

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 15-0871.03 Brita Darling x2241

SENATE BILL 15-267

SENATE SPONSORSHIP

Hill, Holbert, Marble, Neville T., Woods

HOUSE SPONSORSHIP

Hamner,

Senate Committees

Education
Appropriations

House Committees

Education
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill sets the statewide base per pupil funding amount for the 2015-16 budget year at \$6,292.39, which is an inflationary increase of 2.8% and establishes the minimum amount of total program funding for the 2015-16 budget year. The minimum amount of total program funding reflects a reduction of the dollar amount of the negative factor by \$25 million.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
3rd Reading Unamended
April 24, 2015

SENATE
Amended 2nd Reading
April 23, 2015

For the 2016-17 budget year, the difference between the amount of statewide total program funding calculated without the negative factor and the amount of statewide total program funding calculated with the negative factor cannot exceed the dollar amount of that difference for the 2015-16 budget year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-54-104, **add** (5)

3 (a) (XXII) and (5) (g) (I) (F) as follows:

4 **22-54-104. District total program - definitions.** (5) For
5 purposes of the formulas used in this section:

6 (a) (XXII) FOR THE 2015-16 BUDGET YEAR, THE STATEWIDE BASE
7 PER PUPIL FUNDING IS \$6,292.39, WHICH IS AN AMOUNT EQUAL TO \$6,121,
8 SUPPLEMENTED BY \$171.39 TO ACCOUNT FOR INFLATION.

9 (g) (I) For the 2010-11 budget year and each budget year
10 thereafter, the general assembly determines that stabilization of the state
11 budget requires a reduction in the amount of the annual appropriation to
12 fund the state's share of total program funding for all districts and the
13 funding for institute charter schools. The department of education shall
14 implement the reduction in total program funding through the application
15 of a negative factor as provided in this paragraph (g). For the 2010-11
16 budget year and each budget year thereafter, the department of education
17 and the staff of the legislative council shall determine, based on budget
18 projections, the amount of such reduction to ensure the following:

19 (F) THAT, FOR THE 2015-16 BUDGET YEAR, THE SUM OF THE TOTAL
20 PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR
21 INSTITUTE CHARTER SCHOOLS, AFTER APPLICATION OF THE NEGATIVE
22 FACTOR, IS NOT LESS THAN SIX BILLION TWO HUNDRED THIRTY-THREE
23 MILLION NINE HUNDRED FIFTY-FIVE THOUSAND SEVEN HUNDRED

1 THIRTY-SEVEN DOLLARS (\$6,233,955,737); EXCEPT THAT THE
2 DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL
3 SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH
4 ACTUAL FIGURES, INCLUDING BUT NOT LIMITED TO ACTUAL PUPIL
5 ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX
6 REVENUE FROM THE PRIOR YEAR, TO DETERMINE ANY NECESSARY
7 CHANGES IN THE AMOUNT OF THE REDUCTION TO MAINTAIN A TOTAL
8 PROGRAM FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR THAT IS
9 CONSISTENT WITH THIS SUB-SUBPARAGRAPH (F). FOR THE 2016-17
10 BUDGET YEAR, THE DIFFERENCE BETWEEN CALCULATED STATEWIDE TOTAL
11 PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM FUNDING
12 MUST NOT EXCEED THE DIFFERENCE BETWEEN CALCULATED STATEWIDE
13 TOTAL PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM
14 FUNDING FOR THE 2015-16 BUDGET YEAR.

15 **SECTION 2. In Colorado Revised Statutes, 22-54-106, amend**
16 **(1) (b) (I), (2) (a) (II) (A), and (4) (c); and repeal (1) (b) (II) as follows:**

17 **22-54-106. Local and state shares of district total program.**
18 **(1) (b) (I) Except as provided in subsections (11) and (12) of this section,**
19 **the state's share of a district's total program is the difference between the**
20 **district's total program and the district's share of its total program. except**
21 **that, unless otherwise provided by subparagraph (II) of this paragraph (b),**
22 **no district shall receive less in state aid than an amount established by the**
23 **general assembly in the annual general appropriation act based upon the**
24 **amount of school lands and mineral lease moneys received pursuant to**
25 **article 41 of this title and section 34-63-102, C.R.S., multiplied by the**
26 **district's funded pupil count.**

27 **(II) (A) For the 2010-11 budget year through the 2014-15 budget**

1 year, the requirement that no district shall receive less in state aid than an
2 amount established by the general assembly in the annual general
3 appropriation act as specified in subparagraph (I) of this paragraph (b)
4 shall not apply to any district.

5 (B) On or before January 15, 2015, the department of education
6 shall submit a report to the joint budget committee of the general
7 assembly and to the education committees of the senate and the house of
8 representatives, or any successor committees, regarding the estimated
9 fiscal impact of and the potential number of districts that will be impacted
10 by restoring the requirement, in the 2015-16 budget year, that no district
11 shall receive less in state aid than an amount established by the general
12 assembly in the annual general appropriation act as specified in
13 subparagraph (I) of this paragraph (b).

14 (2) (a) Except as provided in paragraph (c) of this subsection (2),
15 for reorganized districts, for the 2007 property tax year and property tax
16 years thereafter, each district shall levy the lesser of:

17 (II) (A) Subject to the provisions of sub-subparagraph (B) of this
18 subparagraph (II), the number of mills that will generate property tax
19 revenue in an amount equal to the district's total program for the
20 applicable budget year minus the district's minimum state aid, if
21 applicable for that budget year, and minus the amount of specific
22 ownership tax revenue paid to the district.

23 (4) (c) If a supplemental appropriation is not made by the general
24 assembly to fully fund the state's share of the total program of all districts
25 including funding for institute charter schools or a supplemental
26 appropriation is made to reduce the state's share of the total program of
27 all districts including funding for institute charter schools, the state aid of

1 each district and the funding for each institute charter school shall be
2 reduced in accordance with the provisions of this paragraph (c). The total
3 program of each district that receives state aid shall be reduced by a
4 percentage determined by dividing the deficit in the appropriation or the
5 reduction in the appropriation, whichever is applicable, by the total
6 program of all districts that receive state aid. The state aid of each district
7 shall be reduced by the amount of the reduction in the district's total
8 program or the amount of state aid, whichever is less. even if, for the
9 2009-10 budget year or any budget year thereafter, the reduction would
10 result in a district receiving less state aid than the amount of minimum
11 state aid for each district as determined by the general assembly for the
12 applicable budget year. The funding for each institute charter school shall
13 be reduced in proportion to the reduction in the total program of the
14 district from which the institute charter school's funding is withheld. The
15 department of education shall see that the reduction in state aid required
16 by this paragraph (c) is accomplished prior to the end of the budget year.

17 **SECTION 3. In Colorado Revised Statutes, 22-54-114, amend**
18 **(2.3) as follows:**

19 **22-54-114. State public school fund. (2.3) Notwithstanding any**
20 **provision of this article to the contrary, of the total amount appropriated**
21 **by the general assembly in the annual appropriation bill for each budget**
22 **year to meet the state's share of the total program of all districts and the**
23 **total funding for all institute charter schools, the department of education**
24 **may transfer an amount specified by the general assembly in the annual**
25 **general appropriation bill for that budget year to offset the direct and**
26 **indirect administrative costs incurred by the department in implementing**
27 **the provisions of this article. The total program of each district that**

1 receives state aid and the total funding for each institute charter school
2 shall be reduced by a percentage determined by dividing the amount of
3 the transfer by the total program of all districts that receive state aid plus
4 the total funding for all institute charter schools. The state aid of each
5 district shall be reduced by the amount of the reduction in the district's
6 total program or the amount of state aid, whichever is less. even if, for the
7 2009-10 budget year or any budget year thereafter, the reduction would
8 result in a district receiving less state aid than the amount of minimum
9 state aid for each district as determined by the general assembly for the
10 applicable budget year. The department of education shall ensure that the
11 reduction in state aid and institute charter school funding required by this
12 subsection (2.3) is accomplished prior to the end of the budget year. The
13 reductions described in this subsection (2.3) shall be in addition to any
14 reduction that may be required pursuant to section 22-54-106 (4) (c).

15 **SECTION 4.** In Colorado Revised Statutes, 22-41-102, **amend**
16 (3) (d); and **add** (3) (e) as follows:

17 **22-41-102. Fund inviolate.** (3) (d) For the 2013-14 state fiscal
18 year ~~and each state fiscal year thereafter~~ THROUGH THE 2014-15 FISCAL
19 YEAR, the first sixteen million dollars of any interest or income earned on
20 the investment of the moneys in the public school fund shall be credited
21 to the state public school fund created in section 22-54-114 for
22 distribution as provided by law. Any amount of such interest and income
23 earned on the investment of the moneys in the state public school fund in
24 excess of sixteen million dollars, other than interest and income credited
25 to the public school capital construction assistance fund, created in
26 section 22-43.7-104 (1), pursuant to section 22-43.7-104 (2) (b) (I), shall
27 remain in the fund and shall become part of the principal of the fund.

1 (e) FOR THE 2014-15 STATE FISCAL YEAR, AND EACH STATE FISCAL
2 YEAR THEREAFTER, THE FIRST TWENTY-ONE MILLION DOLLARS OF ANY
3 INTEREST OR INCOME EARNED ON THE INVESTMENT OF THE MONEYS IN THE
4 PUBLIC SCHOOL FUND SHALL BE CREDITED TO THE STATE PUBLIC SCHOOL
5 FUND CREATED IN SECTION 22-54-114 FOR DISTRIBUTION AS PROVIDED BY
6 LAW. ANY AMOUNT OF SUCH INTEREST AND INCOME EARNED ON THE
7 INVESTMENT OF THE MONEYS IN THE STATE PUBLIC SCHOOL FUND IN
8 EXCESS OF TWENTY-ONE MILLION DOLLARS, OTHER THAN INTEREST AND
9 INCOME CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION
10 ASSISTANCE FUND, CREATED IN SECTION 22-43.7-104 (1), PURSUANT TO
11 SECTION 22-43.7-104 (2) (B) (I), SHALL REMAIN IN THE FUND AND SHALL
12 BECOME PART OF THE PRINCIPAL OF THE FUND.

13 **SECTION 5.** In Colorado Revised Statutes, 22-54-102, **add** (4)
14 as follows:

15 **22-54-102. Legislative declaration - statewide applicability -**
16 **intergovernmental agreements.** (4) IF THE DECEMBER 2015 REVENUE
17 FORECAST PREPARED BY THE LEGISLATIVE COUNCIL STAFF ESTIMATES
18 THAT THE AMOUNT OF LOCAL PROPERTY TAX REVENUES THAT WILL BE
19 AVAILABLE TO DISTRICTS FOR THE 2015-16 BUDGET YEAR WILL BE
20 GREATER THAN THE AMOUNT ESTIMATED IN THE DECEMBER 2014
21 REVENUE FORECAST, IT IS THE INTENT OF THE GENERAL ASSEMBLY,
22 THROUGH THE SUPPLEMENTAL APPROPRIATIONS PROCESS DURING THE
23 2016 REGULAR LEGISLATIVE SESSION, TO MAINTAIN AND NOT REDUCE
24 STATE APPROPRIATIONS FOR SCHOOL FINANCE FUNDING AFTER
25 CONSIDERATION OF OTHER FORECAST CHANGES, INCLUDING CHANGES IN
26 THE NUMBER OF PUPILS AND AT-RISK PUPILS ENROLLED, THE INFLATION
27 RATE, AND THE EXPECTED STATE EDUCATION FUND REVENUES.

1 **SECTION 6.** In Colorado Revised Statutes, add 22-54-136 as
2 follows:

3 **22-54-136. At-risk per pupil additional funding - definitions.**

4 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES, "AT-RISK PER PUPIL ADDITIONAL FUNDING" MEANS AN AMOUNT
6 EQUAL TO FIVE MILLION DOLLARS DIVIDED BY THE TOTAL NUMBER OF
7 AT-RISK PUPILS ENROLLED IN THE PUBLIC SCHOOLS THROUGHOUT THE
8 STATE FOR THE APPLICABLE BUDGET YEAR.

9 (2) FOR THE 2015-16 BUDGET YEAR, AND EACH BUDGET YEAR
10 THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE FIVE MILLION
11 DOLLARS TO THE DEPARTMENT OF EDUCATION FOR DISTRIBUTION AS
12 AT-RISK PER PUPIL ADDITIONAL FUNDING TO DISTRICTS AND INSTITUTE
13 CHARTER SCHOOLS AS PROVIDED IN THIS SECTION.

14 (3) (a) (I) FOR THE 2015-16 BUDGET YEAR, AND EACH BUDGET
15 YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE
16 TO EACH DISTRICT AN AMOUNT EQUAL TO THE AT-RISK PER PUPIL
17 ADDITIONAL FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS
18 ENROLLED IN THE DISTRICT FOR THE APPLICABLE BUDGET YEAR.

19 (II) EACH DISTRICT THAT IS AN AUTHORIZER FOR A CHARTER
20 SCHOOL SHALL DISTRIBUTE TO THE DISTRICT CHARTER SCHOOL AN
21 AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE AT-RISK PER PUPIL
22 ADDITIONAL FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS
23 ENROLLED IN THE DISTRICT CHARTER SCHOOL FOR THE APPLICABLE
24 BUDGET YEAR.

25 (b) (I) FOR THE 2015-16 BUDGET YEAR, AND EACH BUDGET YEAR
26 THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE TO THE
27 STATE CHARTER SCHOOL INSTITUTE FOR DISTRIBUTION TO THE INSTITUTE

1 CHARTER SCHOOLS AN AMOUNT EQUAL TO THE AT-RISK PER PUPIL
2 ADDITIONAL FUNDING MULTIPLIED BY THE TOTAL NUMBER OF AT-RISK
3 PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOLS FOR THE
4 APPLICABLE BUDGET YEAR.

5 (II) THE STATE CHARTER SCHOOL INSTITUTE SHALL DISTRIBUTE TO
6 EACH INSTITUTE CHARTER SCHOOL AN AMOUNT EQUAL TO ONE HUNDRED
7 PERCENT OF THE AT-RISK PER PUPIL ADDITIONAL FUNDING MULTIPLIED BY
8 THE NUMBER OF AT-RISK PUPILS ENROLLED IN THE INSTITUTE CHARTER
9 SCHOOL FOR THE APPLICABLE BUDGET YEAR.

10 **SECTION 7. Appropriation.** For the 2015-16 state fiscal year,
11 \$25,000,000 is appropriated to the department of education. This
12 appropriation is from the general fund. To implement this act, the
13 department may use this appropriation for the state share of districts' total
14 program funding.

15 **SECTION 8. Appropriation to the department of education**
16 **for the fiscal year beginning July 1, 2015.** In section 2 of Senate Bill
17 15-234, amend Part III (2) (A) Footnote 6, as follows:

18 **Section 2. Appropriation.**
19 6 Department of Education, Assistance to Public Schools, Public
20 School Finance, State Share of Districts' Total Program Funding
21 -- Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of
22 this footnote is to specify what portion of this appropriation is
23 intended to be available for the Accelerating Students Through
24 Concurrent Enrollment (ASCENT) Program for FY 2015-16. The
25 Department of Education is authorized to utilize up to \$3,652,000
26 \$3,666,850 of this appropriation to fund qualified students
27 designated as ASCENT Program participants. This amount is

1 calculated based on an estimated 550 FTE participants funded at
2 a rate of ~~\$6,640~~ \$6,667 per FTE pursuant to Section 22-54-104
3 (4.7), C.R.S.

4 **SECTION 9. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.