

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0083.03 Julie Pelegrin x2700

HOUSE BILL 14-1139

HOUSE SPONSORSHIP

Priola, Murray, Wilson, Holbert, Everett

SENATE SPONSORSHIP

(None),

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 CONCERNING FUNDING PUBLIC SCHOOLS BASED ON THE CALCULATION
102 OF AVERAGE DAILY MEMBERSHIP.

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>.)

Under current law, funding for school districts and institute charter schools is based on the number of pupils enrolled on a specified count date each school year. Beginning with the 2017-18 budget year, the bill directs the department of education (department) to calculate funding for school districts and institute charter schools based on the district's or

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.

institute charter school's average daily membership, preschool program average daily membership, at-risk pupil average daily membership, on-line average daily membership, ASCENT program average daily membership, and funded membership (collectively referred to as "membership") for the funding averaging period. The funding averaging period is the 4 quarters of the preceding budget year plus the first quarter of the current budget year.

The district must create a data system in the 2014-15 budget year to calculate membership. Beginning in the 2015-16 budget year, each district and institute charter school must periodically report the data required to calculate membership. In the 2016-17 budget year, each district and institute charter school will continue to receive funding calculated based on pupil enrollment, but the department must also calculate funding based on membership for comparison purposes. Beginning in the 2017-18 budget years and for budget years thereafter, each district's and institute charter school's funding is based on calculations that use membership, rather than single-day pupil enrollment.

Beginning in the 2017-18 budget year, if a school district's membership calculated for the first half of a budget year increases by a greater percentage than the increase in the statewide membership over the preceding funding averaging period, the department will recalculate the school district's total program for the remainder of the budget year using the school district's membership for the first half of the then-current budget year.

Beginning in the 2017-18 budget year, a new institute charter school's funding will be based on the projected membership for the first school day. If the new institute charter school's membership for the first half of the budget year is different from the first-day projections, the department shall recalculate the institute charter school's funding based on the membership for the first half of the then-current budget year. In the second year or in a budget year in which an institute charter school increases its program by at least one grade level, if the membership for the first quarter of the school year is greater than the membership for the funding averaging period, the department will recalculate the institute charter school's funding based on the membership for the first quarter of the then-current budget year. In any other budget year, the department will recalculate an institute charter school's funding halfway through the budget year on the same basis that it would recalculate a school district's total program.

Beginning in the 2017-18 budget year, a school district that authorizes a charter school shall calculate the charter school's funding based on the charter school's membership. A school district must calculate and recalculate the funding for a district charter school that is new, or in a budget year in which the charter school increases its program by at least one grade level, on the same basis that the department

recalculates the funding for an institute charter school.

The general assembly must appropriate moneys for the mid-year increases in funding for district charter schools and institute charter schools.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-54-112.5 as
3 follows:

4 **22-54-112.5. Average daily membership - data system - rules**
5 **- implementation - definitions.** (1) AS USED IN THIS SECTION, UNLESS
6 THE CONTEXT OTHERWISE REQUIRES:

7 (a) "ADJUSTED AVERAGE DAILY MEMBERSHIP" MEANS THE
8 KINDERGARTEN THROUGH TWELFTH-GRADE AVERAGE DAILY MEMBERSHIP
9 PLUS THE ON-LINE AVERAGE DAILY MEMBERSHIP OF A DISTRICT.

10 (b) "ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP" MEANS
11 THE NUMBER OF PUPILS WHO ARE ENROLLED EACH SCHOOL DAY IN A
12 DISTRICT AND ARE PARTICIPANTS IN THE ASCENT PROGRAM, TOTALED
13 FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL
14 DAYS IN THE AVERAGING PERIOD. THE ASCENT PROGRAM AVERAGE
15 DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE ASCENT PROGRAM
16 PARTICIPANTS ENROLLED IN EACH DISTRICT CHARTER SCHOOL OF THE
17 DISTRICT. AN ASCENT PROGRAM PARTICIPANT WHO IS ENROLLED IN AT
18 LEAST TWELVE CREDIT HOURS OF POSTSECONDARY COURSES, INCLUDING
19 ACADEMIC COURSES AND CAREER AND TECHNICAL EDUCATION COURSES,
20 IS INCLUDED IN THE ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS
21 A FULL-TIME PUPIL. AN ASCENT PROGRAM PARTICIPANT WHO IS
22 ENROLLED IN FEWER THAN TWELVE CREDIT HOURS OF POSTSECONDARY
23 COURSES, INCLUDING ACADEMIC COURSES AND CAREER AND TECHNICAL

1 EDUCATION COURSES, IS INCLUDED IN THE ASCENT PROGRAM AVERAGE
2 DAILY MEMBERSHIP AS A PART-TIME PUPIL.

3 (c) (I) "AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP" MEANS THE
4 GREATER OF:

5 (A) THE NUMBER OF AT-RISK PUPILS ENROLLED IN A DISTRICT
6 EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED
7 BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD; OR

8 (B) THE DISTRICT'S AT-RISK PUPIL PERCENTAGE MULTIPLIED BY
9 THE DISTRICT'S ADJUSTED AVERAGE DAILY MEMBERSHIP.

10 (II) THE AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP OF A
11 DISTRICT INCLUDES THE AT-RISK PUPILS ENROLLED IN EACH DISTRICT
12 CHARTER SCHOOL OF THE DISTRICT.

13 (III) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III)
14 OF PARAGRAPH (j) OF THIS SUBSECTION (5), THE AT-RISK PUPIL AVERAGE
15 DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE AT-RISK PUPILS
16 ENROLLED IN A MULTI-DISTRICT ON-LINE SCHOOL OF THE DISTRICT.

17 (d) (I) "AT-RISK PUPIL PERCENTAGE" MEANS THE NUMBER OF
18 AT-RISK PUPILS ENROLLED IN GRADES ONE THROUGH EIGHT IN A DISTRICT
19 EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED
20 BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD, THEN
21 DIVIDED BY THE DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE SAME
22 AVERAGING PERIOD FOR GRADES ONE THROUGH EIGHT.

23 (II) THE AT-RISK PUPIL PERCENTAGE OF A DISTRICT INCLUDES THE
24 AT-RISK PUPILS ENROLLED IN EACH DISTRICT CHARTER SCHOOL OF THE
25 DISTRICT.

26 (III) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III)
27 OF PARAGRAPH (j) OF THIS SUBSECTION (5), A DISTRICT'S AT-RISK PUPIL

1 PERCENTAGE INCLUDES THE AT-RISK PUPILS ENROLLED IN A
2 MULTI-DISTRICT ON-LINE SCHOOL OF THE DISTRICT.

3 (e) "AVERAGE DAILY MEMBERSHIP" MEANS THE MEMBERSHIP OF
4 A DISTRICT OR OF AN INSTITUTE CHARTER SCHOOL FOR EACH SCHOOL DAY,
5 TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF
6 SCHOOL DAYS IN THE AVERAGING PERIOD. THE AVERAGE DAILY
7 MEMBERSHIP OF A DISTRICT INCLUDES THE PUPILS ENROLLED IN EACH
8 DISTRICT CHARTER SCHOOL OF THE DISTRICT.

9 (f) "AVERAGING PERIOD" MEANS A QUARTER OF A SCHOOL YEAR,
10 THE FULL SCHOOL YEAR, OR THE FULL SCHOOL YEAR PLUS THE FIRST
11 QUARTER OF THE NEXT SCHOOL YEAR, WHICHEVER IS APPLICABLE.

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

14 (h) "FUNDED MEMBERSHIP" MEANS:

15 (I) THE TOTAL OF A DISTRICT'S PRESCHOOL PROGRAM AVERAGE
16 DAILY MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD, SUPPLEMENTAL
17 KINDERGARTEN AVERAGE DAILY MEMBERSHIP FOR THE FUNDING
18 AVERAGING PERIOD, ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
19 FUNDING AVERAGING PERIOD, AND ASCENT PROGRAM AVERAGE DAILY
20 MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD, AND THE GREATER
21 OF:

22 (A) THE DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE
23 FUNDING AVERAGING PERIOD; OR

24 (B) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP
25 FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE DAILY
26 MEMBERSHIP FOR THE PRECEDING FUNDING AVERAGING PERIOD; OR

27 (C) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP

1 FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE DAILY
2 MEMBERSHIP FOR THE TWO PRECEDING FUNDING AVERAGING PERIODS; OR

3 (D) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY
4 MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE
5 DAILY MEMBERSHIP FOR THE THREE PRECEDING FUNDING AVERAGING
6 PERIODS; OR

7 (E) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP
8 FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE DAILY
9 MEMBERSHIP FOR THE FOUR PRECEDING FUNDING AVERAGING PERIODS.

10 (II) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
11 CONTRARY, FOR PURPOSES OF CALCULATING A DISTRICT'S FUNDED
12 MEMBERSHIP PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (h)
13 ONLY, PUPILS WHO ARE ENROLLED IN THE COLORADO PRESCHOOL
14 PROGRAM ARE INCLUDED IN THE DISTRICT'S PRESCHOOL PROGRAM
15 AVERAGE DAILY MEMBERSHIP AND ARE NOT INCLUDED IN THE DISTRICT'S
16 AVERAGE DAILY MEMBERSHIP.

17 (III) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
18 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (h),
19 A DISTRICT'S FUNDED MEMBERSHIP DOES NOT INCLUDE A PUPIL WHO IS OR
20 WAS ENROLLED IN A CHARTER SCHOOL THAT THE DISTRICT ORIGINALLY
21 AUTHORIZED AND THAT WAS SUBSEQUENTLY CONVERTED ON OR AFTER
22 JULY 1, 2010, TO AN INSTITUTE CHARTER SCHOOL OR TO A CHARTER
23 SCHOOL OF A DISTRICT THAT IS CONTIGUOUS TO THE ORIGINAL
24 AUTHORIZING DISTRICT.

25 (i) "FUNDING AVERAGING PERIOD" MEANS THE PERIOD THAT
26 BEGINS ON THE FIRST DAY OF THE FIRST QUARTER OF THE PRECEDING
27 BUDGET YEAR AND CONTINUES THROUGH THE LAST DAY OF THE FIRST

1 QUARTER OF THE THEN-CURRENT BUDGET YEAR.

2 (j) (I) "MEMBERSHIP" MEANS THE PUPILS WHO ARE ENROLLED IN
3 A DISTRICT OR AN INSTITUTE CHARTER SCHOOL IN PRESCHOOL PURSUANT
4 TO ARTICLE 28 OF THIS TITLE; THE PUPILS WHO ARE ENROLLED IN
5 KINDERGARTEN, WHO ARE ALL COUNTED AS HALF-TIME PUPILS; AND THE
6 PUPILS WHO ARE ENROLLED IN GRADES ONE THROUGH TWELVE, WHO ARE
7 COUNTED AS EITHER FULL-TIME OR PART-TIME PUPILS. THE STATE BOARD,
8 BY RULE, SHALL SPECIFY THE POINT AT WHICH A PUPIL IS ENROLLED IN A
9 DISTRICT OR AN INSTITUTE CHARTER SCHOOL, THE CIRCUMSTANCES UNDER
10 WHICH A PUPIL CEASES TO BE ENROLLED IN A DISTRICT OR AN INSTITUTE
11 CHARTER SCHOOL, AND THE REQUIRED DOCUMENTATION FOR CERTIFYING
12 PUPIL ENROLLMENT.

13 (II) FOR PURPOSES OF THIS ARTICLE, THE MEMBERSHIP OF A
14 DISTRICT OR AN INSTITUTE CHARTER SCHOOL INCLUDES:

15 (A) A PUPIL WHO IS ENROLLED IN A PRESCHOOL PROGRAM
16 PURSUANT TO ARTICLE 28 OF THIS TITLE, BUT ONLY IF THE PUPIL IS AT
17 LEAST THREE YEARS OF AGE AS OF OCTOBER 1 OF THE APPLICABLE
18 AVERAGING PERIOD. A PUPIL ENROLLED IN A PRESCHOOL PROGRAM IS
19 COUNTED AS A HALF-TIME PUPIL.

20 (B) A PUPIL WHO IS ENROLLED IN A KINDERGARTEN EDUCATIONAL
21 PROGRAM BUT ONLY IF THE PUPIL IS FIVE YEARS OF AGE AS OF OCTOBER
22 1 OF THE APPLICABLE AVERAGING PERIOD OR FOUR YEARS OF AGE AS OF
23 OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD AND THE DISTRICT OR
24 INSTITUTE CHARTER SCHOOL OR AN ADMINISTRATIVE UNIT HAS IDENTIFIED
25 THE PUPIL AS A HIGHLY ADVANCED GIFTED CHILD FOR WHOM EARLY
26 ACCESS TO KINDERGARTEN IS APPROPRIATE, AS PROVIDED IN SECTION
27 22-20-204;

1 (C) A PUPIL WHO IS ENROLLED IN FIRST GRADE, BUT ONLY IF THE
2 PUPIL IS AT LEAST SIX YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE
3 APPLICABLE AVERAGING PERIOD, AT LEAST FIVE YEARS OF AGE ON OR
4 BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD AND THE
5 PUPIL ATTENDED AT LEAST ONE HUNDRED TWENTY DAYS OF
6 KINDERGARTEN IN A STATE OTHER THAN COLORADO, OR AT LEAST FIVE
7 YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING
8 PERIOD AND THE DISTRICT OR INSTITUTE CHARTER SCHOOL OR AN
9 ADMINISTRATIVE UNIT HAS IDENTIFIED THE PUPIL AS A HIGHLY ADVANCED
10 GIFTED CHILD FOR WHOM EARLY ACCESS TO FIRST GRADE IS APPROPRIATE,
11 AS PROVIDED IN SECTION 22-20-204;

12 (D) A PUPIL WHO IS THREE YEARS OF AGE AND RECEIVES
13 EDUCATIONAL SERVICES UNDER THE "EXCEPTIONAL CHILDREN'S
14 EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, WHICH PUPIL IS COUNTED
15 AS A HALF-TIME PUPIL;

16 (E) A PUPIL WHO RESIDES WITHIN THE BOUNDARIES OF THE
17 DISTRICT AND IS RECEIVING EDUCATIONAL SERVICES UNDER THE
18 "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS
19 TITLE, OUTSIDE OF THE DISTRICT, FOR WHICH SERVICES THE DISTRICT OF
20 RESIDENCE PAYS TUITION;

21 (F) A PUPIL WHO IS ENROLLED IN AN ON-LINE PROGRAM, AS
22 DEFINED IN SECTION 22-30.7-102 (9), OR AN ON-LINE SCHOOL, AS DEFINED
23 IN SECTION 22-30.7-102 (9.5), OPERATED PURSUANT TO ARTICLE 30.7 OF
24 THIS TITLE BY A DISTRICT OR AN INSTITUTE CHARTER SCHOOL;

25 (G) A PUPIL WHO IS EXPELLED WITHIN THE APPLICABLE BUDGET
26 YEAR AND TO WHOM THE DISTRICT OR INSTITUTE CHARTER SCHOOL
27 PROVIDES EDUCATIONAL SERVICES PURSUANT TO SECTION 22-33-203; AND

1 (H) A JUVENILE WHO IS HELD IN AN ADULT JAIL AND TO WHOM THE
2 DISTRICT PROVIDES EDUCATIONAL SERVICES PURSUANT TO SECTION
3 22-32-141.

4 (III) FOR PURPOSES OF THIS ARTICLE, MEMBERSHIP OF A DISTRICT
5 OR AN INSTITUTE CHARTER SCHOOL DOES NOT INCLUDE:

6 (A) A PUPIL WHO IS PLACED IN A FACILITY, AS DEFINED IN SECTION
7 22-2-402 (3), AND WHO IS RECEIVING SERVICES THROUGH AN APPROVED
8 FACILITY SCHOOL, AS DEFINED IN SECTION 22-2-402 (1);

9 (B) A PUPIL WHO IS ENROLLED IN A MULTI-DISTRICT ON-LINE
10 SCHOOL; OR

11 (C) A PUPIL WHO IS PARTICIPATING IN THE ASCENT PROGRAM.

12 (k) "MULTI-DISTRICT ON-LINE SCHOOL" HAS THE SAME MEANING
13 AS PROVIDED IN SECTION 22-30.7-102 (6).

14 (l) "ON-LINE AVERAGE DAILY MEMBERSHIP" MEANS THE NUMBER
15 OF ON-LINE PUPILS ENROLLED EACH SCHOOL DAY IN A MULTI-DISTRICT
16 ON-LINE SCHOOL OPERATED BY A DISTRICT OR AN INSTITUTE CHARTER
17 SCHOOL, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE
18 NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD. THE STATE BOARD,
19 BY RULE, SHALL SPECIFY THE POINT AT WHICH A PUPIL IS ENROLLED IN A
20 MULTI-DISTRICT ON-LINE SCHOOL, THE CIRCUMSTANCES UNDER WHICH A
21 PUPIL CEASES TO BE ENROLLED IN A MULTI-DISTRICT ON-LINE SCHOOL, AND
22 THE REQUIRED DOCUMENTATION FOR CERTIFYING PUPIL ENROLLMENT. THE
23 RULES CONCERNING ENROLLMENT IN A MULTI-DISTRICT ON-LINE SCHOOL
24 MUST BE SUBSTANTIALLY THE SAME AS THE RULES CONCERNING
25 ENROLLMENT IN A SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL. THE
26 ON-LINE AVERAGE DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE
27 PUPILS ENROLLED IN A DISTRICT CHARTER SCHOOL OF THE DISTRICT THAT

1 IS A MULTI-DISTRICT ON-LINE SCHOOL.

2 (m) "PRECEDING BUDGET YEAR" MEANS THE BUDGET YEAR THAT
3 IMMEDIATELY PRECEDES THE BUDGET YEAR FOR WHICH FUNDING IS
4 CALCULATED.

5 (n) "PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP" MEANS
6 THE NUMBER OF PUPILS, COUNTED AS HALF-DAY PUPILS, ENROLLED EACH
7 SCHOOL DAY PURSUANT TO ARTICLE 28 OF THIS TITLE IN A DISTRICT
8 PRESCHOOL PROGRAM OR AN INSTITUTE CHARTER SCHOOL PRESCHOOL
9 PROGRAM, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE
10 NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD.

11 (o) "SCHOOL DAY" MEANS:

12 (I) FOR A DISTRICT, A DAY ON WHICH AT LEAST ONE SCHOOL OF
13 THE DISTRICT IS PROVIDING EDUCATIONAL SERVICES TO PUPILS ENROLLED
14 IN THE DISTRICT, INCLUDING PUPILS ENROLLED IN A DISTRICT CHARTER
15 SCHOOL OF THE DISTRICT; OR

16 (II) FOR AN INSTITUTE CHARTER SCHOOL, A DAY ON WHICH THE
17 INSTITUTE CHARTER SCHOOL IS PROVIDING EDUCATIONAL SERVICES TO
18 PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL.

19 (p) "SCHOOL YEAR" MEANS JULY 1 THROUGH THE FOLLOWING
20 JUNE 30.

21 (q) "STATEWIDE AVERAGE AT-RISK PUPIL PERCENTAGE" MEANS
22 THE TOTAL AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS
23 AND ALL INSTITUTE CHARTER SCHOOLS DIVIDED BY THE TOTAL ADJUSTED
24 AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE
25 CHARTER SCHOOLS.

26 (r) "STATEWIDE AVERAGE DAILY MEMBERSHIP" MEANS THE TOTAL
27 MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS IN

1 THE STATE EACH SCHOOL DAY AND THE TOTAL NUMBER OF PUPILS
2 ENROLLED IN THE MULTI-DISTRICT ON-LINE SCHOOLS OF THE STATE EACH
3 SCHOOL DAY, TOALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE
4 NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD.

5 (s) "STATEWIDE AVERAGE ENROLLMENT GROWTH" MEANS THE
6 PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE DAILY MEMBERSHIP
7 OF A FUNDING AVERAGING PERIOD OVER THE PREVIOUS FUNDING
8 AVERAGING PERIOD.

9 (t) "SUPPLEMENTAL KINDERGARTEN AVERAGE DAILY
10 MEMBERSHIP" MEANS THE NUMBER CALCULATED BY SUBTRACTING
11 FIVE-TENTHS FROM THE FULL-DAY KINDERGARTEN FACTOR FOR THE
12 APPLICABLE BUDGET YEAR AND THEN MULTIPLYING THAT NUMBER BY A
13 DISTRICT'S AVERAGE DAILY MEMBERSHIP CALCULATED SOLELY FOR
14 KINDERGARTEN FOR THE APPLICABLE FUNDING AVERAGING PERIOD. FOR
15 THE PURPOSES OF THIS PARAGRAPH (r), THE FULL-DAY KINDERGARTEN
16 FACTOR IS FIFTY-EIGHT HUNDREDTHS OF A FULL-DAY PUPIL.

17 (2) (a) DURING THE 2014-15 BUDGET YEAR, THE DEPARTMENT
18 SHALL CREATE A DATA SYSTEM TO CALCULATE AVERAGE DAILY
19 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
20 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
21 MEMBERSHIP, ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP, FUNDED
22 MEMBERSHIP, AND TOTAL PROGRAM FUNDING FOR EACH DISTRICT AND TO
23 CALCULATE AVERAGE DAILY MEMBERSHIP AND ON-LINE AVERAGE DAILY
24 MEMBERSHIP FOR EACH INSTITUTE CHARTER SCHOOL. THE STATE BOARD
25 SHALL PROMULGATE RULES AS NECESSARY TO IMPLEMENT THE DATA
26 SYSTEM.

27 (b) BEGINNING IN THE 2015-16 BUDGET YEAR AND FOR BUDGET

1 YEARS THEREAFTER, EACH DISTRICT AND INSTITUTE CHARTER SCHOOL
2 SHALL CERTIFY TO THE DEPARTMENT FOR EACH QUARTER OF THE SCHOOL
3 YEAR THE DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S MEMBERSHIP FOR
4 EACH SCHOOL DAY DURING THE QUARTER, INCLUDING SPECIFYING THE
5 NUMBER OF AT-RISK PUPILS AND, FOR A DISTRICT, THE NUMBER OF
6 PRESCHOOL PUPILS. THE DISTRICT AND EACH INSTITUTE CHARTER SCHOOL
7 SHALL ALSO CERTIFY TO THE DEPARTMENT FOR EACH QUARTER OF THE
8 SCHOOL YEAR THE NUMBER OF THE DISTRICT'S OR INSTITUTE CHARTER
9 SCHOOL'S PUPILS WHO ARE ENROLLED EACH SCHOOL DAY DURING THE
10 QUARTER IN A MULTI-DISTRICT ON-LINE SCHOOL, INCLUDING SPECIFYING
11 THE NUMBER OF AT-RISK PUPILS, AND EACH DISTRICT SHALL CERTIFY THE
12 NUMBER OF THE DISTRICT'S PUPILS ENROLLED EACH SCHOOL DAY DURING
13 THE QUARTER IN THE ASCENT PROGRAM. THE STATE CHARTER SCHOOL
14 INSTITUTE MAY CERTIFY THE INSTITUTE CHARTER SCHOOLS' MEMBERSHIP
15 AND ENROLLMENT FOR PURPOSES OF THIS SECTION.

16 (c) FOR THE 2016-17 BUDGET YEAR, EACH DISTRICT AND EACH
17 INSTITUTE CHARTER SCHOOL SHALL CONTINUE TO RECEIVE FUNDING
18 PURSUANT TO THIS ARTICLE BASED ON THE DISTRICT'S OR INSTITUTE
19 CHARTER SCHOOL'S PUPIL ENROLLMENT, BUT THE DEPARTMENT SHALL
20 ALSO USE THE MEMBERSHIP DATA CERTIFIED BY THE DISTRICT OR
21 INSTITUTE CHARTER SCHOOL TO CALCULATE EACH DISTRICT'S AND
22 INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM FUNDING FOR THE 2016-17
23 BUDGET YEAR FOR COMPARISON PURPOSES.

24 (d) (I) FOR THE 2017-18 BUDGET YEAR AND FOR BUDGET YEARS
25 THEREAFTER, THE DEPARTMENT SHALL CALCULATE THE TOTAL PROGRAM
26 FUNDING FOR EACH DISTRICT AND EACH INSTITUTE CHARTER SCHOOL AS
27 PROVIDED IN THIS SECTION.

1 (II) THE DEPARTMENT SHALL CALCULATE THE TOTAL PROGRAM
2 FUNDING FOR EACH DISTRICT IN EACH BUDGET YEAR USING THE DISTRICT'S
3 AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY
4 MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE
5 AVERAGE DAILY MEMBERSHIP, ASCENT PROGRAM AVERAGE DAILY
6 MEMBERSHIP, AND FUNDED MEMBERSHIP FOR THE APPLICABLE FUNDING
7 AVERAGING PERIOD. THE DEPARTMENT SHALL CALCULATE THE TOTAL
8 PROGRAM FUNDING FOR EACH INSTITUTE CHARTER SCHOOL USING THE
9 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP AND ON-LINE
10 AVERAGE DAILY MEMBERSHIP. THE DEPARTMENT SHALL ALSO CALCULATE
11 THE STATEWIDE AVERAGE AT-RISK PUPIL PERCENTAGE FOR PURPOSES OF
12 CALCULATING TOTAL PROGRAM FUNDING.

13 (e) NOTWITHSTANDING THE PROVISIONS OF SECTION 22-54-104 TO
14 THE CONTRARY, THE DEPARTMENT SHALL SUBSTITUTE AVERAGE DAILY
15 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
16 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
17 MEMBERSHIP, ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP, AND
18 FUNDED MEMBERSHIP FOR PUPIL ENROLLMENT AS APPROPRIATE TO
19 CALCULATE TOTAL PROGRAM FUNDING AS REQUIRED IN THIS SECTION.

20 (3) THE DEPARTMENT SHALL CALCULATE EACH DISTRICT'S
21 AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY
22 MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE
23 AVERAGE DAILY MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY
24 MEMBERSHIP AND EACH INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY
25 MEMBERSHIP AND ON-LINE AVERAGE DAILY MEMBERSHIP FOR:

26 (a) EACH QUARTER OF THE SCHOOL YEAR BY TOTALING THE DAILY,
27 PRESCHOOL PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY

1 MULTI-DISTRICT ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT
2 FOR THE QUARTER AND DIVIDING EACH RESPECTIVE SUM BY THE NUMBER
3 OF SCHOOL DAYS IN THE RESPECTIVE DISTRICT'S OR INSTITUTE CHARTER
4 SCHOOL'S QUARTER OF THE SCHOOL YEAR;

5 (b) EACH HALF OF A SCHOOL YEAR BY TOTALING THE DAILY,
6 PRESCHOOL PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY
7 MULTI-DISTRICT ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT
8 FOR HALF OF THE SCHOOL YEAR AND DIVIDING EACH RESPECTIVE SUM BY
9 THE TOTAL NUMBER OF SCHOOL DAYS IN THE RESPECTIVE DISTRICT'S OR
10 INSTITUTE CHARTER SCHOOL'S HALF OF A SCHOOL YEAR;

11 (c) EACH SCHOOL YEAR BY TOTALING THE DAILY, PRESCHOOL
12 PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY MULTI-DISTRICT
13 ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT FOR THE SCHOOL
14 YEAR AND DIVIDING EACH RESPECTIVE SUM BY THE TOTAL NUMBER OF
15 SCHOOL DAYS IN THE RESPECTIVE DISTRICT'S OR INSTITUTE CHARTER
16 SCHOOL'S SCHOOL YEAR; AND

17 (d) EACH FUNDING AVERAGING PERIOD BY TOTALING THE DAILY,
18 PRESCHOOL PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY
19 MULTI-DISTRICT ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT
20 FOR THE FUNDING AVERAGING PERIOD AND DIVIDING EACH RESPECTIVE
21 SUM BY THE TOTAL NUMBER OF SCHOOL DAYS IN THE RESPECTIVE
22 DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S FUNDING AVERAGING PERIOD.

23 (4) IF A DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE FIRST
24 HALF OF A SCHOOL YEAR EXCEEDS THE DISTRICT'S AVERAGE DAILY
25 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD BY A
26 PERCENTAGE THAT IS GREATER THAN THE STATEWIDE AVERAGE
27 ENROLLMENT GROWTH FOR THE APPLICABLE FUNDING AVERAGING PERIOD,

1 THE DEPARTMENT SHALL RECALCULATE THE DISTRICT'S TOTAL PROGRAM
2 FOR THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
3 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
4 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
5 MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP FOR
6 THE FIRST HALF OF THE THEN-CURRENT SCHOOL YEAR. THE DEPARTMENT
7 SHALL ADJUST THE DISTRICT'S MONTHLY PAYMENTS ACCORDINGLY FOR
8 THE REMAINDER OF THE APPLICABLE BUDGET YEAR.

9 (5) (a) (I) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO
10 THE CONTRARY, FOR THE FIRST SCHOOL YEAR IN WHICH AN INSTITUTE
11 CHARTER SCHOOL ENROLLS PUPILS, THE DEPARTMENT SHALL CALCULATE
12 THE INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM USING THE INSTITUTE
13 CHARTER SCHOOL'S PROJECTED MEMBERSHIP FOR THE FIRST SCHOOL DAY
14 OF THE SCHOOL YEAR OR, IF THE INSTITUTE CHARTER SCHOOL IS A
15 MULTI-DISTRICT ON-LINE SCHOOL, THE INSTITUTE CHARTER SCHOOL'S
16 PROJECTED NUMBER OF PUPILS THAT WILL BE ENROLLED ON THE FIRST
17 SCHOOL DAY OF THE SCHOOL YEAR.

18 (II) THE DEPARTMENT SHALL CALCULATE THE INSTITUTE CHARTER
19 SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
20 MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST HALF OF THE
21 INSTITUTE CHARTER SCHOOL'S FIRST SCHOOL YEAR. IF THE CALCULATED
22 AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP
23 IS DIFFERENT FROM THE PROJECTED FIRST-DAY MEMBERSHIP OR
24 ENROLLMENT, THE DEPARTMENT SHALL RECALCULATE THE INSTITUTE
25 CHARTER SCHOOL'S TOTAL PROGRAM USING THE AVERAGE DAILY
26 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE FIRST
27 HALF OF THE THEN-CURRENT SCHOOL YEAR AND ADJUST THE INSTITUTE

1 CHARTER SCHOOL'S FUNDING BY REDUCING THE FUNDING OR PAYING
2 SUPPLEMENTAL FUNDING TO THE INSTITUTE CHARTER SCHOOL FOR THE
3 REMAINDER OF THE FIRST SCHOOL YEAR. IF THE RECALCULATION RESULTS
4 IN SUPPLEMENTAL FUNDING FOR THE INSTITUTE CHARTER SCHOOL, THE
5 DEPARTMENT SHALL PAY THE INCREASED AMOUNT FROM MONEYS
6 APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO SECTION
7 22-54-114 (2.1).

8 (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF
9 THIS PARAGRAPH (b), IF AN INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY
10 MEMBERSHIP FOR THE FIRST HALF OF A SCHOOL YEAR EXCEEDS THE
11 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
12 APPLICABLE FUNDING AVERAGING PERIOD BY A PERCENTAGE THAT IS
13 GREATER THAN THE STATEWIDE AVERAGE ENROLLMENT GROWTH FOR THE
14 APPLICABLE FUNDING AVERAGING PERIOD, THE DEPARTMENT SHALL
15 RECALCULATE THE INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM FOR
16 THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
17 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
18 APPLICABLE, FOR THE FIRST HALF OF THE THEN-CURRENT SCHOOL YEAR.
19 THE DEPARTMENT SHALL ADJUST THE INSTITUTE CHARTER SCHOOL'S
20 MONTHLY PAYMENTS ACCORDINGLY FOR THE REMAINDER OF THE
21 APPLICABLE BUDGET YEAR BY PAYING SUPPLEMENTAL FUNDING TO THE
22 STATE CHARTER SCHOOL INSTITUTE FOR THE INSTITUTE CHARTER SCHOOL
23 FROM MONEYS APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND
24 PURSUANT TO SECTION 22-54-114 (2.1).

25 (II) IN A BUDGET YEAR IN WHICH AN INSTITUTE CHARTER SCHOOL
26 IS IN THE SECOND YEAR OF OPERATION OR INCREASES ITS PROGRAM
27 AVAILABILITY BY AT LEAST ONE GRADE LEVEL, THE DEPARTMENT SHALL

1 RECALCULATE THE INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM IF THE
2 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE
3 AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST
4 QUARTER OF THE THEN-CURRENT SCHOOL YEAR EXCEEDS THE INSTITUTE
5 CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE
6 DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD.
7 THE DEPARTMENT SHALL RECALCULATE THE INSTITUTE CHARTER
8 SCHOOL'S TOTAL PROGRAM USING THE AVERAGE DAILY MEMBERSHIP OR
9 ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR
10 THE FIRST QUARTER OF THE THEN-CURRENT BUDGET YEAR. THE
11 DEPARTMENT SHALL ADJUST THE INSTITUTE CHARTER SCHOOL'S MONTHLY
12 PAYMENTS ACCORDINGLY FOR THE REMAINDER OF THE APPLICABLE
13 BUDGET YEAR BY PAYING SUPPLEMENTAL FUNDING TO THE STATE
14 CHARTER SCHOOL INSTITUTE FOR THE INSTITUTE CHARTER SCHOOL FROM
15 MONEYS APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO
16 SECTION 22-54-114 (2.1).

17 (6) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
18 CONTRARY, THE DEPARTMENT, IN CALCULATING AVERAGE DAILY
19 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
20 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
21 MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS
22 PROVIDED IN THIS SECTION, SHALL ADJUST THE CALCULATION AS
23 NECESSARY TO ENSURE THAT A SINGLE STUDENT IS NOT COUNTED AS MORE
24 THAN A FULL-TIME PUPIL.

25 (7) A PUPIL WHO IS IDENTIFIED AS AN AT-RISK PUPIL, AS PROVIDED
26 IN SECTION 22-54-112 (4), ONCE DURING A SCHOOL YEAR IS PRESUMED TO
27 QUALIFY AS AN AT-RISK PUPIL THROUGHOUT THE REMAINDER OF THE

1 SCHOOL YEAR.

2 **SECTION 2.** In Colorado Revised Statutes, 22-54-114, **amend**
3 (1) and (2); and **add** (2.1) as follows:

4 **22-54-114. State public school fund.** (1) There is hereby created
5 in the office of the state treasurer a fund, separate from the general fund,
6 to be known as the state public school fund. There shall be credited to
7 said fund the net balance of the public school income fund existing as of
8 December 31, 1973, and all distributions from the state public school
9 income fund thereafter made, the state's share of all moneys received
10 from the federal government pursuant to the provisions of section
11 34-63-102, C.R.S., and such additional moneys as shall be appropriated
12 by the general assembly which are necessary to meet the state's share of
13 the total program of all districts, INCLUDING ANY SUPPLEMENTAL FUNDING
14 FOR DISTRICT CHARTER SCHOOLS AS PROVIDED IN SECTIONS 22-30.5-112
15 (2) (f) AND 22-30.5-112.1 (3.7); funding for institute charter schools,
16 INCLUDING ANY SUPPLEMENTAL FUNDING AS PROVIDED IN SECTION
17 22-54-112.5 (5); and, for fiscal years prior to the 2007-08 fiscal year, the
18 contingency reserve during the budget year. Moneys annually
19 appropriated by the general assembly shall be transferred from the state
20 general fund and credited to the state public school fund in four quarterly
21 installments on July 1, September 30, December 31, and March 31 to
22 assure the availability of funds for the required distribution of state
23 moneys to school districts and institute charter schools. Such quarterly
24 installments shall be determined in accordance with estimates prepared
25 by the department of education with respect to the required distribution
26 of state moneys to school districts and institute charter schools.

27 (2) No later than thirty days prior to the beginning of the budget

1 year, the department of education shall determine the estimated
2 requirements in order to provide each district and each institute charter
3 school the amount it is eligible to receive from the state during the next
4 ensuing fiscal year of the state. THE ESTIMATES MUST INCLUDE ANY
5 AMOUNT THAT MAY BE NECESSARY TO PROVIDE SUPPLEMENTAL FUNDING
6 FOR DISTRICT CHARTER SCHOOLS AS PROVIDED IN SECTIONS 22-30.5-112
7 (2) (f) AND 22-30.5-112.1 (3.7) AND INSTITUTE CHARTER SCHOOLS AS
8 PROVIDED IN SECTION 22-54-112.5 (5). The GENERAL ASSEMBLY SHALL
9 BASE THE appropriation ~~by the general assembly shall be based~~ AMOUNT
10 on the requirements necessary to provide all districts and institute charter
11 schools with the amounts they are each eligible to receive from the state,
12 pursuant to the provisions of this ~~part~~ ARTICLE, during the next ensuing
13 fiscal year of the state, INCLUDING ANY AMOUNT OF SUPPLEMENTAL
14 FUNDING THAT A DISTRICT CHARTER SCHOOL MAY BE ELIGIBLE TO RECEIVE
15 AS PROVIDED IN SECTIONS 22-30.5-112 (2) (f) AND 22-30.5-112.1 (3.7) OR
16 AN INSTITUTE CHARTER SCHOOL MAY BE ELIGIBLE TO RECEIVE AS
17 PROVIDED IN SECTION 22-54-112.5 (5).

18 (2.1) (a) THE GENERAL ASSEMBLY SHALL MAKE ANNUAL
19 APPROPRIATIONS, IN ADDITION TO THE AMOUNT REQUIRED IN SECTION
20 22-54-106 (4), TO FUND THE SUPPLEMENTAL FUNDING FOR DISTRICT
21 CHARTER SCHOOLS CALCULATED AS PROVIDED IN SECTIONS 22-30.5-112
22 (2) (f) AND 22-30.5-112.1 (3.7) AND FOR INSTITUTE CHARTER SCHOOLS
23 CALCULATED AS PROVIDED IN SECTION 22-54-112.5 (5). IF THE
24 APPROPRIATION, AS ESTABLISHED IN THE GENERAL APPROPRIATION ACT,
25 FOR THE SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER SCHOOLS AND
26 INSTITUTE CHARTER SCHOOLS FOR A BUDGET YEAR IS NOT SUFFICIENT TO
27 FULLY FUND THE SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER

1 SCHOOLS AND INSTITUTE CHARTER SCHOOLS, THE DEPARTMENT SHALL
2 SUBMIT A REQUEST FOR A SUPPLEMENTAL APPROPRIATION IN AN AMOUNT
3 THAT WILL FULLY FUND THE SUPPLEMENTAL FUNDING FOR DISTRICT
4 CHARTER SCHOOLS AND INSTITUTE CHARTER SCHOOLS. THE DEPARTMENT
5 SHALL SUBMIT THE REQUEST TO THE GENERAL ASSEMBLY DURING THE
6 FISCAL YEAR IN WHICH THE FUNDING DEFICIT OCCURS.

7 (b) IF THE GENERAL ASSEMBLY DOES NOT MAKE A SUPPLEMENTAL
8 APPROPRIATION TO FULLY FUND THE SUPPLEMENTAL FUNDING FOR
9 DISTRICT CHARTER SCHOOLS AND INSTITUTE CHARTER SCHOOLS, OR THE
10 GENERAL ASSEMBLY ENACTS A SUPPLEMENTAL APPROPRIATION TO
11 REDUCE THE SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER SCHOOLS
12 AND INSTITUTE CHARTER SCHOOLS, THE DEPARTMENT SHALL REDUCE THE
13 AMOUNT OF SUPPLEMENTAL FUNDING FOR EACH QUALIFYING DISTRICT
14 CHARTER SCHOOL AND EACH QUALIFYING INSTITUTE CHARTER SCHOOL BY
15 THE PERCENTAGE OF THE DEFICIT IN THE AMOUNT REQUIRED TO FULLY
16 FUND THE SUPPLEMENTAL FUNDING FOR EACH QUALIFYING DISTRICT
17 CHARTER SCHOOL AND QUALIFYING INSTITUTE CHARTER SCHOOL. THE
18 DEPARTMENT SHALL ENSURE THAT IT ACCOMPLISHES THE REDUCTION IN
19 SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER SCHOOLS AND INSTITUTE
20 CHARTER SCHOOLS BEFORE THE END OF THE BUDGET YEAR.

21 **SECTION 3.** In Colorado Revised Statutes, 22-54-115, **amend**
22 (1) (b) and (1.3) (b); and **add** (1) (d) and (1) (e) as follows:

23 **22-54-115. Distribution from state public school fund.** (1) No
24 later than June 30 of each year, the state board shall determine the amount
25 of the state's share of the district's total program for the budget year
26 beginning on July 1, and the total thereof for all districts, which amount
27 shall be payable in twelve approximately equal monthly payments during

1 such budget year; except that:

2 (b) Such payments shall be adjusted in accordance with any
3 district's instructions given pursuant to subsection (1.5) of this section;
4 ~~and~~

5 (d) SUCH PAYMENTS SHALL BE ADJUSTED IF REQUIRED PURSUANT
6 TO SECTION 22-54-112.5 (4); AND

7 (e) SUCH PAYMENTS SHALL BE ADJUSTED IN ACCORDANCE WITH A
8 DISTRICT'S INSTRUCTIONS TO INCLUDE SUPPLEMENTAL FUNDING FOR A
9 DISTRICT CHARTER SCHOOL AS PROVIDED IN SECTIONS 22-30.5-112 (2) (f)
10 AND 22-30.5-112.1 (3.7).

11 (1.3) (b) The amount withheld shall be payable to the state charter
12 school institute, in twelve approximately equal monthly payments during
13 the budget year for payment to the institute charter school pursuant to
14 section 22-30.5-513 (4). IN ADDITION TO THE AMOUNT WITHHELD, THE
15 DEPARTMENT SHALL PAY TO THE STATE CHARTER SCHOOL INSTITUTE FOR
16 PAYMENT TO AN INSTITUTE CHARTER SCHOOL ANY SUPPLEMENTAL
17 FUNDING FOR THE INSTITUTE CHARTER SCHOOL REQUIRED AS A RESULT OF
18 A RECALCULATION PURSUANT TO SECTION 22-54-112.5 (5).

19 **SECTION 4.** In Colorado Revised Statutes, 22-30.5-112, **amend**
20 (2) (a) (III) (A), (2) (a.3), (2) (a.5), (2) (c) (II), and (2) (c) (III); and **add**
21 (1) (a.5), (2) (a) (I.3), (2) (a) (I.5), (2) (a.1), (2) (c) (II.5), and (2) (f) as
22 follows:

23 **22-30.5-112. Charter schools - financing - definitions -**
24 **guidelines.** (1) (a.5) (I) BEGINNING IN THE 2015-16 BUDGET YEAR AND
25 FOR BUDGET YEARS THEREAFTER, FOR PURPOSES OF IMPLEMENTING
26 SECTION 22-54-112.5, EACH AUTHORIZING SCHOOL DISTRICT SHALL
27 INCLUDE THE PUPILS ENROLLED IN A CHARTER SCHOOL IN THE SCHOOL

1 DISTRICT'S DAILY MEMBERSHIP FOR PURPOSES OF CALCULATING AVERAGE
2 DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
3 AND AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, AS APPLICABLE, FOR
4 EACH BUDGET YEAR. THE AUTHORIZING SCHOOL DISTRICT SHALL ALSO
5 INCLUDE THE PUPILS ENROLLED IN THE CHARTER SCHOOL IN THE
6 DISTRICT'S DAILY MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT
7 PROGRAM ENROLLMENT, AS APPLICABLE, FOR PURPOSES OF CALCULATING
8 THE DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP AND ASCENT
9 PROGRAM AVERAGE DAILY MEMBERSHIP FOR EACH BUDGET YEAR. IN
10 REPORTING MEMBERSHIP AND MULTI-DISTRICT ON-LINE SCHOOL AND
11 ASCENT PROGRAM ENROLLMENT TO THE DEPARTMENT PURSUANT TO
12 SECTION 22-54-112.5, THE AUTHORIZING SCHOOL DISTRICT SHALL SPECIFY
13 THE NUMBER OF PUPILS INCLUDED IN THE SCHOOL DISTRICT'S MEMBERSHIP
14 AND MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM
15 ENROLLMENT WHO ARE ACTUALLY INCLUDED IN THE MEMBERSHIP AND
16 MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT
17 OF EACH CHARTER SCHOOL.

18 (II) BEGINNING IN THE 2015-16 BUDGET YEAR AND FOR BUDGET
19 YEARS THEREAFTER, THE SCHOOL DISTRICT SHALL REPORT TO THE
20 DEPARTMENT THE PROJECTED MEMBERSHIP, INCLUDING SPECIFYING THE
21 PROJECTED NUMBER OF PRESCHOOL PUPILS AND AT-RISK PUPILS FOR THE
22 FIRST SCHOOL DAY OF THE FIRST SCHOOL YEAR IN WHICH A NEW CHARTER
23 SCHOOL OF THE DISTRICT ENROLLS PUPILS. IF THE NEW CHARTER SCHOOL
24 IS A MULTI-DISTRICT ON-LINE SCHOOL, THE DISTRICT SHALL REPORT TO
25 THE DEPARTMENT THE PROJECTED ON-LINE PUPIL ENROLLMENT,
26 INCLUDING SPECIFYING THE PROJECTED NUMBER OF AT-RISK PUPILS, FOR
27 THE FIRST SCHOOL DAY OF THE FIRST SCHOOL YEAR IN WHICH THE NEW

1 CHARTER SCHOOL OF THE DISTRICT ENROLLS PUPILS.

2 (2) (a) (I.3) EACH AUTHORIZING SCHOOL DISTRICT SHALL PAY TO
3 EACH CHARTER SCHOOL OF THE SCHOOL DISTRICT THE AMOUNTS THAT ARE
4 DUE TO EACH CHARTER SCHOOL AS PROVIDED IN THIS SECTION. THE
5 SCHOOL DISTRICT SHALL PAY THE AMOUNTS IN TWELVE MONTHLY
6 INSTALLMENTS AS SOON AS PRACTICABLE AFTER THE SCHOOL DISTRICT
7 RECEIVES DISTRIBUTIONS OF MONEYS FROM THE DEPARTMENT PURSUANT
8 TO SECTION 22-54-115.

9 (I.5) IF AN AUTHORIZING SCHOOL DISTRICT'S TOTAL PROGRAM
10 FUNDING IS ADJUSTED MID-YEAR PURSUANT TO SECTION 22-54-112.5 (4),
11 THE SCHOOL DISTRICT SHALL ADJUST THE DISTRIBUTION TO THE CHARTER
12 SCHOOLS OF THE SCHOOL DISTRICT ACCORDINGLY.

13 (III) (A) For budget year 2000-01 and budget years thereafter
14 THROUGH BUDGET YEAR 2016-17, except as otherwise provided in
15 SUBPARAGRAPH (I) OF paragraph (a.3) of this subsection (2), each charter
16 school and the chartering school district shall negotiate funding under the
17 contract. The charter school shall receive one hundred percent of the
18 district per pupil revenues for each pupil enrolled in the charter school
19 who is not an on-line pupil and one hundred percent of the district per
20 pupil on-line funding for each on-line pupil enrolled in the charter school;
21 except that the chartering school district may choose to retain the actual
22 amount of the charter school's per pupil share of the central administrative
23 overhead costs for services actually provided to the charter school, up to
24 five percent of the district per pupil revenues for each pupil who is not an
25 on-line pupil enrolled in the charter school and up to five percent of the
26 district per pupil on-line funding for each on-line pupil enrolled in the
27 charter school.

1 (a.1) (I) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
2 THEREAFTER, EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF
3 PARAGRAPH (a.3) OF THIS SUBSECTION (2), EACH CHARTER SCHOOL AND
4 THE CHARTERING SCHOOL DISTRICT SHALL NEGOTIATE FUNDING UNDER
5 THE CONTRACT. A CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT
6 ON-LINE SCHOOL SHALL RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED
7 PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR THE APPLICABLE
8 BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S AVERAGE DAILY
9 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD. A
10 CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE SCHOOL SHALL
11 RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT
12 PER PUPIL ON-LINE FUNDING MULTIPLIED BY THE CHARTER SCHOOL'S
13 ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING
14 AVERAGING PERIOD.

15 (II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF
16 THIS PARAGRAPH (a.1) TO THE CONTRARY, A CHARTERING SCHOOL
17 DISTRICT MAY CHOOSE TO RETAIN THE ACTUAL AMOUNT OF A CHARTER
18 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
19 COSTS FOR SERVICES ACTUALLY PROVIDED TO THE CHARTER SCHOOL, UP
20 TO FIVE PERCENT OF THE TOTAL AMOUNT OF DISTRICT PER PUPIL REVENUES
21 PAYABLE TO A CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE
22 SCHOOL OR UP TO FIVE PERCENT OF THE TOTAL AMOUNT OF DISTRICT PER
23 PUPIL ON-LINE FUNDING PAYABLE TO A CHARTER SCHOOL THAT IS A
24 MULTI-DISTRICT ON-LINE SCHOOL.

25 (a.3) (I) FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2017,
26 if the authorizing school district enrolls five hundred or fewer students,
27 the charter school shall receive funding in the amount of the greater of

1 one hundred percent of the district per pupil on-line funding for each
2 on-line pupil enrolled in the charter school plus one hundred percent of
3 the district per pupil revenues for each pupil who is not an on-line pupil
4 enrolled in the charter school, minus the actual amount of the charter
5 school's per pupil share of the central administrative overhead costs
6 incurred by the school district, based on audited figures, or eighty-five
7 percent of the district per pupil revenues for each pupil enrolled in the
8 charter school who is not an on-line pupil plus eighty-five percent of the
9 district per pupil on-line funding for each on-line pupil enrolled in the
10 charter school.

11 (II) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
12 THEREAFTER, IF AN AUTHORIZING SCHOOL DISTRICT HAS AN AVERAGE
13 DAILY MEMBERSHIP OF FIVE HUNDRED OR FEWER STUDENTS FOR THE MOST
14 RECENT FUNDING AVERAGING PERIOD:

15 (A) A CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE
16 SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE GREATER OF:
17 ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR THE
18 APPLICABLE BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S
19 AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING
20 PERIOD MINUS THE ACTUAL AMOUNT OF THE CHARTER SCHOOL'S PER PUPIL
21 SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS INCURRED BY
22 THE SCHOOL DISTRICT, BASED ON AUDITED FIGURES; OR EIGHTY-FIVE
23 PERCENT OF DISTRICT PER PUPIL REVENUES FOR THE APPLICABLE BUDGET
24 YEAR MULTIPLIED BY THE CHARTER SCHOOL'S AVERAGE DAILY
25 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD; AND

26 (B) A CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE
27 SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE GREATER OF:

1 ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR
2 THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S
3 ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING
4 AVERAGING PERIOD MINUS THE ACTUAL AMOUNT OF THE CHARTER
5 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
6 COSTS INCURRED BY THE SCHOOL DISTRICT, BASED ON AUDITED FIGURES;
7 OR EIGHTY-FIVE PERCENT OF DISTRICT PER PUPIL ON-LINE FUNDING FOR
8 THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S
9 ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING
10 AVERAGING PERIOD.

11 (a.5) As used in this subsection (2):

12 (I) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS
13 PROVIDED IN SECTION 22-54-112.5 (1) (e).

14 (II) "AVERAGING PERIOD" HAS THE SAME MEANING AS PROVIDED
15 IN SECTION 22-54-112.5 (1) (f).

16 ~~(H)~~ (III) "Central administrative overhead costs" means indirect
17 costs incurred in providing:

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

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

25 ~~(H) "District per pupil revenues" means the district's total program~~
26 ~~as defined in section 22-54-103 (6) for any budget year divided by the~~
27 ~~district's funded pupil count as defined in section 22-54-103 (7) for said~~

1 budget year;

2 (H.5) "~~District per pupil on-line funding~~" means a school district's
3 ~~on-line funding, as specified in section 22-54-104 (4.5), divided by the~~
4 ~~district's on-line pupil enrollment for any budget year;~~

5 (HH) ~~(Deleted by amendment, L. 2010, (HB 10-1013), ch. 399, p.~~
6 ~~1913, § 38, effective June 10, 2010.)~~

7 (IV) "DISTRICT PER PUPIL ON-LINE FUNDING" MEANS A SCHOOL
8 DISTRICT'S ON-LINE FUNDING, AS SPECIFIED IN SECTION 22-54-104 (4.5),
9 DIVIDED BY THE DISTRICT'S ON-LINE PUPIL ENROLLMENT FOR ANY BUDGET
10 YEAR; EXCEPT THAT, FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
11 THEREAFTER, "DISTRICT PER PUPIL ON-LINE FUNDING" MEANS A SCHOOL
12 DISTRICT'S ON-LINE FUNDING FOR ANY BUDGET YEAR DIVIDED BY THE
13 DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THAT BUDGET
14 YEAR.

15 (V) "DISTRICT PER PUPIL REVENUES" MEANS THE DISTRICT'S TOTAL
16 PROGRAM AS DEFINED IN SECTION 22-54-103 (6) FOR ANY BUDGET YEAR
17 DIVIDED BY THE DISTRICT'S FUNDED PUPIL COUNT AS DEFINED IN SECTION
18 22-54-103 (7) FOR SAID BUDGET YEAR; EXCEPT THAT, FOR THE 2017-18
19 BUDGET YEAR AND BUDGET YEARS THEREAFTER, "DISTRICT PER PUPIL
20 REVENUES" MEANS THE DISTRICT'S TOTAL PROGRAM FOR ANY BUDGET
21 YEAR DIVIDED BY THE DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN
22 SECTION 22-54-112.5 (1) (H), FOR THAT BUDGET YEAR.

23 (VI) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS
24 PROVIDED IN SECTION 22-54-112.5 (1) (i).

25 (VII) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN
26 SECTION 22-54-112.5 (1) (j).

27 (VIII) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME

1 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (l).

2 (IX) "STATEWIDE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
3 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (r).

4 (X) "STATEWIDE AVERAGE ENROLLMENT GROWTH" HAS THE SAME
5 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (s).

6 (c) (II) For budget year 2000-01 and budget years thereafter
7 THROUGH THE 2016-17 BUDGET YEAR, the amount of funding received by
8 a charter school pursuant to this subsection (2) shall not be less than one
9 hundred percent of the chartering school district's district per pupil
10 revenues, minus up to five percent as provided in subparagraph (III) of
11 paragraph (a) of this subsection (2), multiplied by the number of pupils
12 enrolled in the charter school or as otherwise provided in paragraph (a.3)
13 of this subsection (2) for any charter school chartered by a school district
14 that enrolls five hundred or fewer students.

15 (II.5) FOR BUDGET YEAR 2017-18 AND BUDGET YEARS
16 THEREAFTER, THE AMOUNT OF FUNDING RECEIVED BY A CHARTER SCHOOL
17 PURSUANT TO THIS SUBSECTION (2) SHALL NOT BE LESS THAN ONE
18 HUNDRED PERCENT OF THE CHARTERING SCHOOL DISTRICT'S DISTRICT PER
19 PUPIL REVENUES, MINUS UP TO FIVE PERCENT AS PROVIDED IN
20 SUBPARAGRAPH (II) OF PARAGRAPH (a.1) OF THIS SUBSECTION (2),
21 MULTIPLIED BY THE CHARTER SCHOOL AVERAGE DAILY ENROLLMENT OR
22 AS OTHERWISE PROVIDED IN PARAGRAPH (a.3) OF THIS SUBSECTION (2) FOR
23 A CHARTER SCHOOL CHARTERED BY A SCHOOL DISTRICT THAT ENROLLS
24 FIVE HUNDRED OR FEWER STUDENTS.

25 (III) (A) FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2017,
26 if a charter school operates a full-day kindergarten program, for purposes
27 of calculating the charter school's funding pursuant to this subsection (2),

1 the number of pupils enrolled in the charter school shall include the
2 supplemental kindergarten enrollment as defined in section 22-54-103
3 (15).

4 (B) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
5 THEREAFTER, IF A CHARTER SCHOOL OPERATES A FULL-DAY
6 KINDERGARTEN PROGRAM, FOR PURPOSES OF CALCULATING THE CHARTER
7 SCHOOL'S FUNDING PURSUANT TO THIS SUBSECTION (2), THE NUMBER OF
8 PUPILS ENROLLED IN THE CHARTER SCHOOL INCLUDES THE SUPPLEMENTAL
9 KINDERGARTEN AVERAGE DAILY MEMBERSHIP AS DEFINED IN SECTION
10 22-54-112.5 (1) (t).

11 (f) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
12 CONTRARY:

13 (I) (A) IN THE FIRST YEAR THAT A CHARTER SCHOOL ENROLLS
14 PUPILS, THE SCHOOL DISTRICT SHALL CALCULATE THE CHARTER SCHOOL'S
15 FUNDING BASED ON THE CHARTER SCHOOL'S PROJECTED MEMBERSHIP ON
16 THE FIRST DAY OF THE SCHOOL YEAR. IF THE NEW CHARTER SCHOOL IS A
17 MULTI-DISTRICT ON-LINE SCHOOL, THE SCHOOL DISTRICT SHALL
18 CALCULATE THE CHARTER SCHOOL'S FUNDING BASED ON THE NUMBER OF
19 ON-LINE PUPILS EXPECTED TO BE ENROLLED ON THE FIRST DAY OF THE
20 SCHOOL YEAR.

21 (B) THE SCHOOL DISTRICT SHALL CALCULATE THE CHARTER
22 SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
23 MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST QUARTER OF THE
24 CHARTER SCHOOL'S FIRST SCHOOL YEAR. IF THE CALCULATED AVERAGE
25 DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP IS
26 DIFFERENT FROM THE PROJECTED MEMBERSHIP, THE SCHOOL DISTRICT
27 SHALL RECALCULATE THE CHARTER SCHOOL'S FUNDING USING THE

1 AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP,
2 WHICHEVER IS APPLICABLE, OF THE FIRST QUARTER OF THE THEN-CURRENT
3 SCHOOL YEAR AND ADJUST THE CHARTER SCHOOL'S FUNDING
4 ACCORDINGLY FOR THE REMAINDER OF THE FIRST SCHOOL YEAR.

5 (II) IN THE SECOND YEAR THAT A CHARTER SCHOOL ENROLLS
6 PUPILS AND IN ANY YEAR IN WHICH A CHARTER SCHOOL INCREASES ITS
7 PROGRAM AVAILABILITY BY AT LEAST ONE ADDITIONAL GRADE LEVEL, IF
8 THE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE
9 AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST
10 QUARTER OF THE THEN-CURRENT BUDGET YEAR EXCEEDS THE CHARTER
11 SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
12 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD, THE
13 SCHOOL DISTRICT SHALL RECALCULATE THE CHARTER SCHOOL'S FUNDING
14 FOR THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
15 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
16 APPLICABLE, FOR THE FIRST QUARTER OF THE THEN-CURRENT BUDGET
17 YEAR AND ADJUST THE CHARTER SCHOOL'S FUNDING ACCORDINGLY FOR
18 THE REMAINDER OF THE FIRST SCHOOL YEAR.

19 (III) IF A CHARTER SCHOOL'S FUNDING INCREASES BECAUSE OF THE
20 RECALCULATIONS DESCRIBED IN THIS PARAGRAPH (f), THE SCHOOL
21 DISTRICT SHALL REPORT TO THE DEPARTMENT THE SUPPLEMENTAL
22 FUNDING DUE TO THE CHARTER SCHOOL BASED ON THE RECALCULATIONS.
23 THE DEPARTMENT SHALL PAY THE SUPPLEMENTAL FUNDING TO THE
24 SCHOOL DISTRICT IN MONTHLY INSTALLMENTS FOR THE REMAINDER OF
25 THE BUDGET YEAR, AND THE SCHOOL DISTRICT SHALL INCREASE THE
26 MONTHLY PAYMENTS DUE TO THE CHARTER SCHOOL BY THE FULL AMOUNT
27 RECEIVED FROM THE DEPARTMENT FOR THE REMAINDER OF THE BUDGET

1 YEAR. NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (f) TO THE
2 CONTRARY, THE AMOUNT OF SUPPLEMENTAL FUNDING THAT A CHARTER
3 SCHOOL RECEIVES PURSUANT TO THIS PARAGRAPH (f) MAY BE REDUCED AS
4 PROVIDED IN SECTION 22-54-114 (2.1) (b).

5 **SECTION 5.** In Colorado Revised Statutes, 22-30.5-112.1,
6 **amend** (1) (c), (1) (i), (1) (j), (1) (k) (II), (1) (m), (3), and (6); and **add** (1)
7 (d.3), (1) (d.5), (1) (f.5), (1) (j.3), (1) (j.5), (1) (j.7), (1) (j.9), (1) (n), (1)
8 (o), (3.5), and (3.7) as follows:

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 (c) (I) "At-risk per pupil funding", FOR BUDGET YEARS
13 COMMENCING BEFORE JULY 1, 2017, means the amount of funding
14 determined in accordance with the following formula:

15 (The qualifying school district's at-risk funding divided by
16 the qualifying school district's funded pupil count) x (the
17 district charter school's percentage of at-risk pupils divided
18 by the qualifying school district's percentage of at-risk
19 pupils)

20 (II) "AT-RISK PER PUPIL FUNDING", FOR THE 2017-18 BUDGET YEAR
21 AND BUDGET YEARS THEREAFTER, MEANS THE AMOUNT OF FUNDING
22 DETERMINED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

23 (THE QUALIFYING SCHOOL DISTRICT'S AT-RISK FUNDING
24 DIVIDED BY THE QUALIFYING SCHOOL DISTRICT'S FUNDED
25 MEMBERSHIP) X (THE DISTRICT CHARTER SCHOOL'S
26 PERCENTAGE OF AT-RISK PUPILS DIVIDED BY THE
27 QUALIFYING SCHOOL DISTRICT'S PERCENTAGE OF AT-RISK

1 PUPILS)

2 (d.3) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS
3 PROVIDED IN SECTION 22-54-112.5 (1) (e).

4 (d.5) "AVERAGING PERIOD" HAS THE SAME MEANING AS PROVIDED
5 IN SECTION 22-54-112.5 (1) (f).

6 (f.5) "DISTRICT FUNDED MEMBERSHIP" MEANS A QUALIFYING
7 SCHOOL DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN SECTION
8 22-54-112.5 (1) (h).

9 (i) "District per pupil on-line funding" means a school district's
10 on-line funding, as specified in section 22-54-104 (4.5), divided by the
11 district's on-line pupil enrollment for any budget year; EXCEPT THAT, FOR
12 THE 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER, "DISTRICT
13 PER PUPIL ON-LINE FUNDING" MEANS A SCHOOL DISTRICT'S ON-LINE
14 FUNDING FOR ANY BUDGET YEAR DIVIDED BY THE DISTRICT'S ON-LINE
15 AVERAGE DAILY MEMBERSHIP FOR THAT BUDGET YEAR.

16 (j) "District per pupil revenues" means the qualifying school
17 district's total program, as defined in section 22-54-103 (6), for any
18 budget year divided by the qualifying school district's funded pupil count
19 for said budget year; EXCEPT THAT, FOR THE 2017-18 BUDGET YEAR AND
20 BUDGET YEARS THEREAFTER, "DISTRICT PER PUPIL REVENUES" MEANS THE
21 QUALIFYING DISTRICT'S TOTAL PROGRAM FOR ANY BUDGET YEAR DIVIDED
22 BY THE QUALIFYING DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN
23 SECTION 22-54-112.5 (1) (h), FOR THAT BUDGET YEAR.

24 (j.3) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS
25 PROVIDED IN SECTION 22-54-112.5 (1) (i).

26 (j.5) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN
27 SECTION 22-54-112.5 (1) (j).

1 (j.7) "MULTI-DISTRICT ON-LINE SCHOOL" HAS THE SAME MEANING
2 AS PROVIDED IN SECTION 22-30.7-102 (6).

3 (j.9) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
4 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (l).

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

6 (II) For the 2008-09 budget year, and for budget years thereafter
7 THROUGH THE 2016-17 BUDGET YEAR, the number of pupils, on the pupil
8 enrollment count day within the applicable budget year, enrolled in,
9 attending, and actively participating in a multi-district on-line school, as
10 defined in section 22-30.7-102 (6), created pursuant to article 30.7 of this
11 title, by the district charter school.

12 (m) "Qualifying school district" means a school district:

13 (I) That has retained exclusive authority to authorize charter
14 schools pursuant to the provisions of section 22-30.5-504; and

15 (II) In which more than forty percent of the pupil enrollment OR
16 MEMBERSHIP consists of at-risk pupils.

17 (n) "STATEWIDE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
18 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (r).

19 (o) "STATEWIDE AVERAGE ENROLLMENT GROWTH" HAS THE SAME
20 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (s).

21 (3) (a) For budget year 2004-05 and budget years thereafter
22 THROUGH THE 2016-17 BUDGET YEAR, each district charter school and the
23 qualifying school district that approved the charter shall negotiate funding
24 under the charter contract. The district charter school shall receive one
25 hundred percent of the adjusted district per pupil revenues for each pupil
26 enrolled in the district charter school who is not an on-line pupil and one
27 hundred percent of the district per pupil on-line funding for each on-line

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

9 (b) Notwithstanding any provision of this subsection (3) to the
10 contrary, FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2017, if a
11 qualifying school district enrolls five hundred or fewer students, the
12 district charter school shall receive funding in the amount of the greater
13 of one hundred percent of the district per pupil on-line funding for each
14 on-line pupil enrolled in the district charter school plus one hundred
15 percent of the district per pupil revenues for each pupil who is not an
16 on-line pupil enrolled in the district charter school, minus the actual
17 amount of the district charter school's per pupil share of the central
18 administrative overhead costs incurred by the qualifying school district,
19 based on audited figures, or eighty-five percent of the district per pupil
20 revenues for each pupil enrolled in the district charter school who is not
21 an on-line pupil plus eighty-five percent of the district per pupil on-line
22 funding for each on-line pupil enrolled in the district charter school.

23 (c) If a charter school operates a full-day kindergarten program,
24 for purposes of calculating the charter school's funding pursuant to this
25 subsection (3), the number of pupils enrolled in the charter school shall
26 include the supplemental kindergarten enrollment as defined in section
27 22-54-103 (15).

1 (3.5) (a) (I) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
2 THEREAFTER, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS
3 SUBSECTION (3.5), EACH DISTRICT CHARTER SCHOOL AND THE QUALIFYING
4 SCHOOL DISTRICT THAT APPROVED THE CHARTER SHALL NEGOTIATE
5 FUNDING UNDER THE CONTRACT. A DISTRICT CHARTER SCHOOL THAT IS
6 NOT A MULTI-DISTRICT ON-LINE SCHOOL SHALL RECEIVE AN AMOUNT
7 EQUAL TO ONE HUNDRED PERCENT OF THE ADJUSTED DISTRICT PER PUPIL
8 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
9 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
10 APPLICABLE FUNDING AVERAGING PERIOD. A DISTRICT CHARTER SCHOOL
11 THAT IS A MULTI-DISTRICT ON-LINE SCHOOL SHALL RECEIVE AN AMOUNT
12 EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE
13 FUNDING MULTIPLIED BY THE DISTRICT CHARTER SCHOOL'S ON-LINE
14 AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING
15 PERIOD.

16 (II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF
17 THIS PARAGRAPH (a) TO THE CONTRARY, A QUALIFYING SCHOOL DISTRICT
18 MAY CHOOSE TO RETAIN THE ACTUAL AMOUNT OF A DISTRICT CHARTER
19 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
20 COSTS FOR SERVICES ACTUALLY PROVIDED TO THE DISTRICT CHARTER
21 SCHOOL, UP TO FIVE PERCENT OF THE TOTAL AMOUNT OF ADJUSTED
22 DISTRICT PER PUPIL REVENUES PAYABLE TO A DISTRICT CHARTER SCHOOL
23 THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL OR UP TO FIVE PERCENT
24 OF THE TOTAL AMOUNT OF DISTRICT PER PUPIL ON-LINE FUNDING PAYABLE
25 TO A DISTRICT CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE
26 SCHOOL.

27 (b) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS

1 THEREAFTER, IF A QUALIFYING SCHOOL DISTRICT HAS AN AVERAGE DAILY
2 MEMBERSHIP OF FIVE HUNDRED OR FEWER STUDENTS FOR THE MOST
3 RECENT FUNDING AVERAGING PERIOD:

4 (I) A DISTRICT CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT
5 ON-LINE SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE
6 GREATER OF:

7 (A) ONE HUNDRED PERCENT OF THE ADJUSTED DISTRICT PER PUPIL
8 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
9 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
10 APPLICABLE FUNDING AVERAGING PERIOD MINUS THE ACTUAL AMOUNT OF
11 THE DISTRICT CHARTER SCHOOL'S PER PUPIL SHARE OF THE CENTRAL
12 ADMINISTRATIVE OVERHEAD COSTS INCURRED BY THE QUALIFYING
13 SCHOOL DISTRICT, BASED ON AUDITED FIGURES; OR

14 (B) EIGHTY-FIVE PERCENT OF ADJUSTED DISTRICT PER PUPIL
15 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
16 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
17 APPLICABLE FUNDING AVERAGING PERIOD; AND

18 (II) A DISTRICT CHARTER SCHOOL THAT IS A MULTI-DISTRICT
19 ON-LINE SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE
20 GREATER OF:

21 (A) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE
22 FUNDING FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT
23 CHARTER SCHOOL'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
24 APPLICABLE FUNDING AVERAGING PERIOD MINUS THE ACTUAL AMOUNT OF
25 THE DISTRICT CHARTER SCHOOL'S PER PUPIL SHARE OF THE CENTRAL
26 ADMINISTRATIVE OVERHEAD COSTS INCURRED BY THE QUALIFYING
27 SCHOOL DISTRICT, BASED ON AUDITED FIGURES; OR

1 (B) EIGHTY-FIVE PERCENT OF DISTRICT PER PUPIL ON-LINE
2 FUNDING FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT
3 CHARTER SCHOOL'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
4 APPLICABLE FUNDING AVERAGING PERIOD.

5 (c) IF A DISTRICT CHARTER SCHOOL OPERATES A FULL-DAY
6 KINDERGARTEN PROGRAM, FOR PURPOSES OF CALCULATING THE DISTRICT
7 CHARTER SCHOOL'S FUNDING PURSUANT TO THIS SUBSECTION (3.5), THE
8 NUMBER OF PUPILS ENROLLED IN THE DISTRICT CHARTER SCHOOL SHALL
9 INCLUDE THE SUPPLEMENTAL KINDERGARTEN AVERAGE DAILY
10 MEMBERSHIP AS DEFINED IN SECTION 22-54-112.5 (1) (t).

11 (3.7) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
12 CONTRARY:

13 (a) (I) IN THE FIRST YEAR THAT A DISTRICT CHARTER SCHOOL
14 ENROLLS PUPILS, THE QUALIFYING SCHOOL DISTRICT SHALL CALCULATE
15 THE DISTRICT CHARTER SCHOOL'S FUNDING BASED ON THE CHARTER
16 SCHOOL'S PROJECTED MEMBERSHIP ON THE FIRST DAY OF THE SCHOOL
17 YEAR. IF THE NEW DISTRICT CHARTER SCHOOL IS A MULTI-DISTRICT
18 ON-LINE SCHOOL, THE QUALIFYING SCHOOL DISTRICT SHALL CALCULATE
19 THE DISTRICT CHARTER SCHOOL'S FUNDING BASED ON THE NUMBER OF
20 ON-LINE PUPILS EXPECTED TO BE ENROLLED ON THE FIRST DAY OF THE
21 SCHOOL YEAR.

22 (II) THE QUALIFYING SCHOOL DISTRICT SHALL CALCULATE THE
23 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE
24 AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST
25 QUARTER OF THE DISTRICT CHARTER SCHOOL'S FIRST SCHOOL YEAR. IF THE
26 CALCULATED AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
27 MEMBERSHIP IS DIFFERENT FROM THE PROJECTED MEMBERSHIP, THE

1 QUALIFYING SCHOOL DISTRICT SHALL RECALCULATE THE DISTRICT
2 CHARTER SCHOOL'S FUNDING USING THE AVERAGE DAILY MEMBERSHIP OR
3 ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, OF THE
4 FIRST QUARTER OF THE THEN-CURRENT SCHOOL YEAR AND ADJUST THE
5 DISTRICT CHARTER SCHOOL'S FUNDING ACCORDINGLY FOR THE REMAINDER
6 OF THE FIRST SCHOOL YEAR.

7 (b) IN THE SECOND YEAR THAT A DISTRICT CHARTER SCHOOL
8 ENROLLS PUPILS AND IN ANY YEAR IN WHICH A DISTRICT CHARTER SCHOOL
9 INCREASES ITS PROGRAM AVAILABILITY BY AT LEAST ONE ADDITIONAL
10 GRADE LEVEL, IF THE DISTRICT CHARTER SCHOOL'S AVERAGE DAILY
11 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
12 APPLICABLE, FOR THE FIRST QUARTER OF THE THEN-CURRENT BUDGET
13 YEAR EXCEEDS THE DISTRICT CHARTER SCHOOL'S AVERAGE DAILY
14 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
15 APPLICABLE FUNDING AVERAGING PERIOD, THE QUALIFYING SCHOOL
16 DISTRICT SHALL RECALCULATE THE DISTRICT CHARTER SCHOOL'S FUNDING
17 FOR THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
18 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
19 APPLICABLE, FOR THE FIRST QUARTER OF THE THEN-CURRENT BUDGET
20 YEAR AND ADJUST THE DISTRICT CHARTER SCHOOL'S FUNDING
21 ACCORDINGLY FOR THE REMAINDER OF THE FIRST SCHOOL YEAR.

22 (c) IF A DISTRICT CHARTER SCHOOL'S FUNDING INCREASES
23 BECAUSE OF THE RECALCULATIONS DESCRIBED IN THIS SUBSECTION (3.7),
24 THE QUALIFYING SCHOOL DISTRICT SHALL REPORT TO THE DEPARTMENT
25 THE SUPPLEMENTAL FUNDING DUE TO THE DISTRICT CHARTER SCHOOL
26 BASED ON THE RECALCULATIONS. THE DEPARTMENT SHALL PAY THE
27 SUPPLEMENTAL FUNDING TO THE QUALIFYING SCHOOL DISTRICT IN

1 MONTHLY INSTALLMENTS FOR THE REMAINDER OF THE BUDGET YEAR, AND
2 THE QUALIFYING SCHOOL DISTRICT SHALL INCREASE THE MONTHLY
3 PAYMENTS DUE TO THE DISTRICT CHARTER SCHOOL BY THE FULL AMOUNT
4 RECEIVED FROM THE DEPARTMENT FOR THE REMAINDER OF THE BUDGET
5 YEAR. NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3.7) TO
6 THE CONTRARY, THE AMOUNT OF SUPPLEMENTAL FUNDING THAT A
7 DISTRICT CHARTER SCHOOL RECEIVES PURSUANT TO THIS SUBSECTION
8 (3.7) MAY BE REDUCED AS PROVIDED IN SECTION 22-54-114 (2.1) (b).

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

20 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-513, **amend**
21 (1), (2) (b), (2) (b.5), (3), (4) (a) (I), (4) (a) (I.5) introductory portion, and
22 (4) (a) (I.5) (A); and **add** (2) (b.3) as follows:

23 **22-30.5-513. Institute charter schools - definitions - funding -**
24 **at-risk supplemental aid - legislative declaration.** (1) As used in this
25 section, unless the context otherwise requires:

26 (a) "Accounting district" means the school district within whose
27 geographic boundaries an institute charter school is physically located.

1 (b) "Accounting district's adjusted per pupil revenues" means the
2 accounting district's per pupil funding plus the accounting district's at-risk
3 per pupil funding.

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

7 (d) (I) "Accounting district's at-risk per pupil funding" FOR
8 BUDGET YEARS COMMENCING BEFORE JULY 1, 2017, means the amount of
9 funding determined in accordance with the following formula:

10 (The accounting district's at-risk funding divided by the
11 accounting district's funded pupil count) x (the institute
12 charter school's percentage of at-risk pupils divided by the
13 accounting district's percentage of at-risk pupils).

14 (II) "ACCOUNTING DISTRICT'S AT-RISK PER PUPIL FUNDING", FOR
15 THE 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER, MEANS THE
16 AMOUNT OF FUNDING DETERMINED IN ACCORDANCE WITH THE FOLLOWING
17 FORMULA:

18 (THE ACCOUNTING DISTRICT'S AT-RISK FUNDING DIVIDED BY
19 THE ACCOUNTING DISTRICT'S FUNDED MEMBERSHIP) X (THE
20 INSTITUTE CHARTER SCHOOL'S PERCENTAGE OF AT-RISK
21 PUPILS DIVIDED BY THE ACCOUNTING DISTRICT'S
22 PERCENTAGE OF AT-RISK PUPILS)

23 (e) "ACCOUNTING DISTRICT'S FUNDED MEMBERSHIP" MEANS AN
24 ACCOUNTING SCHOOL DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN
25 SECTION 22-54-112.5 (1) (h).

26 (e) (f) "Accounting district's funded pupil count" shall have the
27 same meaning as the term "district funded pupil count" defined in section

1 22-54-103 (7).

2 (f) (g) "Accounting district's per pupil funding" means the per
3 pupil funding calculated for the accounting district pursuant to the
4 formula described in section 22-54-104 (3).

5 (g) (h) "Accounting district's per pupil on-line funding" means
6 on-line funding, as specified in section 22-54-104 (4.5), for any budget
7 year divided by the on-line pupil enrollment; EXCEPT THAT, FOR THE
8 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER, "ACCOUNTING
9 DISTRICT'S PER PUPIL ON-LINE FUNDING" MEANS AN ACCOUNTING
10 DISTRICT'S ON-LINE FUNDING FOR ANY BUDGET YEAR DIVIDED BY THE
11 ACCOUNTING DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THAT
12 BUDGET YEAR.

13 (h) (i) "Administrative overhead costs" means all actual and
14 reasonable costs incurred by the institute as a result of its performance of
15 its obligations pursuant to this part 5. "Administrative overhead costs"
16 shall not include any costs incurred in order to deliver services that an
17 institute charter school may purchase at its discretion.

18 (i) (j) "At-risk pupils" shall have the same meaning as provided
19 in section 22-54-103 (1.5).

20 (k) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS
21 PROVIDED IN SECTION 22-54-112.5 (1) (e).

22 (l) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS
23 PROVIDED IN SECTION 22-54-112.5 (1) (i).

24 (m) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN
25 SECTION 22-54-112.5 (1) (j).

26 (n) "MULTI-DISTRICT ON-LINE SCHOOL" HAS THE SAME MEANING
27 AS PROVIDED IN SECTION 22-30.7-102 (6).

1 (o) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
2 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (l).

3 ~~(j)~~ (p) "On-line pupil enrollment" means:

4 (I) Repealed.

5 (II) For the 2008-09 budget year, and for budget years thereafter
6 THROUGH THE 2016-17 BUDGET YEAR, the number of pupils, on the pupil
7 enrollment count day within the applicable budget year, enrolled in,
8 attending, and actively participating in a multi-district on-line school, as
9 defined in section 22-30.7-102 (6), created pursuant to article 30.7 of this
10 title by the institute charter school.

11 ~~(k)~~ (q) "Pupil enrollment" shall have the same meaning as
12 provided in section 22-54-103 (10).

13 ~~(h)~~ (r) "Qualified charter school" shall have the same meaning as
14 provided in section 22-54-124 (1) (f.6).

15 (2) (b) For budget year 2004-05 and budget years thereafter
16 THROUGH THE 2016-17 BUDGET YEAR, each institute charter school and
17 the institute shall negotiate funding under the charter contract at a
18 minimum of ninety-five percent of the institute charter school's
19 accounting district's adjusted per pupil revenues for each pupil enrolled
20 in the institute charter school who is not an on-line pupil and ninety-five
21 percent of the institute charter school's accounting district's per pupil
22 on-line funding for each on-line pupil enrolled in the institute charter
23 school. The institute may retain three percent of the accounting district's
24 adjusted per pupil revenues for each pupil, who is not an on-line pupil,
25 enrolled in the institute charter school and three percent of the accounting
26 district's per pupil on-line funding for each on-line pupil enrolled in the
27 institute charter school.

1 (b.3) (I) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
2 THEREAFTER, EACH INSTITUTE CHARTER SCHOOL AND THE INSTITUTE
3 SHALL NEGOTIATE FUNDING UNDER THE CONTRACT. AN INSTITUTE
4 CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL SHALL
5 RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE INSTITUTE
6 CHARTER SCHOOL'S ACCOUNTING DISTRICT'S ADJUSTED DISTRICT PER PUPIL
7 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
8 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
9 APPLICABLE FUNDING AVERAGING PERIOD. AN INSTITUTE CHARTER
10 SCHOOL THAT IS A MULTI-DISTRICT ON-LINE SCHOOL SHALL RECEIVE AN
11 AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE INSTITUTE CHARTER
12 SCHOOL'S ACCOUNTING DISTRICT'S PER PUPIL ON-LINE FUNDING
13 MULTIPLIED BY THE INSTITUTE CHARTER SCHOOL'S ON-LINE AVERAGE
14 DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD.

15 (II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF
16 THIS PARAGRAPH (b.3) TO THE CONTRARY, THE INSTITUTE MAY RETAIN
17 THREE PERCENT OF THE TOTAL AMOUNT OF THE ACCOUNTING DISTRICT'S
18 ADJUSTED PER PUPIL REVENUES PAYABLE TO AN INSTITUTE CHARTER
19 SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL OR THREE
20 PERCENT OF THE TOTAL AMOUNT OF THE ACCOUNTING DISTRICT'S PER
21 PUPIL ON-LINE FUNDING PAYABLE TO AN INSTITUTE CHARTER SCHOOL
22 THAT IS A MULTI-DISTRICT ON-LINE SCHOOL.

23 (b.5) If an institute charter school operates a full-day kindergarten
24 program, for purposes of calculating the institute charter school's funding
25 pursuant to this subsection (2), the number of pupils enrolled in the
26 institute's INSTITUTE charter school shall include:

27 (I) The supplemental kindergarten enrollment as defined in

1 section 22-54-103 (15) FOR BUDGET YEARS BEGINNING BEFORE JULY 1,
2 2017; AND

3 (II) THE SUPPLEMENTAL KINDERGARTEN AVERAGE DAILY
4 MEMBERSHIP AS DEFINED IN SECTION 22-54-112.5 (1) (t) FOR THE 2017-18
5 BUDGET YEAR AND BUDGET YEARS THEREAFTER.

6 (3) (a) On or before November 10 of each BUDGET year
7 COMMENCING BEFORE JULY 1, 2017, the institute shall certify to the state
8 board each institute charter school's pupil enrollment and on-line pupil
9 enrollment for that year. In certifying the pupil enrollment of each
10 institute charter school to the state board, the institute shall specify the
11 number of pupils enrolled in half-day kindergarten; the number of pupils
12 enrolled in full-day kindergarten; the number of pupils enrolled in first
13 grade through twelfth grade, specifying those who are enrolled as
14 full-time students and those who are enrolled as less than full-time
15 students; the number of expelled pupils receiving educational services
16 pursuant to section 22-33-203; the number of pupils receiving educational
17 programs under the "Exceptional Children's Educational Act", article 20
18 of this title; and the number of at-risk pupils. The institute shall also
19 notify the department as to whether each institute charter school is a
20 qualified charter school.

21 (a.5) FOR THE 2015-16 BUDGET YEAR AND BUDGET YEARS
22 THEREAFTER, THE INSTITUTE SHALL CERTIFY TO THE DEPARTMENT FOR
23 EACH QUARTER OF THE SCHOOL YEAR EACH INSTITUTE CHARTER SCHOOL'S
24 MEMBERSHIP FOR EACH SCHOOL DAY DURING THE QUARTER, INCLUDING
25 SPECIFYING THE NUMBER OF AT-RISK PUPILS. THE INSTITUTE SHALL ALSO
26 CERTIFY TO THE DEPARTMENT FOR EACH INSTITUTE CHARTER SCHOOL FOR
27 EACH QUARTER OF THE SCHOOL YEAR THE NUMBER OF THE INSTITUTE

1 CHARTER SCHOOL'S PUPILS WHO ARE ENROLLED EACH SCHOOL DAY
2 DURING THE QUARTER IN A MULTI-DISTRICT ON-LINE SCHOOL, INCLUDING
3 SPECIFYING THE NUMBER OF AT-RISK PUPILS.

4 (b) For purposes of the "Public School Finance Act of 1994",
5 article 54 of this title, FOR BUDGET YEARS COMMENCING BEFORE JULY 1,
6 2017, the department shall add the pupils enrolled in an institute charter
7 school to the funded pupil count and the on-line pupil enrollment of the
8 institute charter school's accounting district.

9 (b.5) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF
10 1994", ARTICLE 54 OF THIS TITLE, FOR THE 2017-18 BUDGET YEAR AND
11 BUDGET YEARS THEREAFTER, THE DEPARTMENT SHALL ADD THE
12 MEMBERSHIP OF EACH INSTITUTE CHARTER SCHOOL THAT IS NOT A
13 MULTI-DISTRICT ON-LINE SCHOOL TO THE FUNDED MEMBERSHIP OF THE
14 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT. FOR EACH
15 INSTITUTE CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE SCHOOL,
16 THE DEPARTMENT SHALL ADD THE INSTITUTE CHARTER SCHOOL'S ON-LINE
17 AVERAGE DAILY MEMBERSHIP TO THE ON-LINE AVERAGE DAILY
18 MEMBERSHIP OF THE INSTITUTE CHARTER SCHOOL'S ACCOUNTING
19 DISTRICT.

20 (4) (a) (I) (A) FOR BUDGET YEARS COMMENCING BEFORE JULY 1,
21 2017, for each institute charter school, the department shall withhold from
22 the state equalization payments of the institute charter school's accounting
23 district an amount equal to one hundred percent of the accounting
24 district's adjusted per pupil revenues multiplied by the number of pupils
25 enrolled in the institute charter school who are not on-line pupils plus an
26 amount equal to one hundred percent of the accounting district's per pupil
27 on-line funding multiplied by the number of on-line pupils enrolled in the

1 institute charter school.

2 (B) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
3 THEREAFTER, THE DEPARTMENT SHALL WITHHOLD FROM THE STATE
4 EQUALIZATION PAYMENTS OF THE INSTITUTE CHARTER SCHOOL'S
5 ACCOUNTING DISTRICT AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF
6 THE ACCOUNTING DISTRICT'S ADJUSTED PER PUPIL REVENUES MULTIPLIED
7 BY THE INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP, IF
8 THE INSTITUTE CHARTER SCHOOL IS NOT A MULTI-DISTRICT ON-LINE
9 SCHOOL, OR ONE HUNDRED PERCENT OF THE ACCOUNTING DISTRICT'S PER
10 PUPIL ON-LINE FUNDING MULTIPLIED BY THE INSTITUTE CHARTER SCHOOL'S
11 ON-LINE AVERAGE DAILY MEMBERSHIP, IF THE INSTITUTE CHARTER
12 SCHOOL IS A MULTI-DISTRICT ON-LINE SCHOOL.

13 (C) The department shall forward to the institute the amount
14 withheld minus an amount not to exceed one percent of the amount
15 withheld that the department may retain as reimbursement for the
16 reasonable and necessary costs to the department to implement the
17 provisions of this part 5.

18 (D) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
19 THEREAFTER, IF THE DEPARTMENT RECALCULATES THE FUNDING FOR AN
20 INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION 22-54-112.5 (5), THE
21 DEPARTMENT SHALL REDUCE THE AMOUNT WITHHELD PURSUANT TO THIS
22 SUBPARAGRAPH (I) OR FORWARD TO THE INSTITUTE SUPPLEMENTAL
23 FUNDING FOR THE INSTITUTE CHARTER SCHOOL FROM MONEYS
24 APPROPRIATED PURSUANT TO SECTION 22-54-114 (2.1).
25 NOTWITHSTANDING ANY PROVISION OF THIS SUB-SUBPARAGRAPH (D) TO
26 THE CONTRARY, THE AMOUNT OF SUPPLEMENTAL FUNDING THAT AN
27 INSTITUTE CHARTER SCHOOL RECEIVES PURSUANT TO THIS

1 SUB-SUBPARAGRAPH (D) MAY BE REDUCED AS PROVIDED IN SECTION
2 22-54-114 (2.1) (b).

3 (I.5) The institute shall forward to each institute charter school an
4 amount equal to the ~~institute charter school's pupil enrollment multiplied~~
5 ~~by the accounting district's adjusted per pupil revenues of the institute~~
6 ~~charter school's accounting district~~ AMOUNT CALCULATED FOR THE
7 INSTITUTE CHARTER SCHOOL PURSUANT TO SUBPARAGRAPH (I) OF THIS
8 PARAGRAPH (a), minus:

9 (A) The amount ~~withheld not to exceed one percent~~ retained by
10 the department pursuant to subparagraph (I) of this paragraph (a);

11 **SECTION 7.** In Colorado Revised Statutes, 22-30.5-112.1,
12 **amend** (1) (e) as follows:

13 **22-30.5-112.1. Charter schools - definitions - exclusive**
14 **jurisdiction districts - authorized on or after July 1, 2004 - financing.**

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

16 (e) "Central administrative overhead costs" shall have the same
17 meaning as provided in section 22-30.5-112 (2) (a.5) ~~(H)~~ (III).

18 **SECTION 8.** In Colorado Revised Statutes, 22-30.5-112.2,
19 **amend** (1) (d) as follows:

20 **22-30.5-112.2. Charter schools - at-risk supplemental aid -**
21 **definitions - legislative declaration.** (1) As used in this section, unless
22 the context otherwise requires:

23 (d) "District per pupil revenues" has the same meaning as defined
24 in section 22-30.5-112 (2) (a.5) ~~(H)~~ (V).

25 **SECTION 9.** In Colorado Revised Statutes, 22-30.5-506, **amend**
26 (4) (a) as follows:

1 **22-30.5-506. State charter school institute fund - created.**

2 (4) (a) The state charter school institute shall create in the fund an
3 account for payment of the institute's administrative overhead costs, as
4 defined in section 22-30.5-513 (1) ~~(h)~~ (i), which account consists solely
5 of moneys retained by the institute from the institute charter schools'
6 adjusted per pupil revenues and per-pupil on-line funding pursuant to
7 section 22-30.5-513 (4) (a) (I.5) (E). Except as otherwise provided in
8 paragraph (b) of this subsection (4), at the end of a budget year, if the
9 amount of unexpended and unencumbered moneys remaining in the
10 account exceeds twenty percent of the amount retained by the institution
11 pursuant to section 22-30.5-513 (4) (a) (I.5) (E) for the applicable budget
12 year, the institute shall transfer the amount of the excess to the institute
13 charter school assistance fund created in section 22-30.5-515.5.

14 **SECTION 10.** In Colorado Revised Statutes, 22-33-203, **amend**
15 (2) (d) as follows:

16 **22-33-203. Educational alternatives for expelled students.**

17 (2) (d) If an expelled student is receiving educational services delivered
18 by a school district other than the expelling school district, by a charter
19 school in a school district other than the expelling school district, by a
20 board of cooperative services, by a nonpublic, nonparochial school, or by
21 a pilot school pursuant to an agreement entered into pursuant to
22 subparagraph (I) of paragraph (c) of this subsection (2), the expelling
23 school district shall transfer ninety-five percent of the district per pupil
24 revenues, as defined in section 22-30.5-112 (2) (a.5) ~~(H)~~ (V) to the school
25 district, charter school, nonpublic, nonparochial school, board of
26 cooperative services, or pilot school that is providing educational
27 services, reduced in proportion to the amount of time remaining in the

1 school year at the time the student begins receiving educational services.

2 **SECTION 11. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly (August
5 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
6 referendum petition is filed pursuant to section 1 (3) of article V of the
7 state constitution against this act or an item, section, or part of this act
8 within such period, then the act, item, section, or part will not take effect
9 unless approved by the people at the general election to be held in
10 November 2014 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.