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Fiscal Note

Drafting Number: LLS 23-0868 Date: March 27, 2023
Prime Sponsors: Sen. Bridges; Zenzinger Bill Status: Senate Appropriations
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Bill Topic: COLORADO UNIVERSAL PRESCHOOL PROGRAM FUNDING

- Summary of Fiscal Impact:
State Revenue (unchecked)
State Expenditure (checked)
State Transfer (checked)
TABOR Refund (unchecked)
Local Government (unchecked)
Statutory Public Entity (unchecked)

Budget package bill. The bill removes a transfer to the Preschool Programs Cash Fund and instead requires that the amount be appropriated to the Colorado Department of Early Childhood.

Appropriation Summary: No appropriation is required. See State Appropriations Section.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill was recommended by the Joint Budget Committee as part of its FY 2023-24 budget package.

Table 1
State Fiscal Impacts Under SB 23-216

Table with 4 columns: Category, Sub-category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Preschool Programs CF, Total Expenditures), Transfers (General Fund, Preschool Programs CF, Net Transfer), and Other Budget Impacts (General Fund Reserve).

1This represents the elimination of a transfer from the General Fund that has not yet occurred.

Summary of Legislation

Under current law, in FY 2023-24, the General Assembly must transfer an amount from the General Fund or State Education Fund to the Preschool Programs Cash Fund, equal to the state share of total program expenditures in FY 2022-23 that was attributable to total statewide preschool program enrollment, including the Colorado Preschool Program and preschool students with a disability. In subsequent years, the transfer amount must increase by inflation.

The bill removes this transfer and instead requires that General Assembly appropriate at least that same amount to the Colorado Department of Early Childhood (CDEC) in FY 2023-24. In subsequent years, the appropriation must increase by inflation.

State Transfers and Expenditures

Under current law, \$139.1 million in FY 2023-24 and an estimated \$145.9 million in FY 2024-25 will be transferred to the Preschool Programs Cash Fund. Under the bill, that transfer is eliminated and the same amount is instead appropriated to the CDEC. As a result, the bill has no net change on state expenditures.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

The General Fund appropriation required by the bill is included in the Long Bill for FY 2023-24; as a result, the bill does not require an appropriation.

State and Local Government Contacts

Early Childhood