CHAPTER 147

EDUCATION

PUBLIC SCHOOL FINANCE ACT OF 1988


A N A C T

CONCERNING PUBLIC EDUCATION, AND PROVIDING A NEW SYSTEM FOR THE FINANCING THEREOF AND MAKING AN APPROPRIATION IN CONNECTION THERewith.

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

Section 1. Title 22, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 53
Public School Finance Act of 1988

PART 1
STATE AND LOCAL FINANCING OF PUBLIC SCHOOLS

22-53-101. Short title. This article shall be known and may be cited as the “Public School Finance Act of 1988”.

22-53-102. Legislative declaration - statutory construction - statewide applicability. (1) The general assembly hereby declares that its intent in enacting this part 1 is to:

(a) Establish a financial base of support for public education that is adequate for the delivery of educational services to children enrolled in public schools in accordance with the constitution and laws of the state of Colorado;

(b) Create a formula for establishing the financial base for the support of public education that accurately responds to the financial needs of school districts in providing educational services to children and that is based upon concrete and understandable components;

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
(c) Create a formula for determining the state and school district financial responsibilities for the support of public education;

(d) Continue to leave decisions on expenditures of moneys received pursuant to this part 1 as a matter of local control, except as provided with respect to moneys received for instructional materials and supplies, instructional capital outlay, capital reserve, and insurance reserve;

(e) Improve financial equity among school districts in providing educational services to children enrolled in public schools;

(f) Provide state assistance for the financing of projects through the capital reserve fund and for insurance purposes;

(g) Improve equity among property taxpayers in school districts by moving toward a uniform property tax levy for the support of public education;

(h) Limit the future growth of and reliance on the property tax for the support of public education;

(i) Improve equity among school districts in financing capital projects and in financing instructional supplies and materials for public education; and

(j) Create a mechanism which better recognizes the effects of enrollment trends on the funding of public education.

(2) The general assembly hereby finds and declares that the elements of the formula set forth in this part 1, including the funding components, reflect the most recent available data concerning school district expenditures and practices, as reported to the department of education. The general assembly further declares that this part 1 is intended to comport with actual experience of school districts as embodied in such data while at the same time to indicate policy determinations and incentives in the instances where funding components depart from a strict adherence to such data. The general assembly further finds that the instructional unit funding ratios in section 22-53-106 and the funding components in sections 22-53-108 to 22-53-111 represent averages derived from such data computed within setting categories.

(3) The general assembly hereby finds and declares that school lands and mineral lease moneys received pursuant to the provisions of article 41 of this title and section 34-63-102 (2), C.R.S., are intended for the use of the state of Colorado and, therefore, such moneys shall be shared by all school districts in the state regardless of the amount of state aid otherwise available to such districts pursuant to the provisions of this article.

(4) Nothing in this article shall be construed to establish a pupil-teacher ratio for any district or to require that funding received by virtue of any funding component, except the first and second pupil funding components in section 22-53-108 (2) and (3), be expended for the purpose set forth in connection with such component.

(5) The general assembly hereby declares that this article is enacted in furtherance of the general assembly’s duty under section 2 of article IX of the state constitution to provide for a thorough and uniform system of public schools throughout the state; that a thorough and uniform system requires
that all school districts operate under the same finance formula; and that equity considerations dictate that all districts be subject to the expenditure and maximum levy provisions of this part 1. Accordingly, the provisions of this part 1 concerning the financing of public schools and the provisions of part 2 of this article concerning educational achievement shall apply to all school districts organized under the laws of this state.

22-53-103. Definitions. As used in this part 1, unless the context otherwise requires:

(1) "Board of education" means the board of education of a district.

(2) "Budget year" means the calendar year for which a budget for a district is adopted.

(3) "Department of education" means the department of education created in section 24-1-115, C.R.S.

(4) "District" means any public school district organized under the laws of Colorado, except a junior college district.

(5) "Joint district" means a district, the territory of which is located in more than one county.

(6) "Per pupil operating revenues" means the equalization program funding of a district for any budget year determined in accordance with the provisions of this part 1 divided by the pupil enrollment of the district for said budget year, minus the minimum amount per pupil required by section 22-53-108 (3) to be transferred from the general fund to the capital reserve fund and insurance reserve fund.

(7) (a) "Pupil enrollment", for any budget year, means the number of pupils enrolled on October 1 next preceding such budget year or the school day nearest said date, as evidenced by the actual attendance of such pupils prior to said date. For pupils not enrolled on said date but who are enrolled for a scheduled term of hours of school, as established in section 22-32-109 (1) (n), at another time of the year, the counting of pupils shall be on a day which is approximately thirty days after the beginning of the regular school program.

(b) A pupil enrolled in kindergarten class shall be counted as a one-half pupil.

(c) Children determined to be handicapped in accordance with section 22-20-108 and placed in a program outside of the district of residence shall be considered enrolled in the district of residence for the purposes of this subsection (7).

(d) (I) For the period July 1, 1988, through June 30, 1993, pupils enrolled in a district preschool program pursuant to article 28 of this title shall be counted as one-half pupil or, alternatively, not more than a total of ninety full days per year of attendance; except that, for purposes of the count in October of 1988, the number of pupils counted in the district preschool program shall be the number established by the district and the department pursuant to the provisions of section 22-28-106 (2).

(II) This paragraph (d) is repealed, effective July 1, 1993.
For the purposes of limitations on bonded indebtedness pursuant to section 22-42-104 (2), "pupil enrollment" for budget years prior to 1989 shall be the average daily membership during the four-week pupil-counting period prior to the applicable budget year as determined under former section 22-50-102 (2).

"State average per pupil operating revenues" means the equalization program funding of all districts for any budget year determined in accordance with the provisions of this part 1 divided by the total pupil enrollment of all districts for said budget year, minus the minimum amount per pupil required by section 22-53-108 (3) to be transferred from the general fund to the capital reserve fund and insurance reserve fund.

"State board" means the state board of education.

22-53-104. Attendance in district other than district of residence. (1) Districts paying tuition for pupils of residence in the district to attend public schools in other Colorado school districts and in school districts of adjoining states shall report and be entitled to support for such pupils; except that no district shall report any pupil who is from another district and whose tuition is paid by the pupil's district of residence.

(2) Any court of record, the department of social services, or any other agency authorized to place a child in a residential child care facility shall notify the school district of residence of such child, the district in which the child will receive educational services, and the department of education of such placement within fifteen days after the placement.

(3) Every school district shall report to the department of education, by district of residence, the number of pupils not included in the district's pupil enrollment but who are receiving educational services in residential child care facilities, community centers, regional centers, the school for the deaf and the blind, and other group care facilities or homes designated by the state board within the district's boundaries. The department of education shall annually withhold an amount equal to the district of residence's per pupil operating revenues for each such child counted by local school districts but not actually attending classes in the district of residence and included on the roll of out-of-district placed children. The department shall forward to the district or state institution or facility delivering the education, on a monthly basis, the proportional amount of the state average per pupil operating revenues.

(4) For handicapped children residing in a particular school district but receiving an education in another school district or a state institution or facility, or a residential child care facility, or an eligible nonprofit organization within Colorado, the state average per pupil operating revenues shall be the district of residence's total responsibility under this part 1 for the education of that child.

22-53-105. Setting categories of districts. (1) For the purpose of improving financial equity among districts in providing educational services to children and to reflect the differing needs and characteristics of the state's large number of districts, eight setting categories of districts are established based upon these factors: Population size and density; geographic size and population sparsity; regional economic relationships; location of economically
important cities or towns within districts; cost-of-living factors; and presence of communities of interest. No setting category shall be redefined without the recommendation of the commission on school finance and without the passage of a law to that effect.

(2) (a) Setting category I - core city is composed of large urbanized districts with district and city boundaries which are coterminous. Core city districts are characterized by large enrollment declines over the past twenty years, high concentrations of low-income students and students with special needs including, but not limited to, special education students, compensatory education students, and vocational education students, high dropout rates, and total pupil enrollments in excess of forty thousand.

(b) Setting category I - core city shall include Denver county school district number 1 (Denver).

(3) (a) Setting category II - Denver metro is composed of districts located within the Denver-Boulder standard metropolitan statistical area which are primarily suburban in nature, compete economically for the same staff pool, and reflect the regional economy of the area. Denver metro districts are characterized by a more homogenous pupil population and generally smaller numbers of special needs pupils than core city districts.

(b) Setting category II - Denver metro shall include the following districts: Adams county school districts numbered 1 (Mapleton), 12 (Northglenn-Thornton), 14 (Commerce City), 27J (Brighton), and 50 (Westminster); Arapahoe county school districts numbered 1 (Englewood), 2 (Sheridan), 5 (Cherry Creek), 6 (Littleton), and 28J (Aurora); Boulder county school district number Re-2 (Boulder Valley); Douglas county school district number Re-1 (Douglas); and Jefferson county school district number R-1 (Jefferson).

(4) (a) Setting category III - urban-suburban is composed of districts which comprise the state's major population centers outside of the Denver metropolitan area and their immediately surrounding suburbs. Urban-suburban districts are within areas characterized by population centers of thirty thousand persons or more.

(b) Setting category III - urban-suburban shall include the following districts: Boulder county school district number Re-1J (St. Vrain Valley); El Paso county school districts numbered 2 (Harrison), 3 (Widefield), 8 (Fountain), 11 (Colorado Springs), 12 (Cheyenne Mountain), 14 (Manitou Springs), 20 (Academy), 38 (Lewis-Palmer), and 49 (Falcon); Larimer county school districts numbered R-1 (Poudre) and R-2J (Thompson); Mesa county school district number 51 (Mesa Valley); Pueblo county school districts numbered 60 (Pueblo City) and 70 (Pueblo Rural); and Weld county school district number 6 (Greeley).

(5) (a) Setting category IV - outlying city is composed of districts in which most of the pupils live in population centers of seven thousand persons or more but less than thirty thousand persons.

(b) Setting category IV - outlying city shall include the following districts: Alamosa county school district number Re-11J (Alamosa); Delta county school district number 50 (Delta); Fremont county school district number Re-1 (Canon City); La Plata county school district number 9-R (Durango);
Las Animas county school district number 1 (Trinidad); Logan county school district number Re-1 (Valley); Moffat county school district number Re-1 (Moffat); Montezuma county school district number Re-1 (Montezuma-Cortez); Montrose county school district number Re-1J (Montrose); Morgan county school district number Re-3 (Ft. Morgan); Otero county school district number R-1 (East Otero); and Prowers county school district number Re-2 (Lamar).

6 (a) Setting category V - outlying town is composed of districts in which most of the pupils live in population centers in excess of one thousand persons but less than seven thousand persons.

(b) Setting category V - outlying town shall include the following districts: Adams county school district number 29J (Bennett); Archuleta county school district number 50Jt (Archuleta); Baca county school district number Re-4 (Springfield); Bent county school district number Re-1 (Las Animas); Chaffee county school districts numbered R-31 (Buena Vista) and R-32 (Salida); Cheyenne county school district number Re-5 (Cheyenne); Clear Creek county school district number Re-1 (Clear Creek); Conejos county school district number Re-10 (South Conejos); Crowley county school district number Re-1J (Crowley); Elbert county school district number C-1 (Elizabeth); Fremont county school district number Re-2 (Florence); Garfield county school districts numbered Re-1 (Roaring Fork) and Re-2 (Rifle); Grand county school district number 1 (West Grand); Gunnison county school district number Re-1J (Gunnison Watershed); Huerfano county school district number Re-1 (Huerfano); Kit Carson county school district number Re-6J (Burlington); Lake county school district number R-1 (Lake County); Larimer county school district number R-3 (Estes Park); Lincoln county school district number Re-4J (Limon); Morgan county school district number Re-2 (Brush); Otero county school districts numbered R-2 (Rocky Ford) and R-4J (Fowler); Phillips county school district number Re-1J (Holyoke); Prowers county school district number Re-3 (Holly); Rio Blanco county school districts numbered Re-1 (Meeker) and Re-4 (Rangely); Rio Grande county school districts numbered C-7 (Del Norte) and C-8 (Monte Vista); Routt county school district number Re-1 (Hayden); Saguache county school district number 26Jt (Center); Sedgwick county school district number Re-1 (Julesburg); Teller county school district number Re-2 (Woodland Park); Washington county school district number R-1 (Akron); Weld county school districts numbered Re-1 (Gilcrest), Re-2 (Eaton), Re-4 (Windsor), Re-5J (Johnstown), Re-7 (Platte Valley), Re-8 (Fort Lupton), and Re-9 (Ault-Highland); and Yuma county school districts numbered R-J-1 (West Yuma) and R-J-2 (East Yuma).

7 (a) Setting category VI - rural is composed of districts with no population centers in excess of one thousand persons and is characterized by sparse widespread populations. Rural districts are districts which do not meet the enrollment criteria for setting category VIII - small attendance.

(b) Setting category VI - rural shall include the following districts: Adams county school district number 31J (Strasburg); Alamosa county school district number Re-22J (Sangre de Cristo); Arapahoe county school districts numbered 26J (Deer Trail) and 32J (Byers); Baca county school district number Re-1 (Walsh); Bent county school district number Re-1J (North Conejos) and 6
(Sanford); Costilla county school districts numbered R-1 (Centennial) and R-30 (Sierra Grande); Custer county school district number C-1 (Westcliffe); Dolores county school district number Re-No. 1 (Dolores); El Paso county school districts numbered RJ-1 (Calhan), 22 (Ellicott), and 23Jt (Peyton); Elbert county school districts numbered C-2 (Kiowa) and 100J (Big Sandy); Fremont county school district number Re-3 (Cotopaxi); Garfield county school district number 16 (Parachute); Gilpin county school district number Re-1 (Gilpin); Huerfano county school district number Re-2 (La Veta); Jackson county school district number R-1 (North Park); Kiowa county school district number Re-1 (Eads); Kit Carson county school districts numbered 20 (Arriba/Flagler) and R-4 (Stratton); La Plata county school districts numbered 10 Jt-R (Bayfield) and 11Jt (Ignacio); Las Animas county school districts numbered 2 (Primero), 3 (Hoehe), and 6 (Agualar); Lincoln county school district number Re-1 (Genoa-Hugo); Logan county school districts numbered Re-3 (Frenchman) and Re-4 (Buffalo); Mesa county school district number 50 (Plateau Valley); Montezuma county school districts numbered Re-4A (Dolores) and Re-6 (Mancos); Montrose county school district number Re-2 (West End); Morgan county school district number Re-50 (Wiggins); Otero county school districts numbered 3J (Manzanola), 31 (Cheraw), and 33 (Swink); Ouray county school districts numbered R-1 (Ouray) and R-2 (Ridgway); Park county school districts numbered 1 (Platte Canyon) and Re-2 (Park); Phillips county school district number Re-2J (Haxtun); Prowers county school districts numbered Re-1 (Granada) and Re-13Jt (Wiley); Rio Grande county school district number Re-33J (Sargent); Routt county school district number Re-3 (South Routt); Saguache county school district number Re-1 (Mountain Valley); San Juan county school district number 1 (Silverton); San Miguel county school district number R-2 (Norwood); Sedgwick county school district number Re-3 (Platte Valley); Teller county school district number Re-1 (Cripple Creek-Victor); Washington county school district number R-3 (Otis); and Weld county school district number Re-3 (Keenesburg).

(8) (a) Setting category VII - recreational is composed of districts which contain major recreational developments that impact the cost of property values, community income, and other cost-of-living components.

(b) Setting category VII - recreational shall include the following districts: Eagle county school district number Re-50 (Eagle); Grand county school district number 2 (East Grand); Pitkin county school district number 1 (Aspen); Routt county school district number Re-2 (Steamboat Springs); San Miguel county school district number R-1 (Telluride); and Summit county school district number Re-1 (Summit).

(9) (a) Setting category VIII - small attendance is composed of districts which are rural in nature and have pupil enrollments of less than one hundred fifty.

(b) Setting category VIII - small attendance shall include the following districts: Baca county school districts numbered Re-3 (Pritchett), Re-5 (Vilas), and Re-6 (Campo); Cheyenne county school district number R-1 (Kit Carson); El Paso county school districts numbered 28 (Hanover), 54Jt (Edison), and 60Jt (Miami-Yoder); Elbert county school districts numbered 200 (Elbert) and 300 (Agate); Hinsdale county school district number Re-1 (Hinsdale); Kiowa county school district number Re-2 (Plainview); Kit
Carson county school districts numbered R-23 (Hi-Plains) and R-5 (Bethune); Las Animas county school districts numbered 82 (Branson) and 88 (Kim); Lincoln county school district number Re-23 (Karval); Logan county school district number Re-5 (Plateau); Mesa county school district number 49Jt (DeBeque); Mineral county school district number 1 (Creede Consolidated); Morgan county school district number Re-20 (Weldon Valley); Saguache county school district number 2 (Moffat); Washington county school districts numbered R-2 (Arickaree), 101 (Lone Star), and R-104 (Woodlin); and Weld county school districts numbered Re-10 (Briggsdale), Re-11 (Prairie), and Re-12 (Grover).

(10) (a) The characteristics of the setting categories set forth in paragraph (a) of subsections (2) to (9) of this section are intended as general descriptions of such categories and not as binding definitions of the descriptions of districts to be included therein. Except under the specific circumstances outlined in paragraph (b) of this subsection (10), no district shall be transferred from one setting category to another without the recommendation of the commission on school finance and without the passage of a law to that effect.

(b) Because districts are allocated to setting category VI - rural or setting category VIII - small attendance based upon pupil enrollment, the commissioner of education, based solely upon the certification of pupil enrollments made to the state board pursuant to section 22-53-119 (2), shall transfer a district from setting category VI - rural to setting category VIII - small attendance if the pupil enrollment for such district has decreased to less than one hundred fifty and shall transfer a district from setting category VIII - small attendance to setting category VI - rural if the pupil enrollment has increased to one hundred fifty or more. The commissioner shall make such transfers no later than November 15 and shall provide the general assembly with a list of the districts transferred.

22-53-106. Instructional unit funding ratios. (1) For the purposes of this part I, the number of instructional units for a district shall be derived by dividing the pupil enrollment of the district by the applicable instructional unit funding ratio, and the quotient shall be rounded to the nearest tenth. Based upon the averages computed for the eight setting categories, in accordance with section 22-53-102 (2) and (3), the following instructional unit funding ratios are hereby established:

(a) Setting category I - core city: Sixteen and six-tenths pupils per unit;

(b) Setting category II - Denver metro: Eighteen pupils per unit;

(c) Setting category III - urban-suburban: Seventeen and eight-tenths pupils per unit;

(d) Setting category IV - outlying city: Sixteen and six-tenths pupils per unit;

(e) Setting category V - outlying town: Fifteen and one-tenth pupils per unit;

(f) Setting category VI - rural: Twelve and eight-tenths pupils per unit;

(g) Setting category VII - recreational: Fourteen pupils per unit;

(h) Setting category VIII - small attendance: Seven pupils per unit.
22-53-107. Equalization program funding of a district. (1) For every budget year, the provisions of this part 1 shall be used to calculate for each district in the state an amount that represents the financial base of support for public education in that district. Such amount shall be known as the “equalization program funding” of the district. The equalization program funding of a district shall be available to the district to fund the costs of providing public education, and, except as otherwise provided in section 22-53-108 (2) (c) and (3) (c), the amounts and purposes for which such moneys are budgeted and expended shall be in the discretion of the district.

(2) The equalization program funding of a district for any budget year shall be calculated by adding the pupil funding for the district as derived in accordance with section 22-53-108 to the instructional unit funding for the district as derived in accordance with sections 22-53-109 to 22-53-111.

(3) Notwithstanding any other provision of this part 1, no district shall be required to have equalization program funding per pupil for the 1989 budget year which is less than one hundred one percent of its 1988 total program cost, as defined in section 22-53-115 (1) (b), per pupil of average daily membership for the 1988 budget year; but the equalization program funding of a district under this subsection (3) for the 1989 budget year shall not be less than one hundred one percent of its 1988 total program cost nor shall it exceed one hundred three percent of its 1988 total program cost. The general assembly shall provide by law for the minimum amount of equalization program funding for districts for the 1990 and subsequent budget years.

(4) For purposes of this section, “equalization program funding per pupil” means the total funding of the equalization program of a district under this part 1 divided by the district’s pupil enrollment.

22-53-108. Pupil funding - components. (1) The pupil funding of a district for any budget year shall be the amount derived by multiplying the pupil enrollment of the district for said budget year by the sum of the three pupil funding components for the district’s setting category. The three pupil funding components are based on averages computed for the eight setting categories in accordance with section 22-53-102 (2) and (3).

(2) (a) The first pupil funding component shall be a per pupil amount for instructional supplies and materials and instructional capital outlay. Instructional supplies and materials include, but are not limited to, supplies, textbooks, library books, periodicals, warehouse inventory adjustment, and other supplies and materials. Instructional capital outlay includes those expenditures which result in the acquisition of fixed assets for instructional purposes, or additions thereto, which the board of education anticipates will have benefits for more than one year. For the purpose of this subsection (2), instructional supplies and materials and instructional capital outlay are limited to those functions accounts and objects accounts as defined in handbook II revised published by the United States department of education.

(b) The amount of the first pupil funding component for all setting categories shall be one hundred ten dollars per pupil.

(c) Every district shall budget the amount derived by multiplying the pupil enrollment of the district by the amount of the first pupil funding
component in accordance with this paragraph (c). Such amount shall be allo-
cated, in the discretion of the board of education, to the instructional supplies
and materials account or the instructional capital outlay account in the gen-
eral fund created by section 22-45-103 (1) (a) (II), or between such accounts.
The board of education may transfer moneys between the two accounts when
such transfer is deemed necessary by the board. The moneys in such accounts
shall be used for the purposes set forth in section 22-45-103 (1) (a) (II) and
may not be expended by the district for any other purpose. Nothing in this
subsection (2) shall be deemed to limit expenditures for instructional supplies
and materials and instructional capital outlay to the amount required to be
budgeted in accordance with this paragraph (c). Any moneys in such accounts
which are not expended during a budget year shall be carried forward and
budgeted for the purposes set forth in section 22-45-103 (1) (a) (II) in the
next budget year. Nothing in this subsection (2) shall be construed to require
that interest on moneys in such accounts be specifically allocated to such
accounts.

(3) (a) The second pupil funding component shall be a per pupil amount
for capital reserve and insurance reserve.

(b) The amount of the second pupil funding component for all setting
categories shall be two hundred dollars per pupil.

c) Every district shall budget the amount derived by multiplying the
pupil enrollment of the district by the amount of the second pupil funding
component in accordance with this paragraph (c). Such amount shall be the
minimum required to be budgeted, and the district may elect to budget up
to eight hundred dollars multiplied by the pupil enrollment of the district.
Such amount shall be allocated, in the discretion of the board of education,
to the capital reserve fund created by section 22-45-103 (1) (c) or the insur-
ance reserve fund created by section 22-45-103 (1) (e), or between such funds.
Moneys in the capital reserve fund and insurance reserve fund shall be used
for the purposes set forth in section 22-45-103 (1) (c) and (1) (e) and may
not be expended by the district for any other purpose. The board of education
may transfer moneys between the two funds when such transfer is deemed
necessary by the board.

(4) (a) The third pupil funding component shall be a per pupil amount
for instructional purchased services. Instructional purchased services means
personal services for the instruction of pupils by personnel who are not on
the payroll of the district and other instructional services which may be pur-
chased by the district, including, but not limited to, tuition paid by the dis-
trict to another district or to a board of cooperative services for special
education services.

(b) The amount of the third pupil funding component shall be as follows:

(I) Setting category I - core city: Thirteen dollars per pupil;

(II) Setting category II - Denver metro: Thirty-eight dollars per pupil;

(III) Setting category III - urban-suburban: Fifty-five dollars per pupil;

(IV) Setting category IV - outlying city: Seventy-seven dollars per pupil;

(V) Setting category V - outlying town: Eighty-six dollars per pupil;
Setting category VI - rural: One hundred fourteen dollars per pupil;

Setting category VII - recreational: Fifty-seven dollars per pupil;

Setting category VIII - small attendance: Two hundred three dollars per pupil.

22-53-109. Instructional unit funding - components. (1) The instructional unit funding of a district for any budget year shall be the amount derived by multiplying the number of instructional units of the district for said budget year by the sum of the two instructional unit funding components for the district's setting category. The two instructional unit funding components are based on averages computed for the eight setting categories, in accordance with section 22-53-102 (2) and (3).

(2) (a) The first instructional unit funding component shall be a per instructional unit amount for instructional salaries and benefits. Instructional salaries and benefits means the total amount regularly paid or stipulated to be paid by the district to individuals, before deductions, for instructional services rendered while on the payroll of the district and the total amount paid by the district on behalf of such individuals for fringe benefits, including, but not limited to, contributions for group health or life insurance, employee retirement, social security, and workmen's compensation.

(b) The amount of the first instructional unit funding component shall be as follows:

(I) Setting category I - core city: Forty thousand eight hundred dollars per instructional unit;

(II) Setting category II - Denver metro: Forty-one thousand seven hundred dollars per instructional unit;

(III) Setting category III - urban-suburban: Thirty-seven thousand two hundred dollars per instructional unit;

(IV) Setting category IV - outlying city: Thirty-four thousand four hundred forty dollars per instructional unit;

(V) Setting category V - outlying town: Thirty-one thousand eight hundred dollars per instructional unit;

(VI) Setting category VI - rural: Twenty-nine thousand four hundred dollars per instructional unit;

(VII) Setting category VII - recreational: Thirty-seven thousand eight hundred dollars per instructional unit;

(VIII) Setting category VIII - small attendance: Twenty-nine thousand four hundred dollars per instructional unit.

(3) (a) The second instructional unit funding component shall be a per instructional unit amount for pupil support services. Pupil support services means noninstructional services for pupils, including, but not limited to, attendance and social work services, guidance and counseling services, health services, psychological services, speech pathology and audiology services, and instructional media services.
The amount of the second instructional unit funding component shall be as follows:

(I) Setting category I - core city: Two thousand two hundred seventy-five dollars per instructional unit;

(II) Setting category II - Denver metro: One thousand eight hundred five dollars per instructional unit;

(III) Setting category III - urban-suburban: Two thousand five hundred thirty dollars per instructional unit;

(IV) Setting category IV - outlying city: One thousand seven hundred thirty dollars per instructional unit;

(V) Setting category V - outlying town: One thousand four hundred seventy dollars per instructional unit;

(VI) Setting category VI - rural: One thousand one hundred eighty-five dollars per instructional unit;

(VII) Setting category VII - recreational: Two thousand seven hundred sixty dollars per instructional unit;

(VIII) Setting category VIII - small attendance: One thousand one hundred eighty-five dollars per instructional unit.

22-53-110. School site funding - components. (1) The school site funding cost of a district for any budget year shall be the amount derived by multiplying the number of instructional units of the district for said budget year by the sum of the two school site funding components for the district's setting category. The two school site funding components are based on averages computed for the eight setting categories, in accordance with section 22-53-102 (2) and (3).

(2) (a) The first school site funding component shall be a per instructional unit amount for school administration. School administration means activities relating to the general regulation, direction, and control of the affairs of a single school or a group of schools, including, but not limited to, the salaries and benefits for the principal of the school and the administrative staff of the school.

(b) The amount of the first school site funding component shall be as follows:

(I) Setting category I - core city: Five thousand six hundred fifty dollars per instructional unit;

(II) Setting category II - Denver metro: Five thousand one hundred twenty dollars per instructional unit;

(III) Setting category III - urban-suburban: Four thousand three hundred eighty dollars per instructional unit;

(IV) Setting category IV - outlying city: Four thousand two hundred eighty dollars per instructional unit;

(V) Setting category V - outlying town: Four thousand dollars per instructional unit;
(VI) Setting category VI - rural: Three thousand sixty dollars per instructional unit;

(VII) Setting category VII - recreational: Five thousand two hundred eighty dollars per instructional unit;

(VIII) Setting category VIII - small attendance: One thousand seven hundred ninety dollars per instructional unit.

(3) (a) The second school site funding component shall be a per instructional unit amount for operations and maintenance costs of the school. Operations and maintenance costs means the costs incurred by the district in keeping the school open and ready for use, including, but not limited to, expenditures for custodial services and expenditures for public utility services such as water, sewerage, electricity, gas, and trash.

(b) The amount of the second school site funding component shall be as follows:

(I) Setting category I - core city: Eight thousand one hundred five dollars per instructional unit;

(II) Setting category II - Denver metro: Nine thousand one hundred sixty-five dollars per instructional unit;

(III) Setting category III - urban-suburban: Seven thousand five hundred twenty dollars per instructional unit;

(IV) Setting category IV - outlying city: Seven thousand three hundred dollars per instructional unit;

(V) Setting category V - outlying town: Seven thousand two hundred twenty dollars per instructional unit;

(VI) Setting category VI - rural: Six thousand seven hundred eighty-five dollars per instructional unit;

(VII) Setting category VII - recreational: Eight thousand four hundred eighty-five dollars per instructional unit;

(VIII) Setting category VIII - small attendance: Six thousand twenty dollars per instructional unit.

22-53-111. District funding. (1) The district funding cost of a district for any budget year shall be the amount derived by multiplying the number of instructional units of the district for said budget year by the amount of the district funding component for the district’s setting category. The district funding component is based on averages computed for the eight setting categories, in accordance with section 22-53-102 (2) and (3).

(2) (a) The district funding component shall be a per instructional unit amount for district administration and other support services. District administration means activities relating to the general regulation, direction, and control of the affairs of the district, including, but not limited to, the salaries and benefits of the superintendent of the district and the district-level administrative staff, the general functions of the board of education, the business, budgeting, and fiscal functions of the district, functions related to pupil
(b) The amount of the district funding component shall be as follows:

(I) Setting category I - core city: Ten thousand five hundred twenty dollars per instructional unit;

(II) Setting category II - Denver metro: Eight thousand nine hundred fifty dollars per instructional unit;

(III) Setting category III - urban-suburban: Eight thousand eighty dollars per instructional unit;

(IV) Setting category IV - outlying city: Eight thousand thirty dollars per instructional unit;

(V) Setting category V - outlying town: Eight thousand one hundred dollars per instructional unit;

(VI) Setting category VI - rural: Ten thousand six hundred thirty dollars per instructional unit;

(VII) Setting category VII - recreational: Ten thousand five hundred seventy-five dollars per instructional unit;

(VIII) Setting category VIII - small attendance: Ten thousand four hundred fifty-five dollars per instructional unit.

22-53-112. Adjustments in funding components for certain small districts. (1) For each district in setting category VI - rural having a pupil enrollment of less than three hundred pupils, for each pupil by which the district’s pupil enrollment is less than three hundred, the following adjustments shall be made in the following funding components:

(a) The instructional unit funding ratio for the district shall be reduced by 0.03866;

(b) The third pupil funding component for instructional purchased services shall be increased by fifty-nine and one-third cents; and

(c) The school site funding component for school administration shall be reduced by fourteen dollars and seventy-three cents.

(2) Notwithstanding the provisions of subsection (1) of this section, no district having a pupil enrollment of less than three hundred pupils shall have an instructional unit funding ratio of less than seven pupils per unit, or per pupil funding based on the funding components in section 22-53-108 of more than five hundred thirteen dollars, or per instructional unit funding based on the funding components in sections 22-53-109 to 22-53-111 of less than forty-eight thousand eight hundred fifty dollars.

22-53-113. Adjustments in funding - consolidated districts. School districts which consolidate as a result of recommendations for consolidation made by the state board of education as provided for in section 22-53-204 (1) shall receive equalization program funding for the first five years of consolidation based on district funding costs as defined in section 22-53-111.
of no less than the total received by all consolidating districts based on district funding costs in the year prior to consolidation.

22-53-114. Local and state shares of equalization program funding. (1) Except as otherwise provided in subsection (4) of this section, every district shall levy the number of mills certified as provided in subsection (2) of this section, and the proceeds of such levy shall be the district's share of its equalization program funding. The state's share shall be the amount by which the equalization program funding of the district exceeds the amount of property tax revenue which the district is entitled to receive from said levy, assuming one hundred percent collection; except that in no event shall the state's share for any district be less than sixty-eight dollars and seventy-eight cents per pupil for the 1989 budget year and, for budget years thereafter, an amount set by the general assembly.

(2) (a) (I) The general assembly hereby finds that the state's percentage share of the authorized revenue base program under former article 50 of this title for the 1988 budget year was 47.18 percent; that school districts raised local property taxes in 1988 outside the authorized revenue base program for local revenue bases and for capital reserve and insurance reserve purposes; that school districts received state funds in 1988 pursuant to former statutes providing for additional aid to districts based on small attendance centers, high concentrations of children from low-income families, and increasing enrollments; that, if these additional amounts had been taken into consideration, the state's percentage share for the 1988 budget year would have been 43.17 percent; that the percentage specified in subparagraph (I) of paragraph (b) of this subsection (2) therefore represents an increase in the state share of 2.38 percent; and that neither the percentages set forth in this paragraph (a) nor the percentages set forth in paragraph (b) of this subsection (2) take into account state moneys received for the education of exceptional children, vocational education, the transportation program, or the "English Language Proficiency Act", article 24 of this title.

(II) The general assembly hereby declares that its intent is to decrease reliance on the property tax to finance public education; that tax policy considerations dictate that the cost of public education be spread between state tax sources and the property tax on a more equal basis than in the past; and that its goal is to move toward a fifty percent state share of the program under this part 1 as quickly as is practicable in light of state fiscal constraints.

(III) The general assembly hereby declares that in enacting this article it has adopted a formula for the support of schools during the 1989 budget year; however, the adoption of such formula in no way represents a commitment on the part of the general assembly concerning the level of total funding for schools for budget years beginning in 1990 and thereafter, including the state's percentage share of total funding.

(b) No later than November 15 preceding each budget year, the department of education shall determine and the state board shall certify the number of mills to be levied on the taxable property in each district in order to assure that the state's percentage share of the equalization program funding of all districts in the state is as follows:

(I) For the 1989 budget year, 45.55 percent;
(II) For each subsequent budget year, a percent to be fixed by the general assembly.

(c) All certifications under this subsection (2) shall be reviewed by the legislative council staff, and the legislative council staff shall make a report thereon to the general assembly.

(3) The general assembly shall make annual appropriations to fund the state's share of district equalization programs.

(4) If the amount of property tax revenue which a district is entitled to receive from the levy required by subsections (1) and (2) of this section during the budget year, assuming one hundred percent collection, exceeds the equalization program funding of the district, such excess amount shall be used to replace, on a pro rata basis, any state categorical program support funds which such district may receive. If the amount of property tax revenue exceeds the equalization program funding of the district and the total amount of state categorical program support funds to which the district is entitled, the tax levy shall be reduced so that the property tax revenue received from such tax levy equals the total of said two amounts. For the purposes of this subsection (4), "state categorical program support funds" includes funds received from the state pursuant to section 22-53-116 due to increased enrollment, funds received from the state pursuant to the "Exceptional Children's Educational Act", article 20 of this title, funds received from the state pursuant to the "English Language Proficiency Act", article 24 of this title, transportation aid received from the state pursuant to article 51 of this title, and vocational education aid received from the state pursuant to article 8 of title 23, C.R.S. Funds received by an administrative unit under the "Exceptional Children's Educational Act", article 20 of this title, as reimbursement for services provided to children counted in the pupil enrollment of a district shall be considered as received by the district for purposes of this subsection (4).

(5) For the 1989 budget year, any district which is entitled to the benefit of the provisions of section 22-53-107 (3) shall first levy the number of mills required by subsections (1) and (2) of this section. The district shall then make an additional levy of the number of mills necessary to raise the difference between its equalization program funding calculated in accordance with the provisions of section 22-53-107 (3) and the sum of its pupil funding under section 22-53-108 and its instructional unit funding under sections 22-53-109 to 22-53-111; except that the levies determined under subsections (1) and (2) of this section and under this subsection (5) shall be subject to further adjustment as provided in section 22-53-115 (6).

(6) Except as otherwise provided in section 22-53-117, no district may certify a levy for its general fund in excess of that authorized by this section.

(7) For any district which does not certify the maximum levy as set forth in subsections (1) and (2) of this section, the department shall determine what the state's percentage share of the district's equalization program would have been had the district certified its maximum levy under said subsections. The state shall withhold state funds in an amount which results in the state's percentage share of moneys under this part 1 remaining the same as if the district had certified its maximum levy.
(8) For the 1989 and each subsequent budget year, all levies authorized or required by this part 1 shall be rounded to the nearest thousandth of a mill.

22-53-115. Phase-in of equalization program funding and uniform mill levy. (1) For the purposes of this section:

(a) “1988 mill levy” means the sum of the following:

(I) The number of mills levied by the district for the equalization program for the 1988 budget year pursuant to the provisions of former section 22-50-106;

(II) The number of mills, if any, levied by the district for local revenue bases for the 1988 budget year pursuant to the provisions of former sections 22-50-107 and 22-50-108;

(III) The number of mills, if any, levied by the district for the increased enrollment program for the 1988 budget year pursuant to the provisions of former section 22-50-113.5;

(IV) The number of mills, if any, levied by the district for the capital reserve fund for the 1988 budget year pursuant to the provisions of former section 22-40-102 (4); and

(V) The number of mills, if any, levied by the district for the insurance reserve fund for the 1988 budget year pursuant to the provisions of section 24-10-115 (3), C.R.S.

(b) “1988 total program cost” means the sum of the following:

(I) The amount which results from multiplying the authorized revenue base of the district for the 1988 budget year by the attendance entitlement of the district for said budget year;

(II) The amount of any revenues received by the district for the 1988 budget year through local revenue bases established pursuant to former sections 22-50-107 and 22-50-108;

(III) The amount of any revenues raised for the 1988 budget year by the mill levy for the capital reserve fund pursuant to the provisions of former section 22-40-102 (4);

(IV) The amount of any revenues raised during the 1988 budget year by the mill levy for the insurance reserve fund pursuant to the provisions of section 24-10-115 (3), C.R.S.;

(V) The amount of any revenues the district was entitled to receive for the 1988 budget year as additional aid to small attendance centers pursuant to former section 22-50-113;

(VI) The amount of any revenues the district was entitled to receive for the 1988 budget year as additional aid to districts with high concentrations of children from low-income families pursuant to former section 22-50-113.3; and

(VII) The amount of any state and local revenues received by the district for the 1988 budget year as additional aid to districts with increased enrollments during the budget year pursuant to former section 22-50-113.5.
(c) "1989 equalization program funding" means the amount for the 1989 budget year determined in accordance with the provisions of section 22-53-107.

(d) "1990 equalization program funding" means the amount for the 1990 budget year determined in accordance with the provisions of section 22-53-107.

(2) Notwithstanding the provisions of section 22-53-107, for any district whose 1989 equalization program funding would be more than its 1988 total program cost, the equalization program funding of the district for the 1989 budget year shall be the greater of the following:

(a) One hundred four and one-half percent of the district's 1988 total program cost, but not to exceed the 1989 equalization program funding; or

(b) The 1988 total program cost of the district plus an amount equal to one-fourth of the difference between the district's 1989 equalization program funding and the 1988 total program cost of the district.

(3) Notwithstanding the provisions of section 22-53-107, for any district whose 1990 equalization program funding is more than its 1989 equalization program funding, the equalization program funding of the district for the 1990 budget year shall be the greater of the following:

(a) One hundred four and one-half percent of the district's 1989 equalization program funding, but not to exceed the 1990 equalization program funding; or

(b) The district's 1989 equalization program funding plus an amount equal to one-third of the difference between the district's 1990 equalization program funding and its 1989 equalization program funding.

(4) Notwithstanding the provisions of section 22-53-107, for any district whose 1991 equalization program funding is more than its 1990 equalization program funding, the equalization program funding of the district for the 1991 budget year shall be the greater of the following:

(a) One hundred four and one-half percent of the district's 1990 equalization program funding, but not to exceed the 1991 equalization program funding; or

(b) The district's 1990 equalization program funding plus an amount equal to one-half of the difference between the district's 1991 equalization program funding and its 1990 equalization program funding.

(5) (a) For any district subject to the limitation on increases in equalization program funding imposed by subsection (2), (3), or (4) of this section, such limitation shall be increased as provided in this subsection (5) if:

(I) The district's pupil enrollment for the 1989 budget year exceeds the sum of its average daily membership for the 1988 budget year and the pupils enrolled in the second chance program under article 52 of this title by three percent or more; or

(II) The district's pupil enrollment for the 1990 budget year exceeds its pupil enrollment for the 1989 budget year by three percent or more.
(b) The limitation shall be increased to one hundred four and one-half percent plus the number of percentage points, rounded to the nearest one-tenth, by which the percentage growth set forth in paragraph (a) of this subsection (5) exceeds three percent; except that, if the district is subject to subsection (2) (b), (3) (b), or (4) (b) of this section and the increased limitation on equalization program funding under this subsection (5) is less than the equalization program funding which the district would receive under said subsection (2) (b), (3) (b), or (4) (b), no adjustment in the limitation shall be made.

(c) In no case shall the limitation for the 1989, 1990, or 1991 budget year be increased unless there is growth of at least the number of pupils specified in section 22-53-106 for the district’s setting category.

(6) Notwithstanding the provisions of section 22-53-114 (1) and (2), and after the application of section 22-53-114 (5), for the budget years 1989, 1990, and 1991, no district mill levy shall be increased over the levy for the prior budget year by an amount which will result in more than one hundred and one-half percent of the property tax revenues for the prior budget year, nor shall any district mill levy be decreased from the levy for the prior budget year by an amount which will result in less than ninety-four and one-half percent of the property tax revenues for the prior budget year. For purposes of this subsection (6), property tax revenues for the 1988 budget year shall be the revenues raised by the district’s 1988 mill levy, as defined by paragraph (a) of subsection (1) of this section, assuming one hundred percent collection of such levy. The mill levy specified by section 22-53-114 (1), (2), and (5) or the reduced mill levy authorized by section 22-53-114 (4) shall be adjusted in accordance with the provisions of this subsection (6).

22-53-116. Additional aid to districts with increased enrollment during the budget year. (1) (a) Any school district with an increase in enrollment during the 1988 or any future budget year that will result in an increase in the district’s pupil enrollment for the next budget year may receive additional state support during the budget year in which such growth occurs for each pupil that will increase the district’s pupil enrollment for the next budget year which exceeds the lesser of:

(I) Three percent of the district’s pupil enrollment for the then current budget year; or

(II) Three hundred fifty pupils.

(b) A district eligible for additional state support under this section shall receive, for each pupil as provided in paragraph (a) of this subsection (1), the sum of:

(I) An amount equal to forty percent of the first pupil funding component under section 22-53-108 (2); and

(II) An amount derived by dividing forty percent of the first and second instructional unit funding component under section 22-53-109 (2) by the district’s instructional unit funding ratio; and

(III) An amount derived by dividing forty percent of the first and second school site funding components under section 22-53-110 (2) and (3) by the district’s instructional unit funding ratio.
(2) The general assembly annually shall make a separate appropriation to the state public school fund to cover the estimated cost of additional support to be provided districts pursuant to the provisions of this section. If the amount of the appropriation made is less than the total amount determined to be the amount of state support to be provided all eligible districts pursuant to the provisions of this section, then the amount to be distributed to any district shall be in the same proportion as the amount of the appropriation made bears to such total amount determined to be the state support. Any unexpended balance of the appropriation shall revert to the general fund at the end of the state's fiscal year.

(3) Upon determination of the amount to be paid to each eligible district, the state board shall direct payment of such amount to the treasurer of the district for credit to the general fund of said district.

(4) This section shall apply to growth during the 1988 budget year and each subsequent budget year. For purposes of determining growth during the 1988 budget year, the district's pupil enrollment for the 1988 budget year shall be deemed to be the sum of the district's average daily membership for the 1988 budget year and the pupils enrolled in the second chance program under article 52 of this title.

22-53-117. Authorization of additional local revenues. (1) (a) Beginning with the general election preceding the budget year 1989, any district which desires to raise and expend local property tax revenues in excess of its equalization program funding as determined in accordance with section 22-53-107 may submit to the registered electors of the district, at the general election, the question of whether the district should be authorized to raise and expend additional local revenues not to exceed a specific dollar amount, thereby authorizing an additional levy for the district's general fund for such budget year and each budget year thereafter. The maximum dollar amount shall not exceed five percent of the district's equalization program funding for the first budget year in which such additional revenues would be collected. At such general election, the question appearing on the ballot shall be substantially as follows:

"Shall the board of education of (Name of school district) be granted authority to levy an additional tax for the general fund of the district in (year) and for each year thereafter for the purpose of providing additional local property tax revenues for educational purposes in an amount not to exceed ______ dollars. If the additional levy is approved, the estimated total mill levy for the general fund of the school district for (year) will be in an amount not to exceed ______ mills; if the additional levy is not approved, the estimated total mill levy for the general fund of the school district for (year) will be ______ mills."

(b) Whenever a district is granted the authority to raise and expend additional local property tax revenues, the specific dollar amount approved at the election shall be the maximum that may be raised and expended under this part 1 in addition to the district's equalization program funding and any funds received pursuant to section 22-53-116. Such dollar amount shall not be increased unless the district submits the question of the increase to the registered electors in the manner provided in paragraph (a) of this subsection (1); but under no circumstances shall the total additional local property
tax revenues exceed five percent of the district's equalization program funding for the budget year.

(2) (a) Due notice of an election under this section shall be given once a week for at least two weeks next preceding such election by publication once a week for at least two weeks in some newspaper published or having circulation within the boundaries of the district.

(b) Not more than thirty days nor less than ten days prior to a general election, the secretary of the board of education for the district in which the general election is to be held shall send postcard or letter notification of said general election to each household in which one or more registered electors reside. The postcard or letter notification shall indicate that it is a notice of a general election and the question which shall appear on the ballot in the form required by subsection (1) of this section. Except as otherwise provided above, a postcard or letter notification shall be limited to the date of the election and the location at which the registered elector may vote. Any general election held pursuant to this section shall not be invalidated on the grounds that a registered elector did not receive postcard or letter notification of such election so long as the secretary of the board of education for the district in which the election was held acted in good faith in making the postcard or letter notification.

(3) All registered electors of the district, as defined in section 22-31-101, shall be eligible to vote in such election.

(4) If a majority of the votes cast at any such election are in favor of the question, the district shall be authorized to make such additional levy for the general fund of the district. If the majority of the votes cast at any such election are against the question, no additional levy shall be authorized pursuant to this section.

22-53-118. Adjustments in valuation for assessment. (1) For each budget year, in calculating the total amount of revenue which a district is entitled to receive from the property tax levy for the general fund of a district during the budget year, the valuation for assessment of a district shall be adjusted as provided in subsection (2) of this section.

(2) If the valuation for assessment of a district includes the value of a certain property that was formerly tax-exempt but becomes taxable as a result of a change in the applicable state law and said inclusion is challenged by administrative appeal or litigation or both and the property taxes attributable to said property are not paid pending the outcome of said challenge, the valuation for assessment attributable to said property shall be subtracted from the valuation for assessment of the school district. If said property is finally determined to have been properly included in the district's valuation for assessment, the valuation for assessment attributable to said property shall be restored to the district's valuation for assessment, and the state general fund shall be reimbursed in full by the school district after collection of taxes, plus interest at the same rate as provided by statute for penalty interest on unpaid property taxes.

22-53-119. Reports to the state board. (1) On or before November 5 of each year, the property tax administrator shall certify to the state board the valuations for assessment of all taxable property within each county and for
each district or portion of a joint district in each county, with the exception of the city and county of Denver, for which the time of certification shall be on or before December 5. The furnishing of certified copies of the board of county commissioners' certification of levies and revenue to the county assessor and the property tax administrator, as provided by section 39-1-111 (2), C.R.S., shall be considered as having fulfilled the requirement of this section.

(2) On or before November 10 of each year, the secretary of the board of education of each district shall certify to the state board the pupil enrollment of the district.

(3) If the valuation for assessment for all or a part of any district has been divided for an urban renewal area, pursuant to section 31-25-107 (9) (a), C.R.S., any report under this section shall be based upon that portion of the valuation for assessment under said section 31-25-107 (9) (a) (I), C.R.S., so long as such division remains in effect.

22-53-120. County public school fund. (1) There is hereby created in the office of the county treasurer of each county a continuing fund, to be known as the county public school fund, into which shall be paid the proceeds of all county school moneys.

(2) Each district in the county shall be entitled to receive distribution during a budget year of moneys in the county public school fund in the proportion that its pupil enrollment in the county is to the aggregate of the pupil enrollments of all districts in the county.

(3) The state board shall determine the proportionate part of the county public school fund to be paid during the budget year to each district in the county and, on or before December 31 of each year, shall certify such determination to the county treasurer. The proportions so certified shall be the basis upon which the moneys in the fund shall be distributed during the ensuing budget year. At the end of each month during such year, the county treasurer shall credit or pay over the proper proportions of the moneys in the fund to the general funds of the districts in the county.

(4) For the purpose of determination and certification by the state board, and distribution of moneys in the fund, the pupil enrollment of a joint district shall be apportioned and assigned to the portion of the district in each county having territory in the district in the same proportion as the portion of the district’s pupil enrollment attributable to pupils resident in each county bears to the total pupil enrollment of the joint district. The secretary of the board of education of each joint district shall certify to the state board the required information applicable to each county.

22-53-121. State public school fund. (1) There is hereby created in the office of the state treasurer a fund to be known as the state public school fund. There shall be credited to said fund the net balance of the public school income fund existing as of December 31, 1973, and all distributions from the state public school income fund thereafter made, the state's share of all moneys received from the federal government pursuant to the provisions of section 34-63-102, C.R.S., and such additional moneys as shall be appropriated by the general assembly which are necessary to meet the total state's
share of equalization support, contingency reserve, and additional aid to districts with increased enrollments during the budget year.

(2) No later than December 1 of each year, the state board shall determine the estimated requirements to provide each district the amount it is eligible to receive from the state during the next ensuing fiscal year of the state. The appropriation by the general assembly shall be based on the requirements necessary to provide all districts the amounts they are each eligible to receive from the state, pursuant to the provisions of this part 1, during the next ensuing fiscal year of the state.

(3) Except as provided in section 22-53-124 (4), any unexpended balance of moneys appropriated by the general assembly in the state public school fund at the end of each fiscal year shall revert to the general fund, but any balances derived from other sources shall remain in said state public school fund and become available for distribution during the following fiscal year.

22-53-122. Distributions from state public school fund. (1) No later than December 31 of each year, the state board shall determine the amount of the state's share of the equalization program for each district for the ensuing budget year and the total thereof for all districts, which amount shall be payable in twelve approximately equal monthly payments during such budget year.

(2) No later than the fifteenth day of each month, the state board shall certify to the state treasurer the amount payable to each district during said month.

(3) No later than the twenty-fifth day of each month, the state treasurer shall pay the amount certified directly to the treasurer of each district.

(4) The state board shall take care to avoid overpayment of state moneys. If it is determined that any district has been overpaid in any month, the state board shall adjust the next following monthly payment or payments to such district so as to recover the amount overpaid. In the event that an overpayment cannot be so recovered, the amount thereof shall be refunded to the state public school fund by the district receiving the same.

(5) In the event that the appropriation for the state's share of equalization program funding under this part 1 is reduced by any supplemental appropriation, the amount of such reduction shall be divided by the total amount of equalization program funding of all districts in the state which receive state funds under this part 1. The result shall be stated as a percent. The department of education shall apply such percent to the equalization program funding of each district which receives state funds. The resulting amount shall be withheld from the monthly payments of state funds remaining to be made to the district prior to the June 30 next following and shall be divided equally between all such remaining payments. Nothing in this subsection (5) shall require the withholding from any district of more funds than remain to be paid thereto.

22-53-123. Notice to taxpayers - assistance by department of education. The department of education shall assist each district in complying with the requirements of section 22-40-102 (6), concerning notice to taxpayers of the reduced mill levy attributable to funds received pursuant to this part 1.
22-53-124. Contingency reserve. (1) An amount to be determined by the general assembly shall be appropriated annually to the state public school fund as a contingency reserve. The state board is authorized to approve and order payments from such contingency reserve for supplemental assistance to districts determined to be in need thereof as the result of any or all of the following circumstances:

(a) Financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;

(b) Financial emergencies arising from the nonpayment of property taxes pending the outcome of an administrative appeal or litigation, or both, challenging the inclusion of the value of certain property in a county's abstract of assessment which resulted from a change in the applicable state law;

(c) Any contingency which could not have been reasonably foreseen at the time of the adoption of the annual budget;

(d) Unusual financial burden caused by instruction of children who formerly resided outside the district but have been assigned to live within the district by courts or public welfare agencies. Such supplemental assistance shall not exceed the additional cost for current operations incurred by this circumstance.

(2) Application by a district for supplemental assistance shall set forth fully the grounds upon which it relies for assistance and shall be sworn to under oath by the president and secretary of the district board of the district.

(3) The state board shall conduct such investigation as it deems proper, and if it finds that an application should be approved, it shall determine the amount to be paid and, by order upon the state treasurer, shall direct payment from the contingency reserve of such amount to the treasurer of the eligible district for credit to the general fund of the district.

(4) Notwithstanding the provisions of subsection (1) of this section, concerning circumstances under which the state board may approve and order payments from the contingency reserve, the state board may, in cases of extreme emergency, take into consideration such other factors as it may deem necessary and proper in granting supplemental assistance from the contingency reserve to those districts which could not maintain their schools without such additional financial assistance.

(5) If a payment for supplemental assistance is made pursuant to paragraph (b) of subsection (1) of this section and the disputed property is finally determined to have been properly included in the abstract of assessment, the payment shall be reimbursed by the school district after collection of the taxes to the contingency reserve fund in full, plus interest at the same rate as provided by statute for penalty interest on unpaid property taxes.

(6) Any unexpended balance in the contingency reserve at the end of each fiscal year shall revert to the state general fund.

22-53-125. Joint districts. (1) The board of education of a joint district shall determine the location of its administrative headquarters and shall notify both the state board and the treasurer of each county in which any territory of such joint district is situated of such location.
(2) Allocation of moneys in the county public school fund to a joint district partially situated in a county shall be made on the basis set forth in section 22-53-120.

(3) All moneys collected under this part 1 by the county treasurer of a county in which part of a joint district is situated shall be credited to such joint district and at the end of each month shall be paid over by him to the treasurer of the county in which the administrative headquarters of such joint district is located and forthwith credited or paid over to the general fund of such joint district. The treasurer of the county in which the administrative headquarters of the joint district is located shall make no charge for collection of moneys transferred to him from other counties. Warrants of a joint district shall be drawn only upon the treasurer of the county in which its administrative headquarters is located in those cases where a district has not elected under law to withdraw its funds from the custody of the county treasurer.

22-53-126. General provisions. (1) The county treasurer shall charge a collection fee of one-half of one percent upon moneys collected for or distributed by him to any district located in whole or in part in his county from taxes levied for the general fund of the district.

(2) Nothing in this part 1 shall affect or limit the authority of any district to make such other tax levies as are provided by law.

(3) Nothing in this part 1 shall in any manner affect the rights of districts to moneys allowable or payable to such districts under the provisions of other laws.

22-53-127. Rules and regulations. (1) The state board shall make reasonable rules and regulations necessary for the administration and enforcement of this part 1.

(2) All reports and certifications required from secretaries of boards of education pursuant to the provisions of this part 1 shall be made in such manner and form as may be prescribed by the state board.

22-53-128. Applicability of article. This article shall apply to all districts in the state and, except as specifically provided in section 22-53-116, shall apply to the 1989 budget year and each budget year thereafter and to pupil enrollments for such budget years.

PART 2
EDUCATIONAL ACHIEVEMENT

22-53-201. Commission created. (1) There is hereby created in the legislative branch the Colorado commission on school finance, referred to in this part 2 as the “commission”, which shall consist of nine members as follows: The president of the senate or his designee, one member appointed by the president of the senate, the speaker of the house of representatives or his designee, one member appointed by the speaker of the house of representatives, one member appointed jointly by the president of the senate and the speaker of the house of representatives, the governor or his designee, one member appointed by the governor, the commissioner of education, and the chairman of the state board of education. Nonlegislator members of the commission shall have demonstrated knowledge of and experience in primary
and secondary public education matters, with particular emphasis on school finance, and no appointed member of the commission shall be currently employed by a school district or the department of education. The member first appointed by the president of the senate shall be appointed for a two-year term. The member first appointed by the speaker of the house of representatives shall be appointed for a four-year term. The member first appointed jointly by the president of the senate and the speaker of the house of representatives shall be appointed for a two-year term. The member first appointed by the governor shall be appointed for a four-year term. Thereafter, appointed members shall be appointed for four-year terms. Vacancies on the commission shall be filled by the person or persons making the original appointment by appointment for the unexpired term.

(2) The commission shall meet at least monthly. Members of the commission shall not be compensated for their services, but they shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties on the commission.

(3) The commission may request staff services from the department of education, the legislative council staff, and the legislative drafting office.

(4) This section is repealed, effective June 30, 1993.

22-53-202. Evaluation of the school finance system. (1) At least once every two years, the commission shall undertake an analysis of the school finance system created by part 1 of this article and shall submit a report to the general assembly thereon no later than December 1, 1990, and December 1 of every even-numbered year thereafter. Such report shall include, but need not be limited to, an evaluation of the following:

(a) Whether the values assigned to pupil funding, instructional unit funding, school site funding, and district funding components are appropriate in light of current cost data, economic circumstances, and educational needs;

(b) Whether districts are assigned to proper setting categories, and whether the descriptions of setting categories continue to reflect appropriate criteria for differentiation between categories;

(c) Whether established instructional unit funding ratios are appropriate to the setting categories;

(d) Whether there is a fair and equitable relationship between the various setting categories of districts;

(e) How the limitation in section 22-53-107 (3) has operated during the phase-in period and whether such provision should be retained thereafter;

(f) How the system enhances or limits local control of instruction;

(g) Whether the system fosters or impedes improvements in educational achievement;

(h) The extent to which the system relies on local property taxes and whether it results in equitable treatment of property taxpayers across the state.

(2) The report submitted pursuant to subsection (1) of this section shall include any recommendations made by the commission for statutory
changes. The commission shall recommend the redefinition of setting categories of districts only upon a finding that an original district assignment was incorrect or that there have been substantial changes in the factors listed in section 22-53-105 (1) which require said redefinition. At the request of a district or the department of education or upon its own motion, the commission may consider recommending the transfer of a district or districts from one setting category to another appropriate setting category. The commission may recommend such transfer upon a showing of a substantial change in the regional economy of the affected district or districts, a substantial increase or decrease in the general population or the enrollment of the affected district or districts, or other relevant factors. The commission may request the assistance of the legislative audit committee and the state auditor in reviewing the collection, compilation, and presentation of statistical data presented in support of a request for the transfer of a district or districts from one setting category to another appropriate setting category pursuant to this article.

(3) This section is repealed, effective June 30, 1993.

22-53-203. Educational achievement - powers and duties of state board. (1) The state board shall have the following powers and duties relating to educational achievement:

(a) To adopt goals and objectives for the state of Colorado concerning the improvement of the educational system, as provided in section 22-53-206;

(b) To identify areas of major educational policy concern for the operation of pilot programs, as provided in section 22-53-204;

(c) To analyze how the system of public education in Colorado might maximize the use of technology, including telecommunications, to enhance educational opportunity including but not limited to the following:

(I) A survey of school districts regarding their needs for additional telecommunications services, and the nature of the desired additional service;

(II) A survey of school districts to quantify the number of districts, and the number of students in each, which use alternative forms of educational telecommunications, including those commonly known as interactive programs;

(III) Costs of systems currently in use and those desired, including but not limited to capital investment required, ongoing program costs, and coordination costs. This analysis shall include but not be limited to a comparison of costs of systems which are available or potentially available within Colorado and those available from sources outside Colorado.

(IV) Recommendations for future use of technology in education, including an estimate of costs as well as the number and location of children to be served.

(V) In cooperation with the public television stations in the state, an evaluation of currently available educational television services, including but not limited to the number of hours and types of programs used each week and geographical distribution of school districts which use such services.
(d) To analyze whether the educational system addresses the diverse learning needs of various student populations, including but not limited to the gifted and the handicapped;

(e) To recommend to the general assembly, no later than December 1, 1988, methods of implementing a program to provide financial and other incentives to school districts to achieve educational excellence, including, as a minimum, incentives for improvements in achievement as indicated by nationally accepted measures of student achievement and in graduation rates; and

(f) To report to the general assembly its findings and recommendations on the matters enumerated in this section and on any other matter concerning public education.

22-53-204. Pilot programs in areas of major educational policy concern. (1) The state board may identify areas of major educational policy concern in which it wishes to encourage school districts to conduct pilot programs. Such programs shall be conducted in order to develop recommendations and proposals for the general assembly and the department of education in addressing educational policy on a statewide basis. Areas of major educational policy concern may include, but need not be limited to:

(a) Methods of organizing small rural school districts which will increase efficiency and improve educational opportunity;

(b) Methods of utilizing new technology to improve curricular offerings in smaller school districts;

(c) Methods of decentralizing school district management in large school districts in order to improve building achievement and climate.

(2) The state board may recommend to the general assembly that moneys be made available for grants to school districts for pilot programs conducted pursuant to the provisions of this section.

22-53-205. Achievement testing. The state board of education shall provide by rule for the administration by the department of education of a standardized achievement test or tests to a statistically valid random sample of pupils in selected grades at a time to be specified by the state board. Test scores and other information derived from the administration of such test or tests shall be reported to the state board and the general assembly in accordance with reporting procedures adopted by the state board.

22-53-206. Adoption of goals and objectives for the improvement of Colorado’s educational system. (1) It shall be the responsibility of the state board to adopt goals and objectives for the state of Colorado concerning the improvement of education of children in this state. The goals and objectives shall express high but achievable aspirations and should include the following:

(a) Improved attendance of students through the provision of engaging learning opportunities;

(b) Improved scholastic achievement for individual students commensurate with individual abilities;
(c) Demonstrated student proficiencies at designated points during grades one through twelve;

(d) Improved teaching methods that will provide students with the opportunity for scholastic achievement;

(e) Improved preparation of students for the primary and secondary years;

(f) Increased parental and community support and involvement in meeting expectations of the educational system;

(g) Provision of a learning environment and staff that is responsive to the individual needs of students;

(h) Provision of a learning environment based on high expectations and challenges for students and staff; and

(i) Such other goals and objectives as the state board deems appropriate.

(2) When adopting the goals and objectives required by subsection (1) of this section, the state board shall adopt a set of goals and objectives for kindergarten and grades one through three and a set of goals and objectives for grades four through twelve.

(3) Prior to the adoption of such goals and objectives, the state board shall consider any information provided by boards of education, school administrators, teachers and teachers' associations, parents and parents' associations, and institutions of higher education related to the topics outlined in subsection (1) of this section.

(4) The statement of goals and objectives shall be adopted by the state board no later than January 1, 1989.

22-53-207. Local goals and objectives and plans to improve educational achievement and graduation rates. (1) No later than June 15, 1989, and June 15 of each year thereafter, the advisory accountability committee for each school building in the state shall adopt high, but achievable, goals and objectives for the improvement of education in its building, consistent with the state board's goals and objectives, and shall adopt a plan to improve educational achievement in the school and to implement methods of maximizing graduation rates from the secondary schools of the district. Each building's goals and objectives and plan shall be reviewed by the district advisory accountability committee before its submission to the board of education of the district. Procedures for the implementation of the plan shall be included in the budget submitted to the board of education pursuant to section 22-44-108.

(2) After consultation with the district advisory accountability committee and review of its recommendations, the board of education shall compile school building goals and objectives and plans and shall submit a district's high, but achievable, goals and objectives for the improvement of education in the district, consistent with the state board's goals and objectives, and a district plan to improve educational achievement and maximize graduation rates to the state board of education no later than October 1, 1989, and October 1 of each year thereafter.
(3) Each district plan shall specify how the district intends to measure educational achievement in its schools. The state board shall adopt rules and regulations for district measurements of educational achievement which will assure that measurements from various districts are capable of being compared and that data from such measurements shall be available in a consistent form from year to year. Such data shall be reported in accordance with subsection (5) of this section. Each district plan shall also provide for the measurement of graduation rates as set forth in this subsection (3). For purposes of this part 2, “graduation rate” means the percent of pupils who do not drop out of school. A pupil who leaves school before receiving a high school diploma or its equivalent is a dropout unless the school can document that the pupil has transferred to another public or private school or approved program of studies through a transcript request or through information provided by the pupil’s parent or legal guardian.

(4) (a) The state board shall review the goals and objectives adopted by each district to determine whether said goals and objectives are high but achievable and whether they are consistent with the goals and objectives set by the state board. The district shall be allowed to modify its goals and objectives to meet any objections raised by the state board.

(b) The department of education shall review the plans submitted and shall verify that the plans are appropriately related to the educational needs of the schools and the district. The department shall advise the board of education of any school district whose plan needs revision, and the board shall make such revisions as the department deems necessary to accomplish the intent of subsection (1) of this section.

(5) No later than June 15, 1990, and June 15 of each year thereafter, each school building shall report to the board of education of the district, and the district shall report to the state board of education no later than the July 15 next following, on the achievement of its goals and objectives and on its educational achievement and graduation rates, as measured according to its plan. All data required by this subsection (5) to be reported by school buildings to the board of education of the district shall also be reported to the public. Data shall be made available in such form that building and district measurements can be compared to national norms and to statewide Colorado norms. Data concerning a specific school building shall be sent to parents of pupils in that building and shall be reported to parents disaggregated by grade.

22-53-208. Excellent schools program. (1) There is hereby established the excellent schools program, referred to in this section as the “program”, to be administered by the department. The state board shall promulgate reasonable rules and regulations for the administration of this section and the program established pursuant thereto. Such rules and regulations shall include but need not be limited to:

(a) Procedures for participation in the program, including standards to qualify for participation in the program;

(b) Procedures for establishing goals to be achieved by participating schools and districts and for implementing improvement plans for achieving such goals;
(c) Criteria to determine whether or not such goals have been achieved by such schools and districts; and

(d) Procedures for providing financial awards to those schools and districts that demonstrate outstanding performance in achieving those goals.

(2) The rules and regulations for the participation of schools and districts shall include, but need not be limited to, financial awards for outstanding performance in the achievement of established goals in the following categories which the state board may choose to recognize on a regional or a statewide basis or on both a regional basis and a statewide basis:

(a) District of the year;
(b) Senior high school of the year;
(c) Junior high school of the year;
(d) Middle school of the year;
(e) Elementary school of the year.

(3) The state board shall promulgate rules and regulations for identifying outstanding school and district personnel and evaluating the relative performance of such personnel and for providing financial awards to the most outstanding of such personnel. Such rules and regulations shall include, but need not be limited to, financial awards for outstanding performance in the following categories which the state board may choose to recognize on a regional or a statewide basis, or on both a regional basis and a statewide basis:

(a) Board member of the year;
(b) Superintendent of the year;
(c) Administrator of the year;
(d) Principal of the year; and
(e) Teacher of the year.

(4) Any moneys made available to a school or district pursuant to the provisions of this section shall not supplant moneys made available to such a school or district pursuant to part 1 of this article or pursuant to the taxing authority of the district. Any moneys made available to any personnel of a school or district pursuant to the provisions of this section shall not supplant moneys made available to such personnel pursuant to a contract entered into under the provisions of the "Teacher Employment, Dismissal, and Tenure Act of 1967", article 63 of this title, or any other contract for employment entered into with a district.

(5) The department is hereby authorized to receive contributions from any source, public or private, in order to fund financial awards to schools, districts, and personnel pursuant to the program established in this section. Contributions received pursuant to this subsection (5) shall be used exclusively for awards and may not be used to pay for the expenses of the department in administering the program established in this section.

Section 2. Article 50 of title 22, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF A NEW SECTION to read:
22-50-120. Repeal of article. This article is repealed, effective January 1, 1989.

Section 3. Part 1 of article 2 of title 22, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

22-2-116. Additional power - waiver of reporting requirements. The commissioner may waive any requirements imposed by this title as to the reporting of data to the department or the state board by any school district which is eligible to receive the minimum amount of state moneys under the provisions of article 53 of this title, if he finds that any benefits from receiving such reports are outweighed by the district’s increased administrative costs of reporting in light of its minimum share of state moneys.

Section 4. Article 20 of title 22, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

22-20-102.5. Legislative declaration - identification of gifted children. The general assembly hereby finds and declares that traditional assessment methods currently used do not adequately identify some gifted children, including those who are economically and culturally disadvantaged and those who are handicapped; and that the state board, the department, and every administrative unit are encouraged to give the highest priority to the identification of such gifted children and to the development of educational programs which include such gifted children.

22-20-104.5. Plan for academic excellence - inclusion of gifted children - cooperation. (1) Administrative units may develop and implement a management plan for excellence in education which shall include the education of gifted children. Any plan developed and implemented pursuant to the provisions of this section shall satisfy any criteria for accreditation which have been established by the state board. No management plan shall be implemented by an administrative unit unless adequate funding is provided for such implementation.

(2) Institutions of higher education which are located within the state are encouraged to work with the administrative units, the state board, and the department to provide staff development and in-service opportunities to support such management plans specified in subsection (1) of this section.

22-20-105.5. Statewide information and communication network. (1) The department shall establish a statewide information and communication network in order to promote excellence in education for all students in public schools, including gifted children.

(2) This section is repealed, effective July 1, 1993, unless the general assembly acting by bill continues said section.

Section 5. 22-20-104, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-20-104. Administration. (7) (a) In order to implement the provisions of sections 22-20-102.5, 22-20-104.5, and 22-20-105.5, the state board and the department of education may, at their discretion, provide for such personnel as deemed necessary for such purposes.
(b) The department shall submit an annual report to the general assembly prior to January 15 of each year as to the implementation and effects of the sections specified in paragraph (a) of this subsection (7), including the amount of funds spent by the department for such purposes.

Section 6. 22-20-109 (2), Colorado Revised Statutes, as amended, is amended to read:

22-20-109. Tuition. (2) The state board shall promulgate rules and regulations to define the contract approval process, the types and amounts of costs in excess of the state average authorized revenue base, or the authorized revenue base PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (8), OR THE PER PUPIL OPERATING REVENUES of the district of residence, AS DEFINED IN SECTION 22-53-103 (6), whichever is appropriate, as determined by the department pursuant to its regulations, and to define other applicable revenues that a school district of residence of a handicapped child shall pay as tuition to educate that child elsewhere at an administrative unit, or at a facility approved by the state board pursuant to section 22-2-107 (1) (p). These rules and regulations shall include, but shall not be limited to, the limitations on the number of staff members per number of students, the amount of equipment necessary for classroom instruction of the child, the number of days of school, and any other expenses involved in the provision of educational services as determined by the child's individualized education program. The school district of residence shall be responsible for paying as tuition any excess costs above the applicable authorized revenue base PER PUPIL OPERATING REVENUES as determined by the department pursuant to its regulations to provide these services.

Section 7. 22-20-114 (1) (b) (V), Colorado Revised Statutes, as amended, is amended to read:

22-20-114. Reimbursable costs of programs. (1) (b) (V) For each child so accepted, the average cost per pupil of educating children with similar handicaps in any unit which accepts a child from another administrative unit in one or more of its special education programs, in any group care facility or home, as defined by the department in its regulations and as approved by the state board pursuant to section 22-2-107 (1) (p), which accepts a child from an administrative unit in one or more of its special education programs, or in any community centered board, as provided for in section 27-10.5-104, C.R.S., and as approved by the state board pursuant to section 22-2-107 (1) (p), which accepts a child from an administrative unit in one or more of its special education programs, such reimbursement to be made to the administrative unit of the child's residence. State reimbursement under this subparagraph (V) shall be based upon the amount of the tuition charge under the provisions of section 22-20-109 in excess of the district of residence's authorized revenue base per pupil PER PUPIL OPERATING REVENUES, as determined in accordance with DEFINED IN section 22-50-106 22-53-103 (6); except that, for a group care facility or home or for a community centered board, reimbursement shall be based on the amount of the tuition charge under the provisions of section 22-20-109 in excess of the state average authorized revenue base per pupil as determined in accordance with section 22-50-106 PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (8).
Section 8. 22-24-104 (4) (c) (II), Colorado Revised Statutes, as amended, is amended to read:

**22-24-104. English language proficiency program established - funding. (4) (c) (II)** The remainder of the annual appropriation shall be used by the districts for students certified to be within section 22-24-103 (4) (c). No such student shall be funded for an amount greater than two hundred dollars per year or an amount equal to ten percent of the state's STATE average authorized revenue base PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (8), for the preceding year as annually determined by the department, whichever is greater.

Section 9. 22-32-109 (1) (n), Colorado Revised Statutes, as amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

**22-32-109. Board of education - specific duties. (1) (n) (I)** To determine, prior to the end of a school year, the length of time which the schools of the district shall be in session during the next following school year, but in no event shall said schools be scheduled to have less than one thousand eighty hours of planned teacher-pupil instruction and teacher-pupil contact during the school year for secondary school pupils in high school, middle school, or junior high school or less than nine hundred ninety hours of such instruction and contact for elementary school pupils or less than four hundred fifty hours of such instruction for a half-day kindergarten program. In no case shall a school be in session for fewer than one hundred sixty days without the specific prior approval of the commissioner of education. In extraordinary circumstances, if it appears to the satisfaction of the commissioner that compliance with the provisions of this subparagraph (I) would require the scheduling of hours of instruction and contact at a time when pupil attendance will be low and the benefits to pupils of holding such hours of instruction will be minimal in relation to the cost thereof, the commissioner may waive the provisions of this subparagraph (I) upon application therefor by the board of education of the district.

(II) The actual hours of teacher-pupil instruction and teacher-pupil contact specified in subparagraph (I) of this paragraph (n) may be reduced to no less than one thousand fifty-six hours for secondary school pupils, no less than nine hundred sixty-eight hours for elementary school pupils, or no less than four hundred thirty-five hours for kindergarten pupils for parent-teacher conferences, staff in-service programs, and closing deemed by the board to be necessary for the health, safety, or welfare of students; except that not more than twenty-four hours per school year may be used for parent-teacher conferences or staff in-service programs.

Section 10. 22-32-115 (2) (a), Colorado Revised Statutes, as amended, is amended to read:

**22-32-115. Tuition for resident school-age children. (2) (a)** The tuition, to be paid as authorized by subsection (1) of this section, shall not exceed one hundred twenty percent of the current per pupil general fund cost in the school district of attendance during the preceding school year. Attendance entitlement THE PUPIL ENROLLMENT for a pupil not attending his school district of residence under the provisions of this section shall be allocated as provided in section 22-50-104 (3) 22-53-104 (3).
Section 11. 22-32-118 (2) (b), Colorado Revised Statutes, as amended, is amended to read:

22-32-118. Summer schools - continuation, evening, and community education programs. (2) (b) In addition to the authority granted to a board of education in paragraph (a) of this subsection (2), a board may establish and maintain community education programs in cooperation with any unit of local government, quasi-governmental agency, institution of higher education, or civic organization and may pay for such programs by a fee or tuition charged or out of moneys of the school district. Attendance in community education programs shall not be considered in computing attendance entitlement PUPIL ENROLLMENT under article 50 53 of this title and articles 8 and 60 of title 23, C.R.S.

Section 12. 22-33-104.5 (6), Colorado Revised Statutes, as enacted by Senate Bill No. 56, enacted at the Second Regular Session of the Fifty-sixth General Assembly, is amended to read:

22-33-104.5. Home-based education - legislative declaration - definitions - guidelines. (6) If a child is participating in a non-public home-based educational program but also attending his local school district of residence for a portion of the school day, the local school district of residence shall be entitled to count such child in accordance with the provisions of section 22-50-102 22-53-103 (7) for purposes of determining attendance entitlement PUPIL ENROLLMENT under the “Public School Finance Act of 1973 1988”, article 50 53 of this title.

Section 13. 27-10.5-104 (7) (b), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended to read:

27-10.5-104. Authorized services - purchase of services - boards of county commissioners - appropriation. (7) (b) Each school district shall pay to the community centered board providing programs attended by a student with developmental disabilities, who is domiciled in the school district and may be counted as a pupil of attendance entitlement IN THE DISTRICT’S PUPIL ENROLLMENT, an amount at least equal to the district’s authorized revenue base per pupil of attendance entitlement PER PUPIL OPERATING REVENUES as determined pursuant to the “Public School Finance Act of 1973 1988”, article 50 53 of title 22, C.R.S. This subsection (7) shall apply to students who are less than twenty-one years of age.

Section 14. 22-34-101 (4), Colorado Revised Statutes, as amended, is amended to read:

22-34-101. High school fast track program. (4) The school district of residence of a pupil taking courses at a state institution of higher education pursuant to subsection (1) of this section shall be entitled to state support for such pupil on the same basis as OTHER PUPILS under section 22-50-104 (1) and (2) 22-53-103 (7). The school district shall forward to the state institution of higher education the amount of tuition to which the institution would be entitled on behalf of a regularly enrolled student taking such courses, up to seventy-five percent of the school district’s authorized revenue base per pupil PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (6). Nothing in this article shall be construed to authorize a school district to pay the costs of transportation, room and board, fees, books, or
equipment or any other costs of taking higher education courses other than tuition.

Section 15. 22-35-105 (2) (a), (3) (a) (I), and (3) (b) (I), Colorado Revised Statutes, as enacted by House Bill No. 1244, enacted at the Second Regular Session of the Fifty-sixth General Assembly, is amended to read:

**22-35-105. Financial provisions - payment of tuition.** (2) (a) The pupil shall be included in the attendance entitlement PUPIL ENROLLMENT of the school district in which such pupil is enrolled as determined pursuant to the provisions of section 22-50-104 22-53-103 (7).

(3) (a) (I) The pupil shall be included in the attendance entitlement PUPIL ENROLLMENT of the school district in which such pupil is enrolled as determined pursuant to the provisions of section 22-50-104 22-53-103 (7).

(b) (I) The pupil shall be included in the attendance entitlement PUPIL ENROLLMENT of the school district in which such pupil is enrolled as determined pursuant to the provisions of section 22-50-104 22-53-103 (7).

Section 16. 22-35-105 (3) (b) (III), Colorado Revised Statutes, as enacted by House Bill No. 1244, enacted at the Second Regular Session of the Fifty-sixth General Assembly, is amended to read:

**22-35-105. Financial provisions - payment of tuition.** (3) (b) (III) The department of education shall annually withhold an amount equal to one-half of the authorized revenue base PER PUPIL OPERATING REVENUES of the school district, AS DEFINED IN SECTION 22-53-103 (6), for each pupil enrolled in an institution of higher education pursuant to the provisions of this article. From such withheld amount, the department of education shall forward to the institution of higher education the amount of tuition to which the institution would be entitled on behalf of a regularly enrolled student taking such courses. Any withheld moneys not used to pay for tuition pursuant to the provisions of this subparagraph (III) shall be credited to the general fund of the state.

Section 17. 22-40-102 (1) and (6), Colorado Revised Statutes, as amended, are amended to read:

**22-40-102. Certification - tax revenues.** (1) In accordance with the schedule prescribed by section 39-5-128, C.R.S., the board of education of each school district shall certify to the board of county commissioners of the county wherein said school district is located the separate amounts necessary, in the judgment of said board of education, to be raised from levies against the valuation for assessment of all taxable property located within the boundaries of said school district for its general, bond redemption, AND special building and capital reserve funds to defray its expenditures therefrom during its next ensuing fiscal year; except that any school district conducting an election to establish a local revenue base SEEKING AUTHORIZATION FOR ADDITIONAL LOCAL REVENUES PURSUANT TO SECTION 22-53-117, FOR THE CREATION OF BONDED INDEBTEDNESS, FOR AN INSTALLMENT PURCHASE AGREEMENT OR LEASE AGREEMENT PURSUANT TO SECTION 22-45-103 (1) (c) (II.5), OR FOR THE
IMPOSITION OR INCREASE OF A LEVY FOR THE SPECIAL BUILDING FUND UNDER SUBSECTION (1.5) OF THIS SECTION shall make such certification no later than December 15.

(6) Each school district, with such assistance as may be required from the department of education, shall inform the county treasurer for each county within the district’s boundaries no later than December 15 of each year of said district’s general fund mill levy in the absence of funds estimated to be received by said district pursuant to the “Public School Finance Act of 1973 1988”, article 50 53 of this title, and the estimated funds to be received for the general fund of the district from the state.

Section 18. 22-42-104 (2), Colorado Revised Statutes, as amended, is amended to read:

22-42-104. Limit of bonded indebtedness. (2) (a) Notwithstanding the provisions of subsection (1) of this section, the limit on bonded indebtedness of a school district shall be twenty-five percent of the latest valuation for assessment of the taxable property in such district, as certified by the COUNTY assessor to the board of county commissioners, if the commissioner of education or his designee certifies that for each of the preceding three calendar years the average daily attendance for PUPIL ENROLLMENT of the district, as determined in accordance with section 22-50-104 22-53-103 (7), has increased:

(a) (I) By three percent or more over each preceding year, if the district has an average daily attendance A PUPIL ENROLLMENT of at least one thousand pupils;

(b) (II) By twenty-five or more pupils each year, if the district has an average daily attendance A PUPIL ENROLLMENT of less than one thousand pupils.

(b) FOR PURPOSES OF THIS SUBSECTION (2), PUPIL ENROLLMENT FOR CALENDAR YEARS PRIOR TO 1989 SHALL BE THE AVERAGE DAILY MEMBERSHIP DURING THE FOUR-WEEK COUNTING PERIOD PRIOR TO THE APPLICABLE CALENDAR YEAR AS DETERMINED UNDER FORMER SECTION 22-50-102 (2).

Section 19. 22-44-105 (1), Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

22-44-105. Budget - contents - mandatory. (I) (a,5) The amounts budgeted to be transferred from the general fund to the capital reserve fund and insurance reserve fund;

Section 20. 22-44-112 (2) (a), Colorado Revised Statutes, as amended, is amended to read:

22-44-112. Transfer of moneys. (2) (a) A board of education may transfer by resolution any unencumbered moneys from one fund to another, except the capital reserve fund, THE INSURANCE RESERVE FUND, the special building fund, or the bond redemption fund, OR THE INSTRUCTIONAL SUPPLIES AND MATERIALS ACCOUNT OR THE INSTRUCTIONAL CAPITAL OUTLAY ACCOUNT IN THE GENERAL FUND; EXCEPT THAT UNENCUMBERED MONEYS MAY BE TRANSFERRED BY RESOLUTION OF THE BOARD BETWEEN THE CAPITAL
Section 21. 22-44-204 (3), Colorado Revised Statutes, is amended to read:

22-44-204. Use of handbook by school districts. (3) The state board of education shall prepare a final draft of the financial policies and procedures handbook and shall send at least one copy thereof to each school district in the state no later than July 1, 1975. The financial policies and procedures handbook ADOPTED BY THE STATE BOARD OF EDUCATION shall be fully implemented on January 1, 1976; USED by all school districts having a school population of over one hundred students EVERY SCHOOL DISTRICT IN THIS STATE IN THE DEVELOPMENT OF THE BUDGET FOR THE DISTRICT, IN THE KEEPING OF FINANCIAL RECORDS OF THE DISTRICT, AND IN THE PERIODIC PRESENTATION OF FINANCIAL INFORMATION TO THE BOARD OF EDUCATION OF THE DISTRICT.

Section 22. 22-45-101, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

22-45-101. Definitions. (2.3) “Instructional capital outlay” includes those expenditures which result in the acquisition of fixed assets for instructional purposes, or additions thereto, which the board of education anticipates will have benefits for more than one year.

(2.5) “Instructional supplies and materials” includes, but is not limited to, supplies, textbooks, library books, periodicals, warehouse inventory adjustment, and other supplies and materials.

Section 23. 22-45-103 (1) (a), the introductory portion to 22-45-103 (1) (c) (I), and 22-45-103 (1) (c) (I) (E) and (1) (c) (II.5), Colorado Revised Statutes, as amended, are amended, and the said 22-45-103 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

22-45-103. Funds. (I) (a) General fund. (I) All revenues, except those revenues attributable to the bond redemption fund, the capital reserve fund, the special building fund, THE INSURANCE RESERVE FUND, and any other fund authorized by the state board of education, as provided in subsection (2) of this section, shall be accounted for in the general fund. Any lawful expenditure of the school district, including any expenditure of a nature which could be made from any fund, may be made from the general fund. All expenditures from the general fund shall be recorded therein.

(II) MONEYS ALLOCATED PURSUANT TO THE PROVISIONS OF SECTION 22-53-108 (2) (c) SHALL BE RECORDED IN THE INSTRUCTIONAL SUPPLIES AND MATERIALS ACCOUNT AND THE INSTRUCTIONAL CAPITAL OUTLAY ACCOUNT IN THE GENERAL FUND. EXPENDITURES FROM THE INSTRUCTIONAL SUPPLIES AND MATERIALS ACCOUNT SHALL BE LIMITED TO INSTRUCTIONAL SUPPLIES AND MATERIALS, AND EXPENDITURES FROM
THE INSTRUCTIONAL CAPITAL OUTLAY ACCOUNT SHALL BE LIMITED TO INSTRUCTIONAL CAPITAL OUTLAY. MONEYS IN SUCH ACCOUNTS MAY NOT BE EXPENDED FOR ANY OTHER PURPOSE. THE BOARD OF EDUCATION OF A SCHOOL DISTRICT MAY TRANSFER MONEYS BETWEEN THE TWO ACCOUNTS BUT MAY NOT TRANSFER MONEYS TO ANY OTHER ACCOUNT IN THE GENERAL FUND OR TO ANY OTHER FUND OF THE SCHOOL DISTRICT. ANY MONEYS IN SUCH ACCOUNTS WHICH ARE NOT EXPENDED DURING A BUDGET YEAR SHALL BE CARRIED FORWARD AND BUDGETED FOR THE PURPOSES SET FORTH IN THIS SUBPARAGRAPH (II) IN THE NEXT BUDGET YEAR. NOTHING IN THIS SUBPARAGRAPH (II) SHALL BE CONSTRUED TO REQUIRE THAT INTEREST ON MONEYS IN SUCH ACCOUNTS BE SPECIFICALLY ALLOCATED TO SUCH ACCOUNTS.

(c) Capital reserve fund. (I) The revenues from a tax levy for capital outlay expenditures and MONEYS ALLOCATED PURSUANT TO THE PROVISIONS OF SECTION 22-53-108 (3) (c) SHALL BE TRANSFERRED FROM THE GENERAL FUND AND RECORDED IN THE CAPITAL RESERVE FUND ALONG WITH the revenues received pursuant to section 39-5-132, C.R.S. shall be recorded in the capital reserve fund. Such revenues may be supplemented by gifts, donations, and tuition receipts. UNENCUMBERED MONEYS IN THE FUND MAY BE TRANSFERRED TO THE INSURANCE RESERVE FUND BY RESOLUTION OF THE BOARD OF EDUCATION WHEN SUCH TRANSFER IS DEEMED NECESSARY BY THE BOARD. Expenditures from the fund shall be limited to long-range capital outlay expenditures and shall be made only for the following purposes:

(E) Acquisition of school buses or other equipment, the estimated unit cost of which, including any necessary installation, is in excess of five hundred dollars TWO HUNDRED FIFTY DOLLARS;

(II.5) A board of education may enter into an installment purchase agreement or lease agreement with option to purchase for a period exceeding one year and not to exceed twenty years for expenditures from the fund if such agreement is first approved by a majority of the registered electors of the district voting on the question at an election held pursuant to this subparagraph (II.5). The board of education may submit to the registered electors of the district the question of whether to enter into such an agreement at any general election, regular biennial school election, or special election called for such purpose. The secretary of the board of education shall give notice of an election to be held pursuant to this subparagraph (II.5) in essentially the same manner and for the same length of time as is required by law for a notice of election of school directors. Such notice shall contain, to the extent applicable, the information required for a notice of election of school directors. Any special election called pursuant to this subparagraph (II.5) shall be held on the first Tuesday after the first Monday in February, May, October, November, or December. Any school district may petition a district court judge who has jurisdiction in such district for permission to hold a special election on a day other than those specified in this section. The district court judge may grant permission only upon a finding that an election on the days specified would be impossible or impracticable, or upon
a finding that an unforeseeable emergency would require an election on a
day other than those specified. Not more than thirty days nor less than ten
days prior to a special election, the secretary of the board of education for
the school district in which the special election is to be held shall send post-
card or letter notification of said special election to each household in which
one or more registered electors reside. The postcard or letter notification
shall indicate that it is a notice of a special election and shall contain a
statement of the maximum term of the proposed agreement, the maximum
and periodic amounts of payments for which the district would be obligated,
any options, and the purpose of the agreement. Except as otherwise provided
above, the postcard or letter notification shall also be limited to the date
of the election and the location at which the registered elector may vote.
Any special election called pursuant to this subparagraph (II.5) shall not be
invalidated on the grounds that a registered elector did not receive postcard
or letter notification of such election so long as the secretary of the board
of education for the school district in which the election was held acted in
good faith in making the postcard or letter notification. The amount of any
expenditure from the fund for payments under an installment purchase agree-
ment or lease agreement with option to purchase shall be included in and
subject to the mill levy limitation imposed by law on the capital reserve
fund pursuant to section 22-40-102. The question of whether to enter into
an installment agreement or lease agreement with option to purchase may
be submitted or resubmitted after the same, or after any other such question,
has previously been rejected at an election held pursuant to this subparagraph
(II.5), but no such question shall be submitted or resubmitted at any election
held less than one hundred twenty days after a previous submission of such
question, and the board of education of any school district shall not submit
any question of entering into such an agreement at more than two elections
within any twelve-month period. The board of education of a school district
may enter into an installment purchase agreement or lease agreement with
option to purchase for a term not to exceed twenty years for the purposes
provided for in sub-subparagraph (F) of subparagraph (I) of this paragraph
(c). Such an agreement when authorized by the election as provided in this
subparagraph (II.5) shall be valid, binding, and enforceable between the par-
ties to the agreement. The provisions of this subparagraph (II.5) shall have
no application to any installment purchase agreement or lease agreement
with option to purchase, even though the term thereof may be greater than
one year, if the district's obligation to make payments thereunder is expressly
subject to the making of annual appropriations therefor in accordance with
law. This subparagraph (II.5) shall have no application to any lease agree-
ment with option to purchase for a period of one year or less, including
lease agreements consisting of a series of one-year terms renewable at the
option of the district.

(e) Insurance reserve fund. Moneys allocated pursuant to the provisions
of section 22-53-108 (3) (c) shall be transferred from the general fund and
recorded in the insurance reserve fund. Unencumbered moneys in the fund
may be transferred to the capital reserve fund by resolution of the board
of education when such transfer is deemed necessary by the board. Expendi-
tures from the fund shall be limited to the purposes set forth in section
24-10-115, C.R.S., and article 13 of title 29, C.R.S.
Section 24. 22-52-104 (2), Colorado Revised Statutes, as amended, is amended to read:

22-52-104. Application - payment. (2) (a) The school district of residence of a student enrolled in the second chance program shall count the student in its attendance entitlement PUPIL ENROLLMENT pursuant to rules and regulations promulgated by the state board of education. The school district shall also provide to the department of education such information as it may require.

(b) (I) (A) Pursuant to rules and regulations promulgated by the state board of education, the school district of residence of the student shall transmit monthly eighty-five percent of the district of residence's authorized revenue base per pupil of attendance entitlement to the school district or eligible school enrolling the student or the actual educational cost of the program provided, whichever is less. THIS SUB-SUBPARAGRAPH (A) IS REPEALED, EFFECTIVE JANUARY 1, 1989.

(B) EFFECTIVE JANUARY 1, 1989, PURSUANT TO RULES AND REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION, THE SCHOOL DISTRICT OF RESIDENCE OF THE STUDENT SHALL TRANSMIT MONTHLY EIGHTY-FIVE PERCENT OF THE DISTRICT OF RESIDENCE'S PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (6), TO THE SCHOOL DISTRICT OR ELIGIBLE SCHOOL ENROLLING THE STUDENT OR THE ACTUAL EDUCATIONAL COST OF THE PROGRAM PROVIDED, WHICHERVER IS LESS.

(II) Of that portion of the moneys remaining to WITH the school district of residence, the school district shall transmit two-thirds to the department of education and retain the remaining one-third for implementation of its requirements under the second chance program. These payment procedures shall continue as long as the student continues to reside in the original district of residence, continues to attend the eligible school, and progresses in a satisfactory manner.

Section 25. 22-52-107, Colorado Revised Statutes, as amended, is amended to read:

22-52-107. Funding of second chance program. It is the intent of the general assembly that, after the initial appropriation made to the department of education for the fiscal year beginning July 1, 1985, the responsibilities and duties specified in this article shall be performed by the department of education and the participating school districts through the funding available pursuant to the "Public School Finance Act of 1973 1988", article 50 53 of this title.

Section 26. 22-63-102 (1.5), Colorado Revised Statutes, as amended, is amended to read:

22-63-102. Definitions. (1.5) "Alternative year program" means a school year meeting the minimum hours required in section 22-50-103 (4) 22-32-109 (1) (n) and which is in session for a period of time other than the standard year beginning about the first week in September and ending about the first week in June.
Section 27. Article 66 of title 22, Colorado Revised Statutes, is RECREATED AND REENACTED, WITH AMENDMENTS, to read:

ARTICLE 66
Alternative Salary Policies - Pilot Programs

22-66-101. Short title. This article shall be known and may be cited as the “Alternative Salary Policies for Teachers Act”.

22-66-102. Legislative declaration. The general assembly declares that the purpose of this article is to provide school districts utilizing the advice of parents, students, teachers, administrators, and community representatives with the opportunity to design and implement pilot alternative salary policies in their salary schedules on a trial basis. The general assembly further declares that the department of education should analyze data from each pilot alternative salary policy to determine the effectiveness of such salary policy for teachers in promoting educational quality.

22-66-103. Definitions. As used in this article, unless the context otherwise requires:

(1) “Academic year” means that portion of the school year during which the public schools of a school district are in regular session.

(2) “Alternative salary policies” means pay plans which take into account quality of performance using criteria which may include but need not be limited to demonstrated skill and knowledge, additional duties and responsibilities, and additional time requirements. Such pay plans may include but need not be limited to career ladders and mentor or master teacher programs.

(3) “Board” means the board of education of a school district.

(4) “Department” means the department of education created by section 24-1-115, C.R.S.

(5) “State board” means the state board of education created pursuant to section 1 of article IX of the state constitution.

(6) “Teacher” means any person who is regularly certified by the teacher certifying authority for the state of Colorado, and who is employed to instruct, direct, or supervise the instructional program, except those persons holding letters of authorization and the chief administrative officer of any school district.

22-66-104. Proposals - requirements - evaluation. (1) A board intending to implement a pilot alternative salary policy in an academic year shall submit a written proposal to the department by no later than October 1 prior to each such academic year.

(2) Such a pilot alternative salary policy shall consider a teacher’s performance as one of the factors in determining the teacher’s compensation pursuant to section 22-63-105 (2). The proposal submitted pursuant to subsection (1) of this section shall specify criteria by which the board shall evaluate a teacher’s performance and shall specify any other criteria which it intends to use in placing a teacher on such salary schedule. Each proposal shall also provide evidence that the board has created and utilized an advisory group comprised of parents, students, teachers, administrators, and
community representatives to advise the board in developing the pilot alternative salary policy and that the board will utilize the advice of such group in implementing and evaluating the policy.

(3) The department shall evaluate all proposals received pursuant to subsection (1) of this section and shall provide reactions to these proposals.

(4) The department shall provide reactions to a board which submits a proposal pursuant to subsection (1) of this section by no later than November 1 of the year in which the proposal is submitted.

(5) Upon adoption of a pilot alternative salary policy pursuant to this article, a board shall agree to share any information which it has available which may be useful in evaluating such policy with the department upon request by the department.

22-66-105. Additional duties of department. (1) In addition to other duties conferred by this article, the department shall perform the following duties:

(a) Provide technical and advisory assistance to school districts implementing pilot alternative salary policies pursuant to this article;

(b) Evaluate each pilot alternative salary policy to determine its effectiveness in promoting educational quality;

(c) Submit to the general assembly, not later than February 1 of each year following an academic year in which a pilot alternative salary policy has been in effect pursuant to this article, a report which includes but need not be limited to evaluations conducted pursuant to paragraph (b) of this subsection (1) along which a comparative analysis of the potential effectiveness of such policies and their potential for more widespread use in Colorado;

(d) Share information regarding ongoing evaluations pursuant to paragraph (b) of this subsection (1) with any interested requesting parties.

Section 28. 22-80-113 (4), Colorado Revised Statutes, as amended, is amended to read:

22-80-113. Educational training - expenditures. (4) Effective July 1, 1978 for budget years beginning on and after January 1, 1989, each district which has pupils of residence in the district attending the Colorado school for the deaf and the blind shall report and be entitled to support for such pupils pursuant to section 22-50-104 (1) and (2) COUNT SUCH PUPILS IN THE DISTRICT'S PUPIL ENROLLMENT PURSUANT TO SECTION 22-53-103 (7). No later than October 10 each year, the Colorado school for the deaf and the blind shall notify each district of residence in writing of the pupils' placement at the Colorado school for the deaf and the blind. The Colorado school for the deaf and the blind is entitled to receive, from the district of the pupils' residence DEPARTMENT OF EDUCATION, an amount equal to the authorized revenue base STATE AVERAGE PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (8), for the year next following such October 10 FOR THOSE STUDENTS IN ATTENDANCE. The Colorado school for the deaf and the blind shall bill the district of residence DEPARTMENT OF EDUCATION for the applicable portion of such amount at the conclusion of each
month during which such pupils continue to be placed at the Colorado school for the deaf and the blind.

Section 29. 23-8-102 (1) (b), Colorado Revised Statutes, as amended, is amended to read:

23-8-102. School districts conducting vocational education courses - eligibility for state funds. (1) (b) As vocational education program support, the state shall provide, to each school district conducting an approved vocational education program for each twelve-month period beginning July 1, eighty percent of the first one thousand two hundred fifty dollars, or part thereof, by which the district’s approved vocational education program cost per full-time equivalent student exceeds seventy percent of the district’s authorized revenue base PER PUPIL OPERATING REVENUES, AS DEFINED IN SECTION 22-53-103 (6), C.R.S., for the school budget year during which such twelve-month period begins. In addition, if the district’s approved vocational education cost per full-time equivalent student exceeds seventy percent of its authorized revenue base PER PUPIL OPERATING REVENUES by an additional amount in excess of one thousand two hundred fifty dollars, the state shall provide fifty percent of such additional amount.

Section 30. 24-10-115 (3), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

24-10-115. Authority for public entities other than the state to obtain insurance. (3) A public entity, other than the state and other than a school district, may establish and maintain an insurance reserve fund for self-insurance purposes and may include in the annual tax levy of the public entity such amounts as are determined by its governing body to be necessary for the uses and purposes of the insurance reserve fund, subject to the limitations imposed by section 29-1-301, C.R.S., or such public entity may appropriate from any unexpended balance in the general fund such amounts as the governing body shall deem necessary for the purposes and uses of the insurance reserve fund, or both. A school district shall establish and maintain an insurance reserve fund in accordance with the provisions of section 22-45-103 (1) (e), C.R.S., for liability and property damage self-insurance purposes, including workmen’s compensation pursuant to section 8-44-110 (2), C.R.S., using moneys allocated thereto pursuant to the provisions of section 22-53-108 (3) (c), C.R.S. The fund established pursuant to this subsection (3) shall be kept separate and apart from all other funds and shall be used only for the payment of administrative and legal expenses necessary for the operation of the fund and for the payment of claims against the public entity which have been settled or compromised or judgments rendered against the public entity for injury under the provisions of this article and for attorney fees and for the costs of defense of claims and to secure and pay for premiums on insurance as provided in this article.

Section 31. 29-1-506, Colorado Revised Statutes, 1986 Repl. Vol., is amended to read:

29-1-506. Continuing inventory. (1) The governing body of each county, city, city and county, incorporated town, school district, special purpose district, or other district designated by law as a political or local governmental subdivision of this state shall make or cause to be made an annual inventory
of property, both real and personal, belonging to such political subdivision; except that an inventory shall be required only with respect to items of property having an original cost of one hundred dollars or more unless such items having a value of less than one hundred dollars are required to be inventoried by directive of the state auditor.

(2) THE BOARD OF EDUCATION OF EACH SCHOOL DISTRICT SHALL MAKE OR CAUSE TO BE MADE AN ANNUAL INVENTORY OF PROPERTY, BOTH REAL AND PERSONAL, BELONGING TO SUCH SCHOOL DISTRICT; EXCEPT THAT AN INVENTORY SHALL BE REQUIRED ONLY WITH RESPECT TO ITEMS OF PROPERTY HAVING AN ORIGINAL COST OF THREE HUNDRED DOLLARS OR MORE UNLESS SUCH ITEMS HAVING A VALUE OF LESS THAN THREE HUNDRED DOLLARS ARE REQUIRED TO BE INVENTORIED BY DIRECTIVE OF THE STATE AUDITOR.

Section 32. 29-1-603 (1), Colorado Revised Statutes, 1986 Repl. Vol., is amended to read:

29-1-603. Audits required. (1) The governing body of each local government in the state shall cause to be made an annual audit of the financial affairs and transactions of all funds and activities of the local government for each fiscal year. Such audit shall be made as of the end of the fiscal year of the local government. Such audit shall include the school district general fund, bond redemption fund, and capital reserve fund, AND INSURANCE RESERVE FUND, as provided in section 22-45-103, C.R.S. Other school district funds shall comply with annual audit dates established by the state board of education in conjunction with the state auditor. AS PART OF THE AUDIT OF A SCHOOL DISTRICT, THE AUDITOR SHALL ENSURE THAT THE SCHOOL DISTRICT IS COMPLYING WITH THE PROVISIONS OF SECTION 22-44-204 (3), C.R.S., CONCERNING THE USE OF THE FINANCIAL POLICIES AND PROCEDURES HANDBOOK ADOPTED BY THE STATE BOARD OF EDUCATION. THE AUDIT REPORT SHALL CONTAIN A CALENDAR YEAR REPORT OF RECEIPTS AND EXPENDITURES OF EACH FUND WITH DESIGNATED PROGRAM REPORTS IN ACCORDANCE WITH THE FINANCIAL POLICIES AND PROCEDURES HANDBOOK. THE SUPPLEMENTAL SCHEDULES OF RECEIPTS AND EXPENDITURES FOR EACH FUND SHALL BE IN THE FORMAT PRESCRIBED BY THE STATE BOARD OF EDUCATION AND SHALL BE IN AGREEMENT WITH THE AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT. THE DEPARTMENT OF EDUCATION SHALL PROVIDE ASSISTANCE TO AUDITORS AND SCHOOL DISTRICTS IN IMPLEMENTING AND FOLLOWING THESE REQUIREMENTS. At the option of the governing body, audits may be made at more frequent intervals.

Section 33. 29-1-606 (1), Colorado Revised Statutes, 1986 Repl. Vol., is amended to read:

29-1-606. Submission of reports. (1) Each audit required by this part 6 shall be completed and the audit report thereon submitted by the auditor to the local government within six months after the close of the fiscal year of the local government. Such audit shall include the school district general fund, bond redemption fund, and capital reserve fund, AND INSURANCE
RESERVE FUND, as provided in section 22-45-103, C.R.S. Other school district audit reports are to be submitted to the state auditor seven months after audit dates established by the state board of education in conjunction with the state auditor.

Section 34. 29-13-101 (3), Colorado Revised Statutes, 1986 Repl. Vol., is amended to read:

29-13-101. Insurance on property of local governments. (3) A unit of local government OTHER THAN A SCHOOL DISTRICT may establish and maintain an insurance reserve fund for self-insurance purposes and may include in the annual tax levy of the local government such amounts as are determined by its governing body to be necessary for the uses and purposes of the insurance reserve fund, subject to the limitations imposed by section 29-1-301. In the event that a local government has no annual tax levy, it may appropriate from any unexpended balance in the general fund such amounts as the governing body shall deem necessary for the purposes and uses of the insurance reserve fund. A SCHOOL DISTRICT SHALL ESTABLISH AND MAINTAIN AN INSURANCE RESERVE FUND IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-45-103 (1) (e), C.R.S., USING MONEYS ALLOCATED THERETO PURSUANT TO THE PROVISIONS OF SECTION 22-53-108 (3) (c), C.R.S. The fund established pursuant to this subsection (3) shall be kept separate and apart from all other funds and shall be used only for the payment of loss of or damage to the property of the unit of local government or to secure and pay for premiums on insurance as provided in this article.

Section 35. 30-1-102 (1) (a) and (1) (c), Colorado Revised Statutes, 1986 Repl. Vol., are amended to read:

30-1-102. Fees of county treasurer. (1) (a) Upon all moneys received by him for town and city taxes, whether such towns or cities are incorporated under the general laws or by special charter, and anything in said charter to the contrary notwithstanding, and upon all school taxes in counties of the first class, one percent; in counties of the second class, one percent; in counties of every other class, one percent on school taxes and two percent on town and city taxes; except that a collection fee not exceeding one-half of one percent shall be charged as provided in section 22-50-114 22-53-126, C.R.S., and no collection fee shall be charged on other school taxes exempt by law from said collection fees;

(c) For receiving all moneys other than taxes, one percent, except moneys received from all federal funds derived from any and all sources. No collection fees shall be charged upon any moneys collected and distributed under the provisions of sections 22-50-105 and 22-50-112 to 22-50-144 22-53-114, 22-53-116, AND 22-53-122, C.R.S., or upon other school moneys exempt by law from said collection fees.

Section 36. 39-1-111 (1), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended to read:

39-1-111. Taxes levied by board of county commissioners. (1) No later than December 1 in each year, except when a school district is conducting an election to establish a local revenue base SEEKING AUTHORIZATION FOR ADDITIONAL LOCAL REVENUES PURSUANT TO SECTION
22-53-117, C.R.S., FOR THE CREATION OF BONDED INDEBTEDNESS, FOR AN INSTALLMENT PURCHASE AGREEMENT OR LEASE AGREEMENT PURSUANT TO SECTION 22-45-103 (1) (c) (II.5), C.R.S., OR FOR THE IMPOSITION OR INCREASE OF A LEVY FOR THE SPECIAL BUILDING FUND UNDER SECTION 22-40-102 (1.5), C.R.S., and is making certification under the provisions of section 22-40-102 (1); C.R.S., or when a county, city, town, or special district is conducting an election for an increased property tax levy and is making certification under the provisions of section 39-5-128 (1), the board of county commissioners in each county of the state, or such other body in the city and county of Denver as shall be authorized by law to levy taxes, shall, by an order to be entered in the record of its proceedings, levy against the valuation for assessment of all taxable property located in the county on the assessment date, and in the various towns, cities, school districts, and special districts within such county, the requisite property taxes for all purposes required by law.

Section 37. 39-5-132 (5), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended to read:

39-5-132. Assessment and taxation of new construction. (5) Moneys received by a school district pursuant to this section shall be deposited in the district’s capital reserve fund, and shall not be included in calculating the amount of revenue which a district is entitled to receive from the property tax levy for the general fund of the district under the “Public School Finance Act of 1973 1988”, article 50 53 of title 22, C.R.S.

Section 38. 39-10-103 (2), Colorado Revised Statutes, 1982 Repl. Vol., is amended to read:

39-10-103. Tax statement. (2) Each person whose name appears on the tax list and warrant shall be informed in writing of the actual school district general fund mill levy and the school district general fund mill levy in absence of funds estimated to be received by school districts pursuant to the “Public School Finance Act of 1973 1988”, article 50 53 of title 22, C.R.S., 1973; and the estimated funds to be received for the general funds of districts from the state.

Section 39. Repeal. 22-40-102 (4), 22-44-102 (4) (b) and (4) (c), 22-44-205, 22-45-108 (2), 22-50-107, and 22-50-108, Colorado Revised Statutes, as amended, are repealed.

Section 40. Title 22, Colorado Revised Statutes, as amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 28
Preschool Program for Language Development

22-28-101. Short title. This article shall be known and may be cited as the “Colorado Preschool Program for Language Development Act”.

22-28-102. Legislative declaration. The general assembly hereby finds, determines, and declares that there are substantial numbers of children in this state entering kindergarten and the primary grades who are in need of language development. The general assembly further finds that early school failure may ultimately cause such children to drop out of school at an early
age, fail to achieve their full potential, become dependent upon public assistance, or become involved in criminal activities. By enacting this article, the general assembly acknowledges the need to help develop the language skills of all children even if such a commitment necessitates the establishment of district preschool programs in selected school districts. In establishing such programs, the general assembly encourages school districts and parents to work together to ensure that the children benefit from such programs.

22-28-103. Definitions. As used in this article, unless the context otherwise requires:

(1) “Board of education” means the board of education of a school district.

(2) “Child care agency” means a facility defined as a child care center pursuant to the provisions of section 26-6-102 (1) (a), C.R.S.

(3) “Department” means the department of education.

(4) “District advisory council” means the district preschool program advisory council established by a school district pursuant to the provisions of section 22-28-105.

(5) “District preschool program” means a preschool program established by a school district pursuant to the provisions of section 22-28-107.

(6) “Head start agency” means the local public or private nonprofit agency designated by the federal department of health and human services to operate a head start program under the provisions of title V of the federal “Economic Opportunity Act of 1964”, as amended.

(7) “Parent” includes a legal guardian or any other person who has physical custody of the child.

(8) “School district” means any public school district organized under the laws of Colorado, except a junior college district.

(9) “State pilot preschool program” means all the district preschool programs established within this state pursuant to the provisions of this article.

22-28-104. Establishment of preschool program in public schools.
(1) There is hereby established a state pilot preschool program, which shall be implemented in selected school districts beginning in January of 1989. The purposes of the program are:

(a) To identify four-year- and five-year-old children who are in need of language development and who would benefit from participation in the state pilot preschool program;

(b) To determine the school districts in which participation in the state pilot preschool program would be the most beneficial;

(c) To establish criteria to be followed by school districts in establishing district preschool programs; and

(d) To encourage parents to participate with their children in district preschool programs.

(2) The number of children that may participate in the state pilot preschool program in any one year shall not exceed two thousand.
(3) Any school district which participates in the state pilot preschool program shall be entitled to count children enrolled in the district preschool program in accordance with the provisions of section 22-53-103 (7) for purposes of determining pupil enrollment under the “Public School Finance Act of 1988”, article 53 of this title.

(4) Nothing in this article shall be construed to require school districts to participate in the state pilot preschool program, nor shall anything in this article be construed to prohibit school districts from establishing and maintaining other preschool programs using any funds available for such purpose, but children enrolled in such preschool programs shall not be counted for purposes of determining pupil enrollment under the “Public School Finance Act of 1988”, article 53 of this title.

22-28-105. District preschool program advisory council - duties. (1) Any school district wishing to participate in the state pilot preschool program shall establish a district preschool program advisory council consisting of the superintendent of the school district or his designee and such other members as the superintendent of the school district may appoint. The appointed members may include, but shall not be limited to, representatives from the following: The county or district department of health; the county department of social services; the county agency involved in job services and training; the head start agency located in the school district; child care agencies located in the school district; and parents of preschool children residing in the school district. The members appointed by the superintendent of the school district shall serve for two-year terms, and any vacancy among the appointed members shall be filled by appointment by the superintendent for the unexpired term. The superintendent of the school district shall serve as chairman of the district advisory council.

(2) The district advisory council shall:

(a) Develop and recommend to the board of education the school district plan for identifying those children in the school district that would be eligible for participation in the district preschool program based upon the criteria established in section 22-28-106 (1) (a);

(b) Recommend to the board of education a plan for operating the district preschool program, including whether the program should be provided by the district itself or provided, in whole or in part, by a head start agency or by child care agencies under contract with the district;

(c) Recommend to the board of education a proposal for the district preschool program to be submitted to the department pursuant to the provisions of section 22-28-107 (1);

(d) Assist the school district in the implementation of the district preschool program;

(e) Develop and recommend to the board of education, if appropriate, a plan for coordinating the district preschool program with extended day services for children participating in the program and their families in order to achieve an increased efficiency in the services provided;

(f) Recommend to the board of education a plan for the annual evaluation of the district preschool program; and
(g) Provide any other appropriate assistance to the school district in the implementation of the district preschool program.

22-28-106. Eligibility of children for participation in district program. 
(1) (a) The department shall establish, by rule and regulation, criteria for each school district to use in determining which children in the district shall be eligible for participation in the district preschool program, subject to the following requirements:

   (I) No child shall participate in the district preschool program unless he is four or five years old and would be eligible to enroll in kindergarten in the following academic year.

   (II) No child shall participate in the district preschool program unless he is in need of language development, including but not limited to the ability to speak English, or development in syntax, vocabulary, and language comprehension.

   (III) No child shall participate in the district preschool program unless one or both of his parents agree to assume all the parental responsibilities established by the school district pursuant to section 22-28-110 with respect to the program.

   (IV) Any child qualifying for similar district services under other programs would continue to be eligible only for such services and would be funded under such programs.

(b) The department may establish criteria so that any or all of the following may be considered:

   (I) The educational background of the child's parents or other family members, including but not limited to the number of years of education, attendance record, and academic performance; and

   (II) The self-confidence of the child and the ability of the child to take part in social activities.

(2) Any school district electing to begin its district preschool program in January of 1989 shall establish with the department the number of children in the program that will be counted for the purposes of pupil enrollment under the "Public School Finance Act of 1988", article 53 of this title. Any school district electing to begin its district preschool program in the fall of 1989 shall determine the number of children in the program that will be counted for the purposes of pupil enrollment in a manner consistent with rules and regulations adopted by the department for the implementation of this article.

22-28-107. Eligibility of school districts for participation in state pilot program. (1) By September 15, 1988 and by a date to be determined by rule and regulation of the department for each year thereafter any school district may apply to the department for participation in the state pilot preschool program using forms provided by the department. Along with the application, the school district shall submit a proposal for the implementation of its district preschool program, which shall include, but need not be limited to, the following information requested by the department:
(a) The number of eligible children to be served in the district preschool program;

(b) Whether the district preschool program will be a nine-month or twelve-month program;

(c) Whether the district preschool program will be provided by the school district itself or provided, in whole or in part, by a head start agency or one or more child care agencies under contract with the school district;

(d) If the district preschool program is to be provided by the school district:

(I) The number of schools in the school district that would be involved in the district preschool program;

(II) The number of additional personnel needed to staff the district preschool program;

(III) The training program for preschool teachers;

(e) If the district preschool program is to be provided, in whole or in part, by a head start agency or child care agencies under contract with the school district:

(I) The head start agency or child care agencies with which the school district will contract;

(II) The terms of the contracts;

(III) The procedure to be used to monitor the district preschool program being provided to the school district by the head start agency or child care agencies;

(f) The extended day services, if any, to be provided in connection with the district preschool program;

(g) The plan for involving parents and the community in the district preschool program; and

(h) The procedure to be followed to evaluate the current and follow-on effectiveness of the district preschool program.

(2) The department shall establish, by rule and regulation, criteria for determining which school districts shall be eligible for participation in the state pilot preschool program. The department may consider any or all of the following:

(a) The number of eligible children to be served by the district preschool program;

(b) The number of schools in the school district or the number of head start agencies or child care agencies that would be involved in the district preschool program;

(c) The dropout rate of the school district;

(d) The test scores of children in kindergarten and the primary grades within the school district;
(e) The community involvement in the school district; and

(f) The demographic and geographic distribution of districts making application for or participating in the program throughout the state.

(3) The department shall evaluate each school district's application, using the criteria established pursuant to subsection (2) of this section as well as the proposal of the district for the implementation of the district preschool program based upon the criteria established pursuant to section 22-28-108. By November 1, 1988 and by a date to be determined by rule and regulation of the department for each year thereafter the department shall determine the school districts that have been accepted for participation in the state pilot preschool program. To comply with the limitations on the number of children that may participate in the state pilot preschool program, the department shall set for each participating school district the maximum number of pupils in the district preschool program.

22-28-108. Criteria for district preschool programs. (1) The department shall establish, by rule and regulation, criteria for school districts to use in establishing district preschool programs, subject to the following requirements:

(a) The maximum number of pupils in a district preschool program shall not exceed the number set by the department pursuant to section 22-28-107 (3).

(b) The maximum number of pupils in a preschool class shall not exceed fifteen.

(c) Preschool classes shall be held for the equivalent of four half days per week with the remaining time being used for home visits by preschool teachers, teacher training as needed, workshops with other preschool teachers, and planning sessions with kindergarten teachers and other school staff.

(d) Preschool classes shall be supplemented by teaching activities in the home between each pupil and the pupil's parent. An individual teaching plan shall be created for the pupil by his preschool teacher, and the school district shall provide the parent with the books and other materials necessary to carry out such teaching plan.

(2) In addition to the criteria established pursuant to subsection (1) of this section, the department shall establish, by rule and regulation, additional criteria for school districts to use in establishing district preschool programs that will be provided, in whole or in part, by a head start agency or child care agencies in accordance with the provisions of section 22-28-109.

(3) In establishing criteria for district preschool programs relating to qualifications for preschool teachers, the department shall not require preschool teachers to be certificated pursuant to article 60 of this title but shall allow the district or a head start agency or child care agency to employ a noncertificated preschool teacher so long as said teacher meets other qualifications established by the department.

(4) The criteria established by the department shall be made available to each school district no later than August 1 of each year and shall be used by the district advisory council and the school district in drawing up the
district preschool program proposal to be submitted with the school district's application for participation in the state pilot preschool program.

(5) Any school district whose district preschool program proposal does not meet the requirements of the department shall be allowed to modify its proposal so that it meets said requirements. Notice to the department of said modifications shall be a prerequisite to final acceptance in the state pilot preschool program.

(6) At any time during the year, the department may request from a school district any information about its district preschool program that the department deems necessary to ensure that said district is complying with the requirements of this section.

22-28-109. District preschool programs provided by a head start agency or child care agencies. (1) The board of education of any school district may provide that the district preschool program be contracted out, in whole or in part, to a head start agency or one or more child care agencies located in the school district. In making its determination on whether to contract out the district preschool program, the board of education shall consider the recommendation of the district advisory council along with the following:

(a) Whether there is an established preschool program being provided by the school district or by a head start agency or one or more child care agencies that could be expanded or modified to include the district preschool program;

(b) Whether the district preschool program could be provided more efficiently by a head start agency or one or more child care agencies while still maintaining a quality program;

(c) Whether the head start agency or the child care agencies could provide a district preschool program that would meet the criteria established by the department pursuant to the provisions of section 22-28-108 (1) and (2);

(d) Whether the school district or the head start agency or child care agencies providing the district preschool program could also provide extended day services for children enrolled in the program in need of such services.

(2) No board of education shall contract out the district preschool program unless the board is assured that the head start agency or child care agency will provide a quality program meeting the requirements of section 22-28-108 (1) and (2). At any time during the year, the board may request from the agency any information about the program that the board deems necessary to ensure that the agency is complying with said requirements. In addition, the board of education shall ensure that the services provided by the head start agency or child care agency with respect to the district preschool program shall be in addition to services then currently provided by said agency and that the moneys transmitted to said agency for the services provided in the district preschool program shall not supplant moneys available to fund other services provided by said agency.

(3) If the district preschool program is contracted out pursuant to the provisions of subsection (1) of this section, the board of education and the
head start agency or child care agencies shall develop a plan for the transition of children from the preschool program to kindergarten.

22-28-110. Parental involvement in district preschool programs. In establishing criteria for district preschool programs pursuant to the provisions of section 22-28-108, the department shall include guidelines for a school district to follow in establishing the responsibilities of parents in the district preschool program. Said responsibilities shall be set forth in writing and provided to the parents of eligible children. Approved written or verbal communication between the parent and program personnel may be considered as fulfillment of responsibilities for program visitation. No child shall be accepted in the district preschool program unless one or both of the parents agree to assume said responsibilities, and failure of the parent or parents to fulfill said responsibilities shall result in the child's being dismissed from the program.

22-28-111. Coordination of district preschool program with extended day services. (1) Any school district which establishes a district preschool program may coordinate the program with extended day services if the district advisory council and the school district find that there exists a need for such services. Such services may be provided by the school district establishing the district preschool program or by a head start agency or one or more child care agencies.

(2) The extended day services program shall be funded from fees charged to parents or from public or private funds, or from both. If the school district or the head start agency or child care agency providing the extended day services program meets eligibility requirements, it may seek and expend, on its own behalf or on behalf of the child's parents, public and private funds available for extended day services, including, but not limited to, social services funds, job training funds, and funds from private companies and charitable organizations.

22-28-112. Reports to general assembly. Based upon evaluations of district preschool programs, the department shall make a preliminary report to the general assembly in January of 1990 on the implementation of the state pilot preschool program and shall make a report in January of 1991 and each January thereafter on the effectiveness of the program. The department is authorized to request from any participating school district such information and data as may be necessary to make such reports.

22-28-113. Repeal of article. This article is repealed, effective July 1, 1993.

Section 41. 26-6-102 (1) (a), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended to read:

26-6-102. Definitions. (1) (a) "Child care center" means a facility, by whatever name known, which is maintained for the whole or part of a day for the care of five or more children under the age of sixteen years and not related to the owner, operator, or manager thereof, whether such facility is operated with or without compensation for such care and with or without stated educational purposes. The term includes facilities commonly known as day care centers, day nurseries, nursery schools, kindergartens, preschools, play groups, day camps, summer camps, and centers for developmentally
disabled children and those facilities which give twenty-four-hour care for dependent and neglected children and includes those facilities for children under the age of six years with stated educational purposes operated in conjunction with a public, private, or parochial college or a private or parochial school; except that the term shall not apply to any kindergarten maintained in connection with a public, private, or parochial elementary school system of at least six grades OR TO ANY PRESCHOOL ESTABLISHED PURSUANT TO THE PROVISIONS OF ARTICLE 28 OF TITLE 22, C.R.S., WHICH IS MAINTAINED IN CONNECTION WITH A PUBLIC SCHOOL SYSTEM OF AT LEAST SIX GRADES SO LONG AS THE SCHOOL SYSTEM IS NOT ALSO PROVIDING EXTENDED DAY SERVICES. The term shall not include any facility licensed as a family care home under the provisions of this article.

Section 42. Repeal. 22-32-118 (2) (d), Colorado Revised Statutes, as amended, is repealed.

Section 43. Appropriation. 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 education, for the fiscal year beginning July 1, 1988, the sum of eight hundred fifty thousand dollars ($850,000), or so much thereof as may be necessary, for the implementation of section 40 of this act for the portion of the 1988-89 academic year beginning in January of 1989.

Section 44. Effective date. This act shall take effect upon passage; except that sections 3, 6, 7, 8, 14, 16, 25, and 29 of the act shall take effect January 1, 1989.

Section 45. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 24, 1988