

**UPDATED SUMMARY
HOUSE BILL 16-1422**

Second Regular Session - Seventieth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

The bill sets the statewide base per pupil funding amount for the 2016-17 budget year at \$6,367.90, which is an inflationary increase of 1.2%, and establishes the minimum amount of total program funding for the 2016-17 budget year. For the 2017-18 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 2016-17 budget year.

~~Under current law, if a school district's calculated funded pupil count for a budget year, or as averaged over a period of years, is fewer than 50 pupils, the district's minimum funded pupil count is set at 50 pupils. The bill changes the minimum funded pupil count for a budget year to 25 pupils, if the district's calculated funded pupil count is 19 or fewer pupils, and 40 pupils, if the district's calculated funded pupil count is at least 20 but fewer than 35 pupils. The minimum funded pupil count remains at 50 pupils if the district's calculated funded pupil count is at least 35 but fewer than 50 pupils.~~

The bill adjusts the size factor for a school district by increasing the number of pupils to 5,000 or more for application of the flat factor, and adjusts the factor for districts with at least ~~2,293~~ 3,500 but fewer than 5,000 pupils to increase the funding for districts with at least ~~2,293~~ 3,500 pupils. *As a result of adjusting the factor, all districts with at least 2,293 pupils will have a slight adjustment to the factor.*

Under certain circumstances, current law requires a school district to use property tax revenue to replace, on a pro rata basis, any categorical program support funds that the school district receives from the state. The bill requires the school district to replace the categorical program support funds by the end of the budget year in which the funds were paid to the school district. If unpaid, the commissioner of education (commissioner) is required to withhold the amount due, with interest, from any state money due to the district for any reason, commencing in the budget year immediately following the budget year in which the school district fails to replace the categorical program support funds. The commissioner may waive accrued interest upon payment of the amount due from the school district.

The bill permits the state board of education to provide supplemental assistance from the contingency reserve fund to a school district that experiences an unusual financial burden due to a significant decline in the assessed value of real property of the district that results in the school district receiving a state share of total program funding that is reduced by the negative factor when the school district in the previous budget year did not receive state share. The district must reimburse the contingency reserve fund by June 30 of the budget year following the budget year in which the district receives the supplemental assistance

payment.

In a budget year in which a school district's total program mill levy would be reduced because the local property tax revenues received from the total program mill levy exceed the district's total program and categorical buyout requirements, the bill authorizes the school district to continue levying the same number of mills. The school district must deposit the revenues generated by the excess mills in the school district's total program reserve fund and may use the revenues only to replace state share lost as a result of the negative factor.

Under current law, the public school capital construction assistance board (board) may provide financial assistance in the form of matching grants to school districts or public schools (applicants) for capital construction on school facilities that are owned by the applicant or that the applicant has the right to own through a lease-purchase agreement. The bill permits the board to award financial assistance in the form of matching grants to an applicant for a public school that is operated or will operate in a state-owned, leased facility that is listed on the state inventory of real property and improvements and other capital assets maintained by the office of the state architect or state-owned property leased by the state board of land commissioners to the applicant. The board shall adopt rules relating to the award of financial assistance in these circumstances.

The bill makes a conforming amendment to the definition of facility school funding for purposes of state assistance for career and technical education to reflect that facility schools receive funding based on pupil enrollment multiplied by an amount equal to 1.73 of the statewide base per pupil funding for the applicable budget year, rather than the state average per pupil revenues.