

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING REMOVING BARRIERS IN EDUCATOR PREPARATION TO SUPPORT EDUCATOR CANDIDATES ENTERING THE EDUCATOR WORKFORCE.

Prime Sponsors: Reps. Kipp and McLachlan
Sens. Zenzinger and Coram

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Date Prepared: April 20, 2022

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Significant General Fund Cost Increase in Second Year

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 04/19/22.

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
L.015/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:

- \$810,995 General Fund to the Department of Education for FY 2022-23. This provision also

states that the appropriation is based on the assumption that the Department will require an additional 4.6 FTE

- \$52,000,000 cash funds from the Economic Recovery and Relief Cash Fund, from money from the federal Coronavirus Fiscal Recovery Fund (ARPA money), to the Department of Higher Education for FY 2022-23. The appropriation clause specifies that funds are available until December 30, 2024, consistent with the provisions of Section 24-76-226 (4)(d), C.R.S. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.0 FTE.

L.015 and J.002

Bill Sponsor amendment **L.015** (attached) specifies that up to fifteen percent of applicants for an initial teacher license may use the portfolio of course work pathway. If this amendment is adopted, Legislative Council Staff and JBC Staff agree that this reduces the bill's cost in the Department of Education, as administrative demands would be reduced. If the amendment is adopted, the Department of Education would require \$720,612 General Fund (based on assumption of 3.6 FTE) in FY 2022-23, excluding centrally appropriated amounts, and \$859,283 General Fund (based on an assumption of 5.0 FTE) for FY 2023-24 and ongoing.

Amendment **J.002** provides an appropriation of \$720,612 General Fund to the Department of Education, based on an assumption that the Department will require 3.6 FTE. It also provides the same appropriation as J.001 to the Department of Higher Education (\$52.0 million cash funds and 1.0 FTE).

The Committee may adopt either J.001 OR the combination of L.015 and J.002.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

HB22-1220

JBC Staff Analysis

This bill creates an ongoing obligation and requires a General Fund appropriation of \$810,995 for FY 2022-23, reducing the \$40.0 million set aside by the same amount. In addition, in its current form, the required appropriation is anticipated to increase to \$2,596,597 General Fund in FY 2023-24 and ongoing.

Technical Issues

The bill states that the money appropriated to the Department of Higher Education from the Economic Recovery and Relief Cash Fund must be spent or obligated by December 31, 2024. Amendments J.001 and J.002 appropriate the money through December 30, 2024 in accordance with section 24-75-226 (4)(d), C.R.S.