

CHAPTER 154

GOVERNMENT - STATE

SENATE BILL 00-071

BY SENATORS Anderson, Reeves, Dyer, Epps, Hernandez, Linkhart, Perlmutter, Phillips, Weddig, and Wham;
also REPRESENTATIVES Morrison, Alexander, Bacon, Chavez, Clarke, Coleman, Gordon, Gotlieb, Hagedorn, Kaufman, Kester,
Larson, Lawrence, Leyba, Mace, Miller, Plant, Saliman, Tapia, Tochtrop, Tupa, Vigil, S. Williams, and Windels.

AN ACT

CONCERNING USE OF MONEYS RECEIVED PURSUANT TO THE TOBACCO LITIGATION SETTLEMENT, AND
MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. Article 75 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 11
TOBACCO SETTLEMENT FUNDS

24-75-1101. Legislative declaration. THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, PURSUANT TO THE MASTER SETTLEMENT AGREEMENT BETWEEN SEVERAL STATES, INCLUDING COLORADO, AND CERTAIN TOBACCO COMPANIES, THE STATE WILL RECEIVE SUBSTANTIAL MONEYS FOR SEVERAL YEARS, AND THAT SUCH MONEYS MAY BE REDUCED BASED ON SEVERAL FACTORS, SUCH AS DECREASED SALES OF TOBACCO PRODUCTS. THE GENERAL ASSEMBLY FURTHER FINDS THAT SUCH MONEYS WILL ENABLE COLORADO TO ENACT TOBACCO USE PREVENTION, EDUCATION, AND CESSATION PROGRAMS, RELATED HEALTH PROGRAMS, AND LITERACY PROGRAMS AND THAT SUCH PROGRAMS MUST INVOLVE COST-EFFECTIVE PROGRAMS AT THE STATE AND LOCAL LEVELS. FOR SUCH PURPOSES, THE POLICIES IN THIS PART 11 SHALL APPLY TO ALL MONEYS RECEIVED BY THE STATE FROM THE MASTER SETTLEMENT AGREEMENT.

24-75-1102. Definitions. AS USED IN THIS PART 11, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- (1) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT

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

AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO CO.; AMERICAN TOBACCO CO., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO CO.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE NO. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(2) "SETTLEMENT MONEYS" MEANS THE MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS.

(3) "TOBACCO SETTLEMENT PROGRAM" MEANS ANY PROGRAM THAT RECEIVES APPROPRIATIONS FROM MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT.

24-75-1103. Policy on use of tobacco settlement funds. (1) NO SETTLEMENT MONEYS SHALL BE USED FOR A TOBACCO SETTLEMENT PROGRAM UNLESS SUCH PROGRAM IS EXPRESSLY AUTHORIZED BY STATUTE OR IS WITHIN THE AUTHORITY OF THE DEPARTMENT OR LOCAL GOVERNMENT REQUESTING FUNDING. NOTHING IN THIS PART 11 NOR THE ESTABLISHMENT OF ANY TOBACCO SETTLEMENT PROGRAM SHALL BE DEEMED TO CREATE AN ENTITLEMENT TO SERVICES OR FUNDING UNDER THIS PART 11 OR OTHER STATE LAW.

(2) LOCAL GOVERNMENTS ARE INTEGRAL PARTICIPANTS IN THE DEVELOPMENT AND IMPLEMENTATION OF ANY TOBACCO PREVENTION, EDUCATION, AND CESSATION PROGRAMS. IN ADDITION TO THE ABILITY TO PARTICIPATE IN ANY STATE PROGRAMS, A PORTION OF THE SETTLEMENT MONEYS MAY BE DEDICATED TO LOCAL GOVERNMENTS FOR LOCALLY OPERATED TOBACCO USE PREVENTION, EDUCATION, AND CESSATION PROGRAMS AND RELATED HEALTH PROGRAMS.

(3) THE MAJORITY OF THE MONEYS RECEIVED BY THE STATE FROM THE MASTER SETTLEMENT AGREEMENT SHALL BE DEDICATED TO IMPROVING THE HEALTH OF THE CITIZENS OF COLORADO, INCLUDING TOBACCO USE PREVENTION, EDUCATION, AND CESSATION PROGRAMS AND RELATED HEALTH PROGRAMS. SUCH MONEYS ARE INTENDED TO SUPPLEMENT ANY MONEYS APPROPRIATED TO HEALTH-RELATED PROGRAMS ESTABLISHED PRIOR TO THE EFFECTIVE DATE OF THIS PART 11.

(4) SINCE THE AMOUNT OF MONEYS TO BE RECEIVED BY THE STATE IS UNCERTAIN, A PORTION OF THE SETTLEMENT MONEYS SHALL BE PLACED IN AN ENDOWMENT TRUST FUND CREATED IN SECTION 24-22-115.5, WITH THE PRINCIPAL AND INTEREST REINVESTED IN THE TRUST FUND UNTIL THE STATE AUDITOR CERTIFIES THAT ACTUARIALLY SOUND PROJECTIONS OF FUTURE INTEREST EARNINGS INDICATE THAT THE INTEREST EARNED WILL BE SUFFICIENT TO FULLY FUND THE TOBACCO SETTLEMENT PROGRAMS.

(5) A PORTION OF THE SETTLEMENT MONEYS SHALL BE USED TO STRENGTHEN AND ENHANCE THE HEALTH OF ALL RESIDENTS OF COLORADO BY SUPPLEMENTING AND EXPANDING STATEWIDE AND LOCAL PUBLIC HEALTH PROGRAMS.

(6) A PORTION OF THE SETTLEMENT MONEYS SHALL BE ALLOCATED TO METHODS

OF ADDRESSING TOBACCO-RELATED HEALTH PROBLEMS, INCLUDING BUT NOT LIMITED TO PROGRAMS DESIGNED FOR TOBACCO USE PREVENTION, REDUCTION, CESSATION, AND EDUCATION AND THE REDUCTION OF SECOND-HAND SMOKE.

(7) A PORTION OF THE SETTLEMENT MONEYS SHALL BE INVESTED IN TOBACCO-RELATED IN-STATE RESEARCH, INCLUDING BUT NOT LIMITED TO RESEARCH IN SUCH AREAS AS TOBACCO-RELATED DISEASE, ILLNESS, EDUCATION, EVALUATION, CESSATION, AND PREVENTION.

(8) A PORTION OF THE SETTLEMENT MONEYS SHALL BE INVESTED IN IMPROVING THE LITERACY OF COLORADO'S CHILDREN THROUGH READING PROGRAMS IMPLEMENTED BY PUBLIC SCHOOLS THROUGHOUT THE STATE.

24-75-1104. Use of settlement moneys - programs. (1) FOR THE 2000-01 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER, THE FOLLOWING PROGRAMS SHALL RECEIVE APPROPRIATIONS IN THE SPECIFIED AMOUNTS FROM THE SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE:

(a) THE COLORADO NURSE HOME VISITOR PROGRAM CREATED IN ARTICLE 31 OF TITLE 25, C.R.S., SHALL RECEIVE THE FOLLOWING AMOUNTS:

(I) FOR THE 2000-01 FISCAL YEAR, THREE PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED SHALL NOT EXCEED THREE MILLION DOLLARS;

(II) BEGINNING WITH THE 2001-02 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER UNTIL THE 2008-09 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL INCREASE THE AMOUNT APPROPRIATED BY TWO PERCENT PER FISCAL YEAR; EXCEPT THAT THE AMOUNT OF INCREASE SHALL NOT EXCEED TWO MILLION DOLLARS IN ANY FISCAL YEAR;

(III) FOR THE 2008-09 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER, NINETEEN PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED IN ANY FISCAL YEAR SHALL NOT EXCEED NINETEEN MILLION DOLLARS.

(b) THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION 26-19-105, C.R.S., SHALL RECEIVE TEN MILLION DOLLARS;

(c) THE TOBACCO-RELATED AND TOBACCO-FOCUSED RESEARCH GRANT PROGRAM IMPLEMENTED PURSUANT TO PART 2 OF ARTICLE 20 OF TITLE 23, C.R.S., SHALL RECEIVE EIGHT PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED IN ANY FISCAL YEAR SHALL NOT EXCEED EIGHT MILLION DOLLARS;

(d) THE TOBACCO EDUCATION, PREVENTION, AND CESSATION GRANT PROGRAM CREATED IN PART 8 OF ARTICLE 3.5 OF TITLE 25, C.R.S., SHALL RECEIVE FIFTEEN PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED IN ANY FISCAL YEAR SHALL NOT EXCEED FIFTEEN MILLION DOLLARS;

(e) THE READ-TO-ACHIEVE PROGRAM CREATED PURSUANT TO SECTION 22-7-506, C.R.S., SHALL RECEIVE NINETEEN PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED IN ANY FISCAL YEAR SHALL NOT EXCEED NINETEEN MILLION DOLLARS;

(f) THE COLORADO STATE VETERANS TRUST FUND, CREATED IN SECTION 26-10-111, C.R.S., SHALL RECEIVE ONE PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED IN ANY FISCAL YEAR SHALL NOT EXCEED ONE MILLION DOLLARS;

(g) THE COMPREHENSIVE PRIMARY AND PREVENTIVE CARE GRANT PROGRAM CREATED IN PART 10 OF ARTICLE 4 OF TITLE 26, C.R.S., SHALL RECEIVE SIX PERCENT OF THE TOTAL AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED BY THE STATE; EXCEPT THAT THE AMOUNT RECEIVED IN ANY FISCAL YEAR SHALL NOT EXCEED SIX MILLION DOLLARS.

(2) THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNTS SPECIFIED IN SUBSECTION (1) OF THIS SECTION FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115. ANY AMOUNT OF UNENCUMBERED SETTLEMENT MONEYS REMAINING IN THE FUND OF ANY PROGRAM SPECIFIED IN SUBSECTION (1) OF THIS SECTION, EXCEPT THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION 26-19-105, C.R.S., AT THE END OF ANY FISCAL YEAR SHALL BE TRANSFERRED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5.

(3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO EACH PROGRAM SPECIFIED IN SUBSECTION (1) OF THIS SECTION SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

24-75-1105. Use of settlement monies - review. (1) ON OR BEFORE JANUARY 30, 2006, THE JOINT BUDGET COMMITTEE AND THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES OF THE GENERAL ASSEMBLY, REFERRED TO IN THIS SECTION AS THE "JOINT COMMITTEES", SHALL MEET JOINTLY TO REVIEW THE USE OF SETTLEMENT MONEYS. SPECIFICALLY, THE JOINT COMMITTEES SHALL REVIEW:

(a) THE EFFECTIVENESS OF EACH PROGRAM THAT RECEIVES SETTLEMENT MONEYS, INCLUDING BUT NOT LIMITED TO REVIEWING THE ANNUAL REPORTS OF EACH PROGRAM PREPARED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-1-108.5, C.R.S., AND THE PROGRAM REVIEWS OF EACH PROGRAM PREPARED BY THE STATE AUDITOR PURSUANT TO SECTION 2-3-113, C.R.S.;

(b) THE COSTS INCURRED BY EACH PROGRAM THAT RECEIVES SETTLEMENT MONEYS, INCLUDING BUT NOT LIMITED TO THE AMOUNT AND JUSTIFICATION OF ADMINISTRATIVE COSTS INCURRED BY THE AGENCIES THAT IMPLEMENT THE PROGRAM;

(c) THE PERCENTAGE ALLOCATED TO EACH PROGRAM RECEIVING SETTLEMENT MONEYS AND THE ACTUAL AMOUNT APPROPRIATED TO EACH PROGRAM EACH FISCAL

YEAR; AND

(d) THE AMOUNT OF SETTLEMENT MONEYS ANNUALLY CREDITED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5, C.R.S., THE INVESTMENT OF AND RETURN ON SUCH MONEYS, AND THE PROJECTIONS OF FUTURE INTEREST EARNINGS ON THE MONEYS IN THE FUND.

(2) THE JOINT COMMITTEES SHALL SUBMIT A LEGISLATIVE RECOMMENDATION SPECIFYING THE DATE BY WHICH THE JOINT COMMITTEES SHALL AGAIN REVIEW THE USE OF SETTLEMENT MONEYS AS PROVIDED IN THIS SECTION. IN ADDITION, THE JOINT COMMITTEES MAY MAKE LEGISLATIVE RECOMMENDATIONS CONCERNING PROGRAMS THAT RECEIVE SETTLEMENT MONEYS, WHICH RECOMMENDATIONS MAY INCLUDE, BUT NEED NOT BE LIMITED TO INCREASES OR DECREASES IN THE AMOUNT RECEIVED BY EACH PROGRAM, DISCONTINUANCE OF THE FUNDING FOR ANY PROGRAM, OR IDENTIFICATION OF NEW PROGRAMS TO RECEIVE SETTLEMENT MONEYS.

(3) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AND THE STATE AUDITOR SHALL PROVIDE SUCH ASSISTANCE AND INFORMATION AS THE JOINT COMMITTEES MAY REQUEST IN COMPLETING THE REVIEW REQUIRED PURSUANT TO THIS SECTION.

SECTION 2. Part 1 of article 1 of title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

25-1-108.5. Additional powers and duties of the state board of health and the department - programs that receive tobacco settlement moneys - monitoring - annual report. (1) AS USED IN THIS SECTION:

(a) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(b) "TOBACCO SETTLEMENT PROGRAM" MEANS ANY PROGRAM THAT RECEIVES APPROPRIATIONS FROM MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT.

(2) THE STATE BOARD AND THE DEPARTMENT SHALL MONITOR THE OPERATION AND EFFECTIVENESS OF TOBACCO SETTLEMENT PROGRAMS. EACH TOBACCO SETTLEMENT PROGRAM SHALL ANNUALLY SUBMIT TO THE DEPARTMENT, IN ACCORDANCE WITH RULES PROMULGATED BY THE STATE BOARD, THE FOLLOWING INFORMATION:

(a) THE AMOUNT OF TOBACCO SETTLEMENT MONEYS RECEIVED BY THE PROGRAM FOR THE PRECEDING FISCAL YEAR;

(b) A DESCRIPTION OF THE PROGRAM, INCLUDING THE PROGRAM GOALS, THE

POPULATION SERVED BY THE PROGRAM, INCLUDING THE ACTUAL NUMBER OF PERSONS SERVED, AND THE SERVICES PROVIDED THROUGH THE PROGRAM;

(c) INFORMATION EVALUATING THE OPERATION OF THE PROGRAM, INCLUDING THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING ITS STATED GOALS; AND

(d) ANY OTHER INFORMATION REQUIRED BY RULE OF THE STATE BOARD.

(3) (a) ON OR BEFORE JANUARY 15, 2002, AND ON OR BEFORE EACH JANUARY 15 THEREAFTER, THE DEPARTMENT SHALL SUBMIT TO THE JOINT BUDGET COMMITTEE, THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, THE ATTORNEY GENERAL, AND THE GOVERNOR A REPORT SUMMARIZING THE INFORMATION RECEIVED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION. IN ADDITION, THE REPORT SHALL INCLUDE:

(I) THE REPORTS PREPARED BY THE STATE AUDITOR DURING THE PRECEDING FISCAL YEAR PURSUANT TO SECTION 2-3-113, C.R.S., REVIEWING AND EVALUATING TOBACCO SETTLEMENT PROGRAMS, SO LONG AS SUCH REPORTS HAVE BEEN PREVIOUSLY RELEASED BY THE AUDIT COMMITTEE; AND

(II) THE STATE BOARD'S RECOMMENDATIONS CONCERNING ANY PROGRAMS FOR WHICH FUNDING SHOULD BE DISCONTINUED AND ANY ADDITIONAL PROGRAMS FOR WHICH THE GENERAL ASSEMBLY SHOULD CONSIDER APPROPRIATING MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT.

(b) THE REPORT PREPARED PURSUANT TO THIS SUBSECTION (3) SHALL ALSO BE AVAILABLE UPON REQUEST TO ANY MEMBER OF THE PUBLIC.

(4) THE STATE BOARD SHALL ADOPT RULES TO ENSURE THAT NO PERSON WHO IS INVOLVED IN EVALUATING TOBACCO SETTLEMENT PROGRAMS PURSUANT TO THIS SECTION HAS A CONFLICT OF INTEREST IN CONDUCTING SUCH EVALUATIONS, INCLUDING BUT NOT LIMITED TO ANY CONFLICT INVOLVING THE PERSON AND THE RECIPIENT OF ANY TOBACCO SETTLEMENT PROGRAM MONEYS AND ANY CONFLICT INVOLVING THE PERSON AND THE TOBACCO INDUSTRY. IF THE STATE BOARD DETERMINES THAT A PERSON HAS A CONFLICT, AS DESCRIBED BY RULE, THE STATE BOARD SHALL PROHIBIT THAT PERSON FROM PARTICIPATING IN ANY REVIEWS THAT MAY BE AFFECTED BY THE CONFLICT.

(5) THE COSTS INCURRED BY THE DEPARTMENT IN IMPLEMENTING THE REQUIREMENTS OF THIS SECTION SHALL BE PAID PROPORTIONATELY FROM THE AMOUNTS ANNUALLY APPROPRIATED TO EACH TOBACCO SETTLEMENT PROGRAM; EXCEPT THAT THE AMOUNT OF SAID COSTS SHALL NOT EXCEED FOUR-TENTHS OF ONE PERCENT OF THE TOTAL AMOUNT OF MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IN ANY FISCAL YEAR.

SECTION 3. Part 1 of article 3 of title 2, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

2-3-113. Programs that receive tobacco settlement moneys - program review.

(1) AS USED IN THIS SECTION:

(a) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE NO. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(b) "TOBACCO SETTLEMENT PROGRAM" MEANS ANY PROGRAM THAT RECEIVES APPROPRIATIONS FROM MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT.

(2) BEGINNING JANUARY 1, 2002, IT IS THE DUTY OF THE STATE AUDITOR TO CONDUCT OR CAUSE TO BE CONDUCTED PROGRAM REVIEWS AND EVALUATIONS OF THE PERFORMANCE OF EACH TOBACCO SETTLEMENT PROGRAM TO DETERMINE WHETHER THE PROGRAM IS EFFECTIVELY AND EFFICIENTLY MEETING ITS STATED GOALS. THE ENTITY CONDUCTING THE REVIEWS, IN MEASURING THE EFFECTIVENESS OF A PROGRAM, SHALL APPLY, AT A MINIMUM, THE EVALUATIVE RESEARCH DATA RECEIVED PURSUANT TO THE TOBACCO-RELATED AND TOBACCO-FOCUSED RESEARCH GRANT PROGRAM CREATED PURSUANT TO PART 2 OF ARTICLE 20 OF TITLE 23, C.R.S. THE PROGRAM REVIEWS AND EVALUATIONS SHALL SUBJECT ALL TOBACCO SETTLEMENT PROGRAMS TO AUDIT, WHETHER OPERATED DIRECTLY BY A STATE AGENCY OR BY A PRIVATE ENTITY OR BY A LOCAL GOVERNMENT AGENCY.

(3) THE STATE AUDITOR MAY CONTRACT WITH ONE OR MORE PUBLIC OR PRIVATE ENTITIES TO CONDUCT THE PROGRAM REVIEWS AND EVALUATIONS AND PREPARE THE ANNUAL EXECUTIVE SUMMARY REPORTS REQUIRED IN SUBSECTION (5) OF THIS SECTION.

(4) THE JOINT BUDGET COMMITTEE STAFF, THE LEGISLATIVE COUNCIL STAFF, THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT SHALL WORK WITH THE STATE AUDITOR'S OFFICE IN CONDUCTING THE PROGRAM REVIEWS AND EVALUATIONS OF TOBACCO SETTLEMENT PROGRAMS.

(5) BEGINNING DECEMBER 15, 2002, THE STATE AUDITOR'S OFFICE SHALL FIRST SUBMIT TO THE LEGISLATIVE AUDIT COMMITTEE AND THEN TO THE GOVERNOR, THE ATTORNEY GENERAL, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, THE JOINT BUDGET COMMITTEE, AND THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, REPORTS ON THE PROGRAM REVIEWS AND EVALUATIONS OF TOBACCO SETTLEMENT PROGRAMS PERFORMED PURSUANT TO SUBSECTION (2) OF THIS SECTION. IN ADDITION, THE STATE AUDITOR'S OFFICE SHALL SUBMIT TO THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AN ANNUAL EXECUTIVE SUMMARY OF THE PROGRAM REVIEWS AND EVALUATIONS.

(6) THE LEGISLATIVE AUDIT COMMITTEE SHALL DESIGN A SCHEDULE FOR REVIEWING TOBACCO SETTLEMENT PROGRAMS TO ENSURE THAT EACH PROGRAM IS REVIEWED AND EVALUATED AT LEAST ONCE EVERY THREE YEARS.

(7) THE COSTS INCURRED BY THE STATE AUDITOR'S OFFICE IN IMPLEMENTING THE REQUIREMENTS OF THIS SECTION SHALL BE PAID PROPORTIONATELY FROM THE AMOUNTS ANNUALLY APPROPRIATED TO EACH TOBACCO SETTLEMENT PROGRAM; EXCEPT THAT THE AMOUNT OF SAID COSTS SHALL NOT EXCEED ONE-TENTH OF ONE PERCENT OF THE TOTAL AMOUNT OF MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IN ANY FISCAL YEAR.

SECTION 4. 24-22-115.5 (2), Colorado Revised Statutes, is amended, and the said 24-22-115.5 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-22-115.5. Legislative declaration - tobacco litigation settlement trust fund - creation. (2) There is hereby created in the state treasury the tobacco litigation settlement trust fund. The principal of the trust fund shall consist of the first thirty-three million dollars of all moneys, other than attorney fees and costs, paid to the state treasurer in accordance with the terms of the master settlement agreement, the smokeless tobacco master settlement agreement, and the consent decree approved and entered by the court in the case denominated *State of Colorado, ex rel. Gale A. Norton, Attorney General v. R.J. Reynolds Tobacco Co.; American Tobacco Co., Inc.; Brown & Williamson Tobacco Corp.; Liggett Group Inc.; Lorillard Tobacco Company; Phillip Morris, Inc.; United States Tobacco Co.; B.A.T. Industries, P.L.C.; The Council For Tobacco Research --U.S.A., Inc.; and Tobacco Institute, Inc.*, Case No. 97 CV 3432, in the district court for the city and county of Denver, not less than ~~twenty~~ TWENTY-ONE percent of all additional moneys, other than attorney fees and costs, paid to the state treasurer in accordance with the settlement agreements and the consent decree, and any moneys transferred to the trust fund from the tobacco litigation settlement cash fund at the end of any fiscal year pursuant to section 24-22-115. The principal of the trust fund shall not be expended or appropriated for any purpose. All interest derived from the deposit and investment of moneys in the trust fund shall be credited to the trust fund. Such interest shall become subject to appropriation by the general assembly for the funding of any programs or funds authorized by law to be funded by tobacco litigation settlement moneys at such time as the state auditor certifies that actuarially sound projections of future interest earnings indicate that such interest will be sufficient to fully fund such programs and funds. No part of such trust fund, principal or interest, shall be transferred to the general fund or any other fund or used or appropriated except as provided in this section.

(3) (a) THE STATE TREASURER SHALL CONTRACT WITH ONE OR MORE PRIVATE, PROFESSIONAL FUND MANAGERS, PROFESSIONAL FUND ADVISORS, OR PORTFOLIO MANAGERS FOR THE INVESTMENT OF MONEYS IN THE TOBACCO LITIGATION SETTLEMENT TRUST FUND AS PROVIDED IN THIS SECTION. SUCH MONEYS MAY BE INVESTED IN THE TYPES OF INVESTMENTS AUTHORIZED IN SECTIONS 24-36-109, 24-36-112, AND 24-36-113. SUCH MONEYS MAY ALSO BE INVESTED IN DOMESTIC AND INTERNATIONAL EQUITIES; EXCEPT THAT:

(I) ANY INVESTMENT OF TOBACCO LITIGATION SETTLEMENT TRUST FUND MONEYS IN THE COMMON OR PREFERRED STOCK, OR BOTH, OF ANY SINGLE CORPORATION SHALL NOT EXCEED FIVE PERCENT OF THE THEN BOOK VALUE OF THE TRUST FUND;

(II) THE TOBACCO LITIGATION SETTLEMENT TRUST FUND SHALL NOT ACQUIRE MORE THAN FIVE PERCENT OF THE OUTSTANDING STOCK OR BONDS OF ANY SINGLE

CORPORATION; AND

(III) THE AGGREGATE AMOUNT OF MONEYS OF THE TOBACCO LITIGATION SETTLEMENT TRUST FUND INVESTED IN COMMON OR PREFERRED STOCK OR IN CORPORATE BONDS, NOTES, OR DEBENTURES THAT ARE CONVERTIBLE INTO COMMON OR PREFERRED STOCK SHALL NOT EXCEED SIXTY PERCENT OF THE THEN BOOK VALUE OF THE TRUST FUND. NO MORE THAN FIFTEEN PERCENT OF THESE INVESTMENTS SHALL BE IN THE COMMON OR PREFERRED STOCK OF CORPORATIONS NOT ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR ANY STATE, TERRITORY, OR POSSESSION OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR OF THE DOMINION OF CANADA OR ANY PROVINCE THEREOF.

(b) THE STATE TREASURER MAY MAKE PAYMENTS WITHOUT APPROPRIATION OF ALL ACTUAL AND NECESSARY CHARGES FOR EXPENSES RELATED TO THE INVESTMENT OF THE TOBACCO LITIGATION SETTLEMENT TRUST FUND MONEYS. SUCH PAYMENTS SHALL BE MADE FROM INVESTMENT ASSETS OR INCOME.

SECTION 5. Title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 31
Colorado Nurse Home
Visitor Program

25-31-101. Short title. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "COLORADO NURSE HOME VISITOR PROGRAM ACT".

25-31-102. Legislative declaration. THE GENERAL ASSEMBLY HEREBY FINDS THAT, IN ORDER TO ADEQUATELY CARE FOR THEIR NEWBORNS AND YOUNG CHILDREN, NEW MOTHERS MAY OFTEN BENEFIT FROM RECEIVING PROFESSIONAL ASSISTANCE AND INFORMATION. WITHOUT SUCH ASSISTANCE AND INFORMATION, A YOUNG MOTHER MAY DEVELOP HABITS OR PRACTICES THAT ARE DETRIMENTAL TO HER HEALTH AND WELL-BEING AND THE HEALTH AND WELL-BEING OF HER CHILD. THE GENERAL ASSEMBLY FURTHER FINDS THAT INADEQUATE PRENATAL CARE AND INADEQUATE CARE IN INFANCY AND EARLY CHILDHOOD OFTEN INHIBIT A CHILD'S ABILITY TO LEARN AND DEVELOP THROUGHOUT HIS OR HER CHILDHOOD AND MAY HAVE LASTING, ADVERSE AFFECTS ON THE CHILD'S ABILITY TO FUNCTION AS AN ADULT. THE GENERAL ASSEMBLY RECOGNIZES THAT IMPLEMENTATION OF A NURSE HOME VISITOR PROGRAM THAT PROVIDES EDUCATIONAL, HEALTH, AND OTHER RESOURCES FOR NEW YOUNG MOTHERS DURING PREGNANCY AND THE FIRST YEARS OF THEIR INFANTS' LIVES HAS BEEN PROVEN TO SIGNIFICANTLY REDUCE THE AMOUNT OF DRUG, INCLUDING NICOTINE, AND ALCOHOL USE AND ABUSE BY MOTHERS, THE OCCURRENCE OF CRIMINAL ACTIVITY COMMITTED BY MOTHERS AND THEIR CHILDREN UNDER FIFTEEN YEARS OF AGE, AND THE NUMBER OF REPORTED INCIDENTS OF CHILD ABUSE AND NEGLECT. SUCH A PROGRAM HAS ALSO BEEN PROVEN TO REDUCE THE NUMBER OF SUBSEQUENT BIRTHS, INCREASE THE LENGTH OF TIME BETWEEN SUBSEQUENT BIRTHS, AND REDUCE THE MOTHER'S NEED FOR OTHER FORMS OF PUBLIC ASSISTANCE. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT SUCH A PROGRAM BE ESTABLISHED FOR THE STATE OF COLORADO, BEGINNING WITH A LIMITED NUMBER OF PARTICIPANTS AND EXPANDING BY THE YEAR 2010 TO BE AVAILABLE TO ALL LOW-INCOME, FIRST-TIME MOTHERS IN THE STATE WHO CONSENT TO RECEIVING SERVICES.

25-31-103. Definitions. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT CREATED IN SECTION 25-1-102.

(2) "ENTITY" MEANS ANY NONPROFIT, NOT-FOR-PROFIT, OR FOR-PROFIT CORPORATION, RELIGIOUS OR CHARITABLE ORGANIZATION, INSTITUTION OF HIGHER EDUCATION, VISITING NURSE ASSOCIATION, EXISTING VISITING NURSE PROGRAM, LOCAL HEALTH DEPARTMENT, COUNTY DEPARTMENT OF SOCIAL SERVICES, POLITICAL SUBDIVISION OF THE STATE, OR OTHER GOVERNMENTAL AGENCY OR ANY COMBINATION THEREOF.

(3) "HEALTH SCIENCES FACILITY" MEANS A FACILITY LOCATED AT THE UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER THAT IS SELECTED BY THE PRESIDENT OF THE UNIVERSITY OF COLORADO PURSUANT TO SECTION 25-31-105 TO ASSIST THE STATE BOARD IN ADMINISTERING THE PROGRAM.

(4) "LOW-INCOME" MEANS AN ANNUAL INCOME THAT DOES NOT EXCEED TWO HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL.

(5) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(6) "NURSE" MEANS A PERSON LICENSED AS A PROFESSIONAL NURSE PURSUANT TO ARTICLE 38 OF TITLE 12, C.R.S., OR ACCREDITED BY ANOTHER STATE OR VOLUNTARY AGENCY THAT THE STATE BOARD OF NURSING HAS IDENTIFIED BY RULE PURSUANT TO SECTION 12-38-108 (1) (a), C.R.S., AS ONE WHOSE ACCREDITATION MAY BE ACCEPTED IN LIEU OF BOARD APPROVAL.

(7) "PROGRAM" MEANS THE NURSE HOME VISITOR PROGRAM ESTABLISHED IN THIS ARTICLE.

(8) "STATE BOARD" MEANS THE STATE BOARD OF HEALTH CREATED IN SECTION 25-1-103.

25-31-104. Nurse home visitor program - created - rules. (1) THERE IS HEREBY ESTABLISHED THE NURSE HOME VISITOR PROGRAM TO PROVIDE REGULAR, IN-HOME, VISITING NURSE SERVICES TO LOW-INCOME, FIRST-TIME MOTHERS, WITH THEIR CONSENT, DURING THEIR PREGNANCIES AND THROUGH THEIR CHILDREN'S SECOND BIRTHDAY. THE PROGRAM SHALL PROVIDE TRAINED VISITING NURSES TO HELP EDUCATE MOTHERS ON THE IMPORTANCE OF NUTRITION AND AVOIDING ALCOHOL AND DRUGS, INCLUDING NICOTINE, AND TO ASSIST AND EDUCATE MOTHERS IN PROVIDING GENERAL CARE FOR THEIR CHILDREN AND IN IMPROVING HEALTH OUTCOMES FOR

THEIR CHILDREN. IN ADDITION, VISITING NURSES MAY HELP MOTHERS IN LOCATING ASSISTANCE WITH EDUCATIONAL ACHIEVEMENT AND EMPLOYMENT. ANY ASSISTANCE PROVIDED THROUGH THE PROGRAM SHALL BE PROVIDED ONLY WITH THE CONSENT OF THE LOW-INCOME, FIRST-TIME MOTHER, AND SHE MAY REFUSE FURTHER SERVICES AT ANY TIME.

(2) THE PROGRAM SHALL BE ADMINISTERED IN COMMUNITIES THROUGHOUT THE STATE BY ENTITIES SELECTED ON A COMPETITIVE BASIS BY THE STATE BOARD. ANY ENTITY THAT SEEKS TO ADMINISTER THE PROGRAM SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT AS PROVIDED IN SECTION 25-31-106. THE ENTITIES SELECTED PURSUANT TO SECTION 25-31-107 SHALL BE EXPECTED TO PROVIDE SERVICES TO A MINIMUM OF ONE HUNDRED LOW-INCOME, FIRST-TIME MOTHERS IN THE COMMUNITY IN WHICH THE ENTITY ADMINISTERS THE PROGRAM; EXCEPT THAT THE STATE BOARD MAY GRANT A WAIVER OF THIS REQUIREMENT IF THE POPULATION BASE OF THE COMMUNITY DOES NOT HAVE THE CAPACITY TO ENROLL ONE HUNDRED ELIGIBLE FAMILIES. THE STATE BOARD SHALL CONSULT WITH THE HEALTH SCIENCES FACILITY PRIOR TO GRANTING THE WAIVER TO ENSURE THAT THE ENTITY CAN IMPLEMENT THE PROGRAM WITHIN THE SMALLER COMMUNITY AND MAINTAIN COMPLIANCE WITH THE PROGRAM REQUIREMENTS. A MOTHER SHALL BE ELIGIBLE TO RECEIVE SERVICES THROUGH THE PROGRAM IF SHE IS PREGNANT WITH HER FIRST CHILD, OR HER FIRST CHILD IS LESS THAN ONE MONTH OLD, AND HER GROSS ANNUAL INCOME DOES NOT EXCEED TWO HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL.

(3) THE STATE BOARD SHALL PROMULGATE, PURSUANT TO THE PROVISIONS OF ARTICLE 4 OF TITLE 24, C.R.S., RULES FOR THE IMPLEMENTATION OF THE PROGRAM. THE STATE BOARD SHALL BASE THE RULES ESTABLISHING PROGRAM TRAINING REQUIREMENTS, PROGRAM PROTOCOLS, PROGRAM MANAGEMENT INFORMATION SYSTEMS, AND PROGRAM EVALUATION REQUIREMENTS ON RESEARCH-BASED MODEL PROGRAMS THAT HAVE BEEN IMPLEMENTED IN ONE OR MORE OTHER STATES FOR A PERIOD OF AT LEAST FIVE YEARS AND HAVE SHOWN SIGNIFICANT REDUCTIONS IN:

(a) THE OCCURRENCE AMONG FAMILIES RECEIVING SERVICES THROUGH THE MODEL PROGRAM OF INFANT BEHAVIORAL IMPAIRMENTS DUE TO USE OF ALCOHOL AND OTHER DRUGS, INCLUDING NICOTINE;

(b) THE NUMBER OF REPORTED INCIDENTS OF CHILD ABUSE AND NEGLECT AMONG FAMILIES RECEIVING SERVICES THROUGH THE MODEL PROGRAM;

(c) THE NUMBER OF SUBSEQUENT PREGNANCIES BY MOTHERS RECEIVING SERVICES THROUGH THE MODEL PROGRAM;

(d) THE RECEIPT OF PUBLIC ASSISTANCE BY MOTHERS RECEIVING SERVICES THROUGH THE MODEL PROGRAM;

(e) CRIMINAL ACTIVITY ENGAGED IN BY MOTHERS RECEIVING SERVICES THROUGH THE MODEL PROGRAM AND THEIR CHILDREN.

(4) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION, THE BOARD SHALL ADOPT RULES PURSUANT TO WHICH A NURSE HOME VISITATION PROGRAM THAT IS IN OPERATION IN THE STATE AS OF JULY 1, 1999, MAY QUALIFY FOR PARTICIPATION IN THE PROGRAM IF IT CAN DEMONSTRATE THAT IT HAS BEEN IN

OPERATION IN THE STATE FOR A MINIMUM OF FIVE YEARS AND THAT IT HAS ACHIEVED A REDUCTION IN THE OCCURRENCES SPECIFIED IN SUBSECTION (3) OF THIS SECTION. ANY PROGRAM SO APPROVED SHALL BE EXEMPT FROM THE RULES ADOPTED REGARDING PROGRAM TRAINING REQUIREMENTS, PROGRAM PROTOCOLS, PROGRAM MANAGEMENT INFORMATION SYSTEMS, AND PROGRAM EVALUATION REQUIREMENTS SO LONG AS SAID PROGRAM CONTINUES TO DEMONSTRATE A REDUCTION IN THE OCCURRENCES SPECIFIED IN SUBSECTION (3) OF THIS SECTION.

25-31-105. Health sciences facility - duties. (1) THE PRESIDENT OF THE UNIVERSITY OF COLORADO SHALL IDENTIFY A FACILITY AT THE UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER WITH THE KNOWLEDGE AND EXPERTISE NECESSARY TO ASSIST THE STATE BOARD IN SELECTING ENTITIES FROM AMONG THE APPLICATIONS SUBMITTED PURSUANT TO SECTION 25-31-106 AND IN MONITORING AND EVALUATING THE IMPLEMENTATION OF THE PROGRAM IN COMMUNITIES THROUGHOUT THE STATE.

(2) THE HEALTH SCIENCES FACILITY SHALL MONITOR THE ADMINISTRATION OF THE PROGRAM BY THE SELECTED ENTITIES TO ENSURE THAT THE PROGRAM IS IMPLEMENTED ACCORDING TO THE PROGRAM TRAINING REQUIREMENTS, PROGRAM PROTOCOLS, PROGRAM MANAGEMENT INFORMATION SYSTEMS, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY RULE OF THE STATE BOARD. THE HEALTH SCIENCES FACILITY SHALL EVALUATE THE OVERALL IMPLEMENTATION OF THE PROGRAM AND INCLUDE SUCH EVALUATION, ALONG WITH ANY RECOMMENDATIONS CONCERNING THE SELECTED ENTITIES OR CHANGES IN THE PROGRAM TRAINING REQUIREMENTS, PROGRAM PROTOCOLS, PROGRAM MANAGEMENT INFORMATION SYSTEMS, OR PROGRAM EVALUATION REQUIREMENTS, IN THE ANNUAL REPORT SUBMITTED TO THE DEPARTMENT PURSUANT TO SECTION 25-31-108.

(3) THE DEPARTMENT SHALL COMPENSATE THE HEALTH SCIENCES FACILITY FOR THE COSTS INCURRED IN PERFORMING ITS DUTIES UNDER THIS ARTICLE. SUCH COMPENSATION SHALL BE INCLUDED IN THE ACTUAL COSTS INCURRED BY THE DEPARTMENT IN ADMINISTERING THE PROGRAM AND PAID OUT OF THE AMOUNT ALLOCATED TO THE DEPARTMENT FOR ADMINISTRATIVE COSTS PURSUANT TO SECTION 25-31-107 (2) (b).

25-31-106. Program applications - requirements. (1) ANY ENTITY THAT SEEKS TO ADMINISTER THE PROGRAM IN A COMMUNITY SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT IN ACCORDANCE WITH RULES ADOPTED BY THE STATE BOARD. AT A MINIMUM, THE APPLICATION SHALL SPECIFY THE BASIC ELEMENTS AND PROCEDURES THAT THE ENTITY SHALL USE IN ADMINISTERING THE PROGRAM. BASIC PROGRAM ELEMENTS SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

(a) THE SPECIFIC TRAINING TO BE RECEIVED BY EACH NURSE EMPLOYED BY THE ENTITY TO PROVIDE HOME NURSING SERVICES THROUGH THE PROGRAM, WHICH TRAINING SHALL MEET OR EXCEED THE VISITING NURSE TRAINING REQUIREMENTS ESTABLISHED BY RULE OF THE STATE BOARD;

(b) THE PROTOCOLS TO BE FOLLOWED BY THE ENTITY IN ADMINISTERING THE PROGRAM, WHICH PROTOCOLS AT A MINIMUM SHALL COMPLY WITH THE PROGRAM PROTOCOLS ESTABLISHED BY RULE OF THE STATE BOARD;

(c) THE MANAGEMENT INFORMATION SYSTEM TO BE USED BY THE ENTITY IN ADMINISTERING THE PROGRAM, WHICH AT A MINIMUM SHALL COMPLY WITH THE MANAGEMENT INFORMATION SYSTEM REQUIREMENTS ESTABLISHED BY RULE OF THE STATE BOARD;

(d) THE REPORTING AND EVALUATION SYSTEM TO BE USED BY THE ENTITY IN MEASURING THE EFFECTIVENESS OF THE PROGRAM IN ASSISTING LOW-INCOME, FIRST-TIME MOTHERS, WHICH AT A MINIMUM SHALL MEET THE REPORTING AND EVALUATION REQUIREMENTS SPECIFIED BY RULE OF THE STATE BOARD;

(e) AN ANNUAL REPORT TO BOTH THE HEALTH SCIENCES FACILITY AND THE COMMUNITY IN WHICH THE ENTITY ADMINISTERS THE PROGRAM THAT REPORTS ON THE EFFECTIVENESS OF THE PROGRAM WITHIN THE COMMUNITY AND IS WRITTEN IN A MANNER THAT IS UNDERSTANDABLE FOR BOTH THE HEALTH SCIENCES FACILITY AND MEMBERS OF THE COMMUNITY.

(2) ANY PROGRAM APPLICATION SUBMITTED PURSUANT TO THIS SECTION SHALL DEMONSTRATE STRONG, BIPARTISAN PUBLIC SUPPORT FOR AND A LONG-TIME COMMITMENT TO OPERATION OF THE PROGRAM IN THE COMMUNITY.

(3) THE DEPARTMENT SHALL INITIALLY REVIEW THE APPLICATIONS RECEIVED PURSUANT TO THIS SECTION AND SUBMIT TO THE HEALTH SCIENCES FACILITY FOR REVIEW THOSE APPLICATIONS THAT INCLUDE THE BASIC PROGRAM ELEMENTS AS REQUIRED BY THE RULES ADOPTED BY THE STATE BOARD. FOLLOWING ITS REVIEW, THE HEALTH SCIENCES FACILITY SHALL SUBMIT TO THE STATE BOARD A LIST OF THE APPLYING ENTITIES THAT THE HEALTH SCIENCES FACILITY RECOMMENDS TO ADMINISTER THE PROGRAM IN COMMUNITIES THROUGHOUT THE STATE.

25-31-107. Nurse home visitor program - selection of entities - grants. (1) ON RECEIPT OF THE LIST OF ENTITIES RECOMMENDED BY THE HEALTH SCIENCES FACILITY, THE STATE BOARD SHALL SELECT THE ENTITIES THAT WILL ADMINISTER THE PROGRAM IN COMMUNITIES THROUGHOUT THE STATE. IN SELECTING ENTITIES, THE STATE BOARD SHALL GIVE SPECIAL CONSIDERATION TO ENTITIES THAT ARE PROPOSING TO ADMINISTER THE PROGRAM AS A COLLABORATIVE EFFORT AMONG MULTIPLE ENTITIES.

(2)(a) THE ENTITIES SELECTED TO OPERATE THE PROGRAM SHALL RECEIVE GRANTS IN AMOUNTS SPECIFIED BY THE STATE BOARD. THE GRANTS MAY INCLUDE OPERATING COSTS AND ADDITIONAL AMOUNTS FOR TRAINING AND DEVELOPMENT OF ANY INFRASTRUCTURE, INCLUDING BUT NOT LIMITED TO DEVELOPMENT OF THE INFORMATION MANAGEMENT SYSTEM, NECESSARY TO ADMINISTER THE PROGRAM. FOR THE 2000-01 FISCAL YEAR, THE STATE BOARD SHALL AWARD GRANTS TO NO MORE THAN TWELVE ENTITIES IN AT LEAST EIGHT COMMUNITIES. THE NUMBER OF ENTITIES SELECTED AND THE NUMBER OF COMMUNITIES IN WHICH THE PROGRAM SHALL BE IMPLEMENTED IN SUBSEQUENT FISCAL YEARS SHALL BE DETERMINED BY MONEYS AVAILABLE IN THE NURSE HOME VISITOR PROGRAM FUND CREATED IN PARAGRAPH (b) OF THIS SUBSECTION (2).

(b) GRANTS AWARDED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE PAYABLE FROM THE NURSE HOME VISITOR PROGRAM FUND, WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE NURSE HOME VISITOR PROGRAM FUND, REFERRED TO IN THIS SECTION AS THE "FUND", SHALL CONSIST OF MONEYS

APPROPRIATED THERETO BY THE GENERAL ASSEMBLY FROM MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IN THE AMOUNT DESCRIBED IN PARAGRAPH (d) OF THIS SUBSECTION (2). IN ADDITION, THE STATE TREASURER MAY CREDIT TO THE FUND ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE DEPARTMENT FOR IMPLEMENTATION OF THE PROGRAM. THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR GRANTS TO ENTITIES FOR OPERATION OF THE PROGRAM. IN ADDITION, THE DEPARTMENT MAY RETAIN UP TO FIVE PERCENT OF THE AMOUNT ANNUALLY APPROPRIATED FROM THE FUND FOR THE ACTUAL COSTS INCURRED BY THE DEPARTMENT IN IMPLEMENTING THE PROVISIONS OF THIS ARTICLE. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-36-114, C.R.S., ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNENCUMBERED MONEYS APPROPRIATED FROM MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT REMAINING IN THE FUND AT THE END OF ANY FISCAL YEAR SHALL BE TRANSFERRED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5, C.R.S.

(c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT GENERAL FUND MONEYS NOT BE APPROPRIATED FOR IMPLEMENTATION OF THE PROGRAM.

(d) (I) FOR THE 2000-01 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE FUND THREE PERCENT OF THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE FUND SHALL NOT EXCEED THREE MILLION DOLLARS. BEGINNING WITH THE 2001-02 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER UNTIL THE 2008-09 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL INCREASE THE AMOUNT APPROPRIATED TO THE FUND BY TWO PERCENT PER FISCAL YEAR; EXCEPT THAT THE AMOUNT OF INCREASE SHALL NOT EXCEED AN ADDITIONAL TWO MILLION DOLLARS PER YEAR. FOR THE 2008-09 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER SO LONG AS THE STATE RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE FUND NINETEEN PERCENT OF THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE FUND IN ANY FISCAL YEAR SHALL NOT EXCEED NINETEEN MILLION DOLLARS. THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT SPECIFIED IN THIS PARAGRAPH (d) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S.

(II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (d), FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO THE FUND SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

25-31-108. Annual program review - audit. (1) THE HEALTH SCIENCES FACILITY SHALL ANNUALLY PREPARE AND SUBMIT TO THE DEPARTMENT A REPORT INCLUDING AN EVALUATION OF THE IMPLEMENTATION OF THE PROGRAM, THE RESULTS

ACHIEVED BY THE PROGRAM BASED ON THE ANNUAL REPORTS SUBMITTED BY THE ADMINISTERING ENTITIES PURSUANT TO SECTION 25-30-106 (1) (e), THE EXTENT TO WHICH THE PROGRAM SERVES MEDICAID-ELIGIBLE PERSONS AND PROVIDES SERVICES THAT MAY BE PROVIDED IN PART THROUGH MEDICAID FUNDING, AND ANY RECOMMENDATIONS CONCERNING CHANGES TO THE PROGRAM, INCLUDING BUT NOT LIMITED TO ANY CHANGES THAT MAY BE APPROPRIATE TO ENABLE THE PROGRAM TO RECEIVE MEDICAID FUNDING. THE DEPARTMENT SHALL INCLUDE SAID REPORT IN THE ANNUAL REPORT ON PROGRAMS THAT ARE FUNDED BY MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT PREPARED PURSUANT TO SECTION 25-1-108.5 (3). ANY ENTITY THAT IS ADMINISTERING THE PROGRAM MAY BE SUBJECT TO A REDUCTION IN OR CESSATION OF FUNDING IF THE STATE BOARD, BASED ON RECOMMENDATIONS FROM THE HEALTH SCIENCES FACILITY, DETERMINES THAT THE ENTITY IS NOT OPERATING THE PROGRAM IN ACCORDANCE WITH THE PROGRAM REQUIREMENTS ESTABLISHED BY RULE OF THE STATE BOARD OR IS OPERATING THE PROGRAM IN SUCH A MANNER THAT THE PROGRAM DOES NOT DEMONSTRATE POSITIVE RESULTS.

(2) THE STATE AUDITOR'S OFFICE, PURSUANT TO SECTION 2-3-113, C.R.S., SHALL AUDIT EACH ENTITY ADMINISTERING THE PROGRAM TO DETERMINE WHETHER THE ENTITY IS ADMINISTERING THE PROGRAM IN COMPLIANCE WITH THE PROGRAM REQUIREMENTS AND IN AN EFFECTIVE MANNER. THE AUDIT SHALL BE CONDUCTED AND REPORTED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2-3-113, C.R.S.

SECTION 6. 26-10-102, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

26-10-102. Definitions. As used in this article, unless the context otherwise requires:

(3.7) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC., CASE NO. 97 CV 3432*, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(3.9) "TRUST FUND" MEANS THE COLORADO STATE VETERANS TRUST FUND CREATED IN SECTION 26-10-111.

SECTION 7. Article 10 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

26-10-111. Colorado state veterans trust fund - created - report. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE COLORADO STATE VETERANS TRUST FUND THAT SHALL CONSIST OF THE MONEYS APPROPRIATED THERETO PURSUANT TO SUBSECTION (2) OF THIS SECTION. THE FUNDS IN THE TRUST FUND SHALL BE USED FOR CAPITAL IMPROVEMENTS OR NEEDED AMENITIES FOR EXISTING OR FUTURE STATE VETERANS NURSING HOMES, AND COSTS INCURRED BY EXISTING OR FUTURE STATE

VETERANS CEMETERIES AND VETERANS OUTREACH PROGRAMS ADMINISTERED BY THE DIVISION. IN ADDITION, THE STATE TREASURER MAY CREDIT TO THE TRUST FUND ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE DEPARTMENT OF HUMAN SERVICES FOR IMPLEMENTATION OF THE PURPOSES SPECIFIED IN THIS SUBSECTION (1). IN ADDITION, THE DIVISION MAY RETAIN UP TO FIVE PERCENT OF THE AMOUNT ANNUALLY APPROPRIATED FROM THE TRUST FUND FOR THE ACTUAL COSTS INCURRED BY THE DIVISION AND THE BOARD IN IMPLEMENTING THE PROVISIONS OF THIS ARTICLE. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-36-114, C.R.S., ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE TRUST FUND SHALL BE CREDITED TO THE TRUST FUND.

(2) (a) BEGINNING IN FISCAL YEAR 2000-01 AND FOR EACH FISCAL YEAR THEREAFTER SO LONG AS THE STATE RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE TO THE TRUST FUND ONE PERCENT OF THE TOTAL AMOUNT RECEIVED BY THE STATE PURSUANT TO THE PROVISIONS OF THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE TRUST FUND IN ANY FISCAL YEAR SHALL NOT EXCEED ONE MILLION DOLLARS. THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT SPECIFIED IN THIS SUBSECTION (2) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (2), FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO THE TRUST FUND SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

(3) ALL OF THE FUNDS APPROPRIATED TO THE TRUST FUND PURSUANT TO SUBSECTION (2) OF THIS SECTION IN FISCAL YEAR 2000-01 SHALL BE CREDITED TO THE TRUST FUND AND RETAINED AS PRINCIPAL IN THE TRUST FUND. FOR FISCAL YEARS 2001-02 AND FISCAL YEARS THEREAFTER, SEVENTY-FIVE PERCENT OF THE AMOUNT OF ANNUAL APPROPRIATIONS MADE PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE CREDITED TO THE TRUST FUND AND RETAINED AS PRINCIPAL IN THE TRUST FUND. FOR FISCAL YEARS 2001-02 AND FISCAL YEARS THEREAFTER, TWENTY-FIVE PERCENT OF THE AMOUNT OF ANNUAL APPROPRIATIONS MADE PURSUANT TO SUBSECTION (2) OF THIS SECTION AND ANY INTEREST EARNED ON THE PRINCIPAL IN THE TRUST FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY AND MAY BE ALLOCATED BY THE BOARD FOR THE PURPOSES OUTLINED IN SUBSECTION (1) OF THIS SECTION.

(4) FUNDS SHALL BE ALLOCATED OUT OF THE TRUST FUND USING THE FOLLOWING PROCESS: THE DIRECTOR OF THE STATE AND VETERANS NURSING HOMES OR THE DIRECTOR OF THE DIVISION OF VETERANS AFFAIRS SHALL SUBMIT TO THE BOARD A WRITTEN REQUEST FOR FUNDS TO BE USED FOR THE PURPOSES DESCRIBED IN SUBSECTION (1) OF THIS SECTION. THE BOARD SHALL VOTE ON THE REQUEST FOR FUNDS. A MAJORITY VOTE SHALL BE SUFFICIENT TO APPROVE AN ALLOCATION OF FUNDS OUT OF THE TRUST FUND.

(5) (a) THE BOARD SHALL PREPARE A REPORT EVALUATING THE IMPLEMENTATION OF THIS SECTION, INCLUDING THE NUMBER AND TYPE OF IMPROVEMENTS OR ADDITIONS TO NURSING HOMES THAT HAVE BEEN MADE, THE NUMBER AND TYPE OF IMPROVEMENTS TO VETERANS CEMETERIES, THE NUMBER OF VETERANS SERVED THROUGH THE VETERANS OUTREACH PROGRAM, AND THE RESULTS ACHIEVED AS A RESULT OF ALLOCATIONS MADE OUT OF THE TRUST FUND.

(b) THE DEPARTMENT SHALL SUBMIT THE REPORT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR INCLUSION IN THE REPORT PREPARED BY SAID DEPARTMENT PURSUANT TO SECTION 25-1-108.5 (3), C.R.S.

SECTION 8. 26-19-103, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-19-103. Definitions. As used in this article, unless the context otherwise requires:

(6.3) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO CO.; AMERICAN TOBACCO CO., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO CO.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

SECTION 9. 26-19-105, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-19-105. Trust - created. (2.5) BEGINNING IN FISCAL YEAR 2000-01, AND FOR EACH FISCAL YEAR THEREAFTER SO LONG AS THE STATE RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE TRUST TEN MILLION DOLLARS FROM THE MONEYS ANNUALLY RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT. THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT SPECIFIED IN THIS SUBSECTION (2.5) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S. THE AMOUNT APPROPRIATED PURSUANT TO THIS SUBSECTION (2.5) SHALL BE IN ADDITION TO AND NOT IN REPLACEMENT OF ANY GENERAL FUND MONEYS APPROPRIATED TO THE TRUST.

SECTION 10. 26-19-107 (1) (a), Colorado Revised Statutes, is amended to read:

26-19-107. Duties of the department - schedule of services - premiums - copayments - subsidies. (1) In addition to any other duties pursuant to this article, the department shall have the following duties:

(a) (I) To design, on or after April 21, 1998, and from time to time revise, a schedule of health care services included in the plan and to propose said schedule to the policy board for approval or modification. The schedule of health care services as proposed by the department and approved by the policy board, shall include, but shall

not be limited to, preventive care, physician services, inpatient and outpatient hospital services, prescription drugs and medications, and other services that may be medically necessary for the health of enrollees. The department shall design and revise this schedule of health care services included in the plan to be similar to the basic and standard health benefit plans defined in section 10-16-102 (4) and (42), C.R.S.

(II) IN ADDITION TO THE ITEMS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) AND ANY ADDITIONAL ITEMS APPROVED BY THE POLICY BOARD, ON AND AFTER JANUARY 1, 2001, THE POLICY BOARD SHALL INCLUDE DENTAL SERVICES IN THE SCHEDULE OF HEALTH CARE SERVICES UPON A FINDING BY THE BOARD THAT:

(A) AN ADEQUATE NUMBER OF DENTISTS ARE WILLING TO PROVIDE SERVICES TO ELIGIBLE CHILDREN; AND

(B) THE FINANCIAL RESOURCES AVAILABLE TO THE PROGRAM ARE SUFFICIENT TO FUND SUCH SERVICES.

SECTION 11. Article 20 of title 23, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 2
TOBACCO-RELATED AND
TOBACCO-FOCUSED RESEARCH

23-20-201. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS THAT:

(a) ALTHOUGH FEDERAL MONEYS ARE AVAILABLE TO FUND SOME TOBACCO-RELATED RESEARCH, THE SETTLEMENT AGREEMENTS BETWEEN THE TOBACCO COMPANIES AND THE STATES PROVIDE NO FUNDS AT THE NATIONAL LEVEL FOR GRANTS TO FUND THE TYPES OF RESEARCH OUTLINED IN THIS PART 2;

(b) COLORADO IS ONE OF THE FEW STATES IN THE NATION THAT PROVIDES NO STATE FUNDING FOR TOBACCO-RELATED RESEARCH. TAKEN TOGETHER, THE EXISTING LEVEL OF FEDERALLY AND PRIVATELY FUNDED TOBACCO-RELATED RESEARCH IS INSUFFICIENT TO UNDERSTAND AND PREVENT TOBACCO-RELATED DISEASES.

(c) MONEYS FROM THE MASTER SETTLEMENT AGREEMENT PROVIDE COLORADO WITH AN OPPORTUNITY TO FUND BASIC SCIENCE, CLINICAL, AND EVALUATIVE RESEARCH THAT WOULD SERVE COLORADAN'S TOBACCO- AND SUBSTANCE-ABUSE-RELATED HEALTHCARE NEEDS;

(d) RESEARCH FUNDED PURSUANT TO THIS PART 2 IS THE FIRST STEP IN COLORADO'S EFFORTS TO COMBAT EFFECTIVELY THE LONG-TERM EFFECTS OF TOBACCO USE AND SUBSTANCE ABUSE THROUGH RESEARCH THAT CAN ULTIMATELY LEAD TO CURES AND OTHER PERMANENT SOLUTIONS TO TOBACCO- AND SUBSTANCE-ABUSE-RELATED ILLNESS AND DISEASE. RESEARCH FUNDS ALSO WILL ASSIST IN IDENTIFYING EFFECTIVE PREVENTION AND CESSATION PROGRAMS IN COLORADO. THESE AREAS OF RESEARCH WILL HAVE POSITIVE LONG-TERM EFFECTS ON COLORADO COMMUNITIES.

(e) CREATION OF A DEDICATED RESEARCH FUND FOR TOBACCO-RELATED,

TOBACCO-FOCUSED, AND SUBSTANCE-ABUSE-RELATED RESEARCH WILL RESULT IN AN INVESTMENT IN RESEARCH THAT WILL POTENTIALLY SAVE THE STATE OF COLORADO MILLIONS OF DOLLARS IN COSTS OF PROVIDING FOR THE HEALTH AND WELFARE OF THE STATE'S CITIZENS;

(f) IN CREATING A RESEARCH FUND FOR TOBACCO-RELATED, TOBACCO-FOCUSED, AND SUBSTANCE-ABUSE-RELATED RESEARCH, IT IS PARAMOUNT TO ENSURE THAT EXPENDITURES FROM THE FUND RETURN THE MAXIMUM BENEFIT TO THE STATE OF COLORADO IN THE FORM OF INFORMATION ADDRESSING DISEASE, ILLNESS, MENTAL HEALTH, EDUCATION, EVALUATION, CESSATION, AND PREVENTION IN RELATION TO TOBACCO PRODUCTS AND SUBSTANCE ABUSE;

(g) THE COLLABORATIVE EFFORTS OF THE STATE OF COLORADO, THE FEDERAL GOVERNMENT, PRIVATE RESEARCH, AND OTHER STATES THAT CONDUCT TOBACCO- AND SUBSTANCE-ABUSE-RELATED RESEARCH WILL BENEFIT ALL COLORADANS.

23-20-202. Definitions. AS USED IN THIS PART 2, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ADVISORY COMMITTEE" MEANS THE SCIENTIFIC ADVISORY COMMITTEE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 23-20-204.

(2) "BASIC SCIENCE RESEARCH" MEANS RESEARCH ADDRESSING THE BIOLOGICAL, PHYSIOLOGICAL, CHEMICALOGICAL, AND PSYCHOLOGICAL INTERACTIONS BETWEEN HUMAN BODY STRUCTURES AND TOBACCO AND OTHER DRUG SUBSTANCES IN ALL FORMS.

(3) "CLINICAL RESEARCH" MEANS RESEARCH CONDUCTED TO DEVELOP EFFECTIVE PHARMACOLOGICAL AIDS AND OTHER TREATMENTS TO ASSIST PERSONS WHO USE TOBACCO AND OTHER DRUG SUBSTANCES IN ANY FORM TO CEASE SUCH USE.

(4) "EVALUATIVE RESEARCH" MEANS RESEARCH INTO DESIGNING, IMPLEMENTING, AND EVALUATING EFFECTIVE TOBACCO AND SUBSTANCE ABUSE CESSATION AND PREVENTION PROGRAMS THAT WILL REACH THOSE SEGMENTS OF THE COMMUNITY THAT ARE MOST AT RISK OF USING TOBACCO OR ENGAGING IN SUBSTANCE ABUSE.

(5) "FUND" MEANS THE UNIVERSITY OF COLORADO TOBACCO-RELATED RESEARCH FUND CREATED IN SECTION 23-20-207.

(6) "INDIRECT COSTS" MEANS INDIRECT COSTS AS DEFINED BY FEDERAL COST ACCOUNTING GUIDELINES FOR FEDERALLY SPONSORED RESEARCH, INCLUDING BUT NOT LIMITED TO A USE ALLOWANCE FOR RESEARCH FACILITIES, HEATING, LIGHTING, LIBRARY SERVICES, HEALTH AND SAFETY SERVICES, PROJECT ADMINISTRATION, AND BUILDING MAINTENANCE.

(7) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED*

STATES TOBACCO CO.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC., CASE NO. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(8) "MENTAL HEALTH RESEARCH" MEANS RESEARCH INTO THE BEHAVIORAL AND PHYSIOLOGICAL EFFECTS OF AND BASIC BEHAVIORAL CAUSES AND RISK FACTORS FOR TOBACCO AND OTHER SUBSTANCE ADDICTION, AND RESEARCH INTO THE EFFECTIVENESS OF MENTAL HEALTH TREATMENT FOR TOBACCO- AND SUBSTANCE-ABUSE-RELATED DISEASES.

(9) "OFFICE OF THE PRESIDENT" MEANS THE OFFICE OF THE PRESIDENT OF THE UNIVERSITY OF COLORADO.

(10) "PRESIDENT" MEANS THE PRESIDENT OF THE UNIVERSITY OF COLORADO.

(11) "RESEARCH PROGRAM" MEANS THE TOBACCO- AND SUBSTANCE-ABUSE-RELATED RESEARCH GRANT PROGRAM CREATED PURSUANT TO THIS PART 2.

(12) "UNIVERSITY" MEANS THE UNIVERSITY OF COLORADO.

23-20-203. Tobacco-related research grant program - creation - eligibility - duties of office of the president. (1) THERE IS HEREBY CREATED A COMPREHENSIVE GRANT PROGRAM TO BE IMPLEMENTED AND OPERATED BY THE OFFICE OF THE PRESIDENT TO SUPPORT MENTAL HEALTH RESEARCH AND BASIC SCIENTIFIC, CLINICAL, AND EVALUATIVE RESEARCH INTO TOBACCO- AND SUBSTANCE-ABUSE-RELATED DISEASE, ILLNESS, EDUCATION, EVALUATION, CESSATION, AND PREVENTION. THE OFFICE OF THE PRESIDENT SHALL ADMINISTER THE PROGRAM IN ACCORDANCE WITH THE FOLLOWING PRINCIPLES:

(a) THAT ALL RESEARCH FUNDS SHALL BE AWARDED ON THE BASIS OF SCIENTIFIC MERIT AS DETERMINED BY AN OPEN, COMPETITIVE PEER REVIEW PROCESS THAT ASSURES OBJECTIVITY, CONSISTENCY, AND HIGH QUALITY;

(b) THAT ALL QUALIFIED PERSONS CONDUCTING RESEARCH WITHIN THE STATE, REGARDLESS OF INSTITUTIONAL AFFILIATION, SHALL HAVE EQUAL ACCESS AND OPPORTUNITY TO COMPETE FOR FUNDS THROUGH THE RESEARCH PROGRAM;

(c) THAT THE PEER REVIEW PROCESS ESTABLISHED PURSUANT TO SECTION 23-20-205 FOR THE SELECTION OF GRANTEEES SHALL BE MODELED ON THAT USED BY THE NATIONAL INSTITUTES OF HEALTH IN ITS GRANT-MAKING PROCESS;

(d) THAT GRANTEEES SHALL BE REIMBURSED FOR THE DIRECT AND INDIRECT COSTS OF CONDUCTING THE SPONSORED RESEARCH CONSISTENT WITH FEDERAL GUIDELINES GOVERNING ALL FEDERAL RESEARCH GRANTS AND CONTRACTS.

(2) THE OFFICE OF THE PRESIDENT MAY AWARD GRANTS UNDER THE RESEARCH PROGRAM TO ANY PUBLIC, PRIVATE, OR NONPROFIT AGENCY OR POLITICAL SUBDIVISION OF THE STATE, INCLUDING BUT NOT LIMITED TO ANY COLLEGE, UNIVERSITY, HOSPITAL, LABORATORY, RESEARCH INSTITUTION, LOCAL HEALTH DEPARTMENT, VOLUNTARY HEALTH AGENCY, HEALTH MAINTENANCE ORGANIZATION,

OR INDIVIDUAL WHO IS CONDUCTING RESEARCH WITHIN THE STATE. ANY AGENCY SEEKING A GRANT UNDER THE RESEARCH PROGRAM SHALL APPLY TO THE OFFICE OF THE PRESIDENT.

(3) THE OFFICE OF THE PRESIDENT SHALL ESTABLISH A PROGRAM OFFICE, INCLUDING A PROGRAM DIRECTOR AND OTHER NECESSARY STAFF TO ADMINISTER THE RESEARCH PROGRAM.

(4) THE OFFICE OF THE PRESIDENT SHALL HAVE THE FOLLOWING DUTIES IN IMPLEMENTING THE PROGRAM:

(a) TO PROVIDE OVERALL DIRECTION AND COORDINATION OF THE PROGRAM;

(b) TO PROVIDE STAFF ASSISTANCE TO THE SCIENTIFIC ADVISORY COMMITTEE AND THE PEER REVIEW PANELS;

(c) TO PROVIDE FOR PERIODIC PROGRAM EVALUATION TO ASSURE THAT THE RESEARCH THAT RECEIVES FUNDING THROUGH THE PROGRAM IS CONSISTENT WITH PROGRAM GOALS AND SERVES THE PEOPLE OF THE STATE OF COLORADO;

(d) TO MAINTAIN A SYSTEM OF FINANCIAL REPORTING AND ACCOUNTABILITY;

(e) TO PROVIDE FOR THE SYSTEMATIC DISSEMINATION OF RESEARCH RESULTS TO THE PUBLIC AND TO THE HEALTH CARE COMMUNITY;

(f) TO PROVIDE A MECHANISM TO DISSEMINATE THE MOST CURRENT RESEARCH FINDINGS IN THE AREAS OF TOBACCO AND SUBSTANCE ABUSE CESSATION AND THE PREVENTION OF TOBACCO USE AND SUBSTANCE ABUSE IN ORDER THAT THESE FINDINGS MAY BE APPLIED TO THE IMPLEMENTATION OF RELATED PROGRAMS IN COLORADO;

(g) TO DEVELOP POLICIES AND PROCEDURES TO FACILITATE THE TRANSLATION OF RESEARCH RESULTS IN COMMERCIAL APPLICATIONS WHEREVER APPROPRIATE.

23-20-204. Scientific advisory committee - appointment - duties. (1) THERE IS HEREBY CREATED A SCIENTIFIC ADVISORY COMMITTEE TO ADVISE THE PRESIDENT AS TO THE DIRECTION, SCOPE, AND PROGRESS OF THE RESEARCH PROGRAM. THE ADVISORY COMMITTEE SHALL CONSIST OF NINE MEMBERS REPRESENTING A RANGE OF SCIENTIFIC EXPERTISE AND EXPERIENCE. THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE ADVISORY COMMITTEE AS FOLLOWS:

(a) TWO MEMBERS WHO REPRESENT VOLUNTARY HEALTH ORGANIZATIONS DEDICATED TO THE REDUCTION OF TOBACCO USE;

(b) ONE MEMBER WITH EXPERTISE IN THE FIELD OF BIOMEDICAL RESEARCH;

(c) ONE MEMBER WITH EXPERTISE IN THE FIELD OF BEHAVIORAL OR SOCIAL RESEARCH;

(d) ONE MEMBER WHO REPRESENTS MEDICAL OR HEALTH ORGANIZATIONS;

(e) ONE MEMBER WHO REPRESENTS A RESEARCH UNIVERSITY IN COLORADO;

(f) TWO MEMBERS WHO REPRESENT OTHER INSTITUTIONS ENGAGED IN RESEARCH DIRECTED AT TOBACCO-RELATED DISEASES;

(g) ONE MEMBER WHO REPRESENTS AN INSTITUTION THAT CONDUCTS RESEARCH ON TOBACCO-RELATED ISSUES AFFECTING CHILDREN AND YOUTH.

(2) THE GOVERNOR SHALL SELECT AS ADVISORY COMMITTEE MEMBERS PERSONS WHO ARE BONA FIDE SCIENTISTS FULLY CONVERSANT WITH THE NORMS OF SCIENTIFIC INQUIRY AND WORKING IN THIS STATE WITH A COLORADO-BASED ENTITY. ADVISORY COMMITTEE MEMBERS SHALL SERVE AT THE PLEASURE OF THE GOVERNOR. ADVISORY COMMITTEE MEMBERS SHALL SERVE WITHOUT COMPENSATION BUT SHALL RECEIVE REIMBURSEMENT FOR TRAVEL AND OTHER NECESSARY EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

(3) THE ADVISORY COMMITTEE SHALL HAVE THE FOLLOWING DUTIES:

(a) TO ADVISE THE PRESIDENT AND THE PROGRAM DIRECTOR ON PROGRAM PRIORITIES AND EMPHASIS;

(b) TO ADVISE THE PRESIDENT AND THE PROGRAM DIRECTOR ON OVERALL PROGRAM BUDGET;

(c) TO PARTICIPATE IN PERIODIC PROGRAM EVALUATION;

(d) TO ASSIST IN DEVELOPING APPROPRIATE LINKAGES TO NONACADEMIC ENTITIES SUCH AS VOLUNTARY HEALTH ORGANIZATIONS, HEALTH CARE DELIVERY INSTITUTIONS, INDUSTRY, GOVERNMENT AGENCIES, AND PUBLIC OFFICIALS;

(e) TO DEVELOP CRITERIA AND STANDARDS FOR GRANT AWARDS;

(f) TO DEVELOP ADMINISTRATIVE PROCEDURES RELATIVE TO THE SOLICITATION, REVIEW, AND AWARD OF GRANTS TO ENSURE AN IMPARTIAL, HIGH-QUALITY PEER REVIEW SYSTEM;

(g) TO DEVELOP AND SUPERVISE RESEARCH REVIEW PANELS;

(h) TO REVIEW RESEARCH REVIEW PANEL REPORTS AND RECOMMENDATIONS FOR GRANT AWARDS;

(i) TO DEVELOP AND OVERSEE MECHANISMS FOR THE DISSEMINATION OF RESEARCH RESULTS;

(j) TO PERFORM SUCH OTHER DUTIES AS MAY BE ASSIGNED BY THE PRESIDENT OR THE PROGRAM DIRECTOR.

23-20-205. Peer review panels. (1) THE OFFICE OF THE PRESIDENT SHALL USE PEER REVIEW PANELS MODELED ON THE NATIONAL INSTITUTES OF HEALTH PEER REVIEW PROCESS TO REVIEW ALL GRANT APPLICATIONS AND RESEARCH GRANTS. THE PROGRAM DIRECTOR, WITH INPUT FROM THE ADVISORY COMMITTEE, SHALL APPOINT THE MEMBERS OF PEER REVIEW PANELS. MEMBERSHIP OF PEER REVIEW PANELS SHALL VARY DEPENDING ON THE SUBJECT MATTER OF PROPOSALS AND REVIEW

REQUIREMENTS. IN SELECTING MEMBERS OF THE PANELS, IN ORDER TO AVOID CONFLICTS OF INTEREST AND TO ENSURE ACCESS TO QUALIFIED REVIEWERS, THE PROGRAM DIRECTOR AND THE ADVISORY COMMITTEE SHALL SELECT FROM THE MOST QUALIFIED INDIVIDUALS FROM APPROPRIATE INSTITUTIONS WITHIN AND OUTSIDE OF COLORADO AND FROM WITHIN AND OUTSIDE THE UNIVERSITY OF COLORADO SYSTEM.

(2) THE WORK OF THE PEER REVIEW PANELS SHALL BE ADMINISTERED PURSUANT TO POLICIES AND PROCEDURES ESTABLISHED BY THE ADVISORY COMMITTEE. WHEN SERVING ON A PEER REVIEW PANEL, ANY INDIVIDUAL WHO HAS SUBMITTED A GRANT APPLICATION FOR FUNDING BY THE PROGRAM SHALL BE GOVERNED BY CONFLICT OF INTEREST PROVISIONS CONSISTENT WITH THOSE ADOPTED BY THE NATIONAL INSTITUTES OF HEALTH.

23-20-206. Research projects. (1) (a) THE OFFICE OF THE PRESIDENT SHALL AWARD GRANTS TO FUND MENTAL HEALTH RESEARCH, BASIC SCIENTIFIC RESEARCH, CLINICAL RESEARCH, AND EVALUATIVE RESEARCH.

(b) DURING THE FIRST YEAR OF THE RESEARCH PROGRAM, THE OFFICE OF THE PRESIDENT SHALL AWARD AT LEAST ONE GRANT TO FUND EVALUATIVE RESEARCH FOR THE COLLECTION OF BASELINE DEMOGRAPHIC DATA ON TOBACCO USE BY PERSONS WITHIN THE STATE. THE OFFICE OF THE PRESIDENT SHALL ENSURE THAT THE INFORMATION TO BE COLLECTED AS A RESULT OF THE SELECTED RESEARCH PROPOSAL AND THE PROTOCOLS OF THE RESEARCH PROPOSAL ARE CONSISTENT WITH THE REQUIREMENTS SPECIFIED BY THE FEDERAL GOVERNMENT TO ACCESS MONEYS MADE AVAILABLE THROUGH THE NATIONAL TOBACCO SETTLEMENT. THE EVALUATIVE RESEARCH GRANT AWARDED PURSUANT TO THIS PARAGRAPH (b) SHALL BE AWARDED ON THE SAME COMPETITIVE PEER REVIEW BASIS AS OUTLINED IN THIS PART 2 FOR THE AWARDING OF OTHER RESEARCH GRANTS.

(2) (a) BASIC SCIENTIFIC RESEARCH FUNDED THROUGH THE PROGRAM MAY INCLUDE, BUT IS NOT LIMITED TO:

(I) RESEARCH CONDUCTED TO FIND CURES FOR TOBACCO- AND SUBSTANCE ABUSE-RELATED DISEASE AND ILLNESSES AND TO STUDY THE EFFECTS OF SECOND-HAND SMOKE;

(II) RESEARCH CONDUCTED TO IMPROVE THE EARLY DETECTION AND TREATMENT OF TOBACCO- AND SUBSTANCE-ABUSE-RELATED DISEASE;

(III) RESEARCH CONDUCTED TO UNDERSTAND AND DEFEAT THE BIOLOGICAL MECHANISMS OF TOBACCO AND OTHER DRUG ADDICTIONS.

(b) CLINICAL RESEARCH FUNDED THROUGH THE PROGRAM MAY INCLUDE, BUT IS NOT LIMITED TO:

(I) RESEARCH CONDUCTED INTO THE EFFECTIVENESS OF USING PHARMACOLOGICAL CESSATION AIDS, SUCH AS NICOTINE PATCHES AND ORAL DRUGS, IN THE TREATMENT OF TOBACCO ADDICTION, PARTICULARLY WITH ADOLESCENTS, PREGNANT WOMEN, AND DRUG ABUSERS;

(II) RESEARCH CONDUCTED TO IDENTIFY AND IMPROVE EFFECTIVE STRATEGIES FOR

TOBACCO ADDICTION AND SUBSTANCE ABUSE TREATMENTS.

(c) EVALUATIVE RESEARCH FUNDED THROUGH THE PROGRAM MAY INCLUDE, BUT IS NOT LIMITED TO:

(I) RESEARCH CONDUCTED INTO THE DEVELOPMENT OF MORE EFFECTIVE CHILD-RELATED TOBACCO USE PREVENTION AND CESSATION PROGRAMS WITH THE GOAL OF DEVELOPING EFFECTIVE, INNOVATIVE CURRICULA THAT CAN BE INTEGRATED INTO YOUTH PROGRAMS;

(II) RESEARCH CONDUCTED TO DEVELOP AND IMPROVE EFFECTIVE HEALTH CARE PROVIDER-BASED TOBACCO AND OTHER DRUG USE, CESSATION, AND COUNSELING PROGRAMS IN BOTH IN-PATIENT AND OUT-PATIENT TREATMENT SETTINGS. THIS INCLUDES DEVELOPING MEDICALLY AND CULTURALLY APPROPRIATE PROGRAMS TO REDUCE TOBACCO USE AND SUBSTANCE ABUSE IN HIGHER RISK PATIENT GROUPS, AS WELL AS COUNSELING AND OTHER STRATEGIES TO REDUCE THE EXPOSURE, PARTICULARLY OF CHILDREN, TO SECOND-HAND SMOKE.

(III) RESEARCH CONDUCTED TO IDENTIFY AND IMPROVE EFFECTIVE STRATEGIES FOR TOBACCO USE AND SUBSTANCE ABUSE PREVENTION PROGRAMS AND CAMPAIGNS FOR DELIVERY BY HEALTH CARE PROVIDERS;

(IV) RESEARCH CONDUCTED INTO THE DEVELOPMENT OF MORE EFFECTIVE AND CULTURALLY APPROPRIATE, COMMUNITY-BASED TOBACCO USE AND SUBSTANCE ABUSE PREVENTION AND CESSATION PROGRAMS, PARTICULARLY WITHIN SPECIFIC POPULATION GROUPS SUCH AS ADOLESCENTS AND PREGNANT WOMEN AND WITHIN SPECIFIC ETHNIC AND LOW-INCOME COMMUNITIES.

(3) TOBACCO- AND SUBSTANCE-ABUSE-RELATED RESEARCH PROJECTS THAT MAY RECEIVE FUNDING UNDER THE PROGRAM INCLUDE, BUT ARE NOT LIMITED TO:

(a) INDIVIDUAL RESEARCHER-GENERATED GRANTS. THIS TYPE OF GRANT MAY BE AWARDED TO AN INSTITUTION ON BEHALF OF A PRINCIPAL RESEARCHER FOR A DISCRETE PROJECT RELATED TO THE RESEARCHER'S INTERESTS AND COMPETENCE.

(b) NEW RESEARCHER GRANTS. THIS TYPE OF GRANT MAY BE AWARDED TO AN INSTITUTION TO SUPPORT THE WORK OF PROMISING INDIVIDUALS IN THE INITIAL STAGES OF THEIR RESEARCH CAREERS.

(c) CENTER GRANTS. THIS TYPE OF GRANT MAY BE AWARDED TO AN INSTITUTION ON BEHALF OF A PRINCIPAL RESEARCHER AND A GROUP OF COLLABORATING RESEARCHERS PROVIDING SUPPORT FOR LONG-TERM MULTI-DISCIPLINARY PROGRAMS OF RESEARCH AND DEVELOPMENT.

23-20-207. Funding of research grants - tobacco- and substance-abuse-related research fund - creation - administrative costs. (1) (a) (I) THERE IS HEREBY CREATED IN THE OFFICE OF THE TREASURER OF THE UNIVERSITY OF COLORADO THE TOBACCO- AND SUBSTANCE-ABUSE-RELATED RESEARCH FUND, WHICH SHALL BE UNDER THE CONTROL AND ADMINISTRATION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE. BEGINNING WITH THE 2000-01 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER

IN WHICH THE STATE RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE FUND EIGHT PERCENT OF THE TOTAL AMOUNT RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE FUND IN ANY FISCAL YEAR SHALL NOT EXCEED EIGHT MILLION DOLLARS. IN ADDITION, THE FUND SHALL INCLUDE ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF THE MONEYS IN THE FUND AND MAY INCLUDE MONEYS CREDITED THERETO FROM ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE UNIVERSITY FOR THE IMPLEMENTATION OF THIS PART 2. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT STATE GENERAL FUND MONEYS NOT BE APPROPRIATED TO PROVIDE ANY FUNDING FOR THE PURPOSES OF THIS PART 2. THE MONEYS IN THE FUND SHALL REMAIN UNDER THE CONTROL OF THE REGENTS OF THE UNIVERSITY OF COLORADO. ANY UNENCUMBERED MONEYS APPROPRIATED FROM MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT REMAINING IN THE FUND AT THE END OF ANY FISCAL YEAR SHALL BE TRANSFERRED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5, C.R.S.

(II) THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT SPECIFIED IN THIS PARAGRAPH (a) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S. NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO THE FUND SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

(b) THE MONEYS IN THE FUND SHALL BE USED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO FOR THE ISSUANCE OF RESEARCH GRANTS PURSUANT TO THE PROVISIONS OF THIS PART 2. IN ADDITION, THE OFFICE OF THE PRESIDENT MAY USE UP TO FIVE PERCENT OF THE MONEYS ANNUALLY APPROPRIATED FROM THE FUND TO OFFSET THE ADMINISTRATIVE COSTS INCURRED BY THE OFFICE OF THE PRESIDENT IN ADMINISTERING THE PROGRAM.

(2) RESEARCH PROJECTS THAT RECEIVE FUNDING UNDER THE PROGRAM SHALL BE REIMBURSED FOR ACTUAL COSTS, INCLUDING DIRECT AND INDIRECT COSTS INCURRED BY A RESEARCH INSTITUTION, CONSISTENT WITH FEDERAL GUIDELINES. INDIRECT COST RATES SHALL NOT EXCEED THOSE ALLOWABLE BY THE FEDERAL GOVERNMENT FOR FEDERALLY SPONSORED RESEARCH. WITH RESPECT TO THOSE INSTITUTIONS THAT HAVE NOT NEGOTIATED A FEDERAL INDIRECT COST REIMBURSEMENT RATE, THE OFFICE OF THE PRESIDENT SHALL REQUEST INFORMATION TO VERIFY THE INDIRECT COST RATES.

23-20-208. Annual report. (1) ON OR BEFORE DECEMBER 1, 2000, AND ON OR BEFORE EACH DECEMBER 1 THEREAFTER, THE OFFICE OF THE PRESIDENT SHALL SUBMIT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT A REPORT CONCERNING THE RESEARCH GRANTS AWARDED PURSUANT TO THE RESEARCH PROGRAM. THE DEPARTMENT SHALL INCLUDE SAID REPORT IN THE ANNUAL REPORT OF PROGRAMS THAT ARE FUNDED BY MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT PREPARED PURSUANT TO SECTION 25-1-108.5 (3), C.R.S.

THE REPORT SHALL INCLUDE THE FOLLOWING INFORMATION FOR EACH INSTITUTION AND ORGANIZATION THAT RECEIVES GRANT AWARDS:

- (a) THE NUMBER AND DOLLAR AMOUNTS OF RESEARCH GRANTS RECEIVED THROUGH THE RESEARCH PROGRAM, INCLUDING THE AMOUNT ALLOCATED TO INDIRECT COSTS;
- (b) THE SUBJECT OF RESEARCH GRANTS BY ACADEMIC DISCIPLINE;
- (c) THE RELATIONSHIP BETWEEN STATE AND FEDERAL FUNDING FOR TOBACCO- AND SUBSTANCE-ABUSE-RELATED RESEARCH;
- (d) THE RELATIONSHIP BETWEEN EACH PROJECT AND THE OVERALL STRATEGY OF THE RESEARCH PROGRAM;
- (e) A SUMMARY OF RESEARCH FINDINGS;
- (f) ANY RECOMMENDATIONS FOR FUTURE PROGRAM DIRECTIONS.

SECTION 12. 23-20-117.5 (1), Colorado Revised Statutes, is amended to read:

23-20-117.5. University of Colorado fund - creation - control - use. (1) There is hereby created in the state treasury the university of Colorado fund ~~which~~ THAT shall be under the control and administration of the board of regents of the university of Colorado in accordance with the provisions of this ~~article~~ PART 1. The board of regents shall have authority and responsibility for all university funds. The board of regents shall designate, pursuant to its statutory authority, those moneys whether received by appropriation, grant, contract, gift, or any other means ~~which~~ THAT shall be credited to said fund together with all interest derived from the deposit and investment of moneys in the fund. The moneys in the fund shall remain under the control of the regents of the university of Colorado and shall not be transferred or revert to the general fund of the state at the end of any fiscal year.

SECTION 13. Article 3.5 of title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 8
TOBACCO EDUCATION, PREVENTION,
AND CESSATION PROGRAMS

25-3.5-801. Short title. THIS PART 8 SHALL BE KNOWN AND MAY BE CITED AS THE "TOBACCO EDUCATION, PREVENTION, AND CESSATION ACT".

25-3.5-802. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS THAT:

(a) THE USE OF ALL TYPES OF TOBACCO PRODUCTS, INCLUDING SMOKELESS TOBACCO, RESULTS IN A HIGH INCIDENCE OF ADDICTION, DISEASE, ILLNESS, AND DEATH;

(b) PERSONS WHO BEGIN USING AND BECOME ADDICTED TO TOBACCO PRODUCTS IN THEIR YOUTH OFTEN FACE A LIFETIME OF STRUGGLE AND RECURRING ILLNESS IN

COPING WITH AND ATTEMPTING TO OVERCOME ADDICTION TO TOBACCO PRODUCTS;

(c) EXPERIMENTATION WITH TOBACCO PRODUCTS BY YOUTH IS OFTEN A FIRST STEP TOWARD MORE SERIOUS DRUG EXPERIMENTATION AND CREATES A GREATER LIKELIHOOD THAT THE YOUTH WHO EXPERIMENT WITH TOBACCO WILL AT SOME POINT BE ADDICTED TO EVEN MORE HARMFUL SUBSTANCES;

(d) IMPLEMENTATION OF AGGRESSIVE TOBACCO AND SUBSTANCE ABUSE PREVENTION, EDUCATION, AND CESSATION PROGRAMS FOR SCHOOL-AGE CHILDREN IS NECESSARY TO ASSIST YOUNG PEOPLE IN AVOIDING AND ENDING TOBACCO USE;

(e) SCHOOL DISTRICTS, SCHOOLS, AND OTHER ENTITIES THAT PROVIDE TOBACCO AND SUBSTANCE ABUSE PREVENTION, EDUCATION, AND CESSATION PROGRAMS FOR SCHOOL-AGE CHILDREN SHOULD REACH OUT TO PARENTS AND ENCOURAGE THEM TO PARTICIPATE, EITHER AS STUDENTS OR ROLE MODELS, IN IMPLEMENTING SAID PROGRAMS.

(2) THE GENERAL ASSEMBLY HEREBY FINDS THAT PERSONS WITH MENTAL ILLNESS ARE MORE LIKELY TO ABUSE TOBACCO PRODUCTS THAN ANY OTHER SEGMENT OF SOCIETY. THE GENERAL ASSEMBLY FURTHER FINDS THAT THE UNUSUALLY HEAVY PATTERN OF TOBACCO ABUSE ENGAGED IN BY PERSONS WITH MENTAL ILLNESS REQUIRES SPECIAL TREATMENT STRATEGIES THAT ARE NOT PROVIDED BY OTHER ALCOHOL, DRUG, OR TOBACCO ABUSE PROGRAMS. IT IS THEREFORE THE GENERAL ASSEMBLY'S INTENT THAT THE PROGRAMS FUNDED PURSUANT TO THIS PART 8 INCLUDE COMPREHENSIVE PROGRAMS TO PREVENT AND TREAT TOBACCO ADDICTION AMONG PERSONS WITH MENTAL ILLNESS.

(3) THE GENERAL ASSEMBLY ALSO FINDS THAT:

(a) EACH YEAR, THOUSANDS OF PEOPLE IN THIS STATE DIE FROM DISEASES THAT HAVE BEEN CLINICALLY PROVEN TO BE CAUSED BY OR DIRECTLY RELATED TO TOBACCO USE;

(b) ONCE A PERSON STARTS USING TOBACCO, HE OR SHE USUALLY BECOMES ADDICTED TO THE NICOTINE CONTAINED IN THE TOBACCO, WHICH MAKES IT TERRIBLY DIFFICULT FOR THE PERSON TO QUIT USING TOBACCO EVEN WHEN THE PERSON IS AWARE OF THE SIGNIFICANT HEALTH RISKS THAT ACCOMPANY TOBACCO USE;

(c) STUDIES SHOW THAT A CHILD IS AT A SUBSTANTIALLY GREATER RISK OF STARTING TO USE TOBACCO IF THE CHILD'S PARENTS OR OLDER SIBLINGS USE TOBACCO. THEREFORE, REDUCING TOBACCO USE BY ADULTS MAY SIGNIFICANTLY REDUCE THE RISK THAT CHILDREN WILL BEGIN USING TOBACCO;

(d) ANNUAL DIRECT MEDICAL COSTS FROM TOBACCO USE IN COLORADO CURRENTLY EXCEED FIVE HUNDRED MILLION DOLLARS;

(e) COMPREHENSIVE TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAMS MAY RESULT IN MILLIONS OF DOLLARS IN SAVINGS TO THE STATE AND INDIVIDUAL RESIDENTS OF THE STATE FOR GENERATIONS.

25-3.5-803. Definitions. AS USED IN THIS PART 8, UNLESS THE CONTEXT

OTHERWISE REQUIRES:

(1) "DIVISION" MEANS THE EMERGENCY MEDICAL SERVICES AND PREVENTION DIVISION WITHIN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

(2) "ENTITY" MEANS ANY LOCAL GOVERNMENT, LOCAL OR REGIONAL HEALTH DEPARTMENT, POLITICAL SUBDIVISION OF THE STATE, COUNTY DEPARTMENT OF SOCIAL SERVICES, STATE AGENCY, STATE INSTITUTION OF HIGHER EDUCATION THAT OFFERS A TEACHER EDUCATION PROGRAM, SCHOOL, SCHOOL DISTRICT, OR BOARD OF COOPERATIVE SERVICES OR ANY PRIVATE NONPROFIT OR NOT-FOR-PROFIT COMMUNITY-BASED ORGANIZATION.

(3) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO CO.; AMERICAN TOBACCO CO., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO CO.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(4) "PROGRAM" MEANS THE TOBACCO EDUCATION, PREVENTION, AND CESSATION GRANT PROGRAM CREATED IN SECTION 25-3.5-804.

(5) "STATE BOARD" MEANS THE STATE BOARD OF HEALTH CREATED IN SECTION 25-1-103.

25-3.5-804. Tobacco education, prevention, and cessation programs - grants.

(1) THERE IS HEREBY CREATED THE TOBACCO EDUCATION, PREVENTION, AND CESSATION GRANT PROGRAM TO PROVIDE FUNDING FOR COMMUNITY-BASED AND STATEWIDE TOBACCO EDUCATION PROGRAMS DESIGNED TO REDUCE INITIATION OF TOBACCO USE BY CHILDREN AND YOUTH, PROMOTE CESSATION OF TOBACCO USE AMONG YOUTH AND ADULTS, AND REDUCE EXPOSURE TO SECOND-HAND SMOKE. ANY SUCH TOBACCO PROGRAMS MAY BE PRESENTED IN COMBINATION WITH OTHER SUBSTANCE ABUSE PROGRAMS. THE PROGRAM SHALL BE ADMINISTERED BY THE EMERGENCY MEDICAL SERVICES AND PREVENTION DIVISION WITHIN THE DEPARTMENT AND COORDINATED WITH EFFORTS PURSUANT TO PART 5 OF ARTICLE 35 OF TITLE 24, C.R.S. THE STATE BOARD SHALL AWARD GRANTS TO SELECTED ENTITIES FROM MONEYS APPROPRIATED TO THE TOBACCO PROGRAM FUND CREATED IN SECTION 25-3.5-807.

(2) THE STATE BOARD SHALL ADOPT RULES THAT SPECIFY, BUT ARE NOT NECESSARILY LIMITED TO, THE FOLLOWING:

(a) THE PROCEDURES AND TIMELINES BY WHICH AN ENTITY MAY APPLY FOR PROGRAM GRANTS;

(b) GRANT APPLICATION CONTENTS;

(c) CRITERIA FOR SELECTING THOSE ENTITIES THAT SHALL RECEIVE GRANTS AND

DETERMINING THE AMOUNT AND DURATION OF SAID GRANTS;

(d) REPORTING REQUIREMENTS FOR ENTITIES THAT RECEIVE GRANTS PURSUANT TO THIS PART 8.

(3) (a) THE DIVISION SHALL REVIEW THE APPLICATIONS RECEIVED PURSUANT TO THIS PART 8 AND MAKE RECOMMENDATIONS TO THE STATE BOARD REGARDING THOSE ENTITIES THAT MAY RECEIVE GRANTS AND THE AMOUNTS OF SAID GRANTS. IN REVIEWING GRANT APPLICATIONS FOR PROGRAMS TO PROVIDE TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAMS FOR PERSONS WITH MENTAL ILLNESS, THE DIVISION SHALL CONSULT WITH THE PROGRAMS FOR PUBLIC PSYCHIATRY AT THE UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER, THE NATIONAL ALLIANCE FOR THE MENTALLY ILL, THE MENTAL HEALTH ASSOCIATION OF COLORADO, AND THE DEPARTMENT OF HUMAN SERVICES.

(b) THE STATE BOARD SHALL AWARD GRANTS TO THE SELECTED ENTITIES, SPECIFYING THE AMOUNT AND DURATION OF THE AWARD. NO GRANT AWARDED PURSUANT TO THIS PART 8 SHALL EXCEED THREE YEARS WITHOUT RENEWAL. OF THE AMOUNT AWARDED EACH YEAR PURSUANT TO THE PROVISIONS OF THIS PART 8, THE STATE BOARD SHALL AWARD AT LEAST ONE-THIRD OF THE AMOUNT TO ENTITIES THAT PROVIDE TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAMS, SOLELY OR IN COMBINATION WITH SUBSTANCE ABUSE PROGRAMS, TO SCHOOL-AGE CHILDREN.

(4) IN IMPLEMENTING THE PROGRAM, THE DIVISION SHALL SURVEY THE NEED FOR TRAINED TEACHERS, HEALTH PROFESSIONALS, AND OTHERS INVOLVED IN PROVIDING TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAMS. TO THE EXTENT THE DIVISION DETERMINES THERE IS A NEED, THE DIVISION MAY PROVIDE TECHNICAL TRAINING AND ASSISTANCE TO ENTITIES THAT RECEIVE PROGRAM GRANTS PURSUANT TO THIS PART 8.

25-3.5-805. Tobacco education, prevention, and cessation programs - requirements. (1) AN ENTITY THAT APPLIES FOR A GRANT PURSUANT TO THE PROVISIONS OF THIS PART 8 SHALL IN THE APPLICATION DEMONSTRATE THAT THE TOBACCO EDUCATION, PREVENTION, OR CESSATION PROGRAM PROVIDES AT LEAST ONE OF THE FOLLOWING:

(a) EDUCATION DESIGNED FOR SCHOOL-AGE CHILDREN THAT, AT A MINIMUM, ADDRESSES TOBACCO PREVENTION AND CESSATION STRATEGIES AND THE DANGERS OF TOBACCO USE; OR

(b) EDUCATION PROGRAMS DESIGNED TO PREVENT OR REDUCE THE USE OF ALL TYPES OF TOBACCO PRODUCTS; OR

(c) COUNSELING REGARDING THE USE OF ALL TYPES OF TOBACCO PRODUCTS; OR

(d) PROGRAMS THAT ADDRESS PREVENTION AND CESSATION OF THE ABUSE OF VARIOUS TYPES OF DRUGS, WITH AN EMPHASIS ON PREVENTION AND CESSATION OF TOBACCO USE; OR

(e) PROGRAMS TO HELP REDUCE EXPOSURE TO SECOND HAND SMOKE, WITH AN EMPHASIS ON CHILDREN AND YOUTH; OR

(f) TOBACCO USE AND SUBSTANCE ABUSE PREVENTION AND CESSATION SERVICES ADDRESSED TO SPECIFIC POPULATION GROUPS SUCH AS ADOLESCENTS AND PREGNANT WOMEN AND PROVIDED WITHIN SPECIFIC ETHNIC AND LOW-INCOME COMMUNITIES; OR

(g) TRAINING OF TEACHERS, HEALTH PROFESSIONALS, AND OTHERS IN THE FIELD OF TOBACCO USE AND PREVENTION; OR

(h) TOBACCO ADDICTION PREVENTION AND TREATMENT STRATEGIES THAT ARE DESIGNED SPECIFICALLY FOR PERSONS WITH MENTAL ILLNESS; OR

(i) ACTIVITIES TO PREVENT THE SALE OR FURNISHING BY OTHER MEANS OF CIGARETTES OR TOBACCO PRODUCTS TO MINORS.

(2) IF THE ENTITY APPLYING FOR A GRANT PURSUANT TO THE PROVISIONS OF THIS PART 8 IS A SCHOOL DISTRICT OR BOARD OF COOPERATIVE SERVICES, IN ADDITION TO THE INFORMATION SPECIFIED IN SUBSECTION (1) OF THIS SECTION, THE ENTITY SHALL DEMONSTRATE IN THE APPLICATION THAT THE TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAM TO BE OPERATED WITH MONEYS RECEIVED FROM THE GRANT IS A PROGRAM THAT HAS NOT BEEN PREVIOUSLY PROVIDED BY THE SCHOOL DISTRICT OR BOARD OF COOPERATIVE SERVICES. THE ENTITY SHALL ALSO DEMONSTRATE THAT THE PROGRAM IS SPECIFICALLY DESIGNED TO APPEAL TO AND ADDRESS THE CONCERNS OF THE AGE GROUP TO WHICH THE PROGRAM WILL BE PRESENTED.

(3) IN ADOPTING CRITERIA FOR AWARDING GRANTS, THE STATE BOARD SHALL ADOPT SUCH CRITERIA AS WILL ENSURE THAT TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAMS ARE AVAILABLE THROUGHOUT THE STATE AND THAT SAID PROGRAMS ARE AVAILABLE TO SERVE PERSONS OF ALL AGES.

25-3.5-806. Tobacco education, prevention, and cessation programs - reporting requirements. (1) IN ADOPTING RULES SPECIFYING THE REPORTING REQUIREMENTS FOR ENTITIES THAT RECEIVE GRANTS PURSUANT TO THIS PART 8, THE STATE BOARD SHALL ENSURE THAT SUCH REPORTS, AT A MINIMUM, INCLUDE:

(a) AN EVALUATION OF THE IMPLEMENTATION OF THE PROGRAM, INCLUDING BUT NOT LIMITED TO THE NUMBER OF PERSONS SERVED AND THE SERVICES PROVIDED;

(b) THE RESULTS ACHIEVED BY THE PROGRAM, SPECIFYING THE GOALS OF THE PROGRAM AND THE CRITERIA USED IN MEASURING ATTAINMENT OF THE GOALS;

(c) AN EXPLANATION OF HOW THE RESULTS ACHIEVED BY THE PROGRAM CONTRIBUTE TO THE ACHIEVEMENT OF THE PROGRAM GOALS AS STATED IN SECTION 25-3.5-802.

(2) THE DIVISION SHALL COMPILE THE ANNUAL REPORTS RECEIVED FROM ENTITIES PURSUANT TO THIS SECTION AND THE DEPARTMENT SHALL INCLUDE THE COMPILATION AND ANY OTHER NECESSARY INFORMATION IN THE ANNUAL REPORT ON PROGRAMS THAT ARE FUNDED BY MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT PREPARED PURSUANT TO SECTION 25-1-108.5 (3).

(3) (a) THE DIVISION SHALL ANNUALLY REVIEW THE REPORTS RECEIVED FROM ENTITIES RECEIVING GRANTS PURSUANT TO THIS PART 8 AND SHALL MAKE

RECOMMENDATIONS TO THE STATE BOARD CONCERNING WHETHER THE AMOUNT RECEIVED BY AN ENTITY SHOULD BE CONTINUED, REDUCED, OR INCREASED. THE DIVISION MAY ALSO RECOMMEND THAT THE GRANT FOR AN ENTITY BE IMMEDIATELY TERMINATED OR NOT RENEWED IF THE TOBACCO EDUCATION, PREVENTION, AND CESSATION PROGRAM FUNDED BY THE GRANT DOES NOT DEMONSTRATE A SUFFICIENT LEVEL OF SUCCESS, AS DETERMINED BY THE DIVISION.

(b) THE DIVISION MAY CONTRACT WITH ONE OR MORE PUBLIC OR PRIVATE ENTITIES TO REVIEW AND COMPILE THE REPORTS RECEIVED PURSUANT TO THIS SECTION AND PREPARE THE RECOMMENDATIONS PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (3).

25-3.5-807. Tobacco program fund - created. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE TOBACCO PROGRAM FUND THAT SHALL CONSIST OF THE MONEYS APPROPRIATED THERETO PURSUANT TO SUBSECTION (2) OF THIS SECTION. IN ADDITION, THE STATE TREASURER MAY CREDIT TO THE FUND ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE DIVISION FOR IMPLEMENTATION OF THE PROGRAM. THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR ISSUANCE OF GRANTS PURSUANT TO THIS PART 8. IN ADDITION, THE DEPARTMENT MAY RETAIN UP TO FIVE PERCENT OF THE AMOUNT ANNUALLY APPROPRIATED FROM THE FUND FOR THE ACTUAL COSTS INCURRED BY THE DIVISION AND THE STATE BOARD IN IMPLEMENTING THE PROVISIONS OF THIS PART 8. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-36-114, C.R.S., ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNENCUMBERED MONEYS APPROPRIATED FROM MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT REMAINING IN THE FUND AT THE END OF ANY FISCAL YEAR SHALL BE TRANSFERRED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5, C.R.S.

(2) (a) BEGINNING IN FISCAL YEAR 2000-01 AND FOR FISCAL YEARS THEREAFTER SO LONG AS THE STATE RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE TO THE FUND FIFTEEN PERCENT OF THE AMOUNT TRANSMITTED TO THE STATE TREASURER PURSUANT TO THE PROVISIONS OF THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE FUND IN ANY FISCAL YEAR SHALL NOT EXCEED FIFTEEN MILLION DOLLARS. THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT SPECIFIED IN THIS SUBSECTION (2) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (2), FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO THE FUND SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

(3) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT GENERAL FUND MONEYS NOT BE APPROPRIATED TO FUND THE PROGRAM.

SECTION 14. Part 5 of article 7 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-7-506. Read-to-achieve grant program - board created - fund. (1) THERE IS HEREBY CREATED IN THE DEPARTMENT OF EDUCATION THE READ-TO-ACHIEVE GRANT PROGRAM, REFERRED TO IN THIS SECTION AS THE "PROGRAM". UNDER THIS PROGRAM, ANY PUBLIC SCHOOL, INCLUDING A CHARTER SCHOOL AS DEFINED IN SECTION 22-30.5-104, MAY APPLY FOR GRANTS TO FUND INTENSIVE READING PROGRAMS FOR SECOND- AND THIRD-GRADE PUPILS AND PUPILS BETWEEN THE THIRD AND FOURTH GRADES WHOSE LITERACY AND READING COMPREHENSION SKILLS ARE BELOW THE LEVEL ESTABLISHED BY THE STATE BOARD OF EDUCATION FOR PUPILS AT EACH GRADE LEVEL.

(2) (a) THERE IS HEREBY CREATED THE READ-TO-ACHIEVE BOARD, WHICH SHALL CONSIST OF ELEVEN MEMBERS, NO MORE THAN SIX OF WHOM ARE FROM THE SAME POLITICAL PARTY, AS FOLLOWS:

(I) THE COMMISSIONER OF EDUCATION;

(II) ONE MEMBER OF THE STATE BOARD OF EDUCATION SELECTED BY THE STATE BOARD OF EDUCATION;

(III) ONE MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT OF THE SENATE;

(IV) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES;

(V) SEVEN MEMBERS APPOINTED BY THE GOVERNOR, WITH THE CONSENT OF THE SENATE, AS FOLLOWS:

(A) TWO MEMBERS WHO ARE SECOND OR THIRD GRADE ELEMENTARY SCHOOL TEACHERS, ONE OF WHOM WORKS IN A RURAL SCHOOL DISTRICT;

(B) TWO MEMBERS WHO ARE ELEMENTARY SCHOOL PRINCIPALS, ONE OF WHOM WORKS IN A RURAL SCHOOL DISTRICT;

(C) ONE MEMBER WITH KNOWLEDGE OF AND EXPERIENCE IN PUBLIC EDUCATION IN ELEMENTARY GRADES;

(D) ONE MEMBER WHO IS A PERSON WITH KNOWLEDGE OF BEST PRACTICES IN READING AND READING INSTRUCTION; AND

(E) ONE MEMBER WHO, AT THE TIME OF APPOINTMENT, IS A PARENT OF A CHILD IN SECOND OR THIRD GRADE.

(b) (I) THE APPOINTED MEMBERS OF THE READ-TO-ACHIEVE BOARD SHALL SERVE TERMS OF THREE YEARS; EXCEPT THAT, OF THE MEMBERS FIRST APPOINTED, THE GOVERNOR SHALL SELECT THREE WHO SHALL SERVE TERMS OF TWO YEARS. NO MEMBER APPOINTED BY THE GOVERNOR SHALL SERVE MORE THAN TWO CONSECUTIVE THREE-YEAR TERMS.

(II) THE GOVERNOR, PRESIDENT OF THE SENATE, OR SPEAKER OF THE HOUSE OF REPRESENTATIVES MAY REMOVE ANY READ-TO-ACHIEVE BOARD MEMBER APPOINTED BY HIM OR HER FOR ANY CAUSE THAT RENDERS THE MEMBER INCAPABLE OR UNFIT TO DISCHARGE THE DUTIES OF THE OFFICE. WHENEVER A VACANCY ON THE READ-TO-ACHIEVE BOARD EXISTS, THE GOVERNOR, PRESIDENT OF THE SENATE, OR SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT A MEMBER FOR THE REMAINING PORTION OF THE UNEXPIRED TERM CREATED BY THE VACANCY.

(c) THE MEMBERS OF THE READ-TO-ACHIEVE BOARD SHALL SERVE WITHOUT COMPENSATION BUT SHALL BE REIMBURSED FROM MONEYS IN THE READ-TO-ACHIEVE FUND CREATED IN SUBSECTION (4) OF THIS SECTION FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES PURSUANT TO THIS SECTION.

(3) (a) THE READ-TO-ACHIEVE BOARD SHALL SOLICIT AND REVIEW APPLICATIONS FOR GRANTS PURSUANT TO THIS SECTION. GRANTS MAY BE FOR BETWEEN ONE AND THREE YEARS. NO GRANT FOR ANY ONE SCHOOL SHALL BE FOR MORE THAN ONE HUNDRED THOUSAND DOLLARS FOR ANY ONE YEAR. EACH APPLICATION, AT A MINIMUM, SHALL DESCRIBE THE TYPE OF PROGRAM TO BE PROVIDED BY THE SCHOOL OR COLLABORATIVE GROUP OF SCHOOLS APPLYING JOINTLY TO ENHANCE THE LITERACY AND READING COMPREHENSION SKILLS OF SECOND- AND THIRD-GRADE PUPILS AT THE SCHOOL. ANY SUCH GRANT SHALL BE USED TO SUPPLEMENT AND NOT SUPPLANT ANY MONEYS CURRENTLY BEING USED ON SUCH PROGRAMS. SUCH PROGRAMS MAY INCLUDE, BUT NEED NOT BE LIMITED TO:

(I) READING ACADEMIES OPERATED AS SCHOOLS WITHIN SCHOOLS FOR INTENSIVE READING INSTRUCTION;

(II) AFTER SCHOOL LITERACY PROGRAMS;

(III) SUMMER SCHOOL CLINICS;

(IV) ONE-ON-ONE OR GROUP TUTORING SERVICES;

(V) EXTENDED-DAY READING PROGRAMS.

(b) ANY INTENSIVE LITERACY PROGRAM FUNDED THROUGH THE PROGRAM FOR FOURTH GRADE PUPILS MAY BE OFFERED ONLY BETWEEN THIRD AND FOURTH GRADE AND SHALL BE DESIGNED TO RAISE THE PARTICIPATING PUPILS' LITERACY AND READING COMPREHENSION SKILLS TO AT LEAST THE PROFICIENCY LEVEL ON THE THIRD GRADE READING ASSESSMENT PRIOR TO BEGINNING FOURTH GRADE CLASSES IN THE FALL SEMESTER.

(c) THE READ-TO-ACHIEVE BOARD SHALL RECOMMEND TO THE STATE BOARD OF EDUCATION THOSE PUBLIC SCHOOLS THAT SHOULD RECEIVE GRANTS PURSUANT TO THIS SECTION AND THE DURATION AND AMOUNT OF EACH GRANT. IN SELECTING THE RECOMMENDED SCHOOLS, THE READ-TO-ACHIEVE BOARD, AT A MINIMUM, SHALL TAKE INTO ACCOUNT THE FOLLOWING CRITERIA:

(I) THE NUMBER OF SECOND- AND THIRD-GRADE PUPILS ENROLLED AT THE SCHOOL OR COLLABORATIVE GROUP OF SCHOOLS APPLYING JOINTLY WHO HAVE BELOW GRADE

LEVEL LITERACY AND READING COMPREHENSION SKILLS;

(II) WHETHER THE PROPOSED PROGRAM IS BASED ON A RESEARCH MODEL THAT HAS BEEN PROVEN TO BE SUCCESSFUL IN OTHER PUBLIC OR CHARTER SCHOOLS IN THE NATION; AND

(III) THE PER-PUPIL COST OF THE PROGRAM.

(d) THE READ-TO-ACHIEVE BOARD ANNUALLY SHALL SUBMIT TO THE STATE BOARD OF EDUCATION FOR APPROVAL A LIST OF RECOMMENDED GRANT RECIPIENTS AND THE AMOUNT TO BE AWARDED TO EACH RECOMMENDED GRANT RECIPIENT BY A DATE SPECIFIED BY RULE OF THE STATE BOARD OF EDUCATION. IN SELECTING GRANT RECIPIENTS, THE READ-TO-ACHIEVE BOARD, TO THE EXTENT POSSIBLE, SHALL ENSURE THAT GRANTS ARE AWARDED TO SCHOOLS IN A VARIETY OF GEOGRAPHIC AREAS OF THE STATE. THE STATE BOARD OF EDUCATION SHALL EITHER APPROVE OR DISAPPROVE THE ENTIRE LIST OF ENTITIES BY RESPONDING TO THE READ-TO-ACHIEVE BOARD WITHIN FORTY DAYS. IF THE STATE BOARD OF EDUCATION HAS NOT RESPONDED TO THE READ-TO-ACHIEVE BOARD WITHIN FORTY DAYS AFTER RECEIPT OF THE LIST, THE LIST SHALL BE DEEMED APPROVED. IF THE STATE BOARD OF EDUCATION DISAPPROVES A LIST, THE READ-TO-ACHIEVE BOARD MAY SUBMIT A REPLACEMENT LIST WITHIN SIXTY DAYS AFTER SUCH DISAPPROVAL.

(e) (I) IF A SCHOOL IS AWARDED A GRANT PURSUANT TO THIS SECTION FOR MORE THAN ONE YEAR, THE SCHOOL SHALL BE ELIGIBLE FOR MONEYS IN THE SECOND OR THIRD YEAR OF THE GRANT ONLY IF THE SCHOOL MEETS THE GOALS ESTABLISHED IN ITS APPLICATION INCLUDING THE DEMONSTRATION THAT AT LEAST TWENTY-FIVE PERCENT OF THE PUPILS ENROLLED IN THE INTENSIVE READING PROGRAM IN THE PRIOR YEAR IMPROVED THEIR READING SKILLS TO AT LEAST GRADE LEVEL OR ACHIEVED PROFICIENCY ON THE STATE ASSESSMENT IN READING FOR THEIR GRADE LEVEL.

(II) A SCHOOL THAT HAS PREVIOUSLY RECEIVED A GRANT PURSUANT TO THIS SECTION SHALL BE ELIGIBLE FOR SUBSEQUENT GRANTS ONLY IF IT IS ABLE TO DEMONSTRATE THAT AT LEAST TWENTY-FIVE PERCENT OF THE PUPILS ENROLLED IN THE INTENSIVE LITERACY PROGRAM IN THE PRIOR YEAR IMPROVED THEIR READING SKILLS TO AT LEAST GRADE LEVEL OR ACHIEVED PROFICIENCY ON THE STATE ASSESSMENT IN READING FOR THEIR GRADE LEVEL. IN RECOMMENDING SUBSEQUENT GRANTS, THE READ-TO-ACHIEVE BOARD SHALL ALSO CONSIDER THE CRITERIA SET FORTH IN PARAGRAPH (c) OF THIS SUBSECTION (3) AND ANY OTHER CRITERIA ESTABLISHED BY RULE OF THE STATE BOARD OF EDUCATION PURSUANT TO PARAGRAPH (f) OF THIS SUBSECTION (3).

(f) EACH SCHOOL THAT RECEIVES A GRANT PURSUANT TO THIS SECTION SHALL DEMONSTRATE THAT THE PUPILS ENROLLED IN THE INTENSIVE LITERACY PROGRAMS FUNDED BY THE GRANT WERE READING, AT THE TIME OF ENROLLMENT, BELOW GRADE LEVEL FOR SECOND- AND THIRD-GRADE PUPILS.

(g) THE STATE BOARD OF EDUCATION SHALL PROMULGATE RULES FOR THE ADMINISTRATION OF THIS SECTION, INCLUDING BUT NOT LIMITED TO:

(I) APPLICATION PROCEDURES BY WHICH A SCHOOL MAY APPLY FOR GRANTS PURSUANT TO THIS SECTION;

(II) ANY CRITERIA IN ADDITION TO THOSE SPECIFIED IN PARAGRAPH (c) OF THIS SUBSECTION (3) FOR SELECTING THOSE SCHOOLS THAT SHALL RECEIVE GRANTS AND THE CRITERIA FOR DETERMINING THE AMOUNT TO BE GRANTED TO THE SELECTED SCHOOLS; AND

(III) PROCEDURES FOR REVIEWING THE SUCCESS OF THE INTENSIVE LITERACY PROGRAMS OPERATED BY SCHOOLS THAT RECEIVE GRANTS PURSUANT TO THIS SECTION.

(h) ON OR BEFORE FEBRUARY 1, 2004, THE READ-TO-ACHIEVE BOARD SHALL REPORT TO THE GOVERNOR AND TO EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES ON THE EFFECTIVENESS OF THE PROGRAM. THE REPORT SHALL INCLUDE BUT IS NOT LIMITED TO:

(I) THE NUMBER OF SCHOOLS THAT RECEIVED GRANTS UNDER THE PROGRAM AND THE AVERAGE AMOUNT OF THE GRANTS;

(II) THE NUMBER OF PUPILS ENROLLED IN INTENSIVE LITERACY PROGRAMS FUNDED BY THE PROGRAM, THE NUMBER OF PUPILS ENROLLED WHO IMPROVED THEIR READING SKILLS TO GRADE LEVEL OR ACHIEVED PROFICIENCY ON THE STATE ASSESSMENT IN READING FOR THEIR GRADE LEVEL IN THE YEAR AFTER STARTING THE INTENSIVE LITERACY PROGRAM, AND THE PERCENTAGE OF PUPILS WHO ACHIEVED PROFICIENCY ON THE STATE ASSESSMENT FOR READING FOR THEIR GRADE LEVEL IN BOTH THE YEAR AFTER STARTING THE INTENSIVE LITERACY PROGRAM AND THE FOLLOWING YEAR; AND

(III) WHETHER ANY STATUTORY CHANGES ARE RECOMMENDED, INCLUDING BUT NOT LIMITED TO THE APPROPRIATENESS OF THE REQUIREMENTS IN PARAGRAPH (e) OF THIS SUBSECTION (3) THAT TO BE ELIGIBLE IN SUBSEQUENT YEARS, SCHOOLS MUST SHOW THAT TWENTY-FIVE PERCENT OF THE STUDENTS ENROLLED IN THE INTENSIVE LITERACY PROGRAM IMPROVED THEIR READING SKILLS TO GRADE LEVEL OR ACHIEVED PROFICIENCY ON THE STATE ASSESSMENT IN READING FOR THEIR GRADE LEVEL.

(4) (a) THERE IS HEREBY ESTABLISHED IN THE STATE TREASURY THE READ-TO-ACHIEVE FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND SHALL CONSIST OF MONEYS APPROPRIATED THERETO PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4) AND ANY OTHER MONEYS THAT MAY BE MADE AVAILABLE BY THE GENERAL ASSEMBLY. ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNENCUMBERED MONEYS APPROPRIATED FROM MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT REMAINING IN THE FUND AT THE END OF ANY FISCAL YEAR SHALL BE TRANSFERRED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5, C.R.S.

(b) (I) BEGINNING WITH THE 2000-01 FISCAL YEAR, AND FOR EACH FISCAL YEAR THEREAFTER SO LONG AS THE STATE RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE TO THE FUND NINETEEN PERCENT OF THE AMOUNT OF MONEYS TRANSMITTED TO THE STATE TREASURER IN ACCORDANCE WITH THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, FOR THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE FUND IN ANY FISCAL YEAR SHALL NOT EXCEED NINETEEN MILLION DOLLARS. THE GENERAL ASSEMBLY SHALL APPROPRIATE

THE AMOUNT SPECIFIED IN THIS PARAGRAPH (b) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S.

(II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO THE FUND SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, OTHER THAN ATTORNEY FEES AND COSTS, DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

(c) SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY, MONEYS IN THE FUND SHALL BE USED TO PROVIDE GRANTS TO SCHOOLS PURSUANT TO THIS SECTION. IN ADDITION, UP TO ONE PERCENT OF THE MONEYS IN THE FUND MAY BE USED FOR THE EXPENSES INCURRED BY THE READ-TO-ACHIEVE BOARD IN ADMINISTERING THIS SECTION. IF THE READ-TO-ACHIEVE BOARD IS UNABLE TO ADMINISTER THIS PROGRAM WITH EXISTING PERSONNEL, THE READ-TO-ACHIEVE BOARD SHALL CONTRACT WITH PRIVATE SOURCES FOR SUCH SERVICES. ANY MONEYS NOT PROVIDED AS GRANTS TO SCHOOLS MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED IN SECTION 24-36-113, C.R.S.

(5) (a) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2005.

(b) PRIOR TO SAID REPEAL, THE READ-TO-ACHIEVE BOARD APPOINTED PURSUANT TO THIS SECTION SHALL BE REVIEWED AS PROVIDED FOR IN SECTION 24-34-104, C.R.S.

SECTION 15. 22-7-503, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-7-503. Definitions. As used in this part 5, unless the context otherwise requires:

(1.5) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO CO.; AMERICAN TOBACCO CO., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO CO.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

SECTION 16. The introductory portion to 22-7-504 (3) and 22-7-504 (4) and (5) (a), Colorado Revised Statutes, are amended to read:

22-7-504. Pupil assessments - individual literacy plans. (3) If a pupil's reading readiness or literacy and reading comprehension, as measured by the assessment, is below the level established by the state board for pupils at that grade, the pupil's parents or legal guardian and teacher and the school administration shall formulate an individual literacy plan for the pupil OR, IF THE PUPIL IS ELIGIBLE, ENROLL THE PUPIL IN AN INTENSIVE LITERACY PROGRAM FUNDED THROUGH THE READ-TO-ACHIEVE

PROGRAM PURSUANT TO SECTION 22-7-506. For compliance with this section, a literacy plan may be incorporated into the individual education plan for special education students. The plan shall include, but need not be limited to, the following:

(4) The school district shall reassess each pupil's progress in the individual literacy plan OR THE INTENSIVE LITERACY PROGRAM each semester. The PUPIL'S INDIVIDUAL LITERACY plan OR THE PUPIL'S ENROLLMENT IN THE INTENSIVE LITERACY PROGRAM, WHICHEVER IS APPLICABLE, shall continue until the pupil is reading at or above grade level.

(5) (a) In no case shall a school district permit a pupil to pass from the third grade to the fourth grade for reading classes unless the pupil is assessed as reading at or above the reading comprehension level established by the state board. ANY PUPIL WHO PARTICIPATES IN AN INTENSIVE LITERACY PROGRAM BETWEEN THIRD AND FOURTH GRADE SHALL BE ASSESSED IN READING AT THE COMPLETION OF THAT PROGRAM AND MAY BE ALLOWED TO PASS FOR READING CLASSES FROM THE THIRD GRADE TO THE FOURTH GRADE ONLY IF HE OR SHE IS READING AT OR ABOVE THE READING COMPREHENSION LEVEL FOR THIRD GRADE ESTABLISHED BY THE STATE BOARD.

SECTION 17. 22-7-505 (1) (b), Colorado Revised Statutes, is amended to read:

22-7-505. School district responsibilities and incentives. (1) Each school district shall annually report to the department of education:

(b) The number and percentage of pupils enrolled in the school district who have an individual literacy plan OR ARE ENROLLED IN AN INTENSIVE LITERACY PROGRAM FUNDED THROUGH THE READ-TO-ACHIEVE PROGRAM CREATED IN SECTION 22-7-506;

SECTION 18. Article 4 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 10
COMPREHENSIVE PRIMARY AND
PREVENTIVE CARE GRANT PROGRAM

26-4-1001. Short title. THIS PART 10 SHALL BE KNOWN AND MAY BE CITED AS THE "COMPREHENSIVE PRIMARY AND PREVENTIVE CARE GRANT PROGRAM ACT".

26-4-1002. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS THAT PREVENTIVE AND PRIMARY CARE ARE TWO OF THE MOST COST-EFFECTIVE MEANS OF KEEPING PEOPLE HEALTHY. UNFORTUNATELY, MANY OF THE ESTIMATED FIVE HUNDRED SEVENTY THOUSAND COLORADANS WITHOUT HEALTH INSURANCE COVERAGE CANNOT AFFORD ROUTINE PREVENTIVE OR PRIMARY HEALTH CARE. INSTEAD, THEY WAIT UNTIL THEY ARE CRITICALLY ILL AND THEN SEEK EXPENSIVE, EMERGENCY CARE.

(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO ESTABLISH A COMPREHENSIVE PRIMARY AND PREVENTIVE CARE GRANT PROGRAM AND TO FUND THE PROGRAM WITH TOBACCO LITIGATION SETTLEMENT MONEYS. THE PURPOSE OF THE PROGRAM IS TO EXPAND PREVENTION AND PRIMARY CARE SERVICES TO COLORADO'S LOW-INCOME, UNINSURED POPULATIONS.

26-4-1003. Definitions. AS USED IN THIS PART 10, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "COMPREHENSIVE PRIMARY CARE" MEANS THE BASIC, ENTRY-LEVEL HEALTH CARE PROVIDED BY HEALTH CARE PRACTITIONERS OR NON-PHYSICIAN HEALTH CARE PRACTITIONERS THAT IS GENERALLY PROVIDED IN AN OUTPATIENT SETTING. "COMPREHENSIVE PRIMARY CARE", AT A MINIMUM, INCLUDES PROVIDING OR ARRANGING FOR THE PROVISION OF THE FOLLOWING SERVICES: PRIMARY HEALTH CARE; MATERNITY CARE, INCLUDING PRENATAL CARE; PREVENTIVE, DEVELOPMENTAL, AND DIAGNOSTIC SERVICES FOR INFANTS AND CHILDREN; ADULT PREVENTIVE SERVICES, DIAGNOSTIC LABORATORY AND RADIOLOGY SERVICES; EMERGENCY CARE FOR MINOR TRAUMA; PHARMACEUTICAL SERVICES; AND COORDINATION AND FOLLOW-UP FOR HOSPITAL CARE. "COMPREHENSIVE PRIMARY CARE" MAY ALSO INCLUDE OPTIONAL SERVICES BASED ON A PATIENT'S NEEDS.

(2) "MASTER SETTLEMENT AGREEMENT" MEANS THE MASTER SETTLEMENT AGREEMENT, THE SMOKELESS TOBACCO MASTER SETTLEMENT AGREEMENT, AND THE CONSENT DECREE APPROVED AND ENTERED BY THE COURT IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE NO. 97 CV 3432, IN THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER.

(3) "MEDICALLY UNDERSERVED AREA OR POPULATION" MEANS AN AREA DESIGNATED BY THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES AS AN AREA WITH A SHORTAGE OF HEALTH CARE PROFESSIONALS OR HEALTH SERVICES OR A POPULATION OR GROUP DESIGNATED BY THE SECRETARY AS HAVING A SHORTAGE OF SUCH SERVICES.

(4) "PROGRAM" MEANS THE COMPREHENSIVE PRIMARY AND PREVENTIVE CARE GRANT PROGRAM ESTABLISHED IN THIS PART 10.

(5) "QUALIFIED PROVIDER" MEANS AN ENTITY THAT PROVIDES COMPREHENSIVE PRIMARY CARE SERVICES AND THAT:

(a) ACCEPTS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY AND USES A SLIDING FEE SCHEDULE FOR PAYMENTS;

(b) SERVES A DESIGNATED MEDICALLY UNDERSERVED AREA OR POPULATION, AS PROVIDED IN SECTION 330(b) OF THE FEDERAL "PUBLIC HEALTH SERVICE ACT", 42 U.S.C. SEC. 254b;

(c) HAS A DEMONSTRATED TRACK RECORD OF PROVIDING COST-EFFECTIVE CARE; AND

(d) PROVIDES OR ARRANGES FOR THE PROVISION OF COMPREHENSIVE PRIMARY CARE SERVICES TO PERSONS OF ALL AGES.

(6) "SERVICE GRANT" MEANS A GRANT BY THE STATE DEPARTMENT TO A QUALIFIED

PROVIDER PURSUANT TO THIS PART 10.

(7) "UNINSURED OR MEDICALLY INDIGENT PATIENT" MEANS A PATIENT RECEIVING SERVICES FROM A QUALIFIED PROVIDER:

(a) WHOSE YEARLY FAMILY INCOME IS BELOW ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL; AND

(b) WHO IS NOT ELIGIBLE FOR MEDICAID, MEDICARE, OR ANY OTHER TYPE OF GOVERNMENTAL REIMBURSEMENT FOR HEALTH CARE COSTS; AND

(c) WHO IS NOT RECEIVING THIRD-PARTY PAYMENTS.

26-4-1004. Comprehensive primary and preventive care grant program - creation. THERE IS HEREBY CREATED IN THE STATE DEPARTMENT THE COMPREHENSIVE PRIMARY AND PREVENTIVE CARE GRANT PROGRAM. THE PROGRAM SHALL MAKE SERVICE GRANTS TO QUALIFIED PROVIDERS FOR THEIR USE IN PROVIDING PRIMARY AND PREVENTIVE CARE TO UNINSURED OR MEDICALLY INDIGENT PATIENTS IN COLORADO.

26-4-1005. Grant making process. (1) ANY QUALIFIED PROVIDER DESIRING TO PARTICIPATE IN THE PROGRAM SHALL MAKE APPLICATION FOR A SERVICE GRANT TO THE STATE DEPARTMENT IN A FORM SPECIFIED BY RULE OF THE STATE DEPARTMENT. THE STATE DEPARTMENT SHALL RECEIVE SERVICE GRANT APPLICATIONS FROM ANY QUALIFIED PROVIDER. ALL APPLICATIONS SHALL BE SUBMITTED AND REVIEWED IN ACCORDANCE WITH GRANT PROCEDURES, CRITERIA, AND STANDARDS ADOPTED BY RULE OF THE STATE DEPARTMENT THROUGH THE MEDICAL SERVICES BOARD.

(2) SERVICE GRANTS AWARDED TO QUALIFIED PROVIDERS SHALL BE USED BY SUCH PROVIDERS ONLY TO:

(a) INCREASE ACCESS TO COMPREHENSIVE PRIMARY CARE SERVICES FOR UNINSURED OR MEDICALLY INDIGENT PATIENTS WHO ARE SERVED BY SUCH PROVIDERS;

(b) CREATE NEW SERVICES OR AUGMENT EXISTING SERVICES PROVIDED TO UNINSURED OR MEDICALLY INDIGENT PATIENTS; OR

(c) ESTABLISH NEW SITES THAT OFFER COMPREHENSIVE PRIMARY CARE SERVICES IN MEDICALLY UNDERSERVED AREAS OF THE STATE OR TO MEDICALLY UNDERSERVED POPULATIONS.

(3) SERVICE GRANTS TO QUALIFIED PROVIDERS SHALL NOT BE USED:

(a) TO SUPPLANT FEDERAL FUNDS TRADITIONALLY RECEIVED BY SUCH QUALIFIED PROVIDERS, BUT SHALL BE USED TO SUPPLEMENT SUCH FUNDS;

(b) FOR LAND OR REAL ESTATE INVESTMENTS;

(c) TO FINANCE OR SATISFY ANY EXISTING DEBT; OR

(d) UNLESS THE QUALIFIED PROVIDER SPECIFICALLY COMPLIES WITH THE

DEFINITION OF QUALIFIED PROVIDER CONTAINED IN SECTION 26-4-1003 (5).

(4) (a) THE EXECUTIVE DIRECTOR SHALL APPOINT AN ADVISORY COUNCIL TO REVIEW AND MAKE RECOMMENDATIONS TO THE STATE DEPARTMENT ON THE AWARDING OF ANY SERVICE GRANTS TO QUALIFIED PROVIDERS. THE ADVISORY COUNCIL SHALL CONSIST OF THE FOLLOWING MEMBERS:

(I) ONE EMPLOYEE OF THE STATE DEPARTMENT;

(II) ONE EMPLOYEE OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(III) A REPRESENTATIVE OF A QUALIFIED PROVIDER;

(IV) TWO CONSUMERS WHO CURRENTLY RECEIVE HEALTH CARE SERVICES FROM A QUALIFIED PROVIDER;

(V) A HEALTH CARE PROVIDER WHO IS NOT AFFILIATED WITH A QUALIFIED PROVIDER OR AN AGENCY OF THE STATE, BUT WHO HAS TRAINING AND EXPERTISE IN PROVIDING COMPREHENSIVE PRIMARY CARE SERVICES TO MEDICALLY UNDERSERVED POPULATIONS; AND

(VI) A REPRESENTATIVE OF A NONPROFIT, COMMUNITY-BASED HEALTH CARE ORGANIZATION OR BUSINESS.

(b) ALL SERVICE GRANTS SHALL BE AWARDED WITHIN THIRTY DAYS AFTER APPROVAL BY THE STATE DEPARTMENT.

(5) THE STATE DEPARTMENT SHALL:

(a) DEVELOP REGULATIONS, PROCEDURES, AND APPLICATION FORMS TO GOVERN HOW SERVICE GRANTS SHALL BE AWARDED; AND

(b) DEVELOP AN AUDIT PROCEDURE TO ASSURE THAT SERVICE GRANT MONEYS ARE USED TO PROVIDE AND EXPAND COVERAGE TO UNINSURED AND MEDICALLY INDIGENT PATIENTS.

26-4-1006. Reports. (1) ON OR BEFORE JANUARY 1, 2001, AND ON OR BEFORE EACH JANUARY 1 THEREAFTER, PURSUANT TO SECTION 25-1-108.5 (2), C.R.S., THE STATE DEPARTMENT SHALL SUBMIT A REPORT TO THE STATE BOARD OF HEALTH AND TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ON THE OPERATION AND THE EFFECTIVENESS OF THE PROGRAM.

(2) EACH QUALIFIED PROVIDER RECEIVING A SERVICE GRANT SHALL REPORT ANNUALLY TO THE STATE DEPARTMENT CONCERNING THE NUMBER OF ADDITIONAL UNINSURED AND MEDICALLY INDIGENT PATIENTS THAT ARE CARED FOR AND THE TYPES OF SERVICES THAT ARE PROVIDED.

26-4-1007. Program funding - comprehensive primary and preventive care fund - creation. (1) MONEYS FOR SERVICE GRANTS AND FOR THE PAYMENT OF PROGRAM ADMINISTRATIVE COSTS INCURRED BY THE STATE DEPARTMENT SHALL BE PAYABLE FROM THE COMPREHENSIVE PRIMARY AND PREVENTIVE CARE FUND, WHICH

FUND IS HEREBY CREATED IN THE STATE TREASURY. THE COMPREHENSIVE PRIMARY AND PREVENTIVE CARE FUND, REFERRED TO IN THIS SECTION AS THE "FUND", SHALL CONSIST OF MONEYS APPROPRIATED THERETO BY THE GENERAL ASSEMBLY FROM MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IN THE AMOUNT DESCRIBED IN SUBSECTION (3) OF THIS SECTION. IN ADDITION, THE STATE TREASURER MAY CREDIT TO THE FUND ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE STATE DEPARTMENT FOR IMPLEMENTATION OF THE PROGRAM. THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE STATE DEPARTMENT. IN ADDITION, THE STATE DEPARTMENT MAY RETAIN UP TO ONE PERCENT OF THE AMOUNT ANNUALLY APPROPRIATED FROM THE FUND FOR THE ACTUAL COSTS INCURRED BY THE STATE DEPARTMENT IN IMPLEMENTING THE PROVISIONS OF THIS PART 10. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-36-114, C.R.S., ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNENCUMBERED MONEYS APPROPRIATED FROM MONEYS RECEIVED PURSUANT TO THE MASTER SETTLEMENT AGREEMENT REMAINING IN THE FUND AT THE END OF ANY FISCAL YEAR SHALL BE TRANSFERRED TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5, C.R.S.

(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT GENERAL FUND MONEYS NOT BE APPROPRIATED FOR IMPLEMENTATION OF THE PROGRAM.

(3) (a) BEGINNING WITH THE 2000-01 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE FUND SIX PERCENT OF THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, NOT INCLUDING ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR; EXCEPT THAT THE AMOUNT SO APPROPRIATED TO THE FUND SHALL NOT EXCEED SIX MILLION DOLLARS IN ANY FISCAL YEAR. THE GENERAL ASSEMBLY SHALL APPROPRIATE THE AMOUNT SPECIFIED IN THIS SUBSECTION (3) FROM MONEYS CREDITED TO THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (3), FOR THE FISCAL YEAR IN WHICH THE FIRST PAYMENT OF MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT IS RECEIVED, THE PERCENTAGE APPROPRIATED TO THE FUND SHALL BE CALCULATED ON THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT DURING THAT FISCAL YEAR, MINUS THIRTY-THREE MILLION DOLLARS.

SECTION 19. 24-34-104 (36), Colorado Revised Statutes, is amended to read:

24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment. (36) The following agencies, functions, or both, shall terminate on July 1, 2005: The fire suppression program of the division of fire safety created pursuant to sections 24-33.5-1204.5, 24-33.5-1206.1, 24-33.5-1206.2, 24-33.5-1206.3, 24-33.5-1206.4, 24-33.5-1206.5, 24-33.5-1206.6, and 24-33.5-1207.6, C.R.S., AND THE READ- TO-ACHIEVE BOARD CREATED PURSUANT TO SECTION 22-7-506, C.R.S.

SECTION 20. Article 31 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 4
ENFORCEMENT OF TOBACCO SETTLEMENT

24-31-401. Definitions. AS USED IN THIS PART 4, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "SMOKELESS TOBACCO SETTLEMENT" MEANS THE SETTLEMENT AGREEMENT BETWEEN THE STATE OF COLORADO AND VARIOUS DOMESTIC SMOKELESS TOBACCO PRODUCTS MANUFACTURERS, DATED NOVEMBER 23, 1998, WHICH WAS APPROVED BY THE DISTRICT COURT OF THE CITY AND COUNTY OF DENVER AS PART OF A CONSENT DECREE DATED NOVEMBER 25, 1998, IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432.

(2) "TOBACCO SETTLEMENT" MEANS THE SETTLEMENT AGREEMENT BETWEEN THE STATE OF COLORADO AND VARIOUS DOMESTIC TOBACCO PRODUCTS MANUFACTURERS, DATED NOVEMBER 23, 1998, WHICH WAS APPROVED BY THE DISTRICT COURT OF THE CITY AND COUNTY OF DENVER AS PART OF A CONSENT DECREE DATED NOVEMBER 25, 1998, IN THE CASE DENOMINATED *STATE OF COLORADO, EX REL. GALE A. NORTON, ATTORNEY GENERAL V. R.J. REYNOLDS TOBACCO Co.; AMERICAN TOBACCO Co., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT GROUP INC.; LORILLARD TOBACCO COMPANY; PHILLIP MORRIS, INC.; UNITED STATES TOBACCO Co.; B.A.T. INDUSTRIES, P.L.C.; THE COUNCIL FOR TOBACCO RESEARCH--U.S.A., INC.; AND TOBACCO INSTITUTE, INC.*, CASE No. 97 CV 3432.

24-31-402. Enforcement by attorney general. (1) THE GENERAL ASSEMBLY HEREBY FINDS THAT BOTH THE TOBACCO SETTLEMENT AND THE SMOKELESS TOBACCO SETTLEMENT IMPOSE NUMEROUS DUTIES AND OBLIGATIONS ON THE PARTIES TO THOSE SETTLEMENT AGREEMENTS RELATING TO THE MARKETING AND ADVERTISING OF TOBACCO PRODUCTS AND THE PAYMENT OF DAMAGES TO THE STATE. THE GENERAL ASSEMBLY FURTHER FINDS THAT MOST OF THESE DUTIES AND OBLIGATIONS CONTINUE FOR A MINIMUM OF TWENTY-FIVE YEARS FROM THE DATES OF THE SETTLEMENT AGREEMENTS. THEREFORE, THE ATTORNEY GENERAL SHALL OVERSEE AND TAKE THE NECESSARY ACTIONS TO ENFORCE COMPLIANCE WITH THE PROVISIONS OF THE TOBACCO SETTLEMENT AGREEMENT AND THE SMOKELESS TOBACCO SETTLEMENT AGREEMENT, CONSISTENT WITH THE DUTIES AND OBLIGATIONS SET FORTH IN SAID SETTLEMENT AGREEMENTS AND WITH COLORADO LAW.

(2) THE ENFORCEMENT DUTY SPECIFIED IN SUBSECTION (1) OF THIS SECTION IS IN ADDITION TO AND DOES NOT LIMIT THE AUTHORITY OF THE ATTORNEY GENERAL OTHERWISE EXISTING UNDER COMMON LAW OR THE STATUTES OF THIS STATE.

24-31-403. Funding. THE ATTORNEY GENERAL MAY USE ANY CUSTODIAL FUNDS RECOVERED AS COSTS AND ATTORNEY FEES UNDER THE TOBACCO SETTLEMENT AGREEMENT TO OFFSET ANY COSTS INCURRED IN OVERSEEING AND ENFORCING THE TOBACCO SETTLEMENT AGREEMENT AND THE SMOKELESS TOBACCO SETTLEMENT AGREEMENT.

SECTION 21. Appropriation - adjustment in 2000 long bill. (1) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2000, the sum of fifteen million three hundred thirty-nine thousand eight hundred seventy-four dollars (\$15,339,874), or so much thereof as may be necessary, for the read-to-achieve grant program created in section 22-7-506, Colorado Revised Statutes. Said sum shall be from the tobacco litigation settlement cash fund created in section 24-22-115, Colorado Revised Statutes.

(2) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, for the fiscal year beginning July 1, 2000, the sum of ten million one hundred thirty-two thousand three hundred fifty-seven dollars (\$10,132,357) and 2.0 FTE, or so much thereof as may be necessary, for the implementation of this act. Of said sum, ten million dollars (\$10,000,000) shall be for the children's basic health plan and shall be from the tobacco litigation settlement cash fund created in section 24-22-115, Colorado Revised Statutes, and one hundred thirty-two thousand three hundred fifty-seven dollars (\$132,357) shall be from the general fund for services to additional medicaid eligible children resulting from the enrollment of additional children in the children's basic health plan. In addition to said appropriation, the general assembly anticipates that, for the fiscal year beginning July 1, 2000, the department of health care policy and financing will receive the sum of three million three hundred sixty-seven thousand four hundred eighteen dollars (\$3,367,418) in federal funds for the implementation of this act. Of this sum, one hundred thirty-two thousand three hundred fifty-six dollars (\$132,356) shall be for services to additional medicaid-eligible children resulting from the enrollment of additional children in the children's basic health plan, and three million two hundred thirty-five thousand sixty-two dollars (\$3,235,062) shall be for the children's basic health plan. Although these funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds.

(3) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the tobacco litigation settlement cash fund created in section 24-22-115, Colorado Revised Statutes, to the department of health care policy and financing, for the fiscal year beginning July 1, 2000, the sum of four million six hundred one thousand nine hundred sixty-two dollars (\$4,601,962), or so much thereof as may be necessary, for the comprehensive primary and preventive care grant program created in part 10 of article 4 of title 26, Colorado Revised Statutes.

(4) In addition to any other appropriation, there is hereby appropriated, to the department of higher education, regents of the university of Colorado, for the office of the president, for the fiscal year beginning July 1, 2000, the sum of six million one hundred thirty-five thousand nine hundred fifty dollars (\$6,135,950), or so much thereof as may be necessary, for the university of Colorado tobacco-and substance-abuse-related research grant program created in section 23-20-203, Colorado Revised Statutes. Said sum shall be from the tobacco litigation settlement cash fund created in section 24-22-115, Colorado Revised Statutes.

(5) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the tobacco litigation settlement cash fund created in section 24-22-115, Colorado Revised Statutes, to the department of public health and environment, for the fiscal year beginning July 1, 2000, the sum of thirteen million eight hundred five

thousand eight hundred eighty-seven dollars (\$13,805,887) and 8.7 FTE, or so much thereof as may be necessary, for the implementation of this act. Of said sum, two million three hundred thousand nine hundred eighty-one dollars (\$2,300,981) and 1.5 FTE shall be for the nurse home visitor program created in section 25-31-104, Colorado Revised Statutes, and eleven million five hundred four thousand nine hundred six dollars (\$11,504,906) and 7.2 FTE shall be for the tobacco education, prevention, and cessation grant program created in section 25-3.5-804, Colorado Revised Statutes.

(6) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the tobacco litigation settlement cash fund created in section 24-22-115, Colorado Revised Statutes, not otherwise appropriated, to the Colorado state veteran's trust fund created in section 26-10-111, Colorado Revised Statutes, the sum of seven hundred sixty-six thousand nine hundred ninety-four dollars (\$766,994).

(7) For the implementation of this act, appropriations made in the annual general appropriations act for the fiscal year beginning July 1, 2000, shall be adjusted as follows:

(a) The general fund appropriation to the capital construction fund outlined in section 3 (1) (f) is reduced by one hundred thirty-two thousand three hundred fifty-seven dollars (\$132,357).

(b) The capital construction fund exempt appropriation to the department of transportation, construction projects, is reduced by one hundred thirty-two thousand three hundred fifty-seven dollars (\$132,357).

SECTION 22. 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 18, 2000