A BILL FOR AN ACT

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

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" (act) to modify the funding for public schools from preschool through the twelfth grade for the 2013-14 budget year, and, in some circumstances, for budget years thereafter, as follows:

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.
Statewide base per pupil funding: For the 2013-14 budget year, the statewide base per pupil funding is increased to $5,954.28 to account for a 1.9% inflation rate.

Funded pupil count: Currently, a district's funded pupil count is calculated by adding the district's on-line pupil enrollment, preschool program enrollment, supplemental kindergarten enrollment, and accelerating students through concurrent enrollment (ASCENT) program pupil enrollment, all for the applicable budget year, and the greater of the district's pupil enrollment for the current budget year or an average of the district's pupil enrollment for the current budget year and the 2, 3, or 4 immediately preceding budget years.

In addition, the bill specifies that, notwithstanding the calculation for determining funded pupil count, for the 2013-14 budget year and each budget year thereafter, a district's funded pupil count will not be less than 50 pupils.

Negative factor: During the 2010 and 2011 legislative sessions, the general assembly amended the act for the 2010-11 budget year and budget years thereafter to reduce the amount of the annual appropriation to fund the state's share of total program funding for all school districts and the funding for institute charter schools (total program funding) to assist in stabilizing the state budget. The general assembly accomplished the reduction to each district through a calculation that resulted in a factor, called the negative factor, to be applied to each district's total program funding amount in the applicable budget year.

For the 2013-14 budget year, the general assembly has determined that application of the negative factor to total program funding is necessary, but without an additional reduction in the amount of the annual appropriation to fund the state's share of total program funding. For the 2013-14 budget year, the bill increases the total program funding amount by a specified amount compared with the amount currently required in law to account for increases in student enrollment.

Charter school at-risk supplemental aid: Currently, certain qualified school districts, district charter schools, and institute charter schools receive at-risk supplemental aid (aid) in addition to the at-risk funding received pursuant to the act. A portion of the funding for the aid comes from the amount recovered by the department of education (department) from school district and charter school audits. The bill eliminates this funding source for the aid and funds the aid from the state public school fund.

Charter school capital construction: Currently, $6 million from the state education fund is annually appropriated for capital construction costs for all eligible districts and for all eligible institute charter schools. For the 2013-14 budget year only, the appropriation from the state education fund for charter school capital construction costs is increased to $7 million.
In addition to the changes to the act, the bill modifies other provisions related to funding for public schools as follows:

**"READ Act" funding:** During the 2012 legislative session, the general assembly enacted the "READ Act" and specified that, for the 2013-14 state fiscal year and for each state fiscal year thereafter, any interest or income, up to $16 million, earned on the investment of moneys in the public school fund in excess of $11 million, other than interest and income credited to the public school capital construction assistance fund, shall be transferred to the early literacy fund to be used for purposes of the "READ Act".

The bill eliminates the provision that authorizes the early literacy fund to receive a transfer from the public school fund and, for the 2013-14 budget year and each budget year thereafter, requires the state treasurer to annually transfer $16 million from the state education fund to the early literacy fund for purposes of the "READ Act".

**Educator effectiveness:** The great teachers and leaders fund was created to accept moneys to be used for the implementation of the state council for educator effectiveness. For the 2013-14 fiscal year, the bill requires the state treasurer to transfer $200,000 to the great teachers and leaders fund from the state education fund.

**"Tier B" special education funding:** "Tier B" special education funding is $6,000 per child with one or more specific disabilities described in law. The department determines the percentage of children for which a district receives such funding based on the amount remaining from the appropriation for special education funding after several other special education funding requirements have been met. For the 2013-14 budget year and each budget year thereafter, the appropriation for special education is increased by $20 million and is required to be used for "Tier B" special education funding.

**Colorado preschool program:** The Colorado preschool program (CPP) serves children from ages 3 to 5 who lack overall learning readiness due to one or more factors specified in law. For the 2013-14 budget year and each budget year thereafter, the bill increases the number of children who may participate in CPP by 3,200 for a total of 23,360 children who may participate in CPP statewide. The bill allows school districts to serve the total number of additional children eligible to participate in CPP pursuant to the bill with either a half-day or full-day of preschool through the CPP or through a full-day of kindergarten through preexisting school district full-day kindergarten programs.

**Expanding quality incentive program:** The bill creates, in the department and within the CPP, the expanding quality incentive program (program). Through the program, an eligible school district may apply to the department for a grant to obtain a school-readiness quality rating for the district's preschool program and, based on the quality rating that the district's preschool program achieves, receive a quality improvement
grant that the district must use to enhance the quality of the district's preschool program.

Once every 2 years, school districts, based on the recommendation of the school district's preschool program advisory council, may apply to the department to participate in the program. A school district is eligible to participate in the program only if it has established a preschool program through the CPP that is in compliance with the requirements of the CPP and is licensed by the department of human services. School districts that contract out all or any portion of the school district's preschool program to a head start or child care agency must allow the head start or child care agency to participate in the program.

A classroom that is rated with zero, one, or 2 stars will receive a quality improvement grant for 2 years to be used in furtherance of the district's quality improvement plan generated by the quality improvement rating.

Each district that participates in the program must report specified information to the department after the second year in which the district receives the quality improvement grant. In addition, the department must include certain information about the program in its annual report to the general assembly regarding the CPP. The state board of education must promulgate rules to implement and operate the program.

**Public school fund:** The bill eliminates the requirement that up to $16 million from the interest or income earned on the public school fund be used for the "READ Act" and increases the amount of interest or income earned on the investment of the moneys in the public school fund that shall be credited to the state public school fund for distribution as provided by law from $11 million to $16 million.

**"BEST Act":** The bill excludes from the definition of "public school lands income" the income received from bonus payments between July 1, 2012, and June 30, 2016, under the terms of the oil and gas development lease for the Lowry Range property entered into in March 2012.

**Quality teacher recruitment:** The bill requires the department to contract at least one organization (vendors) to create a quality teacher recruitment program (recruitment program) for the state to recruit, select, train, and retain highly qualified teachers to teach in schools and school districts in Colorado that can demonstrate historic difficulty in recruiting and retaining highly qualified teachers. The department must select a vendor that:

- Commits to working with one or more districts in the state for at least 2 years to recruit highly qualified teachers;
- Has a documented history of recruiting, training, and retaining highly qualified teachers in areas of Colorado or in other states that have had historic difficulty in recruiting and retaining highly qualified teachers;
Commits to hiring only teachers who are highly qualified pursuant to the United States department of education guidelines;
Can demonstrate that the teachers it has worked with in the past achieve high academic growth from their students based on state achievement data or independent studies;
Has a documented history of providing professional development for educators; and
Commits to matching 100% of any moneys paid to the vendor through the contract.

The bill requires a vendor that enters into a contract with the department to operate a recruitment program to submit a report to the department that includes specified data and performance metrics from the prior school year. In addition, the department must contract with a third party to evaluate the recruitment program and to submit a report to the department regarding the progress of the vendor based on the same specified data and performance metrics.

**Nationally board certified teachers:** The department is required to award an annual stipend to a teacher or principal who is employed to teach in a school district, a program operated by a board of cooperative services, a district charter school, or an institute charter school, and who holds a certification from the national board for professional teaching or principal standards. The bill increases the appropriation from the state education fund for the stipends by $1,339,200.

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*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.

**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 admin-
istrative unit may receive additional funding pursuant to this par-
agraph (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
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
(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
(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.


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


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 (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.