

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 10-0788.01 Nicole Myers

HOUSE BILL 10-1318

HOUSE SPONSORSHIP

Pommer, Ferrandino, Lambert

SENATE SPONSORSHIP

Tapia, Keller, White

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CIRCUMSTANCES UNDER WHICH THE REQUIREMENT**
102 **THAT EACH SCHOOL DISTRICT RECEIVE A MINIMUM AMOUNT OF**
103 **STATE FUNDING FOR TOTAL PROGRAM FUNDING AS CALCULATED**
104 **THROUGH THE "PUBLIC SCHOOL FINANCE ACT OF 1994" SHALL**
105 **NOT APPLY TO ANY DISTRICT, AND MAKING AN APPROPRIATION**
106 **IN CONNECTION THEREWITH.**

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>.)

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.

Budget Package Bill. Current law provides all school districts with a minimum amount of state funding (minimum state aid), notwithstanding the state and local shares of total program funding as determined through the "Public School Finance Act of 1994"(act).

The bill suspends the minimum state aid requirement for the 2010-11 through 2014-15 budget years. In connection with the suspension, the bill requires the department of education (department) to submit a report to the joint budget committee and the education committees of the house of representatives and the senate regarding the estimated fiscal impact of and the potential number of districts that will be impacted by the reinstatement of the minimum state aid requirement in the 2015-16 budget year.

If a supplemental appropriation is not made by the general assembly to fully fund the state's share of total program of all districts, including funding for institute charter schools, or if a supplemental appropriation is made to reduce the state's share of the total program of all districts, including funding for institute charter schools, the bill requires the state aid of each district to be reduced by the amount of the required reduction or the amount of state aid, whichever is less, even if, for the 2009-10 budget year or any budget year thereafter, the reduction would result in a district receiving less state aid than the amount of minimum state aid for the applicable budget year.

In addition, to offset the direct and indirect administrative costs incurred by the department in implementing the provisions of the act, current law authorizes the total program of each district that receives state aid and the total funding for each institute charter school to be reduced by a certain percentage. The bill allows the state aid of each district to be reduced by the amount of the required reduction or the amount of state aid, whichever is less, even if, for the 2009-10 budget year or any budget year thereafter, the reduction would result in a district receiving less state aid than the amount of minimum state aid for the applicable budget year.

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

2 **SECTION 1.** 22-54-106 (1) (b) and (4) (c), Colorado Revised
3 Statutes, are amended to read:

4 **22-54-106. Local and state shares of district total program.**
5 (1) (b) (I) Except as provided in subsections (8), (11), and (12) of this
6 section, the state's share of a district's total program shall be the
7 difference between the district's total program and the district's share of

1 its total program; except that, UNLESS OTHERWISE PROVIDED BY
2 SUBPARAGRAPH (II) OF THIS PARAGRAPH (b), no district shall receive less
3 in state aid than an amount established by the general assembly in the
4 annual general appropriation act based upon the amount of school lands
5 and mineral lease moneys received pursuant to the provisions of article
6 41 of this title and section 34-63-102 (2), C.R.S., multiplied by the
7 district's funded pupil count.

8 (II) (A) FOR THE 2010-11 BUDGET YEAR THROUGH THE 2014-15
9 BUDGET YEAR, THE REQUIREMENT THAT NO DISTRICT SHALL RECEIVE LESS
10 IN STATE AID THAN AN AMOUNT ESTABLISHED BY THE GENERAL ASSEMBLY
11 IN THE ANNUAL GENERAL APPROPRIATION ACT AS SPECIFIED IN
12 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) SHALL NOT APPLY TO ANY
13 DISTRICT.

14 (B) ON OR BEFORE JANUARY 15, 2015, THE DEPARTMENT OF
15 EDUCATION SHALL SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE
16 OF THE GENERAL ASSEMBLY AND TO THE EDUCATION COMMITTEES OF THE
17 SENATE AND THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR
18 COMMITTEES, REGARDING THE ESTIMATED FISCAL IMPACT OF AND THE
19 POTENTIAL NUMBER OF DISTRICTS THAT WILL BE IMPACTED BY RESTORING
20 THE REQUIREMENT, IN THE 2015-16 BUDGET YEAR, THAT NO DISTRICT
21 SHALL RECEIVE LESS IN STATE AID THAN AN AMOUNT ESTABLISHED BY THE
22 GENERAL ASSEMBLY IN THE ANNUAL GENERAL APPROPRIATION ACT AS
23 SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b).

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

1 all districts including funding for institute charter schools, the state aid of
2 each district and the funding for each institute charter school shall be
3 reduced in accordance with the provisions of this paragraph (c). The total
4 program of each district that receives state aid shall be reduced by a
5 percentage determined by dividing the deficit in the appropriation or the
6 reduction in the appropriation, whichever is applicable, by the total
7 program of all districts ~~which~~ THAT receive state aid. The state aid of
8 each district shall be reduced by the amount of the reduction in the
9 district's total program or the amount of state aid, whichever is less, EVEN
10 IF, FOR THE 2009-10 BUDGET YEAR OR ANY BUDGET YEAR THEREAFTER,
11 THE REDUCTION WOULD RESULT IN A DISTRICT RECEIVING LESS STATE AID
12 THAN THE AMOUNT OF MINIMUM STATE AID FOR EACH DISTRICT AS
13 DETERMINED BY THE GENERAL ASSEMBLY FOR THE APPLICABLE BUDGET
14 YEAR. The funding for each institute charter school shall be reduced in
15 proportion to the reduction in the total program of the district from which
16 the institute charter school's funding is withheld. The department of
17 education shall see that the reduction in state aid required by this
18 paragraph (c) is accomplished prior to the end of the budget year.

19 **SECTION 2.** 22-54-114 (2.3), Colorado Revised Statutes, is
20 amended to read:

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

1 indirect administrative costs incurred by the department in implementing
2 the provisions of this article. The total program of each district that
3 receives state aid and the total funding for each institute charter school
4 shall be reduced by a percentage determined by dividing the amount of
5 the transfer by the total program of all districts that receive state aid plus
6 the total funding for all institute charter schools. The state aid of each
7 district shall be reduced by the amount of the reduction in the district's
8 total program or the amount of state aid, whichever is less, EVEN IF, FOR
9 THE 2009-10 BUDGET YEAR OR ANY BUDGET YEAR THEREAFTER, THE
10 REDUCTION WOULD RESULT IN A DISTRICT RECEIVING LESS STATE AID
11 THAN THE AMOUNT OF MINIMUM STATE AID FOR EACH DISTRICT AS
12 DETERMINED BY THE GENERAL ASSEMBLY FOR THE APPLICABLE BUDGET
13 YEAR. The department of education shall ensure that the reduction in
14 state aid and institute charter school funding required by this subsection
15 (2.3) is accomplished prior to the end of the budget year. The reductions
16 described in this subsection (2.3) shall be in addition to any reduction that
17 may be required pursuant to section 22-54-106 (4) (c).

18 **SECTION 3. Adjustments to the 2010 long bill.** For the
19 implementation of this act, the general fund appropriation made in the
20 annual general appropriation act for the fiscal year beginning July 1,
21 2010, to the department of education, assistance to public schools, public
22 school finance, for the state share of districts' total program funding, is
23 decreased by two hundred twelve thousand nine hundred ninety-six
24 dollars (\$212,996).

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