

**First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 09-0933.01 Nicole Myers

SENATE BILL 09-256

SENATE SPONSORSHIP

Romer and Bacon,

HOUSE SPONSORSHIP

Pommer and Scanlan,

Senate Committees

Education
Appropriations

House Committees

A BILL FOR AN ACT

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

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.*

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.

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 IF THE DISTRICT'S FUNDED	THE DISTRICT'S
27 PUPIL COUNT IS:	SIZE FACTOR SHALL BE:

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

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

21 **22-54-108. Authorization of additional local revenues.**

22 (3) (b) (I) Except as otherwise provided in ~~subparagraph (H)~~
23 SUBPARAGRAPHS (II) AND (III) of this paragraph (b), the total additional
24 local property tax revenues that may be received pursuant to elections
25 held pursuant to this section shall not exceed under any circumstances
26 twenty percent of the district's total program, as determined pursuant to
27 section 22-54-104 (2), or two hundred thousand dollars, whichever is

1 greater.

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

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

26 (4) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
27 (4), ANY DISTRICT THAT INTENDS TO SEEK VOTER APPROVAL TO RETAIN

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

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

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

13 **22-54-106. Local and state shares of district total program.**

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

17 (a) An amount equal to:

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

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

25 (III) ONE HUNDRED PERCENT OF ANY OF THE ACCOUNTING
26 DISTRICT'S CENTERS OF EXCELLENCE FUNDING THAT IS CALCULATED
27 BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE

1 CHARTER SCHOOL; PLUS

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

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

7 22-54-110.5. Replenishment of certificates of participation
8 reserve funds. (1) AS USED IN THIS SECTION:

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

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

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

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

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

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

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

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

27 (IV) IF THE GENERAL ASSEMBLY APPROPRIATES MONEYS FOR THE

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

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

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

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

6 **22-54-115. Distribution from state public school fund.**

7 (1.3) (a) In determining the state's share of each district's total program,
8 the state board shall determine whether the district is an accounting
9 district of an institute charter school. If a district is an accounting district
10 of an institute charter school, the state board shall instruct the department
11 of education to withhold from the amount of the state share otherwise
12 payable to the district an amount equal to the lesser of:

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

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

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

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

27 (II) The total amount of the state share payable to the district.

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

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

16 22-54-124. State aid for charter schools - use of state education
17 fund moneys - definitions. (3) (a) (III) (C) For the 2004-05 budget year
18 and each budget year thereafter THROUGH THE 2008-09 BUDGET YEAR, the
19 amount of state education fund moneys to be distributed to any eligible
20 district and any eligible institute charter school shall be an amount equal
21 to the percentage of the sum of the district's certified charter school pupil
22 enrollment and the institute charter school's certified pupil enrollment for
23 all eligible districts and eligible institute charter schools in the state that
24 is attributable to the eligible district or eligible institute charter school
25 multiplied by the total amount of state education fund moneys distributed
26 to all eligible districts and eligible institute charter schools for the same
27 budget year pursuant to sub-subparagraph (A) of this subparagraph (III).

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

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

14 (C) THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THE
15 TOTAL APPROPRIATION FOR CHARTER SCHOOL CAPITAL CONSTRUCTION TO
16 EACH ELIGIBLE DISTRICT AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL.
17 THE AMOUNT RECEIVED BY EACH SUCH SCHOOL SHALL BE AN AMOUNT
18 EQUAL TO THE PER PUPIL CHARTER SCHOOL CAPITAL CONSTRUCTION
19 FUNDING MULTIPLIED BY THE DISTRICT'S CERTIFIED CHARTER SCHOOL
20 PUPIL ENROLLMENT OR THE INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL
21 ENROLLMENT, AS APPLICABLE. THE AMOUNT APPROPRIATED SHALL BE
22 PAYABLE IN TWELVE APPROXIMATELY EQUAL MONTHLY PAYMENTS
23 DURING THE APPLICABLE BUDGET YEAR IN CONJUNCTION WITH THE
24 DISTRIBUTION OF THE STATE'S SHARE OF DISTRICT TOTAL PROGRAM
25 PURSUANT TO SECTION 22-54-115.

26 (4) For the 2001-02 budget year, the 2003-04 budget year, and
27 each budget year thereafter, the general assembly shall annually

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

13 (5) A district that receives state education fund moneys OR
14 GENERAL FUND MONEYS pursuant to this section shall distribute all
15 moneys received to qualified charter schools as required by section
16 22-30.5-112.3 and may not retain any of such moneys to defray
17 administrative expenses or for any other purpose.

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

20 **22-54-124. State aid for charter schools - use of state education**
21 **fund moneys - definitions.** (1) As used in this section:

22 (e.5) "PER PUPIL CHARTER SCHOOL CAPITAL CONSTRUCTION
23 FUNDING" MEANS AN AMOUNT EQUAL TO THE AMOUNT APPROPRIATED FOR
24 CHARTER SCHOOL CAPITAL CONSTRUCTION FUNDING PURSUANT TO
25 SUBPARAGRAPH (IV) OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS
26 SECTION FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE TOTAL OF
27 EACH DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT PLUS

1 THE TOTAL OF EACH INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL
2 ENROLLMENT FOR SUCH BUDGET YEAR.

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

5 **22-30.5-105. Charter schools - contract contents - regulations.**

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

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

18 **22-30.5-112. Charter schools - financing - definitions -**

19 **guidelines.** (1) (a) For purposes of the "Public School Finance Act of
20 1994", article 54 of this title, pupils enrolled in a charter school shall be
21 included in the pupil enrollment, the on-line pupil enrollment, or the
22 preschool ~~and kindergarten~~ program enrollment, whichever is applicable,
23 of the school district that granted its charter. The school district that
24 granted its charter shall report to the department the number of pupils
25 included in the school district's pupil enrollment, the school district's
26 on-line pupil enrollment, and the school district's preschool ~~and~~
27 ~~kindergarten~~ program enrollment AND THE NUMBER OF AT-RISK PUPILS

1 that are actually enrolled in each charter school.

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

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

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

12 (I) One hundred percent of the district per pupil ~~revenues~~ FUNDING
13 for each pupil enrolled in the charter school who is not an on-line pupil,
14 ~~and~~ SUBJECT TO THE PROVISIONS OF PARAGRAPH (c) OF THIS SUBSECTION
15 (2);

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

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

21 (IV) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF
22 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED
23 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER
24 SCHOOL.

25 (c) The chartering school district may choose to retain the actual
26 amount of the charter school's per pupil share of the central administrative
27 overhead costs for services actually provided to the charter school, up to

1 five percent of the district per pupil ~~revenues~~ FUNDING for each pupil who
2 is not an on-line pupil enrolled in the charter school and up to five percent
3 of the district per pupil on-line funding for each on-line pupil enrolled in
4 the charter school.

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

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

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

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

19 (C) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL AT-RISK
20 FUNDING FOR EACH AT-RISK PUPIL ENROLLED IN THE CHARTER SCHOOL;
21 PLUS

22 (D) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF
23 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED
24 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER
25 SCHOOL; minus

26 (E) The actual amount of the charter school's per pupil share of
27 the central administrative overhead costs incurred by the school district,

1 based on audited figures; or

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

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

7 (C) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL AT-RISK
8 FUNDING FOR EACH AT-RISK PUPIL ENROLLED IN THE CHARTER SCHOOL;
9 PLUS

10 (D) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF
11 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED
12 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER
13 SCHOOL.

14 ~~(a.4)(f)~~ (f) (I) Within ninety days after the end of each fiscal year,
15 each school district shall provide to each charter school within its district
16 an itemized accounting of all its central administrative overhead costs.
17 The actual central administrative overhead costs shall be the amount
18 charged to the charter school. Any difference, within the limitations of
19 ~~subparagraph (H) of paragraph (a)~~ PARAGRAPHS (c) AND (e) of this
20 subsection (2), and ~~paragraph (a.3) of this subsection (2)~~ between the
21 amount initially charged to the charter school and the actual cost shall be
22 reconciled and paid to the owed party.

23 (II) Within ninety days after the end of each fiscal year, each
24 school district shall provide to each charter school ~~within its~~ OF THE
25 district an itemized accounting of all the actual costs of district services
26 the charter school chose at its discretion to purchase from the district
27 calculated in accordance with ~~paragraph (b)~~ PARAGRAPH (k) of this

1 subsection (2). Any difference between the amount initially charged to
2 the charter school and the actual cost shall be reconciled and paid to the
3 owed party.

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

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

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

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

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

18 (B) Salaries and benefits for administrative job classifications
19 listed under the headings of support services - business and support
20 services - central in the school district chart of accounts as specified by
21 rule of the state board.

22 (III) "DIRECT COSTS" MEANS THE DIRECT COSTS INCURRED BY A
23 SCHOOL DISTRICT SOLELY FOR THE PURPOSE OF REVIEWING CHARTER
24 APPLICATIONS, NEGOTIATING THE CHARTER CONTRACT, AND PROVIDING
25 DIRECT OVERSIGHT TO CHARTER SCHOOLS. "DIRECT COSTS" SHALL NOT
26 INCLUDE THE SCHOOL DISTRICT'S LEGAL OR OTHER COSTS ATTRIBUTABLE
27 TO LITIGATION OR THE RESOLUTION OF A DISPUTE WITH A CHARTER

1 SCHOOL.

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

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

9 ~~(H)~~ (VI) "District per pupil ~~revenues~~ FUNDING" means the district's
10 ~~total program as defined in section 22-54-103 (6) for any budget year~~
11 ~~divided by the district's funded pupil count as defined in section~~
12 ~~22-54-103 (7)~~ PER PUPIL FUNDING DETERMINED PURSUANT TO SECTION
13 22-54-104 (3) for ~~said~~ THE APPLICABLE budget year.

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

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

20 (VIII) "ON-LINE PUPIL" MEANS A PUPIL WHO, ON OCTOBER 1
21 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL DAY NEAREST SAID
22 DATE, IS ENROLLED IN, ATTENDING, AND ACTIVELY PARTICIPATING IN A
23 MULTI-DISTRICT PROGRAM, AS DEFINED IN SECTION 22-30.7-102 (6),
24 CREATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE.

25 ~~(a.7)~~ (h) (I) For the 2000-01 budget year ~~and budget years~~
26 ~~thereafter~~ THROUGH THE 2008-09 BUDGET YEAR, each charter school shall
27 annually allocate the minimum per pupil dollar amount specified in

1 section 22-54-105 (2) (b), multiplied by the number of students enrolled
2 in the charter school who are not students enrolled in an on-line program,
3 as defined in section 22-30.7-102 (9), to a fund created by the charter
4 school for capital reserve purposes, as set forth in section 22-45-103 (1)
5 (c) and (1) (e), or solely for the management of risk-related activities, as
6 identified in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S.,
7 or among such allowable funds. Said moneys shall be used for the
8 purposes set forth in section 22-45-103 (1) (c) and (1) (e) and may not be
9 expended by the charter school for any other purpose. ANY MONEYS
10 REMAINING IN SUCH FUND THAT HAVE NOT BEEN EXPENDED PRIOR TO THE
11 2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH
12 IN SECTION 22-45-103 (1) (c) AND (1) (e) IN THE 2009-10 BUDGET YEAR OR
13 ANY BUDGET YEAR THEREAFTER.

14 (II) FOR THE 2009-10 BUDGET YEAR AND BUDGET YEARS
15 THEREAFTER, EACH CHARTER SCHOOL THAT RECEIVES AT-RISK FUNDING
16 PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2) SHALL EXPEND IN
17 TOTAL AT LEAST SEVENTY-FIVE PERCENT OF THE CHARTER SCHOOL'S
18 AT-RISK FUNDING ON DIRECT INSTRUCTION OR STAFF DEVELOPMENT, OR
19 BOTH, FOR THE EDUCATIONAL PROGRAM FOR AT-RISK PUPILS ENROLLED IN
20 THE CHARTER SCHOOL.

21 ~~(a.8)-(f)~~ (i) (I) For the 2000-01 budget year and budget years
22 thereafter, the school district shall provide federally required educational
23 services to students enrolled in charter schools on the same basis as such
24 services are provided to students enrolled in other public schools of the
25 school district. Each charter school shall pay an amount equal to the per
26 pupil cost incurred by the school district in providing federally required
27 educational services, multiplied by the number of students enrolled in the

1 charter school. At either party's request, however, the charter school and
2 the school district may negotiate and include in the charter contract
3 alternate arrangements for the provision of and payment for federally
4 required educational services.

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

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

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

1 school.

2 ~~(b.5)-(f)~~ (II) The charter school and the school district shall
3 negotiate prior to the beginning of each fiscal year for the payment to the
4 school district of any direct costs incurred by the school district. If the
5 charter school and the school district do not reach agreement regarding
6 the payment of direct costs, the school district shall be barred from
7 withholding from the charter school any moneys as reimbursement for
8 direct costs. The school district shall provide an itemized accounting to
9 each charter school for the direct costs incurred by the school district with
10 the itemized accounting provided pursuant to ~~paragraph (a.4)~~ PARAGRAPH
11 (f) of this subsection (2).

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

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

22 ~~(H)~~ (I) For budget year 2000-01 and budget years thereafter, the
23 amount of funding received by a charter school pursuant to this
24 subsection (2) shall not be less than one hundred percent of the chartering
25 school district's district per pupil ~~revenues~~ FUNDING, minus up to five
26 percent as provided in ~~subparagraph (H)~~ of ~~paragraph (a)~~ PARAGRAPH (c)
27 of this subsection (2), multiplied by the number of pupils enrolled in the

1 charter school or as otherwise provided in paragraph ~~(a.3)~~ (e) of this
2 subsection (2) for any charter school chartered by a school district that
3 enrolls five hundred or fewer students.

4 ~~(d) (Deleted by amendment, L. 2004, p. 1583, § 10, effective June~~
5 ~~3, 2004.)~~

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

8 (3) (a) (II) For budget year 2000-01 and budget years thereafter,
9 if the charter school and the school district have negotiated to allow the
10 charter school to provide federally required educational services pursuant
11 to ~~paragraph (a.8)~~ PARAGRAPH (i) of subsection (2) of this section, the
12 proportionate share of state and federal resources generated by students
13 receiving such federally required educational services or staff serving
14 them shall be directed by the school district or administrative unit to the
15 charter school enrolling such students.

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

18 **22-30.5-112.1. Charter schools - definitions - exclusive**
19 **jurisdiction districts - authorized on or after July 1, 2004 - financing.**

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

21 (e) "Central administrative overhead costs" shall have the same
22 meaning as provided in ~~section 22-30.5-112 (2) (a.5)~~ (F) SECTION
23 22-30.5-112 (2) (g) (II).

24 (2) Notwithstanding the provisions of ~~section 22-30.5-112 (2) (a)~~
25 ~~to (2) (a.5), (2) (b), (2) (b.5), and (2) (c), the amount of funding to be~~
26 ~~received by a district charter school~~ SECTION 22-30.5-112 (2) (f) AND (2)
27 (k), the accounting of central administrative overhead costs between a

1 district charter school and a qualifying school district and the direct
2 purchase of district services by a district charter school from a qualifying
3 school district shall be determined pursuant to the provisions of this
4 section.

5 (3) (a) ~~For budget year 2004-05 and budget years thereafter, each~~
6 ~~district charter school and the qualifying school district that approved the~~
7 ~~charter shall negotiate funding under the charter contract. The district~~
8 ~~charter school shall receive one hundred percent of the adjusted district~~
9 ~~per pupil revenues for each pupil enrolled in the district charter school~~
10 ~~who is not an on-line pupil and one hundred percent of the district per~~
11 ~~pupil on-line funding for each on-line pupil enrolled in the district charter~~
12 ~~school; except that the qualifying school district may choose to retain the~~
13 ~~sum of the actual amount of the district charter school's per pupil share of~~
14 ~~the central administrative overhead costs for services actually provided~~
15 ~~to the district charter school, up to five percent of the adjusted district per~~
16 ~~pupil revenues for each pupil who is not an on-line pupil enrolled in the~~
17 ~~district charter school and up to five percent of the district per pupil~~
18 ~~on-line funding for each on-line pupil enrolled in the district charter~~
19 ~~school.~~

20 (b) ~~Notwithstanding any provision of this subsection (3) to the~~
21 ~~contrary, if a qualifying school district enrolls five hundred or fewer~~
22 ~~students, the district charter school shall receive funding in the amount of~~
23 ~~the greater of one hundred percent of the district per pupil on-line funding~~
24 ~~for each on-line pupil enrolled in the district charter school plus one~~
25 ~~hundred percent of the district per pupil revenues for each pupil who is~~
26 ~~not an on-line pupil enrolled in the district charter school, minus the~~
27 ~~actual amount of the district charter school's per pupil share of the central~~

1 administrative overhead costs incurred by the qualifying school district,
2 based on audited figures, or eighty-five percent of the district per pupil
3 revenues for each pupil enrolled in the district charter school who is not
4 an on-line pupil plus eighty-five percent of the district per pupil on-line
5 funding for each on-line pupil enrolled in the district charter school.

6 (4) Within ninety days after the end of each fiscal year, each
7 qualifying school district shall provide to each district charter school
8 authorized by the qualifying school district an itemized accounting of all
9 its central administrative overhead costs. The actual central
10 administrative overhead costs shall be the amount charged to the district
11 charter school. Any difference, within the limitations specified in
12 subsection (3) of this section SECTION 22-30.5-112 (2) (c) AND (2) (e),
13 between the amount initially charged to the district charter school and the
14 actual cost shall be reconciled and paid to the owed party.

15 (6) Notwithstanding any other provision of this section to the
16 contrary and for the purposes of this section only, a school district in
17 which more than forty percent of the pupil enrollment consists of at-risk
18 pupils at the time a charter school's application is first approved shall be
19 deemed to have the same percentage of at-risk pupil enrollment for the
20 term of the charter contract. For purposes of renewal of the charter
21 contract, the percentage of at-risk pupils in the school district at the time
22 the renewal application is submitted shall be the percentage used for
23 purposes of determining whether the school district is a qualifying school
24 district and subject to the provisions of this section.

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

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

4 (a) "AT-RISK FUNDING DIFFERENTIAL" MEANS THE DIFFERENCE
5 BETWEEN THE DISTRICT'S PER-PUPIL AT-RISK DISTRIBUTION FUNDING
6 MULTIPLIED BY THE NUMBER OF PUPILS WHO ARE NOT ON-LINE PUPILS
7 ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR
8 AND ONE HUNDRED PERCENT OF THE DISTRICT'S PER PUPIL AT-RISK
9 FUNDING, AS DEFINED IN SECTION 22-30.5-112 (2) (g) (V), MULTIPLIED BY
10 THE NUMBER OF AT-RISK PUPILS, AS DEFINED IN SECTION 22-30.5-112 (2)
11 (g) (I), ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET
12 YEAR.

13 (b) "PER PUPIL AT-RISK DISTRIBUTION FUNDING" MEANS THE
14 AMOUNT OF AT-RISK FUNDING, AS DETERMINED PURSUANT TO SECTION
15 22-54-104 (4), RECEIVED BY A SCHOOL DISTRICT FOR THE 2008-09 BUDGET
16 YEAR DIVIDED BY THE DISTRICT'S FUNDED PUPIL COUNT, AS DEFINED IN
17 SECTION 22-54-103 (7), FOR THE 2008-09 BUDGET YEAR.

18 (2) FOR THE 2009-10 BUDGET YEAR, AND FOR EACH BUDGET YEAR
19 THEREAFTER THROUGH THE 2012-13 BUDGET YEAR, A CHARTER SCHOOL
20 THAT RECEIVED DISTRICT PER PUPIL REVENUES, AS DEFINED IN SECTION
21 22-54-103 (9.3), CALCULATED PURSUANT TO SECTION 22-30.5-112 FOR
22 THE 2008-09 BUDGET YEAR SHALL RECEIVE HOLD-HARMLESS AT-RISK
23 PUPIL FUNDING IN ADDITION TO THE FUNDING CALCULATED PURSUANT TO
24 SECTION 22-30.5-112. FOR EACH BUDGET YEAR, THE DEPARTMENT SHALL
25 CALCULATE THE AMOUNT OF A CHARTER SCHOOL'S HOLD-HARMLESS
26 AT-RISK PUPIL FUNDING AS FOLLOWS:

27 (a) FOR THE 2009-10 BUDGET YEAR, ONE HUNDRED PERCENT OF

1 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

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

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

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

8 (3) (a) FOR EACH OF THE 2009-10 THROUGH 2012-13 BUDGET
9 YEARS, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE
10 DEPARTMENT THE AMOUNT REQUIRED FOR THE HOLD-HARMLESS AT-RISK
11 FUNDING PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL
12 ALLOCATE TO THE APPROPRIATE SCHOOL DISTRICT THE AMOUNT OF
13 HOLD-HARMLESS AT-RISK FUNDING DUE TO A CHARTER SCHOOL OF THE
14 SCHOOL DISTRICT PURSUANT TO THIS SECTION. THE SCHOOL DISTRICT
15 SHALL TRANSFER TO THE APPROPRIATE CHARTER SCHOOL THE ENTIRE
16 AMOUNT OF THE HOLD-HARMLESS AT-RISK FUNDING RECEIVED FOR THE
17 CHARTER SCHOOL.

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

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

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

25 **22-30.5-505. State charter school institute - institute board -**
26 **appointment - powers and duties - rules.** (3) The mission of the
27 institute board shall be to foster high-quality public school choices

1 offered through institute charter schools, including particularly schools
2 that are focused on closing the achievement gap for at-risk students. In
3 discharging its duties pursuant to this part 5, the institute shall:

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

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

9 (f) ENSURE THAT EACH STUDENT WHO ENROLLS IN THE NINTH
10 GRADE IN AN INSTITUTE CHARTER SCHOOL, ON THE DAY OF ENROLLMENT,
11 IS REGISTERED WITH THE ON-LINE COLLEGE PLANNING AND PREPARATION
12 RESOURCE OPERATED AS A DIVISION WITHIN THE DEPARTMENT OF HIGHER
13 EDUCATION AND COMMONLY REFERRED TO AS "COLLEGE IN COLORADO".
14 THE INSTITUTE, THE DEPARTMENT, AND THE DEPARTMENT OF HIGHER
15 EDUCATION SHALL COLLABORATE TO MONITOR THE IMPLEMENTATION OF
16 THIS PARAGRAPH (f).

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

19 **22-30.5-508. Institute charter schools - contract contents -**
20 **regulations.** (5) Any term included in a charter contract that would
21 require an institute charter school to waive or otherwise ~~forego~~ FORGO
22 receipt of any amount of operational or capital construction funds
23 provided to the institute charter school pursuant to the provisions of this
24 part 5 or pursuant to any other provision of law is hereby declared null
25 and void as against public policy and is unenforceable. IN NO EVENT
26 SHALL THIS SUBSECTION (5) BE CONSTRUED TO PROHIBIT ANY INSTITUTE
27 CHARTER SCHOOL FROM CONTRACTING WITH THE INSTITUTE FOR THE

1 PURCHASE OF SERVICES, INCLUDING BUT NOT LIMITED TO THE PURCHASE
2 OF EDUCATIONAL SERVICES.

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

7 **22-30.5-513. Institute charter schools - definitions - funding.**

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

9 (b) ~~"Accounting district's adjusted per pupil revenues" means the~~
10 ~~accounting district's per pupil funding plus the accounting district's at-risk~~
11 ~~per pupil funding.~~

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

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

17 ~~(The accounting district's at-risk funding divided by the~~
18 ~~accounting district's funded pupil count) x (the institute~~
19 ~~charter school's percentage of at-risk pupils divided by the~~
20 ~~accounting district's percentage of at-risk pupils)~~

21 (e.5) "ACCOUNTING DISTRICT'S PER PUPIL AT-RISK FUNDING"

22 MEANS THE AMOUNT OF FUNDING FOR AT-RISK PUPILS IN THE ACCOUNTING
23 DISTRICT, INCLUDING ANY AT-RISK PUPILS ENROLLED IN AN INSTITUTE
24 CHARTER SCHOOL LOCATED IN THE ACCOUNTING DISTRICT, DETERMINED
25 IN ACCORDANCE WITH THE FORMULAS DESCRIBED IN SECTION 22-54-104
26 (4) FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE NUMBER OF
27 AT-RISK PUPILS ENROLLED IN THE ACCOUNTING DISTRICT, INCLUDING ANY

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

3 (g) "Accounting district's per pupil on-line funding" means THE
4 ACCOUNTING DISTRICT'S on-line funding, as specified in section
5 22-54-104 (4.5), for ~~any~~ THE APPLICABLE budget year divided by the
6 on-line pupil enrollment OF THE ACCOUNTING DISTRICT, INCLUDING ANY
7 ON-LINE PUPILS ENROLLED IN AN INSTITUTE CHARTER SCHOOL LOCATED IN
8 THE ACCOUNTING DISTRICT, FOR THE APPLICABLE BUDGET YEAR.

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

10 (I) ~~For the 2007-08 budget year, the number of pupils, on October~~
11 ~~1 within the applicable budget year or the school day nearest said date,~~
12 ~~enrolled in, attending, and actively participating in an on-line program~~
13 ~~created pursuant to article 30.7 of this title by the institute charter school,~~
14 ~~which pupils meet the requirements specified in section 22-30.7-107 (1)~~
15 ~~(a) or are exempt pursuant to rules adopted by the state board pursuant to~~
16 ~~section 22-30.7-107 (1) (c).~~

17 (II) For the 2008-09 budget year, and for budget years thereafter,
18 the number of pupils, on October 1 within the applicable budget year or
19 the school day nearest said date, enrolled in, attending, and actively
20 participating in a multi-district program, as defined in section
21 22-30.7-102 (6), created pursuant to article 30.7 of this title by the
22 ACCOUNTING DISTRICT OR BY AN institute charter school LOCATED WITHIN
23 THE ACCOUNTING DISTRICT.

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

27 (A) Ninety-five percent of the institute charter school's accounting

1 district's ~~adjusted per pupil revenues~~ PER PUPIL FUNDING for each pupil
2 enrolled in the institute charter school who is not an on-line pupil;

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

6 (C) ONE HUNDRED PERCENT OF ANY CENTERS OF EXCELLENCE
7 FUNDING THAT IS CALCULATED PURSUANT TO SECTION 22-54-104 (4.3)
8 BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE
9 CHARTER SCHOOL; and

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

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

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

27 (4) (a) (I) For each institute charter school, the department shall

1 withhold from the state equalization payments of the institute charter
2 school's accounting district an amount equal to:

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

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

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

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

17 (I.5) The department shall forward to the institute the amount
18 withheld minus an amount not to exceed two percent of the amount
19 withheld PURSUANT TO SUB-SUBPARAGRAPHS (A) AND (D) OF
20 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) that may be retained by the
21 department as reimbursement for the reasonable and necessary costs to
22 the department to implement the provisions of this part 5. The institute
23 shall forward to each institute charter school ~~an amount equal to the~~
24 ~~institute charter school's pupil enrollment multiplied by the accounting~~
25 ~~district's adjusted per pupil revenues of the institute charter school's~~
26 ~~accounting district, minus the amount of the actual costs incurred by the~~
27 ~~institute in providing necessary administration, oversight, and~~

1 ~~management services to the institute charter school, not to exceed three~~
2 ~~percent of the amount withheld, and~~ THE AMOUNT NEGOTIATED PURSUANT
3 TO PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION minus the amount
4 agreed to in the institute charter contract for any additional services, as
5 provided in paragraph (b) of this subsection (4).

6 (II) Repealed.

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

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

27 (2) For the 2004-05 budget year ~~and budget years thereafter~~

1 THROUGH THE 2008-09 BUDGET YEAR, each institute charter school shall
2 annually allocate the minimum per pupil dollar amount specified in
3 section 22-54-105 (1) (b), multiplied by the number of students enrolled
4 in the institute charter school who are not students enrolled in an on-line
5 program, as defined in section 22-30.7-102 (9), to accounts created by the
6 institute charter school for instructional supplies and materials,
7 instructional capital outlays, or other instructional purposes, as set forth
8 in section 22-45-103 (1) (a) (II), or among such accounts. Moneys may
9 be transferred among the three accounts. The moneys in the accounts
10 shall be used for the purposes set forth in section 22-45-103 (1) (a) (II)
11 and may not be expended by the institute charter school for any other
12 purpose. Any moneys in the accounts that are not projected to be
13 expended during a budget year shall be budgeted for the purposes set
14 forth in section 22-45-103 (1) (a) (II) in the next budget year. Nothing in
15 this subsection (2) shall be construed to require that interest on moneys
16 in the accounts be specifically allocated to the accounts. ANY MONEYS
17 REMAINING IN ANY SUCH ACCOUNT THAT HAVE NOT BEEN EXPENDED PRIOR
18 TO THE 2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES
19 SET FORTH IN SECTION 22-45-103 (1) (a) (II) IN THE 2009-10 BUDGET YEAR
20 OR ANY BUDGET YEAR THEREAFTER.

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

23 **22-32-109. Board of education - specific duties.** (1) In addition
24 to any other duty required to be performed by law, each board of
25 education shall have and perform the following specific duties:

26 (mm) TO ENSURE THAT EACH STUDENT WHO ENROLLS IN THE
27 NINTH GRADE IN A PUBLIC SCHOOL OF THE SCHOOL DISTRICT, INCLUDING

1 BUT NOT LIMITED TO A DISTRICT CHARTER SCHOOL, ON THE DAY OF
2 ENROLLMENT IS REGISTERED WITH THE ON-LINE COLLEGE PLANNING AND
3 PREPARATION RESOURCE OPERATED AS A DIVISION WITHIN THE
4 DEPARTMENT OF HIGHER EDUCATION AND COMMONLY REFERRED TO AS
5 "COLLEGE IN COLORADO". THE SCHOOL DISTRICT, THE DEPARTMENT OF
6 EDUCATION, AND THE DEPARTMENT OF HIGHER EDUCATION SHALL
7 COLLABORATE TO MONITOR THE IMPLEMENTATION OF THIS PARAGRAPH
8 (mm).

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

11 **22-30.5-504. Institute chartering authority - institute charter**
12 **schools - exclusive authority - retention - recovery - revocation.**

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

20 (II) Any combination of the following:

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

27 **SECTION 26.** 22-33-203 (2) (d), Colorado Revised Statutes, is

1 amended to read:

2 **22-33-203. Educational alternatives for expelled students.**

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

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

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

24 **(c.5) The budget shall ensure that the school district holds**
25 **unrestricted general fund or cash fund emergency reserves in the amount**
26 **required under the provisions of section 20 (5) of article X of the state**
27 **constitution; EXCEPT THAT, IF, PURSUANT TO SECTION 22-44-106, A BOARD**

1 OF EDUCATION PROVIDES FOR AN OPERATING RESERVE IN THE GENERAL
2 FUND FOR THE BUDGET YEAR OF AT LEAST THREE PERCENT OF THE
3 AMOUNT BUDGETED TO THE GENERAL FUND, THE BOARD MAY DESIGNATE
4 REAL PROPERTY OWNED BY THE DISTRICT AS ALL OR A PORTION OF THE
5 RESERVE REQUIRED BY SECTION 20 (5) OF ARTICLE X OF THE STATE
6 CONSTITUTION SO LONG AS THE BOARD HAS FILED WITH THE STATE
7 TREASURER A LETTER OF INTENT THAT EXPRESSES THE INTENT OF THE
8 BOARD TO INCREASE THE LIQUIDITY OF SUCH PROPERTY UPON THE
9 OCCURRENCE OF A DECLARED EMERGENCY WITHIN THE MEANING OF
10 SECTION 20 (5) OF ARTICLE X OF THE STATE CONSTITUTION BY ENTERING
11 INTO ONE OR MORE LEASE-PURCHASE AGREEMENTS WITH RESPECT TO
12 SUCH PROPERTY OR BY OTHER MEANS ACCEPTABLE TO THE STATE
13 TREASURER.

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

16 **22-45-103. Funds.** (3) Each school district shall ensure that the
17 district holds unrestricted general fund or cash fund emergency reserves
18 in the amount required under the provisions of section 20 (5) of article X
19 of the state constitution; EXCEPT THAT A DISTRICT MAY DESIGNATE
20 PROPERTY OWNED BY THE DISTRICT AS ALL OR A PORTION OF THE
21 REQUIRED RESERVE IN ACCORDANCE WITH SECTION 22-44-105 (1) (c.5).

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

24 **22-54-124. State aid for charter schools - use of state education**
25 **fund moneys - definitions.** (1) As used in this section:

26 (e) "Operating revenues" means the total amount of funding that
27 a district charter school receives from a district for a budget year pursuant

1 to section 22-30.5-112 minus the amounts required by section
2 ~~22-30.5-112 (2) (a.7)~~ SECTION 22-30.5-112 (2) (h) to be allocated for
3 capital reserve purposes or the management of risk-related activities. For
4 purposes of an institute charter school, "operating revenues" means the
5 total amount of funding that the institute charter school receives from the
6 state charter school institute for a budget year pursuant to section
7 22-30.5-513, minus the amounts required by section 22-30.5-514 (1), to
8 be allocated for capital reserve purposes or the management of
9 risk-related activities.

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

12 PART 6

13 PILOT RESIDENTIAL SCHOOL

14 FOR AT-RISK STUDENTS

15 22-2-601. Definitions. AS USED IN THIS PART 6, UNLESS THE
16 CONTEXT OTHERWISE REQUIRES:

17 (1) "AT-RISK STUDENT" MEANS A STUDENT WHO IS AT RISK OF
18 ACADEMIC FAILURE BASED ON THE STUDENT'S LEVEL OF ACADEMIC
19 PERFORMANCE AND TRUANCY AND THE EXISTENCE OF SIGNIFICANT FAMILY
20 RISK FACTORS.

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

23 (3) "FUND" MEANS THE PILOT SCHOOL FUND CREATED IN SECTION
24 22-2-605.

25 (4) "OPERATOR" MEANS THE SCHOOL DISTRICT, GROUP OF SCHOOL
26 DISTRICTS, BOARD OF COOPERATIVE SERVICES, CHARTER SCHOOL, OR
27 PRIVATE ENTITY SELECTED PURSUANT TO SECTION 22-2-602 TO CONTRACT

1 WITH THE STATE BOARD FOR THE OPERATION OF THE PILOT SCHOOL.

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

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

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

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

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

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

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

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

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

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

22 **22-2-602. Residential pilot school - request for proposals -**
23 **selection of operator - rules.** (1) THE STATE BOARD SHALL CONTRACT
24 WITH AN OPERATOR FOR OPERATION OF A RESIDENTIAL PILOT SCHOOL FOR
25 AT-RISK STUDENTS, WHICH PILOT SCHOOL SHALL BEGIN OPERATIONS IN
26 THE FALL SEMESTER OF THE 2010-11 SCHOOL YEAR. THE STATE BOARD
27 SHALL PROMULGATE RULES IN ACCORDANCE WITH THE "STATE

1 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., FOR
2 IMPLEMENTATION OF THIS PART 6, WHICH RULES MAY INCLUDE, BUT NEED
3 NOT BE LIMITED TO:

4 (a) PROCEDURES AND TIME FRAMES FOR THE DEPARTMENT TO
5 ISSUE A REQUEST FOR PROPOSALS, FOR ENTITIES TO RESPOND TO THE
6 REQUEST, FOR THE SELECTION OF AN OPERATOR, AND FOR FINALIZING THE
7 CONTRACT WITH THE OPERATOR;

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

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

14 (d) REPORTING REQUIREMENTS FOR THE PILOT SCHOOL.

15 (2) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR
16 THE CREATION AND OPERATION OF A PILOT RESIDENTIAL SCHOOL FOR
17 AT-RISK STUDENTS IN COLORADO. THE REQUEST FOR PROPOSALS SHALL
18 SET THE PARAMETERS AND REQUIREMENTS FOR OPERATION OF THE PILOT
19 SCHOOL, WHICH SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

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

25 (b) THE PILOT SCHOOL SHALL PROVIDE AN EDUCATIONAL PROGRAM
26 WITH AN EMPHASIS ON SCIENCE, TECHNOLOGY, ENGINEERING, AND
27 MATHEMATICS.

1 (c) THE PILOT SCHOOL SHALL OPERATE AS A YEAR-ROUND
2 RESIDENTIAL SCHOOL THAT OFFERS SERVICES FOR AN EXTENDED PERIOD
3 OF MORE THAN EIGHT HOURS DURING EACH EDUCATIONAL DAY. THE PILOT
4 SCHOOL SHALL ALSO PROVIDE SUPPORTING SERVICES AS MAY BE
5 NECESSARY THAT MAY INCLUDE, BUT NEED NOT BE LIMITED TO, HEALTH
6 SERVICES AND MENTAL HEALTH SERVICES.

7 (d) AT-RISK STUDENTS ENROLLED IN THE PILOT SCHOOL SHALL
8 PARTICIPATE IN STATEWIDE ASSESSMENTS, AND THE PILOT SCHOOL SHALL
9 BE SUBJECT TO THE PERFORMANCE REQUIREMENTS AND ACCREDITATION
10 PROCESS APPLICABLE TO OTHER PUBLIC SCHOOLS IN THE STATE.

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

13 (f) THE PILOT SCHOOL SHALL BE ADMINISTERED AND GOVERNED
14 BY A BOARD OF DIRECTORS IN A MANNER AGREED TO BY THE PILOT
15 SCHOOL OPERATOR AND THE STATE BOARD.

16 (g) THE PILOT SCHOOL SHALL BE SUBJECT TO ALL FEDERAL AND
17 STATE LAWS AND CONSTITUTIONAL PROVISIONS PROHIBITING
18 DISCRIMINATION ON THE BASIS OF DISABILITY, RACE, CREED, COLOR, SEX,
19 SEXUAL ORIENTATION, NATIONAL ORIGIN, RELIGION, OR ANCESTRY.
20 ENROLLMENT DECISIONS SHALL BE MADE IN A NONDISCRIMINATORY
21 MANNER SPECIFIED BY THE OPERATOR.

22 (3) A SCHOOL DISTRICT, A GROUP OF SCHOOL DISTRICTS, A BOARD
23 OF COOPERATIVE SERVICES, A CHARTER SCHOOL, OR A PRIVATE ENTITY
24 MAY CHOOSE TO RESPOND TO THE REQUEST FOR PROPOSALS. AN ENTITY
25 SHALL SUBMIT ITS RESPONSE TO THE DEPARTMENT IN ACCORDANCE WITH
26 THE TIME FRAMES ESTABLISHED BY RULE. THE DEPARTMENT SHALL ASSIST
27 THE STATE BOARD IN REVIEWING THE RESPONSES AND MAKE

1 RECOMMENDATIONS TO THE STATE BOARD FOR SELECTION OF AN
2 OPERATOR. THE STATE BOARD SHALL SELECT AN OPERATOR AND
3 NEGOTIATE WITH THE OPERATOR THE CONTRACT FOR OPERATION OF THE
4 PILOT SCHOOL. AT A MINIMUM, THE CONTRACT SHALL ADDRESS:

5 (a) THE OPERATOR'S ADMISSIONS POLICIES AND PROCEDURES TO
6 ENSURE THAT THE PILOT SCHOOL SERVES AT-RISK STUDENTS IN THE STATE
7 WHO ARE MOST IN NEED OF THE EDUCATIONAL PROGRAM AND SERVICES
8 THAT ARE PROVIDED BY THE PILOT SCHOOL; AND

9 (b) WAIVERS OF ANY PROVISIONS OF THIS TITLE OR STATE
10 REGULATIONS AGREED TO BY THE OPERATOR AND THE STATE BOARD TO
11 ENABLE THE PILOT SCHOOL TO OPERATE EFFICIENT, EFFECTIVE, AND
12 INNOVATIVE EDUCATIONAL PROGRAMS.

13 **22-2-603. Pilot school - governance.** THE PILOT SCHOOL SHALL
14 OPERATE AS A STATE EDUCATIONAL INSTITUTION SUBJECT TO THE
15 OVERSIGHT OF THE STATE BOARD. THE PILOT SCHOOL SHALL NOT BE
16 CONSIDERED A SCHOOL OF A SCHOOL DISTRICT.

17 **22-2-604. Pilot school contract - term - renewal - revocation.**

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

1 OPERATOR TO ANOTHER.

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

5 **22-2-605. Pilot school fund - created - legislative declaration.**

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

16 (b) THE MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL
17 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND
18 INDIRECT COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THIS PART 6.
19 ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS PART
20 6 MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL
21 INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF
22 MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY
23 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT
24 THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT
25 BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

26 (2) THE GENERAL ASSEMBLY FINDS THAT, DUE TO SEVERAL
27 EDUCATION REFORM MEASURES PASSED IN RECENT LEGISLATIVE SESSIONS,

1 COLORADO IS IN AN EXCELLENT POSITION TO RECEIVE SIGNIFICANT
2 AMOUNTS OF FEDERAL MONEYS THROUGH DISTRIBUTIONS UNDER THE
3 "AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009", PUB.L. 111-5,
4 INCLUDING MONEYS TO BE DISTRIBUTED BY THE FEDERAL DEPARTMENT OF
5 EDUCATION THROUGH WHAT IS COMMONLY REFERRED TO AS THE "RACE
6 TO THE TOP" PROGRAM. IN THE EVENT COLORADO RECEIVES THIS MONEY,
7 THE GENERAL ASSEMBLY STRONGLY ENCOURAGES THE GOVERNOR TO
8 ALLOCATE MONEYS TO THE FUND FOR OPERATION OF THE PILOT
9 RESIDENTIAL SCHOOL FOR AT-RISK STUDENTS.

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

12 **24-75-601.1. Legal investments of public funds.** (1) It is lawful
13 to invest public funds in any of the following securities:

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

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

23 **36-1-152. Public school districts - charter schools - lease,**
24 **purchase, or other use of state lands.** (1) The state board of land
25 commissioners shall provide opportunities for public school districts
26 within which school trust lands are located to lease, purchase, or
27 otherwise use such lands or portions thereof as are necessary for school

1 building sites, at an amount to be determined by the board, which shall
2 not exceed the appraised fair market value, which amount may be paid
3 over time.

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

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

17 **22-54-135. Hold-harmless at-risk pupil funding - definitions**
18 **- repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 (a) "AT-RISK FUNDING DIFFERENTIAL" MEANS THE DIFFERENCE
21 BETWEEN A DISTRICT'S PER-PUPIL AT-RISK DISTRIBUTION FUNDING
22 MULTIPLIED BY THE DISTRICT'S FUNDED PUPIL COUNT MINUS ANY PUPILS
23 ENROLLED IN A DISTRICT CHARTER SCHOOL FOR THE APPLICABLE BUDGET
24 YEAR AND ONE HUNDRED PERCENT OF THE DISTRICT'S PER-PUPIL AT-RISK
25 FUNDING MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS ENROLLED IN
26 THE DISTRICT, BUT NOT ENROLLED IN A DISTRICT CHARTER SCHOOL, FOR
27 THE APPLICABLE BUDGET YEAR.

1 (b) "PER-PUPIL AT-RISK DISTRIBUTION FUNDING" MEANS THE
2 AMOUNT OF AT-RISK FUNDING, AS DETERMINED PURSUANT TO SECTION
3 22-54-104 (4), RECEIVED BY A SCHOOL DISTRICT FOR THE 2008-09 BUDGET
4 YEAR DIVIDED BY THE DISTRICT'S FUNDED PUPIL COUNT FOR THE 2008-09
5 BUDGET YEAR.

6 (c) "PER-PUPIL AT-RISK FUNDING" MEANS THE DISTRICT'S AT-RISK
7 FUNDING DETERMINED PURSUANT TO SECTION 22-54-104 (4) FOR THE
8 APPLICABLE BUDGET YEAR DIVIDED BY THE NUMBER OF AT-RISK PUPILS
9 ENROLLED IN THE DISTRICT FOR THE APPLICABLE BUDGET YEAR.

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

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

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

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

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

26 (3) (a) FOR EACH OF THE 2009-10 THROUGH 2012-13 BUDGET
27 YEARS, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE

1 DEPARTMENT THE AMOUNT REQUIRED FOR THE HOLD-HARMLESS AT-RISK
2 FUNDING PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL
3 ALLOCATE TO EACH DISTRICT, AS APPLICABLE, THE AMOUNT OF THE
4 DISTRICT'S HOLD-HARMLESS AT-RISK FUNDING CALCULATED PURSUANT TO
5 THIS SECTION.

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

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

10 **SECTION 34. Appropriation - adjustments to the 2009 long**

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

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

1 Colorado Revised Statutes.

2 (3) For the implementation of this act, appropriations made in the
3 annual general appropriation act for the fiscal year beginning July 1,
4 2009, shall be adjusted as follows:

5 (a) 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 nine million four hundred three
8 thousand five hundred ten dollars (\$9,403,510) based on adjustments to
9 the funded pupil count in section 22-54-103 (7) (e), Colorado Revised
10 Statutes. Said sum shall be cash funds from the state education fund.

11 (b) The appropriation to the department of education, assistance to
12 public schools, public school finance, for the state share of districts' total
13 program funding, is decreased by one hundred forty-two million
14 eighty-six thousand three hundred fifty-eight dollars (\$142,086,358)
15 based on adjustments to the size factor and at-risk funding in section
16 22-54-104, Colorado Revised Statutes. Said sum shall be cash funds
17 from the state education fund.

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

24 (d) The appropriation to the department of education, assistance to
25 public schools, categorical programs, for the English language
26 proficiency program, shall be decreased by two million two hundred
27 twenty-three thousand six hundred forty-nine dollars (\$2,223,649). Said

1 sum shall be cash funds from the state education fund.

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

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

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

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

22 (i) The appropriation to the department of education, assistance to
23 public schools, categorical programs, for small attendance center aid,
24 shall be decreased by ten thousand one hundred sixty-eight dollars
25 (\$10,168). Said sum shall be cash funds from the state education fund.

26 (j) The appropriation to the department of education, assistance to
27 public schools, categorical programs, for the comprehensive health

1 education grant program, shall be decreased by one hundred ninety
2 thousand one hundred two dollars (\$190,102). Said sum shall be cash
3 funds from the state education fund.

4 (k) The appropriation to the department of education, assistance to
5 public schools, for charter school capital construction, is increased by
6 four million six hundred sixteen thousand dollars (\$4,616,000). Said sum
7 shall be from the general fund.

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