

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

Drafting Number: LLS 11-0784
Prime Sponsor(s): Sen. Steadman
 Rep. Gerou

Date: February 8, 2011
Bill Status: Senate Appropriations
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING THE READ-TO-ACHIEVE PROGRAM.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012	FY 2012-2013
State Revenue			
State Transfers or Diversions Transfer from the Read-to-Achieve Cash Fund to the General Fund*	(\$2,086,643)	(\$4,511,659)	(\$4,511,659)
State Expenditures General Fund** Cash Funds Read-to-Achieve Cash Fund Various Other Cash Funds		\$213,047 (6,598,302) (8,225)	\$213,047 (4,511,659) (8,225)
FTE Position Change		(1.0 FTE)	(1.0 FTE)
Effective Date: Upon signature of the Governor, or upon becoming law without his signature; except that sections 2 through 11 of the bill take effect July 1, 2011.			
Appropriation Summary for FY 2011-2012: See the State Appropriations section.			
Local Government Impact: See the Local Government Impact section.			

* Beginning in FY 2011-12, the transfer to the General Fund is from tobacco settlement moneys that would have otherwise gone to the Read-to-Achieve Cash Fund.

** Includes \$209,287 for educational services for juveniles held in jails and \$3,760 for the Children's Basic Health Plan.

Summary of Legislation

SB11-158, as recommended by the Joint Budget Committee, is a budget balancing bill for FY 2010-2011. Under current law, the Read-to-Achieve Grant Program in the Department of Education is scheduled to be repealed, effective July 1, 2014. The bill repeals the program, effective July 1, 2011. The tobacco settlement moneys previously allocated to the Read-to-Achieve Cash Fund will instead be allocated to the General Fund. The moneys previously paid from the Read-to-Achieve Cash Fund to reimburse school districts for educational services provided to juveniles held in jails will be appropriated from the General Fund beginning in FY 2011-12.

State Transfers or Diversions

The bill transfers an estimated \$2,086,643 from the Read-to-Achieve Cash Fund to the General Fund on June 30, 2011. Beginning in FY 2011-12, the bill will annually redirect an estimated \$4,511,659 of tobacco settlement moneys from the Read-to-Achieve Cash Fund to the General Fund.

State Expenditures

The bill will affect several funds, as described below.

General Fund. Total new General Fund expenditures are projected to be \$213,047 annually beginning in FY 2011-12. Under current law, the General Assembly is required to appropriate moneys to reimburse school districts for educational services provided to juveniles held in jails. While the bill does not amend this provision, it does eliminate the mechanism currently used to support these appropriations. Thus, this bill will require a General Fund appropriation of \$209,287 beginning in FY 2011-12 for this purpose. In addition, a General Fund offset of \$3,760 will be necessary annually to pay for the Children's Basic Health Plan costs.

Read-to-Achieve Cash Fund. Cash fund expenditures totaling \$6,598,302 and 1.0 FTE will be eliminated in FY 2011-12, including \$6,389,015 for the Read-to-Achieve Grant Program and \$209,287 to reimburse school districts for educational services provided to juveniles held in jails. Expenditures from the Read-to-Achieve Cash Fund will be reduced by \$4,511,659 in FY 2012-13.

Various Cash Funds. Under current law, the allocations of tobacco settlement moneys to the Read-to-Achieve Grant Program and other settlement-supported programs are reduced by a total of about \$95,000 annually to provide funding to the State Auditor's Office for the cost of periodically auditing settlement-supported programs. This bill eliminates the Read-to-Achieve Grant Program's share of this funding, thus shifting this burden to the other programs beginning in FY 2011-12. Table 1 details the estimated reduction in tobacco settlement moneys allocated to other programs. The reductions equal 0.02 percent of the settlement revenue allocated to these programs, and will reduce the amount of tobacco settlement moneys made available for these other programs and thus reduce the associated cash funds expenditures.

Table 1. Reduction in Program Allocation From Tobacco Settlement Revenue

Program	Reduction in FY 2011-12 Funding
Department of Public Health and Environment	
Nurse Home Visitor Program	(\$2,350)
Tony Gramscas Youth Services	(627)
AIDS and HIV Prevention Grants	(313)
AIDS Drug Assistance Program	<u>(548)</u>
Subtotal	(\$3,838)
Department of Health Care Policy and Financing	
Comprehensive Primary and Preventive Care Grants Program	(470)
Children's Basic Health Plan Premium Costs	<u>(3,760)</u>
Subtotal	(\$4,230)
Department of Military and Veterans Affairs	
Colorado State Veterans Trust Fund Expenditures	<u>(157)</u>
Subtotal	(\$157)
Subtotal	(\$8,225)
Total	

Local Government Impact

State support to school districts for the Read-to-Achieve Grant Program will be eliminated in FY 2011-12 by an estimated \$6,389,015, and by \$4,302,372 each year thereafter.

State Appropriations

As introduced, the bill does not contain an appropriation clause. The FY 2011-12 Long Bill has not yet been introduced. If this bill passes prior to the introduction of the Long Bill, adjustments will be reflected in the FY 2011-12 Long Bill. If this bill has not passed prior to the introduction of the FY 2011-12 Long Bill, the fiscal impact of this bill will not be reflected in the FY 2011-12 Long Bill. In this instance, this bill will require an appropriation clause that adjusts the FY 2011-12 Long Bill appropriations accordingly.

Departments Contacted

Joint Budget Committee Staff Education