



**Colorado
Legislative
Council
Staff**

SB16-066

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0827
Prime Sponsor(s): Sen. Steadman
Rep. Hamner

Date: June 16, 2016
Bill Status: Signed into Law
Fiscal Analyst: Marc Carey (303-866-4102)

BILL TOPIC: RECREATING SCHOOL FINANCE CONTINGENCY RESERVE FUND

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts: Potential future state expenditure increase.		

Summary of Legislation

This **Joint Budget Committee** bill recreates the State Contingency Reserve Fund in statute without substantive change. Prior to FY 2015-16, the fund existed as a source of supplemental assistance for school districts demonstrating increased financial need due to certain, specified circumstances. The State Board of Education reviewed district applications for supplemental assistance and approved payments to districts that could demonstrate need under specified circumstances. The fund was mistakenly repealed from statute on July 1, 2015.

Background

In 2014, the General Assembly enacted House Bill 14-1250 to authorize one-time assistance for districts impacted by the September 2013 floods and for districts experiencing significant reductions in total program funding mid-year as a result of unanticipated declines in local share. Because the assistance was intended to be one-time, the bill included language to repeal as of July 1, 2015, but mistakenly repealed the whole section instead of the intended sub-section, including the Contingency Reserve Fund. There have been no expenditures from the fund since FY 2013-14, and there are currently no requests pending with the Colorado Department of Education. According to the department, the current fund balance is \$1,080,000. No new appropriation is required as money in the fund is already appropriated to the department.

State Expenditures

Colorado Department of Education. Absent this bill, the department will not be able to use money in the fund to provide supplemental assistance to school districts. While there is currently a fund balance of \$1,080,000, there are no applications for assistance on file with the department. However, this bill will allow the money to be spent.

School District Impact

This bill allows school districts to be able to receive supplemental assistance funding.

Effective Date

The bill was signed into law by the Governor and took effect on March 18, 2016.

State and Local Government Contacts

Education Joint Budget Committee