

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 10-0975.01 Nicole Myers

**HOUSE BILL 10-1369**

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**HOUSE SPONSORSHIP**

**Scanlan and Pommer,**

**SENATE SPONSORSHIP**

**Bacon,**

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**House Committees**

Education  
Appropriations  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

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

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**Bill Summary**

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

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

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

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

HOUSE  
3rd Reading Unamended  
March 22, 2010

HOUSE  
Amended 2nd Reading  
March 19, 2010

a -0.6% inflation rate plus one percentage point.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (g) (I) FOR THE 2010-11 AND 2011-12 BUDGET YEARS, THE  
22 GENERAL ASSEMBLY DETERMINES THAT STABILIZATION OF THE STATE

1 BUDGET REQUIRES A REDUCTION IN THE AMOUNT OF THE ANNUAL  
2 APPROPRIATION TO FUND THE STATE'S SHARE OF TOTAL PROGRAM FUNDING  
3 FOR ALL DISTRICTS AND THE FUNDING FOR INSTITUTE CHARTER SCHOOLS.  
4 THEREFORE, FOR THE 2010-11 AND 2011-12 BUDGET YEARS, THE  
5 DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL  
6 SHALL DETERMINE THE AMOUNT OF SUCH REDUCTION TO ENSURE THAT  
7 THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING  
8 THE FUNDING FOR INSTITUTE CHARTER SCHOOLS, FOR THE 2010-11 AND  
9 2011-12 BUDGET YEARS IS NOT LESS THAN FIVE BILLION FOUR HUNDRED  
10 THIRTY-EIGHT MILLION TWO HUNDRED NINETY-FIVE THOUSAND EIGHT  
11 HUNDRED TWENTY-THREE DOLLARS, WHICH IS TWO HUNDRED SIXTY  
12 MILLION DOLLARS LESS THAN THE SUM OF THE INITIAL TOTAL PROGRAM  
13 FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR INSTITUTE  
14 CHARTER SCHOOLS, FOR THE 2009-10 BUDGET YEAR. THE DEPARTMENT  
15 OF EDUCATION SHALL IMPLEMENT THE REDUCTION IN TOTAL PROGRAM  
16 FUNDING THROUGH THE APPLICATION OF A STATE BUDGET STABILIZATION  
17 FACTOR AS PROVIDED IN THIS PARAGRAPH (g).

18 (II) FOR THE 2010-11 AND 2011-12 BUDGET YEARS, THE  
19 DEPARTMENT OF EDUCATION SHALL:

20 (A) CALCULATE THE STATE BUDGET STABILIZATION FACTOR FOR  
21 THE 2010-11 AND 2011-12 BUDGET YEARS BY DIVIDING THE REDUCTION  
22 IN TOTAL PROGRAM FUNDING FOR THE 2010-11 AND 2011-12 BUDGET  
23 YEARS, AS SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (g), BY  
24 THE SUM OF THE TOTAL PROGRAM FUNDING AMOUNTS OF ALL DISTRICTS,  
25 INCLUDING THE FUNDING FOR INSTITUTE CHARTER SCHOOLS, FOR THE  
26 2010-11 AND 2011-12 BUDGET YEARS; AND

27 (B) CALCULATE EACH DISTRICT'S AND EACH INSTITUTE CHARTER

1 SCHOOL'S STATE BUDGET STABILIZATION REDUCTION AMOUNT BY  
2 MULTIPLYING THE STATE BUDGET STABILIZATION FACTOR BY THE  
3 DISTRICT'S TOTAL PROGRAM FUNDING CALCULATED PURSUANT TO  
4 SUBSECTION (2) OF THIS SECTION FOR THE 2010-11 BUDGET YEAR FOR THE  
5 DISTRICT AND FOR ANY INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE  
6 DISTRICT.

7 (III) FOR THE 2010-11 AND 2011-12 BUDGET YEARS, EXCEPT AS  
8 OTHERWISE PROVIDED IN SUBPARAGRAPHS (IV) AND (V) OF THIS  
9 PARAGRAPH (g), A DISTRICT'S TOTAL PROGRAM SHALL BE THE GREATER OF:

10 (A) THE AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF  
11 THIS SECTION FOR THE 2010-11 OR 2011-12 BUDGET YEAR, INCLUDING  
12 FUNDING FOR ANY INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE  
13 DISTRICT, MINUS THE DISTRICT'S STATE BUDGET STABILIZATION  
14 REDUCTION AMOUNT FOR THE 2010-11 OR 2011-12 BUDGET YEAR; OR

15 (B) AN AMOUNT EQUAL TO THE BASE PER PUPIL FUNDING AMOUNT  
16 SPECIFIED IN PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION FOR THE  
17 2010-11 OR 2011-12 BUDGET YEAR MULTIPLIED BY THE DISTRICT'S  
18 FUNDED PUPIL COUNT FOR THE 2010-11 OR 2011-12 BUDGET YEAR.

19 (IV) FOR THE 2010-11 AND 2011-12 BUDGET YEARS, THE TOTAL  
20 PROGRAM FUNDING FOR A DISTRICT THAT LEVIES THE NUMBER OF MILLS  
21 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (II) SHALL BE THE  
22 AMOUNT CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR  
23 THE 2010-11 OR 2011-12 BUDGET YEAR. THE STATE BUDGET  
24 STABILIZATION REDUCTION FOR ANY SUCH DISTRICT SHALL BE  
25 SUBTRACTED FROM THE AMOUNT OF ADDITIONAL PROPERTY TAX  
26 REVENUES THAT THE DISTRICT IS AUTHORIZED TO RAISE AND EXPEND FOR  
27 THE 2010-11 OR 2011-12 BUDGET YEAR PURSUANT TO SECTION 22-54-108

1 AND AS SPECIFIED IN SECTION 22-54-108 (5) (a).

2 (V) IN ANY BUDGET YEAR IN WHICH THE PROVISIONS OF THIS  
3 PARAGRAPH (g) APPLY, IF A DISTRICT LEVIES THE NUMBER OF MILLS  
4 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (I) AND THE  
5 DISTRICT'S STATE BUDGET STABILIZATION REDUCTION AMOUNT EXCEEDS  
6 THE DISTRICT'S STATE SHARE OF TOTAL PROGRAM FUNDING, SUCH  
7 DISTRICT'S TOTAL PROGRAM FUNDING SHALL BE THE AMOUNT  
8 CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR THE  
9 APPLICABLE BUDGET YEAR MINUS THE DISTRICT'S STATE AID. ANY  
10 REMAINING STATE BUDGET STABILIZATION REDUCTION AMOUNT FOR THE  
11 DISTRICT SHALL BE SUBTRACTED FROM THE AMOUNT OF ADDITIONAL  
12 PROPERTY TAX REVENUES THAT THE DISTRICT IS AUTHORIZED TO RAISE  
13 AND EXPEND FOR THE APPLICABLE BUDGET YEAR PURSUANT TO SECTION  
14 22-54-108 AND AS SPECIFIED IN SECTION 22-54-108 (5) (b).

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

17 **22-54-104. District total program.** (4.5) A district's on-line  
18 funding shall be determined in accordance with the following formulas:

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

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

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

1 for the 2007-08 budget year, as specified in subparagraph (XIV) of  
2 paragraph (a) of subsection (5) of this section. Such amount shall be  
3 rounded to the nearest dollar.

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

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

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

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

27 (District ASCENT program pupil enrollment x \$6,135, or an

1 amount determined pursuant to paragraph (b) of this subsection  
2 (4.7))

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

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

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



1 PURSUANT TO THIS PARAGRAPH (c) FOR ASCENT PROGRAM FUNDING; OR  
2 (II) AN AMOUNT EQUAL TO THE BASE PER PUPIL FUNDING AMOUNT  
3 SPECIFIED IN PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION FOR THE  
4 APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT'S ASCENT  
5 PROGRAM PUPIL ENROLLMENT FOR THE APPLICABLE BUDGET YEAR.

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

8 **22-54-106. Local and state shares of district total program.**

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

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

18 (B) REGARDLESS OF THE APPLICABILITY OF SECTION 22-54-104 (5)  
19 (g), FOR THE PURPOSES OF THIS SUBPARAGRAPH (II), A DISTRICT'S TOTAL  
20 PROGRAM SHALL BE THE AMOUNT CALCULATED PURSUANT TO SECTION  
21 22-54-104 (2).

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

25 **22-54-108. Authorization of additional local revenues.**

26 (3) (b) (II) (A) Effective July 1, 2002, AND SUBJECT TO THE PROVISIONS  
27 OF SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (II), the total

1 additional local property tax revenues that may be received pursuant to  
2 elections held pursuant to this section shall not exceed under any  
3 circumstances twenty percent of the district's total program, as determined  
4 pursuant to section 22-54-104 (2), or two hundred thousand dollars,  
5 whichever is greater, plus an amount equal to the maximum dollar  
6 amount of property tax revenue that the district could have generated for  
7 the 2001-02 budget year if, in accordance with the provisions of section  
8 22-54-107.5, the district submitted a question to and received approval of  
9 the eligible electors of the district at an election held in November 2001.

10 (B) REGARDLESS OF THE APPLICABILITY OF SECTION 22-54-104 (5)  
11 (g), FOR THE PURPOSES OF THIS SUBPARAGRAPH (II), A DISTRICT'S TOTAL  
12 PROGRAM SHALL BE THE AMOUNT CALCULATED PURSUANT TO SECTION  
13 22-54-104 (2).

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

27 (B) REGARDLESS OF THE APPLICABILITY OF SECTION 22-54-104 (5)

1 (g), FOR PURPOSES OF THIS SUBPARAGRAPH (III), A DISTRICT'S TOTAL  
2 PROGRAM SHALL BE THE AMOUNT CALCULATED PURSUANT TO SECTION  
3 22-54-104 (2).

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

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

1 (5) (g) (V).

2 **SECTION 7.** 22-41-102 (3) (a), Colorado Revised Statutes, is  
3 amended to read:

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

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

22 **36-1-116. Disposition of rentals, royalties, and timber sale**  
23 **proceeds.** (1) (a) (II) (A) Except as provided in sub-subparagraph (B)  
24 of this subparagraph (II), for the ~~2008-09~~ 2010-11 state fiscal year and  
25 each state fiscal year thereafter, the ~~first eleven million dollars of~~  
26 proceeds received by the state for the sale of timber on public school  
27 lands, rental payments for the use and occupation of the surface of said

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

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

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

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

1 (c) The general fund appropriation for public school finance, state  
2 share of districts' total program funding, is decreased by three hundred  
3 sixty-five million four hundred eleven thousand three hundred thirteen  
4 dollars (\$365,411,313).

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

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

18 (f) The cash funds appropriation for public school finance,  
19 hold-harmless full-day kindergarten funding, is decreased by four  
20 hundred eighty-seven thousand nine hundred sixty-four dollars  
21 (\$487,964). Said sum shall be from the state education fund created in  
22 section 17 (4) (a) of article IX of the state constitution.

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

1 pursuant to section 36-1-116 (1) (a), Colorado Revised Statutes.

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

9 (i) The cash funds appropriation for grant programs, distributions,  
10 and other assistance, facility school funding, is decreased by one million  
11 one hundred twenty thousand nine hundred twenty-three dollars  
12 (\$1,120,923). Said sum shall be from the state education fund created in  
13 section 17 (4) (a) of article IX of the state constitution.

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

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

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

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

1 (\$13,439) .

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

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