

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING CREATION OF THE DROPOUT PREVENTION ACTIVITY GRANT PROGRAM FOR THE REDUCTION OF THE STUDENT DROPOUT RATE, AND, IN CONNECTION THEREWITH, ADDING A LINE TO COLORADO STATE INDIVIDUAL INCOME TAX RETURN FORMS WHEREBY INDIVIDUAL TAXPAYERS MAY MAKE VOLUNTARY CONTRIBUTIONS TO THE DROPOUT PREVENTION ACTIVITY GRANT FUND.

Prime Sponsors: Representative Solano
Senator Williams

JBC Analyst: Carolyn Kampman
Phone: 303-866-2061
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Summary of Amendments Made to the Bill After the 01/16/05 Legislative Council Staff Fiscal Note was Prepared (Amended by the House Education Committee 01/20/05, by the House on Second Reading (03/24/05), and by the Senate Finance Committee (4/7/05)

The House Education Committee Report includes the following changes (which were subsequently adopted by the House on Second Reading):

1. Defines and authorizes "qualified community organizations" to apply for a grant in partnership with a qualified school (subject to the approval of the school district's board of education). Requires the Department to notify qualified community organizations concerning grant opportunities by posting a notice on its website.
2. Narrows the definition of "qualified school", thereby limiting schools that may apply for grant funding to those that receive an academic rating of "low" or "unsatisfactory" for the preceding school year.
3. Expands the definition of "vocational activity program" to include driver's training.
4. Modifies the criteria the Department is to use in reviewing grant applications and making grant award recommendations to the State Board of Education.

The Senate Finance Committee Report includes the following changes:

1. Specifies that the Dropout Prevention Activity Programs Voluntary Contribution is repealed January 1, 2009, unless it is continued or reestablished by the General Assembly acting by bill *prior to said date* (rather than "during the first regular session of the Sixty-sixth General Assembly").
2. Strikes the effective date clause, and substitutes a safety clause.

None of the above amendments affect the fiscal impact of the bill, identified in the Legislative Council Staff Fiscal Note dated January 16, 2005.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill does not contain, nor does it require, an appropriations clause. The Department of Revenue does not require an appropriation for \$66,354 cash funds exempt and 0.7 FTE related to programming costs as identified in the Legislative Council Staff Fiscal Note dated January 16, 2005. Bills with nominal programming costs adopted during the 2005 legislative session will be supported in the FY 2005-06 Long Bill under a line item entitled "Programming Costs for 2005 Session Legislation."

Sponsor Amendments

Staff is not aware of any sponsor amendment(s) to be offered.

Points to Consider

1. Check-off contributions are considered gifts and are thus excluded from the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending. Therefore, this legislation would not affect the TABOR surplus or the amount of General Fund available for expenditure in FY 2005-06 or subsequent fiscal years.
2. Moneys in the Dropout Prevention Activity Grant Fund would be subject to annual appropriation by the General Assembly to the Department of Revenue and the Department of Education for the direct and indirect costs of implementing the grant program. Thus, once moneys are credited to the Fund, the Departments would need to request spending authority in order to implement the grant program.