public School Fund is transferred to the Comprehensive Health Education Fund. By eliminating the requirement that the state reduce its share of total program by the amount of DOW impact assistance money received, this bill increases the state share of total program, and in a year when the SFA was fully funded, would reduce the funds available for transfer at the end of the fiscal year. However, for FY 2010-11, it is not anticipated that the SFA will be fully funded, and thus it is unlikely that any moneys will be transferred to the Comprehensive Health Education Fund.

State Expenditures

School Finance Impact. By eliminating the requirement that the CDE offset the state share of total program by the amount the district receives in DOW impact assistance payments, the bill increases the state's share of total program by an estimated \$99,767 annually. Although this money can come from either the General Fund or the State Education fund, because of the solvency issues with the State Education Fund, this fiscal note assumes it will come from the General Fund.

Local Government Impact

School Districts. School districts will get to keep the impact assistance moneys from the Division of Wildlife as an additional source of funds. Under current law, the CDE was required to reduce the state's share of total program for these districts by the total amount they received in impact assistance moneys. Over the past 4 fiscal years, the Division of Wildlife has paid an average of \$99,767 to 84 districts, for an average annual payment of \$1,188 per district.

State Appropriations

For FY 2010-11, the Department of Education requires a \$99,767 General Fund appropriation to implement this bill.

Departments Contacted

Education