

**Colorado Department of Education
Public School Finance Unit**

**Summary SB11-230
Introduced April 5, 2011**

Amendments made in Senate Appropriations Committee – April 7 are shown in red
The bill passed Senate Appropriations Committee with amendments – April 7
The bill passed 2nd reading in the Senate with amendments – April 8
The bill passed 3rd reading in the Senate – April 11
The bill passed House Education Committee Unamended – April 18
The bill passed House Appropriation Committee with minor amendments – April 19
The bill passed 2nd reading in the House with amendments – April 21
The bill passed 3rd reading in the House with amendments – April 25
The Senate concurred with House Amendments and repassed - April 29

CONCERNING THE FINANCING OF PUBLIC SCHOOLS

(By summarizing the language in the bill, this does not alter the statutory language nor should it be considered legal advice in any way. For detailed language, please see the applicable section within the bill.)

ISSUE—FINANCE FORMULA

Section 1, 5 & 6

Reduces the total program funding amount of \$5,438,295,823 enacted by HB10-1369 for 2011-12 by \$250,000,000. The proposed total program funding for 2011-12 is \$5,188,295,823. **House reduced the cut by \$22,500,000 to \$227,500,000 and revised the total program funding to \$5,210,795,823.**

Also states legislative intent that certain monies transferred to the state public school fund be made available for appropriation in 2011-2012 to account for any funding shortfall that may exist due to unanticipated changes in pupil enrollment, the at-risk pupil population, assessed valuations, or specific ownership taxes. If state General Fund revenues for FY 2010-11 exceed the amount required to be held in reserve, the first \$67,500,000 of excess General Fund revenues shall be transferred to the state public school fund; the remainder of any excess General Fund revenues shall be transferred to the state education fund.

The total program funding amount for 2011-12 prior to the application of the negative factor (previously known as the budget stabilization factor) would be approximately \$5,987,109,016. This takes into account inflation, growth in pupil counts, at-risk counts, assessed valuation and specific ownership changes.

The negative factor applied to the \$5,987,109,016 results in a difference of (\$798,813,193). **Negative factor adjusted in the house to (\$776,313,193).**

	AS INTRODUCED	HOUSE AMENDMENT	Change
Total program funding before negative factor	\$5,987,109,016	\$5,987,109,016	-0-
Less negative factor	(\$798,813,193)	(\$776,313,193)	\$22,500,000
Proposed total program	\$5,188,295,823	\$5,210,795,823	\$22,500,000

Section 2.

Calculates statewide base per pupil funding to add for inflation (additional 1% from amendment 23 has expired)

Base per pupil funding – 2010-11	\$5,529.71
Add 1.9% inflation	\$105.06
Base per pupil funding – 2011-12	\$5,634.77

Section 3.

**Amends paragraph under 22-54-104 (5) (g) (I) and 22-54-104(5)(g)(I)(B).
District total program.**

- Extends the potential for the application of the negative factor past 2011-12 by inserting language as follows: For the 2010-11 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER. This language is throughout the bill.
- Changes the budget stabilization factor name to negative factor throughout the bill.
- Sets the total program funding floor after the negative factor is applied to \$5,188,295,823 for the 2011-12 budget year. This is \$250,000,000 below the \$5,438,295,823 enacted last year in HB10-1369.
- **House amendment: Sets the total program funding floor after the negative factor is applied to \$5,210,795,823 for the 2011-12 budget year. This is \$227,500,000 below the \$5,438,295,823 enacted last year in HB10-1369.**

Section 4

22-54-104 (4.5). District total program

Establishes the calculation of the negative factor by dividing the negative factor reduction by the total program funding as calculated prior to applying the negative factor. For example:

	AS INTRODUCED	HOUSE AMENDMENT	Change
Reduction to total program	\$798,813,193	\$776,313,193	\$22,500,000
Divided by total program funding	\$5,987,109,016	\$5,987,109,016	-0-
Negative factor	13.34%	12.97%	.37%

Section 7

Adds new section: 22-42-104. Limit of bonded indebtedness.

For bonded indebtedness issued after June 1, 2011, the assessed valuations used to calculate the district's limit will be the valuation certified on the December 1 prior to the date on which the bonds are issued.

Section 8 - 22-41-102. Fund inviolate.

Section 9 – 36-1-116. Disposition of rentals, royalties, and timber sale proceeds.

Section 10 – Disposition of rentals, royalties, and timber sale proceeds.

All of these extend through 2012-13 fiscal year the requirement that interest and income earned on investments in the public school fund, proceeds from sale of timber sales, rentals and royalties on public school lands, and royalties and other payments for mineral extraction on public school lands, that does not go to the capital construction assistance fund is transferred to the state public school fund.

Section 11

Extends the date from September 1, 2010 to September 1, 2015 the transfer of interest differential from severance tax funds to the public school energy efficiency fund.

Section 14 - 16 Adds appropriation clause.

Slight adjustments to appropriation clause.