

## CHAPTER 306

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**EDUCATION - PUBLIC SCHOOLS**

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**SENATE BILL 07-041**

BY SENATOR(S) Schwartz, Groff, Shaffer, Williams, and Windels;  
also REPRESENTATIVE(S) Massey, Casso, Gibbs, Labuda, Levy, McFadyen, Merrifield, Solano, and Todd.

**AN ACT**

**CONCERNING THE CREATION OF THE "PUBLIC SCHOOL FACILITIES ACT" TO ADDRESS CAPITAL CONSTRUCTION IN COLORADO PUBLIC SCHOOLS, AND MAKING AN APPROPRIATION THEREFOR.**

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

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds that:

(a) Creation of an advisory committee within the department of education to develop facility and safety priorities to be used in assessing applications for grants of capital construction moneys to school districts will help to ensure that the moneys will be used in completing high-quality, beneficial construction projects; and

(b) A grant priority assessment of the school buildings and facilities in certain school districts in Colorado will have the beneficial effect of assisting school districts and the state in appropriately and efficiently allocating funds for school buildings and facilities.

(2) It is therefore the intent of the general assembly that the facility and safety priorities adopted pursuant to this act and the grant priority assessment conducted pursuant to this act be used by the department of education solely to improve the efficiency and accountability of allocating funds to school districts from the school construction and renovation fund created in section 22-43.7-103, Colorado Revised Statutes, and from the school capital construction expenditures reserve pursuant to section 22-54-117 (1.5) and (1.6), Colorado Revised Statutes. Use of the facility and safety priorities or the grant priority assessment results for any other purpose is beyond the intent of the general assembly.

**SECTION 2.** Article 43.7 of title 22, Colorado Revised Statutes, is amended BY

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

THE ADDITION OF A NEW PART to read:

PART 2  
SCHOOL DISTRICT AND CHARTER SCHOOL  
CAPITAL CONSTRUCTION

**22-43.7-201. Short title.** THIS PART 2 SHALL BE KNOWN AND MAY BE CITED AS THE "PUBLIC SCHOOL FACILITIES ACT".

**22-43.7-202. Definitions.** AS USED IN THIS PART 2, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ADVISORY COMMITTEE" MEANS THE ADVISORY COMMITTEE FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION CREATED PURSUANT TO SECTION 22-43.7-203.

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

(3) "FACILITY" MEANS A BUILDING OR PORTION OF A BUILDING USED FOR EDUCATIONAL PURPOSES BY A SCHOOL DISTRICT OR A CHARTER SCHOOL, INCLUDING BUT NOT LIMITED TO SCHOOL SITES, CLASSROOMS, LIBRARIES AND MEDIA CENTERS, CAFETERIAS AND KITCHENS, AUDITORIUMS, MULTIPURPOSE ROOMS, AND OTHER MULTI-USE SPACES.

(4) "FACILITY AND SAFETY PRIORITIES" MEANS THE PRIORITIES ESTABLISHED BY THE ADVISORY COMMITTEE PURSUANT TO SECTION 22-43.7-205.

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

**22-43.7-203. Advisory committee for public school capital construction - repeal.** (1) (a) EFFECTIVE JULY 1, 2007, THERE IS HEREBY ESTABLISHED WITHIN THE DEPARTMENT OF EDUCATION THE ADVISORY COMMITTEE FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION.

(b) THE ADVISORY COMMITTEE SHALL CONSIST OF THE PERSONS DESCRIBED IN SUBSECTION (2) OF THIS SECTION AND SHALL INCLUDE STAFF FROM THE DEPARTMENT RESPONSIBLE FOR THE GRANTS DESCRIBED IN PART 1 OF THIS ARTICLE AND IN SECTION 22-54-117 (1.5) AND (1.6).

(c) THE ADVISORY COMMITTEE SHALL, IN ACCORDANCE WITH THIS PART 2, ASSIST THE STATE BOARD WITH THE ADMINISTRATION OF THE GRANTS DESCRIBED IN PART 1 OF THIS ARTICLE AND IN SECTION 22-54-117 (1.5) AND (1.6).

(2) THE ADVISORY COMMITTEE SHALL CONSIST OF NO MORE THAN FOURTEEN MEMBERS, AS FOLLOWS:

(a) THE CHAIR OF THE SENATE EDUCATION COMMITTEE, OR ANY SUCCESSOR COMMITTEE, OR HIS OR HER DESIGNEE;

(b) THE CHAIR OF THE EDUCATION COMMITTEE OF THE HOUSE OF

REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEE, OR HIS OR HER DESIGNEE;

(c) THE COMMISSIONER OF EDUCATION, OR HIS OR HER DESIGNEE;

(d) UP TO ELEVEN PERSONS, APPOINTED BY THE STATE BOARD FROM URBAN, RURAL, AND SUBURBAN SCHOOL DISTRICTS, REPRESENTING THE FOLLOWING AREAS OF EXPERTISE:

(I) ARCHITECTURE, SPECIFICALLY WITH REGARD TO SCHOOL FACILITIES AND THEIR REHABILITATION, WITH ADDITIONAL EXPERTISE IN OTHER BUILDING TYPES;

(II) SYSTEMS ENGINEERING, SPECIFICALLY WITH REGARD TO SCHOOL FACILITIES;

(III) SCHOOL DISTRICT AND CHARTER SCHOOL FACILITIES MANAGEMENT;

(IV) SCHOOL FINANCE;

(V) SCHOOL DISTRICT AND CHARTER SCHOOL GOVERNANCE AND ADMINISTRATION;

(VI) OPERATIONS OF BOARDS OF COOPERATIVE SERVICES; AND

(VII) TECHNOLOGY, INCLUDING BUT NOT LIMITED TO TECHNOLOGY FOR INDIVIDUAL STUDENT LEARNING AND CLASSROOM INSTRUCTION.

(3) APPOINTED MEMBERS SHALL SERVE FOR TERMS OF TWO YEARS AND MAY BE REMOVED FOR CAUSE OR DUE TO A CONFLICT OF INTEREST. APPOINTED MEMBERS SHALL SERVE WITHOUT COMPENSATION BUT SHALL RECEIVE REIMBURSEMENT FOR TRAVEL AND OTHER NECESSARY EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

(4) THE DEPARTMENT SHALL PROVIDE SUFFICIENT STAFF TO ASSIST THE ADVISORY COMMITTEE IN THE PERFORMANCE OF ITS DUTIES AS SPECIFIED IN THIS PART 2.

(5) (a) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2017.

(b) PRIOR TO SAID REPEAL, THE ADVISORY COMMITTEE FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION SHALL BE REVIEWED AS PROVIDED IN SECTION 2-3-1203, C.R.S.

**22-43.7-204. Advisory committee - duties.** (1) AFTER ESTABLISHING THE FACILITY AND SAFETY PRIORITIES, THE ADVISORY COMMITTEE SHALL HAVE THE FOLLOWING DUTIES:

(a) TO REVIEW GRANT APPLICATIONS SUBMITTED BY SCHOOL DISTRICTS PURSUANT TO PART 1 OF THIS ARTICLE AND SECTION 22-54-117 (1.5) AND (1.6) AND TO PREPARE AND SUBMIT TO THE STATE BOARD LISTS OF RECOMMENDED RECIPIENTS AND GRANT AMOUNTS PURSUANT TO SECTION 22-43.7-206;

(b) TO ASSIST SCHOOL DISTRICTS IN IDENTIFYING CRITICAL CAPITAL OUTLAY NEEDS AND IN PREPARING GRANT APPLICATIONS;

(c) TO ASSIST SCHOOL DISTRICTS IN IMPLEMENTING THE PROJECTS FOR WHICH STATE AND FEDERAL GRANTS ARE MADE, INCLUDING BUT NOT LIMITED TO PROVIDING ASSISTANCE WITH THE PREPARATION OF REQUEST FOR BIDS OR PROPOSALS, CONTRACT NEGOTIATIONS, CONTRACT IMPLEMENTATION, AND ENERGY SAVINGS; AND

(d) TO ASSIST SCHOOL DISTRICTS THAT ARE NOT LARGE ENOUGH TO MAINTAIN THEIR OWN CONSTRUCTION MANAGEMENT STAFF.

**22-43.7-205. Advisory committee - facility and safety priorities.** (1) (a) THE ADVISORY COMMITTEE SHALL ESTABLISH FACILITY AND SAFETY PRIORITIES FOR USE BY THE ADVISORY COMMITTEE IN REVIEWING GRANT APPLICATIONS AND RECOMMENDING TO THE STATE BOARD AWARDS OF STATE FUNDS TO SCHOOL DISTRICTS FROM THE SCHOOL CONSTRUCTION AND RENOVATION FUND CREATED IN SECTION 22-43.7-103 AND FROM THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE PURSUANT TO SECTION 22-54-117 (1.5) AND (1.6).

(b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE FACILITY AND SAFETY PRIORITIES SHALL BE USED ONLY IN DETERMINING THE ALLOCATION OF FUNDS PURSUANT TO PART 1 OF THIS ARTICLE AND SECTION 22-54-117 (1.5) AND (1.6) AND IN CONDUCTING THE GRANT PRIORITY ASSESSMENT PURSUANT TO SECTION 22-43.7-207.

(2) THE FACILITY AND SAFETY PRIORITIES SHALL IDENTIFY AND DESCRIBE THOSE CAPITAL CONSTRUCTION, RENOVATION, AND EQUIPMENT NEEDS IN SCHOOL DISTRICTS THAT WILL PROVIDE EDUCATIONAL AND SAFETY BENEFITS AT A REASONABLE COST. IN PREPARING THE FACILITY AND SAFETY PRIORITIES, THE ADVISORY COMMITTEE AT A MINIMUM SHALL TAKE INTO ACCOUNT THE FOLLOWING CONSIDERATIONS:

(a) HEALTH AND SAFETY ISSUES, INCLUDING ALL APPLICABLE BUILDING, HEALTH, SAFETY, AND ENVIRONMENTAL CODES AND STANDARDS REQUIRED BY STATE AND FEDERAL LAW, AS WELL AS SECURITY NEEDS;

(b) REHABILITATION VERSUS REPLACEMENT OR DISCONTINUATION OF INADEQUATE BUILDINGS WITH CONSIDERATION GIVEN TO HISTORICAL SIGNIFICANCE;

(c) FACILITIES AND EQUIPMENT THAT MAY ASSIST SCHOOL DISTRICTS IN MEETING THE STATE MODEL CONTENT STANDARDS AND HIGHER EDUCATION ADMISSION REQUIREMENTS; AND

(d) TECHNOLOGY, INCLUDING BUT NOT LIMITED TO TECHNOLOGY FOR INDIVIDUAL STUDENT LEARNING AND CLASSROOM INSTRUCTION.

(3) THE ADVISORY COMMITTEE SHALL SUBMIT THE FACILITY AND SAFETY PRIORITIES TO THE STATE BOARD, AND THE STATE BOARD SHALL APPLY THE FACILITY AND SAFETY PRIORITIES IN AWARDING GRANTS PURSUANT TO PART 1 OF THIS ARTICLE AND SECTION 22-54-117 (1.5) AND (1.6) AS PROVIDED IN SECTION 22-43.7-206.

(4) THE DEPARTMENT SHALL APPLY THE FACILITY AND SAFETY PRIORITIES IN CONDUCTING THE GRANT PRIORITY ASSESSMENT PURSUANT TO SECTION 22-43.7-207.

**22-43.7-206. School capital construction grants.** (1) (a) THE ADVISORY COMMITTEE SHALL REVIEW THE GRANT APPLICATIONS RECEIVED PURSUANT TO SECTION 22-43.7-105 AND APPLICATIONS FOR GRANTS UNDER SECTION 22-54-117 (1.5) AND (1.6). ON OR BEFORE A DATED SPECIFIED BY RULE OF THE STATE BOARD, THE ADVISORY COMMITTEE SHALL ANNUALLY SUBMIT TO THE STATE BOARD A LIST OF RECOMMENDED GRANT RECIPIENTS AND THE RECOMMENDED AMOUNT OF EACH GRANT.

(b) IN MAKING ITS RECOMMENDATIONS PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1), THE ADVISORY COMMITTEE SHALL FIRST APPLY THE PRIORITIES SPECIFIED IN SECTIONS 22-43.7-105 (5) AND 22-54-117 (1.5) AND (1.6). THE ADVISORY COMMITTEE SHALL THEN APPLY THE FACILITY AND SAFETY PRIORITIES TO THOSE GRANT APPLICATIONS THAT MEET THE PRIORITIES SPECIFIED IN SECTIONS 22-43.7-105 (5) AND 22-54-117 (1.5) AND (1.6).

(2) WITHIN NINETY DAYS AFTER RECEIVING THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE, THE STATE BOARD SHALL REVIEW AND APPROVE A LIST OF SCHOOL DISTRICTS AND CHARTER SCHOOLS TO RECEIVE GRANTS FOR CAPITAL CONSTRUCTION PROJECTS, INCLUDING THE AMOUNT OF EACH GRANT AND THE AMOUNT OF THE SCHOOL DISTRICT OR CHARTER SCHOOL MATCH, IF A MATCH IS REQUIRED. THE STATE BOARD SHALL CONSIDER THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE IN MAKING THE AWARDS AND SHALL APPLY THE PRIORITIES SPECIFIED IN SECTIONS 22-43.7-105 (5) AND 22-54-117 (1.5) AND (1.6) AND THE FACILITY AND SAFETY PRIORITIES AS PROVIDED IN PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION.

**22-43.7-207. Grant priority assessment - school buildings - facilities.**

(1) (a) AS SOON AS POSSIBLE FOLLOWING ESTABLISHMENT OF THE FACILITY AND SAFETY PRIORITIES, THE DEPARTMENT SHALL CONDUCT OR CONTRACT FOR A GRANT PRIORITY ASSESSMENT OF SCHOOL BUILDINGS AND FACILITIES AS PROVIDED IN THIS SECTION. THE STATE BOARD SHALL ORDER PAYMENT OF THE COSTS INCURRED IN CONDUCTING OR CONTRACTING FOR THE GRANT PRIORITY ASSESSMENT AS PROVIDED IN SECTION 22-54-117 (1.6) (a) (II).

(b) IN CONDUCTING THE GRANT PRIORITY ASSESSMENT, SUBJECT TO AVAILABLE FUNDS, THE DEPARTMENT SHALL ASSESS OR CONTRACT FOR THE ASSESSMENT OF:

(I) THE SCHOOL BUILDINGS AND FACILITIES IN ALL SCHOOL DISTRICTS THAT ENROLL TWO HUNDRED OR FEWER PUPILS; AND

(II) THE SCHOOL BUILDINGS AND FACILITIES IN SCHOOL DISTRICTS THAT ENROLL MORE THAN TWO HUNDRED PUPILS BUT NOT MORE THAN ONE THOUSAND TWO HUNDRED PUPILS AND HAVE A PER-PUPIL ASSESSED VALUATION OF LESS THAN ONE HUNDRED THOUSAND DOLLARS. FOR PURPOSES OF THIS SUBPARAGRAPH (II), IN CALCULATING THE PER-PUPIL ASSESSED VALUATION FOR A SCHOOL DISTRICT, THE DEPARTMENT SHALL NOT INCLUDE PUPILS ENROLLED IN ON-LINE EDUCATION PROGRAMS OPERATED BY THE SCHOOL DISTRICT OR BY A CHARTER SCHOOL AUTHORIZED BY THE SCHOOL DISTRICT.

(c) IF THERE ARE FUNDS AVAILABLE TO ASSESS THE SCHOOL BUILDINGS AND FACILITIES IN MORE SCHOOL DISTRICTS THAN ARE SPECIFIED IN PARAGRAPH (b) OF

THIS SUBSECTION (1), THE DEPARTMENT SHALL ASSESS THE SCHOOL BUILDINGS AND FACILITIES IN ADDITIONAL SCHOOL DISTRICTS THAT ENROLL FEWER THAN ONE THOUSAND TWO HUNDRED PUPILS, IN ASCENDING ORDER OF PER-PUPIL ASSESSED VALUATION, CALCULATED IN ACCORDANCE WITH SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (1).

(2) (a) THE GRANT PRIORITY ASSESSMENT SHALL BE DESIGNED AND MAINTAINED TO PROVIDE TIMELY DATA ON THE FOLLOWING ISSUES FOR EACH PUBLIC SCHOOL BUILDING AND FACILITY IN THE SCHOOL DISTRICTS INCLUDED IN THE ASSESSMENT:

(I) THE CONDITION OF THE SCHOOL BUILDING OR FACILITY;

(II) AIR AND WATER QUALITY IN THE SCHOOL BUILDING OR FACILITY;

(III) SCHOOL BUILDING OR FACILITY SPACE REQUIREMENTS;

(IV) EDUCATIONAL SUITABILITY REQUIREMENTS AND HIGHER EDUCATION ADMISSION REQUIREMENTS;

(V) THE ABILITY TO ACCOMMODATE EDUCATIONAL TECHNOLOGY, INCLUDING BUT NOT LIMITED TO TECHNOLOGY FOR INDIVIDUAL STUDENT LEARNING AND CLASSROOM INSTRUCTION;

(VI) SITE REQUIREMENTS FOR THE SCHOOL BUILDING OR FACILITY;

(VII) THE NUMBER OF NONRESIDENT PUPILS SERVED BY EACH SCHOOL DISTRICT;  
AND

(VIII) SCHOOL DISTRICT DEMOGRAPHICS, INCLUDING A FIVE-YEAR PROJECTION CONCERNING SUBSTANTIAL CHANGES THAT THE SCHOOL DISTRICT ANTICIPATES IN ITS DEMOGRAPHICS.

(b) THE GRANT PRIORITY ASSESSMENT SHALL INCLUDE FIVE-YEAR PROJECTIONS REGARDING THE ISSUES DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (2).

(c) THE DEPARTMENT SHALL ESTABLISH A DATABASE TO STORE THE DATA COLLECTED THROUGH THE GRANT PRIORITY ASSESSMENT CONDUCTED PURSUANT TO THIS SECTION.

(3) THE DEPARTMENT SHALL CONSIDER AND USE THE FACILITY AND SAFETY PRIORITIES IN CONDUCTING THE GRANT PRIORITY ASSESSMENT DESCRIBED IN THIS SECTION.

**SECTION 3.** 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:

(dd) JULY 1, 2017: THE ADVISORY COMMITTEE FOR PUBLIC SCHOOL CAPITAL

CONSTRUCTION IN THE DEPARTMENT OF EDUCATION ESTABLISHED IN SECTION 22-43.7-203, C.R.S.

**SECTION 4.** 22-43.7-103 (2) and (3), Colorado Revised Statutes, are amended to read:

**22-43.7-103. School construction and renovation fund - created - purpose - transfer of excess state revenues.** (2) ~~Subject to appropriation by the general assembly,~~ THE STATE BOARD IS AUTHORIZED TO APPROVE AND ORDER PAYMENTS FROM THE moneys in the construction and renovation fund ~~shall be used~~ to:

(a) Provide matching grants to school districts that are undertaking qualified capital construction projects and for the expenses incurred by the state board in administering this ~~article~~ PART 1. The state board shall determine the proportion of the state and local funds to be used to finance the qualified capital construction project and the amount of each grant using the criteria established pursuant to section 22-43.7-106.

(b) PROVIDE SUFFICIENT STAFF FROM THE DEPARTMENT OF EDUCATION TO ASSIST THE ADVISORY COMMITTEE FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION IN THE PERFORMANCE OF THE ADVISORY COMMITTEE'S DUTIES DESCRIBED IN SECTION 22-43.7-204; AND

(c) IF THERE ARE INSUFFICIENT FUNDS AVAILABLE PURSUANT TO SECTION 22-54-117 (1.6) (a) (II), PROVIDE SUFFICIENT STAFF TO ASSIST THE ADVISORY COMMITTEE IN ESTABLISHING THE FACILITY AND SAFETY PRIORITIES PURSUANT TO SECTION 22-43.7-205.

(3) Matching grants from the construction and renovation fund shall not be authorized if the capital construction project has not been evaluated by the state board and included on the prioritized list prepared by the state board pursuant to this ~~article~~ PART 1.

**SECTION 5.** 22-43.7-103.5 (1) (a), Colorado Revised Statutes, is amended to read:

**22-43.7-103.5. Loans for qualified capital construction projects.** (1) As authorized under the provisions of section 3 of article IX of the state constitution, the state treasurer may make loans to school districts for the purpose of funding qualified capital construction projects. Loans made pursuant to this section shall not be subject to the provisions of section 24-36-113, C.R.S., that require the state treasurer to secure the maximum rate of interest on investments of state moneys. The procedures for the making of loans shall be determined by the state treasurer subject to the following:

(a) No loan shall be authorized for any capital construction project that has not been evaluated by the state board and included on the prioritized list prepared by the board pursuant to this ~~article~~ PART 1.

**SECTION 6.** 22-43.7-104, Colorado Revised Statutes, is amended to read:

**22-43.7-104. Eligible projects - criteria.** (1) Matching grants may be provided from the construction and renovation fund and loans may be made from the permanent school fund pursuant to this ~~article~~ PART 1 for capital construction projects involving instructional facilities, including classrooms, libraries, physical plants, and associated administrative areas, or involving the incorporation of technology into the educational environment.

(2) Matching grants and loans shall not be provided pursuant to this ~~article~~ PART 1 for any portion of a capital construction project involving ~~athletic, recreational,~~ or other noninstructional facilities within the district, even if such facilities are located on a school site.

**SECTION 7.** 22-43.7-105 (4) (c.5) and (7), Colorado Revised Statutes, are amended to read:

**22-43.7-105. Financial assistance application requirements - evaluation criteria - oversight board - duties.** (4) All applications submitted to the state board shall be in a form prescribed by the state board and shall include:

(c.5) A demonstration of the district's or charter school's ability and willingness to maintain any new capital construction project funded pursuant to this ~~article~~ PART 1;

(7) The state board is authorized to promulgate rules for the administration of this ~~article~~ PART 1. Such rules shall be promulgated in accordance with article 4 of title 24, C.R.S.

**SECTION 8.** The introductory portion to 22-43.7-106 (1), Colorado Revised Statutes, is amended to read:

**22-43.7-106. Amount of matching grant or loan.** (1) The state board shall determine the proportion of the state and local funds to be used to finance the qualified capital construction project. The state board shall develop criteria to determine the amount of each matching grant awarded and each loan made pursuant to this ~~article~~ PART 1. Such criteria shall include but shall not be limited to:

**SECTION 9.** 22-54-117 (1.6) (a), Colorado Revised Statutes, is amended to read:

**22-54-117. Contingency reserve - capital construction expenditures reserve.** (1.6) (a) (I) For each quarter including and after the first quarter of the state's fiscal year 2001-02, all moneys that would otherwise be transferred to the general fund pursuant to section 3 (1) (b) (III) of article XXVII of the state constitution shall be transferred to the state public school fund as a contingency reserve exempt from any restriction on spending, revenues, or appropriations, including, without limitation, the restrictions of section 20 of article X of the state constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), the state board is authorized to approve and order payments from the moneys transferred pursuant to this subsection (1.6) only for supplemental assistance to districts for capital expenditures to address immediate safety hazards or health concerns within existing school facilities either by repairing, remodeling, or refurbishing the existing

school facilities or by constructing new school facilities to replace the existing school facilities.

(II) FOR THE 2007-08 AND 2008-09 BUDGET YEARS, THE STATE BOARD, FROM MONEYS TRANSFERRED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), SHALL APPROVE AND ORDER PAYMENT OF THE COSTS INCURRED IN ESTABLISHING THE FACILITY AND SAFETY PRIORITIES PURSUANT TO SECTION 22-43.7-205 AND IN CONDUCTING OR CONTRACTING FOR THE GRANT PRIORITY ASSESSMENT OF SCHOOL BUILDINGS REQUIRED PURSUANT TO SECTION 22-43.7-207. THE STATE BOARD SHALL NOT APPROVE PAYMENT PURSUANT TO THIS SUBPARAGRAPH (II) OF MORE THAN THREE HUNDRED NINETY-ONE THOUSAND DOLLARS IN ANY BUDGET YEAR AND SHALL NOT APPROVE AND ORDER PAYMENT OF MORE THAN A TOTAL OF SEVEN HUNDRED EIGHTY-TWO THOUSAND DOLLARS FOR THE TWO BUDGET YEARS DESCRIBED IN THIS SUBPARAGRAPH (II).

**SECTION 10. Appropriation - adjustments to the 2007 long bill.** (1) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2007, the sum of three thousand three hundred eighty-nine dollars (\$3,389), or so much thereof as may be necessary, for the provision of legal services to the department of education related to the implementation of this act. Said sum shall be from cash funds exempt received from the department of education.

(2) For the implementation of this act, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 2007, shall be adjusted as follows: The appropriation to the department of education, assistance to public schools, grant programs and other distributions, school construction and renovation fund, is decreased by ten million dollars (\$10,000,000). Said sum shall be cash funds exempt from the school construction and renovation fund created in section 22-43.7-103 (1), Colorado Revised Statutes.

**SECTION 11. Effective date.** This act shall take effect July 1, 2007.

**SECTION 12. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 25, 2007