

CHAPTER 177

EDUCATION - PUBLIC SCHOOLS

SENATE BILL 01-204

BY SENATOR(S) Reeves, Tate, Owen, Fitz-Gerald, Hanna, Nichol, and Tupa;
also REPRESENTATIVE(S) Young, Berry, Saliman, Boyd, Coleman, Groff, Jahn, Marshall, Plant, Spence, and Weddig.

AN ACT

CONCERNING STATE POLICIES RELATING TO THE IMPLEMENTATION OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION.

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

SECTION 1. Title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

**ARTICLE 55
State Policies Relating to Section 17
of Article IX of the State Constitution**

22-55-101. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, WHICH WAS APPROVED BY THE REGISTERED ELECTORS OF THIS STATE AT THE 2000 GENERAL ELECTION, REQUIRES THE GENERAL ASSEMBLY TO INCREASE FUNDING FOR PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION AND FOR CATEGORICAL PROGRAMS.

(b) SPECIFICALLY, SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION REQUIRES:

(I) A SPECIFIED PERCENTAGE OF STATE INCOME TAX REVENUES COLLECTED ON INCOME EARNED ON OR AFTER DECEMBER 28, 2000, TO BE DIVERTED TO A NEWLY CREATED STATE EDUCATION FUND FROM WHICH MONEYS MAY BE APPROPRIATED ONLY FOR SPECIFIED EDUCATION-RELATED PURPOSES;

(II) THE GENERAL ASSEMBLY TO ANNUALLY INCREASE THE STATEWIDE BASE PER

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

PUPIL FUNDING FOR PUBLIC EDUCATION FROM PRESCHOOL THROUGH THE TWELFTH GRADE AND TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS BY AT LEAST THE RATE OF INFLATION PLUS ONE PERCENTAGE POINT FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11, AND BY AT LEAST THE RATE OF INFLATION FOR STATE FISCAL YEAR 2011-2012 AND EACH SUCCEEDING STATE FISCAL YEAR; AND

(III) THE GENERAL ASSEMBLY TO ANNUALLY INCREASE THE GENERAL FUND APPROPRIATION FOR TOTAL PROGRAM EDUCATION FUNDING UNDER THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, OR ANY SUCCESSOR ACT, FOR EACH STATE FISCAL YEAR FROM 2001-02 THROUGH 2010-11 BY AT LEAST FIVE PERCENT OVER THE AMOUNT OF THE PRIOR YEAR'S GENERAL FUND APPROPRIATION FOR TOTAL PROGRAM EDUCATION FUNDING, UNLESS COLORADO PERSONAL INCOME GROWS LESS THAN FOUR AND ONE-HALF PERCENT BETWEEN THE TWO CALENDAR YEARS PRECEDING THE STATE FISCAL YEAR IN WHICH AN APPROPRIATION IS MADE.

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

(a) IT IS THE DUTY AND INTENT OF THE GENERAL ASSEMBLY TO COMPLY WITH THE REQUIREMENTS OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION.

(b) IT IS WITHIN THE LEGISLATIVE PREROGATIVE OF THE GENERAL ASSEMBLY TO ENACT LEGISLATION TO IMPLEMENT SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION THAT WILL ENSURE COMPLIANCE WITH THE REQUIREMENTS OF SAID SECTION 17 OF ARTICLE IX AND FACILITATE ITS OPERATION.

(c) IN ENACTING LEGISLATION TO IMPLEMENT SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION:

(I) THE GENERAL ASSEMBLY HAS ATTEMPTED TO INTERPRET THE PROVISIONS OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION IN A MANNER THAT GIVES ITS WORDS THEIR NATURAL AND OBVIOUS SIGNIFICANCE.

(II) THE GENERAL ASSEMBLY HAS ATTEMPTED TO ASCERTAIN THE INTENT OF THE PROponents WHO INITIATED SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION AND THE VOTERS WHO ADOPTED IT AND TO APPLY OTHER GENERALLY ACCEPTED RULES OF CONSTITUTIONAL CONSTRUCTION WHERE THE MEANING OF SAID SECTION 17 OF ARTICLE IX IS UNCERTAIN.

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

(a) BECAUSE THE AMOUNT OF FUNDING PROVIDED FOR THE PRIOR STATE FISCAL YEAR PLAYS A SIGNIFICANT ROLE IN THE CALCULATION OF THE MINIMUM AMOUNT OF THE INCREASE IN STATE APPROPRIATIONS FOR EDUCATION REQUIRED FOR EACH STATE FISCAL YEAR BY SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE AMOUNT OF MONEY THAT THE STATE WILL BE REQUIRED TO SPEND FOR EDUCATION FUNDING FOR EACH STATE FISCAL YEAR WILL INCREASE DRAMATICALLY OVER TIME DUE TO A COMPOUNDING EFFECT.

(b) SINCE SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION DOES NOT CREATE ANY NEW TAX, INCREASE THE RATE OF ANY EXISTING TAX, OR OTHERWISE INCREASE THE AMOUNT OF REVENUES THAT WILL BE COLLECTED BY THE STATE, SOME

OF THE INCREASES IN STATE EDUCATION FUNDING THAT SAID SECTION 17 OF ARTICLE IX REQUIRES WILL AFFECT THE AMOUNT OF MONEY AVAILABLE TO FUND OTHER STATE PROGRAMS AND SERVICES.

(c) IN ENACTING LEGISLATION TO IMPLEMENT SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, IT IS THE DUTY, INTENT, AND LEGISLATIVE PREROGATIVE OF THE GENERAL ASSEMBLY TO MITIGATE ANY ADVERSE IMPACT THAT THE STATE EDUCATION FUNDING REQUIREMENTS OF SAID SECTION 17 OF ARTICLE IX MAY HAVE ON THE FINANCIAL CONDITION OF THE STATE AND OTHER STATE PROGRAMS AND SERVICES BY ENSURING THAT MONEYS ARE CREDITED TO THE STATE EDUCATION FUND, INVESTED WHILE IN THE FUND, AND EXPENDED FROM THE FUND IN A MANNER THAT WILL ENSURE THAT THE FUND REMAINS VIABLE AND THAT FUND MONEYS WILL ALWAYS BE AVAILABLE TO MEET A SIGNIFICANT PORTION OF THE LONG-TERM STATE EDUCATION FUNDING REQUIREMENTS OF SAID SECTION 17 OF ARTICLE IX.

(d) THIS ARTICLE REFLECTS THE CONSIDERED JUDGMENT OF THE GENERAL ASSEMBLY REGARDING THE MEANING AND IMPLEMENTATION OF THE PROVISIONS OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION.

22-55-102. Definitions. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CATEGORICAL PROGRAMS" INCLUDE ONLY THE FOLLOWING PROGRAMS:

(a) PUBLIC SCHOOL TRANSPORTATION AS DESCRIBED IN ARTICLE 51 OF THIS TITLE;

(b) THE ENGLISH LANGUAGE PROFICIENCY PROGRAM CREATED IN SECTION 22-24-104;

(c) THE EXPELLED AND AT-RISK STUDENT SERVICES GRANT PROGRAM CREATED IN SECTION 22-33-205;

(d) SPECIAL EDUCATION PROGRAMS FOR CHILDREN WITH DISABILITIES AS DESCRIBED IN ARTICLE 20 OF THIS TITLE;

(e) SPECIAL EDUCATION PROGRAMS FOR GIFTED CHILDREN AS DESCRIBED IN ARTICLE 20 OF THIS TITLE;

(f) THE GRANT PROGRAM FOR IN-SCHOOL OR IN-HOME SUSPENSION DESCRIBED IN ARTICLE 37 OF THIS TITLE;

(g) VOCATIONAL EDUCATION AS DESCRIBED IN ARTICLE 8 OF TITLE 23, C.R.S.;

(h) SMALL ATTENDANCE CENTERS FOR WHICH STATE AID IS AVAILABLE PURSUANT TO SECTION 22-54-122;

(i) THE COMPREHENSIVE HEALTH EDUCATION PROGRAM CREATED IN SECTION 22-25-104; AND

(j) OTHER CURRENT AND FUTURE ACCOUNTABLE PROGRAMS SPECIFICALLY IDENTIFIED IN STATUTE AS A CATEGORICAL PROGRAM.

(2) "INFLATION" MEANS THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA FOR ALL URBAN CONSUMERS, ALL GOODS, AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR INDEX.

(3) "TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS" MEANS THE AGGREGATE AMOUNT OF STATE FUNDING FOR ALL CATEGORICAL PROGRAMS IN ANY GIVEN FISCAL YEAR, INCLUDING ANY ADJUSTMENTS MADE TO SAID FUNDING THROUGH THE ENACTMENT OF A SUPPLEMENTAL APPROPRIATION BILL OR BILLS FOR THAT FISCAL YEAR.

22-55-103. Procedures relating to state education fund revenue estimates - legislative declaration. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) SECTION 17 (4) (a) OF ARTICLE IX OF THE STATE CONSTITUTION REQUIRES THAT A PORTION OF STATE INCOME TAX REVENUES BE DEPOSITED IN THE NEWLY CREATED STATE EDUCATION FUND.

(b) SECTION 17 (4) (b) OF ARTICLE IX OF THE STATE CONSTITUTION AUTHORIZES THE GENERAL ASSEMBLY TO ANNUALLY APPROPRIATE MONEYS FROM THE STATE EDUCATION FUND TO COMPLY WITH THE REQUIRED INCREASE IN FUNDING FOR PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION AND FOR CATEGORICAL PROGRAMS.

(c) IN ORDER TO ENSURE THE AVAILABILITY OF MONEYS IN THE STATE EDUCATION FUND TO COMPLY WITH THE INCREASE IN FUNDING FOR PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION AND FOR CATEGORICAL PROGRAMS, THE GENERAL ASSEMBLY MUST PRESERVE THE FUND, FOSTER ITS GROWTH, AND PROTECT ITS SOLVENCY.

(d) TO PRESERVE THE FUND, FOSTER ITS GROWTH, AND PROTECT ITS SOLVENCY, THE GENERAL ASSEMBLY MUST RESTRICT APPROPRIATIONS FROM THE FUND AND MAKE AN ANNUAL DETERMINATION OF THE MAXIMUM AMOUNT THAT MAY BE APPROPRIATED FROM THE FUND BASED ON ANALYSES PREPARED ON A REGULAR BASIS.

(2) (a) BY MARCH 1, 2002, AND BY MARCH 1 OF EACH YEAR THEREAFTER, THE GENERAL ASSEMBLY, ACTING BY JOINT RESOLUTION SPONSORED BY THE CHAIR AND VICE-CHAIR OF THE JOINT BUDGET COMMITTEE, SHALL CERTIFY THE AMOUNT OF MONEYS IN THE STATE EDUCATION FUND THAT SHOULD BE CONSIDERED AVAILABLE FOR APPROPRIATION FOR THE NEXT STATE FISCAL YEAR. THE JOINT RESOLUTION SHALL BE PREPARED BY THE JOINT BUDGET COMMITTEE, IN COOPERATION WITH THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, AND INTRODUCED AFTER TAKING INTO CONSIDERATION THE REVIEW OF THE MODEL CONDUCTED BY THE STAFF OF THE LEGISLATIVE COUNCIL PURSUANT TO SUBSECTION (3) OF THIS SECTION. THE JOINT RESOLUTION SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, THE FOLLOWING INFORMATION:

(I) THE AMOUNT OF TOTAL STATE MONEYS REQUIRED TO MEET THE FUNDING REQUIREMENTS OF SECTIONS 22-55-105 AND 22-55-106 FOR THE NEXT STATE FISCAL YEAR;

(II) THE AMOUNT OF STATE MONEYS AVAILABLE FROM FUNDS OTHER THAN THE GENERAL FUND AND THE STATE EDUCATION FUND TO MEET THE FUNDING REQUIREMENTS OF SECTIONS 22-55-105 AND 22-55-106 FOR THE NEXT STATE FISCAL YEAR;

(III) REVENUE PROJECTIONS FOR THE STATE EDUCATION FUND FOR THE NEXT STATE FISCAL YEAR;

(IV) THE MAXIMUM AMOUNT OF MONEYS THAT CAN BE APPROPRIATED FROM THE STATE EDUCATION FUND AND THE MINIMUM AMOUNT OF MONEYS THAT CAN BE APPROPRIATED FROM THE GENERAL FUND PURSUANT TO SECTION 22-55-104 TO MEET THE FUNDING REQUIREMENTS OF SECTIONS 22-55-105 AND 22-55-106 FOR THE NEXT STATE FISCAL YEAR WITHOUT ADVERSELY IMPACTING THE SOLVENCY OF THE STATE EDUCATION FUND OR THE ABILITY OF THE GENERAL ASSEMBLY TO COMPLY WITH SAID FUNDING REQUIREMENTS IN FUTURE YEARS; AND

(V) THE IMPACT OF VARIOUS LEVELS OF GENERAL FUND APPROPRIATIONS ABOVE THE MINIMUM LEVEL IDENTIFIED PURSUANT TO SUBPARAGRAPH (IV) OF THIS PARAGRAPH (a) ON THE AMOUNT OF MONEYS AVAILABLE IN THE STATE EDUCATION FUND TO PROVIDE FUNDING IN THE NEXT STATE FISCAL YEAR FOR PROGRAMS THAT MAY BE AUTHORIZED BY LAW AND THAT ARE CONSISTENT WITH SECTION 17 (4) (b) OF ARTICLE IX OF THE STATE CONSTITUTION.

(b) THE GENERAL ASSEMBLY SHOULD NOT APPROPRIATE AN AMOUNT OF MONEYS FROM THE STATE EDUCATION FUND FOR THE NEXT STATE FISCAL YEAR THAT EXCEEDS THE AMOUNT OF MONEYS CERTIFIED IN THE JOINT RESOLUTION.

(3) BY FEBRUARY 1, 2002, AND BY EACH FEBRUARY 1 THEREAFTER, THE STAFF OF THE LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE STATE AUDITOR, THE OFFICE OF STATE PLANNING AND BUDGETING, THE STATE TREASURER, THE DEPARTMENT OF EDUCATION, AND THE JOINT BUDGET COMMITTEE, SHALL CAUSE TO BE CONDUCTED A REVIEW OF THE MODEL USED TO FORECAST REVENUES IN AND EXPENDITURES FROM THE FUND AND THE SPENDING REQUIREMENTS OF THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE. COPIES OF THE REVIEW SHALL PROMPTLY BE TRANSMITTED TO THE JOINT BUDGET COMMITTEE, AND THE OFFICE OF STATE PLANNING AND BUDGETING, AND THE EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE REVIEW SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, THE FOLLOWING:

(a) A DETERMINATION OF THE REASONABLENESS OF THE ASSUMPTIONS USED TO FORECAST THE REVENUES AND EXPENDITURES;

(b) A REVISION OF THE ASSUMPTIONS AS NECESSARY;

(c) INFORMATION ON THE FINANCIAL STABILITY OF THE FUND;

(d) PROJECTIONS OF THE AMOUNT OF TOTAL STATE MONEYS REQUIRED TO MEET THE FUNDING REQUIREMENTS OF SECTIONS 22-55-105 AND 22-55-106 FOR THE NEXT STATE FISCAL YEAR;

(e) PROJECTIONS OF THE AMOUNT OF STATE MONEYS AVAILABLE FROM FUNDS

OTHER THAN THE GENERAL FUND AND THE STATE EDUCATION FUND TO MEET THE FUNDING REQUIREMENTS OF SECTIONS 22-55-105 AND 22-55-106 FOR THE NEXT STATE FISCAL YEAR;

(f) REVENUE PROJECTIONS FOR THE STATE EDUCATION FUND;

(g) AN ESTIMATE OF THE MAXIMUM AMOUNT OF MONEYS THAT CAN BE APPROPRIATED FROM THE STATE EDUCATION FUND AND THE MINIMUM AMOUNT OF MONEYS THAT CAN BE APPROPRIATED FROM THE GENERAL FUND TO MEET THE FUNDING REQUIREMENTS OF SECTIONS 22-55-105 AND 22-55-106 FOR THE NEXT STATE FISCAL YEAR WITHOUT ADVERSELY IMPACTING THE SOLVENCY OF THE STATE EDUCATION FUND OR THE ABILITY OF THE GENERAL ASSEMBLY TO COMPLY WITH SAID FUNDING REQUIREMENTS IN FUTURE YEARS; AND

(h) ESTIMATES OF THE IMPACT OF VARIOUS LEVELS OF GENERAL FUND APPROPRIATIONS ABOVE THE MINIMUM LEVEL IDENTIFIED PURSUANT TO PARAGRAPH (d) OF THIS SUBSECTION (3) ON THE AMOUNT OF MONEYS AVAILABLE IN THE STATE EDUCATION FUND TO PROVIDE FUNDING IN THE NEXT STATE FISCAL YEAR FOR PROGRAMS THAT MAY BE AUTHORIZED BY LAW AND THAT ARE CONSISTENT WITH SECTION 17 (4) (b) OF ARTICLE IX OF THE STATE CONSTITUTION.

22-55-104. General fund appropriations requirements - maintenance of effort base. (1) IN ACCORDANCE WITH SECTION 17 (5) OF ARTICLE IX OF THE STATE CONSTITUTION, FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE FROM THE GENERAL FUND FOR TOTAL PROGRAM UNDER THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, AN AMOUNT EQUAL TO THE MAINTENANCE OF EFFORT BASE PLUS AN AMOUNT AS DETERMINED ANNUALLY BY THE GENERAL ASSEMBLY THAT IS EQUAL TO AT LEAST FIVE PERCENT OF THE MAINTENANCE OF EFFORT BASE, UNLESS COLORADO PERSONAL INCOME GROWS LESS THAN FOUR AND ONE-HALF PERCENT BETWEEN THE TWO CALENDAR YEARS PRECEDING THE STATE FISCAL YEAR IN WHICH AN APPROPRIATION IS MADE.

(2) FOR PURPOSES OF THIS SECTION, "MAINTENANCE OF EFFORT BASE" MEANS THE AGGREGATE AMOUNT OF GENERAL FUND APPROPRIATIONS FOR TOTAL PROGRAM PURSUANT TO THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, INCLUDING:

(a) ANY INCREASES OR DECREASES MADE TO SAID APPROPRIATIONS THROUGH THE ENACTMENT OF A SUPPLEMENTAL APPROPRIATION BILL OR BILLS FOR THAT STATE FISCAL YEAR; AND

(b) ANY GENERAL FUND APPROPRIATION FOR THE STATE'S SHARE OF THE DISTRICT'S TOTAL PROGRAM AS DETERMINED PURSUANT TO SECTION 22-54-106 (8).

22-55-105. Statewide base per pupil funding - increases. (1) (a) FOR SCHOOL DISTRICT BUDGET YEARS 2001-02 THROUGH 2010-11, THE GENERAL ASSEMBLY SHALL ANNUALLY INCREASE THE STATEWIDE BASE PER PUPIL FUNDING FOR PUBLIC EDUCATION FROM PRESCHOOL THROUGH THE TWELFTH GRADE BY AT LEAST THE RATE OF INFLATION FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING SCHOOL DISTRICT BUDGET YEAR PLUS ONE PERCENTAGE POINT.

(b) FOR THE SCHOOL DISTRICT BUDGET YEAR 2011-12 AND EACH SCHOOL DISTRICT BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY INCREASE THE STATEWIDE BASE PER PUPIL FUNDING FOR PUBLIC EDUCATION FROM PRESCHOOL THROUGH THE TWELFTH GRADE BY AT LEAST THE RATE OF INFLATION FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING SCHOOL DISTRICT BUDGET YEAR.

(2) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE MONEYS IN THE STATE EDUCATION FUND, THE GENERAL FUND, ANY OTHER STATE FUND, OR SOME COMBINATION THEREOF, AS NECESSARY IN THE SOLE DISCRETION OF THE GENERAL ASSEMBLY, TO SATISFY THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION, AND SUCH MONEYS SHALL BE DISTRIBUTED TO PUBLIC SCHOOL DISTRICTS IN ACCORDANCE WITH THE PROVISIONS OF THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE.

22-55-106. Categorical programs - increases in funding. (1) (a) FOR SCHOOL DISTRICT BUDGET YEARS 2001-02 THROUGH 2010-11, THE GENERAL ASSEMBLY SHALL ANNUALLY INCREASE THE TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS BY AT LEAST THE RATE OF INFLATION FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING SCHOOL DISTRICT BUDGET YEAR PLUS ONE PERCENTAGE POINT.

(b) FOR THE SCHOOL DISTRICT BUDGET YEAR 2011-12 AND EACH SCHOOL DISTRICT BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY INCREASE THE TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS BY AT LEAST THE RATE OF INFLATION FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING SCHOOL DISTRICT BUDGET YEAR.

(2) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE MONEYS IN THE STATE EDUCATION FUND, THE GENERAL FUND, ANY OTHER STATE FUND, OR SOME COMBINATION THEREOF, AS NECESSARY IN THE SOLE DISCRETION OF THE GENERAL ASSEMBLY BUT CONSISTENT WITH SECTION 17 (5) OF ARTICLE IX OF THE STATE CONSTITUTION, TO SATISFY THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION. THE GENERAL ASSEMBLY MAY ANNUALLY DETERMINE THE PARTICULAR CATEGORICAL PROGRAMS FOR WHICH STATE FUNDING WILL BE INCREASED FOR PURPOSES OF COMPLYING WITH THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION, AND THE ALLOCATION OF SUCH INCREASE SHALL BE REFLECTED IN THE ANNUAL GENERAL APPROPRIATIONS BILL.

SECTION 2. 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 30, 2001