

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0541
Prime Sponsor(s): Rep. McKinley

Date: June 19, 2012
Bill Status: Deemed Lost
Fiscal Analyst: Kirk Mlinek (303-866-4782)

TITLE: CONCERNING BUDGET CUTS TO PROVIDE MORE FUNDING FOR PUBLIC SCHOOLS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Transfers Transfer from the General Fund to the State Education Fund	(\$198,080,870)	
State Expenditures	No net change	
FTE Position Change		
Effective Date: The bill was deemed lost in the House of Representatives on May 9, 2012, when the General Assembly adjourned sine die without taking final action.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

The bill requires the General Assembly to reduce FY 2011-12 General Fund appropriations by the rate of unemployment and transfers that amount to the State Education Fund. The reductions apply across all branches of state government, but not to the Department of Education or the Department of Health Care Policy and Financing. The reduction is based on the March 1, 2012, unemployment rate as published by the United States Department of Labor Bureau of Labor Statistics (BLS), multiplied by FY 2011-12 General Fund appropriations.

State Transfers

Effective January 1, 2013, the State Treasurer will transfer \$198,080,870 from the General Fund to the State Education Fund. The transfer amount is based on Colorado's 7.9 percent unemployment rate as reported by the BLS as of March 1, 2012, and FY 2011-12 General Fund appropriations as adjusted by 2012 supplemental appropriations and other bills. These amounts are listed in the FY 2012-2013 Budget and Long Bill Narrative published by the Joint Budget Committee.

State Appropriations

For FY 2012-13, negative appropriations totaling \$198,080,870 General Fund are required to implement the bill. The bill requires that these moneys be transferred to the State Education Fund and the fiscal note assumes that these moneys will be expended, resulting in no change in net state expenditures. Specific reductions by executive department and for the Judicial and Legislative branches are shown in Table 1.

Table 1. Appropriations Required Under HB12-1109		
Department/Branch	FY 2011-12 General Fund Appropriation*	FY 2012-13 Transfer to State Education Fund
Agriculture	\$5,164,362	(\$407,985)
Corrections	648,950,165	(51,267,063)
Governor	10,613,728	(838,485)
Higher Education	623,962,700	(49,293,053)
Human Services	619,593,123	(48,947,857)
Law	9,422,208	(744,354)
Local Affairs	10,379,500	(819,981)
Military Affairs	5,429,298	(428,915)
Natural Resources	23,429,407	(1,850,923)
Personnel	4,118,272	(325,343)
Public Health and Environment	27,473,436	(2,170,401)
Public Safety	82,727,973	(6,535,510)
Regulatory Agencies	1,600,344	(126,427)
Revenue	53,444,786**	(4,222,138)
Treasury	7,903,000	(624,337)
<i>Subtotal Executive Branch</i>	2,134,212,302	(168,602,772)
Judicial	338,455,642	(26,737,996)
Legislature	34,684,832	(2,740,102)
TOTAL	\$2,507,352,776	(\$198,080,870)

* Adjusted for supplementals and 2012 bills that affect FY 2011-12.

** This amount excludes \$19.3 million for Heat and Fuel and Property Tax Assistance Grants for the Elderly and the Cigarette Tax Rebate program, as these moneys are not appropriated.

Departments Contacted

All Judicial Legislature