

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PRINCIPALS IN PUBLIC SCHOOLS.

Prime Sponsors: Representative Merrifield

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Summary of Amendments Made to the Bill After the 03/16/2006 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 currently contains a provision appropriating \$250,000 cash funds exempt from the State Education Fund to the newly created Principal Development Scholarship Fund for FY 2006-07, and a second provision appropriating \$250,000 cash funds exempt from such fund to the Department of Education for FY 2006-07 for the purpose of awarding stipends to principals through the Principal Development Scholarship Program. Please note that the Department of Education is statutorily authorized to spend up to one percent of moneys annually appropriated from the Principal Development Scholarship Program to offset the costs of implementing the program (\$2,500 for FY 2006-07).

Staff has prepared an amendment (**J.001**) to make the following changes:

- Adds a reference to the Department of Education in first appropriation clause (see Section 9 (1) of the bill) to indicate which Department is responsible for administering the Principal Development Scholarship Fund.
- Adds a provision appropriating \$11,460 cash funds from the Educator Licensure Cash Fund to the Department of Education for FY 2006-07 for purposes of implementing Section 22-2-109 (7), C.R.S. (concerning the survey of principals).

Sponsor Amendments

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

Points to Consider

1. The bill currently authorizes appropriations from the State Education Fund for the Principal Development Scholarship Program. The model that is used to assess the solvency of the State Education Fund indicates that the General Fund appropriation for public school finance will need to increase annually by an average of 6.2 percent annually from FY 2007-08 through at least FY 2014-15 to comply with constitutional funding requirements. To the extent that this bill increases spending from the State Education Fund, the required annual increase in the General Fund appropriation for public school finance for FY 2007-08 and future fiscal years will increase commensurately.
2. Although the Principal Development Scholarship Program appears to be an ongoing program, the Legislative Council Staff Revised Fiscal Note, dated March 16, 2006, reflects only one year of associated funding. Does the General Assembly intend for this program to receive ongoing funding?
3. Is it necessary to create the Principal Development Scholarship Fund (see Section 22-9.5-205, C.R.S.)? This fund, which simply consists of moneys appropriated from the State Education Fund, is subject to annual appropriation. Thus, the bill requires two appropriations each fiscal year -- one appropriating money into the fund and one appropriating those same moneys out of the fund. The General Assembly may consider simply appropriating moneys from the State Education Fund for the Principal Development Scholarship Program, and authorizing the Department to annually spend up to one percent of the amount appropriated for the program.