

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 1, 2009
Date

Committee on Education.

After consideration on the merits, the Committee recommends the following:

SB09-256 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 4, line 19, strike "FIFTY" and substitute "FORTY";
- 2 line 20, strike "AT WHICH THE" and substitute "IS IDENTIFIED BY THE
- 3 DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4.3) AS
- 4 A HIGH-PERFORMANCE SCHOOL, THE";
- 5 strike lines 21 through 24.
- 6 Page 5, line 3, strike "AT WHICH THE" and substitute "IS IDENTIFIED BY
- 7 THE DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4.3)
- 8 AS A HIGH-PERFORMANCE SCHOOL, THE";
- 9 strike lines 4 through 7;
- 10 strike lines 13 through 16 and substitute the following:
- 11 "IS IDENTIFIED BY THE DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS
- 12 SUBSECTION (4.3) AS A HIGH-PERFORMANCE SCHOOL,";
- 13 line 17, strike "YEAR,";
- 14 after line 19, insert the following:
- 15 "(b) THE DEPARTMENT SHALL ANNUALLY IDENTIFY EACH SCHOOL

1 AT WHICH THE MEDIAN GROWTH PERCENTILE FOR STUDENTS IN GRADES
2 EIGHT THROUGH ELEVEN ON THE STATEWIDE ASSESSMENTS IN AT LEAST
3 TWO OF THE THREE SUBJECTS OF READING, WRITING, AND MATHEMATICS
4 ADMINISTERED IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE
5 APPLICABLE BUDGET YEAR EXCEEDS THE STATEWIDE MEDIAN GROWTH
6 PERCENTILE FOR SAID SUBJECTS IN SAID SCHOOL YEAR. EACH IDENTIFIED
7 SCHOOL SHALL BE A HIGH-PERFORMANCE SCHOOL FOR PURPOSES OF THIS
8 SUBSECTION (4.3)."

9 Reletter succeeding paragraphs accordingly.

10 Page 6, line 16, strike "1.54529 + (.00376058" and substitute "1.54496 +
11 (.00375978";

12 line 20, strike "1.23817 + (.00167825" and substitute "1.23791 +
13 (.00167787";

14 line 24, strike "1.12120 + (.00020593" and substitute "1.12096 +
15 (.00020590".

16 Page 7, line 1, strike "1.05302 + (.00005385" and substitute "1.05279 +
17 (.00005385";

18 line 5, strike "1.02942 + (.00001364" and substitute "1.02921 +
19 (.00001363";

20 line 9, strike "1.02942" and substitute "1.02921";

21 after line 9, insert the following:

22 "SECTION 5. 22-54-104 (2) (b) (II) (A), (4), and (5) (f),
23 Colorado 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
28 of:

29 (II) (A) The district's total program as calculated by: Adding the
30 amount determined by multiplying the district's per pupil funding by four

1 hundred fifty-nine to the amount determined by multiplying ~~12%~~ 11.9%
2 of the district's per pupil funding by the district's at-risk pupils; then
3 dividing the sum of those two amounts by four hundred fifty-nine; then
4 multiplying the resulting amount by the district's funded pupil count
5 minus the district's on-line pupil enrollment; and then adding the district's
6 on-line funding.

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

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

13 (District per pupil funding x ~~12%~~ 11.9%) x District at-risk
14 pupils

15 (II) Repealed.

16 (b) (I) If the district percentage of at-risk pupils is greater than the
17 statewide average percentage of at-risk pupils and the district's funded
18 pupil count is greater than four hundred fifty-nine, the formula shall be:
19 ((District per pupil funding x ~~12%~~ 11.9%) x (Statewide average
20 percentage of at-risk pupils x District pupil enrollment)) + ((District per
21 pupil funding x District at-risk factor) x (District at-risk pupils -
22 (Statewide average percentage of at-risk pupils x District pupil
23 enrollment)))

24 (II) Repealed.

25 (5) For purposes of the formulas used in this section:

26 (f) (I) If the district percentage of at-risk pupils is greater than the
27 statewide average percentage of at-risk pupils and the district's funded
28 pupil count is greater than four hundred fifty-nine but not in excess of
29 fifty thousand, the district's at-risk factor shall be ~~12%~~ 11.9% plus a 0.30
30 percentage point for each percentage point that the district percentage of
31 at-risk pupils exceeds the statewide average percentage of at-risk pupils;
32 except that no district's at-risk factor shall exceed 30%.

1 (II) If the district percentage of at-risk pupils is greater than the
2 statewide average percentage of at-risk pupils and the district's funded
3 pupil count is greater than fifty thousand, the district's at-risk factor shall
4 be ~~12%~~ 11.9% plus a 0.36 percentage point for each percentage point that
5 the district percentage of at-risk pupils exceeds the statewide average
6 percentage of at-risk pupils; except that no district's at-risk factor shall
7 exceed 30%."

8 Renumber succeeding sections accordingly.

9 Page 12, after line 16, insert the following:

10 "SECTION 8. 22-54-105 (3) (a), Colorado Revised Statutes, is
11 amended to read:

12 **22-54-105. Instructional supplies and materials - capital**
13 **reserve and insurance reserve - at-risk funding - preschool funding.**
14 (3) (a) (I) For the 1997-98 budget year and budget years thereafter
15 THROUGH THE 2008-09 BUDGET YEAR, every district that receives at-risk
16 funding pursuant to the provisions of section 22-54-104 shall expend in
17 total at least seventy-five percent of the district's at-risk funding on direct
18 instruction or staff development, or both, for the educational program of
19 at-risk pupils in the district.

20 (II) FOR THE 2009-10 BUDGET YEAR AND BUDGET YEARS
21 THEREAFTER, EVERY DISTRICT THAT RECEIVES AT-RISK FUNDING
22 PURSUANT TO THE PROVISIONS OF SECTION 22-54-104 SHALL ALLOCATE AT
23 LEAST SEVENTY-FIVE PERCENT OF THE PER PUPIL AMOUNT OF AT-RISK
24 FUNDING RECEIVED FOR EACH AT-RISK PUPIL TO THE PUBLIC SCHOOL OF
25 THE SCHOOL DISTRICT IN WHICH THE AT-RISK PUPIL IS ENROLLED FOR USE
26 BY THE PUBLIC SCHOOL FOR THE EDUCATIONAL PROGRAM OF AT-RISK
27 PUPILS ENROLLED IN THE PUBLIC SCHOOL. THE PROVISIONS OF THIS
28 SUBPARAGRAPH (II) SHALL NOT APPLY TO THE DISTRIBUTION OF AT-RISK
29 FUNDING TO DISTRICT CHARTER SCHOOLS, WHICH DISTRIBUTION SHALL BE
30 SUBJECT TO THE PROVISIONS OF SECTION 22-30.5-112."

31 Renumber succeeding sections accordingly.

32

33 Page 12, strike lines 17 through 27.

34 Page 13, strike lines 1 through 12.

1 Renumber succeeding sections accordingly.

2 Page 14, strike lines 20 through 24 and substitute the following:

3 "HELD IN NOVEMBER 2001."

4 Page 15, line 7, strike "DEPARTMENT OF EDUCATION" and substitute
5 "STATE BOARD";

6 strike lines 8 through 25 and substitute the following:

7 "DISTRICT'S PROPOSED USE OF THE ADDITIONAL PROPERTY TAX REVENUES,
8 WHICH MAY INCLUDE CAPITAL CONSTRUCTION PROJECTS."

9 Page 16, after line 19, insert the following:

10 "SECTION 11. Article 54 of title 22, Colorado Revised Statutes,
11 is amended BY THE ADDITION OF A NEW SECTION to read:

12 **22-54-110.5. Replenishment of certificates of participation**
13 **reserve funds.** (1) AS USED IN THIS SECTION:

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

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

26 (c) "QUALIFYING CERTIFICATES OF PARTICIPATION" MEANS
27 CERTIFICATES OF PARTICIPATION EVIDENCING INTERESTS IN THE RIGHT TO
28 RECEIVE PAYMENTS BY A DISTRICT UNDER A LEASE-PURCHASE
29 AGREEMENT THAT, AT THE TIME THEY ARE ISSUED, CARRY AT LEAST TWO
30 CREDIT RATINGS FROM ANY OF THE NATIONALLY RECOGNIZED CREDIT

1 RATING AGENCIES AND ARE RATED AT OR ABOVE "A" BY ALL SUCH CREDIT
2 RATING AGENCIES THAT HAVE PROVIDED A RATING.

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

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

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

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

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

29 (IV) IF THE GENERAL ASSEMBLY APPROPRIATES MONEYS FOR THE
30 PURPOSE OF RESTORING THE CERTIFICATES OF PARTICIPATION RESERVE
31 FUND TO THE RESERVE FUND REQUIREMENT BUT THE DISTRICT
32 NONETHELESS TERMINATES THE RELATED LEASE-PURCHASE AGREEMENT
33 OR FAILS TO MAKE LEASE PAYMENTS UNDER THE RELATED
34 LEASE-PURCHASE AGREEMENT IN AN AMOUNT SUFFICIENT TO MAKE
35 SCHEDULED PAYMENTS OF PRINCIPAL AND INTEREST TO HOLDERS OF

1 QUALIFYING CERTIFICATES OF PARTICIPATION, THE STATE SHALL HAVE A
2 FIRST RIGHT OF REFUSAL TO PURCHASE THE PROPERTY UNDERLYING THE
3 QUALIFYING CERTIFICATES OF PARTICIPATION FOR AN AMOUNT EQUAL TO
4 THE REMAINING AMOUNT OF PRINCIPAL PAYABLE TO HOLDERS OF THE
5 QUALIFYING CERTIFICATES OF PARTICIPATION UNTIL THE STATE HAS BEEN
6 REIMBURSED FOR THE AMOUNT THAT HAS BEEN DEPOSITED IN THE
7 CERTIFICATES OF PARTICIPATION RESERVE FUND FROM MONEYS
8 APPROPRIATED BY THE GENERAL ASSEMBLY.

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

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

24 Renumber succeeding sections accordingly.

25 Page 18, after line 2, insert the following:

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

29 **22-54-124. State aid for charter schools - use of state education**
30 **fund moneys - definitions.** (3) (a) (III) (C) For the 2004-05 budget year
31 ~~and each budget year thereafter~~ THROUGH THE 2008-09 BUDGET YEAR, the
32 amount of state education fund moneys to be distributed to any eligible
33 district and any eligible institute charter school shall be an amount equal
34 to the percentage of the sum of the district's certified charter school pupil
35 enrollment and the institute charter school's certified pupil enrollment for

1 all eligible districts and eligible institute charter schools in the state that
2 is attributable to the eligible district or eligible institute charter school
3 multiplied by the total amount of state education fund moneys distributed
4 to all eligible districts and eligible institute charter schools for the same
5 budget year pursuant to sub-subparagraph (A) of this subparagraph (III).

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

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

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

31
32 (4) For the 2001-02 budget year, the 2003-04 budget year, and
33 each budget year thereafter, the general assembly shall annually
34 appropriate from THE GENERAL FUND OR FROM the state education fund
35 created in section 17 (4) of article IX of the state constitution, OR FROM
36 BOTH THE GENERAL FUND AND THE STATE EDUCATION FUND, to the
37 department of education for distribution to eligible school districts and
38 eligible institute charter schools in accordance with the formula set forth

1 in paragraph (a) of subsection (3) of this section, an amount equal to the
2 total amount of moneys to be distributed to all districts and institute
3 charter schools as determined pursuant to said formula. ~~From the moneys~~
4 ~~appropriated for a given budget year, the department shall make lump~~
5 ~~sum payments of all moneys to be distributed to each eligible school~~
6 ~~district and eligible institute charter school during the budget year as soon~~
7 ~~as possible.~~

8 (5) A district that receives state education fund moneys OR
9 GENERAL FUND MONEYS pursuant to this section shall distribute all
10 moneys received to qualified charter schools as required by section
11 22-30.5-112.3 and may not retain any of such moneys to defray
12 administrative expenses or for any other purpose.

13 **SECTION 14.** 22-54-124 (1), Colorado Revised Statutes, is
14 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

15 **22-54-124. State aid for charter schools - use of state education**
16 **fund moneys - definitions.** (1) As used in this section:

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

25 Renumber succeeding sections accordingly.

26 Page 30, line 18, strike "FOR" and substitute "EXCEPT AS OTHERWISE
27 PROVIDED IN SUBSECTION (3) OF THIS SECTION, FOR";

28 line 19, strike "2012-13" and substitute "2013-14";

29 line 27, strike "BUDGET YEAR," and substitute "AND 2010-11 BUDGET
30 YEARS,".

31 Page 31, line 2, strike "2010-11" and substitute "2011-12";

1 line 4, strike "2011-12" and substitute "2012-13";

2 line 6, strike "2012-13" and substitute "2013-14";

3 after line 7, insert the following:

4 "(3) IN ANY OF THE 2009-10 THROUGH 2013-14 BUDGET YEARS, IF
5 A CHARTER SCHOOL THAT IS ELIGIBLE FOR HOLD-HARMLESS AT-RISK PUPIL
6 FUNDING PURSUANT TO SUBSECTION (2) OF THIS SECTION DOES NOT
7 COLLECT FROM EACH PUPIL ENROLLED IN THE CHARTER SCHOOL WHO IS
8 ELIGIBLE FOR PARTICIPATION IN THE FEDERAL "NATIONAL SCHOOL LUNCH
9 ACT" CREATED IN 42 U.S.C. SEC. 1751 ET SEQ., THE REQUIRED FEDERAL
10 APPLICATION FORM, THE DEPARTMENT SHALL CALCULATE THE AMOUNT OF
11 THE CHARTER SCHOOL'S HOLD-HARMLESS AT-RISK PUPIL FUNDING AS
12 FOLLOWS:

13 (a) FOR THE 2009-10 BUDGET YEAR, SEVENTY-FIVE PERCENT OF
14 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

15 (b) FOR THE 2010-11 BUDGET YEAR, FIFTY PERCENT OF THE
16 CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

17 (c) FOR THE 2011-12 BUDGET YEAR, TWENTY-FIVE PERCENT OF
18 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL; AND

19 (d) FOR THE 2012-13 OR 2013-14 BUDGET YEAR, ZERO PERCENT OF
20 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL."

21 Renumber succeeding subsections accordingly.

22 Page 31, line 8, strike "2012-13" and substitute "2013-14";

23 line 17, strike "2013." and substitute "2014."

24 Page 40, after line 11, insert the following:

25 "SECTION 26. 22-44-105 (1) (c.5), Colorado Revised Statutes,
26 is amended to read:

27 **22-44-105. Budget - contents - mandatory.** (1) The budget
28 shall be presented in the standard budget report format established by the

1 state board of education by rule pursuant to subsection (5) of this section.
2 The standard budget report format established by the state board shall be
3 substantially consistent from year to year and shall adhere to the
4 following guidelines:

5 (c.5) The budget shall ensure that the school district holds
6 unrestricted general fund or cash fund emergency reserves in the amount
7 required under the provisions of section 20 (5) of article X of the state
8 constitution; EXCEPT THAT, IF, PURSUANT TO SECTION 22-44-106, A BOARD
9 OF EDUCATION PROVIDES FOR AN OPERATING RESERVE IN THE GENERAL
10 FUND FOR THE BUDGET YEAR OF AT LEAST THREE PERCENT OF THE
11 AMOUNT BUDGETED TO THE GENERAL FUND, THE BOARD MAY DESIGNATE
12 REAL PROPERTY OWNED BY THE DISTRICT AS ALL OR A PORTION OF THE
13 RESERVE REQUIRED BY SECTION 20 (5) OF ARTICLE X OF THE STATE
14 CONSTITUTION SO LONG AS THE BOARD HAS FILED WITH THE STATE
15 TREASURER A LETTER OF INTENT THAT EXPRESSES THE INTENT OF THE
16 BOARD TO INCREASE THE LIQUIDITY OF SUCH PROPERTY UPON THE
17 OCCURRENCE OF A DECLARED EMERGENCY WITHIN THE MEANING OF
18 SECTION 20 (5) OF ARTICLE X OF THE STATE CONSTITUTION BY ENTERING
19 INTO ONE OR MORE LEASE-PURCHASE AGREEMENTS WITH RESPECT TO
20 SUCH PROPERTY OR BY OTHER MEANS ACCEPTABLE TO THE STATE
21 TREASURER.

22 **SECTION 27.** 22-45-103 (3), Colorado Revised Statutes, is
23 amended to read:

24 **22-45-103. Funds.** (3) Each school district shall ensure that the
25 district holds unrestricted general fund or cash fund emergency reserves
26 in the amount required under the provisions of section 20 (5) of article X
27 of the state constitution; EXCEPT THAT A DISTRICT MAY DESIGNATE
28 PROPERTY OWNED BY THE DISTRICT AS ALL OR A PORTION OF THE
29 REQUIRED RESERVE IN ACCORDANCE WITH SECTION 22-44-105 (1)(c.5).".

30 Renumber succeeding sections accordingly.

31 Page 40, after line 26, insert the following:

32 **"SECTION 29.** Article 2 of title 22, Colorado Revised Statutes,
33 is amended BY THE ADDITION OF A NEW PART to read:

34 **PART 6**

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PILOT RESIDENTIAL SCHOOL
FOR AT-RISK STUDENTS

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

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

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

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

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

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

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

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

(b) HOMELESSNESS OF THE STUDENT'S FAMILY;

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

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

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

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

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

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

8 **22-2-602. Residential pilot school - request for proposals -**
9 **selection of operator - rules.** (1) THE STATE BOARD SHALL CONTRACT
10 WITH AN OPERATOR FOR OPERATION OF A RESIDENTIAL PILOT SCHOOL FOR
11 AT-RISK STUDENTS, WHICH PILOT SCHOOL SHALL BEGIN OPERATIONS IN
12 THE FALL SEMESTER OF THE 2010-11 SCHOOL YEAR. THE STATE BOARD
13 SHALL PROMULGATE RULES IN ACCORDANCE WITH THE "STATE
14 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., FOR
15 IMPLEMENTATION OF THIS PART 6, WHICH RULES MAY INCLUDE, BUT NEED
16 NOT BE LIMITED TO:

17 (a) PROCEDURES AND TIME FRAMES FOR THE DEPARTMENT TO
18 ISSUE A REQUEST FOR PROPOSALS, FOR ENTITIES TO RESPOND TO THE
19 REQUEST, FOR THE SELECTION OF AN OPERATOR, AND FOR FINALIZING THE
20 CONTRACT WITH THE OPERATOR;

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

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

27 (d) REPORTING REQUIREMENTS FOR THE PILOT SCHOOL.

28 (2) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR
29 THE CREATION AND OPERATION OF A PILOT RESIDENTIAL SCHOOL FOR
30 AT-RISK STUDENTS IN COLORADO. THE REQUEST FOR PROPOSALS SHALL
31 SET THE PARAMETERS AND REQUIREMENTS FOR OPERATION OF THE PILOT
32 SCHOOL, WHICH SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

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

6 (b) THE PILOT SCHOOL SHALL PROVIDE AN EDUCATIONAL PROGRAM
7 WITH AN EMPHASIS ON SCIENCE, TECHNOLOGY, ENGINEERING, AND
8 MATHEMATICS.

9 (c) THE PILOT SCHOOL SHALL OPERATE AS A YEAR-ROUND
10 RESIDENTIAL SCHOOL THAT OFFERS SERVICES FOR AN EXTENDED PERIOD
11 OF MORE THAN EIGHT HOURS DURING EACH EDUCATIONAL DAY. THE PILOT
12 SCHOOL SHALL ALSO PROVIDE SUPPORTING SERVICES AS MAY BE
13 NECESSARY THAT MAY INCLUDE, BUT NEED NOT BE LIMITED TO, HEALTH
14 SERVICES AND MENTAL HEALTH SERVICES.

15 (d) AT-RISK STUDENTS ENROLLED IN THE PILOT SCHOOL SHALL
16 PARTICIPATE IN STATEWIDE ASSESSMENTS, AND THE PILOT SCHOOL SHALL
17 BE SUBJECT TO THE PERFORMANCE REQUIREMENTS AND ACCREDITATION
18 PROCESS APPLICABLE TO OTHER PUBLIC SCHOOLS IN THE STATE.

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

21 (f) THE PILOT SCHOOL SHALL BE ADMINISTERED AND GOVERNED
22 BY A BOARD OF DIRECTORS IN A MANNER AGREED TO BY THE PILOT
23 SCHOOL OPERATOR AND THE STATE BOARD.

24 (g) THE PILOT SCHOOL SHALL BE SUBJECT TO ALL FEDERAL AND
25 STATE LAWS AND CONSTITUTIONAL PROVISIONS PROHIBITING
26 DISCRIMINATION ON THE BASIS OF DISABILITY, RACE, CREED, COLOR, SEX,
27 SEXUAL ORIENTATION, NATIONAL ORIGIN, RELIGION, OR ANCESTRY.
28 ENROLLMENT DECISIONS SHALL BE MADE IN A NONDISCRIMINATORY
29 MANNER SPECIFIED BY THE OPERATOR.

30 (3) A SCHOOL DISTRICT, A GROUP OF SCHOOL DISTRICTS, A BOARD
31 OF COOPERATIVE SERVICES, A CHARTER SCHOOL, OR A PRIVATE ENTITY
32 MAY CHOOSE TO RESPOND TO THE REQUEST FOR PROPOSALS. AN ENTITY
33 SHALL SUBMIT ITS RESPONSE TO THE DEPARTMENT IN ACCORDANCE WITH
34 THE TIME FRAMES ESTABLISHED BY RULE. THE DEPARTMENT SHALL ASSIST

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

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

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

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

18 **22-2-604. Pilot school contract - term - renewal - revocation.**

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

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

33 **22-2-605. Pilot school fund - created - legislative declaration.**

34 (1) (a) THE DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT GIFTS,
35 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE

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

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

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

30 **SECTION 30.** 24-75-601.1 (1), Colorado Revised Statutes, is
31 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

32 **24-75-601.1. Legal investments of public funds.** (1) It is lawful
33 to invest public funds in any of the following securities:

34 (h.5) ANY CERTIFICATE OF PARTICIPATION OR OTHER SECURITY
35 EVIDENCING RIGHTS IN PAYMENTS TO BE MADE BY A SCHOOL DISTRICT
36 UNDER A LEASE, LEASE-PURCHASE AGREEMENT, OR SIMILAR

1 ARRANGEMENT IF THE SECURITY, AT THE TIME OF PURCHASE, CARRIES AT
2 LEAST TWO CREDIT RATINGS FROM ANY OF THE NATIONALLY RECOGNIZED
3 CREDIT RATING AGENCIES AND IS RATED AT OR ABOVE "A" BY ALL SUCH
4 CREDIT AGENCIES THAT HAVE PROVIDED A RATING.

5 **SECTION 31.** 36-1-152, Colorado Revised Statutes, is amended
6 to read:

7 **36-1-152. Public school districts - charter schools - lease,**
8 **purchase, or other use of state lands.** (1) The state board of land
9 commissioners shall provide opportunities for public school districts
10 within which school trust lands are located to lease, purchase, or
11 otherwise use such lands or portions thereof as are necessary for school
12 building sites, at an amount to be determined by the board, which shall
13 not exceed the appraised fair market value, which amount may be paid
14 over time.

15 (2) THE STATE BOARD OF LAND COMMISSIONERS MAY PROVIDE
16 OPPORTUNITIES FOR CHARTER SCHOOLS THAT ARE AUTHORIZED BY
17 SCHOOL DISTRICTS PURSUANT TO PART 1 OF ARTICLE 30.5 OF TITLE 22,
18 C.R.S., OR CHARTER SCHOOLS THAT ARE AUTHORIZED BY THE STATE
19 CHARTER SCHOOL INSTITUTE PURSUANT TO PART 5 OF ARTICLE 30.5 OF
20 TITLE 22, C.R.S., TO LEASE, PURCHASE, OR OTHERWISE USE SCHOOL TRUST
21 LANDS, OR PORTIONS THEREOF, FOR SCHOOL BUILDING SITES. THE BOARD
22 SHALL DETERMINE THE AMOUNT A CHARTER SCHOOL SHALL BE REQUIRED
23 TO PAY TO LEASE, PURCHASE, OR OTHERWISE USE SAID LANDS, WHICH
24 AMOUNT SHALL NOT EXCEED THE APPRAISED FAIR MARKET VALUE AND
25 MAY BE PAID OVER TIME."

26 Renumber succeeding section accordingly.

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