

NOTE: The governor signed this measure on 6/5/2015.

An Act

SENATE BILL 15-267

BY SENATOR(S) Hill, Holbert, Marble, Neville T., Woods, Aguilar, Baumgardner, Carroll, Donovan, Garcia, Grantham, Guzman, Heath, Jahn, Johnston, Jones, Kefalas, Kerr, Lambert, Lundberg, Martinez Humenik, Merrifield, Newell, Roberts, Scheffel, Scott, Sonnenberg, Steadman, Todd, Ulibarri, Cadman;

also REPRESENTATIVE(S) Hamner, Arndt, Becker K., Court, Esgar, Fields, Garnett, Ginal, Kraft-Tharp, Lee, Lontine, Melton, Mitsch Bush, Moreno, Pabon, Pettersen, Priola, Rosenthal, Ryden, Singer, Tyler, Vigil, Williams, Winter, Young, Hullinghorst.

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

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

SECTION 1. In Colorado Revised Statutes, 22-54-104, **add** (5) (a) (XXII) and (5) (g) (I) (F) as follows:

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

(a) (XXII) FOR THE 2015-16 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS \$6,292.39, WHICH IS AN AMOUNT EQUAL TO \$6,121,

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SUPPLEMENTED BY \$171.39 TO ACCOUNT FOR INFLATION.

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

(F) THAT, FOR THE 2015-16 BUDGET YEAR, THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR INSTITUTE CHARTER SCHOOLS, AFTER APPLICATION OF THE NEGATIVE FACTOR, IS NOT LESS THAN SIX BILLION TWO HUNDRED THIRTY-THREE MILLION NINE HUNDRED FIFTY-FIVE THOUSAND SEVEN HUNDRED THIRTY-SEVEN DOLLARS (\$6,233,955,737); EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES, INCLUDING BUT NOT LIMITED TO ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR, TO DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT OF THE REDUCTION TO MAINTAIN A TOTAL PROGRAM FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR THAT IS CONSISTENT WITH THIS SUB-SUBPARAGRAPH (F). FOR THE 2016-17 BUDGET YEAR, THE DIFFERENCE BETWEEN CALCULATED STATEWIDE TOTAL PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM FUNDING MUST NOT EXCEED THE DIFFERENCE BETWEEN CALCULATED STATEWIDE TOTAL PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM FUNDING FOR THE 2015-16 BUDGET YEAR.

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

22-54-106. Local and state shares of district total program.

(1) (b) (I) Except as provided in subsections (11) and (12) of this section, the state's share of a district's total program is the difference between the district's total program and the district's share of its total program. ~~except that, unless otherwise provided by subparagraph (II) of this paragraph (b);~~

~~no district shall receive less in state aid than an amount established by the general assembly in the annual general appropriation act based upon the amount of school lands and mineral lease moneys received pursuant to article 41 of this title and section 34-63-102, C.R.S., multiplied by the district's funded pupil count.~~

~~(II) (A) For the 2010-11 budget year through the 2014-15 budget year, the requirement that no district shall receive less in state aid than an amount established by the general assembly in the annual general appropriation act as specified in subparagraph (I) of this paragraph (b) shall not apply to any district.~~

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

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

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

(4) (c) If a supplemental appropriation is not made by the general assembly to fully fund the state's share of the total program of all districts including funding for institute charter schools or 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 state aid of each district and the funding for each institute charter school shall be reduced in accordance with the provisions of this paragraph (c). The total program of

each district that receives state aid shall be reduced by a percentage determined by dividing the deficit in the appropriation or the reduction in the appropriation, whichever is applicable, by the total program of all districts that receive state aid. The state aid of each district shall be reduced by the amount of the reduction in the district's total program 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 each district as determined by the general assembly for the applicable budget year.~~ The funding for each institute charter school shall be reduced in proportion to the reduction in the total program of the district from which the institute charter school's funding is withheld. The department of education shall see that the reduction in state aid required by this paragraph (c) is accomplished prior to the end of the budget year.

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

22-54-114. State public school fund. (2.3) Notwithstanding any provision of this article to the contrary, of the total amount appropriated by the general assembly in the annual appropriation bill for each budget year to meet the state's share of the total program of all districts and the total funding for all institute charter schools, the department of education may transfer an amount specified by the general assembly in the annual general appropriation bill for that budget year to offset the direct and indirect administrative costs incurred by the department in implementing the provisions of this article. The total program of each district that receives state aid and the total funding for each institute charter school shall be reduced by a percentage determined by dividing the amount of the transfer by the total program of all districts that receive state aid plus the total funding for all institute charter schools. The state aid of each district shall be reduced by the amount of the reduction in the district's total program 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 each district as determined by the general assembly for the applicable budget year.~~ The department of education shall ensure that the reduction in state aid and institute charter school funding required by this subsection (2.3) is accomplished prior to the end of the budget year. The reductions described in this subsection (2.3) shall be in addition to any reduction that may be

required pursuant to section 22-54-106 (4) (c).

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

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

(e) FOR THE 2015-16 STATE FISCAL YEAR, AND EACH STATE FISCAL YEAR THEREAFTER, THE FIRST TWENTY-ONE MILLION DOLLARS OF ANY INTEREST OR INCOME EARNED ON THE INVESTMENT OF THE MONEYS IN THE PUBLIC SCHOOL FUND SHALL BE CREDITED TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 FOR DISTRIBUTION AS PROVIDED BY LAW. ANY AMOUNT OF SUCH INTEREST AND INCOME EARNED ON THE INVESTMENT OF THE MONEYS IN THE STATE PUBLIC SCHOOL FUND IN EXCESS OF TWENTY-ONE MILLION DOLLARS, OTHER THAN INTEREST AND INCOME CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND, CREATED IN SECTION 22-43.7-104 (1), PURSUANT TO SECTION 22-43.7-104 (2) (b) (I), SHALL REMAIN IN THE FUND AND SHALL BECOME PART OF THE PRINCIPAL OF THE FUND.

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

22-54-102. Legislative declaration - statewide applicability - intergovernmental agreements. (4) IF THE DECEMBER 2015 REVENUE FORECAST PREPARED BY THE LEGISLATIVE COUNCIL STAFF ESTIMATES THAT THE AMOUNT OF LOCAL PROPERTY TAX REVENUES THAT WILL BE AVAILABLE TO DISTRICTS FOR THE 2015-16 BUDGET YEAR WILL BE GREATER THAN THE AMOUNT ESTIMATED IN THE DECEMBER 2014 REVENUE FORECAST, IT IS THE INTENT OF THE GENERAL ASSEMBLY, THROUGH THE SUPPLEMENTAL

APPROPRIATIONS PROCESS DURING THE 2016 REGULAR LEGISLATIVE SESSION, TO MAINTAIN AND NOT REDUCE STATE APPROPRIATIONS FOR SCHOOL FINANCE FUNDING AFTER CONSIDERATION OF OTHER FORECAST CHANGES, INCLUDING CHANGES IN THE NUMBER OF PUPILS AND AT-RISK PUPILS ENROLLED, THE INFLATION RATE, AND THE EXPECTED STATE EDUCATION FUND REVENUES.

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

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

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "AT-RISK PER PUPIL ADDITIONAL FUNDING" MEANS AN AMOUNT EQUAL TO FIVE MILLION DOLLARS DIVIDED BY THE TOTAL DISTRICT AT-RISK PUPILS FOR THE APPLICABLE BUDGET YEAR.

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

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

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

(b) (I) FOR THE 2015-16 BUDGET YEAR, AND EACH BUDGET YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE TO THE STATE CHARTER SCHOOL INSTITUTE FOR DISTRIBUTION TO THE INSTITUTE CHARTER SCHOOLS AN AMOUNT EQUAL TO THE AT-RISK PER PUPIL ADDITIONAL FUNDING MULTIPLIED BY THE TOTAL NUMBER OF AT-RISK PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOLS FOR THE

APPLICABLE BUDGET YEAR.

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

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

SECTION 8. Appropriation. For the 2015-16 state fiscal year, \$5,000,000 is appropriated to the department of education. This appropriation is from the state public school fund created in section 22-54-114 (1), C.R.S., and is from interest and income earned on the investment of moneys in the public school fund that is credited to the state public school fund pursuant to section 22-41-102 (3) (e), C.R.S. To implement this act, the department may use this appropriation for at-risk per pupil additional funding pursuant to section 22-54-136, C.R.S.

SECTION 9. Appropriation to the department of education for the fiscal year beginning July 1, 2015. In section 2 of Senate Bill 15-234, amend Part III (2) (A) Footnote 6, as follows:

Section 2. **Appropriation.**

- 6 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program for FY 2015-16. The Department of Education is authorized to utilize up to ~~\$3,652,000~~ \$3,666,850 of this appropriation to fund qualified students designated as ASCENT Program participants. This amount is calculated based on an estimated 550 FTE participants funded at a rate of ~~\$6,640~~ \$6,667 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

SECTION 10. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Bill L. Cadman
PRESIDENT OF
THE SENATE

Dickey Lee Hullinghorst
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO