Finally, a School Finance Act

We’ve been waiting and waiting … and wondering what surprises were in store … but now we finally have a 2017-18 School Finance Act. And there aren’t many surprises.

**Senate Bill 296**, the vehicle this session for the School Finance Act, was introduced on Wednesday by Sen. Owen Hill, R-Colorado Springs. The bill sets the per pupil funding, or "base," at $6,546.20 per pupil, for a total K-12 allocation of approximately $6.3 billion.

Sen. Hill also sponsors **Senate Bill 061**, part of which concerns sharing of Mill Levy Override funds between school districts and district-authorized charter schools. SB 61 was approved by the Senate but has not been assigned to a committee in the House.
Many pundits felt that the delay in introducing the School Finance Act was to encourage the Speaker of the House to take action on SB 61.

**Sen. Hill had this to say about SB 296:**

"Coloradans expect a funded and functional state government. Every bill is important, but this legislation to fund our schools has a direct and immediate impact on our children’s futures. Senate Republicans are unwilling to wait to fund education in Colorado. The introduction of the School Finance Act takes a crucial step forward, increasing per pupil funding in a year that forced hard discussions on prioritization in our state budget. Our kids are our future. By investing in our children, we signal to Colorado that our future is bright."

Capitol veterans from the education community have been trying to remember a year when the School Finance Act was introduced this late in the session. With less than 20 days until the end, and many important bills still undecided, it will require a sprint to finish.

While the wrangling that delayed the School Finance Act is entertaining for political junkies, in the real world, it is a cause for heartburn. School boards across the state are under the gun to approve district budgets. Now, at least, they can move forward.

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**I Would Rate it a 7.2 … It has a Good Beat and You Can Dance to It**

A fraction of a percentage point makes a big difference when you’re talking about millions of dollars. In this case, we are talking about a fraction related to the statewide residential assessment rate (RAR).

The RAR is important because it determines how much local governments collect in property taxes. When the RAR drops, it means less money for school districts.

State officials on Monday set the RAR at 7.2 percent for 2017-18. The current rate is 7.96 percent, and earlier this year, state economists said they expected the rate to drop to 6.85 percent.

The bottom line is that the rate dropped, but it could have been worse. In fact, the higher-than-expected rate may help keep the negative factor flat for this budget year.

The RAR is adjusted periodically to ensure that Colorado conforms to the Gallagher Amendment and its language concerning the relative property tax burdens of residential and non-residential real estate.

Because residential assessed values have historically outpaced non-residential values, the RAR has been steadily reduced, from 21 percent in 1982 to 7.2 percent in the latest adjustment. When the rate drops, statewide local property tax revenues fall, and the state must step in to backfill school district budgets.

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**How to Pay for a “Vision”**

Two bills have bubbled up late in the session that raise some interesting issues for school districts. House Bill 1340, titled Legislative Interim Committee on School Finance, is sponsored by Rep. Paul Lunedeon, R-Monument, and Rep. Alec Garnett, D-Boulder. Currently, there are no Senate sponsors. The bill would authorize a committee to meet during the legislative off-season to study how Colorado school finance could be improved. The bill would specifically study:

"An appropriate, accurate method for identifying students who, because of their life circumstances, are in greater need of services and supports to give them opportunities equal to those of their peers to achieve their academic potential."

Once legislators figure out how to pay for K-12 education, they would move on to the question, “What is the vision of education in Colorado?” HB 1287 poses that question and comes from a bipartisan group of legislators. Reps. Millie Hamner, D-Summit County, and Bob Rankin, R-Carbondale, along with Sens. Andy Kerr, D-Lakewood, and Kevin Priola, R-Henderson, want a permanent legislative committee that would study what K-12 education should include.
The process would involve a statewide road show to gather input from Coloradans. Then an advisory committee made up of teachers, administrators, school board members and taxpayers would work on a report to legislators.

The shelves of the capitol library are lined with studies and reports, many of them long forgotten and relegated to the dustbin of history. Are these bills destined to join those dusty tomes in the capitol basement? That will be up to the elected 100 under the gold dome, and more importantly the citizens of Colorado.

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**Bill update**

View the [CASB Bill Tracker](https://www.casb.org/site/default.aspx?PageType=3&DomainID=81&ModuleInstanceID=1013&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108) through the CASB website. Two view options are available.


*Allows PERA retirees to work in certain hard-to-fill positions in rural school districts without impacting their current PERA retirement.*

The latest: Awaiting vote in Senate.


*Aligns ninth- and tenth-grade testing to content standards and the eleventh-grade state-administered college preparedness test.*

The latest: On its way to governor’s desk.


While not an education bill, the outcome of HB 1242 has the potential to greatly impact a number of bills related to education. HB 1242 was amended in committee to reduce the sales tax increase for transportation to one-half cent. **Note:** In a previous communication, we said that HB 1242 required two-thirds approval in both the Senate and House. However, since this is not a constitutional change, it requires a simple majority to be referred to the voters.

The latest: Amended in committee to reduce the sales tax increase for transportation to one-half cent.


*Requires school districts to share mill levy override (MLO) funds with district-authorized charter schools, even if the charter school did not exist when the MLO was approved by local voters.*

The latest: Continues to be a hot potato. Bill has not been assigned a committee in the House even though the Senate approved it more than a month ago. House Speaker Crisanta Duran, D-Denver, is continues to look at ways the bill can better address equity issues between neighborhood schools and charter schools.


SB267 addresses three areas that impact rural Colorado:

- The Hospital Provider Fee
- Transportation Infrastructure
- Rural Education Funding

Please see recent CASB Legislative Update for more details on SB 267.

The latest: Still in Senate Appropriations; action has been "laid over."

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**CASB advocacy tools**

- CASB Bill Tracker

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• CASB Legislative Conference Call
Join your CASB staff for an update on the latest education related bills, and ask your questions about specific bills.
Tuesday, May 9, at 8 a.m.
Dial 877-240-8466
PIN: 8115970342#
Presentation available at http://join.me/mattcookcasb

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