



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 19-0488
Prime Sponsors:

Date: December 7, 2018
Bill Status: Legislative Interim Committee on School Finance Bill Request
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Bill Topic: EXTEND SCHOOL FINANCE INTERIM COMMITTEE

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill reauthorizes and extends the Legislative Interim Committee on School Finance for one additional year. The bill increases state expenditures for FY 2019-20 only.

Appropriation Summary: No additional appropriation is required. See State Appropriations section.

Fiscal Note Status: This fiscal note reflects the bill draft requested by the Legislative Interim Committee on School Finance.

Table 1
State Fiscal Impacts Under Bill 1

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

## **Summary of Legislation**

House Bill 17-1340 created the Legislative Interim Committee on School Finance (the committee) to study school finance issues and make legislative recommendations concerning the funding of kindergarten through grade 12 (K-12) education in Colorado. The committee was authorized to meet during the 2017 and 2018 interim. This bill extends the work of the committee for one additional year through the 2019 interim.

Additionally, this bill:

- allows the Speaker of the House of Representatives to appoint the committee chair for the 2019 interim, and allows the members of the committee to elect a vice chair;
- preserves the existing composition of the committee and specifies the method for filling vacancies;
- gives the committee flexibility to determine issues of study;
- authorizes, but does not require that the committee contract with an outside vendor; and
- permits the committee to use any unspent and uncommitted appropriations from the current FY 2018-19 to pay for FY 2019-20 expenditures.

## **Background**

The committee met during the 2017 and 2018 interims. In each fiscal year, the committee received a \$380,000 appropriation for staff, member travel and per diem, and contacting with an outside vendor. The committee contracted with two separate vendors to assist with facilitation, research, and modeling alternative school finance allocation methods. In the current FY 2018-19, the committee spent or committed approximately \$101,279 of the appropriation, leaving approximately \$278,700 available for expenditure in FY 2019-20. Appropriations for the committee are from the State Public School Fund.

**State Expenditures**

For FY 2019-20 only, the bill increases state expenditures in the Legislature by up to \$285,803 and 0.5 FTE. New expenditures are displayed in Table 2 and discussed below.

**Table 2  
Expenditures Under Bill 1**

	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Legislative Department</b>		
Personal Services	\$31,208	-
Operating Expenses and Capital Outlay Costs	\$475	-
Legislator Travel/Per Diem/Reimbursements	\$21,670	-
Vendor Contracts	up to \$225,369	-
Centrally Appropriated Costs*	\$7,081	-
FTE – Personal Services	0.5 FTE	-
<b>Total Cost</b>	<b>up to \$285,803</b>	<b>-</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>-</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Personal services.** Legislative Council Staff and the Office of Legislative Legal Services will provide staff support to the committee. Pursuant to House Bill 12-1299, interim committees are designated by the Legislative Council during the legislative session following letters of request made by individual legislators. Committees authorized through this process are within the legislative budget for the following fiscal year. Committees established in special legislation and not via the letter request process require an appropriation for staff support and other expenditures.

**Legislator travel, per diem, and reimbursements.** The committee is authorized to meet five times during the 2019 interim. Ten legislators participating in five meetings will incur costs for travel, daily per diem, and reimbursement of expenses.

**Vendor contracts.** The committee is authorized but not required to enter into vendor contracts to support their work. Should the committee contract for vendor services in FY 2019-20, approximately \$225,300 is available.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$7,081 in FY 2019-20.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

### **State Appropriations**

The uncommitted and unspent appropriation from FY 2018-19 is sufficient to pay for the state expenditures in FY 2019-20 identified in Table 2. The bill includes an appropriations clause authorizing Legislative Council Staff and the Office of Legislative Legal Services to roll-forward the prior-year appropriation into FY 2019-20; therefore, no additional appropriation is required.

### **State and Local Government Contacts**

General Assembly