

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

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

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.

HOUSE
Amended 2nd Reading
April 20, 2015

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 ALTERNATIVE MODELS FOR PROVIDING
12 EDUCATION THAT MAY RESULT IN GREATER EFFICIENCIES AND MORE
13 EFFECTIVE USE OF RESOURCES, THE GOALS AND ELEMENTS OF AN
14 EFFECTIVE TAX POLICY TO PROVIDE THE STATE AND LOCAL RESOURCES
15 NEEDED TO SUPPORT PRESCHOOL THROUGH SECONDARY EDUCATION IN
16 THE STATE IN AN EQUITABLE, ADEQUATE, AND SUSTAINABLE MANNER AND
17 THE STRUCTURE OF AND FORMULA FOR CALCULATING PUBLIC SCHOOL
18 FUNDING IN THE STATE. THE GOAL OF THE LEGISLATIVE OVERSIGHT
19 COMMITTEE AND THE TECHNICAL COMMITTEE IS TO MAKE
20 RECOMMENDATIONS REGARDING CONSTITUTIONAL CHANGES TO
21 STRENGTHEN THE ABILITY OF THE STATE AND LOCAL GOVERNMENTS TO
22 PROVIDE FUNDING FOR PUBLIC EDUCATION THAT IS EQUITABLE,
23 ADEQUATE, AND SUSTAINABLE AND TO RECOMMEND LEGISLATION FOR
24 INTRODUCTION DURING THE 2017 REGULAR LEGISLATIVE SESSION TO
25 ALLOW THE USE OF ALTERNATIVE MODELS TO IMPROVE THE EFFICIENCY
26 AND EFFECTIVENESS OF PROVIDING EDUCATION AND TO REPLACE THE
27 "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF TITLE 22, C.R.S.

1 **2-2-1902. Definitions.** AS USED IN THIS PART 19, UNLESS THE
2 CONTEXT OTHERWISE REQUIRES:

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

5 (2) "OVERSIGHT COMMITTEE" MEANS THE LEGISLATIVE OVERSIGHT
6 COMMITTEE ON SCHOOL FINANCE APPOINTED PURSUANT TO SECTION
7 2-2-1903.

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

10 **2-2-1903. Legislative oversight committee on school finance -**

11 **created - duties.** (1) NOTWITHSTANDING THE PROVISIONS OF SECTION
12 2-3-303.3, THERE IS CREATED THE LEGISLATIVE OVERSIGHT COMMITTEE
13 ON SCHOOL FINANCE TO WORK WITH THE TECHNICAL COMMITTEE TO
14 STUDY AND RECOMMEND LEGISLATION REGARDING TAX POLICY,
15 AUTHORIZATION OF ALTERNATIVE MODELS TO IMPROVE THE EFFICIENCY
16 AND EFFECTIVENESS OF PROVIDING EDUCATION, AND SCHOOL FINANCE.

17 THE OVERSIGHT COMMITTEE CONSISTS OF TEN MEMBERS AS FOLLOWS:

18 (a) THE PERSONS SERVING AS CHAIRS OF THE EDUCATION
19 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR
20 ANY SUCCESSOR COMMITTEES, OR THEIR DESIGNEES;

21 (b) THE PERSONS SERVING AS CHAIRS OF THE FINANCE
22 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR
23 ANY SUCCESSOR COMMITTEES, OR THEIR DESIGNEES;

24 (c) TWO MEMBERS, ONE OF WHOM SERVES ON THE JOINT BUDGET
25 COMMITTEE, APPOINTED BY THE SPEAKER OF THE HOUSE OF
26 REPRESENTATIVES;

27 (d) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE

1 HOUSE OF REPRESENTATIVES;

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

4 (f) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE
5 SENATE.

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

18 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
19 APPOINT THE FIRST CHAIR OF THE OVERSIGHT COMMITTEE, AND THE
20 PRESIDENT OF THE SENATE SHALL APPOINT THE FIRST VICE-CHAIR OF THE
21 OVERSIGHT COMMITTEE. THE CHAIR AND VICE-CHAIR SHALL ALTERNATE
22 ANNUALLY THEREAFTER BETWEEN THE TWO HOUSES.

23 (3) THE CHAIR OF THE OVERSIGHT COMMITTEE SHALL SCHEDULE
24 THE FIRST MEETING OF THE OVERSIGHT AND THE TECHNICAL COMMITTEES
25 TO BE HELD NO LATER THAN AUGUST 1, 2015. FROM AUGUST THROUGH
26 DECEMBER 2015, THE OVERSIGHT COMMITTEE SHALL MEET UP TO FIVE
27 TIMES WITH THE TECHNICAL COMMITTEE AND THE FACILITATOR AS

1 PROVIDED IN SECTION 2-2-1905. FROM JANUARY THROUGH DECEMBER
2 2016, THE OVERSIGHT COMMITTEE SHALL MEET WITH THE TECHNICAL
3 COMMITTEE AND THE FACILITATOR AT LEAST QUARTERLY, AT THE CALL OF
4 THE CHAIR, TO ACCOMPLISH ITS DUTIES. THE OVERSIGHT COMMITTEE MAY
5 MEET AT OTHER TIMES DURING THE LEGISLATIVE SESSION AND DURING THE
6 LEGISLATIVE INTERIM, AT THE CALL OF THE CHAIR, AS NECESSARY TO
7 COMPLETE ITS DUTIES. MEMBERS OF THE OVERSIGHT COMMITTEE ARE
8 STRONGLY ENCOURAGED TO ATTEND MEETINGS OF THE TECHNICAL
9 COMMITTEE. A MEMBER OF THE OVERSIGHT COMMITTEE WHO ATTENDS A
10 TECHNICAL COMMITTEE MEETING IS ENTITLED TO REIMBURSEMENT FOR
11 ALL ACTUAL AND NECESSARY EXPENSES INCURRED IN ATTENDING THE
12 MEETING.

13 (4) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL
14 AND THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL
15 PROVIDE STAFF ASSISTANCE TO THE OVERSIGHT COMMITTEE.

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

1 RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND IN
2 SECTION 2-3-303 (1) (f), TO REPORT BILLS OR OTHER MEASURES TO THE
3 LEGISLATIVE COUNCIL.

4 (6) ALLEXPENDITURES INCURRED BY THE OVERSIGHT COMMITTEE,
5 THE TECHNICAL COMMITTEE, AND THE FACILITATOR SHALL BE APPROVED
6 BY THE CHAIR OF THE LEGISLATIVE COUNCIL AND PAID FOR BY VOUCHERS
7 AND WARRANTS DRAWN AS PROVIDED BY LAW FROM MONEYS
8 APPROPRIATED BY THE GENERAL ASSEMBLY TO THE LEGISLATIVE
9 DEPARTMENT FOR PURPOSES OF THIS PART 19.

10 **2-2-1904. Technical committee on school finance - created.**

11 (1) THERE IS CREATED THE TECHNICAL COMMITTEE ON SCHOOL FINANCE
12 TO ASSIST THE OVERSIGHT COMMITTEE IN RESEARCHING AND DEVELOPING
13 TAX POLICIES AND STRUCTURES FOR COLLECTING RESOURCES TO SUPPORT
14 THE PUBLIC SCHOOL SYSTEM, ALTERNATIVE MODELS TO IMPROVE THE
15 EFFICIENCY AND EFFECTIVENESS OF PROVIDING EDUCATION, AND A
16 FORMULA AND POLICIES FOR DISTRIBUTING THE RESOURCES. THE
17 TECHNICAL COMMITTEE CONSISTS OF NINE PERSONS AS FOLLOWS:

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

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

25 (c) SEVEN PERSONS APPOINTED JOINTLY BY THE CHAIR AND THE
26 VICE-CHAIR OF THE OVERSIGHT COMMITTEE WHO HAVE DIRECT
27 EXPERIENCE AND EXPERTISE IN IMPLEMENTING SCHOOL FINANCE OR

1 WORKING WITH TAX POLICY ISSUES OR BOTH. THE PERSONS APPOINTED TO
2 SERVE ON THE TECHNICAL COMMITTEE MUST INCLUDE CHIEF FINANCIAL
3 OFFICERS, WHICH MAY INCLUDE PERSONS WHO SERVE AS BOTH CHIEF
4 FINANCIAL OFFICER, OR THE EQUIVALENT, AND SUPERINTENDENT, OF
5 URBAN, SUBURBAN, AND RURAL SCHOOL DISTRICTS, AT LEAST ONE
6 REPRESENTATIVE OF CHARTER SCHOOL INTERESTS WHO SERVES IN A
7 FINANCIAL OVERSIGHT CAPACITY, AND AT LEAST TWO PERSONS WHO HAVE
8 EXPERTISE IN TAX POLICY AND SCHOOL FINANCE AND WHO ARE NOT
9 EMPLOYED BY A SCHOOL DISTRICT, A BOARD OF COOPERATIVE SERVICES,
10 A PUBLIC SCHOOL, OR AN EDUCATION ADVOCACY GROUP.

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

23 (3) THE APPOINTED MEMBERS OF THE TECHNICAL COMMITTEE
24 SERVE WITHOUT COMPENSATION BUT RECEIVE REIMBURSEMENT FOR
25 REASONABLE EXPENSES INCURRED IN PARTICIPATING ON THE TECHNICAL
26 COMMITTEE.

27 (4) THE CHAIR AND THE VICE-CHAIR SHALL DESIGNATE ONE OF THE

1 APPOINTED MEMBERS OF THE TECHNICAL COMMITTEE TO SERVE AS THE
2 CHAIR OF THE TECHNICAL COMMITTEE. THE TECHNICAL COMMITTEE SHALL
3 MEET AS OFTEN AS NECESSARY AT THE CALL OF THE CHAIR TO FULFILL ITS
4 RESPONSIBILITIES. IN ADDITION, IN 2015 THE TECHNICAL COMMITTEE
5 SHALL MEET UP TO FIVE TIMES WITH THE OVERSIGHT COMMITTEE AND THE
6 FACILITATOR AS PROVIDED IN SECTION 2-2-1905. FROM JANUARY
7 THROUGH DECEMBER 2016, THE TECHNICAL COMMITTEE SHALL MEET AT
8 LEAST QUARTERLY WITH THE OVERSIGHT COMMITTEE TO REPORT ITS
9 PROGRESS, FINDINGS, AND RECOMMENDATIONS WITH REGARD TO THE
10 ISSUES SPECIFIED IN SECTION 2-2-1905.

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

19 **2-2-1905. Facilitator - selection - duties.** (1) AS SOON AS
20 POSSIBLE AFTER THE EFFECTIVE DATE OF THIS PART 19, THE CHAIRS OF THE
21 EDUCATION COMMITTEES AND THE FINANCE COMMITTEES OF THE HOUSE
22 OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES,
23 OR THEIR DESIGNEES, SHALL WORK WITH THE LEGISLATIVE COUNCIL STAFF
24 TO PREPARE AND ISSUE A REQUEST FOR QUALIFICATIONS FOR AN ENTITY TO
25 SERVE AS A FACILITATOR FOR THE OVERSIGHT COMMITTEE AND THE
26 TECHNICAL COMMITTEE. BASED ON THE RESPONSES RECEIVED, THE CHAIR
27 AND VICE-CHAIR OF THE OVERSIGHT COMMITTEE SHALL SELECT AND

1 CONTRACT WITH A FACILITATOR NO LATER THAN AUGUST 15, 2015. THE
2 CHAIR AND VICE-CHAIR OF THE OVERSIGHT COMMITTEE MUST ENSURE
3 THAT THE ENTITY SELECTED AS FACILITATOR AT A MINIMUM
4 DEMONSTRATES:

5 (a) EXPERTISE IN THE SCHOOL FINANCE SYSTEM IMPLEMENTED IN
6 COLORADO AND THE SYSTEMS IMPLEMENTED IN OTHER COMPARABLE OR
7 MODEL STATES;

8 (b) EXPERTISE AND EXPERIENCE IN DESIGNING AND DEVELOPING
9 SCHOOL FINANCE SYSTEMS;

10 (c) EXPERTISE AND EXPERIENCE IN WORKING WITH ALTERNATIVE
11 MODELS OF PROVIDING EDUCATION THAT ARE DESIGNED TO IMPROVE
12 EFFICIENCIES AND SYSTEM EFFECTIVENESS;

13 (d) EXPERTISE IN TAX POLICY; AND

14 (e) EMPLOYMENT OF A STAFF OF PERSONS WITH THE CAPACITY AND
15 EXPERTISE TO WORK WITH MULTIPLE STAKEHOLDER GROUPS AND TO
16 RESEARCH AND ANALYZE EXISTING AND PROPOSED SCHOOL FINANCE
17 SYSTEMS IN OTHER STATES AND THEIR POTENTIAL APPLICABILITY IN
18 COLORADO AND TAX POLICY IMPLEMENTED IN OTHER STATES.

19 (2) IN MEETINGS WITH THE OVERSIGHT COMMITTEE AND THE
20 TECHNICAL COMMITTEE HELD FROM AUGUST THROUGH DECEMBER 2015,
21 THE FACILITATOR SHALL PROVIDE RESEARCH AND EXPLANATIONS FOR THE
22 OVERSIGHT COMMITTEE AND THE TECHNICAL COMMITTEE CONCERNING:

23 (a) THE POLICY CONSIDERATIONS AND ISSUES THAT THE SCHOOL
24 FINANCE SYSTEM IN COLORADO HAS ADDRESSED AND MAY BE DESIGNED
25 TO ADDRESS IN THE FUTURE;

26 (b) STUDIES OF THE SCHOOL FINANCE SYSTEM IN COLORADO THAT
27 HAVE BEEN CONDUCTED SINCE ADOPTION OF THE "PUBLIC SCHOOL

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

2 (c) THE SCHOOL FINANCE SYSTEMS IMPLEMENTED BY OTHER
3 STATES THAT ARE COMPARABLE TO COLORADO IN SIZE, DEMOGRAPHICS,
4 AND EXERCISE OF LOCAL CONTROL;

5 (d) INNOVATIVE AND PROVEN POLICIES FOR DESIGNING
6 ALTERNATIVE MODELS OF PROVIDING EDUCATION THAT RESULT IN
7 IMPROVED EFFICIENCIES AND SYSTEM EFFECTIVENESS AND FOR DESIGNING
8 AND IMPLEMENTING A SCHOOL FINANCE SYSTEM; AND

9 (e) POTENTIAL ALTERNATIVE MODELS FOR PROVIDING EDUCATION
10 AND POTENTIAL MODELS FOR A NEW SCHOOL FINANCE SYSTEM IN
11 COLORADO.

12 (3) FROM JANUARY THROUGH DECEMBER 2016, THE FACILITATOR
13 SHALL ASSIST THE OVERSIGHT COMMITTEE AND THE TECHNICAL
14 COMMITTEE IN DESIGNING ALTERNATIVE MODELS FOR PROVIDING
15 EDUCATION AND ONE OR MORE SCHOOL FINANCE SYSTEMS THAT THE
16 TECHNICAL COMMITTEE MAY RECOMMEND TO THE OVERSIGHT
17 COMMITTEE. THE FACILITATOR MAY ALSO ASSIST THE TECHNICAL
18 COMMITTEE IN FORMULATING RECOMMENDATIONS FOR TAX POLICY
19 CHANGES TO PROVIDE SUFFICIENT RESOURCES TO SUPPORT A SCHOOL
20 FINANCE SYSTEM IN COLORADO THAT IS ADEQUATE, EQUITABLE, AND
21 SUSTAINABLE.

22

23 **2-2-1906. Oversight committee - technical committee - duties.**

24 (1) DURING THE 2016 REGULAR LEGISLATIVE SESSION, THE OVERSIGHT
25 COMMITTEE MAY INTRODUCE LEGISLATION THAT ADDRESSES THE GOALS
26 FOR FUNDING PUBLIC EDUCATION AND A METHOD FOR DETERMINING THE
27 COST OF MAINTAINING THE PUBLIC EDUCATION SYSTEM. BEGINNING IN

1 JUNE 2016, THE TECHNICAL COMMITTEE, WORKING WITH THE
2 FACILITATOR, SHALL RESEARCH AND DESIGN ONE OR MORE PROPOSALS FOR
3 ALTERNATIVE MODELS FOR PROVIDING EDUCATION AND FOR SCHOOL
4 FINANCE SYSTEMS TO SUBMIT TO THE OVERSIGHT COMMITTEE BY
5 DECEMBER 2016. THE TECHNICAL COMMITTEE SHALL ALSO DEVELOP AND
6 SUBMIT TO THE OVERSIGHT COMMITTEE ONE OR MORE TAX POLICY
7 PROPOSALS THAT ARE DESIGNED TO ENSURE A SUFFICIENT LEVEL OF STATE
8 AND LOCAL RESOURCES TO FUND A SCHOOL FINANCE SYSTEM THAT IS
9 ADEQUATE, EQUITABLE, AND SUSTAINABLE. DURING THE 2017 REGULAR
10 LEGISLATIVE SESSION, THE OVERSIGHT COMMITTEE MAY INTRODUCE
11 LEGISLATION CONCERNING TAX POLICY, MODELS FOR PROVIDING
12 EDUCATION, AND A NEW SCHOOL FINANCE SYSTEM. THE OVERSIGHT
13 COMMITTEE MAY CONSIDER AND ADOPT, MODIFY, OR REJECT THE
14 PROPOSALS THAT THE TECHNICAL COMMITTEE SUBMITS.

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

17 (a) TAX POLICY TO SUPPORT PRESCHOOL, ELEMENTARY, AND
18 SECONDARY SCHOOL FUNDING, WHICH POLICY IS DESIGNED TO PROVIDE
19 EQUITY, ADEQUACY, AND ACCOUNTABILITY IN PUBLIC SCHOOL FUNDING
20 AND TO BE SUSTAINABLE FOR SCHOOL DISTRICTS AND THE STATE;

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

23 (c) THE COMPONENTS OF THE FORMULA FOR CALCULATING PUBLIC
24 SCHOOL FUNDING, INCLUDING AT A MINIMUM COMPONENTS THAT
25 ADDRESS:

26 (I) THE COST PRESSURES ON SCHOOL DISTRICTS SUCH AS SCHOOL
27 DISTRICT SIZE AND LOCATION AND THE VARYING COSTS OF DOING

- 1 BUSINESS WITHIN THE SCHOOL DISTRICTS;
- 2 (II) THE COSTS OF PROVIDING MANDATORY PROGRAMS SUCH AS
3 SPECIAL EDUCATION AND ENGLISH LANGUAGE PROFICIENCY;
- 4 (III) THE INCREASED COSTS OF EDUCATING STUDENTS WHO ARE AT
5 HIGH RISK OF ACADEMIC FAILURE AND THE MECHANISM FOR IDENTIFYING
6 THESE STUDENTS;
- 7 (IV) THE COSTS OF PROVIDING A WIDE RANGE OF EDUCATIONAL
8 OPPORTUNITIES FOR ALL STUDENTS; AND
- 9 (V) THE COSTS OF PROVIDING HIGH-QUALITY PROFESSIONAL
10 DEVELOPMENT AND OTHER SUPPORTS FOR EDUCATORS;
- 11 (d) MECHANISMS TO ADDRESS REVENUE SHORTAGES AND
12 INCREASE THE REVENUES THAT ARE AVAILABLE FOR PUBLIC EDUCATION
13 WHILE MAINTAINING A CONSTITUTIONAL LEVEL OF EQUITY IN FUNDING FOR
14 SCHOOL DISTRICTS AND EQUITY FOR TAXPAYERS, WHICH AT A MINIMUM
15 MUST INCLUDE CONSIDERATION OF:
- 16 (I) THE CALCULATION OF SCHOOL DISTRICTS' LOCAL SHARE OF
17 FUNDING AND POSSIBLE CHANGES TO THE LOCAL TAX BASE;
- 18 (II) THE IMPACT OF AUTHORIZED MILL LEVIES THAT ARE IN
19 ADDITION TO THE TOTAL PROGRAM MILL LEVY;
- 20 (III) THE VARIATION IN SCHOOL DISTRICTS' CAPACITY TO ISSUE
21 BONDS AND THE RELATIONSHIP OF BONDING CAPACITY TO SCHOOL
22 DISTRICTS' ABILITY TO OBTAIN AUTHORIZATION FOR MILL LEVIES THAT ARE
23 IN ADDITION TO THE TOTAL PROGRAM MILL LEVY;
- 24 (IV) THE ANNUAL INCREASES IN STATEWIDE BASE PER PUPIL
25 FUNDING AND FUNDING FOR CATEGORICAL PROGRAMS MANDATED BY
26 SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION;
- 27 (V) THE REFUND OF EXCESS REVENUES REQUIRED BY SECTION 20

1 OF ARTICLE X OF THE STATE CONSTITUTION; AND

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

6 (e) A MECHANISM FOR ESTABLISHING AN ADEQUATE LEVEL OF
7 SPENDING FOR PUBLIC EDUCATION, TAKING INTO CONSIDERATION EQUITY
8 CONCERNS INCLUDING:

9 (I) STUDENT EQUITY;

10 (II) TAXPAYER EQUITY;

11 (III) EQUITY OF ACCESS TO A VARIETY OF EDUCATIONAL COURSES
12 AND PROGRAMS; AND

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

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

17 (g) OTHER ISSUES THAT THE OVERSIGHT COMMITTEE FINDS ARE
18 RELEVANT TO INCREASING THE AMOUNT AND AVAILABILITY OF FUNDING
19 FOR PUBLIC SCHOOLS AND RAISING THE LEVEL OF EQUITY AND EFFICIENCY
20 IN ALLOCATING FUNDING FOR PUBLIC SCHOOLS.

21 (3) THE TECHNICAL COMMITTEE, IN WORKING WITH THE
22 FACILITATOR TO DEVELOP ITS RECOMMENDATIONS, SHALL HOLD PUBLIC
23 MEETINGS THROUGHOUT THE STATE AND IN OTHER WAYS SHALL SOLICIT
24 AND CONSIDER INPUT FROM INTERESTED PERSONS, INCLUDING
25 REPRESENTATIVES OF SCHOOL DISTRICT BOARDS OF EDUCATION, SCHOOL
26 DISTRICT SUPERINTENDENTS, SCHOOL ADMINISTRATORS, BOARDS OF
27 COOPERATIVE SERVICES, EDUCATORS, CHARTER SCHOOLS, PARENTS,

1 STUDENTS, MEMBERS OF THE BUSINESS COMMUNITY, EDUCATION
2 ADVOCACY ORGANIZATIONS, AND OTHER TAXPAYERS.

3 **2-2-1907. Repeal of part.** THIS PART 19 IS REPEALED, EFFECTIVE
4 JULY 1, 2017.

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

9 (a) \$144,000 to contract with a facilitator pursuant to section
10 2-2-1905, C.R.S.;

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

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

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

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

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

24 **SECTION 3. 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.