

**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. 17-1051.02 Brita Darling x2241

SENATE BILL 17-296

SENATE SPONSORSHIP

Hill,

HOUSE SPONSORSHIP

Pettersen,

Senate Committees

Education
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING FINANCING PUBLIC SCHOOLS.**

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 sets the statewide base per pupil funding amount for the 2017-18 budget year at \$6,546.20, which is an inflationary increase of 2.8%, and establishes the minimum amount of total program funding for the 2017-18 budget year.

The bill requires that the sum of the total program funding for all schools for the 2017-18 budget year is not less than \$6,585,800,182.

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.

SENATE
Amended 2nd Reading
May 5, 2017

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-54-104, **amend**
3 (5)(g)(I) introductory portion; and **add** (5)(a)(XXIV) and (5)(g)(I)(H) as
4 follows:

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

7 (a)(XXIV) FOR THE 2017-18 BUDGET YEAR, THE STATEWIDE BASE
8 PER PUPIL FUNDING IS \$6,546.20, WHICH IS AN AMOUNT EQUAL TO
9 \$6,367.90, SUPPLEMENTED BY \$178.30 TO ACCOUNT FOR INFLATION.

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

21

22 (H) THAT, FOR THE 2017-18 BUDGET YEAR, THE SUM OF THE TOTAL
23 PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR
24 INSTITUTE CHARTER SCHOOLS, AFTER APPLICATION OF THE NEGATIVE
25 FACTOR, IS NOT LESS THAN SIX BILLION SIX HUNDRED THIRTY-FOUR
26 MILLION SIX HUNDRED THOUSAND ONE HUNDRED EIGHTY-TWO DOLLARS
27 (\$6,634,600,182); EXCEPT THAT THE DEPARTMENT OF EDUCATION AND

1 THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR
2 REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES, INCLUDING
3 BUT NOT LIMITED TO ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS,
4 AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR, TO
5 DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT OF THE REDUCTION
6 TO MAINTAIN A TOTAL PROGRAM FUNDING AMOUNT FOR THE APPLICABLE
7 BUDGET YEAR THAT IS CONSISTENT WITH THIS SUBSECTION (5)(g)(I)(H).

8 **SECTION 2.** In Colorado Revised Statutes, 22-54-117, add
9 (1)(a)(IX) as follows:

10 **22-54-117. Contingency reserve - capital construction**
11 **expenditures reserve - fund - lottery proceeds contingency reserve.**

12 (1) (a) For the 2007-08 fiscal year and fiscal years thereafter, the general
13 assembly shall annually determine the amount to appropriate to the
14 contingency reserve fund, which is hereby created in the state treasury. In
15 deciding the amount to appropriate to the contingency reserve fund, the
16 general assembly may take into consideration any recommendations made
17 by the department of education, but nothing in this section obligates the
18 general assembly to provide supplemental assistance to all districts that
19 are found to be in need or to fully fund the total amount of such need. The
20 state board may approve and order payments from the contingency
21 reserve fund for supplemental assistance to districts determined to be in
22 need as the result of any or all of the following circumstances:

23 (IX) COMMENCING WITH THE 2017-18 BUDGET YEAR, AN UNUSUAL
24 FINANCIAL BURDEN THAT RESULTS FROM IMPLEMENTING A NEW SCHOOL
25 OR PROGRAM OR EXPANDING A PROGRAM IN THE DISTRICT THAT RESULTS
26 IN A TWENTY PERCENT OR GREATER INCREASE IN THE NUMBER OF PUPILS
27 WHO ENROLL IN THE DISTRICT FOR THE APPLICABLE BUDGET YEAR OVER

1 THE ESTIMATED PUPIL ENROLLMENT USED TO CALCULATE THE DISTRICT'S
2 TOTAL PROGRAM FUNDING FOR THE APPLICABLE BUDGET YEAR. THE
3 DISTRICT SHALL REIMBURSE THE CONTINGENCY RESERVE FUND FOR
4 SUPPLEMENTAL ASSISTANCE AWARDED PURSUANT TO THIS SUBSECTION
5 (1)(a)(IX) FOLLOWING THE ADJUSTMENT OF PAYMENTS AS PROVIDED IN
6 SECTION 22-54-115 (1)(a).

7 **SECTION 3.** In Colorado Revised Statutes, 22-45-103, amend
8 (1) introductory portion and (1)(k) as follows:

9 **22-45-103. Funds.** (1) The following funds are created for each
10 school district for purposes specified in this article ARTICLE 45:

11 **(k) Total program reserve fund.** A school district shall deposit
12 the property tax revenues that it collects from a tax levy imposed pursuant
13 to section 22-54-107 (5) in the total program reserve fund of the district.
14 The district may expend money from the total program reserve fund only
15 to offset the amount of a reduction in the district's state share caused by
16 application of the ~~negative factor~~ BUDGET ADJUSTMENT pursuant to
17 section 22-54-104 (5)(g); except that, in a budget year in which the school
18 district levies for its total program the number of mills calculated
19 pursuant to section 22-54-106 (2)(a)(II), if the balance of the total
20 program reserve fund exceeds an amount equal to the district's total
21 program for that budget year multiplied by the ~~negative factor~~ BUDGET
22 ADJUSTMENT calculated pursuant to section 22-54-104 (5)(g) for that
23 budget year, the district may expend the amount of the excess balance.
24 Any money remaining in the fund at the end of a fiscal year must remain
25 in the fund and may be used in future years only as provided in this
26 paragraph (k) SUBSECTION (1)(k).

27 **SECTION 4.** In Colorado Revised Statutes, 22-54-104, amend

1 (4.5)(c)(III) introductory portion, (4.7)(c) introductory portion, (5)(g)(I)
2 introductory portion, (5)(g)(I)(B), (5)(g)(I)(C), (5)(g)(I)(D), (5)(g)(I)(E),
3 (5)(g)(I)(F), (5)(g)(I)(G), (5)(g)(II)(A), (5)(g)(II)(B), (5)(g)(VII)
4 introductory portion, (5)(g)(VII)(A), and (5)(g)(VII)(B) as follows:

5 **22-54-104. District total program - definitions.** (4.5) A district's
6 online funding shall be determined in accordance with the following
7 formulas:

8 (c) (III) In any budget year in which the provisions of paragraph
9 (g) of subsection (5) SUBSECTION (5)(g) of this section apply, the
10 department of education shall calculate a district's reduction amount for
11 online funding by multiplying the ~~negative factor~~ BUDGET ADJUSTMENT
12 calculated for the applicable budget year pursuant to sub-subparagraph
13 (A) of subparagraph (II) of paragraph (g) of subsection (5) SUBSECTION
14 (5)(g)(II)(A) of this section by the district's online funding calculated
15 pursuant to subparagraph (II) of this paragraph (c) SUBSECTION
16 (4.5)(c)(II) OF THIS SECTION for the applicable budget year. A district's
17 online funding for the applicable budget year shall be the greater of:

18 (4.7) (c) In any budget year in which the provisions of paragraph
19 (g) of subsection (5) SUBSECTION (5)(g) of this section apply, the
20 department of education shall calculate a district's reduction amount for
21 extended high school funding by multiplying the ~~negative factor~~ BUDGET
22 ADJUSTMENT calculated for the applicable budget year pursuant to
23 sub-subparagraph (A) of subparagraph (II) of paragraph (g) of subsection
24 (5) SUBSECTION (5)(g)(II)(A) of this section by the amount of the district's
25 extended high school funding calculated pursuant to paragraph (b) of this
26 subsection (4.7) SUBSECTION (4.7)(b) OF THIS SECTION for the applicable
27 budget year. A district's extended high school funding for the applicable

1 budget year shall be the greater of:

2 (5) For purposes of the formulas used in this section:

3 (g) (I) For the 2010-11 budget year and each budget year
4 thereafter, the general assembly determines that stabilization of the state
5 budget requires a reduction in the amount of AN ADJUSTMENT TO the
6 annual appropriation to fund the state's share of total program funding for
7 all districts and the funding for institute charter schools. The department
8 of education shall implement the reduction in total program funding
9 through the application of a ~~negative factor~~ BUDGET ADJUSTMENT as
10 provided in this ~~paragraph (g)~~ SUBSECTION (5)(g). For the 2010-11 budget
11 year and each budget year thereafter, the department of education and the
12 staff of the legislative council shall determine, based on budget
13 projections, the amount of such reduction to ensure the following:

14 (B) That, for the 2011-12 budget year, the sum of the total
15 program funding for all districts, including the funding for institute
16 charter schools, after application of the ~~negative factor~~ BUDGET
17 ADJUSTMENT, is not less than five billion two hundred twenty-nine
18 million five hundred sixty thousand three hundred forty-six dollars
19 (\$5,229,560,346); except that the department of education and the staff
20 of the legislative council shall make mid-year revisions to replace
21 projections with actual figures including, but not limited to, actual pupil
22 enrollment, assessed valuations, and specific ownership tax revenue from
23 the prior year, to determine any necessary changes in the amount of the
24 reduction to maintain a total program funding amount for the 2011-12
25 budget year that is consistent with this ~~sub-subparagraph (B)~~ SUBSECTION
26 (5)(g)(I)(B).

27 (C) That, for the 2012-13 budget year, the sum of the total

1 program funding for all districts, including the funding for institute
2 charter schools, after application of the ~~negative factor~~ BUDGET
3 ADJUSTMENT, is not less than five billion two hundred ninety-four million
4 thirty-three thousand four hundred forty-nine dollars (\$5,294,033,449);
5 except that the department of education and the staff of the legislative
6 council shall make mid-year revisions to replace projections with actual
7 figures including, but not limited to, actual pupil enrollment, assessed
8 valuations, and specific ownership tax revenue from the prior year, to
9 determine any necessary changes in the amount of the reduction to
10 maintain a total program funding amount for the 2012-13 budget year that
11 is consistent with this ~~sub-subparagraph (C)~~ SUBSECTION (5)(g)(I)(C).

12 (D) That, for the 2013-14 budget year, the sum of the total
13 program funding for all districts, including the funding for institute
14 charter schools, after application of the ~~negative factor~~ BUDGET
15 ADJUSTMENT, is not less than five billion five hundred twenty-four
16 million forty-six thousand seven hundred sixty-seven dollars
17 (\$5,524,046,767); except that the department of education and the staff
18 of the legislative council shall make mid-year revisions to replace
19 projections with actual figures including, but not limited to, actual pupil
20 enrollment, assessed valuations, and specific ownership tax revenue from
21 the prior year, to determine any necessary changes in the amount of the
22 reduction to maintain a total program funding amount for the applicable
23 budget year that is consistent with this ~~sub-subparagraph (D)~~ SUBSECTION
24 (5)(g)(I)(D).

25 (E) That, for the 2014-15 budget year, the sum of the total
26 program funding for all districts, including the funding for institute
27 charter schools, after application of the ~~negative factor~~ BUDGET

1 ADJUSTMENT, is not less than five billion nine hundred thirty million
2 ninety-one thousand six hundred sixty dollars (\$5,930,091,660); except
3 that the department of education and the staff of the legislative council
4 shall make mid-year revisions to replace projections with actual figures
5 including, but not limited to, actual pupil enrollment, assessed valuations,
6 and specific ownership tax revenue from the prior year, to determine any
7 necessary changes in the amount of the reduction to maintain a total
8 program funding amount for the applicable budget year that is consistent
9 with this sub-subparagraph (E) SUBSECTION (5)(g)(I)(E). For the 2015-16
10 budget year, the difference between calculated statewide total program
11 funding and actual statewide total program funding must not exceed the
12 difference between calculated statewide total program funding and actual
13 statewide total program funding for the 2014-15 budget year.

14 (F) That, for the 2015-16 budget year, the sum of the total
15 program funding for all districts, including the funding for institute
16 charter schools, after application of the ~~negative factor~~ BUDGET
17 ADJUSTMENT, is not less than six billion two hundred thirty-three million
18 eight hundred thirty-five thousand forty-four dollars (\$6,233,835,044);
19 except that the department of education and the staff of the legislative
20 council shall make mid-year revisions to replace projections with actual
21 figures, including but not limited to actual pupil enrollment, assessed
22 valuations, and specific ownership tax revenue from the prior year, to
23 determine any necessary changes in the amount of the reduction to
24 maintain a total program funding amount for the applicable budget year
25 that is consistent with this sub-subparagraph (F) SUBSECTION (5)(g)(I)(F).
26 For the 2016-17 budget year, the difference between calculated statewide
27 total program funding and actual statewide total program funding must

1 not exceed the difference between calculated statewide total program
2 funding and actual statewide total program funding for the 2015-16
3 budget year.

4 (G) That, for the 2016-17 budget year, the sum of the total
5 program funding for all districts, including the funding for institute
6 charter schools, after application of the ~~negative factor~~ BUDGET
7 ADJUSTMENT, is not less than six billion three hundred ninety-four million
8 five hundred twenty-eight thousand nine hundred thirty-one dollars
9 (\$6,394,528,931); except that the department of education and the staff
10 of the legislative council shall make mid-year revisions to replace
11 projections with actual figures, including but not limited to actual pupil
12 enrollment, assessed valuations, and specific ownership tax revenue from
13 the prior year, to determine any necessary changes in the amount of the
14 reduction to maintain a total program funding amount for the applicable
15 budget year that is consistent with this ~~sub-subparagraph (G)~~ SUBSECTION
16 (5)(g)(I)(G). For the 2017-18 budget year, the difference between
17 calculated statewide total program funding and actual statewide total
18 program funding must not exceed the difference between calculated
19 statewide total program funding and actual statewide total program
20 funding for the 2016-17 budget year.

21 (II) For the 2010-11 budget year and each budget year thereafter,
22 the department of education shall:

23 (A) Calculate the ~~negative factor~~ BUDGET ADJUSTMENT for the
24 applicable budget year by dividing the reduction in total program funding
25 for the applicable budget year, as specified in ~~subparagraph (f)~~ of this
26 paragraph (g) SUBSECTION (5)(g)(I) OF THIS SECTION, by the sum of the
27 total program funding amounts of all districts as calculated pursuant to

1 subsection (2) of this section, including the funding for institute charter
2 schools, for the applicable budget year; and

3 (B) Calculate each district's and each institute charter school's
4 reduction amount by multiplying the ~~negative factor~~ BUDGET
5 ADJUSTMENT by the district's total program funding calculated pursuant
6 to subsection (2) of this section for the applicable budget year for the
7 district and for any institute charter school located within the district.

8 (VII) As used in this ~~paragraph (g)~~ SUBSECTION (5)(g), unless the
9 context otherwise requires:

10 (A) "Actual statewide total program funding" means the sum of
11 the total program funding for all districts, including the funding for
12 institute charter schools, as calculated pursuant to subsection (2) of this
13 section, after application of the ~~negative factor~~ BUDGET ADJUSTMENT
14 pursuant to this ~~paragraph (g)~~ SUBSECTION (5)(g).

15 (B) "Calculated statewide total program funding" means the sum
16 of the total program funding for all districts, including the funding for
17 institute charter schools, as calculated pursuant to subsection (2) of this
18 section, before application of the ~~negative factor~~ BUDGET ADJUSTMENT
19 pursuant to this ~~paragraph (g)~~ SUBSECTION (5)(g).

20 **SECTION 5.** In Colorado Revised Statutes, 22-54-117, amend
21 (1)(a)(VIII) as follows:

22 **22-54-117. Contingency reserve - capital construction**
23 **expenditures reserve - fund - lottery proceeds contingency reserve.**

24 (1) (a) For the 2007-08 fiscal year and fiscal years thereafter, the general
25 assembly shall annually determine the amount to appropriate to the
26 contingency reserve fund, which is hereby created in the state treasury. In
27 deciding the amount to appropriate to the contingency reserve fund, the

1 general assembly may take into consideration any recommendations made
2 by the department of education, but nothing in this section obligates the
3 general assembly to provide supplemental assistance to all districts that
4 are found to be in need or to fully fund the total amount of such need. The
5 state board may approve and order payments from the contingency
6 reserve fund for supplemental assistance to districts determined to be in
7 need as the result of any or all of the following circumstances:

8 (VIII) Commencing with the 2016-17 budget year, unusual
9 financial burden caused by a significant reduction in the assessed value
10 of real property in a district whose state share of total program funding
11 pursuant to section 22-54-106 before the application of the ~~negative~~
12 ~~factor~~ BUDGET ADJUSTMENT pursuant to section 22-54-104 (5)(g) was less
13 than one-half of one percent of the district's total program funding in the
14 previous budget year, causing the district to receive a state share that is
15 one-half of one percent of total program funding or greater before
16 application of the ~~negative factor~~ BUDGET ADJUSTMENT in the budget year
17 in which the assessed value is reduced. The amount of supplemental
18 assistance paid pursuant to this ~~subparagraph (VIII)~~ SUBSECTION
19 (1)(a)(VIII) shall not exceed twenty-five percent of the amount of the
20 reduction in the district's state share as a result of the ~~negative factor~~
21 BUDGET ADJUSTMENT. A school district may receive supplemental
22 assistance pursuant to this ~~subparagraph (VIII)~~ SUBSECTION (1)(a)(VIII)
23 only one time.

24 **SECTION 6. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.