

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0707
Prime Sponsor(s): Sen. Steadman
 Rep. Hamner

Date: January 27, 2015
Bill Status: Senate Education
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BILL TOPIC: DIRECT APPROPRIATIONS FOR CDE PROGRAMS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	\$0	
State Transfers		
Cash Funds		
General Fund or State Education Fund		
State Expenditure Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, the General Assembly appropriates moneys into certain cash funds and then reappropriates moneys out of the cash funds to the Colorado Department of Education (CDE). Under this bill, **recommended by the Joint Budget Committee**, the General Assembly directly appropriates moneys to the CDE for the programs covered by the cash funds. If a cash fund does not accept moneys from sources other than the General Fund or the State Education Fund, the cash fund is repealed. If a cash fund does accept other moneys, language concerning the appropriation of moneys by the General Assembly to the cash fund is repealed. The bill requires that any unexpended and unencumbered funds in the affected cash funds be transferred either to the General Fund or the State Education Fund.

Background

The CDE's FY 2014-15 appropriation includes six programs with dual appropriations, in which the General Assembly appropriates either General Fund or State Education Fund (SEF) moneys into a cash fund and then reappropriates those moneys back out of the cash fund to support a program. The General Assembly created four of those five programs through 2014 Session legislation. The use of dual appropriations inflates the Department's budget by double counting the same moneys. In FY 2014-15, a total of \$33.6 million is duplicated through dual appropriations, overstating the Department's appropriation by that amount.

The bill affects the following programs:

- English Language Learners Professional Development and Student Support;
- State Grants to Publicly-Supported Libraries;
- School Turnaround Leaders Development;
- Adult Education and Literacy; and
- English Language Proficiency Excellence Awards.

State Revenue

State transfers. The bill requires that any unexpended or unencumbered funds remaining in the affected cash funds be transferred back to either the General Fund or the State Education Fund on June 30, 2015. No unexpended or unencumbered funds will be available for transfer on that date, as the CDE will have used the existing resources received in the department's FY 2014-15 appropriations.

State Expenditures

Under current practice, the CDE's budget is overstated by double counting each program's appropriation. The six affected funds amount to \$33.6 million in funding in FY 2014-15 and \$33.8 million in the department's FY 2015-16 budget request. However, the dual appropriation structure doubles those amounts to \$67.1 million in FY 2014-15 and \$67.7 million in the FY 2015-16 request.

This bill eliminates the dual appropriations process for five affected programs. These programs will now receive direct appropriations from either the state General Fund or the SEF.

The bill also eliminates the cash funds for (1) the English Language Learners Professional Development and Student Support fund, (2) the English Language Proficiency Act Excellence Awards Fund, and (3) the School Turnaround Leaders Development Fund, since these cash funds do not receive funding from any other source, including private gifts, grants, or donations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Education

JBC