

**Colorado Department of Education**

# **LEGISLATIVE**

# **SUMMARY**

# **2002**



**Sixty-Third General Assembly, Second Regular Session**

**COLORADO DEPARTMENT OF EDUCATION**

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**"To lead, to serve, and to promote  
quality education for all."**

A summary of the legislation affecting education  
that passed the Sixty-Third General Assembly,  
Second Regular Session in 2002,  
along with the statutory citations

Prepared annually for Colorado public school superintendents, principals, school board presidents, private schools, education agencies, Department of Education staff and other interested persons.

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August 2002

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NOTE: Web address on the Colo. Dept. of Education Home Page: <http://www.cde.state.co.us/>

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The following are summaries of 2002 bills as prepared by the General Assembly Office of Legislative Services with selected clarification or notation by the Department of Education.

## APPROPRIATIONS

**H.B. 02-1420 General appropriation act - long bill.** Makes appropriations for the payment of expenses of the executive, legislative, and judicial departments of the state of Colorado, and of its agencies and institutions, for and during the fiscal year beginning July 1, 2002. Sets the grand total for the operating budget at \$13,582,902,333, of which \$6,076,898,933 is from the general fund, \$1,168,607,398 is from cash funds, \$3,316,849,683 is from cash funds exempt, and \$3,020,546,319 is from federal funds.

Appropriates \$216,314,154 for capital construction, of which \$27,569,158 is from capital construction fund exempt, \$45,126,854 is from cash funds, \$127,505,673 is from cash funds exempt, and \$16,112,469 is from federal funds.

Makes additional changes in appropriations for the 2000-01 and 2001-02 fiscal years.

EFFECTIVE May 31, 2002  
 PORTIONS VETOED May 31, 2002

### A SUMMARY OF FEDERAL AND STATE FUNDING FOR EDUCATION IS AS FOLLOWS:

	2001-02 Appropriation	2002-03 Appropriation
General Fund	\$ 2,286,324,068	\$ 2,413,169,340
Cash Funds	13,600,926	13,098,032
Cash Funds Exempt	247,231,723	353,511,631
Federal Funds	270,982,997	371,829,390
<b><u>Grand Total</u></b>	<b>\$ 2,818,139,714</b>	<b>\$ 3,151,608,393</b>

NOTE: The effective date for a bill enacted without a safety clause and without an effective date indicated in the bill is August 7, 2002, the day following the expiration of the 90-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1(3) of the state constitution unless a referendum petition is filed against the act within such time period. If a referendum petition is filed, the act, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor

## **CHILDREN AND DOMESTIC MATTERS**

**S.B. 02-187 Reports of abuse or neglect.** Clarifies that any unlawful sexual behavior, as defined in the criminal code, is child abuse for purposes of dependency or neglect of a child. Clarifies that persons who are required to report abuse or neglect are to do so immediately upon receiving information creating reasonable cause to know or suspect that a child has been subjected to abuse or neglect.

**EFFECTIVE May 24, 2002**

Amended 19-1-103(1)(a)(II); 19-3-304(1)  
Colorado Revised Statutes (C.R.S).

## **CRIMINAL LAW AND PROCEDURE**

**H.B. 02-1459 Criminal history record checks - fingerprints - use for employment purposes - federal requirements – compliance.** Adds provisions regarding fingerprint-based criminal history record checks that contain the necessary components required by federal law for checks involving:

- A nonpublic school employee;
- A nonlicensed school district employee;
- A licensed school district employee, when the school district has good cause to believe the employee has been convicted subsequent to employment.

Applies the fingerprint-based criminal history check provisions to school district personnel employed before January 1, 1991. Deletes an exception to the fingerprinting requirements regarding school district personnel who have submitted fingerprints within the last 2 years and who consent to the transfer of the fingerprints.

Eliminates federal references in the statute regarding criminal history record checks for private security guards, but retains the requirement to conduct such a check using state records. Also eliminates federal references in the statute regarding criminal history record checks for any regulated professions or occupations generally, but retains the requirement to conduct such a check using state records.

**EFFECTIVE June 1, 2002**

Amended 22-1-121(1.7); 22-32-109.8(1); 22-32-109.8(4); 22-32-109.8(6)(a); 22-32-109.8(10); 22-32-109.9(1)(a); 22-32-109.9(2); amended and added to various parts of Titles 10, 12, and 24.

## **EDUCATION - PUBLIC SCHOOLS**

**S.B. 02-51 Charter schools - application deadline - local choice - notice prior to change.** Allows a local board of education to determine the charter school application deadline. Requires the date to be no earlier than August 15 no later than October 1. Directs the local board of education, prior to changing the deadline, to provide notice of the proposed change to each charter school applicant in the district.

**EFFECTIVE July 1, 2003**

Amended 22-30.5-107.

**S.B. 02-59 Colorado student assessments - form - use as diagnostic tools.** Requires the department of education ("department") to ensure that assessments administered through the Colorado student assessment program ("assessments") are designed to generate results that may be used as diagnostic tools for improving student performance and that the assessments and the form of the assessment results reflect the recommendations of the governor's task force appointed to review the assessments. States the general assembly's intent that the department implement the act within available resources. Instructs the department to develop and provide to school districts, schools, and parents a list of resources and programs that schools and parents may access to address specific learning issues identified by the assessments. Directs each school district board of education to adopt policies to ensure that appropriate personnel within the school district share with and explain to each student's parents or legal guardian the student's assessment results and diagnostic reporting.

**EFFECTIVE May 24, 2002**

Amended 22-7-409(1.2)(a)(I); added 22-7-409(1.2)(a)(I.5); 22-7-409(1.2)(a)(IV); 22-7-409(1.2)(a)(v); amended 22-7-409(1.3).

**S.B. 02-94 Alternative schools - definition - procedure.** Directs the state board of education ("state board") to adopt rules specifying criteria and procedures for a school to be designated an alternative education campus. Allows school districts to request that a school be designated an alternative education campus. Directs the state board to approve a school's designation if the board finds that the school meets the criteria. Specifies that the results of CSAP assessments of students who attend an alternative education campus on a part-time basis shall be included within the school ratings for the school in which the student is assigned for enrollment purposes.

Exempts alternative education campuses from receipt of academic performance and academic improvement ratings unless, upon the request of a school district, the state board approves the rating of an alternative education campus.

**EFFECTIVE May 24, 2002**

Amended 22-7-602(1); added 22-7-602(1.5); 22-7-604.5; amended 22-7-604(1.5)(a).

**S.B. 02-109 English language learners - assessments - accommodations - advisory commission - CSAP results.** Requires the department of education ("department") to:

Select one instrument or technique and establish proficiency levels for identifying students whose dominant language is not English and for whom the school district receives additional state moneys;

- Establish any necessary accommodations for students whose dominant language is not English while such students are taking Colorado student assessment program ("CSAP") assessments;
- Track the progress of students whose results on the CSAP assessments were exempt but are now used to calculate the school ratings; and
- Align the disaggregation of CSAP results of students whose results

were not used to calculate school ratings.

Establishes an advisory commission to assist the department in selecting the assessment instrument or technique and establishing proficiency levels and accommodations.

Requires school districts to:

- Assess students using the entire instrument or technique approved by the department, but, through the 2004-05 school year, allows school districts to continue to use an instrument or technique approved by the department prior to January 1, 2002; and
- Certify each year to the department the number of non-English languages and the number of students who speak each non-English language as their dominant language.

Adds to the list of accreditation indicators and, if sufficient moneys are received from the federal "No Child Left Behind Act", to the school accountability reports the CSAP results of students whose scores were exempt but are now used to calculate the school ratings.

Requires the department to develop, revise, and administer the 3<sup>rd</sup> grade writing CSAP assessment in Spanish. Specifies that the scores of students whose dominant language is not English but who take the English CSAP assessment shall not be counted for purposes of the school academic performance and school improvement ratings, until either the student is enrolled in a public school in the state for 3 years or the student achieves a score of proficient in English on each component of the instrument or technique for determining a dominant language, whichever occurs first. Specifies that this exception does not apply to a student who takes a CSAP assessment in a language other than English.

**EFFECTIVE June 1, 2002**

Amended 22-24-106(1)(a); added 22-24-106(1)(a.3); 22-24-106(1)(a.7); 22-24-106(1)(f); 22-24-106(3); amended 22-24-105(1)(b); 22-24-105(1)(c); 22-24-105(2); 22-11-104(2)(h); 22-11-104(2)(i); added 22-11-104(2)(j); amended 22-7-605(3)(a); 22-7-605(10); added 22-7-

605(8)(f); amended 22-7-409(1.2)(a)(l); 22-7-409(1.2)(d)(l)(C); 22-7-409(1.2)(d)(l.5); added 22-7-409(3.5).

**S.B. 02-124 Charter schools - school districts - charter contract disputes - alternative dispute resolution - procedures.**

Requires the use of a form of alternative dispute resolution ("ADR") for any disputes involving governing policy provisions of a charter contract and that do not involve the denial, nonrenewal, or revocation of a charter application or the unilateral imposition of conditions on a charter applicant. Requires the moving party to provide reasonable written notice to other party. Requires the parties to agree on the form of ADR within 30 days after receipt of the written notice. Permits the use of any form of ADR described in the "Dispute Resolution Act" so long as it results in final written findings by a neutral third party within 120 days after receipt of the written notice. Directs the neutral third party to apportion all costs reasonably related to the ADR process.

Allows the parties to a dispute to agree to be bound by the written findings of the neutral third party, and specifies that, in such cases, the decision will be final and not subject to appeal. If the parties had not agreed to be bound by the findings, permits the parties to appeal the findings to the state board of education ("state board"). Requires a party to provide notice of appeal within 30 days after the release of the written findings. Permits the state board to consider the written findings or other relevant material, and allows the state board to conduct a de novo review and hearing.

Directs the state board to issue its decision on the written findings within 60 days after receiving the notice of appeal or within 60 days after making its own motion for a de novo review. Requires the state board to find for the aggrieved party if it finds that either party has failed to participate in good faith in the ADR or that either party has refused to comply with the decision reached after agreeing to be bound by the result of the ADR process. Specifies that any decision by the state board under the dispute resolution procedures is final and not subject to appeal.

**Modifies the existing state board appeals process by limiting the application of the statute to decisions involving the denial, nonrenewal, or revocation of a charter application or the unilateral imposition of conditions on a charter applicant.**

**EFFECTIVE June 1, 2002**

Repealed and reenacted 22-30.5-107.5; amended 22-30.5-108(1); 22-30.5-108(2); added 22-30.5-108(2.5); amended 22-30.5-108 IP(3); 22-30.5-108(3)(c); 22-30.5-108(3)(d).

**H.B. 02-1053 Grant programs - requirements - assistance to BOCES and small school districts.** Prohibits the department of education ("department") from requiring information on applications for statutorily created education grant programs that a school or school district has previously submitted to the department. Directs the department to utilize existing data to minimize requests for duplicative information in grant applications. Requires the department to make evaluations of programs utilizing grant moneys available to all school districts and schools. Specifies that any costs associated with making evaluations available shall be paid from amounts appropriated to the department for administering grant programs.

Directs that 1% of the moneys appropriated to each statutorily created education grant program, or \$250,000, whichever is less, be distributed to boards of cooperative services or to school districts with less than 4,000 students to assist schools and school districts in applying for grants.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Added 22-2-122.

**H.B. 02-1079 School attendance - imposition of sanction - incarceration.** Allows the court to impose on a juvenile incarceration in a juvenile detention facility for violating a valid court order under the "School Attendance Law of 1963" pursuant

to any rules promulgated by the Colorado Supreme Court.

**EFFECTIVE April 12, 2002**

Amended 22-33-108(7).

**H.B. 02-1181 School attendance - homeless children - residency - compliance with federal law.** For purposes of the school attendance law, defines residency as it pertains to a homeless child, and authorizes a child who seeks shelter or is located in one school district to be considered a resident of another school district under certain circumstances. Authorizes the school district where a homeless child seeks shelter or is located and the child's school of origin to determine the best interests of the child concerning identification of residency for purposes of school attendance. Requires the department of education to develop an appeal process for resolution of disputes concerning residency of a homeless child. Requires the school selected for the homeless child to attend to enroll the homeless child immediately and obtain records and arrange for immunizations necessary for attendance. Requires the board of education of each school district in the state to designate one or more employees to act as a homeless child liaison. Specifies duties of the homeless child liaison.

Under certain circumstances, requires the affected school districts to agree upon a method to apportion cost and responsibility for the transportation of a homeless child to the school district where the child is attending or, in the alternative, to share equally in the cost.

Clarifies the definition of "homeless child". Requires the boards of education of each school district to adopt specific policies related to homeless children.

**EFFECTIVE July 1, 2002**

Amended 22-33-103.5; 22-1-102(2)(h); added 22-1-102(2)(i); 22-1-102(3); amended 22-1-102.5(2); 22-32-116(1); added 22-32-109(1)(dd).

**H.B. 02-1246 Eligible facilities education task force.** Establishes the eligible facilities education task force ("task force"), which will be made up of members of the general assembly and other interested parties. Requires the task force to examine, at a minimum, issues such as the placement of children in eligible facilities by public agencies, the funding of eligible facilities, assessing appropriate education services for children placed in eligible facilities, and teacher recruitment and retention in these facilities. Specifies that staff assistance, the assistance of a facilitator, and costs associated with the task force shall be funded from available moneys within the special education unit in the department of education. Imposes reporting requirements and defines "eligible facilities". Repeals the task force, effective January 1, 2004.

**EFFECTIVE July 1, 2002**

**PORTIONS VETOED May 31, 2002**

Added 22-2-123.

**H.B. 02-1297 School-readiness child care subsidization program.** Creates the school-readiness child care subsidization program ("program") on and after January 1, 2003, pursuant to which a county department of social services ("county department") may apply to the state department of human services ("state department") for a 3-year school-readiness subsidy. Specifies that the purpose of the program shall be to provide licensed child care facilities whose enrolled children ultimately attend low-performing neighborhood elementary schools with funding to improve the school readiness of the children, 5 years of age and younger, who are cared for at those facilities. Defines "child care providers" and "child care facilities" to mean those providers and facilities that are state-licensed, participate in community consolidated child care pilot site agencies ("pilot site agency"), and enroll at least half of their children from low-income families.

Specifies the criteria a county department must meet to apply for a school-readiness subsidy, including representation of a county with one or more poorly performing schools as indicated by Colorado student assessment program ("CSAP") ratings, a school-readiness plan developed by a



community consolidated child care pilot site agency within the county, and commitment by the child care facilities identified in the school-readiness plan to cooperate with and participate in a school-readiness rating system. Directs county departments that have received school-readiness subsidization to distribute the moneys to child care facilities identified in the pilot site agency's school-readiness plan.

Directs the state child care commission to adopt a voluntary school-readiness rating system. Identifies certain elements of quality that the school-readiness rating system shall measure. Lists what the school-readiness rating system shall include. Directs each county department seeking to apply for school-readiness subsidization to submit a 3-year school-readiness plan, prepared by the pilot site agency, to the state department. Specifies what the school-readiness plan shall include. Requires the state board to promulgate rules for the implementation of the program.

Specifies that federal child care development funds shall be used to fund the program. Provides that matching moneys, if any, may be provided by, but need not be limited to, general fund moneys, local moneys, or private moneys. Makes it clear that any state department staff necessitated by the program shall be funded by federal child care development funds and not by general funds. Clarifies that if the federal funds become unavailable, such staff shall be eliminated. Provides that the general assembly shall not be obligated to appropriate general fund moneys if private matching moneys are not available. Specifies that if the state designates matching moneys from a private organization, the state department, county departments, and school districts may enter into contracts with that organization for the provision of certain services.

Directs each county department that receives subsidization moneys from the state department to submit a 24-month report to the state department on the effectiveness of the program. Identifies the information the report shall include. Requires the state department to submit a consolidated statewide report, based upon the county department reports, to the members of the education committees of the house of representatives

and the senate by a date certain. Directs the general assembly to review the appropriateness of continuing the program. Directs participating county departments and pilot site agencies to work with state and local agencies to support efforts to track the future academic performance of children who receive school-readiness services through the program.

**EFFECTIVE July 1, 2002**

Added 26-6.5-106; 26-6.5-103(3.7).

**H.B. 02-1303 Family literacy education - grant program - creation - fund.** Establishes the family literacy education grant program ("program") within the department of education ("department"), and specifies the activities for which the grant awards may be used. Permits local education providers to apply for grants to provide:

- Family literacy education;
- Adult literacy education; and
- English language literacy education.

Provides a list of factors to be considered by the department when evaluating grant applications. Allows the department to audit grant recipients. Requires each grant recipient to provide the same information to the department that is required for federally funded programs. Directs the department, no later than January 15 of each year, to provide an annual report to the general assembly. Authorizes the department to accept any public or private gifts, grants, or donations, and creates a fund to receive those moneys. Repeals the program if sufficient moneys have not been credited to the fund prior to December 1, 2002.

**EFFECTIVE May 30, 2002**

Added 22-2-122.

**H.B. 02-1304 Summer school grant program - expansion.** Expands the summer school grant program to provide funding to school districts for the provision of intensive literacy and reading comprehension education services to students who are preparing to enter the first grade and who scored at an unsatisfactory level on the kindergarten reading readiness assessment. Until July 1, 2006, limits the expansion of the summer

school grant program to school districts participating in a full-day kindergarten educational program.

Requires the annual report submitted to the department of education from each school district that participates in the summer school grant program to include information concerning the subsequent reading performance levels of students who enrolled in the summer school reading program while preparing to enter the first grade.

Reduces the grant amount for the teacher pay incentive program by \$39,600 and appropriates \$39,600 to the department of education for the implementation of the act.

**EFFECTIVE May 28, 2002**

Amended 22-7-801; 22-7-802(2); 22-7-803(1); added 22-7-803(5); 22-7-803(6); amended 22-7-805(1)(b); added 22-7-805(1)(b.5); amended 22-7-607.5(2)(b).

**H.B. 02-1306 Student assessment program - new assessments.** If funding from the federal "No Child Left Behind Act of 2001" is obtained, directs the department of education to administer, starting on or before the spring semester of 2006, statewide assessments first in mathematics to public school students enrolled in the 3<sup>rd</sup> and 4<sup>th</sup> grades and then in science to public school students enrolled in the 5<sup>th</sup> and 10<sup>th</sup> grades.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Added 22-7-409(1)(g).

**H.B. 02-1316 School districts - interest-free loan program.** Changes the due date of loan payments from the 5<sup>th</sup> business day of the month to the 15<sup>th</sup> day, or the first business day following the 15<sup>th</sup> day, of the month.

**EFFECTIVE July 1, 2002**

Amended 22-54-110(2)(a).

**H.B. 02-1349 School finance - preschool program - capital construction loan program - on-line programs - charter schools - academic growth pilot program - school district capitol construction - on-line education program study - teacher pay incentive program - federal mineral lease moneys shortfall - school breakfast program - facility summer school grant program - national credential program - timing of investments - school accountability.** Amendments to the "Public School Finance Act of 1994". To comply with section 17 of article IX of the state constitution, requires the general assembly to appropriate an amount for the 2002-03 state fiscal year equal to the maintenance of effort base plus an amount equal to at least 7.39% of the maintenance of effort base. For the 2002-03 budget year and budget years thereafter, modifies a district's total program to be the greater of: (District per pupil funding X (District funded pupil count - District on-line pupil enrollment)) + District at-risk funding + District on-line funding; or \$5,435 X District funded pupil count. Increases statewide base per pupil funding by 5.7% to account for inflation plus an additional one percentage point.

Defines "on-line pupil enrollment" as the number of pupils enrolled, on October 1 in a budget year, in an on-line program, minus any such pupils who were enrolled in any such on-line program for the 2001-02 school year. Modifies the definition of "pupil enrollment" to include a pupil who was enrolled during the 2001-02 school year in an on-line program and who is enrolled and participates in any such on-line program on October 1 within the applicable budget year or the school day nearest said date. Defines "district on-line funding" as the amount of minimum per pupil funding multiplied by a school district's on-line pupil enrollment. Excludes on-line pupils from the requirement that a school district set aside a specified amount per pupil for capital reserve and instructional supplies and materials. Requires school districts to report on-line pupil enrollment to the state board of education (state board).

Provides additional state funding for school districts whose pupil enrollment for the current and 2 preceding budget years has increased by an average of at least 9% per year, and sets forth the formula for calculating such increasing enrollment aid.

Requires a district that receives increasing enrollment aid to budget such aid to its capital reserve fund to be used for long-range capital outlay expenditures. Requires school districts seeking aid for increased enrollment to report their supplemental pupil enrollment to the state board.

Eliminates the authority for a school district to submit a ballot question seeking authorization to collect and spend additional property tax revenue to provide a supplemental cost of living adjustment for the district. Modifies the limitation on districts' property tax override to include an amount equal to the maximum dollar amount of property tax revenue a school district could have generated for the 2001-02 budget year if it submitted and received approval of such a ballot question at the November 2001 election.

**Colorado preschool program.** For the 2002-03 and future budget years, increases the maximum number of children that can participate in the Colorado preschool program (preschool program) from 10,050 to 11,050, and requires the new slots to be first allocated to school districts that have not previously participated in the preschool program, with priority given to those districts that have been on the waiting list the longest. Requires school districts to notify the department of education (department) of any unused slots and prohibits such districts from transferring any unused slots to another school district. Allows certain 3-year-old children to participate in the preschool program. Reauthorizes the full-day kindergarten component of the preschool program for the 2002-03 budget year and budget years thereafter, and increases the maximum number of children that may participate in the full-day kindergarten component from 1,000 to 1,500. Exempts a full-day kindergarten component of a district's preschool program from childcare licensing requirements.

**Capital improvement loan program.** Creates a loan program to provide funding for capital improvements in school districts experiencing a specified level of growth in pupil enrollment (growth district). Requires the state treasurer to lend moneys from the public school fund to growth districts whose loan applications have been approved by the state board or its designee.

Imposes a limitation on the amount of moneys that can be loaned to any growth district. Sets forth a process for growth districts to apply to the state board for approval of such loans. Provides for the establishment of repayment schedules by the state board. For purposes of the "Colorado Educational and Cultural Facilities Authority Act", defines "educational institution" to include any school district that is a growth district.

Authorizes any growth district to seek voter approval for the repayment of any loan received from the state treasurer or the Colorado educational and cultural facilities authority for capital improvements that would occur over a period exceeding one budget year. Authorizes any growth district to seek voter approval for an additional property tax levy for capital improvements, for repayment of any loan received from the state treasurer for capital improvements, or for repayment of any loans received from the authority.

**On-line programs.** Allows charter schools to provide on-line programs. Provides funding for up to 135 students per year to enroll in on-line programs who were enrolled in a public school after October 1 of the preceding school year or who were enrolled in a private school or a home-school program in the preceding school year. States that the increase in the number of funded positions for on-line programs may be funded with moneys from the state education fund. Instructs the department to allocate the funded on-line program positions to applying school districts and charter schools, and establishes criteria for the allocation.

**Charter schools.** Exempts on-line students from any limit on the number of students that may enroll in a charter school, and prohibits a school district from restricting the number of on-line students that may enroll in a charter school. Exempts on-line students from the determination of whether a majority of the charter school's students reside within the chartering school district or a contiguous school district. Requires a charter school to receive 100% of the district's per pupil on-line funding for on-line students enrolled in the charter school. Exempts charter schools from the requirement to set aside a per pupil amount for

capital reserve with regard to on-line students and from paying the per pupil amount for special education services for such students.

Requires a school district that receives small attendance center aid for a small attendance center that is a charter school to forward such aid to the charter school for which it was received. Directs each charter school that serves students who may be eligible to receive services through federal aid programs to comply with the federal reporting requirements. Nullifies any provision of a charter contract that requires the charter school to waive or forego any funding that is granted by law.

**Charter schools - capital construction.** Exempts on-line students from the calculation for determining a charter school's share of school district capital construction moneys. Repeals the provision requiring pro rata distribution of school district bond proceeds to qualified charter schools.

Creates the "Charter School Facilities Financing Act" to increase charter school access to the school district capital funding and planning process. Requires each school district that is considering submitting a bond question at an upcoming election to invite each charter school it has chartered to participate in discussions regarding the possible submission of such a question at the earliest possible time. Encourages each school district to voluntarily include funding for the capital construction needs of charter schools in the district's bond questions. Authorizes a school district that has chartered one or more charter schools to seek voter approval for the imposition of a special mill levy of up to one mill for up to 10 years for the purpose of financing charter school capital construction. Creates a process that allows a charter school to submit a capital construction plan to its chartering district so that it can be included in a bond election or have the school district submit a special mill levy question on its behalf. Requires the contract entered into between the charter school and the district regarding the issuance of bond proceeds for the financing of charter school capital construction to specify that the ownership of any such capital construction shall revert automatically to the district if the charter school loses its

charter, fails to pay for the capital construction, or becomes insolvent and that the charter school cannot further encumber any capital construction financed by bond revenues with any additional debt.

Enhances the ability of charter schools that issue bonds to fund capital construction through a governmental entity other than a school district to obtain favorable financing terms for such bonds by:

- Creating an "intercept program" through which the state treasurer or a chartering district can make direct payments of principal and interest due on such bonds on behalf of the charter school, subject to specified limitations;
- Creating a charter school debt reserve fund consisting of \$1,000,000 in moneys transferred from the state education fund and a percentage of the savings realized by such charter schools that rely upon the existence of the fund, and allowing moneys in the fund to be expended to make bond payments on behalf of such charter schools when they cannot make such payments; and
- Requiring the state to consider appropriating moneys not to exceed \$200,000,000 to restore the qualified charter school debt reserve fund of any such charter school to ensure that its bonds can be paid.

Requires annual reports to be submitted to the state auditor regarding bonds issued by the Colorado educational and cultural facilities authority on behalf of charter schools.

Requires any operating contract between a school district and a charter school that is approved on or after July 1, 2002, to contain provisions specifying:

- The manner in which the school district will support any start-up and long-term facility needs of the charter school; and
- The actions that the charter school must take to be included in a bond election or to have a ballot question for approval of a special mill levy submitted to the voters of the district on its behalf.

Increases the maximum period for which a school district may rent or lease

unimproved district property to a charter school from 10 years to 30 years, or in the case of a charter school using debt financing, for the term of the debt financing. Makes all charter schools, except those operating in state facilities, eligible for additional state education fund moneys for capital construction. Modifies the formula for determining the amount of state education fund moneys to be distributed to school districts for allocation to charter schools for the purpose of funding charter school capital construction by:

- Eliminating the requirement that the total amount of moneys to be distributed be calculated by multiplying the district's certified charter school pupil enrollment by an amount equal to 130% of the minimum capital reserve amount per pupil;
- Specifying that for the 2002-03 budget year, the total amount of state education fund moneys to be distributed to all eligible districts shall be \$7,813,943;
- Requiring the total amount of state education fund moneys to be distributed for each budget year to increase by inflation plus one percentage point over the prior year's distribution for budget years 2003-04 through 2011-12 and by inflation over the prior budget year's distribution for each budget year thereafter;
- Specifying the formula for pro-rating the moneys among eligible districts based on the number of students enrolled in charter schools; and
- Specifying that a pupil expected to be enrolled in a qualified charter school that will be operating in a school district facility during the next budget year and that has not incurred debt for the expansion or renovation of the facility shall be counted as  $\frac{1}{2}$  of one pupil for purposes of determining the amount to be allocated to the charter school.

**Academic growth pilot program.** Establishes the academic growth pilot program to use students' assessment scores over time to measure students' academic growth. Beginning in the 2005-06 school year, requires all school districts to participate in the program. States that for any year in which CSAP assessments are administered that were not administered in the previous

year, the department shall calculate an alternate standardized, weighted total score for the current and previous years, using results from the assessments administered in both years.

**School district capital construction.** With regard to state lottery moneys transferred to the public school fund as a contingency reserve, allows the state board to approve the use of such moneys for the construction of new school facilities to replace existing school facilities with immediate safety hazards or health concerns. Modifies the capital construction financial assistance application time line. For the 2002-03 fiscal year, suspends the appropriation of state education fund moneys to the school capital construction expenditures reserve as a match for moneys appropriated for charter school capital construction.

To meet obligations under the Giardino lawsuit, provides for a:

- \$10,000,000 state education fund appropriation to the school district capital expenditures reserve;
- \$900,000 state education fund appropriation to the school construction and renovation fund; and
- Transfer of \$4,100,000 in lottery proceeds to the school construction and renovation fund.

**On-line education program study.** Directs the department, in conjunction with an appointed study group, to study several issues concerning the design, implementation, and operation of full-time elementary and secondary on-line education programs. Specifies the membership of the study group. Directs the department to report the study findings, findings concerning a previous study of course-specific on-line education programs, and recommendations by December 31, 2002, to the state board and the education committees of the senate and the house of representatives.

**Teacher pay incentive program.** Beginning in fiscal year 2002-03, limits the available funding under the teacher pay incentive program to "unsatisfactory" schools, instead of "low" and "unsatisfactory" schools. Reduces the basic grant amount available for teacher pay incentive grants to \$3,620,000. For purposes of the grant program, modifies the definition of

"teacher" to include a person employed as a resident teacher. Allows unused bonus moneys to be used for incentive grants. Repeals the minimum bonus requirement of \$1,000 per teacher, and repeals the limitations on how bonuses may be used.

**Federal mineral lease moneys shortfall.** For the 2001-02 budget year, increases the appropriation for the state's share of total program funding from the state education fund by \$6,000,000 and, for the 2002-03 budget year, reduces the appropriation for such purpose from the state public school fund by \$6,000,000 to deal with the projected shortfall of federal mineral lease moneys for the 2001-02 budget year. Requires the state treasurer to transfer \$6,000,000 from the federal mineral lease moneys for fiscal year 2002-03 to repay the state education fund.

**School breakfast program.** Requires the general assembly to annually appropriate \$500,000 for allocation by the department to school districts that provide a school breakfast program. Requires school districts to allocate the moneys to low-performing schools.

**Facility summer school grant program.** Creates the facility summer school grant program to provide grants to facility schools that provide summer school programs to children who are performing below grade level. Specifies that funding is available for the 2002-03 fiscal year only.

**National credential program.** Directs the department to assist persons seeking a national credential by paying a portion of the fees charged for such credential. Specifies that the moneys for the fee assistance may be appropriated from the state education fund.

**Timing of investments.** Extends the time during which exchanges or sales of public school fund investments are assessed to determine if losses will be offset by corresponding gains.

**School accountability.** Clarifies that students are required to take CSAP assessments at the grade level in which the student is enrolled and that the scores of students who transfer into the school after October 1 of the school year in which the assessment is administered will not be used

in calculating school performance ratings. Precludes the department from including on any school accountability report a statement that the information provided in said report is independently audited and verified unless the information has been so audited and verified. Delays the date for releasing the school accountability reports until November 15, and requires the department to update its website to include each school accountability report each year upon completion and transmission of such reports for printing. Specifies that the general assembly may appropriate moneys to school districts to assist low-performing schools and that the department may allocate federal moneys for such purpose. Specifies that any pupil who enrolls in a school district other than the pupil's school district of residence under the schools of choice statute may remain enrolled through the end of the school year, with some exceptions.

**EFFECTIVE June 7, 2002**

Amended and added to various parts of Title 22, and other titles (2, 23, 24, 26, 34), and repeals 22-42-104.5.

**H.B. 02-1393 Public school funding – general fund maintenance of effort requirement for total program – reduction in appropriation for FY 2001-02 – specifying appropriation for FY 2002-03.** Reduces the general fund appropriation for the 2001-02 state fiscal year required to be made to be in compliance with the maintenance of effort requirement in section 17 of article IX of the Colorado constitution from an amount equal to the maintenance of effort base plus 5.80% of the maintenance of effort base to an amount equal to the maintenance of effort base plus 5% of the maintenance of effort base.

Specifies that, in complying with the constitutional maintenance of effort requirement and in offsetting the impact of the reduction in the general fund appropriation for the 2001-02 state fiscal year on the long-term solvency of the state education fund, the general assembly for the 2002-03 state fiscal year shall appropriate an amount of moneys from the general fund equal to the maintenance of effort base plus 7.39% of the maintenance of effort base.

**EFFECTIVE March 27, 2002**

Amended 22-54-104.1(3); added 22-54-104.1(4).

## **SENATE AND HOUSE JOINT RESOLUTIONS**

**S.R. 02-19 Policies concerning the use of hazardous substances.** A school district often has occasion to use hazardous substances or materials containing hazardous substances for a variety of reasons, including maintenance of the buildings and grounds in the school district and provision of instruction in chemistry, physics, vocational education, and other subjects. A school district's use of such hazardous substances is both necessary and useful to preserve the cleanliness and integrity of school district buildings and to provide necessary education experience to students.

The Colorado Association of School Boards has adopted a policy regarding the use of hazardous substances that has been adopted by several school districts in Colorado.

The dangers caused by the existence of playground structures treated with hazardous substances have been raised in many communities. The City and County of Denver and several other municipalities across the country are currently considering or have already adopted ordinances to prohibit the new installation of wooden playground equipment that has been treated with chromated copper arsenate and to require yearly maintenance to seal existing treated wooden equipment.

The nature of hazardous substances and the high degree of risk they may pose to students, school district employees, and other citizens of the community require the school district to exercise due care and diligence in the use of such hazardous substances and to take extra precautions in ensuring that members of the community are aware of the use of hazardous substances.

The Colorado general assembly resolves that each school district in Colorado is strongly encouraged to adopt a policy

concerning the use of hazardous substances and materials that would include:

- Procedures by which the school district communicates with students and their parents and legal guardians concerning the types of hazardous substances that are routinely used in cleaning and maintaining school district buildings and grounds, and those that are routinely used for educational purposes,
- Procedures identifying hazardous substances and appropriate restrictions or prohibitions with regard to their use.
- Procedures and training to deal with emergencies that may arise from the use of hazardous substances, which may include but not limited to emergency procedures and training to deal with spills, unintended exposures, and evacuation of buildings.
- Any other procedures, restrictions, limitations, or requirements regarding hazardous substances that may be beneficial in protecting the health and safety of students, school district employees, and other persons within the community.

Adopted May 8, 2002.

**S.J.R. 02-09 Read Across America Day** – The citizens of Colorado stand firmly committed to promoting reading as the catalyst for our children's academic success, their preparation for America's jobs of the future, and their ability to compete in a global economy; and

Coloradoans recognize the importance of the education of our youth, grounded in the principle that educational investment is a key to Colorado's well-being and long-term quality of life; and

March 2<sup>nd</sup> is the birthday of Theodor Geisel, better known to children and adults alike as Dr. Seuss, the man who inspired generations of children of all ages to explore the joys of reading; and

“Read Across America” is a national celebration of Mr. Geisel's birthday that promotes reading and adult involvement in the education of children in Colorado and America; and

**“Read Across America” is the largest one-day literacy celebration in the U.S., attracting more than 35 million readers of all ages in 2001 with reading events in all 50 states;**

**The members of the 63<sup>rd</sup> Colorado general assembly proclaim March 1, 2002 as “Read Across America Day” in Colorado, and call on the citizens of Colorado to read with a child on March 1<sup>st</sup> and every day.**

**The members of the general assembly, enthusiastically endorse the goals of “Read Across America” and encourage citizens of our state to engage in programs and activities to make Colorado’s children the best readers in America.**

**Adopted March 5, 2002.**

**H.R. 02-1016 Excellence in school nutrition programs. The long-term health and well-being of Colorado’s children is of critical importance to the state. The effectiveness of Colorado’s educational programs is impacted by children’s readiness to learn including whether children come to school healthy and well-fed. Healthy children who practice good nutritional habits are better prepared to succeed in the classroom. Research has clearly demonstrated the connection between nutrition and activity and both short-term and long-term health. There is great concern about the epidemic of obesity in this country, particularly among children, as evidenced by the growing incidence of adult-onset diabetes, hypertension, and heart disease in teens and children. Schools have a vested interest in diet and activity, both as a responsibility of promote healthy lifestyles and to improve health outcomes, resulting in better educational outcomes. Most schools in Colorado participate in federal nutrition programs including the National School Lunch Program and the School Breakfast Program.**

**The members of the Colorado House of Representatives of the 63<sup>rd</sup> general assembly, support effective school nutrition programs that promote the long-term health, life-long learning, and overall well-being of our children.**

**Further, the members resolve that the state support excellence in school nutrition**

**programs in low-performing schools and increase its emphasis on improved access to good nutrition for all children.**

**Adopted May 5, 2002.**

**H.J.R. 02-1022 Encourage school districts to recycle surplus educational materials – H.B. 01-1272 provided increased funding for textbooks in the 2001-02 and 2002-03 budget years for Colorado’s school districts. This increased funding may result in many school districts replacing textbooks, facing the challenge of how to dispose of outdated and surplus textbooks. In addition to traditional recycling, many textbooks may be reused. Schools and nonprofit organizations throughout Colorado, the U.S., and the world are in need of textbooks. Organizations such as Friends of the Library, Books for Africa, and the Asia Foundation collect used books and textbooks for use by economically disadvantaged schools and libraries. School districts may also find it necessary to dispose of outdated and surplus computers. Computers, like textbooks, may be reused as well as recycled using traditional recycling methods. Colorado organizations such as Computer Equal Start Educational Program, Computers of Community, and Global Technologies Foundation can facilitate the donation of used computer hardware to economically disadvantaged individuals, schools, and social service agencies and other worthy recipients.**

**The members of the Colorado 63<sup>rd</sup> general assembly encourages school districts to recycle outdated and surplus educational materials by using traditional recycling methods as well as by donating such materials to organizations for distribution to individuals, schools, and social service agencies and other worthy recipients.**

**The members also encourage the Colorado Department of Education, the Colorado Education Association, the Colorado Association of School Boards, and the Colorado Association of School Executives to provide to school districts information regarding recycling and donating outdated and surplus educational materials.**

**.Adopted March 8, 2002.**



**H.J.R. 02-1062 Honoring Colorado's Schools by the Colorado general assembly**  
– It is in the best interest of the citizens of the state of Colorado that the state provide an educational system that is of the highest quality. The state of Colorado has raised the expectations of parents by demanding increased accountability. Colorado's schools have positively responded to these raised expectations and continually work to ensure that all Colorado students receive a quality education. Colorado students' performance has improved in many different academic disciplines.

- Colorado ranks 2<sup>nd</sup> in the nation for having the greatest proportion of high school graduates with scores in the top 20% nationally on either the SAT or ACT college entrance exam.
- Approximately 75% of Colorado's high school graduates continue their education by enrolling in a postsecondary institution after high school.
- Colorado is among the top 10 states in the country in 4<sup>th</sup> grade reading scores on the National Assessment of Education Progress (NAEP).
- Colorado is one of only 3 states to make significant gains since 1992 in the percentage of 4<sup>th</sup> graders who read at or above proficient level.
- Colorado is one of only 6 states to receive 2 gold stars from the NAEP for academic achievement over time in mathematics.
- Colorado student scores on the NAEP in 4<sup>th</sup> grade math and 8<sup>th</sup> grade writing, math, and science rank above the national average.
- Colorado received high marks in Education Week's "Quality Counts 2001" report for the state's efforts to improve teacher quality.

The members of the Colorado general assembly congratulate Colorado teachers, support staff, administrators, parents, and students for Colorado's continuing academic progress; recognize and commend the continually improving quality of education in Colorado's schools.

Adopted May 6, 2002.

## **EDUCATION – UNIVERSITIES AND COLLEGES**

**S.B. 02-152 Principal preparation programs - state board of education - performance-based standards - commission on higher education - program requirements.** Requires the Colorado commission on higher education ("CCHE"), on or before July 1, 2003, to adopt a plan for establishing the program requirements for principal preparation programs offered by public institutions of higher education. Directs CCHE to collaborate with the state board of education ("state board") and the institutions of higher education to ensure that the performance-based standards for licensure become the base for principal preparation programs. Clarifies that CCHE has the final determination regarding the contents of the standards and their implementation. Directs CCHE to ensure that demonstrated competency in the licensure standards guides the development of the programs. Requires the program requirements to be designed on a performance-based model and specifies the required elements. Repeals the provision, effective July 1, 2005.

Requires the state board, on or before January 1, 2003, to adopt by rule performance-based principal licensure standards. Directs the state board to develop the standards in collaboration with public institutions of higher education that offer principal preparation programs, superintendents and local school boards, and CCHE. Requires the state board to ensure the standards are consistent with national standards for principal preparation. Specifies the required elements of the standards.

Directs the state board and the department, along with CCHE, to submit a report, on or before January 1, 2004, to the general assembly regarding principal preparation programs. Specifies the contents of the report.

**EFFECTIVE** June 7, 2002

Amended 22-2-109(1); added 22-2-109(6).

**H.B. 02-1300 Teacher in residence programs - on-site evaluations - emergency authorizations - limited renewals.** Allows a

person to be employed as a resident teacher for 3 years for the purpose of receiving a special education teaching endorsement.

Beginning with the 2003-04 school year, bars the renewal of an emergency authorization for educators for their second and subsequent years of employment. Provides for an exception of a one-time one-year renewal because an extreme hardship prevents the applicant from entering a teacher in residence program or an alternative teacher program.

Beginning with the 2003-04 school year, requires any holder of an emergency authorization for educators entering his or her second or subsequent year of employment to:

- Enter a teacher in residence program;
- Obtain a provisional teacher license; or
- Receive the one-time one-year renewal.

Clarifies that each teacher in residence program is subject to an on-site evaluation and approval by the state board of education at least once every 5 years.

Requires the state board of education, whenever practicable, to schedule on-site evaluations of teacher in residence programs offered in collaboration with institutions of higher education to coincide with the review of teacher preparation programs by the commission on higher education.

Permits a school district to hire a resident teacher for any portion of the 2-year program if the person completes all remaining requirements for an approved preparation program within those 2 years.

**EFFECTIVE June 7, 2002**

Amended 22-32-110.3(4)(b); added 22-32-110.3(4)(f); amended 22-32-110.3(6)(a); added 22-32-110.3(7); amended 22-60.5-111(1)(c).

## **ELECTIONS**

**H.B. 02-1156 Recall elections - campaign finance disclosure reporting requirements - candidates, candidate committees, and issue committees.** Requires candidates and

candidate committees in recall elections to file reports of contributions and expenditures 14 and 7 days before the recall election and 30 days after the recall election. Requires issue committees in recall elections to file committee registrations with the appropriate officer within 10 business days after receiving their first contribution, and requires reports of contributions and expenditures to be filed with the appropriate officer within 15 days of the filing of the committee registrations and every 30 days thereafter until the date of the recall election is established and then 14 days and 7 days before the recall election and 30 days after the recall election.

Specifies that an issue committee includes 2 or more persons who are elected, appointed, or chosen, or have associated themselves, for the purpose of accepting contributions or making expenditures to support or oppose the recall of an elected official in a recall election.

**EFFECTIVE April 3, 2002**

Amended 1-45-103(8)(a)(I); added 1-45-103(8)(a)(III); amended 1-45-108 IP(2)(a)(I); added 1-45-108(2.7); amended 1-45-108(6); repealed 31-4-506.

## **FINANCIAL INSTITUTIONS**

**H.B. 02-1280 Banks - regulation - statewide concern - prohibition on local regulations.** States that the regulation of banking is a matter of statewide concern. Prohibits a political subdivision from regulating deposits, lending, and other services or products provided by banks. Does not preclude a political subdivision from enacting and enforcing laws or rules of general applicability concerning public health, safety, or welfare.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Amended 11-1-105.

## GOVERNMENT – STATE

**S.B. 02-38 Public buildings - United States flag and representations - proper display - exception - affirmative defense.** Prohibits the chief administrative officer of any state institution, school, or court facility from permitting the display of any depiction or representation of a United States flag that does not comply with federal standards for the display of United States flags and if the display is intended for public view and permanently affixed to any part of the building or grounds of the institution, school, or court facility.

Creates an exception to this prohibition for any temporary display of instructional or historical materials not permanently affixed to the buildings or grounds. Creates a similar affirmative defense to a prosecution for the petty offense of unlawful display of a flag other than the United States or state flag in or on public buildings or grounds.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Amended 27-2-108(2); added 27-2-108(4); 27-2-108(5); amended 18-11-205(4).

**S.B. 02-106 Public employees' retirement association - conformance with federal law.** Conforms certain provisions of the public employees' retirement association (PERA) law with the federal "Economic Growth and Tax Relief Reconciliation Act of 2001" as follows:

- Makes any retirement plan for a public employee subject to division pursuant to a domestic relations order, not just qualified plans under the federal internal revenue code.
- Allows a member of PERA to purchase service credit using a trustee-to-trustee transfer or rollover from any retirement plan permitted under federal law, rather than from a qualified plan under the federal internal revenue code, or a rollover of distributions from certain individual retirement accounts or annuities.
- Specifies that the new compensation limit under the federal internal

revenue code will be applied prospectively.

- Allows a terminated member of PERA or a surviving spouse of such member to elect to have a direct rollover to an eligible retirement plan in accordance with the federal internal revenue code.

**EFFECTIVE March 27, 2002**

Amended 14-10-113(6)(a)(I); 24-51-506(1); 24-51-611; added 24-51-405.5.

**S.B. 02-145 Public employees' retirement association - employment of retirees as classroom teachers or principals.** Allows a retiree of the public employees' retirement association (PERA) to be employed as a classroom teacher or principal in specified circumstances after retiring without forfeiting retirement benefits from PERA during such employment. Specifies that the retiree must work in a school district with fewer than 4,500 students that has adopted a resolution declaring a critical shortage of teachers or principals, or must work for the Colorado school for the deaf and blind. Specifies requirements for the school district to declare a critical shortage.

Makes teachers and principals eligible to participate in the school district's health plan and prohibits receipt of a health care premium subsidy from PERA during their employment. Specifies that employer contributions shall be made to PERA on all salary paid to retirees during their employment. Prohibits recalculation of the retiree's benefits upon termination of employment as a teacher or retiree.

**EFFECTIVE April 3, 2002**

Added 22-32-109(1)(f)(III); amended 24-51-1101 IP(1); added 24-51-1101(1.7).

**S.B. 02-231 Public officials' and employees' defined contribution plan - state deferred compensation committee - membership - administration of plan.** Eliminates the public officials' and employees' defined contribution retirement committee and transfers the authority to establish and administer the public officials' and employees' defined contribution plan (defined contribution plan)

from the state defined contribution retirement committee to the state deferred compensation committee. Modifies the membership of the state deferred compensation committee to include a member of the defined contribution plan.

Specifies the circumstances in which investments purchased under the deferred compensation plan shall not be assignable or subject to legal process.

Relocates the article governing the defined contribution plan to a new part in the article governing the state deferred compensation committee. Makes a declaration that the defined contribution plan is offered as an alternative to participating in the public employees' retirement association for specified public officials and employees.

Requires the deferred compensation committee to maintain at least one defined contribution plan on and after July 1, 2002. Requires more than one separate and distinct provider of investment products to be selected for each defined contribution plan. Authorizes the committee to assess a fee for the costs of administering the plan. In addition to assessing such fee, allows the committee to contract with a vendor to pay all or a portion of the costs associated with the plan. Eliminates the requirement that providers service their accounts and pay fees to service and administer the plan.

States that the defined contribution plan shall be governed subject to the same specified powers, responsibilities, and protections set forth for the administration of the deferred compensation plan. Allows participants in the deferred compensation plan and the defined contribution plan to invest in the same investment products. Authorizes the deferred compensation committee to establish a single 401(a) plan for more than one group of participants.

**EFFECTIVE July 1, 2002**

Added to and amended part 1 of 24-52; added 24-52-200 (entire part 2); repealed 24-54.7-0 (entire article).

**H.B. 02-1146 Public records - creation of privacy policies by governmental entities.** Directs each governmental entity of the

state to create a privacy policy for the purpose of standardizing within such governmental entity the collection, storage, transfer, and use of personally identifiable information by such governmental entity. Specifies that the privacy policy of each governmental entity shall address, but shall not be limited to, the following:

- A general statement declaring support for the protection of individual privacy;
- A provision for the minimization of the collection of personally identifiable information to the least amount of information required to complete a particular transaction;
- Clear notice of the applicability of certain provisions of the state open records act;
- A method for feedback from the public on compliance with the privacy policy; and
- A statement that the policy extends to the collection of all personally identifiable information, regardless of the source or medium.

States that any governmental entity that operates a world wide web site as of August 7, 2002, shall publish its privacy policy on such web site no later than July 1, 2003. States that any governmental entity that does not operate a web site as of the effective date of this act and begins operation of a web site before July 1, 2003, shall publish its privacy policy on its web site by July 1, 2003. Specifies that in no event shall a governmental entity be permitted to operate a web site after July 1, 2003, without first establishing a privacy policy.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Added 24-72-500 (entire part 5)

**H.B. 02-1217 Public investment – securities issued by public entities.** Allows public funds to be invested in securities issued by the state of Colorado or any political subdivision, institution, department, agency, instrumentality, or authority of the state if such security is rated in one of its 3 highest rating categories by one or more nationally

recognized organizations that rate such issuers, and if such security is secured by a pledge of loans, loan participations, or other assets that are insured or guaranteed by the United States or other federal entity. Permits investments in such securities notwithstanding maturity dates greater than 5 years.

**EFFECTIVE April 12, 2002**

Amended 24-75-601.1(1)(d)(II); 24-75-601.1(3.5).

**H.B. 02-1326 Uniform electronic transactions act.** Adopts the "Uniform Electronic Transactions Act" ("Act") to govern electronic records and electronic signatures relating to specified transactions. Specifies the electronic records and electronic signatures to which the Act does and does not apply. Provides that the Act applies only to transactions between parties that have agreed to conduct transactions by electronic means. Allows specified provisions of the Act to be varied by agreement. Incorporates by reference certain consumer disclosures required pursuant to federal law.

Requires the Act to be construed to facilitate electronic transactions consistent with other laws, to be consistent with reasonable practices concerning electronic transactions, and to make uniform the law among the states enacting it.

**EFFECTIVE May 30, 2002**

Added 24-71.3-0 (entire article); amended 24-71-101(1); 24-71-101(2); added 24-71-101(4); repealed 24-71.1-0 (entire article); amended 24-30-1604 IP(1); 24-30-1604(1)(b); 13-25-134; 22-32-110(1)(kk); 30-11-107(1)(gg); 31-15-201(1)(h); 32-1-1001(1)(o); 42-6-124(1)(a); 24-21-104(3)(b).

**H.B. 02-1342 Open meetings and public records - persons entitled to obtain public records - electronic recording of open meetings.** Clarifies that for purposes of the public records act, "person" and "natural person" include any public employee and any elected or appointed public official acting in an official or personal capacity.

Specifies that for purposes of the open meetings law, if a public body electronically recorded the minutes of its open meetings on or after August 8, 2001, the public body shall continue to electronically record the minutes of its open meetings that occur on or after said date. Allows an exception to this requirement for 2 successive meetings of the public body if the regularly used electronic equipment is inoperable.

**EFFECTIVE May 24, 2002**

Amended 24-72-202(3); 24-6-402(2)(d.5)(I)(A); 24-6-402(2)(d.5)(II)(A).

## **HEALTH AND ENVIRONMENT**

**S.B. 02-185 Tuberculosis containment.** Directs chief medical health officers to use every available means to identify the contacts of tuberculosis cases and to offer treatment as appropriate. Authorizes such health officers to issue a quarantine or isolation order when a patient with multi-drug-resistant tuberculosis ceases taking prescribed medications against medical advice. With the approval of the state chief medical health officer, authorizes such health officers to conduct screening programs of populations who are at increased risk of developing tuberculosis or having latent tuberculosis infection.

Instructs the executive director of the department of public health and environment to direct the investigation, examination, and treatment of persons who have had contact with suspected tuberculosis cases and to make arrangements with hospitals for the care and treatment of patients with drug-resistant tuberculosis if resources permit.

Authorizes hospitalization assistance to any person who has multidrug-resistant tuberculosis regardless of such person's length of residence in this state.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Amended 25-4-501; 25-4-506(1); added 25-4-507(3); amended 25-4-511(2)(a); 25-4-511(2)(b); 25-4-512.

## **HUMAN SERVICES – SOCIAL SERVICES**

**S.B. 02-16 Mentally ill persons involved in criminal justice system - standardized mental illness screening.** Authorizes the following persons to implement administration of a standardized mental illness screening, using standardized procedures, under the following circumstances:

- The state court administrator, for inclusion in the adult and juvenile pre-sentence or probation investigation;
- The administrator of a community corrections program, for screening of persons accepted by the community corrections program;
- The superintendent of the department of corrections diagnostic center, for screening of persons sentenced to the department of corrections;
- The director of a juvenile diversion program, for screening of juveniles participating in the program;
- The executive director of the department of human services, for screening of juveniles sentenced to juvenile detention facilities; and
- The juvenile court in each judicial district, for use when sentencing juveniles.

Changes the phrase "mental health pre-screening" as used in the juvenile statutes to "mental health hospital placement pre-screening", to distinguish from the standardized mental illness screening. Allows agencies and assessment centers for children to exchange information received from standardized mental illness screenings on children who are taken into temporary custody by law enforcement or referred to an assessment center for case management.

Instructs the group of specified departments developing the standardized screening instrument and procedures to develop procedures for referral for further assessment based on the screening results. Extends the authority of the group of specified departments to establish standardized procedures for mental illness screenings. Directs the group of specified departments to meet biennially to review the implementation of the standardized mental

illness screening procedures and the screening instruments. Directs the mental health division in the department of human services and the division of criminal justice within the department of public safety to report biennially to the general assembly regarding implementation of the standardized mental illness screening procedures and the screening instruments.

**EFFECTIVE May 24, 2002**

Amended and added to Titles 16, 17, 19; repealed 16-11.9-104.

## **MOTOR VEHICLES AND TRAFFIC REGULATION**

**H.B. 02-1020 Driving restrictions.** Expands the application of enhanced penalties for violation of state-imposed driving restrictions requiring chains or adequate snow tires to apply to any such violation that causes the closure of any single travel lane.

**EFFECTIVE March 26, 2002**

Amended 42-4-106(5)(a)(II).

## **PROFESSIONS AND OCCUPATIONS**

**H.B. 02-1031 Nurses - retired volunteer licenses - eligibility.** Eliminates the requirement that a nurse who applies for a retired volunteer nursing license must have retired within the past 4 years to receive such a license.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Amended 12-38-112.5(2)(b).

**H.B. 02-1321 Bingo and raffles - regulation by secretary of state - games managers - progressive games - pull tab games - bingo-raffle advisory board - appropriation.** Requires certification of games managers by the secretary of state (licensing authority). Prohibits a person from serving as a games manager for more than 3 bingo-raffle

licensed organizations simultaneously. Allows the licensing authority to promulgate rules allowing a person to serve as a games manager for more than 3, but not more than 5, organizations within a specified period of time. Disqualifies any person who has been convicted of a felony or any offense involving gambling.

Includes within the definition of "licensee" the former holder of a license or certification for purposes of investigation of activities that took place during the period when the license or certification was effective.

Prohibits a landlord licensee from awarding a cash prize in any amount, or products or services having a value greater than \$1,000, at premises where games of chance are conducted. Requires a landlord licensee to display or otherwise demonstrate ownership of all prizes offered, to award all such prizes within the same calendar quarter in which they were offered, and to file a written report to the licensing authority within 10 days after awarding a prize. Eliminates the licensing authority's jurisdiction over rental rates charged by landlord licensees.

Increases the regulatory powers of the licensing authority to allow suspension or revocation of a license for failure to file reports as required, to exclude individuals from premises where games of chance are conducted, and to challenge the legality of a newly instituted game or practice after the expiration of the 45-day period in which such game or practice is deemed approved. Limits transfers of proceeds derived from bingo and raffle activity among affiliated persons and entities. Requires licensees to submit to inspection by the licensing authority for the purpose of accounting for such proceeds.

Prohibits the sale of unauthorized games of chance or supplies for unauthorized games of chance.

Redefines "pull tab game" and defines a "deal" of pull tabs. Allows progressive bingo and progressive pull tab games using more than one deal and carrying over, from one bingo occasion to another, of prizes for one special bingo game in which the winner covers a previously designated pattern of squares within a specified number of attempts. Exempts such progressive and

special games from the existing dollar limit on prizes while requiring at least 70% of the proceeds from such progressive and special games to be paid as prize money. Limits the maximum prize in a progressive pull tab game to \$5,000.

Where a violation of the "Bingo and Raffles Law" also constitutes a violation of the criminal code for which a greater penalty is specified, allows prosecution under the criminal code and imposition of the corresponding penalty.

**EFFECTIVE August 7, 2002**

**NOTE:** This act was passed without a safety clause. For further explanation concerning the effective date, see page 1 of this report.

Amended and added to Titles 12 and 24.

## **TAXATION**

**H.B. 02-1399 Incentives for businesses - extension of maximum term - enterprise zones.** Increases the maximum term for which a school district board of education, county, or municipality may negotiate a business incentive agreement with a taxpayer who establishes a new business facility from 4 years to 10 years. Requires a school district board of education to have a proposed business incentive agreement reviewed by the Colorado economic development commission before entering into the business incentive agreement.

Repeals a statutory provision that requires the creation and review of a plan establishing criteria, procedures, and a schedule for the termination of enterprise zones or portions thereof that no longer meet specified criteria. Extends the period for which a taxpayer who meets specified criteria may claim specified enterprise zone tax benefits following the termination of an enterprise zone from 5 years to 10 years.

**EFFECTIVE June 3, 2002**

Amended 22-32-110(1)(ff); 22-32-110(1)(gg); added 24-46-104(1)(m); amended 30-11-123(1)(b); 30-11-123(2); 31-15-903(1)(b); 31-15-903(2); repealed 39-30-103(4)(d); amended 39-30-103(6).