

**First Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 11-0622.01 Julie Pelegrin

**SENATE BILL 11-001**

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**SENATE SPONSORSHIP**

**Bacon,** Shaffer B.

**HOUSE SPONSORSHIP**

**Kerr A.,**

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**Senate Committees**

Education  
Finance

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING FUNDING FOR PUBLIC EDUCATION.**     

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**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/billsummaries>.)*

In the bill, the general assembly recognizes the preeminent importance of funding public education and the need to prioritize funding for public education.

The bill creates the knowledge-based economy fund (fund) that will consist of an amount of money equal to the amount by which the state general fund beginning balance for the 2011-12 fiscal year, as estimated in December 2011, exceeds the estimate of the beginning state

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.*

general fund balance in March 2011, moneys received as a result of certain audits, and any additional moneys the general assembly may appropriate to the fund. The moneys credited to the fund as of January 1, 2012, are appropriated to the department of education for distribution to school districts and institute charter schools through a reduction in the state budget stabilization factor. Any moneys credited to the fund after January 1, 2012, but prior to June 30, 2012, may be used as supplemental appropriations to the department of education for school districts and charter schools. The fund repeals on July 1, 2012.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds that:

4 (a) In difficult economic times, the general assembly must be  
5 exceptionally vigilant in prioritizing the appropriation of public moneys  
6 to fund those services that most directly influence the success of the state  
7 and its citizens;

8 (b) Of all of the services provided by state and local government,  
9 public education exercises the most widespread, direct influence on the  
10 citizens of the state, ensuring them a wider range of opportunities and a  
11 greater likelihood of economic success;

12 (c) In providing a well-educated citizenry, a well-funded, effective  
13 public education system also increases the likelihood that the state will  
14 enjoy a strong economy that attracts investment by businesses and  
15 industries that further improve the standard of living for the people of the  
16 state; and

17 (d) During periods of budgetary reductions, it is crucial that the  
18 state maintains funding for public education to the greatest extent  
19 possible. In considering funding for services and programs other than  
20 education, the general assembly should specifically balance the necessity

1 of funding that service or program against the necessity of funding the  
2 state's public education system.

3 (2) The general assembly finds, therefore, that it is in the best  
4 interests of the state to appropriate to the state public school fund created  
5 in section 22-54-114, Colorado Revised Statutes, and to the state  
6 education fund created in section 17(4) of article IX of the state  
7 constitution the amount of the general fund surplus that exceeds the  
8 amount required for reserves for the 2010-11 fiscal year and any  
9 additional amount that the general assembly finds would be most  
10 appropriately spent to enhance the public education system in the state.

11 **SECTION 2.** 24-75-201.1 (1) (d) (XI.5), Colorado Revised  
12 Statutes, as amended by Senate Bill 11-156, is amended to read:

13 **24-75-201.1. Restriction on state appropriations - legislative**  
14 **declaration - negative factor reduction cash fund - definitions -**  
15 **repeal.** (1) (d) Except as otherwise provided in paragraph (e) of this  
16 subsection (1), for each fiscal year, unrestricted general fund year-end  
17 balances shall be retained as a reserve in the following amounts:

18 (XI.5) For the fiscal year 2010-11, two and three-tenths percent  
19 of the amount appropriated for expenditure from the general fund for that  
20 fiscal year. The additional amount of general fund moneys made  
21 available for appropriation by the reduction in the required reserve from  
22 four percent to two and three-tenths percent may be appropriated during  
23 the fiscal year 2010-11 for any lawful purpose. Notwithstanding any  
24 provision of law to the contrary, the state treasurer shall transfer the  
25 general fund surplus designated in accordance with section 24-75-201 (1)  
26 for the fiscal year 2010-11, less the applicable amount of reserve required  
27 pursuant to this subparagraph (XI.5), to the STATE PUBLIC SCHOOL FUND

1 CREATED IN SECTION 22-54-114, C.R.S., AND TO THE state education fund  
2 created in section 17 (4) of article IX of the state constitution. ~~Such~~  
3 ~~transfer shall be made~~ ON JULY 1, 2011, THE STATE TREASURER SHALL  
4 TRANSFER AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE  
5 ESTIMATED TOTAL AMOUNT REQUIRED TO BE TRANSFERRED PURSUANT TO  
6 THIS SUBPARAGRAPH (XI.5) TO THE STATE PUBLIC SCHOOL FUND. THE  
7 AMOUNT TRANSFERRED SHALL BE BASED ON THE ESTIMATE OF GENERAL  
8 FUND REVENUES PREPARED BY THE OFFICE OF STATE PLANNING AND  
9 BUDGETING IN JUNE 2011. On the date on which the state controller  
10 publishes the comprehensive annual financial report of the state for the  
11 fiscal year 2010-11, THE STATE TREASURER SHALL TRANSFER THE  
12 REMAINDER OF THE AMOUNT REQUIRED TO BE TRANSFERRED PURSUANT TO  
13 THIS SUBPARAGRAPH (XI.5) TO THE STATE EDUCATION FUND.

14 **SECTION 3.** 22-54-114, Colorado Revised Statutes, is amended  
15 BY THE ADDITION OF A NEW SUBSECTION to read:

16 **22-54-114. State public school fund.** (2.7) FOR THE 2011-12  
17 BUDGET YEAR, THE STATE TREASURER SHALL TRANSFER TO THE STATE  
18 PUBLIC SCHOOL FUND THE AMOUNT DESCRIBED IN SECTION 24-75-201.1 (1)  
19 (d) (XI.5), C.R.S. THE TRANSFERRED MONEYS ARE CONTINUOUSLY  
20 APPROPRIATED TO THE DEPARTMENT OF EDUCATION FOR THE PURPOSE OF  
21 INCREASING THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL  
22 DISTRICTS, INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, FOR  
23 THE 2011-12 BUDGET YEAR AS ESTABLISHED IN SECTION 22-54-104 (5) (g)  
24 (I) (B), AND THEREBY REDUCING THE NEGATIVE FACTOR APPLIED TO  
25 TOTAL PROGRAM FUNDING FOR EACH DISTRICT AND FOR EACH INSTITUTE  
26 CHARTER SCHOOL FOR THE 2011-12 BUDGET YEAR.

27 **SECTION 4.** 22-54-104 (5), Colorado Revised Statutes, is

1 amended BY THE ADDITION OF A NEW PARAGRAPH to read:  
2 22-54-104. District total program. (5) For purposes of the  
3 formulas used in this section:  
4 (h) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (g) OF THIS  
5 SUBSECTION (5) TO THE CONTRARY, FOR THE 2011-12 BUDGET YEAR, THE  
6 DEPARTMENT OF EDUCATION SHALL USE ANY AMOUNT OF MONEYS  
7 APPROPRIATED TO THE DEPARTMENT PURSUANT TO SECTION 24-54-114  
8 (2.5), TO REDUCE THE NEGATIVE FACTOR CALCULATED PURSUANT TO  
9 PARAGRAPH (g) OF THIS SUBSECTION (5).  
10 SECTION 5. 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.