

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE EARLY CHILDHOOD QUALITY INCENTIVE PROGRAM FOR ENHANCING EARLY CHILDHOOD EDUCATION.

Prime Sponsors: Reps. Peniston and Duran
Senator Zenzinger

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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 03/11/14.

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

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 \$12,465,342 cash funds from the State Education Fund and 1.0 FTE to the Department of Education for FY 2014-15. The appropriation includes: (1) \$88,296 cash funds and 1.0 FTE to administer the new grant program; and (2) \$12,377,046 cash funds for early childhood education grants, to be available for two years (through FY 2015-16) because of the two-year grant cycle created in the bill.

Points to Consider

State Education Fund Impact

This bill increases appropriations from the State Education Fund for FY 2014-15 by \$12.5 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

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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.

Related Budget Information

This bill establishes a grant program for the Department of Education to provide funding for Colorado Preschool Program facilities to acquire quality ratings and to improve their quality ratings. The FY 2014-15 Long Bill, as introduced, increases appropriations to the Department of Human Services by \$3.5 million to improve child care quality and safety, including \$2.2 million for grants and technical assistance to child care providers to improve the quality of child care, and \$1.3 million and 2.8 FTE child care licensing specialists to improve child care safety.