

## CHAPTER 291

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**EDUCATION - PUBLIC SCHOOLS**

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**HOUSE BILL 96-1354**

BY REPRESENTATIVES Anderson, Allen, Chavez, Entz, Gordon, Mace, Morrison, Reeser, and Schauer;  
also SENATORS Wells, Perlmutter, and Rizzuto.

**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.** 22-54-104 (2) (a), Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS to read:

**22-54-104. District total program.** (2) (a) (III) 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 1996-97 BUDGET YEAR AND BUDGET YEARS THEREAFTER SHALL BE THE GREATER OF THE FOLLOWING:

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

(B) \$4,305 X DISTRICT FUNDED PUPIL COUNT.

(IV) FOR THE 1997-98 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE AMOUNT SET FORTH IN SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (a) SHALL BE INCREASED AT A MINIMUM BY AN AMOUNT EQUAL TO EIGHTY-FIVE PERCENT OF THE PERCENTAGE BY WHICH STATEWIDE BASE PER PUPIL FUNDING FOR THE BUDGET YEAR IS INCREASED OVER THE AMOUNT SET FORTH IN SUBPARAGRAPH (III) OF PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION. SUCH AMOUNT SHALL BE ROUNDED TO THE NEAREST DOLLAR.

**SECTION 2.** 22-54-104 (5) (a), Colorado Revised Statutes, 1995 Repl. Vol., is

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

amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

**22-54-104. District total program.** (5) For purposes of the formulas used in this section:

(a) (III) FOR THE 1996-97 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING SHALL BE \$3,463 SUPPLEMENTED BY \$105 TO ACCOUNT FOR INFLATION.

**SECTION 3.** 22-54-104 (5) (c) (II), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-54-104. District total program.** (5) For purposes of the formulas used in this section:

(c) (II) FOR THE 1996-97 BUDGET YEAR AND BUDGET YEARS THEREAFTER, a district's cost of living factor shall be determined by dividing THE PERCENTAGE CHANGE IN the district's cost of living amount FROM THE PREVIOUS COST OF LIVING STUDY TO THE CURRENT COST OF LIVING STUDY by the lowest PERCENTAGE CHANGE IN cost of living amount of all districts in the state, ~~and~~ DIVIDING SAID AMOUNT BY ONE THOUSAND AND rounding ~~said amount~~ to the nearest ~~one-hundredth~~ ONE-THOUSANDTH of one percent, AND ADDING THE RESULT OBTAINED TO THE DISTRICT'S COST OF LIVING FACTOR FOR THE CURRENT BUDGET YEAR. FOR PURPOSES OF THIS SUBPARAGRAPH (II), A DISTRICT'S "COST OF LIVING AMOUNT" REFERS TO THE VALUES AS ADJUSTED FOR DISTRICT LABOR POOL AREAS.

**SECTION 4.** 22-54-104.3 (2.7) (a), Colorado Revised Statutes, 1995 Repl. Vol., is amended, and the said 22-54-104.3 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**22-54-104.3. Total program for 1994-95 and 1995-96 budget years and budget years thereafter - special provisions.** (2.6) (a) NOTWITHSTANDING THE PROVISIONS OF SECTION 22-54-104 (2) AND (6), A DISTRICT'S 1996-97 TOTAL PROGRAM SHALL NOT EXCEED THE DISTRICT'S 1995-96 REVENUE MULTIPLIED BY 100% PLUS THE DISTRICT'S MAXIMUM ANNUAL PERCENTAGE CHANGE IN 1996-97 FISCAL YEAR SPENDING.

(b) FOR PURPOSES OF THIS SUBSECTION (2.6):

(I) "MAXIMUM ANNUAL PERCENTAGE CHANGE IN 1996-97 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 1995 FUNDED PUPIL COUNT AND THE DISTRICT'S OCTOBER 1996 FUNDED PUPIL COUNT.

(II) "1995-96 REVENUE" MEANS THE DISTRICT'S 1995-96 TOTAL PROGRAM, WHICH SHALL INCLUDE ANY MONEYS RECEIVED PURSUANT TO SUBSECTION (2.5) OF THIS SECTION.

(c) IF A DISTRICT'S 1996-97 TOTAL PROGRAM WAS CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.6) AND THE DISTRICT IS CAPABLE OF

RECEIVING AN INCREASE IN ITS TOTAL 1996-97 TOTAL PROGRAM WITHIN THE LIMITATIONS ON ITS FISCAL YEAR SPENDING FOR THE 1996-97 BUDGET YEAR UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE DISTRICT MAY CERTIFY TO THE DEPARTMENT THAT IT MAY RECEIVE AN ADDITIONAL INCREASE IN ITS 1996-97 TOTAL PROGRAM IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) THE DIFFERENCE BETWEEN THE DISTRICT'S 1996-97 TOTAL PROGRAM CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.6) AND THE DISTRICT'S 1996-97 TOTAL PROGRAM CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6); OR

(II) THE DIFFERENCE BETWEEN THE DISTRICT'S 1996-97 TOTAL PROGRAM CALCULATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.6) AND THE DISTRICT'S ALLOWABLE FISCAL YEAR SPENDING FOR THE 1996-97 BUDGET YEAR UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(d) IF, AFTER CERTIFYING THE MAXIMUM AMOUNT ALLOWED UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, A DISTRICT HAS NOT RECEIVED ITS TOTAL PROGRAM AMOUNT AS CALCULATED PURSUANT TO SECTION 22-54-104 (2) OR (6), THE DISTRICT MAY CERTIFY TO THE DEPARTMENT THAT IT MAY RECEIVE AN ADDITIONAL INCREASE IN AN AMOUNT APPROVED BY A MAJORITY OF THE REGISTERED ELECTORS WITHIN THE DISTRICT IN AN ELECTION HELD IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND TITLE 1, C.R.S., BUT IN NO EVENT MORE THAN THE AMOUNT DETERMINED PURSUANT TO SECTION 22-54-104 (2) OR (6).

(e) EACH DISTRICT ELIGIBLE FOR AN INCREASE PURSUANT TO THIS SUBSECTION (2.6) 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, 1996, AND MUST HAVE BEEN REVIEWED AND APPROVED BY AN AUDITOR FOR THE DISTRICT.

(2.7) (a) For the ~~1996-97~~ 1997-98 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.

**SECTION 5.** 22-54-105 (1) (b), (1) (c), and (2) (b), Colorado Revised Statutes, 1995 Repl. Vol., are 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 ~~twenty~~ THIRTY dollars by the district's funded pupil count.

(c) For purposes of this subsection (1), instructional supplies and materials include, but are not limited to, supplies, textbooks, library books, periodicals, and other supplies and materials. Instructional capital outlay includes those expenditures which result in the acquisition of fixed assets for instructional purposes, or additions thereto, which the board of education anticipates will have benefits for more than one year. Other instructional purposes include expenses incurred in providing transportation for

pupils to and from school-sponsored instructional activities which occur outside the classroom; costs incurred for repair or maintenance services for equipment which is directly used for instructional purposes; and costs incurred in providing staff development directly related to instruction. Moneys expended for staff development costs shall not exceed ~~one-third~~ TWENTY PERCENT of the amount budgeted pursuant to this subsection (1). Costs incurred in providing staff development shall include moneys expended pursuant to contractual arrangements with educators and other staff development providers but shall not include moneys for out-of-state travel or moneys for in-district teacher salary increases. Instructional supplies and materials, instructional capital outlay, and other instructional purposes are limited to those functions accounts and objects accounts as prescribed by the state board of education.

(2) (b) The amount to be budgeted in any budget year shall be the amount determined by multiplying two hundred ~~two~~ TEN dollars by the district's funded pupil count. 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 district's funded pupil count.

**SECTION 6.** 22-54-106 (1) (a) (I), (2) (a) (IV), and (2) (b) (III), Colorado Revised Statutes, 1995 Repl. Vol., 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 PARAGRAPH (a) OF 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:

(IV) (A) FOR THE 1995 PROPERTY TAX YEAR, 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) FOR THE 1996 PROPERTY TAX YEAR, 40.25 MILLS; EXCEPT THAT NO DISTRICT MAY SET ITS LEVY AT A LEVEL THAT WOULD CAUSE THE TOTAL MILL LEVY REDUCTIONS FOR THE 1995-96 BUDGET YEAR AND THE 1996-97 BUDGET YEAR TO EXCEED 2.5 MILLS.

(b) (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~~ FOR THE 1996-97 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DISTRICT MAY CONTINUE TO IMPOSE A MILL LEVY THAT WILL GENERATE THE AMOUNT OF REVENUE PRODUCED BY THE CALCULATION DESCRIBED IN THIS SUBPARAGRAPH (III) FOR THE

1995-96 BUDGET YEAR. The amount of property tax generated ~~by those excess mills~~ PURSUANT TO THIS SUBPARAGRAPH (III) shall be counted toward the limitation on additional local revenues as provided in section 22-54-108 (3) (f).

**SECTION 7.** 22-54-108 (1), (2), and (3) (f), Colorado Revised Statutes, 1995 Repl. Vol., are amended to read:

**22-54-108. Authorization of additional local revenues.** (1) Effective July 1, 1994, a district which desires to raise and expend local property tax revenues in excess of the district's total program, as determined in accordance with section 22-54-104, may submit the question of whether the district should be authorized to raise and expend additional local property tax revenues, subject to the limitations of subsection (3) of this section, thereby authorizing an additional levy IN EXCESS OF THE LEVY AUTHORIZED UNDER SECTION 22-54-106 for the district's general fund for the then current budget year and each budget year thereafter. The question authorized by this subsection (1) shall be submitted at an election held in accordance with section 20 of article X of the state constitution and title 1, C.R.S.

(2) Effective July 1, 1994, upon proper submittal to a district of a valid initiative petition, the district shall submit to the eligible electors of the district the question of whether the district should be authorized to raise and expend additional local property tax revenues in excess of the district's total program as determined in accordance with section 22-54-104, subject to the limitations of subsection (3) of this section, thereby authorizing an additional levy IN EXCESS OF THE LEVY AUTHORIZED UNDER SECTION 22-54-106 for the district's general fund for the then current budget year and each budget year thereafter. The question authorized by this subsection (2) shall be submitted at an election held in accordance with section 20 of article X of the state constitution and title 1, C.R.S. An initiative petition under this subsection (2) shall be signed by at least five percent of the eligible electors in the district at the time the petition is filed.

(3) (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.

**SECTION 8.** 22-51-103, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-51-103. Creation of the public school transportation fund.** There is hereby created, in the office of the state treasurer, a fund to be known as the public school transportation fund, to which shall be credited such moneys as may be appropriated by the general assembly for the purposes of this article, EXCLUDING MONEYS APPROPRIATED AS A LUMP SUM FOR REIMBURSEMENT FOR PUPIL TRANSPORTATION IN A SCHOOL DISTRICT SUBJECT TO A COURT-ORDERED DESEGREGATION ORDER, and which shall be held by the state treasurer and paid out as provided in this article.

**SECTION 9.** 22-51-106 (2) (b), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-51-106. Certification to and payment by state treasurer - deficiency in fund.** (2) (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, SUBJECT TO SEPARATE APPROPRIATION BY THE GENERAL ASSEMBLY, for pupil transportation in addition to any amount received pursuant to paragraph (a) of this subsection (2).

**SECTION 10.** 22-54-103 (1) (c) and (10) (a), Colorado Revised Statutes, 1995 Repl. Vol., are amended to read:

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

(1) (c) For purposes of this subsection (1), "at-risk pupils" shall be counted in the same manner as pupils are counted pursuant to subsection (10) of this section; EXCEPT THAT A SCHOOL DISTRICT MAY ELECT TO COUNT "AT-RISK PUPILS" ON OCTOBER 15 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID DATE.

(10) (a) "Pupil enrollment" means the number of pupils enrolled on October 1 within the applicable budget year or the school day nearest said date, as evidenced by the actual attendance of such pupils prior to said date. THE DEPARTMENT OF EDUCATION IS AUTHORIZED TO ESTABLISH ALTERNATIVE DATES FOR DETERMINING PUPIL ENROLLMENT IN APPROPRIATE CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED TO, WHEN SCHOOLS ARE ON A YEAR-ROUND SCHEDULE PURSUANT TO SECTION 22-32-109 (1) (n) AND PUPILS WILL BE ON AUTHORIZED BREAKS ON OCTOBER 1 WITHIN THE APPLICABLE BUDGET YEAR; EXCEPT THAT SUCH ALTERNATE DATES SHALL BE SET NOT LESS THAN FORTY-FIVE DAYS NOR MORE THAN SIXTY DAYS AFTER THE BEGINNING OF THE SCHOOL'S REGULAR SCHOOL PROGRAM.

**SECTION 11.** 22-41-101, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-41-101. Composition of fund.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) FOR FISCAL YEARS 1994-95 AND 1995-96, A TOTAL OF TEN MILLION EIGHT HUNDRED THOUSAND DOLLARS WAS TRANSFERRED FROM THE STATE PUBLIC SCHOOL FUND TO THE PUBLIC SCHOOL FUND IN ACCORDANCE WITH SECTIONS 24 AND 25 OF HOUSE BILL 95-1327, ENACTED AT THE FIRST REGULAR SESSION OF THE SIXTIETH GENERAL ASSEMBLY;

(b) HOUSE BILL 95-1327 ALSO AMENDED THIS SECTION TO REQUIRE THAT INTEREST EARNED ON MONEYS TRANSFERRED TO THE PUBLIC SCHOOL FUND DURING THESE TWO FISCAL YEARS BE RETAINED IN THE FUND;

(c) THROUGH THE LANGUAGE ADDED BY SECTION 3 OF HOUSE BILL 95-1327, THE GENERAL ASSEMBLY INTENDED THAT ONLY THE INTEREST EARNED ON THE MONEYS TRANSFERRED TO THE PUBLIC SCHOOL FUND IN ACCORDANCE WITH SECTIONS 24 AND 25 OF HOUSE BILL 95-1327 BE RETAINED IN THE FUND;

(d) THE GENERAL ASSEMBLY DID NOT INTEND THAT INTEREST EARNED ON OTHER MONEYS TRANSFERRED TO THE PUBLIC SCHOOL FUND DURING THE 1994-95 AND 1995-96 FISCAL YEARS ALSO BE RETAINED IN THE PUBLIC SCHOOL FUND;

(e) THE FACT THAT THIS INTEREST HAS BEEN RETAINED IN THE FUND DOES NOT RESULT IN THE INTEREST BECOMING PRINCIPAL OF THE PUBLIC SCHOOL FUND AND DOES NOT PREVENT THE TRANSFER OF THIS INTEREST TO ANY OTHER FUND IN ACCORDANCE WITH LAW;

(f) AS SOON AS PRACTICABLE AND IN ACCORDANCE WITH LAW, THE STATE TREASURER SHOULD COMPLY WITH THE PROVISIONS OF THIS SECTION AND TRANSFER THE INTEREST EARNED ON ALL MONEYS TRANSFERRED TO THE PUBLIC SCHOOL FUND DURING THE 1994-95 AND 1995-96 FISCAL YEARS, EXCEPT FOR THE INTEREST EARNED ON MONEYS TRANSFERRED TO THE FUND PURSUANT TO SECTIONS 24 AND 25 OF HOUSE BILL 95-1327, TO THE PUBLIC SCHOOL INCOME FUND.

(2) 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; 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 PURSUANT TO SECTIONS 24 AND 25 OF HOUSE BILL 95-1327 shall remain in the public school fund and may not be transferred to any other fund.

**SECTION 12.** The introductory portion to 22-42-104 (1.3), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-42-104. Limit of bonded indebtedness.** (1.3) Notwithstanding the provisions of PARAGRAPH (a) OF subsection (1) of this section, the limit on bonded indebtedness of a school district shall be THE GREATER OF THE LIMIT DETERMINED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION OR 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~~ 2000, 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:

**SECTION 13.** 22-44-103.5 (2) (c), Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

**22-44-103.5. Budget for 1992 transitional fiscal year - budget years thereafter.** (2) (c) (IV) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (c), 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 AND 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 AND 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 14.** 22-44-103.5 (2) (b) (III) (D), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-44-103.5. Budget for 1992 transitional fiscal year - budget years thereafter.** (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~~ AND 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~~ AND 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 15.** 22-28-104 (2) (b) (II), Colorado Revised Statutes, 1995 Repl. Vol., 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) (II) For the 1995-96 budget year ~~only~~ THROUGH THE 2000-01 BUDGET YEAR, the department, in its discretion, may establish a ~~pitot~~ 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~~ FIVE HUNDRED would be allowed to participate in the full day kindergarten ~~pitot~~ program. If a ~~pitot~~ program is established, the department shall establish criteria to use in selecting school districts for participation in the program.

**SECTION 16.** 22-2-107 (1), Colorado Revised Statutes, 1995 Repl. Vol., is

amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**22-2-107. State board - powers.** (1) The state board has the power:

(g.5) TO REVOKE OR WITHHOLD ACCREDITATION OF ANY SCHOOL DISTRICT UNDER SECTION 22-2-106 (1) (c) IF IT DETERMINES THAT THE SCHOOL DISTRICT HAS NOT COMPLIED WITH THE PROVISIONS OF THE "PUBLIC SCHOOL FINANCE ACT OF 1994", AS SET FORTH IN ARTICLE 54 OF THIS TITLE, BUT SUCH ACTION MAY BE TAKEN ONLY AFTER AT LEAST SIXTY DAYS NOTICE TO THE DISTRICT AND AN OPPORTUNITY FOR THE DISTRICT TO BE HEARD AT A HEARING HELD IN ACCORDANCE WITH RULES PROMULGATED BY THE STATE BOARD;

**SECTION 17.** 22-54-106 (5), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-54-106. Local and state shares of district total program.** (5) Except as otherwise provided in sections 22-54-107 and 22-54-108, no district may certify a levy for its general fund in excess of that authorized by this section AND THE MEMBERS OF THE BOARD OF EDUCATION, THE SUPERINTENDENT, AND THE CHIEF FINANCIAL OFFICER OF THE DISTRICT MAY BE HELD PERSONALLY LIABLE TO DISTRICT TAXPAYERS IF THEY KNOWINGLY AND WILLFULLY CERTIFY A LEVY IN EXCESS OF THE AMOUNT AUTHORIZED BY LAW.

**SECTION 18.** 22-28-105 (2) (a.5), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-28-105. District preschool program council - duties.** (2) The district council shall:

(a.5) Review and evaluate proposals received pursuant to paragraph (a.3) of this subsection (2) and ~~make recommendations~~ ANNUALLY SUBMIT A LIST to the board of education ~~concerning~~ OF such head start agencies or public and private child care agencies THAT ARE LICENSED BY THE DEPARTMENT OF HUMAN SERVICES AND ARE IN GOOD STANDING whose proposals meet or exceed the criteria and guidelines specified in said paragraph (a.3) AND ARE DESIGNATED AS ELIGIBLE FOR PARTICIPATION IN THE DISTRICT PRESCHOOL PROGRAM, INCLUDING THE NUMBER OF DISTRICT PRESCHOOL CHILDREN EACH AGENCY WILL BE ELIGIBLE TO SERVE UNDER THE PROGRAM;

**SECTION 19.** 22-28-108, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**22-28-108. Criteria for district preschool programs.** (1.6) THE CRITERIA ESTABLISHED BY THE DEPARTMENT SHALL REQUIRE THAT EACH HEAD START AGENCY AND PUBLIC AND PRIVATE CHILD CARE AGENCY THAT IS PROVIDING SERVICES UNDER THE DISTRICT PRESCHOOL PROGRAM AFFORD ALL CHILDREN THAT ARE ELIGIBLE UNDER SECTION 22-28-106 AN EQUAL OPPORTUNITY TO RECEIVE SERVICES REGARDLESS OF THEIR RACE, ETHNICITY, OR PLACE OF RESIDENCE WITHIN THE SCHOOL DISTRICT.

**SECTION 20.** The introductory portion to 22-28-109 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-28-109. District preschool programs provided by a head start agency or child care agencies.** (1) The board of education of any school district may provide that the district preschool program be contracted out, in whole or in part, to a head start agency or one or more child care agencies located in the school district IF THE PROVISIONS OF THIS SECTION ARE SATISFIED. In making its determination on whether to contract out the district preschool program, the board of education shall consider the recommendation of the district advisory council along with the following:

**SECTION 21.** 22-28-111 (1) (a), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-28-111. Coordination of district preschool program with extended day services.** (1) (a) Any school district which establishes a district preschool program may coordinate the program with extended day services if the district council and the school district find that there exists a need for such services. Such services may be ~~provided~~ COORDINATED by the school district ~~contracting with~~ THROUGH one or more privately funded child care centers ~~by~~ OR publicly funded early childhood education agencies, or ~~by~~ THROUGH the school district itself.

**SECTION 22.** Part 1 of article 2 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

**22-2-113.5. Educational programs for pupils in foster homes or placed by child placement agencies - study.** (1) THE COMMISSIONER OF EDUCATION, IN CONJUNCTION WITH THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES, SHALL CONDUCT A STUDY OF THE NUMBER OF PUPILS PLACED IN FOSTER HOMES, THE NUMBER OF CHILD PLACEMENT AGENCIES THAT ARE LOCATED IN A JURISDICTION OTHER THAN THE JURISDICTION OF THE ENTITY THAT LICENSED THE AGENCY, THE NUMBER OF PUPILS PLACED BY SUCH AGENCIES, AND THE SCHOOL DISTRICTS THAT ARE IMPACTED BY SUCH PLACEMENTS.

(2) IN ORDER TO PERFORM THE STUDY DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HUMAN SERVICES SHALL HAVE THE POWER AND THE DUTY TO EXAMINE AVAILABLE DATA RELEVANT TO THE ISSUES DESCRIBED AND TO COLLECT SUCH ADDITIONAL DATA AS IS NECESSARY TO COMPLETE THE STUDY.

(3) THE COMMISSIONER OF EDUCATION AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES SHALL JOINTLY REPORT TO THE GENERAL ASSEMBLY CONCERNING THE RESULTS OF THE STUDY, INCLUDING ANY RECOMMENDATIONS FOR LEGISLATIVE ACTION, NO LATER THAN DECEMBER 1, 1996.

(4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 1997.

**SECTION 23.** 22-20-104.5, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**22-20-104.5. Plan for academic excellence - inclusion of gifted children - cooperation.** (4) FOR THE 1997-98 FISCAL YEAR AND FISCAL YEARS THEREAFTER, APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY TO FUND PROGRAMS FOR GIFTED AND TALENTED CHILDREN SHALL BE DESIGNATED BY A SEPARATE LINE ITEM ENTITLED,

"SPECIAL EDUCATION - GIFTED AND TALENTED CHILDREN", IN THE PUBLIC SCHOOL FINANCE PORTION OF THE APPROPRIATIONS TO THE DEPARTMENT OF EDUCATION IN THE ANNUAL GENERAL APPROPRIATION ACT.

**SECTION 24.** 22-44-105 (4) (d), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-44-105. Budget - contents - mandatory.** (4) (d) The financial, student management, and human resources reporting system shall be available on a pilot basis by July 1, ~~1995~~ 1996, and shall be completely implemented by July 1, ~~1996~~ 1997. The electronic data communications reporting system shall be available on a pilot basis by July 1, 1997, and shall be completely implemented by July 1, 1998.

**SECTION 25.** Article 45 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

**22-45-112.5. Sale of certificates of participation - use of proceeds.** NOTWITHSTANDING THE PROVISIONS OF SECTION 22-45-112, ALL OR ANY PORTION OF THE PROCEEDS RECEIVED BY A SCHOOL DISTRICT FROM THE ISSUANCE AND SALE OF CERTIFICATES OF PARTICIPATION MAY, IN THE DISCRETION OF THE BOARD OF EDUCATION, BE DEPOSITED INTO THE DISTRICT'S PENSION OR RETIREMENT FUND.

**SECTION 26.** 22-80-105, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-80-105. Superintendent and officers - appointment - compensation.** The commissioner of education shall have charge of the general interests of the Colorado school for the deaf and the blind and shall, pursuant to section 13 of article XII of the state constitution, appoint AND set appropriate qualifications for ~~and fix the compensation of~~ a superintendent and such other officers and employees as may be necessary. IN ADDITION, THE COMMISSIONER SHALL FIX THE COMPENSATION OF THE SUPERINTENDENT. The superintendent of the school shall be a person who has acquired an easy and ready use of the sign language, such as is commonly used by educated deaf persons; who has not had less than five years' experience in the education of deaf or blind persons; who is familiar with the methods used in their instruction; and who possesses any other qualifications that would in the judgment of the commissioner of education fit ~~him~~ A PERSON for such office. As part of the interview process, the commissioner shall involve deaf individuals and blind individuals to assist in the assessment of superintendent candidates. Such an assessment shall include, but need not be limited to, the signing skills of the superintendent candidate.

**SECTION 27.** 22-80-106 (1) (a), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

**22-80-106. Duties of superintendent - annual report - publications.** (1) (a) The superintendent shall be the principal executive officer of the school. ~~He~~ THE SUPERINTENDENT shall be the purchasing agent for the commissioner of education and, under such regulations as ~~he~~ THE COMMISSIONER may prescribe, shall have charge of the premises, property, and students. With the approval of the commissioner of education, pursuant to section 13 of article XII of the state

constitution, ~~he~~ THE SUPERINTENDENT shall appoint ~~and fix the compensation of~~ all other officers and employees in the school AND FIX THE COMPENSATION FOR ALL NONTEACHING EMPLOYEES. All ~~such~~ officers and employees, in the discharge of their duties, shall be wholly subordinate to the superintendent, and all orders to them shall come from or through ~~him~~ THE SUPERINTENDENT or by his OR HER authority. ~~He~~ THE SUPERINTENDENT shall see that all officers, agents, and employees of the school faithfully discharge their duties, and ~~he~~ THE SUPERINTENDENT shall be held directly responsible to the commissioner of education for the economy, efficiency, and success of the internal management.

**SECTION 28.** Article 80 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

**22-80-106.5. Compensation of teachers.** (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3) OF THIS SECTION, BEGINNING WITH THE BUDGET YEAR 1996-97 AND FOR BUDGET YEARS THEREAFTER, THE TEACHERS EMPLOYED BY THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND SHALL BE COMPENSATED IN ACCORDANCE WITH THE PROVISIONS OF THE SALARY SCHEDULE, SALARY POLICY, OR COMBINATION SALARY SCHEDULE AND SALARY POLICY ADOPTED PURSUANT TO SECTION 22-63-401, AS OF JANUARY 1 OF THE PREVIOUS FISCAL YEAR, BY RESOLUTION OF THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT WITHIN THE BOUNDARIES OF WHICH THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND IS LOCATED. FUNDING FOR THE COMPENSATION OF TEACHERS EMPLOYED BY THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND SHALL BE INCLUDED IN THE LINE ITEM APPROPRIATION TO THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND IN THE GENERAL APPROPRIATIONS BILL AND SHALL NOT AFFECT THE AMOUNT OF STATE FUNDS DISTRIBUTED TO THE SCHOOL DISTRICT WITHIN THE BOUNDARIES OF WHICH THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND IS LOCATED.

(2) FOR PURPOSES OF THIS SECTION, "TEACHER" INCLUDES ANY EMPLOYEE LICENSED AS A TEACHER PURSUANT TO SECTION 22-60.5-201, AS A SPECIAL SERVICES PROVIDER PURSUANT TO SECTION 22-60.5-210, OR AS A PRINCIPAL PURSUANT TO SECTION 22-60.5-301.

(3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, ANY TEACHER WHO, WHEN COMPENSATED IN ACCORDANCE WITH THE PROVISIONS OF THE SALARY SCHEDULE, SALARY POLICY, OR COMBINATION SALARY SCHEDULE AND SALARY POLICY, WOULD RECEIVE LESS COMPENSATION THAN HE OR SHE RECEIVED FROM THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND IN THE BUDGET YEAR 1995-96 SHALL CONTINUE RECEIVING THE AMOUNT HE OR SHE RECEIVED IN THE BUDGET YEAR 1995-96 UNTIL COMPENSATION OF THAT TEACHER IN ACCORDANCE WITH THE PROVISIONS OF THE SALARY SCHEDULE, SALARY POLICY, OR COMBINATION SALARY SCHEDULE AND SALARY POLICY WOULD RESULT IN AN INCREASE IN COMPENSATION OVER THE AMOUNT RECEIVED IN THE BUDGET YEAR 1995-96.

(4) FOR THE BUDGET YEAR 1996-97, THE GENERAL ASSEMBLY SHALL APPROPRIATE SUFFICIENT MONEYS TO THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND TO FUND THE SALARY SCHEDULE, SALARY POLICY, OR COMBINATION SALARY SCHEDULE AND SALARY POLICY APPLICABLE TO THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND PURSUANT TO SUBSECTION (1) OF THIS SECTION. FUNDING FOR SAID SALARY SCHEDULE, SALARY POLICY, OR COMBINATION SALARY SCHEDULE AND SALARY

POLICY SHALL INCLUDE COMPENSATION FOR ANY TEACHERS HELD HARMLESS UNDER SUBSECTION (3) OF THIS SECTION.

**SECTION 29.** 22-54-102, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**22-54-102. Legislative declaration - statewide applicability.** (3) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO PROHIBIT LOCAL GOVERNMENTS FROM COOPERATING WITH SCHOOL DISTRICTS THROUGH INTERGOVERNMENTAL AGREEMENTS TO FUND, CONSTRUCT, MAINTAIN, OR MANAGE CAPITAL CONSTRUCTION PROJECTS OR OTHER FACILITIES AS SET FORTH IN SECTION 22-45-103 (1) (c) (I) (A), (1) (c) (I) (B), OR (1) (c) (I) (D), INCLUDING, BUT NOT LIMITED TO, SWIMMING POOLS, PLAYGROUNDS, OR BALL FIELDS, AS LONG AS FUNDING FOR SUCH PROJECTS IS PROVIDED SOLELY FROM A SOURCE OF LOCAL GOVERNMENT REVENUE THAT IS OTHERWISE AUTHORIZED BY LAW EXCEPT IMPACT FEES OR OTHER SIMILAR DEVELOPMENT CHARGES OR FEES. NOTHING IN THIS SUBSECTION (3) SHALL BE CONSTRUED TO LIMIT OR RESTRICT A COUNTY'S POWER TO REQUIRE THE RESERVATION OR DEDICATION OF SITES AND LAND AREAS FOR SCHOOLS OR THE PAYMENT OF MONEYS IN LIEU THEREOF PURSUANT TO SECTION 30-28-133 (4) (a), C.R.S., OR TO LIMIT A LOCAL GOVERNMENT'S ABILITY TO ACCEPT AND EXPEND IMPACT FEES OR OTHER SIMILAR DEVELOPMENT CHARGES OR FEES CONTRIBUTED VOLUNTARILY ON OR BEFORE DECEMBER 31, 1997, TO FUND THE CAPITAL PROJECTS OF SCHOOL DISTRICTS ACCORDING TO THE TERMS OF AGREEMENTS VOLUNTARILY ENTERED INTO ON OR BEFORE THE EFFECTIVE DATE OF THIS ACT BETWEEN ALL AFFECTED PARTIES.

**SECTION 30. Appropriation - adjustment in 1996 long bill.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of education for allocation to the Colorado school for the deaf and the blind, school operations, exempt staff salary survey and anniversary increases, for the fiscal year beginning July 1, 1996, the sum of fifty-six thousand three hundred forty-one dollars (\$56,341), or so much thereof as may be necessary, for the implementation of sections 26 through 28 of this act.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of human services, for the fiscal year beginning July 1, 1996, the sum of three thousand two hundred dollars (\$3,200), or so much thereof as may be necessary, for the implementation of section 22 of this act.

(3) For the implementation of this section, the general fund appropriation made in the annual general appropriation act for the fiscal year beginning July 1, 1996, to the department of education, public school finance, total program is reduced by fifty-nine thousand five hundred forty-one dollars (\$59,541).

**SECTION 31. Appropriation to department of education in 1996 long bill - adjustment.** (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, 1996, shall be adjusted as follows:

(a) The cash fund appropriation for public school finance, total program, is

increased by one million two hundred twenty-five thousand six hundred eighty-four dollars (\$1,225,684); and

(b) The cash fund exempt appropriation for public school finance, total program, is increased by one million eight hundred thirty-eight thousand five hundred twenty-six dollars (\$1,838,526).

**SECTION 32. Transfer of moneys - 1994-95 fiscal year.** Pursuant to section 11 of this act, for the 1994-95 fiscal year, the state treasurer is hereby directed to transfer to the state public school fund the sum of four hundred forty-six thousand four hundred ninety-seven dollars (\$446,497) from the public school fund created pursuant to section 22-41-101, Colorado Revised Statutes.

**SECTION 33. Effective date.** This act shall take effect upon passage; except that sections 18 to 21 shall take effect July 1, 1996.

**SECTION 34. 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: June 4, 1996