

CHAPTER 171

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 06-1375

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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) (XIII) FOR THE 2006-07 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING SHALL BE \$4,863.87, WHICH IS AN AMOUNT EQUAL TO \$4,717.62 SUPPLEMENTED BY \$146.25 TO ACCOUNT FOR INFLATION PLUS AN ADDITIONAL ONE PERCENTAGE POINT.

SECTION 2. 22-54-105 (1) (b), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

22-54-105. Instructional supplies and materials - capital reserve and insurance reserve - at-risk funding - preschool funding. (1) (b) (IV) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (b), FOR THE 2006-07 BUDGET YEAR AND BUDGET YEARS THEREAFTER, IF A DISTRICT'S EXPENDITURES FOR INSTRUCTIONAL SUPPLIES AND MATERIALS, INSTRUCTIONAL CAPITAL OUTLAY, AND OTHER INSTRUCTIONAL PURPOSES EXCEEDS THE AMOUNT REQUIRED TO BE BUDGETED IN ACCORDANCE WITH THIS PARAGRAPH (b) FOR A GIVEN BUDGET YEAR, THE DISTRICT MAY SUBTRACT AN AMOUNT EQUAL TO THE AMOUNT OF THE EXCESS EXPENDITURES IN THAT BUDGET YEAR FROM THE AMOUNT REQUIRED TO BE BUDGETED FOR INSTRUCTIONAL SUPPLIES

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

AND MATERIALS, INSTRUCTIONAL CAPITAL OUTLAY, AND OTHER INSTRUCTIONAL PURPOSES IN ACCORDANCE WITH THIS PARAGRAPH (b) FOR THE SUBSEQUENT BUDGET YEAR.

SECTION 3. Repeal. 22-54-114 (2.3), Colorado Revised Statutes, is repealed as follows:

~~**22-54-114. State public school fund.** (2.3) Notwithstanding any provision of this article to the contrary, of the total amount appropriated by the general assembly in the annual appropriation bill for each budget year to meet the state's share of the total program of all districts, the department of education may transfer an amount specified by the general assembly in the annual general appropriation bill for that budget year to offset the direct and indirect administrative costs incurred by the department in implementing the provisions of this article. The total program of each district that receives state aid shall be reduced by a percentage determined by dividing the amount of the transfer by the total program of all districts that receive state aid. The state aid of each district shall be reduced by the amount of the reduction in the district's total program or the amount of state aid, whichever is less. The department of education shall ensure that the reduction in state aid required by this subsection (2.3) is accomplished prior to the end of the budget year. The reduction in total program described in this subsection (2.3) shall be in addition to any reduction that may be required pursuant to section 22-54-106 (4) (c).~~

SECTION 4. 19-2-402 (3) (b), Colorado Revised Statutes, is amended, and the said 19-2-402 (3) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

19-2-402. Juvenile detention services and facilities to be provided by department of human services - education. (3) (b) ~~Effective January 1, 1988~~ The expenses incurred by a school district pursuant to paragraph (a) of this subsection (3), MINUS THE TOTAL AMOUNT OF PER-PUPIL REVENUES THAT THE SCHOOL DISTRICT RECEIVES PURSUANT TO ARTICLE 54 OF TITLE 22, C.R.S., FOR THE JUVENILES IN THE JUVENILE DETENTION FACILITY, shall be shared and paid by each school district served in the proportion that the ~~school~~ enrollment of each school district bears to the total ~~school~~ enrollment of all the districts served.

(c) (I) FOR THE 2006-07 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE EXPENSES INCURRED BY A SCHOOL DISTRICT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (3) SHALL BE SHARED AND PAID BY THE SCHOOL DISTRICT, EACH CHARTER SCHOOL OF THE DISTRICT, AND EACH INSTITUTE CHARTER SCHOOL LOCATED IN THE SCHOOL DISTRICT. EACH CHARTER SCHOOL OF THE DISTRICT AND INSTITUTE CHARTER SCHOOL SHALL PAY IN THE PROPORTION THAT THE CHARTER SCHOOL OF THE DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S ENROLLMENT BEARS TO THE TOTAL DISTRICT ENROLLMENT.

(II) FOR THE PURPOSE OF THIS PARAGRAPH (c), "TOTAL DISTRICT ENROLLMENT" MEANS THE TOTAL OF THE PUPIL ENROLLMENT IN THE SCHOOL DISTRICT, PLUS THE DISTRICT ON-LINE ENROLLMENT, THE DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAM ENROLLMENT, AND THE PUPIL ENROLLMENT IN EACH INSTITUTE CHARTER SCHOOL THAT IS LOCATED WITHIN THE SCHOOL DISTRICT, AS DETERMINED IN ACCORDANCE WITH ARTICLE 54 OF TITLE 22, C.R.S.

SECTION 5. Part 1 of article 2 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-2-128. Department of education - reciprocal agreements with adjacent states - report. (1) THE DEPARTMENT SHALL, TO THE EXTENT THAT EACH STATE THAT IS ADJACENT TO COLORADO IS AGREEABLE, NEGOTIATE A RECIPROCAL AGREEMENT WITH EACH SUCH STATE TO ALLOW A CHILD WHO IS A RESIDENT OF ONE STATE TO ATTEND A PUBLIC SCHOOL IN THE OTHER STATE WITHOUT PAYING TUITION WHEN THE GEOGRAPHIC CONDITIONS OR DISTANCES ARE SUCH THAT IT WOULD BE IMPRACTICABLE FOR THE CHILD TO ATTEND THE SCHOOLS OF HIS OR HER OWN STATE.

(2) ON OR BEFORE JANUARY 31, 2007, THE DEPARTMENT SHALL SUBMIT TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, A REPORT THAT INCLUDES BUT NEED NOT BE LIMITED TO A LIST OF THE STATES THAT ARE ADJACENT TO COLORADO THAT HAVE ENTERED INTO A RECIPROCAL AGREEMENT WITH COLORADO PURSUANT TO SUBSECTION (1) OF THIS SECTION.

SECTION 6. 22-20-109 (4) (a), (5) (a), and (6), Colorado Revised Statutes, are amended, and the said 22-20-109 is further amended, BY THE ADDITION OF A NEW SUBSECTION to read:

22-20-109. Tuition - repeal. (4) (a) When a child with a disability enrolls and attends a school in a district other than the child's district of residence pursuant to the provisions of section 22-36-101, and the school does not provide the child an on-line program pursuant to section 22-33-104.6, the district of residence shall be responsible for paying the tuition charge for educating the child to the district of attendance. The district of attendance shall not charge the district of residence tuition for the excess costs incurred in educating a child with a disability ~~who receives educational services from the district of attendance for less than a percentage of time specified by rule of the state board~~ UNLESS THE CHILD MEETS THE CRITERIA FOR FUNDING PURSUANT TO SECTION 22-20-114 (1) (c) (II). The district of attendance shall provide notice to the district of residence in accordance with state board rules adopted pursuant to paragraph (b) of this subsection (4) when a child with a disability applies to enroll in a school in the district of attendance. The amount of the tuition charge shall be determined pursuant to a contract entered into between the two districts pursuant to subsection (1) of this section. Under the circumstances described in this subsection (4), the provisions of section 22-20-108 (8) shall not apply.

(5) (a) When a child with a disability enrolls in and attends a district charter school pursuant to the provisions of part 1 of article 30.5 of this title, OR AN INSTITUTE CHARTER SCHOOL PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE, including a DISTRICT OR INSTITUTE charter school that provides an on-line program pursuant to section 22-33-104.6, the district of residence shall be responsible for paying to the district OR INSTITUTE charter school the tuition charge for the excess costs incurred in educating the child. THE DISTRICT OR INSTITUTE CHARTER SCHOOL SHALL NOT CHARGE THE DISTRICT OF RESIDENCE TUITION FOR THE EXCESS COSTS INCURRED IN EDUCATING A CHILD WITH A DISABILITY UNLESS THE CHILD MEETS THE CRITERIA FOR FUNDING PURSUANT TO SECTION 22-20-114 (1) (c) (II). The tuition

responsibility shall be reflected in a contract between the DISTRICT OR INSTITUTE charter school and the district of residence in a form approved by the chartering district. The DISTRICT OR INSTITUTE charter school shall provide notice to the district of residence in accordance with state board rules adopted pursuant to subsection (7) of this section when a child with a disability applies to enroll in the DISTRICT OR INSTITUTE charter school. The amount of the tuition charge shall be determined pursuant to rules adopted by the state board pursuant to subsection (7) of this section. Under the circumstances described in this subsection (5), the provisions of section 22-20-108 (8) shall not apply.

(6) When a child with a disability enrolls in and attends an on-line program pursuant to section 22-33-104.6 that is not provided by a DISTRICT OR INSTITUTE charter school, the district of residence shall be responsible for paying to the provider of the on-line program the tuition charge for the excess costs incurred in educating the child. THE PROVIDER OF THE ON-LINE PROGRAM SHALL NOT CHARGE THE DISTRICT OF RESIDENCE TUITION FOR THE EXCESS COSTS INCURRED IN EDUCATING A CHILD WITH A DISABILITY WHO RECEIVES EDUCATIONAL SERVICES FROM THE PROVIDER OF THE ON-LINE PROGRAM UNLESS THE CHILD MEETS THE CRITERIA FOR FUNDING PURSUANT TO SECTION 22-20-114 (1) (c) (II). The tuition responsibility shall be reflected in a contract between the district of attendance and the district of residence in a form approved by the state board. The on-line provider shall provide notice to the district of residence in accordance with state board rules adopted pursuant to subsection (7) of this section when a child with a disability applies to enroll in the on-line program. The amount of the tuition charge shall be determined pursuant to rules adopted by the state board pursuant to subsection (7) of this section. Under the circumstances described in this subsection (6), the provisions of section 22-20-108 (8) shall not apply.

(8) (a) THE STATE BOARD SHALL EXAMINE AND DEVELOP PROPOSED CRITERIA, IN ADDITION TO THOSE SPECIFIED IN SUBSECTIONS (4), (5), AND (6) OF THIS SECTION, BY WHICH TO DETERMINE WHETHER A CHILD'S SCHOOL DISTRICT OF RESIDENCE SHALL BE REQUIRED TO PAY A DISTRICT OF ATTENDANCE, A DISTRICT OR INSTITUTE CHARTER SCHOOL, OR THE PROVIDER OF AN ON-LINE PROGRAM THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING A CHILD WITH A DISABILITY WHO RECEIVES EDUCATIONAL SERVICES FROM THE DISTRICT OF ATTENDANCE, THE DISTRICT OR INSTITUTE CHARTER SCHOOL, OR THE PROVIDER OF THE ON-LINE PROGRAM, AS APPLICABLE. IN DEVELOPING THE PROPOSED CRITERIA, THE STATE BOARD SHALL, AT A MINIMUM, CONSIDER THE INTENSITY AND DURATION OF THE SPECIAL EDUCATION SERVICES PROVIDED AS FACTORS IN DETERMINING WHEN A CHILD'S DISTRICT OF RESIDENCE IS RESPONSIBLE FOR PAYING A SCHOOL DISTRICT OF ATTENDANCE, A DISTRICT OR INSTITUTE CHARTER SCHOOL, OR A PROVIDER OF AN ON-LINE PROGRAM, AS APPLICABLE, THE TUITION CHARGE FOR EXCESS COSTS. THE STATE BOARD SHALL ENSURE THAT THE PROPOSED CRITERIA FOR PAYING THE TUITION CHARGE FOR EXCESS COSTS ARE THE SAME FOR A SCHOOL DISTRICT OF ATTENDANCE, A DISTRICT OR INSTITUTE CHARTER SCHOOL, AND A PROVIDER OF AN ON-LINE PROGRAM THAT PROVIDES EDUCATIONAL SERVICES TO A CHILD WITH A DISABILITY.

(b) THE STATE BOARD SHALL REPORT ITS FINDINGS AND PROPOSED CRITERIA TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, ON OR BEFORE DECEMBER 15, 2006.

(c) THIS SUBSECTION (8) IS REPEALED JANUARY 1, 2007.

SECTION 7. 22-20-114, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

22-20-114. Funding of programs. (1) SUBJECT TO THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION, FOR THE 2005-06 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE TOTAL AMOUNT APPROPRIATED TO THE DEPARTMENT FOR THE PAYMENT OF COSTS INCURRED BY ADMINISTRATIVE UNITS FOR THE PROVISION OF SPECIAL EDUCATION PROGRAMS SHALL BE DISTRIBUTED TO EACH ADMINISTRATIVE UNIT THAT PROVIDES EDUCATIONAL SERVICES FOR CHILDREN WITH DISABILITIES AS FOLLOWS:

(a) (I) FIVE HUNDRED THOUSAND DOLLARS TO EACH ADMINISTRATIVE UNIT THAT ENROLLS CHILDREN WITH DISABILITIES:

(A) FOR WHOM TUITION IS PAID BY THE ADMINISTRATIVE UNITS FOR THE CHILDREN TO RECEIVE EDUCATIONAL SERVICES AT FACILITIES APPROVED BY THE STATE BOARD PURSUANT TO SECTION 22-2-107 (1) (p); AND

(B) FOR WHOM PARENTAL RIGHTS HAVE BEEN RELINQUISHED BY THE PARENTS OR TERMINATED BY A COURT, THE PARENTS OF WHOM ARE INCARCERATED, THE PARENTS OF WHOM CANNOT BE LOCATED, THE PARENTS OF WHOM RESIDE OUT OF THE STATE BUT THE DEPARTMENT OF HUMAN SERVICES HAS PLACED THE CHILDREN WITHIN THE ADMINISTRATIVE UNIT, OR WHO ARE LEGALLY EMANCIPATED.

(II) THE MONEYS APPROPRIATED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) SHALL BE DISTRIBUTED IN EACH BUDGET YEAR TO ADMINISTRATIVE UNITS BASED UPON EACH ADMINISTRATIVE UNIT'S SHARE OF THE AGGREGATE NUMBER OF CHILDREN WITH DISABILITIES WHO ARE SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a); EXCEPT THAT AN ADMINISTRATIVE UNIT SHALL NOT RECEIVE AN AMOUNT THAT EXCEEDS THE AGGREGATE AMOUNT OF TUITION PAID BY THAT ADMINISTRATIVE UNIT FOR THE SPECIFIED CHILDREN WITH DISABILITIES TO RECEIVE EDUCATIONAL SERVICES AT FACILITIES APPROVED BY THE STATE BOARD PURSUANT TO SECTION 22-2-107 (1) (p) DURING THE IMMEDIATELY PRECEDING BUDGET YEAR. FOR PURPOSES OF THIS PARAGRAPH (a), THE NUMBER OF CHILDREN WITH DISABILITIES THAT ARE SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) SHALL BE BASED UPON THE COUNT TAKEN IN DECEMBER OF THE IMMEDIATELY PRECEDING BUDGET YEAR.

(b) AN AMOUNT EQUAL TO ONE THOUSAND TWO HUNDRED FIFTY DOLLARS FOR EACH CHILD WITH DISABILITIES RECEIVING SPECIAL EDUCATION SERVICES FROM THE ADMINISTRATIVE UNIT; AND

(c) (I) IF ANY AMOUNT OF THE TOTAL ANNUAL APPROPRIATION REMAINS AFTER THE DISTRIBUTIONS SPECIFIED IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (1) HAVE BEEN MADE, AND AFTER THE DISTRIBUTION OF THE PORTION OF THE TOTAL ANNUAL APPROPRIATION DESIGNATED FOR HIGH COST GRANTS PURSUANT TO SUBSECTION (2) OF THIS SECTION HAS BEEN MADE, SIX THOUSAND DOLLARS PER CHILD WITH ONE OR MORE DISABILITIES, AS DESCRIBED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (c), FOR A PERCENTAGE OF SUCH CHILDREN RECEIVING SPECIAL

EDUCATION SERVICES FROM THE ADMINISTRATIVE UNIT. THE DEPARTMENT SHALL ANNUALLY DETERMINE THE PERCENTAGE OF SUCH CHILDREN FOR WHICH AN ADMINISTRATIVE UNIT MAY RECEIVE ADDITIONAL FUNDING PURSUANT TO THIS PARAGRAPH (c) BASED ON THE AMOUNT OF THE REMAINING APPROPRIATION AND THE PER-PUPIL AMOUNT OF SIX THOUSAND DOLLARS.

(II) AN ADMINISTRATIVE UNIT THAT PROVIDES SPECIAL EDUCATION SERVICES TO CHILDREN WHO HAVE ONE OR MORE OF THE FOLLOWING DISABILITIES MAY RECEIVE FUNDING PURSUANT TO THIS PARAGRAPH (c):

(A) A VISION DISABILITY AS DEFINED BY THE STATE BOARD;

(B) A HEARING DISABILITY AS DEFINED BY THE STATE BOARD;

(C) A CONCOMITANT HEARING AND VISUAL IMPAIRMENT, THE COMBINATION OF WHICH CAUSES SEVERE COMMUNICATION AND OTHER DEVELOPMENTAL AND EDUCATIONAL NEEDS TO THE EXTENT THAT THE CHILD CANNOT BE ACCOMMODATED IN A SPECIAL EDUCATION PROGRAM SOLELY FOR CHILDREN WITH DEAFNESS OR CHILDREN WITH BLINDNESS;

(D) A SIGNIFICANT IDENTIFIABLE EMOTIONAL DISABILITY AS DEFINED BY THE STATE BOARD;

(E) AUTISM AS DEFINED BY THE STATE BOARD;

(F) A TRAUMATIC BRAIN INJURY AS DEFINED BY THE STATE BOARD;

(G) MULTIPLE DISABILITIES AS DEFINED BY THE STATE BOARD; OR

(H) SIGNIFICANT LIMITED INTELLECTUAL CAPACITY AS DEFINED BY THE STATE BOARD.

(2) IN ADDITION TO THE AMOUNT APPROPRIATED FOR DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION, FOR THE 2006-07 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, SUBJECT TO AVAILABLE APPROPRIATIONS, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWO MILLION DOLLARS FROM THE GENERAL FUND OR FROM ANY OTHER SOURCE TO THE DEPARTMENT TO FUND GRANTS TO ADMINISTRATIVE UNITS AS PROVIDED IN SECTION 22-20-114.5 FOR REIMBURSEMENT OF HIGH COSTS INCURRED IN PROVIDING SPECIAL EDUCATION SERVICES IN THE PRECEDING BUDGET YEAR. ANY AMOUNT RECEIVED BY AN ADMINISTRATIVE UNIT AS A REIMBURSEMENT PURSUANT TO THIS SUBSECTION (2) SHALL BE IN ADDITION TO THE AMOUNT RECEIVED BY THE ADMINISTRATIVE UNIT PURSUANT TO SUBSECTION (1) OF THIS SECTION. THE MONEYS APPROPRIATED BY THE GENERAL ASSEMBLY TO THE DEPARTMENT SHALL BE DISTRIBUTED BY THE COLORADO SPECIAL EDUCATION FISCAL ADVISORY COMMITTEE IN ACCORDANCE WITH SECTION 22-20-114.5.

(3) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (3), FOR THE 2005-06 BUDGET YEAR, THE DEPARTMENT SHALL RECALCULATE THE DISTRIBUTION OF FUNDS TO ADMINISTRATIVE UNITS FOR PROVIDING EDUCATIONAL SERVICES TO CHILDREN WITH DISABILITIES AS NECESSARY TO COMPLY WITH THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION.

(b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, IF THE APPLICATION OF THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION WOULD RESULT IN AN ADMINISTRATIVE UNIT RECEIVING A LESSER AMOUNT FOR PROVIDING EDUCATIONAL SERVICES TO CHILDREN WITH DISABILITIES FOR THE 2005-06 BUDGET YEAR THAN IT WOULD HAVE RECEIVED UNDER THE PROVISIONS OF THIS SECTION AS THEY EXISTED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, THEN THE DEPARTMENT SHALL NOT RECALCULATE THE DISTRIBUTION OF FUNDS FOR THE ADMINISTRATIVE UNIT FOR THE 2005-06 BUDGET YEAR.

(4) AN ADMINISTRATIVE UNIT SHALL NOT RECEIVE THE AMOUNT OF FUNDING TO WHICH IT IS ENTITLED UNDER THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION UNLESS THE ADMINISTRATIVE UNIT HAS PROVIDED TO THE DEPARTMENT THE DATA COLLECTED CONCERNING SPECIAL EDUCATION PROGRAMS, AS REQUIRED BY SUBSECTION (6) OF THIS SECTION, INCLUDING THE COUNT OF ASSESSED CHILDREN WITH DISABILITIES.

(5) PAYMENTS MADE UNDER THE PROVISIONS OF THIS ARTICLE SHALL NOT AFFECT THE AMOUNT OF OTHER STATE AID FOR WHICH AN ADMINISTRATIVE UNIT MAY QUALIFY.

(6) EACH ADMINISTRATIVE UNIT SHALL BE REQUIRED TO COLLECT THE DATA REQUIRED BY THE FEDERAL GOVERNMENT CONCERNING SPECIAL EDUCATION PROGRAMS. EACH ADMINISTRATIVE UNIT SHALL PROVIDE TO THE DEPARTMENT THE DATA COLLECTED CONCERNING SPECIAL EDUCATION PROGRAMS IN ORDER TO RECEIVE THE AMOUNT OF FUNDING TO WHICH IT IS ENTITLED UNDER THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION.

SECTION 8. Article 20 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-20-114.5. Special education fiscal advisory committee - special education high-cost grants - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COMMITTEE" MEANS THE COLORADO SPECIAL EDUCATION FISCAL ADVISORY COMMITTEE CREATED IN SUBSECTION (2) OF THIS SECTION.

(b) "HIGH COSTS" MEANS THE COSTS INCURRED BY AN ADMINISTRATIVE UNIT ABOVE A THRESHOLD AMOUNT DETERMINED PURSUANT TO PARAGRAPH (e) OF SUBSECTION (3) OF THIS SECTION IN PROVIDING SPECIAL EDUCATIONAL SERVICES, EITHER DIRECTLY OR BY CONTRACT, TO A CHILD WITH DISABILITIES.

(c) "PROGRAM" MEANS THE SPECIAL EDUCATION HIGH-COST GRANT PROGRAM CREATED PURSUANT TO THIS SECTION.

(2) (a) THERE IS HEREBY CREATED THE COLORADO SPECIAL EDUCATION FISCAL ADVISORY COMMITTEE IN THE DEPARTMENT. THE COMMITTEE SHALL CONSIST OF THIRTEEN MEMBERS AS FOLLOWS:

(I) THE STATE DIRECTOR FOR EXCEPTIONAL STUDENT SERVICES IN THE DEPARTMENT;

(II) THE STATE DIRECTOR FOR GRANTS FISCAL MANAGEMENT IN THE DEPARTMENT;

(III) A SPECIAL EDUCATION DIRECTOR FROM A BOARD OF COOPERATIVE SERVICES WITH EXPERTISE IN SPECIAL EDUCATION FINANCE SELECTED JOINTLY BY THE STATE DIRECTOR FOR EXCEPTIONAL STUDENT SERVICES AND THE STATE DIRECTOR FOR GRANTS FISCAL MANAGEMENT;

(IV) A BUSINESS OFFICIAL FROM A SMALL RURAL ADMINISTRATIVE UNIT TO BE SELECTED BY THE STATE BOARD BASED ON A RECOMMENDATION FROM A STATEWIDE ASSOCIATION OF SCHOOL EXECUTIVES;

(V) A BUSINESS OFFICIAL FROM A LARGE URBAN OR SUBURBAN ADMINISTRATIVE UNIT TO BE SELECTED BY THE STATE BOARD BASED ON A RECOMMENDATION FROM A STATEWIDE ASSOCIATION OF SCHOOL EXECUTIVES; AND

(VI) EIGHT SPECIAL EDUCATION SPECIALISTS WITH APPROPRIATE STATEWIDE GEOGRAPHIC REPRESENTATION TO BE SELECTED BY THE STATE BOARD BASED ON RECOMMENDATIONS FROM A STATEWIDE CONSORTIUM OF SPECIAL EDUCATION DIRECTORS.

(b) THE MEMBERS OF THE COMMITTEE SHALL SERVE WITHOUT COMPENSATION BUT SHALL BE REIMBURSED BY THE DEPARTMENT FOR ANY NECESSARY EXPENSES INCURRED IN THE CONDUCT OF THEIR OFFICIAL DUTIES ON THE COMMITTEE.

(c) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2016. PRIOR TO ITS REPEAL, THE COMMITTEE SHALL BE REVIEWED AS PROVIDED IN SECTION 2-3-1203, C.R.S.

(3) (a) TO RECEIVE A GRANT FOR REIMBURSEMENT OF HIGH COSTS, AN ADMINISTRATIVE UNIT SHALL APPLY TO THE COMMITTEE IN A FORM AND MANNER DETERMINED BY THE COMMITTEE AND PROVIDE SUCH INFORMATION AS MAY BE REQUESTED BY THE COMMITTEE TO DOCUMENT THE ADMINISTRATIVE UNIT'S HIGH COSTS.

(b) THE COMMITTEE SHALL HAVE THE DISCRETION TO AWARD A GRANT TO AN ADMINISTRATIVE UNIT THAT APPLIES AND QUALIFIES TO RECEIVE A GRANT PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (3). IN DETERMINING WHETHER TO AWARD A GRANT TO AN ADMINISTRATIVE UNIT AND THE AMOUNT OF THE GRANT TO BE AWARDED, THE COMMITTEE SHALL CONSIDER THE ADMINISTRATIVE UNIT'S ANNUAL BUDGET FOR THE PRECEDING BUDGET YEAR AND THE PERCENTAGE OF THE ADMINISTRATIVE UNIT'S ANNUAL BUDGET THAT REPRESENTS THE HIGH COSTS INCURRED BY THE ADMINISTRATIVE UNIT IN THE PRECEDING BUDGET YEAR. IN AWARDED GRANTS, THE COMMITTEE SHALL PRIORITIZE ADMINISTRATIVE UNITS THAT SPENT THE GREATEST PERCENTAGE OF THEIR ANNUAL BUDGET IN THE PRECEDING BUDGET YEAR ON HIGH COSTS INCURRED IN PROVIDING SPECIAL EDUCATION SERVICES TO CHILDREN WITH DISABILITIES. ALL GRANTS AWARDED BY THE COMMITTEE SHALL BE SUBJECT TO APPROVAL BY THE STATE BOARD.

(c) AN ADMINISTRATIVE UNIT SHALL NOT RECEIVE A GRANT IN AN AMOUNT THAT EXCEEDS ONE HUNDRED PERCENT OF THE HIGH COSTS THAT THE ADMINISTRATIVE UNIT INCURRED IN THE PRECEDING BUDGET YEAR.

(d) THE COMMITTEE SHALL NOT AWARD A GRANT TO AN ADMINISTRATIVE UNIT THAT FAILS TO PROVIDE THE DEPARTMENT WITH THE DATA COLLECTED CONCERNING SPECIAL EDUCATION PROGRAMS, AS REQUIRED BY SECTION 22-20-114 (6), INCLUDING THE COUNT OF ASSESSED SPECIAL EDUCATION STUDENTS.

(e) FOR THE PURPOSE OF GRANTS AWARDED IN THE 2006-07 BUDGET YEAR, THE THRESHOLD AMOUNT OF COSTS INCURRED IN PROVIDING SPECIAL EDUCATION SERVICES TO A CHILD WITH DISABILITIES ABOVE WHICH AN ADMINISTRATIVE UNIT MAY RECEIVE REIMBURSEMENT IN THE FORM OF A GRANT PURSUANT TO THE PROVISIONS OF THIS SUBSECTION (3) IS FORTY THOUSAND DOLLARS. FOR THE PURPOSE OF GRANTS AWARDED IN THE 2007-08 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE COMMITTEE SHALL ANNUALLY DETERMINE THE THRESHOLD AMOUNT OF COSTS INCURRED IN PROVIDING SPECIAL EDUCATION SERVICES TO A CHILD WITH DISABILITIES ABOVE WHICH AN ADMINISTRATIVE UNIT MAY RECEIVE REIMBURSEMENT IN THE FORM OF A GRANT.

(4)(a) THE DEPARTMENT SHALL GATHER AND PROVIDE TO THE COMMITTEE DATA THAT INCLUDES BUT NEED NOT BE LIMITED TO THE FOLLOWING:

(I) THE EXTENT TO WHICH THE AMOUNT APPROPRIATED PURSUANT TO SECTION 22-20-114 (1) IS DISTRIBUTED BASED ON THE NEEDS OF CHILDREN WITH DISABILITIES AND THE SEVERITY OF THE NEEDS OF SUCH CHILDREN;

(II) THE NUMBER OF CHILDREN WITH DISABILITIES WHO RECEIVE SPECIAL EDUCATION SERVICES FROM EACH ADMINISTRATIVE UNIT AND THE NATURE OF THE DISABILITY OF EACH CHILD WHO RECEIVES SPECIAL EDUCATION SERVICES FROM EACH ADMINISTRATIVE UNIT;

(III) PATTERNS OF IDENTIFYING CHILDREN WITH DISABILITIES THAT INCLUDE BUT NEED NOT BE LIMITED TO RECOGNIZED INCIDENCE RATES OF OVER- AND UNDER-IDENTIFICATION OF CHILDREN WITH DISABILITIES AT THE ADMINISTRATIVE UNIT, STATE, AND NATIONAL LEVELS;

(IV) THE NUMBER OF HOURS OF SPECIAL EDUCATION SERVICES THAT EACH ADMINISTRATIVE UNIT PROVIDES, DISAGGREGATED BY DISABILITY; AND

(V) THE PERCENTAGE OF THE SCHOOL DAY DURING WHICH CHILDREN WITH DISABILITIES RECEIVE SPECIAL EDUCATION SERVICES FROM THE ADMINISTRATIVE UNIT, DISAGGREGATED BY DISABILITY.

(b) ON OR BEFORE JANUARY 1, 2008, THE COMMITTEE SHALL SUBMIT TO THE STATE BOARD, THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, A STATEWIDE ORGANIZATION OF SPECIAL EDUCATION DIRECTORS, AND THE FINANCIAL POLICIES AND PROCEDURES ADVISORY COMMITTEE CREATED IN THE DEPARTMENT, A REPORT THAT INCLUDES BUT NEED NOT BE LIMITED TO THE FOLLOWING:

(I) THE INFORMATION THAT THE DEPARTMENT GATHERED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) AND ANY ANALYSIS CONDUCTED BY THE COMMITTEE;

(II) RECOMMENDED CHANGES, IF ANY, TO THE MANNER OF DISTRIBUTING FUNDS TO ADMINISTRATIVE UNITS FOR SPECIAL EDUCATION PROGRAMS PURSUANT TO SECTION 22-20-114 (1) (a) AND (1) (b); AND

(III) RECOMMENDED CHANGES, IF ANY, TO THE CATEGORIZATION OF CHILDREN WITH DISABILITIES PURSUANT TO SECTION 22-20-114 (1) (b) AND (1) (c) FOR THE PURPOSE OF DISTRIBUTING FUNDS FOR THE PROVISION OF SPECIAL EDUCATION PROGRAMS.

(5) ON JANUARY 15, 2008, AND ON JANUARY 15 OF EACH YEAR THEREAFTER, THE COMMITTEE SHALL SUBMIT TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, A REPORT THAT INCLUDES BUT NEED NOT BE LIMITED TO A LIST OF THE ADMINISTRATIVE UNITS THAT APPLIED FOR AND RECEIVED A GRANT PURSUANT TO SUBSECTION (3) OF THIS SECTION DURING THE PRECEDING BUDGET YEAR.

SECTION 9. 22-30.5-103, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-30.5-103. Definitions. As used in this part 1, unless the context otherwise requires:

(6.5) "PRIVATE SCHOOL" MEANS A PRIMARY OR SECONDARY EDUCATIONAL INSTITUTION FOR STUDENTS IN KINDERGARTEN THROUGH TWELFTH GRADE OR ANY PORTION THEREOF THAT MAY OR MAY NOT HAVE ATTAINED NONPROFIT STATUS, THAT DOES NOT RECEIVE STATE FUNDING THROUGH THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, AND THAT IS SUPPORTED IN WHOLE OR IN PART BY TUITION PAYMENTS OR PRIVATE DONATIONS.

SECTION 10. 22-40-102 (1.7) (b), Colorado Revised Statutes, is amended to read:

22-40-102. Certification - tax revenues. (1.7) (b) For the purposes of this subsection (1.7), "excess transportation costs" means the current operating expenditures for pupil transportation, as defined in section 22-51-102 (1), minus ~~any reimbursement entitlement, as defined in section 22-51-102 (4)~~ THE TOTAL PAYMENT ACTUALLY RECEIVED BY THE DISTRICT UNDER ARTICLE 51 OF THIS TITLE. The calculation of excess transportation costs shall be based upon amounts expended and amounts received for the twelve-month period ending on June 30 prior to the certification of the mill levy.

SECTION 11. Part 8 of article 7 of title 22, Colorado Revised Statutes, is RECREATED AND REENACTED, WITH AMENDMENTS, to read:

PART 8
SUMMER SCHOOL GRANT PROGRAM

22-7-801. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) ESTABLISHING A SUMMER SCHOOL GRANT PROGRAM TO PROVIDE FUNDING TO

SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS TO PROVIDE INTENSIVE READING, WRITING, OR MATHEMATICS EDUCATION SERVICES TO STUDENTS ENTERING THE FOURTH THROUGH EIGHTH GRADES WHO RECEIVED AN UNSATISFACTORY PROFICIENCY LEVEL SCORE ON THE READING, WRITING, OR MATHEMATICS COMPONENT OF THE COLORADO STUDENT ASSESSMENT PROGRAM FOR THE PREVIOUS ACADEMIC YEAR IS AN IMPORTANT ELEMENT OF AN ACCOUNTABLE EDUCATION PROGRAM TO MEET STATE ACADEMIC STANDARDS; AND

(b) RESEARCH SHOWS THAT IMPLEMENTING RESEARCH-BASED PRACTICES, AS DEFINED BY THE FEDERAL "NO CHILD LEFT BEHIND ACT OF 2001", 20 U.S.C. SEC. 6301 ET SEQ., AS AMENDED, CAN CAUSE SIGNIFICANT IMPROVEMENT IN A STUDENT'S PERFORMANCE IN READING, WRITING, OR MATHEMATICS IN A SHORT PERIOD.

(2) THE GENERAL ASSEMBLY THEREFORE FINDS THAT A PROGRAM TO PROVIDE GRANTS TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS TO ASSIST THEM IN PROVIDING SUMMER SCHOOL PROGRAMS FOR STUDENTS WHO ARE ENTERING THE FOURTH THROUGH EIGHTH GRADES AND ARE PERFORMING UNSATISFACTORILY IN READING, WRITING, OR MATHEMATICS MAY RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

22-7-802. Definitions. AS USED IN THIS PART 8, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CSAP" MEANS THE COLORADO STUDENT ASSESSMENT PROGRAM ADMINISTERED PURSUANT TO SECTION 22-7-409.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION CREATED IN SECTION 24-1-115, C.R.S.

(3) "ELIGIBLE STUDENT" MEANS A STUDENT WHO WILL BEGIN FOURTH, FIFTH, SIXTH, SEVENTH, OR EIGHTH GRADE IN THE NEXT ACADEMIC YEAR AND WHO HAS RECEIVED AN UNSATISFACTORY PROFICIENCY LEVEL SCORE ON THE READING, WRITING, OR MATHEMATICS ASSESSMENT ADMINISTERED THROUGH THE CSAP FOR THE PRECEDING ACADEMIC YEAR.

(4) "GRANT PROGRAM" MEANS THE SUMMER SCHOOL GRANT PROGRAM CREATED IN SECTION 22-7-803.

(5) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION CREATED PURSUANT TO SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

22-7-803. Summer school grant program - creation - administration - rules.

(1) THERE IS HEREBY CREATED THE SUMMER SCHOOL GRANT PROGRAM TO PROVIDE GRANTS TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS TO OPERATE SUMMER SCHOOL PROGRAMS FOR ELIGIBLE STUDENTS, SUBJECT TO THE REQUIREMENTS OF THIS PART 8. THE GRANT PROGRAM SHALL BE DESIGNED TO ASSIST SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS IN PROVIDING INTENSIVE EDUCATIONAL SERVICES TO ELIGIBLE STUDENTS IN THE AREAS OF READING, WRITING, OR MATHEMATICS.

(2) THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM AND THE STATE BOARD SHALL AWARD GRANTS AS PROVIDED IN THIS PART 8.

(3) THE DEPARTMENT SHALL EVALUATE THE PROGRESS OF THE SUMMER SCHOOL PROGRAMS OPERATED BY SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS THAT RECEIVE GRANTS PURSUANT TO THIS PART 8.

(4) (a) THE STATE BOARD SHALL PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., TO IMPLEMENT AND ADMINISTER THE GRANT PROGRAM. AT A MINIMUM, THE RULES SHALL SPECIFY THE FOLLOWING:

(I) THE TIME FRAMES FOR SUBMITTING GRANT PROGRAM APPLICATIONS;

(II) THE FORM OF THE GRANT PROGRAM APPLICATION;

(III) THE TIME FRAMES FOR DISTRIBUTION OF THE GRANT MONEYS;

(IV) THE METHOD BY WHICH THE DEPARTMENT SHALL EVALUATE THE PROGRESS OF THE SUMMER SCHOOL PROGRAMS OPERATED BY SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS THAT RECEIVE GRANTS PURSUANT TO THIS PART 8; AND

(V) ANY OTHER PROCEDURES OR POLICES THE STATE BOARD DEEMS NECESSARY TO IMPLEMENT AND ADMINISTER THE GRANT PROGRAM.

(b) IN IMPLEMENTING THE GRANT PROGRAM AND RULES PROMULGATED PURSUANT TO THIS SUBSECTION (4), THE STATE BOARD SHALL ENSURE THAT ALL GRANTS AWARDED PURSUANT TO THIS PART 8 ARE ISSUED TO SCHOOL DISTRICTS OR INSTITUTE CHARTER SCHOOLS ON OR BEFORE APRIL 30 OF EACH BUDGET YEAR FOR WHICH MONEYS ARE APPROPRIATED FOR THE GRANT PROGRAM.

22-7-804. Summer school programs - requirements. (1) A SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL THAT RECEIVES A GRANT TO PROVIDE A SUMMER SCHOOL PROGRAM PURSUANT TO THIS PART 8 IS SUBJECT TO THE FOLLOWING REQUIREMENTS:

(a) THE SUMMER SCHOOL PROGRAM SHALL BE RESEARCH-BASED, PURSUANT TO THE FEDERAL "NO CHILD LEFT BEHIND ACT OF 2001", 20 U.S.C. SEC. 6301 ET SEQ., AS AMENDED, AND SHALL BE DELIVERED BY TEACHERS WHO ARE TRAINED IN THE USE OF THE PROGRAM.

(b) THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL CONDUCTING THE SUMMER SCHOOL PROGRAM SHALL ADMINISTER, IN THE SUBJECT AREAS IN WHICH THE SUMMER SCHOOL PROGRAM WILL FOCUS, A TEST TO EVERY ELIGIBLE STUDENT PARTICIPATING IN THE PROGRAM. THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL SHALL ADMINISTER THE TEST BEFORE THE PROGRAM BEGINS AND UPON COMPLETION OF THE PROGRAM TO EVALUATE THE PROGRESS OF EACH ELIGIBLE STUDENT WHO PARTICIPATES IN THE PROGRAM.

(c) THE GOAL OF THE SUMMER SCHOOL PROGRAM SHALL BE TO ENABLE ELIGIBLE STUDENTS PARTICIPATING IN THE PROGRAM TO PROGRESS FROM SCORING AT THE

UNSATISFACTORY PROFICIENCY LEVEL IN READING, WRITING, OR MATHEMATICS, AS APPLICABLE, TO SCORING AT THE PROFICIENT LEVEL IN READING, WRITING, OR MATHEMATICS, AS APPLICABLE.

22-7-805. Summer school grant program - application - criteria. (1) A SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL THAT SEEKS TO RECEIVE A GRANT PURSUANT TO THIS PART 8 SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT IN ACCORDANCE WITH RULES PROMULGATED BY THE STATE BOARD. A SCHOOL DISTRICT SHALL SUBMIT AN APPLICATION ON BEHALF OF ALL GRADE-APPROPRIATE SCHOOLS IN THE DISTRICT, INCLUDING THE DISTRICT CHARTER SCHOOLS WITHIN THE DISTRICT. THE APPLICATION SHALL INCLUDE THE FOLLOWING INFORMATION:

(a) THE NUMBER OF ELIGIBLE STUDENTS ENROLLED IN THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL, AS APPLICABLE;

(b) A DESCRIPTION OF THE EDUCATIONAL SERVICES THAT THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL ANTICIPATES PROVIDING THROUGH A SUMMER SCHOOL PROGRAM;

(c) A DESCRIPTION OF THE METHOD THAT THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL WILL USE TO MEASURE AN ELIGIBLE STUDENT'S ACADEMIC PROGRESS THROUGHOUT THE PROGRAM;

(d) A DESCRIPTION OF THE GOALS THAT THE SCHOOL DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S SUMMER SCHOOL PROGRAM IS EXPECTED TO ACHIEVE AND THE METHOD BY WHICH THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL WILL MEASURE ACHIEVEMENT OF THE GOALS; AND

(e) ANY ADDITIONAL INFORMATION REQUIRED BY RULE OF THE STATE BOARD PROMULGATED PURSUANT TO SECTION 22-7-803 (4).

(2) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS RECEIVED FROM SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS SECTION AND SHALL MAKE RECOMMENDATIONS TO THE STATE BOARD CONCERNING THE AWARDING OF GRANTS AND THE AMOUNTS OF THE GRANTS. THE STATE BOARD SHALL TAKE INTO CONSIDERATION THE RECOMMENDATIONS OF THE DEPARTMENT AND SHALL ANNUALLY AWARD GRANTS TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS IN AMOUNTS SPECIFIED BY THE STATE BOARD. IN AWARDING GRANTS PURSUANT TO THIS PART 8, THE STATE BOARD SHALL:

(a) CONSIDER WHETHER THE SCHOOL DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S SUMMER SCHOOL PROGRAM COMPLIES WITH THE REQUIREMENTS OF SECTION 22-7-804;

(b) CONSIDER THE GEOGRAPHIC LOCATION OF THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL, AS APPLICABLE, AND, TO THE EXTENT POSSIBLE, ENSURE THAT GRANT MONEYS ARE AWARDED TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS THROUGHOUT THE STATE;

(c) AWARD GRANTS TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS THAT ARE IMPLEMENTING SUMMER SCHOOL PROGRAMS USING CURRICULA THAT ARE

RESEARCH-BASED AND THAT HAVE BEEN USED WITH DEMONSTRATED SUCCESS EITHER BY THE APPLYING SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL OR BY ANOTHER SCHOOL DISTRICT; AND

(d) AWARD GRANTS TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS THAT DEMONSTRATE SUCCESS IN IMPROVING THE ACADEMIC PERFORMANCE OF ELIGIBLE STUDENTS IN THE AREA OF READING, WRITING, OR MATHEMATICS, AS APPLICABLE.

22-7-806. Reporting requirements. (1) ON OR BEFORE OCTOBER 1 OF EACH YEAR FOLLOWING A BUDGET YEAR FOR WHICH MONEYS WERE APPROPRIATED FOR THE GRANT PROGRAM, EACH SCHOOL DISTRICT AND INSTITUTE CHARTER SCHOOL THAT RECEIVES A GRANT PURSUANT TO THIS PART 8 SHALL SUBMIT A REPORT TO THE DEPARTMENT AFTER COMPLETION OF ITS SUMMER SCHOOL PROGRAM. THE REPORT SHALL INCLUDE THE FOLLOWING INFORMATION:

(a) THE NUMBER OF ELIGIBLE STUDENTS WHO PARTICIPATED IN THE SCHOOL DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S SUMMER SCHOOL PROGRAM, AS APPLICABLE;

(b) THE LEVELS OF PERFORMANCE IN THE SUBJECT AREA IN WHICH THE SUMMER SCHOOL PROGRAM WAS OFFERED DEMONSTRATED BY THE ELIGIBLE STUDENTS PARTICIPATING IN THE SUMMER SCHOOL PROGRAM BOTH AT THE BEGINNING OF THE PROGRAM AND AT THE END OF THE PROGRAM, BASED ON TESTS ADMINISTERED TO THE ELIGIBLE STUDENTS BEFORE AND AFTER PARTICIPATING IN THE PROGRAM; AND

(c) SUCH OTHER INFORMATION AS THE STATE BOARD MAY BY RULE, PROMULGATED PURSUANT TO SECTION 22-7-803 (4), REQUIRE TO ASSESS THE EFFECTIVENESS OF THE SUMMER SCHOOL PROGRAMS OPERATED BY SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS.

22-7-807. Summer school grant program - funding. (1) FOR THE 2006-07 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, SUBJECT TO AVAILABLE APPROPRIATIONS, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE MONEYS FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION TO THE DEPARTMENT TO BE USED TO AWARD GRANTS FOR SUMMER SCHOOL PROGRAMS PURSUANT TO THIS PART 8.

(2) THE DEPARTMENT MAY ANNUALLY WITHHOLD A PORTION OF THE MONEYS APPROPRIATED FOR THE PURPOSES OF THIS PART 8 TO OFFSET THE DIRECT COSTS INCURRED IN ADMINISTERING THE GRANT PROGRAM AND IN EVALUATING THE PROGRESS OF EACH SUMMER SCHOOL PROGRAM PURSUANT TO THE REQUIREMENT OF SECTION 22-7-803 (3). THE AMOUNT WITHHELD BY THE DEPARTMENT IN ANY BUDGET YEAR SHALL NOT EXCEED THREE PERCENT OF THE AMOUNT APPROPRIATED FOR THE PURPOSES OF THIS PART 8 IN THAT BUDGET YEAR.

SECTION 12. 22-43.7-103 (1), Colorado Revised Statutes, is amended to read:

22-43.7-103. School construction and renovation fund - created - purpose - transfer of excess state revenues. (1) There is hereby established in the state treasury the school construction and renovation fund. The fund shall consist of any

moneys appropriated from the general fund to the fund in accordance with section 24-75-201.1 (4) (b), C.R.S., ~~any moneys transferred to the fund from the school capital construction expenditures reserve in accordance with section 22-54-117 (6) (b)~~; and any other moneys as may be made available by the general assembly.

SECTION 13. 22-43.7-105 (1) and (6), Colorado Revised Statutes, are amended to read:

22-43.7-105. Financial assistance application requirements - evaluation criteria - oversight board - duties. (1) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (1), applications for financial assistance for capital construction projects shall be submitted to the state board no later than July 1 of each year for the fiscal year commencing on that July 1. Individual schools may apply for matching grants through the school district in which the schools are located and the school district may, in turn, apply to the state board for such grants pursuant to this section.

(b) THE DEADLINE TO SUBMIT APPLICATIONS TO THE STATE BOARD FOR FINANCIAL ASSISTANCE FROM THE SCHOOL CONSTRUCTION AND RENOVATION FUND SHALL NOT APPLY TO APPLICATIONS FOR GRANTS FROM MONEYS APPROPRIATED TO THE FUND IN THE 2005-06 FISCAL YEAR.

(6) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (6), from the applications submitted for financial assistance for the fiscal year commencing on the deadline for submitting such applications, the state board shall prepare a prioritized list of eligible capital construction projects. The state board shall then determine the type and amount of financial assistance to be provided for each eligible capital construction project based upon information provided by the school district in the application. Subject to the approval of the capital development committee of the general assembly as provided for in this subsection (6), the state board shall provide financial assistance in accordance with the determination, but may make any matching grant from the construction and renovation fund contingent upon the approval of a bonded indebtedness question to be submitted to the voters of a district during the fiscal year for which the grant is to be awarded. The state board shall submit a list of school districts and charter schools recommended to receive matching grants for capital construction projects, along with the amount of each grant and the amount of the school district or charter school match, to the capital development committee of the general assembly no later than August 16 of the fiscal year for which financial assistance is being sought. The capital development committee shall determine the number of capital construction projects on the list that may receive matching grants from moneys available in the construction and renovation fund before September 15 of the same fiscal year. Only capital construction projects on the prioritized list may receive matching grants from the construction and renovation fund, and the capital construction projects shall be funded in the priority determined by the state board. If the capital development committee does not make a determination on the list before September 15, the list shall be deemed approved as submitted and the state board may order payment of all matching grants on the list. The state board shall submit a list of school districts and charter schools for which the capital development committee has approved matching grants, along with the amount of each grant and the amount of the school district or charter school match to the joint budget committee of the general

assembly no later than December 1 of the fiscal year for which financial assistance is being provided. Said list shall also be submitted to the education committees of the senate and the house of representatives, the governor, the president of the senate, and the speaker of the house of representatives. A prioritized list showing school districts that will be loaned money from the permanent school fund, along with the amount of each loan, shall be provided to the governor, the president of the senate, the speaker of the house of representatives, and the joint budget committee.

(b) THE DEADLINES SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (6) SHALL NOT APPLY TO GRANTS AWARDED FROM MONEYS APPROPRIATED TO THE SCHOOL CONSTRUCTION AND RENOVATION FUND IN THE 2005-06 FISCAL YEAR.

SECTION 14. Repeal. 22-54-117 (6) (b), Colorado Revised Statutes, is repealed as follows:

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

(6) (b) ~~The state treasurer shall transfer any moneys in the school capital construction expenditures reserve that remain unexpended or unencumbered on March 15 of each fiscal year to the school construction and renovation fund established in section 22-43.7-103. The state treasurer shall notify the joint budget committee of any transfer made pursuant to this paragraph (b) no later than March 20 of said fiscal year.~~

SECTION 15. 24-75-201.1 (4) (b) (V) and (4) (c), Colorado Revised Statutes, are amended to read:

24-75-201.1. Restriction on state appropriations - legislative declaration - definitions.

(4) (b) (V) (A) EXCEPT AS OTHERWISE PROVIDED IN SUB-SUBPARAGRAPHS (B) AND (C) OF THIS SUBPARAGRAPH (V), for fiscal years 2004-05 through 2010-11, the general assembly shall continue to appropriate ten million dollars to the school capital construction expenditures reserve and ten million dollars to the school construction and renovation fund, both of which appropriations will be included in the calculation of the maximum level of state general fund appropriations pursuant to ~~said~~ paragraph (a) OF SUBSECTION (1) OF THIS SECTION.

(B) FOR THE FISCAL YEAR 2005-06, THE GENERAL ASSEMBLY SHALL APPROPRIATE NINETEEN MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS TO THE SCHOOL CONSTRUCTION AND RENOVATION FUND, FOURTEEN MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS OF WHICH SHALL BE INCLUDED IN THE CALCULATION OF THE MAXIMUM LEVEL OF STATE GENERAL FUND APPROPRIATIONS PURSUANT TO PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION, AND FIVE MILLION DOLLARS OF WHICH SHALL BE A GENERAL FUND APPROPRIATION THAT EXCEEDS THE LIMITATION ON STATE GENERAL FUND APPROPRIATIONS ESTABLISHED BY SAID PARAGRAPH (a) IN THE FISCAL YEAR IN WHICH FIRST MADE BUT WILL BE INCLUDED IN THE CALCULATION OF THE MAXIMUM LEVEL OF STATE GENERAL FUND APPROPRIATIONS PURSUANT TO SAID PARAGRAPH (a) IN THE FOLLOWING FISCAL YEAR. IN ADDITION, FOR THE FISCAL YEAR 2005-06, THE GENERAL ASSEMBLY SHALL APPROPRIATE FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS TO THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE, WHICH AMOUNT SHALL BE INCLUDED IN THE CALCULATION OF THE MAXIMUM LEVEL OF STATE GENERAL FUND

APPROPRIATIONS PURSUANT TO SAID PARAGRAPH (a).

(C) FOR THE FISCAL YEAR 2006-07, THE GENERAL ASSEMBLY SHALL APPROPRIATE SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE SCHOOL CONSTRUCTION AND RENOVATION FUND, WHICH AMOUNT SHALL BE INCLUDED IN THE CALCULATION OF THE MAXIMUM LEVEL OF STATE GENERAL FUND APPROPRIATIONS PURSUANT TO PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION. IN ADDITION, FOR THE FISCAL YEAR 2006-07, THE GENERAL ASSEMBLY SHALL APPROPRIATE SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE, WHICH AMOUNT SHALL BE INCLUDED IN THE CALCULATION OF THE MAXIMUM LEVEL OF STATE GENERAL FUND APPROPRIATIONS PURSUANT TO SAID PARAGRAPH (a).

(c) (I) Notwithstanding the provisions of paragraph (b) of this subsection (4), in fiscal year 2000-01 and in ~~any fiscal year 2002-03 through 2010-11~~ YEARS 2002-03 THROUGH 2004-05, no appropriation shall be made in such fiscal year if general fund revenues for the applicable fiscal year do not exceed general fund obligations and the moneys required to be allocated to the highway users tax fund pursuant to section 39-26-123 (2), C.R.S., for the applicable fiscal year by more than eighty million dollars as determined by the general assembly as of the time any conference committee report is adopted on the general appropriation bill enacted for the applicable fiscal year. The provisions of this paragraph (c) shall not apply to fiscal year 2001-02.

(II) IN FISCAL YEARS 2005-06 THROUGH 2010-11, THE GENERAL ASSEMBLY IS NOT REQUIRED TO MAKE AN APPROPRIATION PURSUANT TO THIS SUBSECTION (4) IF GENERAL FUND REVENUES FOR THE APPLICABLE FISCAL YEAR DO NOT EXCEED GENERAL FUND OBLIGATIONS AND THE MONEYS REQUIRED TO BE ALLOCATED TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 39-26-123 (2), C.R.S., FOR THE APPLICABLE FISCAL YEAR BY MORE THAN EIGHTY MILLION DOLLARS AS DETERMINED BY THE GENERAL ASSEMBLY AS OF THE TIME ANY CONFERENCE COMMITTEE REPORT IS ADOPTED ON THE GENERAL APPROPRIATION BILL ENACTED FOR THE APPLICABLE FISCAL YEAR. HOWEVER, NOTHING IN THIS PARAGRAPH (c) SHALL PROHIBIT THE GENERAL ASSEMBLY FROM MAKING AN APPROPRIATION, IN ITS SOLE DISCRETION, IN THE APPLICABLE FISCAL YEAR PURSUANT TO THIS SUBSECTION (4).

SECTION 16. 22-45-103 (1) (c) (I) (E), Colorado Revised Statutes, is amended, and the said 22-45-103 (1) (c) (I), is further amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, to read:

22-45-103. Funds. (1) The following funds are created for each school district for purposes specified in this article:

(c) **Capital reserve fund.** (I) Moneys allocated pursuant to the provisions of section 22-54-105 (2) shall be transferred from the general fund and recorded in the capital reserve fund along with the revenues received pursuant to section 39-5-132, C.R.S. Such revenues may be supplemented by gifts, donations, and tuition receipts. Unencumbered moneys in the fund may be transferred to a fund or an account within the general fund established in accordance with generally accepted accounting principles solely for the management of risk-related activities as identified in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S., by

resolution of the board of education when such transfer is deemed necessary by the board. Except as provided in subparagraph (V) of this paragraph (c), expenditures from the fund shall be limited to long-range capital outlay expenditures and shall be made only for the following purposes:

(E) Acquisition of school buses or other equipment, EXCEPT EQUIPMENT SPECIFIED IN SUB-SUBPARAGRAPH (H) OF THIS SUBPARAGRAPH (I), the estimated unit cost of which, including any necessary installation, is in excess of one thousand dollars;

(H) ACQUISITION OF COMPUTER EQUIPMENT, THE ESTIMATED UNIT COST OF WHICH, INCLUDING ANY NECESSARY INSTALLATION, IS IN EXCESS OF FIVE HUNDRED DOLLARS.

SECTION 17. 22-51-103, Colorado Revised Statutes, is amended to read:

22-51-103. Creation of the public school transportation fund. (1) There is hereby created, in the office of the state treasurer, a fund to be known as the public school transportation fund, to which shall be credited such moneys as may be appropriated by the general assembly for the purposes of this article, excluding moneys appropriated as a lump sum for reimbursement for pupil transportation in a school district subject to a court-ordered desegregation order, and which shall be held by the state treasurer and paid out as provided in this article. ANY UNEXPENDED OR UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF ANY BUDGET YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE TRANSFERRED TO THE STATE GENERAL FUND OR ANY OTHER FUND.

(2) FOR THE 2006-07 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE NET AMOUNT RECOVERED BY THE DEPARTMENT OF EDUCATION DURING THE APPLICABLE BUDGET YEAR PURSUANT TO SECTION 22-51-105 AS OVERPAYMENTS MADE TO SCHOOL DISTRICTS AND THE STATE CHARTER SCHOOL INSTITUTE SHALL BE TRANSFERRED TO THE STATE TREASURER FOR DEPOSIT IN THE PUBLIC SCHOOL TRANSPORTATION FUND. SUCH AMOUNT SHALL BE AVAILABLE FOR APPROPRIATION TO THE DEPARTMENT IN SUBSEQUENT BUDGET YEARS.

SECTION 18. The introductory portion to 22-60.5-112.5 (1) (a) and 22-60.5-112.5 (2) (b), (3) (b), and (4) (b), Colorado Revised Statutes, are amended to read:

22-60.5-112.5. National credential - fee assistance - one-time payments. (1) (a) For the 2002-03 budget year, the 2004-05 budget year, and each budget year thereafter, subject to available appropriations, the department of education shall assist persons who are seeking national credentials by paying a portion of the fees charged for such national credential. THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE, IF AVAILABLE, MONEYS FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION, TO THE DEPARTMENT OF EDUCATION TO BE USED FOR THE PURPOSES OF THIS SECTION. Fee assistance pursuant to this section shall be available to any person who:

(2) (b) Following receipt of the items specified in paragraph (a) of this subsection (2) and verification that the person meets the criteria specified in subsection (1) of

this section, the department of education shall forward the fee assistance to the identified national credential program on behalf of the person in the amount specified in subsection (1) of this section. The fee assistance shall be paid out of moneys ~~in the national credential fund created in paragraph (b) of subsection (4)~~ APPROPRIATED TO THE DEPARTMENT OF EDUCATION PURSUANT TO PARAGRAPH (a) OF SUBSECTION (1) of this section.

~~(3) (b) The department of education shall seek and is authorized to accept and expend any public or private gifts, grants, and donations that may be available to fund the purposes specified in this section. All such gifts, grants, and donations shall be transmitted to the state treasurer who shall credit the same to the national credential fund created in paragraph (b) of subsection (4) of this section.~~

(4) (b) (I) There is hereby created in the state treasury the national credential fund, referred to in this paragraph (b) as the "fund". The fund shall consist of any moneys appropriated thereto by the general assembly from the state education fund created in section 17 (4) of article IX of the state constitution or from the state general fund and any moneys credited thereto pursuant to paragraph (b) of subsection (3) of this section. Moneys in the fund shall be subject to annual appropriation by the general assembly. Moneys appropriated from the fund shall be used for the payment of fee assistance pursuant to this section. All interest derived from the deposit and investment of moneys in the fund shall be credited to the fund. Any amount remaining in the fund at the end of any fiscal year shall remain in the fund and shall not be transferred or credited to the general fund or to any other fund.

(II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND ON JULY 1, 2006, SHALL BE TRANSFERRED TO THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(III) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2006.

SECTION 19. 22-86-103 (1), (3), and (4), Colorado Revised Statutes, are amended to read:

22-86-103. Facility summer school grant program - creation - rules.

(1) There is hereby created the facility summer school grant program to provide grants to facility schools that operate summer school programs for the children residing in the facilities. The grant program shall be designed to assist facility schools in providing intensive educational RESEARCH-BASED services in the areas of reading, writing, OR mathematics ~~and science~~ for children who are performing below grade level in these areas.

(3) The state board shall promulgate rules in accordance with article 4 of title 24, C.R.S., to implement the grant program, including ~~but not limited to rules specifying~~ THE FOLLOWING:

(I) The time frames for submitting grant program applications;

(II) The form of the grant program application; ~~and~~

(III) The time frames for distribution of the grant moneys; AND

(IV) ANY OTHER PROCEDURES OR POLICIES THE STATE BOARD DEEMS NECESSARY TO ADMINISTER THE GRANT PROGRAM.

(b) IN ADMINISTERING THE GRANT PROGRAM AND PROMULGATING RULES PURSUANT TO THIS SUBSECTION (3), THE STATE BOARD SHALL ENSURE THAT ALL GRANTS AWARDED PURSUANT TO THIS ARTICLE ARE ISSUED TO FACILITY SCHOOLS ON OR BEFORE APRIL 30, 2007, AND ON OR BEFORE APRIL 30 OF EACH YEAR THEREAFTER.

~~(4) The department shall solicit and may receive such public and private gifts, grants, and donations as may be available to fund the grant program. Any moneys so received shall be transferred to the state treasurer for deposit in the facility summer school grant program fund created pursuant to section 22-86-106.~~

SECTION 20. 22-86-104 (1) (b), (1) (c), (1) (f), and (2) (c), Colorado Revised Statutes, are amended, and the said 22-86-104 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

22-86-104. Facility summer school grant program - application - criteria - requirements. (1) A facility school that seeks to receive a grant pursuant to this article shall submit an application to the department in accordance with rules promulgated by the state board. The application shall include the following information:

(b) The grade levels of children receiving educational services from the facility school and their levels of academic performance in the SUBJECT areas ~~of reading, writing, mathematics, and science~~ IN WHICH THE FACILITY SCHOOL WILL OFFER A SUMMER SCHOOL PROGRAM PURSUANT TO THIS ARTICLE, including their levels of performance IN THOSE SUBJECT AREAS on the most recently administered CSAP assessments, if available;

(c) A description of the educational services, including but not limited to the READING, WRITING, OR MATHEMATICS curricula, AS APPLICABLE, provided by the facility school and the educational services IN READING, WRITING, OR MATHEMATICS, AS APPLICABLE, THAT the facility school would anticipate providing through a summer school program;

(f) A description of the goals that the facility school's summer school program is expected to achieve IN READING, WRITING, OR MATHEMATICS, AS APPLICABLE, and the method by which the facility school will measure achievement of the goals; and

(2) The department shall review the applications received from facility schools pursuant to this section and shall make recommendations to the state board concerning the awarding of grants and the amounts of the grants. The state board shall take into consideration the recommendations of the department and shall annually award grants to facility schools in amounts specified by the state board. In awarding grants pursuant to this article, the state board shall:

(c) Award grants to facility schools that demonstrate success in improving the

academic performance of children who are performing below grade level in the areas of reading, writing, OR mathematics. ~~and science.~~

(3) A FACILITY SCHOOL THAT RECEIVES A GRANT TO PROVIDE A SUMMER SCHOOL PROGRAM PURSUANT TO THIS ARTICLE IS SUBJECT TO THE FOLLOWING REQUIREMENTS:

(a) THE FACILITY SCHOOL CONDUCTING THE SUMMER SCHOOL PROGRAM SHALL ADMINISTER A TEST TO EVERY CHILD PARTICIPATING IN THE PROGRAM BEFORE THE PROGRAM BEGINS AND UPON COMPLETION OF THE PROGRAM TO EVALUATE THE PROGRESS OF EACH CHILD WHO PARTICIPATES IN THE PROGRAM. FOR THE PURPOSE OF DETERMINING THE SUCCESS OF THE PROGRAM BASED ON THE TEST SCORES, THE DEPARTMENT SHALL CONSIDER ONLY THE TEST SCORES OF CHILDREN WHO PARTICIPATE IN THE ENTIRE PROGRAM AND TAKE THE TEST BOTH BEFORE AND AFTER PARTICIPATING IN THE PROGRAM.

(b) THE SUMMER SCHOOL PROGRAM SHALL BE AN INTENSIVE PROGRAM THAT IS AT LEAST SIX WEEKS LONG.

SECTION 21. 22-86-105 (1) (b), Colorado Revised Statutes, is amended to read:

22-86-105. Reporting requirements. (1) On or before October 1, 2004, and on or before October 1 each year thereafter, each facility school that receives a grant pursuant to this article shall submit a report to the department after completion of each academic year in which the facility school participates in the grant program. The report shall include the following information:

(b) The levels of performance in reading, writing, OR mathematics, ~~and science~~ AS APPLICABLE, demonstrated by the children participating in the summer school program both before AND AFTER participation in the program and, TO THE EXTENT POSSIBLE, during the school year following participation in the program; and

SECTION 22. 22-86-106, Colorado Revised Statutes, is amended to read:

22-86-106. Facility summer school grant program - funding. (1) ~~There is hereby created in the state treasury the facility summer school grant program fund; referred to in this section as the "fund", for the payment of facility summer school grants awarded pursuant to this article. The fund shall consist of such moneys as may be appropriated thereto from the state general fund and from the state education fund created in section 17 (4) of article IX of the state constitution, as well as any moneys received by the department pursuant to section 22-86-103 (4). The moneys in the fund are subject to annual appropriation by the general assembly to the department for the purposes specified in this article. The department may expend up to one percent of the moneys annually appropriated from the fund to offset the documented costs incurred in implementing the grant program. All interest derived from the deposit and investment of moneys in the fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the fund shall remain therein and shall not be credited or transferred to the general fund or any other fund.~~ FOR THE 2006-07 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, SUBJECT TO AVAILABLE APPROPRIATIONS, THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEYS FROM THE STATE EDUCATION FUND CREATED IN

SECTION 17(4) OF ARTICLE IX OF THE STATE CONSTITUTION TO THE DEPARTMENT TO BE USED TO AWARD GRANTS FOR FACILITY SUMMER SCHOOL PROGRAMS PURSUANT TO THIS ARTICLE.

~~(2) Notwithstanding the provisions of subsection (1) of this section, any unexpended and unencumbered moneys remaining in the fund on March 5, 2003, shall be transferred to the state education fund created in section 17(4) of article IX of the state constitution.~~

SECTION 23. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-127. Tax increment financing task force - study impacts on public school finance - repeal. (1) (a) (I) IN ORDER TO STUDY THE IMPACTS OF THE USE OF TAX INCREMENT FINANCING BY URBAN RENEWAL AUTHORITIES ON SCHOOL DISTRICT REVENUES, PUBLIC SCHOOL FINANCE, AND THE AMOUNT OF STATE FUNDS NEEDED TO FUND DISTRICT TOTAL PROGRAM AS DETERMINED PURSUANT TO THIS ARTICLE, THERE IS HEREBY CREATED THE TAX INCREMENT FINANCING TASK FORCE. THE TASK FORCE SHALL CONSIST OF SIX MEMBERS OF THE GENERAL ASSEMBLY SELECTED AS FOLLOWS:

(A) THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES, TWO OF WHOM SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE OF WHOM SHALL BE APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES; AND

(B) THREE MEMBERS OF THE SENATE, TWO OF WHOM SHALL BE APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE OF WHOM SHALL BE APPOINTED BY THE MINORITY LEADER OF THE SENATE.

(II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE SHALL JOINTLY DESIGNATE ONE MEMBER OF THE TASK FORCE TO SERVE AS CHAIR OF THE TASK FORCE.

(b) THE TERM OF OFFICE OF EACH MEMBER OF THE TASK FORCE SHALL BE SIX MONTHS, COMMENCING ON JULY 1, 2006. APPOINTMENTS TO THE TASK FORCE SHALL BE MADE BY JULY 1, 2006.

(c) THE MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT COMPENSATION BUT SHALL BE REIMBURSED FOR ALL NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES. MEMBERS SHALL RECEIVE REIMBURSEMENT FOR NO MORE THAN FOUR MEETINGS IN THE 2006 CALENDAR YEAR.

(d) THE STAFF OF THE LEGISLATIVE COUNCIL SHALL BE MADE AVAILABLE TO ASSIST THE TASK FORCE IN CARRYING OUT ITS DUTIES UNDER THIS SECTION.

(e) (I) ALL EXPENDITURES INCURRED IN THE CONDUCT OF THE ACTIVITIES OF THE TASK FORCE UNDER THIS SECTION SHALL BE SUBJECT TO APPROVAL BY THE CHAIR OF THE LEGISLATIVE COUNCIL AND PAID BY VOUCHERS AND WARRANTS DRAWN AS PROVIDED BY LAW FROM FUNDS ALLOCATED TO THE LEGISLATIVE COUNCIL FOR LEGISLATIVE STUDIES FROM APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY.

(II) IN CONDUCTING THE ACTIVITIES OF THE TASK FORCE UNDER THIS SECTION, THE LEGISLATIVE COUNCIL MAY ACCEPT AND EXPEND FEDERAL FUNDS, GRANTS, GIFTS, AND DONATIONS FOR PURPOSES OF THIS SECTION.

(f) THE TASK FORCE SHALL MEET NO MORE THAN FOUR TIMES DURING THE 2006 CALENDAR YEAR.

(g) THE TASK FORCE SHALL SEEK INPUT AND INFORMATION FROM GROUPS REPRESENTING URBAN RENEWAL AUTHORITIES, MUNICIPALITIES, COUNTIES, SPECIAL DISTRICTS, SCHOOL DISTRICTS, THE DEPARTMENT OF EDUCATION, AND ANY OTHER ENTITY THE TASK FORCE DEEMS APPROPRIATE FOR PURPOSES OF CARRYING OUT ITS DUTIES AND FUNCTIONS UNDER THIS SECTION.

(2) IN CARRYING OUT ITS DUTIES AND FUNCTIONS UNDER THIS SECTION, THE TASK FORCE MAY CONSIDER, BUT NEED NOT BE LIMITED TO, THE FOLLOWING:

(a) THE METHOD BY WHICH A TAX INCREMENT FINANCING PROVISION IS INCLUDED IN AN URBAN RENEWAL PLAN AND THE INPUT ALLOWED OR REQUIRED TO BE OBTAINED FROM TAXING ENTITIES IMPACTED BY THE PROVISION, INCLUDING SCHOOL DISTRICTS;

(b) THE IMPACT OF THE INCLUSION OF A TAX INCREMENT FINANCING PROVISION IN AN URBAN RENEWAL PLAN ON THE STATE SHARE OF DISTRICT TOTAL PROGRAM FUNDING;

(c) WHETHER THE PROCESS FOR INCLUDING A TAX INCREMENT FINANCING PROVISION IN AN URBAN RENEWAL PLAN SHOULD BE MODIFIED TO ALLOW GREATER INPUT FROM ENTITIES DIRECTLY IMPACTED BY SUCH A PROVISION; AND

(d) ANY OTHER ASPECT OF TAX INCREMENT FINANCING AND ITS IMPACT ON PUBLIC SCHOOL FINANCE THAT THE TASK FORCE DEEMS APPROPRIATE TO CONSIDER.

(3) THE TASK FORCE SHALL MAKE SUCH RECOMMENDATIONS AS IT DEEMS NECESSARY TO THE GENERAL ASSEMBLY CONCERNING MATTERS STUDIED UNDER THIS SECTION. LEGISLATION RECOMMENDED BY THE TASK FORCE SHALL BE TREATED AS LEGISLATION RECOMMENDED BY AN INTERIM LEGISLATIVE COMMITTEE FOR PURPOSES OF ANY INTRODUCTION DEADLINES OR BILL LIMITATIONS IMPOSED BY THE JOINT RULES OF THE GENERAL ASSEMBLY.

(4) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2007.

SECTION 24. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-126. Declining enrollment districts with new charter schools - additional aid - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "DECLINING ENROLLMENT DISTRICT" MEANS A DISTRICT WHOSE FUNDED PUPIL COUNT IS GREATER THAN THE SUM OF THE DISTRICT'S PUPIL ENROLLMENT, PRESCHOOL AND KINDERGARTEN PROGRAM ENROLLMENT, AND ON-LINE PUPIL

ENROLLMENT.

(b) "NEW CHARTER SCHOOL ENROLLMENT" MEANS THE NUMBER OF PUPILS ENROLLED IN A NEW DISTRICT CHARTER SCHOOL OF A DECLINING ENROLLMENT DISTRICT ON OCTOBER 1 OR THE SCHOOL DATE NEAREST SAID DATE IN THE BUDGET YEAR IN WHICH THE NEW DISTRICT CHARTER SCHOOL IS OPENED IN THE DECLINING ENROLLMENT DISTRICT MINUS THE NUMBER OF PUPILS ENROLLED AS OF THAT DATE IN AN ON-LINE PROGRAM WHO ARE ALSO ENROLLED IN THE NEW DISTRICT CHARTER SCHOOL OF THE DECLINING ENROLLMENT DISTRICT.

(2) BEGINNING IN THE 2006-07 BUDGET YEAR, IN ANY BUDGET YEAR IN WHICH A NEW DISTRICT CHARTER SCHOOL IS OPENED IN A DECLINING ENROLLMENT DISTRICT, THE DECLINING ENROLLMENT DISTRICT SHALL RECEIVE ADDITIONAL AID AS SPECIFIED IN THIS SECTION TO HELP MITIGATE THE IMPACT OF THE ENROLLMENT OF PUPILS IN THE NEW DISTRICT CHARTER SCHOOL WHO MIGHT OTHERWISE HAVE ATTENDED A TRADITIONAL SCHOOL IN THE DECLINING ENROLLMENT DISTRICT. THE ADDITIONAL AID SHALL BE AVAILABLE ONLY FOR THE FIRST YEAR OF OPERATION OF A NEW DISTRICT CHARTER SCHOOL IN A DECLINING ENROLLMENT DISTRICT.

(3) FOR THE 2006-07 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE MONEYS FROM THE GENERAL FUND OR ANY OTHER SOURCE FOR ADDITIONAL AID TO A DECLINING ENROLLMENT DISTRICT IN WHICH A NEW CHARTER SCHOOL IS OPENED. THE ADDITIONAL AID SHALL BE DISTRIBUTED TO ALL DECLINING ENROLLMENT DISTRICTS IN WHICH NEW CHARTER SCHOOLS ARE OPENED IN THE BUDGET YEAR FOR WHICH THE AID IS APPROPRIATED. THE ADDITIONAL AID SHALL BE DISTRIBUTED AMONG THE DECLINING ENROLLMENT DISTRICTS IN WHICH NEW CHARTER SCHOOLS ARE OPENED IN THE PROPORTION THAT THE DECLINING ENROLLMENT DISTRICT'S NEW CHARTER SCHOOL ENROLLMENT BEARS TO THE TOTAL NEW CHARTER SCHOOL ENROLLMENT IN ALL DECLINING ENROLLMENT DISTRICTS STATEWIDE IN WHICH NEW CHARTER SCHOOLS ARE OPENED IN THE BUDGET YEAR FOR WHICH THE ADDITIONAL AID IS APPROPRIATED.

SECTION 25. 22-28-101, Colorado Revised Statutes, is amended to read:

22-28-101. Short title. This article shall be known and may be cited as the "Colorado Preschool AND KINDERGARTEN Program Act".

SECTION 26. 22-28-102, Colorado Revised Statutes, is amended to read:

22-28-102. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that there are substantial numbers of children in this state entering kindergarten and the primary grades who are not adequately prepared to learn. The general assembly further finds that early school failure may ultimately contribute to such children dropping out of school at an early age, failing to achieve their full potential, becoming dependent upon public assistance, or becoming involved in criminal activities. By enacting this article, the general assembly acknowledges the need to adequately prepare all children to learn through preschool AND FULL-DAY KINDERGARTEN programs in school districts with high dropout rates or low performance of children in kindergarten and primary grades. In establishing ~~such~~ THE programs, the general assembly encourages school districts and parents to work together to ensure that the children benefit from ~~such~~ THE programs.

(2) THE GENERAL ASSEMBLY INTENDS TO FULLY FUND THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM BY INCREASING THE NUMBER OF CHILDREN WHO MAY BE SERVED THROUGH THE PROGRAM OVER THE 2006-07, 2007-08, AND 2008-09 BUDGET YEARS.

SECTION 27. 22-28-103 (4), (5), and (9), Colorado Revised Statutes, are amended, and the said 22-28-103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

22-28-103. Definitions. As used in this article, unless the context otherwise requires:

(4) "District advisory council" means the district preschool AND KINDERGARTEN program advisory council established by a school district pursuant to the provisions of section 22-28-105.

(5) "District preschool AND KINDERGARTEN program" means a preschool AND FULL-DAY KINDERGARTEN program established by a school district pursuant to the provisions of section 22-28-107.

(8.5) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION CREATED PURSUANT TO SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

(9) "State preschool AND KINDERGARTEN program" means all the district preschool AND FULL-DAY KINDERGARTEN programs established within this state pursuant to the provisions of this article.

SECTION 28. 22-28-104, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

22-28-104. Establishment of public preschool and kindergarten programs.

(1) THERE IS HEREBY ESTABLISHED A STATE PRESCHOOL AND KINDERGARTEN PROGRAM, WHICH SHALL BE IMPLEMENTED IN SCHOOL DISTRICTS BEGINNING IN THE 2006-07 BUDGET YEAR. THE PURPOSES OF THE PROGRAM ARE:

(a) TO SERVE THREE-YEAR-OLD, FOUR-YEAR-OLD, AND FIVE-YEAR-OLD CHILDREN WHO LACK OVERALL LEARNING READINESS DUE TO SIGNIFICANT FAMILY RISK FACTORS, WHO ARE IN NEED OF LANGUAGE DEVELOPMENT, OR WHO ARE RECEIVING SERVICES FROM THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO ARTICLE 5 OF TITLE 26, C.R.S., AS NEGLECTED OR DEPENDENT CHILDREN AND WHO WOULD BENEFIT FROM PARTICIPATION IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM;

(b) TO DETERMINE THE SCHOOL DISTRICTS IN WHICH PARTICIPATION IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM WOULD BE THE MOST BENEFICIAL;

(c) TO ESTABLISH CRITERIA TO BE FOLLOWED BY SCHOOL DISTRICTS IN ESTABLISHING DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAMS; AND

(d) TO ENCOURAGE PARENTS TO PARTICIPATE WITH THEIR CHILDREN IN DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAMS.

(2) (a) FOR THE 2006-07 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, FOURTEEN THOUSAND THREE HUNDRED SIXTY CHILDREN MAY ANNUALLY PARTICIPATE IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM.

(b) FOR THE 2006-07 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DEPARTMENT SHALL ALLOW SCHOOL DISTRICTS TO APPLY TO THE DEPARTMENT FOR AUTHORIZATION TO SERVE NO MORE THAN FIFTEEN PERCENT OF THE TOTAL NUMBER OF CHILDREN AUTHORIZED TO PARTICIPATE IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) THROUGH A FULL-DAY KINDERGARTEN PORTION OF THE DISTRICT'S PRESCHOOL AND KINDERGARTEN PROGRAM. THE DEPARTMENT, USING ESTABLISHED CRITERIA, SHALL SELECT SCHOOL DISTRICTS TO PARTICIPATE IN THE FULL-DAY KINDERGARTEN PORTIONS UNTIL THE TOTAL NUMBER OF FULL-DAY KINDERGARTEN POSITIONS APPLIED FOR HAS BEEN FILLED OR THE FIFTEEN-PERCENT LIMITATION HAS BEEN REACHED, WHICHEVER EVENT OCCURS FIRST. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT SHALL NOT GRANT WAIVERS THAT WOULD ALLOW MORE THAN A TOTAL OF FIFTEEN PERCENT OF THE TOTAL NUMBER OF CHILDREN AUTHORIZED TO PARTICIPATE IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) TO BE SERVED THROUGH THE FULL-DAY KINDERGARTEN PORTION OF ALL DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAMS STATEWIDE.

(c) IF A SCHOOL DISTRICT THAT PARTICIPATES IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM DOES NOT ENROLL THE MAXIMUM NUMBER OF PUPILS ALLOWED TO PARTICIPATE IN THAT SCHOOL DISTRICT'S PRESCHOOL AND KINDERGARTEN PROGRAM AS ESTABLISHED BY THE DEPARTMENT IN ACCORDANCE WITH SECTION 22-28-107 (3), THE SCHOOL DISTRICT SHALL IMMEDIATELY NOTIFY THE DEPARTMENT OF THE NUMBER OF UNUSED POSITIONS. A SCHOOL DISTRICT PARTICIPATING IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM THAT HAS ANY UNUSED POSITIONS IN A GIVEN BUDGET YEAR IS PROHIBITED FROM TRANSFERRING TO ANOTHER SCHOOL DISTRICT ANY OR ALL OF THE UNUSED POSITIONS, REGARDLESS OF WHETHER THE UNUSED POSITIONS ARE TRANSFERRED IN EXCHANGE FOR MONETARY OR ANY OTHER FORM OF CONSIDERATION.

(3) A SCHOOL DISTRICT THAT PARTICIPATES IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM SHALL BE ENTITLED TO COUNT CHILDREN ENROLLED IN THE DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAM IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-54-103 (9.5) FOR PURPOSES OF DETERMINING PRESCHOOL AND KINDERGARTEN PROGRAM ENROLLMENT UNDER THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE.

(4) (a) SUBJECT TO THE LIMITATIONS IN PARAGRAPH (b) OF THIS SUBSECTION (4), THE PER PUPIL OPERATING REIMBURSEMENT PROVIDED TO ANY SCHOOL DISTRICT THAT PARTICIPATES IN THE PRESCHOOL PORTION OF THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM SHALL BE INCREASED TO ALLOW A SINGLE CHILD TO ENROLL IN THE PRESCHOOL PORTION OF THE PROGRAM USING TWO POSITIONS SO THAT THE CHILD MAY ATTEND A FULL DAY OF PRESCHOOL.

(b) FOR THE 2006-07 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DEPARTMENT SHALL ALLOW SCHOOL DISTRICTS TO APPLY FOR AUTHORIZATION TO SERVE NO MORE THAN FIVE PERCENT OF THE TOTAL NUMBER OF CHILDREN

AUTHORIZED TO PARTICIPATE IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM PURSUANT TO PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION THROUGH A FULL-DAY PRESCHOOL PORTION OF THE DISTRICT'S PRESCHOOL AND KINDERGARTEN PROGRAM. THE DEPARTMENT, USING ESTABLISHED CRITERIA, MAY SELECT QUALIFIED SCHOOL DISTRICTS TO PARTICIPATE IN AND SERVE CHILDREN THROUGH A FULL-DAY PRESCHOOL PORTION OF THE DISTRICT'S PRESCHOOL AND KINDERGARTEN PROGRAM. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT SHALL NOT GRANT WAIVERS THAT WOULD ALLOW MORE THAN A TOTAL OF FIVE PERCENT OF THE TOTAL NUMBER OF CHILDREN AUTHORIZED TO PARTICIPATE IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM PURSUANT TO PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION TO BE SERVED THROUGH THE FULL-DAY PRESCHOOL PORTION OF ALL DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAMS STATEWIDE.

(5) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO:

(a) REQUIRE SCHOOL DISTRICTS TO PARTICIPATE IN THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM; OR

(b) PROHIBIT SCHOOL DISTRICTS FROM ESTABLISHING AND MAINTAINING OTHER PRESCHOOL OR KINDERGARTEN PROGRAMS USING ANY FUNDS AVAILABLE FOR THAT PURPOSE, BUT CHILDREN ENROLLED IN SUCH OTHER PRESCHOOL OR KINDERGARTEN PROGRAMS SHALL NOT BE COUNTED FOR PURPOSES OF DETERMINING PRESCHOOL AND KINDERGARTEN PROGRAM ENROLLMENT OR PUPIL ENROLLMENT UNDER THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE.

SECTION 29. 22-28-105, Colorado Revised Statutes, is amended to read:

22-28-105. District preschool and kindergarten program advisory council - duties. (1) (a) Any school district wishing to participate in the state preschool AND KINDERGARTEN program shall establish a district preschool AND KINDERGARTEN program ADVISORY council consisting of the superintendent of the school district or his OR HER designee and such other members as the superintendent of the school district may appoint PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (1).

(b) The appointed members OF THE DISTRICT ADVISORY COUNCIL shall include, but shall not be limited to, THE FOLLOWING:

(I) Two parents of ~~preschool~~ children in the district preschool AND KINDERGARTEN program;

(II) Two members of the business community; and

(III) Representatives from the following:

(A) The county or district department of health;

(B) The county department of social services;

(C) The county agency involved in job services and training;

(D) Publicly funded early childhood education agencies located in the school district; and

(E) Privately funded child care centers located in the school district.

(c) The members appointed by the superintendent of the school district shall serve for two-year terms, and any vacancy among the appointed members shall be filled by appointment by the superintendent for the unexpired term. Members of the council shall elect a chairperson for a one-year term, but ~~such~~ THE chairperson may be elected to a second term.

(d) ~~The council shall meet a minimum of three times a year.~~ The ~~school~~ board OF EDUCATION shall have final responsibility for submittal of the application to participate in the state preschool AND KINDERGARTEN program and for operation and maintenance of the preschool AND KINDERGARTEN program within the school district. No action taken by the DISTRICT ADVISORY council shall be final until approved by the ~~school~~ board OF EDUCATION.

(2) The district ADVISORY council shall:

(a) Develop and recommend to the board of education the school district plan for identifying those children in the school district that would be eligible for participation in the district preschool AND KINDERGARTEN program based upon the criteria established in section 22-28-106 (1) (a);

(a.3) Study and assess the need for establishing a district preschool AND KINDERGARTEN program in the school district and, upon completion of such assessment, submit a request for proposals to any privately funded child care center and publicly funded early childhood education agency. ~~Such~~ THE request for proposals shall state the criteria and guidelines established by the department for determining the eligibility of children to participate in a district preschool AND KINDERGARTEN program, for district preschool AND KINDERGARTEN programs, and for parental involvement in a district preschool AND KINDERGARTEN program. ~~In addition, the district council,~~ At least once every five years, THE DISTRICT ADVISORY COUNCIL shall assess whether alternative community providers are available and shall ensure the highest quality service delivery at the lowest cost.

(a.5) Review and evaluate proposals received pursuant to paragraph (a.3) of this subsection (2) and annually submit a list to the board of education of ~~such~~ THE head start agencies or public and private child care agencies that are licensed by the department of human services and are in good standing whose proposals meet or exceed the criteria and guidelines specified in said paragraph (a.3) and are designated as eligible for participation in the district preschool AND KINDERGARTEN program, including the number of district preschool AND KINDERGARTEN children each agency will be eligible to serve under the program;

(b) Recommend to the board of education a plan for operating the district preschool AND KINDERGARTEN program, including whether the program should be provided by the SCHOOL district itself or provided, in whole or in part, by a head start agency or by child care agencies under contract with the SCHOOL district;

(c) Recommend to the board of education a proposal for the district preschool AND KINDERGARTEN program to be submitted to the department pursuant to the provisions of section 22-28-107 (1);

(d) Assist the school district in the implementation of the district preschool AND KINDERGARTEN program;

(e) Develop and recommend to the board of education, if appropriate, a plan for coordinating the district preschool AND KINDERGARTEN program with extended day services for children participating in the program and their families in order to achieve an increased efficiency in the services provided;

(e.3) Following consultation and planning with social services and health agencies, develop and recommend to the board of education a plan for coordinating the district preschool AND KINDERGARTEN program with family support services for children participating in the program and their families. For purposes of this paragraph (e.3), "family support services" includes, but is not limited to, information and referral and educational materials relating to:

(I) Nutrition;

(II) Immunization;

(III) Health care and dental care generally;

(IV) Parenting education and support; and

(V) Social services programs generally.

(e.7) Develop and recommend to the board of education a plan for coordinating the district preschool AND KINDERGARTEN program with a program to train parents to provide teaching activities in the home prior to the entrance of their children into the ~~state~~ DISTRICT preschool AND KINDERGARTEN program; ~~or kindergarten;~~

(e.8) Meet a minimum of six times per year. In addition, the district ADVISORY council shall make at least two on-site visits per year to all head start agencies and public and private child care facilities with which the school district has contracted to monitor overall program compliance and make recommendations for any needed improvements.

(e.9) Define any student eligibility criteria specific to the population of the individual community that are in addition to the criteria listed in section 22-28-106 (1) (a);

(e.10) Develop a district preschool AND KINDERGARTEN program evaluation component specific to the school district program involved;

(e.11) Develop a training program for district preschool AND KINDERGARTEN program staff using all available community resources;

(f) Recommend to the board of education a plan for the annual evaluation of the

district preschool AND KINDERGARTEN program; and

(g) Provide any other appropriate assistance to the school district in the implementation of the district preschool AND KINDERGARTEN program.

SECTION 30. 22-28-106 (1) (a), Colorado Revised Statutes, is amended to read:

22-28-106. Eligibility of children for participation in district program.

(1) (a) The ~~department~~ STATE BOARD shall establish, by rule, criteria for each school district to use in determining which children in the SCHOOL district shall be eligible for participation in the district preschool AND KINDERGARTEN program, subject to the following requirements:

(I) ~~For each school year prior to the 2002-03 school year, no child shall participate in the district preschool program unless he or she is four or five years old and would be eligible to enroll in kindergarten in the following academic year. For the 2002-03 school year and each school year thereafter, A child who is three, four, or five years old and meets the criteria specified in subparagraphs (II) to (IV) of this paragraph (a) and any other criteria established by rule may participate in the district preschool AND KINDERGARTEN program.~~

(II) No child shall participate in the district preschool AND KINDERGARTEN program unless ~~such~~ THE child lacks overall learning readiness due to significant family risk factors, is in need of language development, including but not limited to the ability to speak English, or is receiving services from the ~~state~~ department of human services pursuant to article 5 of title 26, C.R.S., as a neglected or dependent child; except that no child who is three years of age shall participate in the district preschool AND KINDERGARTEN program unless ~~such~~ THE child lacks overall learning readiness that is attributable to at least three of the significant family risk factors.

(III) No child shall participate in the district preschool AND KINDERGARTEN program unless one or both of his OR HER parents agree to assume all the parental responsibilities established by the school district pursuant to section 22-28-110 with respect to the program.

(IV) Any child qualifying for similar district services under other programs would continue to be eligible only for such services and would be funded under such programs.

SECTION 31. 22-28-107, Colorado Revised Statutes, is amended to read:

22-28-107. Eligibility of school districts for participation in state preschool and kindergarten program. (1) ~~By September 15, 1988, and~~ By a date to be determined by rule ~~and regulation~~ of the ~~department~~ STATE BOARD for THE 2006-07 BUDGET YEAR AND each BUDGET year thereafter, any school district may apply to the department for participation in the state preschool AND KINDERGARTEN program using forms provided by the department. Along with the application, the school district shall submit a proposal for the implementation of its district preschool AND KINDERGARTEN program, which shall include, but need not be limited to, the following information requested by the department:

(a) The number of eligible children to be served in the district preschool AND KINDERGARTEN program;

(b) Whether the district preschool AND KINDERGARTEN program will be a nine-month or twelve-month program;

(c) Whether the district preschool AND KINDERGARTEN program will be provided by the school district itself or provided, in whole or in part, by a head start agency or one or more child care agencies under contract with the school district;

(d) If the district preschool AND KINDERGARTEN program is to be provided by the school district:

(I) The number of schools in the school district that would be involved in the district preschool AND KINDERGARTEN program;

(II) The number of additional personnel needed to staff the district preschool AND KINDERGARTEN program;

(III) The training program for preschool AND KINDERGARTEN teachers;

(e) If the district preschool AND KINDERGARTEN program is to be provided, in whole or in part, by a head start agency or child care agencies under contract with the school district:

(I) The head start agency or child care agencies with which the school district will contract;

(II) The terms of the contracts;

(III) The procedure to be used to monitor the district preschool AND KINDERGARTEN program being provided to the school district by the head start agency or child care agencies;

(f) The extended day services, if any, to be provided in connection with the district preschool AND KINDERGARTEN program;

(f.3) The plan for coordinating the district preschool AND KINDERGARTEN program with family support services for children participating in the program and their families;

(f.4) The plan for involving the parent or parents of each child enrolled in the preschool AND KINDERGARTEN program in participation in the ~~preschool~~ program;

(f.7) The plan for coordinating the district preschool AND KINDERGARTEN program with a parenting program;

(g) The plan for involving parents and the community in the district preschool AND KINDERGARTEN program; and

(h) The procedure to be followed to evaluate the current and ~~follow-on~~

CONTINUING effectiveness of the district preschool AND KINDERGARTEN program.

~~(1.5) By September 15, 1992, all school districts participating in the state preschool program prior to such date must submit to the department a modified application for participation in the state preschool program which includes all of the information required by subsection (1) of this section, as amended. Submittal of such modified application shall not affect the eligibility of such school district for continued participation in the state preschool program.~~

(2) The ~~department~~ STATE BOARD shall establish, by rule, ~~and regulation,~~ criteria for determining which school districts shall be eligible for participation in the state preschool AND KINDERGARTEN program. The ~~department~~ STATE BOARD may consider any or all of the following:

(a) The number of eligible children to be served by the district preschool AND KINDERGARTEN program;

(b) The number of schools in the school district or the number of head start agencies or child care agencies that would be involved in the district preschool AND KINDERGARTEN program;

(c) The dropout rate of the school district;

(d) The test scores of children in kindergarten and the primary grades within the school district;

(e) The community involvement in the school district; and

(f) The demographic and geographic distribution of SCHOOL districts making application for or participating in the STATE PRESCHOOL AND KINDERGARTEN program throughout the state.

(3) The department shall evaluate each school district's application, using the criteria established pursuant to subsection (2) of this section as well as the proposal of the SCHOOL district for the implementation of the district preschool AND KINDERGARTEN program based upon the criteria established pursuant to section 22-28-108. The department shall give priority to school districts with proposals that include exemplary plans for the coordination of the district preschool AND KINDERGARTEN program with family support services, to school districts with proposals that indicate efforts to collaborate with public and private child care agencies located in the school district, and to school districts with proposals that demonstrate the greatest degree of community involvement. ~~By November 1, 1988, and~~ By a date to be determined by rule ~~and regulation~~ of the ~~department~~ STATE BOARD for THE 2006-07 BUDGET YEAR AND FOR each BUDGET year thereafter, the department shall determine the school districts that have been accepted for participation in the state preschool AND KINDERGARTEN program. To comply with the limitations on the number of children that may participate in the state preschool AND KINDERGARTEN program, the department shall set ~~for each participating school district~~ the maximum number of pupils in the district preschool AND KINDERGARTEN program FOR EACH PARTICIPATING SCHOOL DISTRICT.

(4) (a) Upon the request of a school district, the department of education, ~~as defined in section 22-28-103 (3)~~, shall provide, subject to available resources, such technical assistance as may be necessary for the school district to submit a proposal for the implementation of its DISTRICT preschool AND KINDERGARTEN program and for ongoing training of personnel for the successful implementation of ~~such~~ THE program.

(b) The department shall annually select a reasonable number of school districts that have implemented preschool AND KINDERGARTEN programs pursuant to this ~~part~~ ARTICLE and shall conduct on-site visits to determine whether:

(I) ~~The~~ EACH school district's screening process and the eligibility criteria for children participating in a THE DISTRICT preschool AND KINDERGARTEN program comply with all applicable state law;

(II) The district ~~preschool program~~ ADVISORY council established pursuant to section 22-28-105 complies with all applicable state law; and

(III) The school district's quality assurance activities, evaluation efforts, and financial activities regarding the DISTRICT preschool AND KINDERGARTEN program comply with all applicable state law.

SECTION 32. 22-28-108 (1) (a), the introductory portion to 22-28-108 (1) (b), 22-28-108 (1) (b) (I), (1.6), (2), (3), (4), (5), and (6), Colorado Revised Statutes, are amended to read:

22-28-108. Criteria for district preschool and kindergarten programs.

(1) (a) The department shall establish basic program standards for district preschool AND KINDERGARTEN programs using nationally accepted standards for preschool programs and requiring compliance with the Colorado rules for child care centers promulgated by the department of human services pursuant to section 26-6-106, C.R.S.; except that a full-day kindergarten component of a ~~district's~~ DISTRICT preschool AND KINDERGARTEN program need not be in compliance with such rules.

(b) The ~~department~~ STATE BOARD shall establish, by rule, ~~and regulation~~, criteria for school districts to use in establishing district preschool AND KINDERGARTEN programs, subject to the following requirements:

(I) The maximum number of pupils in a district preschool AND KINDERGARTEN program shall not exceed the number set by the department pursuant to section 22-28-107 (3).

(1.6) The criteria established by the ~~department~~ STATE BOARD shall require that each head start agency and public and private child care agency that is providing services under the district preschool AND KINDERGARTEN program afford all children that are eligible under section 22-28-106 an equal opportunity to receive services regardless of their race, ethnicity, or place of residence within the school district.

(2) In addition to the criteria established pursuant to subsection (1) of this section, the ~~department~~ STATE BOARD shall establish, by rule, ~~and regulation~~, additional

criteria for school districts to use in establishing district preschool AND KINDERGARTEN programs that will be provided, in whole or in part, by a head start agency or child care agencies in accordance with the provisions of section 22-28-109.

(3) In establishing criteria for district preschool AND KINDERGARTEN programs relating to qualifications for preschool teachers, the ~~department~~ STATE BOARD shall not require preschool teachers to be licensed pursuant to article 60.5 of this title but shall allow the SCHOOL district, ~~or~~ a head start agency, or A child care agency to employ a nonlicensed preschool teacher ~~so~~ AS long as ~~said~~ THE teacher meets other qualifications established by the ~~department~~ STATE BOARD.

(4) The criteria established by the ~~department~~ STATE BOARD shall be made available to each school district no later than August 1 of each year and shall be used by the district ADVISORY council and the school district in drawing up the district preschool AND KINDERGARTEN program proposal to be submitted with the school district's application for participation in the state preschool AND KINDERGARTEN program.

(5) Any school district whose district preschool AND KINDERGARTEN program proposal does not meet the requirements of the ~~department~~ STATE BOARD shall be allowed to modify its proposal so that it meets said requirements. Notice to the department of said modifications shall be a prerequisite to final acceptance in the state preschool AND KINDERGARTEN program.

(6) At any time during the year, the department may request from a school district any information about its district preschool AND KINDERGARTEN program that the department deems necessary to ensure that ~~said~~ THE district is complying with the requirements of this section.

SECTION 33. 22-28-109, Colorado Revised Statutes, is amended to read:

22-28-109. District preschool and kindergarten programs provided by a head start agency or child care agencies. (1) THE STATE RECOGNIZES THAT THERE IS SIGNIFICANT VALUE IN USING EXISTING AND ESTABLISHED INFRASTRUCTURE THROUGH A HEAD START AGENCY OR CHILD CARE AGENCIES, WHERE AVAILABLE, FOR THE PROVISION OF A DISTRICT PRESCHOOL AND KINDERGARTEN PROGRAM. The board of education of any school district may AND IS ENCOURAGED TO provide that the district preschool AND KINDERGARTEN program be contracted out, in whole or in part, to a head start agency or one or more child care agencies located in the school district if the provisions of this section are satisfied. In making its determination on whether to contract out the district preschool AND KINDERGARTEN program, the board of education shall consider the recommendation of the district advisory council along with the following:

(a) Whether there is an established preschool program being provided by the school district or by a head start agency or one or more child care agencies that could be expanded or modified to include the district preschool AND KINDERGARTEN program;

(b) Whether the district preschool AND KINDERGARTEN program could be

provided more efficiently by a head start agency or one or more child care agencies while still maintaining a quality program;

(c) Whether the head start agency or the child care agencies could provide a district preschool AND KINDERGARTEN program that would meet the criteria established by the ~~department~~ STATE BOARD pursuant to the provisions of section 22-28-108 (1) and (2);

(d) Whether the school district or the head start agency or child care agencies providing the district preschool AND KINDERGARTEN program could also provide extended day services for children enrolled in the program in need of such services.

(2) No board of education shall contract out the district preschool AND KINDERGARTEN program unless the board is assured that the head start agency or child care agency will provide a quality program meeting the requirements of section 22-28-108 (1) and (2). At any time during the year, the board may request from the agency any information about the program that the board deems necessary to ensure that the agency is complying with said requirements. In addition, the board of education shall ensure that the services provided by the head start agency or child care agency with respect to the district preschool AND KINDERGARTEN program shall be in addition to services then currently provided by said agency and that the moneys transmitted to said agency for the services provided in the district preschool AND KINDERGARTEN program shall not supplant moneys available to fund other services provided by said agency.

(3) If the district preschool AND KINDERGARTEN program is contracted out pursuant to the provisions of subsection (1) of this section, the board of education and the head start agency or child care agencies shall develop a plan for the transition of children from the preschool PORTION OF THE program to kindergarten OR TO THE KINDERGARTEN PORTION OF THE PROGRAM, WHICHEVER IS APPLICABLE, AND FROM THE KINDERGARTEN PORTION OF THE PROGRAM TO FIRST GRADE.

SECTION 34. 22-28-110, Colorado Revised Statutes, is amended to read:

22-28-110. Parental involvement in district preschool and kindergarten programs. In establishing criteria for district preschool AND KINDERGARTEN programs pursuant to the provisions of section 22-28-108, the ~~department~~ STATE BOARD shall include guidelines for a school district to follow in establishing the responsibilities of parents in the district preschool AND KINDERGARTEN program. ~~Said~~ THE responsibilities shall be set forth in writing and provided to the parents of eligible children. Approved written or verbal communication between the parent and program personnel may be considered as fulfillment of responsibilities for program visitation. No child shall be accepted in the district preschool AND KINDERGARTEN program unless one or both of the parents agree to assume ~~said~~ THE responsibilities, and failure of the parent or parents to fulfill ~~said~~ THE responsibilities shall result in the ~~child's~~ CHILD being dismissed from the DISTRICT PRESCHOOL AND KINDERGARTEN program.

SECTION 35. 22-28-111 (1) (a), Colorado Revised Statutes, is amended to read:

22-28-111. Coordination of district preschool and kindergarten program

with extended day services. (1) (a) Any school district ~~which~~ THAT establishes a district preschool AND KINDERGARTEN program may coordinate the program with extended day services if the district ADVISORY council and the school district find that there exists a need for ~~such~~ THE services. ~~Such~~ THE services may be coordinated by the school district through one or more privately funded child care centers or publicly funded early childhood education agencies or through the school district itself.

SECTION 36. 22-28-111.5, Colorado Revised Statutes, is amended to read:

22-28-111.5. Coordination of preschool and kindergarten program with family support services - establishment of parenting program. In coordinating a district preschool AND KINDERGARTEN program with family support services and in establishing a parenting program as required by section 22-28-107 as a part of the proposal for the district preschool AND KINDERGARTEN program, the school district is encouraged to apply for federal child care and development block grant funds and to seek support, advice, and technical and financial assistance from members of the community, from businesses, and from community and state agencies. In addition to other moneys available to the school district to fund the requirements of this section, the school district is authorized to seek and accept gifts, donations, or grants of any kind from any private source or from any governmental agency. All such gifts, donations, and grants shall be transmitted to the treasurer of the school district who shall credit the same to a special account in the school district general fund to be used solely to fund the requirements of this section.

SECTION 37. 22-28-112, Colorado Revised Statutes, is amended to read:

22-28-112. Reports to legislative committees. ~~Based upon evaluations of district preschool programs, the department shall make a preliminary report to the joint budget committee and to the house and senate committees on education in January of 1990 on the implementation of the state preschool program and shall make a report in January of 1991 and each January thereafter on the effectiveness of the program.~~ BY JANUARY 15, 2007, AND BY JANUARY 15 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, ON THE EFFECTIVENESS OF THE STATE PRESCHOOL AND KINDERGARTEN PROGRAM. The department is authorized to request from any participating school district such information and data as may be necessary to make such reports.

SECTION 38. Repeal. 22-32-119 (3), Colorado Revised Statutes, is repealed as follows:

22-32-119. Kindergartens - legislative declaration. (3) (a) ~~On and after April 29, 2005, 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 April 29, 2005, 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 39. 22-30.5-112 (1) (a), Colorado Revised Statutes, is amended to read:

22-30.5-112. Charter schools - financing - guidelines. (1) (a) For purposes of the "Public School Finance Act of 1994", article 54 of this title, pupils enrolled in a charter school shall be included in the pupil enrollment, the on-line pupil enrollment, or the preschool AND KINDERGARTEN PROGRAM enrollment, whichever is applicable, of the school district that granted its charter. The school district that granted its charter shall report to the department of education the number of pupils included in the school district's pupil enrollment, the school district's on-line pupil enrollment, and the school district's preschool AND KINDERGARTEN PROGRAM enrollment that are actually enrolled in each charter school.

SECTION 40. Repeal. 22-32-110 (1) (II) (I), Colorado Revised Statutes, is repealed as follows:

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 (3).~~

SECTION 41. 22-45-103 (1) (g), Colorado Revised Statutes, is amended to read:

22-45-103. Funds. (1) The following funds are created for each school district for purposes specified in this article:

(g) **Preschool and kindergarten program fund.** Moneys allocated pursuant to section 22-54-105 (4) shall be deposited in the preschool AND KINDERGARTEN program fund of the district. In addition, any other moneys of the district that may be used to pay the costs of providing preschool AND KINDERGARTEN services directly to children enrolled in the district's preschool AND KINDERGARTEN program pursuant to article 28 of this title may be deposited in the preschool AND KINDERGARTEN program fund of the district. Expenditures from the PRESCHOOL AND KINDERGARTEN PROGRAM fund shall only be made to pay the costs of providing

preschool AND KINDERGARTEN services directly to children enrolled in the district's preschool AND KINDERGARTEN program pursuant to article 28 of this title. ~~Such~~ THE costs shall include teacher and paraprofessional salaries and benefits, supplies and materials, home visits, the entire cost of any preschool OR KINDERGARTEN program contracted services, the costs of services provided by a district to children enrolled in the district's preschool AND KINDERGARTEN program or their parents, any associated professional development activities, costs that a district would not otherwise have incurred but for the services provided in conjunction with the preschool AND KINDERGARTEN program, and a reasonable allocation of district overhead costs not to exceed five percent of ~~such overhead~~ THE PROGRAM costs. Any moneys remaining in the PRESCHOOL AND KINDERGARTEN PROGRAM fund at the end of any fiscal year shall remain in the fund.

SECTION 42. 22-54-103 (1.5) (b) (II) and (5.5), the introductory portion to 22-54-103 (7) (c) (I), and 22-54-103 (9.5), (10) (b) (I), (10) (f), and (14), Colorado Revised Statutes, are amended to read:

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

(1.5) (b) For purposes of this subsection (1.5):

(II) "District pupil enrollment" means the pupil enrollment of the district, as determined in accordance with subsection (10) of this section, minus the number of pupils enrolled in THE PRESCHOOL PORTION OF district preschool AND KINDERGARTEN programs pursuant to article 28 of this title and the number of ~~three-~~THREE-YEAR-OLD or four-year-old pupils with disabilities receiving educational programs pursuant to article 20 of this title.

(5.5) "District percentage of at-risk pupils" means the number of at-risk pupils in the district, as determined in accordance with subsection (1.5) of this section, divided by the pupil enrollment of the district, as determined in accordance with subsection (10) of this section; except that pupil enrollment shall not include the number of pupils enrolled in THE PRESCHOOL PORTION OF district preschool AND KINDERGARTEN programs pursuant to article 28 of this title and the number of ~~three-~~THREE-YEAR-OLD or four-year-old pupils with disabilities receiving educational programs pursuant to article 20 of this title.

(7) "Funded pupil count" means:

(c) (I) For budget years commencing on and after July 1, 2003, the district's on-line pupil enrollment for the applicable budget year plus the district's preschool AND KINDERGARTEN PROGRAM enrollment for the applicable budget year plus the greater of:

(9.5) (a) (I) "Preschool AND KINDERGARTEN PROGRAM enrollment" means the number of pupils enrolled in a district preschool AND KINDERGARTEN program pursuant to article 28 of this title on October 1 within the applicable budget year or the school date nearest said date. ~~except that~~ A pupil enrolled in a district preschool AND KINDERGARTEN program pursuant to article 28 of this title shall be counted as a half-day pupil.

(II) Notwithstanding the provisions of subparagraph (I) of this paragraph (a), for budget years commencing on or after July 1, 2005, a district may choose to determine the number of pupils enrolled in the PRESCHOOL PORTION OF THE district preschool AND KINDERGARTEN program pursuant to article 28 of this title on November 1 within the applicable budget year or the school date nearest said date, rather than on October 1. The "preschool AND KINDERGARTEN PROGRAM enrollment" for the district shall be the number of pupils ~~so~~ enrolled IN THE PRESCHOOL PORTION OF THE DISTRICT PROGRAM, who shall be counted as half-day pupils.

(b) For purposes of determining preschool AND KINDERGARTEN PROGRAM enrollment for the 2005-06 budget year and each budget year thereafter, a district shall count and receive funding only for:

(I) Pupils enrolled in THE PRESCHOOL PORTION OF a district preschool AND KINDERGARTEN program pursuant to ~~section 22-28-104 (1) (a.5)~~ SECTION 22-28-104 who are three years old as of October 1 of the applicable budget year;

(II) Pupils enrolled in THE PRESCHOOL PORTION OF a district preschool AND KINDERGARTEN program pursuant to ~~section 22-28-104 (1) (a)~~ SECTION 22-28-104 who are AT LEAST four years old as of October 1 of the applicable budget year; and

(III) Pupils enrolled in a full-day kindergarten component of a district preschool AND KINDERGARTEN program pursuant to ~~section 22-28-104 (1) (a) and (2) (d) (f)~~ ~~(E)~~ SECTION 22-28-104 who are five years old as of October 1 of the applicable budget year.

(10) (b) (I) A pupil enrolled in a 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 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 AND KINDERGARTEN program PURSUANT TO ARTICLE 28 OF THIS TITLE; 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.

(14) "Statewide average percentage of at-risk pupils" means the total number of at-risk pupils in all districts, as determined in accordance with subsection (1.5) of this section, divided by the pupil enrollment of all districts, as determined in accordance with subsection (10) of this section; except that pupil enrollment shall

not include the number of pupils enrolled in THE PRESCHOOL PORTION OF district preschool AND KINDERGARTEN programs pursuant to article 28 of this title and the number of ~~three~~-THREE-YEAR-OLD or four-year-old pupils with disabilities receiving educational programs pursuant to article 20 of this title.

SECTION 43. 22-54-105 (4), Colorado Revised Statutes, is amended to read:

22-54-105. Instructional supplies and materials - capital reserve and insurance reserve - at-risk funding - preschool and kindergarten funding.

(4) For the 2001-02 budget year and any budget year thereafter, every district participating in the state preschool AND KINDERGARTEN program pursuant to article 28 of this title shall budget an amount equal to the district's per pupil operating revenues multiplied by the district's preschool AND KINDERGARTEN PROGRAM enrollment as defined in section 22-54-103 (9.5). ~~Such~~ THE budgeted amount shall be allocated to the preschool AND KINDERGARTEN program fund created in section 22-45-103 (1) (g) and expended in accordance with said paragraph (g). Any moneys in the fund that are not projected to be expended during a budget year shall be budgeted for the district's preschool AND KINDERGARTEN program in the next budget year.

SECTION 44. 22-54-112 (2) (a), Colorado Revised Statutes, is amended to read:

22-54-112. Reports to the state board. (2) (a) On or before November 10 of each year, the secretary of the board of education of each district shall certify to the state board the pupil enrollment, the on-line pupil enrollment, and the preschool AND KINDERGARTEN PROGRAM enrollment of the district taken in the preceding October or previously in November.

SECTION 45. 22-55-102 (8) and (10), Colorado Revised Statutes, are amended to read:

22-55-102. Definitions. As used in this article, unless the context otherwise requires:

(8) "Kindergarten programs" include, but are not limited to, the full-day kindergarten PORTION OF A DISTRICT PRESCHOOL AND KINDERGARTEN program described in section 22-28-104. ~~(2) (d) (f).~~

(10) "Preschool programs" include, but are not limited to, the PRESCHOOL PORTION OF THE state preschool AND KINDERGARTEN program created pursuant to section 22-28-104.

SECTION 46. 26-6-102 (1.5), Colorado Revised Statutes, is amended to read:

26-6-102. Definitions - repeal. As used in this article, unless the context otherwise requires:

(1.5) "Child care center" means a facility, by whatever name known, that is maintained for the whole or part of a day for the care of five or more children who are eighteen years of age or younger and who are not related to the owner, operator, or manager thereof, whether ~~such~~ THE facility is operated with or without

compensation for such care and with or without stated educational purposes. The term includes, but is not limited to, facilities commonly known as day care centers, school-age child care centers, before and after school programs, nursery schools, kindergartens, preschools, day camps, summer camps, and centers for developmentally disabled children and those facilities that give twenty-four-hour care for children and includes those facilities for children under the age of six years with stated educational purposes operated in conjunction with a public, private, or parochial college or a private or parochial school; except that the term shall not apply to any kindergarten maintained in connection with a public, private, or parochial elementary school system of at least six grades or operated as a component of a school district's preschool AND KINDERGARTEN program operated pursuant to article 28 of title 22, C.R.S. The term shall not include any facility licensed as a family child care home or foster care home.

SECTION 47. 26-6.5-104 (1), Colorado Revised Statutes, is amended to read:

26-6.5-104. Funding. (1) Applicants for the pilot site agencies must at a minimum consolidate funding from the Colorado preschool AND KINDERGARTEN program that operates under the authority of ~~local~~ school districts PURSUANT TO ARTICLE 28 OF TITLE 22, C.R.S., and child care subsidy moneys that are administered by local boards of county commissioners.

SECTION 48. 26-6.5-106 (2) (b) (I), the introductory portion to 26-6.5-106 (3.5) (a) (I), and 26-6.5-106 (3.5) (a) (II) (C), Colorado Revised Statutes, are amended to read:

26-6.5-106. School-readiness quality improvement program. (2) Definitions. As used in this section, unless the context otherwise requires:

(b) "Early care and education providers" and "early care and education facilities" mean school districts, providers, or facilities:

(I) That are licensed pursuant to part 1 of article 6 of this title or that participate in the Colorado preschool AND KINDERGARTEN program pursuant to article 28 of title 22, C.R.S.; and

(3.5) **Early childhood care and education councils.** (a) (I) Communities throughout the state that do not have a pilot site agency may identify an existing entity or establish a new entity to serve as the early childhood care and education council to work toward the development and implementation of a comprehensive early childhood system to ensure the school readiness of young children in the community. A community may identify an existing entity, such as a consolidated child care pilot site agency or an interagency coordinating council or a ~~Colorado~~ DISTRICT preschool AND KINDERGARTEN program advisory council, to serve as its early childhood care and education council or it may establish a new council. To the extent it is practical, early childhood care and education councils shall be representative of the various public and private stakeholders in the community, as specified in this subsection (3.5), who are committed to supporting the preparedness of young children for school. Such stakeholders shall include:

(II) In addition, each early childhood care and education council may include, but

is not limited to, representation from any combination of the following:

(C) The Colorado preschool AND KINDERGARTEN program ESTABLISHED IN ARTICLE 28 OF TITLE 22, C.R.S.;

SECTION 49. 2-3-1203 (3), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

2-3-1203. Sunset review of advisory committees. (3) The following dates are the dates for which the statutory authorization for the designated advisory committees is scheduled for repeal:

(cc) JULY 1, 2016: THE COLORADO SPECIAL EDUCATION FISCAL ADVISORY COMMITTEE CREATED IN SECTION 22-20-114.5 (2), C.R.S.

SECTION 50. 22-54-124 (1) (c), (1) (c.5), and (3) (a) (III) (A), Colorado Revised Statutes, are amended to read:

22-54-124. State aid for charter schools - use of state education fund moneys.
(1) As used in this section:

(c) "District's certified charter school pupil enrollment" means the total number of pupils who are not on-line pupils, as defined in ~~section 22-30.5-103 (1) (b.5)~~ SECTION 22-30.5-103 (6), expected to be enrolled in all qualified charter schools that will receive funding from the district pursuant to section 22-30.5-112 for the budget year for which state education fund moneys are to be appropriated and distributed pursuant to subsection (4) of this section, as certified by the department of education pursuant to paragraph (b) of subsection (3) of this section during the budget year that immediately precedes said budget year.

(c.5) "Institute charter school's certified pupil enrollment" means the total number of pupils who are not on-line pupils, as defined in ~~section 22-30.5-502 (7)~~ SECTION 22-30.5-502 (9), expected to be enrolled in a qualified institute charter school that will receive funding pursuant to section 22-30.5-513 for the budget year for which state education fund moneys are to be appropriated and distributed pursuant to subsection (4) of this section, as certified by the department of education pursuant to paragraph (b) of subsection (3) of this section during the budget year that immediately precedes said budget year.

(3) (a) (III) (A) The total amount of state education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for ~~the 2003-04~~ THE 2003-04, 2004-05, 2005-06, AND 2007-08 budget year YEARS and each budget year thereafter shall be an amount equal to five million dollars. FOR THE 2006-07 BUDGET YEAR, SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS SHALL BE APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND FOR ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS FROM THE STATE EDUCATION FUND.

SECTION 51. 22-32-109 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

22-32-109. Board of education - specific duties. (1) In addition to any other

duty required to be performed by law, each board of education shall have and perform the following specific duties:

(ii) TO ADOPT A POLICY WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (ii) TO ENSURE THAT THE RIGHT OF SCHOOL DISTRICT EMPLOYEES AND STUDENTS TO DISPLAY REASONABLY THE FLAG OF THE UNITED STATES SHALL NOT BE INFRINGED WITH RESPECT TO THE DISPLAY:

(I) ON AN INDIVIDUAL'S PERSON; OR

(II) ON AN INDIVIDUAL'S PERSONAL PROPERTY OR PROPERTY THAT IS UNDER THE TEMPORARY CONTROL OF AN EMPLOYEE OR A STUDENT, INCLUDING BUT NOT LIMITED TO A DESK TOP OR A LOCKER.

SECTION 52. 22-11-104 (2) (l) and (2) (m), Colorado Revised Statutes, are amended, and the said 22-11-104 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

22-11-104. Accreditation indicators. (2) Contents. The accreditation indicators shall include but shall not be limited to the following:

(l) Continuing education rates; ~~and~~

(m) Mobility rates; AND

(n) COMPLIANCE WITH SECTION 22-32-109 (1) (ii) THROUGH ADOPTION OF A POLICY TO ENSURE THAT THE RIGHT OF SCHOOL DISTRICT EMPLOYEES AND STUDENTS TO DISPLAY REASONABLY THE FLAG OF THE UNITED STATES IS NOT INFRINGED.

SECTION 53. Part III (2) (B) and (2) (C) and the affected totals of section 2 of chapter 354, Session Laws of Colorado 2005, as amended by House Bill 06-1215, enacted at the Second Regular Session of the Sixty-fifth General Assembly, are amended to read:

Section 2. **Appropriation.**

**PART III
DEPARTMENT OF EDUCATION**

(2) ASSISTANCE TO PUBLIC SCHOOLS

(B) Categorical Programs¹⁵

(I) District Programs Required by Statute

Special Education -

Children with

Disabilities	238,066,114	71,572,347	16,478,950 ^a	150,014,817
	258,066,114	91,572,347		

(0.5 FTE) (48.9 FTE)

English Language

Proficiency Program	11,885,600	3,101,598	1,205,957 ^b	7,578,045
			(0.5 FTE)	(4.1 FTE)

249,951,714

269,951,714

(II) Other Categorical Programs

Federal Special

Education Grant for

Infants, Toddlers, and

Their Families ^{16, 17}	7,215,847			7,215,847
				(5.1 FTE)

Public School

Transportation	41,609,133	36,922,227	4,686,906 ^c	
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	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Transfer to the Department of Higher Education for Distribution of State Assistance for Vocational Education	19,996,048		17,792,850			2,203,198 ^e	
Special Education - Gifted and Talented Children	6,258,744		5,500,000			758,744 ^e	
Expelled and At-risk Student Services Grant Program	6,285,171		5,788,807			496,364 ^e	
Small Attendance Center Aid	889,541		833,405			56,136 ^e	
Comprehensive Health Education	<u>600,000</u>					600,000 ^d	
	82,854,484						

^a Of this amount, \$16,380,950 shall be from the State Education Fund created in Section 17 (4) of Article IX of the State Constitution, and \$98,000(T) shall be from federal funds appropriated in the Department of Human Services.

^b Of this amount, \$941,957 shall be from the State Education Fund created in Section 17 (4) of Article IX of the State Constitution, and \$264,000(T) shall be from federal funds transferred from the Department of Human Services.

^c These amounts shall be from the State Education Fund created in Section 17 (4) of Article IX of the State Constitution.

^d This amount shall be from reserves in the Colorado Comprehensive Health Education Fund created in Section 22-25-109, C.R.S.

(C) Grant Programs and Other Distributions¹⁸

Read-to-Achieve Cash Fund	4,359,902		4,359,902 ^a	
Read-to-Achieve Grant Program	4,359,902		4,359,902 ^b	
Federal Title I Reading First Grant	11,597,722			11,597,722 (8.5 FTE)
S.B. 97-101 Public School Health Services	14,585,895		14,585,895(T) ^c	(1.4 FTE)
State Public School Fund, Contingency Reserve ^{19, 20}	3,767,309		3,767,309 ^d	
State Public School Fund, School Capital Construction Expenditures Reserve	10,000,000 21,500,000	5,750,000	10,000,000^e 15,750,000 ^e	(2.0 FTE)
SCHOOL CONSTRUCTION AND RENOVATION FUND	38,500,000	19,250,000 ^h	19,250,000 ⁱ	
Charter School Capital Construction	5,000,000		5,000,000 ^f	

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APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
State Match for School Lunch Program	2,472,644			2,472,644 ^e		
School Breakfast Program	250,000	250,000				
Colorado History Day	10,000				10,000 ^f	
	<u>56,403,374</u>					
	106,403,374					

^a This amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104.5 (1) (h), C.R.S.

^b This amount shall be from the Read-to-Achieve Cash Fund created in Section 22-7-506 (4) (a) (I), C.R.S.

^c This amount shall be from federal Medicaid funds appropriated to the Department of Health Care Policy and Financing. Of this amount, \$184,168 shall be for administrative expenditures incurred by the Department of Education.

^d This amount shall be from school district reimbursements that are credited to the State Public School Fund, Contingency Reserve, pursuant to Section 22-54-117 (5) (b), C.R.S.

^e Of this amount, \$5,000,000 shall be from the State Education Fund created in Section 17 (4) of Article IX of the State Constitution, and ~~\$5,000,000~~ \$10,750,000 shall be from the State Public School Fund, School Capital Construction Expenditures Reserve established in Section 22-54-117 (1.5), C.R.S. Of the latter amount, \$143,569 shall be for administrative expenditures.

^f These amounts shall be from the State Education Fund created in Section 17 (4) of Article IX of the State Constitution.

^g This amount shall be from rental income earned on public school lands that is credited to the Public School Income Fund pursuant to Section 36-1-116 (1) (a), C.R.S., and transferred to the State Public School Fund pursuant to Section 22-54-114 (1), C.R.S.

SECTION 54. Appropriation - adjustments to the 2006 long bill. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund, not otherwise appropriated, to the department of education, management and administration, for the fiscal year beginning July 1, 2006, the sum of sixty-five thousand eight hundred four dollars (\$65,804) and 1.0 FTE, or so much thereof as may be necessary, for the administration of the state preschool and kindergarten program established in section 22-28-104, Colorado Revised Statutes.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund, not otherwise appropriated, to the department of education, for management and administration, for the fiscal year beginning July 1, 2006, the sum of thirty-seven thousand five hundred eighty-two dollars (\$37,582) and 0.5 FTE, or so much thereof as may be necessary, for the implementation of section 22-20-114.5, Colorado Revised Statutes.

(3) In addition to any other appropriation, there is hereby appropriated to the department of education, for the fiscal year beginning July 1, 2006, the sum of one million two hundred eighty-three thousand three hundred seventy-seven dollars (\$1,283,377), or so much thereof as may be necessary, for the implementation of section 22-54-126, Colorado Revised Statutes. Of said sum, two hundred eighty-three thousand three hundred seventy-seven dollars (\$283,377) shall be from the general fund and one million dollars (\$1,000,000) shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(4) 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, 2006, the sum of one million dollars (\$1,000,000) and 0.3 FTE, or so much thereof as may be necessary, for the implementation of the summer school grant program created in section 22-7-803, Colorado Revised Statutes.

(5) 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 implementation of the facility summer school grant program created in section 22-86-103, Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the sum of five hundred thousand dollars (\$500,000), or so much thereof as may be necessary, for the implementation of this act.

(6) 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 provision of assistance to persons seeking national credentials pursuant to section 22-60.5-112.5, Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary, for the implementation of this act.

(7) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the legislative department, for allocation to the general assembly for the purposes set forth in

section 22-54-127, Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the sum of three thousand eight hundred sixteen dollars (\$3,816), or so much thereof as may be necessary, for the implementation of this act.

(8) 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, 2006, shall be adjusted as follows:

(a) The general fund appropriation for management and administration is increased by eight hundred forty-five thousand six hundred thirty-three dollars (\$845,633) and 10.0 FTE.

(b) The cash funds exempt appropriation for management and administration is decreased by eight hundred forty-five thousand six hundred thirty-three dollars (\$845,633) and 10.0 FTE. Said sum shall be from moneys transferred from the State Share of Districts' Total Program Funding line item.

(c) The general fund appropriation for assistance to public schools, public school finance, for the state share of districts' total program funding, is increased by four million nine hundred thirty-one thousand two hundred seventeen dollars (\$4,931,217).

(d) The general fund appropriation for assistance to public schools, categorical programs, district programs required by statute, special education - children with disabilities, is increased by twenty-five million seven hundred twenty thousand dollars (\$25,720,000).

(e) The appropriation for assistance to public schools, grant programs and other distributions, national credential fund, is decreased by eighty-three thousand dollars (\$83,000). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(f) The appropriation for assistance to public schools, grant programs and other distributions, national credential fee assistance, is decreased by eighty-three thousand dollars (\$83,000). Said sum shall be from the national credential fund created in section 22-60.5-112.5 (4) (b), Colorado Revised Statutes.

(g) The state education fund appropriation for assistance to public schools, grant programs and other distributions, charter school capital construction, is increased by two million eight hundred thousand dollars (\$2,800,000).

SECTION 55. 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 28, 2006