

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING HIGH-COST SPECIAL EDUCATION GRANTS AWARDED FROM A TRUST FUND ESTABLISHED FOR THAT PURPOSE.

Prime Sponsors: Senator Todd
Representative Buentello

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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 04/23/19.

	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>
XXX	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 House amended the bill on second reading (04/23/19) to eliminate the three percent target rate of return included in the introduced bill. Legislative Council Staff and JBC Staff agree that this change may reduce the revenue generated by the High-cost Special Education Trust Fund if the change results in different investment decisions by the Treasurer. Based on current estimates of anticipated interest earnings for FY 2019-20, earnings may decrease from the \$75,000 anticipated in the Revised Fiscal Note to approximately \$50,000 (assuming a 2.0 percent rate of return). Because the bill does not require an appropriation, the change in anticipated earnings does not require a change to the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2019-20.

Points to Consider

Revenue Source/ Related Budget Information

The reengrossed bill includes a one-time transfer of \$2.5 million from the Marijuana Tax Cash Fund

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to the High-cost Special Education Trust Fund in FY 2019-20. A total of \$158.9 million is projected to be available in the Marijuana Tax Cash Fund for appropriation in FY 2019-20, based on the March 2019 Legislative Council Staff revenue forecast. As detailed below, the FY 2019-20 budget package introduced by the Joint Budget Committee leaves \$28.3 million available.

Total funds projected to be available for FY 2019-20	\$ 158,948,672
Less: Introduced Long Bill (S.B. 19-207) appropriations	(129,793,950)
Less: Transfers in/(out) under current law and S.B. 19-213	<u>(803,348)</u>
Funds remaining available	\$ 28,351,374

Legislative Authority

The bill continuously appropriates interest and income earned on the High-cost Special Education Trust Fund to the Department of Education to make grants. Is it necessary to "continuously appropriate" the interest and income? This method of funding essentially moves related expenditures outside of the budget process.