

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0531.01 Julie Pelegrin

HOUSE BILL 10-1183

HOUSE SPONSORSHIP

Middleton,

SENATE SPONSORSHIP

(None),

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 CONCERNING AUTHORIZATION OF A PILOT PROGRAM TO COLLECT
102 DATA CONCERNING ALTERNATIVE SCHOOL FINANCE FUNDING
103 MODELS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the alternative school funding models pilot program (pilot program) to encourage school districts and charter schools to collect data that will be used to compare the effects of alternative school funding models with those of the actual school funding method.

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.

A school district or charter school that chooses to participate in the pilot program will continue to receive its actual funding as provided in the "Public School Finance Act of 1994" while participating in the pilot program. A school district or charter school that participates in the pilot program may accept gifts, grants, and donations to offset the costs incurred.

An advisory council, consisting of selected members of the general assembly, selected members of the state board of education (state board), selected members representing school districts and school executives, and the commissioner of education, will review applications submitted by school districts and charter schools to participate in the pilot program and will select the participants. A participating school district or charter school must participate in the pilot program for a minimum of 2 school years and will annually submit to the advisory council the data it collects, including identification of the funding differences the school district or charter school would experience if it were funded under an alternative school funding model. The advisory council will submit to the state board, the governor, and the general assembly an annual summary report of the data received from the pilot program participants. The advisory council may accept and expend gifts, grants, donations, and services in kind to offset the costs incurred in implementing the pilot program.

The pilot program will repeal on July 1, 2015.

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

2 **SECTION 1.** Title 22, Colorado Revised Statutes, is amended BY
3 THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 58**

5 **School Funding Models Pilot Program**

6 **22-58-101. Legislative declaration.** (1) THE GENERAL
7 ASSEMBLY HEREBY FINDS THAT:

8 (a) THE FUNDING FOR SCHOOL DISTRICTS UNDER THE "PUBLIC
9 SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, IS BASED ON
10 A METHOD OF DETERMINING STUDENT ENROLLMENT AND PER PUPIL
11 STUDENT FUNDING THAT MEETS THE CONSTITUTIONAL REQUIREMENT FOR
12 MAINTAINING A THOROUGH AND UNIFORM SYSTEM OF FREE PUBLIC
13 SCHOOLS THROUGHOUT THE STATE, BUT MAY NOT ADEQUATELY TAKE

1 INTO ACCOUNT THE COSTS OF EDUCATING HIGH-NEEDS OR ALTERNATIVELY
2 ENROLLED STUDENTS AND IS NOT DESIGNED TO PROVIDE INCENTIVES FOR
3 SCHOOL DISTRICTS AND PUBLIC SCHOOLS TO ENSURE THAT THEIR
4 STUDENTS ACHIEVE HIGH ACADEMIC GROWTH; AND

5 (b) THE CONTINUING ADVANCES OF EDUCATION REFORM AND THE
6 EXPANDED USE OF EDUCATION TECHNOLOGY IN THE STATE SUGGEST THAT
7 OTHER, MORE FLEXIBLE, METHODS OF FUNDING PUBLIC EDUCATION MAY
8 SUPPORT GREATER ACADEMIC ACHIEVEMENT AND HELP TO ENSURE THAT
9 THE LIMITED RESOURCES OF THE STATE WOULD BE ALLOCATED AMONG
10 THE SCHOOL DISTRICTS AND PUBLIC SCHOOLS IN THE MOST FAIR AND
11 EFFECTIVE MANNER POSSIBLE.

12 (2) THE GENERAL ASSEMBLY THEREFORE FINDS THAT IT IS IN THE
13 BEST INTERESTS OF THE STATE TO ENCOURAGE SCHOOL DISTRICTS AND
14 CHARTER SCHOOLS TO TEST ALTERNATIVE MODELS OF SCHOOL FUNDING
15 BY COLLECTING DATA TO SHOW THE EFFECTS A MODEL WOULD HAVE IF IT
16 WERE IMPLEMENTED, WHILE CONTINUING TO RECEIVE ACTUAL FUNDING
17 PURSUANT TO THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54
18 OF THIS TITLE. SCHOOL DISTRICTS AND CHARTER SCHOOLS ARE
19 ENCOURAGED TO CONSIDER FUNDING MODELS THAT MAY ADDRESS, AT A
20 MINIMUM, THE UNIQUE CHALLENGES OF FUNDING STUDENTS WHO ARE
21 SIGNIFICANTLY AT RISK OF ACADEMIC FAILURE, STUDENTS WHO ARE
22 GIFTED AND TALENTED, STUDENTS ENROLLED IN ON-LINE PROGRAMS,
23 STUDENTS WHO RETURN TO PUBLIC SCHOOL AFTER DROPPING OUT, AND
24 STUDENTS CONCURRENTLY ENROLLED IN HIGH SCHOOL AND HIGHER
25 EDUCATION CLASSES. SCHOOL DISTRICTS AND CHARTER SCHOOLS ARE
26 ALSO ENCOURAGED TO CONSIDER MODELS OF EDUCATION FUNDING BASED
27 ON ACHIEVEMENT RATHER THAN ATTENDANCE OR HOURS OF

1 PARTICIPATION.

2 **22-58-102. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
3 CONTEXT OTHERWISE REQUIRES:

4 (1) "ADVISORY COUNCIL" MEANS THE COUNCIL APPOINTED
5 PURSUANT TO SECTION 22-58-104.

6 (2) "CHARTER SCHOOL" MEANS A DISTRICT CHARTER SCHOOL
7 AUTHORIZED PURSUANT TO PART 1 OF ARTICLE 30.5 OF THIS TITLE OR AN
8 INSTITUTE CHARTER SCHOOL AUTHORIZED PURSUANT TO PART 5 OF
9 ARTICLE 30.5 OF THIS TITLE.

10 (3) "PILOT PROGRAM" MEANS THE ALTERNATIVE SCHOOL FUNDING
11 MODELS PILOT PROGRAM CREATED IN SECTION 22-58-103.

12 (4) "SCHOOL FINANCE ACT" MEANS THE "PUBLIC SCHOOL FINANCE
13 ACT OF 1994", ARTICLE 54 OF THIS TITLE.

14 **22-58-103. Alternative school funding models pilot program**

15 **- created - application - waivers - funding.** (1) THERE IS HEREBY

16 CREATED THE ALTERNATIVE SCHOOL FUNDING MODELS PILOT PROGRAM TO
17 ENCOURAGE SCHOOL DISTRICTS AND CHARTER SCHOOLS TO IDENTIFY AND
18 COLLECT DATA TO MEASURE THE EFFECTS IF AN ALTERNATIVE MODEL OF
19 CALCULATING SCHOOL FUNDING WERE APPLIED COMPARED TO ACTUAL
20 STATE FUNDING THAT A SCHOOL DISTRICT OR CHARTER SCHOOL RECEIVES.

21 A SCHOOL DISTRICT OR CHARTER SCHOOL THAT CHOOSES AND IS SELECTED
22 TO PARTICIPATE IN THE PILOT PROGRAM SHALL COLLECT DATA FOR AT
23 LEAST TWO BUDGET YEARS THAT DEMONSTRATE THE EFFECTS OF AN
24 ALTERNATIVE SCHOOL FUNDING MODEL SELECTED BY THE PARTICIPATING
25 SCHOOL DISTRICT OR CHARTER SCHOOL, INCLUDING BUT NOT LIMITED TO
26 THE DIFFERENCES IN FUNDING THAT THE SCHOOL DISTRICT OR CHARTER
27 SCHOOL WOULD HAVE EXPERIENCED IF IT HAD BEEN FUNDED THROUGH THE

1 ALTERNATIVE SCHOOL FUNDING MODEL RATHER THAN UNDER THE
2 CURRENT SCHOOL FINANCE ACT. THE PARTICIPATING SCHOOL DISTRICT OR
3 CHARTER SCHOOL SHALL SUBMIT THE COLLECTED DATA AND ANY
4 CONCLUSIONS TO THE ADVISORY COUNCIL NO LATER THAN SEPTEMBER 1
5 OF THE BUDGET YEAR FOLLOWING THE BUDGET YEAR FOR WHICH THE
6 DATA IS COLLECTED.

7 (2) ON OR BEFORE SEPTEMBER 1, 2010, AND ON OR BEFORE
8 SEPTEMBER 1 EACH BUDGET YEAR THEREAFTER THROUGH 2013, A SCHOOL
9 DISTRICT OR CHARTER SCHOOL THAT CHOOSES TO PARTICIPATE IN THE
10 PILOT PROGRAM SHALL APPLY TO THE ADVISORY COUNCIL BY SUBMITTING
11 A DESCRIPTION OF THE ALTERNATIVE SCHOOL FUNDING MODEL IT WILL
12 INVESTIGATE, INCLUDING AT A MINIMUM:

13 (a) WHETHER THE MODEL IS BASED ON PER PUPIL FUNDING OR
14 SOME OTHER UNIT MEASURE OF FUNDING OR USES ANOTHER BASIS FOR
15 DETERMINING THE AMOUNT OF FUNDING AND THE MANNER OF COUNTING
16 THE UNITS, IF ANY;

17 (b) AN EXPLANATION OF HOW EDUCATION FUNDING IS
18 CALCULATED UNDER THE MODEL;

19 (c) ANY INCENTIVES THAT THE SCHOOL DISTRICT OR CHARTER
20 SCHOOL EXPECTS THE MODEL TO PROVIDE AND THE ANTICIPATED
21 OUTCOMES OR EFFECTS OF APPLYING THE MODEL;

22 (d) THE MANNER IN WHICH THE SCHOOL DISTRICT OR CHARTER
23 SCHOOL WILL MEASURE THE EFFECTS OF APPLYING THE MODEL; AND

24 (e) THE BENEFITS OF, OBSTACLES TO, OR RESTRICTIONS ON
25 IMPLEMENTING THE MODEL STATEWIDE THAT THE SCHOOL DISTRICT OR
26 CHARTER SCHOOL MAY IDENTIFY.

27 (3) A SCHOOL DISTRICT IS ENCOURAGED TO PARTNER WITH ONE OR

1 MORE OTHER SCHOOL DISTRICTS, A BOARD OF COOPERATIVE SERVICES, OR
2 ONE OR MORE CHARTER SCHOOLS IN APPLYING TO PARTICIPATE IN THE
3 PILOT PROGRAM. A SCHOOL DISTRICT MAY ALSO, WITH THE CONSENT OF
4 ONE OR MORE INNOVATION SCHOOLS OR CHARTER SCHOOLS OF THE
5 SCHOOL DISTRICT, CHOOSE TO TEST AN ALTERNATIVE SCHOOL FUNDING
6 MODEL ON A LIMITED BASIS WITHIN SAID CONSENTING SCHOOLS.

7 (4) A SCHOOL DISTRICT OR CHARTER SCHOOL THAT THE ADVISORY
8 COUNCIL SELECTS TO PARTICIPATE IN THE PILOT PROGRAM SHALL SUBMIT
9 TO THE STATE BOARD A LIST OF ANY STATUTES IN THIS TITLE OR STATE
10 BOARD RULES FOR WHICH IT NEEDS WAIVERS IN ORDER TO COLLECT DATA
11 AND MEASURE THE EFFECTS THAT THE ALTERNATIVE SCHOOL FUNDING
12 MODEL WOULD HAVE IF IMPLEMENTED. THE STATE BOARD SHALL WAIVE
13 THE STATUTES OR RULES SPECIFIED ON THE LIST; EXCEPT THAT THE
14 SCHOOL DISTRICT OR CHARTER SCHOOL SHALL BE REQUIRED TO MEET THE
15 PERFORMANCE TARGETS SPECIFIED FOR THE SCHOOL DISTRICT OR CHARTER
16 SCHOOL PURSUANT TO ARTICLE 11 OF THIS TITLE.

17 (5) A SCHOOL DISTRICT OR CHARTER SCHOOL THAT THE ADVISORY
18 COUNCIL SELECTS FOR PARTICIPATION IN THE PILOT PROGRAM MAY SEEK,
19 ACCEPT, AND EXPEND PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS
20 TO OFFSET THE COSTS INCURRED IN PARTICIPATING IN THE PILOT PROGRAM.

21 **22-58-104. Advisory council - created - duties - reporting -**
22 **funding.** (1) THERE IS HEREBY CREATED THE ADVISORY COUNCIL FOR
23 THE PILOT PROGRAM, WHICH COUNCIL SHALL CONSIST OF NINE MEMBERS
24 APPOINTED ON OR BEFORE JULY 1, 2010, AS FOLLOWS:

25 (a) FOUR MEMBERS OF THE GENERAL ASSEMBLY, APPOINTED ONE
26 EACH BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE MINORITY
27 LEADER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE

1 SENATE, AND THE MINORITY LEADER OF THE SENATE;

2 (b) TWO MEMBERS OF THE STATE BOARD APPOINTED BY THE
3 PRESIDENT OF THE STATE BOARD WHO ARE NOT MEMBERS OF THE SAME
4 POLITICAL PARTY;

5 (c) A MEMBER APPOINTED BY THE STATE BOARD FROM A
6 STATEWIDE ORGANIZATION THAT REPRESENTS SCHOOL DISTRICT BOARDS
7 OF EDUCATION;

8 (d) A MEMBER APPOINTED BY THE STATE BOARD FROM A
9 STATEWIDE ORGANIZATION THAT REPRESENTS SCHOOL EXECUTIVES; AND

10 (e) THE COMMISSIONER OF EDUCATION OR HIS OR HER DESIGNEE.

11 (2) (a) THE MEMBERS OF THE ADVISORY COUNCIL SHALL SERVE AT
12 THE PLEASURE OF THE APPOINTING AUTHORITY. IF A VACANCY ARISES ON
13 THE ADVISORY COUNCIL, THE APPLICABLE APPOINTING AUTHORITY SHALL
14 APPOINT A NEW MEMBER WHO MEETS THE QUALIFICATIONS FOR THE OFFICE
15 SPECIFIED IN SUBSECTION (1) OF THIS SECTION.

16 (b) THE MEMBERS OF THE ADVISORY COUNCIL SHALL SERVE
17 WITHOUT COMPENSATION. THE MEMBERS OF THE ADVISORY COUNCIL
18 SHALL ALSO SERVE WITHOUT REIMBURSEMENT FOR EXPENSES; EXCEPT
19 THAT THE ADVISORY COUNCIL MAY RECEIVE REIMBURSEMENT IF THE
20 ADVISORY COUNCIL RECEIVES MONEYS PURSUANT TO SUBSECTION (5) OF
21 THIS SECTION IN AN AMOUNT SUFFICIENT TO REIMBURSE THE MEMBERS'
22 EXPENSES.

23 (3) THE ADVISORY COUNCIL SHALL REVIEW THE APPLICATIONS
24 RECEIVED PURSUANT TO SECTION 22-54-103 AND SELECT THE SCHOOL
25 DISTRICTS AND CHARTER SCHOOLS TO PARTICIPATE IN THE PILOT
26 PROGRAM.

27 (4) UPON RECEIPT OF THE DATA COLLECTED BY PARTICIPATING

1 SCHOOL DISTRICTS AND CHARTER SCHOOLS, THE ADVISORY COUNCIL
2 SHALL REVIEW THE DATA AND ANNUALLY PREPARE A SUMMARY REPORT
3 FOR THE STATE BOARD, THE GOVERNOR'S OFFICE, AND THE GENERAL
4 ASSEMBLY. ON OR BEFORE JANUARY 15, 2012, AND ON OR BEFORE
5 JANUARY 15 EACH YEAR THEREAFTER THROUGH 2015, THE ADVISORY
6 COUNCIL SHALL SUBMIT THE SUMMARY REPORT TO THE STATE BOARD, THE
7 GOVERNOR, AND THE EDUCATION COMMITTEES OF THE HOUSE OF
8 REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES.

9 (5) THE ADVISORY COUNCIL MAY SEEK, ACCEPT, AND EXPEND
10 PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS OR SERVICES IN KIND
11 TO ASSIST THE ADVISORY COUNCIL IN IMPLEMENTING THE PILOT PROGRAM.
12 ANY MONEYS RECEIVED PURSUANT TO THIS SUBSECTION (5) SHALL BE
13 CREDITED TO THE LEGISLATIVE DEPARTMENT CASH FUND CREATED IN
14 SECTION 2-2-1601, C.R.S.

15 **22-58-105. Repeal of article.** THIS ARTICLE IS REPEALED,
16 EFFECTIVE JULY 1, 2015. NOTWITHSTANDING THE PROVISIONS OF SECTION
17 2-3-1203, C.R.S., THE ADVISORY COUNCIL SHALL NOT BE SUBJECT TO
18 REVIEW PRIOR TO REPEAL.

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