

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

JBC Analyst: Craig Harper  
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Date Prepared: June 1, 2021

**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 05/18/21.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Education Committee Report (05/19/21) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.002	Staff-prepared appropriation amendment
L.017	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation
L.020	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates a total of \$570,253,021 to the Department of Education for FY 2021-22, including \$482,944,140 General Fund, \$85,308,881 cash funds (from

**SB21-268**

**JBC Staff Analysis**

a variety of sources), and \$2,000,000 reappropriated funds. These provisions also state that the appropriations assume that the Department will require a total of 2.3 additional FTE.

<b>S.B. 21-268: FY 2021-22 Appropriations to Department of Education</b>			
<b>Purpose</b>	<b>Amount</b>	<b>FTE</b>	<b>Fund Source</b>
<b><i>Section 25: Appropriation for State Share of Districts' Total Program Funding</i></b>			
State Share of Districts' Total Program Funding	\$478,743,696	0.0	General Fund
<b><i>Section 26: Adjustments to Long Bill Footnote Detailing Funding for the ASCENT Program</i></b>			
<b><i>Section 27: Appropriation for School Finance Audit Payments</i></b>			
School Finance Audit Payments	\$400,000	0.0	State Public School Fund
<b><i>Section 28: Appropriation for Additional Funding for At-risk Students for FY 2021-22</i></b>			
Additional Funding for At-risk Students	\$77,408,881	0.0	State Education Fund
<b><i>Section 29: Appropriation for Counselor Corps Grant Program</i></b>			
Counselor Corps Grant Program	\$2,000,000	0.0	State Education Fund
<b><i>Section 30: Appropriations to Restore Grant Program Funding</i></b>			
(a) Ninth Grade Success Program	\$800,000	0.6	General Fund
(b) School Leadership Pilot Program	375,807	0.0	General Fund
(c) Accelerated College Opportunity Exam Fee	280,730	0.0	General Fund
(d) John W. Buckner Automatic Enrollment in	250,000	0.3	General Fund
(e) Local Accountability Systems Grant Program	493,907	0.4	General Fund
<b><i>Section 31: Appropriations from the Marijuana Tax Cash Fund</i></b>			
(a) K-5 Social and Emotional Health Pilot Program	\$2,500,000	1.0	Marijuana Tax Cash Fund
(b) Behavioral Health Care Professional Matching	3,000,000	0.0	Marijuana Tax Cash Fund
<b><i>Section 32: CSI Mill Levy Equalization</i></b>			
(1) Appropriation to Mill Levy Equalization Fund	\$2,000,000	0.0	General Fund
(2) CSI Mill Levy Equalization	2,000,000	0.0	Reappropriated Funds
<b>Totals</b>	<b><u>\$570,253,021</u></b>	<b><u>2.3</u></b>	<b>Total Funds</b>
	482,944,140	1.3	General Fund
	85,308,881	1.0	Cash Funds - Multiple
	2,000,000	0.0	Reappropriated Funds

The bill does not yet include an appropriation of \$410,221 General Fund for the Colorado Imagination Library Program, as the language related to that program was amended into the bill on second reading in the Senate.

**Description of Amendments in This Packet**

**J.002** Staff has prepared amendment **J.002** (attached) to add a provision appropriating \$410,221 General Fund to the Department of Education for FY 2021-22 for the Colorado Imagination Library Program, which aligns with the most recent Legislative Council Staff Revised Fiscal Note.

**L.017** Bill Sponsor amendment **L.017** (attached) appropriates a total of \$3,500,000 cash funds from the Workers, Employers, and Workforce Centers Cash Fund (originating as federal stimulus funds from the American Rescue Plan Act of 2021) to the Department of Education for FY 2021-22. The appropriations include: (1) \$1,750,000 for the Concurrent Enrollment Expansion and Innovation Grant Program; and (2) \$1,750,000 for the Career Development Success Program. In addition, the amendment includes legislative declaration language clarifying that both programs are appropriate and lawful uses of the federal stimulus funds.

**L.020** Bill Sponsor amendment **L.020** (attached) makes a variety of changes to S.B. 21-268 (see attached Legislative Council Staff memorandum for additional detail). The amendment includes the following *statutory* changes:

- Increases the statutory target number for total program funding (after the budget stabilization factor) \$118,499,746 to account for: (1) an increase of \$93,222,028 in anticipated local revenues above the amount assumed in the FY 2021-22 Long Bill, primarily associated with mill levy changes driven by H.B. 21-1164 (Total Program Mill Levy Tax Credit); and (2) an increase of \$27.0 million in state funds (cash funds from the State Education Fund) appropriated in the amendment.
- Strikes language in the reengrossed bill that creates an additional one-time funding stream (for FY 2021-22 only) for at-risk students outside of the school finance formula.
- Modifies the definition of "at-risk pupil" in the statutory school finance formula to include students that are eligible for reduced-price lunches under the federal school lunch program and to remove the subset of English language learners that are currently counted as at-risk.
- Adds an English language learner "factor" to the statutory school finance formula, calculated as 8.0 percent of preliminary per pupil funding multiplied by a school district's English language learner enrollment. The amendment allows students that are both at-risk under the economic criteria and English language learners to receive funding from both the at-risk factor and the newly created English language learners factor.
- Makes conforming statutory changes associated with the provisions outlined above.

In addition to the statutory changes, the amendment includes the following changes to *appropriations*:

- An increase of \$27,000,000 cash funds from the State Education Fund for the State Share of Districts' Total Program Funding.
- A reduction of \$27,000,000 cash funds from the State Education Fund for the English Language Learners Professional Development and Student Support Program (eliminating the funding for the program included in the FY 2021-22 Long Bill).
- The elimination of an appropriation of \$77,408,881 cash funds from the State Education Fund for additional funding for at-risk students (outside of the school finance formula) that is currently included in the bill (and associated with the statutory provisions struck by the amendment).

Legislative Council Staff and JBC Staff agree that amendment L.020 increases the cost of total program funding before the budget stabilization factor by \$117,536,959 based on the changes to the statutory school finance formula and that the amendment provides an additional \$120,222,028 in total program funding *after the budget stabilization factor* (including \$93,222,028 in local revenues and \$27,000,000 cash funds from the State Education Fund). As a result, based on current estimates for total program funding, Legislative Council Staff and JBC Staff agree that the amendment would result in a budget stabilization factor of \$571,233,147 for FY 2021-22.

### **Points to Consider**

#### *General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The JBC has included as part of its FY 2021-22 budget package \$482,381,776 General Fund to be appropriated for implementation of this bill, including \$410,221 for the Colorado Imagination Library Program included in amendment J.002.

- The reengrossed bill includes appropriations totaling \$482,944,140 General Fund (not including the amount in J.002), \$562,364 above the total assumed in the budget package.
- Adoption of sponsor amendment J.002 would increase that total to \$483,354,361, which is \$972,585 above the amount assumed in the budget package and would reduce the General Fund available for other purposes by that amount.

#### *Marijuana Tax Cash Fund Impact*

The JBC has also included as part of its FY 2021-22 budget package \$5,500,000 cash funds from the Marijuana Tax Cash Fund for the appropriations included in the bill.