



REVISIED FISCAL IMPACT

(replaces fiscal impact dated January 9, 2006)

Drafting Number: LLS 06-0217

Date: March 20, 2006

Prime Sponsor(s): Sen. Tupa
Rep. Merrifield

Bill Status: Senate Appropriations

Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING THE STUDY OF AN EDUCATION SYSTEM RANGING FROM PRE-KINDERGARTEN THROUGH HIGHER EDUCATION, AND, IN CONNECTION THEREWITH, CREATING A LEGISLATIVE OVERSIGHT COMMITTEE AND SPECIAL COUNCIL.

Fiscal Impact Summary	FY 2005/2006	FY 2006/2007	FY 2007/2008
State Revenues			
General Fund			
Cash Funds Exempt (P-16 Cash Fund)	Potential Gifts, Grants, Donations		
State Expenditures			
General Fund	\$6,719	\$20,156	\$20,156
Cash Funds Exempt (P-16 Cash Fund)			
FTE Position Change	0.1 FTE	0.4 FTE	0.4 FTE
Effective Date: Upon signature of the Governor.			
Appropriation Summary for FY 2005/2006: Legislative Department - \$6,719 GF and 0.1 FTE			
Appropriation Summary for FY 2006/2007: Legislative Department - \$20,156 GF and 0.4 FTE			
Local Government Impact: None			

Summary of Legislation

This bill, recommended by the Interim Committee on School Finance and **amended in the Senate Education Committee**, creates both a **29**-member P-16 Council and a 6-member legislative oversight committee. The council and the committee are both charged with studying the creation and implementation of an integrated system of education stretching from pre-kindergarten to higher education. The council is required to meet six times annually and the committee is required to meet three times annually. Additionally, the committee is required to hold one meeting on or before July 1, 2006. The bill establishes reporting requirements.

The bill creates the P-16 Cash Fund, and the Department of Education is authorized to receive and expend private and public funds received through grants, contributions, and donations credited to the fund. Moneys in the fund are subject to annual appropriation by the General Assembly. The cash fund is intended to cover the following:

- per diem and actual expenses for committee and **council members**; and
- reimbursement of staff assistance from the Office of Legislative Legal Services, the Legislative Council, the Department of Education, and the Department of Higher Education where existing appropriations are not sufficient to fund assistance.

The P-16 Council will sunset on July 1, 2016.

State Revenues

This bill creates the P-16 Cash Fund consisting of grants, contributions, and donations. The amount of annual donation to the fund is unknown and has not been estimated. Moneys in the fund are deemed cash funds exempt.

State Expenditures

The bill is assessed as having a fiscal impact of \$6,719 in FY 2005-06 and \$20,156 in each year thereafter through FY 2015-16. The bill is technically problematic insofar as it mandates both the committee and council to meet, but the source of funding to support them is discretionary or reliant on gifts, grants, and donations. Thus, the fiscal note assumes the need for General Fund support because no such donations are identified for deposit in the P-16 Cash Fund. Costs included in the fiscal note are limited to those incurred in the legislature. At this time, the fiscal note assumes that support for the P-16 Council will come from either existing appropriations in the Departments of Education and Higher Education or from donations to the P-16 Cash Fund should they be forthcoming.

Per diem and expenses. The bill requires that the six-member Legislative Oversight Committee meet at least once on or before July 1, 2006. Beginning in FY 2006-07, the committee will meet at least three times each year. Members of the committee are authorized to receive per diem and reimbursement for actual and necessary expenses. On this basis, reimbursable per diem and expenses are \$954 in FY 2005-06 (6 members x 1 meeting x \$159), and \$2,862 each year thereafter (6 members x 3 meetings x \$159).

State expenditure summary. Table 1 summarizes the annual expenses of the Legislative Oversight Committee for FY 2005-06 through FY 2007-08.

Table 1. P-16 Committee and Council Expense Estimates - FY 2005-06 through FY 2007-08

	FY 2005-06*	FY 2006-07	FY 2007-08
Personal Services	\$5,765	\$17,295	\$17,295
Senior Research Assistant (0.3 FTE)	0.1 FTE	0.4 FTE	0.4 FTE
Staff Attorney (0.1 FTE)			
Committee Per Diem and Expenses	\$ 954	\$ 2,862	\$ 2,862
Total - General Fund	\$6,719	\$20,157	\$20,157

**All FY 2005-06 values are 1/3 year calculations*

State Appropriations

The Legislative Department will require a General Fund appropriation of \$6,719 and 0.1 FTE for FY 2005-06, and a General Fund appropriation of \$20,157 and 0.3 FTE for FY 2006-07.

Departments Contacted

Education Higher Education State Treasurer Legislative Council
Office of Legislative Legal Services