

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING DISTRIBUTION OF GRANT MONEYS TO LOCAL EDUCATION PROVIDERS TO FUND INCENTIVES FOR HIGHLY EFFECTIVE TEACHERS TO TEACH IN LOW-PERFORMING SCHOOLS, AND, IN CONNECTION THEREWITH, CREATING THE "GREATEST RESOURCES FOR EDUCATION ARE TEACHERS ACT" AND MAKING AN APPROPRIATION.

Prime Sponsors: Representative Priola
Senator Hill

JBC Analyst: Craig Harper
Phone: 303-866-2061
Date Prepared: March 26, 2015

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 03/24/15.

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
None.	

The bill includes an appropriation clause that appropriates \$4,000,000 cash funds from the State Education Fund to the Highly Effective Teacher Incentives Fund in FY 2015-16. The Highly Effective Teacher Incentives Fund, which is created in the bill, is continuously appropriated to the Department of Education, and the Department does not require an additional appropriation out of the cash fund for FY 2015-16 or subsequent years.

Points to Consider

State Education Fund Impact

This bill includes an appropriation of \$4.0 million from the State Education Fund for FY 2015-16. Based on the Legislative Council Staff March 2015 Revenue Forecast, and incorporating appropriations in the FY 2015-16 Long Bill (S.B. 15-234), it is projected that approximately \$300.5 million would remain in the State Education Fund at the end of FY 2015-16. 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

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annual revenues. For example, the FY 2015-16 Long Bill appropriates \$935.3 million in funds that originate in the State Education Fund (including funds transferred from the State Education Fund to other cash funds), while annual revenues pursuant to Amendment 23 are projected to be \$538.0 million in FY 2015-16 – a revenue shortfall of \$397.3 million or 42 percent of Long Bill appropriations. The use of additional State Education Fund moneys in FY 2015-16 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.