





Return to Headlines

School Board Advocate: May 5, 2017

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Update: We wanted to give you the latest on the School Finance Act. What a roller coaster! A controversial late amendment with additional funding for charter schools prompted some flashes of anger by fellow Senators, which in turn led to the bill previously approved by the Senate Finance Committee being stripped back to its near-original language. After all that, the legislation now has one more procedural vote before moving to the House. **More details below.**

In this issue:

- Two-Minute Warning
- Finance Fight
- Bill Update
- CASB Advocacy Tools

Two-Minute Warning

Do you remember back in college when you knew all semester long that there would be a final exam, but you procrastinated and had to cram all the work into an epic all-nighter? If you do, that memory will give you a sense of what the Colorado General Assembly is doing in the final days of the session. (If you don't, you were a model student and you should never run for the legislature. You'd go nuts.)

5/31/2019

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Senate Bill 267 is a big piece of legislation that will have impacts across the state, and it didn't come together until Thursday, less than a week before the session ends. SB 267 is titled "The Sustainability of Rural Colorado" and is sponsored in the Senate by **Sen. Jerry Sonnenberg**, R-Sterling, and **Minority Leader Lucia Guzman**, D-Denver, and in the House by **Majority Leader KC Becker**, D-Boulder, and **Rep. Jon Becker**, R-Fort Morgan.

Originally, the bill dealt with three items:

- 1. Moving the Hospital Provider Fee to a state enterprise fund
- 2. Adding money for transportation, with some dedicated funds for projects in rural Colorado
- 3. Providing additional funding for the nearly 150 Colorado school districts

classified as rural and small rural

But as is often the case, what goes into the legislative grinder rarely resembles what comes out. After negotiations between Senate and House sponsors, the bill has grown to include a business property tax credit, increases in co-payments for Medicaid services and a cap on the amount spent for Medicaid administration.

Over the past week, sponsors came close to a deal several times, only to see things fall apart. Rep. Becker said both sides met multiple times a day to hash out a compromise.

Finally, it appears they have succeeded. The newly amended SB 267 will:

- Reverse \$528 million in cuts to hospitals
- Lower the state revenue cap under the Taxpayer's Bill of Rights (TABOR) by \$200 million
- Secure bond funding for \$1.8 billion in transportation projects over the next four years; 25% of funding must go to projects in counties with populations of 50,000 or less
- Provide \$30 million to rural and small rural schools
- · Increase co-payments on Medicaid services
- Designate \$120 million for deferred maintenance and improvements for state buildings
- Create a business personal property tax credit, which will provide relief for business owners, by increasing the retail marijuana tax

Reaching a compromise is just the first step. Bill sponsors now must convince the rest of the General Assembly to support it and, more importantly, vote for it.

The work involved in drafting the compromise has been involved, tiring and difficult. Sen. Sonnenberg's feelings were captured by the Colorado Independent:

"This [bill] may cost me an election," he said, meaning that some Republicans both inside and outside the state Capitol are talking about finding someone to challenge him in a primary. Sonnenberg, a farmer and now at the end of his 11th year in the legislature, is up for re-election in 2018 to his final term in the state Senate and the General Assembly.

"You have to do the right thing for your constituents," he added. "It's important to note that we're addressing unintended consequences because of federal mandates" such as the expansion of Medicaid. "To just leave our hospitals out in the cold, and balance the budget on the backs of those hospitals ... it's like sticking your head in the sand."

Everyone from the governor on down will be holding their breath until SB 267 makes it across the finish line. For the latest information, please join the CASB Advocacy team for our monthly legislative update phone conference on Tuesday, May 9, at 8 a.m. *Details below.*



Finance Fight

And if the political Kabuki surrounding SB 267 were not enough drama for you, we present the 2017 School Finance Act – <u>Senate Bill 296</u>. The annual School Finance Act sets the per pupil funding for the next school year and outlines how the funding factors are applied.

This year, the bill is sponsored by **Sen. Owen Hill**, R-Colorado Springs, and **Rep. Brittany Pettersen**, D-Lakewood. While they may be co-sponsors, their views are

clearly not aligned. Sen. Hill asked the Senate Education Committee to include the bulk of his stalled <u>Senate Bill 61</u>, which would direct money to charter schools, as an amendment to SB 296. The committee concurred, on a party-line vote, and sent the school

funding bill to the whole Senate.

Included in the amendment was \$15 million to pay for a mill equalization fund for charter schools authorized under the Colorado Charter School Institute (CSI). The problem with this scheme was that the money Sen. Hill proposed to use for this fund had already been allocated to balance the state budget. How do you spend the same money twice? The answer, of course, is you don't.

On Friday, the bungled amendment caused rancor on the Senate floor. Senators upbraided Sen. Hill for his handling of the amendment, and now the School Finance Act is back close to its original legislative text.

Sen. Hill's SB 61, meanwhile, remains in limbo in the Senate. The bill doesn't have many friends, so it is not likely to make it to the House.



Bill update

View the <u>CASB Bill Tracker</u> for the 2017 legislative session through the CASB website. Two view options are available.

<u>House Bill 1176</u> — Public Employees Retirement Association (PERA) Retirees Employed by Rural School Districts, sponsored by **Rep. Jon Becker**, R-Fort Morgan, **Rep. Barbara McLachlan**, D-Durango, and **Sen. Jerry Sonnenberg**, R-

Sterling. Note: A previous School Board Advocate did not list Rep. Barbara McLachlan as a sponsor. We apologize for the oversight.

Allows a PERA retiree to come back and work as a teacher, bus driver or cook in a rural school, without impacting PERA retirement benefits.

The latest: Headed to the governor to be signed into law. This is a big win for Colorado's rural school districts.

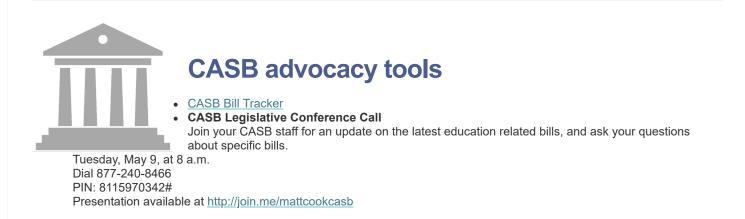
House Bill 1181 – Required State Assessment for Ninth-Grade Students, sponsored by **Rep. Brittany Pettersen**, D-Lakewood, **Rep. Paul Lundeen**, R-Monument, **Sen. Nancy Todd**, D-Aurora, and **Sen. Kevin Priola**, R-Henderson. *Aligns ninth- and tenth-grade testing to content standards and the eleventh-grade state-administered college preparedness test.* **The latest:** Headed to the governor to be signed into law.

<u>House Bill 1242</u> – New Transportation Infrastructure Funding Revenue, sponsored by **Rep. Crisanta Duran**, D-Denver, **Rep. Diane Mitsch Bush**, D-Steamboat Springs, **Sen. Randy Baumgardner**, R-Hot Sulphur Springs, and **Sen. Kevin Grantham**, R-Canon City.

An attempt to place a ballot question before voters to increase sales tax to pay for transportation projects. **The latest:** Killed in the Senate Finance Committee.

Senate Bill 254 - The Long Bill

Sponsored by **Sen. Kevin Lambert**, R-Colorado Springs, **Rep. Millie Hamner**, D-Summit County. *The annual appropriations bill to fund the obligation of the state of Colorado government.* **The latest:** Approved by the House and Senate.



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