

## CHAPTER 395

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**EDUCATION - PUBLIC SCHOOLS**


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**SENATE BILL 04-144**

BY SENATOR(S) Veiga, Gordon, Groff, Grossman, Hanna, Phillips, Tupa, and Windels;  
also REPRESENTATIVE(S) Romanoff, Borodkin, Butcher, Carroll, Frangas, Garcia, Merrifield, Spence, Weddig, and Williams S.

**AN ACT**

**CONCERNING REVIEWS OF SCHOOL DISTRICTS, AND, IN CONNECTION THEREWITH, REQUIRING PILOT EFFICIENCY REVIEWS OF A LIMITED NUMBER OF SCHOOL DISTRICTS, AND MAKING AN APPROPRIATION.**

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

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

**2-3-117. Pilot efficiency reviews - school districts - report - repeal.** (1) FOR THE 2004-05 SCHOOL DISTRICT BUDGET YEAR, THE STATE AUDITOR SHALL CONDUCT A REVIEW OF UP TO THREE SCHOOL DISTRICTS IN THE STATE TO IDENTIFY ADMINISTRATIVE SAVINGS THAT MAY BE REALIZED THROUGH IMPLEMENTATION OF BEST PRACTICES IN ORGANIZATION, SERVICE DELIVERY, HUMAN RESOURCES, FACILITIES, FINANCE, TRANSPORTATION, TECHNOLOGY MANAGEMENT, AND OTHER NON-INSTRUCTIONAL EXPENDITURES. THE STATE AUDITOR MAY CHOOSE THE THREE SCHOOL DISTRICTS TO REPRESENT LARGE URBAN SCHOOL DISTRICTS, SUBURBAN SCHOOL DISTRICTS, AND SMALL RURAL SCHOOL DISTRICTS, RESPECTIVELY. A SCHOOL DISTRICT'S PARTICIPATION IN THE EFFICIENCY REVIEWS SHALL ONLY BE ON A VOLUNTARY BASIS.

(2) THE STATE AUDITOR MAY CONSULT WITH THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF PERSONNEL AND ADMINISTRATION, AND OTHER PUBLIC AND PRIVATE ENTITIES WITH EXPERTISE IN ORGANIZATIONAL EFFICIENCIES, COST-SAVINGS, AND EDUCATIONAL ADMINISTRATION. A STATE AGENCY THAT ASSISTS IN THE EFFICIENCY REVIEWS SHALL DO SO WITHIN AVAILABLE APPROPRIATIONS.

(3) NO LATER THAN AUGUST 31, 2005, THE STATE AUDITOR'S OFFICE SHALL SUBMIT ITS FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS IN THE FORM OF A WRITTEN

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

REPORT TO EACH SCHOOL DISTRICT REVIEWED, TO THE MEMBERS OF THE LEGISLATIVE AUDIT COMMITTEE OF THE GENERAL ASSEMBLY, AND TO THE EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE REPORT SHALL INCLUDE THE RESULTS OF THE EFFICIENCY REVIEWS AND MAY RECOMMEND WHETHER THE REVIEWS SHOULD BE EXPANDED TO OTHER SCHOOL DISTRICTS AND MAY RECOMMEND SPECIFIC LEGISLATION.

(4) THE PROVISIONS OF SECTION 2-3-110 SHALL NOT APPLY TO THIS SECTION.

(5) (a) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT NO GENERAL FUND MONEYS BE APPROPRIATED FOR THE PURPOSES OF IMPLEMENTING THIS SECTION.

(b) THE STATE AUDITOR IS AUTHORIZED TO ACCEPT GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION. ALL PRIVATE AND PUBLIC FUNDS RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE SCHOOL DISTRICT PILOT EFFICIENCY REVIEW FUND, WHICH FUND IS HEREBY CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND". THE MONEYS IN THE FUND SHALL BE SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THIS SECTION. ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND. ALL UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AS OF SEPTEMBER 1, 2005, SHALL BE TRANSFERRED TO THE GENERAL FUND.

(c) IF THERE ARE NOT SUFFICIENT MONEYS IN THE FUND FOR THE STATE AUDITOR TO CONDUCT AN ADEQUATE REVIEW OF THREE SCHOOL DISTRICTS, THE STATE AUDITOR SHALL CONDUCT AN ADEQUATE REVIEW OF AS MANY SCHOOL DISTRICTS AS THE MONEYS IN THE FUND ALLOW.

(d) IF THE FUND DOES NOT CONTAIN ANY MONEYS AS OF JANUARY 1, 2005, THE STATE AUDITOR SHALL NOTIFY IN WRITING THE STATE TREASURER AND THE REVISOR OF STATUTES AND THIS SECTION SHALL BE REPEALED, EFFECTIVE JANUARY 1, 2005. IN SUCH EVENT, THE STATE TREASURER SHALL RETURN FROM THE FUND TO THE GRANTORS OR DONORS THE AMOUNT OF ALL GIFTS, GRANTS, OR DONATIONS. IF THE GIFTS, GRANTS, OR DONATIONS ARE RETURNED PURSUANT TO THIS PARAGRAPH (d) ON JANUARY 1, 2005, THE STATE TREASURER SHALL TRANSFER TO THE GENERAL FUND ANY INTEREST OR INCOME EARNED ON MONEYS IN THE FUND.

(6) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2005.

**SECTION 2. Appropriation.** In addition to any other appropriation, there is hereby appropriated, to the legislative department, for allocation to the state auditor's office, for the fiscal year beginning July 1, 2004, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary, for the implementation of this act. Said sum shall be cash funds exempt from the school district pilot efficiency review fund, created in section 2-3-117(5)(b), Colorado Revised Statutes.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 4, 2004