

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING UNDERSERVED STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION.

Prime Sponsors: Representative Frangas  
Senator Tapia

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**Summary of Amendments Made to the Bill After the 03/21/06 Legislative Council Staff Revised Fiscal Note was Prepared**

None.

**JBC Staff Concurrence with Legislative Council Staff Fiscal Note**

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

**Amendments/Appropriation Status**

The bill does not currently include an appropriations clause. Staff has prepared **J.001 (attached)** to appropriate \$28,717 General Fund and 0.5 FTE to the Department of Higher Education in FY 2006-07 for the on-line textbook pilot program.

The General Assembly could also choose to appropriate money for fee-for-service contracts for support services for underserved students, since the bill allows the fee-for-service contracts to include specific provisions for underserved students, "on or before July 1, 2007." This JBC Staff Fiscal Analysis and the 03/21/06 Legislative Council Staff Revised Fiscal Note assume that appropriations for fee-for-service contracts for support services for underserved students will not begin until FY 2007-08, when the bill states that it is the intent of the General Assembly that an amount specifically designated for this purpose will be appropriated.

**Sponsor Amendments**

Staff is not aware of any sponsor amendments.

**Points to Consider**

1. The Joint Budget Committee has introduced a budget package for FY 2006-07 based on the March 2006, Legislative Council Staff revenue forecast. The budget package appropriates the maximum amount of General Fund allowed pursuant to the statutory six percent limit on

General Fund appropriations, less \$10,000,000<sup>1</sup>. This bill requires \$28,717 in additional General Fund appropriations for FY 2006-07; this appropriation is subject to the six percent statutory limit on General Fund appropriations. If this bill is enacted in conjunction with other bills that require more than a total of \$10.0 million General Fund for FY 2006-07, the General Assembly will exceed the statutory limit on General Fund appropriations.

2. The bill creates an expectation for a General Fund increase of \$1,395,856 for the fee-for-service contracts in FY 2007-08. This amount would be subject to the six percent statutory limit on General Fund appropriations.

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<sup>1</sup> Please note that on March 31, 2006, the Governor vetoed H.B. 06-1374, which appropriates \$20.0 million General Fund for FY 2005-06 for the *Giardino* lawsuit settlement (including \$10.0 million subject to the six percent limit on General Fund appropriations, and \$10.0 million exempt from the six percent limit). The FY 2006-07 Long Bill appropriates \$20.0 million General Fund for the *Giardino* lawsuit settlement for FY 2006-07; this appropriation is predicated on statutory changes in H.B. 06-1374. The Joint Budget Committee has not yet discussed any adjustments to the budget package in response to this veto.