

NOTE: The governor signed this measure on 5/17/2013.

An Act

SENATE BILL 13-260

BY SENATOR(S) Hudak and Steadman, Aguilar, Carroll, Giron, Guzman, Heath, Jahn, Jones, Kefalas, Kerr, Newell, Nicholson, Schwartz, Tochtrop, Todd, Ulibarri, Morse;
also REPRESENTATIVE(S) Hamner, Court, Duran, Exum, Fields, Fischer, Ginal, Hullinghorst, Kagan, Kraft-Tharp, Labuda, Lebsock, Levy, May, Melton, Mitsch Bush, Moreno, Pabon, Peniston, Pettersen, Rosenthal, Salazar, Schafer, Singer, Tyler, Vigil, Young.

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 22-54-104, **add** (5) (a) (XX) as follows:

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

(a) (XX) FOR THE 2013-14 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS \$5,954.28, WHICH IS AN AMOUNT EQUAL TO \$5,843.26, SUPPLEMENTED BY \$111.02 TO ACCOUNT FOR INFLATION.

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

SECTION 2. In Colorado Revised Statutes, 22-54-103, **add** (7) (e) (VI) as follows:

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

(7) "Funded pupil count" means:

(e) (VI) NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (e) TO THE CONTRARY, FOR THE 2013-14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, FOR THE PURPOSES OF THIS SUBSECTION (7), IF A DISTRICT'S FUNDED PUPIL COUNT CALCULATED PURSUANT TO THIS SUBSECTION (7) FOR A BUDGET YEAR IS FEWER THAN FIFTY PUPILS, THE DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IS FIFTY PUPILS.

SECTION 3. In Colorado Revised Statutes, 22-54-104, **amend as added by Senate Bill 13-108** (5) (g) (I) (D); and **add** (5) (g) (I) (E) as follows:

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

(g) (I) For the 2010-11 budget year and each budget year thereafter, the general assembly determines that stabilization of the state budget requires a reduction in the amount of the annual appropriation to fund the state's share of total program funding for all districts and the funding for institute charter schools. The department of education shall implement the reduction in total program funding through the application of a negative factor as provided in this paragraph (g). For the 2010-11 budget year and each budget year thereafter, the department of education and the staff of the legislative council shall determine, based on budget projections, the amount of such reduction to ensure the following:

(D) That, for the 2013-14 budget year, and each budget year thereafter, the sum of the total program funding for all districts, including the funding for institute charter schools, after application of the negative factor, is not less than ~~the sum of the total program funding for all districts, including the funding for institute charter schools, after the application of the negative factor for the immediately preceding budget year, adjusted by the amount necessary to adjust the state average per pupil revenues for the~~

~~applicable budget year by the rate of inflation, as defined in section 22-55-102 (7), for the calendar year ending in the immediately preceding school district budget year~~ FIVE BILLION FIVE HUNDRED FIVE MILLION THREE HUNDRED THIRTY-TWO THOUSAND TWENTY-FOUR DOLLARS (\$5,505,332,024); except that the department of education and the staff of the legislative council shall make mid-year revisions to replace projections with actual figures including, but not limited to, actual pupil enrollment, assessed valuations, and specific ownership tax revenue from the prior year, to determine any necessary changes in the amount of the reduction to maintain a total program funding amount for the applicable budget year that is consistent with this sub-subparagraph (D).

(E) THAT, FOR THE 2014-15 BUDGET YEAR, AND EACH BUDGET YEAR THEREAFTER, THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR INSTITUTE CHARTER SCHOOLS, AFTER APPLICATION OF THE NEGATIVE FACTOR, IS NOT LESS THAN THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR INSTITUTE CHARTER SCHOOLS, AFTER THE APPLICATION OF THE NEGATIVE FACTOR FOR THE IMMEDIATELY PRECEDING BUDGET YEAR, ADJUSTED BY THE AMOUNT NECESSARY TO ADJUST THE STATE AVERAGE PER PUPIL REVENUES FOR THE APPLICABLE BUDGET YEAR BY THE RATE OF INFLATION, AS DEFINED IN SECTION 22-55-102 (7), FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING SCHOOL DISTRICT BUDGET YEAR; EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES INCLUDING, BUT NOT LIMITED TO, ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR, TO DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT OF THE REDUCTION TO MAINTAIN A TOTAL PROGRAM FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR THAT IS CONSISTENT WITH THIS SUB-SUBPARAGRAPH (E).

SECTION 4. In Colorado Revised Statutes, 22-54-114, **amend** (4) (c) as follows:

22-54-114. State public school fund. (4) (c) For the 2012-13 budget year ~~and each budget year thereafter~~, the general assembly shall appropriate the amount calculated for at-risk supplemental aid pursuant to sections 22-30.5-112.2 and 22-30.5-513, up to three million eight hundred thirty-nine thousand six hundred twenty-seven dollars, from any amounts

recovered and received by the department of education during the applicable budget year.

SECTION 5. In Colorado Revised Statutes, 22-54-124, **amend** (3) (a) (III) (A) as follows:

22-54-124. State aid for charter schools - use of state education fund moneys - definitions. (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 through 2011-12 budget years shall be an amount equal to five million dollars; except that, for the 2006-07 budget year, an additional two million eight hundred thousand dollars shall be appropriated from the state education fund and shall be used for the purposes of this section, and for the 2008-09 budget year, an additional one hundred thirty-five thousand dollars shall be appropriated from the state education fund and shall be distributed pursuant to section 22-54-133, as said section existed prior to its repeal in 2010. The total amount of state education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for the 2012-13 budget year ~~and each budget year thereafter~~ is six million dollars. THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS TO BE APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND FOR ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS FOR THE 2013-14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER IS SEVEN MILLION DOLLARS.

SECTION 6. In Colorado Revised Statutes, 22-54-129, **amend** (2); **repeal** (1) (e); and **add** (1) (g) as follows:

22-54-129. Facility school funding - definitions - legislative declaration. (1) As used in this section, unless the context otherwise requires:

~~(e) "State average per pupil revenue" means the total program of all districts for any budget year divided by the total funded pupil count of all districts for said budget year.~~

(g) "STATEWIDE BASE PER PUPIL FUNDING" MEANS THE AMOUNT ANNUALLY SPECIFIED IN SECTION 22-54-104 (5) (a).

(2) (a) THE GENERAL ASSEMBLY FINDS THAT:

(I) THE UNIQUE ENVIRONMENTS OF APPROVED FACILITY SCHOOLS AND STATE PROGRAMS AND THE POPULATION OF STUDENTS THAT THEY SERVE CREATE OBSTACLES TO LEARNING AND ACADEMIC GROWTH THAT OTHER PUBLIC SCHOOLS AND STUDENTS DO NOT ENCOUNTER;

(II) BECAUSE APPROVED FACILITY SCHOOLS AND STATE PROGRAMS MUST OPERATE YEAR-ROUND, THEIR NEED FOR FUNDING REMAINS CONSTANT YEAR-ROUND; AND

(III) ALTHOUGH STUDENTS IN APPROVED FACILITY SCHOOLS MAY OR MAY NOT BE ECONOMICALLY AT-RISK, THE CIRCUMSTANCES THAT HAVE RESULTED IN THEIR PLACEMENT IN APPROVED FACILITY SCHOOLS AND STATE PROGRAMS MAKE IT LIKELY THAT THEY ARE ACADEMICALLY AT-RISK AND REQUIRE COSTLY EDUCATIONAL SUPPORT SERVICES TO ACHIEVE ACADEMIC GROWTH.

(b) THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS APPROPRIATE TO FUND APPROVED FACILITY SCHOOLS AND STATE PROGRAMS:

(I) BY AN ADDITIONAL ONE-THIRD ABOVE THE STATEWIDE BASE PER PUPIL FUNDING AMOUNT TO RECOGNIZE THE INCREASED COSTS OF EDUCATING STUDENTS IN APPROVED FACILITY SCHOOLS AND STATE PROGRAMS YEAR-ROUND; AND

(II) BY AN ADDITIONAL FORTY PERCENT ABOVE THE STATEWIDE BASE PER PUPIL FUNDING AMOUNT TO OFFSET THE INCREASED COSTS INHERENT IN PROVIDING EDUCATION SERVICES TO THE STUDENTS WHO ARE PLACED IN APPROVED FACILITY SCHOOLS AND STATE PROGRAMS.

(c) (I) For the 2008-09 budget year ~~and each budget year thereafter,~~ THROUGH THE 2012-13 BUDGET YEAR, each approved facility school and state program that meets the requirements of this section shall receive education program funding, which shall be distributed pursuant to subsection (4) of this section. The amount of funding available for all approved facility schools and state programs in a budget year shall be an amount equal to the pupil enrollment of each approved facility school and state program for the applicable budget year multiplied by an amount equal to one and one-third of the state average per pupil revenue for the applicable budget year.

(II) FOR THE 2013-14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, EACH APPROVED FACILITY SCHOOL AND STATE PROGRAM THAT MEETS THE REQUIREMENTS OF THIS SECTION MUST RECEIVE EDUCATION PROGRAM FUNDING, WHICH MUST BE DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION. THE AMOUNT OF FUNDING AVAILABLE FOR ALL APPROVED FACILITY SCHOOLS AND STATE PROGRAMS IN A BUDGET YEAR IS AN AMOUNT EQUAL TO THE PUPIL ENROLLMENT OF EACH APPROVED FACILITY SCHOOL AND STATE PROGRAM FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY AN AMOUNT EQUAL TO ONE AND SEVENTY-THREE HUNDREDTHS OF THE STATEWIDE BASE PER PUPIL FUNDING FOR THE APPLICABLE BUDGET YEAR.

SECTION 7. In Colorado Revised Statutes, 22-7-1210, **amend** (1) (d); **repeal** (1) (c); and **add** (1) (e) as follows:

22-7-1210. Early literacy fund - created - repeal. (1) The early literacy fund is hereby created in the state treasury and is referred to in this section as the "fund". The fund shall consist of:

(c) ~~Moneys transferred to the fund pursuant to section 22-41-102(3) (c); and~~

(d) (I) ~~Any other moneys that the general assembly may appropriate or transfer to the fund~~ FOR THE 2013-14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, AN AMOUNT EQUAL TO SIXTEEN MILLION DOLLARS FROM THE STATE EDUCATION FUND. ON JULY 1, 2013, AND ON JULY 1 EACH YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER SAID AMOUNT FROM THE STATE EDUCATION FUND TO THE EARLY LITERACY FUND.

(II) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, PROVIDING STUDENTS ENROLLED IN KINDERGARTEN, FIRST, SECOND, OR THIRD GRADE WITH THE INSTRUCTIONAL PROGRAMMING, INTERVENTION INSTRUCTION, AND SUPPORT NECESSARY TO ENSURE THAT STUDENTS, BY THE COMPLETION OF THIRD GRADE, CAN DEMONSTRATE A LEVEL OF COMPETENCY IN READING SKILLS THAT IS NECESSARY TO SUPPORT THEM IN ACHIEVING THE ACADEMIC STANDARDS AND EXPECTATIONS APPLICABLE TO THE FOURTH-GRADE CURRICULUM IS A PROGRAM FOR ACCOUNTABLE EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE

IX OF THE STATE CONSTITUTION.

(e) ANY OTHER MONEYS THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

SECTION 8. In Colorado Revised Statutes, 22-9-105.7, **amend** (3) as follows:

22-9-105.7. Great teachers and leaders fund - created - gifts, grants, and donations. (3) (a) For fiscal years 2010-11 and 2011-12, if two hundred fifty thousand dollars is not credited to the fund through federal grants on or before September 30, 2010, the commissioner shall notify the state treasurer of the difference. As provided for in section 22-54-117 (1) (g), upon receipt of such notice, the state treasurer shall transfer to the fund the amount of the difference out of the contingency reserve fund, created pursuant to section 22-54-117 for the implementation of section 22-9-105.5. If there is an insufficient amount in the contingency reserve fund, the state treasurer shall transfer to the fund any remaining amount of the difference from the state education fund, created in section 17 (4) of article IX of the state constitution for the implementation of section 22-9-105.5.

(b) (I) ON JULY 1, 2013, THE STATE TREASURER SHALL TRANSFER TWO HUNDRED THOUSAND DOLLARS TO THE FUND FROM THE STATE EDUCATION FUND.

(II) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE IMPLEMENTATION OF THE STATE COUNCIL FOR EDUCATOR EFFECTIVENESS IS A PROGRAM FOR ACCOUNTABLE EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

SECTION 9. In Colorado Revised Statutes, 22-20-114, **amend** (1) (c) (I); and **add** (1) (c) (III) and (7) as follows:

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:

(c) (I) If any amount of the total annual appropriation remains after the distributions specified in paragraphs (a), (a.5), 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, THE MONEYS AVAILABLE PURSUANT TO SUB-PARAGRAPH (III) OF THIS PARAGRAPH (c), and the per-pupil amount of six thousand dollars.

(III) (A) FOR THE 2013-14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, IN ADDITION TO ANY AMOUNT THAT IS AVAILABLE PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (c), THE GENERAL ASSEMBLY SHALL APPROPRIATE TWENTY MILLION DOLLARS FROM THE STATE EDUCATION FUND TO THE DEPARTMENT FOR THE PURPOSES OF THIS PARAGRAPH (c).

(B) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, PROVIDING ADDITIONAL MONEYS TO CHILDREN 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 AN ADMINISTRATIVE UNIT IS A PROGRAM FOR ACCOUNTABLE EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(7) IT IS THE GENERAL ASSEMBLY'S INTENT THAT, AS A RESULT OF RECEIVING AN INCREASE IN THE DISTRIBUTION OF STATE MONEYS, AN ADMINISTRATIVE UNIT, IN COMPLYING WITH THE MAINTENANCE OF EFFORT REQUIREMENT SPECIFIED IN THE FEDERAL "NO CHILD LEFT BEHIND ACT OF 2001", 20 U.S.C. SEC. 6381 ET SEQ., SHALL NOT REDUCE THE LEVEL OF STATE AND LOCAL EXPENDITURES BELOW THE LEVEL OF STATE AND LOCAL

EXPENDITURES FOR THE PRECEDING BUDGET YEAR. ANY ADDITIONAL APPROPRIATION OF MONEYS FOR DISTRIBUTION PURSUANT TO THIS SECTION IS INTENDED TO ALTER THE RATIO BETWEEN STATE AND LOCAL EXPENDITURES, BUT THE OVERALL LEVEL OF EXPENDITURES MAY REMAIN THE SAME, THEREBY SATISFYING THE FEDERAL MAINTENANCE OF EFFORT REQUIREMENTS.

SECTION 10. In Colorado Revised Statutes, **add** 22-28-104.3 as follows:

22-28-104.3. Early childhood at-risk enhancement.

(1) NOTWITHSTANDING THE NUMBER OF CHILDREN WHO MAY ANNUALLY PARTICIPATE IN THE COLORADO PRESCHOOL PROGRAM PURSUANT TO SECTION 22-28-104 (2) (a), FOR THE 2013-14 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, AN ADDITIONAL THREE THOUSAND TWO HUNDRED CHILDREN MAY ANNUALLY PARTICIPATE IN THE COLORADO PRESCHOOL PROGRAM, FOR A TOTAL OF TWENTY-THREE THOUSAND THREE HUNDRED SIXTY CHILDREN WHO MAY ANNUALLY PARTICIPATE IN THE COLORADO PRESCHOOL PROGRAM. THE DEPARTMENT SHALL ALLOCATE THE AUTHORITY TO ENROLL THE ADDITIONAL CHILDREN IN THE SAME MANNER PROVIDED IN SECTION 22-28-104; EXCEPT THAT THE PROVISIONS OF SECTION 22-28-104 (2) (b) DO NOT APPLY.

(2) NOTWITHSTANDING THE PROVISIONS OF SECTION 22-28-104 (2) (b), IN ALLOCATING THE AUTHORITY TO ENROLL CHILDREN IN THE COLORADO PRESCHOOL PROGRAM PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL ALLOW A SCHOOL DISTRICT TO ENROLL A CHILD IN THE PROGRAM USING TWO POSITIONS SO THAT THE CHILD MAY ATTEND A FULL-DAY PRESCHOOL PORTION OF THE DISTRICT'S PRESCHOOL PROGRAM OR TO USE A PRESCHOOL PROGRAM POSITION TO ENROLL A CHILD IN A FULL-DAY OF THE DISTRICT'S EXISTING FULL-DAY KINDERGARTEN PROGRAM.

(3) THE COLORADO PRESCHOOL PROGRAM POSITIONS THAT THE DEPARTMENT ALLOCATES TO A SCHOOL DISTRICT PURSUANT TO SUBSECTION (1) OF THIS SECTION AND THAT ARE USED TO ALLOW A CHILD TO ATTEND A HALF-DAY OR FULL-DAY OF PRESCHOOL THROUGH A DISTRICT'S PRESCHOOL PROGRAM ARE SUBJECT TO ALL OF THE REQUIREMENTS OF THIS ARTICLE; EXCEPT THAT THE PROVISIONS OF SECTION 22-28-104 (4) (b) DO NOT APPLY TO POSITIONS ALLOCATED PURSUANT TO SUBSECTION (1) OF THIS SECTION.

(4) IF, PURSUANT TO A DISTRICT'S AUTHORITY TO ENROLL CHILDREN IN THE COLORADO PRESCHOOL PROGRAM PURSUANT TO THIS SECTION, THE DISTRICT CHOOSES TO USE A PRESCHOOL PROGRAM POSITION TO ENROLL A CHILD IN A FULL-DAY OF THE DISTRICT'S EXISTING FULL-DAY KINDERGARTEN PROGRAM, THE DISTRICT SHALL RETAIN THE SUPPLEMENTAL KINDERGARTEN ENROLLMENT ATTRIBUTABLE TO THE CHILD ENROLLED IN A FULL-DAY OF KINDERGARTEN USING A PRESCHOOL PROGRAM POSITION AND MAY EXPEND THE SUPPLEMENTAL KINDERGARTEN ENROLLMENT ATTRIBUTABLE TO THE CHILD IN FURTHERANCE OF THE DISTRICT'S PRESCHOOL PROGRAM OR THE DISTRICT'S FULL-DAY KINDERGARTEN PROGRAM.

SECTION 11. In Colorado Revised Statutes, 22-41-102, **amend** (3) (a); **repeal** (3) (c); and **add** (3) (d) as follows:

22-41-102. Fund inviolate - repeal. (3) (a) Except as provided in paragraph (b) of this subsection (3), for the 2010-11 state fiscal year ~~and each state fiscal year thereafter~~ THROUGH THE 2012-13 FISCAL YEAR, the first eleven million dollars of any interest or income earned on the investment of the moneys in the public school fund shall be credited to the state public school fund created in section 22-54-114 for distribution as provided by law. ~~Prior to the 2013-14 state fiscal year,~~ Any amount of such interest and income earned on the investment of the moneys in the state public school fund in excess of eleven million dollars, other than interest and income credited to the public school capital construction assistance fund, created in section 22-43.7-104 (1), pursuant to section 22-43.7-104 (2) (b) (I), shall remain in the fund and shall become part of the principal of the fund.

~~(c) For the 2013-14 state fiscal year and for each state fiscal year thereafter, any amount of interest or income earned on the investment of moneys in the public school fund in excess of eleven million dollars, other than interest and income credited to the public school capital construction assistance fund, created in section 22-43.7-104 (1), pursuant to section 22-43.7-104 (2) (b) (I), shall be credited to the early literacy fund created in section 22-7-1210; except that the amount credited to the early literacy fund pursuant to this paragraph (c) shall not exceed sixteen million dollars in any state fiscal year.~~

(d) FOR THE 2013-14 STATE FISCAL YEAR AND EACH STATE FISCAL YEAR THEREAFTER, THE FIRST SIXTEEN MILLION DOLLARS OF ANY INTEREST

OR INCOME EARNED ON THE INVESTMENT OF THE MONEYS IN THE PUBLIC SCHOOL FUND SHALL BE CREDITED TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 FOR DISTRIBUTION AS PROVIDED BY LAW. ANY AMOUNT OF SUCH INTEREST AND INCOME EARNED ON THE INVESTMENT OF THE MONEYS IN THE STATE PUBLIC SCHOOL FUND IN EXCESS OF SIXTEEN MILLION DOLLARS, OTHER THAN INTEREST AND INCOME CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND, CREATED IN SECTION 22-43.7-104 (1), PURSUANT TO SECTION 22-43.7-104 (2) (b) (I), SHALL REMAIN IN THE FUND AND SHALL BECOME PART OF THE PRINCIPAL OF THE FUND.

SECTION 12. In Colorado Revised Statutes, **add** article 94 to title 22 as follows:

ARTICLE 94
Quality Teacher Recruitment

22-94-101. Definitions. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

(2) "DISTRICT" MEANS A SCHOOL DISTRICT, A GROUP OF SCHOOL DISTRICTS, OR A BOARD OF COOPERATIVE SERVICES AS DEFINED IN SECTION 22-5-103 (2).

(3) "HIGHLY QUALIFIED" HAS THE SAME MEANING AS PROVIDED IN 20 U.S.C. SEC. 7801 (23).

(4) "PROGRAM" MEANS A QUALITY TEACHER RECRUITMENT PROGRAM CREATED BY A VENDOR THROUGH A CONTRACT WITH THE DEPARTMENT.

(5) "VENDOR" MEANS A FOR-PROFIT OR NONPROFIT ORGANIZATION.

22-94-102. Contract to create quality teacher recruitment program. (1) THE DEPARTMENT SHALL CONTRACT WITH A VENDOR, IN PARTNERSHIP WITH A DISTRICT, TO CREATE A QUALITY TEACHER RECRUITMENT PROGRAM TO RECRUIT, SELECT, TRAIN, AND RETAIN HIGHLY

QUALIFIED TEACHERS TO TEACH IN PUBLIC SCHOOLS AND IN SCHOOL DISTRICTS IN THE STATE THAT CAN DEMONSTRATE A HISTORIC DIFFICULTY IN RECRUITING AND RETAINING HIGHLY QUALIFIED TEACHERS. IN CONTRACTING WITH A VENDOR IN PARTNERSHIP WITH A DISTRICT, THE DEPARTMENT SHALL ENSURE THAT THE VENDOR WILL PLACE HIGHLY QUALIFIED TEACHERS IN THE DISTRICT BY THE BEGINNING OF THE 2014-15 SCHOOL YEAR.

(2) IN AWARDING A CONTRACT PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE DEPARTMENT SHALL TAKE INTO CONSIDERATION THE NUMBER OF DISTRICTS IN WHICH THE VENDOR WILL PLACE HIGHLY QUALIFIED TEACHERS, THE NUMBER OF HIGHLY QUALIFIED TEACHERS THAT THE VENDOR WILL PLACE, AND THE POTENTIAL NUMBER OF CHILDREN WHO WILL BE TAUGHT BY THE HIGHLY QUALIFIED TEACHERS. THE DEPARTMENT SHALL ENSURE THAT IT AWARDS THE CONTRACT TO ONE OR MORE VENDORS THAT SATISFY THE FOLLOWING CRITERIA:

(a) THE VENDOR COMMITS TO WORKING WITH ONE OR MORE SCHOOL DISTRICTS IN THE STATE FOR AT LEAST TWO YEARS TO RECRUIT AND PLACE HIGHLY QUALIFIED TEACHERS;

(b) THE VENDOR HAS A DOCUMENTED HISTORY OF RECRUITING, TRAINING, AND RETAINING HIGHLY QUALIFIED TEACHERS IN AREAS OF COLORADO OR OTHER STATES THAT HAVE HAD HISTORIC DIFFICULTY IN RECRUITING AND RETAINING HIGHLY QUALIFIED TEACHERS;

(c) THE VENDOR COMMITS TO PLACING ONLY TEACHERS WHO ARE DEEMED HIGHLY QUALIFIED;

(d) THE VENDOR CAN DEMONSTRATE THAT THE TEACHERS IT HAS PLACED IN PUBLIC SCHOOLS AND SCHOOL DISTRICTS IN THE PAST, EITHER IN COLORADO OR IN OTHER STATES, ACHIEVE HIGH ACADEMIC GROWTH FROM THEIR STUDENTS BASED ON STATE ACHIEVEMENT DATA OR INDEPENDENT STUDIES;

(e) THE VENDOR HAS A DOCUMENTED HISTORY OF PROVIDING PROFESSIONAL DEVELOPMENT FOR TEACHERS, INCLUDING INDUCTION, TRAINING, ON-GOING SUPPORT, AND EVALUATIONS; AND

(f) THE VENDOR COMMITS TO MATCHING NO LESS THAN ONE

HUNDRED PERCENT OF ANY MONEYS THAT THE DEPARTMENT PAYS THROUGH A CONTRACT ENTERED INTO PURSUANT TO SUBSECTION (1) OF THIS SECTION. A VENDOR THAT RESPONDS TO THE DEPARTMENT'S SOLICITATION FOR A CONTRACT ISSUED PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL PROVIDE WRITTEN DOCUMENTATION FROM ONE OR MORE PRIVATE OR CORPORATE DONORS THAT PLEDGE TO MAKE GIFTS, GRANTS, OR DONATIONS TO THE VENDOR THAT, IN TOTAL, EQUAL AT LEAST THE AMOUNT THAT THE DEPARTMENT HAS SPECIFIED WILL BE AVAILABLE FOR THE PURPOSES OF A CONTRACT PURSUANT TO SUBSECTION (1) OF THIS SECTION FOR THE APPLICABLE FISCAL YEAR. THE WRITTEN DOCUMENTATION MUST ALSO INCLUDE THE DATE BY WHICH THE VENDOR WILL RECEIVE THE GIFTS, GRANTS, OR DONATIONS TO BE USED IN FURTHERANCE OF THE REQUIREMENTS OF THIS ARTICLE.

(3) THE VENDOR WITH WHICH THE DEPARTMENT CONTRACTS TO OPERATE A PROGRAM PURSUANT TO THIS ARTICLE SHALL USE ANY MONEYS PAID TO THE VENDOR IN CONNECTION WITH THE CONTRACT TO RECRUIT, TRAIN, AND PLACE HIGHLY QUALIFIED TEACHERS TO TEACH IN PUBLIC SCHOOLS OR SCHOOL DISTRICTS IN COLORADO THAT HAVE HAD HISTORIC DIFFICULTY IN RECRUITING AND RETAINING HIGHLY QUALIFIED TEACHERS. THE VENDOR SHALL PROVIDE THE NECESSARY ADMINISTRATIVE SERVICES TO OPERATE THE PROGRAM AND SHALL NOT USE ANY STATE MONEYS FOR THESE PURPOSES.

22-94-103. Annual reports. (1) A VENDOR THAT ENTERS INTO A CONTRACT WITH THE DEPARTMENT TO ESTABLISH AND OPERATE A PROGRAM PURSUANT TO THIS ARTICLE SHALL, FOR THE DURATION OF THE CONTRACT, SUBMIT A REPORT TO THE DEPARTMENT THAT INCLUDES THE DATA AND PERFORMANCE METRICS FROM THE PRIOR SCHOOL YEAR AS SPECIFIED IN SUBSECTION (3) OF THIS SECTION.

(2) IN ADDITION TO THE REPORT REQUIRED PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE DEPARTMENT SHALL CONTRACT WITH A THIRD PARTY TO EVALUATE AND SUBMIT TO THE DEPARTMENT A REPORT AFTER THE FIRST YEAR OF THE PROGRAM AND A FINAL REPORT AFTER THE SECOND YEAR OF THE PROGRAM REGARDING THE PROGRESS OF THE VENDOR BASED ON THE DATA AND PERFORMANCE METRICS SPECIFIED IN SUBSECTION (3) OF THIS SECTION. THE DEPARTMENT MAY USE UP TO TWO PERCENT OF THE MONEYS APPROPRIATED BY THE GENERAL ASSEMBLY FOR THE PURPOSES OF THIS ARTICLE IN THE APPLICABLE FISCAL YEAR TO CONTRACT FOR THE

REPORT REQUIRED IN THIS SUBSECTION (2).

(3) THE REPORTS REQUIRED IN SUBSECTIONS (1) AND (2) OF THIS SECTION MUST INCLUDE BUT NEED NOT BE LIMITED TO:

(a) THE NUMBER OF STUDENTS IN THE STATE WHO ARE TAUGHT BY TEACHERS WHO ARE PLACED IN PUBLIC SCHOOLS OR DISTRICTS IN THE STATE THROUGH A PROGRAM;

(b) THE AVERAGE LENGTH OF TIME THAT TEACHERS PLACED IN DISTRICTS THROUGH A PROGRAM REMAIN IN THE DISTRICT IN WHICH THEY ARE PLACED;

(c) THE NAMES OF THE PUBLIC SCHOOLS AND DISTRICTS IN WHICH TEACHERS ARE PLACED THROUGH A PROGRAM;

(d) THE SUBJECTS AND GRADE LEVELS TAUGHT BY THE TEACHERS WHO ARE PLACED THROUGH THE PROGRAM; AND

(e) THE EFFECTIVENESS RATINGS OF THE TEACHERS PLACED THROUGH THE PROGRAM PURSUANT TO SECTION 22-9-106.

(4) THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE OFFICE OF THE GOVERNOR, THE STATE BOARD OF EDUCATION, AND THE MEMBERS OF THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, SUMMARIZING THE FINDINGS FROM THE TWO REPORTS SUBMITTED TO THE DEPARTMENT PURSUANT TO THIS SECTION.

SECTION 13. In Colorado Revised Statutes, 24-75-220, **add** (4) as follows:

24-75-220. Transfer of general fund surplus to state education fund. (4) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, ON THE DATE ON WHICH THE STATE CONTROLLER PUBLISHES THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE STATE FOR THE FISCAL YEAR 2013-14, AFTER MAKING THE TRANSFER REQUIRED PURSUANT TO SECTION 24-75-222, AS ENACTED IN SENATE BILL 13-236, THE STATE TREASURER SHALL TRANSFER TO THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION, SEVENTY-FIVE

PERCENT OF THE REMAINING GENERAL FUND SURPLUS DESIGNATED IN ACCORDANCE WITH SECTION 24-75-201 (1) FOR THE FISCAL YEAR 2013-14.

SECTION 14. Appropriation - adjustments to the 2013 long bill.

(1) For the implementation of this act, appropriations made in the annual general appropriation act to the department of education for the fiscal year beginning July 1, 2013, are adjusted as follows:

(a) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for the state share of districts' total program funding, is increased by \$40,240,757.

(b) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for the state share of districts' total program funding, is increased by \$11,602,977 to support additional Colorado preschool program participants authorized in section 22-28-104.3, Colorado Revised Statutes.

(c) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for hold-harmless full-day kindergarten funding, is increased by \$51,248.

(d) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for state aid to charter school facilities, is increased by \$1,000,000.

(e) The cash funds appropriation from the early literacy fund created in section 22-7-1210 (1), Colorado Revised Statutes, from interest and income earned on the investment of moneys in the public school fund that is credited to the early literacy fund pursuant to section 22-41-102 (3) (c), Colorado Revised Statutes, for the early literacy competitive grant program, is decreased by \$566,062.

(f) The cash funds appropriation from the early literacy fund created in section 22-7-1210 (1), Colorado Revised Statutes, from interest and income earned on the investment of moneys in the public school fund that is credited to the early literacy fund pursuant to section 22-41-102 (3) (c), Colorado Revised Statutes, for early literacy program per pupil intervention funding, is decreased by \$9,850,000.

(g) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for special education programs for children with disabilities, is increased by \$20,000,000 pursuant to section 22-20-114 (1) (c) (III) (A), Colorado Revised Statutes.

(h) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for facility school funding, is increased by \$2,506,290 pursuant to section 22-54-129, Colorado Revised Statutes.

(i) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for stipends for nationally board certified teachers, is increased by \$1,339,200.

(j) The cash funds appropriation from the state public school fund created in section 22-54-114 (1), Colorado Revised Statutes, from audit recoveries that are credited to the fund pursuant to section 22-54-114 (4), Colorado Revised Statutes, for at-risk supplemental aid, is decreased by \$3,839,627.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the early literacy fund created in section 22-7-1210 (1), Colorado Revised Statutes, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2013, the sum of \$16,000,000, or so much thereof as may be necessary, to be allocated to the early literacy program. Said sum is from moneys transferred from the state education fund created in section 17 (4) (a) of article IX of the state constitution pursuant to section 22-7-1210 (1) (d) (I), Colorado Revised Statutes, to be allocated as follows:

(a) \$566,062 for the early literacy competitive grant program; and

(b) \$15,433,938 for early literacy program per pupil intervention funding.

(3) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in section 17 (4) (a) of article IX of the state constitution, not otherwise appropriated, to the department of education, for the fiscal year beginning

July 1, 2013, the sum of \$3,000,000, or so much thereof as may be necessary, to be allocated to grant programs, distributions, and other assistance for the quality teacher recruitment program.

(4) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the great teachers and leaders fund created in section 22-9-105.7 (1), Colorado Revised Statutes, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2013, the sum of \$200,000, or so much thereof as may be necessary, to be allocated to management and administration for educator effectiveness implementation. Said sum is from moneys transferred from the state education fund created in section 17 (4) (a) of article IX of the state constitution pursuant to section 22-9-105.7 (3) (b) (I), Colorado Revised Statutes.

(5) 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 human services, for the fiscal year beginning July 1, 2013, the sum of \$43,898 and 0.7 FTE, or so much thereof as may be necessary, to be allocated to the division of child care for child care licensing and administration activities.

(6) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state public school fund created in section 22-54-114 (1), Colorado Revised Statutes, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2013, the sum of \$3,839,627, or so much thereof as may be necessary, to be allocated for at-risk supplemental aid. This amount shall be from interest and income earned on the investment of moneys in the public school fund that is credited to the state public school fund pursuant to section 22-41-102 (3) (d), Colorado Revised Statutes.

SECTION 15. Appropriation to the department of education for the fiscal year beginning July 1, 2013. In section 2 of Senate Bill 13-230, amend Part III (2) (A) Footnote 4, as follows:

Section 2. **Appropriation.**

4 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding --

Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program for FY 2013-14. It is the intent of the General Assembly that the Department of Education be authorized to utilize up to ~~\$2,709,450~~ \$2,727,900 of this appropriation to fund qualified students designated as ASCENT Program participants. This amount is calculated based on an estimated 450 FTE participants funded at a rate of ~~\$6,021~~ \$6,062 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

SECTION 16. 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.

John P. Morse
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO