



CSCA & CCHS/CR 2010 Session Comprehensive Final Legislative Narrative

General Overview

The Second Regular Session of the Sixty-Seventh General Assembly began on Wednesday, January 13, 2010, and adjourned on Wednesday, April 12, 2010. During the 120-day session, a total of 771 pieces of legislation were introduced with 217 bills originating in the Senate and 432 bills originating in the House. During the first 110 days of the legislative session, any bills that are sent to the Governor have 10 days to be signed, vetoed, or be allowed to become law without a signature. Starting May 3, 2010, Governor Bill Ritter has 30 days to take the same actions.

This narrative is intended to summarize the legislative activities by category with specific bills highlighted. For details on individual bills, please refer to the final legislative report provided by Salazar & Associates.

Overall Budget

The biggest issue affecting virtually every piece of legislation this session was the budget and revenue shortfall of the state. For the 2010-11 fiscal year, the state was approximately \$1.6B below the TABOR spending limit with a shortfall of \$2.2B, thus forcing deep cuts in every area of the budget, including K-12; higher education that had been cut in previous years and was propped up this year by the federal stimulus money that is ending in 2011-12. Any piece of legislation with a state fiscal impact died a quick death. The majority of bills that did pass with a state fiscal impact were funded by potential gifts, grants or donations.

Attempts were made at passing legislation that would have created a rainy day fund or to redistribute limited gaming money, but those were defeated.

- HB10-1072 Create Budget Stabilization Reserve Fund (Rep. Court / Sen. Heath)
 - Coming out of the Fiscal Stability Interim Committee, HB10-1072 created the State Budget Stabilization Reserve Fund requiring increasing amounts of general fund moneys, measured as a percentage of annual general fund appropriations, to be credited to the fund at the end of each fiscal year until the fund balance can be maintained at 15% of general fund appropriations.
 - The bill was postponed indefinitely by the House Finance Committee on 3/11.
- SB10-206 Distribution of State Share of Limited Gaming Revenue (Sen. White / Rep. Scanlan)
 - This bill would have removed the triggers and exceptions related to the distributions, commencing with FY 2010-11 and every state fiscal year thereafter, of the 50% of the limited gaming fund allocated to the state general fund or such other fund as the General Assembly provides.
 - On Wednesday 5/5 the Senate Finance committee voted to postpone indefinitely SB10-206.

Budget Balancing Bills

This year's state budget, or 'long bill' as many in the political arena call it due to its length, was HB 10-1376 by Rep. Pommer/Sen. Keller. The lack of revenue combined with deflation forced the Joint Budget Committee into a difficult task of developing the figures for each department. In an attempt to avoid more permanent cuts than necessary, the General Assembly voted to adjust revenues by passing a series of budget balancing bills that divert general fund dollars from existing programs or liquidate programs.

HB10-1383 was part of the budget-balancing package that liquidated a portion of the CollegeInvest scholarship. The bill includes an appropriation clause that refinances \$15.4 million General Fund for need-based financial aid with cash funds from the Colorado CollegeInvest Scholarship Trust Fund. The bill also transfers \$29.8

million from the Colorado CollegeInvest Scholarship Trust Fund to the General Fund. Sen. Romer, in an effort to preserve the scholarships generated from CollegeInvest for 7th graders aspiring to attend college, amended HB10-1383 to require the General Assembly to spend down the 4% statutory reserve to 1.5% prior to accessing the scholarship dollars. This amendment does not affect K-12 cuts for FY 10-11, but it does start K-12 funding with a cut of \$25M for FY 11-12.

HB10-1428 is a bill that resulted from notification from CDHE given to the JBC during the budget balancing process that CDHE plans to sell of a portion of the CollegeInvest portfolio. Due to new regulations from the Federal government regarding state provision of scholarships and loans and the growing costs of administering CollegeInvest, CDHE decided to sell the \$1.5 billion scholarship portfolio of student loans. This is expected to gross about \$35 million in revenue to the state. CollegeInvest's other functions, including the 529 college savings program, and other related agencies, CollegeInColorado and CollegeAssist, won't be affected by the sale. The \$35 million will not be available to the state until at least September and the proceeds are regulated in HB10-1428. This bill repeals the authority of the student loan division (CollegeInvest) in the Colorado Department of Higher Education, to originate, issue, or guarantee any new student loans after July 1, 2010. If CollegeInvest or any other division of CDHE sells its interest in student loans or obligations, the bill specifies where the proceeds of the sale shall be deposited. The bill also creates the financial need scholarship fund to receive a portion of the proceeds of the sale of the state's interest in student loans.

Bill #	Title	Estimated Revenue Generated	Status
HB10-1320	Tobacco Tax Revenues	\$ 43.7M	4/15 Governor Signed
HB10-1327	General Fund Cash Fund Transfers	\$ 87.8M	4/15 Governor Signed
HB10-1339	Limited Gaming Fund Distribution	\$ 2.0M	4/15 Governor Signed
HB10-1383	CollegeInvest	\$ 29.8M	5/6 Sent to the Governor
HB10-1384	Old Age Pension Fund	\$ 14.0M	5/6 Governor Signed
HB10-1388	Cash Fund Transfers Augment GF	\$ 25.5M	5/4 Sent to the Governor
HB10-1390	FY10-11 General Fund Reserve	\$138.7M	Laid over to June 9, thus causing the bill to die on the Calendar
SB10-190	Senior Homestead Exemption	\$ 94.0M	5/12 Sent to the Governor

Tax Issues

In an attempt to generate additional revenue, the legislature passed a series of controversial bills that reinstated existing taxes by repealing current tax exemptions. The exemptions were characterized as new taxes, but in actuality, they were a reinstatement of existing taxes currently approved under law. These bills created an extreme partisan divide very early in the session as legislators were expected to choose between the business community and deeper cuts to K-12 education if the taxes were not reinstated.

Bill #	Title	Estimated Fiscal Impact	Status
HB 1189	Direct Mail Advertising	\$ 1.4M	2/24 Governor Signed
HB 1190	Industrial Fuel	\$ 48.0M	2/24 Governor Signed
HB 1191	Candy and Soft Drinks	\$ 17.9M	2/24 Governor Signed
HB 1192	Standardized Software	\$ 15.0M	2/24 Governor Signed
HB 1193	Online Sales	\$ 5.0M	2/24 Governor Signed

HB 1194	Nonessential Articles	\$ 2.1M	2/24 Governor Signed
HB 1195	Agricultural Products	\$ 1.5M	2/24 Governor Signed
HB 1196	Alternate Fuel Cars	\$ 1.2M	2/24 Governor Signed
HB 1197	Conservation Easement Cap	\$ 13.0M	4/29 Governor Signed
HB 1198	Alternative Minimum Tax	\$ 2.5M	1/28 Postponed indefinitely House Finance
HB 1199	Net Operating Loss	\$ 16.7M	2/24 Governor Signed
HB 1200	Enterprise Zone Credit Deferral	\$ 4.5M	5/12 Sent to the Governor
SB 0190	Senior Homestead Exemption	\$ 94.0M	5/12 Sent to the Governor
Total		\$220.5M	

To offset the elimination of the tax exemptions, another bill was run to eliminate all refund mechanisms under the Taxpayer's Bill of Rights. The state is not anticipated to have refunds for several years, but it's easier politically to run this type of bill when refunds are not imminent.

- SB10-212 Repeal Most TABOR Refund Mechanisms (Sen. Cadman / Rep. Weissmann)
 - The bill repeals all TABOR refund mechanisms except the earned income tax credit, income tax rate reduction, and the state sales tax refund.
 - SB10-212 received final approval from the House on Wednesday 5/12.

Education Program Funding

- In HB 10-1376, existing K-12 programs were slated for cuts from the 2010-11 budget. Legislators worked to find appropriations for particular favorite projects from previous years: 1) the Counselor Corps Grant Program (\$5M) that is in its 3rd year of a 3-year cycle. This program was a priority for Governor Ritter and the original legislators, Rep. Middleton and Sen. Bacon, who carried the implementing legislation; and 2) the Principal's Leadership Academy (\$75,000) that is expected to receive national grant funding to match the state funding. This program is expected to help with principal development for implementation of the new standards and assessments, as well as the new educator evaluation programs.

School Finance

The state's economic situation began to spiral downward last fiscal year. Cuts in the current FY 09-10 were inevitable, based on the fact that cuts already took place at the end of the 08-09 fiscal year.

- SB10-065 Negative Supplemental for K-12 Education (JBC)
 - At the beginning of this year's session, SB 10-065, the negative supplemental for K-12, cut \$130M in the current school year. This action was a protective measure placed in the 2009 School Finance Act in the event that the General Assembly needed to cut funds from school districts. Districts were required to place the funds in an unencumbered reserve and not allowed to appropriate the money until January 29, 2010, if the legislature failed to take action.
 - The Governor signed SB 10-065 into law on January 28, 2010.

Last interim, the School Finance Interim Committee met in an effort to provide recommendations on how to modify the School Finance Act. Without a significant new funding source, the committee determined that changes were not possible without creating winners and losers among the districts. Other bills that made minor adjustment to the act or incentivized creativity were brought forward.

SB10-008 Average Daily Membership Study (Sen. Johnston / Rep. Scanlan)

- The School Finance Interim Committee was hesitant to mandate an average daily pupil count as a statewide policy. Instead, the bill authorizes a study evaluating the feasibility and impact of determining pupil enrollment based on average daily membership (ADM) by calculating the average number of days that pupils are enrolled in school during a school year rather than attendance on October 1 of the applicable budget year as is done under current law. In addition, the study is going to examine the impact on school districts for funding under ADM and the technology required to change the reporting structure.
- The Governor signed SB10-008 into law on April 21, 2010.
- SB10-062 Categorical Programs (Sen. Steadman / Rep. Peniston)

- Beginning as a bill to allow the Education committees to determine funding annually for each categorical program (transportation, special education, gifted and talented, English language learners), SB10-062 was amended heavily as it passed through committee. One amendment eliminated the portion of the bill that moved the control over determining each categorical's funding from the JBC to the House and Senate Education committees. An additional amendment eliminated the proposed shift in funding that was proposed between Tier A and Tier B for students receiving special education funding. Originally the bill would have increased Tier A funding for all special education students by the same percentage as the overall categorical increase. The only remaining portion of the bill changes the terminology for English language learners for purposes of streamlining reporting and data collections.
 - The Governor signed SB10-062 into law on April 29, 2010.
 - o HB10-1013 Modifications To School Finance Administration (Rep. Middleton / Sen. Romer)
 - The bill made conforming amendments for charter school capital construction due to a change made during the 2009 legislative session. It also eliminates a local board of education's authority to negotiate BIAs, but BIAs have not been funded by the legislature for several years. HB10-1013 modifies the requirements for a district to notify the state board of education when it plans to seek voter approval to retain and spend the additional property tax revenues and to submit a proposal of what the district will do with the additional revenues when going from 20% to 25% override limit. Eliminates the requirement that the department reduce a school district's state share of total program funding by an amount equal to the payment that the district receives as impact assistance in lieu of taxes from the division of wildlife and the requirement that the district certify to the department the amount it receives from impact funds. Additionally, the bill outlines requirements for districts to apply for dependent supplemental pupil enrollment aid. This bill was also amended to extend deadlines relating to adoption of assessments, which will be discussed in another section of this document.
 - Furthermore, HB10-1013 was amended to adjust school finance payments so that they do not have to be disbursed by CDE in 12 equal payments in order to potentially address cash shortfalls if Amendment 61 passes in Nov. Also amended to expand the date for the charter school pilot program on food services and allow for 2 other schools to participate. Finally, amended to eliminate the data collection and potential funding for the military supplemental.
 - The bill was repassed by the House with amendments and sent to the Governor on May 12, 2010.
 - o HB10-1015 Stable Funding for Small Districts (Reps. Middleton & Massey / Sen. Romer)
 - HB10-1015 creates a stable funding pilot program for small school districts that provides consistent total program funding for each of 5 consecutive budget years, beginning with the 2010-11 budget year. This concept was controversial because there was no funding source to provide the stable funding source desired in the bill. A small district that participates in the pilot program would have been guaranteed to receive total program funding equal to its total program funding for the 2009-10 budget year throughout the stable funding period.
 - The bill was postponed indefinitely on February 11, 2010, by House Education.
 - o HB10-1183 Alternative School Finance Models (Rep. Middleton / Sen. Johnston)
 - The bill creates a pilot program for data collection to test other methods for school districts, as if they had been funded under a different model while still receiving existing funding. Districts applying for participation must demonstrate what the model is based upon, incentives or outcomes of applying the model, how the effects of the model will be measured, benefits/obstacles to implementing the model statewide, and any waivers that would be necessary. Another amendment prohibited waivers of Articles 9, 60.5 and 63 of title 22 pertaining to educator licensing, teacher employment and dismissal statutes.
 - The Governor signed HB10-1183 into law on April 29, 2010.

This year's School Finance Act was quite uneventful compared to previous years. The most controversial issues were how big was the cut going to be and who's interpretation of Amendment 23 funding was going to prevail.

- HB10-1369 School Finance Act (Reps. Scanlan & Pommer / Sen. Bacon)
 - Increases the statewide base from \$5,507.68 + \$22.03 (0.4% increase) = \$5,529.71.
 - Reduces the overall total program amount through the use of a negative factor (budget stabilization factor) for two fiscal years to an amount is not less than \$5,438,295,823, which is \$260,000,000 less than the initial statewide total program funding for FY 2009-10.
 - Trying to determine how to deal with those school districts that receive little to no state aid consumed the conversation in the Senate and Conference Committee. The issue was resolved in conference committee by requiring-districts funded primarily with property taxes to buy back state categorical aid up to the percentage cut that all districts are receiving. CDE shall redistribute the buy-back funds from those districts through categorical distribution.
 - Changes how the interest earned on the investment of the moneys in the public school fund is directed, with the first \$11 million required to be credited to the state public school fund for distribution as provided by law. Any interest earnings beyond the \$11 million shall remain in the fund and become part of the principal of the fund.
 - The Senate added language that would have required each school district to provide a report to CDE examining the financial benefits of consolidating the central administrative functions of multiple school districts by each county. The Conference committee removed this language entirely.
 - The final issue that was never discussed as the bill moved through both chambers was the ability of a school district to convert a district charter school to a State Institute Charter School. By doing this, the district could potentially have a decline in enrollment and trigger the student count mechanism that allows for averaging of the student enrollment over the previous five years. The Conference Committee inserted language that prohibits the use of declining enrollment averaging for loss of students in charter schools when a school district transfers its charter schools to the CSI starting July 1. This was a potential multi-million dollar expense to the state in future years.
 - HB 10-1369 was signed by the Governor on May 21, 2010.
- SB10-205 School District Bonded Indebtedness Elections (Sen. Bacon / Reps. Scanlan & Murray)
 - This bill is a protection for school districts in the event that Amendment 61 passes in the November election. Currently school districts borrow money interest-free until they receive their property tax payments in April. If Amendment 61 passes at the ballot in November, the state would be prohibited from operating that program. This bill allows districts to go to their local voters for additional funding to cover cash flow until property taxes are collected.
 - The bill was one of the last bills of the session and passed 3rd Reading in the House on May 12, 2010.

PERA

Making the Public Employees Retirement Association fund solvent for future and current retirees was one of the early priorities of the session. The Coalition for retirement security, including school districts, state troopers, union employees, and retirees, worked with PERA administrators and Senate President Brandon Shaffer to find a compromise. This was not without compromise from retirees, employees and employers. Reducing the retiree cost of living automatic increase was the single biggest factor in making PERA solvent. It was also crucial to find a solution prior to March 1, 2010, when the automatic cost-of-living increase was scheduled to happen for the current year. A detailed summary is a separate document included with this report.

- Senate Bill 1 is always given to a high priority bill, thus sponsor President Shaffer dubbed the PERA fix SB 10-001. The bill included:
 - One year cost-of-living freeze for retirees instead of the original two year proposal;

- For the state division: 2% AED (employer) increase and 2% SAED (employee) increase in addition to current increases already in place and a graduated retirement rule of 58/88 for new hires beginning 1/1/11 through 2016 and rule of 60/90 for new hires beginning 1/1/17.
- For the school and DPS divisions: 1.5% AED (employer) increase and 2.5% (employee) increase in addition to current increases already in place and a retirement rule of 58/88 for new hires beginning 1/1/11.
- The Governor signed this bill on February 23, 2010.
- Because of the state's budget crisis, the state cannot afford the current employer contribution for the judicial or state divisions (state employees and higher ed employees only) required under SB 10-001, therefore, SB10-146 PERA Contribution Rates (Sen. Keller / Rep. Pommer) was introduced. This bill shifted the employer contribution to the employees in lieu of any salary increases.

Other PERA-related bills were introduced but defeated during the session. Those include attempted modifications to the board and converting PERA from a defined benefit plan to a defined contribution plan.

- HB10-1153 Modifications to PERA Board (Rep. J. Kerr) attempted to change the PERA board. This bill was postponed indefinitely in House State Affairs on February 11, 2010.
- HB10-1207 Modifications to PERA (Rep. Lambert / Sen. K. King) attempted to make dramatic changes to PERA by changing the retirement age, changing the calculation for highest annual salary for purposes of earning a retirement benefit, converted the plan to a defined contribution plan, and eliminated all employer and employee contributions making the plan bankrupt. This bill was postponed indefinitely on February 23, 2010, in House State Affairs.

Higher Education

- SB 10-003 Higher Ed Flexibility (Sens. Morse & Penry/Reps. Middleton and May)
 - SB 10-003 was introduced in the first round of bills, but proved to be one of the last bills of the session. Senator Morse worked tirelessly with Higher Ed Institutions and with the business group Colorado Concerns to try to create some degree of flexibility for institutions facing massive budget cuts in the immediate future.
 - Tuition. Beginning in FY 2011-12, governing boards of state institutions of higher education have authority to set tuition and may not increase tuition by more than 9 percent without approval from CCHE. To obtain approval, the school must provide a 4-year financial and accountability plan specifying for each of the 4 years:
 - the amount of increase;
 - the manner in which the school will ensure access and affordable tuition for low- and middle-income students;
 - the manner in which the school is implementing flexibility with state fiscal rules; and
 - measures the school will implement to ensure service levels and quality academic programs.
 - Planning. No later than November 10, 2010, each board must report to the CCHE and to the JBC the board's plans to fund the schools under its control in the following fiscal year if the General Assembly reduces overall state funding for higher education by 50 percent.
 - Admissions. Provides an exemption for CU from current law that requires 55 percent of incoming freshmen and not less than two-thirds of total student enrollment to be resident students, but only if CU continues to admit all qualified resident first-time freshmen applicants.
 - Financial Aid. This bill requires that the CCHE annually determine the amount of financial aid for each institution but permits the schools to administer the programs and distribute the aid according to their own policies and procedures. In its biennial review of schools, the Office of the State Auditor is required to include a review of access to and affordability of higher education.
 - State Fiscal Rules. The bill permits the schools to adopt their own fiscal procedures and to be exempt from the fiscal rules of the state controller or from participation in central services (e.g., printing, document management, mail-related services). Schools are authorized to

- collect their own debts and manage vendors and performance contracts.
 - Capital Construction and Real Estate. The bill repeals the requirements that the CCHE approve all acquisitions of real property that are conditioned on state or federal funding and approve capital construction projects or building acquisitions that are paid solely from cash funds.
 - Employment. Under current law, a governmental entity may provide post-employment compensation (payment of up to 3 month's salary and benefits) for employees who are employed less than 5 years. This bill allows the schools to provide post-employment compensation regardless of the length of employment.
 - Local District Colleges. Aims Community College and Colorado Mountain College are exempt from this legislation. The local district colleges already have the flexibility provided in this legislation.
 - This bill was sent to the Governor on May 26, 2010.
- SB10-108 Higher Ed Core Courses (Sen. K. King / Rep. Middleton)
 - SB10-108 was lauded by both chambers as a step in the right direction in providing affordable options for higher education. The bill requires the Colorado Commission on Higher Education to put a process in place for students enrolled in private institutions of higher education to test out of core courses and receive credit for those courses without paying tuition beginning in 2010-11. The bill also allows a private institution of higher education to choose to participate in the core course guidelines and have courses reviewed at their own expense.
 - The bill was sent to the Governor on May 18, 2010.
- SB 10-088 Transfer of Two-Year Degrees (Sen. Johnston/Rep. Massey)
 - This bill changed the role and mission of the community colleges to permit two-year degree programs that culminate in an academic designation. Academic designation permits a student to choose an academic major while pursuing his or her associate's degree in order to ease transfer between a two-year college and a four-year college.
 - Community colleges seeking to add academic designation to a degree program must get approval from the State Board for Community Colleges and Occupational Education and by the CCHE. Junior colleges seeking to add academic designation to a program must get approval from the school's board of trustees.
 - The Governor signed SB 10-088 on April 21, 2010.
- HB10-1208 Higher Ed Statewide Transfer Agreements (Reps. Todd and Murray / Sens. B. Shaffer & K. King)
 - HB10-1208 was another higher education bill that received praise in both chambers for increasing accessibility and affordability of diplomas, but not without a lot of behind the scenes negotiations. The bill requires statewide transfer agreements to transfer AA & AS degrees from one institution to another and provides the student junior status. An institution that admits the student may also require the student to complete additional lower-level courses if necessary for the degree program, so long as the additional credits do not extend the time it takes for the student to complete their degree beyond that required for a student who begins and completes his or her degree at the institution. Additionally, by 1/1/16, CCHE is required to collaborate with the governing boards of the institutions to complete at least 14 transfer agreements. The bill was also amended in the Senate Education committee to include local district junior colleges and to specify that no more than 2 years of credit can be transferred into a four-year institution.
 - This bill requires the creation of statewide college degree transfer agreements between institutions of higher education. Under the agreements, students who complete an associate's degree at a two-year school and are then accepted into a baccalaureate program at a four-year school must be enrolled with junior status and are not required to complete any additional general education credit hours.
 - The state guarantee credit transfer program for general education courses, known as GT Pathways, permits transfer of up to 31 credits that automatically apply toward general graduation requirements at any school.

- For students with a completed associate's degree, 60 credit hours are guaranteed to transfer once the student is accepted to a four-year school.
- It may be possible for a student to complete a 60+60 plan, whereby only 60 additional hours will be needed to complete a bachelor's degree.
- No later than July 1, 2012, this bill requires CCHE and the state institutions of higher education to establish at least four statewide transfer agreements. No later than July 1, 2016, there must be at least 14 statewide transfer agreements.
 - The four statewide transfer agreements that already exist in business, education, engineering, and nursing meet the requirement for establishing at least four agreements by July 1, 2012.
 - Students may also enter into guaranteed statewide degree transfer agreements in business, elementary education, engineering, and nursing.
 - Other degree programs are currently under consideration for new agreements.
- Governor Ritter signed HB10-1208 into law on May 5, 2010.

ICAPs

- SB10-026 College in Colorado (Sen. Romer / Rep. Middleton):
 - The bill originally moved the office of College in Colorado over to the Colorado Department of Education and was subsequently amended into a data-sharing bill between the departments of education and higher education and College in Colorado. Subsequent amendments mistakenly eliminated the current statutory requirement that all sixth grade students register with College in Colorado. Due to complications with these amendments and already existing data sharing capabilities, the stakeholders and sponsors decided to maintain the status quo regulations.
 - The House Education committee postponed SB10-026 indefinitely at the request of the sponsor.

Educator Quality

- SB10-036 Program Results for Educator Preparation (Sen. Johnston / Rep. Merrifield)
 - Introduced the first day of session in the senate chamber was SB10-036, a higher education data collection bill sponsored by freshman Senator Michael Johnston and House Education Committee Chair Representative Michael Merrifield. The bill was on an aggressive passage timeline in order to be included in Colorado's Race to the Top grant application, which is due Jan. 19. Any program intending to be funded with Race to the Top funds must be included in the state's grant application. In the first three days of session, the bill passed through the both chambers with small amendments during both rounds of debate. The bill was amended to include all teacher prep programs including alternative educator preparation programs, alter the language to remain consistent with the state's emphasis on longitudinal growth, and a safety clause was inserted to make the bill effective immediately.
 - The Governor signed the bill on January 15, 2010, making it the first bill to become a law in 2010.
- SB10-191 Educator Effectiveness (Sens. Johnston & Spence / Reps. Murray & Scanlan).
 - Upon its introduction in mid-April, SB 191 became a key focus of attention at the Capitol prompting heavy coverage in the media. The legislation started out as guidelines to the Governor's Council for Educator Effectiveness regarding measuring teacher and principal effectiveness based on student academic growth in their classrooms and schools. As amended, the bill codifies the Council as the State Council on Educator Effectiveness and describes characteristics of a statewide evaluation system for them to consider in their recommendations to the State Board of Education. That system is intended to provide teachers and principals meaningful opportunities to become more effective in the classroom through assessments that measure student academic growth in every area. Assessments are to be provided to districts free of charge.
 - The bill also directs the Council to make recommendations to the State Board that would give non-probationary teachers who receive two consecutive ratings of "ineffective" due

process rights to ensure they are not dismissed for arbitrary or capricious reasons if they are not party to a collective bargaining agreement.

- A number of proponents came out in support of the bill including the State Board of Education, which supported the measure unanimously. Early opponents to the bill included the Colorado Education Association, the Denver Classroom Teachers Association and The Colorado PTA. The Senate Education Committee was the first hearing on the bill and after a great deal of discussion passed it 7-1.
- The bill survived the Senate Appropriations Committee as well and was sent to the Senate floor where a floor debate that lasted into the night resulted in numerous amendments. Fourteen senators voted against the bill before it was approved by a vote of 21-14 and sent to the House Education Committee.
- The House Education Committee hearing on SB 191 lasted nearly seven hours before the committee approved the measure by a 7-6 vote. Tensions were high in the hearing as former teachers on the committee were moved to tears by the testimony and discussion. The bill was referred to the House Appropriations Committee where the tense discussion continued prompting more tears from a committee member and a narrow vote on the bill, sending it to the House floor.
- In the House, several amendments were offered including one by former teacher Rep. Mike Merrifield (D-Colo. Springs) that would have merely codified the Governor's executive order and removed all other sections of the bill – effectively gutting it. A hand-full of Democrats stood with Republicans to defeat that amendment. At around 11:00 pm that night, House members voted to adopt the amended version of the bill 36-29 with eight Democrats and one Independent joining with House Republicans to support the measure.
- On the last day of the session, the Senate concurred with House amendments and voted 27-8 for final approval of the bill. The bill was signed by the Governor on May 21, 2010.
- SB10-050 Teacher Tenure (Sen. Spence)
 - Senator Spence introduced this bill at the beginning of session in an attempt to reform the way tenure is awarded to teachers, without the knowledge that SB10-191 would be coming down the pike. She postponed her bill indefinitely at the last Senate Education committee meeting of the 2010 session with full committee support.

Graduation Requirements / Curriculum

- CAP4K Implementation / Deadline extensions

Passed in 2008, the Colorado Achievement Plan for Kids (CAP4K) included a variety of educational reforms to be implemented through 2014. The reforms mandated include descriptions of workforce readiness, innovative model content standards, a brand new state assessment system, alignment of local district and school curricula with the new model content standards, new types of high school diplomas and alignment of college admissions requirements with the new K-12 system. According to a study presented in April to the State Board of Education conducted by Augenblick, Palaich and Associates, the cost for school districts of implementing the new standards portion of CAP4K is anywhere between \$131.5 million to \$142.4 million. Two more cost studies on implementation of assessments and graduation guidelines will be released on October 1st of 2011 and 2012. Of particular concern is the new state assessment system, which is estimated to cost up to \$80 million in implementation costs.

The state is looking to utilize Race to the Top funds, if awarded, in order to cover some of these costs. However, with the anticipated grant money reduced by over \$200 million, from \$377 to \$175 million, Race to the Top could possibly fall short in covering these implementation costs. Officials are now also looking at the newly announced Race to the Top Innovation in Assessments grant competition, which requires participation in a multi-state consortium. Colorado currently belongs to the SMARTER consortium, which is made up of 24 states and focuses adaptive-assessment technology.

- HB10-1013 Modifications to School Finance, sponsored by Representative Middleton and Senator Romer, contained a variety of technical changes to the School Finance Act requested by the Colorado Department

of Education in order to adjust for the revenue shortfalls, uncertainty around new Federal regulations and continuing assessment consortium work, the implementation timelines for CAP4K have been modified.

- Included was an extension of the timelines for the statewide assessment system. Under current law the State Board of Education has until December 15, 2010, to adopt a new assessment system.
- Added language that allows the SBE to wait to adopt the standards “on December 15, 2010 or as soon thereafter as fiscally practicable”. This provides the necessary leeway CDE needs to continue the reform and assessment development process.
- Other deadline extensions include:
 - Extension of the adoption of graduation guidelines from December 2010 to December 2011.
 - Postponement of the requirement that districts align their graduation requirements to the new statewide system to the 2012-2013 school year.
 - Specially endorsed diplomas will be adopted ‘as soon as fiscally practicable’ after July 1, 2011.
 - Delaying of the requirement that high school students successfully complete a postsecondary and workforce readiness program an additional year until December 2013.
 - Delaying of the school district use of individual preschool readiness plans one year until Fall 2013
 - Movement of the deadline for the cost study of new assessments from October 1st 2010 and 2011 to October 1st 2011 and 2012.
- SB10-1273 Arts in Education (Rep. Merrifield / Sens. Spence & Steadman)
 - Representative Mike Merrifield’s legacy bill, HB10-1273, originally mandated a visual or performing arts graduation requirement with a demonstration of proficiency. The bill was amended in the House Education committee by replacing the demonstration of proficiency with a course requirement as a condition of high school graduation from public schools beginning with the ninth-grade class of 2010-11.
 - With pressure from districts and career and technical education, the bill was amended in the Senate Education committee to direct the State Board to consider an arts graduation guideline.
 - Displeased with testimony in Senate Education on the bill from the Colorado Association of School Boards after the language was agreed upon, Representative Merrifield called for a conference committee to be formed on the bill. After considerable pressure from districts and career and technical education, he decided to dissolve the committee and ask the House to adopt the bill with Senate amendments.
 - The Governor signed this bill on May 18, 2010.

Assessments

- HB10-1254 Assessment Graduation Requirement (Rep. Sonnenberg)
 - This bill would have Required the State Board of Education to include in its graduation guidelines a requirement that each student in public high school in Colorado, before being permitted to graduate from high school, achieve either a score at the proficient achievement level or higher on the 10th-grade statewide assessments in reading, writing, and mathematics or a score on a postsecondary and workforce readiness assessment indicating that the student has attained postsecondary and workforce readiness.
 - On February 25, 2010, the bill was postponed indefinitely by the House Education Committee due to concerns about high stakes testing, proficiency requirements and Colorado’s ongoing revision of the statewide assessment system.
- HB10-1430 K-12 Educational Assessments (Reps. Solano & Scanlan / Sen. Hudak)
 - Rep. Solano introduced her annual assessment bill attempting to eliminate CSAPs on May 6. This year’s bill took a slightly different path than it has in the past, but ultimately wound up in the same place. Rep. Solano consulted with the Department of Education (CDE), school districts, fellow legislators, and the governor’s office regarding the direction of this legislation.
 - On March 27, there was a draft that was supported by all the above mentioned parties, which included language from CO’s Race to the Top Application regarding the definition of assessments, how formative, interim and summative assessments should be used in the growth model and by the state and districts.
 - The introduced version of HB 1430 contained that language, but also eliminated the 9th and 10th grade CSAP and accelerated the use of the new postsecondary and workforce readiness assessment

for high school to this coming fall. The department of education, many school districts, and education stakeholders all opposed this version of the bill.

- When the bill was heard in House Education, Rep. Solano also offered an amendment to eliminate the writing CSAP at all grades and mandate that school districts continue to assess writing at their own costs. The bill passed the House easily out of deference to Rep. Solano.
- When the bill was heard in Senate Education, Senators had grave concerns about the bill after hearing from the opponents to the bill, honored the request of Sen. Hudak to lay the bill over for further consideration. After working over the weekend with the department, Sen. Hudak returned to the March 27 version of the bill, which only outlined definitions of assessments and the direction the state was moving. The committee passed the bill with Sen. Hudak's commitment that if Rep. Solano attempted to take the bill to conference committee, Sen. Hudak would prevent that from happening by adhering to the Senate version of the bill. With that promise, the bill passed easily on 2nd and 3rd Reading in the Senate on the final two days of session.
- When the bill was returned to the House on the final day of session, Rep. Solano decided to reject the Senate amendments and ask for a conference committee. This was precisely what Senators had been concerned with in passing the amended version of the bill. True to her word, Sen. Hudak asked her colleagues to adhere to the Senate version of the bill and reject forming a conference committee. At this point, Rep. Solano's only options were to either to accept the Senate amendments and repass the bill or to adhere to the House version of the bill, thus killing the bill. Rep. Solano chose the latter and in essence killed the bill with the vote of the House to adhere to the House version.

Resolutions

- SCR10-002 & HCR10-1002 Authority for the General Assembly to Enact Additional Education Funding (Sens. Williams & Romer / Rep. Benefield)
 - Both the House and Senate Concurrent Resolutions allow the General Assembly to enact statutes that result in additional state revenues without prior voter approval if the resulting revenues are utilized for P-20 education. In other words, these resolutions would have exempt education spending from TABOR limitations. The SCR died on the calendar, as its Senate floor hearing was scheduled for a date after the legislature adjourned. The HCR was utilized as a filibuster tactic by Democrats to prevent debate on the educator effectiveness bill and was eventually killed on the floor.
- SCR10-001 Fiscal Policy Constitutional Commission (Sen. Heath / Rep. Ferrandino)
 - Completely amended from the original version that came out of the Fiscal Policy Interim Committee in a strike-below, the resolution would have:
 - Created a bi-partisan commission of 19 people that meet every 6 years
 - Commission can choose to evaluate any subject in the constitution
 - Recommendations would need 2/3 vote coming out of commission to make a recommendation to General Assembly
 - These recommendations to the General Assembly would have their own nomenclature and be constitutional amendments called "Commission Amendments"
 - Recommendations would be exempt from single subject rule so multiple issues can be covered in recommendation
 - The General Assembly would have to approve the recommendation by 2/3 to put the recommendation on the ballot
 - The citizens of Colorado would then get the opportunity to vote on the Commission Amendments in the general election
 - The resolution passed out of the Senate State Affairs committee on a party line vote and died on the Senate floor on Tuesday 5/11 failing to garner any Republican votes and thus, not meeting the 2/3 requirement necessary to pass. Senators Schultheis and Penry stated fears on the Republican side of the isle that the intent of the resolution was to erode the provisions of TABOR while Senator Heath defended the measure as the only solution provided to unwind the fiscal 'Gordian Knot' that has embroiled the Colorado constitution.
- SCR10-003 Ballot Initiatives To Amend Constitution (Sens. Tapia & White / Rep. Court)

- This resolution:
 - Asked voters in November to require double the number of registered voters' signatures to get a constitutional amendment on the ballot – raises requirement to 152,094 signatures (currently 76,047).
 - Also required a 60% majority for any constitutional amendment to pass.
 - Required 60% requirement excludes the repealing of any constitutional amendments passed before November 1, 2011.
 - Including TABOR, Gallagher and Amendment 23 – these would just require a simple majority if this measure passes
 - Also required that 1% of the total signatures be gathered in each state Senate district.
- This resolution was expected to die quickly on the Senate floor for lack of a 2/3 vote required to place general assembly-initiated proposals on the ballot. With a surprise vote comprised of Democrats and three Republicans, this bill passed Senate 3rd reading on Wednesday 5/12 despite a request from sponsor Senator Abel Tapia to kill the measure. Unfortunately, the passage was too close to adjournment and the House didn't have time to consider the measure.
- SCR10-004 Games With Elements Of Chance (Sens. Romer & Tapia / Reps. May & McFadyen)
 - This resolution would allow keno gaming across the state with the revenue devoted to college scholarships. The measure was postponed indefinitely by the Senate State Affairs committee on Monday 5/10.
- SCR10-006 Amendment 23 Public Ed Rate Of Growth (Sen. Lundberg)
 - This resolution would have allowed the General Assembly to set a lower rate of growth for public education funding if the rate of inflation reaches 5% or greater. The measure was postponed by the Senate State Affairs committee on Monday 5/3.
- SCR10-007 Sales & Use Tax Of Tangible Personal Prop (Sen. Lundberg)
 - This resolution would have voided two acts enacted by the General Assembly (HB10-1192 & HB10-1193) and signed into law in 2010, codified the Department of Revenue's special regulation related to the sales or use tax of sales of computer software, and specified that there shall be no sales or use tax liability for any Colorado purchases made by a Colorado purchaser from a retailer that does not have a physical presence in the state of Colorado. The measure was killed by the Senate State Affairs committee on Monday 5/3.
- SCR10-008 Clarification Of Tax & Fees In TABOR (Sen. Brophy / Rep. McNulty)
 - This resolution would have defined a "tax" to be a charge imposed by a district that is not a fee or a fine, but includes a special assessment. A "fee" was defined to mean a charge imposed by a district that, at the time of its creation, is intended to:
 - (1) Be levied only to defray the cost of the particular government service provided to those charged;
 - (2) Be reasonably related to the overall cost of that government service; and
 - (3) Not be levied for the purpose of raising revenue for a general public purpose.
 - The measure was killed by the Senate State Affairs committee on Monday 5/3.
- HCR10-1007 Transfer Of GOCO Moneys To State Education Fund (Rep. Sonnenberg)
 - This resolution would have allowed the transfer of all available net proceeds minus any moneys required to pay bonds issued by law by the trust fund board of every state-supervised lottery game to the State Education Fund if the General Assembly declared a state fiscal emergency. The emergency would be declared by adopting a joint resolution approved by a 2/3 majority vote of the members of both houses of the General Assembly and the Governor. On Monday 5/3 the House Education committee postponed indefinitely HCR10-007.

Race to the Top

Colorado's Race to the Top journey began during the summer of 2009, as Lieutenant Governor Barbara O'Brien formed workgroups that met around the Denver metro area focused on four main target areas of the

application – Low Performing Schools, Educator Effectiveness, Longitudinal Data Systems and Standards and Assessments. In addition to submitting the first round proposal, Governor Bill Ritter formed a Council on Educator Effectiveness comprised of experts from around the state to formulate guidelines for a state system of educator evaluation. One of 16 finalist in the first round of applications and eligible for \$377 million in funds, Colorado looked to have made promising progress in many of the key areas of the grant. However, the state was not selected for funding in the first round.

Feedback for Colorado’s application from the USDoE cited weaknesses around elaborating on the various reforms that Colorado plans to implement those reforms. The state was also asked for more detail and work in the area of educator evaluation and effectiveness, thus the introduction of SB 10-191 Educator Effectiveness. Additionally, Colorado has looked to join several consortia around assessment systems in an attempt to bolster chances of winning separate Race to the Top Assessment Systems grants.

Colorado has chosen to apply for the second round of the grant. However, the state is only eligible for \$60-\$175 million in funds, a decrease of over half of what was originally proposed. The second phase application is due June 1st, 2010, and winners will be announced in September 2010. Although it has been debated, many cite the quick passage of SB10-191 Educator Effectiveness as a measure to bolster Colorado’s chances in the second round.

Key Dates for Education:

- 2010-2011 School Year
 - Old Standards: Colorado Model Content Standards
 - Old Assessment: CSAP
 - Council will develop recommendations for a new statewide evaluation system.

- 2011-2012 School Year
 - New Standards: Colorado Academic Standards
 - Modified Assessment: CSAP assessment items which align to the new Colorado Academic Standards only
 - CDE will work with districts and boards to assist with the development of performance evaluation systems based on quality standards.

- 2012-2013 School Year
 - New Standards: Colorado Academic Standards
 - Modified Assessment again: CSAP assessment items which align to the Colorado Academic Standards and new assessment items.
 - Phase one of implementation of evaluation systems in voluntary school districts.

- 2013-2014 School Year
 - New Standards: Colorado Academic Standards
 - New Assessment: New summative assessment
 - Statewide implementation of the new evaluation systems.