

CHAPTER 196

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 93-1304

BY REPRESENTATIVES Anderson, Martin, Foster, Agler, Faatz, Kerns, Reeves, Schauer, Snyder, Allen, June, Kaufman, Lyle, May, and Sullivan;
also SENATOR Wells.

AN ACT**CONCERNING THE FINANCING OF PUBLIC SCHOOLS.**

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

SECTION 1. 22-53-107, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-53-107. Equalization program funding of a district.
(5.5) (a) NOTWITHSTANDING THE PROVISIONS OF SUBSECTIONS (2) AND (3) OF THIS SECTION, FOR THE 1993-94 BUDGET YEAR, THE EQUALIZATION PROGRAM FUNDING OF ALL DISTRICTS SHALL BE CALCULATED IN THE MANNER PROVIDED IN THIS SUBSECTION (5.5). IN LIEU OF CALCULATING A DISTRICT'S PRESCHOOL PROGRAM FUNDING UNDER THE PROVISIONS OF SECTION 22-53-115.5 AND A DISTRICT'S THREE- AND FOUR-YEAR-OLD HANDICAPPED PROGRAM FUNDING UNDER THE PROVISIONS OF SECTION 22-53-116.5, THE FUNDING FOR SUCH PROGRAMS, IF ANY, SHALL BE INCLUDED IN THE CALCULATION OF A DISTRICT'S EQUALIZATION PROGRAM FUNDING UNDER THE PROVISIONS OF PARAGRAPH (b) OF THIS SUBSECTION (5.5).

(b) (I) FOR THOSE DISTRICTS NOT SUBJECT TO THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION, EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S 1993-94 FUNDED PUPIL COUNT BY THE DISTRICT'S 1992-93 PER PUPIL FUNDING AMOUNT. A DISTRICT'S "1992-93 PER PUPIL FUNDING AMOUNT" MEANS THE AMOUNT WHICH RESULTS FROM DIVIDING THE DISTRICT'S 1992-93 EQUALIZATION PROGRAM FUNDING BY THE DISTRICT'S 1992-93 FUNDED PUPIL COUNT.

(II) FOR THOSE DISTRICTS SUBJECT TO THE PROVISIONS OF SUBSECTION (3) OF THIS

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION WHOSE 1993-94 FUNDED PUPIL COUNT IS EQUAL TO OR LESS THAN ITS 1992-93 FUNDED PUPIL COUNT, EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR SHALL BE AN AMOUNT EQUAL TO:

(A) THE AMOUNT DETERMINED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b); PLUS

(B) AN AMOUNT EQUAL TO THE 1993-94 FUNDED PUPIL COUNT MULTIPLIED BY AN AMOUNT DETERMINED BY DIVIDING THE DIFFERENCE BETWEEN THE DISTRICT'S EQUALIZATION PROGRAM FUNDING FOR THE 1992-93 BUDGET YEAR, AS CALCULATED PURSUANT TO SUBSECTION (3) OF THIS SECTION, AND ITS EQUALIZATION PROGRAM FUNDING FOR THE 1992-93 BUDGET YEAR, AS CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION, BY THE 1992-93 FUNDED PUPIL COUNT.

(III) FOR THOSE DISTRICTS SUBJECT TO THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION WHOSE 1993-94 FUNDED PUPIL COUNT IS GREATER THAN ITS 1992-93 FUNDED PUPIL COUNT, EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR SHALL BE AN AMOUNT EQUAL TO:

(A) THE AMOUNT DETERMINED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b); PLUS

(B) AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE DISTRICT'S EQUALIZATION PROGRAM FUNDING FOR THE 1992-93 BUDGET YEAR, AS CALCULATED PURSUANT TO SUBSECTION (3) OF THIS SECTION, AND ITS EQUALIZATION PROGRAM FUNDING FOR THE 1992-93 BUDGET YEAR, AS CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(IV) A DISTRICT SUBJECT TO THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION SHALL RECEIVE EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR AS CALCULATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) IF SUCH FUNDING IS GREATER THAN ITS EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR AS CALCULATED PURSUANT TO SUBPARAGRAPH (II) OR (III) OF THIS PARAGRAPH (b).

(c) FOR PURPOSES OF PARAGRAPH (b) OF THIS SUBSECTION (5.5):

(I) "1992-93 EQUALIZATION PROGRAM FUNDING" SHALL INCLUDE THE DISTRICT'S 1992-93 EQUALIZATION PROGRAM FUNDING AS CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE DISTRICT'S 1992-93 PRESCHOOL PROGRAM FUNDING, IF ANY, AS CALCULATED PURSUANT TO SECTION 22-53-115.5, AND THE DISTRICT'S 1992-93 THREE- AND FOUR-YEAR-OLD HANDICAPPED PROGRAM FUNDING, IF ANY, AS CALCULATED PURSUANT TO SECTION 22-53-116.5.

(II) "1992-93 FUNDED PUPIL COUNT" SHALL INCLUDE THE DISTRICT'S FUNDED PUPIL COUNT, PRESCHOOL ENROLLMENT, IF ANY, AND THREE- AND FOUR-YEAR-OLD ENROLLMENT, IF ANY, FOR THE 1992-93 BUDGET YEAR.

(III) "1993-94 FUNDED PUPIL COUNT" SHALL INCLUDE THE DISTRICT'S FUNDED PUPIL COUNT, PRESCHOOL ENROLLMENT, IF ANY, AND THREE- AND FOUR-YEAR-OLD ENROLLMENT, IF ANY, FOR THE 1993-94 BUDGET YEAR.

SECTION 2. 22-53-108 (2) (c) and (3) (c) (I), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-53-108. Pupil funding - components. (2) (c) Every district shall budget the amount derived by multiplying the funded pupil count of the district by the amount of the first pupil funding component in accordance with this paragraph (c); except that, for the 1992 transitional budget year, such amount to be budgeted shall be divided by two AND, FOR THE 1993-94 BUDGET YEAR, SUCH AMOUNT TO BE BUDGETED SHALL BE DERIVED BY MULTIPLYING THE FUNDED PUPIL COUNT OF THE DISTRICT BY ONE HUNDRED ELEVEN DOLLARS. Such amount shall be allocated, in the discretion of the board of education, to the instructional supplies and materials account, the instructional capital outlay account, or the other instructional purposes account in the general fund created by section 22-45-103 (1) (a) (II), or among such accounts. Moneys may be transferred among the three accounts. The moneys in such accounts shall be used for the purposes set forth in section 22-45-103 (1) (a) (II) and may not be expended by the district for any other purpose. Nothing in this subsection (2) shall be deemed to limit expenditures for instructional supplies and materials, instructional capital outlay, and other instructional purposes to the amount required to be budgeted in accordance with this paragraph (c). Any moneys in such accounts which are not projected to be expended during a budget year shall be budgeted for the purposes set forth in section 22-45-103 (1) (a) (II) in the next budget year. Nothing in this subsection (2) shall be construed to require that interest on moneys in such accounts be specifically allocated to such accounts.

(3) (c) (I) Except as otherwise provided in subparagraph (II) of this paragraph (c), every district shall budget the amount derived by multiplying the funded pupil count of the district by the amount of the second pupil funding component in accordance with this paragraph (c); except that, for the 1992 transitional budget year, such amount to be budgeted shall be divided by two AND, FOR THE 1993-94 BUDGET YEAR, SUCH AMOUNT TO BE BUDGETED SHALL BE DERIVED BY MULTIPLYING THE FUNDED PUPIL COUNT OF THE DISTRICT BY TWO HUNDRED TWO DOLLARS. Such amount shall be the minimum required to be budgeted, and the district may elect to budget up to eight hundred dollars multiplied by the funded pupil count of the district. Such amount shall be allocated, in the discretion of the board of education, to the capital reserve fund created by section 22-45-103 (1) (c), ~~or~~ the insurance reserve fund created by section 22-45-103 (1) (e), OR TO ANY OTHER FUND ESTABLISHED SOLELY FOR THE MANAGEMENT RISK OF RELATED ACTIVITIES AS IDENTIFIED IN SECTION 24-10-115, C.R.S., AND ARTICLE 13 OF TITLE 29, C.R.S., or ~~between~~ AMONG such funds. Moneys in the capital reserve fund and insurance reserve fund shall be used for the purposes set forth in section 22-45-103 (1) (c) and (1) (e) and may not be expended by the district for any other purpose. The board of education may transfer moneys ~~between the two~~ AMONG THE THREE funds when such transfer is deemed necessary by the board.

SECTION 3. The introductory portion to 22-45-103 (1) (c) (I) and 22-45-103 (1) (e), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-45-103. Funds. (1) The following funds are created for each school district for purposes specified in this article:

(c) **Capital reserve fund.** (I) Moneys allocated pursuant to the provisions of

section 22-53-108 (3) (c) shall be transferred from the general fund and recorded in the capital reserve fund along with the revenues received pursuant to section 39-5-132, C.R.S. Such revenues may be supplemented by gifts, donations, and tuition receipts. Unencumbered moneys in the fund may be transferred to the insurance reserve fund OR TO ANY OTHER FUND ESTABLISHED SOLELY FOR THE MANAGEMENT RISK OF RELATED ACTIVITIES AS IDENTIFIED IN SECTION 24-10-115, C.R.S., AND ARTICLE 13 OF TITLE 29, C.R.S., by resolution of the board of education when such transfer is deemed necessary by the board or to the general fund for the 1990 budget year in accordance with the provisions of section 22-53-108 (3) (c) (II). Expenditures from the fund shall be limited to long-range capital outlay expenditures and shall be made only for the following purposes:

(e) **Insurance reserve fund.** Moneys allocated pursuant to the provisions of section 22-53-108 (3) (c) shall be transferred from the general fund and recorded in the insurance reserve fund. Unencumbered moneys in the fund may be transferred to the capital reserve fund OR TO ANY OTHER FUND ESTABLISHED SOLELY FOR THE MANAGEMENT RISK OF RELATED ACTIVITIES AS IDENTIFIED IN SECTION 24-10-115, C.R.S., AND ARTICLE 13 OF TITLE 29, C.R.S., by resolution of the board of education when such transfer is deemed necessary by the board or to the general fund for the 1990 budget year in accordance with the provisions of section 22-53-108 (3) (c) (II). Expenditures from the fund shall be limited to the purposes set forth in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S.

SECTION 4. 22-53-114 (2), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS to read:

22-53-114. Local and state shares of equalization program funding.
(2) (c.7) (I) FOR THE 1993 PROPERTY TAX YEAR, EVERY DISTRICT SHALL LEVY THE LESSER OF:

(A) THE NUMBER OF MILLS LEVIED BY THE DISTRICT FOR THE 1992 PROPERTY TAX YEAR;

(B) THE NUMBER OF MILLS THAT MAY BE LEVIED BY THE DISTRICT UNDER THE PROPERTY TAX REVENUE LIMITATION IMPOSED ON THE DISTRICT BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION;

(C) THE NUMBER OF MILLS CERTIFIED BY THE DEPARTMENT TO BE LEVIED FOR THE 1992 PROPERTY TAX YEAR; OR

(D) THE NUMBER OF MILLS THAT WILL GENERATE PROPERTY TAX REVENUE IN AN AMOUNT EQUAL TO THE DISTRICT'S EQUALIZATION PROGRAM FUNDING, AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) (b) (I), MINUS THE DISTRICT'S MINIMUM STATE AID.

(II) THE PROPERTY TAX REVENUE WHICH A DISTRICT IS ENTITLED TO RECEIVE FROM THE LEVY FOR THE 1993 PROPERTY TAX YEAR SHALL BE USED TO FUND THE DISTRICT'S SHARE OF EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR, AND THE TOTAL AMOUNT OF SUCH REVENUE SHALL BE CONSIDERED TO BE COLLECTED DURING SUCH BUDGET YEAR FOR PURPOSES OF DETERMINING THE STATE'S SHARE OF

EQUALIZATION PROGRAM FUNDING.

(e) FOR THE 1993 PROPERTY TAX YEAR AND PROPERTY TAX YEARS THEREAFTER, IN THE CALCULATION OF LOCAL GROWTH FOR PURPOSES OF DETERMINING THE PROPERTY TAX REVENUE LIMITATION IMPOSED ON A DISTRICT BY THE PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, A DISTRICT'S STUDENT ENROLLMENT SHALL BE THE DISTRICT'S FUNDED PUPIL COUNT AS DEFINED IN SECTION 22-53-103 (4.5).

SECTION 5. The introductory portion to 22-53-114 (2) (d) (I) and 22-53-114 (2) (d) (I) (A), (2) (d) (II), (3) (a), and (5), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended, and the said 22-53-114 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

22-53-114. Local and state shares of equalization program funding.
(2) (d) (I) For the ~~1993~~ 1994 property tax year and property tax years thereafter, the department of education shall determine and the state board shall certify the number of mills to be levied on the taxable property in each district in order to assure that the state's percentage share of the equalization program funding of all districts in the state is as follows:

(A) ~~For the 1993-94 budget year, 55.5 percent;~~

(II) The property tax revenue which a district is entitled to receive from the levy for the ~~1993~~ 1994 property tax year and property tax years thereafter shall be used to fund the district's share of equalization program funding for the budget year beginning on July 1 of such property tax year, and the total amount of such revenue shall be considered to be collected during such budget year for purposes of determining the state's share of equalization program funding.

(3) (a) (I) The general assembly shall make annual appropriations to fund the state's share of district equalization programs.

(II) (A) IN THE EVENT THAT THE APPROPRIATION FOR THE STATE'S SHARE OF EQUALIZATION PROGRAM FUNDING UNDER THIS PART 1 FOR ANY BUDGET YEAR, AS ESTABLISHED IN THE GENERAL APPROPRIATION ACT, IS NOT SUFFICIENT TO FULLY FUND THE STATE'S SHARE, THE EQUALIZATION PROGRAM FUNDING OF EACH DISTRICT THAT RECEIVES STATE FUNDS SHALL BE REDUCED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE AMOUNT OF THE SHORTAGE IN THE APPROPRIATION SHALL BE DIVIDED BY THE TOTAL AMOUNT OF EQUALIZATION PROGRAM FUNDING OF ALL DISTRICTS WHICH RECEIVE STATE FUNDS UNDER THIS PART 1, AS CALCULATED PURSUANT TO SECTION 22-53-107 (2) OR, FOR THE 1993-94 BUDGET YEAR, SECTION 22-53-107 (5.5) (b) (I). THE RESULT SHALL BE STATED AS A PERCENT. THE DEPARTMENT OF EDUCATION SHALL APPLY SUCH PERCENT TO THE EQUALIZATION PROGRAM FUNDING OF EACH DISTRICT, AS CALCULATED PURSUANT TO SECTION 22-53-107 (2) OR, FOR THE 1993-94 BUDGET YEAR, SECTION 22-53-107 (5.5) (b) (I), TO DETERMINE THE REDUCTION FOR EACH DISTRICT WHICH RECEIVES STATE FUNDS. THE RESULTING AMOUNT SHALL BE WITHHELD FROM THE MONTHLY PAYMENTS OF STATE FUNDS REMAINING TO BE MADE TO THE DISTRICT PRIOR TO THE JUNE 30 NEXT FOLLOWING AND SHALL BE DIVIDED EQUALLY AMONG ALL SUCH REMAINING PAYMENTS. NOTHING IN THIS SUBPARAGRAPH (II) SHALL REQUIRE THE WITHHOLDING

FROM ANY DISTRICT OF MORE FUNDS THAN REMAIN TO BE PAID THERETO.

(B) IN DETERMINING ANY SHORTAGE IN THE APPROPRIATION FOR THE 1993-94 BUDGET YEAR, THE AMOUNT OF THE APPROPRIATION TO BE USED IN SUCH CALCULATION SHALL BE THE APPROPRIATION, AS ESTABLISHED IN THE 1993 GENERAL APPROPRIATION ACT, REDUCED BY THE DOLLAR AMOUNT EXPENDED TO FUND INCREASES IN DISTRICTS' EQUALIZATION PROGRAM FUNDING PURSUANT TO SECTION 22-53-107.3 (2).

(4.5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, THE STATE'S SHARE OF THE 1993-94 EQUALIZATION PROGRAM FUNDING OF A DISTRICT SHALL BE DETERMINED USING THE DISTRICT'S FUNDING AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) (b) (I).

(5) (a) For any budget year, any district which is subject to the provisions of section 22-53-107 (3) shall first levy the number of mills established by the department of education pursuant to subsection (2) of this section to fund the district's share of its equalization program funding as calculated in accordance with the provisions of section 22-53-107 (2). If the district wishes to raise the difference between its equalization program funding as calculated in accordance with the provisions of section 22-53-107 (2) and its equalization program funding as calculated in accordance with the provisions of section 22-53-107 (3), the district may then make an additional levy of the number of mills necessary to raise such amount or any portion thereof; EXCEPT THAT, FOR THE 1993-94 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE TOTAL NUMBER OF MILLS LEVIED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND THIS SUBSECTION (5) CANNOT EXCEED THE LESSER OF THE DISTRICT'S PRIOR YEAR'S LEVY OR THE DISTRICT'S ALLOWABLE LEVY UNDER THE PROPERTY TAX REVENUE LIMITATION IMPOSED ON SAID DISTRICT BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(b) FOR THE 1993-94 BUDGET YEAR ONLY, THE REFERENCE IN PARAGRAPH (a) OF THIS SUBSECTION (5) TO EQUALIZATION PROGRAM FUNDING AS CALCULATED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-53-107 (2) SHALL MEAN EQUALIZATION PROGRAM FUNDING AS CALCULATED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-53-107 (5.5) (b) (I), AND THE REFERENCE TO EQUALIZATION PROGRAM FUNDING AS CALCULATED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-53-107 (3) SHALL MEAN EQUALIZATION PROGRAM FUNDING AS CALCULATED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-53-107 (5.5) (b) (II) OR (5.5) (b) (III), WHICHEVER IS APPLICABLE.

SECTION 6. Part 1 of article 53 of title 22, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

22-53-107.3. Increase in equalization program funding for 1993-94 budget year. (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT SCHOOL FINANCE FUNDING FOR THE 1993-94 BUDGET YEAR AND BUDGET YEARS THEREAFTER WILL BE AFFECTED BY:

(I) UNAVAILABILITY OF REVENUES FOR SCHOOL FINANCE FUNDING IN THE 1993-94 BUDGET YEAR.

(II) LIMITS ON THE GROWTH OF SPENDING AND THE GROWTH IN PROPERTY TAX REVENUE FOR SCHOOLS IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION WHICH TAKE EFFECT FOR THE 1993-94 BUDGET YEAR AND ARE BASED UPON FISCAL YEAR SPENDING AND REVENUE FOR THE 1992-93 BUDGET YEAR.

(III) AN EVALUATION OF THE CURRENT SCHOOL FINANCE SYSTEM BY THE GENERAL ASSEMBLY DURING THE 1993 INTERIM WHICH MAY RESULT IN A NEW SCHOOL FINANCE SYSTEM BEING IMPLEMENTED FOR THE 1994-95 BUDGET YEAR.

(b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(I) UNAVAILABILITY OF REVENUES MAY RESULT IN REDUCED SCHOOL FINANCE FUNDING FOR MANY DISTRICTS IN 1993-94 WHICH IS BELOW THE DISTRICT'S ALLOWABLE 1993-94 FISCAL YEAR SPENDING UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION. BECAUSE INCREASES IN SPENDING UNDER SAID CONSTITUTIONAL PROVISION ARE BASED UPON THE PRIOR YEAR'S FISCAL YEAR SPENDING, LOWER 1993-94 FUNDING MAY PERMANENTLY REDUCE DISTRICT SPENDING LIMITS FOR ENSUING FISCAL YEARS.

(II) AN EVALUATION OF THE CURRENT SCHOOL FINANCE SYSTEM DURING THE 1993 INTERIM MAY RESULT IN THE PASSAGE OF A NEW SCHOOL FINANCE ACT WHICH SHOWS THAT CERTAIN DISTRICTS WERE UNDERFUNDED UNDER THE CURRENT SYSTEM AND THAT FUNDING FOR SUCH DISTRICTS SHOULD BE INCREASED FOR THE 1994-95 BUDGET YEAR.

(III) AN INCREASE IN FUNDING THROUGH A NEW SCHOOL FINANCE ACT MAY NOT BE POSSIBLE FOR SUCH DISTRICTS IF THE INCREASE IN FUNDING IS PREVENTED BY A SPENDING LIMIT WHICH HAS BEEN PERMANENTLY REDUCED BY THE OPERATION OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(c) TO AVOID THE PERMANENT REDUCTIONS IN ALLOWABLE FISCAL YEAR SPENDING LIMITS DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION (1) TO THE EXTENT PRACTICABLE, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THE EQUALIZATION PROGRAM FUNDING OF ELIGIBLE SCHOOL DISTRICTS SHOULD BE INCREASED FOR THE 1993-94 BUDGET YEAR.

(2) A DISTRICT SHALL BE ELIGIBLE FOR AN INCREASE IN ITS 1993-94 EQUALIZATION PROGRAM FUNDING, AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) AND AS REDUCED PURSUANT TO SECTION 22-53-114 (3) (a) (II), IF APPLICABLE, IF THE DISTRICT'S 1993-94 PER PUPIL FUNDING IS LESS THAN NINETY-FOUR AND ONE-HALF PERCENT OF THE 1993-94 STATEWIDE AVERAGE PER PUPIL FUNDING. THE EQUALIZATION PROGRAM FUNDING OF AN ELIGIBLE DISTRICT SHALL BE INCREASED BY THE PER PUPIL DOLLAR AMOUNT SPECIFIED IN THIS SUBSECTION (2) MULTIPLIED BY THE DISTRICT'S 1993-94 FUNDED PUPIL COUNT AS DEFINED IN SECTION 22-53-107 (5.5). THE PER PUPIL DOLLAR AMOUNT OF INCREASE FOR A DISTRICT SHALL BE DETERMINED AS FOLLOWS:

(a) IF THE DISTRICT'S 1993-94 PER PUPIL FUNDING IS LESS THAN NINETY-TWO AND ONE-HALF PERCENT OF THE 1993-94 STATEWIDE AVERAGE PER PUPIL FUNDING, THE PER PUPIL DOLLAR AMOUNT OF INCREASE SHALL BE THIRTY-ONE DOLLARS AND NINETY-THREE CENTS.

(b) IF THE DISTRICT'S 1993-94 PER PUPIL FUNDING IS NINETY-TWO AND ONE-HALF PERCENT OR GREATER OF THE 1993-94 STATEWIDE AVERAGE PER PUPIL FUNDING BUT LESS THAN NINETY-FOUR AND ONE-HALF PERCENT OF THE 1993-94 STATEWIDE AVERAGE PER PUPIL FUNDING, THE PER PUPIL DOLLAR AMOUNT OF INCREASE SHALL BE TWENTY-FOUR DOLLARS AND FORTY-THREE CENTS.

(3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION:

(a) "1993-94 PER PUPIL FUNDING" MEANS THE AMOUNT OF REVENUE PER PUPIL RECEIVED BY A DISTRICT FROM EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) (b) (I), AS REDUCED PURSUANT TO SECTION 22-53-114 (3) (a) (II), IF APPLICABLE, AND AS INCREASED BY THE AMOUNT RAISED PURSUANT TO SECTION 22-53-114 (5), IF ANY.

(b) "1993-94 STATEWIDE AVERAGE PER PUPIL FUNDING" MEANS THE AVERAGE AMOUNT OF REVENUE PER PUPIL RECEIVED BY ALL DISTRICTS FROM EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) (b) (I), AS REDUCED PURSUANT TO SECTION 22-53-114 (3) (a) (II), AND AS INCREASED BY THE AMOUNTS RAISED PURSUANT TO SECTION 22-53-114 (5).

(4) THE INCREASE IN EQUALIZATION PROGRAM FUNDING PROVIDED BY THIS SECTION SHALL BE FUNDED FROM THE APPROPRIATION FOR THE STATE'S SHARE OF 1993-94 EQUALIZATION PROGRAM FUNDING IN THE 1993 GENERAL APPROPRIATION ACT; EXCEPT THAT THE AMOUNT OF SUCH APPROPRIATION TO BE USED TO FUND THIS SECTION SHALL NOT EXCEED FIVE MILLION DOLLARS. THE PER PUPIL DOLLAR AMOUNT OF INCREASES SPECIFIED IN SUBSECTION (2) OF THIS SECTION SHALL BE ADJUSTED AS NECESSARY TO REMAIN WITHIN SUCH DOLLAR AMOUNT.

SECTION 7. 22-53-115.5, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-53-115.5. Preschool program funding for districts with preschool programs. (3) FOR THE 1993-94 BUDGET YEAR, THE PRESCHOOL PROGRAM FUNDING OF A DISTRICT SHALL BE CALCULATED AS A PART OF EQUALIZATION PROGRAM FUNDING UNDER THE PROVISIONS OF SECTION 22-53-107 (5.5) AND NOT CALCULATED IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION.

SECTION 8. 22-53-116.5, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-53-116.5. Program funding for districts with programs for three- and four-year-old handicapped children. (3) FOR THE 1993-94 BUDGET YEAR, THE THREE- AND FOUR-YEAR-OLD HANDICAPPED PROGRAM FUNDING OF A DISTRICT SHALL BE CALCULATED AS A PART OF EQUALIZATION PROGRAM FUNDING UNDER THE PROVISIONS OF SECTION 22-53-107 (5.5) AND NOT CALCULATED IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION.

SECTION 9. 22-53-117 (1) (a) (II), (1) (b), and (1) (c), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-53-117. Authorization of additional local revenues. (1) (a) (II) Effective July 1, 1992, ~~and ending with the election preceding the 1994-95 budget year,~~ any district which desires to raise and expend local property tax revenues in excess of its equalization program funding as determined in accordance with section 22-53-107 may submit to the eligible electors of the district, at an election, the question of whether the district should be authorized to raise and expend additional local revenues, subject to the limitations of paragraph (b) of this subsection (1), thereby authorizing an additional levy for the district's general fund for the then current budget year and each budget year thereafter. The election shall be held at the general election in even-numbered years and at a special election in odd-numbered years, which special election shall be held on the first Tuesday after the first Monday in November and shall be conducted pursuant to the provisions of articles 1 to 13 of title 1, C.R.S. At the election, the question appearing on the ballot shall be substantially as follows:

"Shall the board of education of (Name of school district) be granted authority to levy an additional tax for the general fund of the district in (budget year) and for each budget year thereafter for the purpose of providing additional local property tax revenues for educational purposes in an amount not to exceed dollars? If the additional levy is approved, the estimated total mill levy for the general fund of the school district for (calendar year) will be in an amount not to exceed mills and which shall be the sole responsibility of local taxpayers; if the additional levy is not approved, the estimated total mill levy for the general fund of the school district for (calendar year) will be mills."

(b) Whenever a district is granted the authority to raise and expend additional local property tax revenues, the specific dollar amount approved at the election, in addition to specific dollar amounts of additional local property tax revenues approved at previous elections, shall be the maximum that may be raised and expended under this part 1 in addition to the district's equalization program funding and any funds received pursuant to section 22-53-116. The total dollar amount of additional local property tax revenues which may be raised and expended pursuant to the provisions of this section shall not be increased unless the district submits the question of the increase to the eligible electors in the manner provided in paragraph (a) of this subsection (1) or unless the question of the increase is submitted to the eligible electors by initiative in the manner provided in paragraph (a.5) of this subsection (1). The total additional local property tax revenues which may be authorized at elections held pursuant to this section shall not exceed under any circumstances ~~ten~~ FIFTEEN percent of the district's equalization program funding, as determined pursuant to section 22-53-107 (2), for the budget year in which the election at which the ~~ten~~ FIFTEEN percent limitation was reached or two hundred thousand dollars, whichever is greater. Once a district reaches the limitation, the district shall not be authorized to hold another election pursuant to this section; except that the district shall be authorized to hold elections to reduce the amount of local property tax revenues pursuant to the provisions of paragraph (a.7) of this subsection (1).

(c) (I) The limitation on additional local property tax revenues authorized at an election held in November of 1991 shall be determined using the district's equalization program funding as calculated pursuant to section 22-53-107 (2) or (3), whichever is applicable, prior to the adjustment required by subsection (5) of said section.

(II) In applying the limitation in paragraph (b) of this subsection (1) to those districts that hold elections on and after January 1, 1992, any additional local revenues authorized at elections held under the provisions of this section prior to January 1, 1992, shall be counted towards such limitation.

(III) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (b) OF THIS SUBSECTION (1), THE LIMITATION ON ADDITIONAL LOCAL PROPERTY TAX REVENUES AUTHORIZED AT AN ELECTION HELD IN NOVEMBER OF 1993 SHALL BE DETERMINED USING THE DISTRICT'S EQUALIZATION PROGRAM FUNDING AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) (b) (I).

(IV) (A) IN APPLYING THE LIMITATION IN PARAGRAPH (b) OF THIS SUBSECTION (1) TO THOSE DISTRICTS THAT HOLD ELECTIONS IN NOVEMBER OF 1993, AND THEREAFTER, ANY ADDITIONAL LOCAL REVENUES AUTHORIZED AT ELECTIONS HELD UNDER THE PROVISIONS OF THIS SECTION PRIOR TO JANUARY 1, 1993, SHALL BE COUNTED TOWARDS SUCH LIMITATION.

(B) IF A DISTRICT'S 1993-94 EQUALIZATION PROGRAM FUNDING WAS NOT SUBJECT TO THE PERCENTAGE REDUCTION PURSUANT TO SECTION 22-53-114 (3) (a) (II), THE FIFTEEN PERCENT LIMITATION IN PARAGRAPH (b) OF THIS SUBSECTION (1) APPLICABLE TO SUCH DISTRICT FOR THE ELECTION IN NOVEMBER OF 1993 SHALL BE REDUCED BY THE PERCENTAGE REDUCTION ESTABLISHED PURSUANT TO SAID SECTION 22-53-114 (3) (a) (II). THE MAXIMUM DOLLAR AMOUNT WHICH MAY BE APPROVED AT SUCH ELECTION SHALL BE A DOLLAR AMOUNT EQUAL TO THE DISTRICT'S 1993-94 EQUALIZATION PROGRAM FUNDING MULTIPLIED BY SUCH REDUCED PERCENTAGE LIMITATION DECREASED BY ANY DOLLAR AMOUNT AUTHORIZED AT ELECTIONS HELD PRIOR TO NOVEMBER OF 1993. IF THE TOTAL DOLLAR AMOUNT AUTHORIZED AT ELECTIONS HELD PRIOR TO NOVEMBER OF 1993 EXCEEDS A DOLLAR AMOUNT EQUAL TO THE DISTRICT'S 1993-94 EQUALIZATION PROGRAM FUNDING MULTIPLIED BY SUCH REDUCED PERCENTAGE LIMITATION, THE DISTRICT SHALL BE PROHIBITED FROM HOLDING AN ELECTION IN NOVEMBER OF 1993.

SECTION 10. The introductory portion to 22-53-124 (1), Colorado Revised Statutes, 1988 Repl. Vol., is amended, and the said 22-53-124 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

22-53-124. Contingency reserve. (1) An amount to be determined by the general assembly shall be appropriated annually to the state public school fund as a contingency reserve. IN DECIDING THE AMOUNT TO BE APPROPRIATED TO THE CONTINGENCY RESERVE, THE GENERAL ASSEMBLY MAY TAKE INTO CONSIDERATION ANY RECOMMENDATIONS MADE BY THE DEPARTMENT OF EDUCATION, BUT NOTHING IN THIS SECTION SHALL BE CONSTRUED TO OBLIGATE THE GENERAL ASSEMBLY TO PROVIDE SUPPLEMENTAL ASSISTANCE TO ALL DISTRICTS DETERMINED TO BE IN NEED THEREOF OR FULLY FUND THE TOTAL AMOUNT OF SUCH NEED. The state board is authorized to approve and order payments from such contingency reserve for supplemental assistance to districts determined to be in need thereof as the result of any or all of the following circumstances:

(b.5) THE AMOUNT OF PROPERTY TAX LEVIED AND COLLECTED PURSUANT TO SECTION 39-10-114, C.R.S., IS INSUFFICIENT FOR THE PURPOSE OF MAKING ABATEMENTS AND REFUNDS OF PROPERTY TAXES WHICH THE DISTRICT IS REQUIRED

TO MAKE PURSUANT TO SAID SECTION. IN DETERMINING WHICH DISTRICTS RECEIVE PAYMENTS PURSUANT TO THIS PARAGRAPH (b.5) AND THE AMOUNT OF SUCH PAYMENTS, THE STATE BOARD SHALL CONSIDER THE AMOUNT OF THE INSUFFICIENCY AS A PERCENTAGE OF THE DISTRICT'S TOTAL EQUALIZATION PROGRAM FUNDING.

SECTION 11. 22-44-110 (5), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

22-44-110. Budget - consideration - adoption. (5) ~~After adoption of the budget, the board shall not review or change the budget except as authorized by this article, but the board may, by appropriate entry at any time prior to the certification of needed tax revenues to the board of county commissioners, revise the amount of needed tax revenues for any fund, but such a revision shall not change the amount appropriated to any fund, function, or object; except that, where money for a specific purpose from other than ad valorem taxes subsequently becomes available to meet a contingency, a supplemental budget for expenditures not to exceed the amount of said money may be adopted and appropriation of said money made therefrom.~~ AFTER THE ADOPTION OF THE BUDGET, THE BOARD MAY REVIEW AND CHANGE THE BUDGET, WITH RESPECT TO BOTH REVENUES AND EXPENDITURES, AT ANY TIME PRIOR TO SEPTEMBER 30 OF THE FISCAL YEAR FOR WHICH THE BUDGET WAS ADOPTED. AFTER SEPTEMBER 30, THE BOARD SHALL NOT REVIEW OR CHANGE THE BUDGET EXCEPT AS AUTHORIZED BY THIS ARTICLE.

SECTION 12. 22-44-111 (2), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

22-44-111. Budget - filing. (2) Certified copies of the adopted budget and appropriation resolution shall be filed with the commissioner of education ~~within thirty days after the beginning~~ NO LATER THAN OCTOBER 15 of the fiscal year for which the budget was adopted.

SECTION 13. 22-44-117, Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

22-44-117. Budget - minimum content. The commissioner of education ~~has authority to~~ SHALL prescribe the form of school district budgets, WHICH SHALL BE UNIFORM FOR ALL SCHOOL DISTRICTS. THE COMMISSIONER SHALL DEVELOP SUCH UNIFORM BUDGET REPORTING FORMAT IN CONSULTATION WITH PARENTS, TEACHERS, AND SCHOOL DISTRICT REPRESENTATIVES IN ORDER TO ENSURE THAT BUDGETS ARE UNDERSTANDABLE TO THE GENERAL PUBLIC AND ALLOW COMPARISONS OF COSTS BETWEEN SCHOOLS WITHIN A SCHOOL DISTRICT AND WITH OTHER SCHOOL DISTRICTS OR OTHER COMPARABLE ORGANIZATIONS.

SECTION 14. 29-1-606 (1), (4), and (5) (a) and the introductory portion to 29-1-606 (5) (b), Colorado Revised Statutes, 1986 Repl. Vol., as amended, are amended to read:

29-1-606. Submission of reports. (1) (a) EXCEPT AS OTHERWISE REQUIRED IN PARAGRAPH (b) OF THIS SUBSECTION (1), each audit required by this part 6 shall be completed and the audit report thereon submitted by the auditor to the local government within six months after the close of the fiscal year of the local

government.

(b) THE AUDIT REQUIRED BY THIS PART 6 FOR SCHOOL DISTRICTS SHALL BE COMPLETED AND THE AUDIT REPORT THEREON SUBMITTED BY THE AUDITOR TO THE SCHOOL DISTRICT WITHIN FIVE MONTHS AFTER THE CLOSE OF THE FISCAL YEAR OF THE SCHOOL DISTRICT.

(4) If within ~~seven months after the end of the fiscal year of the local government~~ ONE MONTH AFTER THE TIME PERIOD PROVIDED IN SUBSECTION (1) OF THIS SECTION the local government is unable to file an audit report with the state auditor, the governing body of the local government shall submit to the state auditor a written request for extension of time to file. Such request for extension shall be submitted ~~within seven months after the close of the fiscal year of the local government~~ NO LATER THAN ONE MONTH AFTER THE TIME PERIOD PROVIDED IN SUBSECTION (1) OF THIS SECTION. The state auditor may authorize an extension of such time for not more than sixty days.

(5) (a) If the audit report of a local government is not filed with the state auditor within ~~eight~~ TWO months after the ~~close of the fiscal year of the local government~~ TIME PERIOD PROVIDED IN SUBSECTION (1) OF THIS SECTION and the local government has not been granted an extension or exemption from the filing requirement, the state auditor shall make written notice to the local government of its delinquent status.

(b) If the audit report of a local government is not filed with the state auditor within ~~nine~~ THREE months of the ~~close of the fiscal year of the local government~~ AFTER THE TIME PERIOD PROVIDED IN SUBSECTION (1) OF THIS SECTION, the state auditor shall either:

SECTION 15. 22-44-103.5 (2) (b) (III) (B), (2) (b) (III) (C), and (2) (c) (III), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-44-103.5. Budget for 1992 transitional fiscal year. (2) (b) (III) (B) The board of education of a district subject to the provisions of this subparagraph (III) shall reduce its mill levy for the 1993 property tax year so that the property tax revenue collected in 1994, assuming one hundred percent collection, equals the district's share of equalization program funding for the 1993-94 fiscal year plus any amount of categorical support funds the district is required to replace with property tax revenue during the 1993-94 fiscal year reduced by the amount of property tax revenue carried forward which was not offset against the state's share of equalization program funding for the 1992-93 and 1993-94 fiscal years. ANY DISTRICT THAT REDUCES ITS MILL LEVY FOR THE 1993 PROPERTY TAX YEAR SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 22-53-114 (9.2).

(C) In lieu of reducing the mill levy pursuant to the provisions of sub-subparagraph (B) of this subparagraph (III), the board of education of any district subject to the provisions of this subparagraph (III) may, by a two-thirds vote of the board, elect to keep the amount of property tax revenue carried forward which was not offset against the state's share of equalization program funding for the 1992-93 and 1993-94 fiscal years. Once such an election is made, the board of education may use its excess property tax revenue for any lawful purpose during the 1993-94 fiscal year and fiscal years thereafter. Notwithstanding the provisions of section 22-53-114 (1), no district

which elects to keep its excess property tax revenue pursuant to the provisions of this sub-subparagraph (C) shall receive state aid pursuant to the "Public School Finance Act of 1988" OR RECEIVE CATEGORICAL SUPPORT FUNDS WHICH THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE, AS SUCH TERM IS DEFINED IN SECTION 22-53-114 (4), during the 1994-95 fiscal year and fiscal years thereafter until such time as the amount of state aid OR CATEGORICAL SUPPORT FUNDS the district would have received during said years equals the amount of the excess property tax revenue.

(c) (III) In lieu of reducing the mill levy pursuant to the provisions of subparagraph (II) of this paragraph (c), the board of education of any district subject to the provisions of this paragraph (c) may, by a two-thirds vote of the board, elect to keep its excess property tax revenue. Once such an election is made, the board of education may then use its excess property tax revenue for any lawful purpose during the 1992-93 fiscal year and fiscal years thereafter. Notwithstanding the provisions of section 22-53-114 (1), no district which elects to keep its excess property tax revenue pursuant to the provisions of this subparagraph (III) shall receive state aid pursuant to the "Public School Finance Act of 1988" during the 1992-93 fiscal year and fiscal years thereafter OR RECEIVE CATEGORICAL SUPPORT FUNDS WHICH THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE, AS SUCH TERM IS DEFINED IN SECTION 22-53-114 (4), FOR THE 1993-94 FISCAL YEAR AND FISCAL YEARS THEREAFTER, until such time as the amount of state aid OR CATEGORICAL SUPPORT FUNDS the district would have received during said years equals the amount of the excess property tax revenue.

SECTION 16. Repeal. 22-45-103 (1) (a) (III), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is repealed as follows:

22-45-103. Funds. (1) The following funds are created for each school district for purposes specified in this article:

(a) **General fund.** (III) (A) ~~Within the general fund, each school district shall establish a contingency reserve. Each school district shall be encouraged to increase the amount in the contingency reserve each year so that, by the 1994-95 budget year, the contingency reserve shall consist of a minimum amount of not less than two percent of the general fund.~~

~~(B) Moneys in the contingency reserve shall be available for use by the school district for emergencies and other contingencies including, but not limited to, those circumstances outlined in section 22-53-124 (1) (a) to (1) (d).~~

SECTION 17. 22-53-103 (6.5) and (10), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-53-103. Definitions. As used in this part 1, unless the context otherwise requires:

(6.5) (a) "Preschool enrollment", FOR THE 1993-94 BUDGET YEAR AND BUDGET YEARS THEREAFTER, means THE AVERAGE OF:

(I) The number of pupils enrolled in a district preschool program pursuant to article

28 of this title ON FEBRUARY 15 NEXT PRECEDING SUCH BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID DATE, AS EVIDENCED BY THE ACTUAL ATTENDANCE OF SUCH PUPILS PRIOR TO SAID DATE; AND

(II) THE NUMBER OF PUPILS ENROLLED IN A DISTRICT PRESCHOOL PROGRAM PURSUANT TO ARTICLE 28 OF THIS TITLE ON OCTOBER 1 NEXT PRECEDING SUCH BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID DATE, AS EVIDENCED BY THE ACTUAL ATTENDANCE OF SUCH PUPILS PRIOR TO SAID DATE.

(b) ~~with~~ Each pupil enrolled IN A DISTRICT PRESCHOOL PROGRAM PURSUANT TO ARTICLE 28 OF THIS TITLE SHALL BE counted as one-half pupil.

(10) (a) "Three- and four-year-old handicapped enrollment", FOR THE 1993-94 BUDGET YEAR AND BUDGET YEARS THEREAFTER, means THE AVERAGE OF:

(I) The number of three- and four-year-old handicapped ~~children~~ PUPILS receiving special educational services under the "Exceptional Children's Educational Act", article 20 of this title, ON FEBRUARY 15 NEXT PRECEDING SUCH BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID DATE, AS EVIDENCED BY THE ACTUAL ATTENDANCE OF SUCH PUPILS PRIOR TO SAID DATE; AND

(II) THE NUMBER OF THREE- AND FOUR-YEAR-OLD HANDICAPPED PUPILS RECEIVING SPECIAL EDUCATIONAL SERVICES UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, ON OCTOBER 1 NEXT PRECEDING SUCH BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID DATE, AS EVIDENCED BY THE ACTUAL ATTENDANCE OF SUCH PUPILS PRIOR TO SAID DATE.

(b) ~~with~~ Each ~~child~~ PUPIL receiving SPECIAL EDUCATIONAL services UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, SHALL BE counted as one-half pupil.

SECTION 18. 22-53-107.5 (5), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-53-107.5. Legislative declaration - increases in funding components.

(5) The general assembly hereby finds and declares that the funding components for the ~~1993-94~~ 1994-95 budget year, and any budget year thereafter, shall be determined by the general assembly during the legislative session immediately preceding the beginning of the budget year and not during any legislative session prior thereto.

SECTION 19. 22-53-114 (4) (a), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-53-114. Local and state shares of equalization program funding. (4) (a) ~~If the amount of property tax revenue which a district is entitled to receive from the levy required by subsections (1) and (2) of this section during the budget year, assuming one hundred percent collection, exceeds the equalization program funding of the district, such excess amount~~ IF THE LEVY MADE BY A DISTRICT PURSUANT TO SUBSECTIONS (2) AND (5) OF THIS SECTION IS LESS THAN THE DISTRICT'S PRIOR YEAR'S LEVY OR THE DISTRICT'S ALLOWABLE LEVY UNDER THE PROPERTY TAX REVENUE

LIMITATION IMPOSED ON THE DISTRICT BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE DISTRICT SHALL MAKE AN ADDITIONAL LEVY TO GENERATE PROPERTY TAX REVENUE IN AN AMOUNT EQUAL TO THE AMOUNT OF CATEGORICAL SUPPORT FUNDS, BUT THE TOTAL LEVY CANNOT EXCEED THE DISTRICT'S PRIOR YEAR'S LEVY OR THE DISTRICT'S ALLOWABLE LEVY. WHEN A DISTRICT RECEIVES PROPERTY TAX REVENUE FROM SUCH ADDITIONAL LEVY OR WHEN A DISTRICT HAS ELECTED TO KEEP EXCESS PROPERTY TAX REVENUE COLLECTED DURING THE 1992 CALENDAR YEAR PURSUANT TO THE PROVISIONS OF SECTION 22-44-103.5 (2) (b) (III) (C) OR (2) (c) (III), SUCH PROPERTY TAX REVENUE shall be used to replace, on a pro rata basis, any categorical program support funds which such district would otherwise be eligible to receive from the state. ~~If the amount of property tax revenue exceeds the equalization program funding of the district and the total amount of categorical program support funds which the district would otherwise be eligible to receive from the state, the tax levy shall be reduced so that the property tax revenue received from such tax levy equals the total of said two amounts.~~ For the purposes of this subsection (4), "categorical program support funds which the district would otherwise be eligible to receive from the state" means amounts which the district would have received from the state but which will be received instead from property tax revenues by reason of this ~~section~~ SUBSECTION (4) and includes funds pursuant to section 22-53-115.5 for a preschool program established pursuant to article 28 of this title, funds pursuant to section 22-53-116 due to increased enrollment, funds pursuant to section 22-53-116.5 for three- and four-year-old handicapped children, funds pursuant to the "Exceptional Children's Educational Act", article 20 of this title, funds pursuant to the "English Language Proficiency Act", article 24 of this title, transportation aid pursuant to article 51 of this title, and vocational education aid pursuant to article 8 of title 23, C.R.S. Funds received by an administrative unit under the "Exceptional Children's Educational Act", article 20 of this title, as reimbursement for services provided to children counted in the pupil enrollment of a district shall be considered as funds which a district would otherwise be eligible to receive for purposes of this subsection (4).

SECTION 20. 22-53-114 (9) (b), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-53-114. Local and state shares of equalization program funding. (9) (b) The calculation required by paragraph (a) of this subsection (9) is solely for the purpose of determining the state's share in districts which have entered into agreements pursuant to section 22-32-110 (1) (ff) or (1) (gg), and nothing in this subsection (9) shall be construed to decrease the valuation for assessment of personal property in the district or to affect the number of mills required by subsection (2) of this section ~~or by section 22-53-115~~ to be levied on the valuation for assessment of real and personal property in the district.

SECTION 21. 22-53-114, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

22-53-114. Local and state shares of equalization program funding. (9.2) FOR ANY DISTRICT WHICH REDUCES ITS MILL LEVY PURSUANT TO THE PROVISIONS OF SECTION 22-44-103.5 (2) (b) (III) (B) FOR THE 1993 PROPERTY TAX YEAR, THE STATE'S SHARE OF EQUALIZATION PROGRAM FUNDING FOR THE 1993-94 BUDGET YEAR

AND BUDGET YEARS THEREAFTER SHALL BE THE AMOUNT BY WHICH THE EQUALIZATION PROGRAM FUNDING OF THE DISTRICT EXCEEDS THE AMOUNT OF PROPERTY TAX REVENUE WHICH THE DISTRICT WOULD HAVE BEEN ENTITLED TO RECEIVE IF THE MILL LEVY HAD NOT BEEN REDUCED.

(9.3) FOR ANY DISTRICT WHICH REDUCES OR ENDS BUSINESS PERSONAL PROPERTY TAXES THROUGH ACTION TAKEN PURSUANT TO SECTION 20 (8) (b) OF ARTICLE X OF THE STATE CONSTITUTION, THE STATE'S SHARE OF EQUALIZATION PROGRAM FUNDING FOR THE BUDGET YEAR IN WHICH SUCH ACTION IS TAKEN AND ANY BUDGET YEAR THEREAFTER SHALL BE THE AMOUNT BY WHICH THE EQUALIZATION PROGRAM FUNDING OF THE DISTRICT EXCEEDS THE AMOUNT OF PROPERTY TAX REVENUE WHICH THE DISTRICT WOULD HAVE BEEN ENTITLED TO RECEIVE IF SUCH ACTION HAD NOT BEEN TAKEN BY THE DISTRICT.

SECTION 22. Repeal. 22-53-115, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is repealed.

SECTION 23. The introductory portion to 22-53-116 (1.5) (b), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended, and the said 22-53-116 (1.5) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

22-53-116. Additional aid to districts with increased enrollment during the budget year. (1.5) (b) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (1.5) FOR THE 1993-94 BUDGET YEAR, a district determined to be eligible for additional state support under paragraph (a) of this subsection (1.5) shall receive, for each pupil of increase over the applicable threshold in said paragraph (a), the sum of:

(c) FOR THE 1993-94 BUDGET YEAR ONLY, A DISTRICT DETERMINED TO BE ELIGIBLE FOR ADDITIONAL STATE SUPPORT UNDER PARAGRAPH (a) OF THIS SUBSECTION (1.5) SHALL RECEIVE, FOR EACH PUPIL OF INCREASE OVER THE APPLICABLE THRESHOLD IN SAID PARAGRAPH (a), AN AMOUNT EQUAL TO FIFTY-FIVE PERCENT OF THE DISTRICT'S 1993-94 PER PUPIL FUNDING AMOUNT. FOR PURPOSES OF THIS PARAGRAPH (c), A DISTRICT'S "1993-94 PER PUPIL FUNDING AMOUNT" MEANS THE AMOUNT WHICH RESULTS FROM DIVIDING THE DISTRICT'S 1993-94 EQUALIZATION PROGRAM FUNDING, AS CALCULATED PURSUANT TO SECTION 22-53-107 (5.5) (b) (I) AND AS REDUCED PURSUANT TO SECTION 22-53-114 (3) (a) (II), IF APPLICABLE, BY THE DISTRICT'S 1993-94 FUNDED PUPIL COUNT.

SECTION 24. 22-53-122.7 (1) (a) and (2), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-53-122.7. Loans to school districts at end of budget year. (1) (a) For the 1992 transitional budget year AND THE 1992-93 BUDGET YEAR, the state treasurer, in accordance with a certification made by the state board, shall make a loan to each school district in the state to represent the difference between the actual amount of property tax revenue collected for such budget year and ninety-five percent of one hundred percent collections for such budget year. Such payments shall be made by the state treasurer no later than June 26 of each year based upon amounts certified to the state treasurer by the state board. The amount to be paid to a school district shall be determined in accordance with rules and regulations adopted by the state board.

HOWEVER, IF THE ACTUAL AMOUNT OF PROPERTY TAX REVENUE COLLECTED FOR SUCH BUDGET YEAR IS NINETY-FIVE PERCENT OF ONE HUNDRED PERCENT OF COLLECTIONS OR GREATER, A SCHOOL DISTRICT SHALL NOT BE ELIGIBLE TO RECEIVE A LOAN PURSUANT TO THIS SECTION.

(2) If a school district receives a loan pursuant to subsection (1) of this section, an amount equal to such loan shall be withheld by the state treasurer from any payments to be made to said district beginning in July of the succeeding budget year, AND THE TOTAL AMOUNT OF SUCH LOAN MUST BE REPAID NO LATER THAN AUGUST 31 OF THE SUCCEEDING BUDGET YEAR.

SECTION 25. 22-63-202 (3), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-63-202. Employment contracts - contracts to be in writing - duration - damage provision. (3) A teacher may be suspended temporarily during the contractual period until the date of dismissal as ordered by the board pursuant to section 22-63-302 or may have his employment contract cancelled during the contractual period when there is a justifiable decrease in the number of teaching positions. THE MANNER IN WHICH EMPLOYMENT CONTRACTS WILL BE CANCELLED WHEN THERE IS A JUSTIFIABLE DECREASE IN THE NUMBER OF TEACHING POSITIONS MAY BE INCLUDED IN ANY CONTRACT BETWEEN THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT AND SCHOOL DISTRICT EMPLOYEES. IF THERE IS NO SUCH CONTRACT PROVISION, when a justifiable reduction in the number of teaching positions within a particular endorsement area occurs, the employment contracts of FIRST-YEAR probationary teachers who are occupying such positions shall be cancelled first. FURTHER REDUCTIONS IN THE NUMBER OF TEACHING POSITIONS THROUGH THE CANCELLATION OF EMPLOYMENT CONTRACTS OF SECOND-YEAR AND THIRD-YEAR PROBATIONARY TEACHERS AND NONPROBATIONARY TEACHERS SHALL BE MADE IN ACCORDANCE WITH AN ESTABLISHED POLICY OF THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT. THE PROVISIONS OF THIS SUBSECTION (3) CONCERNING THE CANCELLATION OF EMPLOYMENT CONTRACTS SHALL NOT CREATE ANY PROPERTY RIGHT OR CONTRACT RIGHT, EXPRESS OR IMPLIED, FOR SECOND-YEAR AND THIRD-YEAR PROBATIONARY TEACHERS.

SECTION 26. Appropriation - adjustment in 1993 long bill. (1) For the implementation of this act, appropriations made in the annual general appropriation act to the department of education for the fiscal year beginning July 1, 1993, shall be adjusted as follows:

(a) The general fund appropriation for public school finance, equalization program, is increased by five million dollars (\$5,000,000);

(b) The general fund appropriation for distributions, special contingency reserve, is decreased by five million dollars (\$5,000,000).

SECTION 27. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 6, 1993