

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO SUPPORT EVIDENCE-BASED LITERACY INSTRUCTION FOR STUDENTS IN EARLY GRADES.

Prime Sponsors: Sens. Rankin and Bridges
Representative McCluskie

JBC Analyst: Amanda Bickel
Phone: 303-866-4960
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Appropriation Items of Note

Appropriation Required, Amendment in Packet

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 05/02/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
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 \$251,139 cash funds from the Early Literacy Fund to the Department of Education for FY 2022-23. This provision also states that the appropriation is based on an assumption that the Department will require an additional 0.8 FTE.

Points to Consider*Future Fiscal Impact/ Related Budget Information*

The source of funding for this bill is the Early Literacy Cash Fund, which is supported by an annual transfer of \$34,000,000 from the State Education Fund plus approximately \$179,000 per year in interest earnings. Annual appropriations from the Early Literacy Fund included in the FY 2022-23 Long Bill total \$34.5 million and thus exceed annual revenue. Therefore, appropriations from this source cannot increase in perpetuity without an increase in transfers to this fund from the State Education Fund or the General Fund. However, there are sufficient reserves in the Early Literacy Fund to absorb additional costs in the near-term (\$5.0 million in reserves is projected at the beginning of FY 2022-23). When reserves are exhausted, the additional costs associated with this bill could be addressed by reducing appropriations provided for other early literacy program line items or by increasing transfers to the Early Literacy Fund.