

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

**PREAMENDED**

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

LLS NO. 09-0933.01 Nicole Myers

**SENATE BILL 09-256**

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**SENATE SPONSORSHIP**

**Romer and Bacon,**

**HOUSE SPONSORSHIP**

**Pommer and Scanlan,**

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**Senate Committees**

Education  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE FINANCING OF PUBLIC SCHOOLS.**

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**Bill Summary**

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

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

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

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

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

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

9           **SECTION 2.** The introductory portion to 22-54-104 (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 FORTY PERCENT AT-RISK PUPILS BUT  
20 LESS THAN SEVENTY-FIVE PERCENT AT-RISK PUPILS AND IS IDENTIFIED BY  
21 THE DEPARTMENT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4.3)  
22 AS A HIGH-PERFORMANCE SCHOOL, THE \_\_\_\_\_ DISTRICT SHALL RECEIVE  
23 CENTERS OF EXCELLENCE FUNDING IN THE AMOUNT OF TWO HUNDRED  
24 FIFTY DOLLARS MULTIPLIED BY THE NUMBER OF AT-RISK PUPILS ENROLLED  
25 IN THE SCHOOL.

26 (II) FOR EACH MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL OF THE  
27 DISTRICT THAT ENROLLS AT LEAST SEVENTY-FIVE PERCENT AT-RISK PUPILS

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

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

14 (b) THE DEPARTMENT SHALL ANNUALLY IDENTIFY EACH SCHOOL  
15 AT WHICH THE MEDIAN GROWTH PERCENTILE FOR STUDENTS IN GRADES  
16 EIGHT THROUGH ELEVEN ON THE STATEWIDE ASSESSMENTS IN AT LEAST  
17 TWO OF THE THREE SUBJECTS OF READING, WRITING, AND MATHEMATICS  
18 ADMINISTERED IN THE SCHOOL YEAR TWO YEARS PRIOR TO THE  
19 APPLICABLE BUDGET YEAR EXCEEDS THE STATEWIDE MEDIAN GROWTH  
20 PERCENTILE FOR SAID SUBJECTS IN SAID SCHOOL YEAR. EACH IDENTIFIED  
21 SCHOOL SHALL BE A HIGH-PERFORMANCE SCHOOL FOR PURPOSES OF THIS  
22 SUBSECTION (4.3).

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

1 OF THIS SUBSECTION (4.3).

2 (d) A DISTRICT THAT RECEIVES CENTERS OF EXCELLENCE FUNDING  
3 SHALL ALLOCATE ONE HUNDRED PERCENT OF THE AMOUNT CALCULATED  
4 FOR A SCHOOL PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4.3) TO  
5 THAT SCHOOL.

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

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

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

17 <b>IF THE DISTRICT'S FUNDED</b>	<b>THE DISTRICT'S</b>
18 <b>PUPIL COUNT IS:</b>	<b>SIZE FACTOR SHALL BE:</b>
19 LESS THAN 276	<u>1.54496 + (.00375978</u> X THE
20	DIFFERENCE BETWEEN THE
21	FUNDED PUPIL COUNT AND
22	276)
23 276 OR MORE BUT LESS THAN 459	<u>1.23791 + (.00167787</u> X THE
24	DIFFERENCE BETWEEN THE
25	FUNDED PUPIL COUNT AND
26	459)
27 459 OR MORE BUT LESS THAN 1,027	<u>1.12096 + (.00020590</u> X THE

1		DIFFERENCE BETWEEN THE
2		FUNDED PUPIL COUNT AND
3		1,027)
4	1,027 OR MORE BUT LESS THAN 2,293	<u>1.05279 + (.00005385 X THE</u>
5		DIFFERENCE BETWEEN THE
6		FUNDED PUPIL COUNT AND
7		2,293)
8	2,293 OR MORE BUT LESS THAN 4,023	<u>1.02921 + (.00001363 X THE</u>
9		DIFFERENCE BETWEEN THE
10		FUNDED PUPIL COUNT AND
11		4,023)
12	4,023 OR MORE	<u>1.02921</u>

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

15           22-54-104. District total program. (2) (b) If the district  
16 percentage of at-risk pupils is greater than the statewide average  
17 percentage of at-risk pupils and the district's funded pupil count is greater  
18 than four hundred fifty-nine, the district's total program shall be the lesser  
19 of:

20           (II) (A) The district's total program as calculated by: Adding the  
21 amount determined by multiplying the district's per pupil funding by four  
22 hundred fifty-nine to the amount determined by multiplying ~~12%~~ 11.9%  
23 of the district's per pupil funding by the district's at-risk pupils; then  
24 dividing the sum of those two amounts by four hundred fifty-nine; then  
25 multiplying the resulting amount by the district's funded pupil count  
26 minus the district's on-line pupil enrollment; and then adding the district's  
27 on-line funding.

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

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

7           (District per pupil funding x ~~12%~~ 11.9%) x District at-risk  
8 pupils

9           (II) Repealed.

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

13 ((District per pupil funding x ~~12%~~ 11.9%) x (Statewide average  
14 percentage of at-risk pupils x District pupil enrollment)) + ((District per  
15 pupil funding x District at-risk factor) x (District at-risk pupils -  
16 (Statewide average percentage of at-risk pupils x District pupil  
17 enrollment)))

18          (II) Repealed.

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

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

27          (II) If the district percentage of at-risk pupils is greater than the



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

7 **SECTION 6.** 22-54-103 (15), Colorado Revised Statutes, is  
8 amended to read:

9 **22-54-103. Definitions - repeal.** As used in this article, unless  
10 the context otherwise requires:

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

18 **SECTION 7.** 22-54-105 (1) and (2), Colorado Revised Statutes,  
19 are amended to read:

20 **22-54-105. Instructional supplies and materials - capital**  
21 **reserve and insurance reserve - at-risk funding - preschool funding.**

22 (1) (a) PRIOR TO THE 2009-10 BUDGET YEAR, every district shall budget  
23 the amount determined pursuant to paragraph (b) of this subsection (1) to  
24 be allocated, in the discretion of the board of education, to the  
25 instructional supplies and materials account, the instructional capital  
26 outlay account, or the other instructional purposes account in the general  
27 fund created by section 22-45-103 (1) (a) (II), or among such accounts.

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

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

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

26 (B) Repealed.

27 (III) Repealed.

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

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

25           (d) ~~Nothing shall be deemed to limit expenditures for instructional~~  
26 ~~supplies and materials, instructional capital outlay, and other instructional~~  
27 ~~purposes to the amount required to be budgeted in accordance with this~~

1 ~~subsection (1).~~

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

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

27 (II) (A) For the 1998-99 budget year through the 2007-08 budget

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

9 (B) Repealed.

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

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

27 (d) Repealed.

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

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

16 22-54-105. Instructional supplies and materials - capital  
17 reserve and insurance reserve - at-risk funding - preschool funding.

18 (3) (a) (I) For the 1997-98 budget year and budget years thereafter  
19 THROUGH THE 2008-09 BUDGET YEAR, every district that receives at-risk  
20 funding pursuant to the provisions of section 22-54-104 shall expend in  
21 total at least seventy-five percent of the district's at-risk funding on direct  
22 instruction or staff development, or both, for the educational program of  
23 at-risk pupils in the district.

24 (II) FOR THE 2009-10 BUDGET YEAR AND BUDGET YEARS  
25 THEREAFTER, EVERY DISTRICT THAT RECEIVES AT-RISK FUNDING  
26 PURSUANT TO THE PROVISIONS OF SECTION 22-54-104 SHALL ALLOCATE AT  
27 LEAST SEVENTY-FIVE PERCENT OF THE PER PUPIL AMOUNT OF AT-RISK

1 FUNDING RECEIVED FOR EACH AT-RISK PUPIL TO THE PUBLIC SCHOOL OF  
2 THE SCHOOL DISTRICT IN WHICH THE AT-RISK PUPIL IS ENROLLED FOR USE  
3 BY THE PUBLIC SCHOOL FOR THE EDUCATIONAL PROGRAM OF AT-RISK  
4 PUPILS ENROLLED IN THE PUBLIC SCHOOL. THE PROVISIONS OF THIS  
5 SUBPARAGRAPH (II) SHALL NOT APPLY TO THE DISTRIBUTION OF AT-RISK  
6 FUNDING TO DISTRICT CHARTER SCHOOLS, WHICH DISTRIBUTION SHALL BE  
7 SUBJECT TO THE PROVISIONS OF SECTION 22-30.5-112.

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9 **SECTION 9.** 22-54-108 (3) (b), Colorado Revised Statutes, is  
10 amended, and the said 22-54-108 is further amended BY THE  
11 ADDITION OF A NEW SUBSECTION, to read:

12 **22-54-108. Authorization of additional local revenues.**

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

20 (II) Effective July 1, 2002, the total additional local property tax  
21 revenues that may be received pursuant to elections held pursuant to this  
22 section shall not exceed under any circumstances twenty percent of the  
23 district's total program, as determined pursuant to section 22-54-104 (2),  
24 or two hundred thousand dollars, whichever is greater, plus an amount  
25 equal to the maximum dollar amount of property tax revenue that the  
26 district could have generated for the 2001-02 budget year if, in  
27 accordance with the provisions of section 22-54-107.5, the district

1 submitted a question to and received approval of the eligible electors of  
2 the district at an election held in November 2001.

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

17 (4) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION  
18 (4), ANY DISTRICT THAT INTENDS TO SEEK VOTER APPROVAL TO RETAIN  
19 AND SPEND ADDITIONAL PROPERTY TAX REVENUES PURSUANT TO  
20 SUBPARAGRAPH (III) OF PARAGRAPH (b) OF SUBSECTION (3) OF THIS  
21 SECTION SHALL NOTIFY THE STATE BOARD, IN A MANNER TO BE  
22 DETERMINED BY THE STATE BOARD, PRIOR TO HOLDING AN ELECTION  
23 PURSUANT TO THIS SECTION.

24 (b) ANY DISTRICT THAT SUBMITS NOTICE TO THE STATE BOARD  
25 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) SHALL ALSO SUBMIT  
26 TO THE STATE BOARD A PROPOSAL REGARDING THE DISTRICT'S PROPOSED  
27 USE OF THE ADDITIONAL PROPERTY TAX REVENUES, WHICH MAY INCLUDE



1 CAPITAL CONSTRUCTION PROJECTS.

2 **SECTION 10.** 22-54-106 (11) (a), Colorado Revised Statutes, is  
3 amended to read:

4 **22-54-106. Local and state shares of district total program.**

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

8 (a) An amount equal to:

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

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

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

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

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

25 **22-54-110.5. Replenishment of certificates of participation**  
26 **reserve funds.** (1) AS USED IN THIS SECTION:

27 (a) "CERTIFICATES OF PARTICIPATION RESERVE FUND" MEANS A

1 RESERVE FUND OR ACCOUNT THAT HAS BEEN ESTABLISHED TO SECURE THE  
2 PAYMENT OF PRINCIPAL AND INTEREST ON QUALIFYING CERTIFICATES OF  
3 PARTICIPATION AND THAT HAS BEEN FUNDED WITH PROCEEDS DERIVED  
4 FROM THE ISSUANCE OF QUALIFYING CERTIFICATES OF PARTICIPATION,  
5 OTHER LEGALLY AVAILABLE MONEYS, OR SECURITIES OR A SURETY BOND  
6 OR INSURANCE POLICY PURCHASED WITH SUCH PROCEEDS OR MONEYS.

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

12 (c) "QUALIFYING CERTIFICATES OF PARTICIPATION" MEANS  
13 CERTIFICATES OF PARTICIPATION EVIDENCING INTERESTS IN THE RIGHT TO  
14 RECEIVE PAYMENTS BY A DISTRICT UNDER A LEASE-PURCHASE  
15 AGREEMENT THAT, AT THE TIME THEY ARE ISSUED, CARRY AT LEAST TWO  
16 CREDIT RATINGS FROM ANY OF THE NATIONALLY RECOGNIZED CREDIT  
17 RATING AGENCIES AND ARE RATED AT OR ABOVE "A" BY ALL SUCH CREDIT  
18 RATING AGENCIES THAT HAVE PROVIDED A RATING.

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

23 (2) (a) A DISTRICT THAT HAS ENTERED INTO OR THAT INTENDS TO  
24 ENTER INTO A LEASE-PURCHASE AGREEMENT IN CONNECTION WITH WHICH  
25 QUALIFYING CERTIFICATES OF PARTICIPATION HAVE BEEN ISSUED OR WILL  
26 BE ISSUED BEFORE JULY 1, 2012, MAY APPLY TO THE STATE TREASURER  
27 FOR PERMISSION TO INCLUDE IN ANY LEASE-PURCHASE AGREEMENT

1 EXECUTED IN CONNECTION WITH THE ISSUANCE OF, OR IN ANY TRUST  
2 INDENTURE OR OTHER AGREEMENT AUTHORIZING THE ISSUANCE OF,  
3 QUALIFYING CERTIFICATES OF PARTICIPATION AN AGREEMENT SPECIFYING  
4 THAT IF THE BALANCE OF THE CERTIFICATES OF PARTICIPATION RESERVE  
5 FUND FALLS BELOW THE RESERVE FUND REQUIREMENT:

6 (I) THE DISTRICT SHALL MAKE AND DELIVER TO THE STATE  
7 TREASURER A CERTIFICATE STATING THE SUM, IF ANY, REQUIRED TO  
8 RESTORE THE CERTIFICATES OF PARTICIPATION RESERVE FUND TO THE  
9 RESERVE FUND REQUIREMENT;

10 (II) THE STATE TREASURER SHALL SUBMIT A REQUEST FOR  
11 APPROPRIATIONS IN AN AMOUNT SUFFICIENT TO RESTORE THE  
12 CERTIFICATES OF PARTICIPATION RESERVE FUND TO THE RESERVE FUND  
13 REQUIREMENT;

14 (III) THE GENERAL ASSEMBLY MAY, BUT SHALL NOT BE REQUIRED  
15 TO, APPROPRIATE MONEYS FOR THE PURPOSE OF RESTORING THE  
16 CERTIFICATES OF PARTICIPATION RESERVE FUND TO THE RESERVE FUND  
17 REQUIREMENT; AND

18 (IV) IF THE GENERAL ASSEMBLY APPROPRIATES MONEYS FOR THE  
19 PURPOSE OF RESTORING THE CERTIFICATES OF PARTICIPATION RESERVE  
20 FUND TO THE RESERVE FUND REQUIREMENT BUT THE DISTRICT  
21 NONETHELESS TERMINATES THE RELATED LEASE-PURCHASE AGREEMENT  
22 OR FAILS TO MAKE LEASE PAYMENTS UNDER THE RELATED  
23 LEASE-PURCHASE AGREEMENT IN AN AMOUNT SUFFICIENT TO MAKE  
24 SCHEDULED PAYMENTS OF PRINCIPAL AND INTEREST TO HOLDERS OF  
25 QUALIFYING CERTIFICATES OF PARTICIPATION, THE STATE SHALL HAVE A  
26 FIRST RIGHT OF REFUSAL TO PURCHASE THE PROPERTY UNDERLYING THE  
27 QUALIFYING CERTIFICATES OF PARTICIPATION FOR AN AMOUNT EQUAL TO

1 THE REMAINING AMOUNT OF PRINCIPAL PAYABLE TO HOLDERS OF THE  
2 QUALIFYING CERTIFICATES OF PARTICIPATION UNTIL THE STATE HAS BEEN  
3 REIMBURSED FOR THE AMOUNT THAT HAS BEEN DEPOSITED IN THE  
4 CERTIFICATES OF PARTICIPATION RESERVE FUND FROM MONEYS  
5 APPROPRIATED BY THE GENERAL ASSEMBLY.

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

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

21 **SECTION 12.** 22-54-115 (1.3) (a), Colorado Revised Statutes, is  
22 amended, and the said 22-54-115 (1.3) is further amended BY THE  
23 ADDITION OF A NEW PARAGRAPH, to read:

24 **22-54-115. Distribution from state public school fund.**  
25 (1.3) (a) In determining the state's share of each district's total program,  
26 the state board shall determine whether the district is an accounting  
27 district of an institute charter school. If a district is an accounting district

1 of an institute charter school, the state board shall instruct the department  
2 of education to withhold from the amount of the state share otherwise  
3 payable to the district an amount equal to the lesser of:

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

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

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

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

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

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

1 APPROPRIATION, THE DEPARTMENT SHALL PAY TO THE INSTITUTE CHARTER  
2 SCHOOL THE AMOUNT SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (a)  
3 OF THIS SUBSECTION (1.3).

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

7 22-54-124. State aid for charter schools - use of state education  
8 fund moneys - definitions. (3) (a) (III) (C) For the 2004-05 budget year  
9 and each budget year thereafter THROUGH THE 2008-09 BUDGET YEAR, the  
10 amount of state education fund moneys to be distributed to any eligible  
11 district and any eligible institute charter school shall be an amount equal  
12 to the percentage of the sum of the district's certified charter school pupil  
13 enrollment and the institute charter school's certified pupil enrollment for  
14 all eligible districts and eligible institute charter schools in the state that  
15 is attributable to the eligible district or eligible institute charter school  
16 multiplied by the total amount of state education fund moneys distributed  
17 to all eligible districts and eligible institute charter schools for the same  
18 budget year pursuant to sub-subparagraph (A) of this subparagraph (III).

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

25 (B) FOR THE 2010-11 BUDGET YEAR AND EACH BUDGET YEAR  
26 THEREAFTER, THE AMOUNT TO BE APPROPRIATED FOR ALL ELIGIBLE  
27 DISTRICTS AND FOR ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS SHALL

1 DETERMINED BY MULTIPLYING ONE HUNDRED SEVENTY-FIVE DOLLARS,  
2 INCREASED BY INFLATION, BY THE TOTAL OF EACH DISTRICT'S CERTIFIED  
3 CHARTER SCHOOL PUPIL ENROLLMENT PLUS THE TOTAL OF EACH INSTITUTE  
4 CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT.

5 (C) THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THE  
6 TOTAL APPROPRIATION FOR CHARTER SCHOOL CAPITAL CONSTRUCTION TO  
7 EACH ELIGIBLE DISTRICT AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL.  
8 THE AMOUNT RECEIVED BY EACH SUCH SCHOOL SHALL BE AN AMOUNT  
9 EQUAL TO THE PER PUPIL CHARTER SCHOOL CAPITAL CONSTRUCTION  
10 FUNDING MULTIPLIED BY THE DISTRICT'S CERTIFIED CHARTER SCHOOL  
11 PUPIL ENROLLMENT OR THE INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL  
12 ENROLLMENT, AS APPLICABLE. THE AMOUNT APPROPRIATED SHALL BE  
13 PAYABLE IN TWELVE APPROXIMATELY EQUAL MONTHLY PAYMENTS  
14 DURING THE APPLICABLE BUDGET YEAR IN CONJUNCTION WITH THE  
15 DISTRIBUTION OF THE STATE'S SHARE OF DISTRICT TOTAL PROGRAM  
16 PURSUANT TO SECTION 22-54-115.

17 (4) For the 2001-02 budget year, the 2003-04 budget year, and  
18 each budget year thereafter, the general assembly shall annually  
19 appropriate from THE GENERAL FUND OR FROM the state education fund  
20 created in section 17 (4) of article IX of the state constitution, OR FROM  
21 BOTH THE GENERAL FUND AND THE STATE EDUCATION FUND, to the  
22 department of education for distribution to eligible school districts and  
23 eligible institute charter schools in accordance with the formula set forth  
24 in paragraph (a) of subsection (3) of this section, an amount equal to the  
25 total amount of moneys to be distributed to all districts and institute  
26 charter schools as determined pursuant to said formula. From the moneys  
27 appropriated for a given budget year, the department shall make lump

1 sum payments of all moneys to be distributed to each eligible school  
2 district and eligible institute charter school during the budget year as soon  
3 as possible.

4 (5) A district that receives state education fund moneys OR  
5 GENERAL FUND MONEYS pursuant to this section shall distribute all  
6 moneys received to qualified charter schools as required by section  
7 22-30.5-112.3 and may not retain any of such moneys to defray  
8 administrative expenses or for any other purpose.

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

11 **22-54-124. State aid for charter schools - use of state education**  
12 **fund moneys - definitions.** (1) As used in this section:

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

21 **SECTION 15.** 22-30.5-105 (5), Colorado Revised Statutes, is  
22 amended to read:

23 **22-30.5-105. Charter schools - contract contents - regulations.**

24 (5) Any term included in a charter contract that would require a charter  
25 school to waive or otherwise forego FORGO receipt of any amount of  
26 operational or capital construction funds provided to the charter school  
27 pursuant to the provisions of this article or pursuant to any other provision



1 of law is hereby declared null and void as against public policy and is  
2 unenforceable. IN NO EVENT SHALL THIS SUBSECTION (5) BE CONSTRUED  
3 TO PROHIBIT ANY CHARTER SCHOOL FROM CONTRACTING WITH ITS  
4 CHARTERING LOCAL BOARD OF EDUCATION FOR THE PURCHASE OF  
5 SERVICES, INCLUDING BUT NOT LIMITED TO THE PURCHASE OF  
6 EDUCATIONAL SERVICES.

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

9 **22-30.5-112. Charter schools - financing - definitions -**  
10 **guidelines.** (1) (a) For purposes of the "Public School Finance Act of  
11 1994", article 54 of this title, pupils enrolled in a charter school shall be  
12 included in the pupil enrollment, the on-line pupil enrollment, or the  
13 preschool ~~and kindergarten~~ program enrollment, whichever is applicable,  
14 of the school district that granted its charter. The school district that  
15 granted its charter shall report to the department the number of pupils  
16 included in the school district's pupil enrollment, the school district's  
17 on-line pupil enrollment, and the school district's preschool ~~and~~  
18 ~~kindergarten~~ program enrollment AND THE NUMBER OF AT-RISK PUPILS  
19 that are actually enrolled in each charter school.

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

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

26 ~~(H)(A)~~ (b) For budget year 2000-01 and budget years thereafter,  
27 except as otherwise provided in ~~paragraph (a.3)~~ PARAGRAPH (e) of this

1 subsection (2), each charter school and the chartering school district shall  
2 negotiate funding under the contract. The charter school shall receive:

3 (I) One hundred percent of the district per pupil ~~revenues~~ FUNDING  
4 for each pupil enrolled in the charter school who is not an on-line pupil,  
5 ~~and~~ SUBJECT TO THE PROVISIONS OF PARAGRAPH (c) OF THIS SUBSECTION  
6 (2);

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

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

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

16 (c) The chartering school district may choose to retain the actual  
17 amount of the charter school's per pupil share of the central administrative  
18 overhead costs for services actually provided to the charter school, up to  
19 five percent of the district per pupil ~~revenues~~ FUNDING for each pupil who  
20 is not an on-line pupil enrolled in the charter school and up to five percent  
21 of the district per pupil on-line funding for each on-line pupil enrolled in  
22 the charter school.

23 ~~(B)~~ (d) For budget years 2001-02 through 2010-11, the minimum  
24 amount of funding specified in ~~sub-subparagraph (A) of this~~  
25 ~~subparagraph (H)~~ PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (2) shall  
26 reflect the one-percent increase in the statewide base per pupil funding for  
27 state fiscal years 2001-02 through 2010-11 received by the school district

1 as required by section 17 of article IX of the state constitution.

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

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

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

10 (C) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL AT-RISK  
11 FUNDING FOR EACH AT-RISK PUPIL ENROLLED IN THE CHARTER SCHOOL;  
12 PLUS

13 (D) ONE HUNDRED PERCENT OF ANY DISTRICT CENTERS OF  
14 EXCELLENCE FUNDING RECEIVED BY THE DISTRICT THAT IS CALCULATED  
15 BASED ON THE PERFORMANCE OF STUDENTS ENROLLED IN THE CHARTER  
16 SCHOOL; minus

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

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

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

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

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

5 ~~(a.4)(f)~~ (I) Within ninety days after the end of each fiscal year,  
6 each school district shall provide to each charter school within its district  
7 an itemized accounting of all its central administrative overhead costs.  
8 The actual central administrative overhead costs shall be the amount  
9 charged to the charter school. Any difference, within the limitations of  
10 ~~subparagraph (H) of paragraph (a)~~ PARAGRAPHS (c) AND (e) of this  
11 subsection (2), ~~and paragraph (a.3) of this subsection (2)~~ between the  
12 amount initially charged to the charter school and the actual cost shall be  
13 reconciled and paid to the owed party.

14 (II) Within ninety days after the end of each fiscal year, each  
15 school district shall provide to each charter school ~~within its~~ OF THE  
16 district an itemized accounting of all the actual costs of district services  
17 the charter school chose at its discretion to purchase from the district  
18 calculated in accordance with ~~paragraph (b)~~ PARAGRAPH (k) of this  
19 subsection (2). Any difference between the amount initially charged to  
20 the charter school and the actual cost shall be reconciled and paid to the  
21 owed party.

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

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

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

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

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

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

13           (III) "DIRECT COSTS" MEANS THE DIRECT COSTS INCURRED BY A  
14 SCHOOL DISTRICT SOLELY FOR THE PURPOSE OF REVIEWING CHARTER  
15 APPLICATIONS, NEGOTIATING THE CHARTER CONTRACT, AND PROVIDING  
16 DIRECT OVERSIGHT TO CHARTER SCHOOLS. "DIRECT COSTS" SHALL NOT  
17 INCLUDE THE SCHOOL DISTRICT'S LEGAL OR OTHER COSTS ATTRIBUTABLE  
18 TO LITIGATION OR THE RESOLUTION OF A DISPUTE WITH A CHARTER  
19 SCHOOL.

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

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

27           ~~(H)~~ (VI) "District per pupil ~~revenues~~ FUNDING" means the district's

1 total program as defined in section 22-54-103 (6) for any budget year  
2 divided by the district's funded pupil count as defined in section  
3 22-54-103 (7) PER PUPIL FUNDING DETERMINED PURSUANT TO SECTION  
4 22-54-104 (3) for said THE APPLICABLE budget year.

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

9 (HH) "Per pupil operating revenues" shall have the same meaning  
10 as provided in section 22-54-103 (9).

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

16 (a.7) (h) (I) For the 2000-01 budget year and budget years  
17 thereafter THROUGH THE 2008-09 BUDGET YEAR, each charter school shall  
18 annually allocate the minimum per pupil dollar amount specified in  
19 section 22-54-105 (2) (b), multiplied by the number of students enrolled  
20 in the charter school who are not students enrolled in an on-line program,  
21 as defined in section 22-30.7-102 (9), to a fund created by the charter  
22 school for capital reserve purposes, as set forth in section 22-45-103 (1)  
23 (c) and (1) (e), or solely for the management of risk-related activities, as  
24 identified in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S.,  
25 or among such allowable funds. Said moneys shall be used for the  
26 purposes set forth in section 22-45-103 (1) (c) and (1) (e) and may not be  
27 expended by the charter school for any other purpose. ANY MONEYS

1 REMAINING IN SUCH FUND THAT HAVE NOT BEEN EXPENDED PRIOR TO THE  
2 2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH  
3 IN SECTION 22-45-103 (1) (c) AND (1) (e) IN THE 2009-10 BUDGET YEAR OR  
4 ANY BUDGET YEAR THEREAFTER.

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

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

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

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

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

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



1 the itemized accounting provided pursuant to ~~paragraph (a.4)~~ PARAGRAPH  
2 (f) of this subsection (2).

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

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

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

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

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

26 (3) (a) (II) For budget year 2000-01 and budget years thereafter,  
27 if the charter school and the school district have negotiated to allow the

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

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

9 **22-30.5-112.1. Charter schools - definitions - exclusive**  
10 **jurisdiction districts - authorized on or after July 1, 2004 - financing.**

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

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

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

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

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

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

24 (4) Within ninety days after the end of each fiscal year, each  
25 qualifying school district shall provide to each district charter school  
26 authorized by the qualifying school district an itemized accounting of all  
27 its central administrative overhead costs. The actual central

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

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

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

19 **22-30.5-112.2. Hold-harmless at-risk pupil funding -**  
20 **definitions - repeal.** (1) FOR PURPOSES OF THIS SECTION, UNLESS THE  
21 CONTEXT OTHERWISE REQUIRES:

22 (a) "AT-RISK FUNDING DIFFERENTIAL" MEANS THE DIFFERENCE  
23 BETWEEN THE DISTRICT'S PER-PUPIL AT-RISK DISTRIBUTION FUNDING  
24 MULTIPLIED BY THE NUMBER OF PUPILS WHO ARE NOT ON-LINE PUPILS  
25 ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR  
26 AND ONE HUNDRED PERCENT OF THE DISTRICT'S PER PUPIL AT-RISK  
27 FUNDING, AS DEFINED IN SECTION 22-30.5-112 (2) (g) (V), MULTIPLIED BY

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

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

9 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3) OF THIS  
10 SECTION, FOR THE 2009-10 BUDGET YEAR, AND FOR EACH BUDGET YEAR  
11 THEREAFTER THROUGH THE 2013-14 BUDGET YEAR, A CHARTER SCHOOL  
12 THAT RECEIVED DISTRICT PER PUPIL REVENUES, AS DEFINED IN SECTION  
13 22-54-103 (9.3), CALCULATED PURSUANT TO SECTION 22-30.5-112 FOR  
14 THE 2008-09 BUDGET YEAR SHALL RECEIVE HOLD-HARMLESS AT-RISK  
15 PUPIL FUNDING IN ADDITION TO THE FUNDING CALCULATED PURSUANT TO  
16 SECTION 22-30.5-112. FOR EACH BUDGET YEAR, THE DEPARTMENT SHALL  
17 CALCULATE THE AMOUNT OF A CHARTER SCHOOL'S HOLD-HARMLESS  
18 AT-RISK PUPIL FUNDING AS FOLLOWS:

19 (a) FOR THE 2009-10 AND 2010-11 BUDGET YEARS, ONE HUNDRED  
20 PERCENT OF THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

21 (b) FOR THE 2011-12 BUDGET YEAR, SEVENTY-FIVE PERCENT OF  
22 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL;

23 (c) FOR THE 2012-13 BUDGET YEAR, FIFTY PERCENT OF THE  
24 CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL; AND

25 (d) FOR THE 2013-14 BUDGET YEAR, TWENTY-FIVE PERCENT OF  
26 THE CHARTER SCHOOL'S AT-RISK FUNDING DIFFERENTIAL.

27 (3) IN ANY OF THE 2009-10 THROUGH 2013-14 BUDGET YEARS, IF

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

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

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

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

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

17 (4) FOR EACH OF THE 2009-10 THROUGH 2013-14 BUDGET YEARS,  
18 THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE DEPARTMENT THE  
19 AMOUNT REQUIRED FOR THE HOLD-HARMLESS AT-RISK FUNDING  
20 PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL ALLOCATE TO THE  
21 APPROPRIATE SCHOOL DISTRICT THE AMOUNT OF HOLD-HARMLESS AT-RISK  
22 FUNDING DUE TO A CHARTER SCHOOL OF THE SCHOOL DISTRICT PURSUANT  
23 TO THIS SECTION. THE SCHOOL DISTRICT SHALL TRANSFER TO THE  
24 APPROPRIATE CHARTER SCHOOL THE ENTIRE AMOUNT OF THE  
25 HOLD-HARMLESS AT-RISK FUNDING RECEIVED FOR THE CHARTER SCHOOL.

26 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2014.

27 **SECTION 19.** 22-30.5-505 (3) (d) and (3) (e), Colorado Revised

1 Statutes, are amended, and the said 22-30.5-505 (3) is further amended  
2 BY THE ADDITION OF A NEW PARAGRAPH, to read:

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

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

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

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

22 **SECTION 20.** 22-30.5-508 (5), Colorado Revised Statutes, is  
23 amended to read:

24 **22-30.5-508. Institute charter schools - contract contents -**  
25 **regulations.** (5) Any term included in a charter contract that would  
26 require an institute charter school to waive or otherwise ~~forego~~ FORGO  
27 receipt of any amount of operational or capital construction funds

1 provided to the institute charter school pursuant to the provisions of this  
2 part 5 or pursuant to any other provision of law is hereby declared null  
3 and void as against public policy and is unenforceable. IN NO EVENT  
4 SHALL THIS SUBSECTION (5) BE CONSTRUED TO PROHIBIT ANY INSTITUTE  
5 CHARTER SCHOOL FROM CONTRACTING WITH THE INSTITUTE FOR THE  
6 PURCHASE OF SERVICES, INCLUDING BUT NOT LIMITED TO THE PURCHASE  
7 OF EDUCATIONAL SERVICES.

8 **SECTION 21.** 22-30.5-513 (1) (b), (1) (c), (1) (d), (1) (g), (1) (j),  
9 (2) (b), (3) (b), and (4) (a), Colorado Revised Statutes, are amended, and  
10 the said 22-30.5-513 (1) is further amended BY THE ADDITION OF A  
11 NEW PARAGRAPH, to read:

12 **22-30.5-513. Institute charter schools - definitions - funding.**

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

14 (b) ~~"Accounting district's adjusted per pupil revenues" means the~~  
15 ~~accounting district's per pupil funding plus the accounting district's at-risk~~  
16 ~~per pupil funding.~~

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

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

22 ~~(The accounting district's at-risk funding divided by the~~  
23 ~~accounting district's funded pupil count) x (the institute~~  
24 ~~charter school's percentage of at-risk pupils divided by the~~  
25 ~~accounting district's percentage of at-risk pupils)~~

26 (e.5) "ACCOUNTING DISTRICT'S PER PUPIL AT-RISK FUNDING"  
27 MEANS THE AMOUNT OF FUNDING FOR AT-RISK PUPILS IN THE ACCOUNTING



1 DISTRICT, INCLUDING ANY AT-RISK PUPILS ENROLLED IN AN INSTITUTE  
2 CHARTER SCHOOL LOCATED IN THE ACCOUNTING DISTRICT, DETERMINED  
3 IN ACCORDANCE WITH THE FORMULAS DESCRIBED IN SECTION 22-54-104  
4 (4) FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE NUMBER OF  
5 AT-RISK PUPILS ENROLLED IN THE ACCOUNTING DISTRICT, INCLUDING ANY  
6 AT-RISK PUPILS ENROLLED IN AN INSTITUTE CHARTER SCHOOL LOCATED IN  
7 THE ACCOUNTING DISTRICT, FOR THE APPLICABLE BUDGET YEAR.

8 (g) "Accounting district's per pupil on-line funding" means THE  
9 ACCOUNTING DISTRICT'S on-line funding, as specified in section  
10 22-54-104 (4.5), for ~~any~~ THE APPLICABLE budget year divided by the  
11 on-line pupil enrollment OF THE ACCOUNTING DISTRICT, INCLUDING ANY  
12 ON-LINE PUPILS ENROLLED IN AN INSTITUTE CHARTER SCHOOL LOCATED IN  
13 THE ACCOUNTING DISTRICT, FOR THE APPLICABLE BUDGET YEAR.

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

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

22 (II) For the 2008-09 budget year, and for budget years thereafter,  
23 the number of pupils, on October 1 within the applicable budget year or  
24 the school day nearest said date, enrolled in, attending, and actively  
25 participating in a multi-district program, as defined in section  
26 22-30.7-102 (6), created pursuant to article 30.7 of this title by the  
27 ACCOUNTING DISTRICT OR BY AN institute charter school LOCATED WITHIN

1 THE ACCOUNTING DISTRICT.

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

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

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

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

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

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

27 (3) (b) For purposes of the "Public School Finance Act of 1994",

1 article 54 of this title, the department shall add the pupils enrolled in an  
2 institute charter school to the funded pupil count, THE AT-RISK PUPIL  
3 COUNT, and the on-line pupil enrollment of the institute charter school's  
4 accounting district.

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

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

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

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

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

22 (I.5) The department shall forward to the institute the amount  
23 withheld minus an amount not to exceed two percent of the amount  
24 withheld PURSUANT TO SUB-SUBPARAGRAPHS (A) AND (D) OF  
25 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) that may be retained by the  
26 department as reimbursement for the reasonable and necessary costs to  
27 the department to implement the provisions of this part 5. The institute

1 shall forward to each institute charter school ~~an amount equal to the~~  
2 ~~institute charter school's pupil enrollment multiplied by the accounting~~  
3 ~~district's adjusted per pupil revenues of the institute charter school's~~  
4 ~~accounting district, minus the amount of the actual costs incurred by the~~  
5 ~~institute in providing necessary administration, oversight, and~~  
6 ~~management services to the institute charter school, not to exceed three~~  
7 ~~percent of the amount withheld, and THE AMOUNT NEGOTIATED PURSUANT~~  
8 ~~TO PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION~~ minus the amount  
9 agreed to in the institute charter contract for any additional services, as  
10 provided in paragraph (b) of this subsection (4).

11 (II) Repealed.

12 **SECTION 22.** 22-30.5-514, Colorado Revised Statutes, is  
13 amended to read:

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

1 IN SUCH FUND THAT HAVE NOT BEEN EXPENDED PRIOR TO THE 2009-10  
2 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH IN  
3 SECTION 22-45-103 (1) (c) AND (1) (e) IN THE 2009-10 BUDGET YEAR OR  
4 ANY BUDGET YEAR THEREAFTER.

5 (2) For the 2004-05 budget year ~~and budget years thereafter~~  
6 THROUGH THE 2008-09 BUDGET YEAR, each institute charter school shall  
7 annually allocate the minimum per pupil dollar amount specified in  
8 section 22-54-105 (1) (b), multiplied by the number of students enrolled  
9 in the institute charter school who are not students enrolled in an on-line  
10 program, as defined in section 22-30.7-102 (9), to accounts created by the  
11 institute charter school for instructional supplies and materials,  
12 instructional capital outlays, or other instructional purposes, as set forth  
13 in section 22-45-103 (1) (a) (II), or among such accounts. Moneys may  
14 be transferred among the three accounts. The moneys in the accounts  
15 shall be used for the purposes set forth in section 22-45-103 (1) (a) (II)  
16 and may not be expended by the institute charter school for any other  
17 purpose. Any moneys in the accounts that are not projected to be  
18 expended during a budget year shall be budgeted for the purposes set  
19 forth in section 22-45-103 (1) (a) (II) in the next budget year. Nothing in  
20 this subsection (2) shall be construed to require that interest on moneys  
21 in the accounts be specifically allocated to the accounts. ANY MONEYS  
22 REMAINING IN ANY SUCH ACCOUNT THAT HAVE NOT BEEN EXPENDED PRIOR  
23 TO THE 2009-10 BUDGET YEAR SHALL BE BUDGETED FOR THE PURPOSES  
24 SET FORTH IN SECTION 22-45-103 (1) (a) (II) IN THE 2009-10 BUDGET YEAR  
25 OR ANY BUDGET YEAR THEREAFTER.

26 **SECTION 23.** 22-32-109 (1), Colorado Revised Statutes, is  
27 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

4           (mm) TO ENSURE THAT EACH STUDENT WHO ENROLLS IN THE  
5 NINTH GRADE IN A PUBLIC SCHOOL OF THE SCHOOL DISTRICT, INCLUDING  
6 BUT NOT LIMITED TO A DISTRICT CHARTER SCHOOL, ON THE DAY OF  
7 ENROLLMENT IS REGISTERED WITH THE ON-LINE COLLEGE PLANNING AND  
8 PREPARATION RESOURCE OPERATED AS A DIVISION WITHIN THE  
9 DEPARTMENT OF HIGHER EDUCATION AND COMMONLY REFERRED TO AS  
10 "COLLEGE IN COLORADO". THE SCHOOL DISTRICT, THE DEPARTMENT OF  
11 EDUCATION, AND THE DEPARTMENT OF HIGHER EDUCATION SHALL  
12 COLLABORATE TO MONITOR THE IMPLEMENTATION OF THIS PARAGRAPH  
13 (mm).

14           **SECTION 24.** 22-30.5-504 (5) (a) (II) (D), Colorado Revised  
15 Statutes, is amended to read:

16           **22-30.5-504. Institute chartering authority - institute charter**  
17 **schools - exclusive authority - retention - recovery - revocation.**

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

- 25           (II) Any combination of the following:  
26           (D) The provision of adequate staff and other resources to serve  
27 charter schools authorized by the local board, which services are provided

1 by the school district at a cost to the charter schools that does not exceed  
2 their actual cost to the school district, or, in the case of federally required  
3 educational services, the amount specified in ~~section 22-30.5-112(2)(a.8)~~  
4 SECTION 22-30.5-112 (2) (i);

5 **SECTION 25.** 22-33-203 (2) (d), Colorado Revised Statutes, is  
6 amended to read:

7 **22-33-203. Educational alternatives for expelled students.**

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

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

23 **22-44-105. Budget - contents - mandatory.** (1) The budget  
24 shall be presented in the standard budget report format established by the  
25 state board of education by rule pursuant to subsection (5) of this section.  
26 The standard budget report format established by the state board shall be  
27 substantially consistent from year to year and shall adhere to the

1 following guidelines:

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

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

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

27 **SECTION 28.** 22-54-124 (1) (e), Colorado Revised Statutes, is



1 amended to read:

2 **22-54-124. State aid for charter schools - use of state education**  
3 **fund moneys - definitions.** (1) As used in this section:

4 (e) "Operating revenues" means the total amount of funding that  
5 a district charter school receives from a district for a budget year pursuant  
6 to section 22-30.5-112 minus the amounts required by ~~section~~  
7 ~~22-30.5-112 (2) (a.7)~~ SECTION 22-30.5-112 (2) (h) to be allocated for  
8 capital reserve purposes or the management of risk-related activities. For  
9 purposes of an institute charter school, "operating revenues" means the  
10 total amount of funding that the institute charter school receives from the  
11 state charter school institute for a budget year pursuant to section  
12 22-30.5-513, minus the amounts required by section 22-30.5-514 (1), to  
13 be allocated for capital reserve purposes or the management of  
14 risk-related activities.

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

17 **PART 6**

18 **PILOT RESIDENTIAL SCHOOL**

19 **FOR AT-RISK STUDENTS**

20 **22-2-601. Definitions.** AS USED IN THIS PART 6, UNLESS THE  
21 **CONTEXT OTHERWISE REQUIRES:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27          **22-2-602. Residential pilot school - request for proposals -**

1 selection of operator - rules. (1) THE STATE BOARD SHALL CONTRACT  
2 WITH AN OPERATOR FOR OPERATION OF A RESIDENTIAL PILOT SCHOOL FOR  
3 AT-RISK STUDENTS, WHICH PILOT SCHOOL SHALL BEGIN OPERATIONS IN  
4 THE FALL SEMESTER OF THE 2010-11 SCHOOL YEAR. THE STATE BOARD  
5 SHALL PROMULGATE RULES IN ACCORDANCE WITH THE "STATE  
6 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., FOR  
7 IMPLEMENTATION OF THIS PART 6, WHICH RULES MAY INCLUDE, BUT NEED  
8 NOT BE LIMITED TO:

9 (a) PROCEDURES AND TIME FRAMES FOR THE DEPARTMENT TO  
10 ISSUE A REQUEST FOR PROPOSALS, FOR ENTITIES TO RESPOND TO THE  
11 REQUEST, FOR THE SELECTION OF AN OPERATOR, AND FOR FINALIZING THE  
12 CONTRACT WITH THE OPERATOR;

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

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

19 (d) REPORTING REQUIREMENTS FOR THE PILOT SCHOOL.

20 (2) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR  
21 THE CREATION AND OPERATION OF A PILOT RESIDENTIAL SCHOOL FOR  
22 AT-RISK STUDENTS IN COLORADO. THE REQUEST FOR PROPOSALS SHALL  
23 SET THE PARAMETERS AND REQUIREMENTS FOR OPERATION OF THE PILOT  
24 SCHOOL, WHICH SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

25 (a) THE OPERATOR SHALL DESIGN THE PILOT SCHOOL TO ENROLL  
26 AT LEAST ONE HUNDRED AT-RISK STUDENTS IN EACH OF GRADES NINE  
27 THROUGH TWELVE, BEGINNING THE FIRST YEAR OF OPERATIONS BY

1 ENROLLING STUDENTS IN GRADE NINE ONLY AND ADDING A GRADE EACH  
2 SUBSEQUENT YEAR FOR FOUR YEARS.

3 (b) THE PILOT SCHOOL SHALL PROVIDE AN EDUCATIONAL PROGRAM  
4 WITH AN EMPHASIS ON SCIENCE, TECHNOLOGY, ENGINEERING, AND  
5 MATHEMATICS.

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

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

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

18 (f) THE PILOT SCHOOL SHALL BE ADMINISTERED AND GOVERNED  
19 BY A BOARD OF DIRECTORS IN A MANNER AGREED TO BY THE PILOT  
20 SCHOOL OPERATOR AND THE STATE BOARD.

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

27 (3) A SCHOOL DISTRICT, A GROUP OF SCHOOL DISTRICTS, A BOARD

1 OF COOPERATIVE SERVICES, A CHARTER SCHOOL, OR A PRIVATE ENTITY  
2 MAY CHOOSE TO RESPOND TO THE REQUEST FOR PROPOSALS. AN ENTITY  
3 SHALL SUBMIT ITS RESPONSE TO THE DEPARTMENT IN ACCORDANCE WITH  
4 THE TIME FRAMES ESTABLISHED BY RULE. THE DEPARTMENT SHALL ASSIST  
5 THE STATE BOARD IN REVIEWING THE RESPONSES AND MAKE  
6 RECOMMENDATIONS TO THE STATE BOARD FOR SELECTION OF AN  
7 OPERATOR. THE STATE BOARD SHALL SELECT AN OPERATOR AND  
8 NEGOTIATE WITH THE OPERATOR THE CONTRACT FOR OPERATION OF THE  
9 PILOT SCHOOL. AT A MINIMUM, THE CONTRACT SHALL ADDRESS:

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

14 (b) WAIVERS OF ANY PROVISIONS OF THIS TITLE OR STATE  
15 REGULATIONS AGREED TO BY THE OPERATOR AND THE STATE BOARD TO  
16 ENABLE THE PILOT SCHOOL TO OPERATE EFFICIENT, EFFECTIVE, AND  
17 INNOVATIVE EDUCATIONAL PROGRAMS.

18 **22-2-603. Pilot school - governance.** THE PILOT SCHOOL SHALL  
19 OPERATE AS A STATE EDUCATIONAL INSTITUTION SUBJECT TO THE  
20 OVERSIGHT OF THE STATE BOARD. THE PILOT SCHOOL SHALL NOT BE  
21 CONSIDERED A SCHOOL OF A SCHOOL DISTRICT.

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

23 (1) THE TERM OF THE CONTRACT BETWEEN THE STATE BOARD AND THE  
24 OPERATOR SHALL BE FIVE YEARS. PRIOR TO THE EXPIRATION OF THE  
25 CONTRACT, THE STATE BOARD SHALL REVIEW THE OPERATIONS OF THE  
26 PILOT SCHOOL AND DETERMINE WHETHER TO RENEW THE CONTRACT  
27 BASED AT LEAST PARTIALLY ON THE ACADEMIC RESULTS ACHIEVED BY

1 AT-RISK STUDENTS ENROLLED IN THE PILOT SCHOOL. IF THE STATE BOARD  
2 DECIDES NOT TO RENEW THE CONTRACT, IT SHALL DIRECT THE  
3 DEPARTMENT TO ISSUE A REQUEST FOR PROPOSALS AND SELECT A NEW  
4 OPERATOR WITHIN A TIME FRAME THAT WILL ENSURE THAT THE PILOT  
5 SCHOOL DOES NOT CEASE OPERATIONS DURING THE TRANSITION FROM ONE  
6 OPERATOR TO ANOTHER.

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

10 **22-2-605. Pilot school fund - created - legislative declaration.**

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

21 (b) THE MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL  
22 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND  
23 INDIRECT COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THIS PART 6.  
24 ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS PART  
25 6 MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL  
26 INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF  
27 MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY

1 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT  
2 THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT  
3 BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

4 (2) THE GENERAL ASSEMBLY FINDS THAT, DUE TO SEVERAL  
5 EDUCATION REFORM MEASURES PASSED IN RECENT LEGISLATIVE SESSIONS,  
6 COLORADO IS IN AN EXCELLENT POSITION TO RECEIVE SIGNIFICANT  
7 AMOUNTS OF FEDERAL MONEYS THROUGH DISTRIBUTIONS UNDER THE  
8 "AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009", PUB.L. 111-5,  
9 INCLUDING MONEYS TO BE DISTRIBUTED BY THE FEDERAL DEPARTMENT OF  
10 EDUCATION THROUGH WHAT IS COMMONLY REFERRED TO AS THE "RACE  
11 TO THE TOP" PROGRAM. IN THE EVENT COLORADO RECEIVES THIS MONEY,  
12 THE GENERAL ASSEMBLY STRONGLY ENCOURAGES THE GOVERNOR TO  
13 ALLOCATE MONEYS TO THE FUND FOR OPERATION OF THE PILOT  
14 RESIDENTIAL SCHOOL FOR AT-RISK STUDENTS.

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

17 **24-75-601.1. Legal investments of public funds.** (1) It is lawful  
18 to invest public funds in any of the following securities:

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

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

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

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

20           **SECTION 32. Safety clause.** The general assembly hereby finds,  
21           determines, and declares that this act is necessary for the immediate  
22           preservation of the public peace, health, and safety.