

**First Regular Session
Sixty-third General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 01-0094.01 Sharon Eubanks

SENATE BILL 01-137

SENATE SPONSORSHIP

Anderson

HOUSE SPONSORSHIP

(None)

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF PUBLIC SCHOOLS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Amends the "Public School Finance Act of 1994" to establish a 3.7% inflation increase plus one percentage point for public schools for the 2001-02 budget year. Changes the calculation of a district's cost of living factor for the 2001-02 budget year.

For any school district participating in the state preschool program, requires a portion of the district's per pupil operating revenues be budgeted and allocated to the district's preschool program fund. Creates the preschool program fund for each school district. Limits expenditures from the fund to payment of costs of providing preschool program

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.*

services to children enrolled in the district's preschool program. Provides that any unexpended funds at the end of a budget year shall remain in the fund.

Prohibits school districts from accepting certain tax revenue from other local governments, however, makes an exception.

Allows a school district to notify the state board of education to transfer a portion of the school district's monthly allocation of the state's share of total program to the division of vocational rehabilitation for the school district's participation in school to work alliance programs. Sets forth procedures relating to such notification and transfer.

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

2 **SECTION 1.** 22-54-104 (2) (a) (IV) (D), Colorado Revised
3 Statutes, is amended to read:

4 **22-54-104. District total program - repeal.** (2) (a) (IV) (D) For
5 purposes of this subparagraph (IV), a district's "per pupil funding" shall
6 be the district's total program for the applicable budget year, as calculated
7 pursuant to sub-subparagraph (A) of subparagraph (III) of this paragraph
8 (a), divided by the district's funded pupil count for such budget year;
9 except that, for the 1998-99 budget year, a district's "per pupil funding"
10 shall be calculated under this provision without regard to the change in the
11 size factors made in subparagraph (I.2) of paragraph (b) of subsection (5)
12 of this section, for the 1999-2000 budget year, shall be calculated using
13 the cost of living factor and size factor used in the calculation for the
14 1998-99 budget year under this sub-subparagraph (D) and the at-risk
15 factor calculated under this section as it existed for the 1997-98 budget
16 year or using the cost of living, size factor, and at-risk factor applicable
17 for the budget year, whichever produces the lesser "per pupil funding"
18 amount, and for the 2000-01 budget year, and budget years thereafter shall
19 be calculated using the size factor used in the calculation for the prior
20 budget year or the size factor used in the calculation for the applicable

1 budget year, whichever is less, and the at-risk factor calculated for the
2 district using a base at-risk factor of eleven and one-half percent; EXCEPT
3 THAT, FOR THE 2001-02 BUDGET YEAR, A DISTRICT'S "PER PUPIL FUNDING"
4 SHALL BE CALCULATED USING THE SIZE FACTOR USED IN THE CALCULATION
5 FOR THE PRIOR BUDGET YEAR OR THE SIZE FACTOR USED IN THE
6 CALCULATION FOR THE APPLICABLE BUDGET YEAR, WHICHEVER IS LESS,
7 THE COST OF LIVING FACTOR FOR THE PRIOR BUDGET YEAR OR THE COST OF
8 LIVING FACTOR USED IN THE CALCULATION FOR THE APPLICABLE BUDGET
9 YEAR, WHICHEVER IS LESS, AND THE AT-RISK FACTOR CALCULATED FOR THE
10 DISTRICT USING A BASE AT-RISK FACTOR OF ELEVEN AND ONE-HALF
11 PERCENT.

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

14 **22-54-104. District total program - repeal.** (5) For purposes of
15 the formulas used in this section:

16 (a) (VIII) FOR THE 2001-02 BUDGET YEAR, THE STATEWIDE BASE
17 PER PUPIL FUNDING SHALL BE \$4,001.70 SUPPLEMENTED BY \$188.30 TO
18 ACCOUNT FOR INFLATION PLUS AN ADDITIONAL ONE PERCENTAGE POINT.

19 **SECTION 3.** 22-54-104 (5) (c) (II) (B.1), Colorado Revised
20 Statutes, is amended, and the said 22-54-104 (5) (c) (II) is further
21 amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, to
22 read:

23 **22-54-104. District total program - repeal.** (5) For purposes of
24 the formulas used in this section:

25 (c) (II) (B.1) Except as provided in SUB-SUBPARAGRAPH (B.2) OF
26 THIS SUBPARAGRAPH (II) AND subparagraph (IV) of this paragraph (c), for
27 the 2000-01 budget year and budget years thereafter, a district's cost of

1 living factor shall be the district's cost of living factor for the prior budget
2 year, but, if the percentage change in the district's cost of living amount
3 from the previous cost of living study to the current cost of living study
4 is greater than the rate of inflation for the most recent calendar year
5 preceding the budget year in which the cost of living factor is to take
6 effect, a district's cost of living factor shall be determined by dividing the
7 percentage change in the district's cost of living amount from the previous
8 cost of living study to the current cost of living study by the rate of
9 inflation for the calendar year preceding the budget year in which the cost
10 of living factor is to take effect, dividing said amount by one thousand and
11 rounding to the nearest one-thousandth of one percent, and adding the
12 result obtained to the district's cost of living factor for the prior budget
13 year. For purposes of this sub-subparagraph (B.1), "the rate of inflation"
14 means the percentage change in the consumer price index for the
15 Denver-Boulder consolidated metropolitan statistical area for all urban
16 consumers, all goods, as published by the United States department of
17 labor, bureau of labor statistics, or its successor index.

18 (B.2) FOR THE 2001-02 BUDGET YEAR, A DISTRICT'S COST OF LIVING
19 FACTOR SHALL BE THE DISTRICT'S COST OF LIVING FACTOR FOR THE PRIOR
20 BUDGET YEAR ADJUSTED BY AN AMOUNT EQUAL TO TWENTY PERCENT OF
21 THE DIFFERENCE BETWEEN THE DISTRICT'S COST OF LIVING FACTOR FOR THE
22 PRIOR BUDGET YEAR AND AN AMOUNT DETERMINED BY DIVIDING THE
23 DISTRICT'S COST OF LIVING AMOUNT FROM THE CURRENT COST OF LIVING
24 STUDY BY THE LOWEST COST OF LIVING AMOUNT OF ALL DISTRICTS IN THE
25 STATE FROM THE CURRENT COST OF LIVING STUDY, ROUNDED TO THE
26 NEAREST ONE-THOUSANDTH OF ONE PERCENT.

27 **SECTION 4.** 22-54-105, Colorado Revised Statutes, is amended

1 BY THE ADDITION OF A NEW SUBSECTION to read:

2 **22-54-105. Instructional supplies and materials - capital**
3 **reserve and insurance reserve - at-risk funding - preschool funding.**

4 (4) FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER,
5 EVERY DISTRICT PARTICIPATING IN THE STATE PRESCHOOL PROGRAM
6 PURSUANT TO ARTICLE 28 OF THIS TITLE SHALL BUDGET AN AMOUNT EQUAL
7 TO THE DISTRICT'S PER PUPIL OPERATING REVENUES MULTIPLIED BY THE
8 DISTRICT'S PRESCHOOL ENROLLMENT AS DEFINED IN SECTION 22-54-103
9 (10) (c). SUCH BUDGETED AMOUNT SHALL BE ALLOCATED TO THE
10 DISTRICT'S PRESCHOOL PROGRAM FUND CREATED IN SECTION 22-45-103 (1)
11 (g) AND EXPENDED IN ACCORDANCE WITH SAID PARAGRAPH (g). ANY
12 MONEYS IN THE FUND THAT ARE NOT PROJECTED TO BE EXPENDED DURING
13 A BUDGET YEAR SHALL BE BUDGETED FOR THE DISTRICT'S PRESCHOOL
14 PROGRAM IN THE NEXT BUDGET YEAR.

15 **SECTION 5.** Article 54 of title 22, Colorado Revised Statutes, is
16 amended BY THE ADDITION OF A NEW SECTION to read:

17 **22-54-108.5. Prohibition against accepting additional tax**
18 **revenues from other local governments - exception.** (1) EXCEPT AS
19 OTHERWISE PROVIDED IN THIS SUBSECTION (1), NO DISTRICT SHALL ACCEPT
20 ANY TAX REVENUE FROM ANOTHER LOCAL GOVERNMENT FOR THE
21 DISTRICT'S GENERAL FUND IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM
22 AS DETERMINED IN ACCORDANCE WITH SECTION 22-54-104. NOTHING IN
23 THIS SECTION SHALL BE CONSTRUED TO PROHIBIT ANY DISTRICT FROM
24 ACCEPTING TAX REVENUE FROM ANOTHER LOCAL GOVERNMENT THAT IS
25 EXPRESSLY AUTHORIZED BY LAW TO COLLECT AND DISTRIBUTE SUCH TAX
26 REVENUE TO THE DISTRICT.

27 (2) FOR PURPOSES OF THIS SECTION, "LOCAL GOVERNMENT" MEANS

1 ANY HOME RULE OR STATUTORY MUNICIPALITY, COUNTY, CITY AND
2 COUNTY, SPECIAL DISTRICT, SCHOOL DISTRICT, OR OTHER LOCAL
3 GOVERNMENTAL ENTITY.

4 **SECTION 6.** 22-54-115 (1), (2), and (3), Colorado Revised
5 Statutes, are amended, and the said 22-54-115 is further amended BY
6 THE ADDITION OF A NEW SUBSECTION, to read:

7 **22-54-115. Distribution from state public school fund.** (1) No
8 later than June 30 of each year, the state board shall determine the amount
9 of the state's share of the district's total program for the budget year
10 beginning on July 1, and the total thereof for all districts, which amount
11 shall be payable in twelve approximately equal monthly payments during
12 such budget year; except that:

13 (a) Such payments shall be adjusted following the certification of
14 pupil enrollments, the certification of valuations for assessment to the
15 state board pursuant to section 22-54-112 (1) and (2), and the certification
16 of the amount of any impact assistance grants on behalf of school districts
17 pursuant to section 30-25-302, C.R.S.; AND

18 (b) SUCH PAYMENTS SHALL BE ADJUSTED IN ACCORDANCE WITH
19 ANY DISTRICT'S INSTRUCTIONS GIVEN PURSUANT TO SUBSECTION (1.5) OF
20 THIS SECTION.

21 (1.5) ANY SCHOOL DISTRICT MAY GIVE WRITTEN INSTRUCTIONS TO
22 THE STATE BOARD DIRECTING THAT A SPECIFIED PORTION OF A MONTHLY
23 PAYMENT OR MONTHLY PAYMENTS THAT THE DISTRICT IS OTHERWISE
24 ENTITLED TO RECEIVE PURSUANT TO THIS SECTION SHALL BE TRANSFERRED
25 TO THE DIVISION OF VOCATIONAL REHABILITATION IN THE DEPARTMENT OF
26 HUMAN SERVICES FOR THE DISTRICT'S COST OF PARTICIPATING IN SCHOOL
27 TO WORK ALLIANCE PROGRAMS. SUCH WRITTEN INSTRUCTIONS SHALL

1 SPECIFY THE AMOUNT TO BE TRANSFERRED TO THE DIVISION OF
2 VOCATIONAL REHABILITATION FROM THE DISTRICT'S PAYMENT FOR A
3 SPECIFIED MONTH OR MONTHS. SUCH WRITTEN INSTRUCTIONS SHALL BE
4 GIVEN TO THE STATE BOARD NO LATER THAN THE FIFTH DAY OF THE FIRST
5 MONTH IN WHICH SUCH AMOUNT IS TO BE TRANSFERRED TO THE DIVISION
6 OF VOCATIONAL REHABILITATION.

7 (2) No later than the fifteenth day of each month, the state board
8 shall certify to the state treasurer the amount payable to each district
9 during said month AND THE AMOUNT, IF ANY, TO BE TRANSFERRED TO THE
10 DIVISION OF VOCATIONAL REHABILITATION DURING SAID MONTH IN
11 ACCORDANCE WITH SUBSECTION (1.5) OF THIS SECTION.

12 (3) No later than the twenty-fifth day of each month, the state
13 treasurer shall:

14 (a) Pay the amount certified directly to the treasurer of each
15 district or, in accordance with written instructions from the district,
16 directly to an account designated by the district that allows the district to
17 retain title to the funds; AND

18 (b) TRANSFER THE AMOUNT CERTIFIED, IF ANY, TO THE DIVISION OF
19 VOCATIONAL REHABILITATION.

20 **SECTION 7.** 22-45-103 (1), Colorado Revised Statutes, is
21 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

24 (g) **Preschool program fund.** MONEYS ALLOCATED PURSUANT TO
25 SECTION 22-54-105 (4) SHALL BE DEPOSITED IN THE PRESCHOOL PROGRAM
26 FUND OF THE DISTRICT. EXPENDITURES FROM THE FUND SHALL ONLY BE
27 MADE TO PAY THE COSTS OF PROVIDING PRESCHOOL SERVICES DIRECTLY TO

1 CHILDREN ENROLLED IN THE DISTRICT’S PRESCHOOL PROGRAM PURSUANT
2 TO ARTICLE 28 OF THIS TITLE. SUCH COSTS SHALL INCLUDE TEACHER AND
3 PARAPROFESSIONAL SALARIES AND BENEFITS, SUPPLIES AND MATERIALS,
4 HOME VISITS, THE ENTIRE COST OF ANY PRESCHOOL PROGRAM CONTRACTED
5 SERVICES, THE COSTS OF SERVICES PROVIDED BY A DISTRICT TO CHILDREN
6 ENROLLED IN THE DISTRICT’S PRESCHOOL PROGRAM OR THEIR PARENTS,
7 ANY ASSOCIATED PROFESSIONAL DEVELOPMENT ACTIVITIES, COSTS THAT
8 A DISTRICT WOULD NOT OTHERWISE HAVE INCURRED BUT FOR THE
9 SERVICES PROVIDED IN CONJUNCTION WITH THE PRESCHOOL PROGRAM, AND
10 A REASONABLE ALLOCATION OF DISTRICT OVERHEAD COSTS NOT TO EXCEED
11 FIVE PERCENT OF SUCH OVERHEAD COSTS. ANY MONEYS REMAINING IN THE
12 FUND AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND.

13 **SECTION 8. Safety clause.** The general assembly hereby finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, and safety.