

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING LITERACY EDUCATION FOR STUDENTS ENROLLED IN KINDERGARTEN THROUGH THIRD GRADE, AND, IN CONNECTION THEREWITH, CREATING THE "COLORADO EARLY LITERACY ACT" AND MAKING AND REDUCING APPROPRIATIONS.

Prime Sponsors: Reps. Massey and Hamner
Sens. Johnston and Spence

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Summary of Amendments Made to the Bill After the 04/30/12 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs

Does Not Concur

Updated Analysis

Reason for the Update

The Senate State, Veterans & Military Affairs Committee Report dated April 25, 2012 (Committee Report) eliminates a provision from the bill allowing the Department of Education to use moneys in the Early Literacy Fund to reimburse school districts for educational services provided pursuant to Section 22-32-141, C.R.S., to juveniles held in jails or other facilities for the detention of adult offenders. Under current law, the Department makes those reimbursements from the Read-to-achieve Cash Fund, which is eliminated by the bill. By eliminating the fund source for such reimbursements, the Committee Report requires an appropriation of \$120,418 General Fund in FY 2012-13 and in subsequent fiscal years. The cash fund revenue and expenditure impacts of the bill are accurately reflected in the attached Legislative Council Staff Revised Fiscal Note.

Amendments/Appropriation Status

The bill, as amended, includes an appropriation clause that: (a) eliminates the \$5,242,516 cash funds and 1.0 FTE appropriation in the FY 2012-13 Long Bill (H.B. 12-1335) for the Read-to-Achieve Grant Program ; and (b) appropriates \$5,291,943 cash funds from the new Early Literacy Fund and 9.8 FTE to the Department of Education to implement the bill in FY 2012-13. Staff has prepared amendment **J.005** (attached) to change the existing appropriation clause to:

1. increase the cash funds appropriation from the Early Literacy Fund *for early literacy programs* by \$120,046, reflecting the funds that were previously appropriated for reimbursements for juveniles held in jail;
2. appropriate a total of \$120,418 General Fund for reimbursements to school districts for juveniles held in jail, reinstating the appropriation and correcting the total amount to reflect the final appropriation in the FY 2012-13 Long Bill; and
3. reinstate language (eliminated by the Committee Report) to eliminate appropriations in the FY 2012-13 Long Bill from the Read-to-achieve Cash Fund for reimbursements for juveniles held in jail in FY 2012-13. The bill repeals the Read-to-achieve Cash Fund so that fund source is not available for appropriation in FY 2012-13.

Bill Sponsor Amendments

Sponsor amendment **J.006** (attached) makes the changes in staff amendment J.005 but also: (1) authorizes the use of State Education Fund moneys for reimbursements to school districts for juveniles held in jail; and (2) appropriates \$120,418 cash funds from the State Education Fund for that purpose. Therefore, sponsor amendment J.006 eliminates the General Fund impact of the bill as amended by the State, Veterans & Military Affairs Committee. **If the Committee adopts amendment J.006, it should NOT adopt amendment J.005.**

Points to Consider

The Joint Budget Committee has introduced a balanced budget package for FY 2012-13 based on the March 2012 Office of State Planning and Budgeting forecast. The budget package (as introduced) appropriates all but approximately \$200,000 of General Fund revenues projected to be available, less a statutorily required four percent General Fund reserve. This bill requires a General Fund appropriation of \$120,418 for FY 2012-13.