

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 15-0351.01 Julie Pelegrin x2700

HOUSE BILL 15-1334

HOUSE SPONSORSHIP

Hamner and Rankin,

SENATE SPONSORSHIP

Hill and Kerr,

House Committees

Education
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CREATION OF A LEGISLATIVE COMMITTEE TO STUDY**
102 **SCHOOL FINANCE, AND, IN CONNECTION THEREWITH, MAKING**
103 **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://www.leg.state.co.us/bills summaries>.)

The bill creates the legislative oversight committee on school finance (oversight committee) to study tax policy issues relating to school finance and the components of a new school finance system. The bill specifies issues that the oversight committee and the technical committee created in the bill will address.

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.*

The oversight committee consists of the chairs of the education and finance committees of the house of representatives and the senate, or their designees; 2 members of the joint budget committee; and other legislators appointed by the senate president, the speaker of the house of representatives, and the minority leaders of the senate and the house of representatives. The chair and vice-chair of the oversight committee will jointly appoint a technical committee that consists of chief financial officers from urban, suburban, and rural school districts; persons who represent charter school interests and serve in a financial oversight capacity; and persons with expertise and experience in tax policy and school finance. The assistant commissioner for school finance in the department of education is also an ex officio, nonvoting member of the technical committee, and the governor must appoint a member of the governor's staff to serve on the technical committee. The legislative staff and the department of education will provide staff support for the oversight committee and the technical committee.

The oversight committee must contract with an entity to act as a facilitator for the oversight committee and the technical committee. The facilitator must provide research and explanations of school finance issues and policies, the Colorado school finance system, the school finance systems implemented in comparable states, innovative and proven policies for designing a new school finance system, and tax policies in other states. The facilitator will also provide technical support to the oversight committee and the technical committee in designing a new school finance system and proposing changes to tax policy.

The oversight committee, the technical committee, and the facilitator must meet up to 5 times from August to December 2015. During 2016, the oversight committee and the technical committee must meet at least quarterly for the technical committee to report progress and make recommendations to the oversight committee. The technical committee will meet as often as necessary to accomplish its responsibilities, and oversight committee members are encouraged to attend these meetings. The technical committee must hold public meetings and solicit and consider input from interested persons throughout the state.

The oversight committee may introduce legislation during the 2016 regular legislative session concerning the goals for funding public education and a method for determining the cost of the public education system. During 2016, the task force must prepare proposals to submit to the oversight committee concerning a new school finance system and tax policy proposals to support the system. The oversight committee may introduce legislation during the 2017 regular legislative session and may consider, modify, or reject the technical committee's recommendations. Legislation that the oversight committee introduces is not subject to the bill and resolution limits imposed by the legislative rules, and the

oversight committee is not required to report its recommended legislation to the legislative council.

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 LEGISLATIVE OVERSIGHT COMMITTEE
6 ON SCHOOL FINANCE

7 **2-2-1901. Legislative declaration.** (1) THE GENERAL ASSEMBLY
8 FINDS THAT:

9 (a) THE STATE FACES INCREASING FINANCIAL PRESSURES ARISING
10 FROM THE CONSTITUTIONAL RESTRAINTS RELATING TO SPENDING
11 LIMITATIONS AND THE GENERAL ASSEMBLY'S ABILITY TO SET STATE AND
12 LOCAL TAX POLICY;

13 (b) THESE FINANCIAL PRESSURES INCREASINGLY RESTRICT THE
14 GENERAL ASSEMBLY'S ABILITY TO FUND THE STATE SYSTEM OF PUBLIC
15 EDUCATION;

16 (c) THE BALANCE OF FUNDING FOR PUBLIC EDUCATION BETWEEN
17 STATE AND LOCAL RESOURCES HAS SIGNIFICANTLY SHIFTED IN THE LAST
18 SEVERAL YEARS, RAISING ISSUES CONCERNING EQUITY FOR TAXPAYERS
19 AND STUDENTS, ACCOUNTABILITY, AND SUSTAINABILITY;

20 (d) THE STATE HAS OPERATED UNDER THE "PUBLIC SCHOOL
21 FINANCE ACT OF 1994", ARTICLE 54 OF TITLE 22, C.R.S., FOR TWENTY
22 YEARS, MORE THAN TWICE THE DURATION RECOMMENDED BY MOST
23 SCHOOL FINANCE EXPERTS FOR A SINGLE SCHOOL FINANCE ACT, AND THE
24 FORMULA FOR CALCULATING TOTAL PROGRAM FUNDING MAY NO LONGER
25 REFLECT OR ADEQUATELY OR FAIRLY ADDRESS THE MOST IMPORTANT

1 COST ELEMENTS THAT AFFECT THE DELIVERY OF A HIGH-QUALITY PUBLIC
2 EDUCATION; AND

3 (e) FUNDING FOR SPECIAL EDUCATION SERVICES, GIFTED AND
4 TALENTED PROGRAMS, AND ENGLISH LANGUAGE PROFICIENCY PROGRAMS
5 IS NOT SIGNIFICANTLY ADDRESSED IN THE FORMULA FOR CALCULATING
6 TOTAL PROGRAM FUNDING, WHICH RAISES QUESTIONS REGARDING THE
7 ADEQUACY AND SUSTAINABILITY OF THE FUNDING FOR THESE PROGRAMS.

8 (2) THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS
9 NECESSARY TO CREATE A LEGISLATIVE OVERSIGHT COMMITTEE TO WORK
10 WITH A TECHNICAL COMMITTEE OF SCHOOL FINANCE EXPERTS TO
11 EVALUATE AND RESEARCH THE GOALS AND ELEMENTS OF AN EFFECTIVE
12 TAX POLICY TO PROVIDE THE STATE AND LOCAL RESOURCES NEEDED TO
13 SUPPORT PRESCHOOL THROUGH SECONDARY EDUCATION IN THE STATE IN
14 AN EQUITABLE, ADEQUATE, AND SUSTAINABLE MANNER AND THE
15 STRUCTURE OF AND FORMULA FOR CALCULATING PUBLIC SCHOOL FUNDING
16 IN THE STATE. THE GOAL OF THE LEGISLATIVE OVERSIGHT COMMITTEE AND
17 THE TECHNICAL COMMITTEE IS TO MAKE RECOMMENDATIONS REGARDING
18 CONSTITUTIONAL CHANGES TO STRENGTHEN THE ABILITY OF THE STATE
19 AND LOCAL GOVERNMENTS TO PROVIDE FUNDING FOR PUBLIC EDUCATION
20 THAT IS EQUITABLE, ADEQUATE, AND SUSTAINABLE AND TO RECOMMEND
21 LEGISLATION FOR INTRODUCTION DURING THE 2017 REGULAR LEGISLATIVE
22 SESSION TO REPLACE THE "PUBLIC SCHOOL FINANCE ACT OF 1994",
23 ARTICLE 54 OF TITLE 22, C.R.S.

24 **2-2-1902. Definitions.** AS USED IN THIS PART 19, UNLESS THE
25 CONTEXT OTHERWISE REQUIRES:

26 (1) "FACILITATOR" MEANS THE ENTITY THAT THE OVERSIGHT
27 COMMITTEE CONTRACTS WITH PURSUANT TO SECTION 2-2-1905.

1 (2) "OVERSIGHT COMMITTEE" MEANS THE LEGISLATIVE OVERSIGHT
2 COMMITTEE ON SCHOOL FINANCE APPOINTED PURSUANT TO SECTION
3 2-2-1903.

4 (3) "TECHNICAL COMMITTEE" MEANS THE TECHNICAL COMMITTEE
5 ON SCHOOL FINANCE APPOINTED PURSUANT TO SECTION 2-2-1904.

6 **2-2-1903. Legislative oversight committee on school finance -**
7 **created - duties.** (1) NOTWITHSTANDING THE PROVISIONS OF SECTION
8 2-3-303.3, THERE IS CREATED THE LEGISLATIVE OVERSIGHT COMMITTEE
9 ON SCHOOL FINANCE TO WORK WITH THE TECHNICAL COMMITTEE TO
10 STUDY AND RECOMMEND LEGISLATION REGARDING TAX POLICY AND
11 SCHOOL FINANCE. THE OVERSIGHT COMMITTEE CONSISTS OF TEN MEMBERS
12 AS FOLLOWS:

13 (a) THE PERSONS SERVING AS CHAIRS OF THE EDUCATION
14 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR
15 ANY SUCCESSOR COMMITTEES, OR THEIR DESIGNEES;

16 (b) THE PERSONS SERVING AS CHAIRS OF THE FINANCE
17 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR
18 ANY SUCCESSOR COMMITTEES, OR THEIR DESIGNEES;

19 (c) TWO MEMBERS, ONE OF WHOM SERVES ON THE JOINT BUDGET
20 COMMITTEE, APPOINTED BY THE SPEAKER OF THE HOUSE OF
21 REPRESENTATIVES;

22 (d) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE
23 HOUSE OF REPRESENTATIVES;

24 (e) TWO MEMBERS, ONE OF WHOM SERVES ON THE JOINT BUDGET
25 COMMITTEE, APPOINTED BY THE PRESIDENT OF THE SENATE; AND

26 (f) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE
27 SENATE.

1 (2) (a) THE APPOINTING AUTHORITIES SHALL APPOINT THE
2 MEMBERS OF THE OVERSIGHT COMMITTEE AS SOON AS POSSIBLE AFTER THE
3 EFFECTIVE DATE OF THIS PART 19 BUT NO LATER THAN JULY 1, 2015. THE
4 APPOINTING AUTHORITIES SHALL, TO THE EXTENT PRACTICABLE, ENSURE
5 THAT THERE ARE LEGISLATORS SERVING ON THE OVERSIGHT COMMITTEE
6 THAT REPRESENT SCHOOL DISTRICTS IN ALL AREAS OF THE STATE,
7 INCLUDING URBAN, SUBURBAN, AND RURAL SCHOOL DISTRICTS, SCHOOL
8 DISTRICTS OF VARYING WEALTH IN PROPERTY TAX AND OTHER LOCAL
9 REVENUES, AND VARYING STUDENT DEMOGRAPHICS. IF A VACANCY ARISES
10 ON THE OVERSIGHT COMMITTEE, THE APPROPRIATE APPOINTING
11 AUTHORITY SHALL APPOINT A LEGISLATOR TO FILL THE VACANCY AS SOON
12 AS POSSIBLE.

13 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
14 APPOINT THE FIRST CHAIR OF THE OVERSIGHT COMMITTEE, AND THE
15 PRESIDENT OF THE SENATE SHALL APPOINT THE FIRST VICE-CHAIR OF THE
16 OVERSIGHT COMMITTEE. THE CHAIR AND VICE-CHAIR SHALL ALTERNATE
17 ANNUALLY THEREAFTER BETWEEN THE TWO HOUSES.

18 (3) THE CHAIR OF THE OVERSIGHT COMMITTEE SHALL SCHEDULE
19 THE FIRST MEETING OF THE OVERSIGHT AND THE TECHNICAL COMMITTEES
20 TO BE HELD NO LATER THAN AUGUST 1, 2015. FROM AUGUST THROUGH
21 DECEMBER 2015, THE OVERSIGHT COMMITTEE SHALL MEET UP TO FIVE
22 TIMES WITH THE TECHNICAL COMMITTEE AND THE FACILITATOR AS
23 PROVIDED IN SECTION 2-2-1905. FROM JANUARY THROUGH DECEMBER
24 2016, THE OVERSIGHT COMMITTEE SHALL MEET WITH THE TECHNICAL
25 COMMITTEE AND THE FACILITATOR AT LEAST QUARTERLY, AT THE CALL OF
26 THE CHAIR, TO ACCOMPLISH ITS DUTIES. THE OVERSIGHT COMMITTEE MAY
27 MEET AT OTHER TIMES DURING THE LEGISLATIVE SESSION AND DURING THE

1 LEGISLATIVE INTERIM, AT THE CALL OF THE CHAIR, AS NECESSARY TO
2 COMPLETE ITS DUTIES. MEMBERS OF THE OVERSIGHT COMMITTEE ARE
3 STRONGLY ENCOURAGED TO ATTEND MEETINGS OF THE TECHNICAL
4 COMMITTEE. A MEMBER OF THE OVERSIGHT COMMITTEE WHO ATTENDS A
5 TECHNICAL COMMITTEE MEETING IS ENTITLED TO REIMBURSEMENT FOR
6 ALL ACTUAL AND NECESSARY EXPENSES INCURRED IN ATTENDING THE
7 MEETING.

8 (4) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL
9 AND THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL
10 PROVIDE STAFF ASSISTANCE TO THE OVERSIGHT COMMITTEE.

11 (5) PURSUANT TO SECTION 2-2-1906, THE OVERSIGHT COMMITTEE
12 MAY ANNUALLY INTRODUCE UP TO A TOTAL OF FIVE BILLS, JOINT
13 RESOLUTIONS, AND CONCURRENT RESOLUTIONS IN EACH OF THE 2016 AND
14 2017 LEGISLATIVE SESSIONS. BILLS THAT THE OVERSIGHT COMMITTEE
15 INTRODUCES ARE EXEMPT FROM THE FIVE-BILL LIMITATION SET OUT IN
16 RULE 24 (b) (1) (A) OF THE JOINT RULES OF THE SENATE AND THE HOUSE
17 OF REPRESENTATIVES. JOINT RESOLUTIONS AND CONCURRENT
18 RESOLUTIONS THAT THE OVERSIGHT COMMITTEE INTRODUCES ARE EXEMPT
19 FROM THE LIMITATIONS SET OUT IN RULE 26 (g) OF THE RULES OF THE
20 HOUSE OF REPRESENTATIVES AND RULE 30 (f) OF THE RULES OF THE
21 SENATE. THE OVERSIGHT COMMITTEE IS EXEMPT FROM THE REQUIREMENT
22 SPECIFIED IN RULE 24 (b) (1) (D) AND RULE 24A (d) (8) OF THE JOINT
23 RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND IN
24 SECTION 2-3-303 (1) (f), TO REPORT BILLS OR OTHER MEASURES TO THE
25 LEGISLATIVE COUNCIL.

26 (6) ALL EXPENDITURES INCURRED BY THE OVERSIGHT COMMITTEE,
27 THE TECHNICAL COMMITTEE, AND THE FACILITATOR SHALL BE APPROVED

1 BY THE CHAIR OF THE LEGISLATIVE COUNCIL AND PAID FOR BY VOUCHERS
2 AND WARRANTS DRAWN AS PROVIDED BY LAW FROM MONEYS
3 APPROPRIATED BY THE GENERAL ASSEMBLY TO THE LEGISLATIVE
4 DEPARTMENT FOR PURPOSES OF THIS PART 19.

5 **2-2-1904. Technical committee on school finance - created.**

6 (1) THERE IS CREATED THE TECHNICAL COMMITTEE ON SCHOOL FINANCE
7 TO ASSIST THE OVERSIGHT COMMITTEE IN RESEARCHING AND DEVELOPING
8 TAX POLICIES AND STRUCTURES FOR COLLECTING RESOURCES TO SUPPORT
9 THE PUBLIC SCHOOL SYSTEM AND A FORMULA AND POLICIES FOR
10 DISTRIBUTING THE RESOURCES. THE TECHNICAL COMMITTEE CONSISTS OF
11 NINE PERSONS AS FOLLOWS:

12 (a) THE ASSOCIATE COMMISSIONER FOR THE PUBLIC SCHOOL
13 FINANCE DIVISION IN THE DEPARTMENT OF EDUCATION, OR HIS OR HER
14 DESIGNEE, WHO SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER OF
15 THE TECHNICAL COMMITTEE;

16 (b) A PERSON FROM THE GOVERNOR'S OFFICE, APPOINTED BY THE
17 GOVERNOR, WHO HAS EXPERTISE IN ELEMENTARY AND SECONDARY
18 EDUCATION OR FINANCE; AND

19 (c) SEVEN PERSONS APPOINTED JOINTLY BY THE CHAIR AND THE
20 VICE-CHAIR OF THE OVERSIGHT COMMITTEE WHO HAVE DIRECT
21 EXPERIENCE AND EXPERTISE IN IMPLEMENTING SCHOOL FINANCE OR
22 WORKING WITH TAX POLICY ISSUES OR BOTH. THE PERSONS APPOINTED TO
23 SERVE ON THE TECHNICAL COMMITTEE MUST INCLUDE CHIEF FINANCIAL
24 OFFICERS, WHICH MAY INCLUDE PERSONS WHO SERVE AS BOTH CHIEF
25 FINANCIAL OFFICER, OR THE EQUIVALENT, AND SUPERINTENDENT, OF
26 URBAN, SUBURBAN, AND RURAL SCHOOL DISTRICTS, AT LEAST ONE
27 REPRESENTATIVE OF CHARTER SCHOOL INTERESTS WHO SERVES IN A

1 FINANCIAL OVERSIGHT CAPACITY, AND AT LEAST TWO PERSONS WHO HAVE
2 EXPERTISE IN TAX POLICY AND SCHOOL FINANCE AND WHO ARE NOT
3 EMPLOYED BY A SCHOOL DISTRICT, A BOARD OF COOPERATIVE SERVICES,
4 A PUBLIC SCHOOL, OR AN EDUCATION ADVOCACY GROUP.

5 (2) THE CHAIR AND THE VICE-CHAIR OF THE OVERSIGHT
6 COMMITTEE AND THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE
7 TECHNICAL COMMITTEE NO LATER THAN AUGUST 1, 2015. THE APPOINTED
8 MEMBERS SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY. IF A
9 VACANCY ARISES, THE APPROPRIATE APPOINTING AUTHORITY SHALL
10 APPOINT A PERSON TO FILL THE VACANCY AS SOON AS POSSIBLE. IN
11 MAKING APPOINTMENTS, THE APPOINTING AUTHORITIES SHALL, TO THE
12 EXTENT PRACTICABLE, ENSURE THAT THE TECHNICAL COMMITTEE
13 INCLUDES REPRESENTATIVES FROM SCHOOL DISTRICTS LOCATED
14 THROUGHOUT THE STATE THAT ARE OF VARYING SIZE, WEALTH IN
15 PROPERTY TAX AND OTHER LOCAL REVENUES, AND STUDENT
16 DEMOGRAPHICS.

17 (3) THE APPOINTED MEMBERS OF THE TECHNICAL COMMITTEE
18 SERVE WITHOUT COMPENSATION BUT RECEIVE REIMBURSEMENT FOR
19 REASONABLE EXPENSES INCURRED IN PARTICIPATING ON THE TECHNICAL
20 COMMITTEE.

21 (4) THE CHAIR AND THE VICE-CHAIR SHALL DESIGNATE ONE OF THE
22 APPOINTED MEMBERS OF THE TECHNICAL COMMITTEE TO SERVE AS THE
23 CHAIR OF THE TECHNICAL COMMITTEE. THE TECHNICAL COMMITTEE SHALL
24 MEET AS OFTEN AS NECESSARY AT THE CALL OF THE CHAIR TO FULFILL ITS
25 RESPONSIBILITIES. IN ADDITION, IN 2015 THE TECHNICAL COMMITTEE
26 SHALL MEET UP TO FIVE TIMES WITH THE OVERSIGHT COMMITTEE AND THE
27 FACILITATOR AS PROVIDED IN SECTION 2-2-1905. FROM JANUARY

1 THROUGH DECEMBER 2016, THE TECHNICAL COMMITTEE SHALL MEET AT
2 LEAST QUARTERLY WITH THE OVERSIGHT COMMITTEE TO REPORT ITS
3 PROGRESS, FINDINGS, AND RECOMMENDATIONS WITH REGARD TO THE
4 ISSUES SPECIFIED IN SECTION 2-2-1905.

5 (5) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL
6 AND THE DIRECTOR OF THE JOINT BUDGET COMMITTEE STAFF SHALL EACH
7 PROVIDE AT LEAST ONE STAFF PERSON WITH EXPERTISE IN SCHOOL
8 FINANCE TO ASSIST THE TECHNICAL COMMITTEE. THE DIRECTOR OF THE
9 OFFICE OF LEGISLATIVE LEGAL SERVICES AND THE COMMISSIONER OF
10 EDUCATION SHALL SUPPLY ADDITIONAL STAFF ASSISTANCE TO THE
11 TECHNICAL COMMITTEE AS NECESSARY. THE TECHNICAL COMMITTEE MAY
12 ALSO ACCEPT STAFF SUPPORT FROM THE PRIVATE SECTOR.

13 **2-2-1905. Facilitator - selection - duties.** (1) AS SOON AS
14 POSSIBLE AFTER THE EFFECTIVE DATE OF THIS PART 19, THE CHAIRS OF THE
15 EDUCATION COMMITTEES AND THE FINANCE COMMITTEES OF THE HOUSE
16 OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES,
17 OR THEIR DESIGNEES, SHALL WORK WITH THE LEGISLATIVE COUNCIL STAFF
18 TO PREPARE AND ISSUE A REQUEST FOR QUALIFICATIONS FOR AN ENTITY TO
19 SERVE AS A FACILITATOR FOR THE OVERSIGHT COMMITTEE AND THE
20 TECHNICAL COMMITTEE. BASED ON THE RESPONSES RECEIVED, THE CHAIR
21 AND VICE-CHAIR OF THE OVERSIGHT COMMITTEE SHALL SELECT AND
22 CONTRACT WITH A FACILITATOR NO LATER THAN AUGUST 15, 2015. THE
23 CHAIR AND VICE-CHAIR OF THE OVERSIGHT COMMITTEE MUST ENSURE
24 THAT THE ENTITY SELECTED AS FACILITATOR AT A MINIMUM
25 DEMONSTRATES:

26 (a) EXPERTISE IN THE SCHOOL FINANCE SYSTEM IMPLEMENTED IN
27 COLORADO AND THE SYSTEMS IMPLEMENTED IN OTHER COMPARABLE OR

1 MODEL STATES;

2 (b) EXPERTISE AND EXPERIENCE IN DESIGNING AND DEVELOPING

3 SCHOOL FINANCE SYSTEMS;

4 (c) EXPERTISE IN TAX POLICY; AND

5 (d) EMPLOYMENT OF A STAFF OF PERSONS WITH THE CAPACITY AND

6 EXPERTISE TO WORK WITH MULTIPLE STAKEHOLDER GROUPS AND TO

7 RESEARCH AND ANALYZE EXISTING AND PROPOSED SCHOOL FINANCE

8 SYSTEMS IN OTHER STATES AND THEIR POTENTIAL APPLICABILITY IN

9 COLORADO AND TAX POLICY IMPLEMENTED IN OTHER STATES.

10 (2) IN MEETINGS WITH THE OVERSIGHT COMMITTEE AND THE

11 TECHNICAL COMMITTEE HELD FROM AUGUST THROUGH DECEMBER 2015,

12 THE FACILITATOR SHALL PROVIDE RESEARCH AND EXPLANATIONS FOR THE

13 OVERSIGHT COMMITTEE AND THE TECHNICAL COMMITTEE CONCERNING:

14 (a) THE POLICY CONSIDERATIONS AND ISSUES THAT THE SCHOOL

15 FINANCE SYSTEM IN COLORADO HAS ADDRESSED AND MAY BE DESIGNED

16 TO ADDRESS IN THE FUTURE;

17 (b) STUDIES OF THE SCHOOL FINANCE SYSTEM IN COLORADO THAT

18 HAVE BEEN CONDUCTED SINCE ADOPTION OF THE "PUBLIC SCHOOL

19 FINANCE ACT OF 1994", ARTICLE 54 OF TITLE 22, C.R.S.;

20 (c) THE SCHOOL FINANCE SYSTEMS IMPLEMENTED BY OTHER

21 STATES THAT ARE COMPARABLE TO COLORADO IN SIZE, DEMOGRAPHICS,

22 AND EXERCISE OF LOCAL CONTROL;

23 (d) INNOVATIVE AND PROVEN POLICIES FOR DESIGNING AND

24 IMPLEMENTING A SCHOOL FINANCE SYSTEM; AND

25 (e) POTENTIAL MODELS FOR A NEW SCHOOL FINANCE SYSTEM IN

26 COLORADO.

27 (3) FROM JANUARY THOUGH DECEMBER 2016, THE FACILITATOR

1 SHALL ASSIST THE OVERSIGHT COMMITTEE AND THE TECHNICAL
2 COMMITTEE IN DESIGNING ONE OR MORE SCHOOL FINANCE SYSTEMS THAT
3 THE TECHNICAL COMMITTEE MAY RECOMMEND TO THE OVERSIGHT
4 COMMITTEE. THE FACILITATOR MAY ALSO ASSIST THE TECHNICAL
5 COMMITTEE IN FORMULATING RECOMMENDATIONS FOR TAX POLICY
6 CHANGES TO PROVIDE SUFFICIENT RESOURCES TO SUPPORT A SCHOOL
7 FINANCE SYSTEM IN COLORADO THAT IS ADEQUATE, EQUITABLE, AND
8 SUSTAINABLE.

9



10 **2-2-1906. Oversight committee - technical committee - duties.**

11 (1) DURING THE 2016 REGULAR LEGISLATIVE SESSION, THE OVERSIGHT
12 COMMITTEE MAY INTRODUCE LEGISLATION THAT ADDRESSES THE GOALS
13 FOR FUNDING PUBLIC EDUCATION AND A METHOD FOR DETERMINING THE
14 COST OF MAINTAINING THE PUBLIC EDUCATION SYSTEM. BEGINNING IN
15 JUNE 2016, THE TECHNICAL COMMITTEE, WORKING WITH THE
16 FACILITATOR, SHALL RESEARCH AND DESIGN ONE OR MORE PROPOSALS FOR
17 SCHOOL FINANCE SYSTEMS TO SUBMIT TO THE OVERSIGHT COMMITTEE BY
18 DECEMBER 2016. THE TECHNICAL COMMITTEE SHALL ALSO DEVELOP AND
19 SUBMIT TO THE OVERSIGHT COMMITTEE ONE OR MORE TAX POLICY
20 PROPOSALS THAT ARE DESIGNED TO ENSURE A SUFFICIENT LEVEL OF STATE
21 AND LOCAL RESOURCES TO FUND A SCHOOL FINANCE SYSTEM THAT IS
22 ADEQUATE, EQUITABLE, AND SUSTAINABLE. DURING THE 2017 REGULAR
23 LEGISLATIVE SESSION, THE OVERSIGHT COMMITTEE MAY INTRODUCE
24 LEGISLATION CONCERNING TAX POLICY AND A NEW SCHOOL FINANCE
25 SYSTEM. THE OVERSIGHT COMMITTEE MAY CONSIDER AND ADOPT,
26 MODIFY, OR REJECT THE PROPOSALS THAT THE TECHNICAL COMMITTEE
27 SUBMITS.

1 (2) IN PREPARING RECOMMENDATIONS, THE TECHNICAL
2 COMMITTEE, AT A MINIMUM, SHALL STUDY THE FOLLOWING ISSUES:

3 (a) TAX POLICY TO SUPPORT PRESCHOOL, ELEMENTARY, AND
4 SECONDARY SCHOOL FUNDING, WHICH POLICY IS DESIGNED TO PROVIDE
5 EQUITY, ADEQUACY, AND ACCOUNTABILITY IN PUBLIC SCHOOL FUNDING
6 AND TO BE SUSTAINABLE FOR SCHOOL DISTRICTS AND THE STATE;

7 (b) THE MECHANISM AND PROCEDURE FOR COUNTING STUDENTS
8 FOR THE PURPOSES OF CALCULATING PUBLIC SCHOOL FUNDING;

9 (c) THE COMPONENTS OF THE FORMULA FOR CALCULATING PUBLIC
10 SCHOOL FUNDING, INCLUDING AT A MINIMUM COMPONENTS THAT
11 ADDRESS:

12 (I) THE COST PRESSURES ON SCHOOL DISTRICTS SUCH AS SCHOOL
13 DISTRICT SIZE AND LOCATION AND THE VARYING COSTS OF DOING
14 BUSINESS WITHIN THE SCHOOL DISTRICTS;

15 (II) THE COSTS OF PROVIDING MANDATORY PROGRAMS SUCH AS
16 SPECIAL EDUCATION AND ENGLISH LANGUAGE PROFICIENCY;

17 (III) THE INCREASED COSTS OF EDUCATING STUDENTS WHO ARE AT
18 HIGH RISK OF ACADEMIC FAILURE AND THE MECHANISM FOR IDENTIFYING
19 THESE STUDENTS;

20 (IV) THE COSTS OF PROVIDING A WIDE RANGE OF EDUCATIONAL
21 OPPORTUNITIES FOR ALL STUDENTS; AND

22 (V) THE COSTS OF PROVIDING HIGH-QUALITY PROFESSIONAL
23 DEVELOPMENT AND OTHER SUPPORTS FOR EDUCATORS;

24 (d) MECHANISMS TO ADDRESS REVENUE SHORTAGES AND
25 INCREASE THE REVENUES THAT ARE AVAILABLE FOR PUBLIC EDUCATION
26 WHILE MAINTAINING A CONSTITUTIONAL LEVEL OF EQUITY IN FUNDING FOR
27 SCHOOL DISTRICTS AND EQUITY FOR TAXPAYERS, WHICH AT A MINIMUM

1 MUST INCLUDE CONSIDERATION OF:

2 (I) THE CALCULATION OF SCHOOL DISTRICTS' LOCAL SHARE OF
3 FUNDING AND POSSIBLE CHANGES TO THE LOCAL TAX BASE;

4 (II) THE IMPACT OF AUTHORIZED MILL LEVIES THAT ARE IN
5 ADDITION TO THE TOTAL PROGRAM MILL LEVY;

6 (III) THE VARIATION IN SCHOOL DISTRICTS' CAPACITY TO ISSUE
7 BONDS AND THE RELATIONSHIP OF BONDING CAPACITY TO SCHOOL
8 DISTRICTS' ABILITY TO OBTAIN AUTHORIZATION FOR MILL LEVIES THAT ARE
9 IN ADDITION TO THE TOTAL PROGRAM MILL LEVY;

10 (IV) THE ANNUAL INCREASES IN STATEWIDE BASE PER PUPIL
11 FUNDING AND FUNDING FOR CATEGORICAL PROGRAMS MANDATED BY
12 SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION;

13 (V) THE REFUND OF EXCESS REVENUES REQUIRED BY SECTION 20
14 OF ARTICLE X OF THE STATE CONSTITUTION; AND

15 (VI) RESTRICTIONS ON THE VALUATION FOR ASSESSMENT FOR
16 RESIDENTIAL REAL PROPERTY IMPOSED IN SECTION 3 OF ARTICLE X OF THE
17 STATE CONSTITUTION, COMMONLY KNOWN AS THE "GALLAGHER
18 AMENDMENT";

19 (e) A MECHANISM FOR ESTABLISHING AN ADEQUATE LEVEL OF
20 SPENDING FOR PUBLIC EDUCATION, TAKING INTO CONSIDERATION EQUITY
21 CONCERNS INCLUDING:

22 (I) STUDENT EQUITY;

23 (II) TAXPAYER EQUITY;

24 (III) EQUITY OF ACCESS TO A VARIETY OF EDUCATIONAL COURSES
25 AND PROGRAMS; AND

26 (IV) THE ABILITY TO ATTRACT AND RETAIN HIGH-QUALITY STAFF
27 FOR ALL POSITIONS;

1 (f) THE MECHANISMS FOR IMPLEMENTING AND TIMING IN WHICH TO
2 IMPLEMENT TAX POLICY AND SCHOOL FINANCE REFORMS; AND

3 (g) OTHER ISSUES THAT THE OVERSIGHT COMMITTEE FINDS ARE
4 RELEVANT TO INCREASING THE AMOUNT AND AVAILABILITY OF FUNDING
5 FOR PUBLIC SCHOOLS AND RAISING THE LEVEL OF EQUITY AND EFFICIENCY
6 IN ALLOCATING FUNDING FOR PUBLIC SCHOOLS.

7 (3) THE TECHNICAL COMMITTEE, IN WORKING WITH THE
8 FACILITATOR TO DEVELOP ITS RECOMMENDATIONS, SHALL HOLD PUBLIC
9 MEETINGS THROUGHOUT THE STATE AND IN OTHER WAYS SHALL SOLICIT
10 AND CONSIDER INPUT FROM INTERESTED PERSONS, INCLUDING
11 REPRESENTATIVES OF SCHOOL DISTRICT BOARDS OF EDUCATION, SCHOOL
12 DISTRICT SUPERINTENDENTS, SCHOOL ADMINISTRATORS, BOARDS OF
13 COOPERATIVE SERVICES, EDUCATORS, CHARTER SCHOOLS, PARENTS,
14 STUDENTS, MEMBERS OF THE BUSINESS COMMUNITY, EDUCATION
15 ADVOCACY ORGANIZATIONS, AND OTHER TAXPAYERS.

16 **2-2-1907. Repeal of part.** THIS PART 19 IS REPEALED, EFFECTIVE
17 JULY 1, 2017.

18 **SECTION 2. Appropriation.** (1) For the 2015-16 state fiscal
19 year, \$242,635 is appropriated to the legislative department. This
20 appropriation is from the general fund. The legislative department may
21 use this appropriation as follows:

22 (a) \$144,000 to contract with a facilitator pursuant to section
23 2-2-1905, C.R.S.;

24 (b) \$21,780 for the general assembly;

25 (c) \$39,646 for the legislative council, which amount is based on
26 the assumption that the legislative council will require an additional 0.6
27 FTE;

1 (d) \$34,719 for the committee on legal services, which amount is
2 based on the assumption that the committee on legal services will require
3 an additional 0.4 FTE; and

4 (e) \$2,490 for the joint budget committee.

5 (3) For the 2015-16 state fiscal year, \$26,886 is appropriated to
6 the department of education. This appropriation is from the general fund
7 and is based on an assumption that the department will require an
8 additional 0.3 FTE. To implement this act, the department may use this
9 appropriation for public school finance administration.

10 **SECTION 3. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.