

**First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 17-0436.01 Julie Pelegrin x2700

**HOUSE BILL 17-1340**

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**HOUSE SPONSORSHIP**

**Lundeen and Garnett,**

**SENATE SPONSORSHIP**

**Hill and Moreno,**

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**House Committees**

Education  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING CREATION OF A LEGISLATIVE INTERIM COMMITTEE TO**  
102              **STUDY SCHOOL FINANCE ISSUES, AND, IN CONNECTION**  
103              **THEREWITH, MAKING AN APPROPRIATION.**

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**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://leg.colorado.gov>.)*

The bill creates a legislative interim committee to study school finance issues and make legislative recommendations concerning how to most accurately meet the educational needs of students through the funding of education in Colorado. The interim committee will meet during the 2017 and 2018 legislative interims. The bill specifies issues

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.*

HOUSE  
Amended 2nd Reading  
April 25, 2017

that the interim committee must study. The interim committee is required to contract with a private entity to assist in the study. The chair and vice-chair of the interim committee must appoint a voluntary advisory committee of interested persons.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 19 to article  
3 2 of title 2 as follows:

4 PART 19

5 SCHOOL FINANCE STUDY

6 **2-2-1901. Legislative interim committee on school finance -**  
7 **creation.** (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 2-3-303.3,  
8 THERE IS HEREBY CREATED THE LEGISLATIVE INTERIM COMMITTEE ON  
9 SCHOOL FINANCE, REFERRED TO IN THIS PART 19 AS THE "INTERIM  
10 COMMITTEE", TO STUDY THE ISSUES DESCRIBED IN SECTION 2-2-1902 AND  
11 CREATE A NEW SCHOOL FINANCE FUNDING FORMULA. THE INTERIM  
12 COMMITTEE WILL MEET DURING THE 2017 AND 2018 LEGISLATIVE  
13 INTERIMS. THE INTERIM COMMITTEE CONSISTS OF:

14 (a) FIVE MEMBERS OF THE SENATE, THREE OF WHOM THE  
15 PRESIDENT OF THE SENATE SHALL APPOINT AND TWO OF WHOM THE  
16 MINORITY LEADER OF THE SENATE SHALL APPOINT; AND

17 (b) FIVE MEMBERS OF THE HOUSE OF REPRESENTATIVES, THREE OF  
18 WHOM THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT  
19 AND TWO OF WHOM THE MINORITY LEADER OF THE HOUSE OF  
20 REPRESENTATIVES SHALL APPOINT.

21 (2) (a) THE APPOINTING AUTHORITIES SHALL APPOINT THE  
22 MEMBERS OF THE INTERIM COMMITTEE AS SOON AS POSSIBLE AFTER THE  
23 EFFECTIVE DATE OF THIS PART 19 BUT NO LATER THAN JULY 1, 2017. THE

1 APPOINTING AUTHORITIES SHALL, TO THE EXTENT PRACTICABLE, ENSURE  
2 THAT THE MEMBERS OF THE INTERIM COMMITTEE REPRESENT SCHOOL  
3 DISTRICTS IN ALL AREAS OF THE STATE, INCLUDING URBAN, SUBURBAN,  
4 AND RURAL SCHOOL DISTRICTS, SCHOOL DISTRICTS OF VARYING WEALTH  
5 IN PROPERTY TAX AND OTHER LOCAL REVENUES, AND SCHOOL DISTRICTS  
6 WITH VARYING STUDENT DEMOGRAPHICS. IF A VACANCY ARISES ON THE  
7 INTERIM COMMITTEE, THE APPROPRIATE APPOINTING AUTHORITY SHALL  
8 APPOINT AN APPROPRIATE PERSON TO FILL THE VACANCY AS SOON AS  
9 POSSIBLE.

10 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL  
11 APPOINT THE CHAIR OF THE INTERIM COMMITTEE FOR THE FIRST INTERIM  
12 AND THE VICE-CHAIR OF THE INTERIM COMMITTEE FOR THE SECOND  
13 INTERIM. THE PRESIDENT OF THE SENATE SHALL APPOINT THE VICE-CHAIR  
14 OF THE INTERIM COMMITTEE FOR THE FIRST INTERIM AND THE CHAIR OF  
15 THE INTERIM COMMITTEE FOR THE SECOND INTERIM.

16 (3) THE CHAIR OF THE INTERIM COMMITTEE SHALL SCHEDULE THE  
17 FIRST MEETING OF THE INTERIM COMMITTEE TO BE HELD NO LATER THAN  
18 AUGUST 1, 2017. THE INTERIM COMMITTEE MAY MEET UP TO FIVE TIMES  
19 DURING EACH INTERIM.

20 (4) THE CHAIR AND VICE-CHAIR OF THE INTERIM COMMITTEE MAY  
21 APPOINT SUBCOMMITTEES AS NECESSARY TO PROVIDE TECHNICAL  
22 ASSISTANCE TO THE INTERIM COMMITTEE. A SUBCOMMITTEE MAY INCLUDE  
23 MEMBERS OF THE INTERIM COMMITTEE AND PERSONS WITH TECHNICAL  
24 EXPERTISE IN SCHOOL FINANCE. MEMBERS OF A SUBCOMMITTEE SERVE  
25 WITHOUT COMPENSATION AND WITHOUT REIMBURSEMENT FOR EXPENSES.

26 (5) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL  
27 AND THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL

1 PROVIDE STAFF ASSISTANCE TO THE INTERIM COMMITTEE.

2 (6) THE INTERIM COMMITTEE MAY INTRODUCE UP TO A TOTAL OF  
3 FIVE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS IN EACH  
4 OF THE 2018 AND 2019 LEGISLATIVE SESSIONS. BILLS THAT THE INTERIM  
5 COMMITTEE INTRODUCES ARE EXEMPT FROM THE FIVE-BILL LIMITATION  
6 SPECIFIED IN RULE 24 (b)(1)(A) OF THE JOINT RULES OF THE SENATE AND  
7 THE HOUSE OF REPRESENTATIVES. JOINT RESOLUTIONS AND CONCURRENT  
8 RESOLUTIONS THAT THE INTERIM COMMITTEE INTRODUCES ARE EXEMPT  
9 FROM THE LIMITATIONS SET OUT IN RULE 26 (g) OF THE RULES OF THE  
10 HOUSE OF REPRESENTATIVES AND RULE 30 (f) OF THE RULES OF THE  
11 SENATE. THE INTERIM COMMITTEE IS EXEMPT FROM THE REQUIREMENT  
12 SPECIFIED IN RULE 24 (b)(1)(D) AND RULE 24A (d)(8) OF THE JOINT RULES  
13 OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND IN SECTION  
14 2-3-303 (1)(f), TO REPORT BILLS OR OTHER MEASURES TO THE  
15 LEGISLATIVE COUNCIL.

16 (7) ALL EXPENDITURES THAT THE INTERIM COMMITTEE INCURS,  
17 INCLUDING THE COST OF CONTRACTING WITH A PRIVATE ENTITY AS  
18 PROVIDED IN SECTION 2-2-1902 (3), ARE SUBJECT TO APPROVAL BY THE  
19 CHAIR OF THE INTERIM COMMITTEE AND, IF APPROVED, SHALL BE PAID BY  
20 VOUCHERS AND WARRANTS DRAWN AS PROVIDED BY LAW FROM  
21 APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY FOR THE PURPOSES OF  
22 THIS PART 19.

23 **2-2-1902. School finance study - issues - hiring consultant.**

24 (1) THE INTERIM COMMITTEE SHALL, AT A MINIMUM, STUDY THE  
25 FOLLOWING ISSUES:

26 (a) THE COSTS AND BENEFITS OF THE REQUIREMENTS IMPOSED ON  
27 SCHOOL DISTRICTS AND PUBLIC SCHOOLS BY STATE AND FEDERAL LAWS;

1 (b) TAKING INTO ACCOUNT ALL EXISTING FEDERAL, STATE, AND  
2 LOCAL RESOURCES USED TO FUND ELEMENTARY AND SECONDARY  
3 EDUCATION, THE TOTAL AMOUNT AVAILABLE TO FUND PUBLIC EDUCATION  
4 IN EACH SCHOOL DISTRICT, IN AGGREGATE AND PER PUPIL;

5 (c) THE RELATIVE VALUE OF AND RETURN ON RESOURCE  
6 INVESTMENT ACROSS THE TIME FRAME OF A STUDENT'S EDUCATION  
7 CAREER;

8 (d) AN APPROPRIATE, ACCURATE METHOD FOR IDENTIFYING  
9 STUDENTS WHO, BECAUSE OF THEIR LIFE CIRCUMSTANCES, ARE IN GREATER  
10 NEED OF SERVICES AND SUPPORTS TO GIVE THEM OPPORTUNITIES EQUAL  
11 TO THOSE OF THEIR PEERS TO ACHIEVE THEIR ACADEMIC POTENTIAL;

12 (e) FUNDING EACH PUBLIC SCHOOL STUDENT THROUGH A  
13 PER-PUPIL BASIS THAT CONSISTS OF A BASE AMOUNT PLUS ADDITIONAL  
14 FUNDING ALLOCATIONS ASSOCIATED WITH PARTICULAR ATTRIBUTES OF  
15 EACH STUDENT, TO BE USED TO PROVIDE EDUCATIONAL PROGRAMS TO  
16 ADDRESS STUDENTS' PARTICULAR ATTRIBUTES, AND BASED ON THE  
17 PARTICULAR ATTRIBUTES OF EACH SCHOOL DISTRICT AS FOLLOWS:

18 (I) ALLOCATIONS BASED ON GRADE LEVEL AS FOLLOWS:

19 (A) PRESCHOOL;

20 (B) KINDERGARTEN;

21 (C) GRADES ONE THROUGH FIVE;

22 (D) GRADES SIX THROUGH EIGHT; AND

23 (E) GRADES NINE THROUGH TWELVE;

24 (II) ALLOCATIONS BASED ON A STUDENT'S ■ ■ ELIGIBILITY FOR  
25 FREE OR REDUCED-PRICE MEALS UNDER FEDERAL LAW, TAKING INTO  
26 ACCOUNT THE VARYING ELIGIBILITY LEVELS SPECIFIED IN FEDERAL LAW.  
27 IN CONSIDERING THIS ALLOCATION, THE INTERIM COMMITTEE MUST

1 CONSIDER THE EXTENT TO WHICH A SCHOOL DISTRICT OR CHARTER SCHOOL  
2 USES THE ADDITIONAL STATE ALLOCATION AND FEDERAL MONEY,  
3 INCLUDING MONEY RECEIVED PURSUANT TO TITLE I OF THE FEDERAL  
4 "ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965", 20 U.S.C.  
5 SEC. 6301 ET SEQ., AS AMENDED, TO PROVIDE SERVICES FOR AT-RISK  
6 PUPILS AS DEFINED IN SECTION 22-54-103, AS DEMONSTRATED BY THE  
7 SCHOOL'S LEVEL OF PERFORMANCE ON STATE ASSESSMENTS AND THE  
8 SCHOOL PERFORMANCE PLAN.

9 (III) ALLOCATIONS BASED ON A STUDENT'S IDENTIFICATION AS AN  
10 ENGLISH LANGUAGE LEARNER, AS DEFINED IN SECTION 22-24-103, TAKING  
11 INTO ACCOUNT A STUDENT'S EXIT FROM AN ENGLISH LANGUAGE  
12 PROFICIENCY PROGRAM;

13 (IV) ALLOCATIONS BASED ON A STUDENT'S IDENTIFICATION AS  
14 HAVING A SIGNIFICANT READING DEFICIENCY AND REQUIRING READING  
15 INTERVENTIONS PURSUANT TO SECTION 22-7-1205;

16 (V) ALLOCATIONS BASED ON A STUDENT'S STATUS AS BEING A  
17 CHILD WITH A DISABILITY AS DEFINED IN SECTION 22-20-103. THE INTERIM  
18 COMMITTEE MAY CONSIDER DIFFERENT ALLOCATION AMOUNTS WITHIN  
19 THIS CATEGORY BASED ON A STUDENT'S SPECIFIC DISABILITY.

20 (VI) ALLOCATIONS BASED ON A STUDENT'S PARTICIPATION IN  
21 CAREER AND TECHNICAL EDUCATION PROGRAMS OR CONCURRENT  
22 ENROLLMENT PURSUANT TO ARTICLE 35 OF TITLE 22; AND

23 (VII) ALLOCATIONS BASED ON SCHOOL DISTRICT ATTRIBUTES AS  
24 FOLLOWS:

25 (A) THE NUMBER OF STUDENTS ENROLLED IN THE SCHOOL  
26 DISTRICT;

27 (B) WHETHER THE SCHOOL DISTRICT IS RURAL AS DEFINED BY

1 RULE OF THE STATE BOARD OF EDUCATION;

2 (C) WHETHER THE SCHOOL DISTRICT IS INCREASING OR  
3 DECREASING IN ENROLLMENT; AND

4 (D) THE COST OF LIVING AND PERSONNEL COSTS WITHIN THE  
5 SCHOOL DISTRICT;

6 (f) ELIMINATING DIRECT FUNDING FOR CATEGORICAL PROGRAMS  
7 AND INSTEAD DISTRIBUTING CATEGORICAL PROGRAM FUNDING ON A  
8 PER-PUPIL BASIS THROUGHOUT THE STATE USING ALLOCATIONS ADDED TO  
9 THE STATEWIDE PER PUPIL BASE FUNDING AMOUNT FOR EACH STUDENT  
10 WHO IS ELIGIBLE FOR FUNDING THROUGH THE CATEGORICAL PROGRAM,  
11 WHICH ALLOCATIONS WOULD BE USED TO PROVIDE EDUCATIONAL  
12 PROGRAMS RELATED TO THE CATEGORICAL PROGRAM, INCLUDING  
13 HIGH-QUALITY EDUCATOR PROFESSIONAL DEVELOPMENT, TO ELIGIBLE  
14 STUDENTS;

15 (g) STRATEGIES FOR FUNDING TRANSPORTATION FOR STUDENTS  
16 ENROLLED IN ALL PUBLIC SCHOOLS IN A MANNER THAT WOULD BE  
17 INCLUDED WITHIN THE SCHOOL FINANCE FUNDING FORMULA, INCLUDING  
18 CONSIDERATION OF TOTAL MILEAGE TRAVELED ON A PER-PUPIL BASIS;

19 (h) ALTERNATIVE METHODS FOR COUNTING ENROLLED STUDENTS  
20 FOR PURPOSES OF PER PUPIL FUNDING;

21 (i) SCHOOL DISTRICT ORGANIZATION, INCLUDING CONSIDERING  
22 SCHOOL DISTRICT SIZE BASED ON PUPIL ENROLLMENT AND THE  
23 GEOGRAPHIC LOCATION OF SCHOOL DISTRICTS;

24 (j) THE LEVEL OF FUNDING FOR EDUCATION THAT IS AVAILABLE  
25 FROM THE LOCAL RESOURCES AVAILABLE TO EACH LOCAL EDUCATION  
26 PROVIDER AND THE AMOUNT OF LOCAL RESOURCES THAT EACH DISTRICT  
27 CHARTER SCHOOL AND EACH INSTITUTE CHARTER SCHOOL RECEIVES,

1 INCLUDING CONSIDERATION OF:

2 (I) THE AMOUNT OF PROPERTY TAX REVENUE EACH SCHOOL  
3 DISTRICT ANNUALLY COLLECTS FROM THE TOTAL PROGRAM MILL LEVY  
4 AND ADDITIONAL AUTHORIZED MILL LEVIES FOR OPERATING PURPOSES,  
5 DISAGGREGATED BY RESIDENTIAL PROPERTY TAX REVENUES, BUSINESS  
6 PROPERTY TAX REVENUES, AND REVENUES FROM TAXES ON MINERAL  
7 RESOURCE EXTRACTION;

8 (II) STRATEGIES FOR EQUALIZING MILL LEVIES IN SCHOOL  
9 DISTRICTS AND PUBLIC SCHOOLS ACROSS THE STATE;

10 (III) THE METHODS AND TIMING FOR CALCULATING ASSESSED  
11 PROPERTY VALUATION RELATED TO MINERAL EXTRACTION; AND

12 (IV) OTHER SOURCES OF FUNDING FOR PUBLIC EDUCATION  
13 AVAILABLE TO EACH INSTITUTE CHARTER SCHOOL AND EACH SCHOOL  
14 DISTRICT, OR AVAILABLE TO SCHOOLS OF A SCHOOL DISTRICT, INCLUDING  
15 DISTRICT CHARTER SCHOOLS, INDIVIDUALLY OR BY CAMPUS, AND THE  
16 AMOUNT RECEIVED FROM EACH SOURCE; AND

17 (k) THE CAPITAL CONSTRUCTION NEEDS OF EACH SCHOOL  
18 DISTRICT, DISTRICT CHARTER SCHOOL, AND INSTITUTE CHARTER SCHOOL,  
19 INCLUDING SCHOOL DISTRICTS' CAPACITY TO ISSUE BONDS AND THE  
20 RELATIONSHIP OF BONDING CAPACITY TO THE ABILITY TO OBTAIN  
21 AUTHORIZATION FOR OTHER MILL LEVIES, AND WHETHER THERE ARE  
22 AREAS OF STUDENT ENROLLMENT GROWTH OR DECLINE WITHIN THE STATE  
23 PUBLIC EDUCATION SYSTEM.

24 (2) BASED ON THE STUDY OF ISSUES DESCRIBED IN SUBSECTION (1)  
25 OF THIS SECTION, THE INTERIM COMMITTEE SHALL MAKE LEGISLATIVE  
26 RECOMMENDATIONS TO THE GENERAL ASSEMBLY ADDRESSING HOW TO  
27 MOST ACCURATELY MEET THE EDUCATIONAL NEEDS OF INDIVIDUAL



1 STUDENTS THROUGH THE FUNDING OF EDUCATION IN COLORADO.

2 (3) SUBJECT TO AVAILABLE APPROPRIATIONS, THE INTERIM  
3 COMMITTEE SHALL ISSUE A REQUEST FOR PROPOSALS FOR A PRIVATE  
4 ENTITY TO ASSIST IN GATHERING INFORMATION AND ANALYZING THE  
5 ISSUES SPECIFIED IN SUBSECTION (1) OF THIS SECTION. THE INTERIM  
6 COMMITTEE SHALL ENTER INTO A CONTRACT WITH THE PRIVATE ENTITY BY  
7 SEPTEMBER 1, 2017. THE INTERIM COMMITTEE SHALL NOT  
8 CONTRACT WITH A PRIVATE ENTITY THAT HAS EVER PREVIOUSLY  
9 CONTRACTED WITH THE STATE OF COLORADO, OR AN AGENCY OR  
10 POLITICAL SUBDIVISION THEREOF, FOR A STUDY OR ANALYSIS OF SCHOOL  
11 FINANCE IN COLORADO.

12  
13 **2-3-1903. Repeal of part.** THIS PART 19 IS REPEALED, EFFECTIVE  
14 JULY 1, 2019.

15 **SECTION 2.** In Colorado Revised Statutes, 22-54-114, add  
16 (4)(d) as follows:

17 **22-54-114. State public school fund - repeal.** (4) (d) FOR THE  
18 2017-18 AND 2018-19 BUDGET YEARS, THE GENERAL ASSEMBLY MAY  
19 APPROPRIATE MONEY FROM THE STATE PUBLIC SCHOOL FUND TO THE  
20 LEGISLATIVE DEPARTMENT FOR THE COSTS INCURRED BY THE LEGISLATIVE  
21 INTERIM COMMITTEE ON SCHOOL FINANCE AS PROVIDED IN PART 19 OF  
22 ARTICLE 2 OF TITLE 2.

23 **SECTION 3. Appropriation.** (1) For the 2017-18 state fiscal  
24 year, \$380,869 is appropriated to the legislative department. This  
25 appropriation is from the state public school fund created in section  
26 22-54-114 (1), C.R.S. To implement this act, the department may use this  
27 appropriation as follows:

1 (a) \$374,151 for use by the legislative council, which amount is  
2 based on an assumption that the legislative council will require an  
3 additional 0.3 FTE; and

4 (b) \$6,718 for use by committee on legal services, which amount  
5 is based on an assumption that the committee on legal services will  
6 require an additional 0.1 FTE.

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