

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CONSIDERATION OF METHODS FOR SELECTING STATE ASSESSMENT ALTERNATIVES THAT MAINTAIN THE EXISTING STATE ASSESSMENT REQUIREMENTS.

Prime Sponsors: Representative Klingenschmitt
Senator Merrifield

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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 02/16/16.

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

The Education Committee Report (03/07/16) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change 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/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

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 a total of \$39,600 General Fund to the Department of Education for FY 2016-17.

L.002 and J.002

Bill Sponsor amendment **L.002** (attached) specifies that the bill is eligible for funding from the State Education Fund. Staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$39,600 cash funds from the State Education Fund to the Department of Education for FY 2016-17.

If the Committee adopts amendment L.002, it **should** adopt amendment J.002 and should **not** adopt amendment J.001.

Points to Consider*General Fund Impact*

Amendment J.001 appropriates \$39,600 General Fund to the Department of Education for FY 2016-17. The Joint Budget Committee has proposed a budget package for FY 2016-17 based on the March 2016 Legislative Council Staff revenue forecast. The budget package allocates \$3.0 million General Fund to be available to fund 2016 legislation that is not accounted for in the budget package. If the full \$3.0 million is not used to fund legislation, it will remain in the General Fund reserve.

State Education Fund Impact

Amendment J.002 appropriates \$39,600 cash funds from the State Education Fund to the Department of Education for FY 2016-17. Based on the Legislative Council Staff March 2016 Revenue Forecast, and incorporating appropriations in the FY 2016-17 Long Bill (H.B. 16-1405), it is projected that \$100.0 million would remain in the State Education Fund at the end of FY 2016-17. 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 2016-17 Long Bill appropriates \$773.9 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 \$546.7 million in FY 2016-17 – a revenue shortfall of \$227.2 million or 29.4 percent of Long Bill appropriations. The use of additional State Education Fund moneys in FY 2016-17 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.