



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

Note: This fiscal note is provided pursuant to Joint Rule 22(b)(2), and reflects strike-below Amendment L.001.

Drafting Number: LLS 11-0622	Date: April 12, 2011
Prime Sponsor(s): Sen. Bacon Rep. Kerr A.	Bill Status: Senate Education
	Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING FUNDING FOR PUBLIC EDUCATION, AND, IN CONNECTION THEREWITH, CREATING THE KNOWLEDGE-BASED ECONOMY FUND.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Transfers or Diversions Transfer from the General Fund to the State Public School Fund State Education Fund	(\$62 million) 62 million	
State Expenditures State Public School Fund State Education Fund	\$62 million (62 million)	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: See School District Impact section.		

Summary of Legislation

The bill, *as amended by L.001*, requires that on July 1, 2011, the State Treasurer transfer 25 percent of the amount to be transferred pursuant to SB11-156 to the State Public School Fund. The transfer is to be based on the June 2011 General Fund forecast prepared by the Governor's office of State Planning and Budgeting (OSPB). The transferred money is continuously appropriated to the Colorado Department of Education (CDE) to reduce that negative factor, as specified in the 2011 school finance bill (SB 11-230). The treasurer will transfer the remaining 75 percent when the state controller publishes the comprehensive annual financial report for FY 2010-11.

Background

SB11-156, recommended by the Joint Budget Committee and passed by the General Assembly, reduced the General Fund reserve from 4 percent of General Fund appropriations to 2.3 percent for FY 2010-11. Any General Fund revenues in excess of this 2.3 percent reserve are transferred to the State Education Fund. The Governor's Office of State Planning and Budgeting is currently projecting a transfer of \$248.1 million.

State Transfers or Diversions

Based on the most recent OSPB estimate, on July 1, 2011, this bill transfers \$62 million from the General Fund to the State Public School Fund for use in reducing the negative factor. Under current law, these moneys would have been transferred to the State Education Fund. When the state controller publishes its annual financial report for FY 2010-11, \$186.1 million will be transferred to the State Education Fund.

State Expenditures

Colorado Department of Education. Any General Fund money transferred to the State Public School Fund would be continuously appropriated to the CDE for distribution to school districts to reduce the negative factor specified in SB 11-230. While SB 11-230 is still moving through the legislative process, the negative factor is currently estimated to be 13.34 percent.

School District Impact

School districts would receive an additional \$62 million from the state in the form of a reduced budget stabilization factor, or negative factor, as specified in SB 11-230.

Departments Contacted

Education	Personnel and Administration
State Auditor	Legislative Council Staff

Technical Issues/Omissions

The bill doesn't specify if or how any differences between OSPB's June 2011 forecast and the publication of the comprehensive annual report will be resolved.