

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO INCREASE THE SUCCESS RATES OF NINTH-GRADE STUDENTS IN PUBLIC HIGH SCHOOLS IN COLORADO.

Prime Sponsors: Reps. Martinez and Pugliese
Senator Coleman

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Date Prepared: April 26, 2024

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

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 04/08/24.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

The bill, as amended by the House Education Committee, requires an annual appropriation of \$2,000,000 General Fund for the Ninth-grade Success Program. House Bill 24-1430 (the Long Bill) includes an appropriation of \$792,444 General Fund for the program. Therefore, Legislative Council Staff and JBC Staff concur that the fiscal impact of the bill is the difference between \$792,444 and \$2,000,000, or \$1,207,556 General Fund.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.002/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 \$1,207,556 General Fund to the Department of Education for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.8 FTE.

L.002 and J.002

Bill Sponsor amendment **L.002** (attached) authorizes use of the State Education Fund for the Ninth-grade Success Program and specifies that there will be an appropriation of \$2.0 million per year for the program from the State Education Fund for four years, through FY 2027-28.

Bill Sponsor amendment **J.002** (attached) adds an appropriation of \$2,000,000 from the State Education Fund for the Ninth-grade Success Program and *eliminates* the existing General Fund appropriation of \$792,444 for the program that is in the FY 2024-25 Long Bill. This provision also states that the appropriation is based on the assumption that the Department will require a net increase of 0.8 FTE.

The Committee may adopt either J.001 OR the combination of L.002 and J.002.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

This bill requires a General Fund appropriation of \$1,207,556 (if **J.001** is adopted) for FY 2024-25

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JBC Staff Analysis

reducing the \$63.1 million set aside by the same amount. If sponsor amendments **L.002** and **J.002** are adopted, this bill *reduces* General Fund appropriations by \$792,444, increasing General Fund available for other legislation by the same amount.

Technical Issue

The Legislative Council Staff Revised Fiscal Note indicates that the Department's administrative costs for the program in FY 2024-25 will exceed the program's statutory cap on administrative expenses. The administrative expenses cap was previously 5.0 percent and is increased in S.B. 24-188 (Public School Finance) to 8.0 percent. The administrative costs outlined in the Legislative Council Staff Revised Fiscal Note for H.B. 24-1282 exceed the 8.0 percent cap by \$54,388 in FY 2024-25, due to one-time information technology costs. Should these one-time information technology costs be exempted from the administrative expenses cap?