

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING DISTRIBUTION OF MONEYS FOR SCHOLARSHIP PROGRAMS THAT ASSIST EARLY CHILDHOOD EDUCATION PROFESSIONALS IN OBTAINING POSTSECONDARY CREDENTIALS IN EARLY CHILDHOOD EDUCATION, AND, IN CONNECTION THEREWITH, CREATING THE EARLY CHILDHOOD EDUCATOR DEVELOPMENT FUND.

Prime Sponsors: Reps. Pettersen and Garnett  
Senator Todd

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Date Prepared: April 1, 2015

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/21/15.

	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
<b>XXX</b>	<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 fiscal note is updated due to a technical issue. The bill creates the Early Childhood Educator Development Fund and indicates that appropriations for this program should be made first to this Fund and then appropriated from the Fund to the Department of Human Services. This is not addressed in the Legislative Council Staff Fiscal Note.

The Education Committee Report (01/26/15) 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.001	Staff-prepared appropriation amendment
L.006/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 \$469,693 General Fund to the newly created Early Childhood Educator Development Fund and \$469,693 reappropriated funds from the new cash fund to the Department of Human Services for FY 2015-16. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.8 FTE.

**L.006** Bill sponsor amendment **L.006** (attached) strikes provisions in the bill that create new cash funds: the Early Childhood Educator Development Fund in the Department of Human Services and the Administrative Services Cash Fund in the Department of Education.

**J.002** Bill sponsor amendment **J.002** (attached) adds provisions:

- Appropriating \$125,000 General Fund to the Department of Human Services for FY 2015-16. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.2 FTE.
- Appropriating \$11,553 reappropriated funds to the Department of Education from the amount appropriated to the Department of Human Services. This will enable the Department of Education to accept and expend funds to administer the grant program *if* the Department of Human Services enters into an interagency agreement with it for this purpose.

If this amendment is adopted and the same amount of funding is provided in FY 2016-17, staff anticipates the following allocations between administrative and grant funding.

	FY 2015-16	FY 2016-17
Personal Services	\$11,553	\$15,403
FTE	0.2	0.3
Operating Expenses	0	551
Grants	<u>113,447</u>	<u>109,046</u>
Total	\$125,000	\$125,000

The Committee may adopt **L.006 and J.002** or it may adopt **J.001**.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2015-16 based on the March 2015 Legislative Council Staff revenue forecast. The budget package allocates a total of \$18.5 million General Fund to be available to fund 2015 legislation. If the full \$18.5 million is not used to fund legislation, it will remain in the General Fund reserve.

*Technical Issues*

1. The bill creates the new Early Childhood Educator Development Fund, which would consist of General Fund appropriated by the General Assembly and any gifts, grants, and donations that are received by the Department of Human Services for early childhood educator scholarship grants and related administration. Moneys in the Fund are subject to annual appropriation to the Department of Human Services. The bill also creates the new Administrative Services Cash Fund in the Department of Education, which consists of moneys transmitted to the Department Education from another state agency as payment for administrative services relating to one or more grant programs. Is it necessary to appropriate General Fund into a new cash fund, rather than appropriating General Fund directly for early childhood educator scholarships and related administration? Is it likely that any gifts, grants, and donations will be received for this program? **Sponsor amendment L.006 addresses these questions by eliminating provisions that create the two cash funds.**
  
2. The bill adds a provision [Section 26-6.5-404, C.R.S.] authorizing the Department of Human Services to enter into a contract or interagency agreement with another public or private entity, including another state department, to perform all or a part of the Department's duties related to this bill. The Department has historically contracted with the Department of Education to administer a similar federally-funded program. **It is not yet clear whether the Department of Human Services will choose to enter into an interagency agreement with the Department of Education to administer this program.** Sponsor amendment J.002 provides reappropriated spending authority to the Department of Education which will only be used if there is such an agreement.