

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ADULT EDUCATION, AND, IN CONNECTION THEREWITH, CREATING THE ADULT EDUCATION AND LITERACY GRANT PROGRAM TO PROVIDE STATE MONEYS FOR ADULT EDUCATION PROGRAMS THAT PARTICIPATE IN WORKFORCE DEVELOPMENT PARTNERSHIPS AND MAKING AN APPROPRIATION.

Prime Sponsors: Representative Fields
Senator Zenzinger

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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 01/27/14.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.002	Bill Sponsor amendment - does not change fiscal impact
J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$1.2 million General Fund and 1.0 FTE to the Department of Education in FY 2014-15 to implement the bill. However, as currently drafted, the appropriation clause does not utilize the funding set aside in the Joint Budget Committee’s FY 2014-15 budget package to fund 2014 legislation.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to modify the current appropriation clause. Pursuant to direction from the Chairmen of the Appropriations Committees, 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.

- L.002** Bill Sponsor amendment **L.002** (attached) eliminates language in the bill that specified the Department's use of funds to administer the program. The introduced bill specifies that the Department may use no more than 17.0 percent of the appropriation for the program to offset the costs of implementing the program and places additional constraints on the Department's use of funds. Amendment L.002 eliminates that language and allows the Department to use moneys in the Adult Education and Literacy Grant Fund for the direct and indirect costs of implementing the program.
- J.002** At the request of the sponsor, staff has prepared amendment **J.002** (attached) to appropriate \$960,000 General Fund to the Adult Education and Literacy Grant Fund and then reappropriate the \$960,000 and 1.0 FTE to the Department of Education for FY 2014-15. Compared to the introduced bill, the requested amendment reduces the impact of the bill by \$240,000 General Fund in FY 2014-15. As discussed with amendment J.001 above, pursuant to direction from the Chairmen of the Appropriations Committees, 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.

Regardless of whether the Committee adopts L.002, it should adopt either J.001 or J.002 but should not adopt both J.001 and J.002.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2014-15 based on the March 2014 Office of State Planning and Budgeting revenue forecast. 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.

Technical Issue

The bill creates a new cash fund that would consist of moneys appropriated from the General Fund and potential gifts, grants, and donations. Is it necessary to annually appropriate General Fund moneys into new cash fund rather than appropriating General Fund moneys directly to the Department of Education for the designated purposes?