

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING FUNDING ASSISTANCE TO INCREASE THE MINIMUM AMOUNTS PAID TO PERSONS EMPLOYED BY LOCAL EDUCATION PROVIDERS.

Prime Sponsors: Sens. Danielson and Garcia  
Representative Gonzales-Gutierrez

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Date Prepared: March 11, 2020

**Appropriation Items of Note**

**Appropriation Required, Amendments in Packet**

**New Cash Fund**

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

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/27/20.

<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

The Senate Education Committee Report (01/29/20) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change 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
L.008	Bill Sponsor amendment - does not change fiscal impact
L.009	Bill Sponsor amendment - does not change fiscal impact
L.010	Bill Sponsor amendment - does not change fiscal impact

**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 \$15,000,000 cash funds from the Educator Pay Raise Fund to the Department of Education for FY 2020-21. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.9 FTE. **The Committee should adopt amendment J.001 regardless of whether it adopts amendments L.008, L.009, or L.010 (discussed below).**

**L.008** Bill Sponsor amendment **L.008** (attached) clarifies the order of the disposition of revenues collected from public school lands. The amendment clarifies that deposits to the Educator Pay Raise Fund follow diversions to support Building Excellent Schools Today (B.E.S.T.) Program and the operations of the State Land Board. The clarifications align with the assumptions in the Legislative Council Staff Fiscal Note (Fiscal Note) for the bill. Therefore, JBC Staff and Legislative Council Staff agree that the amendment does not change the fiscal impact of the bill as discussed in the Fiscal Note.

**L.009** Bill Sponsor amendment **L.009** (attached) adds a definition for "extreme financial need" and modifies the criteria under which the Department and the State Board of Education (State Board) are directed to evaluate applications to participate in the program. The amendment requires the Department and the State Board to first fund applications from participants deemed to be in extreme financial need. Legislative Council Staff and JBC Staff agree that the amendment may change the distribution of funds under the program (which school districts or charter schools actually receive funding) but that it does not change the overall fiscal impact of the bill.

**L.010** Bill Sponsor amendment **L.010** (attached) clarifies requirements related to participants' contribution requirements under the bill. Legislative Council Staff and JBC Staff agree that the amendment may change the future distribution of funds (beyond FY 2020-21) under the program but that it does not change the overall fiscal impact of the bill.

**As noted above, the Committee should adopt amendment J.001 regardless of whether it adopts any or all of the other amendments. Amendments L.008, L.009, and L.010 are each independent of one another and of J.001. As a result, the Committee may adopt any or all of those amendments independently.**

**Points to Consider***Public School (Permanent) Fund Impact*

Current law credits the greater of \$40.0 million or 50.0 percent of public school lands income to the Public School Capital Construction Assistance Fund to support the Building Excellent Schools Today (B.E.S.T.) Program and then allocates an additional amount (\$8.5 million in FY 2018-19 and in FY 2019-20) to support the State Land Board. Current law credits the remainder (\$66.8 million

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in FY 2018-19) to the Public School (Permanent) Fund. Beginning in FY 2020-21, this bill requires the State Treasurer to divert the greater of 10.0 percent of gross public school lands revenues or \$15.0 million to the Educator Pay Raise Fund to support the Educator Pay Raise Program, reducing annual deposits to the Permanent Fund by that amount (assumed to be \$15.0 million per year in the Legislative Council Staff Fiscal Note).