

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE ADVANCED PLACEMENT INCENTIVES PILOT PROGRAM.

Prime Sponsors: Representative Wilson

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Phone: 303-866-2061  
Date Prepared: April 7, 2014

**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 03/17/14.

<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

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

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment
L.004/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 \$753,101 cash funds from the State Education Fund and 0.5 FTE to the Department of Education for FY 2014-15.

**L.004 and J.002**

Bill Sponsor amendment **L.004** (attached) limits participation in the incentives program created in the bill to no more than 950 students statewide. The introduced bill limits participation to no more than 10,000 students but the Legislative Council Staff Revised Fiscal Note (Fiscal Note) assumes that 1,426 students would participate in FY 2014-15. As discussed in the Legislative Council Staff memorandum (attached), dated April 2, 2014, Legislative Council Staff estimates that the amendment reduces the fiscal impact of the bill by approximately \$255,000 cash funds from the State Education Fund and 0.2 FTE for FY 2014-15.

## HB14-1118

## JBC Staff Analysis

Legislative Council Staff and JBC Staff agree that amendment L.004 reduces the appropriations required by the bill by \$254,040 cash funds from the State Education Fund and 0.2 FTE. Staff has prepared amendment **J.002** (attached) to add a provision appropriating \$499,061 cash funds from the State Education Fund and 0.3 FTE to the Department of Education for FY 2014-15.

**If the Committee adopts amendment L.004 then it should adopt amendment J.002 and should not adopt amendment J.001.**

### Points to Consider

#### *State Education Fund Impact*

This bill increases appropriations from the State Education Fund for FY 2014-15 by \$0.8 million. Based on the Office of State Planning and Budgeting March 2014 Revenue Forecast, and incorporating appropriations in the FY 2014-15 Long Bill (H.B. 14-1336), it is projected that \$907.0 million would remain in the State Education Fund at the end of FY 2014-15. However, that balance is the result of significant transfers of one-time funding from the General Fund, including \$1.074 billion in FY 2013-14, and annual appropriations from the State Education Fund currently exceed annual revenues. For example, the FY 2014-15 Long Bill appropriates \$757.8 million from the State Education Fund, while annual revenues pursuant to Amendment 23 are projected to be \$516.6 million in FY 2014-15 – a revenue shortfall of \$241.2 million or 32 percent of Long Bill appropriations. The use of additional State Education Fund moneys in FY 2014-15 will reduce the amount available in subsequent years and require additional General Fund appropriations once one-time funding in the State Education Fund is depleted.