

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0622.01 Julie Pelegrin

SENATE BILL 11-001

SENATE SPONSORSHIP

Bacon, Shaffer B.

HOUSE SPONSORSHIP

Kerr A.,

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 **CONCERNING FUNDING FOR PUBLIC EDUCATION, AND, IN CONNECTION**
102 **THEREWITH, CREATING THE KNOWLEDGE-BASED ECONOMY**
103 **FUND.**

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>.)

In the bill, the general assembly recognizes the preeminent importance of funding public education and the need to prioritize funding for public education.

The bill creates the knowledge-based economy fund (fund) that

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.

1 INVESTMENT BY BUSINESSES AND INDUSTRIES THAT FURTHER IMPROVE
2 THE STANDARD OF LIVING FOR THE PEOPLE OF THE STATE; AND

3 (d) DURING PERIODS OF BUDGETARY REDUCTIONS, IT IS CRUCIAL
4 THAT THE STATE MAINTAINS FUNDING FOR PUBLIC EDUCATION TO THE
5 GREATEST EXTENT POSSIBLE. IN CONSIDERING FUNDING FOR SERVICES
6 AND PROGRAMS OTHER THAN EDUCATION, THE GENERAL ASSEMBLY
7 SHOULD SPECIFICALLY BALANCE THE NECESSITY OF FUNDING THAT
8 SERVICE OR PROGRAM AGAINST THE NECESSITY OF FUNDING THE STATE'S
9 PUBLIC EDUCATION SYSTEM.

10 (2) THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS IN THE
11 BEST INTERESTS OF THE STATE TO CREATE THE KNOWLEDGE-BASED
12 ECONOMY FUND THAT MAY RECEIVE ANY AMOUNT OF STATE MONEYS
13 THAT EXCEEDS THE AMOUNT ANTICIPATED FOR THE 2011-12 FISCAL YEAR
14 OR THAT THE GENERAL ASSEMBLY FINDS WOULD BE MOST APPROPRIATELY
15 SPENT TO ENHANCE THE PUBLIC EDUCATION SYSTEM IN THE STATE.

16 **24-75-1402. Knowledge-based economy fund - created -**
17 **revenues - repeal.** (1) THERE IS HEREBY CREATED IN THE STATE
18 TREASURY THE KNOWLEDGE-BASED ECONOMY FUND, REFERRED TO IN THIS
19 PART 14 AS THE "FUND", THAT SHALL CONSIST OF THE MONEYS SPECIFIED
20 IN SUBSECTION (2) OF THIS SECTION. ANY MONEYS IN THE FUND NOT
21 EXPENDED FOR THE PURPOSE OF THIS PART 14 MAY BE INVESTED BY THE
22 STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME
23 DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND
24 SHALL BE CREDITED TO THE FUND. ANY UNEXPENDED AND
25 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A
26 FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR
27 TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND; EXCEPT THAT

1 ANY MONEYS REMAINING IN THE FUND AS OF JUNE 30, 2012, SHALL BE
2 TRANSFERRED TO THE GENERAL FUND.

3 (2) (a) THE STATE TREASURER SHALL CREDIT THE FOLLOWING
4 AMOUNTS OF MONEYS TO THE FUND:

5 (I) ANY AMOUNT REQUIRED TO BE CREDITED PURSUANT TO
6 SECTION 24-75-220; AND

7 (II) ANY AMOUNTS RECEIVED THROUGH AUDITS OF STATE
8 PROGRAMS, INCLUDING BUT NOT LIMITED TO RECOVERY AUDITS
9 CONDUCTED PURSUANT TO SECTION 24-30-203.5, LESS ANY AMOUNTS PAID
10 TO THE ENTITY CONDUCTING THE AUDITS, LESS ANY AMOUNTS RETAINED
11 BY THE STATE CONTROLLER PURSUANT TO SECTION 24-30-203.5 (5), AND
12 LESS ANY FEDERAL MONEYS THAT MAY BE RECOVERED; EXCEPT THAT THE
13 PROVISIONS OF THIS SUBPARAGRAPH (II) DO NOT APPLY TO AUDITS
14 CONDUCTED BY THE DEPARTMENT OF EDUCATION PURSUANT TO SECTION
15 22-54-114, C.R.S.;

16 (b) THE FUND SHALL ALSO INCLUDE ANY MONEYS THE GENERAL
17 ASSEMBLY MAY APPROPRIATE TO THE FUND.

18 (3) (a) THE AMOUNT OF MONEYS CREDITED TO THE FUND AS OF
19 JANUARY 1, 2012, IS APPROPRIATED FOR THE 2011-12 FISCAL YEAR TO THE
20 DEPARTMENT OF EDUCATION FOR DISTRIBUTION TO SCHOOL DISTRICTS AND
21 INSTITUTE CHARTER SCHOOLS THROUGH A REDUCTION IN THE STATE
22 BUDGET STABILIZATION FACTOR CALCULATED PURSUANT TO SECTION
23 22-54-104 (5) (g), C.R.S.

24 (b) THE GENERAL ASSEMBLY MAY APPROPRIATE THE AMOUNT OF
25 MONEYS THAT THE STATE TREASURER MAY CREDIT TO THE FUND AFTER
26 JANUARY 1, 2012, BUT PRIOR TO JUNE 30, 2012, AS SUPPLEMENTAL
27 APPROPRIATIONS TO THE DEPARTMENT OF EDUCATION FOR DISTRIBUTION

1 TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS.

2 **24-75-1403. Repeal of part.** THIS PART 14 IS REPEALED,
3 EFFECTIVE JULY 1, 2012.

4 **SECTION 2.** Part 2 of article 75 of title 24, Colorado Revised
5 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
6 read:

7 **24-75-220. Transfers - education - repeal.** (1) NO LATER THAN
8 JANUARY 1, 2012, THE STATE TREASURER SHALL TRANSFER FROM THE
9 GENERAL FUND TO THE KNOWLEDGE-BASED ECONOMY FUND CREATED IN
10 PART 14 OF THIS ARTICLE THE AMOUNT, IF ANY, BY WHICH THE ESTIMATE
11 OF TOTAL MONEYS AVAILABLE FOR THE 2011-12 FISCAL YEAR SPECIFIED
12 IN THE ECONOMIC AND REVENUE FORECAST PREPARED BY THE
13 LEGISLATIVE COUNCIL STAFF IN DECEMBER 2011 EXCEEDS THE ESTIMATE
14 OF THE TOTAL MONEYS AVAILABLE FOR THE 2011-12 FISCAL YEAR
15 SPECIFIED IN THE ECONOMIC AND REVENUE FORECAST PREPARED BY THE
16 LEGISLATIVE COUNCIL STAFF IN MARCH 2011.

17 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2012.

18 **SECTION 3.** 22-54-104 (5), Colorado Revised Statutes, is
19 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

20 **22-54-104. District total program.** (5) For purposes of the
21 formulas used in this section:

22 (h) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (g) OF THIS
23 SUBSECTION (5) TO THE CONTRARY, FOR THE 2011-12 BUDGET YEAR, THE
24 DEPARTMENT OF EDUCATION SHALL USE ANY AMOUNT OF MONEYS
25 APPROPRIATED TO THE DEPARTMENT PURSUANT TO SECTION 24-75-1402
26 (3), C.R.S., TO REDUCE THE STATE BUDGET STABILIZATION FACTOR
27 CALCULATED PURSUANT TO PARAGRAPH (g) OF THIS SUBSECTION (5).

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