

CHAPTER 129

EDUCATION - PUBLIC SCHOOLS

SENATE BILL 05-200

BY SENATOR(S) Windels, Bacon, Groff, Hanna, Keller, Tapia, Tochtrop, Tupa, and Williams;
 also REPRESENTATIVE(S) Pommer, Benefield, Borodkin, Boyd, Carroll M., Cerbo, Green, Madden, Marshall, Merrifield,
 Paccione, Plant, Solano, Todd, Vigil, Coleman, Gallegos, Frangas, Lindstrom, Stafford, Stengel, and White.

AN ACT

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND MAKING AN APPROPRIATION THEREFOR.

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

SECTION 1. 22-54-104 (5) (a), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

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

(a) (XII) FOR THE 2005-06 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING SHALL BE \$4,717.62, WHICH IS AN AMOUNT EQUAL TO \$4,666.29 SUPPLEMENTED BY \$51.33 TO ACCOUNT FOR INFLATION PLUS AN ADDITIONAL ONE PERCENTAGE POINT.

SECTION 2. The introductory portion to 22-54-103 (1.5) (a) (IV), Colorado Revised Statutes, is amended, and the said 22-54-103 (1.5) (a) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

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

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

(IV) For the 2003-04 ~~budget year and budget years thereafter~~ AND 2004-05 BUDGET YEARS, the greater of:

(V) FOR THE 2005-06 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE

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

NUMBER OF DISTRICT PUPILS WHOSE DOMINANT LANGUAGE IS NOT ENGLISH PLUS THE GREATER OF:

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

(B) THE NUMBER OF PUPILS CALCULATED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE LUNCH X DISTRICT PUPIL ENROLLMENT

SECTION 3. 22-54-104 (2) (b) (II) (A), (4), and (5) (f), Colorado Revised Statutes, are amended to read:

22-54-104. District total program. (2) (b) If the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than four hundred fifty-nine, the district's total program shall be the lesser of:

(II) (A) The district's total program as calculated by: Adding the amount determined by multiplying the district's per pupil funding by four hundred fifty-nine to the amount determined by ~~multiplying 11.5%~~ MULTIPLYING 12% of the district's per pupil funding by the district's at-risk pupils; then dividing the sum of those two amounts by four hundred fifty-nine; then multiplying the resulting amount by the district's funded pupil count minus the district's on-line pupil enrollment; and then adding the district's on-line funding; except that, for the 2004-05 ~~2005-06, and 2006-07~~ budget years YEAR, the district's total program as calculated by: Adding the amount determined by multiplying the district's per pupil funding by four hundred fifty-nine to the amount determined by multiplying 11.2% of the district's per pupil funding by the district's at-risk pupils; then dividing the sum of those two amounts by four hundred fifty-nine; and then multiplying the resulting amount by the district's funded pupil count minus the district's on-line pupil enrollment; and then adding the district's on-line funding.

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

(a) (I) If the district percentage of at-risk pupils is equal to or less than the statewide average percentage of at-risk pupils or the district's funded pupil count is equal to or less than four hundred fifty-nine, the formula shall be:

(District per pupil funding x ~~11.5%~~ 12%) x District at-risk pupils

(II) Notwithstanding the provisions of subparagraph (I) of this paragraph (a), for the 2004-05 ~~2005-06, and 2006-07~~ budget years YEAR, if the district percentage of at-risk pupils is equal to or less than the statewide average percentage of at-risk pupils or the district's funded pupil count is equal to or less than four hundred fifty-nine, the formula shall be:

(District per pupil funding x 11.2%) x District at-risk pupils

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

$$((\text{District per pupil funding} \times 12\%) \times (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})) + ((\text{District per pupil funding} \times \text{District at-risk factor}) \times (\text{District at-risk pupils} - (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})))$$

(II) Notwithstanding the provisions of subparagraph (I) of this paragraph (b), for the 2004-05 ~~2005-06, and 2006-07~~ budget years YEAR, if the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than four hundred fifty-nine, the formula shall be:

$$((\text{District per pupil funding} \times 11.2\%) \times (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})) + ((\text{District per pupil funding} \times \text{District at-risk factor}) \times (\text{District at-risk pupils} - (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})))$$

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

(f) (I) If the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than four hundred fifty-nine but not in excess of fifty thousand, the district's at-risk factor shall be ~~11.5%~~ SHALL BE 12% plus a 0.30 percentage point for each percentage point that the district percentage of at-risk pupils exceeds the statewide average percentage of at-risk pupils; except that no district's at-risk factor shall exceed 30%. Notwithstanding the provisions of this subparagraph (I), for the 2004-05 ~~2005-06, and 2006-07~~ budget years YEAR, if the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than four hundred fifty-nine but not in excess of fifty thousand, the district's at-risk factor shall be 11.2% plus a 0.30 percentage point for each percentage point that the district percentage of at-risk pupils exceeds the statewide average percentage of at-risk pupils; except that no district's at-risk factor shall exceed 30%.

(II) If the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than fifty thousand, the district's at-risk factor shall be ~~11.5%~~ BE 12% plus a 0.36 percentage point for each percentage point that the district percentage of at-risk pupils exceeds the statewide average percentage of at-risk pupils; except that no district's at-risk factor shall exceed 30%. Notwithstanding the provisions of this subparagraph (II), for the 2004-05 ~~2005-06, and 2006-07~~ budget years YEAR, if the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than fifty thousand, the district's at-risk factor shall be 11.2% plus a 0.36 percentage point for each percentage point that the district percentage of at-risk pupils exceeds the statewide average percentage of at-risk pupils; except that no district's at-risk factor shall exceed 30%.

SECTION 4. 22-54-104.2 (1), Colorado Revised Statutes, is amended to read:

22-54-104.2. Legislative declaration. (1) The general assembly hereby finds and declares that, for purposes of section 17 of article IX of the state constitution, the expansion of the definition of "at-risk pupils", as defined in section 22-54-103 (1.5) (a) (III), to include district pupils whose dominant language is not English, as defined in section 22-54-103 (1.5) (b) (IV), the increase in the at-risk factor pursuant to section 22-54-104 (5) (f) (II) for districts whose percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and whose funded pupil count is greater than fifty thousand, ~~and~~ the requirement that districts that receive at-risk funding spend a portion of their at-risk funding on implementation of the district's English language proficiency program pursuant to section 22-54-105 (3) (b) (I) and (3) (c), AND THE INCREASE IN THE AT-RISK FACTOR FROM 11.2% TO 12% FOR THE 2005-06 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER PURSUANT TO SECTION 22-54-104 (2) (b) (II) (A), (4) (a) (II), (4) (b) (II), AND (5) (f) are important elements of accountable programs to meet state academic standards and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 5. 22-32-110 (1) (II), Colorado Revised Statutes, is amended to read:

22-32-110. Board of education - specific powers. (1) In addition to any other power granted to a board of education of a school district by law, each board of education of a school district shall have the following specific powers, to be exercised in its judgment:

(II) (I) To authorize such school district to offer kindergarten educational programs on a full-day basis pursuant to ~~section 22-32-119 (2)~~ SECTION 22-32-119 (3).

(II) ~~This paragraph (II) is repeated, effective July 1, 2006.~~

SECTION 6. 22-32-119 (1.5), Colorado Revised Statutes, is amended, and the said 22-32-119 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

22-32-119. Kindergartens - legislative declaration. (1.5) ~~Subject to the receipt of sufficient moneys from the federal government through the "No Child Left Behind Act of 2001", Public Law 107-110, on and after July 1, 2003, a board of education may expand its current half-day kindergarten programs to full-day kindergarten educational programs. Moneys authorized pursuant to this section shall be first used to serve students who attend a school that received an academic performance rating of "unsatisfactory" pursuant to section 22-7-604 (5) for the previous school year, unless that school is operating a full-day kindergarten program, and then to serve students who attend a school that received an academic performance rating of "low" pursuant to section 22-7-604 (5) for the previous school year.~~

(3) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3), A BOARD OF EDUCATION MAY ESTABLISH AND MAINTAIN FULL-DAY KINDERGARTEN EDUCATIONAL PROGRAMS, IN ADDITION TO ANY OTHER FULL-DAY KINDERGARTEN EDUCATIONAL PROGRAMS EXISTING ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (3), TO SERVE THOSE STUDENTS WHO ATTEND A SCHOOL THAT RECEIVES AN ACADEMIC PERFORMANCE RATING OF "UNSATISFACTORY" PURSUANT TO SECTION 22-7-604 (5) FOR THE PREVIOUS SCHOOL YEAR.

(b) IN IMPLEMENTING A FULL-DAY KINDERGARTEN EDUCATIONAL PROGRAM AUTHORIZED BY THIS SUBSECTION (3), A BOARD OF EDUCATION MAY CONTRACT WITH ANY OTHER PUBLIC OR PRIVATE ENTITY, INCLUDING BUT NOT LIMITED TO A CHILD CARE CENTER, AS DEFINED IN SECTION 26-6-102 (1.5), C.R.S., OR A HEAD START AGENCY, AS DEFINED IN SECTION 22-28-103 (6), TO PROVIDE THE EDUCATIONAL PROGRAM. AN ENTITY PROVIDING AN EDUCATIONAL PROGRAM PURSUANT TO THIS SUBSECTION (3) SHALL COMPLY WITH ALL APPLICABLE STATE AND FEDERAL LAWS WITH RESPECT TO PROVIDING THE EDUCATIONAL PROGRAM. A BOARD OF EDUCATION, BY MUTUAL AGREEMENT WITH THE ENTITY, MAY PLACE A TEACHER WITH THE ENTITY IN ORDER TO IMPLEMENT THE EDUCATIONAL PROGRAM.

(c) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE IMPLEMENTATION OF NEW FULL-DAY KINDERGARTEN EDUCATIONAL PROGRAMS IS AN IMPORTANT ELEMENT OF EXPANDING THE AVAILABILITY OF KINDERGARTEN PROGRAMS AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

SECTION 7. 22-54-103 (10) (b) (I) and (10) (f), Colorado Revised Statutes, are amended to read:

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

(10) (b) (I) A pupil enrolled in a ~~half-day~~ kindergarten educational program PURSUANT TO SECTION 22-32-119 (1) shall be counted as not more than a half-day pupil. A PUPIL ENROLLED IN A FULL-DAY KINDERGARTEN PROGRAM PURSUANT TO SECTION 22-32-119 (3) SHALL BE COUNTED AS A FULL-DAY PUPIL. For the 2005-06 budget year and each budget year thereafter, a district shall count and receive funding only for pupils enrolled in a ~~half-day~~ kindergarten educational program who are five years old as of October 1 of the applicable budget year.

(f) In certifying the district's pupil enrollment to the state board pursuant to the provisions of section 22-54-112, the district shall specify the number of pupils enrolled in half-day kindergarten; THE NUMBER OF PUPILS ENROLLED IN A FULL-DAY KINDERGARTEN PROGRAM PURSUANT TO SECTION 22-32-119 (3); the number of pupils enrolled in first grade through twelfth grade, specifying those who are enrolled as full-time pupils and those who are enrolled as less than full-time pupils; the number of expelled pupils receiving educational services pursuant to section 22-33-203; the number of pupils enrolled in the district's preschool program; the number of pupils receiving educational programs under the "Exceptional Children's Educational Act", article 20 of this title; and the number of at-risk pupils.

SECTION 8. The introductory portion to 22-42-104 (1.3), Colorado Revised Statutes, is amended to read:

22-42-104. Limit of bonded indebtedness. (1.3) Notwithstanding the provisions of paragraph (a) of subsection (1) of this section, the limit on bonded indebtedness of a school district shall be the greater of the limit determined pursuant to paragraph (b) of subsection (1) of this section or twenty-five percent of the latest valuation for assessment of the taxable property in such district, as certified by the county assessor

to the board of county commissioners, for any bonded indebtedness approved at any election held ~~between~~ ON OR AFTER July 1, 1994, ~~and July 1, 2005~~, if the commissioner of education or the commissioner's designee certifies that for each of the preceding three fiscal years the pupil enrollment or the funded pupil count of the district as of October 1, whichever is applicable, has increased:

SECTION 9. 22-54-117 (1.7) (a), Colorado Revised Statutes, is amended to read:

22-54-117. Contingency reserve - capital construction expenditures reserve.

(1.7) (a) In addition to any amount annually appropriated by the general assembly to the state public school fund as a contingency reserve and any amount appropriated from the general fund to the state public school fund as a school capital construction expenditures reserve in accordance with section 24-75-201.1 (4) (b), C.R.S., and subsection (1.5) of this section, for the 2001-02 budget year and ~~for the 2005-06 budget year, and budget years thereafter~~, an amount equal to the amount appropriated for the budget year from the state education fund created in section 17 (4) of article IX of the state constitution to the department of education pursuant to section 22-54-124 (4) shall be appropriated from the state education fund to the school capital construction expenditures reserve created in said subsection (1.5) to be used only as provided in said subsection (1.5).

SECTION 10. 22-5-106 (1), Colorado Revised Statutes, is amended to read:

22-5-106. Financing, budgeting, and accounting. (1) (a) Financing of the services performed under the direction of the board of cooperative services shall be by contributions from available moneys in any funds, which may be legally expended for such services, of the participating members on the basis of a proportionality agreed upon by the participating members and from the boards of cooperative services.

(b) A BOARD OF COOPERATIVE SERVICES MAY FINANCE ALL OR A PORTION OF THE COSTS OF AN APPROVED VOCATIONAL EDUCATION PROGRAM FROM FUNDS RECEIVED PURSUANT TO ARTICLE 8 OF TITLE 23, C.R.S.

SECTION 11. 23-8-101.5, Colorado Revised Statutes, is amended to read:

23-8-101.5. Definitions. As used in this article, unless the context otherwise requires:

(1) "BOARD OF COOPERATIVE SERVICES" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 22-5-103 (2), C.R.S.

(2) "BOARD OF COOPERATIVE SERVICES'S PER PUPIL OPERATING REVENUES" MEANS THE AMOUNT RECEIVED BY A BOARD OF COOPERATIVE SERVICES AS TUITION FOR STUDENTS ENROLLED IN AN APPROVED VOCATIONAL EDUCATION PROGRAM.

~~(1)~~ (3) "Institute charter school" means a charter school that enters into a charter contract with the state charter school institute pursuant to part 5 of article 30.5 of title 22, C.R.S.

~~(2)~~ (4) "Institute charter school's per pupil operating revenues" means the amount

received by an institute charter school pursuant to the provisions of section 22-54-115 (1.3), C.R.S., for any budget year, divided by the number of pupils enrolled in the institute charter school for that budget year, minus the minimum amount per pupil required by section 22-30.5-513, C.R.S., to be allocated for capital reserve or risk management purposes.

SECTION 12. The introductory portion to 23-8-102 (1) and 23-8-102 (1) (a), (1) (b), (2), (3), (4), and (5), Colorado Revised Statutes, are amended to read:

23-8-102. School districts, boards of cooperative services, and institute charter schools conducting vocational education courses - eligibility for state funds. (1) Any school district, BOARD OF COOPERATIVE SERVICES, or institute charter school of the state conducting any course of vocational education, approved pursuant to section 23-8-103 by the state board for community colleges and occupational education, referred to in this article as the "board", is entitled to vocational education program support from funds appropriated for the purpose by the general assembly. The amount of vocational education program support which a district, BOARD OF COOPERATIVE SERVICES, or institute charter school is entitled to receive pursuant to provisions of this article shall be computed as follows:

(a) The cost of providing the approved vocational education programs of the district, BOARD OF COOPERATIVE SERVICES, or institute charter school shall be computed in accordance with paragraph (c) of this subsection (1). The cost so computed shall be divided by the number of full-time equivalent students to be served by the programs, and the result shall be designated, for purposes of this article, as the district's, BOARD OF COOPERATIVE SERVICES'S, or institute charter school's vocational education program cost per full-time equivalent student.

(b) As vocational education program support, the state shall provide, to each school district, EACH BOARD OF COOPERATIVE SERVICES, and each institute charter school conducting an approved vocational education program for each twelve-month period beginning July 1, eighty percent of the first one thousand two hundred fifty dollars, or part thereof, by which the district's, BOARD OF COOPERATIVE SERVICES'S, or institute charter school's approved vocational education program cost per full-time equivalent student exceeds seventy percent of the district's per pupil operating revenues, as defined in section 22-54-103 (9), C.R.S., SEVENTY PERCENT OF THE BOARD OF COOPERATIVE SERVICES'S PER PUPIL OPERATING REVENUES, or seventy percent of the institute charter school's per pupil operating revenues, for the school budget year during which such twelve-month period begins. In addition, if the district's, BOARD OF COOPERATIVE SERVICES'S, or institute charter school's approved vocational education cost per full-time equivalent student exceeds seventy percent of its per pupil operating revenues by an additional amount in excess of one thousand two hundred fifty dollars, the state shall provide fifty percent of such additional amount.

(2) To be eligible to receive such funds, the district, BOARD OF COOPERATIVE SERVICES, or institute charter school must assume the obligation of paying the balance of the program costs.

(3) The provisions of this section shall not be construed to prevent any school district, BOARD OF COOPERATIVE SERVICES, or institute charter school from

conducting any course in vocational education with costs in excess of those for which state vocational education program support funds are approved by the board.

(4) Funds made available under this article shall be distributed quarterly on the basis of expenditure estimates furnished to the board by participating school districts, BOARDS OF COOPERATIVE SERVICES, and institute charter schools. As soon as practicable after July 1 of each year, beginning in 1971, each participating school district, BOARD OF COOPERATIVE SERVICES, and ~~each participating~~ institute charter school shall file with the board a report comparing estimated and actual expenditures for all vocational education programs financed pursuant to the provisions of this article during the preceding twelve-month period. The board shall determine if such expenditures coincide with the estimates of such school district, BOARD OF COOPERATIVE SERVICES, or institute charter school and shall adjust the next quarterly payment as may be necessary to accommodate any underpayment or overpayment of state funds to the school district, BOARD OF COOPERATIVE SERVICES, or institute charter school.

(5) If the appropriations to implement subsections (1) to (4) of this section are less than the total amount required to pay the vocational education program support for approved vocational education courses, the board shall prorate the amount to be paid each school district, BOARD OF COOPERATIVE SERVICES, and ~~each~~ institute charter school in the same proportion that the appropriation bears to such total amount so required for distribution. Any unexpended balance of any such appropriation shall revert to the general fund at the end of the fiscal year for which the appropriation is made.

SECTION 13. 23-8-103 (1), (2) (c), (2) (d), and (3), Colorado Revised Statutes, are amended to read:

23-8-103. Standards for eligibility for grants. (1) The board shall not approve vocational education program support to be provided under section 23-8-102 unless the courses of vocational education conducted by a school district, BOARD OF COOPERATIVE SERVICES, or institute charter school meet the standards prescribed in subsection (2) of this section.

(2) Any such course shall:

(c) Have a technical advisory committee ~~which~~ THAT functions at the state, regional, or local level to assist school districts, BOARDS OF COOPERATIVE SERVICES, and institute charter schools in planning and conducting their vocational education curricula;

(d) Be conducted in facilities that are sufficiently equipped to permit adequate training and education; such facilities may be located within or outside the school district, OR IN THE CASE OF A PROGRAM CONDUCTED BY A BOARD OF COOPERATIVE SERVICES, WITHIN OR OUTSIDE ANY OF THE SCHOOL DISTRICTS PARTICIPATING IN THE BOARD OF COOPERATIVE SERVICES, and they may be housed in buildings ~~which~~ THAT are not owned or operated by a school district, A BOARD OF COOPERATIVE SERVICES, or an institute charter school;

(3) In approving programs and vocational education program support funds under

this article, the board shall attempt to avoid unnecessary duplication in either facilities or staffing for vocational education in any school district, BOARD OF COOPERATIVE SERVICES, institute charter school, or area of this state; and, where feasible, sharing of facilities shall be required by the board.

SECTION 14. 22-1-104, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-1-104. Teaching of history, culture, and civil government. (6) (a) IN AN EFFORT TO STRENGTHEN THE TEACHING OF CIVIC EDUCATION IN ALL PUBLIC SCHOOLS OF THE STATE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION, THE DEPARTMENT OF EDUCATION SHALL ASSIST THE SCHOOL DISTRICTS OF THE STATE IN DEVELOPING AND PROMOTING PROGRAMS FOR ELEMENTARY AND SECONDARY STUDENTS THAT ADDRESS THE STATE MODEL CONTENT STANDARDS FOR CIVICS AND PROMOTE BEST PRACTICES IN CIVIC EDUCATION.

(b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE OBJECTIVES SPECIFIED IN THIS SUBSECTION (6) ARE TO BE FUNDED THROUGH THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION. THE GENERAL ASSEMBLY HEREBY FINDS THAT THE DEVELOPMENT, PROMOTION, AND MAINTENANCE BY THE SCHOOL DISTRICTS OF THE STATE OF PROGRAMS FOR ELEMENTARY AND SECONDARY STUDENTS THAT ADDRESS THE STATE MODEL CONTENT STANDARDS FOR CIVICS AND PROMOTE BEST PRACTICES IN CIVIC EDUCATION ASSIST THESE STUDENTS IN MEETING STATE ACADEMIC STANDARDS AND MAY THEREFORE BE FUNDED FROM MONEYS IN THE STATE EDUCATION FUND.

SECTION 15. 22-28-104 (2) (d) (I) (A) and (2) (d) (I) (E), Colorado Revised Statutes, are amended, and the said 22-28-104 (2) (d) (I) is further amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, to read:

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

(d) (I) (A) To not more than 8,850 in the 1998-99 budget year, to not more than 9,050 in the 1999-2000 and 2000-01 budget years, to not more than 10,050 in the 2001-02 budget year, ~~and~~ to not more than 11,050 in the 2002-03 budget year, AND TO NOT MORE THAN 12,360 IN THE 2005-06 BUDGET YEAR and budget years thereafter; except that for the 2003-04 and 2004-05 budget years, the number of children that may participate in the state preschool program shall not exceed 9,050.

(E) For the 2003-04 ~~budget year and budget years thereafter~~ AND 2004-05 BUDGET YEARS, the department shall allow school districts to apply to the department for authorization to serve no more than one thousand eligible children through a full-day kindergarten component of the district's preschool program. The department, using established criteria, shall select school districts to participate in such full-day kindergarten programs until the total number of full-day kindergarten positions applied for has been filled or the limitation of one thousand children has been reached, whichever event occurs first. Notwithstanding any other provision of law, no waivers shall be granted by the department that would allow more than one

thousand full-day kindergarten children.

(F) FOR THE 2005-06 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DEPARTMENT SHALL ALLOW SCHOOL DISTRICTS TO APPLY TO THE DEPARTMENT FOR AUTHORIZATION TO SERVE NO MORE THAN ONE THOUSAND FIVE HUNDRED ELIGIBLE CHILDREN THROUGH A FULL-DAY KINDERGARTEN COMPONENT OF THE DISTRICT'S PRESCHOOL PROGRAM. THE DEPARTMENT, USING ESTABLISHED CRITERIA, SHALL SELECT SCHOOL DISTRICTS TO PARTICIPATE IN SUCH FULL-DAY KINDERGARTEN PROGRAMS UNTIL THE TOTAL NUMBER OF FULL-DAY KINDERGARTEN POSITIONS APPLIED FOR HAS BEEN FILLED OR THE LIMITATION OF ONE THOUSAND FIVE HUNDRED CHILDREN HAS BEEN REACHED, WHICHEVER EVENT OCCURS FIRST. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO WAIVERS SHALL BE GRANTED BY THE DEPARTMENT THAT WOULD ALLOW MORE THAN ONE THOUSAND FIVE HUNDRED FULL-DAY KINDERGARTEN CHILDREN.

SECTION 16. 22-54-106 (4), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

22-54-106. Local and state shares of district total program. (4) (d) FOR PURPOSES OF THIS SUBSECTION (4), "STATE'S SHARE OF THE TOTAL PROGRAM OF ALL DISTRICTS" DOES NOT INCLUDE THE AGGREGATE AMOUNT OF ADDITIONAL STATE AID PROVIDED PURSUANT TO SUBSECTION (8) OF THIS SECTION TO ALL DISTRICTS THAT HAVE ENTERED INTO AGREEMENTS WITH TAXPAYERS PURSUANT TO SECTION 22-32-110 (1) (ff) OR (1) (gg).

SECTION 17. 22-54-106 (8), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

22-54-106. Local and state shares of district total program. (8) (e) (I) FOR THE 2005-06 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, IF THE GENERAL ASSEMBLY DOES NOT APPROPRIATE AN AMOUNT SUFFICIENT TO FULLY FUND THE AMOUNT OF ADDITIONAL STATE AID AVAILABLE PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (8) TO ALL DISTRICTS THAT HAVE ENTERED INTO AN AGREEMENT WITH A TAXPAYER PURSUANT TO SECTION 22-32-110 (1) (ff) OR (1) (gg), OR IF A SUPPLEMENTAL APPROPRIATION IS MADE TO REDUCE OR ELIMINATE THE ADDITIONAL STATE AID THAT SUCH DISTRICTS WOULD OTHERWISE RECEIVE PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (8), THE ADDITIONAL STATE AID THAT EACH SUCH DISTRICT WOULD OTHERWISE RECEIVE PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (8) SHALL BE REDUCED BY A PERCENTAGE DETERMINED BY DIVIDING THE DEFICIT IN SUCH APPROPRIATION OR THE REDUCTION IN THE APPROPRIATION, WHICHEVER IS APPLICABLE, BY THE TOTAL AMOUNT OF ADDITIONAL STATE AID THAT SUCH DISTRICTS WOULD HAVE RECEIVED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (8) ABSENT THE DEFICIT OR REDUCTION IN THE APPROPRIATION. THE DEPARTMENT OF EDUCATION SHALL ENSURE THAT THE REDUCTION IN STATE AID REQUIRED BY THIS PARAGRAPH (e) IS ACCOMPLISHED PRIOR TO THE END OF THE BUDGET YEAR.

(II) FOR PURPOSES OF THIS SECTION, "ADDITIONAL STATE AID" MEANS THE DIFFERENCE BETWEEN:

(A) THE AMOUNT OF THE STATE'S SHARE OF A DISTRICT'S TOTAL PROGRAM

CALCULATED IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (8); AND

(B) THE AMOUNT OF WHAT THE STATE'S SHARE OF SUCH DISTRICT'S TOTAL PROGRAM WOULD HAVE BEEN IF THE VALUATION FOR ASSESSMENT OF THE DISTRICT THAT ENTERED INTO AN AGREEMENT WITH A TAXPAYER PURSUANT TO SECTION 22-32-110 (1) (ff) OR (1) (gg) INCLUDED THE PORTION OF THE VALUATION FOR ASSESSMENT OF THE PERSONAL PROPERTY OF THE TAXPAYER WHICH, WHEN LEVIED UPON BY THE DISTRICT, WOULD RESULT IN PROPERTY TAX REVENUE EQUAL TO THE AMOUNT OF INCENTIVE PAYMENT OR CREDIT TO SUCH TAXPAYER PURSUANT TO SUCH AGREEMENT.

SECTION 18. 22-2-108, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-2-108. Federal financial assistance. (4) BY JULY 1, 2005, AND BY JULY 1 OF EACH YEAR THEREAFTER, THE STATE BOARD SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, DETAILING THE TOTAL AMOUNT OF FEDERAL FUNDS RECEIVED BY THE STATE BOARD IN THE PRIOR FISCAL YEAR, ACCOUNTING HOW THE FUNDS WERE USED, SPECIFYING THE FEDERAL LAW OR REGULATION THAT GOVERNS THE USE OF THE FEDERAL FUNDS, IF ANY, AND PROVIDING INFORMATION REGARDING ANY FLEXIBILITY THE STATE BOARD HAS IN USING THE FEDERAL FUNDS.

SECTION 19. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in section 17 (4) of article IX of the state constitution not otherwise appropriated, to the national credential fund created in section 22-60.5-112.5 (4) (b), Colorado Revised Statutes, for the fiscal year beginning July 1, 2005, the sum of eighty-three thousand dollars (\$83,000), and such sum, or so much thereof as may be necessary, is further appropriated to the department of education, for the implementation of section 22-60.5-112.5, Colorado Revised Statutes.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in section 17 (4) of article IX of the state constitution not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2005, the sum of two hundred thousand dollars (\$200,000), or so much thereof as may be necessary, for the implementation of section 22-1-104 (6), Colorado Revised Statutes.

SECTION 20. Appropriation - adjustments to the 2005 long bill. (1) For the implementation of this act, appropriations made in the annual general appropriation act to the department of education, for the fiscal year beginning July 1, 2005, shall be adjusted as follows:

(a) The appropriation for assistance to public schools, public school finance, state share of districts' total program funding, is increased sixteen million four hundred nineteen thousand seven hundred fifty-three dollars (\$16,419,753). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(b) The appropriation for assistance to public schools, public school finance, for

additional state aid related to locally negotiated business incentive agreements, is decreased by two million two hundred eighty thousand twenty-nine dollars (\$2,280,029).

(c) The general fund appropriation for assistance to public schools, categorical programs, district programs required by statute, for special education - children with disabilities, is increased by two million two hundred eighty thousand twenty-nine dollars (\$2,280,029).

SECTION 21. 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: April 29, 2005