

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF AN OUTCOMES-BASED FUNDING MODEL FOR HIGHER EDUCATION.

Prime Sponsors: Reps. Ferrandino and Holbert  
Sens. Lambert and Todd

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Date Prepared: April 14, 2014

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/14/14.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill*
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

\*This represents a preliminary analysis and may be subject to change if additional information becomes available.

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.011	Bill Sponsor amendment - does not change fiscal impact

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$172,551 General Fund and 0.2 FTE for FY 2013-14 and \$728,995 General Fund and 3.0 FTE for FY 2014-15 to the Department of Higher Education. Of the FY 2014-15 amount, \$18,216 is reappropriated to the Department of Law for legal services. Pursuant to direction from the Appropriations Committee Chairs, this amendment includes a provision to access the \$20.0 million General Fund that has been set aside in the Joint Budget Committee’s FY 2014-15 budget package to fund 2014 legislation. For FY 2014-15, this amendment accesses set-aside moneys to offset the FY 2013-14 reduction of \$43,138 to the excess General Fund reserve and the FY 2014-15 General Fund appropriation of \$728,995 (a total of \$772,133).

**L.011** Bill Sponsor amendment **L.011** (attached) makes a technical correction to the bill. The amendment authorizes the Department to transfer up to 10 percent of the total governing board appropriation for the same governing board between the governing board's fee-for-service contract and student stipend revenue in order to address end-of-year differences between projected and actual stipend revenue. Legislative Council Staff and JBC Staff concur that this amendment does not change the bill's fiscal impact.

### **Points to Consider**

#### *General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2013-14 and FY 2014-15 based on the March 2014 Office of State Planning and Budgeting revenue forecast. For FY 2013-14, the proposed budget package allocates all but approximately \$71.4 million of General Fund revenues projected to be available. Under current law:

- \$30.0 million of this amount will be transferred to the Colorado Water Conservation Board Construction Fund;
- \$31.1 million will be transferred to the State Education Fund; and
- the remaining \$10.3 million will remain available for appropriation in FY 2014-15.

This bill increases General Fund appropriations by \$172,551 for FY 2013-14, and would thus: (a) reduce the transfer to the State Education Fund by \$129,413 [75% of GF appropriation in bill]; and (b) reduce the excess General Fund reserve by \$43,138 [25% of GF appropriation in bill].

For FY 2014-15, the budget package allocates \$20.0 million General Fund to be available to fund 2014 legislation; if the full \$20.0 million is not used to fund legislation, it will be credited to the Controlled Maintenance Trust Fund.