

First Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

**REENGROSSED**

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

LLS NO. 09-0933.01 Nicole Myers

**SENATE BILL 09-256**

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**SENATE SPONSORSHIP**

**Romer and Bacon,**

**HOUSE SPONSORSHIP**

**Pommer and Scanlan,**

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**Senate Committees**

Education  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

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

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Amends the "Public School Finance Act of 1994" in the following respects:

- ! For the 2009-10 budget year, increases the statewide base per pupil funding to \$5,507.68 to account for a 3.9% inflation rate plus one percentage point.
- ! Includes district centers of excellence funding in the calculation of district total program. Describes centers of

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

SENATE  
Amended 3rd Reading  
April 3, 2009

SENATE  
Amended 2nd Reading  
April 2, 2009

excellence funding as an additional per at-risk pupil amount for each middle, junior high, and high school that enrolls more than fifty percent at-risk pupils and achieves assessment scores on at least 3 of the 4 statewide assessments administered in the eighth and tenth grades that exceed the statewide average. Requires each school district that receives centers of excellence funding to allocate to the appropriate school 100% of the amount received due to the school's performance. Funds centers of excellence funding by reducing the size factor.

- ! For the 2009-10 budget year, maintains the funding for supplemental kindergarten enrollment at an amount equal to .08% of a full-day pupil.
- ! For the 2009-10 budget year and budget years thereafter, eliminates the requirement that each district and each charter school set aside a percentage of its budget to be allocated to an account for instructional supplies and materials and to an account for capital needs or for the management of risk-related activities.
- ! Requires that any district that has obtained voter approval to retain and spend revenues in excess of the property tax revenue limitation imposed by the taxpayer's bill of rights and that obtains voter approval to again become subject to such limitation shall receive state aid as if the district levied the number of mills that it would have levied had the district maintained its authority to retain and spend revenues in excess of such revenue limitation.
- ! Increases the cap on the amount of additional property tax revenue that a district may retain and spend to an amount equal to 25% of the district's total program, so long as the district uses any amount of property tax revenue that exceeds an amount equal to 20% of the district's total program to improve student achievement and close the achievement gap. Requires a district to notify the state board of education prior to holding an election to retain any amount over 20% of the district's total program and to submit a plan to close the achievement gap to the department of education (department).
- ! In any year in which the state share of funding for an accounting school district is insufficient to fully fund the total program for an institute charter school in such school district, directs the department to request a supplemental appropriation to ensure the institute charter school is fully funded.

Clarifies that the prohibition of a term in a charter contract that

would require a charter school to forgo operational or capital construction funds shall not be construed to prohibit a charter school from contracting with its chartering board of education, in the case of a district charter school, or with the state charter school institute (institute), in the case of an institute charter school, for the purchase of services.

Requires each school district and the institute to ensure that each student who enrolls in the ninth grade in a public school registers on-line with college in Colorado sponsored by the department of higher education. Directs each school district and the institute to collaborate with the department and the department of higher education in monitoring implementation of the requirement.

Changes the funding for charter schools so that a district charter school receives 100% of the school district at-risk funding for each at-risk pupil enrolled in the district charter school and 100% of any centers of excellence funding. Requires a charter school to use at least 75% of the at-risk funding received to provide at-risk student programs or staff development for at-risk student programs. For district charter schools that received funding based on per pupil revenues for the 2008-09 budget year, allows for payment of hold-harmless at-risk funding to the district charter schools in decreasing amounts over the next 4 budget years.

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

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

4           **22-54-104. District total program.** (5) (a) (XVI) FOR THE  
5 2009-10 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING SHALL  
6 BE \$5,507.68, WHICH IS AN AMOUNT EQUAL TO \$5,250.41 SUPPLEMENTED  
7 BY \$257.27 TO ACCOUNT FOR INFLATION PLUS AN ADDITIONAL ONE  
8 PERCENTAGE POINT.

9           **SECTION 2.** The introductory portion to 22-54-103 (7) (d) (I),  
10 Colorado Revised Statutes, is amended, and the said 22-54-103 (7) is  
11 further amended BY THE ADDITION OF THE FOLLOWING NEW  
12 PARAGRAPHS, to read:

13           **22-54-103. Definitions - repeal.** As used in this article, unless  
14 the context otherwise requires:

1           (7) "Funded pupil count" means:  
2           (d) (I) For THE budget years YEAR commencing on and after July  
3           1, 2008, BUT PRIOR TO JULY 1, 2009, the district's on-line pupil enrollment  
4           for the applicable budget year plus the district's preschool program  
5           enrollment for the applicable budget year plus the district's supplemental  
6           kindergarten enrollment for the applicable budget year plus the greater of:  
7           (e) (I) FOR THE 2009-10 BUDGET YEAR, THE DISTRICT'S ON-LINE  
8           PUPIL ENROLLMENT FOR THE BUDGET YEAR PLUS THE DISTRICT'S  
9           PRESCHOOL PROGRAM ENROLLMENT FOR THE BUDGET YEAR PLUS THE  
10           DISTRICT'S SUPPLEMENTAL KINDERGARTEN ENROLLMENT FOR THE BUDGET  
11           YEAR PLUS THE GREATER OF:  
12           (A) THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE  
13           BUDGET YEAR; OR  
14           (B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE  
15           APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
16           THE IMMEDIATELY PRECEDING BUDGET YEAR; OR  
17           (C) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE  
18           APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
19           THE TWO IMMEDIATELY PRECEDING BUDGET YEARS; OR  
20           (D) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE  
21           APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
22           THE THREE IMMEDIATELY PRECEDING BUDGET YEARS.  
23           (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
24           CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (e),  
25           A DISTRICT'S FUNDED PUPIL COUNT SHALL INCLUDE THE CERTIFIED PUPIL  
26           ENROLLMENT AND ON-LINE PUPIL ENROLLMENT OF EACH OPERATING  
27           INSTITUTE CHARTER SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING

1 DISTRICT. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE  
2 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ON-LINE PUPIL  
3 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO  
4 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION  
5 22-54-104.

6 (f) (I) FOR BUDGET YEARS COMMENCING ON AND AFTER JULY 1,  
7 2010, THE DISTRICT'S ON-LINE PUPIL ENROLLMENT FOR THE APPLICABLE  
8 BUDGET YEAR PLUS THE DISTRICT'S PRESCHOOL PROGRAM ENROLLMENT  
9 FOR THE APPLICABLE BUDGET YEAR PLUS THE DISTRICT'S SUPPLEMENTAL  
10 KINDERGARTEN ENROLLMENT FOR THE APPLICABLE BUDGET YEAR PLUS  
11 THE GREATER OF:

12 (A) THE DISTRICT'S PUPIL ENROLLMENT FOR THE APPLICABLE  
13 BUDGET YEAR; OR

14 (B) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE  
15 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
16 THE IMMEDIATELY PRECEDING BUDGET YEAR; OR

17 (C) THE AVERAGE OF THE DISTRICT'S PUPIL ENROLLMENT FOR THE  
18 APPLICABLE BUDGET YEAR AND THE DISTRICT'S PUPIL ENROLLMENT FOR  
19 THE TWO IMMEDIATELY PRECEDING BUDGET YEARS.

20 (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
21 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (f),  
22 A DISTRICT'S FUNDED PUPIL COUNT SHALL INCLUDE THE CERTIFIED PUPIL  
23 ENROLLMENT AND ON-LINE PUPIL ENROLLMENT OF EACH OPERATING  
24 INSTITUTE CHARTER SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING  
25 DISTRICT. THE DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE  
26 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ON-LINE PUPIL  
27 ENROLLMENT TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO

1 CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION  
2 22-54-104.

3 **SECTION 3.** The introductory portion to 22-54-104 (2) (a)  
4 (VIII), Colorado Revised Statutes, is amended, and the said 22-54-104 (2)  
5 (a) is further amended BY THE ADDITION OF A NEW  
6 SUBPARAGRAPH, to read:

7 **22-54-104. District total program.** (2) (a) (VIII) Except as  
8 otherwise provided in this subsection (2), subsection (6) of this section,  
9 or section 22-54-104.3, a district's total program for the 2007-08 budget  
10 year and ~~budget years thereafter~~ THE 2008-09 BUDGET YEAR shall be the  
11 greater of the following:

12 (IX) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION (2),  
13 SUBSECTION (6) OF THIS SECTION, OR SECTION 22-54-104.3, A DISTRICT'S  
14 TOTAL PROGRAM FOR THE 2009-10 BUDGET YEAR AND BUDGET YEARS  
15 THEREAFTER SHALL BE THE GREATER OF THE FOLLOWING:

16 (A) (DISTRICT PER PUPIL FUNDING X (DISTRICT FUNDED PUPIL  
17 COUNT - DISTRICT ON-LINE PUPIL ENROLLMENT)) + DISTRICT AT-RISK  
18 FUNDING + DISTRICT CENTERS OF EXCELLENCE FUNDING + DISTRICT  
19 ON-LINE FUNDING; OR

20 (B) (MINIMUM PER PUPIL FUNDING X (DISTRICT FUNDED PUPIL  
21 COUNT - DISTRICT ON-LINE PUPIL ENROLLMENT)) + DISTRICT ON-LINE  
22 FUNDING.

23 **SECTION 4.** 22-54-104, Colorado Revised Statutes, is amended  
24 BY THE ADDITION OF A NEW SUBSECTION to read:

25 **22-54-104. District total program.** (4.3) (a) A DISTRICT'S  
26 CENTERS OF EXCELLENCE FUNDING SHALL BE DETERMINED AS FOLLOWS:

27 (I) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE

1 DISTRICT THAT ENROLLS AT LEAST FORTY PERCENT AT-RISK PUPILS BUT  
2 LESS THAN SEVENTY-FIVE PERCENT AT-RISK PUPILS AND IS IDENTIFIED BY  
3 THE DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4.3)  
4 AS A HIGH-PERFORMANCE SCHOOL, THE \_\_\_\_\_ DISTRICT SHALL RECEIVE  
5 CENTERS OF EXCELLENCE FUNDING IN THE AMOUNT OF TWO HUNDRED  
6 FIFTY DOLLARS MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS ENROLLED  
7 IN THE SCHOOL.

8 (II) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE  
9 DISTRICT THAT ENROLLS AT LEAST SEVENTY-FIVE PERCENT AT-RISK PUPILS  
10 BUT LESS THAN NINETY PERCENT AT-RISK PUPILS AND IS IDENTIFIED BY  
11 THE DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4.3)  
12 AS A HIGH-PERFORMANCE SCHOOL, THE \_\_\_\_\_ DISTRICT SHALL RECEIVE  
13 CENTERS OF EXCELLENCE FUNDING IN THE AMOUNT OF FIVE HUNDRED  
14 DOLLARS MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS ENROLLED IN  
15 THE SCHOOL.

16 (III) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE  
17 DISTRICT THAT ENROLLS AT LEAST NINETY PERCENT AT-RISK PUPILS AND  
18 IS IDENTIFIED BY THE DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS  
19 SUBSECTION (4.3) AS A HIGH-PERFORMANCE SCHOOL, \_\_\_\_\_ THE DISTRICT  
20 SHALL RECEIVE CENTERS OF EXCELLENCE FUNDING IN THE AMOUNT OF ONE  
21 THOUSAND DOLLARS MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS  
22 ENROLLED IN THE SCHOOL.

23 (b) THE DEPARTMENT SHALL ANNUALLY IDENTIFY EACH SCHOOL  
24 AT WHICH THE MEDIAN GROWTH PERCENTILE FOR STUDENTS IN GRADES  
25 EIGHT THROUGH ELEVEN ON THE STATEWIDE ASSESSMENTS IN AT LEAST  
26 TWO OF THE THREE SUBJECTS OF READING, WRITING, AND MATHEMATICS  
27 ADMINISTERED IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE

1 APPLICABLE BUDGET YEAR EXCEEDS THE STATEWIDE MEDIAN GROWTH  
2 PERCENTILE FOR SAID SUBJECTS IN SAID SCHOOL YEAR. EACH IDENTIFIED  
3 SCHOOL SHALL BE A HIGH-PERFORMANCE SCHOOL FOR PURPOSES OF THIS  
4 SUBSECTION (4.3).

5 (c) IF A DISTRICT IS AN ACCOUNTING DISTRICT FOR AN INSTITUTE  
6 CHARTER SCHOOL, THE DISTRICT'S CENTERS OF EXCELLENCE FUNDING  
7 SHALL ALSO INCLUDE THE AMOUNT DESCRIBED IN PARAGRAPH (a) OF THIS  
8 SUBSECTION (4.3) FOR THE INSTITUTE CHARTER SCHOOL IF THE INSTITUTE  
9 CHARTER SCHOOL MEETS THE REQUIREMENTS SPECIFIED IN PARAGRAPH (a)  
10 OF THIS SUBSECTION (4.3).

11 (d) A DISTRICT THAT RECEIVES CENTERS OF EXCELLENCE FUNDING  
12 SHALL ALLOCATE ONE HUNDRED PERCENT OF THE AMOUNT CALCULATED  
13 FOR A SCHOOL PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4.3) TO  
14 THAT SCHOOL.

15 **SECTION 5.** The introductory portion to 22-54-104 (5) (b) (I.5),  
16 Colorado Revised Statutes, is amended, and the said 22-54-104 (5) (b) is  
17 further amended BY THE ADDITION OF A NEW SUBPARAGRAPH,  
18 to read:

19 **22-54-104. District total program.** (5) (b) (I.5) A district's size  
20 factor for the 2003-04 budget year ~~and budget years thereafter~~ THROUGH  
21 THE 2008-09 BUDGET YEAR shall be determined in accordance with the  
22 following formula:

23 (I.6) A DISTRICT'S SIZE FACTOR FOR THE 2009-10 BUDGET YEAR  
24 AND BUDGET YEARS THEREAFTER SHALL BE DETERMINED IN ACCORDANCE  
25 WITH THE FOLLOWING FORMULA:

26 <b>IF THE DISTRICT'S FUNDED</b>	<b>THE DISTRICT'S</b>
27 <b>PUPIL COUNT IS:</b>	<b>SIZE FACTOR SHALL BE:</b>



1	LESS THAN 276	<u>1.50706 + (.00366754</u> X THE
2		DIFFERENCE BETWEEN THE
3		FUNDED PUPIL COUNT AND
4		276)
5	276 OR MORE BUT LESS THAN 459	<u>1.20754 + (.00163672</u> X THE
6		DIFFERENCE BETWEEN THE
7		FUNDED PUPIL COUNT AND
8		459)
9	459 OR MORE BUT LESS THAN 1,027	<u>1.09346 + (.00020085</u> X THE
10		DIFFERENCE BETWEEN THE
11		FUNDED PUPIL COUNT AND
12		1,027)
13	1,027 OR MORE BUT LESS THAN 2,293	<u>1.02697 + (.00005252</u> X THE
14		DIFFERENCE BETWEEN THE
15		FUNDED PUPIL COUNT AND
16		2,293)
17	2,293 OR MORE BUT LESS THAN 4,023	<u>1.00396 + (.00001330</u> X THE
18		DIFFERENCE BETWEEN THE
19		FUNDED PUPIL COUNT AND
20		4,023)
21	4,023 OR MORE	<u>1.00396</u>

22           **SECTION 6.** 22-54-104 (2) (b) (II) (A), (4), and (5) (f), Colorado  
23 Revised Statutes, are amended to read:

24           **22-54-104. District total program.** (2) (b) If the district  
25 percentage of at-risk pupils is greater than the statewide average  
26 percentage of at-risk pupils and the district's funded pupil count is greater  
27 than four hundred fifty-nine, the district's total program shall be the lesser

1 of:

2 (II) (A) The district's total program as calculated by: Adding the  
3 amount determined by multiplying the district's per pupil funding by four  
4 hundred fifty-nine to the amount determined by multiplying ~~12%~~ 11.9%  
5 of the district's per pupil funding by the district's at-risk pupils; then  
6 dividing the sum of those two amounts by four hundred fifty-nine; then  
7 multiplying the resulting amount by the district's funded pupil count  
8 minus the district's on-line pupil enrollment; and then adding the district's  
9 on-line funding.

10 (4) A district's at-risk funding shall be determined in accordance  
11 with one of the following formulas:

12 (a) (I) If the district percentage of at-risk pupils is equal to or less  
13 than the statewide average percentage of at-risk pupils or the district's  
14 funded pupil count is equal to or less than four hundred fifty-nine, the  
15 formula shall be:

16 (District per pupil funding x ~~12%~~ 11.9%) x District at-risk  
17 pupils

18 (II) Repealed.

19 (b) (I) If the district percentage of at-risk pupils is greater than the  
20 statewide average percentage of at-risk pupils and the district's funded  
21 pupil count is greater than four hundred fifty-nine, the formula shall be:

22 ((District per pupil funding x ~~12%~~ 11.9%) x (Statewide average  
23 percentage of at-risk pupils x District pupil enrollment)) + ((District per  
24 pupil funding x District at-risk factor) x (District at-risk pupils -  
25 (Statewide average percentage of at-risk pupils x District pupil  
26 enrollment)))

27 (II) Repealed.

1           (5) For purposes of the formulas used in this section:  
2           (f) (I) If the district percentage of at-risk pupils is greater than the  
3           statewide average percentage of at-risk pupils and the district's funded  
4           pupil count is greater than four hundred fifty-nine but not in excess of  
5           fifty thousand, the district's at-risk factor shall be ~~12%~~ 11.9% plus a 0.30  
6           percentage point for each percentage point that the district percentage of  
7           at-risk pupils exceeds the statewide average percentage of at-risk pupils;  
8           except that no district's at-risk factor shall exceed 30%.

9           (II) If the district percentage of at-risk pupils is greater than the  
10           statewide average percentage of at-risk pupils and the district's funded  
11           pupil count is greater than fifty thousand, the district's at-risk factor shall  
12           be ~~12%~~ 11.9% plus a 0.36 percentage point for each percentage point that  
13           the district percentage of at-risk pupils exceeds the statewide average  
14           percentage of at-risk pupils; except that no district's at-risk factor shall  
15           exceed 30%.

16           **SECTION 7.** 22-54-103 (15), Colorado Revised Statutes, is  
17 amended to read:

18           **22-54-103. Definitions - repeal.** As used in this article, unless  
19 the context otherwise requires:

20           (15) "Supplemental kindergarten enrollment" means the number  
21 calculated by subtracting five-tenths from the full-day kindergarten factor  
22 for the applicable budget year and then multiplying said number by the  
23 number of pupils in the district who are enrolled in kindergarten for the  
24 applicable budget year. For the purposes of this subsection (15), the  
25 full-day kindergarten factor for the 2008-09 AND 2009-10 budget year  
26 YEARS, is fifty-eight hundredths of a full-day pupil.

27           **SECTION 8.** 22-54-105 (1) and (2), Colorado Revised Statutes,

1 are amended to read:

2 **22-54-105. Instructional supplies and materials - capital**  
3 **reserve and insurance reserve - at-risk funding - preschool funding.**

4 (1) (a) PRIOR TO THE 2009-10 BUDGET YEAR, every district shall budget  
5 the amount determined pursuant to paragraph (b) of this subsection (1) to  
6 be allocated, in the discretion of the board of education, to the  
7 instructional supplies and materials account, the instructional capital  
8 outlay account, or the other instructional purposes account in the general  
9 fund created by section 22-45-103 (1) (a) (II), or among such accounts.  
10 Moneys may be transferred among the three accounts. The moneys in  
11 such accounts shall be used for the purposes set forth in section  
12 22-45-103 (1) (a) (II) and may not be expended by the district for any  
13 other purpose. Any moneys in such accounts which are not projected to  
14 be expended during a budget year shall be budgeted for the purposes set  
15 forth in section 22-45-103 (1) (a) (II) in the next budget year. Nothing in  
16 this subsection (1) shall be construed to require that interest on moneys  
17 in such accounts be specifically allocated to such accounts. ANY MONEYS  
18 REMAINING IN ANY SUCH ACCOUNT THAT HAVE NOT BEEN EXPENDED PRIOR  
19 TO THE 2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES  
20 SET FORTH IN SECTION 22-45-103 (1) (a) (II) IN THE 2009-10 BUDGET YEAR  
21 OR ANY BUDGET YEAR THEREAFTER.

22 (b) (I) The amount to be budgeted in any budget year PRIOR TO  
23 THE 2009-10 BUDGET YEAR shall be the amount determined by  
24 multiplying one hundred thirty-four dollars by the district's funded pupil  
25 count minus the district's on-line pupil enrollment.

26 (II) (A) For the 1998-99 budget year through the 2007-08 budget  
27 year, the dollar amount required to be budgeted per pupil pursuant to this

1 paragraph (b) shall be increased each year by the same percentage that the  
2 statewide base per pupil funding is increased pursuant to section  
3 22-54-104 (5). For the 2008-09 budget year, ~~and budget years thereafter,~~  
4 the minimum dollar amount required to be budgeted per pupil pursuant  
5 to this paragraph (b) shall be increased each year by the rate of inflation.  
6 The amount of any increase pursuant to this paragraph (b) shall be  
7 rounded to the nearest dollar.

8 (B) Repealed.

9 (III) Repealed.

10 (IV) ~~Notwithstanding the provisions of subparagraphs (I) and (II)~~  
11 ~~of this paragraph (b), for the 2006-07 budget year and budget years~~  
12 ~~thereafter, if a district's expenditures for instructional supplies and~~  
13 ~~materials, instructional capital outlay, and other instructional purposes~~  
14 ~~exceed the amount required to be budgeted in accordance with this~~  
15 ~~paragraph (b) for a given budget year, the district may subtract an amount~~  
16 ~~equal to the amount of the excess expenditures in that budget year from~~  
17 ~~the amount required to be budgeted for instructional supplies and~~  
18 ~~materials, instructional capital outlay, and other instructional purposes in~~  
19 ~~accordance with this paragraph (b) for the subsequent budget year.~~

20 (c) For purposes of this subsection (1), instructional supplies and  
21 materials include, but are not limited to, supplies, textbooks, library  
22 books, periodicals, and other supplies and materials. Instructional capital  
23 outlay includes those expenditures which result in the acquisition of fixed  
24 assets for instructional purposes, or additions thereto, which the board of  
25 education anticipates will have benefits for more than one year. Other  
26 instructional purposes include expenses incurred in providing  
27 transportation for pupils to and from school-sponsored instructional

1 activities which occur outside the classroom and costs incurred for repair  
2 or maintenance services for equipment which is directly used for  
3 instructional purposes. Instructional supplies and materials, instructional  
4 capital outlay, and other instructional purposes are limited to those  
5 functions accounts and objects accounts as prescribed by the state board  
6 of education.

7 ~~(d) Nothing shall be deemed to limit expenditures for instructional~~  
8 ~~supplies and materials, instructional capital outlay, and other instructional~~  
9 ~~purposes to the amount required to be budgeted in accordance with this~~  
10 ~~subsection (1).~~

11 (2) (a) Except as otherwise provided in paragraph (c) of this  
12 subsection (2), PRIOR TO THE 2009-10 BUDGET YEAR, every district shall  
13 budget the amount determined pursuant to paragraph (b) of this  
14 subsection (2) to be allocated, in the discretion of the board of education,  
15 to the capital reserve fund created by section 22-45-103 (1) (c), to a fund  
16 or an account within the general fund established in accordance with  
17 generally accepted accounting principles solely for the management of  
18 risk-related activities as identified in section 24-10-115, C.R.S., and  
19 article 13 of title 29, C.R.S., or among such allowable funds and  
20 accounts. Such moneys shall be used for the purposes set forth in section  
21 22-45-103 (1) (c) and (1) (e) and may not be expended by the district for  
22 any other purpose. The board of education may transfer moneys among  
23 these allowable funds and accounts when such transfer is deemed  
24 necessary by the board. ANY MONEYS REMAINING IN ANY SUCH FUND OR  
25 ACCOUNT THAT HAVE NOT BEEN EXPENDED PRIOR TO THE 2009-10 BUDGET  
26 YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH IN SECTION  
27 22-45-103 (1) (c) AND (1) (e) IN THE 2009-10 BUDGET YEAR OR ANY

1 BUDGET YEAR THEREAFTER.

2 (b) (I) The amount to be budgeted in any budget year PRIOR TO  
3 THE 2009-10 BUDGET YEAR shall be the amount determined by  
4 multiplying two hundred sixteen dollars by the district's funded pupil  
5 count minus the district's on-line pupil enrollment. Such amount shall be  
6 the minimum required to be budgeted, and the district may elect to budget  
7 up to eight hundred dollars multiplied by the district's funded pupil count  
8 minus the district's on-line pupil enrollment.

9 (II) (A) For the 1998-99 budget year through the 2007-08 budget  
10 year, the minimum dollar amount required to be budgeted per pupil  
11 pursuant to this paragraph (b) shall be increased each year by the same  
12 percentage that the statewide base per pupil funding is increased pursuant  
13 to section 22-54-104 (5). For the 2008-09 budget year, ~~and budget years~~  
14 ~~thereafter~~, the minimum dollar amount required to be budgeted per pupil  
15 pursuant to this paragraph (b) shall be increased each year by the rate of  
16 inflation. The amount of any increase pursuant to this paragraph (b) shall  
17 be rounded to the nearest dollar.

18 (B) Repealed.

19 (III) For the 2000-01 budget year ~~and budget years thereafter~~  
20 THROUGH THE 2008-09 BUDGET YEAR, the amount required to be budgeted  
21 pursuant to this paragraph (b) shall be reduced by an amount determined  
22 by multiplying the minimum dollar amount required to be budgeted for  
23 that budget year pursuant to subparagraph (II) of this paragraph (b) by the  
24 number of pupils enrolled in charter schools within the ~~school~~ district.

25 (c) For the 1999-2000 budget year and any budget year thereafter,  
26 if a district has moneys in its capital reserve fund equal to or in excess of  
27 five times the minimum dollar amount required to be budgeted per pupil

1 pursuant to paragraph (b) of this subsection (2) multiplied by the district's  
2 funded pupil count minus the district's on-line pupil enrollment for the  
3 applicable budget year, the board of education of the district may  
4 determine whether to budget the minimum dollar amount per pupil  
5 required by this subsection (2) in that budget year, budget a lesser  
6 amount, or budget no amount at all. Such determination shall be made by  
7 the board of education on an annual basis based upon the capital outlay  
8 expenditure requirements of the district.

9 (d) Repealed.

10 (e) ~~For the 2007-08 budget year and each budget year thereafter,~~  
11 ~~a school district that sells lands, buildings, or both, collects payment in~~  
12 ~~lieu of the reservation or dedication of sites and land areas for schools, or~~  
13 ~~collects contributions as a result of a voluntary agreement with a~~  
14 ~~developer, and deposits the proceeds of the sale or the collection of~~  
15 ~~payments or contributions into the district's capital reserve fund pursuant~~  
16 ~~to section 22-45-112 may reduce the amount it is required to allocate to~~  
17 ~~the fund pursuant to paragraphs (a) and (b) of this subsection (2) for the~~  
18 ~~budget year in which the sale or the collection of payments or~~  
19 ~~contributions occurred by an amount equal to the amount so deposited. In~~  
20 ~~no event, however, shall the total amount available in the fund for said~~  
21 ~~budget year pursuant to this subsection (2) be less than the amount~~  
22 ~~determined pursuant to paragraph (b) of this subsection (2).~~

23 **SECTION 9. 22-54-105 (3) (a), Colorado Revised Statutes, is**  
24 **amended to read:**

25 **22-54-105. Instructional supplies and materials - capital**  
26 **reserve and insurance reserve - at-risk funding - preschool funding.**

27 **(3) (a) (I) For the 1997-98 budget year and budget years thereafter**



1 THROUGH THE 2008-09 BUDGET YEAR, every district that receives at-risk  
2 funding pursuant to the provisions of section 22-54-104 shall expend in  
3 total at least seventy-five percent of the district's at-risk funding on direct  
4 instruction or staff development, or both, for the educational program of  
5 at-risk pupils in the district.

6 (II) FOR THE 2009-10 BUDGET YEAR, EACH DISTRICT THAT  
7 RECEIVES AT-RISK FUNDING PURSUANT TO THE PROVISIONS OF SECTION  
8 22-54-104 SHALL ALLOCATE AT LEAST TWENTY-FIVE PERCENT OF THE PER  
9 PUPIL AMOUNT OF AT-RISK FUNDING RECEIVED FOR EACH AT-RISK PUPIL TO  
10 THE PUBLIC SCHOOL OF THE DISTRICT IN WHICH THE AT-RISK PUPIL IS  
11 ENROLLED FOR USE BY THE PUBLIC SCHOOL FOR THE EDUCATIONAL  
12 PROGRAM OF AT-RISK PUPILS ENROLLED IN THE PUBLIC SCHOOL. THE  
13 DISTRICT SHALL EXPEND AN ADDITIONAL FIFTY PERCENT OF THE AMOUNT  
14 OF AT-RISK FUNDING RECEIVED ON DIRECT INSTRUCTION OR STAFF  
15 DEVELOPMENT OR BOTH FOR THE EDUCATIONAL PROGRAM OF AT-RISK  
16 PUPILS IN THE DISTRICT. THE PROVISIONS OF THIS SUBPARAGRAPH (II)  
17 SHALL NOT APPLY TO THE DISTRIBUTION OF AT-RISK FUNDING TO DISTRICT  
18 CHARTER SCHOOLS, WHICH DISTRIBUTION SHALL BE SUBJECT TO THE  
19 PROVISIONS OF SECTION 22-30.5-112.

20 (III) FOR THE 2010-11 BUDGET YEAR, EACH DISTRICT THAT  
21 RECEIVES AT-RISK FUNDING PURSUANT TO THE PROVISIONS OF SECTION  
22 22-54-104 SHALL ALLOCATE AT LEAST FIFTY PERCENT OF THE PER PUPIL  
23 AMOUNT OF AT-RISK FUNDING RECEIVED FOR EACH AT-RISK PUPIL TO THE  
24 PUBLIC SCHOOL OF THE DISTRICT IN WHICH THE AT-RISK PUPIL IS ENROLLED  
25 FOR USE BY THE PUBLIC SCHOOL FOR THE EDUCATIONAL PROGRAM OF  
26 AT-RISK PUPILS ENROLLED IN THE PUBLIC SCHOOL. THE DISTRICT SHALL  
27 EXPEND AN ADDITIONAL TWENTY-FIVE PERCENT OF THE AMOUNT OF

1 AT-RISK FUNDING RECEIVED ON DIRECT INSTRUCTION OR STAFF  
2 DEVELOPMENT OR BOTH FOR THE EDUCATIONAL PROGRAM OF AT-RISK  
3 PUPILS IN THE DISTRICT. THE PROVISIONS OF THIS SUBPARAGRAPH (III)  
4 SHALL NOT APPLY TO THE DISTRIBUTION OF AT-RISK FUNDING TO DISTRICT  
5 CHARTER SCHOOLS, WHICH DISTRIBUTION SHALL BE SUBJECT TO THE  
6 PROVISIONS OF SECTION 22-30.5-112.

7 (IV) FOR THE 2011-12 BUDGET YEAR AND BUDGET YEARS  
8 THEREAFTER, EVERY DISTRICT THAT RECEIVES AT-RISK FUNDING  
9 PURSUANT TO THE PROVISIONS OF SECTION 22-54-104 SHALL ALLOCATE AT  
10 LEAST SEVENTY-FIVE PERCENT OF THE PER PUPIL AMOUNT OF AT-RISK  
11 FUNDING RECEIVED FOR EACH AT-RISK PUPIL TO THE PUBLIC SCHOOL OF  
12 THE SCHOOL DISTRICT IN WHICH THE AT-RISK PUPIL IS ENROLLED FOR USE  
13 BY THE PUBLIC SCHOOL FOR THE EDUCATIONAL PROGRAM OF AT-RISK  
14 PUPILS ENROLLED IN THE PUBLIC SCHOOL. THE PROVISIONS OF THIS  
15 SUBPARAGRAPH (IV) SHALL NOT APPLY TO THE DISTRIBUTION OF AT-RISK  
16 FUNDING TO DISTRICT CHARTER SCHOOLS, WHICH DISTRIBUTION SHALL BE  
17 SUBJECT TO THE PROVISIONS OF SECTION 22-30.5-112.

18

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19 **SECTION 10.** 22-54-108 (3) (b), Colorado Revised Statutes, is  
20 amended, and the said 22-54-108 is further amended BY THE  
21 ADDITION OF A NEW SUBSECTION, to read:

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

23 (3) (b) (I) Except as otherwise provided in ~~subparagraph (H)~~  
24 SUBPARAGRAPHS (II) AND (III) of this paragraph (b), the total additional  
25 local property tax revenues that may be received pursuant to elections  
26 held pursuant to this section shall not exceed under any circumstances  
27 twenty percent of the district's total program, as determined pursuant to

1 section 22-54-104 (2), or two hundred thousand dollars, whichever is  
2 greater.

3 (II) Effective July 1, 2002, the total additional local property tax  
4 revenues that may be received pursuant to elections held pursuant to this  
5 section shall not exceed under any circumstances twenty percent of the  
6 district's total program, as determined pursuant to section 22-54-104 (2),  
7 or two hundred thousand dollars, whichever is greater, plus an amount  
8 equal to the maximum dollar amount of property tax revenue that the  
9 district could have generated for the 2001-02 budget year if, in  
10 accordance with the provisions of section 22-54-107.5, the district  
11 submitted a question to and received approval of the eligible electors of  
12 the district at an election held in November 2001.

13 (III) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBPARAGRAPH  
14 (III), FOR ANY DISTRICT THAT MEETS THE REQUIREMENTS OF SUBSECTION  
15 (4) OF THIS SECTION, THE TOTAL ADDITIONAL LOCAL PROPERTY TAX  
16 REVENUES THAT MAY BE RECEIVED PURSUANT TO AN ELECTION HELD  
17 PURSUANT TO THIS SECTION SHALL NOT EXCEED UNDER ANY  
18 CIRCUMSTANCES TWENTY-FIVE PERCENT OF THE DISTRICT'S TOTAL  
19 PROGRAM, AS DETERMINED PURSUANT TO SECTION 22-54-104 (2), OR TWO  
20 HUNDRED THOUSAND DOLLARS, WHICHEVER IS GREATER, PLUS AN  
21 AMOUNT EQUAL TO THE MAXIMUM DOLLAR AMOUNT OF PROPERTY TAX  
22 REVENUE THAT THE DISTRICT COULD HAVE GENERATED FOR THE 2001-02  
23 BUDGET YEAR IF, IN ACCORDANCE WITH THE PROVISIONS OF SECTION  
24 22-54-107.5, THE DISTRICT SUBMITTED A QUESTION TO AND RECEIVED  
25 APPROVAL OF THE ELIGIBLE ELECTORS OF THE DISTRICT AT AN ELECTION  
26 HELD IN NOVEMBER 2001.

27 (4) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION

1 (4), ANY DISTRICT THAT INTENDS TO SEEK VOTER APPROVAL TO RETAIN  
2 AND SPEND ADDITIONAL PROPERTY TAX REVENUES PURSUANT TO  
3 SUBPARAGRAPH (III) OF PARAGRAPH (b) OF SUBSECTION (3) OF THIS  
4 SECTION SHALL NOTIFY THE STATE BOARD, IN A MANNER TO BE  
5 DETERMINED BY THE STATE BOARD, PRIOR TO HOLDING AN ELECTION  
6 PURSUANT TO THIS SECTION.

7 (b) ANY DISTRICT THAT SUBMITS NOTICE TO THE STATE BOARD  
8 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) SHALL ALSO SUBMIT  
9 TO THE STATE BOARD A PROPOSAL REGARDING THE DISTRICT'S PROPOSED  
10 USE OF THE ADDITIONAL PROPERTY TAX REVENUES, WHICH MAY INCLUDE  
11 CAPITAL CONSTRUCTION PROJECTS.

12 **SECTION 11.** 22-54-106 (11) (a), Colorado Revised Statutes, is  
13 amended to read:

14 **22-54-106. Local and state shares of district total program.**

15 (11) Pursuant to the provisions of section 22-54-115, for each institute  
16 charter school, the department of education shall withhold from the state  
17 share of the institute charter school's accounting district the lesser of:

18 (a) An amount equal to:

19 (I) One hundred percent of the ~~adjusted district per pupil~~  
20 ~~revenues, as defined in section 22-30.5-513 (1) (b),~~ ACCOUNTING  
21 DISTRICT'S PER PUPIL FUNDING multiplied by the number of pupils enrolled  
22 in the institute charter school who are not on-line pupils; plus

23 (II) ONE HUNDRED PERCENT OF THE ACCOUNTING DISTRICT'S PER  
24 PUPIL AT-RISK FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS  
25 ENROLLED IN THE INSTITUTE CHARTER SCHOOL; PLUS

26 (III) ONE HUNDRED PERCENT OF ANY OF THE ACCOUNTING  
27 DISTRICT'S CENTERS OF EXCELLENCE FUNDING THAT IS CALCULATED

1       BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE  
2       CHARTER SCHOOL; PLUS

3               (IV) One hundred percent of the district per pupil on-line funding  
4       multiplied by the number of on-line pupils enrolled in the institute charter  
5       school; or

6               **SECTION 12.** Article 54 of title 22, Colorado Revised Statutes,  
7       is amended BY THE ADDITION OF A NEW SECTION to read:

8               **22-54-110.5. Replenishment of certificates of participation**  
9       **reserve funds.** (1) AS USED IN THIS SECTION:

10              (a) "CERTIFICATES OF PARTICIPATION RESERVE FUND" MEANS A  
11       RESERVE FUND OR ACCOUNT THAT HAS BEEN ESTABLISHED TO SECURE THE  
12       PAYMENT OF PRINCIPAL AND INTEREST ON QUALIFYING CERTIFICATES OF  
13       PARTICIPATION AND THAT HAS BEEN FUNDED WITH PROCEEDS DERIVED  
14       FROM THE ISSUANCE OF QUALIFYING CERTIFICATES OF PARTICIPATION,  
15       OTHER LEGALLY AVAILABLE MONEYS, OR SECURITIES OR A SURETY BOND  
16       OR INSURANCE POLICY PURCHASED WITH SUCH PROCEEDS OR MONEYS.

17              (b) "LEASE-PURCHASE AGREEMENT" MEANS AN AGREEMENT  
18       PURSUANT TO WHICH A DISTRICT LEASES PROPERTY FROM A CORPORATION,  
19       OTHER LEGAL ENTITY, OR TRUSTEE AND IN CONNECTION WITH WHICH  
20       CERTIFICATES OF PARTICIPATION EVIDENCING INTERESTS IN THE RIGHT TO  
21       RECEIVE PAYMENTS BY THE DISTRICT UNDER THE AGREEMENT ARE ISSUED.

22              (c) "QUALIFYING CERTIFICATES OF PARTICIPATION" MEANS  
23       CERTIFICATES OF PARTICIPATION EVIDENCING INTERESTS IN THE RIGHT TO  
24       RECEIVE PAYMENTS BY A DISTRICT UNDER A LEASE-PURCHASE  
25       AGREEMENT THAT, AT THE TIME THEY ARE ISSUED, CARRY AT LEAST TWO  
26       CREDIT RATINGS FROM ANY OF THE NATIONALLY RECOGNIZED CREDIT  
27       RATING AGENCIES AND ARE RATED AT OR ABOVE "A" BY ALL SUCH CREDIT

1 RATING AGENCIES THAT HAVE PROVIDED A RATING.

2 (d) "RESERVE FUND REQUIREMENT" MEANS THE LEVEL OF FUNDING  
3 REQUIRED FOR A CERTIFICATES OF PARTICIPATION RESERVE FUND AS  
4 SPECIFIED IN THE TRUST INDENTURE OR OTHER AGREEMENT PURSUANT TO  
5 WHICH QUALIFYING CERTIFICATES OF PARTICIPATION HAVE BEEN ISSUED.

6 (2) (a) A DISTRICT THAT HAS ENTERED INTO OR THAT INTENDS TO  
7 ENTER INTO A LEASE-PURCHASE AGREEMENT IN CONNECTION WITH WHICH  
8 QUALIFYING CERTIFICATES OF PARTICIPATION HAVE BEEN ISSUED OR WILL  
9 BE ISSUED BEFORE JULY 1, 2012, MAY APPLY TO THE STATE TREASURER  
10 FOR PERMISSION TO INCLUDE IN ANY LEASE-PURCHASE AGREEMENT  
11 EXECUTED IN CONNECTION WITH THE ISSUANCE OF, OR IN ANY TRUST  
12 INDENTURE OR OTHER AGREEMENT AUTHORIZING THE ISSUANCE OF,  
13 QUALIFYING CERTIFICATES OF PARTICIPATION AN AGREEMENT SPECIFYING  
14 THAT IF THE BALANCE OF THE CERTIFICATES OF PARTICIPATION RESERVE  
15 FUND FALLS BELOW THE RESERVE FUND REQUIREMENT:

16 (I) THE DISTRICT SHALL MAKE AND DELIVER TO THE STATE  
17 TREASURER A CERTIFICATE STATING THE SUM, IF ANY, REQUIRED TO  
18 RESTORE THE CERTIFICATES OF PARTICIPATION RESERVE FUND TO THE  
19 RESERVE FUND REQUIREMENT;

20 (II) THE STATE TREASURER SHALL SUBMIT A REQUEST FOR  
21 APPROPRIATIONS IN AN AMOUNT SUFFICIENT TO RESTORE THE  
22 CERTIFICATES OF PARTICIPATION RESERVE FUND TO THE RESERVE FUND  
23 REQUIREMENT;

24 (III) THE GENERAL ASSEMBLY MAY, BUT SHALL NOT BE REQUIRED  
25 TO, APPROPRIATE MONEYS FOR THE PURPOSE OF RESTORING THE  
26 CERTIFICATES OF PARTICIPATION RESERVE FUND TO THE RESERVE FUND  
27 REQUIREMENT; AND

1           (IV) IF THE GENERAL ASSEMBLY APPROPRIATES MONEYS FOR THE  
2           PURPOSE OF RESTORING THE CERTIFICATES OF PARTICIPATION RESERVE  
3           FUND TO THE RESERVE FUND REQUIREMENT BUT THE DISTRICT  
4           NONETHELESS TERMINATES THE RELATED LEASE-PURCHASE AGREEMENT  
5           OR FAILS TO MAKE LEASE PAYMENTS UNDER THE RELATED  
6           LEASE-PURCHASE AGREEMENT IN AN AMOUNT SUFFICIENT TO MAKE  
7           SCHEDULED PAYMENTS OF PRINCIPAL AND INTEREST TO HOLDERS OF  
8           QUALIFYING CERTIFICATES OF PARTICIPATION, THE STATE SHALL HAVE A  
9           FIRST RIGHT OF REFUSAL TO PURCHASE THE PROPERTY UNDERLYING THE  
10           QUALIFYING CERTIFICATES OF PARTICIPATION FOR AN AMOUNT EQUAL TO  
11           THE REMAINING AMOUNT OF PRINCIPAL PAYABLE TO HOLDERS OF THE  
12           QUALIFYING CERTIFICATES OF PARTICIPATION UNTIL THE STATE HAS BEEN  
13           REIMBURSED FOR THE AMOUNT THAT HAS BEEN DEPOSITED IN THE  
14           CERTIFICATES OF PARTICIPATION RESERVE FUND FROM MONEYS  
15           APPROPRIATED BY THE GENERAL ASSEMBLY.

16           (b) IF, IN THE STATE TREASURER'S SOLE DISCRETION, THE STATE  
17           TREASURER DETERMINES THAT THE INCLUSION IN ANY LEASE-PURCHASE  
18           AGREEMENT EXECUTED IN CONNECTION WITH QUALIFYING CERTIFICATES  
19           OF PARTICIPATION OR ANY TRUST INDENTURE OR OTHER AGREEMENT  
20           AUTHORIZING THE REFINANCING OF EXISTING QUALIFYING CERTIFICATES  
21           OF PARTICIPATION OR THE ISSUANCE OF NEW QUALIFYING CERTIFICATES OF  
22           PARTICIPATION OF THE AGREEMENT DESCRIBED IN PARAGRAPH (a) OF THIS  
23           SUBSECTION (2) WILL SIGNIFICANTLY REDUCE THE RATE OF INTEREST  
24           REQUIRED TO BE PAID TO THE HOLDERS OF THE QUALIFYING CERTIFICATES  
25           OF PARTICIPATION AND IS IN THE BEST INTEREST OF THE STATE, THE STATE  
26           TREASURER MAY GRANT PERMISSION TO THE ISSUER TO INCLUDE THE  
27           AGREEMENT IN THE LEASE-PURCHASE AGREEMENT, TRUST INDENTURE, OR

1 OTHER AGREEMENT.

2 (3) THIS SECTION SHALL NOT BE CONSTRUED TO CREATE ANY DEBT,  
3 MULTIPLE-FISCAL YEAR OBLIGATION, OR OTHER LIABILITY OF THE STATE.

4 **SECTION 13.** 22-54-115 (1.3) (a), Colorado Revised Statutes, is  
5 amended, and the said 22-54-115 (1.3) is further amended BY THE  
6 ADDITION OF A NEW PARAGRAPH, to read:

7 **22-54-115. Distribution from state public school fund.**

8 (1.3) (a) In determining the state's share of each district's total program,  
9 the state board shall determine whether the district is an accounting  
10 district of an institute charter school. If a district is an accounting district  
11 of an institute charter school, the state board shall instruct the department  
12 of education to withhold from the amount of the state share otherwise  
13 payable to the district an amount equal to the lesser of:

14 (I) (A) One hundred percent of the ~~adjusted district per pupil~~  
15 ~~revenues, as defined in section 22-30.5-513 (1) (b),~~ ACCOUNTING  
16 DISTRICT'S PER PUPIL FUNDING multiplied by the number of pupils enrolled  
17 in the institute charter school who are not on-line pupils; plus

18 (B) ONE HUNDRED PERCENT OF THE ACCOUNTING DISTRICT'S PER  
19 PUPIL AT-RISK FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS  
20 ENROLLED IN THE INSTITUTE CHARTER SCHOOL; PLUS

21 (C) ONE HUNDRED PERCENT OF ANY OF THE ACCOUNTING  
22 DISTRICT'S CENTERS OF EXCELLENCE FUNDING THAT IS CALCULATED  
23 BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE  
24 CHARTER SCHOOL; PLUS

25 (D) One hundred percent of the district per pupil on-line funding  
26 multiplied by the number of on-line pupils enrolled in the institute charter  
27 school; or



1 (II) The total amount of the state share payable to the district.  
2 (a.5) IN ANY BUDGET YEAR IN WHICH THE STATE SHARE OF AN  
3 ACCOUNTING DISTRICT OF AN INSTITUTE CHARTER SCHOOL IS LESS THAN  
4 THE AMOUNT SPECIFIED IN SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS  
5 SUBSECTION (1.3), THE DEPARTMENT OF EDUCATION SHALL SUBMIT A  
6 REQUEST FOR A SUPPLEMENTAL APPROPRIATION IN AN AMOUNT THAT WILL  
7 FULLY FUND THE AMOUNT SPECIFIED IN SAID SUBPARAGRAPH (I). THE  
8 DEPARTMENT SHALL MAKE THE REQUEST TO THE GENERAL ASSEMBLY  
9 DURING THE BUDGET YEAR IN WHICH THE UNDERFUNDING OCCURS. IF THE  
10 GENERAL ASSEMBLY DOES NOT MAKE THE REQUESTED SUPPLEMENTAL  
11 APPROPRIATION, THE DEPARTMENT SHALL PAY TO THE INSTITUTE CHARTER  
12 SCHOOL THE AMOUNT SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (a)  
13 OF THIS SUBSECTION (1.3).

14 SECTION 14. 22-54-124 (3) (a) (III) (C), (4), and (5), Colorado  
15 Revised Statutes, are amended, and the said 22-54-124 (3) (a) is further  
16 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

17 22-54-124. State aid for charter schools - use of state education  
18 fund moneys - definitions. (3) (a) (III) (C) For the 2004-05 budget year  
19 and each budget year thereafter THROUGH THE 2008-09 BUDGET YEAR, the  
20 amount of state education fund moneys to be distributed to any eligible  
21 district and any eligible institute charter school shall be an amount equal  
22 to the percentage of the sum of the district's certified charter school pupil  
23 enrollment and the institute charter school's certified pupil enrollment for  
24 all eligible districts and eligible institute charter schools in the state that  
25 is attributable to the eligible district or eligible institute charter school  
26 multiplied by the total amount of state education fund moneys distributed  
27 to all eligible districts and eligible institute charter schools for the same

1 budget year pursuant to sub-subparagraph (A) of this subparagraph (III).

2 (IV) (A) FOR THE 2009-10 BUDGET YEAR, THE AMOUNT TO BE  
3 APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND FOR ALL ELIGIBLE  
4 INSTITUTE CHARTER SCHOOLS SHALL BE DETERMINED BY MULTIPLYING  
5 ONE HUNDRED FORTY DOLLARS BY THE TOTAL OF EACH DISTRICT'S  
6 CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT PLUS THE TOTAL OF EACH  
7 INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT.

8 (B) FOR THE 2010-11 BUDGET YEAR, THE AMOUNT TO BE  
9 APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND FOR ALL ELIGIBLE  
10 INSTITUTE CHARTER SCHOOLS SHALL BE DETERMINED BY MULTIPLYING  
11 ONE HUNDRED SIXTY DOLLARS BY THE TOTAL OF EACH DISTRICT'S  
12 CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT PLUS THE TOTAL OF EACH  
13 INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT.

14 (C) FOR THE 2011-12 BUDGET YEAR AND EACH BUDGET YEAR  
15 THEREAFTER, THE AMOUNT TO BE APPROPRIATED FOR ALL ELIGIBLE  
16 DISTRICTS AND FOR ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS SHALL  
17 DETERMINED BY MULTIPLYING ONE HUNDRED SIXTY DOLLARS, INCREASED  
18 BY INFLATION, BY THE TOTAL OF EACH DISTRICT'S CERTIFIED CHARTER  
19 SCHOOL PUPIL ENROLLMENT PLUS THE TOTAL OF EACH INSTITUTE CHARTER  
20 SCHOOL'S CERTIFIED PUPIL ENROLLMENT.

21 (D) THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THE  
22 TOTAL APPROPRIATION FOR CHARTER SCHOOL CAPITAL CONSTRUCTION TO  
23 EACH ELIGIBLE DISTRICT AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL.  
24 THE AMOUNT RECEIVED BY EACH SUCH SCHOOL SHALL BE AN AMOUNT  
25 EQUAL TO THE PER PUPIL CHARTER SCHOOL CAPITAL CONSTRUCTION  
26 FUNDING MULTIPLIED BY THE DISTRICT'S CERTIFIED CHARTER SCHOOL  
27 PUPIL ENROLLMENT OR THE INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL

1 ENROLLMENT, AS APPLICABLE. THE AMOUNT APPROPRIATED SHALL BE  
2 PAYABLE IN TWELVE APPROXIMATELY EQUAL MONTHLY PAYMENTS  
3 DURING THE APPLICABLE BUDGET YEAR IN CONJUNCTION WITH THE  
4 DISTRIBUTION OF THE STATE'S SHARE OF DISTRICT TOTAL PROGRAM  
5 PURSUANT TO SECTION 22-54-115.

6 (4) For the 2001-02 budget year, the 2003-04 budget year, and  
7 each budget year thereafter, the general assembly shall annually  
8 appropriate from THE GENERAL FUND OR FROM the state education fund  
9 created in section 17 (4) of article IX of the state constitution, OR FROM  
10 BOTH THE GENERAL FUND AND THE STATE EDUCATION FUND, to the  
11 department of education for distribution to eligible school districts and  
12 eligible institute charter schools in accordance with the formula set forth  
13 in paragraph (a) of subsection (3) of this section, an amount equal to the  
14 total amount of moneys to be distributed to all districts and institute  
15 charter schools as determined pursuant to said formula. From the moneys  
16 appropriated for a given budget year, the department shall make lump  
17 sum payments of all moneys to be distributed to each eligible school  
18 district and eligible institute charter school during the budget year as soon  
19 as possible.

20 (5) A district that receives state education fund moneys OR  
21 GENERAL FUND MONEYS pursuant to this section shall distribute all  
22 moneys received to qualified charter schools as required by section  
23 22-30.5-112.3 and may not retain any of such moneys to defray  
24 administrative expenses or for any other purpose.

25 **SECTION 15.** 22-54-124 (1), Colorado Revised Statutes, is  
26 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

27 **22-54-124. State aid for charter schools - use of state education**

1 **fund moneys - definitions.** (1) As used in this section:

2 (e.5) "PER PUPIL CHARTER SCHOOL CAPITAL CONSTRUCTION  
3 FUNDING" MEANS AN AMOUNT EQUAL TO THE AMOUNT APPROPRIATED FOR  
4 CHARTER SCHOOL CAPITAL CONSTRUCTION FUNDING PURSUANT TO  
5 SUBPARAGRAPH (IV) OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS  
6 SECTION FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE TOTAL OF  
7 EACH DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT PLUS  
8 THE TOTAL OF EACH INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL  
9 ENROLLMENT FOR SUCH BUDGET YEAR.

10 **SECTION 16.** 22-30.5-105 (5), Colorado Revised Statutes, is  
11 amended to read:

12 **22-30.5-105. Charter schools - contract contents - regulations.**

13 (5) Any term included in a charter contract that would require a charter  
14 school to waive or otherwise forego FORGO receipt of any amount of  
15 operational or capital construction funds provided to the charter school  
16 pursuant to the provisions of this article or pursuant to any other provision  
17 of law is hereby declared null and void as against public policy and is  
18 unenforceable. IN NO EVENT SHALL THIS SUBSECTION (5) BE CONSTRUED  
19 TO PROHIBIT ANY CHARTER SCHOOL FROM CONTRACTING WITH ITS  
20 CHARTERING LOCAL BOARD OF EDUCATION FOR THE PURCHASE OF  
21 SERVICES, INCLUDING BUT NOT LIMITED TO THE PURCHASE OF  
22 EDUCATIONAL SERVICES.

23 **SECTION 17.** 22-30.5-112 (1) (a), (2), and (3) (a) (II), Colorado  
24 Revised Statutes, are amended to read:

25 **22-30.5-112. Charter schools - financing - definitions -**  
26 **guidelines.** (1) (a) For purposes of the "Public School Finance Act of  
27 1994", article 54 of this title, pupils enrolled in a charter school shall be

1 included in the pupil enrollment, the on-line pupil enrollment, or the  
2 preschool ~~and kindergarten~~ program enrollment, whichever is applicable,  
3 of the school district that granted its charter. The school district that  
4 granted its charter shall report to the department the number of pupils  
5 included in the school district's pupil enrollment, the school district's  
6 on-line pupil enrollment, and the school district's preschool ~~and~~  
7 ~~kindergarten~~ program enrollment AND THE NUMBER OF AT-RISK PUPILS  
8 that are actually enrolled in each charter school.

9 (2) (a) ~~(F)~~ As part of the charter school contract, the charter school  
10 and the school district shall agree on funding and any services to be  
11 provided by the school district to the charter school.

12 ~~(H) For the 1999-2000 budget year, the charter school and the~~  
13 ~~school district shall begin discussions on the contract using eighty percent~~  
14 ~~of the district per pupil operating revenues.~~

15 ~~(HH)(A)~~ (b) For budget year 2000-01 and budget years thereafter,  
16 except as otherwise provided in ~~paragraph (a.3)~~ PARAGRAPH (e) of this  
17 subsection (2), each charter school and the chartering school district shall  
18 negotiate funding under the contract. The charter school shall receive:

19 (I) One hundred percent of the district per pupil ~~revenues~~ FUNDING  
20 for each pupil enrolled in the charter school who is not an on-line pupil,  
21 ~~and~~ SUBJECT TO THE PROVISIONS OF PARAGRAPH (c) OF THIS SUBSECTION  
22 (2);

23 (II) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL AT-RISK  
24 FUNDING FOR EACH AT-RISK PUPIL ENROLLED IN THE CHARTER SCHOOL;

25 (III) One hundred percent of the district per pupil on-line funding  
26 for each on-line pupil enrolled in the charter school, ~~except that~~ SUBJECT  
27 TO THE PROVISIONS OF PARAGRAPH (c) OF THIS SUBSECTION (2); AND

1 (IV) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF  
2 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED  
3 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER  
4 SCHOOL.

5 (c) The chartering school district may choose to retain the actual  
6 amount of the charter school's per pupil share of the central administrative  
7 overhead costs for services actually provided to the charter school, up to  
8 five percent of the district per pupil ~~revenues~~ FUNDING for each pupil who  
9 is not an on-line pupil enrolled in the charter school and up to five percent  
10 of the district per pupil on-line funding for each on-line pupil enrolled in  
11 the charter school.

12 ~~(B)~~ (d) For budget years 2001-02 through 2010-11, the minimum  
13 amount of funding specified in ~~sub-subparagraph (A) of this~~  
14 ~~subparagraph (H)~~ PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (2) shall  
15 reflect the one-percent increase in the statewide base per pupil funding for  
16 state fiscal years 2001-02 through 2010-11 received by the school district  
17 as required by section 17 of article IX of the state constitution.

18 ~~(a.3)~~ (e) If the authorizing school district enrolls five hundred or  
19 fewer students, the charter school shall receive funding in the amount of  
20 the greater of:

21 (I) (A) One hundred percent of the district per pupil on-line  
22 funding for each on-line pupil enrolled in the charter school; plus

23 (B) One hundred percent of the district per pupil ~~revenues~~  
24 FUNDING for each pupil who is not an on-line pupil enrolled in the charter  
25 school; PLUS

26 (C) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL AT-RISK  
27 FUNDING FOR EACH AT-RISK PUPIL ENROLLED IN THE CHARTER SCHOOL;

1 PLUS

2 (D) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF  
3 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED  
4 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER  
5 SCHOOL; minus

6 (E) The actual amount of the charter school's per pupil share of  
7 the central administrative overhead costs incurred by the school district,  
8 based on audited figures; or

9 (II) (A) Eighty-five percent of the district per pupil ~~revenues~~  
10 FUNDING for each pupil enrolled in the charter school who is not an  
11 on-line pupil; plus

12 (B) Eighty-five percent of the district per pupil on-line funding for  
13 each on-line pupil enrolled in the charter school; PLUS

14 (C) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL AT-RISK  
15 FUNDING FOR EACH AT-RISK PUPIL ENROLLED IN THE CHARTER SCHOOL;  
16 PLUS

17 (D) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF  
18 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED  
19 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER  
20 SCHOOL.

21 ~~(a.4)(f)~~ (f) (I) Within ninety days after the end of each fiscal year,  
22 each school district shall provide to each charter school within its district  
23 an itemized accounting of all its central administrative overhead costs.  
24 The actual central administrative overhead costs shall be the amount  
25 charged to the charter school. Any difference, within the limitations of  
26 ~~subparagraph (III) of paragraph (a)~~ PARAGRAPHS (c) AND (e) of this  
27 subsection (2), ~~and paragraph (a.3) of this subsection (2)~~ between the

1 amount initially charged to the charter school and the actual cost shall be  
2 reconciled and paid to the owed party.

3 (II) Within ninety days after the end of each fiscal year, each  
4 school district shall provide to each charter school ~~within its~~ OF THE  
5 district an itemized accounting of all the actual costs of district services  
6 the charter school chose at its discretion to purchase from the district  
7 calculated in accordance with ~~paragraph (b)~~ PARAGRAPH (k) of this  
8 subsection (2). Any difference between the amount initially charged to  
9 the charter school and the actual cost shall be reconciled and paid to the  
10 owed party.

11 (III) If either party disputes an itemized accounting provided  
12 pursuant to subparagraphs (I) and (II) of this ~~paragraph (a.4)~~ PARAGRAPH  
13 (f), any charges included in an accounting, or charges to either party, that  
14 party is entitled to request a third-party review at the requesting party's  
15 expense. The review shall be conducted by the department, and the  
16 department's determination shall be final.

17 ~~(a.5)~~ (g) As used in this ~~subsection (2)~~ SECTION:

18 (I) "AT-RISK PUPIL" SHALL HAVE THE SAME MEANING AS SET  
19 FORTH IN SECTION 22-54-103 (1.5).

20 ~~(H)~~ (II) "Central administrative overhead costs" means indirect  
21 costs incurred in providing:

22 (A) Services listed under the heading of support services - general  
23 administration in the school district chart of accounts as specified by rule  
24 of the state board; and

25 (B) Salaries and benefits for administrative job classifications  
26 listed under the headings of support services - business and support  
27 services - central in the school district chart of accounts as specified by



1 rule of the state board.

2 (III) "DIRECT COSTS" MEANS THE DIRECT COSTS INCURRED BY A  
3 SCHOOL DISTRICT SOLELY FOR THE PURPOSE OF REVIEWING CHARTER  
4 APPLICATIONS, NEGOTIATING THE CHARTER CONTRACT, AND PROVIDING  
5 DIRECT OVERSIGHT TO CHARTER SCHOOLS. "DIRECT COSTS" SHALL NOT  
6 INCLUDE THE SCHOOL DISTRICT'S LEGAL OR OTHER COSTS ATTRIBUTABLE  
7 TO LITIGATION OR THE RESOLUTION OF A DISPUTE WITH A CHARTER  
8 SCHOOL.

9 (IV) "DISTRICT CENTERS OF EXCELLENCE FUNDING" MEANS THE  
10 DISTRICT'S CENTERS OF EXCELLENCE FUNDING DETERMINED PURSUANT TO  
11 SECTION 22-54-104 (4.3) FOR THE APPLICABLE BUDGET YEAR.

12 (V) "DISTRICT PER PUPIL AT-RISK FUNDING" MEANS THE DISTRICT'S  
13 AT-RISK FUNDING DETERMINED PURSUANT TO SECTION 22-54-104 (4) FOR  
14 THE APPLICABLE BUDGET YEAR DIVIDED BY THE NUMBER OF AT-RISK  
15 PUPILS ENROLLED IN THE DISTRICT FOR THE APPLICABLE BUDGET YEAR.

16 ~~(H)~~ (VI) "District per pupil ~~revenues~~ FUNDING" means the district's  
17 ~~total program as defined in section 22-54-103 (6) for any budget year~~  
18 ~~divided by the district's funded pupil count as defined in section~~  
19 ~~22-54-103 (7) PER PUPIL FUNDING DETERMINED PURSUANT TO SECTION~~  
20 22-54-104 (3) for ~~said~~ THE APPLICABLE budget year.

21 ~~(H.5)~~ (VII) "District per pupil on-line funding" means a school  
22 district's on-line funding, as specified in section 22-54-104 (4.5), divided  
23 by the district's on-line pupil enrollment for ~~any~~ THE APPLICABLE budget  
24 year.

25 ~~(H)~~ "Per pupil operating revenues" shall have the same meaning  
26 as provided in section 22-54-103 (9).

27 (VIII) "ON-LINE PUPIL" MEANS A PUPIL WHO, ON OCTOBER 1

1        WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID  
2        DATE, IS ENROLLED IN, ATTENDING, AND ACTIVELY PARTICIPATING IN A  
3        MULTI-DISTRICT PROGRAM, AS DEFINED IN SECTION 22-30.7-102 (6),  
4        CREATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE.

5            ~~(a.7)~~ (h) (I) For the 2000-01 budget year ~~and budget years~~  
6        ~~thereafter~~ THROUGH THE 2008-09 BUDGET YEAR, each charter school shall  
7        annually allocate the minimum per pupil dollar amount specified in  
8        section 22-54-105 (2) (b), multiplied by the number of students enrolled  
9        in the charter school who are not students enrolled in an on-line program,  
10       as defined in section 22-30.7-102 (9), to a fund created by the charter  
11       school for capital reserve purposes, as set forth in section 22-45-103 (1)  
12       (c) and (1) (e), or solely for the management of risk-related activities, as  
13       identified in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S.,  
14       or among such allowable funds. Said moneys shall be used for the  
15       purposes set forth in section 22-45-103 (1) (c) and (1) (e) and may not be  
16       expended by the charter school for any other purpose. ANY MONEYS  
17       REMAINING IN SUCH FUND THAT HAVE NOT BEEN EXPENDED PRIOR TO THE  
18       2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH  
19       IN SECTION 22-45-103 (1) (c) AND (1) (e) IN THE 2009-10 BUDGET YEAR OR  
20       ANY BUDGET YEAR THEREAFTER.

21            (II) (A) FOR THE 2009-10 BUDGET YEAR, EACH CHARTER SCHOOL  
22        THAT RECEIVES AT-RISK FUNDING PURSUANT TO PARAGRAPH (b) OF THIS  
23        SUBSECTION (2) SHALL EXPEND IN TOTAL AT LEAST TWENTY-FIVE PERCENT  
24        OF THE CHARTER SCHOOL'S AT-RISK FUNDING ON DIRECT INSTRUCTION OR  
25        STAFF DEVELOPMENT, OR BOTH FOR THE EDUCATIONAL PROGRAM FOR  
26        AT-RISK PUPILS ENROLLED IN THE CHARTER SCHOOL.

27            (B) FOR THE 2010-11 BUDGET YEAR, EACH CHARTER SCHOOL THAT

1 RECEIVES AT-RISK FUNDING PURSUANT TO PARAGRAPH (b) OF THIS  
2 SUBSECTION (2) SHALL EXPEND IN TOTAL AT LEAST FIFTY PERCENT OF THE  
3 CHARTER SCHOOL'S AT-RISK FUNDING ON DIRECT INSTRUCTION OR STAFF  
4 DEVELOPMENT, OR BOTH FOR THE EDUCATIONAL PROGRAM FOR AT-RISK  
5 PUPILS ENROLLED IN THE CHARTER SCHOOL.

6 (C) FOR THE 2011-12 BUDGET YEAR AND BUDGET YEARS  
7 THEREAFTER, EACH CHARTER SCHOOL THAT RECEIVES AT-RISK FUNDING  
8 PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2) SHALL EXPEND IN  
9 TOTAL AT LEAST SEVENTY-FIVE PERCENT OF THE CHARTER SCHOOL'S  
10 AT-RISK FUNDING ON DIRECT INSTRUCTION OR STAFF DEVELOPMENT, OR  
11 BOTH, FOR THE EDUCATIONAL PROGRAM FOR AT-RISK PUPILS ENROLLED IN  
12 THE CHARTER SCHOOL.

13 ~~(a.8)~~ (f) (i) (I) For the 2000-01 budget year and budget years  
14 thereafter, the school district shall provide federally required educational  
15 services to students enrolled in charter schools on the same basis as such  
16 services are provided to students enrolled in other public schools of the  
17 school district. Each charter school shall pay an amount equal to the per  
18 pupil cost incurred by the school district in providing federally required  
19 educational services, multiplied by the number of students enrolled in the  
20 charter school. At either party's request, however, the charter school and  
21 the school district may negotiate and include in the charter contract  
22 alternate arrangements for the provision of and payment for federally  
23 required educational services.

24 (II) Notwithstanding any provision of subparagraph (I) of this  
25 ~~paragraph (a.8)~~ PARAGRAPH (i) to the contrary, the school district shall  
26 calculate the per pupil cost of providing federally required educational  
27 services after subtracting the amount received in federal and state moneys

1 for providing said services.

2 ~~(a.9)~~ (j) For budget year 2002-03 and budget years thereafter, and  
3 in accordance with section 22-30.5-406, the funding provided by a  
4 chartering school district to a charter school pursuant to this subsection  
5 (2) shall be reduced by the amount of any direct payments of principal  
6 and interest due on bonds issued on behalf of a charter school by a  
7 governmental entity other than a school district for the purpose of  
8 financing charter school capital construction that were made by the state  
9 treasurer or the chartering school district on behalf of the charter school.

10 ~~(b)~~ (k) (I) The charter school, at its discretion, may contract with  
11 the school district for the direct purchase of district services in addition  
12 to those included in central administrative overhead costs, including but  
13 not limited to food services, custodial services, maintenance, curriculum,  
14 media services, and libraries. The amount to be paid by a charter school  
15 in purchasing any district service pursuant to this ~~paragraph (b)~~  
16 PARAGRAPH (k) shall be determined by dividing the cost of providing the  
17 service for the entire school district, as specified in the school district's  
18 budget, by the number of students enrolled in the school district and  
19 multiplying said amount by the number of students enrolled in the charter  
20 school.

21 ~~(b.5)~~ (H) (II) The charter school and the school district shall  
22 negotiate prior to the beginning of each fiscal year for the payment to the  
23 school district of any direct costs incurred by the school district. If the  
24 charter school and the school district do not reach agreement regarding  
25 the payment of direct costs, the school district shall be barred from  
26 withholding from the charter school any moneys as reimbursement for  
27 direct costs. The school district shall provide an itemized accounting to

1 each charter school for the direct costs incurred by the school district with  
2 the itemized accounting provided pursuant to ~~paragraph (a.4)~~ PARAGRAPH  
3 (f) of this subsection (2).

4 ~~(H) For purposes of this paragraph (b.5), "direct costs" means the~~  
5 ~~direct costs incurred by a school district solely for the purpose of~~  
6 ~~reviewing charter applications, negotiating the charter contract, and~~  
7 ~~providing direct oversight to charter schools. "Direct costs" shall not~~  
8 ~~include the school district's legal or other costs attributable to litigation~~  
9 ~~or the resolution of a dispute with a charter school.~~

10 ~~(c) (I) For the 1999-2000 budget year, in no event shall the~~  
11 ~~amount of funding negotiated pursuant to this subsection (2) be less than~~  
12 ~~eighty percent of the district per pupil operating revenues multiplied by~~  
13 ~~the number of pupils enrolled in the charter school.~~

14 ~~(H) (l) For budget year 2000-01 and budget years thereafter, the~~  
15 ~~amount of funding received by a charter school pursuant to this~~  
16 ~~subsection (2) shall not be less than one hundred percent of the chartering~~  
17 ~~school district's district per pupil revenues FUNDING, minus up to five~~  
18 ~~percent as provided in subparagraph (H) of paragraph (a) PARAGRAPH (c)~~  
19 ~~of this subsection (2), multiplied by the number of pupils enrolled in the~~  
20 ~~charter school or as otherwise provided in paragraph (a.3) (e) of this~~  
21 ~~subsection (2) for any charter school chartered by a school district that~~  
22 ~~enrolls five hundred or fewer students.~~

23 ~~(d) (Deleted by amendment, L. 2004, p. 1583, § 10, effective June~~  
24 ~~3, 2004.)~~

25 ~~(e) (m) Fees collected from students enrolled at a charter school~~  
26 ~~shall be retained by such THE COLLECTING charter school.~~

27 (3) (a) (II) For budget year 2000-01 and budget years thereafter,

1 if the charter school and the school district have negotiated to allow the  
2 charter school to provide federally required educational services pursuant  
3 to ~~paragraph (a.8)~~ PARAGRAPH (i) of subsection (2) of this section, the  
4 proportionate share of state and federal resources generated by students  
5 receiving such federally required educational services or staff serving  
6 them shall be directed by the school district or administrative unit to the  
7 charter school enrolling such students.

8 **SECTION 18.** 22-30.5-112.1 (1) (e), (2), (3), (4), and (6),  
9 Colorado Revised Statutes, are amended to read:

10 **22-30.5-112.1. Charter schools - definitions - exclusive**  
11 **jurisdiction districts - authorized on or after July 1, 2004 - financing.**

12 (1) As used in this section, unless the context otherwise requires:

13 (e) "Central administrative overhead costs" shall have the same  
14 meaning as provided in ~~section 22-30.5-112 (2) (a.5) (I)~~ SECTION  
15 22-30.5-112 (2) (g) (II).

16 (2) Notwithstanding the provisions of ~~section 22-30.5-112 (2) (a)~~  
17 ~~to (2) (a.5), (2) (b), (2) (b.5), and (2) (c), the amount of funding to be~~  
18 ~~received by a district charter school~~ SECTION 22-30.5-112 (2) (f) AND (2)  
19 (k), the accounting of central administrative overhead costs between a  
20 district charter school and a qualifying school district and the direct  
21 purchase of district services by a district charter school from a qualifying  
22 school district shall be determined pursuant to the provisions of this  
23 section.

24 (3) ~~(a) For budget year 2004-05 and budget years thereafter, each~~  
25 ~~district charter school and the qualifying school district that approved the~~  
26 ~~charter shall negotiate funding under the charter contract. The district~~  
27 ~~charter school shall receive one hundred percent of the adjusted district~~

1 per pupil revenues for each pupil enrolled in the district charter school  
2 who is not an on-line pupil and one hundred percent of the district per  
3 pupil on-line funding for each on-line pupil enrolled in the district charter  
4 school; except that the qualifying school district may choose to retain the  
5 sum of the actual amount of the district charter school's per pupil share of  
6 the central administrative overhead costs for services actually provided  
7 to the district charter school, up to five percent of the adjusted district per  
8 pupil revenues for each pupil who is not an on-line pupil enrolled in the  
9 district charter school and up to five percent of the district per pupil  
10 on-line funding for each on-line pupil enrolled in the district charter  
11 school.

12 (b) ~~Notwithstanding any provision of this subsection (3) to the~~  
13 ~~contrary, if a qualifying school district enrolls five hundred or fewer~~  
14 ~~students, the district charter school shall receive funding in the amount of~~  
15 ~~the greater of one hundred percent of the district per pupil on-line funding~~  
16 ~~for each on-line pupil enrolled in the district charter school plus one~~  
17 ~~hundred percent of the district per pupil revenues for each pupil who is~~  
18 ~~not an on-line pupil enrolled in the district charter school, minus the~~  
19 ~~actual amount of the district charter school's per pupil share of the central~~  
20 ~~administrative overhead costs incurred by the qualifying school district,~~  
21 ~~based on audited figures, or eighty-five percent of the district per pupil~~  
22 ~~revenues for each pupil enrolled in the district charter school who is not~~  
23 ~~an on-line pupil plus eighty-five percent of the district per pupil on-line~~  
24 ~~funding for each on-line pupil enrolled in the district charter school.~~

25 (4) Within ninety days after the end of each fiscal year, each  
26 qualifying school district shall provide to each district charter school  
27 authorized by the qualifying school district an itemized accounting of all

1 its central administrative overhead costs. The actual central  
2 administrative overhead costs shall be the amount charged to the district  
3 charter school. Any difference, within the limitations specified in  
4 ~~subsection (3) of this section~~ SECTION 22-30.5-112 (2) (c) AND (2) (e),  
5 between the amount initially charged to the district charter school and the  
6 actual cost shall be reconciled and paid to the owed party.

7 (6) ~~Notwithstanding any other provision of this section to the~~  
8 ~~contrary and for the purposes of this section only, a school district in~~  
9 ~~which more than forty percent of the pupil enrollment consists of at-risk~~  
10 ~~pupils at the time a charter school's application is first approved shall be~~  
11 ~~deemed to have the same percentage of at-risk pupil enrollment for the~~  
12 ~~term of the charter contract. For purposes of renewal of the charter~~  
13 ~~contract, the percentage of at-risk pupils in the school district at the time~~  
14 ~~the renewal application is submitted shall be the percentage used for~~  
15 ~~purposes of determining whether the school district is a qualifying school~~  
16 ~~district and subject to the provisions of this section.~~

17 **SECTION 19.** Part 1 of article 30.5 of title 22, Colorado Revised  
18 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
19 read:

20 **22-30.5-112.2. Hold-harmless at-risk pupil funding -**  
21 **definitions - repeal.** (1) FOR PURPOSES OF THIS SECTION, UNLESS THE  
22 CONTEXT OTHERWISE REQUIRES:

23 (a) "AT-RISK FUNDING DIFFERENTIAL" MEANS THE DIFFERENCE  
24 BETWEEN THE DISTRICT'S PER-PUPIL AT-RISK DISTRIBUTION FUNDING  
25 MULTIPLIED BY THE NUMBER OF PUPILS WHO ARE NOT ON-LINE PUPILS  
26 ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR  
27 AND ONE HUNDRED PERCENT OF THE DISTRICT'S PER PUPIL AT-RISK



1 FUNDING, AS DEFINED IN SECTION 22-30.5-112 (2) (g) (V), MULTIPLIED BY  
2 THE NUMBER OF AT-RISK PUPILS, AS DEFINED IN SECTION 22-30.5-112 (2)  
3 (g) (I), ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET  
4 YEAR.

5 (b) "PER PUPIL AT-RISK DISTRIBUTION FUNDING" MEANS THE  
6 AMOUNT OF AT-RISK FUNDING, AS DETERMINED PURSUANT TO SECTION  
7 22-54-104 (4), RECEIVED BY A SCHOOL DISTRICT FOR THE 2008-09 BUDGET  
8 YEAR DIVIDED BY THE DISTRICT'S FUNDED PUPIL COUNT, AS DEFINED IN  
9 SECTION 22-54-103 (7), FOR THE 2008-09 BUDGET YEAR.

10 (2) FOR THE 2009-10 BUDGET YEAR, AND FOR EACH BUDGET YEAR  
11 THEREAFTER THROUGH THE 2012-13 BUDGET YEAR, A CHARTER SCHOOL  
12 THAT RECEIVED DISTRICT PER PUPIL REVENUES, AS DEFINED IN SECTION  
13 22-54-103 (9.3), CALCULATED PURSUANT TO SECTION 22-30.5-112 FOR  
14 THE 2008-09 BUDGET YEAR SHALL RECEIVE HOLD-HARMLESS AT-RISK  
15 PUPIL FUNDING IN ADDITION TO THE FUNDING CALCULATED PURSUANT TO  
16 SECTION 22-30.5-112. FOR EACH BUDGET YEAR, THE DEPARTMENT SHALL  
17 CALCULATE THE AMOUNT OF A CHARTER SCHOOL'S HOLD-HARMLESS  
18 AT-RISK PUPIL FUNDING AS FOLLOWS:

19 (a) FOR THE 2009-10 BUDGET YEAR, ONE HUNDRED PERCENT OF  
20 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

21 (b) FOR THE 2010-11 BUDGET YEAR, SEVENTY-FIVE PERCENT OF  
22 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

23 (c) FOR THE 2011-12 BUDGET YEAR, FIFTY PERCENT OF THE  
24 CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL; AND

25 (d) FOR THE 2012-13 BUDGET YEAR, TWENTY-FIVE PERCENT OF  
26 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL.

27 (3) (a) FOR EACH OF THE 2009-10 THROUGH 2012-13 BUDGET

1 YEARS, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE  
2 DEPARTMENT THE AMOUNT REQUIRED FOR THE HOLD-HARMLESS AT-RISK  
3 FUNDING PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL  
4 ALLOCATE TO THE APPROPRIATE SCHOOL DISTRICT THE AMOUNT OF  
5 HOLD-HARMLESS AT-RISK FUNDING DUE TO A CHARTER SCHOOL OF THE  
6 SCHOOL DISTRICT PURSUANT TO THIS SECTION. THE SCHOOL DISTRICT  
7 SHALL TRANSFER TO THE APPROPRIATE CHARTER SCHOOL THE ENTIRE  
8 AMOUNT OF THE HOLD-HARMLESS AT-RISK FUNDING RECEIVED FOR THE  
9 CHARTER SCHOOL.

10 (b) THE PROVISIONS OF THIS SECTION SHALL BE CONSIDERED A  
11 CATEGORICAL PROGRAM FOR PURPOSES OF FUNDING UNDER SECTION 17 OF  
12 ARTICLE IX OF THE STATE CONSTITUTION.

13 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2013.

14 **SECTION 20.** 22-30.5-505 (3) (d) and (3) (e), Colorado Revised  
15 Statutes, are amended, and the said 22-30.5-505 (3) is further amended  
16 BY THE ADDITION OF A NEW PARAGRAPH, to read:

17 **22-30.5-505. State charter school institute - institute board -**  
18 **appointment - powers and duties - rules.** (3) The mission of the  
19 institute board shall be to foster high-quality public school choices  
20 offered through institute charter schools, including particularly schools  
21 that are focused on closing the achievement gap for at-risk students. In  
22 discharging its duties pursuant to this part 5, the institute shall:

23 (d) Measure the academic success of each institute charter school  
24 through performance-based means and not process-based means; and

25 (e) Provide the opportunity for a student enrolled in an institute  
26 charter school to develop a plan for academic remediation upon the  
27 request of the student's parent or legal guardian; AND

1 (f) ENSURE THAT EACH STUDENT WHO ENROLLS IN THE SIXTH  
2 GRADE IN AN INSTITUTE CHARTER SCHOOL, ON THE DAY OF ENROLLMENT,  
3 IS REGISTERED WITH THE ON-LINE COLLEGE PLANNING AND PREPARATION  
4 RESOURCE OPERATED AS A DIVISION WITHIN THE DEPARTMENT OF HIGHER  
5 EDUCATION AND COMMONLY REFERRED TO AS "COLLEGE IN COLORADO".  
6 THE INSTITUTE, THE DEPARTMENT, AND THE DEPARTMENT OF HIGHER  
7 EDUCATION SHALL COLLABORATE TO MONITOR THE IMPLEMENTATION OF  
8 THIS PARAGRAPH (f) AND TO ENSURE THAT ANY COMMUNICATIONS FROM  
9 COLLEGE IN COLORADO DIRECTLY AND SOLELY TO A STUDENT DO NOT  
10 OCCUR UNTIL THE STUDENT ENROLLS IN THE NINTH GRADE.

11 **SECTION 21.** 22-30.5-508 (5), Colorado Revised Statutes, is  
12 amended to read:

13 **22-30.5-508. Institute charter schools - contract contents -**  
14 **regulations.** (5) Any term included in a charter contract that would  
15 require an institute charter school to waive or otherwise ~~forego~~ FORGO  
16 receipt of any amount of operational or capital construction funds  
17 provided to the institute charter school pursuant to the provisions of this  
18 part 5 or pursuant to any other provision of law is hereby declared null  
19 and void as against public policy and is unenforceable. IN NO EVENT  
20 SHALL THIS SUBSECTION (5) BE CONSTRUED TO PROHIBIT ANY INSTITUTE  
21 CHARTER SCHOOL FROM CONTRACTING WITH THE INSTITUTE FOR THE  
22 PURCHASE OF SERVICES, INCLUDING BUT NOT LIMITED TO THE PURCHASE  
23 OF EDUCATIONAL SERVICES.

24 **SECTION 22.** 22-30.5-513 (1) (b), (1) (c), (1) (d), (1) (g), (1) (j),  
25 (2) (b), (3) (b), and (4) (a), Colorado Revised Statutes, are amended, and  
26 the said 22-30.5-513 (1) is further amended BY THE ADDITION OF A  
27 NEW PARAGRAPH, to read:

1           **22-30.5-513. Institute charter schools - definitions - funding.**

2           (1) As used in this section, unless the context otherwise requires:

3           (b) ~~"Accounting district's adjusted per pupil revenues" means the~~  
4 ~~accounting district's per pupil funding plus the accounting district's at-risk~~  
5 ~~per pupil funding.~~

6           (c) ~~"Accounting district's at-risk funding" means the amount of~~  
7 ~~funding for at-risk pupils in the accounting district determined in~~  
8 ~~accordance with the formulas described in section 22-54-104 (4).~~

9           (d) ~~"Accounting district's at-risk per pupil funding" means the~~  
10 ~~amount of funding determined in accordance with the following formula:~~

11           ~~(The accounting district's at-risk funding divided by the~~  
12 ~~accounting district's funded pupil count) x (the institute~~  
13 ~~charter school's percentage of at-risk pupils divided by the~~  
14 ~~accounting district's percentage of at-risk pupils)~~

15           (e.5) "ACCOUNTING DISTRICT'S PER PUPIL AT-RISK FUNDING"  
16 MEANS THE AMOUNT OF FUNDING FOR AT-RISK PUPILS IN THE ACCOUNTING  
17 DISTRICT, INCLUDING ANY AT-RISK PUPILS ENROLLED IN AN INSTITUTE  
18 CHARTER SCHOOL LOCATED IN THE ACCOUNTING DISTRICT, DETERMINED  
19 IN ACCORDANCE WITH THE FORMULAS DESCRIBED IN SECTION 22-54-104  
20 (4) FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE NUMBER OF  
21 AT-RISK PUPILS ENROLLED IN THE ACCOUNTING DISTRICT, INCLUDING ANY  
22 AT-RISK PUPILS ENROLLED IN AN INSTITUTE CHARTER SCHOOL LOCATED IN  
23 THE ACCOUNTING DISTRICT, FOR THE APPLICABLE BUDGET YEAR.

24           (g) "Accounting district's per pupil on-line funding" means THE  
25 ACCOUNTING DISTRICT'S on-line funding, as specified in section  
26 22-54-104 (4.5), for ~~any~~ THE APPLICABLE budget year divided by the  
27 on-line pupil enrollment OF THE ACCOUNTING DISTRICT, INCLUDING ANY

1 ON-LINE PUPILS ENROLLED IN AN INSTITUTE CHARTER SCHOOL LOCATED IN  
2 THE ACCOUNTING DISTRICT, FOR THE APPLICABLE BUDGET YEAR.

3 (j) "On-line pupil enrollment" means:

4 (I) ~~For the 2007-08 budget year, the number of pupils, on October~~  
5 ~~1 within the applicable budget year or the school day nearest said date,~~  
6 ~~enrolled in, attending, and actively participating in an on-line program~~  
7 ~~created pursuant to article 30.7 of this title by the institute charter school,~~  
8 ~~which pupils meet the requirements specified in section 22-30.7-107 (1)~~  
9 ~~(a) or are exempt pursuant to rules adopted by the state board pursuant to~~  
10 ~~section 22-30.7-107 (1) (c).~~

11 (II) For the 2008-09 budget year, and for budget years thereafter,  
12 the number of pupils, on October 1 within the applicable budget year or  
13 the school day nearest said date, enrolled in, attending, and actively  
14 participating in a multi-district program, as defined in section  
15 22-30.7-102 (6), created pursuant to article 30.7 of this title by the  
16 ACCOUNTING DISTRICT OR BY AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN  
17 THE ACCOUNTING DISTRICT.

18 (2) (b) (I) For budget year 2004-05 and budget years thereafter,  
19 each institute charter school and the institute shall negotiate funding  
20 under the charter contract at a minimum of:

21 (A) Ninety-five percent of the institute charter school's accounting  
22 district's ~~adjusted per pupil revenues~~ PER PUPIL FUNDING for each pupil  
23 enrolled in the institute charter school who is not an on-line pupil;

24 (B) ONE HUNDRED PERCENT OF THE INSTITUTE CHARTER SCHOOL'S  
25 ACCOUNTING DISTRICT'S PER PUPIL AT-RISK FUNDING FOR EACH AT-RISK  
26 PUPIL ENROLLED IN THE INSTITUTE CHARTER SCHOOL;

27 (C) ONE HUNDRED PERCENT OF ANY CENTERS OF EXCELLENCE

1 FUNDING THAT IS CALCULATED PURSUANT TO SECTION 22-54-104 (4.3)  
2 BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE  
3 CHARTER SCHOOL; and

4 (D) Ninety-five percent of the institute charter school's accounting  
5 district's per pupil on-line funding for each on-line pupil enrolled in the  
6 institute charter school.

7 (II) The institute may retain the actual amount of the institute  
8 charter school's per pupil share of the administrative overhead costs for  
9 services actually provided to the institute charter school; except that the  
10 institute may retain no more than the actual cost of the administrative  
11 overhead costs not to exceed three percent of the accounting district's  
12 ~~adjusted per pupil revenues~~ PER PUPIL FUNDING for each pupil, who is not  
13 an on-line pupil, enrolled in the institute charter school and three percent  
14 of the accounting district's per pupil on-line funding for each on-line  
15 pupil enrolled in the institute charter school.

16 (3) (b) For purposes of the "Public School Finance Act of 1994",  
17 article 54 of this title, the department shall add the pupils enrolled in an  
18 institute charter school to the funded pupil count, THE AT-RISK PUPIL  
19 COUNT, and the on-line pupil enrollment of the institute charter school's  
20 accounting district.

21 (4) (a) (I) For each institute charter school, the department shall  
22 withhold from the state equalization payments of the institute charter  
23 school's accounting district an amount equal to:

24 (A) One hundred percent of the accounting district's ~~adjusted per~~  
25 ~~pupil revenues~~ PER PUPIL FUNDING multiplied by the number of pupils  
26 enrolled in the institute charter school who are not on-line pupils; PLUS

27 (B) ONE HUNDRED PERCENT OF THE ACCOUNTING DISTRICT'S PER

1 PUPIL AT-RISK FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS  
2 ENROLLED IN THE INSTITUTE CHARTER SCHOOL; PLUS

3 (C) ONE HUNDRED PERCENT OF ANY OF THE ACCOUNTING  
4 DISTRICT'S CENTERS OF EXCELLENCE FUNDING THAT IS CALCULATED  
5 PURSUANT TO SECTION 22-54-104 (4.3) BASED ON THE PERFORMANCE OF  
6 PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL; ~~plus an amount~~  
7 ~~equal to~~

8 (D) One hundred percent of the accounting district's per pupil  
9 on-line funding multiplied by the number of on-line pupils enrolled in the  
10 institute charter school.

11 (I.5) The department shall forward to the institute the amount  
12 withheld minus an amount not to exceed two percent of the amount  
13 withheld PURSUANT TO SUB-SUBPARAGRAPHS (A) AND (D) OF  
14 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) that may be retained by the  
15 department as reimbursement for the reasonable and necessary costs to  
16 the department to implement the provisions of this part 5. The institute  
17 shall forward to each institute charter school ~~an amount equal to the~~  
18 ~~institute charter school's pupil enrollment multiplied by the accounting~~  
19 ~~district's adjusted per pupil revenues of the institute charter school's~~  
20 ~~accounting district, minus the amount of the actual costs incurred by the~~  
21 ~~institute in providing necessary administration, oversight, and~~  
22 ~~management services to the institute charter school, not to exceed three~~  
23 ~~percent of the amount withheld, and~~ THE AMOUNT NEGOTIATED PURSUANT  
24 TO PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION minus the amount  
25 agreed to in the institute charter contract for any additional services, as  
26 provided in paragraph (b) of this subsection (4).

27 (II) Repealed.

1           **SECTION 23.** 22-30.5-514, Colorado Revised Statutes, is  
2 amended to read:

3           **22-30.5-514. Institute charter school - capital reserve, risk**  
4 **management, and instructional purposes.** (1) For the 2004-05 budget  
5 year ~~and budget years thereafter~~ THROUGH THE 2008-09 BUDGET YEAR,  
6 each institute charter school shall annually allocate the minimum per  
7 pupil dollar amount specified in section 22-54-105 (2) (b), multiplied by  
8 the number of students enrolled in the institute charter school who are not  
9 students enrolled in an on-line program, as defined in section 22-30.7-102  
10 (9), to a fund created by the institute charter school for capital reserve  
11 purposes, as set forth in section 22-45-103 (1) (c) and (1) (e), or solely for  
12 the management of risk-related activities, as identified in section  
13 24-10-115, C.R.S., and article 13 of title 29, C.R.S., or among such  
14 allowable funds. Said moneys shall be used for the purposes set forth in  
15 section 22-45-103 (1) (c) and (1) (e) and may not be expended by the  
16 institute charter school for any other purpose. ANY MONEYS REMAINING  
17 IN SUCH FUND THAT HAVE NOT BEEN EXPENDED PRIOR TO THE 2009-10  
18 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH IN  
19 SECTION 22-45-103 (1) (c) AND (1) (e) IN THE 2009-10 BUDGET YEAR OR  
20 ANY BUDGET YEAR THEREAFTER.

21           (2) For the 2004-05 budget year ~~and budget years thereafter~~  
22 THROUGH THE 2008-09 BUDGET YEAR, each institute charter school shall  
23 annually allocate the minimum per pupil dollar amount specified in  
24 section 22-54-105 (1) (b), multiplied by the number of students enrolled  
25 in the institute charter school who are not students enrolled in an on-line  
26 program, as defined in section 22-30.7-102 (9), to accounts created by the  
27 institute charter school for instructional supplies and materials,



1 instructional capital outlays, or other instructional purposes, as set forth  
2 in section 22-45-103 (1) (a) (II), or among such accounts. Moneys may  
3 be transferred among the three accounts. The moneys in the accounts  
4 shall be used for the purposes set forth in section 22-45-103 (1) (a) (II)  
5 and may not be expended by the institute charter school for any other  
6 purpose. Any moneys in the accounts that are not projected to be  
7 expended during a budget year shall be budgeted for the purposes set  
8 forth in section 22-45-103 (1) (a) (II) in the next budget year. Nothing in  
9 this subsection (2) shall be construed to require that interest on moneys  
10 in the accounts be specifically allocated to the accounts. ANY MONEYS  
11 REMAINING IN ANY SUCH ACCOUNT THAT HAVE NOT BEEN EXPENDED PRIOR  
12 TO THE 2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES  
13 SET FORTH IN SECTION 22-45-103 (1) (a) (II) IN THE 2009-10 BUDGET YEAR  
14 OR ANY BUDGET YEAR THEREAFTER.

15 **SECTION 24.** 22-32-109 (1), Colorado Revised Statutes, is  
16 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

17 **22-32-109. Board of education - specific duties.** (1) In addition  
18 to any other duty required to be performed by law, each board of  
19 education shall have and perform the following specific duties:

20 (mm) TO ENSURE THAT EACH STUDENT WHO ENROLLS IN THE SIXTH  
21 GRADE IN A PUBLIC SCHOOL OF THE SCHOOL DISTRICT, INCLUDING BUT NOT  
22 LIMITED TO A DISTRICT CHARTER SCHOOL, ON THE DAY OF ENROLLMENT  
23 IS REGISTERED WITH THE ON-LINE COLLEGE PLANNING AND PREPARATION  
24 RESOURCE OPERATED AS A DIVISION WITHIN THE DEPARTMENT OF HIGHER  
25 EDUCATION AND COMMONLY REFERRED TO AS "COLLEGE IN COLORADO".  
26 THE SCHOOL DISTRICT, THE DEPARTMENT OF EDUCATION, AND THE  
27 DEPARTMENT OF HIGHER EDUCATION SHALL COLLABORATE TO MONITOR

1 THE IMPLEMENTATION OF THIS PARAGRAPH (mm) AND TO ENSURE THAT  
2 ANY COMMUNICATIONS FROM COLLEGE IN COLORADO DIRECTLY AND  
3 SOLELY TO A STUDENT DO NOT OCCUR UNTIL THE STUDENT ENROLLS IN  
4 THE NINTH GRADE.

5 SECTION 25. 22-30.5-504 (5) (a) (II) (D), Colorado Revised  
6 Statutes, is amended to read:

7 **22-30.5-504. Institute chartering authority - institute charter**  
8 **schools - exclusive authority - retention - recovery - revocation.**

9 (5) (a) The state board shall grant to a local board of education exclusive  
10 authority to authorize charter schools within the geographic boundaries  
11 of the school district if the state board determines, after adequate notice  
12 and in a public hearing and after receiving input from any charter schools  
13 authorized by the local board of education, that the local board can show  
14 a recent pattern of providing fair and equitable treatment to its charter  
15 schools through the local board's demonstration of:

16 (II) Any combination of the following:

17 (D) The provision of adequate staff and other resources to serve  
18 charter schools authorized by the local board, which services are provided  
19 by the school district at a cost to the charter schools that does not exceed  
20 their actual cost to the school district, or, in the case of federally required  
21 educational services, the amount specified in ~~section 22-30.5-112(2)(a.8)~~  
22 SECTION 22-30.5-112 (2) (i);

23 SECTION 26. 22-33-203 (2) (d), Colorado Revised Statutes, is  
24 amended to read:

25 **22-33-203. Educational alternatives for expelled students.**

26 (2) (d) If an expelled student is receiving educational services delivered  
27 by a school district other than the expelling school district, by a charter

1 school in a school district other than the expelling school district, by a  
2 board of cooperative services, by a nonpublic, nonparochial school, or by  
3 a pilot school pursuant to an agreement entered into pursuant to  
4 subparagraph (I) of paragraph (c) of this subsection (2), the expelling  
5 school district shall transfer ninety-five percent of the district per pupil  
6 revenues FUNDING, as defined in ~~section 22-30.5-112 (2) (a.5) (H)~~  
7 SECTION 22-30.5-112 (2) (g) (VI), to the school district, charter school,  
8 nonpublic, nonparochial school, board of cooperative services, or pilot  
9 school that is providing educational services, reduced in proportion to the  
10 amount of time remaining in the school year at the time the student begins  
11 receiving educational services.

12 SECTION 27. 22-44-105 (1) (c.5), Colorado Revised Statutes, is  
13 amended to read:

14 22-44-105. Budget - contents - mandatory. (1) The budget  
15 shall be presented in the standard budget report format established by the  
16 state board of education by rule pursuant to subsection (5) of this section.  
17 The standard budget report format established by the state board shall be  
18 substantially consistent from year to year and shall adhere to the  
19 following guidelines:

20 (c.5) The budget shall ensure that the school district holds  
21 unrestricted general fund or cash fund emergency reserves in the amount  
22 required under the provisions of section 20 (5) of article X of the state  
23 constitution; EXCEPT THAT, IF A BOARD OF EDUCATION PROVIDES FOR A  
24 DISTRICT EMERGENCY RESERVE IN THE GENERAL FUND FOR THE BUDGET  
25 YEAR, ESTABLISHED AT AN AMOUNT EQUAL TO AT LEAST THREE PERCENT  
26 OF THE AMOUNT BUDGETED TO THE GENERAL FUND, THE BOARD MAY:

27 (I) DESIGNATE REAL PROPERTY OWNED BY THE DISTRICT AS ALL OR

1 A PORTION OF THE RESERVE REQUIRED BY SECTION 20 (5) OF ARTICLE X OF  
2 THE STATE CONSTITUTION SO LONG AS THE BOARD HAS FILED WITH THE  
3 STATE TREASURER AND THE DEPARTMENT OF EDUCATION A LETTER OF  
4 INTENT THAT EXPRESSES THE INTENT OF THE BOARD TO INCREASE THE  
5 LIQUIDITY OF SUCH PROPERTY UPON THE OCCURRENCE OF A DECLARED  
6 EMERGENCY WITHIN THE MEANING OF SECTION 20 (5) OF ARTICLE X OF  
7 THE STATE CONSTITUTION BY ENTERING INTO ONE OR MORE  
8 LEASE-PURCHASE AGREEMENTS WITH RESPECT TO SUCH PROPERTY OR BY  
9 OTHER MEANS ACCEPTABLE TO THE STATE TREASURER; OR

10 (II) SECURE A LETTER OF CREDIT FROM AN INVESTMENT-GRADE  
11 BANK AS ALL OR A PORTION OF THE RESERVE REQUIRED BY SECTION 20 (5)  
12 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS THE BOARD HAS  
13 FILED WITH THE STATE TREASURER AND THE DEPARTMENT OF EDUCATION  
14 A LETTER OF INTENT THAT EXPRESSES THE INTENT OF THE BOARD TO  
15 INCREASE THE LIQUIDITY OF SUCH PROPERTY UPON THE OCCURRENCE OF  
16 A DECLARED EMERGENCY WITHIN THE MEANING OF SECTION 20 (5) OF  
17 ARTICLE X OF THE STATE CONSTITUTION BY ENTERING INTO ONE OR MORE  
18 LEASE-PURCHASE AGREEMENTS WITH RESPECT TO SUCH PROPERTY OR BY  
19 OTHER MEANS ACCEPTABLE TO THE STATE TREASURER.

20 (c.6) IF AT ANY TIME THE BOARD OF EDUCATION EXPENDS ANY  
21 MONEYS FROM THE DISTRICT EMERGENCY RESERVE CREATED PURSUANT  
22 TO PARAGRAPH (c.5) OF THIS SUBSECTION (1), THE BOARD SHALL RESTORE  
23 THE RESERVE TO THREE PERCENT OF THE AMOUNT BUDGETED TO THE  
24 GENERAL FUND AS FOLLOWS:

25 (I) IF THE BOARD OF EDUCATION EXPENDS MONEYS FROM THE  
26 DISTRICT EMERGENCY RESERVE IN A SINGLE FISCAL YEAR, THE BOARD  
27 SHALL RESTORE THE RESERVE PURSUANT TO THIS PARAGRAPH (c.6) WITHIN

1 THIRTY-SIX MONTHS OF THE FIRST DRAW OF THE MONEY FROM THE  
2 RESERVE; AND

3 (II) IF THE BOARD OF EDUCATION EXPENDS MONEYS FROM THE  
4 DISTRICT EMERGENCY RESERVE IN TWO CONSECUTIVE FISCAL YEARS, THE  
5 BOARD SHALL RESTORE THE RESERVE PURSUANT TO THIS PARAGRAPH (C.6)  
6 BY THE END OF THE FISCAL YEAR FOLLOWING THE SECOND FISCAL YEAR IN  
7 WHICH THE BOARD EXPENDED MONEYS FROM THE RESERVE.

8 **SECTION 28.** 22-45-103 (3), Colorado Revised Statutes, is  
9 amended to read:

10 **22-45-103. Funds.** (3) Each school district shall ensure that the  
11 district holds unrestricted general fund or cash fund emergency reserves  
12 in the amount required under the provisions of section 20 (5) of article X  
13 of the state constitution; EXCEPT THAT A DISTRICT MAY DESIGNATE  
14 PROPERTY OWNED BY THE DISTRICT AS ALL OR A PORTION OF THE  
15 REQUIRED RESERVE IN ACCORDANCE WITH SECTION 22-44-105 (1) (c.5).

16 **SECTION 29.** 22-54-124 (1) (e), Colorado Revised Statutes, is  
17 amended to read:

18 **22-54-124. State aid for charter schools - use of state education**  
19 **fund moneys - definitions.** (1) As used in this section:

20 (e) "Operating revenues" means the total amount of funding that  
21 a district charter school receives from a district for a budget year pursuant  
22 to section 22-30.5-112 minus the amounts required by ~~section~~  
23 ~~22-30.5-112 (2) (a.7)~~ SECTION 22-30.5-112 (2) (h) to be allocated for  
24 capital reserve purposes or the management of risk-related activities. For  
25 purposes of an institute charter school, "operating revenues" means the  
26 total amount of funding that the institute charter school receives from the  
27 state charter school institute for a budget year pursuant to section

1 22-30.5-513, minus the amounts required by section 22-30.5-514 (1), to  
2 be allocated for capital reserve purposes or the management of  
3 risk-related activities.

4 **SECTION 30.** Article 2 of title 22, Colorado Revised Statutes, is  
5 amended BY THE ADDITION OF A NEW PART to read:

6 PART 6  
7 PILOT RESIDENTIAL SCHOOL  
8 FOR AT-RISK STUDENTS

9 **22-2-601. Definitions.** AS USED IN THIS PART 6, UNLESS THE  
10 CONTEXT OTHERWISE REQUIRES:

11 (1) "AT-RISK STUDENT" MEANS A STUDENT WHO IS AT RISK OF  
12 ACADEMIC FAILURE BASED ON THE STUDENT'S LEVEL OF ACADEMIC  
13 PERFORMANCE AND TRUANCY AND THE EXISTENCE OF SIGNIFICANT FAMILY  
14 RISK FACTORS.

15 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION  
16 CREATED AND EXISTING PURSUANT TO SECTION 24-1-115, C.R.S.

17 (3) "FUND" MEANS THE PILOT SCHOOL FUND CREATED IN SECTION  
18 22-2-605.

19 (4) "OPERATOR" MEANS THE SCHOOL DISTRICT, GROUP OF SCHOOL  
20 DISTRICTS, BOARD OF COOPERATIVE SERVICES, CHARTER SCHOOL, OR  
21 PRIVATE ENTITY SELECTED PURSUANT TO SECTION 22-2-602 TO CONTRACT  
22 WITH THE STATE BOARD FOR THE OPERATION OF THE PILOT SCHOOL.

23 (5) "PILOT SCHOOL" MEANS THE PILOT RESIDENTIAL SCHOOL FOR  
24 AT-RISK STUDENTS OPERATED PURSUANT TO CONTRACT WITH THE STATE  
25 BOARD AS PROVIDED IN THIS PART 6.

26 (6) "SIGNIFICANT FAMILY RISK FACTORS" MEANS ANY OF THE  
27 FOLLOWING:

1           (a) THE STUDENT IS ELIGIBLE TO RECEIVE FREE OR REDUCED-COST  
2           LUNCH PURSUANT TO THE PROVISIONS OF THE FEDERAL "NATIONAL  
3           SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.;

4           (b) HOMELESSNESS OF THE STUDENT'S FAMILY;

5           (c) AN ABUSIVE ADULT RESIDING IN THE STUDENT'S HOME;

6           (d) DRUG OR ALCOHOL ABUSE IN THE STUDENT'S FAMILY;

7           (e) THE STUDENT'S PARENT OR GUARDIAN HAS NOT SUCCESSFULLY  
8           COMPLETED A HIGH SCHOOL EDUCATION OR ITS EQUIVALENT;

9           (f) FREQUENT RELOCATION BY THE CHILD'S FAMILY TO NEW  
10          RESIDENCES; OR

11          (g) OTHER FACTORS IDENTIFIED BY RULE OF THE STATE BOARD  
12          THAT RESEARCH DEMONSTRATES CONTRIBUTE TO THE PROBABILITY THAT  
13          A STUDENT WILL DROP OUT OF SCHOOL.

14          (7) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION  
15          CREATED IN SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

16          **22-2-602. Residential pilot school - request for proposals -**  
17          **selection of operator - rules.** (1) THE STATE BOARD SHALL CONTRACT  
18          WITH AN OPERATOR FOR OPERATION OF A RESIDENTIAL PILOT SCHOOL FOR  
19          AT-RISK STUDENTS, WHICH PILOT SCHOOL SHALL BEGIN OPERATIONS IN  
20          THE FALL SEMESTER OF THE 2010-11 SCHOOL YEAR. THE STATE BOARD  
21          SHALL PROMULGATE RULES IN ACCORDANCE WITH THE "STATE  
22          ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., FOR  
23          IMPLEMENTATION OF THIS PART 6, WHICH RULES MAY INCLUDE, BUT NEED  
24          NOT BE LIMITED TO:

25          (a) PROCEDURES AND TIME FRAMES FOR THE DEPARTMENT TO  
26          ISSUE A REQUEST FOR PROPOSALS, FOR ENTITIES TO RESPOND TO THE  
27          REQUEST, FOR THE SELECTION OF AN OPERATOR, AND FOR FINALIZING THE

1 CONTRACT WITH THE OPERATOR;

2 (b) PARAMETERS AND REQUIREMENTS FOR OPERATION OF THE  
3 PILOT SCHOOL IN ADDITION TO THOSE SPECIFIED IN SUBSECTION (2) OF THIS  
4 SECTION;

5 (c) ISSUES TO BE INCLUDED IN THE CONTRACT BETWEEN THE STATE  
6 BOARD AND THE OPERATOR IN ADDITION TO THOSE SPECIFIED IN  
7 SUBSECTION (3) OF THIS SECTION; AND

8 (d) REPORTING REQUIREMENTS FOR THE PILOT SCHOOL.

9 (2) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR  
10 THE CREATION AND OPERATION OF A PILOT RESIDENTIAL SCHOOL FOR  
11 AT-RISK STUDENTS IN COLORADO. THE REQUEST FOR PROPOSALS SHALL  
12 SET THE PARAMETERS AND REQUIREMENTS FOR OPERATION OF THE PILOT  
13 SCHOOL, WHICH SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

14 (a) THE OPERATOR SHALL DESIGN THE PILOT SCHOOL TO ENROLL  
15 AT LEAST ONE HUNDRED AT-RISK STUDENTS IN EACH OF GRADES NINE  
16 THROUGH TWELVE, BEGINNING THE FIRST YEAR OF OPERATIONS BY  
17 ENROLLING STUDENTS IN GRADE NINE ONLY AND ADDING A GRADE EACH  
18 SUBSEQUENT YEAR FOR FOUR YEARS.

19 (b) THE PILOT SCHOOL SHALL PROVIDE AN EDUCATIONAL PROGRAM  
20 WITH AN EMPHASIS ON SCIENCE, TECHNOLOGY, ENGINEERING, AND  
21 MATHEMATICS.

22 (c) THE PILOT SCHOOL SHALL OPERATE AS A YEAR-ROUND  
23 RESIDENTIAL SCHOOL THAT OFFERS SERVICES FOR AN EXTENDED PERIOD  
24 OF MORE THAN EIGHT HOURS DURING EACH EDUCATIONAL DAY. THE PILOT  
25 SCHOOL SHALL ALSO PROVIDE SUPPORTING SERVICES AS MAY BE  
26 NECESSARY THAT MAY INCLUDE, BUT NEED NOT BE LIMITED TO, HEALTH  
27 SERVICES AND MENTAL HEALTH SERVICES.



1           (d) AT-RISK STUDENTS ENROLLED IN THE PILOT SCHOOL SHALL  
2           PARTICIPATE IN STATEWIDE ASSESSMENTS, AND THE PILOT SCHOOL SHALL  
3           BE SUBJECT TO THE PERFORMANCE REQUIREMENTS AND ACCREDITATION  
4           PROCESS APPLICABLE TO OTHER PUBLIC SCHOOLS IN THE STATE.

5           (e) THE PILOT SCHOOL SHALL BE A PUBLIC, NONSECTARIAN,  
6           NONRELIGIOUS, NON-HOME-BASED SCHOOL.

7           (f) THE PILOT SCHOOL SHALL BE ADMINISTERED AND GOVERNED  
8           BY A BOARD OF DIRECTORS IN A MANNER AGREED TO BY THE PILOT  
9           SCHOOL OPERATOR AND THE STATE BOARD.

10          (g) THE PILOT SCHOOL SHALL BE SUBJECT TO ALL FEDERAL AND  
11          STATE LAWS AND CONSTITUTIONAL PROVISIONS PROHIBITING  
12          DISCRIMINATION ON THE BASIS OF DISABILITY, RACE, CREED, COLOR, SEX,  
13          SEXUAL ORIENTATION, NATIONAL ORIGIN, RELIGION, OR ANCESTRY.  
14          ENROLLMENT DECISIONS SHALL BE MADE IN A NONDISCRIMINATORY  
15          MANNER SPECIFIED BY THE OPERATOR.

16          (3) A SCHOOL DISTRICT, A GROUP OF SCHOOL DISTRICTS, A BOARD  
17          OF COOPERATIVE SERVICES, A CHARTER SCHOOL, OR A PRIVATE ENTITY  
18          MAY CHOOSE TO RESPOND TO THE REQUEST FOR PROPOSALS. AN ENTITY  
19          SHALL SUBMIT ITS RESPONSE TO THE DEPARTMENT IN ACCORDANCE WITH  
20          THE TIME FRAMES ESTABLISHED BY RULE. THE DEPARTMENT SHALL ASSIST  
21          THE STATE BOARD IN REVIEWING THE RESPONSES AND MAKE  
22          RECOMMENDATIONS TO THE STATE BOARD FOR SELECTION OF AN  
23          OPERATOR. THE STATE BOARD SHALL SELECT AN OPERATOR AND  
24          NEGOTIATE WITH THE OPERATOR THE CONTRACT FOR OPERATION OF THE  
25          PILOT SCHOOL. AT A MINIMUM, THE CONTRACT SHALL ADDRESS:

26          (a) THE OPERATOR'S ADMISSIONS POLICIES AND PROCEDURES TO  
27          ENSURE THAT THE PILOT SCHOOL SERVES AT-RISK STUDENTS IN THE STATE

1 WHO ARE MOST IN NEED OF THE EDUCATIONAL PROGRAM AND SERVICES  
2 THAT ARE PROVIDED BY THE PILOT SCHOOL; AND

3 (b) WAIVERS OF ANY PROVISIONS OF THIS TITLE OR STATE  
4 REGULATIONS AGREED TO BY THE OPERATOR AND THE STATE BOARD TO  
5 ENABLE THE PILOT SCHOOL TO OPERATE EFFICIENT, EFFECTIVE, AND  
6 INNOVATIVE EDUCATIONAL PROGRAMS.

7 **22-2-603. Pilot school - governance.** THE PILOT SCHOOL SHALL  
8 OPERATE AS A STATE EDUCATIONAL INSTITUTION SUBJECT TO THE  
9 OVERSIGHT OF THE STATE BOARD. THE PILOT SCHOOL SHALL NOT BE  
10 CONSIDERED A SCHOOL OF A SCHOOL DISTRICT.

11 **22-2-604. Pilot school contract - term - renewal - revocation.**

12 (1) THE TERM OF THE CONTRACT BETWEEN THE STATE BOARD AND THE  
13 OPERATOR SHALL BE FIVE YEARS. PRIOR TO THE EXPIRATION OF THE  
14 CONTRACT, THE STATE BOARD SHALL REVIEW THE OPERATIONS OF THE  
15 PILOT SCHOOL AND DETERMINE WHETHER TO RENEW THE CONTRACT  
16 BASED AT LEAST PARTIALLY ON THE ACADEMIC RESULTS ACHIEVED BY  
17 AT-RISK STUDENTS ENROLLED IN THE PILOT SCHOOL. IF THE STATE BOARD  
18 DECIDES NOT TO RENEW THE CONTRACT, IT SHALL DIRECT THE  
19 DEPARTMENT TO ISSUE A REQUEST FOR PROPOSALS AND SELECT A NEW  
20 OPERATOR WITHIN A TIME FRAME THAT WILL ENSURE THAT THE PILOT  
21 SCHOOL DOES NOT CEASE OPERATIONS DURING THE TRANSITION FROM ONE  
22 OPERATOR TO ANOTHER.

23 (2) AT ANY TIME DURING THE TERM OF THE CONTRACT, THE STATE  
24 BOARD MAY REVOKE THE CONTRACT IF IT DETERMINES THAT REVOCATION  
25 AND SELECTION OF A NEW OPERATOR ARE IMMEDIATELY NECESSARY.

26 **22-2-605. Pilot school fund - created - legislative declaration.**

27 (1) (a) THE DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT GIFTS,

1 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE  
2 PURPOSES OF THIS PART 6; EXCEPT THAT THE DEPARTMENT SHALL NOT  
3 ACCEPT A GIFT, GRANT, OR DONATION IF IT IS SUBJECT TO CONDITIONS  
4 THAT ARE INCONSISTENT WITH THIS PART 6 OR ANY OTHER LAW OF THE  
5 STATE. ALL PRIVATE AND PUBLIC FUNDS RECEIVED THROUGH GIFTS,  
6 GRANTS, OR DONATIONS SHALL BE TRANSMITTED TO THE STATE  
7 TREASURER, WHO SHALL CREDIT THE SAME TO THE PILOT SCHOOL FUND,  
8 WHICH FUND IS HEREBY CREATED. THE GENERAL ASSEMBLY MAY ALSO  
9 APPROPRIATE MONEYS TO THE FUND.

10 (b) THE MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL  
11 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND  
12 INDIRECT COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THIS PART 6.  
13 ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS PART  
14 6 MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL  
15 INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF  
16 MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY  
17 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT  
18 THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT  
19 BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

20 (2) THE GENERAL ASSEMBLY FINDS THAT, DUE TO SEVERAL  
21 EDUCATION REFORM MEASURES PASSED IN RECENT LEGISLATIVE SESSIONS,  
22 COLORADO IS IN AN EXCELLENT POSITION TO RECEIVE SIGNIFICANT  
23 AMOUNTS OF FEDERAL MONEYS THROUGH DISTRIBUTIONS UNDER THE  
24 "AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009", PUB.L. 111-5,  
25 INCLUDING MONEYS TO BE DISTRIBUTED BY THE FEDERAL DEPARTMENT OF  
26 EDUCATION THROUGH WHAT IS COMMONLY REFERRED TO AS THE "RACE  
27 TO THE TOP" PROGRAM. IN THE EVENT COLORADO RECEIVES THIS MONEY,

1 THE GENERAL ASSEMBLY STRONGLY ENCOURAGES THE GOVERNOR TO  
2 ALLOCATE MONEYS TO THE FUND FOR OPERATION OF THE PILOT  
3 RESIDENTIAL SCHOOL FOR AT-RISK STUDENTS.

4 **SECTION 31.** 24-75-601.1 (1), Colorado Revised Statutes, is  
5 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

6 **24-75-601.1. Legal investments of public funds.** (1) It is lawful  
7 to invest public funds in any of the following securities:

8 (h.5) ANY CERTIFICATE OF PARTICIPATION OR OTHER SECURITY  
9 EVIDENCING RIGHTS IN PAYMENTS TO BE MADE BY A SCHOOL DISTRICT  
10 UNDER A LEASE, LEASE-PURCHASE AGREEMENT, OR SIMILAR  
11 ARRANGEMENT IF THE SECURITY, AT THE TIME OF PURCHASE, CARRIES AT  
12 LEAST TWO CREDIT RATINGS FROM ANY OF THE NATIONALLY RECOGNIZED  
13 CREDIT RATING AGENCIES AND IS RATED AT OR ABOVE "A" BY ALL SUCH  
14 CREDIT AGENCIES THAT HAVE PROVIDED A RATING.

15 **SECTION 32.** 36-1-152, Colorado Revised Statutes, is amended  
16 to read:

17 **36-1-152. Public school districts - charter schools - lease,**  
18 **purchase, or other use of state lands.** (1) The state board of land  
19 commissioners shall provide opportunities for public school districts  
20 within which school trust lands are located to lease, purchase, or  
21 otherwise use such lands or portions thereof as are necessary for school  
22 building sites, at an amount to be determined by the board, which shall  
23 not exceed the appraised fair market value, which amount may be paid  
24 over time.

25 (2) THE STATE BOARD OF LAND COMMISSIONERS MAY PROVIDE  
26 OPPORTUNITIES FOR CHARTER SCHOOLS THAT ARE AUTHORIZED BY  
27 SCHOOL DISTRICTS PURSUANT TO PART 1 OF ARTICLE 30.5 OF TITLE 22,

1 C.R.S., OR CHARTER SCHOOLS THAT ARE AUTHORIZED BY THE STATE  
2 CHARTER SCHOOL INSTITUTE PURSUANT TO PART 5 OF ARTICLE 30.5 OF  
3 TITLE 22, C.R.S., TO LEASE, PURCHASE, OR OTHERWISE USE SCHOOL TRUST  
4 LANDS, OR PORTIONS THEREOF, FOR SCHOOL BUILDING SITES. THE BOARD  
5 SHALL DETERMINE THE AMOUNT A CHARTER SCHOOL SHALL BE REQUIRED  
6 TO PAY TO LEASE, PURCHASE, OR OTHERWISE USE SAID LANDS, WHICH  
7 AMOUNT SHALL NOT EXCEED THE APPRAISED FAIR MARKET VALUE AND  
8 MAY BE PAID OVER TIME.

9 **SECTION 33.** Article 54 of title 22, Colorado Revised Statutes,  
10 is amended BY THE ADDITION OF A NEW SECTION to read:

11 **22-54-135. Hold-harmless at-risk pupil funding - definitions**

12 **- repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE**  
13 **REQUIRES:**

14 (a) "AT-RISK FUNDING DIFFERENTIAL" MEANS THE DIFFERENCE  
15 BETWEEN A DISTRICT'S PER-PUPIL AT-RISK DISTRIBUTION FUNDING  
16 MULTIPLIED BY THE DISTRICT'S FUNDED PUPIL COUNT MINUS ANY PUPILS  
17 ENROLLED IN A DISTRICT CHARTER SCHOOL FOR THE APPLICABLE BUDGET  
18 YEAR AND ONE HUNDRED PERCENT OF THE DISTRICT'S PER-PUPIL AT-RISK  
19 FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS ENROLLED IN  
20 THE DISTRICT, BUT NOT ENROLLED IN A DISTRICT CHARTER SCHOOL, FOR  
21 THE APPLICABLE BUDGET YEAR.

22 (b) "PER-PUPIL AT-RISK DISTRIBUTION FUNDING" MEANS THE  
23 AMOUNT OF AT-RISK FUNDING, AS DETERMINED PURSUANT TO SECTION  
24 22-54-104 (4), RECEIVED BY A SCHOOL DISTRICT FOR THE 2008-09 BUDGET  
25 YEAR DIVIDED BY THE DISTRICT'S FUNDED PUPIL COUNT FOR THE 2008-09  
26 BUDGET YEAR.

27 (c) "PER-PUPIL AT-RISK FUNDING" MEANS THE DISTRICT'S AT-RISK

1 FUNDING DETERMINED PURSUANT TO SECTION 22-54-104 (4) FOR THE  
2 APPLICABLE BUDGET YEAR DIVIDED BY THE NUMBER OF AT-RISK PUPILS  
3 ENROLLED IN THE DISTRICT FOR THE APPLICABLE BUDGET YEAR.

4 (2) FOR THE 2009-10 BUDGET YEAR, AND FOR EACH BUDGET YEAR  
5 THEREAFTER THROUGH THE 2012-13 BUDGET YEAR, A SCHOOL DISTRICT  
6 THAT PAID TO A DISTRICT CHARTER SCHOOL PER-PUPIL REVENUES  
7 CALCULATED PURSUANT TO SECTION 22-30.5-112 FOR THE 2008-09  
8 BUDGET YEAR SHALL RECEIVE HOLD-HARMLESS AT-RISK PUPIL FUNDING  
9 PURSUANT TO THIS SECTION. FOR EACH BUDGET YEAR, THE DEPARTMENT  
10 SHALL CALCULATE THE AMOUNT OF A DISTRICT'S HOLD-HARMLESS AT-RISK  
11 PUPIL FUNDING AS FOLLOWS:

12 (a) FOR THE 2009-10 BUDGET YEAR, ONE HUNDRED PERCENT OF  
13 THE DISTRICT'S AT-RISK FUNDING DIFFERENTIAL;

14 (b) FOR THE 2010-11 BUDGET YEAR, SEVENTY-FIVE PERCENT OF  
15 THE DISTRICT'S AT-RISK FUNDING DIFFERENTIAL;

16 (c) FOR THE 2011-12 BUDGET YEAR, FIFTY PERCENT OF THE  
17 DISTRICT'S AT-RISK FUNDING DIFFERENTIAL; AND

18 (d) FOR THE 2012-13 BUDGET YEAR, TWENTY-FIVE PERCENT OF  
19 THE DISTRICT'S AT-RISK FUNDING DIFFERENTIAL.

20 (3) (a) FOR EACH OF THE 2009-10 THROUGH 2012-13 BUDGET  
21 YEARS, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE  
22 DEPARTMENT THE AMOUNT REQUIRED FOR THE HOLD-HARMLESS AT-RISK  
23 FUNDING PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL  
24 ALLOCATE TO EACH DISTRICT, AS APPLICABLE, THE AMOUNT OF THE  
25 DISTRICT'S HOLD-HARMLESS AT-RISK FUNDING CALCULATED PURSUANT TO  
26 THIS SECTION.

27 (b) THE PROVISIONS OF THIS SECTION SHALL BE CONSIDERED A

1 CATEGORICAL PROGRAM FOR PURPOSES OF FUNDING UNDER SECTION 17 OF  
2 ARTICLE IX OF THE STATE CONSTITUTION.

3 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2013.

4 **SECTION 34. Appropriation - adjustments to the 2009 long**  
5 **bill.** (1) In addition to any other appropriation, there is hereby  
6 appropriated, out of any moneys in the state education fund created in  
7 section 17 (4) (a) of article IX of the state constitution, not otherwise  
8 appropriated, to the department of education, assistance to public schools,  
9 for charter school hold-harmless at-risk pupil funding, for the fiscal year  
10 beginning July 1, 2009, the sum of four million four hundred fifty-nine  
11 thousand eight hundred dollars (\$4,459,800), or so much thereof as may  
12 be necessary, for the implementation of section 22-30.5-112.2, Colorado  
13 Revised Statutes.

14 (2) In addition to any other appropriation, there is hereby  
15 appropriated, out of any moneys in the state education fund created in  
16 section 17 (4) (a) of article IX of the state constitution, not otherwise  
17 appropriated, to the department of education, assistance to public schools,  
18 for school district hold-harmless at-risk pupil funding, for the fiscal year  
19 beginning July 1, 2009, the sum of two million three hundred fifty-three  
20 thousand eight hundred thirty-seven dollars (\$2,353,837), or so much  
21 thereof as may be necessary, for the implementation of section 22-54-135,  
22 Colorado Revised Statutes.

23 (3) For the implementation of this act, appropriations made in the  
24 annual general appropriation act for the fiscal year beginning July 1,  
25 2009, shall be adjusted as follows:

26 (a) The appropriation to the department of education, assistance to  
27 public schools, public school finance, for the state share of districts' total

1 program funding, is decreased by nine million four hundred three  
2 thousand five hundred ten dollars (\$9,403,510) based on adjustments to  
3 the funded pupil count in section 22-54-103 (7) (e), Colorado Revised  
4 Statutes. Said sum shall be cash funds from the state education fund.

5 (b) The appropriation to the department of education, assistance to  
6 public schools, public school finance, for the state share of districts' total  
7 program funding, is decreased by one hundred forty-two million  
8 eighty-six thousand three hundred fifty-eight dollars (\$142,086,358)  
9 based on adjustments to the size factor and at-risk funding in section  
10 22-54-104, Colorado Revised Statutes. Said sum shall be cash funds  
11 from the state education fund.

12 (c) The appropriation to the department of education, assistance to  
13 public schools, public school finance, for the state share of districts' total  
14 program funding, is increased by four million five hundred thousand  
15 dollars (\$4,500,000) for centers of excellence funding pursuant to section  
16 22-54-104 (4.3), Colorado Revised Statutes. Said sum shall be cash funds  
17 from the state education fund.

18 (d) The appropriation to the department of education, assistance to  
19 public schools, categorical programs, for the English language  
20 proficiency program, shall be decreased by two million two hundred  
21 twenty-three thousand six hundred forty-nine dollars (\$2,223,649). Said  
22 sum shall be cash funds from the state education fund.

23 (e) The appropriation to the department of education, assistance to  
24 public schools, categorical programs, for public school transportation,  
25 shall be decreased by two million four hundred eight thousand four  
26 hundred sixty-one dollars (\$2,408,461). Said sum shall be cash funds  
27 from the state education fund.



1           (f) The appropriation to the department of education, assistance to  
2 public schools, categorical programs, for Colorado vocational act  
3 distributions, shall be decreased by nine hundred sixty-one thousand one  
4 hundred four dollars (\$961,104). Said sum shall be cash funds from the  
5 state education fund.

6           (g) The appropriation to the department of education, assistance to  
7 public schools, categorical programs, for special education - gifted and  
8 talented children, shall be decreased by three hundred eighty-four  
9 thousand six hundred fifty-three dollars (\$384,653). Said sum shall be  
10 cash funds from the state education fund.

11           (h) The appropriation to the department of education, assistance to  
12 public schools, categorical programs, for the expelled and at-risk student  
13 services grant program, shall be decreased by six hundred thirty-five  
14 thousand five hundred dollars (\$635,500). Said sum shall be cash funds  
15 from the state education fund.

16           (i) The appropriation to the department of education, assistance to  
17 public schools, categorical programs, for small attendance center aid,  
18 shall be decreased by ten thousand one hundred sixty-eight dollars  
19 (\$10,168). Said sum shall be cash funds from the state education fund.

20           (j) The appropriation to the department of education, assistance to  
21 public schools, categorical programs, for the comprehensive health  
22 education grant program, shall be decreased by one hundred ninety  
23 thousand one hundred two dollars (\$190,102). Said sum shall be cash  
24 funds from the state education fund.

25           (k) The appropriation to the department of education, assistance to  
26 public schools, for charter school capital construction, is increased by two  
27 million two hundred six thousand one hundred sixty-four dollars

1 (\$2,206,164). Said sum shall be from the general fund.

2           **SECTION 35. Safety clause.** The general assembly hereby finds,  
3 determines, and declares that this act is necessary for the immediate  
4 preservation of the public peace, health, and safety.