

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ADJUSTMENTS TO SCHOOL FUNDING FOR THE 2020-21 BUDGET YEAR, AND, IN CONNECTION THEREWITH, MAKING APPROPRIATIONS.

Prime Sponsors: Sens. Moreno and Zenzinger
Reps. McCluskie and McLachlan

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Appropriation Items of Note

Appropriation Already Added to Bill, 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 02/23/21.

	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

As currently written, the bill requires an additional appropriation of \$49,933 General Fund for the distribution of additional funding to institute charter schools. The current appropriation and the Legislative Council Staff Revised Fiscal Note assume that funds would only flow to institute charter schools that meet both of the following criteria: (1) are located in an accounting district that is receiving additional funding under the criteria in the bill *and* (2) have experienced a reduction in total program funding below the original projection for FY 2020-21. However, as currently drafted the bill would direct additional funding to all institute charter schools located in accounting districts receiving additional funding under the bill regardless of whether the school in question experienced a decrease in total program funding. As a result, the bill requires a distribution of \$49,933 to one additional school (which actually experienced an increase in pupil count and total program funding above the original projection). Legislative Council Staff agrees with this assessment.

However, the Committee should note that sponsor amendment **L.003** (discussed below) would adjust the bill to align with the current appropriation and the Legislative Council Staff Revised Fiscal Note (dated 02/23/21).

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.003	Staff-prepared appropriation amendment
L.003	Bill Sponsor amendment - changes fiscal impact <i>but not current</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$85,764,158 to the Department of Education for FY 2020-21, including \$60,764,158 General Fund and \$25,000,000 cash funds from the Rural Schools Cash Fund. Those appropriations include:

- \$40,905,287 General Fund for the State Share of Districts' Total Program Funding;
- \$14,710,558 General Fund to align school districts' reductions in total program funding with their reductions in funded pupil counts;
- \$4,578,464 General Fund to ensure that no school district's total program funding falls more than 2.0 percent below the amount assumed in the original appropriation for FY 2020-21;
- \$569,849 General Fund for distributions to institute charter schools located in accounting districts that are receiving additional distributions based on either of the previous two provisions; and
- \$25,000,000 cash funds from the Rural Schools Cash Fund to be distributed to rural school districts and institute charter schools pursuant to H.B. 20-1427 (Cigarette Tobacco & Nicotine Products Tax) and Proposition EE.

However, as discussed above, the current version of the bill requires an additional appropriation of \$49,933 General Fund for the provision associated with institute charter schools.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to change the existing clause to appropriate an additional \$49,933 General Fund for distribution to institute charter schools (for a total of \$619,782) to align with the current language in the bill.

L.003 Bill Sponsor amendment **L.003** (attached) clarifies that the Department of Education shall only distribute additional funds to institute charter schools that both located in accounting districts receiving additional funding under the bill *and* experienced a decrease in total program funding below the amount assumed in the original FY 2020-21 appropriation. Amendment L.003 aligns with the current appropriation in the bill and with the Legislative Council Staff Revised Fiscal Note (dated 02/23/21).

If the Committee adopts amendment L.003 then it should not adopt amendment J.003.

Points to Consider

The Joint Budget Committee (JBC) has proposed a supplemental budget package for FY 2020-21

SB21-053**JBC Staff Analysis**

based on the December 2020 Office of State Planning and Budget revenue forecast. The JBC has included as part of its FY 2020-21 supplemental budget package \$60,194,309 General Fund to be appropriated for implementation of this bill.