

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING AN INCREASE IN THE MAXIMUM TOTAL AMOUNT OF ANNUAL LEASE PAYMENTS AUTHORIZED FOR LEASE-PURCHASE AGREEMENTS ENTERED INTO UNDER THE "BUILDING EXCELLENT SCHOOLS TODAY ACT".

Prime Sponsors: Senator Kerr

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Date Prepared: February 24, 2016

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 02/02/16.

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 a total of \$5,000,000 cash funds from the Public School Capital Construction Assistance Fund to the Department of Education for FY 2016-17.

Points to Consider

Based on current projections of revenues for the Public School Capital Construction Assistance Fund, this bill relies upon marijuana excise tax revenues to support additional long-term lease-purchase payment obligations under the Building Excellent Schools Today (B.E.S.T.) Program. Historically, lease-purchase payments under the B.E.S.T. Program have been largely supported by rent and royalty income collected by the State Land Board from school trust lands. As shown in the Legislative Council Staff Revised Fiscal Note, dated February 2, 2016, the State Land Board currently anticipates a decline in total school trust revenues over the next two years, with deposits

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to the Public School Capital Construction Fund decreasing from \$92.5 million in FY 2014-15 to \$40.0 million per year in FY 2016-17 and FY 2017-18 (the minimum annual deposit allowed by current law). As a result, projected school trust revenues would not be sufficient to support the increase in lease-purchase payments authorized by the bill for FY 2016-17 and FY 2017-18. Based on those projections, any additional lease-purchase agreements entered into as authorized by the bill would rely upon marijuana excise taxes for the annual lease-purchase payments.