

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING REDUCING THE FREQUENCY OF ADMINISTERING THE STATEWIDE ASSESSMENT IN SOCIAL STUDIES.

Prime Sponsors: Senator Kerr
Representative Kraft-Tharp

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/02/15.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	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

The Legislative Council Staff Fiscal Note, dated February 2, 2015 (Fiscal Note), estimates potential savings in the bill of up to \$540,000 General Fund. However, because the state funding for the Colorado Student Assessment Program is from the State Education Fund, the impact of the bill is restricted to cash funds from the State Education Fund rather than the General Fund.

The Senate amended the bill on second reading to add provisions that take effect only if either H.B. 15-1323 or S.B. 15-257 becomes law. As amended in the Senate and House Education Committees, respectively, both of those bills eliminate statewide social studies assessments in FY 2015-16. As amended by the Senate on second reading, S.B. 15-056 requires the Department of Education to administer social studies assessments on a sampling basis beginning in FY 2015-16 if either of the other bills becomes law. Thus, conditioned upon either H.B. 15-1323 or S.B. 15-257 becoming law, the bill requires funding to support the administration of social studies assessments in FY 2015-16. The following table details the conditional fiscal impact of S.B. 15-056 for FY 2015-16.

Conditional Impact of H.B. 15-056 (State Education Fund)		
Cost Components	FY 2015-16	FY 2016-17
Restore social studies assessments	\$1,400,180	\$1,400,180
Reduction to reflect sampling	(540,000)	(540,000)
Paper and pencil test options	75,000	75,000
TOTAL	\$935,180	\$935,180

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$935,180 cash funds from the State Education Fund to the Department of Education for FY 2015-16. The appropriation clause only takes effect if either H.B. 15-1323 or S.B. 15-257 become law.

Points to Consider

State Education Fund Impact

This bill requires an appropriation of \$935,180 from the State Education Fund for FY 2015-16. Based on the Legislative Council Staff March 2015 Revenue Forecast, and incorporating appropriations in the FY 2015-16 Long Bill (S.B. 15-234), it is projected that approximately \$300.5 million would remain in the State Education Fund at the end of FY 2015-16. However, that balance is the result of significant transfers of one-time funding from the General Fund, including \$1.074 billion in FY 2013-14, and annual appropriations from the State Education Fund currently exceed annual revenues. For example, the FY 2015-16 Long Bill appropriates \$935.3 million in funds that originate in the State Education Fund (including funds transferred from the State Education Fund to other cash funds), while annual revenues pursuant to Amendment 23 are projected to be \$538.0 million in FY 2015-16 – a revenue shortfall of \$397.3 million or 42 percent of Long Bill appropriations. The use of additional State Education Fund moneys in FY 2015-16 will reduce the amount available in subsequent years and require additional General Fund appropriations once one-time funding in the State Education Fund is depleted.