

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0975.01 Nicole Myers

HOUSE BILL 10-1369

HOUSE SPONSORSHIP

Scanlan and Pommer,

SENATE SPONSORSHIP

Bacon,

House Committees

Education

Health and Human Services

Appropriations

Senate Committees

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill amends the "Public School Finance Act of 1994" to modify the funding for public schools from kindergarten through the twelfth grade for the 2010-11 budget year.

Statewide base per pupil funding. For the 2010-11 budget year, the statewide base per pupil funding increases to \$5,529.71 to account for

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

a -0.6% inflation rate plus one percentage point.

State budget stabilization reduction. To assist in stabilizing the state budget, for the 2010-11 budget year, a reduction in the amount of the annual appropriation to fund the state's share of total program funding for all school districts (districts) and the funding for institute charter schools is necessary. The department of education (department) and the legislative council staff are required to determine the amount of the reduction that will ensure that the total program funding for all districts, including the funding for institute charter schools, will not be less than \$5,438,295,823 for the 2010-11 budget year. Said amount is \$260 million less than the amount of total program funding associated with the original appropriation for the state's share of total program funding for all districts and the funding for institute charter schools for the 2009-10 budget year.

The department will calculate and apply the reduction to all districts. Specifically, the department will:

- ! Calculate a state budget stabilization factor by dividing the reduction amount as determined by the department and the legislative council staff by the sum of total program for all districts for the 2010-11 budget year as calculated pursuant to current law; and
- ! Calculate the amount of each district's state budget stabilization reduction by multiplying the district's total program for the 2010-11 budget year as calculated pursuant to current law by the state budget stabilization factor.

A district's total program funding for the 2010-11 budget year shall be the greater of:

- ! The amount of the district's total program as calculated pursuant to current law, including any funding for institute charter schools, minus the district's state budget stabilization reduction amount; or
- ! The base per pupil funding amount multiplied by the district's funded pupil count.

The department will also apply the state budget stabilization factor to a district's on-line funding and a district's accelerating students through concurrent enrollment (ASCENT) program pupil funding.

Categorical buy-out districts - hold mill levy harmless. For any district that levies the number of mills that will generate property tax revenue in an amount equal to the district's total program (categorical buy-out district), the district's total program shall be the district's total program as calculated before the budget stabilization factor is applied.

Categorical buy-out districts - application of state budget stabilization reduction. In any budget year in which the state budget stabilization reduction is applied to total program, each categorical buy-out district shall reduce the amount of property tax revenue that it is authorized to raise and expend pursuant to a mill levy override election

by the amount of the district's state budget stabilization reduction.

District's mill levy override limit - hold harmless. For the purpose of determining the maximum amount of additional local property tax revenues that a district may receive, a district's total program shall be the district's total program as calculated before the budget stabilization factor is applied.

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

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

4 **22-54-104. District total program.** (5) For purposes of the
5 formulas used in this section:

6 (a) (XVII) FOR THE 2010-11 BUDGET YEAR, THE STATEWIDE BASE
7 PER PUPIL FUNDING SHALL BE \$5,529.71, WHICH IS AN AMOUNT EQUAL TO
8 \$5,507.68 SUPPLEMENTED BY \$22.03, TO ACCOUNT FOR INFLATION PLUS
9 AN ADDITIONAL ONE PERCENTAGE POINT.

10 **SECTION 2.** The introductory portion to 22-54-104 (2) (a) (IX),
11 Colorado Revised Statutes, is amended to read:

12 **22-54-104. District total program.** (2) (a) (IX) Except as
13 otherwise provided in this subsection (2), PARAGRAPH (g) OF SUBSECTION
14 (5) OR subsection (6) of this section, or section 22-54-104.3, a district's
15 total program for the 2009-10 budget year and budget years thereafter
16 shall be the greater of the following:

17 **SECTION 3.** 22-54-104 (5), Colorado Revised Statutes, is
18 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

19 **22-54-104. District total program.** (5) For purposes of the
20 formulas used in this section:

21 (g) (I) FOR THE 2010-11 BUDGET YEAR, THE GENERAL ASSEMBLY
22 DETERMINES THAT STABILIZATION OF THE STATE BUDGET REQUIRES A

1 REDUCTION IN THE AMOUNT OF THE ANNUAL APPROPRIATION TO FUND THE
2 STATE'S SHARE OF TOTAL PROGRAM FUNDING FOR ALL DISTRICTS AND THE
3 FUNDING FOR INSTITUTE CHARTER SCHOOLS. THEREFORE, FOR THE
4 2010-11 BUDGET YEAR, THE DEPARTMENT OF EDUCATION AND THE STAFF
5 OF THE LEGISLATIVE COUNCIL SHALL DETERMINE THE AMOUNT OF SUCH
6 REDUCTION TO ENSURE THAT THE SUM OF THE TOTAL PROGRAM FUNDING
7 FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR INSTITUTE CHARTER
8 SCHOOLS, FOR THE 2010-11 BUDGET YEAR IS NOT LESS THAN FIVE BILLION
9 FOUR HUNDRED THIRTY-EIGHT MILLION TWO HUNDRED NINETY-FIVE
10 THOUSAND EIGHT HUNDRED TWENTY-THREE DOLLARS, WHICH IS TWO
11 HUNDRED SIXTY MILLION DOLLARS LESS THAN THE SUM OF THE INITIAL
12 TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING
13 FOR INSTITUTE CHARTER SCHOOLS, FOR THE 2009-10 BUDGET YEAR. THE
14 DEPARTMENT OF EDUCATION SHALL IMPLEMENT THE REDUCTION IN TOTAL
15 PROGRAM FUNDING THROUGH THE APPLICATION OF A STATE BUDGET
16 STABILIZATION FACTOR AS PROVIDED IN THIS PARAGRAPH (g).

17 (II) FOR THE 2010-11 BUDGET YEAR, THE DEPARTMENT OF
18 EDUCATION SHALL:

19 (A) CALCULATE THE STATE BUDGET STABILIZATION FACTOR FOR
20 THE 2010-11 BUDGET YEAR BY DIVIDING THE REDUCTION IN TOTAL
21 PROGRAM FUNDING FOR THE 2010-11 BUDGET YEAR, AS SPECIFIED IN
22 SUBPARAGRAPH (I) OF THIS PARAGRAPH (g), BY THE SUM OF THE TOTAL
23 PROGRAM FUNDING AMOUNTS OF ALL DISTRICTS, INCLUDING THE FUNDING
24 FOR INSTITUTE CHARTER SCHOOLS, FOR THE 2010-11 BUDGET YEAR; AND

25 (B) CALCULATE EACH DISTRICT'S AND EACH INSTITUTE CHARTER
26 SCHOOL'S STATE BUDGET STABILIZATION REDUCTION AMOUNT BY
27 MULTIPLYING THE STATE BUDGET STABILIZATION FACTOR BY THE

1 DISTRICT'S TOTAL PROGRAM FUNDING CALCULATED PURSUANT TO
2 SUBSECTION (2) OF THIS SECTION FOR THE 2010-11 BUDGET YEAR FOR THE
3 DISTRICT AND FOR ANY INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE
4 DISTRICT.

5 (III) FOR THE 2010-11 BUDGET YEAR, EXCEPT AS OTHERWISE
6 PROVIDED IN SUBPARAGRAPHS (IV) AND (V) OF THIS PARAGRAPH (g), A
7 DISTRICT'S TOTAL PROGRAM SHALL BE THE GREATER OF:

8 (A) THE AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF
9 THIS SECTION FOR THE 2010-11 BUDGET YEAR, INCLUDING FUNDING FOR
10 ANY INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE DISTRICT, MINUS
11 THE DISTRICT'S STATE BUDGET STABILIZATION REDUCTION AMOUNT FOR
12 THE 2010-11 BUDGET YEAR; OR

13 (B) AN AMOUNT EQUAL TO THE BASE PER PUPIL FUNDING AMOUNT
14 SPECIFIED IN PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION FOR THE
15 2010-11 BUDGET YEAR MULTIPLIED BY THE DISTRICT'S FUNDED PUPIL
16 COUNT FOR THE 2010-11 BUDGET YEAR.

17 (IV) FOR THE 2010-11 BUDGET YEAR, THE TOTAL PROGRAM
18 FUNDING FOR A DISTRICT THAT LEVIES THE NUMBER OF MILLS
19 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (II) SHALL BE THE
20 AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR
21 THE 2010-11 BUDGET YEAR. THE STATE BUDGET STABILIZATION
22 REDUCTION FOR ANY SUCH DISTRICT SHALL BE SUBTRACTED FROM THE
23 AMOUNT OF ADDITIONAL PROPERTY TAX REVENUES THAT THE DISTRICT IS
24 AUTHORIZED TO RAISE AND EXPEND FOR THE 2010-11 BUDGET YEAR
25 PURSUANT TO SECTION 22-54-108 AND AS SPECIFIED IN SECTION 22-54-108
26 (5) (a).

27 (V) IN ANY BUDGET YEAR IN WHICH THE PROVISIONS OF THIS

1 PARAGRAPH (g) APPLY, IF A DISTRICT LEVIES THE NUMBER OF MILLS
2 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (I) AND THE
3 DISTRICT'S STATE BUDGET STABILIZATION REDUCTION AMOUNT EXCEEDS
4 THE DISTRICT'S STATE SHARE OF TOTAL PROGRAM FUNDING, SUCH
5 DISTRICT'S TOTAL PROGRAM FUNDING SHALL BE THE AMOUNT
6 CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR THE
7 APPLICABLE BUDGET YEAR MINUS THE DISTRICT'S STATE AID. ANY
8 REMAINING STATE BUDGET STABILIZATION REDUCTION AMOUNT FOR THE
9 DISTRICT SHALL BE SUBTRACTED FROM THE AMOUNT OF ADDITIONAL
10 PROPERTY TAX REVENUES THAT THE DISTRICT IS AUTHORIZED TO RAISE
11 AND EXPEND FOR THE APPLICABLE BUDGET YEAR PURSUANT TO SECTION
12 22-54-108 AND AS SPECIFIED IN SECTION 22-54-108 (5) (b).

13 **SECTION 4.** 22-54-104 (4.5) (c) and (4.7), Colorado Revised
14 Statutes, are amended to read:

15 **22-54-104. District total program.** (4.5) A district's on-line
16 funding shall be determined in accordance with the following formulas:

17 (c) (I) For the 2007-08 budget year and budget years thereafter, a
18 district's on-line funding shall be:

19 (District on-line pupil enrollment x \$6,135)

20 (II) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (III) OF THIS
21 PARAGRAPH (c), for the 2008-09 budget year and budget years thereafter,
22 the dollar amount set forth in subparagraph (I) of this paragraph (c) shall
23 be increased by the percentage by which the statewide base per pupil
24 funding for that budget year, as specified in paragraph (a) of subsection
25 (5) of this section, is increased over the statewide base per pupil funding
26 for the 2007-08 budget year, as specified in subparagraph (XIV) of
27 paragraph (a) of subsection (5) of this section. Such amount shall be

1 rounded to the nearest dollar.

2 (III) IN ANY BUDGET YEAR IN WHICH THE PROVISIONS OF
3 PARAGRAPH (g) OF SUBSECTION (5) OF THIS SECTION APPLY, THE
4 DEPARTMENT OF EDUCATION SHALL CALCULATE A DISTRICT'S STATE
5 BUDGET STABILIZATION REDUCTION AMOUNT FOR ON-LINE FUNDING BY
6 MULTIPLYING THE STATE BUDGET STABILIZATION FACTOR CALCULATED
7 FOR THE APPLICABLE BUDGET YEAR PURSUANT TO SUB-SUBPARAGRAPH
8 (A) OF SUBPARAGRAPH (II) OF PARAGRAPH (g) OF SUBSECTION (5) OF THIS
9 SECTION BY THE DISTRICT'S ON-LINE FUNDING CALCULATED PURSUANT TO
10 SUBPARAGRAPH (II) OF THIS PARAGRAPH (c) FOR THE APPLICABLE BUDGET
11 YEAR. A DISTRICT'S ON-LINE FUNDING FOR THE APPLICABLE BUDGET YEAR
12 SHALL BE THE GREATER OF:

13 (A) THE DISTRICT'S ON-LINE FUNDING AMOUNT CALCULATED FOR
14 THE APPLICABLE BUDGET YEAR PURSUANT TO SUBPARAGRAPH (II) OF THIS
15 PARAGRAPH (c) MINUS THE DISTRICT'S STATE BUDGET STABILIZATION
16 REDUCTION AMOUNT CALCULATED FOR THE APPLICABLE BUDGET YEAR
17 PURSUANT TO THIS SUBPARAGRAPH (III) FOR ON-LINE FUNDING; OR

18 (B) AN AMOUNT EQUAL TO THE BASE PER PUPIL FUNDING AMOUNT
19 SPECIFIED IN PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION FOR THE
20 APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT'S ON-LINE PUPIL
21 ENROLLMENT FOR THE APPLICABLE BUDGET YEAR.

22 (4.7) (a) For the 2009-10 budget year and budget years thereafter,
23 a district's ASCENT program funding shall be determined in accordance
24 with the following formula:

25 (District ASCENT program pupil enrollment x \$6,135, or an
26 amount determined pursuant to paragraph (b) of this subsection
27 (4.7))

1 (b) SUBJECT TO THE PROVISIONS OF PARAGRAPH (c) OF THIS
2 SUBSECTION (4.7), for the 2010-11 budget year and budget years
3 thereafter, the dollar amount set forth in paragraph (a) of this subsection
4 (4.7) shall be increased by the percentage by which the statewide base per
5 pupil funding for that budget year, as specified in paragraph (a) of
6 subsection (5) of this section, is increased over the statewide base per
7 pupil funding for the 2007-08 budget year, as specified in subparagraph
8 (XIV) of paragraph (a) of subsection (5) of this section. The amount shall
9 be rounded to the nearest dollar.

10 (c) IN ANY BUDGET YEAR IN WHICH THE PROVISIONS OF
11 PARAGRAPH (g) OF SUBSECTION (5) OF THIS SECTION APPLY, THE
12 DEPARTMENT OF EDUCATION SHALL CALCULATE A DISTRICT'S STATE
13 BUDGET STABILIZATION REDUCTION AMOUNT FOR ASCENT PROGRAM
14 FUNDING BY MULTIPLYING THE STATE BUDGET STABILIZATION FACTOR
15 CALCULATED FOR THE APPLICABLE BUDGET YEAR PURSUANT TO
16 SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (II) OF PARAGRAPH (g) OF
17 SUBSECTION (5) OF THIS SECTION BY THE AMOUNT OF THE DISTRICT'S
18 ASCENT PROGRAM FUNDING CALCULATED PURSUANT TO PARAGRAPH (b)
19 OF THIS SUBSECTION (4.7) FOR THE APPLICABLE BUDGET YEAR. A
20 DISTRICT'S ASCENT PROGRAM FUNDING FOR THE APPLICABLE BUDGET
21 YEAR SHALL BE THE GREATER OF:

22 (I) THE DISTRICT'S ASCENT PROGRAM FUNDING CALCULATED FOR
23 THE APPLICABLE BUDGET YEAR PURSUANT TO PARAGRAPH (b) OF THIS
24 SUBSECTION (4.7) MINUS THE DISTRICT'S STATE BUDGET STABILIZATION
25 REDUCTION AMOUNT CALCULATED FOR THE APPLICABLE BUDGET YEAR
26 PURSUANT TO THIS PARAGRAPH (c) FOR ASCENT PROGRAM FUNDING; OR

27 (II) AN AMOUNT EQUAL TO THE BASE PER PUPIL FUNDING AMOUNT

1 SPECIFIED IN PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION FOR THE
2 APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT'S ASCENT
3 PROGRAM PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR.

4 **SECTION 5.** 22-54-106 (2) (a) (II), Colorado Revised Statutes,
5 is amended to read:

6 **22-54-106. Local and state shares of district total program.**

7 (2) (a) Except as provided in paragraph (c) of this subsection (2), for
8 reorganized districts, for the 2007 property tax year and property tax years
9 thereafter, each district shall levy the lesser of:

10 (II) (A) SUBJECT TO THE PROVISIONS OF SUB-SUBPARAGRAPH (B)
11 OF THIS SUBPARAGRAPH (II), the number of mills that will generate
12 property tax revenue in an amount equal to the district's total program for
13 the applicable budget year minus the district's minimum state aid, IF
14 APPLICABLE FOR THAT BUDGET YEAR, and minus the amount of specific
15 ownership tax revenue paid to the district.

16 (B) REGARDLESS OF THE APPLICABILITY OF SECTION 22-54-104 (5)
17 (g), FOR THE PURPOSES OF THIS SUBPARAGRAPH (II), A DISTRICT'S TOTAL
18 PROGRAM SHALL BE THE AMOUNT CALCULATED PURSUANT TO SECTION
19 22-54-104 (2).

20 **SECTION 6.** 22-54-108 (3) (b) (II) and (3) (b) (III), Colorado
21 Revised Statutes, are amended, and the said 22-54-108 is further amended
22 BY THE ADDITION OF A NEW SUBSECTION, to read:

23 **22-54-108. Authorization of additional local revenues.**

24 (3) (b) (II) (A) Effective July 1, 2002, AND SUBJECT TO THE PROVISIONS
25 OF SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (II), the total
26 additional local property tax revenues that may be received pursuant to
27 elections held pursuant to this section shall not exceed under any

1 circumstances twenty percent of the district's total program, as determined
2 pursuant to section 22-54-104 (2), or two hundred thousand dollars,
3 whichever is greater, plus an amount equal to the maximum dollar
4 amount of property tax revenue that the district could have generated for
5 the 2001-02 budget year if, in accordance with the provisions of section
6 22-54-107.5, the district submitted a question to and received approval of
7 the eligible electors of the district at an election held in November 2001.

8 (B) REGARDLESS OF THE APPLICABILITY OF SECTION 22-54-104 (5)
9 (g), FOR THE PURPOSES OF THIS SUBPARAGRAPH (II), A DISTRICT'S TOTAL
10 PROGRAM SHALL BE THE AMOUNT CALCULATED PURSUANT TO SECTION
11 22-54-104 (2).

12 (III) (A) On and after May 21, 2009, AND SUBJECT TO THE
13 PROVISIONS OF SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (III), for
14 any district that meets the requirements of subsection (4) of this section,
15 the total additional local property tax revenues that may be received
16 pursuant to an election held pursuant to this section shall not exceed
17 under any circumstances twenty-five percent of the district's total
18 program, as determined pursuant to section 22-54-104 (2), or two hundred
19 thousand dollars, whichever is greater, plus an amount equal to the
20 maximum dollar amount of property tax revenue that the district could
21 have generated for the 2001-02 budget year if, in accordance with the
22 provisions of section 22-54-107.5, the district submitted a question to and
23 received approval of the eligible electors of the district at an election held
24 in November 2001.

25 (B) REGARDLESS OF THE APPLICABILITY OF SECTION 22-54-104 (5)
26 (g), FOR PURPOSES OF THIS SUBPARAGRAPH (III), A DISTRICT'S TOTAL
27 PROGRAM SHALL BE THE AMOUNT CALCULATED PURSUANT TO SECTION

1 22-54-104 (2).

2 (5) (a) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO
3 THE CONTRARY, IN A BUDGET YEAR IN WHICH THE PROVISIONS OF SECTION
4 22-54-104 (5) (g) APPLY, A DISTRICT THAT LEVIES THE NUMBER OF MILLS
5 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (II) SHALL ADJUST
6 THE NUMBER OF MILLS LEVIED PURSUANT TO THIS SECTION IN THE
7 APPLICABLE BUDGET YEAR BY AN AMOUNT NECESSARY TO ACHIEVE A
8 REDUCTION IN THE PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT'S
9 TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR THAT IS EQUAL TO
10 THE DISTRICT'S STATE BUDGET STABILIZATION REDUCTION AMOUNT
11 CALCULATED PURSUANT TO SECTION 22-54-104 (5) (g) (II) (B).

12 (b) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
13 CONTRARY, IN A BUDGET YEAR IN WHICH THE PROVISIONS OF SECTION
14 22-54-104 (5) (g) APPLY, IF A DISTRICT LEVIES THE NUMBER OF MILLS
15 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (I) AND THE
16 DISTRICT'S STATE BUDGET STABILIZATION REDUCTION AMOUNT EXCEEDS
17 THE DISTRICT'S STATE SHARE OF TOTAL PROGRAM FUNDING, THE DISTRICT
18 SHALL ADJUST THE NUMBER OF MILLS LEVIED PURSUANT TO THIS SECTION
19 IN THE APPLICABLE BUDGET YEAR BY AN AMOUNT NECESSARY TO ACHIEVE
20 A REDUCTION IN THE PROPERTY TAX REVENUES IN EXCESS OF THE
21 DISTRICT'S TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR THAT IS
22 EQUAL TO THE REMAINING AMOUNT OF THE DISTRICT'S STATE BUDGET
23 STABILIZATION REDUCTION AMOUNT CALCULATED PURSUANT TO SECTION
24 22-54-104 (5) (g) (II) (B) AFTER THE REDUCTION TO THE DISTRICT'S TOTAL
25 PROGRAM FUNDING HAS BEEN APPLIED PURSUANT TO SECTION 22-54-104
26 (5) (g) (V).

27 **SECTION 7.** 22-41-102 (3) (a), Colorado Revised Statutes, is

1 amended to read:

2 **22-41-102. Fund inviolate.** (3) (a) Except as provided in
3 paragraph (b) of this subsection (3), FOR THE 2010-11 STATE FISCAL YEAR
4 AND EACH STATE FISCAL YEAR THEREAFTER, THE FIRST ELEVEN MILLION
5 DOLLARS OF any interest or income earned on the investment of the
6 moneys in the public school fund ~~other than interest and income credited~~
7 ~~to the public school capital construction assistance fund created in section~~
8 ~~22-43.7-104 (1) pursuant to section 22-43.7-104 (2) (b) (I)~~ shall BE
9 CREDITED TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION
10 22-54-114 FOR DISTRIBUTION AS PROVIDED BY LAW. ANY AMOUNT OF
11 SUCH INTEREST AND INCOME EARNED ON THE INVESTMENT OF THE
12 MONEYS IN THE STATE PUBLIC SCHOOL FUND IN EXCESS OF ELEVEN
13 MILLION DOLLARS, OTHER THAN INTEREST AND INCOME CREDITED TO THE
14 PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND CREATED IN
15 SECTION 22-43.7-104 (1) PURSUANT TO SECTION 22-43.7-104 (2) (b) (I),
16 SHALL remain in the fund and shall become part of the principal of the
17 fund.

18 **SECTION 8.** 36-1-116 (1) (a) (II) (A), Colorado Revised
19 Statutes, is amended to read:

20 **36-1-116. Disposition of rentals, royalties, and timber sale**
21 **proceeds.** (1) (a) (II) (A) Except as provided in sub-subparagraph (B)
22 of this subparagraph (II), for the ~~2008-09~~ 2010-11 state fiscal year and
23 each state fiscal year thereafter, the ~~first eleven million dollars of~~
24 proceeds received by the state for the sale of timber on public school
25 lands, rental payments for the use and occupation of the surface of said
26 lands, and rentals or lease payments for sand, gravel, clay, stone, coal, oil,
27 gas, geothermal resources, gold, silver, or other minerals on said lands

1 other than proceeds, rentals, and payments allocated to the state land
2 board trust administration fund pursuant to section 36-1-145 (3) or
3 credited to the public school capital construction assistance fund created
4 in section 22-43.7-104 (1), C.R.S., pursuant to section 22-43.7-104 (2) (b)
5 (I), C.R.S., shall be credited to the public school income fund for
6 distribution as provided by law. Any amount of such proceeds, rentals,
7 and payments received by the state during the fiscal year in excess of
8 eleven million dollars shall be credited to the permanent school fund and
9 shall become part of the principal of the permanent school fund.

10 **SECTION 9. Appropriation - adjustments to the 2010 long**
11 **bill.** (1) For the implementation of this act, appropriations made in the
12 annual general appropriation act to the department of education for the
13 fiscal year beginning July 1, 2010, shall be adjusted as follows:

14 (a) The cash funds appropriation for management and
15 administration, reprinting and distributing laws concerning education, is
16 decreased by thirty-five thousand four hundred eighty dollars (\$35,480).
17 Said sum shall be from rental income earned on public school lands that
18 is credited to the state public school fund pursuant to section 36-1-116 (1)
19 (a), Colorado Revised Statutes.

20 (b) The cash funds appropriation for management and
21 administration, reprinting and distributing laws concerning education, is
22 increased by thirty-five thousand four hundred eighty dollars (\$35,480).
23 Said sum shall be from interest or income earned on the investment of the
24 moneys in the public school fund that is credited to the state public school
25 fund pursuant to section 22-41-102 (3) (a), Colorado Revised Statutes.

26 (c) The general fund appropriation for public school finance, state
27 share of districts' total program funding, is decreased by three hundred

1 sixty-five million four hundred eleven thousand three hundred thirteen
2 dollars (\$365,411,313).

3 (d) The cash funds appropriation for public school finance, state
4 share of districts' total program funding, is decreased by eight million
5 four hundred ninety-one thousand eight hundred seventy-six dollars
6 (\$8,491,876). Said sum shall be from rental income earned on public
7 school lands that is credited to the state public school fund pursuant to
8 section 36-1-116 (1) (a), Colorado Revised Statutes.

9 (e) The cash funds appropriation for public school finance, state
10 share of districts' total program funding, is increased by eight million four
11 hundred ninety-one thousand eight hundred seventy-six dollars
12 (\$8,491,876). Said sum shall be from interest or income earned on the
13 investment of the moneys in the public school fund that is credited to the
14 state public school fund pursuant to section 22-41-102 (3) (a), Colorado
15 Revised Statutes.

16 (f) The cash funds appropriation for public school finance, hold-
17 harmless full-day kindergarten funding, is decreased by four hundred
18 eighty-seven thousand nine hundred sixty-four dollars (\$487,964). Said
19 sum shall be from the state education fund created in section 17 (4) (a) of
20 article IX of the state constitution.

21 (g) The cash funds appropriation for grant programs, distributions,
22 and other assistance, state match for school lunch program, is decreased
23 by two million four hundred seventy-two thousand six hundred forty-four
24 dollars (\$2,472,644). Said sum shall be from rental income earned on
25 public school lands that is credited to the state public school fund
26 pursuant to section 36-1-116 (1) (a), Colorado Revised Statutes.

27 (h) The cash funds appropriation for grant programs, distributions,

1 and other assistance, state match for school lunch program, is increased
2 by two million four hundred seventy-two thousand six hundred forty-four
3 dollars (\$2,472,644). Said sum shall be from interest or income earned on
4 the investment of the moneys in the public school fund that is credited to
5 the state public school fund pursuant to section 22-41-102 (3) (a),
6 Colorado Revised Statutes.

7 (i) The cash funds appropriation for grant programs, distributions,
8 and other assistance, facility school funding, is decreased by one million
9 one hundred twenty thousand nine hundred twenty-three dollars
10 (\$1,120,923). Said sum shall be from the state education fund created in
11 section 17 (4) (a) of article IX of the state constitution.

12 (j) The general fund appropriation for the Colorado school for the
13 deaf and the blind, school operations, is increased by eighty-five thousand
14 three hundred thirty-four dollars (\$85,334).

15 (k) The appropriation for the Colorado school for the deaf and the
16 blind, school operations, is decreased by eighty-five thousand three
17 hundred thirty-four dollars (\$85,334). Said sum shall be from
18 reappropriated funds transferred from the annual appropriation for facility
19 school funding.

20 (2) For the implementation of this act, appropriations made in the
21 annual general appropriation act to the department of human services for
22 the fiscal year beginning July 1, 2010, shall be adjusted as follows:

23 (a) The general fund appropriation for mental health and alcohol
24 and drug abuse services, mental health institutes, educational programs,
25 is increased by thirteen thousand four hundred thirty-nine dollars
26 (\$13,439) .

27 (b) The appropriation for mental health and alcohol and drug abuse

1 services, mental health institutes, educational programs, is decreased by
2 thirteen thousand four hundred thirty-nine dollars (\$13,439). Said sum
3 shall be from reappropriated funds transferred from the annual
4 appropriation to the department of education for facility school funding.

5 **SECTION 10. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.