

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 17-0436.01 Julie Pelegrin x2700

HOUSE BILL 17-1340

HOUSE SPONSORSHIP

Lundeen and Garnett,

SENATE SPONSORSHIP

Hill and Moreno,

House Committees

Education
Appropriations

Senate Committees

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.**

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.*

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.

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 DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL
21 AND THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL
22 PROVIDE STAFF ASSISTANCE TO THE INTERIM COMMITTEE.

23 (5) THE INTERIM COMMITTEE MAY INTRODUCE UP TO A TOTAL OF
24 FIVE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS IN EACH
25 OF THE 2018 AND 2019 LEGISLATIVE SESSIONS. BILLS THAT THE INTERIM
26 COMMITTEE INTRODUCES ARE EXEMPT FROM THE FIVE-BILL LIMITATION
27 SPECIFIED IN RULE 24 (b)(1)(A) OF THE JOINT RULES OF THE SENATE AND

1 THE HOUSE OF REPRESENTATIVES. JOINT RESOLUTIONS AND CONCURRENT
2 RESOLUTIONS THAT THE INTERIM COMMITTEE INTRODUCES ARE EXEMPT
3 FROM THE LIMITATIONS SET OUT IN RULE 26 (g) OF THE RULES OF THE
4 HOUSE OF REPRESENTATIVES AND RULE 30 (f) OF THE RULES OF THE
5 SENATE. THE INTERIM COMMITTEE IS EXEMPT FROM THE REQUIREMENT
6 SPECIFIED IN RULE 24 (b)(1)(D) AND RULE 24A (d)(8) OF THE JOINT RULES
7 OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND IN SECTION
8 2-3-303 (1)(f), TO REPORT BILLS OR OTHER MEASURES TO THE
9 LEGISLATIVE COUNCIL.

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

17 **2-2-1902. School finance study - issues - hiring consultant.**

18 (1) THE INTERIM COMMITTEE SHALL, AT A MINIMUM, STUDY THE
19 FOLLOWING ISSUES:

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

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

26 (c) THE RELATIVE VALUE OF AND RETURN ON RESOURCE
27 INVESTMENT ACROSS THE TIME FRAME OF A STUDENT'S EDUCATION

1 CAREER;

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

6 (e) FUNDING EACH PUBLIC SCHOOL STUDENT ONLY ON A PER-PUPIL
7 BASIS THAT CONSISTS OF A BASE AMOUNT PLUS ADDITIONAL FUNDING
8 ALLOCATIONS ASSOCIATED WITH PARTICULAR ATTRIBUTES OF EACH
9 STUDENT, TO BE USED TO PROVIDE EDUCATIONAL PROGRAMS TO ADDRESS
10 STUDENTS' PARTICULAR ATTRIBUTES, AND BASED ON THE PARTICULAR
11 ATTRIBUTES OF EACH SCHOOL DISTRICT AS FOLLOWS:

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

13 (A) PRESCHOOL;

14 (B) KINDERGARTEN;

15 (C) GRADES ONE THROUGH FIVE;

16 (D) GRADES SIX THROUGH EIGHT; AND

17 (E) GRADES NINE THROUGH TWELVE;

18 (II) ALLOCATIONS BASED ON A STUDENT'S STATUS AS BEING
19 AT-RISK BASED ON THE STUDENT'S ELIGIBILITY FOR FREE OR
20 REDUCED-PRICE MEALS UNDER FEDERAL LAW, TAKING INTO ACCOUNT THE
21 VARYING ELIGIBILITY LEVELS SPECIFIED IN FEDERAL LAW. IN CONSIDERING
22 THIS ALLOCATION, THE INTERIM COMMITTEE MUST CONSIDER THE EXTENT
23 TO WHICH A SCHOOL DISTRICT OR CHARTER SCHOOL USES THE ADDITIONAL
24 STATE ALLOCATION AND FEDERAL MONEY, INCLUDING MONEY RECEIVED
25 PURSUANT TO TITLE I OF THE FEDERAL "ELEMENTARY AND SECONDARY
26 EDUCATION ACT OF 1965", 20 U.S.C. SEC. 6301 ET SEQ., AS AMENDED, TO
27 PROVIDE SERVICES FOR AT-RISK STUDENTS, AS DEMONSTRATED BY THE

1 SCHOOL'S LEVEL OF PERFORMANCE ON STATE ASSESSMENTS AND THE
2 SCHOOL PERFORMANCE PLAN.

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

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

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

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

17 (VII) ALLOCATIONS BASED ON SCHOOL DISTRICT ATTRIBUTES AS
18 FOLLOWS:

19 (A) THE NUMBER OF STUDENTS ENROLLED IN THE SCHOOL
20 DISTRICT;

21 (B) WHETHER THE SCHOOL DISTRICT IS RURAL AS DEFINED BY
22 RULE OF THE STATE BOARD OF EDUCATION;

23 (C) WHETHER THE SCHOOL DISTRICT IS INCREASING OR
24 DECREASING IN ENROLLMENT; AND

25 (D) THE COST OF LIVING AND PERSONNEL COSTS WITHIN THE
26 SCHOOL DISTRICT;

27 (f) ELIMINATING DIRECT FUNDING FOR CATEGORICAL PROGRAMS

1 AND INSTEAD DISTRIBUTING CATEGORICAL PROGRAM FUNDING ON A
2 PER-PUPIL BASIS THROUGHOUT THE STATE USING ALLOCATIONS ADDED TO
3 THE STATEWIDE PER PUPIL BASE FUNDING AMOUNT FOR EACH STUDENT
4 WHO IS ELIGIBLE FOR FUNDING THROUGH THE CATEGORICAL PROGRAM,
5 WHICH ALLOCATIONS WOULD BE USED TO PROVIDE EDUCATIONAL
6 PROGRAMS RELATED TO THE CATEGORICAL PROGRAM, INCLUDING
7 HIGH-QUALITY EDUCATOR PROFESSIONAL DEVELOPMENT, TO ELIGIBLE
8 STUDENTS;

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

13 (h) ALTERNATIVE METHODS FOR COUNTING ENROLLED STUDENTS
14 FOR PURPOSES OF PER PUPIL FUNDING;

15 (i) SCHOOL DISTRICT ORGANIZATION, INCLUDING CONSIDERING
16 SCHOOL DISTRICT SIZE BASED ON PUPIL ENROLLMENT AND THE
17 GEOGRAPHIC LOCATION OF SCHOOL DISTRICTS;

18 (j) THE LEVEL OF FUNDING FOR EDUCATION THAT IS AVAILABLE
19 FROM THE LOCAL RESOURCES AVAILABLE TO EACH LOCAL EDUCATION
20 PROVIDER AND THE AMOUNT OF LOCAL RESOURCES THAT EACH DISTRICT
21 CHARTER SCHOOL AND EACH INSTITUTE CHARTER SCHOOL RECEIVES,
22 INCLUDING CONSIDERATION OF:

23 (I) THE AMOUNT OF PROPERTY TAX REVENUE EACH SCHOOL
24 DISTRICT ANNUALLY COLLECTS FROM THE TOTAL PROGRAM MILL LEVY
25 AND ADDITIONAL AUTHORIZED MILL LEVIES FOR OPERATING PURPOSES,
26 DISAGGREGATED BY RESIDENTIAL PROPERTY TAX REVENUES, BUSINESS
27 PROPERTY TAX REVENUES, AND REVENUES FROM TAXES ON MINERAL

1 RESOURCE EXTRACTION;

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

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

6 (IV) OTHER SOURCES OF FUNDING FOR PUBLIC EDUCATION
7 AVAILABLE TO EACH INSTITUTE CHARTER SCHOOL AND EACH SCHOOL
8 DISTRICT, OR AVAILABLE TO SCHOOLS OF A SCHOOL DISTRICT, INCLUDING
9 DISTRICT CHARTER SCHOOLS, INDIVIDUALLY OR BY CAMPUS, AND THE
10 AMOUNT RECEIVED FROM EACH SOURCE; AND

11 (k) THE CAPITAL CONSTRUCTION NEEDS OF EACH SCHOOL
12 DISTRICT, DISTRICT CHARTER SCHOOL, AND INSTITUTE CHARTER SCHOOL,
13 INCLUDING SCHOOL DISTRICTS' CAPACITY TO ISSUE BONDS AND THE
14 RELATIONSHIP OF BONDING CAPACITY TO THE ABILITY TO OBTAIN
15 AUTHORIZATION FOR OTHER MILL LEVIES, AND WHETHER THERE ARE
16 AREAS OF STUDENT ENROLLMENT GROWTH OR DECLINE WITHIN THE STATE
17 PUBLIC EDUCATION SYSTEM.

18 (2) BASED ON THE STUDY OF ISSUES DESCRIBED IN SUBSECTION (1)
19 OF THIS SECTION, THE INTERIM COMMITTEE SHALL MAKE LEGISLATIVE
20 RECOMMENDATIONS TO THE GENERAL ASSEMBLY ADDRESSING HOW TO
21 MOST ACCURATELY MEET THE EDUCATIONAL NEEDS OF INDIVIDUAL
22 STUDENTS THROUGH THE FUNDING OF EDUCATION IN COLORADO.

23 (3) SUBJECT TO AVAILABLE APPROPRIATIONS, THE INTERIM
24 COMMITTEE SHALL CONTRACT WITH A PRIVATE ENTITY TO ASSIST IN
25 GATHERING INFORMATION AND ANALYZING THE ISSUES SPECIFIED IN
26 SUBSECTION (1) OF THIS SECTION. THE PRIVATE ENTITY MUST ALSO
27 REPORT THE ADDITIONAL COST PER STUDENT, IF ANY, THAT THE STATE

1 AND SCHOOL DISTRICTS WOULD INCUR BY FUNDING THE PUBLIC SCHOOLS
2 ON A PER-PUPIL BASIS USING DELINEATED GRADE LEVELS, NEED, AND
3 LOCATION ALLOCATIONS AND IDENTIFY DEFICIENCIES IN AVAILABLE
4 RESOURCES AND THE EXISTING LEVEL OF FUNDING. THE INTERIM
5 COMMITTEE SHALL NOT CONTRACT WITH A PRIVATE ENTITY THAT HAS
6 EVER PREVIOUSLY CONTRACTED WITH THE STATE OF COLORADO, OR AN
7 AGENCY OR POLITICAL SUBDIVISION THEREOF, FOR A STUDY OR ANALYSIS
8 OF SCHOOL FINANCE IN COLORADO.

9 (4) AS SOON AS POSSIBLE AFTER BEING APPOINTED, THE CHAIR AND
10 VICE-CHAIR OF THE INTERIM COMMITTEE SHALL APPOINT A VOLUNTARY
11 ADVISORY COMMITTEE OF INTERESTED PERSONS, INCLUDING
12 REPRESENTATIVES OF SCHOOL DISTRICT BOARDS OF EDUCATION, SCHOOL
13 DISTRICT SUPERINTENDENTS, SCHOOL ADMINISTRATORS, BOARDS OF
14 COOPERATIVE SERVICES, EDUCATORS, CHARTER SCHOOLS, PARENTS,
15 STUDENTS, MEMBERS OF THE BUSINESS COMMUNITY, EDUCATION
16 ADVOCACY ORGANIZATIONS, ADVOCATES FOR INNOVATIVE EDUCATION
17 MODELS, AND OTHER TAXPAYERS. THE ADVISORY COMMITTEE SHALL
18 PROVIDE TO THE INTERIM COMMITTEE INPUT AND RECOMMENDATIONS
19 CONCERNING THE ISSUES THAT THE INTERIM COMMITTEE IS REQUIRED TO
20 STUDY.

21 **2-3-1903. Repeal of part.** THIS PART 19 IS REPEALED, EFFECTIVE
22 JULY 1, 2019.

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

25 **22-54-114. State public school fund - repeal.** (4) (d) FOR THE
26 2017-18 AND 2018-19 BUDGET YEARS, THE GENERAL ASSEMBLY MAY
27 APPROPRIATE MONEY FROM THE STATE PUBLIC SCHOOL FUND TO THE

1 LEGISLATIVE DEPARTMENT FOR THE COSTS INCURRED BY THE LEGISLATIVE
2 INTERIM COMMITTEE ON SCHOOL FINANCE AS PROVIDED IN PART 19 OF
3 ARTICLE 2 OF TITLE 2.

4 **SECTION 3. Appropriation.** (1) For the 2017-18 state fiscal
5 year, \$380,869 is appropriated to the legislative department. This
6 appropriation is from the state public school fund created in section
7 22-54-114 (1), C.R.S. To implement this act, the department may use this
8 appropriation as follows:

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

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

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