

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Pettersen and Wilson  
Senator Hill

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**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 04/19/18.

	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	<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

The House amended the title of the bill on second reading, however, Legislative Council Staff and JBC Staff agree that the amendment does not change the fiscal impact of the bill.

The Legislative Council Staff Revised Fiscal Note, dated April 19, 2018 (Fiscal Note), identifies a necessary appropriation of \$154,151,996 for the state share of districts' total program funding in order to reduce the budget stabilization factor by \$150.0 million from \$822.4 million in FY 2017-18 to \$672.4 million in FY 2018-19. However, that appropriation does not account for changes in the School Finance Act cost of living factor certified by Legislative Council Staff in April 2018. Legislative Council Staff and JBC Staff agree that reaching the targeted level of the budget stabilization factor requires an additional appropriation of \$5,161,872 for the state share of districts' total program funding in FY 2018-19.

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

Amendment	Description
J.002	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates a total of \$184,343,039 to the Department of Education for FY 2018-19, as outlined in the following table. This provision also amends a footnote in the FY 2018-19 Long Bill that specifies what portion of the appropriation for districts'

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total program funding may be used for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program. The bill increases per pupil funding and requires an adjustment to the amount dedicated to ASCENT.

<b>H.B. 17-1379: FY 2018-19 Appropriations to Department of Education (Reengrossed Bill)</b>		
<b>Purpose</b>	<b>Amount</b>	<b>Fund Source</b>
<i>Section 9: Appropriations for State Share of Districts' Total Program Funding for Budget Stabilization Factor Reduction</i>		
State Share of Districts' Total Program Funding	\$119,276,209	General Fund
State Share of Districts' Total Program Funding	30,723,791	Cash Funds - State Public School Fund
<i>Section 11: Appropriation to Align Hold-harmless Full-day Kindergarten Funding with Increase in Total Program Funding</i>		
Hold-harmless Full-day Kindergarten Funding	\$191,043	Cash Funds - State Education Fund
<i>Section 12: Appropriation for Additional Funding for Rural Schools</i>		
Additional Funding for Rural Schools	\$30,000,000	Cash Funds - State Education Fund
<i>Section 13: Appropriation for State Share of Districts' Total Program Funding to Support Additional ECARE Slots</i>		
(a) State Share of Districts' Total Program Funding (for additional ECARE slots)	\$4,151,996	General Fund
<b>Totals</b>	<b><u>\$184,343,039</u></b>	<b>Total Funds</b>
	<b>123,428,205</b>	<b>General Fund</b>
	<b>30,723,791</b>	<b>Cash Funds - State Public School Fund</b>
	<b>30,191,043</b>	<b>Cash Funds - State Education Fund</b>

**Description of Amendments in This Packet**

**J.002** Staff has prepared amendment **J.002** (attached) to change the existing clause to add a provision appropriating \$5,161,872 cash funds from the State Education Fund to the Department of Education for FY 2018-19 to account for the changes in the cost of living factor discussed above.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting (OSP) revenue forecast. The budget package leaves approximately \$40.8 million General Fund unallocated for FY 2018-19. The JBC has included

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as part of its FY 2018-19 budget package a \$119,276,209 General Fund appropriation for FY 2018-19 as part of this bill's \$150.0 million reduction to the budget stabilization factor. However, this bill requires a General Fund appropriation of \$4,151,996 that was not anticipated in the JBC's budget package, reducing the excess General Fund reserve by \$4,421,876.