

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO SUPPORT EFFECTIVE IMPLEMENTATION OF THE "COLORADO READING TO ENSURE ACADEMIC DEVELOPMENT ACT" FOR ALL STUDENTS WHO RECEIVE SERVICES PURSUANT TO READ PLANS.

Prime Sponsors: Sens. Todd and Rankin  
Reps. McCluskie and Wilson

JBC Analyst: Craig Harper  
Phone: 303-866-3481  
Date Prepared: April 18, 2019

**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 04/18/19.

|            |  |
|------------|--|
|            | <b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill                 |
| <b>XXX</b> | <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 Revised Fiscal Note does not specifically account for \$340,000 cash funds from the Early Literacy Fund currently supporting the Department's administrative expenses for early literacy programs. Current law allows the Department to retain and spend up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to support administrative costs (up to \$340,000 given a total annual appropriation of \$34.0 million). Given the specific expenditures required under the bill, allocating the existing \$340,000 for departmental administrative activities reduces the amounts available for both the competitive grant program and per pupil intervention funding under the bill (see following table).

| Activity  | FY 2019-20 - Revised Fiscal Note | FY 2019-20 Updated Analysis |
|---|----------------------------------|-----------------------------|
| Early Literacy Competitive Grants                               | \$7,910,155                      | \$7,876,155                 |
| Evidence-based Training for Teachers                            | 2,702,557                        | 2,702,557                   |
| Department Administration, Technical Assistance, and Monitoring | 1,324,570                        | 1,664,570                   |
| Independent Evaluation  | 750,000                          | 750,000                     |
| Public Information Campaign                                     | 500,000                          | 500,000                     |
| Per Pupil Intervention Funding                                  | 26,191,396                       | 25,885,396                  |
| <b>Total</b>  | <b>\$39,378,678</b>              | <b>\$39,378,678</b>         |

In addition, the Revised Fiscal Note does not reference 9.0 FTE currently appropriated to the Department of Education in FY 2018-19 (including 8.0 FTE reflected in the Early Literacy Competitive Grant Program line item and 1.0 FTE reflected in the Early Literacy Program Per Pupil Intervention Funding line item). Combined with the 3.2 additional FTE included in the Revised Fiscal Note, the bill requires a total of 12.2 FTE for early literacy programs in FY 2019-20.

| <b>Amendments in This Packet for Consideration by Appropriations Committee</b> |   |
|--|---|
| <b>Amendment</b>   | <b>Description</b>  |
| J.001  | Staff-prepared appropriation amendment                                  |
| L.013/J.002  | Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation |

**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 a total of \$39,378,678 cash funds to the Department of Education for FY 2019-20, including \$34,000,000 from the Early Literacy Fund and \$5,378,678 from the Marijuana Tax Cash Fund. The amendment eliminates the existing appropriation for the Early Literacy Competitive Grant Program line item in the FY 2019-20 Long Bill and then allocates the \$39,378,678 available for early literacy program in alignment with the bill. Amendment J.001 includes the following provisions:

- A decrease of \$6,243,932 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$865,254 from the Early Literacy Fund) and 8.0 FTE to eliminate funding provided for the Early Literacy Competitive Grant Program line item in the FY 2019-20 Long Bill. The Long Bill appropriation for that *line item* included \$5.0 million for competitive grants, \$1.0 million for regional technical assistance efforts, and \$243,932 for program administration.
- An appropriation of \$7,876,155 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,497,477 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- An appropriation of \$2,702,557 from the Early Literacy Fund for evidence-based training provided to local education providers.
- An appropriation of \$1,664,570 from the Early Literacy Fund for the Department's administration, technical assistance, and monitoring efforts. This provision also states that it is based on an assumption that the Department will require 11.7 FTE.
- An appropriation of \$750,000 from the Early Literacy Fund to support an independent evaluation as required by the bill.
- An appropriation of \$500,000 from the Early Literacy Fund to support a public information campaign related to early literacy. This provision also states that it is based on an assumption that the Department will require an additional 0.5 FTE.

- An appropriation of \$25,885,396 from the Early Literacy Fund for early literacy program per pupil intervention funding.

**L.013 and J.002**

Bill Sponsor amendment **L.013** (attached) clarifies the certain intended expenditures under the bill. In alignment with the Revised Fiscal Note, amendment L.013 specifies that the Department may spend up to \$750,000 on the independent evaluation required by the bill in FY 2019-20 (compared to a limit of \$2.0 million in the Education Committee Report) and up to \$2,750,000 to provide evidence-based training (the Revised Fiscal Note anticipates \$2,702,577 in costs). The amendment also changes the allocation of the funds remaining after the specific expenditures required by the bill. The Education Committee Report would allocate 10.0 percent of the remaining funds to increase the allocation for competitive grants (an increase of \$2,876,155 in amendment J.001, discussed above). Amendment L.013 specifies the increase for competitive grants as \$2.5 million (from \$5.0 million under current law to a total of \$7.5 million) and allocates the difference (\$385,762) to per pupil intervention funding. Staff has prepared amendment **J.002** (attached) to adjust the appropriations for the bill to align with amendment L.013 (see following table).

|   | <b>Amendment J.001</b> | <b>Amendment L.013/J.002</b> |
|---|------------------------|------------------------------|
| Early Literacy Competitive Grants                               | \$7,876,155            | \$7,500,000                  |
| Evidence-based Training for Teachers                            | 2,702,557              | 2,702,557                    |
| Department Administration, Technical Assistance, and Monitoring | 1,664,570              | 1,664,570                    |
| Independent Evaluation  | 750,000                | 750,000                      |
| Public Information Campaign                                     | 500,000                | 500,000                      |
| Per Pupil Intervention Funding                                  | 25,885,396             | 26,261,551                   |
| <b>Total</b>  | <b>\$39,378,678</b>    | <b>\$39,378,678</b>          |

**If the Committee adopts amendment L.013 it should also adopt amendment J.002 and should not adopt amendment J.001.**

**Points to Consider**

*Technical Issue*

As noted in the Revised Fiscal Note, current law allows the Department to retain and spend up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to support the Department's administration of early literacy programs. This equates to up to \$340,000 per year given a total appropriation of \$34.0 million per year from the Early Literacy Fund. However, given the expanded requirements of this bill, the Department's anticipated administrative expenditures will exceed this one percent limit.