

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING AN INCREASE IN THE AMOUNT OF FINANCIAL ASSISTANCE THAT CAN BE PROVIDED FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION UNDER THE "BUILDING EXCELLENT SCHOOLS TODAY ACT", AND, IN CONNECTION THEREWITH, INCREASING THE AMOUNT OF RETAIL MARIJUANA EXCISE TAX REVENUE THAT IS CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND AND INCREASING THE MAXIMUM TOTAL AMOUNT OF ANNUAL LEASE PAYMENTS AUTHORIZED FOR LEASE-PURCHASE AGREEMENTS ENTERED INTO UNDER THE ACT.

Prime Sponsors: Reps. Young and Wist  
Sens. Scott and Zenzinger

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Date Prepared: April 2, 2018

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/02/18.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$34.0 million cash funds from the Public School Capital Construction Assistance Fund to the Department of Education for FY 2018-19.

**Points to Consider**

*Public School (Permanent) Fund Impact*

Current law credits the first \$40.0 million in marijuana excise taxes to the Public School Capital

## **HB18-1070**

## **JBC Staff Analysis**

Construction Assistance Fund to support the Building Excellent Schools Today (B.E.S.T.) Program and deposits all additional marijuana excise taxes into the Public School (Permanent) Fund, which then generates interest to support a variety of educational programs. Beginning in FY 2018-19, this bill credits the greater of \$40.0 million or 90.0 percent of marijuana excise taxes to the Public School Capital Construction Assistance Fund, reducing transfers to the Permanent Fund. For example, the March 2018 Legislative Council Staff Revenue Forecast anticipates a total of \$82.2 million in marijuana excise tax revenues in FY 2018-19. Current law would provide \$40.0 million of that amount for B.E.S.T. and transfer \$42.2 million to the Permanent Fund. This bill would transfer \$74.0 million to the Public School Capital Construction Assistance Fund for B.E.S.T. and would reduce the transfer to the Permanent Fund by \$34.0 million relative to current law.

### *Revenue Source*

The bill increases the statutory cap on the Department's annual debt service payments for the B.E.S.T. program to \$110 million in FY 2018-19 and \$120 million in FY 2019-20 and subsequent years. As discussed in the Revised Fiscal Note, the program's primary sources of state revenues are School Trust revenues from State Land Board lands and marijuana excise tax revenues. Is the General Assembly confident that sufficient revenues will be available to support the program's increasing debt service commitments in subsequent years? How does the General Assembly intend to fund the debt service commitments in fiscal years when these two revenue sources fall short of requirements?