

SENATE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

April 13, 2011  
Date

Committee on Education.

After consideration on the merits, the Committee recommends the following:

SB11-001 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3 **"SECTION 1. Legislative declaration.** (1) The general  
4 assembly finds that:

5 (a) In difficult economic times, the general assembly must be  
6 exceptionally vigilant in prioritizing the appropriation of public moneys  
7 to fund those services that most directly influence the success of the state  
8 and its citizens;

9 (b) Of all of the services provided by state and local government,  
10 public education exercises the most widespread, direct influence on the  
11 citizens of the state, ensuring them a wider range of opportunities and a  
12 greater likelihood of economic success;

13 (c) In providing a well-educated citizenry, a well-funded, effective  
14 public education system also increases the likelihood that the state will  
15 enjoy a strong economy that attracts investment by businesses and  
16 industries that further improve the standard of living for the people of the  
17 state; and

18 (d) During periods of budgetary reductions, it is crucial that the  
19 state maintains funding for public education to the greatest extent  
20 possible. In considering funding for services and programs other than  
21 education, the general assembly should specifically balance the necessity  
22 of funding that service or program against the necessity of funding the  
23 state's public education system.

24 (2) The general assembly finds, therefore, that it is in the best  
25 interests of the state to appropriate to the state public school fund created

1 in section 22-54-114, Colorado Revised Statutes, and to the state  
2 education fund created in section 17(4) of article IX of the state  
3 constitution the amount of the general fund surplus that exceeds the  
4 amount required for reserves for the 2010-11 fiscal year and any  
5 additional amount that the general assembly finds would be most  
6 appropriately spent to enhance the public education system in the state.

7 **SECTION 2.** 24-75-201.1 (1) (d) (XI.5), Colorado Revised  
8 Statutes, as amended by Senate Bill 11-156, is amended to read:

9 **24-75-201.1. Restriction on state appropriations - legislative**  
10 **declaration - negative factor reduction cash fund - definitions -**  
11 **repeal.** (1) (d) Except as otherwise provided in paragraph (e) of this  
12 subsection (1), for each fiscal year, unrestricted general fund year-end  
13 balances shall be retained as a reserve in the following amounts:

14 (XI.5) For the fiscal year 2010-11, two and three-tenths percent  
15 of the amount appropriated for expenditure from the general fund for that  
16 fiscal year. The additional amount of general fund moneys made  
17 available for appropriation by the reduction in the required reserve from  
18 four percent to two and three-tenths percent may be appropriated during  
19 the fiscal year 2010-11 for any lawful purpose. Notwithstanding any  
20 provision of law to the contrary, the state treasurer shall transfer the  
21 general fund surplus designated in accordance with section 24-75-201 (1)  
22 for the fiscal year 2010-11, less the applicable amount of reserve required  
23 pursuant to this subparagraph (XI.5), to the STATE PUBLIC SCHOOL FUND  
24 CREATED IN SECTION 22-54-114, C.R.S., AND TO THE state education fund  
25 created in section 17 (4) of article IX of the state constitution. ~~Such~~  
26 ~~transfer shall be made~~ ON JULY 1, 2011, THE STATE TREASURER SHALL  
27 TRANSFER AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE  
28 ESTIMATED TOTAL AMOUNT REQUIRED TO BE TRANSFERRED PURSUANT TO  
29 THIS SUBPARAGRAPH (XI.5) TO THE STATE PUBLIC SCHOOL FUND. THE  
30 AMOUNT TRANSFERRED SHALL BE BASED ON THE ESTIMATE OF GENERAL  
31 FUND REVENUES PREPARED BY THE OFFICE OF STATE PLANNING AND  
32 BUDGETING IN JUNE 2011. On the date on which the state controller  
33 publishes the comprehensive annual financial report of the state for the  
34 fiscal year 2010-11, THE STATE TREASURER SHALL TRANSFER THE  
35 REMAINDER OF THE AMOUNT REQUIRED TO BE TRANSFERRED PURSUANT TO  
36 THIS SUBPARAGRAPH (XI.5) TO THE STATE EDUCATION FUND.

37 **SECTION 3.** 22-54-114, Colorado Revised Statutes, is amended  
38 BY THE ADDITION OF A NEW SUBSECTION to read:

39 **22-54-114. State public school fund.** (2.7) FOR THE 2011-12  
40 BUDGET YEAR, THE STATE TREASURER SHALL TRANSFER TO THE STATE  
41 PUBLIC SCHOOL FUND THE AMOUNT DESCRIBED IN SECTION 24-75-201.1 (1)  
42 (d) (XI.5), C.R.S. THE TRANSFERRED MONEYS ARE CONTINUOUSLY

1 APPROPRIATED TO THE DEPARTMENT OF EDUCATION FOR THE PURPOSE OF  
2 INCREASING THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL  
3 DISTRICTS, INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, FOR  
4 THE 2011-12 BUDGET YEAR AS ESTABLISHED IN SECTION 22-54-104 (5) (g)  
5 (I) (B), AND THEREBY REDUCING THE NEGATIVE FACTOR APPLIED TO  
6 TOTAL PROGRAM FUNDING FOR EACH DISTRICT AND FOR EACH INSTITUTE  
7 CHARTER SCHOOL FOR THE 2011-12 BUDGET YEAR.

8 **SECTION 4.** 22-54-104 (5), Colorado Revised Statutes, is  
9 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10 **22-54-104. District total program.** (5) For purposes of the  
11 formulas used in this section:

12 (h) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (g) OF THIS  
13 SUBSECTION (5) TO THE CONTRARY, FOR THE 2011-12 BUDGET YEAR, THE  
14 DEPARTMENT OF EDUCATION SHALL USE ANY AMOUNT OF MONEYS  
15 APPROPRIATED TO THE DEPARTMENT PURSUANT TO SECTION 24-54-114  
16 (2.5), TO REDUCE THE NEGATIVE FACTOR CALCULATED PURSUANT TO  
17 PARAGRAPH (g) OF THIS SUBSECTION (5).

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

21 Page 1, line 101, strike "EDUCATION, AND, IN CONNECTION" and  
22 substitute "EDUCATION."

23 Page 1, strike lines 102 and 103.

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