

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

INTRODUCED

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.**

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 excellence funding as an additional per at-risk pupil amount for each middle, junior high, and high school that

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.

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 22-54-104 (2) (a)
10 (VIII), Colorado Revised Statutes, is amended, and the said 22-54-104 (2)
11 (a) is further amended BY THE ADDITION OF A NEW
12 SUBPARAGRAPH, to read:

13 **22-54-104. District total program.** (2) (a) (VIII) Except as
14 otherwise provided in this subsection (2), subsection (6) of this section,
15 or section 22-54-104.3, a district's total program for the 2007-08 budget

1 year and ~~budget years thereafter~~ THE 2008-09 BUDGET YEAR shall be the
2 greater of the following:

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

7 (A) (DISTRICT PER PUPIL FUNDING X (DISTRICT FUNDED PUPIL
8 COUNT - DISTRICT ON-LINE PUPIL ENROLLMENT)) + DISTRICT AT-RISK
9 FUNDING + DISTRICT CENTERS OF EXCELLENCE FUNDING + DISTRICT
10 ON-LINE FUNDING; OR

11 (B) (MINIMUM PER PUPIL FUNDING X (DISTRICT FUNDED PUPIL
12 COUNT - DISTRICT ON-LINE PUPIL ENROLLMENT)) + DISTRICT ON-LINE
13 FUNDING.

14 **SECTION 3.** 22-54-104, Colorado Revised Statutes, is amended
15 BY THE ADDITION OF A NEW SUBSECTION to read:

16 **22-54-104. District total program.** (4.3) (a) A DISTRICT'S
17 CENTERS OF EXCELLENCE FUNDING SHALL BE DETERMINED AS FOLLOWS:

18 (I) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE
19 DISTRICT THAT ENROLLS AT LEAST FIFTY PERCENT AT-RISK PUPILS BUT
20 LESS THAN SEVENTY-FIVE PERCENT AT-RISK PUPILS AND AT WHICH THE
21 AVERAGE SCORE OF STUDENTS ENROLLED IN THE EIGHTH OR TENTH GRADE
22 EXCEEDED THE STATEWIDE AVERAGE SCORE ON AT LEAST THREE OF THE
23 FOUR ASSESSMENTS ADMINISTERED PURSUANT TO THE COLORADO
24 STUDENT ASSESSMENT PROGRAM IN THE PRECEDING SCHOOL YEAR, THE
25 DISTRICT SHALL RECEIVE CENTERS OF EXCELLENCE FUNDING IN THE
26 AMOUNT OF TWO HUNDRED FIFTY DOLLARS MULTIPLIED BY THE NUMBER
27 OF AT-RISK PUPILS ENROLLED IN THE SCHOOL.

1 (II) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE
2 DISTRICT THAT ENROLLS AT LEAST SEVENTY-FIVE PERCENT AT-RISK PUPILS
3 BUT LESS THAN NINETY PERCENT AT-RISK PUPILS AND AT WHICH THE
4 AVERAGE SCORE OF STUDENTS ENROLLED IN THE EIGHTH OR TENTH GRADE
5 EXCEEDED THE STATEWIDE AVERAGE SCORE ON AT LEAST THREE OF THE
6 FOUR ASSESSMENTS ADMINISTERED PURSUANT TO THE COLORADO
7 STUDENT ASSESSMENT PROGRAM IN THE PRECEDING SCHOOL YEAR, THE
8 DISTRICT SHALL RECEIVE CENTERS OF EXCELLENCE FUNDING IN THE
9 AMOUNT OF FIVE HUNDRED DOLLARS MULTIPLIED BY THE NUMBER OF
10 AT-RISK PUPILS ENROLLED IN THE SCHOOL.

11 (III) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE
12 DISTRICT THAT ENROLLS AT LEAST NINETY PERCENT AT-RISK PUPILS AND
13 AT WHICH THE AVERAGE SCORE OF STUDENTS ENROLLED IN THE EIGHTH OR
14 TENTH GRADE EXCEEDED THE STATEWIDE AVERAGE SCORE ON AT LEAST
15 THREE OF THE FOUR ASSESSMENTS ADMINISTERED PURSUANT TO THE
16 COLORADO STUDENT ASSESSMENT PROGRAM IN THE PRECEDING SCHOOL
17 YEAR, THE DISTRICT SHALL RECEIVE CENTERS OF EXCELLENCE FUNDING IN
18 THE AMOUNT OF ONE THOUSAND DOLLARS MULTIPLIED BY THE NUMBER OF
19 AT-RISK PUPILS ENROLLED IN THE SCHOOL.

20 (b) IF A DISTRICT IS AN ACCOUNTING DISTRICT FOR AN INSTITUTE
21 CHARTER SCHOOL, THE DISTRICT'S CENTERS OF EXCELLENCE FUNDING
22 SHALL ALSO INCLUDE THE AMOUNT DESCRIBED IN PARAGRAPH (a) OF THIS
23 SUBSECTION (4.3) FOR THE INSTITUTE CHARTER SCHOOL IF THE INSTITUTE
24 CHARTER SCHOOL MEETS THE REQUIREMENTS SPECIFIED IN PARAGRAPH (a)
25 OF THIS SUBSECTION (4.3).

26 (c) A DISTRICT THAT RECEIVES CENTERS OF EXCELLENCE FUNDING
27 SHALL ALLOCATE ONE HUNDRED PERCENT OF THE AMOUNT CALCULATED

1 FOR A SCHOOL PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4.3) TO
2 THAT SCHOOL.

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

7 **22-54-104. District total program.** (5) (b) (I.5) A district's size
8 factor for the 2003-04 budget year ~~and budget years thereafter~~ THROUGH
9 THE 2008-09 BUDGET YEAR shall be determined in accordance with the
10 following formula:

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

14 IF THE DISTRICT'S FUNDED	THE DISTRICT'S
15 PUPIL COUNT IS:	SIZE FACTOR SHALL BE:
16 LESS THAN 276	1.54529 + (.00376058 X THE
	17 DIFFERENCE BETWEEN THE
	18 FUNDED PUPIL COUNT AND
	19 276)
20 276 OR MORE BUT LESS THAN 459	1.23817 + (.00167825 X THE
	21 DIFFERENCE BETWEEN THE
	22 FUNDED PUPIL COUNT AND
	23 459)
24 459 OR MORE BUT LESS THAN 1,027	1.12120 + (.00020593 X THE
	25 DIFFERENCE BETWEEN THE
	26 FUNDED PUPIL COUNT AND
	27 1,027)

1	1,027 OR MORE BUT LESS THAN 2,293	$1.05302 + (.00005385 \times \text{THE}$
2		$\text{DIFFERENCE BETWEEN THE}$
3		$\text{FUNDED PUPIL COUNT AND}$
4		$2,293)$
5	2,293 OR MORE BUT LESS THAN 4,023	$1.02942 + (.00001364 \times \text{THE}$
6		$\text{DIFFERENCE BETWEEN THE}$
7		$\text{FUNDED PUPIL COUNT AND}$
8		$4,023)$
9	4,023 OR MORE	1.02942

10 **SECTION 5.** 22-54-103 (15), Colorado Revised Statutes, is
11 amended to read:

12 **22-54-103. Definitions - repeal.** As used in this article, unless
13 the context otherwise requires:

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

21 **SECTION 6.** 22-54-105 (1) and (2), Colorado Revised Statutes,
22 are amended to read:

23 **22-54-105. Instructional supplies and materials - capital**
24 **reserve and insurance reserve - at-risk funding - preschool funding.**

25 (1) (a) PRIOR TO THE 2009-10 BUDGET YEAR, every district shall budget
26 the amount determined pursuant to paragraph (b) of this subsection (1) to
27 be allocated, in the discretion of the board of education, to the

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

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

20 (II) (A) For the 1998-99 budget year through the 2007-08 budget
21 year, the dollar amount required to be budgeted per pupil pursuant to this
22 paragraph (b) shall be increased each year by the same percentage that the
23 statewide base per pupil funding is increased pursuant to section
24 22-54-104 (5). For the 2008-09 budget year, ~~and budget years thereafter,~~
25 the minimum dollar amount required to be budgeted per pupil pursuant
26 to this paragraph (b) shall be increased each year by the rate of inflation.
27 The amount of any increase pursuant to this paragraph (b) shall be

1 rounded to the nearest dollar.

2 (B) Repealed.

3 (III) Repealed.

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

14 (c) For purposes of this subsection (1), instructional supplies and
15 materials include, but are not limited to, supplies, textbooks, library
16 books, periodicals, and other supplies and materials. Instructional capital
17 outlay includes those expenditures which result in the acquisition of fixed
18 assets for instructional purposes, or additions thereto, which the board of
19 education anticipates will have benefits for more than one year. Other
20 instructional purposes include expenses incurred in providing
21 transportation for pupils to and from school-sponsored instructional
22 activities which occur outside the classroom and costs incurred for repair
23 or maintenance services for equipment which is directly used for
24 instructional purposes. Instructional supplies and materials, instructional
25 capital outlay, and other instructional purposes are limited to those
26 functions accounts and objects accounts as prescribed by the state board
27 of education.

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

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

23 (b) (I) The amount to be budgeted in any budget year PRIOR TO
24 THE 2009-10 BUDGET YEAR shall be the amount determined by
25 multiplying two hundred sixteen dollars by the district's funded pupil
26 count minus the district's on-line pupil enrollment. Such amount shall be
27 the minimum required to be budgeted, and the district may elect to budget

1 up to eight hundred dollars multiplied by the district's funded pupil count
2 minus the district's on-line pupil enrollment.

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

12 (B) Repealed.

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

19 (c) For the 1999-2000 budget year and any budget year thereafter,
20 if a district has moneys in its capital reserve fund equal to or in excess of
21 five times the minimum dollar amount required to be budgeted per pupil
22 pursuant to paragraph (b) of this subsection (2) multiplied by the district's
23 funded pupil count minus the district's on-line pupil enrollment for the
24 applicable budget year, the board of education of the district may
25 determine whether to budget the minimum dollar amount per pupil
26 required by this subsection (2) in that budget year, budget a lesser
27 amount, or budget no amount at all. Such determination shall be made by

1 the board of education on an annual basis based upon the capital outlay
2 expenditure requirements of the district.

3 (d) Repealed.

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

17 **SECTION 7.** 22-54-106 (1) (b), Colorado Revised Statutes, is
18 amended, and the said 22-54-106 is further amended BY THE
19 ADDITION OF A NEW SUBSECTION, to read:

20 **22-54-106. Local and state shares of district total program.**

21 (1) (b) Except as provided in subsections ~~(8) and (11)~~ (8), (11), AND (12),
22 of this section, the state's share of a district's total program shall be the
23 difference between the district's total program and the district's share of
24 its total program; except that no district shall receive less in state aid than
25 an amount established by the general assembly in the annual general
26 appropriation act based upon the amount of school lands and mineral
27 lease moneys received pursuant to the provisions of article 41 of this title

1 and section 34-63-102 (2), C.R.S., multiplied by the district's funded
2 pupil count.

3 (12) ANY DISTRICT THAT HAS OBTAINED VOTER APPROVAL TO
4 RETAIN AND SPEND REVENUES IN EXCESS OF THE PROPERTY TAX REVENUE
5 LIMITATION IMPOSED ON THE DISTRICT BY SECTION 20 OF ARTICLE X OF
6 THE STATE CONSTITUTION AND THAT, AFTER MARCH 16, 2009, OBTAINS
7 VOTER APPROVAL TO AGAIN BECOME SUBJECT TO SUCH PROPERTY TAX
8 REVENUE LIMITATION SHALL RECEIVE AN AMOUNT OF STATE AID THAT
9 SHALL BE CALCULATED AS IF THE DISTRICT LEVIED THE NUMBER OF MILLS
10 THAT IT WOULD HAVE LEVIED IN THE APPLICABLE BUDGET YEAR HAD THE
11 DISTRICT MAINTAINED ITS AUTHORITY TO RETAIN AND SPEND REVENUES
12 IN EXCESS OF SUCH PROPERTY TAX REVENUE LIMITATION.

13 **SECTION 8.** 22-54-108 (3) (b), Colorado Revised Statutes, is
14 amended, and the said 22-54-108 is further amended BY THE
15 ADDITION OF A NEW SUBSECTION, to read:

16 **22-54-108. Authorization of additional local revenues.**

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

24 (II) Effective July 1, 2002, the total additional local property tax
25 revenues that may be received pursuant to elections held pursuant to this
26 section shall not exceed under any circumstances twenty percent of the
27 district's total program, as determined pursuant to section 22-54-104 (2),

1 or two hundred thousand dollars, whichever is greater, plus an amount
2 equal to the maximum dollar amount of property tax revenue that the
3 district could have generated for the 2001-02 budget year if, in
4 accordance with the provisions of section 22-54-107.5, the district
5 submitted a question to and received approval of the eligible electors of
6 the district at an election held in November 2001.

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

25 (4) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
26 (4), ANY DISTRICT THAT INTENDS TO SEEK VOTER APPROVAL TO RETAIN
27 AND SPEND ADDITIONAL PROPERTY TAX REVENUES PURSUANT TO

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

5 (b) ANY DISTRICT THAT SUBMITS NOTICE TO THE STATE BOARD
6 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) SHALL ALSO SUBMIT
7 TO THE DEPARTMENT OF EDUCATION A PROPOSAL REGARDING THE
8 STRATEGIES THAT THE DISTRICT PLANS TO IMPLEMENT TO IMPROVE
9 ACADEMIC ACHIEVEMENT IN THE DISTRICT AND TO ADDRESS GAPS IN
10 ACADEMIC ACHIEVEMENT AMONG STUDENT GROUPS, PARTICULARLY IN
11 THE AREAS OF READING, WRITING, MATHEMATICS, AND SCIENCE. THE
12 PROPOSAL SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, THE
13 FOLLOWING:

14 (I) AN ASSESSMENT OF PROFESSIONAL DEVELOPMENT NEEDS
15 RELATED TO CONTENT, INSTRUCTION, DIFFERENTIATION, AND BEST
16 PRACTICES IN EDUCATING AT-RISK STUDENTS, SPECIAL EDUCATION
17 STUDENTS, GIFTED AND TALENTED STUDENTS, ENGLISH LANGUAGE
18 LEARNERS, AND OTHER STUDENT SUBGROUPS, AS NEEDED;

19 (II) A PROPOSED PLAN TO MONITOR STUDENT PROGRESS TOWARD
20 PROFICIENCY ON THE STATE MODEL CONTENT STANDARDS;

21 (III) AN EXAMINATION AND PROPOSED REALIGNMENT, IF
22 NECESSARY, OF SCHOOL SCHEDULING, ACADEMIC SUPPORT SYSTEMS, AND
23 ASSIGNMENTS OF PERSONNEL; AND

24 (IV) A PROPOSED PLAN FOR INCREASING PARENTAL KNOWLEDGE
25 AND SKILL TO SUPPORT THE ACADEMIC OBJECTIVES OF THE DISTRICT.

26 **SECTION 9.** 22-54-106 (11) (a), Colorado Revised Statutes, is
27 amended to read:

1 **22-54-106. Local and state shares of district total program.**

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

5 (a) An amount equal to:

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

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

13 (III) ONE HUNDRED PERCENT OF ANY OF THE ACCOUNTING
14 DISTRICT'S CENTERS OF EXCELLENCE FUNDING THAT IS CALCULATED
15 BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE
16 CHARTER SCHOOL; PLUS

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

20 **SECTION 10.** 22-54-115 (1.3) (a), Colorado Revised Statutes, is
21 amended, and the said 22-54-115 (1.3) is further amended BY THE
22 ADDITION OF A NEW PARAGRAPH, to read:

23 **22-54-115. Distribution from state public school fund.**

24 (1.3) (a) In determining the state's share of each district's total program,
25 the state board shall determine whether the district is an accounting
26 district of an institute charter school. If a district is an accounting district
27 of an institute charter school, the state board shall instruct the department

1 of education to withhold from the amount of the state share otherwise
2 payable to the district an amount equal to the lesser of:

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

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

10 (C) ONE HUNDRED PERCENT OF ANY OF THE ACCOUNTING
11 DISTRICT'S CENTERS OF EXCELLENCE FUNDING THAT IS CALCULATED
12 BASED ON THE PERFORMANCE OF PUPILS ENROLLED IN THE INSTITUTE
13 CHARTER SCHOOL; PLUS

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

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

18 (a.5) IN ANY BUDGET YEAR IN WHICH THE STATE SHARE OF AN
19 ACCOUNTING DISTRICT OF AN INSTITUTE CHARTER SCHOOL IS LESS THAN
20 THE AMOUNT SPECIFIED IN SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS
21 SUBSECTION (1.3), THE DEPARTMENT OF EDUCATION SHALL SUBMIT A
22 REQUEST FOR A SUPPLEMENTAL APPROPRIATION IN AN AMOUNT THAT WILL
23 FULLY FUND THE AMOUNT SPECIFIED IN SAID SUBPARAGRAPH (I). THE
24 DEPARTMENT SHALL MAKE THE REQUEST TO THE GENERAL ASSEMBLY
25 DURING THE BUDGET YEAR IN WHICH THE UNDERFUNDING OCCURS. IF THE
26 GENERAL ASSEMBLY DOES NOT MAKE THE REQUESTED SUPPLEMENTAL
27 APPROPRIATION, THE DEPARTMENT SHALL PAY TO THE INSTITUTE CHARTER

1 SCHOOL THE AMOUNT SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (a)
2 OF THIS SUBSECTION (1.3).

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

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

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

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

27 (d) Measure the academic success of each institute charter school

1 through performance-based means and not process-based means; ~~and~~

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

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

13 **SECTION 16.** 22-30.5-508 (5), Colorado Revised Statutes, is
14 amended to read:

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

26 **SECTION 17.** 22-30.5-513 (1) (b), (1) (c), (1) (d), (1) (g), (1) (j),
27 (2) (b), (3) (b), and (4) (a), Colorado Revised Statutes, are amended, and

1 the said 22-30.5-513 (1) is further amended BY THE ADDITION OF A
2 NEW PARAGRAPH, to read:

3 **22-30.5-513. Institute charter schools - definitions - funding.**

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

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

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

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

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

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

26 (g) "Accounting district's per pupil on-line funding" means THE
27 ACCOUNTING DISTRICT'S on-line funding, as specified in section

1 22-54-104 (4.5), for ~~any~~ THE APPLICABLE budget year divided by the
2 on-line pupil enrollment OF THE ACCOUNTING DISTRICT, INCLUDING ANY
3 ON-LINE PUPILS ENROLLED IN AN INSTITUTE CHARTER SCHOOL LOCATED IN
4 THE ACCOUNTING DISTRICT, FOR THE APPLICABLE BUDGET YEAR.

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

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

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

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

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

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

1 PUPIL ENROLLED IN THE INSTITUTE CHARTER SCHOOL;

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

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

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

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

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

26 (A) One hundred percent of the accounting district's ~~adjusted per~~
27 ~~pupil revenues~~ PER PUPIL FUNDING multiplied by the number of pupils

1 enrolled in the institute charter school who are not on-line pupils; PLUS

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

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

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

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

1 provided in paragraph (b) of this subsection (4).

2 (II) Repealed.

3 **SECTION 18.** 22-30.5-514, Colorado Revised Statutes, is
4 amended to read:

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

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

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

17 **SECTION 19.** 22-32-109 (1), Colorado Revised Statutes, is
18 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

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

1 "COLLEGE IN COLORADO". THE SCHOOL DISTRICT, THE DEPARTMENT OF
2 EDUCATION, AND THE DEPARTMENT OF HIGHER EDUCATION SHALL
3 COLLABORATE TO MONITOR THE IMPLEMENTATION OF THIS PARAGRAPH
4 (mm).

5 **SECTION 20.** 22-30.5-504 (5) (a) (II) (D), Colorado Revised
6 Statutes, is amended to read:

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

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

16 (II) Any combination of the following:

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

23 **SECTION 21.** 22-33-203 (2) (d), Colorado Revised Statutes, is
24 amended to read:

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

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

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

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

14 **22-54-124. State aid for charter schools - use of state education**
15 **fund moneys - definitions.** (1) As used in this section:

16 (e) "Operating revenues" means the total amount of funding that
17 a district charter school receives from a district for a budget year pursuant
18 to section 22-30.5-112 minus the amounts required by ~~section~~
19 ~~22-30.5-112 (2) (a.7)~~ SECTION 22-30.5-112 (2) (h) to be allocated for
20 capital reserve purposes or the management of risk-related activities. For
21 purposes of an institute charter school, "operating revenues" means the
22 total amount of funding that the institute charter school receives from the
23 state charter school institute for a budget year pursuant to section
24 22-30.5-513, minus the amounts required by section 22-30.5-514 (1), to
25 be allocated for capital reserve purposes or the management of
26 risk-related activities.

27 **SECTION 23. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.