

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 16-1208.01 Brita Darling x2241

HOUSE BILL 16-1422

HOUSE SPONSORSHIP

Hamner and Rankin,

SENATE SPONSORSHIP

Lambert and Steadman,

House Committees

Education
Appropriations

Senate Committees

Education
Appropriations

A BILL FOR AN ACT

101 CONCERNING FINANCING PUBLIC SCHOOLS, AND, IN CONNECTION
102 THEREWITH, MAKING AN APPROPRIATION.

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 sets the statewide base per pupil funding amount for the 2016-17 budget year at \$6,367.90, which is an inflationary increase of 1.2%, and establishes the minimum amount of total program funding for the 2016-17 budget year. For the 2017-18 budget year, the difference between the amount of statewide total program funding calculated without the negative factor and the amount of statewide total program

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.

SENATE
Amended 2nd Reading
May 5, 2016

HOUSE
Amended 3rd Reading
April 5, 2016

HOUSE
Amended 2nd Reading
April 4, 2016

funding calculated with the negative factor cannot exceed the dollar amount of that difference for the 2016-17 budget year.

Under current law, if a school district's calculated funded pupil count for a budget year, or as averaged over a period of years, is fewer than 50 pupils, the district's minimum funded pupil count is set at 50 pupils. The bill changes the minimum funded pupil count for a budget year to 25 pupils, if the district's calculated funded pupil count is 19 or fewer pupils, and 40 pupils, if the district's calculated funded pupil count is at least 20 but fewer than 35 pupils. The minimum funded pupil count remains at 50 pupils if the district's calculated funded pupil count is at least 35 but fewer than 50 pupils.

The bill adjusts the size factor for a school district by increasing the number of pupils to 5,000 or more for application of the flat factor, and adjusts the factor for districts with at least 2,293 but fewer than 5,000 pupils to increase the funding for districts with at least 2,293 pupils.

Under certain circumstances, current law requires a school district to use property tax revenue to replace, on a pro rata basis, any categorical program support funds that the school district receives from the state. The bill requires the school district to replace the categorical program support funds by the end of the budget year in which the funds were paid to the school district. If unpaid, the commissioner of education (commissioner) is required to withhold the amount due, with interest, from any state money due to the district for any reason, commencing in the budget year immediately following the budget year in which the school district fails to replace the categorical program support funds. The commissioner may waive accrued interest upon payment of the amount due from the school district.

The bill permits the state board of education to provide supplemental assistance from the contingency reserve fund to a school district that experiences an unusual financial burden due to a significant decline in the assessed value of real property of the district that results in the school district receiving a state share of total program funding that is reduced by the negative factor when the school district in the previous budget year did not receive state share. The district must reimburse the contingency reserve fund by June 30 of the budget year following the budget year in which the district receives the supplemental assistance payment.

In a budget year in which a school district's total program mill levy would be reduced because the local property tax revenues received from the total program mill levy exceed the district's total program and categorical buyout requirements, the bill authorizes the school district to continue levying the same number of mills. The school district must deposit the revenues generated by the excess mills in the school district's total program reserve fund and may use the revenues only to replace state share lost as a result of the negative factor.

Under current law, the public school capital construction assistance board (board) may provide financial assistance in the form of matching grants to school districts or public schools (applicants) for capital construction on school facilities that are owned by the applicant or that the applicant has the right to own through a lease-purchase agreement. The bill permits the board to award financial assistance in the form of matching grants to an applicant for a public school that is operated or will operate in a state-owned, leased facility that is listed on the state inventory of real property and improvements and other capital assets maintained by the office of the state architect or state-owned property leased by the state board of land commissioners to the applicant. The board shall adopt rules relating to the award of financial assistance in these circumstances.

The bill makes a conforming amendment to the definition of facility school funding for purposes of state assistance for career and technical education to reflect that facility schools receive funding based on pupil enrollment multiplied by an amount equal to 1.73 of the statewide base per pupil funding for the applicable budget year, rather than the state average per pupil revenues.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-54-104, **add** (5)

3 (a) (XXIII) and (5) (g) (I) (G) as follows:

4 **22-54-104. District total program - definitions.** (5) For
5 purposes of the formulas used in this section:

6 (a) (XXIII) FOR THE 2016-17 BUDGET YEAR, THE STATEWIDE BASE
7 PER PUPIL FUNDING IS \$6,367.90, WHICH IS AN AMOUNT EQUAL TO
8 \$6,292.39, SUPPLEMENTED BY \$75.51 TO ACCOUNT FOR INFLATION.

9 (g) (I) For the 2010-11 budget year and each budget year
10 thereafter, the general assembly determines that stabilization of the state
11 budget requires a reduction in the amount of the annual appropriation to
12 fund the state's share of total program funding for all districts and the
13 funding for institute charter schools. The department of education shall
14 implement the reduction in total program funding through the application

1 of a negative factor as provided in this paragraph (g). For the 2010-11
2 budget year and each budget year thereafter, the department of education
3 and the staff of the legislative council shall determine, based on budget
4 projections, the amount of such reduction to ensure the following:

5 (G) THAT, FOR THE 2016-17 BUDGET YEAR, THE SUM OF THE TOTAL
6 PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR
7 INSTITUTE CHARTER SCHOOLS, AFTER APPLICATION OF THE NEGATIVE
8 FACTOR, IS NOT LESS THAN SIX BILLION THREE HUNDRED NINETY-FOUR
9 MILLION FIVE HUNDRED TWENTY-EIGHT THOUSAND NINE HUNDRED
10 THIRTY-ONE DOLLARS (\$6,394,528,931); [REDACTED] [REDACTED] EXCEPT THAT THE
11 DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL
12 SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH
13 ACTUAL FIGURES, INCLUDING BUT NOT LIMITED TO ACTUAL PUPIL
14 ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX
15 REVENUE FROM THE PRIOR YEAR, TO DETERMINE ANY NECESSARY
16 CHANGES IN THE AMOUNT OF THE REDUCTION TO MAINTAIN A TOTAL
17 PROGRAM FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR THAT IS
18 CONSISTENT WITH THIS SUB-SUBPARAGRAPH (G). FOR THE 2017-18
19 BUDGET YEAR, THE DIFFERENCE BETWEEN CALCULATED STATEWIDE TOTAL
20 PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM FUNDING
21 MUST NOT EXCEED THE DIFFERENCE BETWEEN CALCULATED STATEWIDE
22 TOTAL PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM
23 FUNDING FOR THE 2016-17 BUDGET YEAR.

24 [REDACTED] [REDACTED]
25 **SECTION 2.** In Colorado Revised Statutes, 22-54-104, **amend**
26 (5) (b) (I.5) as follows:

27 **22-54-104. District total program - definitions.** (5) For

1 purposes of the formulas used in this section:

2 (b) (I.5) A district's size factor for the 2003-04 budget year and
3 budget years thereafter shall be determined in accordance with the
4 following formula:

5 If the district's funded	The district's size
6 pupil count is:	factor shall be:
7 Less than 276	1.5457 + (0.00376159 x the difference 8 between the funded pupil count 9 and 276)
10 276 or more but less 11 than 459	1.2385 + (0.00167869 x the difference 12 between the funded pupil count 13 and 459)
14 459 or more but less 15 than 1,027	1.1215 + (0.00020599 x the difference 16 between the funded pupil count 17 and 1,027)
18 1,027 or more but less 19 than 2,293	1.0533 + (0.00005387 x the difference 20 between the funded pupil count 21 and 2,293)
22 2,293 or more but less 23 than 4,023 3,500	1.0297 1.0368 + (0.00001364 0.00001367 x 24 the difference between the funded 25 pupil count and 4,023 3,500)
26 3,500 OR MORE BUT LESS 27 THAN 5,000	1.0297 + (0.00000473 X THE DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 5,000)
4,023 5,000 or more	1.0297

26 **SECTION 3.** In Colorado Revised Statutes, 22-54-107, **amend**
27 (2) introductory portion as follows:

1 **22-54-107. Buy-out of categorical programs.** (2) When a
2 district receives property tax revenue from the additional levy made
3 pursuant to subsection (1) of this section or when a district has elected to
4 keep excess property tax revenue collected during the 1992 calendar year
5 pursuant to the provisions of section 22-44-103.5 (2) (b) (III) (C) or (2)
6 (c) (III), ~~such~~ THE DISTRICT SHALL USE THE property tax revenue ~~shall be~~
7 ~~used~~ to replace, on a pro rata basis, any categorical program support funds
8 that ~~such~~ THE district would otherwise be eligible to receive from the
9 state. THE DISTRICT SHALL REPLACE THE CATEGORICAL PROGRAM SUPPORT
10 FUNDS BY JUNE 30 OF THE BUDGET YEAR IN WHICH THE DISTRICT
11 COLLECTS THE PROPERTY TAX REVENUE. THE COMMISSIONER OF
12 EDUCATION SHALL RECOVER ANY UNPAID CATEGORICAL PROGRAM
13 SUPPORT FUNDS AS PROVIDED IN SECTION 22-2-112 (5). THE DEPARTMENT
14 OF EDUCATION SHALL USE the amount of categorical program support
15 funds replaced by property tax revenue pursuant to the provisions of this
16 subsection (2) ~~shall be used~~ to make payments of categorical program
17 support funds to eligible districts. ~~and, in the event that~~ If the
18 appropriations for categorical programs are less than the total categorical
19 program support funds to which districts are entitled under applicable
20 provisions of law, ~~such~~ THE DEPARTMENT OF EDUCATION SHALL APPLY
21 THE funds ~~shall be applied~~ to categorical programs in the following order:

22 **SECTION 4.** In Colorado Revised Statutes, 22-2-112, **add** (5) as
23 follows:

24 **22-2-112. Commissioner - duties.** (5) IF A SCHOOL DISTRICT
25 FAILS TO REPLACE CATEGORICAL PROGRAM SUPPORT FUNDS AS REQUIRED
26 IN SECTION 22-54-107, THE COMMISSIONER SHALL WITHHOLD FROM ANY
27 STATE MONEY DUE TO THE SCHOOL DISTRICT FOR ANY REASON THE UNPAID

1 AMOUNT OF CATEGORICAL PROGRAM SUPPORT FUNDS RECOVERABLE FROM
2 THE SCHOOL DISTRICT. THE COMMISSIONER SHALL WITHHOLD THE STATE
3 MONEY COMMENCING IN THE BUDGET YEAR IMMEDIATELY FOLLOWING THE
4 BUDGET YEAR IN WHICH THE SCHOOL DISTRICT FAILS TO PAY THE
5 RECOVERABLE AMOUNT. THE COMMISSIONER SHALL ASSESS AND RECOVER
6 AN INTEREST FEE ON THE UNPAID AMOUNT, BEGINNING JULY 1, AT A RATE
7 THAT IS EQUAL TO THE EARNINGS ON THE TREASURY POOLED FUNDS FOR
8 THE PREVIOUS FISCAL YEAR; EXCEPT THAT THE COMMISSIONER MAY WAIVE
9 ACCRUED INTEREST UPON RECOVERY OF THE UNPAID AMOUNT.

10 **SECTION 5.** In Colorado Revised Statutes, 22-54-117, **as added**
11 **by Senate Bill 16-066, add (1) (a) (VIII) ___** as follows:

12 **22-54-117. Contingency reserve - capital construction**
13 **expenditures reserve - fund - lottery proceeds contingency reserve.**

14 (1) (a) For the 2007-08 fiscal year and fiscal years thereafter, the general
15 assembly shall annually determine the amount to appropriate to the
16 contingency reserve fund, which is hereby created in the state treasury. In
17 deciding the amount to appropriate to the contingency reserve fund, the
18 general assembly may take into consideration any recommendations made
19 by the department of education, but nothing in this section obligates the
20 general assembly to provide supplemental assistance to all districts that
21 are found to be in need or to fully fund the total amount of such need. The
22 state board may approve and order payments from the contingency
23 reserve fund for supplemental assistance to districts determined to be in
24 need as the result of any or all of the following circumstances:

25 (VIII) COMMENCING WITH THE 2015-16 BUDGET YEAR, UNUSUAL
26 FINANCIAL BURDEN CAUSED BY A SIGNIFICANT REDUCTION IN THE
27 ASSESSED VALUE OF REAL PROPERTY IN A DISTRICT THAT DID NOT RECEIVE

1 A STATE SHARE OF TOTAL PROGRAM FUNDING PURSUANT TO SECTION
2 22-54-106 IN THE PREVIOUS BUDGET YEAR, CAUSING THE DISTRICT TO
3 RECEIVE A STATE SHARE OF TOTAL PROGRAM FUNDING IN THE BUDGET
4 YEAR IN WHICH THE ASSESSED VALUE IS REDUCED, WHICH STATE SHARE IS
5 REDUCED BY THE APPLICATION OF THE NEGATIVE FACTOR PURSUANT TO
6 SECTION 22-54-104 (5) (g). THE AMOUNT OF SUPPLEMENTAL ASSISTANCE
7 PAID PURSUANT TO THIS SUBPARAGRAPH (VIII) SHALL NOT EXCEED FIFTY
8 PERCENT OF THE AMOUNT OF THE REDUCTION IN THE DISTRICT'S STATE
9 SHARE AS A RESULT OF THE NEGATIVE FACTOR.

10

==

11 **SECTION 6.** In Colorado Revised Statutes, 22-54-107, **add** (5)
12 as follows:

13 **22-54-107. Buy-out of categorical programs - total program**
14 **reserve fund levy.** (5) FOR THE 2016-17 BUDGET YEAR AND EACH
15 BUDGET YEAR THEREAFTER, IF A DISTRICT LEVIES THE NUMBER OF MILLS
16 CALCULATED PURSUANT TO SECTION 22-54-106 (2) (a) (II) AND THE
17 ADDITIONAL MILL LEVY DESCRIBED IN SUBSECTION (1) OF THIS SECTION
18 FOR CATEGORICAL SUPPORT FUNDS, AND THE COMBINED TOTAL OF THE
19 TWO LEVIES IS LESS THAN THE NUMBER OF MILLS THAT THE DISTRICT
20 LEVIED IN THE PRECEDING BUDGET YEAR, THE DISTRICT, IN ADDITION TO
21 THE TWO LEVIES, SHALL ASSESS A NUMBER OF MILLS EQUAL TO THE
22 DIFFERENCE BETWEEN THE COMBINED TOTAL OF THE TWO LEVIES AND THE
23 NUMBER OF MILLS LEVIED IN THE PRECEDING BUDGET YEAR. THE DISTRICT
24 SHALL DEPOSIT THE PROPERTY TAX REVENUE COLLECTED FROM THE MILLS
25 LEVIED PURSUANT TO THIS SUBSECTION (5) IN THE TOTAL PROGRAM
26 RESERVE FUND CREATED IN SECTION 22-45-103 (1) (j).

27 **SECTION 7.** In Colorado Revised Statutes, 22-45-103, **add** (1)

1 (j) as follows:

2 **22-45-103. Funds.** (1) The following funds are created for each
3 school district for purposes specified in this article:

4 (j) **Total program reserve fund.** A SCHOOL DISTRICT SHALL
5 DEPOSIT THE PROPERTY TAX REVENUES THAT IT COLLECTS FROM A TAX
6 LEVY IMPOSED PURSUANT TO SECTION 22-54-107 (5) IN THE TOTAL
7 PROGRAM RESERVE FUND OF THE DISTRICT. THE DISTRICT MAY EXPEND
8 MONEY FROM THE TOTAL PROGRAM RESERVE FUND ONLY TO OFFSET THE
9 AMOUNT OF A REDUCTION IN THE DISTRICT'S STATE SHARE CAUSED BY
10 APPLICATION OF THE NEGATIVE FACTOR PURSUANT TO SECTION 22-54-104
11 (5) (g); EXCEPT THAT, IN A BUDGET YEAR IN WHICH THE SCHOOL DISTRICT
12 LEVIES FOR ITS TOTAL PROGRAM THE NUMBER OF MILLS CALCULATED
13 PURSUANT TO SECTION 22-54-106 (2) (a) (II), IF THE BALANCE OF THE
14 TOTAL PROGRAM RESERVE FUND EXCEEDS AN AMOUNT EQUAL TO THE
15 DISTRICT'S TOTAL PROGRAM FOR THAT BUDGET YEAR MULTIPLIED BY THE
16 NEGATIVE FACTOR CALCULATED PURSUANT TO SECTION 22-54-104 (5) (g)
17 FOR THAT BUDGET YEAR, THE DISTRICT MAY EXPEND THE AMOUNT OF THE
18 EXCESS BALANCE. ANY MONEY REMAINING IN THE FUND AT THE END OF A
19 FISCAL YEAR MUST REMAIN IN THE FUND AND MAY BE USED IN FUTURE
20 YEARS ONLY AS PROVIDED IN THIS PARAGRAPH (j).

21 **SECTION 8.** In Colorado Revised Statutes, 22-43.7-109, **add**
22 (1.5) as follows:

23 **22-43.7-109. Financial assistance for public school capital**
24 **construction - application requirements - evaluation criteria - local**
25 **match requirements - rules.** (1.5) (a) NOTWITHSTANDING ANY
26 PROVISION OF THIS ARTICLE TO THE CONTRARY, FOR FISCAL YEARS
27 COMMENCING ON OR AFTER JULY 1, 2016, AND SUBJECT TO RULES

1 ADOPTED BY THE BOARD PURSUANT TO PARAGRAPH (b) OF THIS
2 SUBSECTION (1.5), THE BOARD, WITH THE SUPPORT OF THE DIVISION AND
3 SUBJECT TO THE APPROVAL OF THE STATE BOARD AND THE LESSOR OF THE
4 PROPERTY, MAY PROVIDE FINANCIAL ASSISTANCE AS SPECIFIED IN THIS
5 SECTION TO AN APPLICANT THAT IS OPERATING OR WILL OPERATE IN THE
6 NEXT BUDGET YEAR IN A LEASED FACILITY THAT IS:

7 (I) LISTED ON THE STATE INVENTORY OF REAL PROPERTY AND
8 IMPROVEMENTS AND OTHER CAPITAL ASSETS MAINTAINED BY THE OFFICE
9 OF THE STATE ARCHITECT PURSUANT TO SECTION 24-30-1303.5, C.R.S.; OR

10 (II) STATE-OWNED PROPERTY LEASED BY THE STATE BOARD OF
11 LAND COMMISSIONERS, DESCRIBED IN SECTION 36-1-101.5, C.R.S., TO THE
12 APPLICANT.

13 (b) THE BOARD SHALL PROMULGATE RULES RELATING TO THE
14 AWARD OF FINANCIAL ASSISTANCE PURSUANT TO THIS SUBSECTION (1.5).

15 (c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT AN AWARD
16 OF FINANCIAL ASSISTANCE PURSUANT TO THIS SUBSECTION (1.5) MUST BE
17 USED TO PRESERVE OR ENHANCE THE VALUE OF STATE-OWNED, LEASED
18 PROPERTY.

19 **SECTION 9.** In Colorado Revised Statutes, 23-8-101.5, **amend**
20 (4) (d) as follows:

21 **23-8-101.5. Definitions.** As used in this article, unless the context
22 otherwise requires:

23 (4) "Education provider's per pupil revenues" means:

24 (d) For a facility school, the ~~state average per pupil revenues~~
25 AMOUNT RECEIVED BY A FACILITY SCHOOL PURSUANT TO SECTION
26 22-54-129 (2) (c) (II), C.R.S.

27 **SECTION 10.** In Colorado Revised Statutes, 22-30.5-104.7, **add**

1 (6) as follows:

2 **22-30.5-104.7. Charter school networks - authority -**
3 **definitions. (6) EACH CHARTER SCHOOL NETWORK SHALL COMPLY WITH**
4 **THE AUDIT REQUIREMENTS IMPOSED ON CHARTER SCHOOLS AS FOLLOWS:**

5 (a) THE CHARTER SCHOOL NETWORK SHALL BE AUDITED AS AN
6 ORGANIZATION, TREATING THE CHARTER SCHOOL NETWORK AS A SINGLE
7 LEGAL ENTITY; EXCEPT THAT THE AUTHORIZING SCHOOL DISTRICT FOR A
8 CHARTER SCHOOL THAT IS INCLUDED IN THE NETWORK MAY REQUEST AND
9 THE NETWORK SHALL PROVIDE AN AUDIT OF THE SCHOOL DISTRICT'S
10 CHARTER SCHOOL;

11 (b) THE CHARTER SCHOOL NETWORK SHALL REPORT AS
12 SUPPLEMENTARY INFORMATION IN ITS AUDITED FINANCIAL STATEMENTS
13 A BALANCE SHEET AND STATEMENT OF REVENUES, EXPENDITURES, AND
14 CHANGES IN FUND BALANCES USING THE MODIFIED ACCRUAL BASIS OF
15 ACCOUNTING FOR EACH CHARTER SCHOOL CAMPUS THAT HAS A SEPARATE
16 SCHOOL CODE WITHIN THE CHARTER SCHOOL NETWORK; AND

17 (c) THE AUDIT MUST ADDRESS COMPLIANCE WITH PARAGRAPH (d)
18 OF SUBSECTION (2) OF THIS SECTION.

19 **SECTION 11. In Colorado Revised Statutes, 22-30.5-504,**
20 **amend (7.5) (b) introductory portion and (8) as follows:**

21 **22-30.5-504. Institute chartering authority - institute charter**
22 **schools - exclusive authority - retention - recovery - revocation.**

23 (7.5) (b) A charter school, a charter school applicant, or an organization
24 that represents charter schools may request revocation of a local board of
25 education's exclusive authority only on the grounds that the local board,
26 since the date that the local board received exclusive authority, has
27 demonstrated a pattern of failing to comply with one or more of the

1 provisions of the "Charter Schools Act", part 1 of this article PARAGRAPH
2 (a) OF SUBSECTION (5) OF THIS SECTION. A charter school, a charter school
3 applicant, or an organization that represents charter schools may not
4 request revocation of a local board of education's exclusive authority
5 solely on the basis of:

6 (8) Notwithstanding any other provision of this section to the
7 contrary, a local board of education may permit the establishment of one
8 or more institute charter schools within the geographic boundaries of the
9 school district by adopting a favorable resolution and submitting the
10 resolution to the state board. The resolution shall be effective until it is
11 rescinded by resolution of the local board of education AN INSTITUTE
12 CHARTER SCHOOL THAT IS ESTABLISHED WITH PERMISSION GRANTED IN A
13 RESOLUTION ADOPTED BY THE LOCAL BOARD OF THE SCHOOL DISTRICT IN
14 WHICH THE INSTITUTE CHARTER SCHOOL IS LOCATED CONTINUES TO BE
15 AUTHORIZED BY AND ACCOUNTABLE TO THE INSTITUTE REGARDLESS OF
16 LATER ACTIONS BY THE LOCAL BOARD UNLESS THE INSTITUTE CHARTER
17 SCHOOL VOLUNTARILY CONVERTS TO A DISTRICT CHARTER SCHOOL AS
18 PROVIDED IN SUBSECTION (10) OF THIS SECTION.

19 **SECTION 12.** In Colorado Revised Statutes, 22-30.5-104,
20 **amend (7) (e); and add (7.5) as follows:**

21 **22-30.5-104. Charter school - requirements - authority.**
22 (7) (e) Notwithstanding the provisions of paragraphs (b) and (c) of this
23 subsection (7) ~~any~~ OR THE PROVISIONS OF SUBSECTION (7.5) OF THIS
24 SECTION, A school district that has space in district facilities that is
25 unoccupied ~~shall be allowed to~~ MAY sell the facilities or use the facilities
26 for a different purpose and ~~shall not be~~ IS NOT required to maintain
27 ownership of the facilities for potential use by a charter school.

1 (7.5) (a) NO LATER THAN NOVEMBER 1, 2016, AND NO LATER THAN
2 NOVEMBER 1 EACH YEAR THEREAFTER, EACH SCHOOL DISTRICT THAT
3 AUTHORIZES A CHARTER SCHOOL AND THAT HAS OR IS EXPECTING TO HAVE
4 ONE OR MORE VACANT OR UNDERUSED BUILDINGS OR VACANT OR
5 UNDERUSED LAND AVAILABLE DURING THE NEXT SCHOOL YEAR SHALL
6 PREPARE A LIST OF THE VACANT OR UNDERUSED BUILDINGS AND LAND AND
7 PROVIDE THE LIST, UPON REQUEST, TO CHARTER SCHOOLS AUTHORIZED BY
8 THE SCHOOL DISTRICT, CHARTER SCHOOL APPLICANTS, AND OTHER
9 INTERESTED PERSONS. THE SCHOOL DISTRICT SHALL ALSO POST ON ITS
10 WEBSITE A NOTICE THAT THE LIST OF UNDERUSED AND VACANT BUILDINGS
11 AND LAND IS AVAILABLE TO INTERESTED PERSONS UPON REQUEST. THE
12 SCHOOL DISTRICT MUST PROVIDE THE LIST WITHIN TWO SCHOOL DAYS
13 AFTER RECEIVING A REQUEST. NO LATER THAN FORTY-FIVE DAYS AFTER
14 THE SCHOOL DISTRICT POSTS THE AVAILABILITY OF THE LIST OR AFTER
15 RECEIVING THE LIST, WHICHEVER IS LATER, A CHARTER SCHOOL OF THE
16 SCHOOL DISTRICT OR CHARTER APPLICANT MAY APPLY TO THE SCHOOL
17 DISTRICT TO USE THE BUILDING OR THE SCHOOL DISTRICT LAND AS THE
18 LOCATION FOR THE CHARTER SCHOOL. THE LOCAL BOARD OF EDUCATION
19 SHALL REVIEW EACH APPLICATION FOR USE AND, IN A PUBLIC MEETING
20 HELD NO LATER THAN NINETY DAYS AFTER THE SCHOOL DISTRICT POSTS
21 THE AVAILABILITY OF THE LIST, APPROVE OR DISAPPROVE EACH
22 APPLICATION FOR USE OF THE BUILDING OR SCHOOL DISTRICT LAND. IF THE
23 LOCAL BOARD OF EDUCATION DISAPPROVES AN APPLICATION FOR USE, IT
24 MUST EXPLAIN AT THE PUBLIC MEETING AND PROVIDE IN WRITING TO THE
25 APPLICANT THE REASONS FOR DISAPPROVAL.

26 (b) FOR PURPOSES OF THIS SUBSECTION (7.5), A BUILDING IS
27 CONSIDERED UNDERUSED IF IT HAS UNUSED CAPACITY TO ACCOMMODATE

1 TWO HUNDRED FIFTY STUDENTS OR MORE.

2 **SECTION 13.** In Colorado Revised Statutes, 22-30.5-112,
3 **amend (2) (a.4) (I), (2) (a.4) (II), and (3) (c); and add (3) (a) (IV) as**
4 **follows:**

5 **22-30.5-112. Charter schools - financing - definitions -**
6 **guidelines.** (2) (a.4) (I) Within ninety days after the end of each fiscal
7 year, each school district shall provide to each charter school within its
8 district an itemized accounting of all its central administrative overhead
9 costs. IF THE ITEMIZED ACCOUNTING INCLUDES SERVICES PROVIDED TO
10 THE CHARTER SCHOOL BY SCHOOL DISTRICT PERSONNEL, THE ITEMIZED
11 ACCOUNTING, AT THE CHARTER SCHOOL'S REQUEST, MUST INCLUDE A LIST
12 OF THE PERSONNEL POSITIONS AND SERVICES PROVIDED BY PERSONS IN
13 EACH POSITION. The actual central administrative overhead costs shall be
14 ARE the amount charged to the charter school. Any difference, within the
15 limitations of subparagraph (III) of paragraph (a) of this subsection (2)
16 and paragraph (a.3) of this subsection (2), between the amount initially
17 charged to the charter school and the actual cost shall MUST be reconciled
18 and paid to the owed party.

19 (II) Within ninety days after the end of each fiscal year, each
20 school district shall provide to each charter school within its district an
21 itemized accounting of all the actual costs of district services the charter
22 school chose at its discretion to purchase from the district calculated in
23 accordance with paragraph (b) of this subsection (2). IF THE ITEMIZED
24 ACCOUNTING INCLUDES SERVICES PURCHASED BY THE CHARTER SCHOOL
25 THAT WERE PROVIDED BY SCHOOL DISTRICT PERSONNEL, THE ITEMIZED
26 ACCOUNTING, AT THE CHARTER SCHOOL'S REQUEST, MUST INCLUDE A LIST
27 OF THE PERSONNEL POSITIONS AND SERVICES PROVIDED BY PERSONS IN

1 EACH POSITION. Any difference between the amount initially charged to
2 the charter school and the actual cost shall be reconciled and paid to the
3 owed party.

4 (3) (a) (IV) THE SCHOOL DISTRICT SHALL DISTRIBUTE TO EACH
5 CHARTER SCHOOL ON A PER PUPIL BASIS ANY OTHER STATE OR FEDERAL
6 MONEY THAT THE SCHOOL DISTRICT RECEIVES BASED ON A PER PUPIL
7 CALCULATION IF THE CALCULATION INCLUDES PUPILS ENROLLED IN THE
8 CHARTER SCHOOL.

9 (c) Within ninety days after the end of each budget year, each
10 school district shall provide to each charter school of the school district
11 an itemized accounting of all the actual special education costs that the
12 school district incurred for the applicable budget year and the basis of any
13 per pupil charges for special education that the school district imposed
14 against the charter school for the applicable budget year. IF THE ITEMIZED
15 ACCOUNTING INCLUDES SERVICES PROVIDED TO THE CHARTER SCHOOL BY
16 SCHOOL DISTRICT PERSONNEL, THE ITEMIZED ACCOUNTING, AT THE
17 CHARTER SCHOOL'S REQUEST, MUST INCLUDE A LIST OF THE PERSONNEL
18 POSITIONS AND SERVICES PROVIDED BY PERSONS IN EACH POSITION.

19 **SECTION 14.** In Colorado Revised Statutes, 22-54-124, **amend**
20 (1) (a) as follows:

21 **22-54-124. State aid for charter schools - use of state education**
22 **fund money - definitions.** (1) As used in this section:

23 (a) "Capital construction" means construction, demolition,
24 remodeling, MAINTAINING, financing, purchasing, or leasing of land,
25 buildings, or facilities used to educate pupils enrolled in or to be enrolled
26 in a charter school.

27 **SECTION 15.** In Colorado Revised Statutes, 24-6-402, **amend**

1 (1) (d); and add (1) (a) (III) as follows:

2 **24-6-402. Meetings - open to public - definitions.** (1) For the
3 purposes of this section:

4 (a) (III) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH
5 (I) OF THIS PARAGRAPH (a), "LOCAL PUBLIC BODY" INCLUDES THE
6 GOVERNING BOARD OF AN INSTITUTE CHARTER SCHOOL THAT IS
7 AUTHORIZED PURSUANT TO PART 5 OF ARTICLE 30.5 OF TITLE 22, C.R.S.

8 (d) (I) "State public body" means any board, committee,
9 commission, or other advisory, policy-making, rule-making,
10 decision-making, or formally constituted body of any state agency, state
11 authority, governing board of a state institution of higher education
12 including the regents of the university of Colorado, a nonprofit
13 corporation incorporated pursuant to section 23-5-121 (2), C.R.S., or the
14 general assembly, and any public or private entity to which the state, or
15 an official thereof, has delegated a governmental decision-making
16 function but does not include persons on the administrative staff of the
17 state public body.

18 (II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF
19 THIS PARAGRAPH (d), "STATE PUBLIC BODY" DOES NOT INCLUDE THE
20 GOVERNING BOARD OF AN INSTITUTE CHARTER SCHOOL THAT IS
21 AUTHORIZED PURSUANT TO PART 5 OF ARTICLE 30.5 OF TITLE 22, C.R.S.

22 **SECTION 16.** In Colorado Revised Statutes, 22-30.5-104,
23 amend (6) (b) (II) as follows:

24 **22-30.5-104. Charter school - requirements - authority.**
25 (6) (b) The state board shall promulgate rules that list the automatic
26 waivers for all charter schools. In promulgating the list of automatic
27 waivers, the state board shall consider the overall impact and complexity

1 of the requirements specified in the statute and the potential consequences
2 that waiving the statute may have on the practices of a charter school.
3 Notwithstanding any provision of this paragraph (b) to the contrary, the
4 state board shall not include the following statutes on the list of automatic
5 waivers:

6 (II) Section 22-32-109 (1) (n), ~~(f)~~ and ~~(1) (n) (H) (B)~~; concerning
7 the annual school calendar AND TEACHER-PUPIL CONTACT HOURS; and

8 **SECTION 17. Appropriation - adjustments to 2016 long bill.**

9 To implement this act, the cash funds appropriation from the state
10 education fund created in section 17 (4) (a) of article IX of the state
11 constitution made in the annual general appropriation act for the 2016-17
12 state fiscal year to the department of education for the state share of
13 districts' total program funding is increased by \$124,664.

14 **SECTION 18. Safety clause.** The general assembly hereby finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, and safety.