

CHAPTER 166

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 95-1327

BY REPRESENTATIVES Anderson, Reeser, Tool, Agler, Allen, Armstrong, Chlouber, Clarke, Dean, DeGette, Dyer, Entz, Epps, George, Grampsas, Hagedorn, Hernandez, Kaufman, Keller, Kerns, Kreutz, Lamm, Lawrence, Lyle, McElhany, McPherson, Moellenberg, Morrison, Reeves, Romero, Saliman, Schauer, Schwarz, Sullivan, Sullivant, Swenson, Taylor, Tucker and Tupa; also SENATORS Wells, Alexander, Bishop, Blickensderfer, Dennis, Mares, and Matsunaka.

AN ACT**CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND MAKING APPROPRIATIONS IN CONNECTION THEREWITH.**

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

SECTION 1. 22-20-114 (1) (a) and (1) (b), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended, and the said 22-20-114 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

22-20-114. Funding of programs. (1) (a) For the 1994-95 budget year, ~~and budget years thereafter,~~ each administrative unit that maintains and operates special education programs approved by the department for the education of exceptional children shall be entitled to a base amount of state funding of no less than the state base amount received for the immediately preceding budget year. Such state funding shall be provided out of the appropriation made to the department for payment of costs incurred by administrative units for the provision of special education programs.

(b) (I) After the department determines the base amount to which each administrative unit is entitled pursuant to paragraph (a) of this subsection (1), any remaining portion of the appropriation made to the department shall be prorated to those administrative units providing special education services to more children than during the immediately preceding budget year based on each unit's share of the total number of additional children in the state being provided special education services.

(II) ~~On or before July 1, 1996, and every two years thereafter, the department, school districts, and administrative units shall review the distribution of remaining appropriations pursuant to subparagraph (I) of this paragraph (b) to assure an~~

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

~~equitable distribution of the appropriations~~ THIS PARAGRAPH (b) SHALL APPLY ONLY TO THE 1994-95 BUDGET YEAR.

(b.5) FOR THE 1995-96 BUDGET YEAR AND BUDGET YEARS THEREAFTER, EACH ADMINISTRATIVE UNIT THAT MAINTAINS AND OPERATES SPECIAL EDUCATION PROGRAMS APPROVED BY THE DEPARTMENT FOR THE EDUCATION OF EXCEPTIONAL CHILDREN SHALL BE ENTITLED TO A BASE AMOUNT OF STATE FUNDING EQUAL TO THE STATE BASE AMOUNT RECEIVED FOR THE 1994-95 BUDGET YEAR. ANY INCREASE IN THE APPROPRIATION MADE TO THE DEPARTMENT OVER THE APPROPRIATION MADE TO THE DEPARTMENT FOR THE 1994-95 BUDGET YEAR SHALL BE DISTRIBUTED TO A SCHOOL DISTRICT IN PROPORTION TO THE NUMBER OF CHILDREN WITH DISABILITIES RESIDING IN SUCH DISTRICT DIVIDED BY THE TOTAL NUMBER OF CHILDREN WITH DISABILITIES IN THE STATE. THE INCREASE IN THE APPROPRIATION TO BE DISTRIBUTED TO SCHOOL DISTRICTS PURSUANT TO THIS PARAGRAPH (b.5) SHALL BE DISTRIBUTED AS SOON AS PRACTICABLE AFTER THE BEGINNING OF THE FISCAL YEAR.

SECTION 2. 22-28-104 (2) (b), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-28-104. Establishment of public preschool programs. (2) In recognition of the fact that there are thousands of children in Colorado not presently being served who would benefit from the state preschool program, the number of children that may participate in the state preschool program shall be increased:

(b) (I) To not more than ~~6,500~~ 6,650 in the 1995-96 budget year. ~~and~~

(II) FOR THE 1995-96 BUDGET YEAR ONLY, THE DEPARTMENT, IN ITS DISCRETION, MAY ESTABLISH A PILOT PROGRAM UNDER WHICH A SCHOOL DISTRICT COULD APPLY TO THE DEPARTMENT FOR AUTHORIZATION TO IMPLEMENT A FULL-DAY KINDERGARTEN COMPONENT OF THE DISTRICT'S PRESCHOOL PROGRAM. OF THE TOTAL NUMBER OF CHILDREN THAT MAY PARTICIPATE IN THE STATE PRESCHOOL PROGRAM, NO MORE THAN ONE HUNDRED FIFTY WOULD BE ALLOWED TO PARTICIPATE IN THE FULL-DAY KINDERGARTEN PILOT PROGRAM. IF A PILOT PROGRAM IS ESTABLISHED, THE DEPARTMENT SHALL ESTABLISH CRITERIA TO USE IN SELECTING SCHOOL DISTRICTS FOR PARTICIPATION IN THE PROGRAM.

SECTION 3. 22-41-101, Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

22-41-101. Composition of fund. The public school fund of the state shall consist of the proceeds of such lands as have been, or may be, granted to the state by the federal government for educational purposes; all estates that may escheat to the state; ~~and~~ all other grants, gifts, or devises that may be made to the state for educational purposes; AND SUCH OTHER MONEYS AS THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER. THE INTEREST EARNED ON ANY MONEYS TRANSFERRED TO THE PUBLIC SCHOOL FUND DURING THE 1994-95 AND

1995-96 FISCAL YEARS SHALL REMAIN IN THE PUBLIC SCHOOL FUND AND MAY NOT BE TRANSFERRED TO ANY OTHER FUND.

SECTION 4. 22-41-110 (1), Colorado Revised Statutes, 1988 Repl. Vol., as

amended, is amended to read:

22-41-110. Timely payment of school district obligations. (1) This section applies to general obligation bonds issued by a school district on or after July 1, 1991, pursuant to article 42 or 43 of this title, ~~and~~ to obligations of a school district in connection with a lease agreement or installment purchase agreement entered into by a school district under section 22-32-127 or 22-45-103 (1) (c) on or after July 1, 1991, AND TO REFUNDING BONDS ISSUED BY A SCHOOL DISTRICT PURSUANT TO ARTICLE 56 OF TITLE 11, C.R.S.

SECTION 5. 22-42-119 (2), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

22-42-119. Bond fund - payment and redemption. (2) Redemption of said bonds prior to the respective maturities thereof may be made in ~~either direct or inverse numerical~~ THE order as determined by the board in the resolution authorizing the issuance of said bonds and set forth on the face of said bonds. Notice of the redemption of said bonds, prior to maturity, shall be made in the manner prescribed in said bond resolution. In the absence of such prescribed manner in the bond resolution, a redemption prior to maturity shall be made in the following manner: When authorized by the board of education, the treasurer of said school district shall advertise in some newspaper published in the school district once a week for two consecutive weeks that on a certain day, named in said advertisement, not less than four weeks after the time of the first publication thereof, he will redeem certain of said bonds therein described by number, amount, and date of issue thereof and that the principal, interest to redemption date, and redemption premium, if any, of said bonds will be paid in accordance with the bond resolution authorizing such bonds. The notice shall indicate also that, after the day so fixed for redemption, the interest on the bonds shall cease. After the day of redemption so fixed in said notice the bonds so advertised and called to be redeemed shall cease to draw interest.

SECTION 6. 29-15-105, Colorado Revised Statutes, 1986 Repl. Vol., is amended to read:

29-15-105. Tax anticipation note details. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, any tax anticipation notes may be issued in one or more series, bear such dates, be in such denomination or denominations, mature on any date or dates occurring on or before the last day of the fiscal year of the public body in which the tax anticipation notes are issued, mature in such amount or amounts, bear interest at such rate or rates, be in such form, be payable at such place or places, and be subject to such terms of redemption with or without a premium as the legislative act of the governing body authorizing the issuance of the tax anticipation notes may provide. The tax anticipation notes may be sold at, above, or below the principal amounts thereof whenever such action is in the public interest, as determined by the governing body. The tax anticipation notes may be sold at either a public or a private sale, as determined by the governing body.

(2) ANY TAX ANTICIPATION NOTES ISSUED BY A SCHOOL DISTRICT MAY BE ISSUED IN ONE OR MORE SERIES, BEAR SUCH DATES, BE IN SUCH DENOMINATION OR DENOMINATIONS, MATURE ON OR BEFORE AUGUST 31 OF THE FISCAL YEAR IMMEDIATELY FOLLOWING THE FISCAL YEAR IN WHICH THE TAX ANTICIPATION NOTES

WERE ISSUED, MATURE IN SUCH AMOUNT OR AMOUNTS, BEAR INTEREST AT SUCH RATE OR RATES, BE IN SUCH FORM, BE PAYABLE AT SUCH PLACE OR PLACES, AND BE SUBJECT TO SUCH TERMS OF REDEMPTION WITH OR WITHOUT A PREMIUM AS THE LEGISLATIVE ACT OF THE GOVERNING BODY AUTHORIZING THE ISSUANCE OF THE TAX ANTICIPATION NOTES MAY PROVIDE. THE TAX ANTICIPATION NOTES MAY BE SOLD AT, ABOVE, OR BELOW THE PRINCIPAL AMOUNTS THEREOF WHENEVER SUCH ACTION IS IN THE PUBLIC INTEREST, AS DETERMINED BY THE GOVERNING BODY. THE TAX ANTICIPATION NOTES MAY BE SOLD AT EITHER A PUBLIC OR A PRIVATE SALE, AS DETERMINED BY THE GOVERNING BODY.

SECTION 7. 29-15-112 (10), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

29-15-112. State treasurer may issue tax anticipation notes for school districts - repeal. (10) This section is repealed, effective ~~July 31, 1995~~ JULY 31, 2000.

SECTION 8. The introductory portion to section 22-42-104 (1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended, and the said 24-42-104 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

22-42-104. Limit of bonded indebtedness. (1) EXCEPT AS PROVIDED IN SUBSECTION (1.3) OF THIS SECTION, a school district shall have a limit of bonded indebtedness of the greater of the following:

(1.3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, THE LIMIT ON BONDED INDEBTEDNESS OF A SCHOOL DISTRICT SHALL BE TWENTY-FIVE PERCENT OF THE LATEST VALUATION FOR ASSESSMENT OF THE TAXABLE PROPERTY IN SUCH DISTRICT, AS CERTIFIED BY THE COUNTY ASSESSOR TO THE BOARD OF COUNTY COMMISSIONERS, FOR ANY BONDED INDEBTEDNESS APPROVED AT ANY ELECTION HELD BETWEEN JULY 1, 1994, AND JULY 1, 1996, IF THE COMMISSIONER OF EDUCATION OR THE COMMISSIONER'S DESIGNEE CERTIFIES THAT FOR EACH OF THE PRECEDING THREE FISCAL YEARS THE PUPIL ENROLLMENT OR THE FUNDED PUPIL COUNT OF THE DISTRICT AS OF OCTOBER 1, WHICHEVER IS APPLICABLE, HAS INCREASED:

(a) BY THREE PERCENT OR MORE OVER EACH PRECEDING YEAR, IF THE DISTRICT HAS A PUPIL ENROLLMENT OR FUNDED PUPIL COUNT, WHICHEVER IS APPLICABLE, OF AT LEAST ONE THOUSAND PUPILS;

(b) BY TWENTY-FIVE OR MORE PUPILS EACH YEAR, IF THE DISTRICT HAS A PUPIL ENROLLMENT OR FUNDED PUPIL COUNT, WHICHEVER IS APPLICABLE, OF LESS THAN ONE THOUSAND PUPILS.

(1.5) THE DEBT LIMIT PROVIDED IN SUBSECTION (1.3) OF THIS SECTION SHALL APPLY TO A DISTRICT ONLY AS LONG AS THE CONDITIONS OF SUBSECTION (1.3) OF THIS SECTION ARE MET. IN ANY YEAR IN WHICH THE CONDITIONS OF SAID SUBSECTION (1.3) ARE NOT MET, THE DEBT LIMIT SHALL BE THE LIMIT SET FORTH IN SUBSECTION (1) OF THIS SECTION; EXCEPT THAT THE VALIDITY OF BONDED INDEBTEDNESS INCURRED IN ANY YEAR IN WHICH THE DEBT LIMIT IN SAID SUBSECTION (1.3) APPLIED SHALL NOT BE AFFECTED BY A SUBSEQUENT REDUCTION IN THE DISTRICT'S DEBT LIMIT.

SECTION 9. 22-44-103.5 (2) (b) (III), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH to read:

22-44-103.5. Budget for 1992 transitional fiscal year. (2) (b) (III) (D) NOTWITHSTANDING THE PROVISIONS OF SUB-SUBPARAGRAPH (C) OF THIS SUBPARAGRAPH (III), FOR THE 1995-96 FISCAL YEAR AND FISCAL YEARS THEREAFTER, THE AMOUNT OF PROPERTY TAX REVENUE CARRIED FORWARD SHALL BE OFFSET AGAINST ANY STATE AID OR CATEGORICAL SUPPORT FUNDS THAT THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE DURING THE 1995-96 FISCAL YEAR AND FISCAL YEARS THEREAFTER. AFTER THE OFFSET IS MADE IN EACH FISCAL YEAR, THE BOARD OF EDUCATION MAY USE ITS EXCESS PROPERTY TAX REVENUE FOR ANY CAPITAL PROJECTS OR MAY USE NO MORE THAN TEN PERCENT OF THE EXCESS PROPERTY TAX REVENUE REMAINING TO BE OFFSET AT THE END OF THE FISCAL YEAR FOR ANY LAWFUL PURPOSE. THE AMOUNT OF EXCESS PROPERTY TAX REVENUE REMAINING TO BE OFFSET SHALL BE REDUCED EACH YEAR BY TEN PERCENT OR THE AMOUNT OF ANY CAPITAL PROJECTS ON WHICH THE MONEY IS SPENT. BY JANUARY 30 OF EACH FISCAL YEAR THE BOARD OF EDUCATION SHALL CERTIFY TO THE STATE DEPARTMENT OF EDUCATION THE TOTAL AMOUNT OF EXCESS PROPERTY TAX REVENUE SPENT OR OTHERWISE ENCUMBERED ON CAPITAL PROJECTS FOR THE FISCAL YEAR. ONCE THE AMOUNT OF EXCESS PROPERTY TAX REVENUE REMAINING TO BE OFFSET REACHES ZERO, THE DISTRICT SHALL RECEIVE STATE AID OR RECEIVE CATEGORICAL SUPPORT FUNDS THAT THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE.

SECTION 10. 22-45-103 (1) (c) (I) (E), Colorado Revised Statutes, 1988 Repl. Vol., is 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 22-54-105 (2) 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 of risk-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. Expenditures from the fund shall be limited to long-range capital outlay expenditures and shall be made only for the following purposes:

(E) Acquisition of school buses or other equipment, the estimated unit cost of which, including any necessary installation, is in excess of ~~two hundred fifty~~ SEVEN HUNDRED FIFTY dollars;

SECTION 11. 22-51-104 (2), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-51-104. Methods of determining reimbursement entitlement. (2) In no event shall the reimbursement entitlement of any school district under the provisions of subsection (1) of this section for any entitlement period exceed ninety percent of the total amount expended by the school district during said entitlement period for current operating expenditures for pupil transportation. ~~nor, for entitlement periods beginning on or after July 1, 1993, if a school district is subject to a court-ordered desegregation order, shall the entitlement of any such district be less than fifty-five percent of the total amount expended by the district during said entitlement period for current operating expenditures for pupil transportation.~~

SECTION 12. 22-51-106 (2), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

22-51-106. Certification to and payment by state treasurer - deficiency in fund. (2) (a) In the event the amount of money appropriated by the general assembly to the public school transportation fund is less than the amount of the total reimbursement entitlements of all of the school districts authorized by this section, the amount to be distributed to each school district shall be in the same proportion as the amount which the appropriation made bears to the total amount of the reimbursement entitlements of all school districts.

(b) FOR THE ENTITLEMENT PERIOD BEGINNING ON OR AFTER JULY 1, 1993, THE CALCULATION IN PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE BASED ON THE AMOUNT OF MONEY APPROPRIATED BY THE GENERAL ASSEMBLY TO THE PUBLIC SCHOOL TRANSPORTATION FUND REDUCED BY ONE MILLION FIVE HUNDRED THOUSAND DOLLARS. AFTER MAKING THE CALCULATION IN PARAGRAPH (a) OF THIS SUBSECTION (2), FOR THE ENTITLEMENT PERIOD BEGINNING ON OR AFTER JULY 1, 1993, ANY DISTRICT SUBJECT TO A COURT-ORDERED DESEGREGATION ORDER SHALL BE ENTITLED TO REIMBURSEMENT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FOR PUPIL TRANSPORTATION IN ADDITION TO ANY AMOUNT RECEIVED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2).

SECTION 13. 22-54-103 (1) (a) (II), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-54-103. Definitions. As used in this article, unless the context otherwise requires:

(1) (a) "At-risk pupils" means:

(II) For the 1995-96 budget year and budget years thereafter, THE GREATER OF:

(A) THE NUMBER OF DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH; OR

(B) The number of pupils calculated in accordance with the following formula:

District percentage of pupils eligible for free lunch x District pupil enrollment

SECTION 14. 22-54-104 (2) (a), (4) (b), and (5) (a), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-54-104. District total program. (2) (a) (I) Except as otherwise provided in this subsection (2), subsection (6) of this section, or section 22-54-104.3, a district's total program for ~~any~~ THE 1994-95 budget year shall be the greater of the following:

~~(A)~~ (A) (District per pupil funding x District funded pupil count) + District at-risk funding; or

~~(B)~~ (B) \$3,975 x District funded pupil count

(II) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION (2), SUBSECTION (6) OF THIS SECTION, OR SECTION 22-54-104.3, A DISTRICT'S TOTAL PROGRAM FOR THE 1995-96 BUDGET YEAR SHALL BE THE GREATER OF THE FOLLOWING:

(A) (DISTRICT PER PUPIL FUNDING x DISTRICT FUNDED PUPIL COUNT) + DISTRICT AT-RISK FUNDING; OR

(B) \$4,200 x DISTRICT FUNDED PUPIL COUNT

(4) A district's at-risk funding shall be determined in accordance with one of the following formulas:

(b) If the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than four hundred fifty-nine, the formula shall be:

((District per pupil funding x 11%) x (Statewide average percentage of at-risk pupils x District pupil enrollment)) + ((District per pupil funding x District at-risk factor) x (District at-risk pupils - (Statewide average percentage of at-risk pupils x District pupil ~~enrollment~~ ENROLLMENT)))

(5) For purposes of the formulas used in this section:

(a) (I) The statewide base per pupil funding for the 1994-95 budget year shall be \$3,390.

(II) (A) FOR THE 1995-96 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING SHALL BE \$3,390 SUPPLEMENTED BY \$73 TO ACCOUNT FOR INFLATION.

(B) IN ADDITION TO THE \$73 INCREASE IN THE STATEWIDE BASE PER PUPIL FUNDING FOR THE 1995-96 BUDGET YEAR, THE DEPARTMENT SHALL FURTHER INCREASE THE BASE PER PUPIL FUNDING IN AN AMOUNT THAT WILL SPEND ANY STATE MONEYS NOT EXPENDED BY THE DEPARTMENT BECAUSE DISTRICTS COULD NOT ACCEPT THE FULL INCREASE IN 1995-96 TOTAL PROGRAM AUTHORIZED PURSUANT TO THE PROVISIONS OF SECTION 22-54-104.3 (2.5) (c) AND (d). THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE ADDITIONAL INCREASE, IF ANY, NO LATER THAN DECEMBER 10, 1995.

SECTION 15. 22-54-104.3 (4), the introductory portion to 22-54-104.3 (5), and 22-54-104.3 (5) (g), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended, and the said 22-54-104.3 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

22-54-104.3. Total program for 1994-95 and 1995-96 budget years and budget years thereafter - special provisions. (2.5) (a) NOTWITHSTANDING THE PROVISIONS OF SECTION 22-54-104 (2) AND (6), A DISTRICT'S 1995-96 TOTAL PROGRAM SHALL NOT EXCEED THE DISTRICT'S 1994-95 REVENUE MULTIPLIED BY 100% PLUS THE DISTRICT'S MAXIMUM ANNUAL PERCENTAGE CHANGE IN 1995-96 FISCAL YEAR SPENDING.

(b) FOR PURPOSES OF THIS SUBSECTION (2.5):

(I) "MAXIMUM ANNUAL PERCENTAGE CHANGE IN 1995-96 FISCAL YEAR SPENDING" MEANS THE PERCENTAGE CHANGE IN FISCAL YEAR SPENDING ALLOWED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION BASED UPON THE DEFINITION OF INFLATION FOUND IN SAID SECTION 20 AND BASED UPON THE DEFINITION OF LOCAL GROWTH AS THE PERCENTAGE CHANGE BETWEEN THE DISTRICT'S OCTOBER 1994 FUNDED PUPIL COUNT AND THE DISTRICT'S OCTOBER 1995 FUNDED PUPIL COUNT.

(II) "1994-95 REVENUE" MEANS THE DISTRICT'S 1994-95 TOTAL PROGRAM MINUS ANY INCREASE IN 1993-94 EQUALIZATION PROGRAM FUNDING PURSUANT TO FORMER SECTION 22-53-107.4 (4) (a) PLUS ANY INCREASE IN THE DISTRICT'S 1994-95 TOTAL PROGRAM PURSUANT TO SUBSECTION (6) OF THIS SECTION.

(c) FOR THE PERIOD FROM JULY 1 THROUGH DECEMBER 31, 1995, IF A DISTRICT'S 1995-96 TOTAL PROGRAM WAS CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.5) AND THE DISTRICT IS CAPABLE OF RECEIVING AN INCREASE IN ITS TOTAL 1995-96 TOTAL PROGRAM WITHIN THE LIMITATIONS ON ITS FISCAL YEAR SPENDING FOR THE 1995-96 BUDGET YEAR UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE DISTRICT MAY NOTIFY THE DEPARTMENT THAT IT MAY RECEIVE AN ADDITIONAL INCREASE IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) FIFTY DOLLARS MULTIPLIED BY THE DISTRICT'S 1995-96 FUNDED PUPIL COUNT;

(II) THE DIFFERENCE BETWEEN THE DISTRICT'S 1995-96 TOTAL PROGRAM CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.5) AND THE DISTRICT'S 1995-96 TOTAL PROGRAM CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6); OR

(III) THE DIFFERENCE BETWEEN THE DISTRICT'S 1995-96 TOTAL PROGRAM CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.5) AND THE

DISTRICT'S ALLOWABLE FISCAL YEAR SPENDING FOR THE 1995-96 BUDGET YEAR UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(d) (I) ANY DISTRICT ELIGIBLE FOR AN INCREASE PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (2.5) MAY CERTIFY TO THE DEPARTMENT OF EDUCATION THAT IT MAY RECEIVE AN ADDITIONAL INCREASE IN ITS 1995-96 TOTAL PROGRAM IN AN AMOUNT EQUAL TO THE LESSER OF:

(A) TWO HUNDRED TWENTY-FIVE DOLLARS MULTIPLIED BY THE DISTRICT'S 1995-96 FUNDED PUPIL COUNT MINUS THE AMOUNT OF ADDITIONAL INCREASE RECEIVED PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (2.5);

(B) THE DIFFERENCE BETWEEN THE DISTRICT'S 1995-96 TOTAL PROGRAM AS INCREASED BY PARAGRAPH (c) OF THIS SUBSECTION (2.5) AND THE DISTRICT'S 1995-96 TOTAL PROGRAM CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6); OR

(C) THE DIFFERENCE BETWEEN THE DISTRICT'S 1995-96 TOTAL PROGRAM AS INCREASED BY PARAGRAPH (c) OF THIS SUBSECTION (2.5) AND THE DISTRICT'S 1995-96 FISCAL YEAR SPENDING UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(II) EACH DISTRICT ELIGIBLE FOR AN INCREASE PURSUANT TO THIS PARAGRAPH (d) SHALL CERTIFY TO THE DEPARTMENT THE EXACT DOLLAR AMOUNT OF INCREASE THAT THE DISTRICT CAN ACCEPT. SUCH CERTIFICATION SHALL BE SUBMITTED NO LATER THAN DECEMBER 1, 1995, AND MUST HAVE BEEN REVIEWED AND APPROVED BY AN AUDITOR FOR THE DISTRICT.

(2.7) (a) FOR THE 1996-97 BUDGET YEAR AND BUDGET YEARS THEREAFTER, NOTWITHSTANDING THE PROVISIONS OF SECTION 22-54-104 (2) AND (6), A DISTRICT'S TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR SHALL NOT EXCEED THE DISTRICT'S TOTAL PROGRAM FOR THE PRIOR BUDGET YEAR MULTIPLIED BY 100% PLUS THE DISTRICT'S MAXIMUM ANNUAL PERCENTAGE CHANGE IN THE APPLICABLE FISCAL YEAR SPENDING.

(b) FOR PURPOSES OF THIS SUBSECTION (2.7), "MAXIMUM ANNUAL PERCENTAGE CHANGE IN THE APPLICABLE FISCAL YEAR SPENDING" MEANS THE PERCENTAGE CHANGE IN FISCAL YEAR SPENDING ALLOWED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION BASED UPON THE DEFINITION OF INFLATION FOUND IN SAID SECTION 20 AND BASED UPON THE DEFINITION OF LOCAL GROWTH AS THE PERCENTAGE CHANGE BETWEEN THE DISTRICT'S FUNDED PUPIL COUNT DURING THE IMMEDIATELY PRECEDING OCTOBER AND THE DISTRICT'S CURRENT YEAR OCTOBER FUNDED PUPIL COUNT.

~~(4) Notwithstanding the provisions of section 22-54-104 (2), for the 1995-96 budget year, if a district's 1994-95 total program was calculated pursuant to subsection (3) of this section, the total program for such district shall be calculated in accordance with the following formula:~~

~~(a) If the district's 1995-96 funded pupil count is equal to or less than the district's 1994-95 funded pupil count, the formula shall be:~~

~~District funded pupil count x District prior year total per pupil funding~~

~~(b) If the district's 1995-96 funded pupil count is greater than the district's 1994-95 funded pupil count, the formula shall be:~~

~~District prior year total program + ((District funded pupil count - District prior year funded pupil count) x District total formula per pupil funding)~~

~~(c) If a district's total program, as calculated pursuant to this subsection (4), is less than its total program as calculated pursuant to section 22-54-104 (2), such district shall no longer be subject to the provisions of this subsection (4) but shall be subject to the provisions of section 22-54-104 (2).~~

~~(5) For purposes of subsections SUBSECTION (3) and (4) of this section and section 22-54-104 (6):~~

~~(g) A district's "prior year total program" means the district's total program for the immediately preceding budget year, as calculated pursuant to subsection (3) of this section.~~

(6) (a) IF A DISTRICT RECEIVED AN ADDITIONAL INCREASE IN ITS 1993-94 EQUALIZATION PROGRAM FUNDING PURSUANT TO FORMER SECTION 22-53-107.4 (4) (a) AND THE DISTRICT'S 1994-95 FISCAL YEAR SPENDING MULTIPLIED BY 100% PLUS THE PERCENTAGE CHANGE IN FISCAL YEAR SPENDING IS LESS THAN ITS 1995-96 ALLOWABLE SPENDING, THEN THE DISTRICT SHALL BE ENTITLED TO AN ADDITIONAL INCREASE IN THE DISTRICT'S 1994-95 TOTAL PROGRAM EQUAL TO THE LESSER OF:

(I) THE DIFFERENCE BETWEEN ITS 1995-96 ALLOWABLE SPENDING DIVIDED BY 100% PLUS THE PERCENTAGE CHANGE IN FISCAL YEAR SPENDING AND ITS 1994-95 FISCAL YEAR SPENDING;

(II) AN AMOUNT EQUAL TO THE ADDITIONAL INCREASE IN THE DISTRICT'S 1993-94 EQUALIZATION PROGRAM FUNDING PURSUANT TO FORMER SECTION 22-53-107.4 (4) (a); OR

(III) THE DIFFERENCE BETWEEN ITS 1994-95 ALLOWABLE REVENUE AND ITS 1994-95 ACTUAL REVENUE.

(b) ANY DISTRICT ENTITLED TO AN ADDITIONAL INCREASE IN THE DISTRICT'S 1994-95 TOTAL PROGRAM PURSUANT TO THIS SUBSECTION (6) SHALL SPEND THE FUNDING DURING THE 1994-95 FISCAL YEAR IN COMPLIANCE WITH SECTION 20 (2) (e) OF ARTICLE X OF THE STATE CONSTITUTION.

(c) FOR PURPOSES OF THIS SUBSECTION (6):

(I) "1994-95 FISCAL YEAR SPENDING" MEANS 1994-95 TOTAL PROGRAM CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6) OR SECTION 22-54-104.3 MINUS THE ADDITIONAL INCREASE IN 1993-94 EQUALIZATION PROGRAM FUNDING.

(II) "1995-96 ALLOWABLE SPENDING" MEANS THE LESSER OF:

(A) PROJECTED 1995-96 TOTAL PROGRAM AS CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6); OR

(B) 1994-95 TOTAL PROGRAM CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6) OR SECTION 22-54-104.3 MULTIPLIED BY 100% PLUS THE PERCENTAGE CHANGE IN FISCAL YEAR SPENDING.

(III) "PERCENTAGE CHANGE IN FISCAL YEAR SPENDING" MEANS THE PERCENTAGE CHANGE IN FISCAL YEAR SPENDING ALLOWED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION BASED UPON THE DEFINITION OF INFLATION FOUND IN SAID SECTION 20 AND BASED ON THE DEFINITION OF LOCAL GROWTH AS THE PERCENTAGE CHANGE BETWEEN THE DISTRICT'S OCTOBER 1994 FUNDED PUPIL COUNT AND THE DISTRICT'S PROJECTED OCTOBER 1995 FUNDED PUPIL COUNT.

(IV) "1994-95 ALLOWABLE REVENUE" MEANS THE 1993-94 ACTUAL TOTAL FUNDING, AS DEFINED IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION, MULTIPLIED BY THE MAXIMUM ANNUAL PERCENTAGE CHANGE IN 1994-95 FISCAL YEAR SPENDING, AS DEFINED IN PARAGRAPH (e) OF SUBSECTION (2) OF THIS SECTION.

(V) "1994-95 ACTUAL REVENUE" MEANS STATE AID FOR THE 1994-95 BUDGET YEAR, 1994 PROPERTY TAX REVENUE, SPECIFIC OWNERSHIP TAX REVENUE PURSUANT TO SECTION 22-54-106, AND ANY EXCESS PROPERTY TAX REVENUE OFFSET AGAINST ANY STATE AID PURSUANT TO SECTION 22-44-103.5.

(d) EACH DISTRICT ELIGIBLE FOR AN INCREASE PURSUANT TO THIS SUBSECTION (6) SHALL CERTIFY TO THE DEPARTMENT THE EXACT DOLLAR AMOUNT OF INCREASE THAT THE DISTRICT CAN ACCEPT IN ORDER TO ENSURE THAT NO DISTRICT EXCEEDS ITS ALLOWABLE FISCAL YEAR SPENDING FOR THE 1994-95 BUDGET YEAR UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION; EXCEPT THAT THE AMOUNT CERTIFIED SHALL NOT EXCEED THE AMOUNT OF INCREASE DETERMINED IN PARAGRAPH (a) OF THIS SUBSECTION (6).

SECTION 16. 22-54-108 (3) (b), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended, and the said 22-54-108 (3) is further amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to read:

22-54-108. Authorization of additional local revenues. (3) (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 under the provisions of former section 22-53-117, shall be the maximum that may be raised and expended under this article in addition to the district's total program.

The total additional local property tax revenues ~~which~~ THAT may be authorized at elections held pursuant to this section shall not exceed under any circumstances twenty percent of the district's total program, as determined pursuant to section 22-54-104 (2), for the budget year in which the election at which the twenty percent limitation was reached or two hundred thousand dollars, whichever is greater.

(e) (I) IF A DISTRICT'S LEVY IS REDUCED PURSUANT TO SECTION 22-54-106 (2) (b) (I), THE PROVISIONS OF THIS PARAGRAPH (e), AS WELL AS THE PROVISIONS OF

PARAGRAPH (d) OF THIS SUBSECTION (3), SHALL APPLY IN CALCULATING THE LIMITATION OF THIS SUBSECTION (3).

(II) IN APPLYING THE LIMITATION OF THIS SUBSECTION (3), THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104.3 (3), AND THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104 (2), SHALL BE COUNTED TOWARD SUCH LIMITATION.

(f) IN APPLYING THE LIMITATION OF THIS SUBSECTION (3), THE AMOUNT OF PROPERTY TAX GENERATED BY THE NUMBER OF MILLS CALCULATED PURSUANT TO SECTION 22-54-106 (2) (b) (III) SHALL BE COUNTED TOWARD SUCH LIMITATION.

(g) IF THE ADDITIONAL LOCAL PROPERTY TAX REVENUES ALREADY AUTHORIZED, THE SPECIFIC OWNERSHIP TAX REVENUE, IF ANY, AND THE AMOUNTS SET FORTH IN SUBPARAGRAPH (II) OF PARAGRAPH (e) OR PARAGRAPH (f) OF THIS SUBSECTION (3) EXCEED THE LIMITATION, THE DISTRICT SHALL NOT BE AUTHORIZED TO HOLD AN ELECTION PURSUANT TO THE PROVISIONS OF THIS SECTION UNTIL THE LIMITATION IS GREATER THAN THE ADDITIONAL LOCAL PROPERTY TAX REVENUES ALREADY AUTHORIZED, THE SPECIFIC OWNERSHIP TAX REVENUE, IF ANY, AND THE AMOUNT SET FORTH IN SUBPARAGRAPH (II) OF PARAGRAPH (e) OR PARAGRAPH (f) OF THIS SUBSECTION (3).

SECTION 17. 22-54-108 (3) (d), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

22-54-108. Authorization of additional local revenues. (3) (d) (II.5) ANY PORTION OF THE SPECIFIC OWNERSHIP TAX PAID TO THE DISTRICT OTHER THAN THAT SPECIFIED IN SUB-SUBPARAGRAPHS (A) AND (B) OF SUBPARAGRAPH (II) OF THIS PARAGRAPH (d) SHALL NOT APPLY TO THE LIMITATION IN THIS SUBSECTION (3) BUT SHALL APPLY TO THE DISTRICT'S SHARE OF ITS TOTAL PROGRAM PURSUANT TO SECTION 22-54-106 (1) (a) (I).

SECTION 18. 22-54-106 (1) (a) (I) and (2), Colorado Revised Statutes, 1988 Repl. Vol., as amended, are amended to read:

22-54-106. Local and state shares of district total program. (1) (a) (I) Every district shall levy the number of mills determined pursuant to subsection (2) of this section, and the amount of property tax revenue which the district is entitled to receive from the levy, assuming one hundred percent collection, along with the amount of specific ownership tax revenue paid to the district, AS DEFINED IN SECTION 22-54-103 (11), shall be the district's share of its total program.

(2) (a) For the 1994 property tax year and property tax years thereafter, each district shall levy the lesser of:

~~(a)~~ (I) The number of mills levied by the district for the immediately preceding property tax year;

~~(b)~~ (II) The number of mills that will generate property tax revenue in an amount equal to the district's total program for the applicable budget year minus the district's minimum state aid and minus the amount of specific ownership tax revenue paid to the district; ~~or~~

~~(c)~~ (III) 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. In the calculation of local growth for purposes of determining the property tax revenue limitation imposed on a district under this ~~paragraph (c)~~ SUBPARAGRAPH (III), a district's student enrollment shall be the district's funded pupil count; OR

(IV) 41.75 MILLS IF THE DISTRICT'S TOTAL PROGRAM WAS NOT CALCULATED PURSUANT TO SECTION 22-54-104.3 FOR THE 1994-95 BUDGET YEAR.

(b) (I) (A) IF A DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR WAS CALCULATED PURSUANT TO SECTION 22-54-104.3, FOR THE 1995 PROPERTY TAX YEAR, THE LEVY CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE REDUCED BY THE NUMBER OF MILLS REQUIRED TO GENERATE THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104.3 (3), AND THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104 (2). THE AMOUNT BY WHICH PROPERTY TAX REVENUE IS REDUCED PURSUANT TO THIS PARAGRAPH (b) SHALL BE COUNTED TOWARD THE LIMITATION ON ADDITIONAL LOCAL REVENUES AS PROVIDED IN SECTION 22-54-108 (3).

(B) NOTWITHSTANDING THE PROVISIONS OF SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I), IF THE MILL LEVY WAS CALCULATED PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (2), THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104.3 (3), AND THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104 (2), SHALL BE ADDED TO THE TOTAL PROGRAM AS CALCULATED PURSUANT TO SECTION 22-54-104 (2) TO CALCULATE THE LEVY PURSUANT TO THIS SUBPARAGRAPH (I).

(II) IF AFTER CALCULATING THE MILL LEVY PURSUANT TO SUBPARAGRAPH (I) OF

THIS PARAGRAPH (b) THE DISTRICT'S LEVY EXCEEDS 41.75 MILLS, THE DISTRICT SHALL LEVY 41.75 MILLS.

(III) FOR THE 1995-96 BUDGET YEAR AND BUDGET YEARS THEREAFTER, IF THE AMOUNT OF PROPERTY TAX GENERATED FOR THE 1994-95 BUDGET YEAR BY THE NUMBER OF MILLS BY WHICH THE MILLS LEVIED BY THE DISTRICT FOR THE 1994-95 BUDGET YEAR EXCEEDED 40.080 MILLS WAS EQUAL TO OR EXCEEDED THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104.3 (3), AND THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104 (2), THE DISTRICT MAY CONTINUE TO LEVY THE DIFFERENCE BETWEEN THE LEVY PURSUANT TO SUBPARAGRAPH (I) AND SUBPARAGRAPH (II) OF THIS PARAGRAPH (b), AND THE AMOUNT OF PROPERTY TAX GENERATED BY THOSE EXCESS MILLS SHALL BE COUNTED TOWARD THE LIMITATION ON ADDITIONAL LOCAL REVENUES AS PROVIDED IN SECTION 22-54-108 (3) (f).

SECTION 19. 22-54-107 (1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-54-107. Buy-out of categorical programs. (1) If a district levies the number of mills calculated pursuant to section 22-54-106 ~~(2)~~ (b) (2) (a) (II), the district shall make an additional levy to generate property tax revenue in an amount equal to the amount of categorical support funds; except that the total of the two levies cannot exceed the district's levy for the immediately preceding year 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.

SECTION 20. 22-54-105 (1) (b), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

22-54-105. Instructional supplies and materials - capital reserve and insurance reserve. (1) (b) The amount to be budgeted in any budget year shall be the amount determined by multiplying ~~one hundred eleven~~ ONE HUNDRED TWENTY dollars by the district's funded pupil count.

SECTION 21. 29-1-603, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

29-1-603. Audits required. (5) FOR THE AUDIT FOR THE 1994-95 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE AUDIT REPORT OF EACH SCHOOL DISTRICT SHALL INCLUDE A CALCULATION OF THE SCHOOL DISTRICT'S FISCAL YEAR SPENDING UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

SECTION 22. Appropriation - 1994-95 fiscal year. (1) In addition to any other appropriation made for the current fiscal year, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of education, for public school finance, public school transportation, the sum of nine hundred twenty-seven thousand twenty-three dollars (\$927,023), or so much thereof as may be necessary, for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated, out of any

moneys in the state public school fund not otherwise appropriated, to the department of education, for public school finance, total program, for the fiscal year beginning July 1, 1994, the sum of eleven million one hundred eighty-six thousand seven hundred twenty-one dollars (\$11,186,721), or so much thereof as may be necessary, which shall be used to implement section 22-54-104.3 (6) of this act.

SECTION 23. Appropriation to department of education in 1995 long bill - adjustment - legislative intent. (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, 1995, shall be adjusted as follows:

(a) The appropriation for distributions, comprehensive health education, is increased through an appropriation from the general fund of three hundred thousand dollars (\$300,000);

(b) The appropriation for distributions, public schools of choice, is increased through an appropriation from the general fund of two hundred thousand dollars (\$200,000); and

(c) The general fund appropriation for public school finance, total program, is decreased by nine million seven hundred eighty-three thousand three hundred five dollars (\$9,783,305).

(d) The general fund appropriation for public school finance, education of exceptional children, is increased by nine million two hundred eighty-three thousand three hundred five dollars (\$9,283,305).

(2) Of the appropriation made in the annual general appropriation act for the fiscal year beginning July 1, 1995, for public school finance, total program, an amount equal to one million eight hundred thousand dollars (\$1,800,000) shall be set aside by the department of education to make additional state aid payments pursuant to section 22-54-115 (1), Colorado Revised Statutes, which may result from the adjustment of state aid payments following the certification of the public enrollments and valuations for assessment to the state board.

SECTION 24. Transfer of moneys - 1994-95 fiscal year. For the 1994-95 fiscal year, the state treasurer is hereby directed to transfer to the public school fund created pursuant to section 22-41-101, Colorado Revised Statutes, the sum of six million six hundred thousand dollars (\$6,600,000) from the state public school fund.

SECTION 25. Transfer of moneys - 1995-96 fiscal year. For the 1995-96 fiscal year, the state treasurer is hereby directed to transfer to the public school fund created pursuant to section 22-41-101, Colorado Revised Statutes, the sum

of four million two hundred thousand dollars (\$4,200,000) from the state public school fund.

SECTION 26. 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 22, 1995