

**Second Regular Session
Sixty-fourth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 04-0027.01 Julie Pelegrin

HOUSE BILL 04-1141

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House Committees

Education
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A BILL FOR AN ACT

101 **CONCERNING CHARTER SCHOOLS, AND, IN CONNECTION THEREWITH,**
102 **PROVIDING FOR THE CREATION OF STATE CHARTER SCHOOLS,**
103 **AND MAKING AN APPROPRIATION THEREFOR.**

Bill Summary

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

Sections 1 to 18: Authorizes creation of state charter schools. Identifies a state charter school as a public school of the state that operates under a charter contract between the state board of education ("state board") and the state charter school and that is not a school of a school district, but is under the general supervision of the state board. Amends the "Charter Schools Act" as necessary to distinguish between district charter schools and state charter schools.

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.*

HOUSE
3rd Reading Unamended
March 9, 2004

HOUSE
Amended 2nd Reading
March 8, 2004

Directs the state board to identify, by rule, the state statutes and state rules that are automatically waived for all charter schools, and clarifies that a charter school may apply for waiver of additional state statutes and rules. Requires each district charter contract and state charter contract to include a statement specifying the manner in which the charter school will comply with the intent of the waived statutes and rules. Instructs the state board to review waivers of state statutes and rules periodically, rather than every 2 years. Authorizes a state charter school to join a board of cooperative services ("BOCES") or, in association with other state charter schools, school districts, or institutions of higher education, to form a BOCES.

With regard to the charter application contents:

Requires specification of measurable annual achievement goals that are based on the state accreditation indicators;

Repeals the requirement that the application include a plan for the displacement of pupils, teachers, and other employees;

Repeals the requirement that the application include evidence that the terms and conditions of employment have been addressed with affected employees and their representatives.

Repeals the provision that prohibits a charter application to convert a private school or a nonpublic home-based education program into a charter school.

Clarifies that, if a local board of education ("local board") does not review a charter application, the refusal to review is deemed a denial of the application and is appealable. If a school district chooses to unilaterally impose conditions on a charter applicant or a district charter school, requires the board of education of the school district to adopt a resolution imposing the conditions.

Makes the following changes in the time line for a local board's review and approval of charter applications:

Changes the deadline for filing a charter application to September 1;

Requires a local board to request additional information concerning a charter application by October 15;

Reduces the time period during which the local board must either approve or deny the charter application to 60 days after filing;

Reduces the time period during which the local board and the charter applicant must complete the charter contract to 60 days after the local board approves the charter application;

Directs the local board to notify the state board within 15 days after denying a charter application;

If the local board approves the charter application after remand from the state board, requires the local board and the charter applicant to complete the charter contract within 45 days after remand.

Requires the applicant to provide notice of appeal within 15 days after the local board's decision. Requires a person who files an appeal with intent to apply for a state charter to pay an appeal fee in an amount set by rule of the state board, not to exceed \$5,000. On such appeal, allows the state board to conduct a full, de novo review of the charter application and any supporting information. If the local board denies the application after remand or if the local board and the charter applicant are unable to complete the charter contract, allows the charter applicant to apply directly to the state board for a state charter if the applicant, with the notice of appeal, gave notice of the intent to apply for a state charter. Prohibits such a charter applicant from seeking a second review by the state board. Repeals the provisions allowing a person to appeal a local board's decision to approve a charter application.

Allows a charter applicant to submit the application to the state board if the local board denies the application on remand from the state board or fails to complete the charter contract within 45 days, so long as the charter applicant previously gave notice of the intent to apply for a state charter. Requires a charter applicant to pay an application fee in an amount set by rule of the state board, not to exceed \$15,000. If a charter applicant submits the application to the state board, requires the state board to approve the charter application and requires the state board and the charter applicant to complete the state charter contract within 45 days after submittal. At any time after completion of a state charter contract, allows the state board, the state charter school, and the school district that originally denied the charter application to agree to convert the state charter school to a district charter school.

Allows a district charter school, with the approval of the chartering district, to submit to the state board an application for conversion from a district charter school to a state charter school. Requires the district charter school to pay a conversion application fee in an amount set by rule of the state board, not to exceed \$15,000. Requires the district charter school and the chartering district to enter an agreement regarding issues arising as a result of the conversion. Establishes time frames by which the state board shall decide whether to allow the conversion. If the state board allows the conversion, requires the state board and the district charter school to enter into a state charter school contract within 45 days after the decision allowing conversion.

If a charter applicant or a conversion applicant and the state board are unable to complete the state charter contract within 45 days, requires the parties to participate in alternative dispute resolution.

Authorizes the state board to appoint an advisory committee to

assist in reviewing appeals and applications for conversion and to make recommendations to the state board concerning approval of state charter applications and state charter conversions.

Specifies that a state charter school is under the general supervision of the state board, is subject to accreditation, and is a local education agency. Instructs the state board to adopt rules identifying the statutory duties imposed on school districts that shall also apply to state charter schools. Allows the state board to direct the department of education ("department") to provide necessary administration, oversight, and management services to a state charter school or to contract with a third party to provide the services. Encourages the department to apply federal funds and to seek and accept gifts, grants, and donations to offset the costs incurred, and creates the state charter school cash fund for deposit of said moneys. Authorizes the department to withhold a percentage of the funding payable to the state charter school to offset the costs incurred, and provides that any portion of the amount withheld remaining at the end of a fiscal year shall remain in the fund and shall not revert to the general fund.

Allows a state charter applicant, a state charter school, a district charter school seeking to convert to a state charter school, or the state board to initiate a dispute resolution process to resolve differences between the parties concerning the state charter contract. Establishes procedures for the dispute resolution process. Allows the parties to agree to be bound by the outcome of the dispute resolution process. Allows the parties to appeal the outcome of the dispute resolution process to the district court if they do not agree to be bound or if one of the parties fails to comply with the outcome of the dispute resolution process. Instructs the district court to find in favor of the aggrieved party if the other party did not participate in good faith in the resolution process or refused to comply with the outcome.

Repeals the provision that allows a local board to limit the number of charter schools in the school district. Requires each local board and each state charter school to annually report to the department such information as the department requests to evaluate the effectiveness of charter schools. Repeals provisions limiting the number of charter schools. Prohibits a chartering authority from restricting the number of pupils a charter school may enroll.

Repeals the 5-year cap on the term of a charter. Directs the department to conduct accreditation reviews in all state charter schools in accordance with rules of the state board. Adds failure to meet the requirements of an accreditation contract to the grounds for revocation or nonrenewal of a state charter. Repeals the provision that allows nonrenewal or revocation of a charter on the grounds that operation of the charter school is not in the interest of pupils residing within the school district.

Clarifies that the district charter contract between a district charter school and the authorizing school district shall provide funding to the district charter school in the amount of 100% of the district per pupil revenues and 100% of the district per pupil on-line funding; except that the school district may withhold the actual amount of overhead administrative costs applicable to the district charter school, up to 5% of the per pupil funding. Repeals language stating that funding and service agreements shall be neither a financial incentive nor a financial disincentive to establishment of a charter school. Repeals the requirement that the department provide technical assistance to charter applicants.

Requires a charter school to comply with all of the state financial budgeting and reporting requirements that apply to school districts. Allows a school district to withhold a portion of the funding due to a district charter school if the district charter school fails to comply with financial reporting requirements and such failure causes the department to withhold funding from the school district. Allows a district charter school to seek a determination from the state board regarding whether the chartering district has improperly withheld funding from the district charter school. Establishes procedures for making the determination. Upon request of the district charter school, allows the department to withhold funding from the chartering school district and pay it directly to the district charter school if the school district continues to improperly withhold funding from the district charter school following a determination by the state board.

Allows a district charter school to seek a determination from the state board regarding whether a school district has improperly failed to pay the district charter school the tuition charged for the excess costs incurred in educating a child with disabilities. Establishes procedures for making the determination. If the state board determines the school district failed to pay the excess costs and the school district does not pay within 30 days after the determination, allows the department to withhold the amount of the excess costs from the funding due to the school district and pay it directly to the district charter school.

Requires a state charter school to certify annually to the department the state charter school's pupil enrollment and on-line pupil enrollment and to notify the department concerning whether the state charter school qualifies for capital construction moneys. Directs the department to add the pupil enrollment and on-line pupil enrollment of the state charter school to the funded pupil count of the school district that denied the state charter school's charter application or that agreed to the conversion of the state charter school. Following calculation of the school district's total program and the amount of the state's share of total program payable to the school district, instructs the department to withhold from said school district's state share the amount due to the state

charter school and to pay that amount directly to the state charter school. Specifies how to calculate the amount due to the state charter school, and caps the amount payable to a state charter school at the amount of said school district's state share.

Directs the state charter school and the state board, in the terms of the state charter contract, to agree to the services to be provided to the state charter school by the state board, the department, or a third-party with whom the state board has contracted. Directs the department to provide to the state charter an itemized accounting of all its costs for services provided to the state charter school. Requires the state charter school to set aside moneys for instructional supplies and materials and capital reserve or risk management purposes.

Requires each state charter school to provide federally required educational services to the students enrolled in the state charter school. Allows a state charter school to be an administrative unit for purposes of providing special education services. Directs the department to forward to the state charter school the school's proportionate share of the state and federal funding for educating children with disabilities and the school's proportionate share of other federal or state categorical aid programs. States that the school district of residence of a child with disabilities is responsible for paying the tuition charge for excess costs incurred by a state charter school in educating the child. Allows a state charter school to seek a determination from the state board regarding whether a school district has improperly failed to pay the state charter school the tuition charged for the excess costs incurred in educating a child with disabilities. Establishes procedures for making the determination. If the state board determines the school district failed to pay the excess costs and the school district does not pay within 30 days after the determination, allows the department to withhold the amount of the excess costs from the funding due to the school district and pay it directly to the state charter school.

Requires each state charter school to comply with federal reporting requirements to receive federal aid. Requires a state charter school to comply with the state financial and budget rules and reporting requirements that apply to school districts. Authorizes the governing board of a state charter school to accept and expend gifts, grants, and donations. Specifies that any moneys received by a state charter school that remain at the end of a budget year shall remain in the state charter school's accounts for use in the following budget year.

Specifies that a state charter school may qualify to receive capital construction moneys appropriated by the general assembly on the same grounds as a district charter school.

Beginning in 2004-05 and every 3 years thereafter, requires the department to prepare a report and evaluation for the governor and the house and senate education committees concerning the success or failure

of charter schools. Directs the state board to compile evaluations of district charter schools received from the chartering school districts and evaluations of state charter schools received from the department. Directs the state board to review the waivers of statutes and rules to determine their effectiveness.

Sections 19 to 25: Makes conforming amendments to allow the Colorado educational and cultural facilities authority to issue bonds on behalf of a state charter school. Changes the name of the state charter school debt reserve fund to the charter school debt state reserve fund. Changes the name of the state charter school interest savings account to the charter school state interest savings account.

Section 26: Specifies the term "charter school", as used in the education statutes includes district, state, and independent charter schools.

Sections 27 to 33: Allows state charter schools to form and participate in BOCES.

Sections 34 to 42: Makes conforming amendments to include state charter schools in the "Educational Accreditation Act of 1998", and to allow state charter schools to participate in the Colorado school awards program.

Sections 43 to 49: Includes state charter schools in the "Exceptional Children's Educational Act".

Sections 50 to 54: Includes state charter schools in the "English Language Proficiency Act".

Section 55: Includes state charter schools in the provision concerning siting of school facilities. Prohibits a local government from denying access to a proposed charter school facility unless the entity that provides fire protection services for the local government recommends denial of access for fire and safety reasons. Gives a request of a charter school pertaining to a facility precedence over local zoning regulations.

Section 56: Includes state charter schools in the "In-school Suspension Act".

Sections 57 to 63: Includes state charter schools in the statutory provisions governing payment of state financial aid for the transportation of pupils.

Sections 64 to 77: Includes state charter schools in the "Public School Finance Act of 1994", including but not limited to, allowing a state charter school to receive moneys from the contingency reserve; allowing a state charter school to qualify for small attendance center aid; allowing a state charter school to qualify for school lunch and breakfast program moneys; and allowing a state charter school to qualify for construction moneys appropriated by the general assembly. Allows the department to withhold moneys due to a state charter school or a school district if the state charter school or the school district fails to comply with the requirements for reporting financial information to the

department.

Sections 78 to 80: Includes state charter schools in statutory provisions allowing state assistance for vocational education courses.

Section 81: Makes a conforming amendment to include state charter schools in the definition of "educational institution" for purposes of the "Colorado Educational and Cultural Facilities Authority Act".

Section 82: Specifies that the statutory provision allowing a local government to refuse to comply with an unfunded state mandate does not apply to an order from the state board pertaining to a charter school.

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

2 **SECTION 1.** 22-30.5-102 (2) (c), (2) (d), (2) (e), (2) (g.5), (2)
3 (h), and (3), Colorado Revised Statutes, are amended, and the said
4 22-30.5-102 (2) is further amended BY THE ADDITION OF THE
5 FOLLOWING NEW PARAGRAPHS, to read:

6 **22-30.5-102. Legislative declaration.** (2) The general assembly
7 further finds and declares that this part 1 is enacted for the following
8 purposes:

9 (c) To encourage diverse approaches to learning and education
10 and the use of different, RESEARCH-BASED, OR proven ~~or innovative~~
11 teaching methods;

12 (d) To ~~allow~~ PROMOTE the development of ~~different and~~
13 ~~innovative forms of measuring~~ LONGITUDINAL ANALYSIS OF STUDENT
14 PROGRESS, IN ADDITION TO PARTICIPATION IN THE COLORADO STUDENT
15 ASSESSMENT PROGRAM, TO MEASURE pupil learning and achievement;

16 (e) To create new EMPLOYMENT OPTIONS AND professional
17 opportunities for teachers AND PRINCIPALS, including the opportunity to
18 be responsible for the ~~learning program~~ ACHIEVEMENT RESULTS OF
19 STUDENTS at the school site;

20 (g.5) To address the formation of RESEARCH-BASED charter

1 schools THAT USE PROGRAMS THAT ARE PROVEN TO BE EFFECTIVE;

2 (h) To hold charter schools accountable for meeting state ~~board~~
3 ~~and school district content standards and to provide such schools with a~~
4 ~~method to change accountability systems~~ CONTENT STANDARDS, AS
5 MEASURED IN PART BY THE COLORADO STUDENT ASSESSMENT PROGRAM
6 AND BY LONGITUDINAL ANALYSIS OF STUDENT PROGRESS, THROUGH STATE
7 ACCREDITATION, AND BY ADEQUATE YEARLY PROGRESS AS DEFINED BY
8 FEDERAL LAW;

9 (i) TO PROVIDE AN AVENUE FOR CITIZENS TO PARTICIPATE IN THE
10 EDUCATIONAL PROCESS AND ENVIRONMENT;

11 (j) TO PROVIDE CITIZENS WITH MULTIPLE AVENUES BY WHICH THEY
12 CAN OBTAIN AUTHORIZATION FOR A CHARTER SCHOOL.

13 (3) In authorizing charter schools, it is the intent of the general
14 assembly to create a legitimate avenue for parents, teachers, and
15 community members TO IMPLEMENT NEW METHODS OF EDUCATING
16 CHILDREN THAT ARE PROVEN TO BE EFFECTIVE AND to take responsible
17 risks and create new, ~~innovative, and more flexible~~ RESEARCH-BASED
18 ways of educating all children within the public ~~school~~ EDUCATION
19 system. The general assembly seeks to create an atmosphere in
20 Colorado's public ~~school~~ EDUCATION system where research and
21 development in developing different learning opportunities is actively
22 pursued. As such, the provisions of this part 1 should be interpreted
23 liberally to support the findings and goals of this section and to advance
24 a renewed commitment by the state of Colorado to the mission, goals, and
25 diversity of public education.

26 **SECTION 2.** 22-30.5-103, Colorado Revised Statutes, is
27 amended to read:

1 **22-30.5-103. Definitions.** ~~(1) For purposes of this part~~ AS
2 USED IN THIS PART 1, UNLESS THE CONTEXT OTHERWISE REQUIRES:

3 ~~(a)~~ (1) "At-risk pupil" means a pupil who, because of physical,
4 emotional, socioeconomic, or cultural factors, is less likely to succeed in
5 a conventional educational environment.

6 (2) "CHARTER SCHOOL" MEANS A PUBLIC SCHOOL THAT ENTERS
7 INTO A CHARTER CONTRACT PURSUANT TO THE PROVISIONS OF THIS PART
8 1 AND INCLUDES BOTH A DISTRICT CHARTER SCHOOL AND A STATE
9 CHARTER SCHOOL.

10 (3) "CHARTERING AUTHORITY" MEANS, IN THE CASE OF A DISTRICT
11 CHARTER SCHOOL, THE LOCAL BOARD OF EDUCATION THAT ENTERS INTO
12 A CHARTER CONTRACT WITH THE DISTRICT CHARTER SCHOOL OR, IN THE
13 CASE OF A STATE CHARTER SCHOOL, THE STATE BOARD.

14 (4) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION
15 CREATED PURSUANT TO SECTION 24-1-115, C.R.S.

16 (5) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
17 ENTERS INTO A CHARTER CONTRACT WITH A LOCAL BOARD OF EDUCATION.

18 ~~(b)~~ (6) "Local board of education" means the school district board
19 of education.

20 (7) "MORATORIUM" MEANS A SCHOOL DISTRICT'S OFFICIAL POLICY
21 OF REFUSING TO AUTHORIZE CHARTER SCHOOLS AND AN ONGOING PATTERN
22 OR PRACTICE OF REFUSING TO ACCEPT OR REVIEW CHARTER SCHOOL
23 APPLICATIONS.

24 ~~(b.5)~~ (8) "On-line pupil" means a child who receives educational
25 services predominantly through an on-line program created pursuant to
26 section 22-33-104.6.

27 ~~(c)~~ (9) "State board" means the state board of education.

1 (10) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
2 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO
3 THE PROVISIONS OF SECTION 22-30.5-108.1.

4 **SECTION 3.** Part 1 of article 30.5 of title 22, Colorado Revised
5 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
6 read:

7 **22-30.5-103.5. Charter schools - chartering authorities.** A
8 PERSON OR GROUP THAT SEEKS TO OPERATE A CHARTER SCHOOL SHALL
9 FIRST APPLY TO THE LOCAL BOARD OF EDUCATION OF A SCHOOL DISTRICT,
10 AS PROVIDED IN THIS PART 1. IF THE LOCAL BOARD OF EDUCATION DENIES
11 THE CHARTER APPLICATION FOLLOWING REMAND FROM THE STATE BOARD
12 PURSUANT TO SECTION 22-30.5-108 OR IF THE CHARTER APPLICANT AND
13 THE LOCAL BOARD OF EDUCATION CANNOT ENTER INTO A CHARTER
14 CONTRACT WITHIN THE FORTY-FIVE-DAY PERIOD REQUIRED IN SECTION
15 22-30.5-108 (3) (b), THE CHARTER APPLICANT MAY SUBMIT THE CHARTER
16 APPLICATION TO THE STATE BOARD PURSUANT TO THE PROVISIONS OF
17 SECTION 22-30.5-108.1 (1). A CHARTER SCHOOL THAT ENTERS INTO A
18 CHARTER CONTRACT WITH A LOCAL BOARD OF EDUCATION IS A DISTRICT
19 CHARTER SCHOOL; EXCEPT THAT, IF A DISTRICT CHARTER SCHOOL AND THE
20 CHARTERING LOCAL BOARD OF EDUCATION AND THE STATE BOARD AGREE
21 TO CONVERT THE DISTRICT CHARTER SCHOOL TO A STATE CHARTER
22 SCHOOL AND THE STATE BOARD AND THE DISTRICT CHARTER SCHOOL
23 COMPLETE A STATE CHARTER CONTRACT, AS PROVIDED IN SECTION
24 22-30.5-108.1 (2), THE DISTRICT CHARTER SCHOOL SHALL BE CONVERTED
25 TO A STATE CHARTER SCHOOL. A CHARTER SCHOOL THAT ENTERS INTO A
26 CHARTER CONTRACT WITH THE STATE BOARD IS A STATE CHARTER SCHOOL;
27 EXCEPT THAT, IF THE STATE BOARD, THE LOCAL BOARD OF EDUCATION

1 THAT DENIED THE CHARTER APPLICATION, AND THE STATE CHARTER
2 SCHOOL AGREE TO THE TRANSFER OF CHARTERING AUTHORITY AS
3 PROVIDED IN SECTION 22-30.5-108.1 (1) (d), THE STATE CHARTER SCHOOL
4 SHALL BE CONVERTED TO A DISTRICT CHARTER SCHOOL.

5 **SECTION 4.** 22-30.5-104, Colorado Revised Statutes, is
6 amended to read:

7 **22-30.5-104. Charter school - requirements - authority.** (1) A
8 charter school shall be a public, nonsectarian, nonreligious,
9 non-home-based school. ~~which operates within a public school district.~~

10 (2) (a) A CHARTER SCHOOL APPLICANT CANNOT APPLY TO, OR
11 ENTER INTO A CHARTER CONTRACT WITH, A SCHOOL DISTRICT UNLESS A
12 MAJORITY OF THE CHARTER SCHOOL'S PUPILS, OTHER THAN ON-LINE
13 PUPILS, WILL RESIDE IN THE CHARTERING SCHOOL DISTRICT OR IN SCHOOL
14 DISTRICTS CONTIGUOUS THERETO.

15 (b) A DISTRICT charter school shall be a public school ~~within~~ OF
16 the school district that ~~grants~~ APPROVES its charter ~~and~~ APPLICATION AND
17 ENTERS INTO A CHARTER CONTRACT WITH THE DISTRICT CHARTER SCHOOL.
18 THE DISTRICT CHARTER SCHOOL shall be accountable to the school
19 district's local board of education for purposes of ensuring compliance
20 with applicable laws and charter provisions and the requirement of
21 section 15 of article IX of the state constitution. ~~A charter school cannot~~

1 apply to, or be granted a charter by, a school district unless a majority of
2 the charter school's pupils, other than on-line pupils, will reside in the
3 chartering school district or in school districts contiguous thereto.

4 (c) A STATE CHARTER SCHOOL SHALL BE A PUBLIC SCHOOL THAT
5 IS NOT A SCHOOL OF A SCHOOL DISTRICT, BUT IS UNDER THE GENERAL
6 SUPERVISION OF THE STATE BOARD AND IS ACCOUNTABLE TO THE STATE
7 BOARD FOR PURPOSES OF ENSURING COMPLIANCE WITH APPLICABLE LAWS
8 AND CHARTER PROVISIONS AND THE REQUIREMENT OF SECTION 1 OF
9 ARTICLE IX OF THE STATE CONSTITUTION.

10 (3) A charter school shall be subject to all federal and state laws
11 and constitutional provisions prohibiting discrimination on the basis of
12 disability, race, creed, color, gender, national origin, religion, ancestry,
13 or need for special education services. A DISTRICT charter school shall
14 be subject to any court-ordered desegregation plan in effect for the
15 CHARTERING school district. Enrollment IN A DISTRICT CHARTER SCHOOL
16 must be open to any child who resides within the school district; except
17 that no DISTRICT charter school shall be required to make alterations in
18 the structure of the facility used by the DISTRICT charter school or to
19 make alterations to the arrangement or function of rooms within the
20 facility, except as may be required by state or federal law. Enrollment
21 decisions shall be made in a nondiscriminatory manner specified by the
22 charter school applicant in the charter school application.

23 (4) A charter school shall be administered and governed by a
24 governing body in a manner agreed to by the charter school applicant and
25 ~~the local board of education~~ ITS CHARTERING AUTHORITY. A charter
26 school may organize as a nonprofit corporation pursuant to the "Colorado
27 Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., which

1 shall not affect its status as a public school for any purposes under
2 Colorado law.

3 (4.5) (a) In order to clarify the status of charter schools for
4 purposes of tax-exempt financing, a charter school, as a public school, is
5 a governmental entity. Direct leases and financial obligations of a
6 DISTRICT charter school shall not constitute debt or financial obligations
7 of the school district unless the school district specifically assumes such
8 obligations. DIRECT LEASES AND FINANCIAL OBLIGATIONS OF A STATE
9 CHARTER SCHOOL SHALL NOT CONSTITUTE DEBT OR FINANCIAL
10 OBLIGATIONS OF THE STATE.

11 (b) ~~Notwithstanding the provisions of section 22-30.5-110(1) to~~
12 ~~the contrary, a charter school and the local board of education may agree~~
13 ~~to extend the length of the charter beyond five years for the purpose of~~
14 ~~enhancing the terms of any lease or financial obligation.~~

15 (5) Except as otherwise provided in sections 22-20-109,
16 22-32-115, and 22-54-109, a charter school shall not charge tuition.

17 (6) (a) Pursuant to contract, a DISTRICT charter school may operate
18 free from specified school district policies and ~~state regulations; except~~
19 ~~that a charter school shall not, by contract or otherwise, operate free of~~
20 ~~the requirements contained in the "Children's Internet Protection Act",~~
21 ~~article 87 of this title~~ FREE FROM STATE RULES, AS PROVIDED IN
22 PARAGRAPH (b) OF THIS SUBSECTION (6). Pursuant to contract, a local
23 board of education may waive locally imposed school district
24 requirements, without seeking approval of the state board; ~~The state board~~
25 ~~may waive state statutory requirements or rules promulgated by the state~~
26 ~~board; except that A DISTRICT CHARTER SCHOOL SHALL NOT, BY CONTRACT~~
27 ~~OR OTHERWISE, OPERATE FREE OF THE REQUIREMENTS CONTAINED IN THE~~

1 "CHILDREN'S INTERNET PROTECTION ACT", ARTICLE 87 OF THIS TITLE.

2 (b) THE STATE BOARD SHALL PROMULGATE RULES IDENTIFYING
3 STATE STATUTES AND STATE RULES THAT ARE AUTOMATICALLY WAIVED
4 FOR ALL CHARTER SCHOOLS. A SCHOOL DISTRICT, ON BEHALF OF A
5 DISTRICT CHARTER SCHOOL, MAY APPLY TO THE STATE BOARD FOR A
6 WAIVER OF A STATE STATUTE OR STATE RULE THAT IS NOT
7 AUTOMATICALLY WAIVED FOR CHARTER SCHOOLS BY RULE. A STATE
8 CHARTER SCHOOL MAY APPLY TO THE STATE BOARD FOR A WAIVER OF A
9 STATE STATUTE OR STATE RULE THAT IS NOT AUTOMATICALLY WAIVED FOR
10 CHARTER SCHOOLS BY RULE. NOTWITHSTANDING ANY PROVISION OF THIS
11 SUBSECTION (6) TO THE CONTRARY, the state board may not waive any
12 statute or rule relating to the assessments required to be administered
13 pursuant to section 22-7-409, any statute or rule necessary to prepare the
14 school accountability reports pursuant to part 6 of article 7 of this title,
15 or any statute or rule relating to the "Children's Internet Protection Act",
16 article 87 of this title.

17 (c) A STATE CHARTER SCHOOL IS NOT SUBJECT TO THE POLICIES OR
18 REQUIREMENTS OF ANY SCHOOL DISTRICT.

19 (d) Upon request of ~~the~~ A charter applicant, the state board and
20 the local board of education OF THE SCHOOL DISTRICT TO WHICH THE
21 CHARTER APPLICANT APPLIES shall provide summaries of ~~such regulations~~
22 THE STATE AND DISTRICT RULES and policies to use in preparing a charter
23 school application. The department of ~~education~~ shall prepare the
24 summary of state ~~regulations~~ RULES within existing appropriations. Any
25 waiver of state RULES or local school district regulations made pursuant
26 to this subsection (6) shall be for the term of the charter for which the
27 waiver is made; except that a waiver of state statutes or ~~regulations~~ STATE

1 BOARD RULES by the state board shall be subject to PERIODIC review every
2 two years AS PROVIDED BY STATE BOARD RULE and may be revoked if the
3 waiver is deemed no longer necessary by the state board.

4 (7) (a) A charter school shall be responsible for its own operation
5 including, but not limited to, preparation of a budget, contracting for
6 services, FACILITIES, and personnel matters.

7 (b) A charter school may negotiate and contract with a school
8 district, the governing body of a state college or university, THE STATE OF
9 COLORADO, or any third party for the use of a school building and
10 grounds, the operation and maintenance thereof, and the provision of any
11 service, activity, or undertaking that the charter school is required OR
12 CHOOSES to perform in order to carry out the educational program
13 described in its charter CONTRACT. Any services for which a charter
14 school contracts with a school district ITS CHARTERING AUTHORITY shall
15 be provided by the district CHARTERING AUTHORITY at cost. The charter
16 school shall have standing to sue and be sued in its own name for the
17 enforcement of any contract created pursuant to this paragraph (b).

18 (c) In no event shall a charter school be required to pay rent for
19 space which is deemed available, as negotiated by contract, in school
20 district facilities A FACILITY OWNED BY THE CHARTER SCHOOL'S
21 CHARTERING AUTHORITY. All other costs for the operation and
22 maintenance of the facilities used by the charter school shall be subject
23 to negotiation between the charter school and the school district ITS
24 CHARTERING AUTHORITY.

25 (8) A charter school shall be authorized to offer any educational
26 program, including but not limited to an on-line program pursuant to
27 section 22-33-104.6, that may be offered by a school district AND THAT

1 IS RESEARCH BASED AND HAS BEEN PROVEN TO BE EFFECTIVE, unless
2 expressly prohibited ~~by its charter or~~ by state law.

3 (9) All decisions regarding the planning, siting, and inspection of
4 charter school facilities shall be made in accordance with section
5 22-32-124 and as specified by contract with the ~~district~~ CHARTER
6 SCHOOL'S CHARTERING AUTHORITY.

7 (10) THE GOVERNING BOARD OF A STATE CHARTER SCHOOL MAY
8 ELECT TO FORM A BOARD OF COOPERATIVE SERVICES IN ASSOCIATION WITH
9 THE GOVERNING BOARDS OF OTHER STATE CHARTER SCHOOLS, WITH ONE
10 OR MORE SCHOOL DISTRICTS, OR WITH ONE OR MORE INSTITUTIONS OF
11 HIGHER EDUCATION, AS PROVIDED IN SECTION 22-5-104. THE GOVERNING
12 BOARD OF A STATE CHARTER SCHOOL MAY ELECT TO JOIN AN EXISTING
13 BOARD OF COOPERATIVE SERVICES, WITH THE AGREEMENT OF THE
14 EXISTING BOARD MEMBERS AS PROVIDED IN SECTION 22-5-104.

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

17 **22-30.5-105. Charter schools - contract contents - regulations**
18 **- repeal.** (1) An approved charter application shall serve as the basis for
19 a contract between ~~the~~ A charter school and ~~the local board of education~~
20 ITS CHARTERING AUTHORITY.

21 (2) (a) The contract between ~~the~~ A DISTRICT charter school and the
22 CHARTERING local board of education shall reflect all agreements
23 regarding the release of the DISTRICT charter school from school district
24 policies. THE CONTRACT BETWEEN A STATE CHARTER SCHOOL AND THE
25 STATE BOARD SHALL REFLECT ALL AGREEMENTS REGARDING THE RELEASE
26 OF THE STATE CHARTER SCHOOL FROM STATE STATUTES AND STATE RULES
27 THAT ARE IN ADDITION TO THE STATUTES AND RULES AUTOMATICALLY

1 WAIVED PURSUANT TO RULE, AS PROVIDED IN SECTION 22-30.5-104 (6) (b).
2 EACH CHARTER SCHOOL'S CONTRACT SHALL INCLUDE A STATEMENT
3 SPECIFYING THE MANNER IN WHICH THE CHARTER SCHOOL SHALL COMPLY
4 WITH THE INTENT OF THE STATE STATUTES, STATE BOARD RULES, AND
5 DISTRICT RULES THAT ARE WAIVED FOR THE CHARTER SCHOOL EITHER
6 AUTOMATICALLY OR BY APPLICATION.

7 (b) (I) Any contract between ~~the~~ A charter school and ~~the local~~
8 ~~board of education~~ ITS CHARTERING AUTHORITY approved on or after July
9 1, 2001, but prior to July 1, 2010, shall include a statement specifying
10 how the charter school intends to use the one-percent increase in the
11 statewide base per pupil funding for state fiscal years 2001-02 through
12 2010-11 required by section 17 of article IX of the state constitution to
13 raise student achievement.

14 (II) This paragraph (b) is repealed, effective July 1, 2011.

15 (c) ~~Any~~ A contract between a DISTRICT charter school and ~~a~~ THE
16 CHARTERING local board of education approved on or after July 1, 2002,
17 shall specify:

18 (I) If the contract is not a renewal of an expiring contract, the
19 manner in which the school district governed by the local board of
20 education will support any start-up facility needs of the DISTRICT charter
21 school;

22 (II) The manner in which the school district governed by the local
23 board of education will support any long-term facility needs of the
24 DISTRICT charter school; and

25 (III) The actions that the DISTRICT charter school must take in
26 order to:

27 (A) Have its capital construction needs included as part of the

1 next ballot question for approval of bonded indebtedness to be submitted
2 by the local board of education of its chartering school district to the
3 voters of the district; or

4 (B) Have the local board of education submit a ballot question for
5 approval of a special mill levy to finance the capital construction needs
6 of the DISTRICT charter school to the voters of the district pursuant to
7 section 22-30.5-405.

8 (3) ~~The~~ A contract between ~~the~~ A DISTRICT charter school and the
9 CHARTERING local board of education shall reflect all requests for release
10 of the DISTRICT charter school from state statutes and ~~regulations~~ STATE
11 BOARD RULES. Within ten days after the contract is approved by the
12 CHARTERING local board of education, any request for release from state
13 statutes and ~~regulations~~ STATE BOARD RULES shall be delivered by the
14 CHARTERING local board of education to the state board. THE
15 CHARTERING LOCAL BOARD OF EDUCATION SHALL REQUEST THE RELEASE
16 ON A FORM PROVIDED BY THE DEPARTMENT. Within forty-five days after
17 a request for release is received by the state board, the state board shall
18 either grant or deny the request. If the state board grants the request, it
19 may orally notify the CHARTERING local board of education and the
20 DISTRICT charter school of its decision. If the state board denies the
21 request, it shall notify the CHARTERING local board of education and the
22 DISTRICT charter school in writing that the request is denied and specify
23 the reasons for denial. If the CHARTERING local board of education and
24 the DISTRICT charter school do not receive notice of the state board's
25 decision within forty-five days after submittal of the request for release,
26 the request shall be deemed granted. If the state board denies a request
27 for release that includes multiple state statutes or ~~regulations~~ STATE

1 BOARD RULES, the denial shall specify the state statutes and ~~regulations~~
2 STATE BOARD RULES for which the release is denied, and the denial shall
3 apply only to those state statutes and ~~regulations~~ STATE BOARD RULES so
4 specified.

5 (4) A material revision of the terms of ~~the~~ A CHARTER contract
6 may be made only with the approval of the ~~local board of education~~
7 CHARTERING AUTHORITY and the governing body of the charter school.

8 (5) Any term included in a charter contract that would require a
9 charter school to waive or otherwise forego receipt of any amount of
10 operational or capital construction funds provided to the charter school
11 pursuant to the provisions of this article or pursuant to any other
12 provision of law is hereby declared null and void as against public policy
13 and is unenforceable.

14 **SECTION 6.** 22-30.5-106, Colorado Revised Statutes, is
15 amended to read:

16 **22-30.5-106. Charter application - contents.** (1) The charter
17 school application shall be a proposed agreement UPON WHICH THE
18 CHARTER APPLICANT AND THE CHARTERING AUTHORITY NEGOTIATE A
19 CHARTER CONTRACT, and, AT A MINIMUM, shall include:

20 (a) The mission statement of the charter school, which must be
21 consistent with the principles of the general assembly's declared purposes
22 as set forth in section 22-30.5-102 (2) and (3);

23 (b) The goals, objectives, and pupil performance standards to be
24 achieved by the charter school, INCLUDING BUT NOT NECESSARILY LIMITED
25 TO ACCREDITATION STANDARDS AND GOALS AND APPLICABLE STANDARDS
26 AND GOALS SPECIFIED IN FEDERAL LAW;

27 (c) Evidence that an adequate number of parents, teachers, pupils,

1 or any combination thereof support the formation of a charter school;

2 (d) Repealed.

3 (e) A description of the charter school's RESEARCH-BASED
4 educational program THAT HAS BEEN PROVEN TO BE EFFECTIVE, pupil
5 performance standards, MEASURABLE ANNUAL ACHIEVEMENT GOALS THAT
6 ARE BASED ON THE STATE ACCREDITATION INDICATORS SPECIFIED IN
7 ARTICLE 11 OF THIS TITLE, and curriculum; ~~which must meet or exceed~~
8 ~~any content standards adopted by the school district in which the charter~~
9 ~~school has applied for a charter and must be designed to enable each~~
10 ~~pupil to achieve such standards;~~

11 (f) A description of the charter school's ~~plan for evaluating pupil~~
12 ~~performance, the types of assessments that will be used to measure pupil~~
13 ~~progress towards achievement of the school's pupil performance~~
14 ~~standards, the timeline for achievement of such standards, and the~~
15 procedures for taking corrective action in the event that pupil
16 performance at the charter school falls below ~~such standards~~ THE
17 ACHIEVEMENT GOALS APPROVED BY THE CHARTERING AUTHORITY IN THE
18 CHARTER CONTRACT;

19 (g) Evidence that the plan for the charter school is economically
20 sound, ~~for both the charter school and the school district,~~ a proposed
21 budget for the term of the charter, a description of the manner in which
22 an annual audit of the financial and administrative operations of the
23 charter school, including any services provided by the STATE, A school
24 district, OR A THIRD PARTY, is to be conducted; ~~and a plan for the~~
25 ~~displacement of pupils, teachers, and other employees who will not attend~~
26 ~~or be employed in the charter school;~~

27 (h) A description of the governance and operation of the charter

1 school, including the nature and extent of parental, professional educator,
2 and community involvement in the governance and operation of the
3 charter school;

4 (i) An explanation of the relationship that will exist between the
5 proposed charter school and its employees; ~~including evidence that the~~
6 ~~terms and conditions of employment have been addressed with affected~~
7 ~~employees and their recognized representative, if any;~~

8 (i.5) The employment policies of the proposed charter school;

9 (j) ~~An agreement between the parties regarding their~~ A PROPOSAL
10 REGARDING THE PARTIES' respective legal ~~liability~~ LIABILITIES and
11 applicable insurance coverage;

12 (k) A description of how the charter school plans to meet the
13 transportation needs of its pupils and, if the charter school plans to
14 provide transportation for pupils, a plan for addressing the transportation
15 needs of low-income and academically low-achieving pupils;

16 (l) A description of the charter school's enrollment policy,
17 consistent with the requirements of section 22-30.5-104 (3), and the
18 criteria for enrollment decisions;

19 (m) A dispute resolution process, as provided in section
20 22-30.5-107.5.

21 (2) No person, group, or organization may submit an application
22 to convert a private school or a nonpublic home-based educational
23 program into a charter school or to create a charter school which is a
24 nonpublic home-based educational program as defined in section
25 22-33-104.5.

26 (3) A charter applicant is not required to provide personal
27 identifying information concerning any parent, teacher, or prospective

1 pupil prior to the time that the charter ~~is approved~~ CONTRACT IS
2 APPROVED BY BOTH PARTIES and either the charter school actually
3 employs the teacher or the pupil actually enrolls in the charter school,
4 whichever is applicable. A charter school applicant shall provide, upon
5 request of the ~~school district~~ CHARTERING AUTHORITY, aggregate
6 information concerning the grade levels and schools in which prospective
7 pupils are enrolled.

8 **SECTION 7.** 22-30.5-107, Colorado Revised Statutes, is
9 amended to read:

10 **22-30.5-107. Charter application - process.** (1) A charter
11 applicant cannot apply to, or ~~be granted a charter by~~ ENTER INTO A
12 CHARTER CONTRACT WITH, a school district unless a majority of the
13 PROPOSED charter school's pupils, other than on-line pupils, will reside in
14 the chartering school district or in school districts contiguous thereto.
15 The local board of education shall receive and review all applications for
16 charter schools. IF THE LOCAL BOARD OF EDUCATION DOES NOT REVIEW
17 A CHARTER APPLICATION, IT SHALL BE DEEMED TO HAVE DENIED THE
18 CHARTER APPLICATION. Applications must be filed with the local board
19 of education by ~~a date determined by the local board of education~~
20 SEPTEMBER 1 to be eligible for consideration for the following school
21 year. ~~The date determined by the local board of education for filing of~~
22 ~~applications shall not be any earlier than August 15, or any later than~~
23 ~~October 1. Prior to any change in the application deadline, the local~~
24 ~~board of education shall notify each charter school applicant in the~~
25 ~~district of the proposed change by certified letter.~~ The local board of
26 education shall not charge any application fees. If such board finds the
27 charter school application is incomplete, the board shall request the

1 necessary information from the charter applicant PRIOR TO OCTOBER 15
2 AND GIVE THE CHARTER APPLICANT REASONABLE OPPORTUNITY TO
3 PROVIDE ADDITIONAL INFORMATION TO THE LOCAL BOARD OF EDUCATION
4 FOR REVIEW. The charter school application shall be reviewed by the
5 district accountability committee prior to consideration by the local board
6 of education.

7 (1.5) For purposes of reviewing a charter school application, a
8 district accountability committee shall include at least:

9 (a) One person with a demonstrated knowledge of charter schools,
10 regardless of whether that person resides within the school district; and

11 (b) One parent or legal guardian of a child enrolled in a charter
12 school in the school district; except that, if there are no charter schools
13 in the school district, the local board of education shall appoint a parent
14 or legal guardian of a child enrolled in the school district.

15 (2) After giving reasonable public notice, the local board of
16 education shall hold community meetings in the affected areas or the
17 entire school district to obtain information to assist the local board of
18 education in its decision to ~~grant~~ APPROVE a charter school application.
19 The local board of education shall rule by resolution on the application
20 for a charter school in a public hearing, upon reasonable public notice,
21 within ~~seventy-five~~ SIXTY days after receiving the application filed
22 pursuant to subsection (1) of this section. All negotiations between the
23 charter school and the local board of education on the contract shall be
24 concluded by, and all terms of the contract agreed upon, no later than
25 ~~ninety~~ SIXTY days after the local board of education rules by resolution
26 on the application for a charter school.

27 (2.5) The charter applicant and the local board of education may

1 jointly waive the deadlines set forth in this section.

2 (3) If a local board of education denies a charter school
3 application, DOES NOT REVIEW A CHARTER SCHOOL APPLICATION, or
4 unilaterally imposes conditions that are unacceptable to the charter
5 applicant, the charter applicant may appeal the decision to the state board
6 pursuant to section 22-30.5-108.

7 (4) If a local board of education denies OR DOES NOT REVIEW a
8 charter school application, it shall state its reasons for the denial OR
9 REFUSAL TO REVIEW. WITHIN FIFTEEN DAYS AFTER DENYING OR REFUSING
10 TO REVIEW A CHARTER SCHOOL APPLICATION, THE LOCAL BOARD OF
11 EDUCATION SHALL NOTIFY THE DEPARTMENT OF THE DENIAL OR REFUSAL
12 AND THE REASONS THEREFOR. If a local board of education ~~grants~~
13 APPROVES a charter APPLICATION, it shall send a copy of the approved
14 charter APPLICATION to the department of ~~education~~ within fifteen days
15 after ~~granting~~ APPROVING the charter APPLICATION.

16 (5) A SCHOOL DISTRICT MAY UNILATERALLY IMPOSE CONDITIONS
17 ON A CHARTER APPLICANT OR ON A DISTRICT CHARTER SCHOOL ONLY
18 THROUGH ADOPTION OF A RESOLUTION OF THE LOCAL BOARD OF
19 EDUCATION OF THE SCHOOL DISTRICT. IF A LOCAL BOARD ADOPTS A
20 RESOLUTION UNILATERALLY IMPOSING CONDITIONS ON A CHARTER
21 APPLICANT OR ON A DISTRICT CHARTER SCHOOL, THE RESOLUTION SHALL,
22 AT A MINIMUM, STATE THE SCHOOL DISTRICT'S REASONS FOR IMPOSING THE
23 CONDITIONS UNILATERALLY, DESPITE THE OBJECTIONS OF THE CHARTER
24 APPLICANT OR THE DISTRICT CHARTER SCHOOL. THE CHARTER APPLICANT
25 OR DISTRICT CHARTER SCHOOL MAY APPEAL THE DECISION OF THE LOCAL
26 BOARD OF EDUCATION TO UNILATERALLY IMPOSE THE CONDITIONS BY
27 FILING THE NOTICE OF APPEAL WITH THE STATE BOARD WITHIN FIFTEEN

1 DAYS AFTER ADOPTION OF THE RESOLUTION, AS PROVIDED IN SECTION
2 22-30.5-108 (2) (a).

3 **SECTION 8.** 22-30.5-107.5 (1), (2) (a), (2) (b), and (3) (a),
4 Colorado Revised Statutes, are amended to read:

5 **22-30.5-107.5. Dispute resolution - governing policy provisions**

6 **- appeal.** (1) Except as otherwise provided in section 22-30.5-108, any
7 disputes that may arise between a DISTRICT charter school and its
8 chartering school district concerning governing policy provisions of the
9 school's charter contract shall be resolved pursuant to this section.

10 (2) (a) A DISTRICT charter school or its chartering school district
11 may initiate a resolution to any dispute concerning a governing policy
12 provision of the school's charter contract by providing reasonable written
13 notice to the other party of an intent to invoke this section. Such notice
14 shall include, at a minimum, a brief description of the matter in dispute
15 and the scope of the disagreement between the parties.

16 (b) Within thirty days after receipt of the written notice described
17 in paragraph (a) of this subsection (2), the DISTRICT charter school and
18 the CHARTERING school district shall agree to use any form of alternative
19 dispute resolution to resolve the dispute, including but not limited to any
20 of the forms described in the "Dispute Resolution Act", part 3 of article
21 22 of title 13, C.R.S.; except that any form chosen by the parties shall
22 result in final written findings by a neutral third party within one hundred
23 twenty days after receipt of such written notice.

24 (3) (a) A DISTRICT charter school and its chartering school district
25 may agree to be bound by the written findings of the neutral third party
26 resulting from any alternative dispute resolution entered into pursuant to
27 subsection (1) of this section. In such case, such findings shall be final

1 and not subject to appeal.

2 **SECTION 9.** 22-30.5-108, Colorado Revised Statutes, is
3 amended to read:

4 **22-30.5-108. Appeal - standard of review - procedures.**

5 (1) Acting pursuant to its supervisory power as provided in section 1 of
6 article IX of the state constitution, the state board, upon receipt of a
7 notice of appeal or upon its own motion, may review decisions of any
8 local board of education concerning the denial of a charter school
9 application, the nonrenewal or revocation of a DISTRICT charter school's
10 charter, or the unilateral imposition of conditions on a charter applicant
11 OR A DISTRICT CHARTER SCHOOL, in accordance with the provisions of this
12 section. Any disputes arising with regard to governing policy provisions
13 of a DISTRICT charter school's charter contract shall be resolved as
14 provided in section 22-30.5-107.5. A LOCAL BOARD OF EDUCATION'S
15 REFUSAL TO REVIEW A CHARTER APPLICATION CONSTITUTES A DENIAL OF
16 THE CHARTER APPLICATION AND IS APPEALABLE AS A DENIAL PURSUANT TO
17 THE PROVISIONS OF THIS SECTION.

18 (2) (a) A charter applicant or any other person who wishes to
19 appeal a decision of a local board of education concerning THE DENIAL OF
20 a charter application or the nonrenewal or revocation of a DISTRICT
21 charter or the unilateral imposition of conditions on a charter applicant OR
22 A DISTRICT CHARTER SCHOOL, shall provide the state board and the local
23 board of education with a notice of appeal or of facilitation within ~~thirty~~
24 FIFTEEN days after the local board's decision. The person bringing the
25 appeal shall limit the grounds of the appeal to the grounds for the denial
26 of A CHARTER APPLICATION or the nonrenewal or revocation of a DISTRICT
27 charter, or the unilateral imposition of conditions on a charter applicant

1 OR DISTRICT CHARTER SCHOOL, whichever is being appealed, specified by
2 the local board of education. The notice shall include a brief statement
3 of the reasons the ~~charter school applicant~~ APPEALING PERSON contends
4 the local board of education's denial of A CHARTER APPLICATION or
5 nonrenewal or revocation of a DISTRICT charter, or imposition of
6 conditions on a charter applicant OR DISTRICT CHARTER SCHOOL was in
7 error. IF THE APPEAL CONCERNS THE DENIAL OF A CHARTER APPLICATION
8 OR THE IMPOSITION OF CONDITIONS ON A CHARTER APPLICANT, THE NOTICE
9 SHALL ALSO SPECIFY WHETHER THE CHARTER APPLICANT INTENDS TO
10 APPLY FOR A STATE CHARTER PURSUANT TO THE PROVISIONS OF SECTION
11 22-30.5-108.1 IF THE LOCAL BOARD OF EDUCATION SUBSEQUENTLY DENIES
12 THE CHARTER APPLICATION OR CHOOSES TO UNILATERALLY IMPOSE THE
13 CONDITION ON THE CHARTER APPLICANT OR IF THE LOCAL BOARD OF
14 EDUCATION AND THE CHARTER APPLICANT ARE UNABLE TO COMPLETE THE
15 CHARTER CONTRACT WITHIN THE FORTY-FIVE-DAY PERIOD REQUIRED IN
16 PARAGRAPH (B) OF SUBSECTION (3) OF THIS SECTION.

17 (b) (I) IN CONSIDERING AN APPEAL OF THE DENIAL OF A CHARTER
18 APPLICATION OR OF THE UNILATERAL IMPOSITION OF CONDITIONS ON A
19 CHARTER APPLICANT WHERE THE APPEALING PERSON HAS GIVEN NOTICE OF
20 THE INTENT TO APPLY FOR A STATE CHARTER, THE STATE BOARD SHALL
21 FIRST DETERMINE WHETHER THE LOCAL BOARD OF EDUCATION HAS,
22 WITHIN THE PRECEDING FOUR YEARS:

23 (A) IMPOSED A MORATORIUM ON APPROVING CHARTER
24 APPLICATIONS OR ENTERING INTO CHARTER CONTRACTS;

25 (B) REFUSED TO APPROVE A CHARTER APPLICATION AFTER A
26 SECOND REMAND BY THE STATE BOARD ORDERING THE LOCAL BOARD OF
27 EDUCATION TO APPROVE THE CHARTER APPLICATION;

1 (C) FOLLOWING THE ITEMIZED ACCOUNTING OF CENTRAL
2 ADMINISTRATIVE OVERHEAD COSTS REQUIRED PURSUANT TO SECTION
3 22-30.5-112 (2) (a.4), BEEN FOUND ON TWO OR MORE OCCASIONS TO BE
4 OWING AN AMOUNT TO A DISTRICT CHARTER SCHOOL EQUAL TO TEN
5 PERCENT OR MORE OF THE AMOUNT OF THE DISTRICT CHARTER SCHOOL'S
6 PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS FOR
7 SERVICES ACTUALLY PROVIDED TO THE DISTRICT CHARTER SCHOOL;

8 (D) FAILED TO PAY TO A DISTRICT CHARTER SCHOOL AN AMOUNT
9 FOUND TO BE OWING FOLLOWING THE ITEMIZED ACCOUNTING OF CENTRAL
10 ADMINISTRATIVE OVERHEAD COSTS REQUIRED PURSUANT TO SECTION
11 22-30.5-112 (2) (a.4);

12 (E) ON TWO OR MORE OCCASIONS, FOLLOWING A REVIEW
13 PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-112 (9), BEEN FOUND
14 BY THE STATE BOARD TO HAVE IMPROPERLY WITHHELD TEN PERCENT OR
15 MORE OF THE AMOUNT DUE TO A DISTRICT CHARTER SCHOOL IN
16 ACCORDANCE WITH THE TERMS OF THE DISTRICT CHARTER CONTRACT AND
17 THE PROVISIONS OF SECTION 22-30.5-112;

18 (F) FAILED TO PAY TO A DISTRICT CHARTER SCHOOL AN AMOUNT
19 FOUND TO BE OWING TO THE CHARTER SCHOOL PURSUANT TO SECTION
20 22-30.5-112 (9).

21 (II) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT
22 HAS COMMITTED ONE OR MORE OF THE ACTS SPECIFIED IN SUBPARAGRAPH
23 (I) OF THIS PARAGRAPH (b), THE STATE BOARD SHALL DECLARE THE
24 SCHOOL DISTRICT TO BE SUBJECT TO CREATION OF A STATE CHARTER
25 SCHOOL AND PROCEED WITH THE APPEAL AS PROVIDED IN PARAGRAPH (c)
26 OF THIS SUBSECTION (2). IF THE STATE BOARD DETERMINES THAT THE
27 SCHOOL DISTRICT HAS NOT COMMITTED ANY OF THE ACTS SPECIFIED IN

1 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), THE STATE BOARD SHALL
2 DECLARE THE SCHOOL DISTRICT EXEMPT FROM THE CREATION OF A STATE
3 CHARTER SCHOOL AND PROCEED WITH THE APPEAL AS IF THE CHARTER
4 APPLICANT HAD NOT GIVEN NOTICE OF THE INTENT TO APPLY FOR A STATE
5 CHARTER.

6 (c) IN CONSIDERING AN APPEAL OF THE DENIAL OF A CHARTER
7 APPLICATION OR OF THE UNILATERAL IMPOSITION OF CONDITIONS ON A
8 CHARTER APPLICANT WHERE THE APPEALING PERSON HAS GIVEN NOTICE OF
9 THE INTENT TO APPLY FOR A STATE CHARTER, THE STATE BOARD MAY
10 CONDUCT A FULL, DE NOVO REVIEW OF THE CHARTER APPLICATION AND
11 ANY SUPPORTING INFORMATION SUBMITTED TO THE STATE BOARD BY THE
12 CHARTER APPLICANT OR THE LOCAL BOARD OF EDUCATION. IN ADDITION,
13 THE STATE BOARD MAY REQUEST ADDITIONAL INFORMATION FROM THE
14 CHARTER APPLICANT AND THE LOCAL BOARD OF EDUCATION, AS MAY BE
15 NECESSARY TO DETERMINE THE APPEAL. THE PARTY FROM WHOM THE
16 STATE BOARD REQUESTS INFORMATION SHALL BE RESPONSIBLE FOR ANY
17 COSTS INCURRED IN PROVIDING THE INFORMATION.

18 (d) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
19 CONTRARY, THE STATE BOARD SHALL NOT CONSIDER AN APPEAL WHERE
20 THE PERSON HAS GIVEN NOTICE OF THE INTENT TO APPLY FOR A STATE
21 CHARTER UNLESS THE STATE BOARD DETERMINES THERE ARE SUFFICIENT
22 FUNDS IN THE STATE CHARTER SCHOOL CASH FUND CREATED PURSUANT TO
23 SECTION 22-30.5-108.3 (2) (b) TO OFFSET THE DIRECT AND INDIRECT COSTS
24 ASSOCIATED WITH CONSIDERING THE APPEAL.

25

26 (2.5) If a district court dismisses a case for lack of jurisdiction and
27 the case involves a charter application, or the nonrenewal or revocation

1 of a DISTRICT charter, or the unilateral imposition of conditions on a
2 charter applicant OR DISTRICT CHARTER SCHOOL, the ~~thirty-day~~
3 FIFTEEN-DAY period for filing a notice of appeal or of facilitation
4 described in subsection (2) of this section shall be tolled until the date of
5 dismissal by the court.

6 (3) If the notice of appeal, or the motion to review by the state
7 board, relates to a local board's decision to deny A CHARTER APPLICATION
8 OR TO refuse to renew or TO revoke a DISTRICT charter or to a local
9 board's unilateral imposition of conditions that are unacceptable to the
10 charter applicant OR THE DISTRICT CHARTER SCHOOL, the appeal and
11 review process shall be as follows:

12 (a) Within sixty days after receipt of the notice of appeal or the
13 making of a motion to review by the state board and after reasonable
14 public notice, the state board ~~at a public hearing which may be held in the~~
15 ~~school district in which the proposed charter school has applied for a~~
16 ~~charter~~, shall review the decision of the local board of education and
17 make its findings. If the state board finds that the local board's decision
18 was contrary to the best interests of the pupils, school district, or
19 community, the state board shall remand such decision to the local board
20 of education with written instructions for reconsideration thereof. Said
21 instructions shall include specific recommendations concerning the
22 matters requiring reconsideration.

23 (b) Within thirty days following the remand of a decision to the
24 local board of education and after reasonable public notice, the local
25 board of education, at a public hearing, shall reconsider its decision and
26 make a final decision. IF THE LOCAL BOARD OF EDUCATION DECIDES TO
27 APPROVE THE CHARTER APPLICATION OR DECIDES NOT TO UNILATERALLY

1 IMPOSE THE CONDITION, THE LOCAL BOARD OF EDUCATION AND THE
2 CHARTER APPLICANT SHALL COMPLETE THE CHARTER CONTRACT WITHIN
3 FORTY-FIVE DAYS FOLLOWING THE REMAND OF THE STATE BOARD'S
4 DECISION TO THE LOCAL BOARD OF EDUCATION.

5 (c) (I) FOLLOWING THE REMAND, if the local board of education's
6 final decision is still to deny A CHARTER APPLICATION OR TO
7 UNILATERALLY IMPOSE THE CONDITION ON A CHARTER APPLICANT OR IF
8 THE LOCAL BOARD OF EDUCATION AND THE CHARTER APPLICANT ARE
9 UNABLE TO COMPLETE THE CHARTER CONTRACT WITHIN THE
10 FORTY-FIVE-DAY PERIOD REQUIRED IN PARAGRAPH (b) OF THIS SUBSECTION
11 (3), THE CHARTER APPLICANT MAY SUBMIT THE CHARTER APPLICATION TO
12 THE STATE BOARD FOR ISSUANCE OF A STATE CHARTER AS PROVIDED IN
13 SECTION 22-30.5-108.1 (1), IF THE APPEALING PARTY GAVE NOTICE OF THE
14 INTENT TO APPLY FOR A STATE CHARTER AS PROVIDED IN PARAGRAPH (a)
15 OF SUBSECTION (2) OF THIS SECTION AND IF THE STATE BOARD
16 DETERMINED THAT THE SCHOOL DISTRICT IS SUBJECT TO CREATION OF A
17 STATE CHARTER SCHOOL. A CHARTER APPLICANT MAY NOT SEEK A
18 SECOND APPEAL OF THE DENIAL OF THE CHARTER APPLICATION OR OF THE
19 UNILATERAL IMPOSITION OF A CONDITION ON THE CHARTER APPLICANT IF
20 THE APPEALING PARTY GAVE NOTICE OF THE INTENT TO APPLY FOR A STATE
21 CHARTER AND THE STATE BOARD DETERMINED THAT THE SCHOOL DISTRICT
22 IS SUBJECT TO THE CREATION OF A STATE CHARTER SCHOOL.

23 (II) IF THE APPEALING PARTY DID NOT GIVE NOTICE OF THE INTENT
24 TO APPLY FOR A STATE CHARTER, OR IF THE STATE BOARD DETERMINED
25 THAT THE SCHOOL DISTRICT IS EXEMPT FROM CREATION OF A STATE
26 CHARTER SCHOOL, AND THE LOCAL BOARD OF EDUCATION'S DECISION IS
27 STILL TO DENY A CHARTER APPLICATION OR TO UNILATERALLY IMPOSE THE

1 CONDITION ON THE CHARTER APPLICANT OR IF THE LOCAL BOARD OF
2 EDUCATION'S FINAL DECISION IS STILL TO refuse to renew or TO revoke a
3 DISTRICT charter or to unilaterally impose conditions unacceptable to the
4 DISTRICT charter applicant SCHOOL, a second notice of appeal may be
5 filed with the state board within thirty days following such final decision.

6 (d) Within thirty days following receipt of the second notice of
7 appeal or the making of a motion for a second review by the state board
8 and after reasonable public notice, the state board, at a public hearing,
9 shall determine whether the final decision of the local board of education
10 was contrary to the best interests of the pupils, school district, or
11 community. If such a finding is made, the state board shall remand such
12 final decision to the local board with instructions to approve the charter
13 application, or to renew or reinstate the charter or to approve or
14 disapprove the conditions imposed on the charter applicant OR THE
15 DISTRICT CHARTER SCHOOL. The decision of the state board shall be final
16 and not subject to appeal.

17 (3.5) In lieu of a first appeal to the state board pursuant to
18 paragraph (a) of subsection (3) of this section, the parties may agree to
19 facilitation. Within thirty days after denial OF A CHARTER APPLICATION
20 OR nonrenewal or revocation of a DISTRICT charter OR UNILATERAL
21 IMPOSITION OF CONDITIONS ON A CHARTER APPLICANT OR A DISTRICT
22 CHARTER SCHOOL by the local board of education, the parties may file a
23 notice of facilitation with the state board. The parties may continue in
24 facilitation as long as both parties agree to its continued use. If one party
25 subsequently rejects facilitation, and such rejection is not reconsidered
26 within seven days, the local board of education shall reconsider its denial
27 OF A CHARTER APPLICATION OR nonrenewal or revocation of a DISTRICT

1 charter and make a final decision as provided in paragraph (b) of
2 subsection (3) of this section. The charter applicant may file a notice of
3 appeal with the state board as provided in paragraph (c) of subsection (3)
4 of this section within thirty days after a local board of education's final
5 decision to deny ~~not~~ A CHARTER APPLICATION, TO REFUSE TO renew or TO
6 revoke a DISTRICT charter, OR TO UNILATERALLY IMPOSE CONDITIONS ON
7 A CHARTER APPLICANT OR A DISTRICT CHARTER SCHOOL. A CHARTER
8 APPLICANT THAT AGREES TO FACILITATION MAY NOT APPLY FOR A STATE
9 CHARTER.

10 (4) ~~If the notice of appeal, or the motion to review by the state~~
11 ~~board, relates to a local board's decision to grant a charter, the appeal and~~
12 ~~review process shall be as follows:~~

13 (a) ~~(I) Within sixty days after receipt of the notice of appeal or the~~
14 ~~making of a motion to review by the state board and after reasonable~~
15 ~~public notice, the state board, at a public hearing which may be held in~~
16 ~~the district in which the proposed charter school has applied for a charter,~~
17 ~~shall review the decision of the local board of education and determine~~
18 ~~whether such decision was arbitrary and capricious or whether the~~
19 ~~establishment or operation of the proposed charter school would:~~

20 (A) ~~Violate any federal or state laws concerning civil rights;~~

21 (B) ~~Violate any court order;~~

22 (C) ~~Threaten the health and safety of pupils in the school district;~~

23 (D) ~~Violate the provisions of section 22-30.5-109 (2), prescribing~~
24 ~~the permissible number of charter schools; or~~

25 (E) ~~Be inconsistent with the equitable distribution of charter~~
26 ~~schools among school districts.~~

27 (H) ~~If such a determination is made, the state board shall remand~~

1 ~~such decision to the local board with instructions to deny the charter~~
2 ~~application. The decision of the state board shall be final and not subject~~
3 ~~to appeal.~~

4 (5) Nothing in this section shall be construed to alter the
5 requirement that a DISTRICT charter school be a part of the school district
6 that ~~grants~~ APPROVES its charter APPLICATION AND CHARTER CONTRACT
7 and BE accountable to the local board of education pursuant to section
8 22-30.5-104 (2).

9 **SECTION 10.** Part 1 of article 30.5 of title 22, Colorado Revised
10 Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW
11 SECTIONS to read:

12 **22-30.5-108.1. State charter schools - state board - application**
13 **- conversion - advisory committee.** (1) (a) IN ACCORDANCE WITH THE
14 PROVISIONS OF SECTION 22-30.5-108 (3) (c), A CHARTER APPLICANT MAY
15 SUBMIT ITS APPLICATION TO THE STATE BOARD FOR ISSUANCE OF A STATE
16 CHARTER, IF THE APPEALING PARTY GAVE NOTICE OF THE INTENT TO APPLY
17 FOR A STATE CHARTER AS PROVIDED IN SECTION 22-30.5-108 (2) (a) AND
18 THE STATE BOARD DETERMINED THAT THE SCHOOL DISTRICT IS SUBJECT TO
19 CREATION OF A STATE CHARTER SCHOOL. THE APPLICANT SHALL SUBMIT
20 THE CHARTER APPLICATION TO THE STATE BOARD WITHIN FIFTEEN DAYS
21 AFTER THE LOCAL BOARD ISSUES ITS FINAL DECISION TO DENY THE
22 APPLICATION OR TO UNILATERALLY IMPOSE THE CONDITION ON THE
23 CHARTER APPLICANT OR WITHIN FIFTEEN DAYS AFTER EXPIRATION OF THE
24 FORTY-FIVE-DAY PERIOD FOR COMPLETION OF THE CONTRACT, WHICHEVER
25 IS APPLICABLE. THE STATE BOARD SHALL APPROVE THE CHARTER
26 APPLICATION, AND THE CHARTER APPLICANT AND THE STATE BOARD SHALL
27 COMPLETE THE STATE CHARTER CONTRACT WITHIN FORTY-FIVE DAYS

1 AFTER THE CHARTER APPLICANT SUBMITS THE APPLICATION TO THE STATE
2 BOARD. [REDACTED]

3 (b) IF A STATE CHARTER APPLICANT AND THE STATE BOARD ARE
4 UNABLE TO COMPLETE THE STATE CHARTER CONTRACT WITHIN THE
5 FORTY-FIVE-DAY PERIOD PRESCRIBED IN PARAGRAPH (a) OF THIS
6 SUBSECTION (1), THE STATE CHARTER APPLICANT AND THE STATE BOARD
7 SHALL AGREE TO ALTERNATIVE DISPUTE RESOLUTION AS PROVIDED IN
8 SECTION 22-30.5-108.5 TO RESOLVE THE STATE CHARTER CONTRACT
9 ISSUES BETWEEN THE PARTIES.

10 (c) AT ANY TIME AFTER COMPLETION OF A STATE CHARTER
11 SCHOOL'S CHARTER CONTRACT, THE STATE BOARD, WITH THE AGREEMENT
12 OF THE STATE CHARTER SCHOOL AND THE LOCAL BOARD OF EDUCATION OF
13 THE SCHOOL DISTRICT THAT DENIED THE CHARTER APPLICATION, MAY
14 TRANSFER THE CHARTERING AUTHORITY FOR THE STATE CHARTER SCHOOL
15 TO THAT LOCAL BOARD OF EDUCATION. UPON TRANSFER OF THE
16 CHARTERING AUTHORITY, THE STATE CHARTER SCHOOL IS CONVERTED TO
17 A DISTRICT CHARTER SCHOOL AND BECOMES A PUBLIC SCHOOL OF THE
18 SCHOOL DISTRICT THAT IS UNDER THE CONTROL OF THE LOCAL BOARD OF
19 EDUCATION. TRANSFER OF THE CHARTERING AUTHORITY MAY NOT RESULT
20 IN OR BE CONTINGENT UPON A CHANGE IN THE TERMS OF THE STATE
21 CHARTER SCHOOL'S CHARTER CONTRACT, BUT THE LOCAL BOARD OF
22 EDUCATION AND THE CHARTER SCHOOL, AFTER THE TRANSFER OF
23 CHARTERING AUTHORITY, MAY MUTUALLY AGREE TO CHANGES IN THE
24 TERMS OF THE CHARTER CONTRACT.

25 (2) (a) A DISTRICT CHARTER SCHOOL, WITH THE AGREEMENT OF
26 THE LOCAL BOARD OF EDUCATION OF ITS CHARTERING SCHOOL DISTRICT,
27 MAY APPLY TO THE STATE BOARD TO CONVERT TO A STATE CHARTER

1 SCHOOL. THE STATE BOARD SHALL ADOPT RULES SPECIFYING THE TIME
2 FRAMES FOR SUBMITTING AND CONSIDERING AN APPLICATION TO CONVERT
3 TO A STATE CHARTER SCHOOL AND THE INFORMATION TO BE INCLUDED IN
4 THE APPLICATION. PRIOR TO APPLYING TO CONVERT TO A STATE CHARTER
5 SCHOOL, THE DISTRICT CHARTER SCHOOL AND THE LOCAL BOARD OF
6 EDUCATION OF THE CHARTERING SCHOOL DISTRICT SHALL ENTER INTO A
7 MUTUAL AGREEMENT REGARDING THE CONVERSION THAT, AT A MINIMUM,
8 SHALL INCLUDE RESOLUTION OF ISSUES PERTAINING TO ASSET
9 DISTRIBUTION, PROPERTY OWNERSHIP, ANY OUTSTANDING BONDED
10 INDEBTEDNESS OF THE DISTRICT CHARTER SCHOOL, AND PAYMENT OF
11 INCOME RECEIVED FROM THE ISSUANCE OF BONDS PURSUANT TO SECTION
12 22-30.5-404 OR AS A RESULT OF IMPOSITION OF A MILL LEVY BY THE
13 SCHOOL DISTRICT ON BEHALF OF THE DISTRICT CHARTER SCHOOL
14 PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-405.

15 [REDACTED]

16 (b) THE STATE BOARD SHALL REVIEW THE APPLICATION FOR
17 CONVERSION AND ANY SUPPORTING INFORMATION SUBMITTED TO THE
18 STATE BOARD BY THE DISTRICT CHARTER SCHOOL OR THE LOCAL BOARD
19 OF EDUCATION. IN ADDITION, THE STATE BOARD MAY REQUEST
20 ADDITIONAL INFORMATION FROM THE DISTRICT CHARTER SCHOOL AND THE
21 LOCAL BOARD OF EDUCATION, AS MAY BE NECESSARY TO DETERMINE THE
22 WHETHER TO ALLOW THE DISTRICT CHARTER SCHOOL TO CONVERT TO A
23 STATE CHARTER SCHOOL. THE PARTY FROM WHOM THE STATE BOARD
24 REQUESTS INFORMATION SHALL BE RESPONSIBLE FOR ANY COSTS
25 INCURRED IN PROVIDING THE INFORMATION.

26 (c) WITHIN SIXTY DAYS AFTER SUBMITTAL OF THE APPLICATION
27 FOR CONVERSION, THE STATE BOARD SHALL DETERMINE WHETHER TO

1 ALLOW THE DISTRICT CHARTER SCHOOL TO CONVERT TO A STATE CHARTER
2 SCHOOL. IF THE STATE BOARD DENIES THE APPLICATION FOR CONVERSION,
3 THE DISTRICT CHARTER SCHOOL MAY CONTINUE TO OPERATE UNDER ITS
4 DISTRICT CHARTER CONTRACT. IF THE STATE BOARD APPROVES THE
5 APPLICATION FOR CONVERSION, THE DISTRICT CHARTER SCHOOL AND THE
6 STATE BOARD SHALL COMPLETE THE STATE CHARTER CONTRACT WITHIN
7 FORTY-FIVE DAYS AFTER THE DECISION TO APPROVE THE APPLICATION FOR
8 CONVERSION. THE DISTRICT CHARTER SCHOOL SHALL CONTINUE TO
9 OPERATE UNDER THE PROVISIONS OF THE DISTRICT CHARTER CONTRACT
10 UNTIL THE STATE BOARD AND THE DISTRICT CHARTER SCHOOL COMPLETE
11 THE STATE CHARTER CONTRACT. UPON COMPLETION OF THE STATE
12 CHARTER CONTRACT, THE DISTRICT CHARTER SCHOOL SHALL CONVERT TO
13 A STATE CHARTER SCHOOL.

14 (d) IF A DISTRICT CHARTER SCHOOL AND THE STATE BOARD ARE
15 UNABLE TO COMPLETE THE STATE CHARTER CONTRACT WITHIN THE
16 FORTY-FIVE-DAY PERIOD PRESCRIBED IN PARAGRAPH (c) OF THIS
17 SUBSECTION (2), THE DISTRICT CHARTER SCHOOL AND THE STATE BOARD
18 SHALL AGREE TO ALTERNATIVE DISPUTE RESOLUTION AS PROVIDED IN
19 SECTION 22-30.5-108.5 TO RESOLVE THE STATE CHARTER CONTRACT
20 ISSUES BETWEEN THE PARTIES.

21 (3) THE STATE BOARD MAY APPOINT AN ADVISORY COMMITTEE TO
22 ASSIST IN REVIEWING APPEALS OF THE DENIAL OF A DISTRICT CHARTER
23 APPLICATION SUBMITTED PURSUANT TO SECTION 22-30.5-108 AND IN
24 REVIEWING APPLICATIONS FOR CONVERSION TO A STATE CHARTER SCHOOL
25 SUBMITTED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND TO MAKE
26 RECOMMENDATIONS TO THE STATE BOARD CONCERNING APPROVAL OF
27 STATE CHARTER APPLICATIONS. IN APPOINTING PERSONS TO THE ADVISORY

1 BOARD, THE STATE BOARD SHALL, AT A MINIMUM, INCLUDE PERSONS WITH
2 EXPERIENCE IN THE FORMATION, OPERATION, AND EVALUATION OF
3 CHARTER SCHOOLS AND PARENTS OF STUDENTS WHO ARE ENROLLED IN
4 CHARTER SCHOOLS. AN ADVISORY BOARD APPOINTED PURSUANT TO THIS
5 SUBSECTION (3) SHALL SERVE WITHOUT COMPENSATION, INCLUDING
6 PAYMENT OF EXPENSES.

7 (4) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
8 CONTRARY, THE STATE BOARD SHALL NOT CONSIDER A CHARTER
9 APPLICATION OR AN APPLICATION FOR CONVERSION TO A STATE CHARTER
10 SCHOOL UNLESS THE STATE BOARD DETERMINES THERE ARE SUFFICIENT
11 FUNDS IN THE STATE CHARTER SCHOOL CASH FUND CREATED PURSUANT TO
12 SECTION 22-30.5-108.3 (2) (b) TO OFFSET THE DIRECT AND INDIRECT COSTS
13 ASSOCIATED WITH CONSIDERING THE APPLICATION AND COMPLETING THE
14 STATE CHARTER CONTRACT.

15 **22-30.5-108.3. State charter schools - oversight - costs - state**
16 **charter school cash fund.** (1) (a) A STATE CHARTER SCHOOL SHALL BE
17 UNDER THE GENERAL SUPERVISION OF THE STATE BOARD AND SHALL BE
18 SUBJECT TO ACCREDITATION IN ACCORDANCE WITH THE PROVISIONS OF
19 ARTICLE 11 OF THIS TITLE. A STATE CHARTER SCHOOL SHALL BE A LOCAL
20 EDUCATION AGENCY FOR PURPOSES OF STATE AND FEDERAL LAW. THE
21 STATE BOARD MAY DIRECT THE DEPARTMENT TO PROVIDE THE NECESSARY
22 ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES TO THE STATE
23 CHARTER SCHOOL, OR THE STATE BOARD, AT ITS DISCRETION, MAY
24 CONTRACT WITH A THIRD PARTY, INCLUDING BUT NOT LIMITED TO A
25 SCHOOL DISTRICT, A BOARD OF COOPERATIVE SERVICES, OR A FOR-PROFIT
26 OR NONPROFIT ENTITY, TO PROVIDE SOME OR ALL OF THE NECESSARY
27 ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES.

1 (b) THE STATE BOARD SHALL ADOPT RULES IDENTIFYING THOSE
2 STATUTORY DUTIES THAT ARE APPLICABLE TO SCHOOL DISTRICTS THAT
3 SHALL ALSO APPLY TO STATE CHARTER SCHOOLS AS NECESSARY TO
4 EXERCISE GENERAL SUPERVISION OVER THE STATE CHARTER SCHOOLS AND
5 TO MAINTAIN A THOROUGH AND UNIFORM STATEWIDE SYSTEM OF FREE
6 PUBLIC SCHOOLS.

7 (2) (a) THE DEPARTMENT IS ENCOURAGED TO APPLY FEDERAL
8 FUNDS WHERE POSSIBLE TO OFFSET THE COSTS INCURRED BY THE STATE
9 BOARD AND THE DEPARTMENT IN IMPLEMENTING THE PROVISIONS OF THIS
10 SECTION AND SECTIONS 22-30.5-108 (2), 22-30.5-108.1, AND
11 22-30.5-108.5, INCLUDING THE COSTS INCURRED IN CONTRACTING WITH
12 A THIRD PARTY. IN ADDITION, THE DEPARTMENT MAY WITHHOLD AND
13 EXPEND FIVE PERCENT OF THE FUNDING THAT IS PAYABLE TO THE STATE
14 CHARTER SCHOOL PURSUANT TO SECTION 22-30.5-112.1 FOR PAYMENT OF
15 THE COSTS INCURRED BY THE DEPARTMENT IN IMPLEMENTING THE
16 PROVISIONS OF THIS SECTION AND ANY COSTS INCURRED IN CONTRACTING
17 WITH A THIRD PARTY. ANY UNEXPENDED AND UNENCUMBERED MONEYS
18 REMAINING AT THE END OF A FISCAL YEAR FROM THE MONEYS WITHHELD
19 PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH (a) SHALL NOT REVERT
20 TO THE GENERAL FUND, BUT MAY BE EXPENDED BY THE DEPARTMENT IN
21 SUBSEQUENT FISCAL YEARS FOR PAYMENT OF THE COSTS INCURRED IN
22 IMPLEMENTING THIS SECTION, INCLUDING ANY COSTS INCURRED IN
23 CONTRACTING WITH A THIRD PARTY.

24 (b) THE DEPARTMENT IS ENCOURAGED TO SOLICIT AND MAY
25 ACCEPT ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS THAT MAY
26 BE AVAILABLE TO ASSIST IN OFFSETTING THE COSTS INCURRED IN
27 IMPLEMENTING THE PROVISIONS OF THIS SECTION AND SECTIONS

1 22-30.5-108 (2), 22-30.5-108.1, AND 22-30.5-108.5, INCLUDING THE
2 COSTS INCURRED IN CONTRACTING WITH A THIRD PARTY. THE
3 DEPARTMENT SHALL TRANSMIT ALL PRIVATE AND PUBLIC FUNDS RECEIVED
4 FROM GIFTS, GRANTS, OR DONATIONS SOLICITED PURSUANT TO THIS
5 PARAGRAPH (b) TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME
6 TO THE STATE CHARTER SCHOOL CASH FUND, WHICH FUND IS HEREBY
7 CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND
8 SHALL CONSIST SOLELY OF MONEYS RECEIVED BY THE DEPARTMENT AS
9 GIFTS, GRANTS, OR DONATIONS AND CREDITED TO THE FUND PURSUANT TO
10 THIS PARAGRAPH (b). THE MONEYS IN THE FUND SHALL BE SUBJECT TO
11 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND
12 INDIRECT COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THIS SECTION
13 AND SECTIONS 22-30.5-108 (2), 22-30.5-108.1, AND 22-30.5-108.5. ANY
14 MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION
15 MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL
16 INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF
17 MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY
18 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT
19 THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE
20 CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

21 **22-30.5-108.5. State charter schools - alternative dispute**
22 **resolution process - appeals.** (1) (a) A STATE CHARTER APPLICANT, A
23 DISTRICT CHARTER SCHOOL THAT IS SEEKING TO CONVERT TO A STATE
24 CHARTER SCHOOL, A STATE CHARTER SCHOOL, OR THE STATE BOARD, BY
25 PROVIDING REASONABLE WRITTEN NOTICE TO INVOKE THIS SECTION, MAY
26 PARTICIPATE IN ALTERNATIVE DISPUTE RESOLUTION CONCERNING:

27 (I) CREATION OF THE STATE CHARTER CONTRACT;

1 (II) IMPLEMENTATION OF THE PROVISIONS OF THE STATE CHARTER
2 CONTRACT;

3 (III) THE STATE BOARD'S REFUSAL TO RENEW THE STATE CHARTER;
4 OR

5 (IV) REVOCATION OF THE STATE CHARTER.

6 (b) A WRITTEN NOTICE OF DISPUTE RESOLUTION PROVIDED
7 PURSUANT TO THIS SUBSECTION (1) SHALL INCLUDE, AT A MINIMUM, A
8 BRIEF DESCRIPTION OF THE MATTER IN DISPUTE AND THE SCOPE OF THE
9 DISAGREEMENT BETWEEN THE PARTIES.

10 (c) WITHIN THIRTY DAYS AFTER RECEIPT OF THE WRITTEN NOTICE
11 DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION (1), THE STATE
12 CHARTER APPLICANT, DISTRICT CHARTER SCHOOL, OR STATE CHARTER
13 SCHOOL AND THE STATE BOARD SHALL AGREE TO USE ANY FORM OF
14 ALTERNATIVE DISPUTE RESOLUTION TO RESOLVE THE DISPUTE, INCLUDING
15 BUT NOT LIMITED TO ANY OF THE FORMS DESCRIBED IN THE "DISPUTE
16 RESOLUTION ACT", PART 3 OF ARTICLE 22 OF TITLE 13, C.R.S.; EXCEPT
17 THAT ANY FORM CHOSEN BY THE PARTIES SHALL RESULT IN FINAL WRITTEN
18 FINDINGS AND DETERMINATIONS BY A NEUTRAL THIRD PARTY WITHIN ONE
19 HUNDRED TWENTY DAYS AFTER RECEIPT OF THE WRITTEN NOTICE
20 DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (1). IN RESOLVING THE
21 DISPUTE BETWEEN THE PARTIES, THE NEUTRAL THIRD PARTY SHALL
22 DETERMINE THE BEST INTERESTS OF THE PUPILS AND THE COMMUNITY IN
23 WHICH THE STATE CHARTER SCHOOL IS OR WOULD BE LOCATED.

24 (d) THE NEUTRAL THIRD PARTY SHALL APPORTION ALL COSTS
25 REASONABLY RELATED TO THE MUTUALLY AGREED UPON DISPUTE
26 RESOLUTION PROCESS.

27 (2) (a) A STATE CHARTER APPLICANT, DISTRICT CHARTER SCHOOL,

1 OR STATE CHARTER SCHOOL AND THE STATE BOARD MAY AGREE TO BE
2 BOUND BY THE WRITTEN FINDINGS AND DETERMINATIONS OF THE NEUTRAL
3 THIRD PARTY RESULTING FROM ANY ALTERNATIVE DISPUTE RESOLUTION
4 ENTERED INTO PURSUANT TO SUBSECTION (1) OF THIS SECTION. IN SUCH
5 CASE, THE WRITTEN FINDINGS AND DETERMINATIONS SHALL BE FINAL AND
6 NOT SUBJECT TO APPEAL.

7 (b) IF THE PARTIES DO NOT AGREE TO BE BOUND BY THE WRITTEN
8 FINDINGS OF THE NEUTRAL THIRD PARTY, THE PARTIES MAY APPEAL THE
9 FINDINGS TO THE DISTRICT COURT. A PARTY WHO WISHES TO APPEAL
10 SHALL FILE A NOTICE OF APPEAL WITH THE DISTRICT COURT WITHIN THIRTY
11 DAYS AFTER THE RELEASE OF THE FINDINGS. THE NOTICE OF APPEAL SHALL
12 CONTAIN A BRIEF DESCRIPTION OF THE GROUNDS FOR APPEAL. THE PARTY
13 FILING THE NOTICE OF APPEAL SHALL ALSO SERVE THE NOTICE OF APPEAL
14 ON THE OTHER PARTY WITHIN THIRTY DAYS AFTER RELEASE OF THE
15 FINDINGS. THE DISTRICT COURT MAY CONSIDER THE WRITTEN FINDINGS OR
16 OTHER RELEVANT MATERIALS IN REACHING ITS DECISION AND MAY, ON ITS
17 OWN MOTION AND AFTER SUFFICIENT NOTICE, CONDUCT A DE NOVO
18 REVIEW OF AND HEARING ON THE UNDERLYING ISSUES.

19 (3) IF THE PARTIES HAVE AGREED TO BE BOUND, BUT ONE OF THE
20 PARTIES DOES NOT COMPLY WITH THE WRITTEN FINDINGS AND
21 DETERMINATIONS, THE AGGRIEVED PARTY MAY SUE FOR ENFORCEMENT OF
22 THE WRITTEN FINDINGS ARISING FROM THE DISPUTE RESOLUTION PROCESS.

23 (4) IF THE DISTRICT COURT, AFTER MOTION BY ONE OF THE PARTIES
24 AND SUFFICIENT NOTICE AND HEARING, FINDS THAT EITHER OF THE PARTIES
25 TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS HELD PURSUANT TO
26 THIS SECTION HAS FAILED TO PARTICIPATE IN GOOD FAITH IN THE PROCESS
27 OR HAS REFUSED TO COMPLY WITH THE WRITTEN FINDINGS AND

1 DETERMINATIONS REACHED AFTER AGREEING TO BE BOUND BY THE RESULT
2 OF THE DISPUTE RESOLUTION PROCESS, THE DISTRICT COURT SHALL
3 RESOLVE THE DISPUTE IN FAVOR OF THE AGGRIEVED PARTY.

4 **SECTION 11.** 22-30.5-109, Colorado Revised Statutes, is
5 amended to read:

6 **22-30.5-109. Charter schools - reporting.** (1) ~~A local board of~~
7 ~~education may reasonably limit the number of charter schools in the~~
8 ~~school district.~~ EACH LOCAL BOARD OF EDUCATION THAT APPROVES A
9 CHARTER APPLICATION AND ENTERS INTO A CHARTER CONTRACT WITH A
10 DISTRICT CHARTER SCHOOL AND EACH STATE CHARTER SCHOOL SHALL
11 ANNUALLY REPORT TO THE DEPARTMENT INFORMATION THAT THE
12 DEPARTMENT REQUESTS TO EVALUATE THE EFFECTIVENESS OF CHARTER
13 SCHOOLS. THE LOCAL BOARDS OF EDUCATION AND STATE CHARTER
14 SCHOOLS SHALL PROVIDE THE INFORMATION ON FORMS PROVIDED BY THE
15 DEPARTMENT. THE STATE BOARD SHALL ADOPT RULES ESTABLISHING THE
16 TIME LINES AND PROCEDURES FOR REPORTING THE INFORMATION
17 REQUIRED IN THIS SUBSECTION (1).

18 (2) (a) ~~No more than sixty charters shall be granted prior to July~~
19 ~~1, 1997, and at least sixteen of said sixty charters shall be reserved for~~
20 ~~charter school applications which are designed to increase the educational~~
21 ~~opportunities of at-risk pupils, as defined in section 22-30.5-103.~~

22 (b) ~~Local boards of education which grant charter school~~
23 ~~applications shall report such action to the state board and shall specify~~
24 ~~whether or not such school is designed to increase the educational~~
25 ~~opportunities of at-risk pupils. The state board shall promptly notify the~~
26 ~~board of education of each school district when the limits specified in~~
27 ~~paragraph (a) of this subsection (2) have been reached.~~

1 (3) It is the intent of the general assembly that ~~priority of~~
2 GREATER consideration be given to charter school applications designed
3 to increase the educational opportunities of at-risk pupils, as defined in
4 section 22-30.5-103.

5 (4) If otherwise qualified, nothing in this part 1 shall be construed
6 to prohibit any institution certified as an educational clinic pursuant to
7 article 27 of this title, on or before April 1, 1993, from applying to
8 become a charter school pursuant to this part 1.

9 (5) Nothing in this part 1 shall be construed to prevent a school
10 in a school district which is comprised of only one school from applying
11 to become a charter school pursuant to this part 1.

12 (6) A school district shall not discriminate against a charter school
13 or a nonpublic school participating in the Colorado opportunity contract
14 pilot program pursuant to article 56 of this title in publicizing the
15 educational options available to students residing within the district
16 through advertising, direct mail, availability of mailing lists, or other
17 informational activities, provided that the charter or nonpublic school
18 pays for its share of such publicity at cost.

19 ~~(7) On-line pupils enrolled in a charter school shall not be~~
20 ~~included in the charter school's pupil enrollment for purposes of~~
21 ~~determining whether the charter school is in compliance with any~~
22 ~~restrictions the chartering school district may impose on the number of~~
23 ~~pupils that may enroll in the charter school. A chartering school district~~
24 ~~AUTHORITY may not restrict the number of on-line pupils a charter school~~
25 ~~may enroll.~~

26 **SECTION 12.** 22-30.5-110, Colorado Revised Statutes, is
27 amended to read:

1 **22-30.5-110. Charter schools - term - renewal of charter -**
2 **grounds for nonrenewal or revocation - repeal.** (1) A new charter ~~may~~
3 APPLICATION SHALL be approved BY A CHARTERING AUTHORITY for a
4 period of at least three years. ~~but not more than five academic years.~~ A
5 charter may be renewed for a ~~period not to exceed five years~~ SUCCESSIVE
6 PERIODS. THE DEPARTMENT SHALL CONDUCT ACCREDITATION REVIEWS IN
7 ALL STATE CHARTER SCHOOLS IN ACCORDANCE WITH RULES OF THE STATE
8 BOARD.

9 (1.5) No later than December 1 of the year prior to the year in
10 which the charter expires, the governing body of a charter school shall
11 submit a renewal application to the ~~local board of education~~ CHARTER
12 SCHOOL'S CHARTERING AUTHORITY. The ~~local board of education~~
13 CHARTERING AUTHORITY shall rule by resolution on the renewal
14 application no later than February 1 of the year in which the charter
15 expires, or BY a mutually agreed upon date.

16 (2) A charter school renewal application submitted to the ~~local~~
17 ~~board of education~~ CHARTERING AUTHORITY shall contain:

18 (a) A report on the progress of the charter school in achieving the
19 goals, objectives, pupil performance standards, content standards, and
20 other terms of the ~~initial approved charter application~~ CHARTER
21 CONTRACT, THE RESULTS ACHIEVED BY THE CHARTER SCHOOL'S STUDENTS
22 ON THE ASSESSMENTS ADMINISTERED THROUGH THE COLORADO STUDENT
23 ASSESSMENT PROGRAM, AND, IN THE CASE OF A STATE CHARTER SCHOOL,
24 THE STATUS OF THE STATE CHARTER SCHOOL'S ACCREDITATION PLAN WITH
25 THE CHARTERING AUTHORITY;

26 (b) A financial statement that discloses the costs of
27 administration, instruction, and other spending categories for the charter

1 school that is understandable to the general public and that will allow
2 comparison of such costs to other schools or other comparable
3 organizations, in a format required by the state board of education; and

4 (c) (I) For renewal applications submitted on or after July 1, 2001,
5 but prior to July 1, 2010, a statement specifying how the charter school
6 intends to use the one-percent increase in the statewide base per pupil
7 funding for state fiscal years 2001-02 through 2010-11 required by
8 section 17 of article IX of the state constitution to raise student
9 achievement.

10 (II) This paragraph (c) is repealed, effective July 1, 2011.

11 (3) A charter may be revoked or not renewed by the ~~local board~~
12 ~~of education if such board~~ CHARTERING AUTHORITY IF IT determines that
13 the charter school did any of the following:

14 (a) Committed a material violation of any of the conditions,
15 standards, or procedures set forth in the charter ~~application~~ CONTRACT;

16 (b) Failed to meet or make reasonable progress toward
17 achievement of the GOALS, OBJECTIVES, content standards, ~~or~~ pupil
18 performance standards, APPLICABLE FEDERAL REQUIREMENTS, OR OTHER
19 TERMS identified in the charter ~~application~~ CONTRACT;

20 (b.5) IN THE CASE OF A STATE CHARTER SCHOOL, FAILED TO MEET
21 THE REQUIREMENTS OF THE STATE CHARTER SCHOOL'S ACCREDITATION
22 CONTRACT;

23 (c) Failed to meet generally accepted standards of fiscal
24 management; or

25 (d) Violated any provision of law from which the charter school
26 was not specifically exempted.

27 (4) ~~In addition, a charter may be not renewed upon a~~

1 ~~determination by the local board of education that it is not in the interest~~
2 ~~of the pupils residing within the school district to continue the operation~~
3 ~~of the charter school.~~

4 (4.5) If a ~~local board of education~~ CHARTERING AUTHORITY
5 revokes or does not renew a charter, the ~~board~~ CHARTERING AUTHORITY
6 shall state its reasons for the revocation or nonrenewal.

7 (5) A decision to revoke or not to renew a DISTRICT charter may
8 be appealed or facilitation may be sought pursuant to the provisions of
9 section 22-30.5-108.

10 **SECTION 13.** 22-30.5-111, Colorado Revised Statutes, is
11 amended to read:

12 **22-30.5-111. Charter schools - employee options.** (1) During
13 the first year that a teacher employed by a school district is employed by
14 a DISTRICT charter school, such teacher shall be considered to be on a
15 one-year leave of absence from the school district. Such leave of absence
16 shall commence on the first day of services for the DISTRICT charter
17 school. Upon the request of the teacher, the one-year leave of absence
18 shall be renewed for up to two additional one-year periods upon the
19 mutual agreement of the teacher and the school district. At the end of
20 three years, the relationship between the teacher and the school district
21 shall be determined by the school district and such district shall provide
22 notice to the teacher of the relationship.

23 (2) The local board of education shall determine by policy or by
24 negotiated agreement, if one exists, the employment status of school
25 district employees employed by the DISTRICT charter school who seek to
26 return to employment with public schools in the school district.

27 (3) Employees of a charter school shall be members of the public

1 employees' retirement association or the Denver public schools retirement
2 system, whichever is applicable. The charter school and the teacher shall
3 contribute the appropriate respective amounts as required by the funds of
4 such association or system.

5 **SECTION 14.** 22-30.5-112, Colorado Revised Statutes, is
6 amended to read:

7 **22-30.5-112. District charter schools - financing - guidelines -**
8 **repeal.** (1) (a) For purposes of the "Public School Finance Act of 1994",
9 article 54 of this title, pupils enrolled in a DISTRICT charter school shall
10 be included in the pupil enrollment, the on-line pupil enrollment, or the
11 preschool enrollment, whichever is applicable, of the CHARTERING school
12 district. ~~that granted its charter.~~ The CHARTERING school district ~~that~~
13 ~~granted its charter~~ shall report to the department of education the number
14 of pupils included in the school district's pupil enrollment, the school
15 district's on-line pupil enrollment, and the school district's preschool
16 enrollment that are actually enrolled in each DISTRICT charter school.

17 (b) The school district shall also identify each DISTRICT charter
18 school that is a qualified charter school as defined in section 22-54-124
19 (1) (f), (1) (f.5), or (1) (f.6), whichever is applicable, identify each
20 qualified charter school that will be operating in a school district facility
21 and that does not have ongoing financial obligations incurred to repay the
22 outstanding costs of new construction undertaken for the DISTRICT charter
23 school's benefit, and provide an estimate of the number of pupils expected
24 to be enrolled in each qualified charter school during the budget year
25 following the budget year in which the district makes a report.

26 (2) (a) (I) As part of the charter school contract, the DISTRICT
27 charter school and the CHARTERING school district shall agree on funding

1 and any services to be provided by the CHARTERING school district to the
2 DISTRICT charter school.

3 (II) For the 1999-2000 budget year, the DISTRICT charter school
4 and the CHARTERING school district shall begin discussions on the
5 contract using eighty percent of the district per pupil operating revenues.

6 (III) (A) For budget year 2000-01 and budget years thereafter,
7 except as otherwise provided in paragraph (a.3) of this subsection (2),
8 each DISTRICT charter school and the ~~authorizing~~ CHARTERING school
9 district shall negotiate funding under the contract. ~~at a minimum of~~
10 ~~ninety-five percent~~ THE DISTRICT CHARTER SCHOOL SHALL RECEIVE ONE
11 HUNDRED PERCENT of the district per pupil revenues for each pupil
12 enrolled in the DISTRICT charter school who is not an on-line pupil and
13 ~~ninety-five percent~~ ONE HUNDRED PERCENT of the district per pupil
14 on-line funding for each on-line pupil enrolled in the DISTRICT charter
15 school; EXCEPT THAT the CHARTERING school district may choose to
16 retain the actual amount of the DISTRICT charter school's per pupil share
17 of the central administrative overhead costs for services actually provided
18 to the DISTRICT charter school, ~~except that such amount shall not exceed~~
19 UP TO five percent of the district per pupil revenues for each pupil who is
20 not an on-line pupil enrolled in the DISTRICT charter school and UP TO five
21 percent of the district per pupil on-line funding for each on-line pupil
22 enrolled in the DISTRICT charter school.

23 (B) For budget years 2001-02 through 2010-11, the minimum
24 amount of funding specified in sub-subparagraph (A) of this
25 subparagraph (III) shall reflect the one-percent increase in the statewide
26 base per pupil funding for state fiscal years 2001-02 through 2010-11
27 received by the CHARTERING school district as required by section 17 of

1 article IX of the state constitution.

2 (a.3) If the ~~authorizing~~ CHARTERING school district enrolls five
3 hundred or fewer students, the DISTRICT charter school shall receive
4 funding in the amount of the greater of one hundred percent of the district
5 per pupil on-line funding for each on-line pupil enrolled in the DISTRICT
6 charter school plus one hundred percent of the district per pupil revenues
7 for each pupil who is not an on-line pupil enrolled in the DISTRICT charter
8 school, minus the actual amount of the DISTRICT charter school's per pupil
9 share of the central administrative overhead costs incurred by the
10 CHARTERING school district, based on audited figures, or eighty-five
11 percent of the district per pupil revenues for each pupil enrolled in the
12 DISTRICT charter school who is not an on-line pupil plus eighty-five
13 percent of the district per pupil on-line funding for each on-line pupil
14 enrolled in the DISTRICT charter school.

15 (a.4) (I) Within ninety days after the end of each fiscal year, each
16 school district shall provide to each DISTRICT charter school within its
17 district an itemized accounting of all its central administrative overhead
18 costs. The actual central administrative overhead costs shall be the
19 amount charged to the DISTRICT charter school. Any difference, within
20 the limitations of subparagraph (III) of paragraph (a) of this subsection
21 (2) and paragraph (a.3) of this subsection (2), between the amount
22 initially charged to the DISTRICT charter school and the actual cost shall
23 be reconciled and paid to the owed party.

24 (II) Within ninety days after the end of each fiscal year, each
25 school district shall provide to each DISTRICT charter school within its
26 district an itemized accounting of all the actual costs of district services
27 the DISTRICT charter school chose at its discretion to purchase from the

1 CHARTERING district calculated in accordance with paragraph (b) of this
2 subsection (2). Any difference between the amount initially charged to
3 the DISTRICT charter school and the actual cost shall be reconciled and
4 paid to the owed party.

5 (III) If either party disputes an itemized accounting provided
6 pursuant to subparagraphs (I) and (II) of this paragraph (a.4), any charges
7 included in an accounting, or charges to either party, that party is entitled
8 to request a third-party review at the requesting party's expense. The
9 review shall be conducted by the department, ~~of education~~, and the
10 department's determination shall be final.

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

12 (I) "Central administrative overhead costs" means indirect costs
13 incurred in providing:

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

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

21 (II) "District per pupil revenues" means the CHARTERING district's
22 total program as defined in section 22-54-103 (6) for any budget year
23 divided by the CHARTERING district's funded pupil count as defined in
24 section 22-54-103 (7) for said budget year.

25 (II.5) "District per pupil on-line funding" means the minimum per
26 pupil funding, as defined in section 22-54-104 (3.5), for any budget year.

27 (III) "Per pupil operating revenues" shall have the same meaning

1 as provided in section 22-54-103 (9).

2 (a.7) For the 2000-01 budget year and budget years thereafter,
3 each DISTRICT charter school shall annually allocate the minimum per
4 pupil dollar amount specified in section 22-54-105 (2) (b), multiplied by
5 the number of students enrolled in the DISTRICT charter school who are
6 not on-line pupils, to a fund created by the DISTRICT charter school for
7 capital reserve purposes, as set forth in section 22-45-103 (1) (c) and (1)
8 (e), or solely for the management of risk-related activities, as identified
9 in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S., or among
10 such allowable funds. Said moneys shall be used for the purposes set
11 forth in section 22-45-103 (1) (c) and (1) (e) and may not be expended by
12 the DISTRICT charter school for any other purpose.

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

25 (a.9) For budget year 2002-03 and budget years thereafter, and in
26 accordance with section 22-30.5-406, the funding provided by a
27 chartering school district to a DISTRICT charter school pursuant to this

1 subsection (2) shall be reduced by the amount of any direct payments of
2 principal and interest due on bonds issued on behalf of a DISTRICT charter
3 school by a governmental entity other than a school district for the
4 purpose of financing charter school capital construction that were made
5 by the state treasurer or the chartering school district on behalf of the
6 DISTRICT charter school.

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

18 (b.5) ~~The~~ A DISTRICT charter school may agree with the
19 CHARTERING school district to pay any actual costs incurred by the
20 CHARTERING school district in providing unique support services used
21 only by the DISTRICT charter school.

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

26 (II) For budget year 2000-01 and budget years thereafter, the
27 amount of funding received by a DISTRICT charter school pursuant to this

1 subsection (2) shall not be less than ~~ninety-five percent~~ ONE HUNDRED
2 PERCENT of the CHARTERING SCHOOL DISTRICT'S district per pupil
3 revenues, MINUS UP TO FIVE PERCENT AS PROVIDED IN SUBPARAGRAPH (III)
4 OF PARAGRAPH (a) OF THIS SUBSECTION (2), multiplied by the number of
5 pupils enrolled in the DISTRICT charter school or as otherwise provided
6 in paragraph (a.3) of this subsection (2) for any DISTRICT charter school
7 ~~authorized~~ CHARTERED by a school district that enrolls five hundred or
8 fewer students.

9 (d) ~~It is the intent of the general assembly that funding and service~~
10 ~~agreements pursuant to this subsection (2) shall be neither a financial~~
11 ~~incentive nor a financial disincentive to the establishment of a charter~~
12 ~~school.~~

13 (e) Fees collected from students enrolled at a DISTRICT charter
14 school shall be retained by ~~such~~ THE DISTRICT charter school.

15 (3) (a) (I) For the 1999-2000 budget year, notwithstanding
16 subsection (2) of this section, the proportionate share of state and federal
17 resources generated by students with disabilities or staff serving them
18 shall be directed to charter schools enrolling such students by their school
19 districts or administrative units. The proportionate share of moneys
20 generated under other federal or state categorical aid programs shall be
21 directed to charter schools serving students eligible for such aid.

22 (II) For budget year 2000-01 and budget years thereafter, if ~~the~~ A
23 DISTRICT charter school and the CHARTERING school district have
24 negotiated to allow the DISTRICT charter school to provide federally
25 required educational services pursuant to paragraph (a.8) of subsection
26 (2) of this section, the proportionate share of state and federal resources
27 generated by students receiving such federally required educational

1 services or staff serving them shall be directed by the CHARTERING school
2 district or administrative unit to the DISTRICT charter school enrolling
3 such students.

4 (III) For budget year 2000-01 and budget years thereafter, the
5 proportionate share of moneys generated under federal or state categorical
6 aid programs, other than federally required educational services, shall be
7 directed to DISTRICT charter schools serving students eligible for such aid;
8 except that a CHARTERING school district that receives small attendance
9 center aid pursuant to section 22-54-122 for a small attendance center that
10 is a DISTRICT charter school shall forward the entire amount of such aid
11 to the DISTRICT charter school for which it was received.

12 (a.5) Each DISTRICT charter school that serves students who may
13 be eligible to receive services provided through federal aid programs shall
14 comply with all federal reporting requirements to receive the federal aid.

15 (b) If a student with a disability attends a DISTRICT charter school,
16 the school district of residence shall be responsible for paying any tuition
17 charge for the excess costs incurred in educating the child in accordance
18 with the provisions of section 22-20-109 (5).

19 (4) The governing body of a DISTRICT charter school is authorized
20 to accept gifts, donations, or grants of any kind made to the DISTRICT
21 charter school and to expend or use said gifts, donations, or grants in
22 accordance with the conditions prescribed by the donor; however, no gift,
23 donation, or grant shall be accepted by the governing body if subject to
24 any condition contrary to law or contrary to the terms of the contract
25 between the DISTRICT charter school and the CHARTERING local board of
26 education.

27 (4.5) Except as provided in section 22-30.5-112.3 (2) (b), any

1 moneys received by a DISTRICT charter school from any source and
2 remaining in the DISTRICT charter school's accounts at the end of any
3 budget year shall remain in the DISTRICT charter school's accounts for use
4 by the DISTRICT charter school during subsequent budget years and shall
5 not revert to the CHARTERING school district or to the state.

6 (5) ~~The department of education will prepare an annual report and~~
7 ~~evaluation for the governor and the house and senate committees on~~
8 ~~education on the success or failure of charter schools, their relationship~~
9 ~~to other school reform efforts, and suggested changes in state law~~
10 ~~necessary to strengthen or change the charter school program.~~

11 (6) ~~The department of education will provide technical assistance~~
12 ~~to persons and groups preparing or revising charter applications.~~

13 (7) A DISTRICT CHARTER SCHOOL SHALL COMPLY WITH ALL OF THE
14 STATE FINANCIAL AND BUDGET RULES, REGULATIONS, AND FINANCIAL
15 REPORTING REQUIREMENTS WITH WHICH THE CHARTERING SCHOOL
16 DISTRICT IS REQUIRED TO COMPLY.

17 (8) (a) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO
18 THE CONTRARY, A CHARTERING SCHOOL DISTRICT MAY WITHHOLD A
19 PORTION OF A DISTRICT CHARTER SCHOOL'S MONTHLY PAYMENT DUE
20 PURSUANT TO THIS SECTION IF:

21 (I) THE DISTRICT CHARTER SCHOOL FAILS TO SATISFY ITS
22 OBLIGATION IN A CONTRACT OR OTHER WRITTEN AGREEMENT WITH THE
23 CHARTERING SCHOOL DISTRICT TO REPORT FINANCIAL INFORMATION
24 REQUIRED BY THE SCHOOL DISTRICT TO ENABLE THE SCHOOL DISTRICT TO
25 COMPLY WITH THE REQUIREMENTS SPECIFIED IN THIS TITLE AND IN RULES
26 PROMULGATED BY THE STATE BOARD PERTAINING TO REPORTING
27 FINANCIAL INFORMATION TO THE DEPARTMENT; AND

1 (II) THE FAILURE TO REPORT BY THE DISTRICT CHARTER SCHOOL
2 RESULTS IN THE WITHHOLDING OF MONEY FROM THE CHARTERING SCHOOL
3 DISTRICT PURSUANT TO SECTION 22-54-115 (6).

4 (b) THE CHARTERING SCHOOL DISTRICT MAY WITHHOLD A PORTION
5 OF THE PAYMENT DUE TO THE DISTRICT CHARTER SCHOOL ONLY UNTIL
6 SUCH TIME AS THE DISTRICT CHARTER SCHOOL COMPLIES WITH THE
7 FINANCIAL REPORTING REQUIREMENTS.

8 (c) THE AMOUNT WITHHELD BY A CHARTERING SCHOOL DISTRICT
9 PURSUANT TO THIS SUBSECTION (8) SHALL NOT EXCEED THE ACTUAL
10 AMOUNT WITHHELD FROM THE CHARTERING SCHOOL DISTRICT PURSUANT
11 TO SECTION 22-54-115 (6) AS A DIRECT RESULT OF THE DISTRICT CHARTER
12 SCHOOL'S FAILURE TO SATISFY ITS OBLIGATION IN A CONTRACT OR OTHER
13 WRITTEN AGREEMENT WITH THE CHARTERING SCHOOL DISTRICT TO REPORT
14 FINANCIAL INFORMATION.

15 (9) (a) IF, AT ANY TIME, A DISTRICT CHARTER SCHOOL DETERMINES
16 THAT ITS CHARTERING SCHOOL DISTRICT HAS NOT FORWARDED TO THE
17 DISTRICT CHARTER SCHOOL THE AMOUNT DUE TO THE DISTRICT CHARTER
18 SCHOOL IN ACCORDANCE WITH THE TERMS OF THE DISTRICT CHARTER
19 CONTRACT AND THE PROVISIONS OF THIS SECTION, THE DISTRICT CHARTER
20 SCHOOL MAY SEEK A DETERMINATION FROM THE STATE BOARD REGARDING
21 WHETHER THE CHARTERING SCHOOL DISTRICT IMPROPERLY WITHHELD ANY
22 PORTION OF THE AMOUNT DUE TO THE DISTRICT CHARTER SCHOOL.

23 (b) UPON RECEIPT FROM A DISTRICT CHARTER SCHOOL OF A
24 REQUEST FOR A DETERMINATION OF WHETHER THE CHARTERING SCHOOL
25 DISTRICT HAS IMPROPERLY WITHHELD ANY PORTION OF THE AMOUNT DUE
26 TO THE DISTRICT CHARTER SCHOOL, THE STATE BOARD SHALL DIRECT THE
27 DEPARTMENT TO REVIEW THE TERMS OF THE DISTRICT CHARTER CONTRACT

1 AND THE FINANCIAL INFORMATION OF THE DISTRICT CHARTER SCHOOL AND
2 THE CHARTERING SCHOOL DISTRICT AND MAKE A RECOMMENDATION TO
3 THE STATE BOARD REGARDING WHETHER THE CHARTERING SCHOOL
4 DISTRICT IMPROPERLY WITHHELD ANY PORTION OF THE AMOUNT DUE TO
5 THE DISTRICT CHARTER SCHOOL. THE DEPARTMENT SHALL REQUEST, AND
6 THE CHARTERING SCHOOL DISTRICT AND THE DISTRICT CHARTER SCHOOL
7 SHALL PROVIDE WITHIN THIRTY DAYS AFTER THE REQUEST, ALL
8 INFORMATION NECESSARY TO MAKE THE RECOMMENDATION. THE
9 DEPARTMENT SHALL FORWARD ITS RECOMMENDATION TO THE STATE
10 BOARD WITHIN THIRTY DAYS AFTER RECEIVING THE INFORMATION FROM
11 THE CHARTERING SCHOOL DISTRICT AND THE DISTRICT CHARTER SCHOOL.

12 (c) AT THE NEXT STATE BOARD MEETING FOLLOWING RECEIPT OF
13 THE RECOMMENDATION OF THE DEPARTMENT PURSUANT TO PARAGRAPH
14 (b) OF THIS SUBSECTION (9), THE STATE BOARD SHALL ISSUE ITS DECISION
15 REGARDING WHETHER THE CHARTERING SCHOOL DISTRICT IMPROPERLY
16 WITHHELD ANY PORTION OF THE AMOUNT DUE TO THE DISTRICT CHARTER
17 SCHOOL. IF THE STATE BOARD FINDS THAT THE CHARTERING SCHOOL
18 DISTRICT IMPROPERLY WITHHELD ANY PORTION OF THE AMOUNT DUE TO
19 THE DISTRICT CHARTER SCHOOL, THE CHARTERING SCHOOL DISTRICT
20 SHALL PAY TO THE DISTRICT CHARTER SCHOOL, WITHIN THIRTY DAYS
21 AFTER ISSUANCE OF THE DECISION, THE AMOUNT IMPROPERLY WITHHELD.
22 IN ADDITION, THE CHARTERING SCHOOL DISTRICT SHALL PAY THE COSTS
23 INCURRED BY THE DEPARTMENT IN REVIEWING THE NECESSARY
24 INFORMATION TO MAKE ITS RECOMMENDATION. IF THE STATE BOARD
25 FINDS THAT THE CHARTERING SCHOOL DISTRICT DID NOT IMPROPERLY
26 WITHHOLD ANY PORTION OF THE AMOUNT DUE TO THE DISTRICT CHARTER
27 SCHOOL, THE DISTRICT CHARTER SCHOOL SHALL PAY THE COSTS INCURRED

1 BY THE DEPARTMENT IN REVIEWING THE NECESSARY INFORMATION TO
2 MAKE ITS RECOMMENDATION.

3 (d) IF THE CHARTERING SCHOOL DISTRICT FAILS WITHIN THE
4 THIRTY-DAY PERIOD TO PAY THE FULL AMOUNT THAT WAS IMPROPERLY
5 WITHHELD, THE DISTRICT CHARTER SCHOOL MAY NOTIFY THE
6 DEPARTMENT, AND THE DEPARTMENT SHALL WITHHOLD FROM THE
7 CHARTERING SCHOOL DISTRICT'S STATE EQUALIZATION PAYMENT THE
8 UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE
9 CHARTERING SCHOOL DISTRICT FROM THE DISTRICT CHARTER SCHOOL AND
10 PAY THE UNPAID PORTION DIRECTLY TO THE DISTRICT CHARTER SCHOOL.
11 IN ADDITION, THE DEPARTMENT SHALL WITHHOLD FROM THE CHARTERING
12 SCHOOL DISTRICT'S FUTURE MONTHLY STATE EQUALIZATION PAYMENTS
13 THE AMOUNT DUE TO THE DISTRICT CHARTER SCHOOL IN ACCORDANCE
14 WITH THE TERMS OF THE DISTRICT CHARTER CONTRACT AND THE
15 PROVISIONS OF THIS SECTION AND PAY SUCH AMOUNTS DIRECTLY TO THE
16 DISTRICT CHARTER SCHOOL ON A MONTHLY BASIS.

17 (e) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (d) OF THIS
18 SUBSECTION (9), A DISTRICT CHARTER SCHOOL THAT RECEIVES FROM THE
19 DEPARTMENT DIRECT PAYMENTS OF THE AMOUNTS DUE TO THE DISTRICT
20 CHARTER SCHOOL IN ACCORDANCE WITH THE TERMS OF THE DISTRICT
21 CHARTER CONTRACT AND THE PROVISIONS OF THIS SECTION MAY NOTIFY
22 THE DEPARTMENT TO DISCONTINUE THE WITHHOLDING AND DIRECT
23 PAYMENT OF THE AMOUNTS DUE TO THE DISTRICT CHARTER SCHOOL. IF
24 THE DEPARTMENT DISCONTINUES WITHHOLDING AND DIRECT PAYMENT
25 PURSUANT TO THIS PARAGRAPH (e), THE CHARTERING SCHOOL DISTRICT
26 SHALL FORWARD TO THE DISTRICT CHARTER SCHOOL THE AMOUNT DUE TO
27 THE DISTRICT CHARTER SCHOOL IN ACCORDANCE WITH THE TERMS OF THE

1 DISTRICT CHARTER CONTRACT AND THE PROVISIONS OF THIS SECTION.

2 (10) (a) IF A DISTRICT CHARTER SCHOOL DETERMINES THAT A
3 SCHOOL DISTRICT HAS NOT PAID THE TUITION CHARGE FOR THE EXCESS
4 COSTS INCURRED IN EDUCATING A CHILD WITH A DISABILITY AS REQUIRED
5 IN SECTION 22-20-109 (5), THE DISTRICT CHARTER SCHOOL MAY SEEK A
6 DETERMINATION FROM THE STATE BOARD IN ACCORDANCE WITH THE
7 PROVISIONS OF SUBSECTION (9) OF THIS SECTION.

8 (b) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT
9 HAS IMPROPERLY WITHHELD MONEYS DUE TO THE DISTRICT CHARTER
10 SCHOOL, THE SCHOOL DISTRICT, WITHIN THIRTY DAYS AFTER THE STATE
11 BOARD'S DETERMINATION, SHALL PAY TO THE DISTRICT CHARTER SCHOOL
12 THE AMOUNT IMPROPERLY WITHHELD. IN ADDITION, THE SCHOOL DISTRICT
13 SHALL PAY THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE
14 NECESSARY INFORMATION TO MAKE ITS RECOMMENDATION. IF THE
15 SCHOOL DISTRICT FAILS, WITHIN THE THIRTY-DAY PERIOD, TO PAY THE
16 FULL AMOUNT THAT WAS IMPROPERLY WITHHELD, THE DISTRICT CHARTER
17 SCHOOL SHALL NOTIFY THE DEPARTMENT, AND THE DEPARTMENT SHALL
18 WITHHOLD FROM THE SCHOOL DISTRICT'S STATE EQUALIZATION PAYMENT
19 THE UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE
20 DISTRICT AND PAY THE UNPAID PORTION DIRECTLY TO THE DISTRICT
21 CHARTER SCHOOL.

22 (c) IF THE STATE BOARD FINDS THAT THE SCHOOL DISTRICT DID NOT
23 IMPROPERLY WITHHOLD ANY PORTION OF THE AMOUNT DUE TO THE
24 DISTRICT CHARTER SCHOOL, THE DISTRICT CHARTER SCHOOL SHALL PAY
25 THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE NECESSARY
26 INFORMATION TO MAKE ITS RECOMMENDATION.

27 **SECTION 15.** Part 1 of article 30.5 of title 22, Colorado Revised

1 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
2 read:

3 **22-30.5-112.1. State charter schools - financing - facilities.**

4 (1) AS USED IN THIS SECTION:

5 (a) "AT-RISK PUPILS" SHALL HAVE THE SAME MEANING AS
6 PROVIDED IN SECTION 22-54-103 (1.5).

7 (b) "DENYING DISTRICT" MEANS THE SCHOOL DISTRICT OF THE
8 LOCAL BOARD OF EDUCATION THAT DENIED THE STATE CHARTER SCHOOL
9 CHARTER APPLICATION OR FAILED TO COMPLETE A DISTRICT CHARTER
10 CONTRACT, RESULTING IN CREATION OF THE STATE CHARTER SCHOOL
11 PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1 (1) OR THE
12 SCHOOL DISTRICT OF THE LOCAL BOARD OF EDUCATION THAT AGREED TO
13 THE CONVERSION OF A DISTRICT CHARTER SCHOOL TO A STATE CHARTER
14 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1 (2).

15 (c) "DISTRICT PER PUPIL ON-LINE FUNDING" MEANS THE MINIMUM
16 PER PUPIL FUNDING, AS DEFINED IN SECTION 22-54-104 (3.5), FOR ANY
17 BUDGET YEAR.

18 (d) "DISTRICT PER PUPIL REVENUES" MEANS THE DISTRICT TOTAL
19 PROGRAM AS DEFINED IN SECTION 22-54-103 (6) OF THE DENYING DISTRICT
20 FOR ANY BUDGET YEAR DIVIDED BY THE DENYING DISTRICT'S FUNDED
21 PUPIL COUNT AS DEFINED IN SECTION 22-54-103 (7) FOR SAID BUDGET
22 YEAR.

23 (e) "ON-LINE PUPIL ENROLLMENT" MEANS THE NUMBER OF PUPILS,
24 ON OCTOBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL
25 DAY NEAREST SAID DATE, ENROLLED IN, ATTENDING, AND ACTIVELY
26 PARTICIPATING IN, AN ON-LINE PROGRAM CREATED PURSUANT TO SECTION
27 22-33-104.6 BY THE STATE CHARTER SCHOOL, WHICH PUPILS MEET THE

1 REQUIREMENTS SPECIFIED IN SECTION 22-33-104.6 (4) (a) OR ARE EXEMPT
2 PURSUANT TO RULES ADOPTED BY THE STATE BOARD PURSUANT TO
3 SECTION 22-33-104.6 (7).

4 (f) "PUPIL ENROLLMENT" SHALL HAVE THE SAME MEANING AS
5 PROVIDED IN SECTION 22-54-103 (10).

6 (g) "QUALIFIED CHARTER SCHOOL" SHALL HAVE THE SAME
7 MEANING AS PROVIDED IN SECTION 22-54-124 (1) (f.6).

8 (2) (a) ON OR BEFORE NOVEMBER 10 OF EACH YEAR, EACH STATE
9 CHARTER SCHOOL SHALL CERTIFY TO THE STATE BOARD THE STATE
10 CHARTER SCHOOL'S PUPIL ENROLLMENT AND ON-LINE PUPIL ENROLLMENT
11 FOR THAT YEAR. IN CERTIFYING ITS PUPIL ENROLLMENT TO THE STATE
12 BOARD, THE STATE CHARTER SCHOOL SHALL SPECIFY THE NUMBER OF
13 PUPILS ENROLLED IN HALF-DAY KINDERGARTEN; THE NUMBER OF PUPILS
14 ENROLLED IN FULL-DAY KINDERGARTEN; THE NUMBER OF PUPILS
15 ENROLLED IN FIRST GRADE THROUGH TWELFTH GRADE, SPECIFYING THOSE
16 WHO ARE ENROLLED AS FULL-TIME STUDENTS AND THOSE WHO ARE
17 ENROLLED AS LESS THAN FULL-TIME STUDENTS; THE NUMBER OF EXPELLED
18 PUPILS RECEIVING EDUCATIONAL SERVICES PURSUANT TO SECTION
19 22-33-203; THE NUMBER OF PUPILS RECEIVING EDUCATIONAL PROGRAMS
20 UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20
21 OF THIS TITLE; AND THE NUMBER OF AT-RISK PUPILS. EACH STATE
22 CHARTER SCHOOL SHALL ALSO NOTIFY THE DEPARTMENT AS TO WHETHER
23 THE STATE CHARTER SCHOOL IS A QUALIFIED CHARTER SCHOOL.

24 (b) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF
25 1994", ARTICLE 54 OF THIS TITLE, THE DEPARTMENT SHALL ADD THE PUPILS
26 ENROLLED IN A STATE CHARTER SCHOOL TO THE PUPIL ENROLLMENT AND
27 THE ON-LINE PUPIL ENROLLMENT OF THE STATE CHARTER SCHOOL'S

1 DENYING DISTRICT, AS CERTIFIED BY THE DENYING DISTRICT PURSUANT TO
2 SECTION 22-54-112.

3 (3) (a) FOR EACH STATE CHARTER SCHOOL, THE DEPARTMENT
4 SHALL WITHHOLD FROM THE STATE EQUALIZATION PAYMENTS OF THE
5 STATE CHARTER SCHOOL'S DENYING DISTRICT AN AMOUNT EQUAL TO THE
6 LESSER OF:

7 (I) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES
8 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE STATE CHARTER
9 SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE HUNDRED PERCENT OF
10 THE DISTRICT PER PUPIL ON-LINE FUNDING MULTIPLIED BY THE NUMBER OF
11 ON-LINE PUPILS ENROLLED IN THE STATE CHARTER SCHOOL; OR

12 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
13 DENYING DISTRICT.

14 (b) THE DEPARTMENT SHALL FORWARD TO THE STATE CHARTER
15 SCHOOL THE AMOUNT WITHHELD, MINUS FIVE PERCENT OF SAID AMOUNT
16 FOR PAYMENT OF THE COSTS INCURRED IN IMPLEMENTING SECTION
17 22-30.5-108.3 AND MINUS THE AMOUNT AGREED TO IN THE STATE CHARTER
18 CONTRACT FOR ANY ADDITIONAL SERVICES, AS PROVIDED IN PARAGRAPH
19 (c) OF THIS SUBSECTION (3). NOTWITHSTANDING ANY PROVISION OF THIS
20 SECTION TO THE CONTRARY, IF THE DEPARTMENT WITHHOLDS THE TOTAL
21 AMOUNT OF THE STATE SHARE PAYABLE TO THE DENYING DISTRICT AND
22 THERE IS MORE THAN ONE STATE CHARTER SCHOOL THAT RECEIVES
23 FUNDING FROM THE DENYING DISTRICT'S STATE SHARE, THE DEPARTMENT
24 SHALL DIVIDE THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
25 DENYING DISTRICT AMONG THE STATE CHARTER SCHOOLS ON A PER PUPIL
26 BASIS.

27 (c) AS PART OF THE STATE CHARTER SCHOOL CONTRACT, THE

1 STATE CHARTER SCHOOL AND THE STATE BOARD SHALL AGREE ON THE
2 SERVICES, OTHER THAN NECESSARY ADMINISTRATION, OVERSIGHT, AND
3 MANAGEMENT SERVICES, TO BE PROVIDED BY THE STATE BOARD, THE
4 DEPARTMENT, OR A THIRD-PARTY WITH WHICH THE STATE BOARD HAS
5 CONTRACTED, TO THE STATE CHARTER SCHOOL AND THE COSTS OF THE
6 SERVICES.

7 (d) FOR BUDGET YEARS 2004-05 THROUGH 2010-11, THE AMOUNT
8 OF FUNDING SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (3) SHALL
9 REFLECT THE ONE-PERCENT INCREASE IN THE STATEWIDE BASE PER PUPIL
10 FUNDING FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11 RECEIVED
11 BY THE DENYING SCHOOL DISTRICT AS REQUIRED BY SECTION 17 OF
12 ARTICLE IX OF THE STATE CONSTITUTION. [REDACTED]

13 (4) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,
14 THE DEPARTMENT SHALL PROVIDE TO EACH STATE CHARTER SCHOOL AN
15 ITEMIZED ACCOUNTING OF ALL THE ACTUAL COSTS OF ANY ADDITIONAL
16 SERVICES THE STATE CHARTER SCHOOL CHOSE AT ITS DISCRETION TO
17 PURCHASE AS PROVIDED IN PARAGRAPH (a) OF SUBSECTION (3) OF THIS
18 SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT INITIALLY CHARGED
19 TO THE STATE CHARTER SCHOOL AND THE ACTUAL COST SHALL BE
20 RECONCILED AND PAID TO THE OWED PARTY.

21 (5) (a) EACH STATE CHARTER SCHOOL SHALL ANNUALLY BUDGET
22 THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION 22-54-105
23 (1)(b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE STATE
24 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO BE ALLOCATED, AT
25 THE DISCRETION OF THE GOVERNING BOARD OF THE STATE CHARTER
26 SCHOOL, TO AN ACCOUNT FOR INSTRUCTIONAL SUPPLIES AND MATERIALS,
27 AN ACCOUNT FOR INSTRUCTIONAL CAPITAL OUTLAY, OR AN ACCOUNT

1 CREATED FOR OTHER INSTRUCTIONAL PURPOSES, OR AMONG THE
2 ACCOUNTS. MONEYS MAY BE TRANSFERRED AMONG THE THREE
3 ACCOUNTS. THE MONEYS IN THE ACCOUNTS SHALL BE USED FOR THE
4 PURPOSES SET FORTH IN SECTION 22-45-103 (1) (a) (II) AND MAY NOT BE
5 EXPENDED BY THE STATE CHARTER SCHOOL FOR ANY OTHER PURPOSE.
6 ANY MONEYS IN THE ACCOUNTS THAT ARE NOT PROJECTED TO BE
7 EXPENDED DURING A BUDGET YEAR SHALL BE BUDGETED FOR THE
8 PURPOSES SET FORTH IN SECTION 22-45-103 (1) (a) (II) IN THE NEXT
9 BUDGET YEAR. NOTHING IN THIS PARAGRAPH (a) SHALL BE CONSTRUED TO
10 REQUIRE THAT INTEREST ON MONEYS IN THE ACCOUNTS BE SPECIFICALLY
11 ALLOCATED TO THE ACCOUNTS.

12 (b) EACH STATE CHARTER SCHOOL SHALL ANNUALLY ALLOCATE
13 THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION 22-54-105
14 (2)(b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE STATE
15 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO A FUND CREATED BY
16 THE STATE CHARTER SCHOOL FOR CAPITAL RESERVE PURPOSES, AS SET
17 FORTH IN SECTION 22-45-103 (1) (c) AND (1) (e), OR SOLELY FOR THE
18 MANAGEMENT OF RISK-RELATED ACTIVITIES, AS IDENTIFIED IN SECTION
19 24-10-115, C.R.S., AND ARTICLE 13 OF TITLE 29, C.R.S., OR AMONG SUCH
20 ALLOWABLE FUNDS. SAID MONEYS SHALL BE USED FOR THE PURPOSES SET
21 FORTH IN SECTION 22-45-103 (1) (c) AND (1) (e) AND MAY NOT BE
22 EXPENDED BY THE STATE CHARTER SCHOOL FOR ANY OTHER PURPOSE.

23 (6) (a) EACH STATE CHARTER SCHOOL SHALL PROVIDE FEDERALLY
24 REQUIRED EDUCATIONAL SERVICES TO STUDENTS ENROLLED IN THE STATE
25 CHARTER SCHOOL. FOR PURPOSES OF PROVIDING EDUCATIONAL SERVICES
26 FOR CHILDREN WITH DISABILITIES PURSUANT TO ARTICLE 20 OF THIS TITLE,
27 EACH STATE CHARTER SCHOOL MAY OPERATE AS ITS OWN ADMINISTRATIVE

1 UNIT OR IT MAY JOIN A BOARD OF COOPERATIVE SERVICES OR IT MAY
2 CONTRACT WITH A BOARD OF COOPERATIVE SERVICES OR A SCHOOL
3 DISTRICT FOR THE DELIVERY OF SAID EDUCATIONAL SERVICES.

4 (b) THE DEPARTMENT SHALL FORWARD TO EACH STATE CHARTER
5 SCHOOL THE SCHOOL'S PROPORTIONATE SHARE OF THE STATE AND FEDERAL
6 RESOURCES GENERATED BY STUDENTS WITH DISABILITIES WHO ARE
7 ENROLLED IN THE STATE CHARTER SCHOOL OR BY STAFF SERVING THEM
8 WHO ARE EMPLOYED BY THE STATE CHARTER SCHOOL. THE DEPARTMENT
9 SHALL FORWARD TO EACH STATE CHARTER SCHOOL A PROPORTIONATE
10 SHARE OF THE MONEYS GENERATED UNDER OTHER FEDERAL OR STATE
11 CATEGORICAL AID PROGRAMS FOR STUDENTS WHO ARE ENROLLED IN THE
12 STATE CHARTER SCHOOL AND ARE ELIGIBLE FOR THE AID.

13 (c) WHEN A CHILD WITH A DISABILITY ENROLLS IN AND ATTENDS
14 A STATE CHARTER SCHOOL, THE CHILD'S SCHOOL DISTRICT OF RESIDENCE
15 SHALL BE RESPONSIBLE FOR PAYING TO THE STATE CHARTER SCHOOL THE
16 TUITION CHARGE FOR THE EXCESS COSTS INCURRED IN EDUCATING THE
17 CHILD. THE AMOUNT OF THE TUITION CHARGE SHALL BE DETERMINED
18 PURSUANT TO GUIDELINES DEVELOPED BY THE DEPARTMENT. UNDER THE
19 CIRCUMSTANCES DESCRIBED IN THIS PARAGRAPH (c), THE PROVISIONS OF
20 SECTION 22-20-108 (8) SHALL NOT APPLY.

21 (7) (a) IF A STATE CHARTER SCHOOL DETERMINES THAT A SCHOOL
22 DISTRICT HAS NOT PAID THE TUITION CHARGE FOR THE EXCESS COSTS
23 INCURRED IN EDUCATING A CHILD WITH A DISABILITY AS REQUIRED IN
24 SUBSECTION (6) OF THIS SECTION AND SECTION 22-20-109 (5), THE STATE
25 CHARTER SCHOOL MAY SEEK A DETERMINATION FROM THE STATE BOARD
26 CONCERNING WHETHER A SCHOOL DISTRICT HAS IMPROPERLY FAILED TO
27 PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING A

1 CHILD WITH A DISABILITY.

2 (b) UPON RECEIPT FROM A STATE CHARTER SCHOOL OF A REQUEST
3 FOR A DETERMINATION OF WHETHER A SCHOOL DISTRICT HAS IMPROPERLY
4 FAILED TO PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN
5 EDUCATING A CHILD WITH A DISABILITY, THE STATE BOARD SHALL DIRECT
6 THE DEPARTMENT TO REVIEW THE TERMS OF THE AGREEMENT BETWEEN
7 THE SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL AND THE
8 FINANCIAL INFORMATION OF THE STATE CHARTER SCHOOL AND THE
9 SCHOOL DISTRICT AND MAKE A RECOMMENDATION TO THE STATE BOARD
10 REGARDING WHETHER THE SCHOOL DISTRICT HAS IMPROPERLY FAILED TO
11 PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING A
12 CHILD WITH A DISABILITY. THE DEPARTMENT SHALL REQUEST, AND THE
13 SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL SHALL PROVIDE
14 WITHIN THIRTY DAYS AFTER THE REQUEST, ALL INFORMATION NECESSARY
15 TO MAKE THE RECOMMENDATION. THE DEPARTMENT SHALL FORWARD ITS
16 RECOMMENDATION TO THE STATE BOARD WITHIN THIRTY DAYS AFTER
17 RECEIVING THE INFORMATION FROM THE SCHOOL DISTRICT AND THE STATE
18 CHARTER SCHOOL.

19 (c) (I) AT THE NEXT STATE BOARD MEETING FOLLOWING RECEIPT
20 OF THE RECOMMENDATION OF THE DEPARTMENT PURSUANT TO PARAGRAPH
21 (b) OF THIS SUBSECTION (7), THE STATE BOARD SHALL ISSUE ITS DECISION
22 REGARDING WHETHER THE SCHOOL DISTRICT HAS IMPROPERLY FAILED TO
23 PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING A
24 CHILD WITH A DISABILITY.

25 (II) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT
26 HAS IMPROPERLY WITHHELD MONEYS DUE TO THE STATE CHARTER
27 SCHOOL, THE SCHOOL DISTRICT, WITHIN THIRTY DAYS AFTER THE STATE

1 BOARD'S DETERMINATION, SHALL PAY TO THE STATE CHARTER SCHOOL THE
2 AMOUNT IMPROPERLY WITHHELD. IN ADDITION, THE SCHOOL DISTRICT
3 SHALL PAY THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE
4 NECESSARY INFORMATION TO MAKE ITS RECOMMENDATION. IF THE
5 SCHOOL DISTRICT FAILS, WITHIN THE THIRTY-DAY PERIOD, TO PAY THE
6 FULL AMOUNT THAT WAS IMPROPERLY WITHHELD, THE STATE CHARTER
7 SCHOOL SHALL NOTIFY THE DEPARTMENT, AND THE DEPARTMENT SHALL
8 WITHHOLD FROM THE SCHOOL DISTRICT'S STATE EQUALIZATION PAYMENT
9 THE UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE
10 DISTRICT AND PAY THE UNPAID PORTION DIRECTLY TO THE STATE CHARTER
11 SCHOOL.

12 (III) IF THE STATE BOARD FINDS THAT THE SCHOOL DISTRICT DID
13 NOT IMPROPERLY WITHHOLD ANY PORTION OF THE AMOUNT DUE TO THE
14 STATE CHARTER SCHOOL, THE STATE CHARTER SCHOOL SHALL PAY THE
15 COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE NECESSARY
16 INFORMATION TO MAKE ITS RECOMMENDATION.

17 (8) (a) EACH STATE CHARTER SCHOOL THAT SERVES STUDENTS
18 WHO MAY BE ELIGIBLE TO RECEIVE SERVICES PROVIDED THROUGH
19 FEDERAL AID PROGRAMS SHALL COMPLY WITH ALL FEDERAL REPORTING
20 REQUIREMENTS TO RECEIVE THE FEDERAL AID.

21 (b) A STATE CHARTER SCHOOL SHALL COMPLY WITH ALL OF THE
22 STATE FINANCIAL AND BUDGET RULES, REGULATIONS, AND FINANCIAL
23 REPORTING REQUIREMENTS WITH WHICH A SCHOOL DISTRICT IS REQUIRED
24 TO COMPLY.

25 (9) THE GOVERNING BODY OF A STATE CHARTER SCHOOL IS
26 AUTHORIZED TO ACCEPT GIFTS, DONATIONS, OR GRANTS OF ANY KIND
27 MADE TO THE STATE CHARTER SCHOOL AND TO EXPEND OR USE SAID GIFTS,

1 DONATIONS, OR GRANTS IN ACCORDANCE WITH THE CONDITIONS
2 PRESCRIBED BY THE DONOR; HOWEVER, NO GIFT, DONATION, OR GRANT
3 SHALL BE ACCEPTED BY THE GOVERNING BODY IF SUBJECT TO ANY
4 CONDITION CONTRARY TO LAW OR CONTRARY TO THE TERMS OF THE STATE
5 CHARTER CONTRACT BETWEEN THE STATE CHARTER SCHOOL AND THE
6 STATE BOARD.

7 (10) ANY MONEYS RECEIVED BY A STATE CHARTER SCHOOL FROM
8 ANY SOURCE AND REMAINING IN THE STATE CHARTER SCHOOL'S ACCOUNTS
9 AT THE END OF ANY BUDGET YEAR SHALL REMAIN IN THE STATE CHARTER
10 SCHOOL'S ACCOUNTS FOR USE BY THE STATE CHARTER SCHOOL DURING
11 SUBSEQUENT BUDGET YEARS AND SHALL NOT REVERT TO THE STATE.

12 **SECTION 16.** 22-30.5-112.3, Colorado Revised Statutes, is
13 amended to read:

14 **22-30.5-112.3. Charter schools - additional aid from district.**

15 (1) (a) (I) For the 2001-02 budget year, a qualified charter school, as
16 defined in section 22-54-124 (1) (f), shall receive state education fund
17 moneys from ~~the~~ ITS CHARTERING school district ~~that granted its charter~~
18 in an amount equal to the percentage of the district's certified DISTRICT
19 charter school pupil enrollment that is attributable to pupils expected to
20 be enrolled in the qualified charter school multiplied by the total amount
21 of state education fund moneys distributed to the district for the same
22 budget year pursuant to section 22-54-124 (3).

23 (II) As used in this paragraph (a), "pupils" means pupils other than
24 on-line pupils enrolled in a DISTRICT charter school.

25 (a.5) For the 2002-03 budget year, a qualified charter school, as
26 defined in section 22-54-124 (1) (f.5), shall receive state education
27 moneys from ~~the~~ ITS CHARTERING school district ~~that granted its charter~~

1 in an amount equal to the amount paid to the school district by the
2 department of education pursuant to section 22-54-124 (4.5).

3 (a.7) (I) For the 2003-04 budget year and each budget year
4 thereafter, a qualified charter school, as defined in section 22-54-124 (1)
5 (f.6), THAT IS A DISTRICT CHARTER SCHOOL shall receive state education
6 fund moneys from ~~the~~ ITS CHARTERING school district ~~that granted~~
7 ~~approved its charter~~ in an amount equal to the percentage of the district's
8 certified DISTRICT charter school pupil enrollment that is attributable to
9 pupils expected to be enrolled in the DISTRICT qualified charter school
10 multiplied by the total amount of state education fund moneys distributed
11 to the district for the same budget year pursuant to section 22-54-124 (3).

12 A QUALIFIED CHARTER SCHOOL THAT IS A STATE CHARTER SCHOOL SHALL
13 RECEIVE STATE EDUCATION FUND MONEYS FROM THE DEPARTMENT IN AN
14 AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL QUALIFIED CHARTER
15 SCHOOL PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED
16 TO BE ENROLLED IN THE STATE CHARTER SCHOOL MULTIPLIED BY THE
17 TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED FOR THE
18 SAME BUDGET YEAR PURSUANT TO SECTION 22-54-124 (3).

19 (II) As used in this paragraph (a.7), "pupils" means pupils other
20 than on-line pupils enrolled in a QUALIFIED charter school.

21 (b) Funding received pursuant to paragraph (a), (a.5), or (a.7) of
22 this subsection (1) shall be in addition to any funding provided pursuant
23 to section 22-30.5-112 OR 22-30.5-112.1.

24 (c) (I) A district shall provide funding to each DISTRICT qualified
25 charter school, as defined in section 22-54-124 (1) (f), (1) (f.5), or (1)
26 (f.6), whichever is applicable, by making a single lump-sum payment to
27 the DISTRICT qualified charter school as soon as possible after the district

1 receives a lump-sum payment of state education fund moneys pursuant
2 to section 22-54-124 (4) or (4.5), whichever is applicable.

3 (II) THE DEPARTMENT SHALL PROVIDE FUNDING TO EACH STATE
4 QUALIFIED CHARTER SCHOOL, AS DEFINED IN SECTION 22-54-124 (1) (f.6),
5 BY MAKING A SINGLE LUMP-SUM PAYMENT TO THE STATE QUALIFIED
6 CHARTER SCHOOL AS SOON AS POSSIBLE AFTER THE DEPARTMENT RECEIVES
7 A LUMP-SUM PAYMENT OF STATE EDUCATION FUND MONEYS PURSUANT TO
8 SECTION 22-54-124.

9 (2) (a) A charter school shall use moneys it receives pursuant to
10 subsection (1) of this section solely for capital construction, as defined in
11 section 22-54-124 (1) (a).

12 (b) Notwithstanding the provisions of section 22-30.5-112 (4.5),
13 any moneys received by a DISTRICT charter school pursuant to subsection
14 (1) of this section for the 2001-02 budget year that are not expended by
15 January 31, 2003, shall be transferred back to the state education fund
16 created in section 17 (4) of article IX of the state constitution.

17 **SECTION 17.** 22-30.5-112.5, Colorado Revised Statutes, is
18 amended to read:

19 **22-30.5-112.5. District charter schools - transportation plans.**

20 If a DISTRICT charter school's charter or contract includes provision of
21 transportation services by the CHARTERING school district, the DISTRICT
22 charter school and the CHARTERING school district shall collaborate in
23 developing a transportation plan to use school district equipment to
24 transport students enrolled in the DISTRICT charter school to and from the
25 DISTRICT charter school and their homes and to and from the DISTRICT
26 charter school and any extracurricular activities. The transportation plan
27 may include, but need not be limited to, development of bus routes and

1 plans for sharing the use of school district equipment for the benefit of
2 students enrolled in DISTRICT charter schools of the CHARTERING school
3 district and students enrolled in other schools of the CHARTERING school
4 district.

5 **SECTION 18.** 22-30.5-113, Colorado Revised Statutes, is
6 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

7 **22-30.5-113. State board - department of education - duties -**
8 **charter schools - evaluation - report.** (1) BEGINNING IN THE 2004-05
9 BUDGET YEAR, AND AT LEAST EVERY THREE YEARS THEREAFTER, THE
10 DEPARTMENT SHALL PREPARE A REPORT AND EVALUATION FOR THE
11 GOVERNOR AND THE HOUSE AND SENATE COMMITTEES ON EDUCATION ON
12 THE SUCCESS OR FAILURE OF CHARTER SCHOOLS, THEIR RELATIONSHIP TO
13 OTHER SCHOOL REFORM EFFORTS, AND SUGGESTED CHANGES IN STATE
14 LAW NECESSARY TO STRENGTHEN OR CHANGE THE CHARTER SCHOOL
15 PROGRAM.

16 (2) THE STATE BOARD SHALL COMPILE EVALUATIONS OF DISTRICT
17 CHARTER SCHOOLS RECEIVED FROM LOCAL BOARDS OF EDUCATION AND
18 EVALUATIONS OF STATE CHARTER SCHOOLS PREPARED BY THE
19 DEPARTMENT. THE STATE BOARD SHALL REVIEW INFORMATION
20 REGARDING THE STATUTES, REGULATIONS, AND POLICIES FROM WHICH
21 CHARTER SCHOOLS WERE RELEASED PURSUANT TO SECTION 22-30.5-105
22 TO DETERMINE IF THE RELEASES ASSISTED OR IMPEDED THE CHARTER
23 SCHOOLS IN MEETING THEIR STATED GOALS AND OBJECTIVES.

24 (3) IN PREPARING THE REPORT REQUIRED BY THIS SECTION, THE
25 STATE BOARD SHALL COMPARE THE PERFORMANCE OF CHARTER SCHOOL
26 PUPILS WITH THE PERFORMANCE OF ETHNICALLY AND ECONOMICALLY
27 COMPARABLE GROUPS OF PUPILS IN OTHER PUBLIC SCHOOLS WHO ARE

1 ENROLLED IN ACADEMICALLY COMPARABLE COURSES.

2 **SECTION 19.** 22-30.5-403 (3), Colorado Revised Statutes, is
3 amended, and the said 22-30.5-403 is further amended BY THE
4 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

5 **22-30.5-403. Definitions.** As used in this part 4, unless the
6 context otherwise requires:

7 (3) "Charter school" means a DISTRICT OR STATE charter school as
8 ~~described in section 22-30.5-104~~ DEFINED IN SECTION 22-30.5-103 (2),
9 and also includes a nonprofit corporation exempt from taxation under
10 section 501 (c) (3) of the federal "Internal Revenue Code of 1986", as
11 amended, that owns a facility used for occupancy by pupils enrolled or
12 to be enrolled in a charter school on behalf of a charter school and that
13 was created for the sole purpose of holding title to such facility.

14 (5.5) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL
15 THAT ENTERS INTO A CHARTER CONTRACT WITH A BOARD OF EDUCATION.

16 (8) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
17 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD OF
18 EDUCATION PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1.

19 **SECTION 20.** 22-30.5-404, Colorado Revised Statutes, is
20 amended to read:

21 **22-30.5-404. Needs-based inclusion of district charter schools**
22 **in district bond elections - eligibility - determination of need -**
23 **allocation of bond revenues.** (1) In enacting this section, it is the intent
24 of the general assembly to respect the principle of school district local
25 control and to encourage school districts and DISTRICT charter schools to
26 work together to ensure that the capital construction needs of DISTRICT
27 charter schools can be met. Accordingly, nothing in this section shall be

1 construed to limit in any way the existing ability of any school district to
2 include a DISTRICT charter school in any local bond elections or to
3 otherwise assist a DISTRICT charter school in financing its capital
4 construction needs in any legal manner mutually agreed upon by the
5 school district and the DISTRICT charter school. Each school district that
6 is considering submitting any question of contracting bonded
7 indebtedness to the eligible electors of the district at an upcoming
8 election shall invite each DISTRICT charter school chartered by the district
9 to participate in discussions regarding the possible submission of such a
10 question at the earliest possible time, and each school district is
11 encouraged to voluntarily include funding for the capital construction
12 needs of DISTRICT charter schools in the district's questions of contracting
13 bonded indebtedness without requiring a DISTRICT charter school to
14 comply with the capital construction plan submission process set forth in
15 subsection (3) of this section.

16 (2) A DISTRICT charter school that has capital construction needs
17 may seek to obtain moneys to fund such capital construction needs by
18 requesting that the board of education of its chartering school district:

19 (a) Include the DISTRICT charter school's capital construction
20 needs as part of a ballot question for approval of bonded indebtedness to
21 be submitted by the district to the voters of the district; or

22 (b) Submit a ballot question for approval of a special mill levy to
23 the voters of the district pursuant to section 22-30.5-405.

24 (3) A DISTRICT charter school that seeks to have its capital
25 construction needs included as part of a ballot question to be submitted
26 by the board of education of its chartering school district to the voters of
27 the district or that seeks to obtain funding for its capital construction

1 needs through the imposition of a special mill levy pursuant to section
2 22-30.5-405 shall submit a capital construction plan to the board of
3 education of its chartering school district. The plan shall include:

4 (a) A statement of reasons why the capital construction to be
5 financed by bonded indebtedness or a special mill levy is necessary;

6 (b) A description of the capital construction to be financed by
7 bonded indebtedness or revenues from a special mill levy;

8 (c) A description of the architectural, functional, and construction
9 standards that meet applicable state building code requirements and are
10 to be applied to each facility that is the subject of the capital construction
11 project;

12 (d) An estimate of the total cost of completing the capital
13 construction to be financed by bonded indebtedness or a special mill levy
14 and, if any moneys other than proceeds of bonded indebtedness or a
15 special mill levy and interest earned on such proceeds are to be used to
16 finance the capital construction, a breakdown of the moneys that will be
17 used to finance the capital construction;

18 (e) An estimate of the amount of time needed to complete the
19 capital construction;

20 (f) A statement addressing whether construction and renovation,
21 payment of overrun costs, and other capital construction project issues are
22 to be managed by the DISTRICT charter school or the district, with costs
23 for management to be negotiated by the DISTRICT charter school and the
24 district;

25 (g) A statement of reasons why revenue sources other than bonded
26 indebtedness or a special mill levy are inadequate to fully finance the
27 capital construction; and

1 (h) A statement of the DISTRICT charter school's preferred means
2 of obtaining moneys.

3 (4) The board of education of a school district shall review a
4 capital construction plan submitted by a DISTRICT charter school pursuant
5 to subsection (3) of this section and determine whether the DISTRICT
6 charter school has established a need for the capital construction, a need
7 to incur bonded indebtedness or obtain revenues from a special mill levy
8 to finance the capital construction, and a viable plan for the capital
9 construction. The board shall also determine the priority of the DISTRICT
10 charter school capital construction need in relation to the capital
11 construction needs of the entire district. If the board determines that:

12 (a) The DISTRICT charter school has established capital
13 construction needs, a need to incur bonded indebtedness or obtain
14 revenues from a special mill levy to finance the capital construction, and
15 a viable plan, and the board has prioritized the DISTRICT charter school
16 capital construction needs in relation to the capital construction needs of
17 the entire district, the board shall either include the DISTRICT charter
18 school's capital construction in a ballot question for approval of bonded
19 indebtedness in accordance with subsection (5) of this section or submit
20 a separate special mill levy question to the voters of the district pursuant
21 to section 22-30.5-405. The board shall have the discretion to choose
22 between the bond or special mill levy options and to determine the
23 amount of bonds that will be needed to be sold or the amount of moneys
24 that will be needed to be raised by a special mill levy, but the board shall
25 first consider any information provided or preferences expressed by the
26 DISTRICT charter school.

27 (b) The DISTRICT charter school has not established capital

1 construction needs, a need to incur bonded indebtedness or obtain
2 revenues from a special mill levy to finance the capital construction, or
3 a viable plan:

4 (I) The board shall provide the DISTRICT charter school with a
5 written statement specifying its reasons for concluding that the DISTRICT
6 charter school has not established capital construction needs, a need to
7 incur bonded indebtedness or obtain revenues from a special mill levy to
8 finance the capital construction, or a viable plan; and

9 (II) The board need not include the DISTRICT charter school's
10 capital construction in the district's ballot question for approval of bonded
11 indebtedness but shall submit a special mill levy ballot question to the
12 voters of the district pursuant to section 22-30.5-405 if the DISTRICT
13 charter school requests that a special mill levy be submitted and the
14 DISTRICT charter school agrees to pay all of the costs of submitting the
15 special mill levy ballot question.

16 (5) If the board of a school district chooses to include a DISTRICT
17 charter school's capital construction in a district ballot question seeking
18 approval of bonded indebtedness:

19 (a) The board shall consult with the DISTRICT charter school in
20 determining the amount of, and repayment schedule for, the bonds
21 proposed to be sold to finance the DISTRICT charter school's capital
22 construction;

23 (b) The board and the DISTRICT charter school shall agree to the
24 prioritization of the distribution of bond proceeds between the DISTRICT
25 charter school and any other public school that will receive bond
26 proceeds before submitting the ballot question to the voters of the school
27 district;

1 (c) The investment and interest earnings on bond proceeds shall
2 be distributed on a pro rata basis to the participating DISTRICT charter
3 school after management fees have been collected; and

4 (d) The costs of submitting the ballot question shall be borne by
5 both the district and the DISTRICT charter school in proportion to their
6 respective portions of the total bond proceeds to be received unless the
7 board and the DISTRICT charter school agree to a different cost-sharing
8 arrangement. Except as otherwise provided in paragraph (b) of
9 subsection (4) of this section, if the board of the district submits a
10 separate special mill levy ballot question on the same ballot as a ballot
11 question for approval of bonded indebtedness, the costs of submitting the
12 special mill levy ballot question shall be borne as agreed upon by the
13 school district and the DISTRICT charter school.

14 (6) Notwithstanding any other provision of this section, no bonds
15 shall be issued for the purpose of financing DISTRICT charter school
16 capital construction unless the DISTRICT charter school that is to receive
17 bond proceeds and the district have entered into a contract specifying
18 that:

19 (a) The ownership of any capital construction financed by bond
20 revenues shall automatically revert to the district if the DISTRICT charter
21 school loses its charter, fails to pay for the capital construction to be
22 financed by bond revenues, or becomes insolvent and can no longer
23 operate as a charter school; and

24 (b) The DISTRICT charter school shall not encumber any capital
25 construction financed by bond revenues with any additional debt.

26 **SECTION 21.** 22-30.5-405, Colorado Revised Statutes, is
27 amended to read:

1 **22-30.5-405. Mill levy for district charter school capital**

2 **construction.** (1) With the agreement of all DISTRICT charter schools
3 that will receive the revenues generated by a special mill levy, the board
4 of education of any school district shall, at any time at which a ballot
5 issue arising under section 20 of article X of the state constitution may be
6 decided, submit to the eligible electors of the district the question of
7 whether to impose a mill levy of a stated amount for the purpose of
8 financing capital construction for one or more DISTRICT charter schools
9 chartered by the district, which mill levy shall not exceed one mill in any
10 year or exceed ten years in duration. When a mill levy for more than one
11 year has been approved, the board shall, without calling an election,
12 decrease the amount or duration of the mill levy as necessary to avoid
13 excessive collections as each capital construction project financed by the
14 mill levy is completed. If the board is required to submit the ballot
15 question for a mill levy pursuant to section 22-30.5-404 (4), the board
16 shall consult with all affected DISTRICT charter schools that will receive
17 the revenues generated by the special mill levy before determining the
18 amount and duration of the special mill levy.

19 (2) Any election called pursuant to subsection (1) of this section
20 shall be conducted pursuant to the provisions of articles 1 to 13 of title 1,
21 C.R.S. The costs of the election shall be borne by each DISTRICT charter
22 school that is to receive revenues generated by the mill levy in proportion
23 to the amount of revenues it is to receive unless other cost-sharing
24 arrangements are agreed to by the DISTRICT charter schools and, if the
25 school district submitting the ballot question agrees to bear any of the
26 costs of the election and is not prohibited from bearing such costs by
27 section 22-30.5-404 (4) (b), the district.

1 (3) If the majority of votes cast at an election held pursuant to this
2 section are in favor of the question, the mill levy of the district for
3 DISTRICT charter school capital construction shall be as so approved by
4 the eligible electors of the district and taxes shall be levied as so
5 approved.

6 (4) Notwithstanding the provisions of section 22-30.5-404 (4) and
7 any other provisions of this section, no mill levy shall be imposed
8 pursuant to this section to benefit a DISTRICT charter school unless the
9 DISTRICT charter school and the district have entered into a contract
10 specifying to whom the ownership of any capital construction financed
11 by the mill levy shall revert if the DISTRICT charter school loses its
12 charter, fails to pay for the capital construction to be financed by
13 revenues from the mill levy, or becomes insolvent and can no longer
14 operate as a DISTRICT charter school.

15 (5) A school district may impose a total mill levy pursuant to this
16 section in excess of one mill in any year if the voters of the district
17 approve multiple ballot questions, but the mill levy imposed pursuant to
18 any single ballot question submitted pursuant to this section shall not
19 exceed one mill in any year as specified in subsection (1) of this section.
20 The imposition of a second or subsequent mill levy pursuant to this
21 section shall not affect the rights of any DISTRICT charter school to the
22 revenues generated by any preexisting special mill levy.

23 **SECTION 22.** 22-30.5-406 (1) (c) and (2), Colorado Revised
24 Statutes, are amended to read:

25 **22-30.5-406. Direct payment of charter school bonds by the**
26 **state treasurer and school districts - charter school financing**
27 **administrative cash fund.** (1) (c) (I) IN THE CASE OF A DISTRICT

1 CHARTER SCHOOL, the state treasurer shall withhold the amount of any
2 direct payments made on behalf of a DISTRICT charter school plus
3 administrative costs associated with the making of direct payments in an
4 amount agreed upon by the state treasurer and the DISTRICT charter school
5 from the payments to the chartering district of the state share of the
6 district's total program made pursuant to article 54 of this title. The state
7 treasurer shall notify the chief financial officers of the chartering district
8 and the DISTRICT charter school of any amount of moneys withheld and
9 the chartering district shall reduce the amount of funding it provides to
10 the DISTRICT charter school by said amount. Any administrative costs
11 withheld by the state treasurer pursuant to this ~~paragraph (c)~~
12 SUBPARAGRAPH (I) shall be credited to the charter school financing
13 administrative cash fund, which fund is hereby created. Moneys in the
14 fund shall be continuously appropriated to the state treasurer for the
15 direct and indirect costs of the administration of this section. Moneys in
16 the charter school financing administrative cash fund shall remain in the
17 fund and shall not revert to the general fund at the end of any fiscal year.

18 (II) IN THE CASE OF A STATE CHARTER SCHOOL, THE STATE
19 TREASURER SHALL WITHHOLD THE AMOUNT OF ANY DIRECT PAYMENTS
20 MADE ON BEHALF OF A STATE CHARTER SCHOOL PLUS ADMINISTRATIVE
21 COSTS ASSOCIATED WITH THE MAKING OF DIRECT PAYMENTS IN AN
22 AMOUNT AGREED UPON BY THE STATE TREASURER AND THE STATE
23 CHARTER SCHOOL FROM THE PAYMENTS TO THE STATE CHARTER SCHOOL
24 MADE BY THE DEPARTMENT OF EDUCATION PURSUANT TO ARTICLE 54 OF
25 THIS TITLE. THE STATE TREASURER SHALL NOTIFY THE DEPARTMENT OF
26 EDUCATION AND THE CHIEF FINANCIAL OFFICER OF THE STATE CHARTER
27 SCHOOL OF ANY AMOUNT OF MONEYS WITHHELD. ANY ADMINISTRATIVE

1 COSTS WITHHELD BY THE STATE TREASURER PURSUANT TO THIS
2 SUBPARAGRAPH (II) SHALL BE CREDITED TO THE CHARTER SCHOOL
3 FINANCING ADMINISTRATIVE CASH FUND CREATED PURSUANT TO
4 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c).

5 (2) (a) If the state treasurer does not agree to make direct
6 payments of principal and interest on bonds on behalf of a DISTRICT
7 charter school pursuant to subsection (1) of this section because the
8 DISTRICT charter school is not entitled to receive moneys from the state
9 public school fund pursuant to part 1 of this article or because the state
10 treasurer has concluded that the amount of moneys from the state public
11 school fund that the DISTRICT charter school will receive pursuant to part
12 1 of this article for any given budget year will be less than the amount of
13 the direct payment specified by the DISTRICT charter school that will be
14 due during the budget year, the DISTRICT charter school may request that
15 its chartering district make direct payments of principal and interest on
16 the bonds on behalf of the DISTRICT charter school. The DISTRICT charter
17 school shall specify the amount of each payment to be made.

18 (b) Notwithstanding the provisions of paragraph (a) of this
19 subsection (2), if the board of education of a chartering district concludes
20 that the total amount of moneys that a DISTRICT charter school will
21 receive for any given budget year from the district pursuant to the
22 operating contract between the district and the DISTRICT charter school
23 will be less than the amount of the payments specified by the DISTRICT
24 charter school pursuant to paragraph (a) of this subsection (2) that will be
25 due during the budget year, the chartering district shall not agree to make
26 direct payments on behalf of the DISTRICT charter school.

27 (c) A chartering district shall withhold the amount of any direct

1 payments made on behalf of a DISTRICT charter school plus administrative
2 costs associated with the making of direct payments in an amount agreed
3 upon by the chartering district and the DISTRICT charter school from the
4 funding provided by the district to the DISTRICT charter school pursuant
5 to part 1 of this article.

6 (d) This subsection (2) shall not be construed to create a debt of
7 any chartering district or any district obligation whatsoever with respect
8 to any lease agreement or installment purchase agreement entered into by
9 a DISTRICT charter school within the meaning of any state constitutional
10 provision or to create any liability except to the extent provided in this
11 subsection (2).

12 **SECTION 23.** 22-30.5-407, Colorado Revised Statutes, is
13 amended to read:

14 **22-30.5-407. Charter school state debt reserve fund - creation**
15 **- use of fund moneys - legislative declaration.** (1) The general
16 assembly hereby finds and declares that:

17 (a) The ~~state~~ charter school debt STATE reserve fund created by
18 this section is intended to enhance the ability of any qualified charter
19 school that chooses to finance capital construction with revenues from
20 bonds issued on behalf of the qualified charter school by the Colorado
21 educational and cultural facilities authority created in section 23-15-104
22 (1) (a), C.R.S., to obtain such financing on favorable terms by providing
23 a source of moneys that can be used to make bond payments if the
24 qualified charter school fails to make such payments;

25 (b) It is appropriate for state education fund moneys to be
26 appropriated to the ~~state~~ charter school debt STATE reserve fund and it is
27 also appropriate for those qualified charter schools that receive more

1 favorable financing terms that result in interest rate savings due to the
2 existence of and reliance upon the ~~state~~ charter school debt STATE reserve
3 fund and the provisions of section 22-30.5-408 with respect to such bonds
4 to pay a portion of their resulting savings to the ~~state~~ charter school debt
5 STATE reserve fund and for all charter schools to bear the risk of having
6 charter school per pupil facilities aid program moneys withheld to
7 replenish the ~~state~~ charter school debt STATE reserve fund in the event
8 that moneys from the ~~state~~ charter school debt STATE reserve fund are
9 expended to make bond payments.

10 (2) (a) There is hereby created in the state treasury the ~~state~~
11 charter school debt STATE reserve fund. The fund shall consist of the
12 following moneys:

13 (I) One million dollars that are hereby appropriated from the state
14 education fund to the ~~state~~ charter school debt STATE reserve fund on July
15 1, 2002;

16 (II) Moneys credited to the ~~state~~ charter school STATE interest
17 savings account of the fund pursuant to subsection (3) of this section; and

18 (III) Moneys transferred from the state education fund to the ~~state~~
19 charter school debt STATE reserve fund pursuant to paragraph (d) of
20 subsection (4) of this section.

21 (b) There is hereby created within the ~~state~~ charter school debt
22 STATE reserve fund the ~~state~~ charter school STATE interest savings
23 account. The account shall consist of moneys credited to the account by
24 the state treasurer pursuant to subsection (3) of this section and any
25 interest and income derived from the deposit and investment of moneys
26 in the account.

27 (c) All interest and income derived from the deposit and

1 investment of moneys in the ~~state~~ charter school debt STATE reserve fund
2 shall be credited to the state education fund; except that all interest and
3 income derived from the deposit and investment of moneys in the ~~state~~
4 charter school STATE interest savings account shall be credited to the
5 account in accordance with paragraph (b) of this subsection (2). At the
6 end of any fiscal year, all unexpended and unencumbered moneys in the
7 ~~state~~ charter school debt STATE reserve fund and the account shall remain
8 in the fund and the account respectively.

9 (d) All moneys credited to the ~~state~~ charter school debt STATE
10 reserve fund or expended from the fund, other than moneys credited to or
11 expended from the ~~state~~ charter school STATE interest savings account,
12 are moneys originally credited to the state education fund and are
13 therefore, in accordance with section 17 (3) of article IX of the state
14 constitution and section 22-55-103 (5), exempt from:

15 (I) The limitation on state fiscal year spending set forth in section
16 20 (7) (a) of article X of the state constitution and section 24-77-103,
17 C.R.S.; and

18 (II) The limitation on local government fiscal year spending set
19 forth in section 20 (7) (b) of article X of the state constitution.

20 (3) (a) A qualified charter school that chooses to finance capital
21 construction with revenues from bonds issued on behalf of the qualified
22 charter school by the Colorado educational and cultural facilities
23 authority created in section 23-15-104 (1) (a), C.R.S., shall pay to the
24 state treasurer, on an annual basis, commencing and calculated on the
25 date of issuance of the bonds and on each one-year anniversary of the
26 issuance of the bonds thereafter while the bonds remain outstanding, an
27 amount equal to ten basis points of the principal amount of the bonds

1 outstanding as of each calculation date, and such amount shall be deemed
2 to be the amount of any interest rate savings resulting from more
3 favorable financing terms attributable to the reliance upon the ~~state~~
4 charter school debt STATE reserve fund and the provisions of section
5 22-30.5-408 with respect to such bonds. Each annual payment of ten
6 basis points shall be prorated and payable in equal installments among the
7 debt service payments required of the qualified charter school, with
8 respect to the qualified charter school bonds issued for its benefit, during
9 the twelve months following the annual computation date. The state
10 treasurer shall credit any payment received pursuant to this paragraph (a)
11 to the ~~state~~ charter school STATE interest savings account.

12 (b) The state treasurer may require each qualified charter school
13 that makes required payments to the state treasurer pursuant to paragraph
14 (a) of this subsection (3) to pay a fee to the state treasurer to defray any
15 direct and indirect administrative costs incurred by the state treasurer in
16 executing duties required by this section. The state treasurer shall deposit
17 any fees received into the ~~state~~ charter school STATE interest savings
18 account of the ~~state~~ charter school debt STATE reserve fund.

19 (4) (a) Moneys in the ~~state~~ charter school debt STATE reserve fund
20 are hereby continuously appropriated to the state treasurer, who shall
21 expend such moneys solely for the purpose of paying principal and
22 interest on bonds issued on behalf of a qualified charter school by the
23 Colorado educational and cultural facilities authority and only if:

24 (I) The state treasurer has been notified and has confirmed, in
25 accordance with paragraph (b) of this subsection (4), that the qualified
26 charter school has expended all moneys in its own debt service reserve
27 fund or account that has been funded with proceeds derived from the

1 issuance of the bonds and is unable to make bond payments; and

2 (II) The qualified charter school has made payments to the state
3 treasurer as required by subsection (3) of this section.

4 (a.5) Notwithstanding the provisions of paragraph (a) of this
5 subsection (4), fees deposited into the ~~state~~ charter school STATE interest
6 savings account of the ~~state~~ charter school debt STATE reserve fund
7 pursuant to paragraph (b) of subsection (3) of this section may be
8 expended by the state treasurer for the purpose of defraying any direct
9 and indirect administrative costs incurred by the state treasurer in
10 executing duties required by this section.

11 (b) Whenever the trustee responsible for making payments to the
12 holders of any qualified charter school bonds, as defined in section
13 22-30.5-408 (1) (c), issued on behalf of a qualified charter school by the
14 Colorado educational and cultural facilities authority has not received
15 payment of principal or interest on the bonds on the tenth business day
16 immediately prior to the date on which such payment is due and the debt
17 service reserve fund for the qualified charter school has been depleted,
18 the trustee shall so notify the state treasurer and the qualified charter
19 school by telephone, facsimile, or other similar communication, followed
20 by written verification, of such payment status. The state treasurer shall
21 immediately contact the qualified charter school and determine whether
22 the qualified charter school will make the payment by the date on which
23 it is due and, if the state treasurer confirms that the qualified charter
24 school will not make the payment, the state treasurer shall make the
25 payment.

26 (c) The state treasurer shall expend all moneys in the ~~state~~ charter
27 school STATE interest savings account before expending any other moneys

1 in the ~~state~~ charter school debt STATE reserve fund. If a qualified charter
2 school defaults on a payment with respect to outstanding qualified charter
3 school bonds, as defined in section 22-30.5-408 (1) (c), and the amounts
4 of such payment defaults exceed the amounts available in the ~~state~~ charter
5 school STATE interest savings account and the ~~state~~ charter school debt
6 STATE reserve fund, moneys from the account and the fund shall be
7 allocated pro rata among the qualified charter school bonds that will have
8 a default in the payment of principal or interest based on the ratio that the
9 payment default on each series of such bonds bears to the total payment
10 defaults on all series of such qualified charter school bonds.

11 (d) If the state treasurer expends moneys from the portion of the
12 ~~state~~ charter school debt STATE reserve fund that is not the ~~state~~ charter
13 school STATE interest savings account, the state treasurer shall withhold
14 charter school per pupil facilities aid program moneys to the extent
15 necessary to restore that portion of the ~~state~~ charter school debt STATE
16 reserve fund, by the transfer of all withheld amounts from the state
17 education fund to that portion of the ~~state~~ charter school debt STATE
18 reserve fund, to a one million dollar balance in accordance with the
19 following requirements:

20 (I) Each qualified charter school that has had bonds issued on its
21 behalf by the Colorado educational and cultural facilities authority that
22 have relied upon the ~~state~~ charter school debt STATE reserve fund and the
23 provisions of section 22-30.5-408, shall have its payments reduced by the
24 same percentage and by a maximum of fifty percent.

25 (II) If, in any given fiscal year, the state treasurer determines that
26 after withholding the maximum amount of charter school per pupil
27 facilities aid program moneys that may be withheld pursuant to

1 subparagraph (I) of this paragraph (d) the portion of the ~~state~~ charter
2 school debt STATE reserve fund that is not the ~~state~~ charter school STATE
3 interest savings account will not be restored to a one million dollar
4 balance, each charter school that is not relying upon the ~~state~~ charter
5 school debt STATE reserve fund and the provisions of section 22-30.5-408
6 with respect to bonds issued on its behalf by the Colorado educational
7 and cultural facilities authority shall have its payment reduced by the
8 same percentage and by a maximum of ten percent.

9 (5) This section shall not be construed to create any state debt, to
10 require the state to make any bond payments on behalf of any qualified
11 charter school from any source of state moneys other than the ~~state~~
12 charter school debt STATE reserve fund, or to require the state to fully pay
13 off any outstanding bonds of a qualified charter school that cannot make
14 scheduled bond payments.

15 (6) For purposes of this section, "qualified charter school" means
16 a qualified charter school as defined in section 22-30.5-408 (1) (b).

17 (7) A qualified charter school that chooses to finance capital
18 construction with revenues from bonds issued on behalf of the qualified
19 charter school by the Colorado educational and cultural facilities
20 authority created in section 23-15-104 (1) (a), C.R.S., shall request that
21 the state treasurer make direct payments of principal and interest on the
22 bonds on behalf of the qualified charter school in accordance with section
23 22-30.5-406 (1). If the state treasurer does not agree to make direct
24 payments AND THE QUALIFIED CHARTER SCHOOL IS A DISTRICT CHARTER
25 SCHOOL, the qualified charter school shall request that its chartering
26 district make direct payments in accordance with section 22-30.5-406 (2).

27 (8) This section shall only apply to bonds issued by the Colorado

1 educational and cultural facilities authority in reliance upon the
2 provisions of section 22-30.5-408 (2).

3 (9) This section is in addition to, and not in limitation of, the
4 powers granted to the Colorado educational and cultural facilities
5 authority pursuant to article 15 of title 23, C.R.S., to finance the costs of
6 facilities of charter schools.

7 (10) In accordance with section 11 of article II of the state
8 constitution, the state hereby covenants with the purchasers of any
9 outstanding bonds issued in reliance upon the existence of the ~~state~~
10 charter school STATE interest savings account that the state will not
11 repeal, revoke, or rescind the provisions of this part 4 concerning the
12 account or modify or rescind the same so as to limit or impair the rights
13 and remedies granted by this section to the purchasers of such bonds and
14 that any moneys in the account shall not revert to the general fund.

15 **SECTION 24.** 22-30.5-408 (1) (c), Colorado Revised Statutes,
16 is amended to read:

17 **22-30.5-408. Replenishment of qualified charter school debt**
18 **service reserve funds.** (1) As used in this section:

19 (c) "Qualified charter school bonds" means bonds that are issued
20 by the Colorado educational and cultural facilities authority for the
21 purpose of financing a facility to be used for occupancy by pupils
22 enrolled in a qualified charter school and are secured by the ~~state~~ charter
23 school debt STATE reserve fund created by section 22-30.5-407 (2) and
24 the provisions of this section.

25 **SECTION 25.** The introductory portion to 22-30.5-409 (1) and
26 22-30.5-409 (1) (i), Colorado Revised Statutes, are amended to read:

27 **22-30.5-409. Annual reports on bonds issued on behalf of**

1 **charter schools - review by state auditor.** (1) Prior to January 30,
2 2003, and prior to January 30 of each year thereafter, the Colorado
3 educational and cultural facilities authority created in section 23-15-104
4 (1) (a), C.R.S., shall submit a report to the state auditor that includes
5 information concerning the issuance of qualified charter school bonds, as
6 defined in section 22-30.5-408 (1) (c), that have resulted in charter
7 schools obtaining more favorable financing terms by reliance on the
8 existence of the ~~state~~ charter school debt STATE reserve fund created in
9 section 22-30.5-407 (2) (a) and the potential replenishment of the ~~state~~
10 charter school debt STATE reserve fund pursuant to section 22-30.5-408
11 (2) (a). Such report shall include, but need not be limited to:

12 (i) The total amount, if any, of moneys expended from the ~~state~~
13 charter school debt STATE reserve fund during the most recently
14 completed calendar year for the purpose of paying principal and interest
15 on such qualified charter school bonds.

16 **SECTION 26.** 22-1-101, Colorado Revised Statutes, is amended
17 to read:

18 **22-1-101. Schools defined.** (1) A public school is a school that
19 derives its support, in whole or in part, from moneys raised by a general
20 state, county, or district tax.

21 (2) A CHARTER SCHOOL IS A PUBLIC SCHOOL THAT OPERATES
22 PURSUANT TO A CHARTER CONTRACT ENTERED INTO PURSUANT TO THE
23 PROVISIONS OF ARTICLE 30.5 OF THIS TITLE. AS USED IN THIS TITLE,
24 UNLESS THE CONTEXT OTHERWISE REQUIRES, "CHARTER SCHOOL"
25 INCLUDES ANY TYPE OF CHARTER SCHOOL CREATED PURSUANT TO THE
26 PROVISIONS OF ARTICLE 30.5 OF THIS TITLE, INCLUDING BUT NOT LIMITED
27 TO A DISTRICT CHARTER SCHOOL, A STATE CHARTER SCHOOL, AND AN

1 INDEPENDENT CHARTER SCHOOL.

2 **SECTION 27.** 22-5-102, Colorado Revised Statutes, is amended
3 to read:

4 **22-5-102. Legislative declaration.** The general assembly
5 declares that this article is enacted for the general improvement and
6 expansion of educational services of the public schools in the state of
7 Colorado; for the creation of boards of cooperative services where
8 feasible for purposes of enabling two or more school districts AND STATE
9 CHARTER SCHOOLS to cooperate in furnishing services authorized by law
10 if cooperation appears desirable; and for the setting forth of the powers
11 and duties of said boards of cooperative services.

12 **SECTION 28.** 22-5-103 (1), Colorado Revised Statutes, is
13 amended, and the said 22-5-103 is further amended BY THE ADDITION
14 OF A NEW SUBSECTION, to read:

15 **22-5-103. Definitions.** As used in this article, unless the context
16 otherwise requires:

17 (1) "Board" means the board of education of a school district or
18 the governing board or governing agency of a postsecondary institution
19 OR THE GOVERNING BOARD OF A STATE CHARTER SCHOOL.

20 (6) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
21 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO
22 THE PROVISIONS OF SECTION 22-30.5-108.1.

23 **SECTION 29.** 22-5-104 (1) and (3), Colorado Revised Statutes,
24 are amended to read:

25 **22-5-104. Creation of board of cooperative services - meetings.**

26 (1) Whenever the boards of education of two or more school districts or
27 the board of education of a school district and the governing board or

1 governing agency of a postsecondary institution OR THE GOVERNING
2 BOARDS OF TWO OR MORE STATE CHARTER SCHOOLS OR THE GOVERNING
3 BOARD OF A STATE CHARTER SCHOOL AND THE BOARD OF EDUCATION OF
4 A SCHOOL DISTRICT OR THE GOVERNING BOARD OR GOVERNING AGENCY
5 OF A POSTSECONDARY INSTITUTION desire to establish a board of
6 cooperative services for the purpose of providing cooperative services as
7 set forth in this article and have so certified to the commissioner of
8 education and other interested boards by appropriate resolution, the
9 presidents of any two of the interested boards may call a meeting of the
10 duly appointed representatives of the interested boards. The interested
11 boards shall seek from the commissioner of education and the state board
12 for community colleges and occupational education any aid and
13 assistance that may be reasonably required, to the end that a proper plan
14 of organization for the board of cooperative services shall be
15 accomplished. At this meeting the boards which have previously and
16 respectively adopted resolutions so authorizing may enter into a proposed
17 agreement to form a board of cooperative services, which proposed
18 agreement shall set forth the names of the participating districts, STATE
19 CHARTER SCHOOLS, and postsecondary institutions and such other items
20 as may be required. The participating school districts, STATE CHARTER
21 SCHOOLS, and postsecondary institutions may then proceed to form the
22 board of cooperative services.

23 (3) The agreement to establish a board of cooperative services
24 may be amended to admit one or more additional school districts, STATE
25 CHARTER SCHOOLS, or postsecondary institutions if the board of the
26 school district, STATE CHARTER SCHOOL, or postsecondary institution
27 seeking admission shall certify by resolution a desire to be admitted to

1 membership in the board of cooperative services and if the board of
2 cooperative services by resolution agrees to the admission of the school
3 district, STATE CHARTER SCHOOL, or postsecondary institution.

4 **SECTION 30.** 22-5-104 (2), Colorado Revised Statutes, is
5 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

6 **22-5-104. Creation of board of cooperative services - meetings.**

7 (2) (b.5) EACH PARTICIPATING GOVERNING BOARD OF A STATE CHARTER
8 SCHOOL SHALL THEN APPOINT ITS ASSIGNED NUMBER OF
9 REPRESENTATIVES, AND ONE ALTERNATE FOR EACH, FROM ITS MEMBERSHIP
10 OR THE GOVERNING BOARD MAY APPOINT THE CHIEF EXECUTIVE OFFICER
11 OF THE STATE CHARTER SCHOOL AS ONE OF ITS ASSIGNED NUMBER OF
12 REPRESENTATIVES. THE TERM OF OFFICE OF EACH MEMBER REPRESENTING
13 A GOVERNING BOARD OF A STATE CHARTER SCHOOL SHALL NOT EXCEED
14 THREE YEARS; EXCEPT THAT, IF ANY MEMBER OF A BOARD OF
15 COOPERATIVE SERVICES WHO REPRESENTS A GOVERNING BOARD OF A
16 STATE CHARTER SCHOOL CEASES TO BE A MEMBER OF THE GOVERNING
17 BOARD OR THE CHIEF EXECUTIVE OFFICER OF THE STATE CHARTER SCHOOL,
18 A VACANCY SHALL EXIST ON THE BOARD OF COOPERATIVE SERVICES.

19 **SECTION 31.** 22-5-110, Colorado Revised Statutes, is amended
20 to read:

21 **22-5-110. State and federal payments.** Any state or federal
22 financial assistance ~~which~~ THAT would accrue to an individual school
23 district OR STATE CHARTER SCHOOL if it were performing a service
24 performed under the direction of a board of cooperative services shall be
25 apportioned by the appropriate state or federal agency to the participating
26 school districts AND STATE CHARTER SCHOOLS on the basis of the
27 proportionality of the contributions of the participating school districts

1 AND STATE CHARTER SCHOOLS to the performance of the service or upon
2 the basis of proportionality otherwise set forth by law.

3 **SECTION 32.** 22-5-111 (2), Colorado Revised Statutes, is
4 amended to read:

5 **22-5-111. Buildings and facilities.** (2) The boards of education
6 of the school districts OR THE GOVERNING BOARDS OF THE STATE CHARTER
7 SCHOOLS participating in a cooperative service agreement may jointly,
8 separately, or, after approval of each participating board of education OR
9 GOVERNING BOARD, as a board of cooperative services construct,
10 purchase, or lease sites, buildings, and equipment for the purpose of
11 providing the facilities necessary for the operation of a cooperative
12 service program at any appropriate location, whether within or without
13 a school district providing the money for the facilities. School district
14 moneys AND STATE CHARTER SCHOOL MONEYS in any fund from which
15 moneys may be legally expended for such facilities may be used for
16 carrying out the provisions of this section. The provisions of sections
17 22-32-127 and 22-45-103 (1) shall apply to any installment purchase
18 agreement or any lease or rental agreement entered into by a board of
19 cooperative services or by the boards of education of the school districts
20 participating in a cooperative service agreement. No board of education
21 of a school district participating in a cooperative service agreement shall
22 make any levy for its bond redemption fund, or use any moneys in its
23 bond redemption fund, except in accordance with the provisions of
24 section 22-45-103 (1) (b).

25 **SECTION 33.** 22-5-118 (2), (3) (a), and (4), Colorado Revised
26 Statutes, are amended to read:

27 **22-5-118. Implementation and financing of regional education**

1 **and support services - plan - annual report.** (2) Beginning fiscal year
2 1996-97 and for fiscal years thereafter, in addition to any state moneys
3 received pursuant to section 22-5-115, a board of cooperative services
4 may receive state moneys by submitting to the department of education
5 a plan for the provision of education and support services programs, as
6 specified in this section. Any amount appropriated to fund any education
7 or support services program pursuant to this section shall be distributed
8 by the department of education to each board of cooperative services that
9 submits a plan. The amount appropriated shall be divided equally based
10 on the total number of students enrolled in the member school districts
11 AND STATE CHARTER SCHOOLS of the participating boards and distributed
12 based on the number of students participating in the funded education or
13 support services program from each member school district AND EACH
14 MEMBER STATE CHARTER SCHOOL of each participating board.

15 (3) (a) To receive funds under this section, a board of cooperative
16 services, in cooperation with its participating school districts AND STATE
17 CHARTER SCHOOLS, the department of education, the Colorado
18 commission on higher education, the state board for community colleges
19 and occupational education, and postsecondary institutions, shall prepare
20 and submit a plan to increase efficiencies and economies in providing
21 education and support services to the board's participating school districts
22 AND STATE CHARTER SCHOOLS.

23 (4) A board of cooperative services may contract with a school
24 district OR STATE CHARTER SCHOOL that is not a member of the board of
25 cooperative services to provide to the school district OR STATE CHARTER
26 SCHOOL any of the services specified in the plan developed pursuant to
27 this section.

1 **SECTION 34.** 22-11-102 (3), Colorado Revised Statutes, is
2 amended to read:

3 **22-11-102. Legislative declaration.** (3) The general assembly
4 recognizes that under the state constitution the state board of education
5 is vested with the power to provide general supervision over the public
6 schools of the state, and the local boards of education have the power to
7 control instruction in the public schools of ~~the state~~ THEIR RESPECTIVE
8 SCHOOL DISTRICTS. Consistent with these powers, the general assembly
9 recommends that the state board of education encourage and promote the
10 adoption of teaching methods and environments in the public schools of
11 the state that will enhance the reading skills of the children in such
12 schools. To that end, the general assembly finds and declares that the use
13 of recognized instructional strategies, including phonics, and emphasis on
14 reading, writing, and mathematics will enhance the basic skills of the
15 children in the public schools of the state.

16 **SECTION 35.** 22-11-103 (2) and (5), Colorado Revised Statutes,
17 are amended, and the said 22-11-103 is further amended BY THE
18 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

19 **22-11-103. Definitions.** As used in this article, unless the context
20 otherwise requires:

21 (2) "Accreditation contract" means the agreement between the
22 state board of education and a school district that binds the school district
23 to manage the accreditation of public schools within ~~such~~ THE school
24 district, consistent with the standards and goals to be met according to the
25 accreditation indicators. "ACCREDITATION CONTRACT" ALSO MEANS THE
26 AGREEMENT BETWEEN THE STATE BOARD OF EDUCATION AND A STATE
27 CHARTER SCHOOL THAT BINDS THE STATE CHARTER SCHOOL TO MEETS THE

1 STANDARDS AND GOALS ESTABLISHED IN THE ACCREDITATION CONTRACT
2 ACCORDING TO THE ACCREDITATION INDICATORS.

3 (5) "Corrective action cycle" means the corrective actions
4 described in section 22-11-204 to which a school district OR A STATE
5 CHARTER SCHOOL shall be subject in the event that it fails to comply with
6 provisions of the accreditation contract.

7 (6.5) "PUBLIC SCHOOL" INCLUDES A TRADITIONAL PUBLIC SCHOOL
8 AS DEFINED IN SECTION 22-1-101, A DISTRICT CHARTER SCHOOL, AND A
9 STATE CHARTER SCHOOL.

10 (9) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
11 ENTERS INTO A CONTRACT WITH THE STATE BOARD PURSUANT TO THE
12 PROVISIONS OF SECTION 22-30.5-108.1.

13 **SECTION 36.** 22-11-104 (3) (a), Colorado Revised Statutes, is
14 amended to read:

15 **22-11-104. Accreditation indicators.** (3) **Rules.** (a) The state
16 board shall promulgate rules concerning how the school districts AND
17 STATE CHARTER SCHOOLS shall measure data relating to the accreditation
18 indicators and the form in which the school districts AND STATE CHARTER
19 SCHOOLS shall provide such data to the state board.

20 **SECTION 37.** 22-11-201 (2), (3), and (4) (a) (V), the
21 introductory portion to 22-11-201 (4) (b), 22-11-201 (4) (c), and the
22 introductory portion to 22-11-201 (5), Colorado Revised Statutes, are
23 amended to read:

24 **22-11-201. Accreditation contract.** (2) **Parties.** (a) Each
25 school board AND EACH STATE CHARTER SCHOOL shall enter into an
26 accreditation contract with the state board of education.

27 (b) The accreditation contract may include a subcontract with a

1 board of cooperative services for the administration of the school district's
2 OR STATE CHARTER SCHOOL'S accreditation process.

3 (3) **Goals.** The accreditation contract shall define the standards,
4 goals, and requirements to be met by the school district OR STATE
5 CHARTER SCHOOL over the term of the contract. Failure to achieve the
6 standards, goals, and requirements set forth in the accreditation contract
7 may result in the sanctions and corrective actions set forth in this article.

8 (4) **Contract requirements - management.** (a) The
9 accreditation contract shall contain, at a minimum, the following terms:

10 (V) Provisions for allowing annual comparisons between the
11 school board OR STATE CHARTER SCHOOL assessment results and the
12 statewide assessment results.

13 (b) The SCHOOL DISTRICT accreditation contract, at a minimum,
14 shall bind a school district to administer the following school district
15 policy and management functions:

16 (c) The accreditation contract shall also contain a plan for the use
17 of revenues distributed to the school district OR STATE CHARTER SCHOOL
18 pursuant to sections 22-55-106 and 22-55-107 for the term of the
19 contract. If the contract is renegotiated pursuant to paragraph (b) of
20 subsection (6) of this section, the plan shall be updated to reflect any
21 changes in the use of the revenues distributed to the school district OR
22 STATE CHARTER SCHOOL pursuant to sections 22-55-106 and 22-55-107.

23 (5) **Student performance.** The accreditation contract shall bind
24 the school board to improve each public school's performance, AND
25 SHALL BIND EACH STATE CHARTER SCHOOL TO IMPROVE ITS
26 PERFORMANCE, relating to the following:

27 **SECTION 38.** 22-11-202 (2) (b), Colorado Revised Statutes, is

1 amended to read:

2 **22-11-202. Accreditation levels. (2) Ratings.** (b) The ratings
3 shall be based upon student achievement on school district standards OR
4 STATE CHARTER SCHOOL STANDARDS, WHICHEVER IS APPLICABLE, shall be
5 consistent with the ratings for student achievement on the state
6 assessments, and shall indicate the public schools' and school districts'
7 performance on the accreditation indicators.

8 **SECTION 39.** 22-11-203 (2), Colorado Revised Statutes, is
9 amended to read:

10 **22-11-203. Monitoring of accreditation contracts.** (2) The
11 department shall provide technical assistance to any school district of the
12 state OR STATE CHARTER SCHOOL that requests such assistance in order to
13 improve its performance on the accreditation indicators.

14 **SECTION 40.** 22-11-204, Colorado Revised Statutes, is amended
15 to read:

16 **22-11-204. Corrective action cycle. (1) Level one: Notice.**
17 (a) At any time during the term of the accreditation contract, if a school
18 district OR STATE CHARTER SCHOOL fails to comply with any of the
19 provisions of the accreditation contract, the department shall notify the
20 school district OR STATE CHARTER SCHOOL of the nature of the ~~school~~
21 ~~district's~~ lack of compliance. This notice shall constitute level one in the
22 corrective action cycle.

23 (b) After receipt of the notice pursuant to paragraph (a) of this
24 subsection (1), a school district OR STATE CHARTER SCHOOL shall submit
25 a plan to remedy its lack of compliance to the department. The plan shall
26 be submitted within a specific time period commencing immediately after
27 ~~the school district's~~ receipt of the notice which shall be established in

1 state board rules. The department shall approve or deny the school
2 district's OR STATE CHARTER SCHOOL'S plan to remedy its lack of
3 compliance within a time period from the date of the plan's submission
4 that shall be established in rules promulgated by the state board.

5 (c) Upon a school district's OR STATE CHARTER SCHOOL'S request,
6 the department shall provide technical assistance to the school district OR
7 STATE CHARTER SCHOOL in connection with the areas in which the school
8 district OR STATE CHARTER SCHOOL is out of compliance.

9 (2) **Level two: Probation.** (a) Pursuant to rules established by
10 the state board, the state board shall place a school district OR STATE
11 CHARTER SCHOOL on probationary status if the school district OR STATE
12 CHARTER SCHOOL fails to implement the plan submitted pursuant to
13 paragraph (b) of subsection (1) of this section. Probation shall constitute
14 level two in the corrective action cycle. The rules of the state board shall
15 include a process for a school district's OR STATE CHARTER SCHOOL'S right
16 to a hearing before the board in order to determine whether the school
17 district OR STATE CHARTER SCHOOL had implemented the plan pursuant
18 to paragraph (b) of subsection (1) of this section.

19 (b) The department shall provide technical assistance to a school
20 district OR STATE CHARTER SCHOOL that is on probationary status upon the
21 request of the school district OR STATE CHARTER SCHOOL.

22 (3) **Level three: Nonaccreditation status.** Pursuant to rules
23 established by the state board, the state board may remove a school
24 district's OR STATE CHARTER SCHOOL'S accreditation if the school district
25 OR STATE CHARTER SCHOOL fails to remedy its lack of compliance. The
26 rules of the state board shall include a process for a school district's OR
27 STATE CHARTER SCHOOL'S right to a hearing before the board in order to

1 determine whether the school district OR STATE CHARTER SCHOOL had
2 remedied its lack of compliance. Removal of accreditation may result in
3 reorganization of the school district as provided in section 22-30-105.
4 REMOVAL OF ACCREDITATION MAY RESULT IN REVOCATION OF THE STATE
5 CHARTER SCHOOL'S CHARTER.

6 **SECTION 41.** 22-11-301 (2), Colorado Revised Statutes, is
7 amended to read:

8 **22-11-301. Colorado school awards program - created - rules.**

9 (2) For purposes of this part 3, "public school" means a public school of
10 a school district in this state OR A STATE CHARTER SCHOOL.

11 **SECTION 42.** 22-11-303 (2), Colorado Revised Statutes, is
12 amended to read:

13 **22-11-303. Colorado school awards program - distribution of**

14 **award.** (2) Any moneys made available to a public school OF A SCHOOL
15 DISTRICT in the form of an award pursuant to the provisions of this part
16 3 shall not supplant moneys made available to such public school from
17 funding received by the school district pursuant to article 54 of this title
18 or pursuant to the taxing authority of the school district. ANY MONEYS
19 MADE AVAILABLE TO A STATE CHARTER SCHOOL IN THE FORM OF AN
20 AWARD PURSUANT TO THE PROVISIONS OF THIS PART 3 SHALL NOT
21 SUPPLANT MONEYS PAYABLE TO THE STATE CHARTER SCHOOL PURSUANT
22 TO ARTICLE 54 OF THIS TITLE.

23 **SECTION 43.** 22-20-103 (1) and (5.5), Colorado Revised
24 Statutes, are amended, and the said 22-20-103 is further amended BY
25 THE ADDITION OF A NEW SUBSECTION, to read:

26 **22-20-103. Definitions.** As used in this article, unless the
27 context otherwise requires:

1 (1) "Administrative unit" means a school district, A STATE
2 CHARTER SCHOOL, or a board of cooperative services that is providing
3 educational services to exceptional children and that is responsible for the
4 local administration of this article.

5 (5.5) "Least restrictive environment" means programs used to
6 educate a child with a disability using the delivery system most
7 appropriately meeting the needs of the child, and, to the extent possible,
8 as determined by the local board of education OR THE GOVERNING BOARD
9 OF THE STATE CHARTER SCHOOL, subject to the appeals procedures
10 outlined in section 22-20-108 (3), the term means an environment in
11 which a child with a disability is educated with children without
12 disabilities, unless the nature or severity of the disability is such that
13 education in regular classes with the use of supplementary aids and
14 services cannot be achieved satisfactorily, or, when provided with
15 supplementary aids and services, the nature or severity of the disability
16 is so disruptive that the education of other children in such classes would
17 be significantly impaired.

18 (11) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
19 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO
20 THE PROVISIONS OF SECTION 22-30.5-108.1.

21 **SECTION 44.** 22-20-104 (1) and (4), Colorado Revised Statutes,
22 are amended to read:

23 **22-20-104. Administration.** (1) This article shall be
24 administered by the department. Administration of this article shall
25 include the recommendation to the state board of reasonable criteria,
26 rules, and regulations; recommended minimum standards for facilities,
27 materials, equipment, and personnel; and recommended assessment

1 criteria for identifying exceptional children, their level of disability or
2 exception, and the special services needed. The state board shall adopt
3 appropriate recommendations following public hearings in several
4 locations throughout the state with respect to the suggested criteria, rules,
5 regulations, and standards. Recommendations adopted by the state board
6 shall be in accord with the legislative declaration set forth in section
7 22-20-102. Any school district ~~which~~ OR STATE CHARTER SCHOOL THAT
8 provides plans, programs, or services which do not reasonably satisfy the
9 criteria, rules, regulations, and standards recommended by the state board
10 will be provided by the department of education with a detailed analysis
11 of any discrepancies noted along with specific recommendations for their
12 correction. Funding will be provided or continued for a reasonable
13 period of time, as determined by the department, to allow the ~~local~~
14 SCHOOL district OR STATE CHARTER SCHOOL opportunity to satisfy the
15 recommended criteria, rules, regulations, and standards, or to establish a
16 claim for variance based upon conditions indigenous to a ~~local~~ SCHOOL
17 district OR STATE CHARTER SCHOOL.

18 (4) To comply with this section, the department shall maintain a
19 data and information system on children, personnel, costs, and revenues,
20 and such data and information shall be used to ensure that state moneys
21 provided to districts AND STATE CHARTER SCHOOLS under the provisions
22 of section 22-20-106 (1) are being spent only on special education
23 services and programs.

24 **SECTION 45.** 22-20-106 (1), (2), and (3), Colorado Revised
25 Statutes, are amended to read:

26 **22-20-106. Special educational programs.** (1) By September
27 1, 1973, every school district in the state shall be either an administrative

1 unit in itself or in a board of cooperative services which shall be
2 designated as an administrative unit. EACH STATE CHARTER SCHOOL
3 SHALL BE EITHER AN ADMINISTRATIVE UNIT IN ITSELF OR IN A BOARD OF
4 COOPERATIVE SERVICES OR GROUP OF STATE CHARTER SCHOOLS THAT IS
5 DESIGNATED AS AN ADMINISTRATIVE UNIT. An administrative unit shall
6 be a school district, STATE CHARTER SCHOOL, or board of cooperative
7 services ~~which~~ THAT meets criteria established by the state board
8 governing the duties and responsibilities of the director of special
9 education and is ~~either~~ A STATE CHARTER SCHOOL OR IS a board of
10 cooperative services ~~which~~ THAT conducts special educational programs
11 for all school districts ~~which~~ THAT are members of the board of
12 cooperative services or is a school district ~~which~~ THAT meets criteria of
13 geographic size, location, and number of pupils established by the state
14 board to achieve maximum efficiency in administering programs of
15 special education. Although the state board shall define the qualifications
16 and the general duties and responsibilities of directors of special
17 education, such directors shall be regarded for all purposes as employees
18 of their local administrative units and subject to the administrative
19 direction of such units.

20 (2) Each administrative unit shall submit a plan to the department
21 indicating how the school district OR STATE CHARTER SCHOOL will
22 provide for education of all children with disabilities between the ages of
23 five and twenty-one and, on and after January 1, 1992, between the ages
24 of three and twenty-one. Each unit plan shall include the type and
25 number of children with disabilities in the unit based upon the
26 department's criteria of incidence, the services to be provided, and the
27 estimated resources necessary. An addendum to the administrative unit's

1 plan to cover gifted children may be submitted by January 1, 1980.

2 (3) Administrative units shall make available special educational
3 services for the education of any child with a disability between the ages
4 of five and twenty-one and, on and after January 1, 1992, between the
5 ages of three and twenty-one under jurisdiction of the administrative unit
6 and may serve gifted students. In providing these services, an
7 administrative unit shall pay for salaries and employee benefits of
8 certified special education teachers and special education staff;
9 equipment; in-service training of the staff of an administrative unit who
10 have pupil contact; mileage expenses incurred by staff; the costs of
11 educational services for a child in an eligible facility; or any other
12 expenses related to special education. Special education services may be
13 provided by community centered boards in cooperation with
14 administrative units, ~~and~~ school districts, AND STATE CHARTER SCHOOLS.

15 **SECTION 46.** 22-20-108 (1), (3), (4), (4.5) (e), (4.5) (f), (4.7)
16 (b), (4.7) (g), (5) (d), (7) (a), (9), and (10), Colorado Revised Statutes, are
17 amended to read:

18 **22-20-108. Determination of disability - enrollment.** (1) The
19 determination that a child has a disability and the recommendation for
20 placement of that child in an individual educational program shall be
21 made by a committee of professionally qualified personnel designated by
22 the board of education of the school district, BY THE GOVERNING BOARD
23 OF THE STATE CHARTER SCHOOL IF THE ADMINISTRATIVE UNIT CONSISTS OF
24 A STATE CHARTER SCHOOL, or by the governing board of the board of
25 cooperative services if the administrative unit encompasses more than a
26 single school district OR SINGLE STATE CHARTER SCHOOL. The
27 composition of the committee shall be prescribed by the state board and

1 may be composed of but not limited to the following: The director of
2 special education for the administrative unit, a psychologist, a social
3 worker, a physician, a school administrator, and a teacher of children
4 with disabilities. The committee shall utilize guidelines recommended by
5 the department to determine the least restrictive environment in which to
6 educate the child. In the event that placement in a community center for
7 the retarded and for persons with serious disabilities is considered
8 appropriate for the needs of a child with a disability, a joint placement
9 committee composed of professional personnel, as described in this
10 section, representing the administrative unit and the community center for
11 the retarded and for persons with serious disabilities, may recommend
12 placement in such center. The committee shall give parents of a child
13 with an alleged disability an opportunity to consult with the committee
14 or a representative thereof prior to determination that their child has a
15 disability.

16 (3) (a) In the event of an appeal of the determination of the
17 disability or of the placement of a child in an individual educational
18 program pursuant to subsection (1) of this section, or an appeal of the
19 program to be offered, the ~~local~~ school district OR STATE CHARTER
20 SCHOOL shall first appoint an administrative law judge to make findings
21 of fact and a recommendation concerning the matter at issue. The
22 findings of fact and recommendation shall be delivered to the ~~local~~
23 SCHOOL DISTRICT board of education OR THE GOVERNING BOARD OF THE
24 STATE CHARTER SCHOOL.

25 (b) If the ~~local~~ SCHOOL DISTRICT board of education OR THE
26 GOVERNING BOARD OF THE STATE CHARTER SCHOOL or the parent or
27 guardian disagrees with the findings of the administrative law judge,

1 either party may appeal to the commissioner of education for review.
2 This review shall be conducted in accordance with procedures and
3 timetables established by the state board of education, and a decision
4 concerning the review shall be returned to the school district OR STATE
5 CHARTER SCHOOL and the parent or guardian.

6 (4) Each child determined to have a disability by the committee
7 pursuant to subsection (1) of this section shall be provided with an
8 individual educational program which shall be developed in accordance
9 with requirements established by the state board of education and shall
10 be reviewed annually. Such individual educational program shall specify
11 whether such student shall achieve the content standards adopted by the
12 district OR STATE CHARTER SCHOOL in which such student is enrolled or
13 whether such student shall achieve individualized standards which would
14 indicate the student has met the requirements of such student's individual
15 educational program. When a child with a disability is to be placed
16 outside of the district of residence, the receiving agency, institution, or
17 school district providing the services shall cooperate in the development
18 of the individual educational program. The individual educational
19 program shall be coordinated with all individual plans required by other
20 federal or state programs in order to provide for maximum coordination
21 of service to the child with a disability, which may include the provision
22 of appropriate services for the child with a disability, by agreement or
23 contract with public agencies or nonprofit organizations or residential
24 child care facilities. For children placed without the prior written
25 approval of the school district of residence, the individual educational
26 program shall be the responsibility of the facility providing the individual
27 educational program.

1 (4.5) (e) Nothing in this subsection (4.5) shall require a school
2 district OR STATE CHARTER SCHOOL to expend additional resources or hire
3 additional personnel to implement the provisions of this section.

4 (f) On or before June 1, 1995, the department of education shall
5 develop guidelines for caseload management for instructors of blind
6 children in the school districts AND STATE CHARTER SCHOOLS of the state.
7 Such guidelines will evaluate how much instructional time should be
8 allotted for blind children, will reflect the varying levels of severity of
9 such children's needs, and will be renewed and updated on a periodic
10 basis to incorporate current research and practice.

11 (4.7) (b) To enable a parent to make informed decisions
12 concerning which educational options are best suited to the parent's child,
13 all of the educational options provided by the school district OR STATE
14 CHARTER SCHOOL and available to the child at the time the child's
15 individual educational program is prepared shall be explained to the
16 parent.

17 (g) Nothing in this subsection (4.7) shall require a school district
18 OR STATE CHARTER SCHOOL to expend additional resources or hire
19 additional personnel to implement the provisions of this subsection (4.7).

20 (5) In formulating recommendations for placement of a child with
21 a disability, the committee shall:

22 (d) Consider the cost to the school district OR STATE CHARTER
23 SCHOOL when choosing between two or more appropriate placements.

24 (7) (a) When it is recommended by a school district OR STATE
25 CHARTER SCHOOL that a child be placed in a residential setting operated
26 by a state agency outside of ~~his~~ THE CHILD'S current district of residence,
27 it is the duty of the current district of residence to notify the agency to

1 which it is recommended that the child be sent, and the school district in
2 which the agency is located, of the child's potential placement in such
3 agency in the school district. The receiving agency and the receiving
4 school district shall provide staff input into the final decision regarding
5 placement. In the event that a disagreement exists between the
6 recommending school district and the agency and school district receiving
7 the child regarding the placement, the commissioner of education and the
8 director of the state agency under which the facility or program in which
9 the child is being placed is operated shall make the final determination of
10 the placement.

11 (9) If a teacher of a child with a disability determines that the
12 child's presence in a general education classroom is so disruptive that
13 other children's learning in the class is significantly impaired, the teacher
14 may utilize the district's OR STATE CHARTER SCHOOL'S regular in-school
15 disciplinary procedure unless it would be inconsistent with the child's
16 individual educational program, or may request a review of the individual
17 educational program or behavior plan or both to consider changes in
18 services or placement. In making any such determination for placement
19 or plan of discipline for the child, the teacher, the principal, and the
20 staffing committee, if applicable, shall use the guidelines recommended
21 by the department.

22 (10) No school, STATE CHARTER SCHOOL, school district, or
23 administrative unit that receives funds under article 54 of this title shall
24 implement or enforce any rule or policy of the state department of
25 education that requires or permits an administrative unit to appoint a
26 person to act as an educational surrogate parent for the purpose of making
27 educational decisions regarding a child's placement in special education

1 services or for the purpose of consenting or refusing to consent to
2 assessments prior to placement when the child's parent is unknown,
3 unavailable, or fails to respond after reasonable efforts.

4 **SECTION 47.** 22-20-109 (5), Colorado Revised Statutes, is
5 amended to read:

6 **22-20-109. Tuition.** (5) When a child with a disability enrolls in
7 and attends a DISTRICT charter school OR A STATE CHARTER SCHOOL
8 pursuant to the provisions of part 1 of article 30.5 of this title, the district
9 of residence shall be responsible for paying to the DISTRICT OR STATE
10 charter school the tuition charge for the excess costs incurred in educating
11 the child. The amount of the tuition charge shall be determined pursuant
12 to guidelines developed by the department. Under the circumstances
13 described in this subsection (5), the provisions of section 22-20-108 (8)
14 shall not apply.

15 **SECTION 48.** 22-20-114 (1) (b.7) and (2), Colorado Revised
16 Statutes, are amended to read:

17 **22-20-114. Funding of programs.** (1) (b.7) (I) For the 1997-98
18 budget year and budget years thereafter, forty-nine million eight hundred
19 thousand seven hundred fifty-six dollars shall be distributed to each
20 administrative unit that maintains and operates special education
21 programs in proportion to the amount of state funding the administrative
22 unit received for the 1994-95 budget year divided by the appropriation for
23 the 1994-95 budget year.

24 (II) For the 1997-98 budget year and budget years thereafter, any
25 increase in the appropriation made to the department over the amount
26 distributed in accordance with subparagraph (I) of this paragraph (b.7)
27 shall be distributed to a school district OR A STATE CHARTER SCHOOL in

1 proportion to the number of children with disabilities residing in ~~such~~ THE
2 district OR THE NUMBER OF CHILDREN WITH DISABILITIES ENROLLED IN THE
3 STATE CHARTER SCHOOL, divided by the total number of children with
4 disabilities in the state. The increase in the appropriation to be
5 distributed to school districts AND STATE CHARTER SCHOOLS pursuant to
6 this paragraph (b.7) shall be distributed as soon as practicable after the
7 beginning of the fiscal year. For purposes of this paragraph (b.7), the
8 number of children with disabilities shall be based upon the count taken
9 in December of the immediately preceding budget year.

10 (2) Payments made under the provisions of this article shall in no
11 way affect the amount of other state aid for which a school district OR
12 STATE CHARTER SCHOOL may qualify.

13 **SECTION 49.** 22-20-116 (6) and (7), Colorado Revised Statutes,
14 are amended to read:

15 **22-20-116. Minimum standards for educational interpreters**
16 **for the deaf in the public schools - committee to recommend standards**
17 **- rules.** (6) After review and study of the recommendations of the
18 interpreter standards committee, the state board, on or before July 1,
19 1998, shall promulgate rules setting minimum standards for educational
20 interpreters for the deaf employed by or in the public schools in this state.
21 The state board may revise and amend such minimum standards as it
22 deems necessary. The state board shall promulgate rules that set forth the
23 documentation that a person seeking employment as an educational
24 interpreter for the deaf in a public school must submit to the EMPLOYING
25 school district OR STATE CHARTER SCHOOL.

26 (7) On or after July 1, 2000, in addition to any other requirements
27 that a school district OR A STATE CHARTER SCHOOL establishes, any person

1 employed as an educational interpreter for deaf students on a full-time or
2 part-time basis by or in a school district OR A STATE CHARTER SCHOOL
3 shall meet the minimum standards for educational interpreters for the deaf
4 as established by rules of the state board.

5 **SECTION 50.** 22-24-102, Colorado Revised Statutes, is amended
6 to read:

7 **22-24-102. Legislative declaration.** The general assembly
8 hereby finds, determines, and declares that there are substantial numbers
9 of students in this state whose educational potential is severely restricted
10 because a language other than English is their primary means of
11 communication. The general assembly recognizes the need to provide for
12 transitional programs to improve the English language skills of these
13 students. The general assembly declares that, in order to improve
14 educational and career opportunities for every student in this state, it is
15 the purpose of this article to provide for the establishment of an English
16 language proficiency program in the public schools and to provide for the
17 distribution of moneys to the several school districts AND STATE CHARTER
18 SCHOOLS to help defray the costs of such program.

19 **SECTION 51.** 22-24-103 (3) and the introductory portion to
20 22-24-103 (4), Colorado Revised Statutes, are amended, and the said
21 22-24-103 is further amended BY THE ADDITION OF A NEW
22 SUBSECTION, to read:

23 **22-24-103. Definitions.** As used in this article, unless the context
24 otherwise requires:

25 (3) "Program" means the English language proficiency program
26 created by this article. Design and implementation of programs shall be
27 the function of the districts AND STATE CHARTER SCHOOLS.

1 (3.5) "STATE CHARTER SCHOOL" MEANS ONE OR MORE CHARTER
2 SCHOOLS THAT ENTER INTO CHARTER CONTRACTS WITH THE STATE BOARD
3 OF EDUCATION PURSUANT TO SECTION 22-30.5-108.1 OR A BOARD OF
4 COOPERATIVE SERVICES ORGANIZED AND EXISTING PURSUANT TO LAW
5 THAT INCLUDES ONE OR MORE STATE CHARTER SCHOOLS.

6 (4) "Student whose dominant language is not English" means a
7 public school student whose academic achievement and English language
8 proficiency are determined by ~~his local~~ THE STUDENT'S school district OR
9 STATE CHARTER SCHOOL, using instruments and tests approved by the
10 department, to be impaired because of ~~his~~ THE STUDENT'S inability to
11 comprehend or speak English adequately due to the influence of a
12 language other than English and who is one or more of the following:

13 **SECTION 52.** 22-24-104, Colorado Revised Statutes, is amended
14 to read:

15 **22-24-104. English language proficiency program established**
16 **- funding.** (1) There is hereby established an English language
17 proficiency program for students in kindergarten and grades one through
18 twelve whose dominant language is not English.

19 (2) The purpose of the program is to provide assistance to districts
20 AND STATE CHARTER SCHOOLS having students whose dominant language
21 is not English.

22 (3) No district OR STATE CHARTER SCHOOL shall be eligible for
23 more than two fiscal years of state entitlement moneys on behalf of a
24 student identified for inclusion in this state-assisted program.

25 (4) (a) The general assembly shall make an annual appropriation
26 to the department for the implementation of this article. Funding for the
27 program shall be from the department to the districts AND STATE CHARTER

1 SCHOOLS on a per-student basis. That portion of the annual appropriation
2 scheduled for distribution to the districts AND STATE CHARTER SCHOOLS
3 shall be paid to the districts AND STATE CHARTER SCHOOLS upon the
4 determination, pursuant to section 22-24-106 (1) (d), of the number of
5 students in each district OR STATE CHARTER SCHOOL to be included in the
6 program.

7 (b) The general assembly shall annually make a separate
8 appropriation to the department of education to cover the state's share of
9 the estimated cost pursuant to the provisions of this section. If the
10 amount of the appropriation made is less than the total amount
11 determined to be the state's actual share of support to be provided all
12 eligible students pursuant to the provisions of this section, then the
13 amount to be distributed to any district OR STATE CHARTER SCHOOL shall
14 be in the same proportion as the amount of the appropriation made bears
15 to such total amount determined to be the state's actual share.

16 (c) (I) An amount equal to seventy-five percent of the
17 appropriation made to the department for the 1998-99 fiscal year plus any
18 increase in the annual appropriation made to the department over the
19 appropriation made for the 1998-99 fiscal year or the amount needed to
20 fully fund the program pursuant to this subparagraph (I), whichever is
21 less, shall be used by the districts AND STATE CHARTER SCHOOLS for
22 students certified to be within section 22-24-103 (4) (a) or (4) (b). No
23 such student shall be funded for more than an amount equal to four
24 hundred dollars per year or an amount equal to twenty percent of the state
25 average per pupil operating revenues, as defined in section 22-54-103
26 (12) for the preceding year as annually determined by the department,
27 whichever is greater.

1 (II) The remainder of the annual appropriation shall be used by
2 the districts AND STATE CHARTER SCHOOLS for students certified to be
3 within section 22-24-103 (4) (c). No such student shall be funded for an
4 amount greater than two hundred dollars per year or an amount equal to
5 ten percent of the state average per pupil operating revenues, as defined
6 in section 22-54-103 (12), for the preceding year as annually determined
7 by the department, whichever is greater.

8 (III) Any appropriated moneys not distributed by the department
9 pursuant to subparagraph (I) of this paragraph (c) may be distributed by
10 the department pursuant to subparagraph (II) of this paragraph (c). Any
11 appropriated moneys not distributed by the department pursuant to
12 subparagraph (II) of this paragraph (c) may be distributed pursuant to
13 subparagraph (I) of this paragraph (c).

14 (5) Each district AND EACH STATE CHARTER SCHOOL shall provide
15 the programs for district AND STATE CHARTER SCHOOL students whose
16 dominant language is not English; except that districts AND STATE
17 CHARTER SCHOOLS may cooperate in carrying out the provisions of this
18 article.

19 (6) Nothing in this article shall be construed to prohibit use of
20 moneys made available under this article by a district OR STATE CHARTER
21 SCHOOL for bilingual programs, English-as-a-second-language programs,
22 or any other method of achieving the purposes of this article. Districts
23 AND STATE CHARTER SCHOOLS conducting such programs shall receive
24 moneys made available under this article only on the basis of the number
25 of students whose dominant language is not English enrolled in such
26 programs.

27 **SECTION 53.** The introductory portion to 22-24-105 (1) and

1 22-24-105 (1) (b) (II), (1) (c), and (2), Colorado Revised Statutes, are
2 amended to read:

3 **22-24-105. District - powers and duties - repeal.** (1) It is the
4 duty of each district AND STATE CHARTER SCHOOL to:

5 (b) (II) Notwithstanding the provisions of subparagraph (I) of this
6 paragraph (b), for the school years 2002-03, 2003-04, and 2004-05, a
7 district OR STATE CHARTER SCHOOL may assess students whose dominant
8 language may not be English using any of the instruments or techniques
9 approved by the department prior to January 1, 2002. This subparagraph
10 (II) is repealed, effective July 1, 2005.

11 (c) Certify each year to the department those students in the
12 district OR STATE CHARTER SCHOOL whose dominant language is not
13 English, including specification of the number of non-English languages
14 identified as dominant languages and of the number of students who
15 speak each non-English language as their dominant language;

16 (2) The assessment described in paragraph (b) of subsection (1)
17 of this section and the certification described in paragraph (c) of
18 subsection (1) of this section shall be conducted on at least an annual
19 basis and each district AND EACH STATE CHARTER SCHOOL shall present
20 the results therefrom to the department for inclusion in the relevant
21 annual report of achievement of accreditation indicators required by
22 section 22-11-105.

23 **SECTION 54.** 22-24-106 (1) (a), (1) (b), (1) (c), and (1) (d),
24 Colorado Revised Statutes, are amended to read:

25 **22-24-106. Department - powers and duties - advisory**
26 **commission - repeal.** (1) It is the duty of the department to:

27 (a) Develop and approve a single instrument or technique to be

1 used by districts AND STATE CHARTER SCHOOLS in identifying eligible
2 students;

3 (b) Provide assistance, on request, to districts AND STATE CHARTER
4 SCHOOLS in the identification and assessment of students;

5 (c) Audit the identification and testing procedures used by the
6 districts AND STATE CHARTER SCHOOLS and evaluate the effectiveness of
7 the programs conducted by districts AND STATE CHARTER SCHOOLS;

8 (d) Determine which students are to be counted as eligible for
9 purposes of calculating the district's OR STATE CHARTER SCHOOL'S
10 entitlement;

11 **SECTION 55.** 22-32-124 (1.5), (2), and (3), Colorado Revised
12 Statutes, are amended, and the said 22-32-124 is further amended BY
13 THE ADDITION OF A NEW SUBSECTION, to read:

14 **22-32-124. Building codes - zoning - planning.** (1.5) Prior to
15 contracting for a facility, a charter school shall advise in writing the
16 planning commission, or governing body if no planning commission
17 exists, which has jurisdiction over the territory in which the site is
18 proposed to be located. The relevant planning commission or governing
19 body may request the charter school to submit a site development plan for
20 the proposed facility, but must issue such request, if any, within ten days
21 after receiving the written advisement. If requested by the relevant
22 planning commission or governing body, the charter school, acting on
23 behalf of its ~~sponsoring school board~~ CHARTERING AUTHORITY, shall
24 submit such a site development plan. The relevant planning commission
25 or governing body may review and comment on such plan to the
26 governing body of the charter school, but must do so, if at all, within
27 thirty days after receiving such plan. The relevant planning commission

1 or governing body, if not satisfied with the response to such comments,
2 may request a hearing before the ~~board of education~~ CHARTER SCHOOL'S
3 CHARTERING AUTHORITY regarding such plan. Such hearing shall be held,
4 if at all, within thirty days after the request of the relevant planning
5 commission or governing body. The charter school then may proceed
6 with its site development plan unless prohibited from doing so by ~~school~~
7 ~~board~~ resolution OF ITS CHARTERING AUTHORITY. [REDACTED] NOTHING
8 IN THIS SUBSECTION (1.5) SHALL BE CONSTRUED TO LIMIT THE AUTHORITY
9 OF A CHARTERING AUTHORITY TO FINALLY DETERMINE THE LOCATION OF
10 CHARTER SCHOOLS AND ERECT NECESSARY BUILDINGS AND STRUCTURES.

11 [REDACTED] (2) (a) Notwithstanding the provisions of section
12 8-20-101 (4), C.R.S., upon request of the division of oil and public safety
13 after consulting with the affected board of education OR GOVERNING
14 BOARD OF A STATE CHARTER SCHOOL, the appropriate building department
15 of a county, town, city, or city and county wherein a building or structure
16 has been erected pursuant to subsection (1) of this section may make the
17 necessary inspections to determine that such building or structure has
18 been erected in conformity with the standards of the division of oil and
19 public safety and, if such building or structure is in conformity, shall
20 issue the necessary certificate of occupancy prior to use of the building
21 or structure by the school district OR THE STATE CHARTER SCHOOL. A fee
22 may be charged for such inspections upon approval of the board of
23 education OR THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL, if
24 the amount of the fee is determined on the basis of the direct cost of
25 providing such service. If the division of oil and public safety, after
26 consulting with the affected board of education OR GOVERNING BOARD OF
27 A STATE CHARTER SCHOOL, requests inspections by the building

1 department, such inspections shall be in lieu of any inspections made by
2 the division of oil and public safety; except that this subsection (2) shall
3 not be construed to relieve the division of oil and public safety of the
4 responsibility to conduct such inspections if the appropriate county, town,
5 city, or city and county agency does not conduct the inspections. Any
6 county, town, city, or city and county conducting such inspections shall
7 also be authorized to annually reinspect the building or structure to assure
8 that it is maintained and operated in accordance with the fire code
9 adopted by the director of the division of oil and public safety. The
10 inspecting entity shall cooperate with the affected school district OR
11 STATE CHARTER SCHOOL in carrying out the duties of this section.

12 (b) If the division of oil and public safety conducts the necessary
13 inspection to determine that a building or structure erected pursuant to
14 subsection (1) OR (1.5) of this section has been erected in conformity with
15 the standards of the division of oil and public safety, it shall charge a fee
16 of two hundred dollars for such inspection; except that the director of the
17 division of oil and public safety by rule or as otherwise provided by law
18 may reduce the amount of the fee if necessary pursuant to section
19 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to
20 which all or any portion of the fee is credited. After the uncommitted
21 reserves of the fund are sufficiently reduced, the director of the division
22 of oil and public safety by rule or as otherwise provided by law may
23 increase the amount of the fee as provided in section 24-75-402 (4),
24 C.R.S. Any fees collected by the division of oil and public safety
25 pursuant to this paragraph (b) shall be transmitted to the state treasurer,
26 who shall credit the same to the public safety inspection fund created
27 pursuant to section 8-1-151, C.R.S.

1 (3) The county, town, city, city and county, or fire protection
2 district providing fire protection service for the buildings and structures
3 of a school district OR OF A STATE CHARTER SCHOOL may annually inspect
4 such buildings and structures to assure that they are maintained in
5 accordance with the fire code adopted by the director of the division of
6 oil and public safety unless the board of education of the district OR THE
7 GOVERNING BOARD OF THE STATE CHARTER SCHOOL has contracted for
8 such inspections to be conducted by a person qualified to conduct such
9 inspections by reason of experience, training, or certification.

10 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
11 REQUIRES:

12 (a) "CHARTER SCHOOL" MEANS A PUBLIC SCHOOL THAT ENTERS
13 INTO A CHARTER CONTRACT PURSUANT TO THE PROVISIONS OF PART 1 OF
14 ARTICLE 30.5 OF THIS TITLE AND INCLUDES BOTH A DISTRICT CHARTER
15 SCHOOL AND A STATE CHARTER SCHOOL.

16 (b) "CHARTERING AUTHORITY" MEANS, IN THE CASE OF A DISTRICT
17 CHARTER SCHOOL, THE LOCAL BOARD OF EDUCATION THAT ENTERS INTO
18 A CHARTER CONTRACT WITH THE DISTRICT CHARTER SCHOOL OR, IN THE
19 CASE OF A STATE CHARTER SCHOOL, THE STATE BOARD.

20 (c) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
21 ENTERS INTO A CHARTER CONTRACT WITH A LOCAL BOARD OF EDUCATION.

22 (d) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
23 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO
24 THE PROVISIONS OF SECTION 22-30.5-108.1.

25 **SECTION 56.** 22-37-104 (2) (e), Colorado Revised Statutes, is
26 amended to read:

27 **22-37-104. Qualification.** (2) A program shall:

1 (e) Include provisions for the dissemination of the results of the
2 program to the state board, school board OR GOVERNING BOARD of the
3 participating public school, parents, guardians, or legal custodians with
4 students attending the participating public school, and any other
5 interested persons.

6 **SECTION 57.** 22-51-101, Colorado Revised Statutes, is amended
7 to read:

8 **22-51-101. Legislative declaration.** It is declared to be the
9 policy of this state to furnish financial aid to school districts AND STATE
10 CHARTER SCHOOLS of the state for the transportation of pupils to and from
11 their places of residence and the public schools which they attend,
12 including transportation for purposes of special education and vocational
13 education, and for board in lieu of transportation.

14 **SECTION 58.** 22-51-102 (1) (b), (3), and (4), Colorado Revised
15 Statutes, are amended, and the said 22-51-102 is further amended BY
16 THE ADDITION OF A NEW SUBSECTION, to read:

17 **22-51-102. Definitions.** As used in this article, unless the context
18 otherwise requires:

19 (1) (b) "Current operating expenditures for pupil transportation"
20 shall not be reduced by revenues received by a school district OR A STATE
21 CHARTER SCHOOL from fees imposed and collected for pupil
22 transportation pursuant to a resolution adopted by the board of education
23 of such district in accordance with the provisions of section 22-32-113 (5)
24 OR BY THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL.

25 (3) "Pupil transportation" means the transportation of pupils
26 regularly enrolled in the public schools through grade twelve to and from
27 their places of residence and the public schools in which enrolled,

1 including any site attended for special education or vocational education,
2 and to and from one school of attendance and another in vehicles owned
3 or rented and operated by a school district OR STATE CHARTER SCHOOL or
4 under contract with a school district OR STATE CHARTER SCHOOL.

5 (4) "Reimbursement entitlement" means the amount of
6 reimbursement to which a school district OR A STATE CHARTER SCHOOL
7 is entitled under the provisions of section 22-51-104.

8 (5) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
9 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO
10 THE PROVISIONS OF SECTION 22-30.5-108.1.

11 **SECTION 59.** 22-51-104, Colorado Revised Statutes, is amended
12 to read:

13 **22-51-104. Methods of determining reimbursement**
14 **entitlement.** (1) Except as otherwise provided in subsection (1.5) of this
15 section, for financial aid in providing pupil transportation, for entitlement
16 periods ending on June 30, 1988, and thereafter, each school district AND
17 STATE CHARTER SCHOOL shall have a reimbursement entitlement in an
18 amount determined as follows:

19 (a) Thirty-seven and eighty-seven one-hundredths cents for each
20 mile traveled by vehicles operated by or for the school district OR STATE
21 CHARTER SCHOOL in providing pupil transportation during the entitlement
22 period. The number of miles traveled shall be determined by the state
23 board of education based upon information submitted pursuant to section
24 22-51-105.

25 (b) Thirty-three and eighty-seven one-hundredths percent of any
26 amount by which the school district's OR STATE CHARTER SCHOOL'S
27 current operating expenditures for pupil transportation during the

1 entitlement period exceeded the school district's OR STATE CHARTER
2 SCHOOL'S reimbursement entitlement under the provisions of paragraph
3 (a) of this subsection (1); and

4 (c) Not more than sixty percent of the costs of contracts entered
5 into BY A SCHOOL DISTRICT pursuant to section 22-32-110 (1) (w) OR
6 ENTERED INTO BY A STATE CHARTER SCHOOL PURSUANT TO SECTION
7 22-30.5-104 (7) (b), for the purpose of conserving fuel or reducing
8 operating or capital expenditures, or both, for pupil transportation under
9 public transportation programs which comply with the code of federal
10 regulations, Title 49, parts 390 to 397, or successor regulations thereto.
11 Reimbursement entitlements under this paragraph (c) shall not be greater
12 than those the school district OR STATE CHARTER SCHOOL would otherwise
13 receive if it operated its own vehicles or contracted for the exclusive
14 transportation of pupils.

15 (1.5) (a) Repealed.

16 (b) Notwithstanding the provisions of subsection (1) of this
17 section, for entitlement periods ending on June 30, 1989, and thereafter,
18 no school district OR STATE CHARTER SCHOOL shall receive a
19 reimbursement entitlement in an amount which is less than its
20 reimbursement entitlement for the preceding entitlement period. For
21 purposes of this paragraph (b), the reimbursement entitlement for the
22 preceding entitlement period shall be the amount to which the school
23 district OR STATE CHARTER SCHOOL would have been entitled under the
24 formula in subsection (1) of this section, and not the amount it actually
25 received for the preceding entitlement period, if different from the
26 amount under said formula.

27 (2) In no event shall the reimbursement entitlement of any school

1 district OR STATE CHARTER SCHOOL under the provisions of subsection (1)
2 of this section for any entitlement period exceed ninety percent of the
3 total amount expended by the school district OR STATE CHARTER SCHOOL
4 during said entitlement period for current operating expenditures for pupil
5 transportation.

6 (3) For financial aid in providing board allowances in lieu of
7 transportation, each school district OR STATE CHARTER SCHOOL shall have
8 a reimbursement entitlement for an entitlement period for each pupil who
9 is temporarily residing during said entitlement period for the purpose of
10 attending school at a place nearer the school of attendance than ~~his~~ THE
11 STUDENT'S permanent residence, and for whom the district OR STATE
12 CHARTER SCHOOL has paid a board allowance in lieu of furnishing
13 transportation, in the amount of one dollar for each day such board was
14 paid by the district OR STATE CHARTER SCHOOL.

15 **SECTION 60.** 22-51-105, Colorado Revised Statutes, is amended
16 to read:

17 **22-51-105. Certifications by school boards and governing**
18 **boards.** (1) On or before August 15 of each year, the school board of
19 each school district AND THE GOVERNING BOARD OF EACH STATE CHARTER
20 SCHOOL, entitled to and desiring reimbursement under this article shall
21 certify to the state board of education, on forms to be provided by the
22 commissioner of education, such information as the board shall deem
23 necessary to determine the reimbursement entitlement of the district OR
24 STATE CHARTER SCHOOL, including, but not limited to, the total amount
25 of the school district's OR STATE CHARTER SCHOOL'S current operating
26 expenditures for pupil transportation during the preceding entitlement
27 period, the total number of miles traveled and the total number of pupils

1 transported on October 1, or the school day nearest said date, during the
2 preceding entitlement period by vehicles operated by or for the school
3 district OR STATE CHARTER SCHOOL in providing pupil transportation, and
4 the transportation route descriptions in effect on said date.

5 (2) The department of education shall promulgate rules and
6 regulations to allow for verification of the accuracy and appropriateness
7 of the route mileages submitted by school districts AND STATE CHARTER
8 SCHOOLS pursuant to subsection (1) of this section. If the department
9 determines that an overpayment has been made due to the submission of
10 inaccurate or inappropriate route mileages, the department shall recover
11 from the school district OR STATE CHARTER SCHOOL an amount equal to
12 the overpayment plus a penalty of not more than twenty percent of the
13 overpayment.

14 **SECTION 61.** 22-51-106, Colorado Revised Statutes, is amended
15 to read:

16 **22-51-106. Certification to and payment by state treasurer -**
17 **deficiency in fund.** (1) (a) On or before October 15 of each year, the
18 commissioner of education shall certify to the state treasurer the amount
19 of the advance reimbursement entitlement of each school district AND
20 STATE CHARTER SCHOOL for the current entitlement period and the amount
21 of the final reimbursement entitlement of each school district AND STATE
22 CHARTER SCHOOL for the preceding entitlement period. The state
23 treasurer shall thereupon pay from the public school transportation fund
24 directly to the treasurer of each school district which has elected under
25 the law to withdraw its funds from the custody of the county treasurer
26 AND DIRECTLY TO THE TREASURER OF EACH STATE CHARTER SCHOOL the
27 amount certified as the total reimbursement entitlement of the school

1 district OR STATE CHARTER SCHOOL; and, for all other school districts, ~~he~~
2 THE STATE TREASURER shall pay to the county treasurer of the county in
3 which each school district has its headquarters the amount certified as the
4 total reimbursement entitlement of each district, and the county treasurer
5 shall forthwith credit to the general fund of each district in ~~his~~ THE county
6 the amount certified therefor.

7 (b) For purposes of this section:

8 (I) "Advance reimbursement entitlement" means an amount which
9 a school district OR STATE CHARTER SCHOOL is entitled to receive in the
10 current entitlement period as an advance payment of its reimbursement
11 entitlement for such period and which is equal to twenty percent of the
12 reimbursement entitlement of the school district OR STATE CHARTER
13 SCHOOL for the preceding entitlement period.

14 (II) "Final reimbursement entitlement" means the reimbursement
15 entitlement of a school district OR STATE CHARTER SCHOOL for the
16 preceding entitlement period less any advance reimbursement entitlement
17 received by said district OR STATE CHARTER SCHOOL for said period.

18 (III) "Total reimbursement entitlement" means the advance
19 reimbursement entitlement and the final reimbursement entitlement of a
20 school district OR STATE CHARTER SCHOOL.

21 (2) (a) In the event the amount of money appropriated by the
22 general assembly to the public school transportation fund is less than the
23 amount of the total reimbursement entitlements of all of the school
24 districts AND STATE CHARTER SCHOOLS authorized by this section, the
25 amount to be distributed to each school district AND STATE CHARTER
26 SCHOOL shall be in the same proportion as the amount which the
27 appropriation made bears to the total amount of the reimbursement

1 entitlements of all school districts AND STATE CHARTER SCHOOLS.

2 (b) For the entitlement period beginning on or after July 1, 1993,
3 the calculation in paragraph (a) of this subsection (2) shall be based on
4 the amount of money appropriated by the general assembly to the public
5 school transportation fund. For the entitlement period beginning on or
6 after July 1, 1993, any district subject to a court-ordered desegregation
7 order shall be entitled to reimbursement of one million five hundred
8 thousand dollars, subject to separate appropriation by the general
9 assembly, for pupil transportation in addition to any amount received
10 pursuant to paragraph (a) of this subsection (2).

11 **SECTION 62.** 22-51-107, Colorado Revised Statutes, is amended
12 to read:

13 **22-51-107. Requirements for participation.** Unless otherwise
14 authorized by the commissioner of education, any school district ~~which~~
15 OR STATE CHARTER SCHOOL THAT has not filed the certifications required
16 by section 22-51-105 on or before the date provided in said section or has
17 not complied with the rules and regulations promulgated by the state
18 board of education pursuant to section 22-51-108 shall not be entitled to
19 any reimbursement under this article.

20 **SECTION 63.** 22-51-108, Colorado Revised Statutes, is amended
21 to read:

22 **22-51-108. Rules and regulations.** The state board of education
23 shall promulgate rules and regulations for the administration of this
24 article. Such rules and regulations shall include reasonable and adequate
25 standards of safety in the maintenance and operation of buses, the
26 maintenance of records by school districts AND STATE CHARTER SCHOOLS,
27 the length of bus routes, the number of children to be transported in the

1 various types of buses, and such other rules and regulations pertaining to
2 pupil transportation as will promote the welfare of the students and afford
3 reasonable protection to the public.

4 **SECTION 64.** 22-54-102 (1), Colorado Revised Statutes, is
5 amended to read:

6 **22-54-102. Legislative declaration - statewide applicability -**
7 **intergovernmental agreements.** (1) The general assembly hereby finds
8 and declares that this article is enacted in furtherance of the general
9 assembly's duty under section 2 of article IX of the state constitution to
10 provide for a thorough and uniform system of public schools throughout
11 the state; that a thorough and uniform system requires that all school
12 districts AND STATE CHARTER SCHOOLS operate under the same finance
13 formula; and that equity considerations dictate that all districts AND STATE
14 CHARTER SCHOOLS be subject to the expenditure and maximum levy
15 provisions of this article. Accordingly, the provisions of this article
16 concerning the financing of public schools for budget years beginning on
17 and after July 1, 1994, shall apply to all school districts AND STATE
18 CHARTER SCHOOLS organized under the laws of this state.

19 **SECTION 65.** 22-54-103 (7) (c) and (8.5), Colorado Revised
20 Statutes, are amended, and the said 22-54-103 is further amended BY
21 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to
22 read:

23 **22-54-103. Definitions - repeal.** As used in this article, unless
24 the context otherwise requires:

25 (3.5) "DENYING DISTRICT" SHALL HAVE THE SAME MEANING AS
26 PROVIDED IN SECTION 22-30.5-112.1 (1) (b).

27 (7) "Funded pupil count" means:

1 (c) (I) For budget years commencing on and after July 1, 2003,
2 the district's on-line pupil enrollment for the applicable budget year plus
3 the district's preschool enrollment for the applicable budget year plus the
4 greater of:

5 (A) The district's pupil enrollment for the applicable budget year;
6 or

7 (B) The average of the district's pupil enrollment for the
8 applicable budget year and the district's pupil enrollment for the
9 immediately preceding budget year; or

10 (C) The average of the district's pupil enrollment for the
11 applicable budget year and the district's pupil enrollment for the two
12 immediately preceding budget years; or

13 (D) The average of the district's pupil enrollment for the
14 applicable budget year and the district's pupil enrollment for the three
15 immediately preceding budget years.

16 (II) (A) Notwithstanding any provision of law to the contrary, for
17 purposes of subparagraph (I) of this paragraph (c), for any budget year
18 commencing prior to July 1, 2002, the district's pupil enrollment for that
19 budget year shall be the district's pupil enrollment, as defined by
20 paragraph (a) of subsection (10) of this section, as it existed prior to June
21 7, 2002.

22 (B) This subparagraph (II) is repealed, effective July 1, 2005.

23 (III) (A) Notwithstanding any provision of law to the contrary, for
24 purposes of subparagraph (I) of this paragraph (c), for the 2000-01,
25 2001-02, and 2002-03 budget years, a district's pupil enrollment shall not
26 include any pupils enrolled in a district preschool program pursuant to
27 article 28 of this title.

1 (B) This subparagraph (III) is repealed, effective July 1, 2006.

2 (IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
3 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c)
4 FOR BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S
5 FUNDED PUPIL COUNT SHALL INCLUDE THE CERTIFIED PUPIL ENROLLMENT
6 AND ON-LINE PUPIL ENROLLMENT OF EACH OPERATING STATE CHARTER
7 SCHOOL FOR WHICH THE DISTRICT IS THE DENYING DISTRICT. THE
8 DEPARTMENT OF EDUCATION SHALL ADD THE STATE CHARTER SCHOOL'S
9 CERTIFIED PUPIL ENROLLMENT AND ON-LINE PUPIL ENROLLMENT TO THE
10 FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO CALCULATING THE
11 DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-104.

12 (8.5) "On-line pupil enrollment" means the number of pupils, on
13 October 1 within the applicable budget year or the school day nearest said
14 date, enrolled in, attending, and actively participating in, an on-line
15 program created pursuant to section 22-33-104.6 by the district or by a
16 charter school chartered by the district, minus any such pupils who were
17 enrolled in any such on-line programs for the 2001-02 school year. In
18 addition, "on-line pupil enrollment" means the number of pupils who
19 meet the requirements specified in section 22-33-104.6 (4) (a) and
20 transfer to an on-line program after October 1 of a school year. FOR
21 BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S
22 ON-LINE PUPIL ENROLLMENT SHALL INCLUDE THE CERTIFIED ON-LINE PUPIL
23 ENROLLMENT OF EACH OPERATING STATE CHARTER SCHOOL FOR WHICH
24 THE DISTRICT IS THE DENYING DISTRICT. THE DEPARTMENT OF EDUCATION
25 SHALL ADD THE STATE CHARTER SCHOOL'S CERTIFIED ON-LINE PUPIL
26 ENROLLMENT TO THE ON-LINE PUPIL ENROLLMENT OF THE DISTRICT PRIOR
27 TO CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION

1 22-54-104.

2 (9.3) "PER PUPIL REVENUES" MEANS THE DISTRICT'S TOTAL
3 PROGRAM FOR ANY BUDGET YEAR DIVIDED BY THE DISTRICT'S FUNDED
4 PUPIL COUNT FOR SAID BUDGET YEAR.

5 (13.5) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
6 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO
7 THE PROVISIONS OF SECTION 22-30.5-108.1.

8 **SECTION 66.** 22-54-104 (1), Colorado Revised Statutes, is
9 amended to read:

10 **22-54-104. District total program.** (1) (a) For every budget
11 year, the provisions of this section shall be used to calculate for each
12 district an amount that represents the financial base of support for public
13 education in that district. Such amount shall be known as the district's
14 total program. The district's total program shall be available to the district
15 to fund the costs of providing public education, and, except as otherwise
16 provided in section 22-54-105, the amounts and purposes for which such
17 moneys are budgeted and expended shall be in the discretion of the
18 district.

19 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS
20 SUBSECTION (1), IF A DISTRICT IS THE DENYING DISTRICT OF A STATE
21 CHARTER SCHOOL, THEN THE CALCULATION OF TOTAL PROGRAM PURSUANT
22 TO THE PROVISIONS OF THIS SECTION SHALL ALSO REPRESENT THE
23 FINANCIAL BASE OF SUPPORT FOR THE STATE CHARTER SCHOOL, EVEN
24 THOUGH THE STATE CHARTER SCHOOL IS NOT A SCHOOL OF THE DISTRICT.
25 THE AMOUNT OF THE DISTRICT'S STATE SHARE OF TOTAL PROGRAM THAT
26 IS WITHHELD FROM THE DISTRICT AND PAID TO THE STATE CHARTER
27 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-54-115 (1.3), SHALL

1 NOT BE AVAILABLE TO NOR UNDER THE CONTROL OF THE DISTRICT, BUT
2 SHALL BE UNDER THE CONTROL OF THE GOVERNING BOARD OF THE STATE
3 CHARTER SCHOOL TO FUND THE COSTS OF PROVIDING PUBLIC EDUCATION
4 TO PUPILS ENROLLED IN THE STATE CHARTER SCHOOL, AND THE AMOUNTS
5 AND PURPOSES FOR WHICH SUCH MONEYS ARE BUDGETED AND EXPENDED
6 SHALL BE IN THE DISCRETION OF THE STATE CHARTER SCHOOL.

7 **SECTION 67.** 22-54-106 (1) (b) and (4), Colorado Revised
8 Statutes, are amended, and the said 22-54-106 is further amended BY
9 THE ADDITION OF A NEW SUBSECTION, to read:

10 **22-54-106. Local and state shares of district total program.**

11 (1) (b) Except as provided in ~~subsection (8)~~ SUBSECTIONS (8) AND (11)
12 of this section, the state's share of a district's total program shall be the
13 difference between the district's total program and the district's share of
14 its total program; except that no district shall receive less in state aid than
15 an amount established by the general assembly in the annual general
16 appropriation act based upon the amount of school lands and mineral
17 lease moneys received pursuant to the provisions of article 41 of this title
18 and section 34-63-102 (2), C.R.S., multiplied by the district's funded
19 pupil count.

20 (4) (a) The general assembly shall make annual appropriations to
21 fund the state's share of the total program of all districts AND TO FUND ALL
22 STATE CHARTER SCHOOLS.

23 (b) In the event that the appropriation for the state's share of the
24 total program of all districts, INCLUDING FUNDING FOR STATE CHARTER
25 SCHOOLS, under this article for any budget year, as established in the
26 general appropriation act, is not sufficient to fully fund the state's share
27 INCLUDING FUNDING FOR STATE CHARTER SCHOOLS, the department of

1 education shall submit a request for a supplemental appropriation in an
2 amount which will fully fund the state's share INCLUDING FUNDING FOR
3 STATE CHARTER SCHOOLS. Such request shall be made to the general
4 assembly during the fiscal year in which such underfunding occurs.

5 (c) If a supplemental appropriation is not made by the general
6 assembly to fully fund the state's share of the total program of all districts
7 INCLUDING FUNDING FOR STATE CHARTER SCHOOLS or a supplemental
8 appropriation is made to reduce the state's share of the total program of
9 all districts INCLUDING FUNDING FOR STATE CHARTER SCHOOLS, the state
10 aid of each district AND THE FUNDING FOR EACH STATE CHARTER SCHOOL
11 shall be reduced in accordance with the provisions of this paragraph (c).
12 The total program of each district that receives state aid shall be reduced
13 by a percentage determined by dividing the deficit in the appropriation or
14 the reduction in the appropriation, whichever is applicable, by the total
15 program of all districts which receive state aid. The state aid of each
16 district shall be reduced by the amount of the reduction in the district's
17 total program or the amount of state aid, whichever is less. THE FUNDING
18 FOR EACH STATE CHARTER SCHOOL SHALL BE REDUCED IN PROPORTION TO
19 THE REDUCTION IN THE TOTAL PROGRAM OF THE DISTRICT FROM WHICH
20 THE STATE CHARTER SCHOOL'S FUNDING IS WITHHELD. The department of
21 education shall see that the reduction in state aid required by this
22 paragraph (c) is accomplished prior to the end of the budget year.

23 (11) (a) PURSUANT TO THE PROVISIONS OF SECTION 22-54-115, FOR
24 EACH STATE CHARTER SCHOOL, THE DEPARTMENT OF EDUCATION SHALL
25 WITHHOLD FROM THE STATE SHARE OF THE STATE CHARTER SCHOOL'S
26 DENYING DISTRICT THE LESSER OF:

27 (I) AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT

1 PER PUPIL REVENUES MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN
2 THE STATE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE
3 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING
4 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE STATE
5 CHARTER SCHOOL; OR

6 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
7 DISTRICT. IF THERE IS MORE THAN ONE STATE CHARTER SCHOOL THAT
8 RECEIVES FUNDING FROM THE DISTRICT'S STATE SHARE, THE DEPARTMENT
9 SHALL DIVIDE THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
10 DISTRICT AMONG THE STATE CHARTER SCHOOLS ON A PER PUPIL BASIS.

11 (b) THE DEPARTMENT SHALL PAY THE AMOUNT SPECIFIED IN
12 PARAGRAPH (a) OF THIS SUBSECTION (11), MINUS THE AMOUNTS SPECIFIED
13 IN SECTION 22-30.5-112.1 (3), TO THE STATE CHARTER SCHOOL. THE
14 AMOUNT SPECIFIED IN THIS SUBSECTION (11) SHALL CONSTITUTE A
15 REDUCTION IN THE STATE SHARE OF THE STATE CHARTER SCHOOL'S
16 DENYING DISTRICT.

17 **SECTION 68.** 22-54-109 (1), (3), and (4), Colorado Revised
18 Statutes, are amended to read:

19 **22-54-109. Attendance in district other than district of**
20 **residence.** (1) Districts paying tuition for pupils of residence in the
21 district to attend public schools in other Colorado school districts, IN
22 STATE CHARTER SCHOOLS, and in school districts of adjoining states shall
23 report and be entitled to support for such pupils; except that no district
24 shall report any pupil who is from another district and whose tuition is
25 paid by the pupil's district of residence.

26 (3) Every school district AND STATE CHARTER SCHOOL shall report
27 to the department of education, by district of residence, the number of

1 pupils not included in the district's OR STATE CHARTER SCHOOL'S pupil
2 enrollment but who are receiving educational services in residential child
3 care facilities, community centers, regional centers, the school for the
4 deaf and the blind, and other group care facilities or homes designated by
5 the state board within the district's boundaries OR IN THE STATE CHARTER
6 SCHOOL. The department of education shall annually withhold an amount
7 equal to the district of residence's per pupil operating revenues for each
8 such child counted by local school districts but not actually attending
9 classes in the district of residence and included on the roll of
10 out-of-district placed children. The department shall forward to the
11 district OR STATE CHARTER SCHOOL or state institution or facility
12 delivering the education, on a monthly basis, the proportional amount of
13 the state average per pupil operating revenues.

14 (4) For children with disabilities residing in a particular school
15 district but receiving an education in another school district, a state
16 institution or facility, a residential child care facility, or an eligible
17 nonprofit organization within Colorado, the state average per pupil
18 operating revenues shall be the district of residence's total responsibility
19 under this article for the education of that child. The provisions of this
20 subsection (4) shall not apply to children with disabilities enrolled in an
21 interdistrict participating school district pursuant to the provisions of
22 article 36 of this title.

23 **SECTION 69.** 22-54-112 (2), Colorado Revised Statutes, is
24 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

25 **22-54-112. Reports to the state board.** (2) (c) ON OR BEFORE
26 NOVEMBER 10 OF EACH YEAR, THE SECRETARY OF THE GOVERNING BOARD
27 OF EACH STATE CHARTER SCHOOL SHALL CERTIFY TO THE STATE BOARD

1 THE PUPIL ENROLLMENT AND THE ON-LINE PUPIL ENROLLMENT OF THE
2 STATE CHARTER SCHOOL TAKEN IN THE PRECEDING OCTOBER.

3 **SECTION 70.** 22-54-114, Colorado Revised Statutes, is amended
4 to read:

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

24 (2) No later than thirty days prior to the beginning of the budget
25 year, the department of education shall determine the estimated
26 requirements in order to provide each district AND EACH STATE CHARTER
27 SCHOOL the amount it is eligible to receive from the state during the next

1 ensuing fiscal year of the state. The appropriation by the general
2 assembly shall be based on the requirements necessary to provide all
3 districts AND STATE CHARTER SCHOOLS with the amounts they are each
4 eligible to receive from the state, pursuant to the provisions of this part
5 1, during the next ensuing fiscal year of the state.

6 (2.5) The general assembly finds that implementation of section
7 22-7-603.5, including implementation of rules to uniquely identify
8 individual students, has resulted in more accurate determinations of pupil
9 enrollment and a savings in the amount required to fund the state's share
10 of total program funding for school districts AND STATE CHARTER
11 SCHOOLS. For the 2003-04 budget year and budget years thereafter, the
12 department of education shall allocate a portion of the amount of the
13 in-year cost recovery occurring as a result of the use of unique student
14 identifiers to fund implementation of the academic growth pilot program
15 and the academic growth program pursuant to section 22-7-603.7. The
16 amount allocated to the academic growth pilot program and the academic
17 growth program pursuant to this subsection (2.5) shall not exceed two
18 hundred thousand dollars in any budget year.

19 (3) (a) Fifty percent of any unexpended balance of moneys
20 appropriated by the general assembly in the state public school fund at
21 the end of each fiscal year shall be transferred to the Colorado
22 comprehensive health education fund created in section 22-25-109. The
23 remaining fifty percent and any balances derived from other sources shall
24 remain in said state public school fund and become available for
25 distribution during the following fiscal year.

26 (b) Notwithstanding the provisions of paragraph (a) of this
27 subsection (3), any unexpended balance of moneys in the contingency

1 reserve created pursuant to section 22-54-117 at the end of any fiscal year
2 shall remain in the contingency reserve and shall not be transferred to any
3 other fund.

4 (4) For the 1997-98 fiscal year and fiscal years thereafter, the net
5 amount recovered by the department during the applicable fiscal year,
6 pursuant to school district AND STATE CHARTER SCHOOL audits, as
7 overpayments made to school districts AND STATE CHARTER SCHOOLS that
8 would otherwise be transmitted to the state treasurer for deposit in the
9 general fund shall instead be transmitted to the state treasurer for deposit
10 in the state public school fund. Such amount shall be available for
11 appropriation to the department in subsequent fiscal years.

12 **SECTION 71.** 22-54-115, Colorado Revised Statutes, is amended
13 to read:

14 **22-54-115. Distribution from state public school fund.** (1) No
15 later than June 30 of each year, the state board shall determine the
16 amount of the state's share of the district's total program for the budget
17 year beginning on July 1, and the total thereof for all districts, which
18 amount shall be payable in twelve approximately equal monthly
19 payments during such budget year; except that:

20 (a) Such payments shall be adjusted following the certification of
21 pupil enrollments, the certification of valuations for assessment to the
22 state board pursuant to section 22-54-112 (1) and (2), and the certification
23 of the amount of any impact assistance grants on behalf of school districts
24 pursuant to section 30-25-302, C.R.S.; and

25 (b) Such payments shall be adjusted in accordance with any
26 district's instructions given pursuant to subsection (1.5) of this section;

27 AND

1 (c) SUCH PAYMENTS SHALL BE ADJUSTED IN ACCORDANCE WITH
2 THE PROVISIONS OF SUBSECTION (1.3) OF THIS SECTION.

3 (1.3) (a) IN DETERMINING THE STATE'S SHARE OF EACH DISTRICT'S
4 TOTAL PROGRAM, THE STATE BOARD SHALL DETERMINE WHETHER THE
5 DISTRICT IS A DENYING DISTRICT OF A STATE CHARTER SCHOOL. IF A
6 DISTRICT IS A DENYING DISTRICT OF A STATE CHARTER SCHOOL, THE STATE
7 BOARD SHALL INSTRUCT THE DEPARTMENT OF EDUCATION TO WITHHOLD
8 FROM THE AMOUNT OF THE STATE SHARE OTHERWISE PAYABLE TO THE
9 DISTRICT AN AMOUNT EQUAL TO THE LESSER OF:

10 (I) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES
11 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE STATE CHARTER
12 SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE HUNDRED PERCENT OF
13 THE DISTRICT PER PUPIL ON-LINE FUNDING MULTIPLIED BY THE NUMBER OF
14 ON-LINE PUPILS ENROLLED IN THE STATE CHARTER SCHOOL; OR

15 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
16 DISTRICT.

17 (b) THE AMOUNT WITHHELD, MINUS THE AMOUNTS SPECIFIED IN
18 SECTION 22-30.5-112.1 (3), SHALL BE PAYABLE TO THE STATE CHARTER
19 SCHOOL IN TWELVE APPROXIMATELY EQUAL MONTHLY PAYMENTS DURING
20 THE BUDGET YEAR. IF THE DEPARTMENT WITHHOLDS THE TOTAL AMOUNT
21 OF THE STATE SHARE PAYABLE TO THE DISTRICT AND THERE IS MORE THAN
22 ONE STATE CHARTER SCHOOL THAT RECEIVES FUNDING FROM THE
23 DISTRICT'S STATE SHARE, THE DEPARTMENT SHALL DIVIDE THE TOTAL
24 AMOUNT OF THE STATE SHARE PAYABLE TO THE DISTRICT AMONG THE
25 STATE CHARTER SCHOOLS ON A PER PUPIL BASIS.

26 (1.5) Any school district may give written instructions to the state
27 board directing that a specified portion of a monthly payment or monthly

1 payments that the district is otherwise entitled to receive pursuant to this
2 section shall be transferred to the division of vocational rehabilitation in
3 the department of human services for the district's cost of participating in
4 school to work alliance programs. Such written instructions shall specify
5 the amount to be transferred to the division of vocational rehabilitation
6 from the district's payment for a specified month or months. Such written
7 instructions shall be given to the state board no later than the fifth day of
8 the first month in which such amount is to be transferred to the division
9 of vocational rehabilitation.

10 (2) No later than the fifteenth day of each month, the state board
11 shall certify to the state treasurer the amount payable to each district AND
12 TO EACH STATE CHARTER SCHOOL IN ACCORDANCE WITH SUBSECTION (1.3)
13 OF THIS SECTION during said month and the amount, if any, to be
14 transferred to the division of vocational rehabilitation during said month
15 in accordance with subsection (1.5) of this section.

16 (3) No later than the twenty-fifth day of each month, the state
17 treasurer shall:

18 (a) Pay the amount certified AS PAYABLE TO EACH DISTRICT, less
19 the total amount of any direct payments made by the state treasurer on
20 behalf of charter schools chartered by each school district of any
21 principal and interest due on bonds pursuant to section 22-30.5-406
22 directly to the treasurer of each district or, in accordance with written
23 instructions from the district, directly to an account designated by the
24 district that allows the district to retain title to the funds; and

25 (b) Transfer the amount certified, if any, to the division of
26 vocational rehabilitation; AND

27 (c) PAY THE AMOUNT CERTIFIED AS PAYABLE TO EACH STATE

1 CHARTER SCHOOL DIRECTLY TO THE TREASURER OF EACH STATE CHARTER
2 SCHOOL OR, IN ACCORDANCE WITH WRITTEN INSTRUCTIONS FROM THE
3 STATE CHARTER SCHOOL, DIRECTLY TO AN ACCOUNT DESIGNATED BY THE
4 STATE CHARTER SCHOOL THAT ALLOWS THE STATE CHARTER SCHOOL TO
5 RETAIN TITLE TO THE FUNDS.

6 (4) The state board shall take care to avoid overpayment of state
7 moneys. If it is determined that any district OR ANY STATE CHARTER
8 SCHOOL has been overpaid in any month, the state board shall adjust the
9 following monthly payment or payments to such district OR STATE
10 CHARTER SCHOOL so as to recover the amount overpaid. In the event that
11 an overpayment cannot be recovered, the amount thereof shall be
12 refunded to the state public school fund by the district OR STATE CHARTER
13 SCHOOL receiving the same.

14 (5) (Deleted by amendment, L. 94, p. 800, § 2, effective April 27,
15 1994.)

16 (6) (a) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO
17 THE CONTRARY, THE DEPARTMENT OF EDUCATION MAY WITHHOLD A
18 PORTION OF A STATE CHARTER SCHOOL'S OR A SCHOOL DISTRICT'S
19 MONTHLY PAYMENT UNDER THIS SECTION IF THE STATE CHARTER SCHOOL
20 OR THE SCHOOL DISTRICT FAILS TO COMPLY WITH THE REQUIREMENTS
21 SPECIFIED IN THIS TITLE AND IN RULES PROMULGATED BY THE STATE
22 BOARD PERTAINING TO REPORTING FINANCIAL INFORMATION TO THE
23 DEPARTMENT, INCLUDING BUT NOT LIMITED TO FINANCIAL REPORTING
24 REQUIRED UNDER THE STATEWIDE FINANCIAL, STUDENT MANAGEMENT,
25 AND HUMAN RESOURCE ELECTRONIC DATA COMMUNICATIONS AND
26 REPORTING SYSTEM IMPLEMENTED PURSUANT TO SECTION 22-44-105 (4)
27 AND REPORTING REQUIRED FOR THE DEPARTMENT OF EDUCATION TO

1 CONDUCT AN AUDIT PURSUANT TO SECTION 22-2-113 (1) (f). THE
2 DEPARTMENT OF EDUCATION MAY WITHHOLD A PORTION OF THE PAYMENT
3 ONLY UNTIL SUCH TIME AS THE STATE CHARTER SCHOOL OR THE SCHOOL
4 DISTRICT COMPLIES WITH THE REPORTING REQUIREMENT. A SCHOOL
5 DISTRICT MAY NOT OBTAIN A LOAN PURSUANT TO THE PROVISIONS OF
6 SECTION 22-54-110 TO ALLEVIATE ANY CASH FLOW MANAGEMENT ISSUES
7 THAT MAY ARISE DUE TO THE WITHHOLDING OF PAYMENTS PURSUANT TO
8 THIS SUBSECTION (6).

9 (b) THE DEPARTMENT OF EDUCATION MAY WITHHOLD A PORTION
10 OF A DISTRICT CHARTER SCHOOL'S MONTHLY PAYMENT PURSUANT TO THE
11 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (6) IF THE
12 DEPARTMENT OF EDUCATION MAKES DIRECT MONTHLY PAYMENTS TO THE
13 DISTRICT CHARTER SCHOOL PURSUANT TO SECTION 22-30.5-112 (9) (d).

14 **SECTION 72.** 22-54-117 (1), (1.5) (d), (1.6) (a), (2), (3), and (4),
15 Colorado Revised Statutes, are amended to read:

16 **22-54-117. Contingency reserve - capital construction**
17 **expenditures reserve.** (1) An amount to be determined by the general
18 assembly shall be appropriated annually to the state public school fund
19 as a contingency reserve. In deciding the amount to be appropriated to
20 the contingency reserve, the general assembly may take into consideration
21 any recommendations made by the department of education, but nothing
22 in this section shall be construed to obligate the general assembly to
23 provide supplemental assistance to all districts AND STATE CHARTER
24 SCHOOLS determined to be in need or fully fund the total amount of such
25 need. The state board is authorized to approve and order payments from
26 such contingency reserve for supplemental assistance to districts AND
27 STATE CHARTER SCHOOLS determined to be in need as the result of any or

1 all of the following circumstances:

2 (a) Financial emergencies caused by an act of God or arising from
3 extraordinary problems in the collection of taxes;

4 (b) Financial emergencies arising from the nonpayment of
5 property taxes pending the outcome of an administrative appeal or
6 litigation or both challenging the inclusion of the value of certain property
7 in a county's abstract of assessment which resulted from a change in the
8 applicable state law;

9 (b.5) The amount of property tax levied and collected pursuant to
10 section 39-10-114, C.R.S., is insufficient for the purpose of making
11 abatements and refunds of property taxes which the district is required to
12 make pursuant to said section;

13 (c) Any contingency which could not have been reasonably
14 foreseen at the time of the adoption of the annual budget, including, but
15 not limited to, reductions in valuation of the district in excess of twenty
16 percent as described in section 39-10-114 (1) (a) (I) (B.5), C.R.S.;

17 (d) Unusual financial burden caused by instruction of children
18 who formerly resided outside the district but have been assigned to live
19 within the district by courts or public welfare agencies. Such
20 supplemental assistance shall not exceed the additional cost for current
21 operations incurred by this circumstance.

22 (e) Unusual financial burden caused by instruction of children
23 who moved into the district following the pupil enrollment count date.
24 Such supplemental assistance shall not exceed the additional cost
25 incurred by the district due to the increase in pupil enrollment. The
26 provisions of this paragraph (e) shall only be available to districts with a
27 funded pupil count of two thousand or less.

1 (f) Unusual financial burden caused by a significant decline in
2 pupil enrollment as a result of detachment and annexation pursuant to a
3 reorganization plan approved pursuant to article 30 of this title.

4 (1.5) (d) Any supplemental assistance granted to a DISTRICT
5 charter school pursuant to this subsection (1.5) shall be provided to the
6 chartering school district, and the school district shall distribute all such
7 moneys to the DISTRICT charter school and may not retain any portion of
8 such moneys for any purpose. ANY SUPPLEMENTAL ASSISTANCE GRANTED
9 TO A STATE CHARTER SCHOOL PURSUANT TO THIS SUBSECTION (1.5) SHALL
10 BE PROVIDED DIRECTLY TO THE STATE CHARTER SCHOOL.

11 (1.6) (a) For each quarter including and after the first quarter of
12 the state's fiscal year 2001-02, all moneys that would otherwise be
13 transferred to the general fund pursuant to section 3 (1) (b) (III) of article
14 XXVII of the state constitution shall be transferred to the state public
15 school fund as a contingency reserve exempt from any restriction on
16 spending, revenues, or appropriations, including, without limitation, the
17 restrictions of section 20 of article X of the state constitution. The state
18 board is authorized to approve and order payments from the moneys
19 transferred pursuant to this subsection (1.6) only for supplemental
20 assistance to districts OR STATE CHARTER SCHOOLS for capital
21 expenditures to address immediate safety hazards or health concerns
22 within existing school facilities either by repairing, remodeling, or
23 refurbishing the existing school facilities or by constructing new school
24 facilities to replace the existing school facilities.

25 (2) Application by a district OR A STATE CHARTER SCHOOL for
26 supplemental assistance pursuant to either subsection (1) or (1.5) of this
27 section shall set forth fully the grounds upon which it relies for assistance

1 and shall be sworn to under oath by the president and secretary of the
2 district board of the district OR BY THE PRESIDENT AND SECRETARY OF THE
3 STATE CHARTER SCHOOL'S GOVERNING BOARD.

4 (3) The state board shall conduct such investigation as it deems
5 proper, and, if it finds that an application should be approved, it shall
6 determine the amount to be paid. In determining which districts AND
7 STATE CHARTER SCHOOLS receive payments pursuant to this section and
8 the amount of such payments, the state board shall consider the amount
9 of the supplemental assistance requested by the district as a percentage
10 of the district's total program AND THE AMOUNT OF THE SUPPLEMENTAL
11 ASSISTANCE REQUESTED BY THE STATE CHARTER SCHOOL AS A
12 PERCENTAGE OF THE STATE CHARTER SCHOOL'S TOTAL OPERATING
13 REVENUE. By order upon the state treasurer, said board shall direct
14 payment from the contingency reserve or school capital construction
15 expenditures reserve, whichever is applicable, of such amount to the
16 treasurer of the eligible district for credit to the general fund of the district
17 OR TO THE TREASURER OF THE ELIGIBLE STATE CHARTER SCHOOL FOR
18 CREDIT TO THE GENERAL FUND OF THE STATE CHARTER SCHOOL.

19 (4) Notwithstanding the provisions of subsection (1) of this
20 section concerning circumstances under which the state board may
21 approve and order payments from the contingency reserve, the state board
22 may, in cases of extreme emergency, take into consideration such other
23 factors as it may deem necessary and proper in granting supplemental
24 assistance from the contingency reserve to those districts OR STATE
25 CHARTER SCHOOLS which could not maintain their schools without such
26 additional financial assistance.

27 **SECTION 73.** 22-54-120 (2), Colorado Revised Statutes, is

1 amended to read:

2 **22-54-120. Rules and regulations.** (2) All reports and
3 certifications required from secretaries of boards of education AND FROM
4 STATE CHARTER SCHOOLS pursuant to the provisions of this article shall
5 be made in such manner and form as may be prescribed by the state
6 board.

7 **SECTION 74.** 22-54-122, Colorado Revised Statutes, is amended
8 to read:

9 **22-54-122. Small attendance center aid.** (1) For the 1998-99
10 budget year and budget years thereafter, a district shall be eligible for aid
11 pursuant to this section if:

12 (a) The district has more than one elementary or secondary school
13 attendance center; and

14 (b) The district operates one or more elementary or secondary
15 attendance centers with a pupil enrollment of less than two hundred and
16 that are located twenty or more miles from any similar school attendance
17 center in the same district.

18 (1.5) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS
19 THEREAFTER, A STATE CHARTER SCHOOL SHALL BE ELIGIBLE FOR AID
20 PURSUANT TO THIS SECTION IF THE STATE CHARTER SCHOOL HAS A PUPIL
21 ENROLLMENT OF FEWER THAN TWO HUNDRED AND IS LOCATED TWENTY OR
22 MORE MILES FROM ANY SIMILAR SCHOOL ATTENDANCE CENTER.

23 (2) (a) A district meeting the eligibility requirements of subsection
24 (1) of this section shall be eligible to receive aid for each small
25 attendance center as calculated by: Multiplying the pupil enrollment of
26 the small attendance center by an amount equal to thirty-five percent of
27 the difference between the district per pupil funding, as calculated

1 pursuant to section 22-54-104, and the district per pupil funding, as
2 calculated pursuant to section 22-54-104 except using the size factor
3 calculated using the funded pupil count of the small attendance center;
4 and then multiplying such amount by the percentage determined by
5 dividing the difference between two hundred and the funded pupil count
6 of the small attendance center by two hundred.

7 (b) A STATE CHARTER SCHOOL MEETING THE ELIGIBILITY
8 REQUIREMENTS OF SUBSECTION (1.5) OF THIS SECTION SHALL BE ELIGIBLE
9 TO RECEIVE AID AS A SMALL ATTENDANCE CENTER AS CALCULATED BY:
10 MULTIPLYING THE PUPIL ENROLLMENT OF THE STATE CHARTER SCHOOL BY
11 AN AMOUNT EQUAL TO THIRTY-FIVE PERCENT OF THE DIFFERENCE
12 BETWEEN THE DISTRICT PER PUPIL FUNDING OF THE STATE CHARTER
13 SCHOOL'S DENYING DISTRICT, AS CALCULATED PURSUANT TO SECTION
14 22-54-104, AND SUCH DISTRICT PER PUPIL FUNDING, AS CALCULATED
15 PURSUANT TO SECTION 22-54-104 EXCEPT USING THE SIZE FACTOR
16 CALCULATED USING THE PUPIL ENROLLMENT OF THE STATE CHARTER
17 SCHOOL; AND THEN MULTIPLYING SUCH AMOUNT BY THE PERCENTAGE
18 DETERMINED BY DIVIDING THE DIFFERENCE BETWEEN TWO HUNDRED AND
19 THE PUPIL ENROLLMENT OF THE STATE CHARTER SCHOOL BY TWO
20 HUNDRED.

21 (3) The general assembly shall appropriate annually an amount for
22 small attendance center aid to be distributed pursuant to the ~~formula~~
23 FORMULAS in subsection (2) of this section. In the event the amount of
24 money appropriated by the general assembly is less than the amount of
25 aid authorized by this section to all ELIGIBLE districts AND ELIGIBLE STATE
26 CHARTER SCHOOLS, the amount to be distributed to each ELIGIBLE school
27 district AND ELIGIBLE STATE CHARTER SCHOOL shall be in the same

1 proportion as the amount that the appropriation bears to the total amount
2 of aid for all ELIGIBLE districts AND ELIGIBLE STATE CHARTER SCHOOLS.

3 (4) If a school district receives small attendance center aid
4 pursuant to this section for a small attendance center that is a DISTRICT
5 charter school, the school district shall forward the entire amount of such
6 aid to the DISTRICT charter school for which it was received. IF A STATE
7 CHARTER SCHOOL IS ELIGIBLE FOR SMALL ATTENDANCE CENTER AID
8 PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL PAY THE SMALL
9 ATTENDANCE CENTER AID DIRECTLY TO THE ELIGIBLE STATE CHARTER
10 SCHOOL.

11 **SECTION 75.** 22-54-123, Colorado Revised Statutes, is amended
12 to read:

13 **22-54-123. National school lunch act - appropriation of state**
14 **matching funds.** For the 2001-02 budget year and budget years
15 thereafter, the general assembly shall appropriate by separate line item an
16 amount to comply with the requirements for state matching funds under
17 the "National School Lunch Act", 42 U.S.C. sec. 1751 et seq. The
18 department of education shall develop procedures to allocate and disburse
19 the funds among participating school districts AND STATE CHARTER
20 SCHOOLS each year in an equitable manner as to comply with the
21 requirements of said act. In any participating school district that, prior to
22 the enactment of this section, subsidized school lunch service with
23 moneys from the school district's general fund, moneys received by such
24 school district pursuant to this section shall be applied in addition to, and
25 not in lieu of, the amount of the school district's subsidy. Any moneys
26 received pursuant to this section shall be used only for the provision of
27 the district's OR THE STATE CHARTER SCHOOL'S school lunch program.

1 **SECTION 76.** 22-54-123.5, Colorado Revised Statutes, is
2 amended to read:

3 **22-54-123.5. School breakfast program - appropriation -**
4 **low-performing schools.** (1) For the 2002-03 budget year and each
5 budget year thereafter, the general assembly may appropriate by separate
6 line item an amount to assist school districts AND LOW-PERFORMING
7 STATE CHARTER SCHOOLS that are providing a school breakfast program
8 through participation in programs authorized under the "National School
9 Lunch Act", 42 U.S.C. sec. 1751 et seq., or the "Child Nutrition Act of
10 1966", 42 U.S.C. sec. 1771 et seq. The department shall develop
11 procedures to appropriately allocate and disburse the funds among
12 participating school districts AND LOW-PERFORMING STATE CHARTER
13 SCHOOLS. Each school district that receives moneys pursuant to this
14 section shall use such moneys to create, expand, or enhance the school
15 breakfast program in each low-performing school of the receiving district
16 with the goal of improving the academic performance of the students
17 attending such schools. EACH LOW-PERFORMING STATE CHARTER SCHOOL
18 THAT RECEIVES MONEYS PURSUANT TO THIS SECTION SHALL USE THE
19 MONEYS TO CREATE, EXPAND, OR ENHANCE THE STATE CHARTER SCHOOL'S
20 BREAKFAST PROGRAM WITH THE GOAL OF IMPROVING THE ACADEMIC
21 PERFORMANCE OF THE STUDENTS ATTENDING THE SCHOOL.

22 (2) As used in this section, "low-performing school" AND
23 "LOW-PERFORMING STATE CHARTER SCHOOL" means a school that
24 received in the preceding school year an academic performance rating of
25 low or unsatisfactory pursuant to section 22-7-604.

26 **SECTION 77.** 22-54-124 (1) (b), (1) (c), (1) (e), (2), (3) (a) (III),
27 (3) (b), and (4) and the introductory portion to 22-54-124 (6), Colorado

1 Revised Statutes, are amended, and the said 22-54-124 (1) is further
2 amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

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

5 (b) "Charter school" means a DISTRICT OR A STATE charter school
6 as described in section 22-30.5-104.

7 (c) "District's certified charter school pupil enrollment" means the
8 total number of pupils who are not on-line pupils, as defined in section
9 ~~22-30.5-103 (1) (b.5)~~ 22-30.5-103 (7), expected to be enrolled in all
10 qualified charter schools that will receive funding from the district
11 pursuant to section 22-30.5-112 for the budget year for which state
12 education fund moneys are to be appropriated and distributed pursuant to
13 subsection (4) of this section, as certified by the department of education
14 pursuant to paragraph (b) of subsection (3) of this section during the
15 budget year that immediately precedes said budget year.

16 (e) "Operating revenues" means the total amount of funding that
17 a charter school receives from a district for a budget year pursuant to
18 section 22-30.5-112 minus the amounts required by section 22-30.5-112
19 (2) (a.7) to be allocated for capital reserve purposes or the management
20 of risk-related activities. FOR PURPOSES OF A STATE CHARTER SCHOOL,
21 "OPERATING REVENUES" MEANS THE TOTAL AMOUNT OF FUNDING THAT
22 THE STATE CHARTER SCHOOL RECEIVES FROM THE DEPARTMENT FOR A
23 BUDGET YEAR PURSUANT TO SECTION 22-30.5-112.1, MINUS THE AMOUNTS
24 REQUIRED BY SECTION 22-30.5-112.1 (5).

25 (g) "STATE CHARTER SCHOOLS CERTIFIED PUPIL ENROLLMENT"
26 MEANS THE TOTAL NUMBER OF PUPILS WHO ARE NOT ON-LINE PUPILS, AS
27 DEFINED IN SECTION 22-30.5-103 (7), EXPECTED TO BE ENROLLED IN A

1 QUALIFIED STATE CHARTER SCHOOL THAT WILL RECEIVE FUNDING
2 PURSUANT TO SECTION 22-30.5-112.1 FOR THE BUDGET YEAR FOR WHICH
3 STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED AND
4 DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION, AS CERTIFIED
5 BY THE DEPARTMENT OF EDUCATION PURSUANT TO PARAGRAPH (b) OF
6 SUBSECTION (3) OF THIS SECTION DURING THE BUDGET YEAR THAT
7 IMMEDIATELY PRECEDES SAID BUDGET YEAR.

8 (2) (a) For the 2001-02 budget year and budget years thereafter,
9 a district shall be eligible to receive state education fund moneys for
10 DISTRICT charter school capital construction pursuant to this section if at
11 least one qualified DISTRICT charter school will be receiving funding from
12 the district pursuant to section 22-30.5-112 during the budget year for
13 which state education fund moneys are to be distributed.

14 (b) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS
15 THEREAFTER, A STATE CHARTER SCHOOL SHALL BE ELIGIBLE TO RECEIVE
16 STATE EDUCATION FUND MONEYS FOR STATE CHARTER SCHOOL CAPITAL
17 CONSTRUCTION IF THE STATE CHARTER SCHOOL WILL BE RECEIVING
18 FUNDING FROM THE DEPARTMENT PURSUANT TO SECTION 22-30.5-112.1
19 DURING THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS
20 ARE TO BE DISTRIBUTED.

21 (3) (a) (III) (A) The total amount of state education fund moneys
22 to be appropriated for all eligible districts for the 2003-04 budget year
23 and each budget year thereafter shall be an amount equal to five million
24 dollars.

25 (B) For the 2003-04 budget year, ~~and each budget year thereafter,~~
26 the amount of state education fund moneys to be distributed to any
27 eligible district shall be an amount equal to the percentage of the sum of

1 the district's certified charter school pupil enrollment for all eligible
2 districts in the state that is attributable to the eligible district multiplied
3 by the total amount of state education fund moneys distributed to all
4 eligible districts for the same budget year pursuant to sub-subparagraph
5 (A) of this subparagraph (III).

6 (C) FOR THE 2004-05 BUDGET YEAR, AND EACH BUDGET YEAR
7 THEREAFTER, THE AMOUNT OF STATE EDUCATION FUND MONEYS TO BE
8 DISTRIBUTED TO ANY ELIGIBLE DISTRICT AND ANY ELIGIBLE STATE
9 CHARTER SCHOOL SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE OF
10 THE SUM OF THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL
11 ENROLLMENT AND THE STATE CHARTER SCHOOL'S CERTIFIED PUPIL
12 ENROLLMENT FOR ALL ELIGIBLE DISTRICTS AND ELIGIBLE STATE CHARTER
13 SCHOOLS IN THE STATE THAT IS ATTRIBUTABLE TO THE ELIGIBLE DISTRICT
14 OR ELIGIBLE STATE CHARTER SCHOOL MULTIPLIED BY THE TOTAL AMOUNT
15 OF STATE EDUCATION FUND MONEYS DISTRIBUTED TO ALL ELIGIBLE
16 DISTRICTS AND ELIGIBLE STATE CHARTER SCHOOLS FOR THE SAME BUDGET
17 YEAR PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (III).

18 (b) No later than February 1 of each budget year, the department
19 of education shall certify to the education committees of the senate and
20 the house of representatives and the joint budget committee of the general
21 assembly the total number of pupils expected to be enrolled in all
22 qualified charter schools in the state during the next budget year, as
23 derived from reports provided to the department by districts pursuant to
24 section 22-30.5-112 (1) AND BY STATE CHARTER SCHOOLS PURSUANT TO
25 SECTION 22-30.5-112.1 (2)(a). For the purposes of any certification made
26 during the 2003-04 budget year and budget years thereafter, a pupil
27 expected to be enrolled in a qualified charter school as defined in

1 sub-subparagraph (B) of subparagraph (I) of paragraph (f.6) of subsection
2 (1) of this section shall be counted as one-half of one pupil.

3 (4) For the 2001-02 budget year, the 2003-04 budget year, and
4 each budget year thereafter, the general assembly shall annually
5 appropriate from the state education fund created in section 17 (4) of
6 article IX of the state constitution, to the department of education for
7 distribution to eligible school districts AND ELIGIBLE STATE CHARTER
8 SCHOOLS in accordance with the formula set forth in paragraph (a) of
9 subsection (3) of this section, an amount equal to the total amount of
10 moneys to be distributed to all districts AND STATE CHARTER SCHOOLS as
11 determined pursuant to said formula. From the moneys appropriated for
12 a given budget year, the department shall make lump sum payments of all
13 moneys to be distributed to each eligible school district AND ELIGIBLE
14 STATE CHARTER SCHOOL during the budget year as soon as possible.

15 (6) Pursuant to section 17 (3) of article IX of the state
16 constitution, any moneys appropriated by the general assembly out of the
17 state education fund, received by any eligible district OR ELIGIBLE STATE
18 CHARTER SCHOOL pursuant to this section, and distributed to a qualified
19 charter school by any district pursuant to this section and section
20 22-30.5-112.3 shall be exempt from:

21 **SECTION 78.** Article 8 of title 23, Colorado Revised Statutes,
22 is amended BY THE ADDITION OF A NEW SECTION to read:

23 **23-8-101.5. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
24 CONTEXT OTHERWISE REQUIRES:

25 (1) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT
26 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD OF
27 EDUCATION PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1,

1 C.R.S.

2 (2) "STATE CHARTER SCHOOL'S PER PUPIL OPERATING REVENUES"
3 MEANS THE AMOUNT RECEIVED BY A STATE CHARTER SCHOOL PURSUANT
4 TO THE PROVISIONS OF SECTION 22-54-115 (1.3), C.R.S., FOR ANY BUDGET
5 YEAR, DIVIDED BY THE NUMBER OF PUPILS ENROLLED IN THE STATE
6 CHARTER SCHOOL FOR THAT BUDGET YEAR, MINUS THE MINIMUM AMOUNT
7 PER PUPIL REQUIRED BY SECTION 22-30.5-112.1 (5) (b), C.R.S., TO BE
8 ALLOCATED FOR CAPITAL RESERVE OR RISK MANAGEMENT PURPOSES.

9 **SECTION 79.** 23-8-102 (1), (2), (3), (4), and (5), Colorado
10 Revised Statutes, are amended to read:

11 **23-8-102. School districts and state charter schools conducting**
12 **vocational education courses - eligibility for state funds.** (1) Any
13 school district OR STATE CHARTER SCHOOL of the state conducting any
14 course of vocational education, approved pursuant to section 23-8-103 by
15 the state board for community colleges and occupational education,
16 referred to in this article as the "board", is entitled to vocational education
17 program support from funds appropriated for the purpose by the general
18 assembly. The amount of vocational education program support which a
19 district OR STATE CHARTER SCHOOL is entitled to receive pursuant to
20 provisions of this article shall be computed as follows:

21 (a) The cost of providing the approved vocational education
22 programs of the district OR STATE CHARTER SCHOOL shall be computed in
23 accordance with paragraph (c) of this subsection (1). The cost so
24 computed shall be divided by the number of full-time equivalent students
25 to be served by the programs, and the result shall be designated, for
26 purposes of this article, as the district's OR STATE CHARTER SCHOOL'S
27 vocational education program cost per full-time equivalent student.

1 (b) As vocational education program support, the state shall
2 provide, to each school district AND EACH STATE CHARTER SCHOOL
3 conducting an approved vocational education program for each
4 twelve-month period beginning July 1, eighty percent of the first one
5 thousand two hundred fifty dollars, or part thereof, by which the district's
6 OR STATE CHARTER SCHOOL'S approved vocational education program cost
7 per full-time equivalent student exceeds seventy percent of the district's
8 per pupil operating revenues, as defined in section 22-54-103 (9), C.R.S.,
9 OR SEVENTY PERCENT OF THE STATE CHARTER SCHOOL'S PER PUPIL
10 OPERATING REVENUES, for the school budget year during which such
11 twelve-month period begins. In addition, if the district's OR STATE
12 CHARTER SCHOOL'S approved vocational education cost per full-time
13 equivalent student exceeds seventy percent of its per pupil operating
14 revenues by an additional amount in excess of one thousand two hundred
15 fifty dollars, the state shall provide fifty percent of such additional
16 amount.

17 (c) For the purpose of computing approved vocational education
18 program costs, the following shall be included:

19 (I) The cost of providing the services of instructional personnel
20 for the time involved;

21 (II) The cost of services to be provided by another education
22 agency or institution;

23 (III) The cost of necessary books and supplies; and

24 (IV) The cost of equipment approved for purchase by the board.

25 (V) Repealed.

26 (2) To be eligible to receive such funds, the district OR STATE
27 CHARTER SCHOOL must assume the obligation of paying the balance of the

1 program costs.

2 (3) The provisions of this section shall not be construed to prevent
3 any school district OR STATE CHARTER SCHOOL from conducting any
4 course in vocational education with costs in excess of those for which
5 state vocational education program support funds are approved by the
6 board.

7 (4) Funds made available under this article shall be distributed
8 quarterly on the basis of expenditure estimates furnished to the board by
9 participating school districts AND STATE CHARTER SCHOOLS. As soon as
10 practicable after July 1 of each year, beginning in 1971, each
11 participating school district AND EACH PARTICIPATING STATE CHARTER
12 SCHOOL shall file with the board a report comparing estimated and actual
13 expenditures for all vocational education programs financed pursuant to
14 the provisions of this article during the preceding twelve-month period.
15 The board shall determine if such expenditures coincide with the
16 estimates of such school district OR STATE CHARTER SCHOOL and shall
17 adjust the next quarterly payment as may be necessary to accommodate
18 any underpayment or overpayment of state funds to the school district OR
19 STATE CHARTER SCHOOL.

20 (5) If the appropriations to implement subsections (1) to (4) of this
21 section are less than the total amount required to pay the vocational
22 education program support for approved vocational education courses, the
23 board shall prorate the amount to be paid each school district AND EACH
24 STATE CHARTER SCHOOL in the same proportion that the appropriation
25 bears to such total amount so required for distribution. Any unexpended
26 balance of any such appropriation shall revert to the general fund at the
27 end of the fiscal year for which the appropriation is made.

1 **SECTION 80.** 23-8-103, Colorado Revised Statutes, is amended
2 to read:

3 **23-8-103. Standards for eligibility for grants.** (1) The board
4 shall not approve vocational education program support to be provided
5 under section 23-8-102 unless the courses of vocational education
6 conducted by a school district OR STATE CHARTER SCHOOL meet the
7 standards prescribed in subsection (2) of this section.

8 (2) Any such course shall:

9 (a) Be designed to provide students with an entry level
10 occupational skill;

11 (b) Be of sufficient duration to provide entry level skills and
12 related knowledge required by business and industry;

13 (c) Have a technical advisory committee which functions at the
14 state, regional, or local level to assist school districts AND STATE CHARTER
15 SCHOOLS in planning and conducting their vocational education curricula;

16 (d) Be conducted in facilities that are sufficiently equipped to
17 permit adequate training and education; such facilities may be located
18 within or outside the school district, and they may be housed in buildings
19 which are not owned or operated by a school district OR A STATE
20 CHARTER SCHOOL;

21 (e) Meet an employment potential which is found to exist by any
22 survey of the board concerning economic opportunities.

23 (3) In approving programs and vocational education program
24 support funds under this article, the board shall attempt to avoid
25 unnecessary duplication in either facilities or staffing for vocational
26 education in any school district, STATE CHARTER SCHOOL, or area of this
27 state; and, where feasible, sharing of facilities shall be required by the

1 board.

2 (4) The board shall adopt such rules and regulations as may be
3 necessary to administer the provisions of this article.

4 **SECTION 81.** 23-15-103 (8) (a) (VIII), Colorado Revised
5 Statutes, is amended, and the said 23-15-103 (8) (a) is further amended
6 BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

7 **23-15-103. Definitions.** As used in this article, unless the context
8 otherwise requires:

9 (8) (a) "Educational institution" means any governmental,
10 quasi-governmental, or nonprofit educational institution operating in this
11 state that:

12 (VIII) Is any public school district that qualifies as a growth
13 district, as defined in section 22-2-125 (1) (b), C.R.S.; OR

14 (IX) PROVIDES AN EDUCATIONAL PROGRAM PURSUANT TO A
15 CHARTER FROM THE STATE BOARD OF EDUCATION IN ACCORDANCE WITH
16 APPLICABLE LAWS.

17 **SECTION 82.** 29-1-304.5 (2), Colorado Revised Statutes, is
18 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

19 **29-1-304.5. State mandates - prohibition - exception.** (2) The
20 provisions of subsection (1) of this section shall not apply to:

21 (f) ANY ORDER FROM THE STATE BOARD OF EDUCATION
22 PERTAINING TO THE ESTABLISHMENT, OPERATION, OR FUNDING OF A
23 CHARTER SCHOOL OR ANY MODIFICATION OF THE STATUTORY OR
24 REGULATORY RESPONSIBILITIES OF SCHOOL DISTRICTS PERTAINING TO
25 CHARTER SCHOOLS.

26 **SECTION 83. Appropriation.** In addition to any other
27 appropriation, there is hereby appropriated, out of any moneys in the state

1 charter school cash fund created pursuant to section 22-30.5-108.3 (2)
2 (b), Colorado Revised Statutes, not otherwise appropriated, to the
3 department of education, for the fiscal year beginning July 1, 2004, the
4 sum of one hundred thousand dollars (\$100,000), or so much thereof as
5 may be necessary, for the implementation of this act.

6 **SECTION 84. Safety clause.** The general assembly hereby
7 finds, determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, and safety.