

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING BUDGET CUTS TO PROVIDE MORE FUNDING FOR PUBLIC SCHOOLS.

Prime Sponsors: Representative McKinley

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Summary of Amendments Made to the Bill After the 04/09/12 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

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

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision reducing General Fund appropriations for FY 2012-13 by a total of \$198,080,870. Specifically, this provision reduces appropriations in the FY 2012-13 Long Bill (H.B. 12-1335) by a total of \$195,340,768, and reduces appropriations to the Legislative Department for FY 2012-13 through H.B. 12-1301 by \$2,740,102. The reductions for each department are detailed on page two of the attached Legislative Council Staff Revised Fiscal Note.

Please note that the appropriation clause in J.001 does not specify the line item appropriation(s) that will be affected by the reduction for each department; each department would determine how to implement the required funding reduction. In addition, please note that the attached Legislative Council Staff Revised Fiscal Note assumes that the moneys transferred to the State Education Fund will be expended in FY 2012-13. However, the appropriation clause in J.001 does not appropriate these moneys to the Department of Education for FY 2012-13 because it is unclear for what purpose(s) such moneys are intended.

Bill Sponsor Amendments

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

Points to Consider

Please note that the attached Legislative Council Staff Revised Fiscal Note and the appropriation clause in amendment J.001 assume that the bill intends that the specified reduction for each

department is applied to the FY 2012-13 appropriation. If the bill is intended to require that the specified reduction for each department is applied to the FY 2011-12 appropriation level, then the bill will result in much larger reductions. The following Table 1 illustrates the difference between these two approaches using the Department of Agriculture as an example.

TABLE I Illustration of Two Approaches to Implement General Fund Reductions Required by H.B. 12-1109				
Reduce FY 12-13 Appropriations		Reduce FY 11-12 Appropriations		Difference
Proposed <i>FY 2012-13</i> General Fund appropriation (H.B. 12-1335)	\$6,850,576	Current <i>FY 2011-12</i> General Fund appropriation	\$5,164,362	(\$1,686,214)
General Fund reduction required by H.B. 12-1109	<u>(407,985)</u>	General Fund reduction required by H.B. 12-1109	<u>(407,985)</u>	0
Resulting FY 2012-13 General Fund appropriation	6,442,591	Resulting FY 2012-13 General Fund appropriation	4,756,377	(1,686,214)

As illustrated in the first column in the above table, the approach reflected in the attached Legislative Council Staff Revised Fiscal Note and the appropriation clause in amendment J.001 starts with the General Fund appropriations that are reflected in the FY 2012-13 Long Bill (as introduced), and then reduces appropriations from that level. For the Department of Agriculture, the FY 2012-13 Long Bill increases General Fund appropriations for three primary purposes:

- \$1,301,254 General Fund is added to reverse temporary cash funds support of Inspection and Consumer Services Programs based on the sunset of H.B. 10-1377;
- \$446,656 General Fund is added to reverse temporary cash funds support of the Agricultural Markets Division; and
- \$72,686 General Fund is added to reflect the reinstatement of the employer contribution to the Public Employees’ Retirement Association (PERA) based on the sunset of S.B. 11-076.

As illustrated in the second column in the above table, if the bill is intended to require that the Department’s specified reduction is applied to FY 2011-12 appropriations, the bill would eliminate the \$1,686,214 General Fund increase that is included in the FY 2012-13 Long Bill, plus another reduction of \$407,985.

Statewide, the FY 2012-13 Long Bill (as introduced) adds \$173.3 million General Fund for the departments that would be affected by this bill.