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ELECTIONS / LICENSING
DEPARTMENT OF STATE

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Proposed initiative measure 2005-2006 #43
Resubmission with changes

Be it Enacted by the People of the State of Colorado that there shall be a requirement for Colorado School Districts to allocate at least 65% of operational expenditures on direct classroom instruction. "Instruction" shall include activities dealing directly with interaction between students and teachers, or other classroom and instructional personnel, special education instruction, tutors, books, classroom computers, general instruction supplies, instructional aides, libraries and librarians, athletics, and class activities such as field trips, arts, music and multi-disciplinary learning.

Single subject of the proposed initiative

Requirement for Colorado School Districts to allocate at least 65% of operational money to classroom instruction.

Statute text with proposed changes

Section 17. Education – Funding. (1) Purpose. In state fiscal year 2001-2002 through state fiscal year 2010-2011, the statewide base per pupil funding, as defined by the Public School Finance Act of 1994, article 54 of title 22, Colorado Revised Statutes on the effective date of this section, for public education from preschool through the twelfth grade and total state funding for all categorical programs shall grow annually at least by the rate of inflation plus an additional one percentage point. In state fiscal year 2011-2012, and each fiscal year thereafter, the statewide base per pupil funding for public education from preschool through the twelfth grade and total state funding for all categorical programs shall grow annually at a rate set by the general assembly that is at least equal to the rate of inflation IN STATE FISCAL YEAR 2007-2008 AND IN EACH STATE FISCAL YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL SPEND AT LEAST SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON CLASSROOM INSTRUCTION EXPENDITURES.

(2) Definitions. For purposes of this section: (a) "Categorical programs" include transportation programs, English language proficiency programs, expelled and at-risk student programs, special education programs (including gifted and talented programs), suspended student programs, vocational education programs, small attendance centers, comprehensive health education programs, and other current and future accountable programs specifically identified in statute as a categorical program.

(a.5) "CLASSROOM INSTRUCTION EXPENDITURES" MEANS EXPENDITURES DIRECTLY RELATED TO CLASSROOM INSTRUCTION, INCLUDING BUT NOT LIMITED TO INSTRUCTIONAL STAFF AND INSTRUCTIONAL MATERIALS. "CLASSROOM INSTRUCTION EXPENDITURES" SHALL INCLUDE ACTIVITIES DEALING DIRECTLY WITH INTERACTION BETWEEN STUDENTS AND TEACHERS, OR OTHER CLASSROOM AND INSTRUCTIONAL PERSONNEL, SPECIAL EDUCATION INSTRUCTION, TUTORS, BOOKS, CLASSROOM COMPUTERS, GENERAL INSTRUCTION SUPPLIES, INSTRUCTIONAL AIDES, LIBRARIES AND LIBRARIANS, AND CLASS ACTIVITIES SUCH AS FIELD TRIPS, ATHLETICS, ARTS, MUSIC, AND MULTI-DISCIPLINARY LEARNING.

(b) "Inflation" has the same meaning as defined in article X, section 20, subsection (2), paragraph (f) of the Colorado constitution.

(c) "OPERATIONAL EXPENDITURES" MEANS ALL EXPENDITURES MADE BY A SCHOOL DISTRICT OTHER THAN EXPENDITURES FOR CAPITAL CONSTRUCTION OR DEBT OR BOND PAYMENTS, INCLUDING BUT NOT LIMITED TO PAYMENT OF INTEREST ON DEBT OR BONDS.

(3) **Implementation.** In state fiscal year 2001-2002 and each fiscal year thereafter, the general assembly may annually appropriate, and school districts may annually expend, monies from the state education fund created in subsection (4) of this section. Such appropriations and expenditures shall not be subject to the statutory limitation on general fund appropriations growth, the limitation on fiscal year spending set forth in article X, section 20 of the Colorado constitution, or any other spending limitation existing in law.

(4) **State Education Fund Created.** (a) There is hereby created in the department of the treasury the state education fund. Beginning on the effective date of this measure, all state revenues collected from a tax of one third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined in law, shall be deposited in the state education fund. Revenues generated from a tax of one third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined in law, shall not be subject to the limitation on fiscal year spending set forth in article X, section 20 of the Colorado constitution. All interest earned on monies in the state education fund shall be deposited in the state education fund and shall be used before any principal is depleted. Monies remaining in the state education fund at the end of any fiscal year shall remain in the fund and not revert to the general fund.

(b) In state fiscal year 2001-2002, and each fiscal year thereafter, the general assembly may annually appropriate monies from the state education fund. Monies in the state education fund may only be used to comply with subsection (1) of this section and for accountable education reform, for accountable programs to meet state academic standards, for class size reduction, for expanding technology education, for improving student safety, for expanding the availability of preschool and kindergarten programs, for performance incentives for teachers, for accountability reporting, or for public school building capital construction.

(5) **Maintenance of Effort.** Monies appropriated from the state education fund shall not be used to supplant the level of general fund appropriations existing on the effective date of this section for total program education funding under the Public School Finance Act of 1994, article 54 of title 22, Colorado Revised Statutes, and for categorical programs as defined in subsection (2) of this section. In state fiscal year 2001- 2002 through state fiscal year 2010-2011, the general assembly shall, at a minimum, annually increase the general fund appropriation for total program under the "Public School Finance Act of 1994," or any successor act, by an amount not below five percent of the prior year general fund appropriation for total program under the "Public School Finance Act of 1994," or any successor act. This general fund growth requirement shall not apply in any fiscal year in which Colorado personal income grows less than four and one half percent between the two previous calendar years.

(6) **CLASSROOM INSTRUCTION EXPENDITURES.** (a) IN STATE FISCAL YEAR 2007-2008 AND IN EACH STATE FISCAL YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL SPEND AT LEAST SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON CLASSROOM INSTRUCTION EXPENDITURES.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (6), IF IN THE STATE FISCAL YEAR 2006-2007, A SCHOOL DISTRICT SPENDS LESS THAN SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON CLASSROOM INSTRUCTION EXPENDITURES, THE SCHOOL DISTRICT SHALL INCREASE ITS CLASSROOM INSTRUCTION EXPENDITURES BY TWO PERCENT OF ITS OPERATIONAL EXPENDITURES IN EACH STATE FISCAL YEAR UNTIL ITS

CLASSROOM INSTRUCTION EXPENDITURES REACH SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES.

(c) IN A STATE FISCAL YEAR IN WHICH A SCHOOL DISTRICT DETERMINES THAT IT CANNOT MEET THE REQUIREMENTS OF EITHER PARAGRAPH (a) OR (b) OF THIS SUBSECTION (6), THE SCHOOL DISTRICT MAY REQUEST A RENEWABLE, ONE-YEAR WAIVER OF THE REQUIREMENTS FROM THE STATE BOARD OF EDUCATION. WITHIN FORTY-FIVE DAYS AFTER RECEIPT OF A REQUEST, THE GOVERNOR OF THE STATE OF COLORADO SHALL EITHER GRANT OR DENY THE REQUESTED WAIVER.

(d) THE GENERAL ASSEMBLY MAY ENACT SANCTIONS FOR A SCHOOL DISTRICT THAT FAILS TO COMPLY WITH THE PROVISIONS OF THIS SUBSECTION (6).

Proponents

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