



Legislative Council Staff

Research Note

Version: Final

Date: 9/13/2016

Bill Number

House Bill 16-1422

Sponsors

Representatives Hamner and Rankin
Senators Lambert and Steadman

Short Title

Financing Public Schools

Research Analyst

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Status

This research note reflects the final version of the bill, which became effective on June 10, 2016.

Summary

This bill makes changes to the funding for K-12 public schools in Colorado. The bill increases base per pupil funding to \$6,367.90 and holds the Negative Factor at the FY 2015-16 level. It also specifies that for FY 2017-18, the Negative Factor cannot exceed the FY 2016-17 level.

Background

Public schools in Colorado are funded by a combination of federal, state, and local sources. The majority is designated by the Public School Finance Act of 1994 (School Finance Act) which is passed annually by the General Assembly. In budget year 2016-17, the 178 school districts in Colorado will receive nearly \$6.4 billion in funding, of which \$4.1 billion will come from the state and \$2.3 billion from local revenues.

The School Finance Act contains a formula that is used to determine the total amount of state and local funding received by each school district in Colorado and the Charter School Institute. This amount is referred to as total program funding, which is calculated by taking the funded pupil count, multiplying it by the total per-pupil funding amount, and then adding funding for at-risk students and on-line students, and then applying the Negative Factor. The Negative Factor was added to the school finance formula in FY 2010-11 as a budget balancing mechanism that reduces the amount of funding received by school districts.

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House Action

House Education Committee (March 28, 2016). At the hearing, representatives of Legislative Council Staff, the Office of Legislative Legal Services, and the Joint Budget Committee staff responded to questions from the committee. Representatives of the Agate and Pawnee school districts spoke in support of amending the bill, and representatives of the Colorado Education Association and the Colorado Association of School Boards spoke in support of the bill. The committee adopted amendment L.004, which increased total program funding from \$6,394,846,069 to \$6,394,949,270. The committee referred the bill, as amended, to the House Appropriations Committee.

House Appropriations Committee (March 29, 2016). The committee adopted amendment J.001, which adjusted certain appropriations within the General Assembly's annual budget bill and changed the bill's title, and referred the bill to the House Committee of the Whole.

House second reading (April 4, 2016). The House Committee of the Whole adopted the Education and Appropriations committee reports and adopted the following amendments:

- No. 3, by Hamner, which deleted language relating to pupil count minimums; and
- No. 4, by Hamner, which altered the way districts' size factors are calculated.

House third reading (April 5, 2016). The House adopted third reading amendment no. 1, by Representative Hamner, which decreased total program funding from \$6,394,949,270 to \$6,394,528,931, increased the cash funds appropriated in the bill from the State Education Fund by \$124,664, and changed the bill title. The House passed the bill, as amended.

House consideration of Senate amendments (May 9, 2016). The House did not concur with Senate amendments to the bill and requested a conference committee.

House consideration of conference committee report (May 10, 2016). The House adopted the conference committee report and repassed the bill.

Senate Action

Senate Education Committee (April 28, 2016). At the hearing, a representative of Genoa Hugo School District spoke in favor of amending the bill, a representative of the Elizabeth School District spoke in opposition to the bill, and representatives of the Colorado Rural Schools Alliance and Legislative Council Staff responded to questions from the committee. The committee referred the bill, unamended, to the Senate Appropriations Committee.

Senate Appropriations Committee (April 29, 2016). The committee passed the bill, unamended, and referred the bill to the Senate Committee of the Whole.

Senate second reading (May 5, 2016). The Senate Committee of the Whole adopted amendment no. 2, by Senators Steadman and Aguilar, which related to those districts that did not receive a state share of total program funding in the previous budget year and struck a provision requiring those districts to reimburse the state for supplemental assistance. The Senate also adopted amendment no. 3, by Senator Johnston, which related to charter schools, and passed the bill as amended.

Senate third reading (May 6, 2016). The Senate passed third reading amendment no. 1, by Senator Johnston, which modified the language concerning the sharing of revenues with charter schools, and passed the bill as amended.

First Conference Committee (May 10, 2016). The committee adopted draft report CLHB1422.001, which altered the provisions of the bill relating to districts that received less than one-half of one percent of total program funding from state revenues in the previous budget year.

Senate consideration of conference committee report (May 10, 2016). The Senate adopted the conference committee report and repassed the bill.

Relevant Research

<https://www.cde.state.co.us/cdefinance/fy2015-16brochure>