

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

**REVISED**

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

LLS NO. 04-0027.01 Julie Pelegrin

**HOUSE BILL 04-1141**

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Education  
Appropriations

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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.**

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**Bill Summary**

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

**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.*

SENATE  
Amended 2nd Reading  
April 21, 2004

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.

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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, INNOVATIVE, RESEARCH-BASED, OR proven ~~or~~  
11 ~~innovative~~ 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 AND INNOVATIVE METHODS OF  
16 EDUCATING CHILDREN THAT ARE PROVEN TO BE EFFECTIVE AND to take  
17 responsible risks and create new AND innovative, ~~and more flexible~~  
18 RESEARCH-BASED ways of educating all children within the public ~~school~~  
19 EDUCATION system. The general assembly seeks to create an atmosphere  
20 in 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.** (1) 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 (2) (a) THE DEPARTMENT SHALL ANNUALLY PREPARE A LIST OF THE  
6 SCHOOL DISTRICTS THAT MAY BE SUBJECT TO CREATION OF A STATE  
7 CHARTER SCHOOL WITHIN THEIR GEOGRAPHIC BOUNDARIES. THE  
8 DEPARTMENT SHALL PUBLISH THE LIST ON ITS INTERNET WEBSITE NOT  
9 LATER THAN AUGUST 15, 2004, AND NOT LATER THAN JULY 1 EACH YEAR  
10 THEREAFTER. THE LIST SHALL INCLUDE ONLY THOSE SCHOOL DISTRICTS  
11 IN WHICH THE LOCAL BOARD OF EDUCATION HAS:

12 (I) IMPOSED A MORATORIUM ON APPROVING CHARTER  
13 APPLICATIONS OR ENTERING INTO CHARTER CONTRACTS THAT WAS IN  
14 EFFECT AS OF THE PUBLICATION DATE OF THE LIST; \_\_\_\_\_

15 (II) WITHIN THE PRECEDING FOUR YEARS, REFUSED TO APPROVE A  
16 CHARTER APPLICATION AFTER A SECOND REMAND BY THE STATE BOARD  
17 ORDERING THE LOCAL BOARD OF EDUCATION TO APPROVE THE CHARTER  
18 APPLICATION;

19 (III) FOLLOWING THE ITEMIZED ACCOUNTING OF CENTRAL  
20 ADMINISTRATIVE OVERHEAD COSTS REQUIRED PURSUANT TO SECTION  
21 22-30.5-112 (2) (a.4), BEEN FOUND ON TWO OR MORE OCCASIONS WITHIN  
22 THE PRECEDING FOUR YEARS TO BE OWING AN AMOUNT TO A DISTRICT  
23 CHARTER SCHOOL EQUAL TO TEN PERCENT OR MORE OF THE AMOUNT OF  
24 THE DISTRICT CHARTER SCHOOL'S PER PUPIL SHARE OF THE CENTRAL  
25 ADMINISTRATIVE OVERHEAD COSTS FOR SERVICES ACTUALLY PROVIDED TO  
26 THE DISTRICT CHARTER SCHOOL;

27 (IV) WITHIN THE PRECEDING FOUR YEARS, FAILED TO PAY TO A

1 DISTRICT CHARTER SCHOOL AN AMOUNT FOUND TO BE OWING FOLLOWING  
2 THE ITEMIZED ACCOUNTING OF CENTRAL ADMINISTRATIVE OVERHEAD  
3 COSTS REQUIRED PURSUANT TO SECTION 22-30.5-112 (2) (a.4):

4 (V) FOLLOWING A REVIEW PURSUANT TO THE PROVISIONS OF  
5 SECTION 22-30.5-112 (9), BEEN FOUND BY THE STATE BOARD ON TWO OR  
6 MORE OCCASIONS WITHIN THE PRECEDING FOUR YEARS TO HAVE  
7 IMPROPERLY WITHHELD TEN PERCENT OR MORE OF THE AMOUNT DUE TO A  
8 DISTRICT CHARTER SCHOOL IN ACCORDANCE WITH THE TERMS OF THE  
9 DISTRICT CHARTER CONTRACT AND THE PROVISIONS OF SECTION  
10 22-30.5-112;

11 (VI) WITHIN THE PRECEDING FOUR YEARS, FAILED TO PAY TO A  
12 DISTRICT CHARTER SCHOOL AN AMOUNT FOUND TO BE OWING TO THE  
13 CHARTER SCHOOL PURSUANT TO SECTION 22-30.5-112 (9).

14 (b) EACH LOCAL BOARD OF EDUCATION SHALL ANNUALLY SUBMIT  
15 TO THE DEPARTMENT A RESOLUTION ADOPTED BY THE BOARD ATTESTING  
16 TO THE FACT THAT THE SCHOOL DISTRICT HAS OR HAS NOT COMMITTED  
17 ONE OR MORE OF THE ACTS SPECIFIED IN PARAGRAPH (a) OF THIS  
18 SUBSECTION (2). THE DEPARTMENT SHALL USE THE ATTESTATIONS IN  
19 ANNUALLY PREPARING THE LIST OF SCHOOL DISTRICTS THAT MAY BE  
20 SUBJECT TO CREATION OF A STATE CHARTER SCHOOL WITHIN THEIR  
21 GEOGRAPHIC BOUNDARIES. A CHARTER APPLICANT MAY NOT APPLY FOR  
22 APPROVAL OF A STATE CHARTER UNDER SECTION 22-30.5-108.1 UNLESS  
23 THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL WOULD BE  
24 PHYSICALLY LOCATED IS INCLUDED ON THE LIST PREPARED PURSUANT TO  
25 THIS SUBSECTION (2).

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

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

4           (2) (a) A CHARTER SCHOOL APPLICANT CANNOT APPLY TO, OR  
5 ENTER INTO A CHARTER CONTRACT WITH, A SCHOOL DISTRICT UNLESS A  
6 MAJORITY OF THE CHARTER SCHOOL'S PUPILS, OTHER THAN ON-LINE  
7 PUPILS, WILL RESIDE IN THE CHARTERING SCHOOL DISTRICT OR IN SCHOOL  
8 DISTRICTS CONTIGUOUS THERETO.

9           (b) A DISTRICT charter school shall be a public school ~~within~~ OF  
10 the school district that ~~grants~~ APPROVES its charter ~~and~~ APPLICATION AND  
11 ENTERS INTO A CHARTER CONTRACT WITH THE DISTRICT CHARTER SCHOOL.  
12 THE DISTRICT CHARTER SCHOOL shall be accountable to the school  
13 district's local board of education for purposes of ensuring compliance  
14 with applicable laws and charter provisions and the requirement of  
15 section 15 of article IX of the state constitution. ~~A charter school cannot~~  
16 ~~apply to, or be granted a charter by, a school district unless a majority of~~  
17 ~~the charter school's pupils, other than on-line pupils, will reside in the~~  
18 ~~chartering school district or in school districts contiguous thereto.~~

19           (c) A STATE CHARTER SCHOOL SHALL BE A PUBLIC SCHOOL THAT  
20 IS NOT A SCHOOL OF A SCHOOL DISTRICT, BUT IS UNDER THE GENERAL  
21 SUPERVISION OF THE STATE BOARD AND IS ACCOUNTABLE TO THE STATE  
22 BOARD FOR PURPOSES OF ENSURING COMPLIANCE WITH APPLICABLE LAWS  
23 AND CHARTER PROVISIONS AND THE REQUIREMENT OF SECTION 1 OF  
24 ARTICLE IX OF THE STATE CONSTITUTION.

25           (3) A charter school shall be subject to all federal and state laws  
26 and constitutional provisions prohibiting discrimination on the basis of  
27 disability, race, creed, color, gender, national origin, religion, ancestry,

1 or need for special education services. A DISTRICT charter school shall  
2 be subject to any court-ordered desegregation plan in effect for the  
3 CHARTERING school district. Enrollment IN A DISTRICT CHARTER SCHOOL  
4 must be open to any child who resides within the school district; except  
5 that no DISTRICT charter school shall be required to make alterations in  
6 the structure of the facility used by the DISTRICT charter school or to  
7 make alterations to the arrangement or function of rooms within the  
8 facility, except as may be required by state or federal law. Enrollment  
9 decisions shall be made in a nondiscriminatory manner specified by the  
10 charter school applicant in the charter school application.

11 (4) A charter school shall be administered and governed by a  
12 governing body in a manner agreed to by the charter school applicant and  
13 ~~the local board of education~~ ITS CHARTERING AUTHORITY. A charter  
14 school may organize as a nonprofit corporation pursuant to the "Colorado  
15 Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., which  
16 shall not affect its status as a public school for any purposes under  
17 Colorado law. NOTWITHSTANDING ORGANIZATION AS A NONPROFIT  
18 CORPORATION, A CHARTER SCHOOL SHALL ANNUALLY COMPLETE A  
19 GOVERNMENTAL AUDIT THAT COMPLIES WITH THE REQUIREMENTS OF THE  
20 DEPARTMENT OF EDUCATION.

21 (4.5) (a) In order to clarify the status of charter schools for  
22 purposes of tax-exempt financing, a charter school, as a public school, is  
23 a governmental entity. Direct leases and financial obligations of a  
24 DISTRICT charter school shall not constitute debt or financial obligations  
25 of the school district unless the school district specifically assumes such  
26 obligations. DIRECT LEASES AND FINANCIAL OBLIGATIONS OF A STATE  
27 CHARTER SCHOOL SHALL NOT CONSTITUTE DEBT OR FINANCIAL

1 OBLIGATIONS OF THE STATE.

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

6 (5) Except as otherwise provided in sections 22-20-109,  
7 22-32-115, and 22-54-109, a charter school shall not charge tuition.

8 (6) (a) Pursuant to contract, a DISTRICT charter school may operate  
9 free from specified school district policies and ~~state regulations; except~~  
10 ~~that a charter school shall not, by contract or otherwise, operate free of~~  
11 ~~the requirements contained in the "Children's Internet Protection Act",~~  
12 ~~article 87 of this title~~ FREE FROM STATE RULES, AS PROVIDED IN  
13 PARAGRAPH (b) OF THIS SUBSECTION (6). Pursuant to contract, a local  
14 board of education may waive locally imposed school district  
15 requirements, without seeking approval of the state board; ~~The state board~~  
16 ~~may waive state statutory requirements or rules promulgated by the state~~  
17 ~~board; except that A DISTRICT CHARTER SCHOOL SHALL NOT, BY CONTRACT~~  
18 ~~OR OTHERWISE, OPERATE FREE OF THE REQUIREMENTS CONTAINED IN THE~~  
19 ~~"CHILDREN'S INTERNET PROTECTION ACT", ARTICLE 87 OF THIS TITLE.~~

20 (b) THE STATE BOARD SHALL PROMULGATE RULES IDENTIFYING  
21 STATE STATUTES AND STATE RULES THAT ARE AUTOMATICALLY WAIVED  
22 FOR ALL CHARTER SCHOOLS. A SCHOOL DISTRICT, ON BEHALF OF A  
23 DISTRICT CHARTER SCHOOL, MAY APPLY TO THE STATE BOARD FOR A  
24 WAIVER OF A STATE STATUTE OR STATE RULE THAT IS NOT  
25 AUTOMATICALLY WAIVED FOR CHARTER SCHOOLS BY RULE. A STATE  
26 CHARTER SCHOOL MAY APPLY TO THE STATE BOARD FOR A WAIVER OF A  
27 STATE STATUTE OR STATE RULE THAT IS NOT AUTOMATICALLY WAIVED FOR

1 CHARTER SCHOOLS BY RULE. NOTWITHSTANDING ANY PROVISION OF THIS  
2 SUBSECTION (6) TO THE CONTRARY, the state board may not waive any  
3 statute or rule relating to the assessments required to be administered  
4 pursuant to section 22-7-409, any statute or rule necessary to prepare the  
5 school accountability reports pursuant to part 6 of article 7 of this title,  
6 or any statute or rule relating to the "Children's Internet Protection Act",  
7 article 87 of this title.

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

10 (d) Upon request of ~~the~~ A charter applicant, the state board and  
11 the local board of education OF THE SCHOOL DISTRICT TO WHICH THE  
12 CHARTER APPLICANT APPLIES shall provide summaries of ~~such regulations~~  
13 THE STATE AND DISTRICT RULES and policies to use in preparing a charter  
14 school application. The department of ~~education~~ shall prepare the  
15 summary of state ~~regulations~~ RULES within existing appropriations. Any  
16 waiver of state RULES or local school district regulations made pursuant  
17 to this subsection (6) shall be for the term of the charter for which the  
18 waiver is made; except that a waiver of state statutes or ~~regulations~~ STATE  
19 BOARD RULES by the state board shall be subject to PERIODIC review ~~every~~  
20 ~~two years~~ AS PROVIDED BY STATE BOARD RULE and may be revoked if the  
21 waiver is deemed no longer necessary by the state board.

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

25 (b) A charter school may negotiate and contract with a school  
26 district, the governing body of a state college or university, THE STATE OF  
27 COLORADO, or any third party for the use of a school building and

1 grounds, the operation and maintenance thereof, and the provision of any  
2 service, activity, or undertaking that the charter school is required OR  
3 CHOOSES to perform in order to carry out the educational program  
4 described in its charter CONTRACT. Any services for which a charter  
5 school contracts with ~~a school district~~ ITS CHARTERING AUTHORITY shall  
6 be provided by the ~~district~~ CHARTERING AUTHORITY at cost. The charter  
7 school shall have standing to sue and be sued in its own name for the  
8 enforcement of any contract created pursuant to this paragraph (b).

9 (c) In no event shall a charter school be required to pay rent for  
10 space which is deemed available, as negotiated by contract, in ~~school~~  
11 ~~district facilities~~ A FACILITY OWNED BY THE CHARTER SCHOOL'S  
12 CHARTERING AUTHORITY. All other costs for the operation and  
13 maintenance of the facilities used by the charter school shall be subject  
14 to negotiation between the charter school and ~~the school district~~ ITS  
15 CHARTERING AUTHORITY.

16 (8) A charter school shall be authorized to offer any educational  
17 program, including but not limited to an on-line program pursuant to  
18 section 22-33-104.6, that may be offered by a school district AND THAT  
19 IS RESEARCH BASED AND HAS BEEN PROVEN TO BE EFFECTIVE, unless  
20 expressly prohibited ~~by its charter~~ or by state law.

21 (9) All decisions regarding the planning, siting, and inspection of  
22 charter school facilities shall be made in accordance with section  
23 22-32-124 and as specified by contract with the ~~district~~ CHARTER  
24 SCHOOL'S CHARTERING AUTHORITY.

25 (10) THE GOVERNING BOARD OF A STATE CHARTER SCHOOL MAY  
26 ELECT TO FORM A BOARD OF COOPERATIVE SERVICES IN ASSOCIATION WITH  
27 THE GOVERNING BOARDS OF OTHER STATE CHARTER SCHOOLS, WITH ONE

1 OR MORE SCHOOL DISTRICTS, OR WITH ONE OR MORE INSTITUTIONS OF  
2 HIGHER EDUCATION, AS PROVIDED IN SECTION 22-5-104. THE GOVERNING  
3 BOARD OF A STATE CHARTER SCHOOL MAY ELECT TO JOIN AN EXISTING  
4 BOARD OF COOPERATIVE SERVICES, WITH THE AGREEMENT OF THE  
5 EXISTING BOARD MEMBERS AS PROVIDED IN SECTION 22-5-104.

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

8 **22-30.5-105. Charter schools - contract contents - regulations**  
9 **- repeal.** (1) An approved charter application shall serve as the basis for  
10 a contract between ~~the~~ A charter school and ~~the local board of education~~  
11 ITS CHARTERING AUTHORITY.

12 (2) (a) The contract between ~~the~~ A DISTRICT charter school and the  
13 CHARTERING local board of education shall reflect all agreements  
14 regarding the release of the DISTRICT charter school from school district  
15 policies. THE CONTRACT BETWEEN A STATE CHARTER SCHOOL AND THE  
16 STATE BOARD SHALL REFLECT ALL AGREEMENTS REGARDING THE RELEASE  
17 OF THE STATE CHARTER SCHOOL FROM STATE STATUTES AND STATE RULES  
18 THAT ARE IN ADDITION TO THE STATUTES AND RULES AUTOMATICALLY  
19 WAIVED PURSUANT TO RULE, AS PROVIDED IN SECTION 22-30.5-104 (6) (b).  
20 EACH CHARTER SCHOOL'S CONTRACT SHALL INCLUDE A STATEMENT  
21 SPECIFYING THE MANNER IN WHICH THE CHARTER SCHOOL SHALL COMPLY  
22 WITH THE INTENT OF THE STATE STATUTES, STATE BOARD RULES, AND  
23 DISTRICT RULES THAT ARE WAIVED FOR THE CHARTER SCHOOL EITHER  
24 AUTOMATICALLY OR BY APPLICATION.

25 (b) (I) Any contract between ~~the~~ A charter school and ~~the local~~  
26 ~~board of education~~ ITS CHARTERING AUTHORITY approved on or after July  
27 1, 2001, but prior to July 1, 2010, shall include a statement specifying

1 how the charter school intends to use the one-percent increase in the  
2 statewide base per pupil funding for state fiscal years 2001-02 through  
3 2010-11 required by section 17 of article IX of the state constitution to  
4 raise student achievement.

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

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

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

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

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

18 (A) Have its capital construction needs included as part of the  
19 next ballot question for approval of bonded indebtedness to be submitted  
20 by the local board of education of its chartering school district to the  
21 voters of the district; or

22 (B) Have the local board of education submit a ballot question for  
23 approval of a special mill levy to finance the capital construction needs  
24 of the DISTRICT charter school to the voters of the district pursuant to  
25 section 22-30.5-405; AND

26 (IV) THE FINANCIAL INFORMATION, INCLUDING BUT NOT LIMITED  
27 TO AN ANNUAL GOVERNMENTAL AUDIT, THE DISTRICT CHARTER SCHOOL

1 MUST REPORT TO THE SCHOOL DISTRICT AND THE DEADLINE FOR  
2 REPORTING SUCH INFORMATION TO THE SCHOOL DISTRICT IN ORDER TO  
3 ENABLE THE SCHOOL DISTRICT TO COMPLY WITH THE REQUIREMENTS  
4 SPECIFIED IN THIS TITLE AND IN RULES PROMULGATED BY THE STATE  
5 BOARD PERTAINING TO REPORTING FINANCIAL INFORMATION TO THE  
6 DEPARTMENT OF EDUCATION.

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

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

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

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

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

15 **22-30.5-106. Charter application - contents.** (1) The charter  
16 school application shall be a proposed agreement UPON WHICH THE  
17 CHARTER APPLICANT AND THE CHARTERING AUTHORITY NEGOTIATE A  
18 CHARTER CONTRACT, and, AT A MINIMUM, shall include:

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

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

26 (c) Evidence that an adequate number of parents, teachers, pupils,  
27 or any combination thereof support the formation of a charter school;

1 (d) Repealed.

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

10 (e.5) A DESCRIPTION OF THE MANNER IN WHICH THE CHARTER  
11 SCHOOL WILL COLLECT AND USE LONGITUDINAL ASSESSMENT DATA IN  
12 DETERMINING AND IMPROVING THE ACADEMIC PROGRESS ACHIEVED BY  
13 THE STUDENTS ENROLLED IN THE CHARTER SCHOOL;

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

22 (g) Evidence that the plan for the charter school is economically  
23 sound, ~~for both the charter school and the school district,~~ a proposed  
24 budget for the term of the charter, a description of the manner in which  
25 an annual audit of the financial and administrative operations of the  
26 charter school, including any services provided by the STATE, A school  
27 district, OR A THIRD PARTY, is to be conducted; ~~and a plan for the~~

1 ~~displacement of pupils, teachers, and other employees who will not attend~~  
2 ~~or be employed in the charter school;~~

3 (h) A description of the governance and operation of the charter  
4 school, including the nature and extent of parental, professional educator,  
5 and community involvement in the governance and operation of the  
6 charter school;

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

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

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

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

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

22 (m) A dispute resolution process, as provided in section  
23 22-30.5-107.5.

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

1 22-33-104.5.

2 (3) A charter applicant is not required to provide personal  
3 identifying information concerning any parent, teacher, or prospective  
4 pupil prior to the time that the charter ~~is approved~~ CONTRACT IS  
5 APPROVED BY BOTH PARTIES and either the charter school actually  
6 employs the teacher or the pupil actually enrolls in the charter school,  
7 whichever is applicable. A charter school applicant shall provide, upon  
8 request of the ~~school district~~ CHARTERING AUTHORITY, aggregate  
9 information concerning the grade levels and schools in which prospective  
10 pupils are enrolled.

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

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

1 notify each charter school applicant in the district of the proposed change  
2 by certified letter. The local board of education shall not charge any  
3 application fees. If such board finds the charter school application is  
4 incomplete, the board shall request the necessary information from the  
5 charter applicant \_\_\_\_\_ AND GIVE THE CHARTER APPLICANT REASONABLE  
6 OPPORTUNITY TO PROVIDE ADDITIONAL INFORMATION TO THE LOCAL  
7 BOARD OF EDUCATION FOR REVIEW. The charter school application shall  
8 be reviewed by the district accountability committee prior to  
9 consideration by the local board of education.

10 (b) IF A CHARTER APPLICANT APPLIES TO A SCHOOL DISTRICT THAT  
11 IS INCLUDED ON THE LIST OF SCHOOL DISTRICTS THAT MAY BE SUBJECT TO  
12 CREATION OF A STATE CHARTER SCHOOL WITHIN THEIR GEOGRAPHICAL  
13 BOUNDARIES PREPARED PURSUANT TO SECTION 22-30.5-103.5 (2), THE  
14 APPLICATION SHALL BE FILED BY SEPTEMBER 1 TO BE ELIGIBLE FOR  
15 CONSIDERATION FOR THE FOLLOWING SCHOOL YEAR. IF THE LOCAL BOARD  
16 OF EDUCATION FINDS THE CHARTER SCHOOL APPLICATION IS INCOMPLETE,  
17 THE BOARD SHALL REQUEST THE NECESSARY INFORMATION FROM THE  
18 CHARTER APPLICANT PRIOR TO OCTOBER 15 AND GIVE THE CHARTER  
19 APPLICANT REASONABLE OPPORTUNITY TO PROVIDE ADDITIONAL  
20 INFORMATION TO THE LOCAL BOARD OF EDUCATION FO REVIEW.

21 (1.5) For purposes of reviewing a charter school application, a  
22 district accountability committee shall include at least:

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

25 (b) One parent or legal guardian of a child enrolled in a charter  
26 school in the school district; except that, if there are no charter schools  
27 in the school district, the local board of education shall appoint a parent

1 or legal guardian of a child enrolled in the school district.

2 (2) (a) After giving reasonable public notice, the local board of  
3 education shall hold community meetings in the affected areas or the  
4 entire school district to obtain information to assist the local board of  
5 education in its decision to ~~grant~~ APPROVE a charter school application.  
6 EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION  
7 (2), the local board of education shall rule by resolution on the  
8 application for a charter school in a public hearing, upon reasonable  
9 public notice, within seventy-five days after receiving the application  
10 filed pursuant to PARAGRAPH (a) OF subsection (1) of this section. All  
11 negotiations between the charter school and the local board of education  
12 on the contract shall be concluded by, and all terms of the contract agreed  
13 upon, no later than ninety days after the local board of education rules by  
14 resolution on the application for a charter school.

15 (b) IF A CHARTER APPLICANT APPLIES TO A SCHOOL DISTRICT THAT  
16 IS INCLUDED ON THE LIST OF SCHOOL DISTRICTS THAT MAY BE SUBJECT TO  
17 CREATION OF A STATE CHARTER SCHOOL WITHIN THEIR GEOGRAPHICAL  
18 BOUNDARIES PREPARED PURSUANT TO SECTION 22-30.5-103.5 (2), THE  
19 LOCAL BOARD OF EDUCATION SHALL RULE BY RESOLUTION ON THE  
20 APPLICATION FOR A CHARTER SCHOOL IN A PUBLIC HEARING, UPON  
21 REASONABLE PUBLIC NOTICE, WITHIN SIXTY DAYS AFTER RECEIVING THE  
22 APPLICATION FILED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (1) OF  
23 THIS SECTION. ALL NEGOTIATIONS BETWEEN THE CHARTER SCHOOL AND  
24 THE LOCAL BOARD OF EDUCATION ON THE CONTRACT SHALL BE  
25 CONCLUDED BY, AND ALL TERMS OF THE CONTRACT AGREED UPON, NO  
26 LATER THAN SIXTY DAYS AFTER THE LOCAL BOARD OF EDUCATION RULES  
27 BY RESOLUTION ON THE APPLICATION FOR A CHARTER SCHOOL.

1 (2.5) The charter applicant and the local board of education may  
2 jointly waive the deadlines set forth in this section.

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

8 (3.5) NOTHING IN THIS PART 1 SHALL PROHIBIT A SCHOOL DISTRICT  
9 FROM ADOPTING ONE OR MORE POLICIES THAT DIRECT CHARTER  
10 APPLICANTS TO ADDRESS SPECIFIED SCHOOL DISTRICT NEEDS AND FROM  
11 USING COMPLIANCE WITH THE POLICIES AS A CRITERION FOR DETERMINING  
12 WHETHER TO APPROVE A CHARTER APPLICATION.

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

22 (5) (a) A SCHOOL DISTRICT MAY UNILATERALLY IMPOSE  
23 CONDITIONS ON A CHARTER APPLICANT OR ON A DISTRICT CHARTER  
24 SCHOOL ONLY THROUGH ADOPTION OF A RESOLUTION OF THE LOCAL  
25 BOARD OF EDUCATION OF THE SCHOOL DISTRICT. IF A LOCAL BOARD  
26 ADOPTS A RESOLUTION UNILATERALLY IMPOSING CONDITIONS ON A  
27 CHARTER APPLICANT OR ON A DISTRICT CHARTER SCHOOL, THE

1 RESOLUTION SHALL, AT A MINIMUM, STATE THE SCHOOL DISTRICT'S  
2 REASONS FOR IMPOSING THE CONDITIONS UNILATERALLY, DESPITE THE  
3 OBJECTIONS OF THE CHARTER APPLICANT OR THE DISTRICT CHARTER  
4 SCHOOL. THE CHARTER APPLICANT OR DISTRICT CHARTER SCHOOL MAY  
5 APPEAL THE DECISION OF THE LOCAL BOARD OF EDUCATION TO  
6 UNILATERALLY IMPOSE THE CONDITIONS BY FILING THE NOTICE OF APPEAL  
7 WITH THE STATE BOARD WITHIN THIRTY DAYS AFTER ADOPTION OF THE  
8 RESOLUTION, AS PROVIDED IN SECTION 22-30.5-108 (2) (a).

9 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS  
10 SUBSECTION (5), IF THE LOCAL BOARD OF EDUCATION OF A SCHOOL  
11 DISTRICT THAT IS INCLUDED ON THE LIST OF SCHOOL DISTRICTS THAT MAY  
12 BE SUBJECT TO CREATION OF A STATE CHARTER SCHOOL WITHIN THEIR  
13 GEOGRAPHICAL BOUNDARIES PREPARED PURSUANT TO SECTION  
14 22-30.5-103.5 (2) ADOPTS A RESOLUTION UNILATERALLY IMPOSING  
15 CONDITIONS ON A CHARTER APPLICANT, THE CHARTER APPLICANT MAY  
16 APPEAL THE DECISION OF THE LOCAL BOARD OF EDUCATION BY FILING THE  
17 NOTICE OF APPEAL WITH THE STATE BOARD WITHIN FIFTEEN DAYS AFTER  
18 ADOPTION OF THE RESOLUTION.

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

21 **22-30.5-107.5. Dispute resolution - governing policy provisions**  
22 **- appeal.** (1) Except as otherwise provided in section 22-30.5-108, any  
23 disputes that may arise between a DISTRICT charter school and its  
24 chartering school district concerning governing policy provisions of the  
25 school's charter contract shall be resolved pursuant to this section.

26 (2) (a) A DISTRICT charter school or its chartering school district  
27 may initiate a resolution to any dispute concerning a governing policy

1 provision of the school's charter contract by providing reasonable written  
2 notice to the other party of an intent to invoke this section. Such notice  
3 shall include, at a minimum, a brief description of the matter in dispute  
4 and the scope of the disagreement between the parties.

5 (b) Within thirty days after receipt of the written notice described  
6 in paragraph (a) of this subsection (2), the DISTRICT charter school and  
7 the CHARTERING school district shall agree to use any form of alternative  
8 dispute resolution to resolve the dispute, including but not limited to any  
9 of the forms described in the "Dispute Resolution Act", part 3 of article  
10 22 of title 13, C.R.S.; except that any form chosen by the parties shall  
11 result in final written findings by a neutral third party within one hundred  
12 twenty days after receipt of such written notice.

13 (3) (a) A DISTRICT charter school and its chartering school district  
14 may agree to be bound by the written findings of the neutral third party  
15 resulting from any alternative dispute resolution entered into pursuant to  
16 subsection (1) of this section. In such case, such findings shall be final  
17 and not subject to appeal.

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

20 **22-30.5-108. Appeal - standard of review - procedures.**

21 (1) Acting pursuant to its supervisory power as provided in section 1 of  
22 article IX of the state constitution, the state board, upon receipt of a  
23 notice of appeal or upon its own motion, may review decisions of any  
24 local board of education concerning the denial of a charter school  
25 application, the nonrenewal or revocation of a DISTRICT charter school's  
26 charter, or the unilateral imposition of conditions on a charter applicant  
27 OR A DISTRICT CHARTER SCHOOL, in accordance with the provisions of this

1 section. Any disputes arising with regard to governing policy provisions  
2 of a DISTRICT charter school's charter contract shall be resolved as  
3 provided in section 22-30.5-107.5. A LOCAL BOARD OF EDUCATION'S  
4 REFUSAL TO REVIEW A CHARTER APPLICATION CONSTITUTES A DENIAL OF  
5 THE CHARTER APPLICATION AND IS APPEALABLE AS A DENIAL PURSUANT TO  
6 THE PROVISIONS OF THIS SECTION.

7 (2) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF  
8 THIS SUBSECTION (2), a charter applicant or any other person who wishes  
9 to appeal a decision of a local board of education concerning THE DENIAL  
10 OF a charter application or the nonrenewal or revocation of a DISTRICT  
11 charter or the unilateral imposition of conditions on a charter applicant OR  
12 A DISTRICT CHARTER SCHOOL, shall provide the state board and the local  
13 board of education with a notice of appeal or of facilitation within thirty  
14 \_\_\_\_\_ days after the local board's decision. The person bringing the appeal  
15 shall limit the grounds of the appeal to the grounds for the denial of A  
16 CHARTER APPLICATION or the nonrenewal or revocation of a DISTRICT  
17 charter, or the unilateral imposition of conditions on a charter applicant  
18 OR DISTRICT CHARTER SCHOOL, whichever is being appealed, specified by  
19 the local board of education. The notice shall include a brief statement  
20 of the reasons the ~~charter school applicant~~ APPEALING PERSON contends  
21 the local board of education's denial of A CHARTER APPLICATION or  
22 nonrenewal or revocation of a DISTRICT charter, or imposition of  
23 conditions on a charter applicant OR DISTRICT CHARTER SCHOOL was in  
24 error.

25 (b) IF A CHARTER APPLICANT OR ANOTHER PERSON APPEALS A  
26 DECISION OF A SCHOOL DISTRICT THAT IS INCLUDED ON THE LIST OF  
27 SCHOOL DISTRICTS THAT MAY BE SUBJECT TO CREATION OF A STATE

1 CHARTER SCHOOL WITHIN THEIR GEOGRAPHICAL BOUNDARIES PREPARED  
2 PURSUANT TO SECTION 22-30.5-103.5 (2), CONCERNING DENIAL OF A  
3 CHARTER APPLICATION OR THE UNILATERAL IMPOSITION OF CONDITIONS,  
4 THE CHARTER APPLICANT OR OTHER PERSON SHALL PROVIDE THE STATE  
5 BOARD AND THE LOCAL BOARD OF EDUCATION WITH A NOTICE OF APPEAL  
6 WITHIN FIFTEEN DAYS AFTER THE LOCAL BOARD'S DECISION. THE PERSON  
7 BRINGING THE APPEAL SHALL LIMIT THE GROUNDS OF THE APPEAL TO THE  
8 GROUNDS FOR THE DENIAL OF A CHARTER APPLICATION OR THE  
9 UNILATERAL IMPOSITION OF CONDITIONS ON THE CHARTER APPLICANT,  
10 WHICHEVER IS BEING APPEALED, SPECIFIED BY THE LOCAL BOARD OF  
11 EDUCATION. THE NOTICE SHALL INCLUDE A BRIEF STATEMENT OF THE  
12 REASONS THE APPEALING PERSON CONTENDS THE LOCAL BOARD OF  
13 EDUCATION'S DENIAL OF THE CHARTER APPLICATION OR IMPOSITION OF  
14 CONDITIONS WAS IN ERROR. THE NOTICE SHALL ALSO SPECIFY WHETHER  
15 THE CHARTER APPLICANT INTENDS TO APPLY FOR A STATE CHARTER  
16 PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1 IF THE LOCAL  
17 BOARD OF EDUCATION SUBSEQUENTLY DENIES THE CHARTER APPLICATION  
18 OR CHOOSES TO UNILATERALLY IMPOSE THE CONDITION ON THE CHARTER  
19 APPLICANT OR IF THE LOCAL BOARD OF EDUCATION AND THE CHARTER  
20 APPLICANT ARE UNABLE TO COMPLETE THE CHARTER CONTRACT WITHIN  
21 THE FORTY-FIVE-DAY PERIOD REQUIRED IN PARAGRAPH (B) OF SUBSECTION  
22 (3) OF THIS SECTION.

23 \_\_\_\_\_  
24 \_\_\_\_\_  
25 \_\_\_\_\_

26 (c) IN CONSIDERING AN APPEAL OF THE DENIAL OF A CHARTER  
27 APPLICATION OR OF THE UNILATERAL IMPOSITION OF CONDITIONS ON A

1 CHARTER APPLICANT WHERE THE APPEALING PERSON HAS GIVEN NOTICE OF  
2 THE INTENT TO APPLY FOR A STATE CHARTER, THE STATE BOARD MAY  
3 CONDUCT A FULL, DE NOVO REVIEW OF THE CHARTER APPLICATION AND  
4 ANY SUPPORTING INFORMATION SUBMITTED TO THE STATE BOARD BY THE  
5 CHARTER APPLICANT OR THE LOCAL BOARD OF EDUCATION. IN ADDITION,  
6 THE STATE BOARD MAY REQUEST ADDITIONAL INFORMATION FROM THE  
7 CHARTER APPLICANT AND THE LOCAL BOARD OF EDUCATION, AS MAY BE  
8 NECESSARY TO DETERMINE THE APPEAL. THE PARTY FROM WHOM THE  
9 STATE BOARD REQUESTS INFORMATION SHALL BE RESPONSIBLE FOR ANY  
10 COSTS INCURRED IN PROVIDING THE INFORMATION.

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

18 [REDACTED]

19 (2.5) If a district court dismisses a case for lack of jurisdiction and  
20 the case involves a charter application, or the nonrenewal or revocation  
21 of a DISTRICT charter, or the unilateral imposition of conditions on a  
22 charter applicant OR DISTRICT CHARTER SCHOOL, the thirty-day OR  
23 FIFTEEN-DAY period, WHICHEVER IS APPLICABLE, for filing a notice of  
24 appeal or of facilitation described in subsection (2) of this section shall  
25 be tolled until the date of dismissal by the court.

26 (3) If the notice of appeal, or the motion to review by the state  
27 board, relates to a local board's decision to deny A CHARTER APPLICATION

1 OR TO refuse to renew or TO revoke a DISTRICT charter or to a local  
2 board's unilateral imposition of conditions that are unacceptable to the  
3 charter applicant OR THE DISTRICT CHARTER SCHOOL, the appeal and  
4 review process shall be as follows:

5 (a) Within sixty days after receipt of the notice of appeal or the  
6 making of a motion to review by the state board and after reasonable  
7 public notice, the state board ~~at a public hearing which may be held in the~~  
8 ~~school district in which the proposed charter school has applied for a~~  
9 ~~charter~~, shall review the decision of the local board of education and  
10 make its findings. If the state board finds that the local board's decision  
11 was contrary to the best interests of the pupils, school district, or  
12 community, the state board shall remand such decision to the local board  
13 of education with written instructions for reconsideration thereof. Said  
14 instructions shall include specific recommendations concerning the  
15 matters requiring reconsideration. IN DETERMINING THE BEST INTERESTS  
16 OF THE SCHOOL DISTRICT, THE STATE BOARD, AT A MINIMUM, SHALL  
17 CONSIDER THE ECONOMIC CIRCUMSTANCES OF THE SCHOOL DISTRICT.

18 (b) Within thirty days following the remand of a decision to the  
19 local board of education and after reasonable public notice, the local  
20 board of education, at a public hearing, shall reconsider its decision and  
21 make a final decision. IF THE LOCAL BOARD OF EDUCATION DECIDES TO  
22 APPROVE THE CHARTER APPLICATION OR DECIDES NOT TO UNILATERALLY  
23 IMPOSE THE CONDITION, THE LOCAL BOARD OF EDUCATION AND THE  
24 CHARTER APPLICANT SHALL COMPLETE THE CHARTER CONTRACT WITHIN  
25 NINETY DAYS FOLLOWING THE REMAND OF THE STATE BOARD'S DECISION  
26 TO THE LOCAL BOARD OF EDUCATION, OR WITHIN FORTY-FIVE DAYS  
27 FOLLOWING THE REMAND OF THE STATE BOARD'S DECISION TO THE LOCAL

1 BOARD OF EDUCATION IF THE SCHOOL DISTRICT IS INCLUDED ON THE LIST  
2 PREPARED BY THE DEPARTMENT PURSUANT TO SECTION 22-30.5-103.5 (2).

3 (c) (I) FOLLOWING THE REMAND, if the local board of education's  
4 final decision is still to deny A CHARTER APPLICATION OR TO  
5 UNILATERALLY IMPOSE THE CONDITION ON A CHARTER APPLICANT OR IF  
6 THE LOCAL BOARD OF EDUCATION AND THE CHARTER APPLICANT ARE  
7 UNABLE TO COMPLETE THE CHARTER CONTRACT WITHIN THE NINETY-DAY  
8 PERIOD OR FORTY-FIVE-DAY PERIOD REQUIRED IN PARAGRAPH (b) OF THIS  
9 SUBSECTION (3), THE CHARTER APPLICANT MAY SUBMIT THE CHARTER  
10 APPLICATION TO THE STATE BOARD FOR ISSUANCE OF A STATE CHARTER AS  
11 PROVIDED IN SECTION 22-30.5-108.1 (1), IF THE APPEALING PARTY GAVE  
12 NOTICE OF THE INTENT TO APPLY FOR A STATE CHARTER AS PROVIDED IN  
13 PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION AND IF THE SCHOOL  
14 DISTRICT IS INCLUDED ON THE LIST PREPARED BY THE DEPARTMENT  
15 PURSUANT TO SECTION 22-30.5-103.5 (2). \_\_\_\_\_ A CHARTER APPLICANT  
16 MAY NOT SEEK A SECOND APPEAL OF THE DENIAL OF THE CHARTER  
17 APPLICATION OR OF THE UNILATERAL IMPOSITION OF A CONDITION ON THE  
18 CHARTER APPLICANT IF THE APPEALING PARTY GAVE NOTICE OF THE  
19 INTENT TO APPLY FOR A STATE CHARTER AND THE SCHOOL DISTRICT IS  
20 INCLUDED ON THE LIST PREPARED BY THE DEPARTMENT PURSUANT TO  
21 SECTION 22-30.5-103.5 (2).

22 (II) IF THE APPEALING PARTY DID NOT GIVE NOTICE OF THE INTENT  
23 TO APPLY FOR A STATE CHARTER, OR IF THE SCHOOL DISTRICT IS NOT  
24 INCLUDED ON THE LIST PREPARED BY THE DEPARTMENT PURSUANT TO  
25 SECTION 22-30.5-103.5 (2). \_\_\_\_\_ AND THE LOCAL BOARD OF  
26 EDUCATION'S DECISION IS STILL TO DENY A CHARTER APPLICATION OR TO  
27 UNILATERALLY IMPOSE THE CONDITION ON THE CHARTER APPLICANT OR IF

1 THE LOCAL BOARD OF EDUCATION'S FINAL DECISION IS STILL TO refuse to  
2 renew or TO revoke a DISTRICT charter or to unilaterally impose  
3 conditions unacceptable to the DISTRICT charter applicant SCHOOL, a  
4 second notice of appeal may be filed with the state board within thirty  
5 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~~ APPROVE A  
12 CHARTER APPLICATION, the appeal and 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~~ SHALL be  
16 held in the district in which the proposed charter school has applied for  
17 a charter, shall review the decision of the local board of education and  
18 determine whether such decision was arbitrary and capricious or whether  
19 the 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 (II) 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 (5) Nothing in this section shall be construed to alter the  
6 requirement that a DISTRICT charter school be a part of the school district  
7 that ~~grants~~ APPROVES its charter APPLICATION AND CHARTER CONTRACT  
8 and BE accountable to the local board of education pursuant to section  
9 22-30.5-104 (2).

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

13 **22-30.5-108.1. State charter schools - state board - application**  
14 **- conversion - advisory committee.** (1) (a) IN ACCORDANCE WITH THE  
15 PROVISIONS OF SECTION 22-30.5-108 (3) (c), A CHARTER APPLICANT MAY  
16 SUBMIT ITS APPLICATION TO THE STATE BOARD FOR ISSUANCE OF A STATE  
17 CHARTER, IF THE APPEALING PARTY GAVE NOTICE OF THE INTENT TO APPLY  
18 FOR A STATE CHARTER AS PROVIDED IN SECTION 22-30.5-108 (2) (a) AND  
19 THE SCHOOL DISTRICT IS INCLUDED ON THE LIST PREPARED BY THE  
20 DEPARTMENT PURSUANT TO SECTION 22-30.5-103.5 (2). THE APPLICANT  
21 SHALL SUBMIT THE CHARTER APPLICATION TO THE STATE BOARD WITHIN  
22 FIFTEEN DAYS AFTER THE LOCAL BOARD ISSUES ITS FINAL DECISION TO  
23 DENY THE APPLICATION OR TO UNILATERALLY IMPOSE THE CONDITION ON  
24 THE CHARTER APPLICANT OR WITHIN FIFTEEN DAYS AFTER EXPIRATION OF  
25 THE FORTY-FIVE-DAY PERIOD FOR COMPLETION OF THE CONTRACT,  
26 WHICHEVER IS APPLICABLE. THE STATE BOARD SHALL APPROVE THE  
27 CHARTER APPLICATION, SUBJECT TO CORRECTION OF ANY DEFICIENCIES

1 THE STATE BOARD MAY HAVE IDENTIFIED UPON REMAND, AND THE  
2 CHARTER APPLICANT AND THE STATE BOARD SHALL COMPLETE THE STATE  
3 CHARTER CONTRACT WITHIN FORTY-FIVE DAYS AFTER THE CHARTER  
4 APPLICANT SUBMITS THE APPLICATION TO THE STATE BOARD. [REDACTED]

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

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



1 INCURRED IN PROVIDING THE INFORMATION.

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

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

24 (3) THE STATE BOARD MAY APPOINT AN ADVISORY COMMITTEE TO  
25 ASSIST IN REVIEWING APPEALS OF THE DENIAL OF A DISTRICT CHARTER  
26 APPLICATION SUBMITTED PURSUANT TO SECTION 22-30.5-108 AND IN  
27 REVIEWING APPLICATIONS FOR CONVERSION TO A STATE CHARTER SCHOOL

1 SUBMITTED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND TO MAKE  
2 RECOMMENDATIONS TO THE STATE BOARD CONCERNING APPROVAL OF  
3 STATE CHARTER APPLICATIONS. IN APPOINTING PERSONS TO THE ADVISORY  
4 BOARD, THE STATE BOARD SHALL, AT A MINIMUM, INCLUDE PERSONS WITH  
5 EXPERIENCE IN THE FORMATION, OPERATION, AND EVALUATION OF  
6 CHARTER SCHOOLS, PARENTS OF STUDENTS WHO ARE ENROLLED IN  
7 CHARTER SCHOOLS, AND PERSONS WHO CAN HELP ASSURE AWARENESS  
8 AND CONSIDERATION OF LOCAL COMMUNITY INPUT. AN ADVISORY BOARD  
9 APPOINTED PURSUANT TO THIS SUBSECTION (3) SHALL SERVE WITHOUT  
10 COMPENSATION, INCLUDING PAYMENT OF EXPENSES. A PERSON MAY NOT  
11 SERVE ON THE ADVISORY BOARD IF HE OR SHE AT ANY TIME CONTRIBUTES  
12 TO, OR IS ASSOCIATED WITH AN ORGANIZATION THAT CONTRIBUTES TO, THE  
13 STATE CHARTER SCHOOL CASH FUND CREATED IN SECTION 22-30.5-108.3.

14 (4) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
15 CONTRARY, THE STATE BOARD SHALL NOT CONSIDER A CHARTER  
16 APPLICATION OR AN APPLICATION FOR CONVERSION TO A STATE CHARTER  
17 SCHOOL UNLESS THE STATE BOARD DETERMINES THERE ARE SUFFICIENT  
18 FUNDS IN THE STATE CHARTER SCHOOL CASH FUND CREATED PURSUANT TO  
19 SECTION 22-30.5-108.3 (2) (b) TO OFFSET THE DIRECT AND INDIRECT COSTS  
20 ASSOCIATED WITH CONSIDERING THE APPLICATION AND COMPLETING THE  
21 STATE CHARTER CONTRACT.

22 **22-30.5-108.3. State charter schools - oversight - costs - state**  
23 **charter school cash fund.** (1) (a) A STATE CHARTER SCHOOL SHALL BE  
24 UNDER THE GENERAL SUPERVISION OF THE STATE BOARD AND SHALL BE  
25 SUBJECT TO ACCREDITATION IN ACCORDANCE WITH THE PROVISIONS OF  
26 ARTICLE 11 OF THIS TITLE. A STATE CHARTER SCHOOL SHALL BE A LOCAL  
27 EDUCATION AGENCY FOR PURPOSES OF STATE AND FEDERAL LAW. THE

1 STATE BOARD MAY DIRECT THE DEPARTMENT TO PROVIDE THE NECESSARY  
2 ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES TO THE STATE  
3 CHARTER SCHOOL, OR THE STATE BOARD, AT ITS DISCRETION, MAY  
4 CONTRACT WITH A THIRD PARTY, INCLUDING BUT NOT LIMITED TO A  
5 SCHOOL DISTRICT, A BOARD OF COOPERATIVE SERVICES, OR A FOR-PROFIT  
6 OR NONPROFIT ENTITY, TO PROVIDE SOME OR ALL OF THE NECESSARY  
7 ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES.

8 (b) THE STATE BOARD SHALL ADOPT RULES IDENTIFYING THOSE  
9 STATUTORY DUTIES THAT ARE APPLICABLE TO SCHOOL DISTRICTS THAT  
10 SHALL ALSO APPLY TO STATE CHARTER SCHOOLS AS NECESSARY TO  
11 EXERCISE GENERAL SUPERVISION OVER THE STATE CHARTER SCHOOLS AND  
12 TO MAINTAIN A THOROUGH AND UNIFORM STATEWIDE SYSTEM OF FREE  
13 PUBLIC SCHOOLS.

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

1 SUBSEQUENT FISCAL YEARS FOR PAYMENT OF THE COSTS INCURRED IN  
2 IMPLEMENTING THIS SECTION, INCLUDING ANY COSTS INCURRED IN  
3 CONTRACTING WITH A THIRD PARTY.

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

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

- 7           (I) CREATION OF THE STATE CHARTER CONTRACT;
- 8           (II) IMPLEMENTATION OF THE PROVISIONS OF THE STATE CHARTER  
9 CONTRACT;
- 10          (III) THE STATE BOARD'S REFUSAL TO RENEW THE STATE CHARTER;
- 11          OR
- 12          (IV) REVOCATION OF THE STATE CHARTER.

13          (b) A WRITTEN NOTICE OF DISPUTE RESOLUTION PROVIDED  
14 PURSUANT TO THIS SUBSECTION (1) SHALL INCLUDE, AT A MINIMUM, A  
15 BRIEF DESCRIPTION OF THE MATTER IN DISPUTE AND THE SCOPE OF THE  
16 DISAGREEMENT BETWEEN THE PARTIES.

17          (c) WITHIN THIRTY DAYS AFTER RECEIPT OF THE WRITTEN NOTICE  
18 DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION (1), THE STATE  
19 CHARTER APPLICANT, DISTRICT CHARTER SCHOOL, OR STATE CHARTER  
20 SCHOOL AND THE STATE BOARD SHALL AGREE TO USE ANY FORM OF  
21 ALTERNATIVE DISPUTE RESOLUTION TO RESOLVE THE DISPUTE, INCLUDING  
22 BUT NOT LIMITED TO ANY OF THE FORMS DESCRIBED IN THE "DISPUTE  
23 RESOLUTION ACT", PART 3 OF ARTICLE 22 OF TITLE 13, C.R.S.; EXCEPT  
24 THAT ANY FORM CHOSEN BY THE PARTIES SHALL RESULT IN FINAL WRITTEN  
25 FINDINGS AND DETERMINATIONS BY A NEUTRAL THIRD PARTY WITHIN ONE  
26 HUNDRED TWENTY DAYS AFTER RECEIPT OF THE WRITTEN NOTICE  
27 DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (1). IN RESOLVING THE

1 DISPUTE BETWEEN THE PARTIES, THE NEUTRAL THIRD PARTY SHALL  
2 DETERMINE THE BEST INTERESTS OF THE PUPILS AND THE COMMUNITY IN  
3 WHICH THE STATE CHARTER SCHOOL IS OR WOULD BE LOCATED.

4 (d) THE NEUTRAL THIRD PARTY SHALL APPORTION ALL COSTS  
5 REASONABLY RELATED TO THE MUTUALLY AGREED UPON DISPUTE  
6 RESOLUTION PROCESS.

7 (2) (a) A STATE CHARTER APPLICANT, DISTRICT CHARTER SCHOOL,  
8 OR STATE CHARTER SCHOOL AND THE STATE BOARD MAY AGREE TO BE  
9 BOUND BY THE WRITTEN FINDINGS AND DETERMINATIONS OF THE NEUTRAL  
10 THIRD PARTY RESULTING FROM ANY ALTERNATIVE DISPUTE RESOLUTION  
11 ENTERED INTO PURSUANT TO SUBSECTION (1) OF THIS SECTION. IN SUCH  
12 CASE, THE WRITTEN FINDINGS AND DETERMINATIONS SHALL BE FINAL AND  
13 NOT SUBJECT TO APPEAL.

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

26 (3) IF THE PARTIES HAVE AGREED TO BE BOUND, BUT ONE OF THE  
27 PARTIES DOES NOT COMPLY WITH THE WRITTEN FINDINGS AND

1 DETERMINATIONS, THE AGGRIEVED PARTY MAY SUE FOR ENFORCEMENT OF  
2 THE WRITTEN FINDINGS ARISING FROM THE DISPUTE RESOLUTION PROCESS.

3 (4) IF THE DISTRICT COURT, AFTER MOTION BY ONE OF THE PARTIES  
4 AND SUFFICIENT NOTICE AND HEARING, FINDS THAT EITHER OF THE PARTIES  
5 TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS HELD PURSUANT TO  
6 THIS SECTION HAS FAILED TO PARTICIPATE IN GOOD FAITH IN THE PROCESS  
7 OR HAS REFUSED TO COMPLY WITH THE WRITTEN FINDINGS AND  
8 DETERMINATIONS REACHED AFTER AGREEING TO BE BOUND BY THE RESULT  
9 OF THE DISPUTE RESOLUTION PROCESS, THE DISTRICT COURT SHALL  
10 RESOLVE THE DISPUTE IN FAVOR OF THE AGGRIEVED PARTY.

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

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

25 (2) (a) ~~No more than sixty charters shall be granted prior to July~~  
26 ~~1, 1997, and at least sixteen of said sixty charters shall be reserved for~~  
27 ~~charter school applications which are designed to increase the educational~~

1 opportunities of at-risk pupils, as defined in section 22-30.5-103.

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

8 (3) It is the intent of the general assembly that ~~priority of~~  
9 consideration be given to charter school applications A LOCAL BOARD OF  
10 EDUCATION AND THE STATE BOARD, IN CONSIDERING CHARTER SCHOOL  
11 APPLICATIONS, GRANT MORE FAVORABLE CONSIDERATION TO THOSE  
12 CHARTER SCHOOL APPLICATIONS THAT ARE designed to increase the  
13 educational opportunities of at-risk pupils, as defined in section  
14 22-30.5-103.

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

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

22 (6) A school district shall not discriminate against a charter school  
23 or a nonpublic school participating in the Colorado opportunity contract  
24 pilot program pursuant to article 56 of this title in publicizing the  
25 educational options available to students residing within the district  
26 through advertising, direct mail, availability of mailing lists, or other  
27 informational activities, provided that the charter or nonpublic school

1 pays for its share of such publicity at cost.

2 (7) ~~On-line pupils enrolled in a charter school shall not be~~  
3 ~~included in the charter school's pupil enrollment for purposes of~~  
4 ~~determining whether the charter school is in compliance with any~~  
5 ~~restrictions the chartering school district may impose on the number of~~  
6 ~~pupils that may enroll in the charter school. A chartering school district~~  
7 ~~AUTHORITY may not restrict the number of on-line pupils a charter school~~  
8 ~~may enroll; EXCEPT THAT A CHARTER SCHOOL AND ITS CHARTERING~~  
9 ~~AUTHORITY MAY NEGOTIATE AND AGREE TO LIMITATIONS ON THE NUMBER~~  
10 ~~OF STUDENTS THE CHARTER SCHOOL MAY ENROLL AS NECESSARY TO:~~

11 (a) FACILITATE THE ACADEMIC SUCCESS OF STUDENTS ENROLLED  
12 IN THE CHARTER SCHOOL;

13 (b) FACILITATE THE CHARTER SCHOOL'S ABILITY TO ACHIEVE THE  
14 OTHER OBJECTIVES SPECIFIED IN THE CHARTER CONTRACT; OR

15 (c) ENSURE THAT THE CHARTER SCHOOL'S STUDENT ENROLLMENT  
16 DOES NOT EXCEED THE CAPACITY OF THE CHARTER SCHOOL FACILITY OR  
17 SITE.

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

20 **22-30.5-110. Charter schools - term - renewal of charter -**  
21 **grounds for nonrenewal or revocation - repeal.** (1) A new charter ~~may~~  
22 APPLICATION SHALL be approved BY A CHARTERING AUTHORITY for a  
23 period of at least three years. ~~but not more than five academic years.~~ A  
24 charter may be renewed for a ~~period not to exceed five years~~ SUCCESSIVE  
25 PERIODS. THE DEPARTMENT SHALL CONDUCT ACCREDITATION REVIEWS IN  
26 ALL STATE CHARTER SCHOOLS IN ACCORDANCE WITH RULES OF THE STATE  
27 BOARD.

1 (1.5) No later than December 1 of the year prior to the year in  
2 which the charter expires, the governing body of a charter school shall  
3 submit a renewal application to the ~~local board of education~~ CHARTER  
4 SCHOOL'S CHARTERING AUTHORITY. The ~~local board of education~~  
5 CHARTERING AUTHORITY shall rule by resolution on the renewal  
6 application no later than February 1 of the year in which the charter  
7 expires, or BY a mutually agreed upon date.

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

10 (a) A report on the progress of the charter school in achieving the  
11 goals, objectives, pupil performance standards, content standards, and  
12 other terms of the ~~initial approved charter application~~ CHARTER  
13 CONTRACT, THE RESULTS ACHIEVED BY THE CHARTER SCHOOL'S STUDENTS  
14 ON THE ASSESSMENTS ADMINISTERED THROUGH THE COLORADO STUDENT  
15 ASSESSMENT PROGRAM, AND, IN THE CASE OF A STATE CHARTER SCHOOL,  
16 THE STATUS OF THE STATE CHARTER SCHOOL'S ACCREDITATION PLAN WITH  
17 THE CHARTERING AUTHORITY;

18 (b) A financial statement that discloses the costs of  
19 administration, instruction, and other spending categories for the charter  
20 school that is understandable to the general public and that will allow  
21 comparison of such costs to other schools or other comparable  
22 organizations, in a format required by the state board of education; and

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

1 achievement.

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

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

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

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

12 (b.5) IN THE CASE OF A STATE CHARTER SCHOOL, FAILED TO MEET  
13 THE REQUIREMENTS OF THE STATE CHARTER SCHOOL'S ACCREDITATION  
14 CONTRACT;

15 (c) Failed to meet generally accepted standards of fiscal  
16 management; or

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

19 ~~(4) In addition, a charter may be not renewed upon a~~  
20 ~~determination by the local board of education that it is not in the interest~~  
21 ~~of the pupils residing within the school district to continue the operation~~  
22 ~~of the charter school.~~

23 (4.5) If a ~~local board of education~~ CHARTERING AUTHORITY  
24 revokes or does not renew a charter, the ~~board~~ CHARTERING AUTHORITY  
25 shall state its reasons for the revocation or nonrenewal.

26 (5) A decision to revoke or not to renew a DISTRICT charter may  
27 be appealed or facilitation may be sought pursuant to the provisions of

1 section 22-30.5-108.

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

4 **22-30.5-111. Charter schools - employee options.** (1) During  
5 the first year that a teacher employed by a school district is employed by  
6 a DISTRICT charter school, such teacher shall be considered to be on a  
7 one-year leave of absence from the school district. Such leave of absence  
8 shall commence on the first day of services for the DISTRICT charter  
9 school. Upon the request of the teacher, the one-year leave of absence  
10 shall be renewed for up to two additional one-year periods upon the  
11 mutual agreement of the teacher and the school district. At the end of  
12 three years, the relationship between the teacher and the school district  
13 shall be determined by the school district and such district shall provide  
14 notice to the teacher of the relationship.

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

19 (3) Employees of a charter school shall be members of the public  
20 employees' retirement association or the Denver public schools retirement  
21 system, whichever is applicable. The charter school and the teacher shall  
22 contribute the appropriate respective amounts as required by the funds of  
23 such association or system.

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

26 **22-30.5-112. District charter schools - financing - guidelines -**  
27 **repeal.** (1) (a) For purposes of the "Public School Finance Act of 1994",

1 article 54 of this title, pupils enrolled in a DISTRICT charter school shall  
2 be included in the pupil enrollment, the on-line pupil enrollment, or the  
3 preschool enrollment, whichever is applicable, of the CHARTERING school  
4 district. ~~that granted its charter.~~ The CHARTERING school district ~~that~~  
5 ~~granted its charter~~ shall report to the department of education the number  
6 of pupils included in the school district's pupil enrollment, the school  
7 district's on-line pupil enrollment, and the school district's preschool  
8 enrollment that are actually enrolled in each DISTRICT charter school.

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

18 (2) (a) (I) As part of the charter school contract, the DISTRICT  
19 charter school and the CHARTERING school district shall agree on funding  
20 and any services to be provided by the CHARTERING school district to the  
21 DISTRICT charter school.

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

25 (III) (A) For budget year 2000-01 and budget years thereafter,  
26 except as otherwise provided in paragraph (a.3) of this subsection (2),  
27 each DISTRICT charter school and the ~~authorizing~~ CHARTERING school

1 district shall negotiate funding under the contract. ~~at a minimum of~~  
2 ~~ninety-five percent~~ THE DISTRICT CHARTER SCHOOL SHALL RECEIVE ONE  
3 HUNDRED PERCENT of the district per pupil revenues for each pupil  
4 enrolled in the DISTRICT charter school who is not an on-line pupil and  
5 ~~ninety-five percent~~ ONE HUNDRED PERCENT of the district per pupil  
6 on-line funding for each on-line pupil enrolled in the DISTRICT charter  
7 school; EXCEPT THAT the CHARTERING school district may choose to  
8 retain the actual amount of the DISTRICT charter school's per pupil share  
9 of the central administrative overhead costs for services actually provided  
10 to the DISTRICT charter school, ~~except that such amount shall not exceed~~  
11 UP TO five percent of the district per pupil revenues for each pupil who is  
12 not an on-line pupil enrolled in the DISTRICT charter school and UP TO five  
13 percent of the district per pupil on-line funding for each on-line pupil  
14 enrolled in the DISTRICT charter school.

15 (B) For budget years 2001-02 through 2010-11, the minimum  
16 amount of funding specified in sub-subparagraph (A) of this  
17 subparagraph (III) shall reflect the one-percent increase in the statewide  
18 base per pupil funding for state fiscal years 2001-02 through 2010-11  
19 received by the CHARTERING school district as required by section 17 of  
20 article IX of the state constitution.

21 (a.3) If the ~~authorizing~~ CHARTERING school district enrolls five  
22 hundred or fewer students, the DISTRICT charter school shall receive  
23 funding in the amount of the greater of one hundred percent of the district  
24 per pupil on-line funding for each on-line pupil enrolled in the DISTRICT  
25 charter school plus one hundred percent of the district per pupil revenues  
26 for each pupil who is not an on-line pupil enrolled in the DISTRICT charter  
27 school, minus the actual amount of the DISTRICT charter school's per pupil

1 share of the central administrative overhead costs incurred by the  
2 CHARTERING school district, based on audited figures, or eighty-five  
3 percent of the district per pupil revenues for each pupil enrolled in the  
4 DISTRICT charter school who is not an on-line pupil plus eighty-five  
5 percent of the district per pupil on-line funding for each on-line pupil  
6 enrolled in the DISTRICT charter school.

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

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

24 (III) If either party disputes an itemized accounting provided  
25 pursuant to subparagraphs (I) and (II) of this paragraph (a.4), any charges  
26 included in an accounting, or charges to either party, that party is entitled  
27 to request a third-party review at the requesting party's expense. The

1 review shall be conducted by the department, ~~of education~~, and the  
2 department's determination shall be final.

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

4 (I) "Central administrative overhead costs" means indirect costs  
5 incurred in providing:

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

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

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

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

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

21 (a.7) For the 2000-01 budget year and budget years thereafter,  
22 each DISTRICT charter school shall annually allocate the minimum per  
23 pupil dollar amount specified in section 22-54-105 (2) (b), multiplied by  
24 the number of students enrolled in the DISTRICT charter school who are  
25 not on-line pupils, to a fund created by the DISTRICT charter school for  
26 capital reserve purposes, as set forth in section 22-45-103 (1) (c) and (1)  
27 (e), or solely for the management of risk-related activities, as identified

1 in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S., or among  
2 such allowable funds. Said moneys shall be used for the purposes set  
3 forth in section 22-45-103 (1) (c) and (1) (e) and may not be expended by  
4 the DISTRICT charter school for any other purpose.

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

17 (a.9) For budget year 2002-03 and budget years thereafter, and in  
18 accordance with section 22-30.5-406, the funding provided by a  
19 chartering school district to a DISTRICT charter school pursuant to this  
20 subsection (2) shall be reduced by the amount of any direct payments of  
21 principal and interest due on bonds issued on behalf of a DISTRICT charter  
22 school by a governmental entity other than a school district for the  
23 purpose of financing charter school capital construction that were made  
24 by the state treasurer or the chartering school district on behalf of the  
25 DISTRICT charter school.

26 (b) ~~The~~ A DISTRICT charter school, at its discretion, may contract  
27 with the CHARTERING school district for the direct purchase of district

1 services in addition to those included in central administrative overhead  
2 costs, including but not limited to food services, custodial services,  
3 maintenance, curriculum, media services, and libraries. The amount to  
4 be paid by a DISTRICT charter school in purchasing any district service  
5 pursuant to this paragraph (b) shall be determined by dividing the cost of  
6 providing the service for the entire school district, as specified in the  
7 CHARTERING school district's budget, by the number of students enrolled  
8 in the CHARTERING school district and multiplying said amount by the  
9 number of students enrolled in the DISTRICT charter school.

10 (b.5) ~~The~~ A DISTRICT charter school may agree with the  
11 CHARTERING school district to pay any actual costs incurred by the  
12 CHARTERING school district in providing unique support services used  
13 only by the DISTRICT charter school.

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

18 (II) For budget year 2000-01 and budget years thereafter, the  
19 amount of funding received by a DISTRICT charter school pursuant to this  
20 subsection (2) shall not be less than ~~ninety-five percent~~ ONE HUNDRED  
21 PERCENT of the CHARTERING SCHOOL DISTRICT'S district per pupil  
22 revenues, MINUS UP TO FIVE PERCENT AS PROVIDED IN SUBPARAGRAPH (III)  
23 OF PARAGRAPH (a) OF THIS SUBSECTION (2), multiplied by the number of  
24 pupils enrolled in the DISTRICT charter school or as otherwise provided  
25 in paragraph (a.3) of this subsection (2) for any DISTRICT charter school  
26 ~~authorized~~ CHARTERED by a school district that enrolls five hundred or  
27 fewer students.

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

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

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

14           (II) For budget year 2000-01 and budget years thereafter, if ~~the~~ A  
15 DISTRICT charter school and the CHARTERING school district have  
16 negotiated to allow the DISTRICT charter school to provide federally  
17 required educational services pursuant to paragraph (a.8) of subsection  
18 (2) of this section, the proportionate share of state and federal resources  
19 generated by students receiving such federally required educational  
20 services or staff serving them shall be directed by the CHARTERING school  
21 district or administrative unit to the DISTRICT charter school enrolling  
22 such students.

23           (III) For budget year 2000-01 and budget years thereafter, the  
24 proportionate share of moneys generated under federal or state categorical  
25 aid programs, other than federally required educational services, shall be  
26 directed to DISTRICT charter schools serving students eligible for such aid;  
27 except that a CHARTERING school district that receives small attendance

1 center aid pursuant to section 22-54-122 for a small attendance center that  
2 is a DISTRICT charter school shall forward the entire amount of such aid  
3 to the DISTRICT charter school for which it was received.

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

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

11 (4) The governing body of a DISTRICT charter school is authorized  
12 to accept gifts, donations, or grants of any kind made to the DISTRICT  
13 charter school and to expend or use said gifts, donations, or grants in  
14 accordance with the conditions prescribed by the donor; however, no gift,  
15 donation, or grant shall be accepted by the governing body if subject to  
16 any condition contrary to law or contrary to the terms of the contract  
17 between the DISTRICT charter school and the CHARTERING local board of  
18 education.

19 (4.5) Except as provided in section 22-30.5-112.3 (2) (b), any  
20 moneys received by a DISTRICT charter school from any source and  
21 remaining in the DISTRICT charter school's accounts at the end of any  
22 budget year shall remain in the DISTRICT charter school's accounts for use  
23 by the DISTRICT charter school during subsequent budget years and shall  
24 not revert to the CHARTERING school district or to the state.

25 ~~(5) The department of education will prepare an annual report and~~  
26 ~~evaluation for the governor and the house and senate committees on~~  
27 ~~education on the success or failure of charter schools, their relationship~~

1 ~~to other school reform efforts, and suggested changes in state law~~  
2 ~~necessary to strengthen or change the charter school program.~~

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

5 (7) A DISTRICT CHARTER SCHOOL SHALL COMPLY WITH ALL OF THE  
6 STATE FINANCIAL AND BUDGET RULES, REGULATIONS, AND FINANCIAL  
7 REPORTING REQUIREMENTS WITH WHICH THE CHARTERING SCHOOL  
8 DISTRICT IS REQUIRED TO COMPLY, INCLUDING BUT NOT LIMITED TO  
9 ANNUAL COMPLETION OF A GOVERNMENTAL AUDIT THAT COMPLIES WITH  
10 THE REQUIREMENTS OF THE DEPARTMENT OF EDUCATION.

11 (8) (a) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO  
12 THE CONTRARY, A CHARTERING SCHOOL DISTRICT MAY WITHHOLD A  
13 PORTION OF A DISTRICT CHARTER SCHOOL'S MONTHLY PAYMENT DUE  
14 PURSUANT TO THIS SECTION IF:

15 (I) THE DISTRICT CHARTER SCHOOL FAILS TO SATISFY ITS  
16 OBLIGATION IN A CONTRACT OR OTHER WRITTEN AGREEMENT WITH THE  
17 CHARTERING SCHOOL DISTRICT TO REPORT FINANCIAL INFORMATION  
18 REQUIRED BY THE SCHOOL DISTRICT TO ENABLE THE SCHOOL DISTRICT TO  
19 COMPLY WITH THE REQUIREMENTS SPECIFIED IN THIS TITLE AND IN RULES  
20 PROMULGATED BY THE STATE BOARD PERTAINING TO REPORTING  
21 FINANCIAL INFORMATION TO THE DEPARTMENT; AND

22 (II) THE FAILURE TO REPORT BY THE DISTRICT CHARTER SCHOOL  
23 RESULTS IN THE PLACEMENT OF THE CHARTERING SCHOOL DISTRICT ON  
24 ACCREDITATION NOTICE PURSUANT TO THE PROVISIONS OF ARTICLE 11 OF  
25 THIS TITLE.

26 (b) THE CHARTERING SCHOOL DISTRICT MAY WITHHOLD A PORTION  
27 OF THE PAYMENT DUE TO THE DISTRICT CHARTER SCHOOL ONLY UNTIL

1 SUCH TIME AS THE DISTRICT CHARTER SCHOOL COMPLIES WITH THE  
2 FINANCIAL REPORTING REQUIREMENTS.

3  
4 (9) (a) IF A DISTRICT CHARTER SCHOOL DETERMINES THAT ITS  
5 CHARTERING SCHOOL DISTRICT HAS NOT FORWARDED TO THE DISTRICT  
6 CHARTER SCHOOL THE AMOUNT DUE TO THE DISTRICT CHARTER SCHOOL IN  
7 ACCORDANCE WITH THE TERMS OF THE DISTRICT CHARTER CONTRACT AND  
8 THE PROVISIONS OF THIS SECTION, THE DISTRICT CHARTER SCHOOL MAY  
9 SEEK A DETERMINATION FROM THE STATE BOARD REGARDING WHETHER  
10 THE CHARTERING SCHOOL DISTRICT IMPROPERLY WITHHELD ANY PORTION  
11 OF THE AMOUNT DUE TO THE DISTRICT CHARTER SCHOOL. A DISTRICT  
12 CHARTER SCHOOL THAT CHOOSES TO REQUEST A DETERMINATION  
13 PURSUANT TO THIS SUBSECTION (9) SHALL SUBMIT THE REQUEST WITHIN  
14 THE NEXT FISCAL YEAR FOLLOWING THE FISCAL YEAR IN WHICH THE  
15 CHARTERING SCHOOL DISTRICT MAY HAVE IMPROPERLY WITHHELD  
16 FUNDING.

17 (b) UPON RECEIPT FROM A DISTRICT CHARTER SCHOOL OF A  
18 REQUEST FOR A DETERMINATION OF WHETHER THE CHARTERING SCHOOL  
19 DISTRICT HAS IMPROPERLY WITHHELD ANY PORTION OF THE AMOUNT DUE  
20 TO THE DISTRICT CHARTER SCHOOL, THE STATE BOARD SHALL DIRECT THE  
21 DEPARTMENT TO REVIEW THE TERMS OF THE DISTRICT CHARTER CONTRACT  
22 AND THE FINANCIAL INFORMATION OF THE DISTRICT CHARTER SCHOOL AND  
23 THE CHARTERING SCHOOL DISTRICT AND MAKE A RECOMMENDATION TO  
24 THE STATE BOARD REGARDING WHETHER THE CHARTERING SCHOOL  
25 DISTRICT IMPROPERLY WITHHELD ANY PORTION OF THE AMOUNT DUE TO  
26 THE DISTRICT CHARTER SCHOOL. THE DEPARTMENT SHALL REQUEST FROM  
27 THE CHARTERING SCHOOL DISTRICT AND THE DISTRICT CHARTER SCHOOL

1 ALL INFORMATION NECESSARY TO MAKE THE RECOMMENDATION,  
2 INCLUDING BUT NOT LIMITED TO AUDITED FINANCIAL DATA. THE  
3 CHARTERING SCHOOL DISTRICT AND THE DISTRICT CHARTER SCHOOL  
4 SHALL PROVIDE THE REQUESTED INFORMATION AS SOON AS POSSIBLE  
5 FOLLOWING THE REQUEST, BUT IN NO EVENT LATER THAN THIRTY DAYS  
6 AFTER COMPLETION OF THE ANNUAL FINANCIAL AUDIT. THE \_\_\_\_\_  
7 DEPARTMENT SHALL FORWARD ITS RECOMMENDATION TO THE STATE  
8 BOARD WITHIN SIXTY DAYS AFTER RECEIVING ALL OF THE REQUESTED  
9 INFORMATION FROM THE CHARTERING SCHOOL DISTRICT AND THE DISTRICT  
10 CHARTER SCHOOL.

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

1 MAKE ITS RECOMMENDATION.

2 (d) IF THE CHARTERING SCHOOL DISTRICT FAILS WITHIN THE  
3 THIRTY-DAY PERIOD TO PAY THE FULL AMOUNT THAT WAS IMPROPERLY  
4 WITHHELD, THE DISTRICT CHARTER SCHOOL MAY NOTIFY THE  
5 DEPARTMENT, AND THE DEPARTMENT SHALL WITHHOLD FROM THE  
6 CHARTERING SCHOOL DISTRICT'S STATE EQUALIZATION PAYMENT THE  
7 UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE  
8 CHARTERING SCHOOL DISTRICT FROM THE DISTRICT CHARTER SCHOOL AND  
9 PAY THE UNPAID PORTION DIRECTLY TO THE DISTRICT CHARTER SCHOOL.

10 \_\_\_\_\_

11 \_\_\_\_\_

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

18 (b) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT  
19 HAS IMPROPERLY WITHHELD MONEYS DUE TO THE DISTRICT CHARTER  
20 SCHOOL, THE SCHOOL DISTRICT, WITHIN THIRTY DAYS AFTER THE STATE  
21 BOARD'S DETERMINATION, SHALL PAY TO THE DISTRICT CHARTER SCHOOL  
22 THE AMOUNT IMPROPERLY WITHHELD. IN ADDITION, THE SCHOOL DISTRICT  
23 SHALL PAY THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE  
24 NECESSARY INFORMATION TO MAKE ITS RECOMMENDATION. IF THE  
25 SCHOOL DISTRICT FAILS, WITHIN THE THIRTY-DAY PERIOD, TO PAY THE  
26 FULL AMOUNT THAT WAS IMPROPERLY WITHHELD, THE DISTRICT CHARTER  
27 SCHOOL SHALL NOTIFY THE DEPARTMENT, AND THE DEPARTMENT SHALL

1 WITHHOLD FROM THE SCHOOL DISTRICT'S STATE EQUALIZATION PAYMENT  
2 THE UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE  
3 DISTRICT AND PAY THE UNPAID PORTION DIRECTLY TO THE DISTRICT  
4 CHARTER SCHOOL.

5 (c) IF THE STATE BOARD FINDS THAT THE SCHOOL DISTRICT DID NOT  
6 IMPROPERLY WITHHOLD ANY PORTION OF THE AMOUNT DUE TO THE  
7 DISTRICT CHARTER SCHOOL, THE DISTRICT CHARTER SCHOOL SHALL PAY  
8 THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE NECESSARY  
9 INFORMATION TO MAKE ITS RECOMMENDATION.

10 **SECTION 15.** Part 1 of article 30.5 of title 22, Colorado Revised  
11 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
12 read:

13 **22-30.5-112.1. State charter schools - financing - facilities.**

14 (1) AS USED IN THIS SECTION:

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

17 (b) "DENYING DISTRICT" MEANS THE SCHOOL DISTRICT OF THE  
18 LOCAL BOARD OF EDUCATION THAT DENIED THE STATE CHARTER SCHOOL  
19 CHARTER APPLICATION OR FAILED TO COMPLETE A DISTRICT CHARTER  
20 CONTRACT, RESULTING IN CREATION OF THE STATE CHARTER SCHOOL  
21 PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1 (1) OR THE  
22 SCHOOL DISTRICT OF THE LOCAL BOARD OF EDUCATION THAT AGREED TO  
23 THE CONVERSION OF A DISTRICT CHARTER SCHOOL TO A STATE CHARTER  
24 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1 (2).

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

1 (d) "DISTRICT PER PUPIL REVENUES" MEANS THE DISTRICT TOTAL  
2 PROGRAMS AS DEFINED IN SECTION 22-54-103 (6) OF THE DENYING DISTRICT  
3 FOR ANY BUDGET YEAR DIVIDED BY THE DENYING DISTRICT'S FUNDED  
4 PUPIL COUNT AS DEFINED IN SECTION 22-54-103 (7) FOR SAID BUDGET  
5 YEAR.

6 (e) "ON-LINE PUPIL ENROLLMENT" MEANS THE NUMBER OF PUPILS,  
7 ON OCTOBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL  
8 DAY NEAREST SAID DATE, ENROLLED IN, ATTENDING, AND ACTIVELY  
9 PARTICIPATING IN, AN ON-LINE PROGRAM CREATED PURSUANT TO SECTION  
10 22-33-104.6 BY THE STATE CHARTER SCHOOL, WHICH PUPILS MEET THE  
11 REQUIREMENTS SPECIFIED IN SECTION 22-33-104.6 (4) (a) OR ARE EXEMPT  
12 PURSUANT TO RULES ADOPTED BY THE STATE BOARD PURSUANT TO  
13 SECTION 22-33-104.6 (7).

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

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

18 (2) (a) ON OR BEFORE NOVEMBER 10 OF EACH YEAR, EACH STATE  
19 CHARTER SCHOOL SHALL CERTIFY TO THE STATE BOARD THE STATE  
20 CHARTER SCHOOL'S PUPIL ENROLLMENT AND ON-LINE PUPIL ENROLLMENT  
21 FOR THAT YEAR. IN CERTIFYING ITS PUPIL ENROLLMENT TO THE STATE  
22 BOARD, THE STATE CHARTER SCHOOL SHALL SPECIFY THE NUMBER OF  
23 PUPILS ENROLLED IN HALF-DAY KINDERGARTEN; THE NUMBER OF PUPILS  
24 ENROLLED IN FULL-DAY KINDERGARTEN; THE NUMBER OF PUPILS  
25 ENROLLED IN FIRST GRADE THROUGH TWELFTH GRADE, SPECIFYING THOSE  
26 WHO ARE ENROLLED AS FULL-TIME STUDENTS AND THOSE WHO ARE  
27 ENROLLED AS LESS THAN FULL-TIME STUDENTS; THE NUMBER OF EXPELLED

1 PUPILS RECEIVING EDUCATIONAL SERVICES PURSUANT TO SECTION  
2 22-33-203; THE NUMBER OF PUPILS RECEIVING EDUCATIONAL PROGRAMS  
3 UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20  
4 OF THIS TITLE; AND THE NUMBER OF AT-RISK PUPILS. EACH STATE  
5 CHARTER SCHOOL SHALL ALSO NOTIFY THE DEPARTMENT AS TO WHETHER  
6 THE STATE CHARTER SCHOOL IS A QUALIFIED CHARTER SCHOOL.

7 (b) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF  
8 1994", ARTICLE 54 OF THIS TITLE, THE DEPARTMENT SHALL ADD THE PUPILS  
9 ENROLLED IN A STATE CHARTER SCHOOL TO THE PUPIL ENROLLMENT AND  
10 THE ON-LINE PUPIL ENROLLMENT OF THE STATE CHARTER SCHOOL'S  
11 DENYING DISTRICT, AS CERTIFIED BY THE DENYING DISTRICT PURSUANT TO  
12 SECTION 22-54-112.

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

17 (I) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES  
18 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE STATE CHARTER  
19 SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE HUNDRED PERCENT OF  
20 THE DISTRICT PER PUPIL ON-LINE FUNDING MULTIPLIED BY THE NUMBER OF  
21 ON-LINE PUPILS ENROLLED IN THE STATE CHARTER SCHOOL; OR

22 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE  
23 DENYING DISTRICT.

24 (b) THE DEPARTMENT SHALL FORWARD TO THE STATE CHARTER  
25 SCHOOL THE AMOUNT WITHHELD, MINUS FIVE PERCENT OF SAID AMOUNT  
26 FOR PAYMENT OF THE COSTS INCURRED IN IMPLEMENTING SECTION  
27 22-30.5-108.3 AND MINUS THE AMOUNT AGREED TO IN THE STATE CHARTER

1 CONTRACT FOR ANY ADDITIONAL SERVICES, AS PROVIDED IN PARAGRAPH  
2 (c) OF THIS SUBSECTION (3). NOTWITHSTANDING ANY PROVISION OF THIS  
3 SECTION TO THE CONTRARY, IF THE DEPARTMENT WITHHOLDS THE TOTAL  
4 AMOUNT OF THE STATE SHARE PAYABLE TO THE DENYING DISTRICT AND  
5 THERE IS MORE THAN ONE STATE CHARTER SCHOOL THAT RECEIVES  
6 FUNDING FROM THE DENYING DISTRICT'S STATE SHARE, THE DEPARTMENT  
7 SHALL DIVIDE THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE  
8 DENYING DISTRICT AMONG THE STATE CHARTER SCHOOLS ON A PER PUPIL  
9 BASIS.

10 (c) AS PART OF THE STATE CHARTER SCHOOL CONTRACT, THE  
11 STATE CHARTER SCHOOL AND THE STATE BOARD SHALL AGREE ON THE  
12 SERVICES, OTHER THAN NECESSARY ADMINISTRATION, OVERSIGHT, AND  
13 MANAGEMENT SERVICES, TO BE PROVIDED BY THE STATE BOARD, THE  
14 DEPARTMENT, OR A THIRD-PARTY WITH WHICH THE STATE BOARD HAS  
15 CONTRACTED, TO THE STATE CHARTER SCHOOL AND THE COSTS OF THE  
16 SERVICES.

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

23 (4) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,  
24 THE DEPARTMENT SHALL PROVIDE TO EACH STATE CHARTER SCHOOL AN  
25 ITEMIZED ACCOUNTING OF ALL THE ACTUAL COSTS OF ANY ADDITIONAL  
26 SERVICES THE STATE CHARTER SCHOOL CHOSE AT ITS DISCRETION TO  
27 PURCHASE AS PROVIDED IN PARAGRAPH (a) OF SUBSECTION (3) OF THIS

1 SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT INITIALLY CHARGED  
2 TO THE STATE CHARTER SCHOOL AND THE ACTUAL COST SHALL BE  
3 RECONCILED AND PAID TO THE OWED PARTY.

4 (5) (a) EACH STATE CHARTER SCHOOL SHALL ANNUALLY BUDGET  
5 THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION 22-54-105  
6 (1)(b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE STATE  
7 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO BE ALLOCATED, AT  
8 THE DISCRETION OF THE GOVERNING BOARD OF THE STATE CHARTER  
9 SCHOOL, TO AN ACCOUNT FOR INSTRUCTIONAL SUPPLIES AND MATERIALS,  
10 AN ACCOUNT FOR INSTRUCTIONAL CAPITAL OUTLAY, OR AN ACCOUNT  
11 CREATED FOR OTHER INSTRUCTIONAL PURPOSES, OR AMONG THE  
12 ACCOUNTS. MONEYS MAY BE TRANSFERRED AMONG THE THREE  
13 ACCOUNTS. THE MONEYS IN THE ACCOUNTS SHALL BE USED FOR THE  
14 PURPOSES SET FORTH IN SECTION 22-45-103 (1) (a) (II) AND MAY NOT BE  
15 EXPENDED BY THE STATE CHARTER SCHOOL FOR ANY OTHER PURPOSE.  
16 ANY MONEYS IN THE ACCOUNTS THAT ARE NOT PROJECTED TO BE  
17 EXPENDED DURING A BUDGET YEAR SHALL BE BUDGETED FOR THE  
18 PURPOSES SET FORTH IN SECTION 22-45-103 (1) (a) (II) IN THE NEXT  
19 BUDGET YEAR. NOTHING IN THIS PARAGRAPH (a) SHALL BE CONSTRUED TO  
20 REQUIRE THAT INTEREST ON MONEYS IN THE ACCOUNTS BE SPECIFICALLY  
21 ALLOCATED TO THE ACCOUNTS.

22 (b) EACH STATE CHARTER SCHOOL SHALL ANNUALLY ALLOCATE  
23 THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION 22-54-105  
24 (2)(b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE STATE  
25 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO A FUND CREATED BY  
26 THE STATE CHARTER SCHOOL FOR CAPITAL RESERVE PURPOSES, AS SET  
27 FORTH IN SECTION 22-45-103 (1) (c) AND (1) (e), OR SOLELY FOR THE

1 MANAGEMENT OF RISK-RELATED ACTIVITIES, AS IDENTIFIED IN SECTION  
2 24-10-115, C.R.S., AND ARTICLE 13 OF TITLE 29, C.R.S., OR AMONG SUCH  
3 ALLOWABLE FUNDS. SAID MONEYS SHALL BE USED FOR THE PURPOSES SET  
4 FORTH IN SECTION 22-45-103 (1) (c) AND (1) (e) AND MAY NOT BE  
5 EXPENDED BY THE STATE CHARTER SCHOOL FOR ANY OTHER PURPOSE.

6 (6) (a) EACH STATE CHARTER SCHOOL SHALL PROVIDE FEDERALLY  
7 REQUIRED EDUCATIONAL SERVICES TO STUDENTS ENROLLED IN THE STATE  
8 CHARTER SCHOOL. FOR PURPOSES OF PROVIDING EDUCATIONAL SERVICES  
9 FOR CHILDREN WITH DISABILITIES PURSUANT TO ARTICLE 20 OF THIS TITLE,  
10 EACH STATE CHARTER SCHOOL MAY OPERATE AS ITS OWN ADMINISTRATIVE  
11 UNIT OR IT MAY JOIN A BOARD OF COOPERATIVE SERVICES OR IT MAY  
12 CONTRACT WITH A BOARD OF COOPERATIVE SERVICES OR A SCHOOL  
13 DISTRICT FOR THE DELIVERY OF SAID EDUCATIONAL SERVICES.

14 (b) THE DEPARTMENT SHALL FORWARD TO EACH STATE CHARTER  
15 SCHOOL THE SCHOOL'S PROPORTIONATE SHARE OF THE STATE AND FEDERAL  
16 RESOURCES GENERATED BY STUDENTS WITH DISABILITIES WHO ARE  
17 ENROLLED IN THE STATE CHARTER SCHOOL OR BY STAFF SERVING THEM  
18 WHO ARE EMPLOYED BY THE STATE CHARTER SCHOOL. THE DEPARTMENT  
19 SHALL FORWARD TO EACH STATE CHARTER SCHOOL A PROPORTIONATE  
20 SHARE OF THE MONEYS GENERATED UNDER OTHER FEDERAL OR STATE  
21 CATEGORICAL AID PROGRAMS FOR STUDENTS WHO ARE ENROLLED IN THE  
22 STATE CHARTER SCHOOL AND ARE ELIGIBLE FOR THE AID.

23 (c) WHEN A CHILD WITH A DISABILITY ENROLLS IN AND ATTENDS  
24 A STATE CHARTER SCHOOL, THE CHILD'S SCHOOL DISTRICT OF RESIDENCE  
25 SHALL BE RESPONSIBLE FOR PAYING TO THE STATE CHARTER SCHOOL THE  
26 TUITION CHARGE FOR THE EXCESS COSTS INCURRED IN EDUCATING THE  
27 CHILD. THE AMOUNT OF THE TUITION CHARGE SHALL BE DETERMINED

1 PURSUANT TO GUIDELINES DEVELOPED BY THE DEPARTMENT. UNDER THE  
2 CIRCUMSTANCES DESCRIBED IN THIS PARAGRAPH (c), THE PROVISIONS OF  
3 SECTION 22-20-108 (8) SHALL NOT APPLY.

4 (7) (a) IF A STATE CHARTER SCHOOL DETERMINES THAT A SCHOOL  
5 DISTRICT HAS NOT PAID THE TUITION CHARGE FOR THE EXCESS COSTS  
6 INCURRED IN EDUCATING A CHILD WITH A DISABILITY AS REQUIRED IN  
7 SUBSECTION (6) OF THIS SECTION AND SECTION 22-20-109 (5), THE STATE  
8 CHARTER SCHOOL MAY SEEK A DETERMINATION FROM THE STATE BOARD  
9 CONCERNING WHETHER A SCHOOL DISTRICT HAS IMPROPERLY FAILED TO  
10 PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING A  
11 CHILD WITH A DISABILITY. A STATE CHARTER SCHOOL THAT CHOOSES TO  
12 REQUEST A DETERMINATION PURSUANT TO THIS SUBSECTION (7) SHALL  
13 SUBMIT THE REQUEST WITHIN THE NEXT FISCAL YEAR FOLLOWING THE  
14 FISCAL YEAR IN WHICH SCHOOL DISTRICT MAY HAVE IMPROPERLY FAILED  
15 TO PAY THE TUITION CHARGE FOR EXCESS COSTS.

16 (b) UPON RECEIPT FROM A STATE CHARTER SCHOOL OF A REQUEST  
17 FOR A DETERMINATION OF WHETHER A SCHOOL DISTRICT HAS IMPROPERLY  
18 FAILED TO PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN  
19 EDUCATING A CHILD WITH A DISABILITY, THE STATE BOARD SHALL DIRECT  
20 THE DEPARTMENT TO REVIEW THE TERMS OF THE AGREEMENT BETWEEN  
21 THE SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL AND THE  
22 FINANCIAL INFORMATION OF THE STATE CHARTER SCHOOL AND THE  
23 SCHOOL DISTRICT AND MAKE A RECOMMENDATION TO THE STATE BOARD  
24 REGARDING WHETHER THE SCHOOL DISTRICT HAS IMPROPERLY FAILED TO  
25 PAY THE TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING A  
26 CHILD WITH A DISABILITY. THE DEPARTMENT SHALL REQUEST FROM THE  
27 SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL ALL INFORMATION

1 NECESSARY TO MAKE THE RECOMMENDATION, INCLUDING BUT NOT  
2 LIMITED TO AUDITED FINANCIAL DATA. THE SCHOOL DISTRICT AND THE  
3 STATE CHARTER SCHOOL SHALL PROVIDE THE REQUESTED INFORMATION  
4 AS SOON AS POSSIBLE FOLLOWING THE REQUEST, BUT IN NO EVENT LATER  
5 THAN THIRTY DAYS AFTER COMPLETION OF THE ANNUAL FINANCIAL AUDIT.  
6 THE DEPARTMENT SHALL FORWARD ITS \_\_\_\_\_ RECOMMENDATION TO THE  
7 STATE BOARD WITHIN SIXTY DAYS AFTER RECEIVING ALL OF THE  
8 REQUESTED INFORMATION FROM THE SCHOOL DISTRICT AND THE STATE  
9 CHARTER SCHOOL.

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

16 (II) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT  
17 HAS IMPROPERLY WITHHELD MONEYS DUE TO THE STATE CHARTER  
18 SCHOOL, THE SCHOOL DISTRICT, WITHIN THIRTY DAYS AFTER THE STATE  
19 BOARD'S DETERMINATION, SHALL PAY TO THE STATE CHARTER SCHOOL THE  
20 AMOUNT IMPROPERLY WITHHELD. IN ADDITION, THE SCHOOL DISTRICT  
21 SHALL PAY THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE  
22 NECESSARY INFORMATION TO MAKE ITS RECOMMENDATION. IF THE  
23 SCHOOL DISTRICT FAILS, WITHIN THE THIRTY-DAY PERIOD, TO PAY THE  
24 FULL AMOUNT THAT WAS IMPROPERLY WITHHELD, THE STATE CHARTER  
25 SCHOOL SHALL NOTIFY THE DEPARTMENT, AND THE DEPARTMENT SHALL  
26 WITHHOLD FROM THE SCHOOL DISTRICT'S STATE EQUALIZATION PAYMENT  
27 THE UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE

1 DISTRICT AND PAY THE UNPAID PORTION DIRECTLY TO THE STATE CHARTER  
2 SCHOOL.

3 (III) IF THE STATE BOARD FINDS THAT THE SCHOOL DISTRICT DID  
4 NOT IMPROPERLY WITHHOLD ANY PORTION OF THE AMOUNT DUE TO THE  
5 STATE CHARTER SCHOOL, THE STATE CHARTER SCHOOL SHALL PAY THE  
6 COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE NECESSARY  
7 INFORMATION TO MAKE ITS RECOMMENDATION.

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

12 (b) A STATE CHARTER SCHOOL SHALL COMPLY WITH ALL OF THE  
13 STATE FINANCIAL AND BUDGET RULES, REGULATIONS, AND FINANCIAL  
14 REPORTING REQUIREMENTS WITH WHICH A SCHOOL DISTRICT IS REQUIRED  
15 TO COMPLY, INCLUDING BUT NOT LIMITED TO ANNUAL COMPLETION OF A  
16 GOVERNMENTAL AUDIT THAT COMPLIES WITH THE REQUIREMENTS OF THE  
17 DEPARTMENT OF EDUCATION.

18 (9) THE GOVERNING BODY OF A STATE CHARTER SCHOOL IS  
19 AUTHORIZED TO ACCEPT GIFTS, DONATIONS, OR GRANTS OF ANY KIND  
20 MADE TO THE STATE CHARTER SCHOOL AND TO EXPEND OR USE SAID GIFTS,  
21 DONATIONS, OR GRANTS IN ACCORDANCE WITH THE CONDITIONS  
22 PRESCRIBED BY THE DONOR; HOWEVER, NO GIFT, DONATION, OR GRANT  
23 SHALL BE ACCEPTED BY THE GOVERNING BODY IF SUBJECT TO ANY  
24 CONDITION CONTRARY TO LAW OR CONTRARY TO THE TERMS OF THE STATE  
25 CHARTER CONTRACT BETWEEN THE STATE CHARTER SCHOOL AND THE  
26 STATE BOARD.

27 (10) ANY MONEYS RECEIVED BY A STATE CHARTER SCHOOL FROM

1 ANY SOURCE AND REMAINING IN THE STATE CHARTER SCHOOL'S ACCOUNTS  
2 AT THE END OF ANY BUDGET YEAR SHALL REMAIN IN THE STATE CHARTER  
3 SCHOOL'S ACCOUNTS FOR USE BY THE STATE CHARTER SCHOOL DURING  
4 SUBSEQUENT BUDGET YEARS AND SHALL NOT REVERT TO THE STATE.

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

7 **22-30.5-112.3. Charter schools - additional aid from district.**

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

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

18 (a.5) For the 2002-03 budget year, a qualified charter school, as  
19 defined in section 22-54-124 (1) (f.5), shall receive state education  
20 moneys from ~~the ITS CHARTERING school district that granted its charter~~  
21 in an amount equal to the amount paid to the school district by the  
22 department of education pursuant to section 22-54-124 (4.5).

23 (a.7) (I) For the 2003-04 budget year and each budget year  
24 thereafter, a qualified charter school, as defined in section 22-54-124 (1)  
25 (f.6), THAT IS A DISTRICT CHARTER SCHOOL shall receive state education  
26 fund moneys from ~~the ITS CHARTERING school district that granted~~  
27 ~~approved its charter~~ in an amount equal to the percentage of the district's

1 certified DISTRICT charter school pupil enrollment that is attributable to  
2 pupils expected to be enrolled in the DISTRICT qualified charter school  
3 multiplied by the total amount of state education fund moneys distributed  
4 to the district for the same budget year pursuant to section 22-54-124 (3).  
5 A QUALIFIED CHARTER SCHOOL THAT IS A STATE CHARTER SCHOOL SHALL  
6 RECEIVE STATE EDUCATION FUND MONEYS FROM THE DEPARTMENT IN AN  
7 AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL QUALIFIED CHARTER  
8 SCHOOL PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED  
9 TO BE ENROLLED IN THE STATE CHARTER SCHOOL MULTIPLIED BY THE  
10 TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED FOR THE  
11 SAME BUDGET YEAR PURSUANT TO SECTION 22-54-124 (3).

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

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

17 (c) (I) A district shall provide funding to each DISTRICT qualified  
18 charter school, as defined in section 22-54-124 (1) (f), (1) (f.5), or (1)  
19 (f.6), whichever is applicable, by making a single lump-sum payment to  
20 the DISTRICT qualified charter school as soon as possible after the district  
21 receives a lump-sum payment of state education fund moneys pursuant  
22 to section 22-54-124 (4) or (4.5), whichever is applicable.

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

1 SECTION 22-54-124.

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

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

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

12 **22-30.5-112.5. District charter schools - transportation plans.**

13 If a DISTRICT charter school's charter or contract includes provision of  
14 transportation services by the CHARTERING school district, the DISTRICT  
15 charter school and the CHARTERING school district shall collaborate in  
16 developing a transportation plan to use school district equipment to  
17 transport students enrolled in the DISTRICT charter school to and from the  
18 DISTRICT charter school and their homes and to and from the DISTRICT  
19 charter school and any extracurricular activities. The transportation plan  
20 may include, but need not be limited to, development of bus routes and  
21 plans for sharing the use of school district equipment for the benefit of  
22 students enrolled in DISTRICT charter schools of the CHARTERING school  
23 district and students enrolled in other schools of the CHARTERING school  
24 district.

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

27 **22-30.5-113. State board - department of education - duties -**

1 **charter schools - evaluation - report.** (1) BEGINNING IN THE 2004-05  
2 BUDGET YEAR, AND AT LEAST EVERY THREE YEARS THEREAFTER, THE  
3 DEPARTMENT SHALL PREPARE A REPORT AND EVALUATION FOR THE  
4 GOVERNOR AND THE HOUSE AND SENATE COMMITTEES ON EDUCATION ON  
5 THE SUCCESS OR FAILURE OF CHARTER SCHOOLS, THEIR RELATIONSHIP TO  
6 OTHER SCHOOL REFORM EFFORTS, AND SUGGESTED CHANGES IN STATE  
7 LAW NECESSARY TO STRENGTHEN OR CHANGE THE CHARTER SCHOOL  
8 PROGRAM.

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

17 (3) IN PREPARING THE REPORT REQUIRED BY THIS SECTION, THE  
18 STATE BOARD SHALL COMPARE THE PERFORMANCE OF CHARTER SCHOOL  
19 PUPILS WITH THE PERFORMANCE OF ETHNICALLY AND ECONOMICALLY  
20 COMPARABLE GROUPS OF PUPILS IN OTHER PUBLIC SCHOOLS WHO ARE  
21 ENROLLED IN ACADEMICALLY COMPARABLE COURSES.

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

25 **22-30.5-403. Definitions.** As used in this part 4, unless the  
26 context otherwise requires:

27 (3) "Charter school" means a DISTRICT OR STATE charter school as

1 ~~described in section 22-30.5-104~~ DEFINED IN SECTION 22-30.5-103 (2),  
2 and also includes a nonprofit corporation exempt from taxation under  
3 section 501 (c) (3) of the federal "Internal Revenue Code of 1986", as  
4 amended, that owns a facility used for occupancy by pupils enrolled or  
5 to be enrolled in a charter school on behalf of a charter school and that  
6 was created for the sole purpose of holding title to such facility.

7 (5.5) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
8 THAT ENTERS INTO A CHARTER CONTRACT WITH A BOARD OF EDUCATION.

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

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

14 **22-30.5-404. Needs-based inclusion of district charter schools**  
15 **in district bond elections - eligibility - determination of need -**  
16 **allocation of bond revenues.** (1) In enacting this section, it is the intent  
17 of the general assembly to respect the principle of school district local  
18 control and to encourage school districts and DISTRICT charter schools to  
19 work together to ensure that the capital construction needs of DISTRICT  
20 charter schools can be met. Accordingly, nothing in this section shall be  
21 construed to limit in any way the existing ability of any school district to  
22 include a DISTRICT charter school in any local bond elections or to  
23 otherwise assist a DISTRICT charter school in financing its capital  
24 construction needs in any legal manner mutually agreed upon by the  
25 school district and the DISTRICT charter school. Each school district that  
26 is considering submitting any question of contracting bonded  
27 indebtedness to the eligible electors of the district at an upcoming

1 election shall invite each DISTRICT charter school chartered by the district  
2 to participate in discussions regarding the possible submission of such a  
3 question at the earliest possible time, and each school district is  
4 encouraged to voluntarily include funding for the capital construction  
5 needs of DISTRICT charter schools in the district's questions of contracting  
6 bonded indebtedness without requiring a DISTRICT charter school to  
7 comply with the capital construction plan submission process set forth in  
8 subsection (3) of this section.

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

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

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

17 (3) A DISTRICT charter school that seeks to have its capital  
18 construction needs included as part of a ballot question to be submitted  
19 by the board of education of its chartering school district to the voters of  
20 the district or that seeks to obtain funding for its capital construction  
21 needs through the imposition of a special mill levy pursuant to section  
22 22-30.5-405 shall submit a capital construction plan to the board of  
23 education of its chartering school district. The plan shall include:

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

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

1 (c) A description of the architectural, functional, and construction  
2 standards that meet applicable state building code requirements and are  
3 to be applied to each facility that is the subject of the capital construction  
4 project;

5 (d) An estimate of the total cost of completing the capital  
6 construction to be financed by bonded indebtedness or a special mill levy  
7 and, if any moneys other than proceeds of bonded indebtedness or a  
8 special mill levy and interest earned on such proceeds are to be used to  
9 finance the capital construction, a breakdown of the moneys that will be  
10 used to finance the capital construction;

11 (e) An estimate of the amount of time needed to complete the  
12 capital construction;

13 (f) A statement addressing whether construction and renovation,  
14 payment of overrun costs, and other capital construction project issues are  
15 to be managed by the DISTRICT charter school or the district, with costs  
16 for management to be negotiated by the DISTRICT charter school and the  
17 district;

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

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

23 (4) The board of education of a school district shall review a  
24 capital construction plan submitted by a DISTRICT charter school pursuant  
25 to subsection (3) of this section and determine whether the DISTRICT  
26 charter school has established a need for the capital construction, a need  
27 to incur bonded indebtedness or obtain revenues from a special mill levy

1 to finance the capital construction, and a viable plan for the capital  
2 construction. The board shall also determine the priority of the DISTRICT  
3 charter school capital construction need in relation to the capital  
4 construction needs of the entire district. If the board determines that:

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

20 (b) The DISTRICT charter school has not established capital  
21 construction needs, a need to incur bonded indebtedness or obtain  
22 revenues from a special mill levy to finance the capital construction, or  
23 a viable plan:

24 (I) The board shall provide the DISTRICT charter school with a  
25 written statement specifying its reasons for concluding that the DISTRICT  
26 charter school has not established capital construction needs, a need to  
27 incur bonded indebtedness or obtain revenues from a special mill levy to

1 finance the capital construction, or a viable plan; and

2 (II) The board need not include the DISTRICT charter school's  
3 capital construction in the district's ballot question for approval of bonded  
4 indebtedness but shall submit a special mill levy ballot question to the  
5 voters of the district pursuant to section 22-30.5-405 if the DISTRICT  
6 charter school requests that a special mill levy be submitted and the  
7 DISTRICT charter school agrees to pay all of the costs of submitting the  
8 special mill levy ballot question.

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

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

16 (b) The board and the DISTRICT charter school shall agree to the  
17 prioritization of the distribution of bond proceeds between the DISTRICT  
18 charter school and any other public school that will receive bond  
19 proceeds before submitting the ballot question to the voters of the school  
20 district;

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

24 (d) The costs of submitting the ballot question shall be borne by  
25 both the district and the DISTRICT charter school in proportion to their  
26 respective portions of the total bond proceeds to be received unless the  
27 board and the DISTRICT charter school agree to a different cost-sharing

1 arrangement. Except as otherwise provided in paragraph (b) of  
2 subsection (4) of this section, if the board of the district submits a  
3 separate special mill levy ballot question on the same ballot as a ballot  
4 question for approval of bonded indebtedness, the costs of submitting the  
5 special mill levy ballot question shall be borne as agreed upon by the  
6 school district and the DISTRICT charter school.

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

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

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

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

21 **22-30.5-405. Mill levy for district charter school capital**  
22 **construction.** (1) With the agreement of all DISTRICT charter schools  
23 that will receive the revenues generated by a special mill levy, the board  
24 of education of any school district shall, at any time at which a ballot  
25 issue arising under section 20 of article X of the state constitution may be  
26 decided, submit to the eligible electors of the district the question of  
27 whether to impose a mill levy of a stated amount for the purpose of

1 financing capital construction for one or more DISTRICT charter schools  
2 chartered by the district, which mill levy shall not exceed one mill in any  
3 year or exceed ten years in duration. When a mill levy for more than one  
4 year has been approved, the board shall, without calling an election,  
5 decrease the amount or duration of the mill levy as necessary to avoid  
6 excessive collections as each capital construction project financed by the  
7 mill levy is completed. If the board is required to submit the ballot  
8 question for a mill levy pursuant to section 22-30.5-404 (4), the board  
9 shall consult with all affected DISTRICT charter schools that will receive  
10 the revenues generated by the special mill levy before determining the  
11 amount and duration of the special mill levy.

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

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

26 (4) Notwithstanding the provisions of section 22-30.5-404 (4) and  
27 any other provisions of this section, no mill levy shall be imposed

1 pursuant to this section to benefit a DISTRICT charter school unless the  
2 DISTRICT charter school and the district have entered into a contract  
3 specifying to whom the ownership of any capital construction financed  
4 by the mill levy shall revert if the DISTRICT charter school loses its  
5 charter, fails to pay for the capital construction to be financed by  
6 revenues from the mill levy, or becomes insolvent and can no longer  
7 operate as a DISTRICT charter school.

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

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

18 **22-30.5-406. Direct payment of charter school bonds by the**  
19 **state treasurer and school districts - charter school financing**  
20 **administrative cash fund.** (1) (c) (I) IN THE CASE OF A DISTRICT  
21 CHARTER SCHOOL, the state treasurer shall withhold the amount of any  
22 direct payments made on behalf of a DISTRICT charter school plus  
23 administrative costs associated with the making of direct payments in an  
24 amount agreed upon by the state treasurer and the DISTRICT charter school  
25 from the payments to the chartering district of the state share of the  
26 district's total program made pursuant to article 54 of this title. The state  
27 treasurer shall notify the chief financial officers of the chartering district

1 and the DISTRICT charter school of any amount of moneys withheld and  
2 the chartering district shall reduce the amount of funding it provides to  
3 the DISTRICT charter school by said amount. Any administrative costs  
4 withheld by the state treasurer pursuant to this ~~paragraph (c)~~  
5 SUBPARAGRAPH (I) shall be credited to the charter school financing  
6 administrative cash fund, which fund is hereby created. Moneys in the  
7 fund shall be continuously appropriated to the state treasurer for the  
8 direct and indirect costs of the administration of this section. Moneys in  
9 the charter school financing administrative cash fund shall remain in the  
10 fund and shall not revert to the general fund at the end of any fiscal year.

11 (II) IN THE CASE OF A STATE CHARTER SCHOOL, THE STATE  
12 TREASURER SHALL WITHHOLD THE AMOUNT OF ANY DIRECT PAYMENTS  
13 MADE ON BEHALF OF A STATE CHARTER SCHOOL PLUS ADMINISTRATIVE  
14 COSTS ASSOCIATED WITH THE MAKING OF DIRECT PAYMENTS IN AN  
15 AMOUNT AGREED UPON BY THE STATE TREASURER AND THE STATE  
16 CHARTER SCHOOL FROM THE PAYMENTS TO THE STATE CHARTER SCHOOL  
17 MADE BY THE DEPARTMENT OF EDUCATION PURSUANT TO ARTICLE 54 OF  
18 THIS TITLE. THE STATE TREASURER SHALL NOTIFY THE DEPARTMENT OF  
19 EDUCATION AND THE CHIEF FINANCIAL OFFICER OF THE STATE CHARTER  
20 SCHOOL OF ANY AMOUNT OF MONEYS WITHHELD. ANY ADMINISTRATIVE  
21 COSTS WITHHELD BY THE STATE TREASURER PURSUANT TO THIS  
22 SUBPARAGRAPH (II) SHALL BE CREDITED TO THE CHARTER SCHOOL  
23 FINANCING ADMINISTRATIVE CASH FUND CREATED PURSUANT TO  
24 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c).

25 (2) (a) If the state treasurer does not agree to make direct  
26 payments of principal and interest on bonds on behalf of a DISTRICT  
27 charter school pursuant to subsection (1) of this section because the

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

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

20 (c) A chartering district shall withhold the amount of any direct  
21 payments made on behalf of a DISTRICT charter school plus administrative  
22 costs associated with the making of direct payments in an amount agreed  
23 upon by the chartering district and the DISTRICT charter school from the  
24 funding provided by the district to the DISTRICT charter school pursuant  
25 to part 1 of this article.

26 (d) This subsection (2) shall not be construed to create a debt of  
27 any chartering district or any district obligation whatsoever with respect

1 to any lease agreement or installment purchase agreement entered into by  
2 a DISTRICT charter school within the meaning of any state constitutional  
3 provision or to create any liability except to the extent provided in this  
4 subsection (2).

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

7 **22-30.5-407. Charter school state debt reserve fund - creation**  
8 **- use of fund moneys - legislative declaration.** (1) The general  
9 assembly hereby finds and declares that:

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

18 (b) It is appropriate for state education fund moneys to be  
19 appropriated to the ~~state~~ charter school debt STATE reserve fund and it is  
20 also appropriate for those qualified charter schools that receive more  
21 favorable financing terms that result in interest rate savings due to the  
22 existence of and reliance upon the ~~state~~ charter school debt STATE reserve  
23 fund and the provisions of section 22-30.5-408 with respect to such bonds  
24 to pay a portion of their resulting savings to the ~~state~~ charter school debt  
25 STATE reserve fund and for all charter schools to bear the risk of having  
26 charter school per pupil facilities aid program moneys withheld to  
27 replenish the ~~state~~ charter school debt STATE reserve fund in the event

1 that moneys from the ~~state~~ charter school debt STATE reserve fund are  
2 expended to make bond payments.

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

6 (I) One million dollars that are hereby appropriated from the state  
7 education fund to the ~~state~~ charter school debt STATE reserve fund on July  
8 1, 2002;

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

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

14 (b) There is hereby created within the ~~state~~ charter school debt  
15 STATE reserve fund the ~~state~~ charter school STATE interest savings  
16 account. The account shall consist of moneys credited to the account by  
17 the state treasurer pursuant to subsection (3) of this section and any  
18 interest and income derived from the deposit and investment of moneys  
19 in the account.

20 (c) All interest and income derived from the deposit and  
21 investment of moneys in the ~~state~~ charter school debt STATE reserve fund  
22 shall be credited to the state education fund; except that all interest and  
23 income derived from the deposit and investment of moneys in the ~~state~~  
24 charter school STATE interest savings account shall be credited to the  
25 account in accordance with paragraph (b) of this subsection (2). At the  
26 end of any fiscal year, all unexpended and unencumbered moneys in the  
27 ~~state~~ charter school debt STATE reserve fund and the account shall remain

1 in the fund and the account respectively.

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

8 (I) The limitation on state fiscal year spending set forth in section  
9 20 (7) (a) of article X of the state constitution and section 24-77-103,  
10 C.R.S.; and

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

13 (3) (a) A qualified charter school that chooses to finance capital  
14 construction with revenues from bonds issued on behalf of the qualified  
15 charter school by the Colorado educational and cultural facilities  
16 authority created in section 23-15-104 (1) (a), C.R.S., shall pay to the  
17 state treasurer, on an annual basis, commencing and calculated on the  
18 date of issuance of the bonds and on each one-year anniversary of the  
19 issuance of the bonds thereafter while the bonds remain outstanding, an  
20 amount equal to ten basis points of the principal amount of the bonds  
21 outstanding as of each calculation date, and such amount shall be deemed  
22 to be the amount of any interest rate savings resulting from more  
23 favorable financing terms attributable to the reliance upon the ~~state~~  
24 charter school debt STATE reserve fund and the provisions of section  
25 22-30.5-408 with respect to such bonds. Each annual payment of ten  
26 basis points shall be prorated and payable in equal installments among the  
27 debt service payments required of the qualified charter school, with

1 respect to the qualified charter school bonds issued for its benefit, during  
2 the twelve months following the annual computation date. The state  
3 treasurer shall credit any payment received pursuant to this paragraph (a)  
4 to the ~~state~~ charter school STATE interest savings account.

5 (b) The state treasurer may require each qualified charter school  
6 that makes required payments to the state treasurer pursuant to paragraph  
7 (a) of this subsection (3) to pay a fee to the state treasurer to defray any  
8 direct and indirect administrative costs incurred by the state treasurer in  
9 executing duties required by this section. The state treasurer shall deposit  
10 any fees received into the ~~state~~ charter school STATE interest savings  
11 account of the ~~state~~ charter school debt STATE reserve fund.

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

17 (I) The state treasurer has been notified and has confirmed, in  
18 accordance with paragraph (b) of this subsection (4), that the qualified  
19 charter school has expended all moneys in its own debt service reserve  
20 fund or account that has been funded with proceeds derived from the  
21 issuance of the bonds and is unable to make bond payments; and

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

24 (a.5) Notwithstanding the provisions of paragraph (a) of this  
25 subsection (4), fees deposited into the ~~state~~ charter school STATE interest  
26 savings account of the ~~state~~ charter school debt STATE reserve fund  
27 pursuant to paragraph (b) of subsection (3) of this section may be

1 expended by the state treasurer for the purpose of defraying any direct  
2 and indirect administrative costs incurred by the state treasurer in  
3 executing duties required by this section.

4 (b) Whenever the trustee responsible for making payments to the  
5 holders of any qualified charter school bonds, as defined in section  
6 22-30.5-408 (1) (c), issued on behalf of a qualified charter school by the  
7 Colorado educational and cultural facilities authority has not received  
8 payment of principal or interest on the bonds on the tenth business day  
9 immediately prior to the date on which such payment is due and the debt  
10 service reserve fund for the qualified charter school has been depleted,  
11 the trustee shall so notify the state treasurer and the qualified charter  
12 school by telephone, facsimile, or other similar communication, followed  
13 by written verification, of such payment status. The state treasurer shall  
14 immediately contact the qualified charter school and determine whether  
15 the qualified charter school will make the payment by the date on which  
16 it is due and, if the state treasurer confirms that the qualified charter  
17 school will not make the payment, the state treasurer shall make the  
18 payment.

19 (c) The state treasurer shall expend all moneys in the ~~state~~ charter  
20 school STATE interest savings account before expending any other moneys  
21 in the ~~state~~ charter school debt STATE reserve fund. If a qualified charter  
22 school defaults on a payment with respect to outstanding qualified charter  
23 school bonds, as defined in section 22-30.5-408 (1) (c), and the amounts  
24 of such payment defaults exceed the amounts available in the ~~state~~ charter  
25 school STATE interest savings account and the ~~state~~ charter school debt  
26 STATE reserve fund, moneys from the account and the fund shall be  
27 allocated pro rata among the qualified charter school bonds that will have

1 a default in the payment of principal or interest based on the ratio that the  
2 payment default on each series of such bonds bears to the total payment  
3 defaults on all series of such qualified charter school bonds.

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

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

18 (II) If, in any given fiscal year, the state treasurer determines that  
19 after withholding the maximum amount of charter school per pupil  
20 facilities aid program moneys that may be withheld pursuant to  
21 subparagraph (I) of this paragraph (d) the portion of the ~~state~~ charter  
22 school debt STATE reserve fund that is not the ~~state~~ charter school STATE  
23 interest savings account will not be restored to a one million dollar  
24 balance, each charter school that is not relying upon the ~~state~~ charter  
25 school debt STATE reserve fund and the provisions of section 22-30.5-408  
26 with respect to bonds issued on its behalf by the Colorado educational  
27 and cultural facilities authority shall have its payment reduced by the

1 same percentage and by a maximum of ten percent.

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

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

10 (7) A qualified charter school that chooses to finance capital  
11 construction with revenues from bonds issued on behalf of the qualified  
12 charter school by the Colorado educational and cultural facilities  
13 authority created in section 23-15-104 (1) (a), C.R.S., shall request that  
14 the state treasurer make direct payments of principal and interest on the  
15 bonds on behalf of the qualified charter school in accordance with section  
16 22-30.5-406 (1). If the state treasurer does not agree to make direct  
17 payments AND THE QUALIFIED CHARTER SCHOOL IS A DISTRICT CHARTER  
18 SCHOOL, the qualified charter school shall request that its chartering  
19 district make direct payments in accordance with section 22-30.5-406 (2).

20 (8) This section shall only apply to bonds issued by the Colorado  
21 educational and cultural facilities authority in reliance upon the  
22 provisions of section 22-30.5-408 (2).

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

27 (10) In accordance with section 11 of article II of the state

1 constitution, the state hereby covenants with the purchasers of any  
2 outstanding bonds issued in reliance upon the existence of the ~~state~~  
3 charter school STATE interest savings account that the state will not  
4 repeal, revoke, or rescind the provisions of this part 4 concerning the  
5 account or modify or rescind the same so as to limit or impair the rights  
6 and remedies granted by this section to the purchasers of such bonds and  
7 that any moneys in the account shall not revert to the general fund.

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

10 **22-30.5-408. Replenishment of qualified charter school debt**  
11 **service reserve funds.** (1) As used in this section:

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

18 **SECTION 25.** The introductory portion to 22-30.5-409 (1) and  
19 22-30.5-409 (1) (i), Colorado Revised Statutes, are amended to read:

20 **22-30.5-409. Annual reports on bonds issued on behalf of**  
21 **charter schools - review by state auditor.** (1) Prior to January 30,  
22 2003, and prior to January 30 of each year thereafter, the Colorado  
23 educational and cultural facilities authority created in section 23-15-104  
24 (1) (a), C.R.S., shall submit a report to the state auditor that includes  
25 information concerning the issuance of qualified charter school bonds, as  
26 defined in section 22-30.5-408 (1) (c), that have resulted in charter  
27 schools obtaining more favorable financing terms by reliance on the

1 existence of the ~~state~~ charter school debt STATE reserve fund created in  
2 section 22-30.5-407 (2) (a) and the potential replenishment of the ~~state~~  
3 charter school debt STATE reserve fund pursuant to section 22-30.5-408  
4 (2) (a). Such report shall include, but need not be limited to:

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

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

11 **22-1-101. Schools defined.** (1) A public school is a school that  
12 derives its support, in whole or in part, from moneys raised by a general  
13 state, county, or district tax.

14 (2) A CHARTER SCHOOL IS A PUBLIC SCHOOL THAT OPERATES  
15 PURSUANT TO A CHARTER CONTRACT ENTERED INTO PURSUANT TO THE  
16 PROVISIONS OF ARTICLE 30.5 OF THIS TITLE. AS USED IN THIS TITLE,  
17 UNLESS THE CONTEXT OTHERWISE REQUIRES, "CHARTER SCHOOL"  
18 INCLUDES ANY TYPE OF CHARTER SCHOOL CREATED PURSUANT TO THE  
19 PROVISIONS OF ARTICLE 30.5 OF THIS TITLE, INCLUDING BUT NOT LIMITED  
20 TO A DISTRICT CHARTER SCHOOL, A STATE CHARTER SCHOOL, AND AN  
21 INDEPENDENT CHARTER SCHOOL.

22 **SECTION 27.** 22-2-107 (1) (g.5), Colorado Revised Statutes, is  
23 amended to read:

24 **22-2-107. State board - powers.** (1) The state board has the  
25 power:

26 (g.5) To revoke or withhold accreditation of any school district

1 under section 22-2-106 (1) (c) if it determines that the school district has  
2 not complied with the provisions of the "Public School Finance Act of  
3 1994", as set forth in article 54 of this title, but such OR THAT THE SCHOOL  
4 DISTRICT HAS NOT COMPLIED WITH A SPECIFIC WRITTEN DIRECTIVE OR  
5 ORDER OF THE STATE BOARD TO THE SCHOOL DISTRICT. Action AGAINST  
6 A SCHOOL DISTRICT'S ACCREDITATION may be taken only after at least  
7 sixty days' notice to the district and an opportunity for the district to be  
8 heard at a hearing held in accordance with rules promulgated by the state  
9 board.

10 **SECTION 28.** 22-5-102, Colorado Revised Statutes, is amended  
11 to read:

12 **22-5-102. Legislative declaration.** The general assembly  
13 declares that this article is enacted for the general improvement and  
14 expansion of educational services of the public schools in the state of  
15 Colorado; for the creation of boards of cooperative services where  
16 feasible for purposes of enabling two or more school districts AND STATE  
17 CHARTER SCHOOLS to cooperate in furnishing services authorized by law  
18 if cooperation appears desirable; and for the setting forth of the powers  
19 and duties of said boards of cooperative services.

20 **SECTION 29.** 22-5-103 (1), Colorado Revised Statutes, is  
21 amended, and the said 22-5-103 is further amended BY THE ADDITION  
22 OF A NEW SUBSECTION, to read:

23 **22-5-103. Definitions.** As used in this article, unless the context  
24 otherwise requires:

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

1 (6) "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 30.** 22-5-104 (1) and (3), Colorado Revised Statutes,  
5 are amended to read:

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

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

1 as may be required. The participating school districts, STATE CHARTER  
2 SCHOOLS, and postsecondary institutions may then proceed to form the  
3 board of cooperative services.

4 (3) The agreement to establish a board of cooperative services  
5 may be amended to admit one or more additional school districts, STATE  
6 CHARTER SCHOOLS, or postsecondary institutions if the board of the  
7 school district, STATE CHARTER SCHOOL, or postsecondary institution  
8 seeking admission shall certify by resolution a desire to be admitted to  
9 membership in the board of cooperative services and if the board of  
10 cooperative services by resolution agrees to the admission of the school  
11 district, STATE CHARTER SCHOOL, or postsecondary institution.

12 **SECTION 31.** 22-5-104 (2), Colorado Revised Statutes, is  
13 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

14 **22-5-104. Creation of board of cooperative services - meetings.**

15 (2) (b.5) EACH PARTICIPATING GOVERNING BOARD OF A STATE CHARTER  
16 SCHOOL SHALL THEN APPOINT ITS ASSIGNED NUMBER OF  
17 REPRESENTATIVES, AND ONE ALTERNATE FOR EACH, FROM ITS MEMBERSHIP  
18 OR THE GOVERNING BOARD MAY APPOINT THE CHIEF EXECUTIVE OFFICER  
19 OF THE STATE CHARTER SCHOOL AS ONE OF ITS ASSIGNED NUMBER OF  
20 REPRESENTATIVES. THE TERM OF OFFICE OF EACH MEMBER REPRESENTING  
21 A GOVERNING BOARD OF A STATE CHARTER SCHOOL SHALL NOT EXCEED  
22 THREE YEARS; EXCEPT THAT, IF ANY MEMBER OF A BOARD OF  
23 COOPERATIVE SERVICES WHO REPRESENTS A GOVERNING BOARD OF A  
24 STATE CHARTER SCHOOL CEASES TO BE A MEMBER OF THE GOVERNING  
25 BOARD OR THE CHIEF EXECUTIVE OFFICER OF THE STATE CHARTER SCHOOL,  
26 A VACANCY SHALL EXIST ON THE BOARD OF COOPERATIVE SERVICES.

27 **SECTION 32.** 22-5-110, Colorado Revised Statutes, is amended

1 to read:

2 **22-5-110. State and federal payments.** Any state or federal  
3 financial assistance ~~which~~ THAT would accrue to an individual school  
4 district OR STATE CHARTER SCHOOL if it were performing a service  
5 performed under the direction of a board of cooperative services shall be  
6 apportioned by the appropriate state or federal agency to the participating  
7 school districts AND STATE CHARTER SCHOOLS on the basis of the  
8 proportionality of the contributions of the participating school districts  
9 AND STATE CHARTER SCHOOLS to the performance of the service or upon  
10 the basis of proportionality otherwise set forth by law.

11 **SECTION 33.** 22-5-111 (2), Colorado Revised Statutes, is  
12 amended to read:

13 **22-5-111. Buildings and facilities.** (2) The boards of education  
14 of the school districts OR THE GOVERNING BOARDS OF THE STATE CHARTER  
15 SCHOOLS participating in a cooperative service agreement may jointly,  
16 separately, or, after approval of each participating board of education OR  
17 GOVERNING BOARD, as a board of cooperative services construct,  
18 purchase, or lease sites, buildings, and equipment for the purpose of  
19 providing the facilities necessary for the operation of a cooperative  
20 service program at any appropriate location, whether within or without  
21 a school district providing the money for the facilities. School district  
22 moneys AND STATE CHARTER SCHOOL MONEYS in any fund from which  
23 moneys may be legally expended for such facilities may be used for  
24 carrying out the provisions of this section. The provisions of sections  
25 22-32-127 and 22-45-103 (1) shall apply to any installment purchase  
26 agreement or any lease or rental agreement entered into by a board of  
27 cooperative services or by the boards of education of the school districts

1 participating in a cooperative service agreement. No board of education  
2 of a school district participating in a cooperative service agreement shall  
3 make any levy for its bond redemption fund, or use any moneys in its  
4 bond redemption fund, except in accordance with the provisions of  
5 section 22-45-103 (1) (b).

6 **SECTION 34.** 22-5-118 (2), (3) (a), and (4), Colorado Revised  
7 Statutes, are amended to read:

8 **22-5-118. Implementation and financing of regional education**  
9 **and support services - plan - annual report.** (2) Beginning fiscal year  
10 1996-97 and for fiscal years thereafter, in addition to any state moneys  
11 received pursuant to section 22-5-115, a board of cooperative services  
12 may receive state moneys by submitting to the department of education  
13 a plan for the provision of education and support services programs, as  
14 specified in this section. Any amount appropriated to fund any education  
15 or support services program pursuant to this section shall be distributed  
16 by the department of education to each board of cooperative services that  
17 submits a plan. The amount appropriated shall be divided equally based  
18 on the total number of students enrolled in the member school districts  
19 AND STATE CHARTER SCHOOLS of the participating boards and distributed  
20 based on the number of students participating in the funded education or  
21 support services program from each member school district AND EACH  
22 MEMBER STATE CHARTER SCHOOL of each participating board.

23 (3) (a) To receive funds under this section, a board of cooperative  
24 services, in cooperation with its participating school districts AND STATE  
25 CHARTER SCHOOLS, the department of education, the Colorado  
26 commission on higher education, the state board for community colleges  
27 and occupational education, and postsecondary institutions, shall prepare

1 and submit a plan to increase efficiencies and economies in providing  
2 education and support services to the board's participating school districts  
3 AND STATE CHARTER SCHOOLS.

4 (4) A board of cooperative services may contract with a school  
5 district OR STATE CHARTER SCHOOL that is not a member of the board of  
6 cooperative services to provide to the school district OR STATE CHARTER  
7 SCHOOL any of the services specified in the plan developed pursuant to  
8 this section.

9 **SECTION 35.** 22-11-102 (3), Colorado Revised Statutes, is  
10 amended to read:

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

24 **SECTION 36.** 22-11-103 (2) and (5), Colorado Revised Statutes,  
25 are amended, and the said 22-11-103 is further amended BY THE  
26 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

27 **22-11-103. Definitions.** As used in this article, unless the context

1 otherwise requires:

2 (2) "Accreditation contract" means the agreement between the  
3 state board of education and a school district that binds the school district  
4 to manage the accreditation of public schools within ~~such~~ THE school  
5 district, consistent with the standards and goals to be met according to the  
6 accreditation indicators. "ACCREDITATION CONTRACT" ALSO MEANS THE  
7 AGREEMENT BETWEEN THE STATE BOARD OF EDUCATION AND A STATE  
8 CHARTER SCHOOL THAT BINDS THE STATE CHARTER SCHOOL TO MEETS THE  
9 STANDARDS AND GOALS ESTABLISHED IN THE ACCREDITATION CONTRACT  
10 ACCORDING TO THE ACCREDITATION INDICATORS.

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

15 (6.5) "PUBLIC SCHOOL" INCLUDES A TRADITIONAL PUBLIC SCHOOL  
16 AS DEFINED IN SECTION 22-1-101, A DISTRICT CHARTER SCHOOL, AND A  
17 STATE CHARTER SCHOOL.

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

21 **SECTION 37.** 22-11-104 (2) (k) and (3) (a), Colorado Revised  
22 Statutes, are amended to read:

23 **22-11-104. Accreditation indicators. (2) Contents. The**  
24 **accreditation indicators shall include but shall not be limited to the**  
25 **following:**

26 **(k) Compliance with the budgeting, accounting, and reporting**  
27 **requirements set forth in articles 44 and 45 of this title AND COMPLIANCE**

1 WITH ANY SPECIFIC WRITTEN DIRECTIVE OR ORDER OF THE STATE BOARD  
2 TO THE SCHOOL DISTRICT.

3 (3) Rules. (a) The state board shall promulgate rules concerning  
4 how the school districts AND STATE CHARTER SCHOOLS shall measure data  
5 relating to the accreditation indicators and the form in which the school  
6 districts AND STATE CHARTER SCHOOLS shall provide such data to the state  
7 board.

8 **SECTION 38.** 22-11-201 (2), (3), and (4) (a) (V), the  
9 introductory portion to 22-11-201 (4) (b), 22-11-201 (4) (c), and the  
10 introductory portion to 22-11-201 (5), Colorado Revised Statutes, are  
11 amended to read:

12 **22-11-201. Accreditation contract.** (2) **Parties.** (a) Each  
13 school board AND EACH STATE CHARTER SCHOOL shall enter into an  
14 accreditation contract with the state board of education.

15 (b) The accreditation contract may include a subcontract with a  
16 board of cooperative services for the administration of the school district's  
17 OR STATE CHARTER SCHOOL'S accreditation process.

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

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

25 (V) Provisions for allowing annual comparisons between the  
26 school board OR STATE CHARTER SCHOOL assessment results and the  
27 statewide assessment results.

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

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

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

15 **SECTION 39.** 22-11-202 (2) (b), Colorado Revised Statutes, is  
16 amended to read:

17 **22-11-202. Accreditation levels.** (2) **Ratings.** (b) The ratings  
18 shall be based upon student achievement on school district standards OR  
19 STATE CHARTER SCHOOL STANDARDS, WHICHEVER IS APPLICABLE, shall be  
20 consistent with the ratings for student achievement on the state  
21 assessments, and shall indicate the public schools' and school districts'  
22 performance on the accreditation indicators.

23 **SECTION 40.** 22-11-203 (2), Colorado Revised Statutes, is  
24 amended to read:

25 **22-11-203. Monitoring of accreditation contracts.** (2) The  
26 department shall provide technical assistance to any school district of the  
27 state OR STATE CHARTER SCHOOL that requests such assistance in order to

1 improve its performance on the accreditation indicators.

2 **SECTION 41.** 22-11-204, Colorado Revised Statutes, is amended  
3 to read:

4 **22-11-204. Corrective action cycle. (1) Level one: Notice.**

5 (a) At any time during the term of the accreditation contract, if a school  
6 district OR STATE CHARTER SCHOOL fails to comply with any of the  
7 provisions of the accreditation contract, the department shall notify the  
8 school district OR STATE CHARTER SCHOOL of the nature of the ~~school~~  
9 ~~district's~~ lack of compliance. This notice shall constitute level one in the  
10 corrective action cycle.

11 (b) After receipt of the notice pursuant to paragraph (a) of this  
12 subsection (1), a school district OR STATE CHARTER SCHOOL shall submit  
13 a plan to remedy its lack of compliance to the department. The plan shall  
14 be submitted within a specific time period commencing immediately after  
15 ~~the school district's~~ receipt of the notice which shall be established in  
16 state board rules. The department shall approve or deny the school  
17 district's OR STATE CHARTER SCHOOL'S plan to remedy its lack of  
18 compliance within a time period from the date of the plan's submission  
19 that shall be established in rules promulgated by the state board.

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

24 (2) **Level two: Probation.** (a) Pursuant to rules established by  
25 the state board, the state board shall place a school district OR STATE  
26 CHARTER SCHOOL on probationary status if the school district OR STATE  
27 CHARTER SCHOOL fails to implement the plan submitted pursuant to

1 paragraph (b) of subsection (1) of this section. Probation shall constitute  
2 level two in the corrective action cycle. The rules of the state board shall  
3 include a process for a school district's OR STATE CHARTER SCHOOL'S right  
4 to a hearing before the board in order to determine whether the school  
5 district OR STATE CHARTER SCHOOL had implemented the plan pursuant  
6 to paragraph (b) of subsection (1) of this section.

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

10 (3) **Level three: Nonaccreditation status.** Pursuant to rules  
11 established by the state board, the state board may remove a school  
12 district's OR STATE CHARTER SCHOOL'S accreditation if the school district  
13 OR STATE CHARTER SCHOOL fails to remedy its lack of compliance. The  
14 rules of the state board shall include a process for a school district's OR  
15 STATE CHARTER SCHOOL'S right to a hearing before the board in order to  
16 determine whether the school district OR STATE CHARTER SCHOOL had  
17 remedied its lack of compliance. Removal of accreditation may result in  
18 reorganization of the school district as provided in section 22-30-105.  
19 REMOVAL OF ACCREDITATION MAY RESULT IN REVOCATION OF THE STATE  
20 CHARTER SCHOOL'S CHARTER.

21 **SECTION 42.** 22-11-301 (2), Colorado Revised Statutes, is  
22 amended to read:

23 **22-11-301. Colorado school awards program - created - rules.**  
24 (2) For purposes of this part 3, "public school" means a public school of  
25 a school district in this state OR A STATE CHARTER SCHOOL.

26 **SECTION 43.** 22-11-303 (2), Colorado Revised Statutes, is  
27 amended to read:

1           **22-11-303. Colorado school awards program - distribution of**  
2 **award.** (2) Any moneys made available to a public school OF A SCHOOL  
3 DISTRICT in the form of an award pursuant to the provisions of this part  
4 3 shall not supplant moneys made available to such public school from  
5 funding received by the school district pursuant to article 54 of this title  
6 or pursuant to the taxing authority of the school district. ANY MONEYS  
7 MADE AVAILABLE TO A STATE CHARTER SCHOOL IN THE FORM OF AN  
8 AWARD PURSUANT TO THE PROVISIONS OF THIS PART 3 SHALL NOT  
9 SUPPLANT MONEYS PAYABLE TO THE STATE CHARTER SCHOOL PURSUANT  
10 TO ARTICLE 54 OF THIS TITLE.

11           **SECTION 44.** 22-20-103 (1) and (5.5), Colorado Revised  
12 Statutes, are amended, and the said 22-20-103 is further amended BY  
13 THE ADDITION OF A NEW SUBSECTION, to read:

14           **22-20-103. Definitions.** As used in this article, unless the  
15 context otherwise requires:

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

20           (5.5) "Least restrictive environment" means programs used to  
21 educate a child with a disability using the delivery system most  
22 appropriately meeting the needs of the child, and, to the extent possible,  
23 as determined by the local board of education OR THE GOVERNING BOARD  
24 OF THE STATE CHARTER SCHOOL, subject to the appeals procedures  
25 outlined in section 22-20-108 (3), the term means an environment in  
26 which a child with a disability is educated with children without  
27 disabilities, unless the nature or severity of the disability is such that

1 education in regular classes with the use of supplementary aids and  
2 services cannot be achieved satisfactorily, or, when provided with  
3 supplementary aids and services, the nature or severity of the disability  
4 is so disruptive that the education of other children in such classes would  
5 be significantly impaired.

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

9 **SECTION 45.** 22-20-104 (1) and (4), Colorado Revised Statutes,  
10 are amended to read:

11 **22-20-104. Administration.** (1) This article shall be  
12 administered by the department. Administration of this article shall  
13 include the recommendation to the state board of reasonable criteria,  
14 rules, and regulations; recommended minimum standards for facilities,  
15 materials, equipment, and personnel; and recommended assessment  
16 criteria for identifying exceptional children, their level of disability or  
17 exception, and the special services needed. The state board shall adopt  
18 appropriate recommendations following public hearings in several  
19 locations throughout the state with respect to the suggested criteria, rules,  
20 regulations, and standards. Recommendations adopted by the state board  
21 shall be in accord with the legislative declaration set forth in section  
22 22-20-102. Any school district ~~which~~ OR STATE CHARTER SCHOOL THAT  
23 provides plans, programs, or services which do not reasonably satisfy the  
24 criteria, rules, regulations, and standards recommended by the state board  
25 will be provided by the department of education with a detailed analysis  
26 of any discrepancies noted along with specific recommendations for their  
27 correction. Funding will be provided or continued for a reasonable

1 period of time, as determined by the department, to allow the ~~local~~  
2 SCHOOL district OR STATE CHARTER SCHOOL opportunity to satisfy the  
3 recommended criteria, rules, regulations, and standards, or to establish a  
4 claim for variance based upon conditions indigenous to a ~~local~~ SCHOOL  
5 district OR STATE CHARTER SCHOOL.

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

12 **SECTION 46.** 22-20-106 (1), (2), and (3), Colorado Revised  
13 Statutes, are amended to read:

14 **22-20-106. Special educational programs.** (1) By September  
15 1, 1973, every school district in the state shall be either an administrative  
16 unit in itself or in a board of cooperative services which shall be  
17 designated as an administrative unit. EACH STATE CHARTER SCHOOL  
18 SHALL BE EITHER AN ADMINISTRATIVE UNIT IN ITSELF OR IN A BOARD OF  
19 COOPERATIVE SERVICES OR GROUP OF STATE CHARTER SCHOOLS THAT IS  
20 DESIGNATED AS AN ADMINISTRATIVE UNIT. An administrative unit shall  
21 be a school district, STATE CHARTER SCHOOL, or board of cooperative  
22 services ~~which~~ THAT meets criteria established by the state board  
23 governing the duties and responsibilities of the director of special  
24 education and is ~~either~~ A STATE CHARTER SCHOOL OR IS a board of  
25 cooperative services ~~which~~ THAT conducts special educational programs  
26 for all school districts ~~which~~ THAT are members of the board of  
27 cooperative services or is a school district ~~which~~ THAT meets criteria of

1 geographic size, location, and number of pupils established by the state  
2 board to achieve maximum efficiency in administering programs of  
3 special education. Although the state board shall define the qualifications  
4 and the general duties and responsibilities of directors of special  
5 education, such directors shall be regarded for all purposes as employees  
6 of their local administrative units and subject to the administrative  
7 direction of such units.

8 (2) Each administrative unit shall submit a plan to the department  
9 indicating how the school district OR STATE CHARTER SCHOOL will  
10 provide for education of all children with disabilities between the ages of  
11 five and twenty-one and, on and after January 1, 1992, between the ages  
12 of three and twenty-one. Each unit plan shall include the type and  
13 number of children with disabilities in the unit based upon the  
14 department's criteria of incidence, the services to be provided, and the  
15 estimated resources necessary. An addendum to the administrative unit's  
16 plan to cover gifted children may be submitted by January 1, 1980.

17 (3) Administrative units shall make available special educational  
18 services for the education of any child with a disability between the ages  
19 of five and twenty-one and, on and after January 1, 1992, between the  
20 ages of three and twenty-one under jurisdiction of the administrative unit  
21 and may serve gifted students. In providing these services, an  
22 administrative unit shall pay for salaries and employee benefits of  
23 certified special education teachers and special education staff;  
24 equipment; in-service training of the staff of an administrative unit who  
25 have pupil contact; mileage expenses incurred by staff; the costs of  
26 educational services for a child in an eligible facility; or any other  
27 expenses related to special education. Special education services may be

1 provided by community centered boards in cooperation with  
2 administrative units, ~~and~~ school districts, AND STATE CHARTER SCHOOLS.

3 **SECTION 47.** 22-20-108 (1), (3), (4), (4.5) (e), (4.5) (f), (4.7)  
4 (b), (4.7) (g), (5) (d), (7) (a), (9), and (10), Colorado Revised Statutes, are  
5 amended to read:

6 **22-20-108. Determination of disability - enrollment.** (1) The  
7 determination that a child has a disability and the recommendation for  
8 placement of that child in an individual educational program shall be  
9 made by a committee of professionally qualified personnel designated by  
10 the board of education of the school district, BY THE GOVERNING BOARD  
11 OF THE STATE CHARTER SCHOOL IF THE ADMINISTRATIVE UNIT CONSISTS OF  
12 A STATE CHARTER SCHOOL, or by the governing board of the board of  
13 cooperative services if the administrative unit encompasses more than a  
14 single school district OR SINGLE STATE CHARTER SCHOOL. The  
15 composition of the committee shall be prescribed by the state board and  
16 may be composed of but not limited to the following: The director of  
17 special education for the administrative unit, a psychologist, a social  
18 worker, a physician, a school administrator, and a teacher of children  
19 with disabilities. The committee shall utilize guidelines recommended by  
20 the department to determine the least restrictive environment in which to  
21 educate the child. In the event that placement in a community center for  
22 the retarded and for persons with serious disabilities is considered  
23 appropriate for the needs of a child with a disability, a joint placement  
24 committee composed of professional personnel, as described in this  
25 section, representing the administrative unit and the community center for  
26 the retarded and for persons with serious disabilities, may recommend  
27 placement in such center. The committee shall give parents of a child

1 with an alleged disability an opportunity to consult with the committee  
2 or a representative thereof prior to determination that their child has a  
3 disability.

4 (3) (a) In the event of an appeal of the determination of the  
5 disability or of the placement of a child in an individual educational  
6 program pursuant to subsection (1) of this section, or an appeal of the  
7 program to be offered, the ~~local~~ school district OR STATE CHARTER  
8 SCHOOL shall first appoint an administrative law judge to make findings  
9 of fact and a recommendation concerning the matter at issue. The  
10 findings of fact and recommendation shall be delivered to the ~~local~~  
11 SCHOOL DISTRICT board of education OR THE GOVERNING BOARD OF THE  
12 STATE CHARTER SCHOOL.

13 (b) If the ~~local~~ SCHOOL DISTRICT board of education OR THE  
14 GOVERNING BOARD OF THE STATE CHARTER SCHOOL or the parent or  
15 guardian disagrees with the findings of the administrative law judge,  
16 either party may appeal to the commissioner of education for review.  
17 This review shall be conducted in accordance with procedures and  
18 timetables established by the state board of education, and a decision  
19 concerning the review shall be returned to the school district OR STATE  
20 CHARTER SCHOOL and the parent or guardian.

21 (4) Each child determined to have a disability by the committee  
22 pursuant to subsection (1) of this section shall be provided with an  
23 individual educational program which shall be developed in accordance  
24 with requirements established by the state board of education and shall  
25 be reviewed annually. Such individual educational program shall specify  
26 whether such student shall achieve the content standards adopted by the  
27 district OR STATE CHARTER SCHOOL in which such student is enrolled or

1 whether such student shall achieve individualized standards which would  
2 indicate the student has met the requirements of such student's individual  
3 educational program. When a child with a disability is to be placed  
4 outside of the district of residence, the receiving agency, institution, or  
5 school district providing the services shall cooperate in the development  
6 of the individual educational program. The individual educational  
7 program shall be coordinated with all individual plans required by other  
8 federal or state programs in order to provide for maximum coordination  
9 of service to the child with a disability, which may include the provision  
10 of appropriate services for the child with a disability, by agreement or  
11 contract with public agencies or nonprofit organizations or residential  
12 child care facilities. For children placed without the prior written  
13 approval of the school district of residence, the individual educational  
14 program shall be the responsibility of the facility providing the individual  
15 educational program.

16 (4.5) (e) Nothing in this subsection (4.5) shall require a school  
17 district OR STATE CHARTER SCHOOL to expend additional resources or hire  
18 additional personnel to implement the provisions of this section.

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

26 (4.7) (b) To enable a parent to make informed decisions  
27 concerning which educational options are best suited to the parent's child,

1 all of the educational options provided by the school district OR STATE  
2 CHARTER SCHOOL and available to the child at the time the child's  
3 individual educational program is prepared shall be explained to the  
4 parent.

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

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

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

12 (7) (a) When it is recommended by a school district OR STATE  
13 CHARTER SCHOOL that a child be placed in a residential setting operated  
14 by a state agency outside of ~~his~~ THE CHILD'S current district of residence,  
15 it is the duty of the current district of residence to notify the agency to  
16 which it is recommended that the child be sent, and the school district in  
17 which the agency is located, of the child's potential placement in such  
18 agency in the school district. The receiving agency and the receiving  
19 school district shall provide staff input into the final decision regarding  
20 placement. In the event that a disagreement exists between the  
21 recommending school district and the agency and school district receiving  
22 the child regarding the placement, the commissioner of education and the  
23 director of the state agency under which the facility or program in which  
24 the child is being placed is operated shall make the final determination of  
25 the placement.

26 (9) If a teacher of a child with a disability determines that the  
27 child's presence in a general education classroom is so disruptive that

1 other children's learning in the class is significantly impaired, the teacher  
2 may utilize the district's OR STATE CHARTER SCHOOL'S regular in-school  
3 disciplinary procedure unless it would be inconsistent with the child's  
4 individual educational program, or may request a review of the individual  
5 educational program or behavior plan or both to consider changes in  
6 services or placement. In making any such determination for placement  
7 or plan of discipline for the child, the teacher, the principal, and the  
8 staffing committee, if applicable, shall use the guidelines recommended  
9 by the department.

10 (10) No school, STATE CHARTER SCHOOL, school district, or  
11 administrative unit that receives funds under article 54 of this title shall  
12 implement or enforce any rule or policy of the state department of  
13 education that requires or permits an administrative unit to appoint a  
14 person to act as an educational surrogate parent for the purpose of making  
15 educational decisions regarding a child's placement in special education  
16 services or for the purpose of consenting or refusing to consent to  
17 assessments prior to placement when the child's parent is unknown,  
18 unavailable, or fails to respond after reasonable efforts.

19 SECTION 48. 22-20-109 (5), Colorado Revised Statutes, is  
20 amended, and the said 22-20-109 is further amended BY THE  
21 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

22 22-20-109. Tuition. (5)(a) When a child with a disability enrolls  
23 in and attends a DISTRICT charter school pursuant to the provisions of part  
24 1 of article 30.5 of this title, INCLUDING A DISTRICT CHARTER SCHOOL  
25 THAT PROVIDES AN ON-LINE PROGRAM PURSUANT TO SECTION 22-33-104.6,  
26 the district of residence shall be responsible for paying to the DISTRICT  
27 charter school the tuition charge for the excess costs incurred in educating

1 the child. THE TUITION RESPONSIBILITY SHALL BE REFLECTED IN A  
2 CONTRACT BETWEEN THE DISTRICT CHARTER SCHOOL AND THE DISTRICT  
3 OF RESIDENCE IN A FORM APPROVED BY THE CHARTERING SCHOOL  
4 DISTRICT. THE DISTRICT CHARTER SCHOOL SHALL PROVIDE NOTICE TO THE  
5 DISTRICT OF RESIDENCE IN ACCORDANCE WITH STATE BOARD RULES  
6 ADOPTED PURSUANT TO SUBSECTION (7) OF THIS SECTION WHEN A CHILD  
7 WITH A DISABILITY APPLIES TO ENROLL IN THE DISTRICT CHARTER SCHOOL.  
8 The amount of the tuition charge shall be determined pursuant to  
9 guidelines developed by the department RULES ADOPTED BY THE STATE  
10 BOARD PURSUANT TO SUBSECTION (7) OF THIS SECTION. Under the  
11 circumstances described in this subsection (5), the provisions of section  
12 22-20-108 (8) shall not apply.

13 (b) NOTHING IN THIS SUBSECTION (5) SHALL BE CONSTRUED TO  
14 APPLY TO THE CHARTER CONTRACT ENTERED INTO BETWEEN A DISTRICT  
15 CHARTER SCHOOL AND THE CHARTERING LOCAL BOARD OF EDUCATION  
16 PURSUANT TO PART 1 OF ARTICLE 30.5 OF THIS TITLE.

17 (6) WHEN A CHILD WITH A DISABILITY ENROLLS IN AND ATTENDS  
18 A STATE CHARTER SCHOOL, THE DISTRICT OF RESIDENCE SHALL BE  
19 RESPONSIBLE FOR PAYING TO THE STATE CHARTER SCHOOL THE TUITION  
20 CHARGE FOR THE EXCESS COSTS INCURRED IN EDUCATING THE CHILD. THE  
21 TUITION RESPONSIBILITY SHALL BE REFLECTED IN A CONTRACT BETWEEN  
22 THE STATE CHARTER SCHOOL AND THE DISTRICT OF RESIDENCE IN A FORM  
23 APPROVED BY THE STATE BOARD. THE STATE CHARTER SCHOOL SHALL  
24 PROVIDE NOTICE TO THE DISTRICT OF RESIDENCE IN ACCORDANCE WITH  
25 STATE BOARD RULES ADOPTED PURSUANT TO SUBSECTION (7) OF THIS  
26 SECTION WHEN A CHILD WITH A DISABILITY APPLIES TO ENROLL IN THE  
27 STATE CHARTER SCHOOL. THE AMOUNT OF THE TUITION CHARGE SHALL BE

1 DETERMINED PURSUANT TO RULES ADOPTED BY THE STATE BOARD  
2 PURSUANT TO SUBSECTION (7) OF THIS SECTION. UNDER THE  
3 CIRCUMSTANCES DESCRIBED IN THIS SUBSECTION (6), THE PROVISIONS OF  
4 SECTION 22-20-108 (8) SHALL NOT APPLY.

5 (7) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS  
6 THEREAFTER, THE STATE BOARD SHALL ADOPT RULES PERTAINING TO THE  
7 EDUCATION OF CHILDREN WITH DISABILITIES IN DISTRICT CHARTER  
8 SCHOOLS AND RULES PERTAINING TO THE EDUCATION OF CHILDREN WITH  
9 DISABILITIES IN STATE CHARTER SCHOOLS. BOTH SETS OF RULES SHALL  
10 INCLUDE, BUT NEED NOT BE LIMITED TO, RULES TO:

11 (a) SPECIFY THE CONTENT, MANNER, AND TIMING OF THE NOTICE  
12 THAT A DISTRICT CHARTER SCHOOL OR STATE CHARTER SCHOOL SHALL  
13 GIVE A DISTRICT OF RESIDENCE PURSUANT TO SUBSECTIONS (5) AND (6) OF  
14 THIS SECTION, RESPECTIVELY;

15 (b) DEFINE THE TYPES AND AMOUNTS OF ALLOWABLE COSTS IN  
16 EXCESS OF THE PER PUPIL FUNDING FOR THE CHILD WITH A DISABILITY, AS  
17 DETERMINED PURSUANT TO ARTICLE 54 OF THIS TITLE, AND ANY OTHER  
18 STATE AND FEDERAL REVENUES RECEIVED FOR EDUCATING THE CHILD,  
19 THAT A DISTRICT CHARTER SCHOOL OR STATE CHARTER SCHOOL MAY  
20 CHARGE AS TUITION TO A DISTRICT OF RESIDENCE;

21 (c) DEFINE OTHER APPLICABLE REVENUES THAT A DISTRICT OF  
22 RESIDENCE OF A CHILD WITH A DISABILITY SHALL APPLY IN PAYING THE  
23 TUITION CHARGE FOR EXCESS COSTS INCURRED IN EDUCATING THE CHILD  
24 AT A DISTRICT CHARTER SCHOOL OR A STATE CHARTER SCHOOL;

25 (d) SPECIFY THE LIMITATIONS ON THE NUMBER OF STAFF MEMBERS  
26 PER NUMBER OF STUDENTS THAT A DISTRICT CHARTER SCHOOL OR STATE

1 CHARTER SCHOOL SHALL PROVIDE IN EDUCATING CHILDREN WITH  
2 DISABILITIES;

3 (e) SPECIFY THE AMOUNT AND TYPES OF EQUIPMENT NECESSARY  
4 FOR INSTRUCTION OF CHILDREN WITH DISABILITIES;

5 (f) SPECIFY THE MINIMUM NUMBER OF HOURS OF EDUCATIONAL  
6 INSTRUCTION THAT A DISTRICT CHARTER SCHOOL OR STATE CHARTER  
7 SCHOOL SHALL PROVIDE TO CHILDREN WITH DISABILITIES;

8 (g) SPECIFY THE METHODS OF DELIVERY OF EDUCATIONAL  
9 SERVICES PROVIDED TO CHILDREN WITH DISABILITIES BY A DISTRICT  
10 CHARTER SCHOOL OR STATE CHARTER SCHOOL; AND

11 (h) IDENTIFY ANY OTHER EXPENSES INVOLVED IN THE PROVISION  
12 OF EDUCATIONAL SERVICES TO CHILDREN WITH DISABILITIES IN  
13 ACCORDANCE WITH EACH CHILD'S INDIVIDUAL EDUCATION PROGRAM.

14 **SECTION 49.** 22-20-114 (1) (b.7) and (2), Colorado Revised  
15 Statutes, are amended to read:

16 **22-20-114. Funding of programs.** (1) (b.7) (I) For the 1997-98  
17 budget year and budget years thereafter, forty-nine million eight hundred  
18 thousand seven hundred fifty-six dollars shall be distributed to each  
19 administrative unit that maintains and operates special education  
20 programs in proportion to the amount of state funding the administrative  
21 unit received for the 1994-95 budget year divided by the appropriation for  
22 the 1994-95 budget year.

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

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

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

12 **SECTION 50.** 22-20-116 (6) and (7), Colorado Revised Statutes,  
13 are amended to read:

14 **22-20-116. Minimum standards for educational interpreters**  
15 **for the deaf in the public schools - committee to recommend standards**  
16 **- rules.** (6) After review and study of the recommendations of the  
17 interpreter standards committee, the state board, on or before July 1,  
18 1998, shall promulgate rules setting minimum standards for educational  
19 interpreters for the deaf employed by or in the public schools in this state.  
20 The state board may revise and amend such minimum standards as it  
21 deems necessary. The state board shall promulgate rules that set forth the  
22 documentation that a person seeking employment as an educational  
23 interpreter for the deaf in a public school must submit to the EMPLOYING  
24 school district OR STATE CHARTER SCHOOL.

25 (7) On or after July 1, 2000, in addition to any other requirements  
26 that a school district OR A STATE CHARTER SCHOOL establishes, any person  
27 employed as an educational interpreter for deaf students on a full-time or

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

4 **SECTION 51.** 22-24-102, Colorado Revised Statutes, is amended  
5 to read:

6 **22-24-102. Legislative declaration.** The general assembly  
7 hereby finds, determines, and declares that there are substantial numbers  
8 of students in this state whose educational potential is severely restricted  
9 because a language other than English is their primary means of  
10 communication. The general assembly recognizes the need to provide for  
11 transitional programs to improve the English language skills of these  
12 students. The general assembly declares that, in order to improve  
13 educational and career opportunities for every student in this state, it is  
14 the purpose of this article to provide for the establishment of an English  
15 language proficiency program in the public schools and to provide for the  
16 distribution of moneys to the several school districts AND STATE CHARTER  
17 SCHOOLS to help defray the costs of such program.

18 **SECTION 52.** 22-24-103 (3) and the introductory portion to  
19 22-24-103 (4), Colorado Revised Statutes, are amended, and the said  
20 22-24-103 is further amended BY THE ADDITION OF A NEW  
21 SUBSECTION, to read:

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

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

27 (3.5) "STATE CHARTER SCHOOL" MEANS ONE OR MORE CHARTER

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

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

12              **SECTION 53.** 22-24-104, Colorado Revised Statutes, is amended  
13      to read:

14              **22-24-104. English language proficiency program established**  
15      **- funding.** (1) There is hereby established an English language  
16      proficiency program for students in kindergarten and grades one through  
17      twelve whose dominant language is not English.

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

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

24              (4) (a) The general assembly shall make an annual appropriation  
25      to the department for the implementation of this article. Funding for the  
26      program shall be from the department to the districts AND STATE CHARTER  
27      SCHOOLS on a per-student basis. That portion of the annual appropriation

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

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

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

27 (II) The remainder of the annual appropriation shall be used by

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

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

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

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

26 **SECTION 54.** The introductory portion to 22-24-105 (1) and  
27 22-24-105 (1) (b) (II), (1) (c), and (2), Colorado Revised Statutes, are

1 amended to read:

2 **22-24-105. District - powers and duties - repeal.** (1) It is the  
3 duty of each district AND STATE CHARTER SCHOOL to:

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

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

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

22 **SECTION 55.** 22-24-106 (1) (a), (1) (b), (1) (c), and (1) (d),  
23 Colorado Revised Statutes, are amended to read:

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

26 (a) Develop and approve a single instrument or technique to be  
27 used by districts AND STATE CHARTER SCHOOLS in identifying eligible

1 students;

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

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

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

10 **SECTION 56.** 22-32-124 (1.5), (2), and (3), Colorado Revised  
11 Statutes, are amended, and the said 22-32-124 is further amended BY  
12 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to  
13 read:

14 **22-32-124. Building codes - zoning - planning.** (1.5) Prior to  
15 contracting for a facility, a DISTRICT charter school shall advise in writing  
16 the 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 DISTRICT charter school to submit a site  
20 development plan for the proposed facility, but must issue such request,  
21 if any, within ten days after receiving the written advisement. If  
22 requested by the relevant planning commission or governing body, the  
23 DISTRICT charter school, acting on behalf of its sponsoring school board,  
24 shall submit such a site development plan. The relevant planning  
25 commission or governing body may review and comment on such plan to  
26 the governing body of the DISTRICT charter school, but must do so, if at  
27 all, within thirty days after receiving such plan. The relevant planning

1 commission or governing body, if not satisfied with the response to such  
2 comments, may request a hearing before the board of education \_\_\_\_\_  
3 regarding such plan. Such hearing shall be held, if at all, within thirty  
4 days after the request of the relevant planning commission or governing  
5 body. The DISTRICT charter school then may proceed with its site  
6 development plan unless prohibited from doing so by school board  
7 resolution.

8 (1.7) (a) PRIOR TO CONTRACTING FOR A FACILITY, THE GOVERNING  
9 BOARD OF A STATE CHARTER SCHOOL SHALL, IN WRITING, ADVISE THE  
10 PLANNING COMMISSION, OR GOVERNING BODY IF NO PLANNING  
11 COMMISSION EXISTS, THAT HAS JURISDICTION OVER THE TERRITORY IN  
12 WHICH THE SITE IS PROPOSED TO BE LOCATED. THE RELEVANT PLANNING  
13 COMMISSION OR GOVERNING BODY MAY REQUEST THAT THE GOVERNING  
14 BOARD OF THE STATE CHARTER SCHOOL SUBMIT A SITE DEVELOPMENT  
15 PLAN FOR THE PROPOSED FACILITY, BUT MUST ISSUE THE REQUEST, IF ANY,  
16 WITHIN TEN DAYS AFTER RECEIVING THE WRITTEN ADVISEMENT. IF  
17 REQUESTED BY THE RELEVANT PLANNING COMMISSION OR GOVERNING  
18 BODY, THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL SHALL  
19 SUBMIT THE SITE DEVELOPMENT PLAN TO THE REQUESTING PLANNING  
20 COMMISSION OR GOVERNING BODY. IN CONSIDERING THE SITE  
21 DEVELOPMENT PLAN, THE RELEVANT PLANNING COMMITTEE OR  
22 GOVERNING BODY MAY INSPECT THE FACILITY FOR WHICH THE GOVERNING  
23 BOARD OF THE STATE CHARTER SCHOOL PROPOSES TO CONTRACT.

24 (b) THE RELEVANT PLANNING COMMISSION OR GOVERNING BODY  
25 MAY REVIEW THE SITE DEVELOPMENT PLAN AND PROVIDE COMMENTS TO  
26 THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL, BUT ONLY WITH  
27 REGARD TO ANY HEALTH OR SAFETY CONSIDERATIONS, INCLUDING BUT

1 NOT LIMITED TO TRAFFIC SAFETY, THAT MAY BE APPLICABLE TO THE  
2 PROPOSED SITE. THE RELEVANT PLANNING COMMISSION OR GOVERNING  
3 BODY SHALL PROVIDE TO THE GOVERNING BOARD OF THE STATE CHARTER  
4 SCHOOL ANY COMMENTS IT MAY HAVE IN WRITING WITHIN THIRTY DAYS  
5 AFTER RECEIVING THE PLAN.

6 (c) THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL MAY  
7 PROCEED WITH CONTRACTING FOR A FACILITY AT THE PROPOSED SITE IF:

8 (I) THE RELEVANT PLANNING COMMISSION OR GOVERNING BODY  
9 DOES NOT REQUEST A COPY OF THE SITE DEVELOPMENT PLAN; OR

10 (II) IF THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL  
11 DOES NOT RECEIVE COMMENTS FROM THE RELEVANT PLANNING  
12 COMMISSION OR GOVERNING BODY WITHIN THE THIRTY-DAY PERIOD; OR

13 (III) IF THE RELEVANT PLANNING COMMISSION OR GOVERNING  
14 BODY FINDS IN ITS WRITTEN COMMENTS THAT THE SITE DEVELOPMENT  
15 PLAN AND THE PROPOSED SITE ARE SUITABLE FOR THE STATE CHARTER  
16 SCHOOL.

17 (d) IF THE RELEVANT PLANNING COMMISSION OR GOVERNING BODY  
18 FINDS IN ITS WRITTEN COMMENTS THAT, BECAUSE OF HEALTH OR SAFETY  
19 CONSIDERATIONS, THE SITE DEVELOPMENT PLAN IS UNSUITABLE OR THE  
20 PROPOSED SITE IS UNSUITABLE FOR THE STATE CHARTER SCHOOL, THE  
21 GOVERNING BOARD OF THE STATE CHARTER SCHOOL SHALL NOT PROCEED  
22 WITH CONTRACTING FOR A FACILITY AT THE PROPOSED SITE.

23 (e) IF THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL  
24 DISAGREES WITH THE FINDINGS IN THE WRITTEN COMMENTS RECEIVED  
25 FROM THE RELEVANT PLANNING COMMISSION OR GOVERNING BODY  
26 CONCERNING THE SITE DEVELOPMENT PLAN, THE GOVERNING BOARD OF  
27 THE STATE CHARTER SCHOOL MAY FILE A MOTION WITH THE DISTRICT

1 COURT FOR REVIEW OF THE PLANNING COMMISSION'S OR GOVERNING  
2 BODY'S FINDINGS PURSUANT TO RULE 106 OF THE COLORADO RULES OF  
3 CIVIL PROCEDURE.

4 [REDACTED] (2) (a) Notwithstanding the provisions of section  
5 8-20-101 (4), C.R.S., upon request of the division of oil and public safety  
6 after consulting with the affected board of education OR GOVERNING  
7 BOARD OF A STATE CHARTER SCHOOL, the appropriate building department  
8 of a county, town, city, or city and county wherein a building or structure  
9 has been erected pursuant to subsection (1) of this section may make the  
10 necessary inspections to determine that such building or structure has  
11 been erected in conformity with the standards of the division of oil and  
12 public safety and, if such building or structure is in conformity, shall  
13 issue the necessary certificate of occupancy prior to use of the building  
14 or structure by the school district OR THE STATE CHARTER SCHOOL. A fee  
15 may be charged for such inspections upon approval of the board of  
16 education OR THE GOVERNING BOARD OF THE STATE CHARTER SCHOOL, if  
17 the amount of the fee is determined on the basis of the direct cost of  
18 providing such service. If the division of oil and public safety, after  
19 consulting with the affected board of education OR GOVERNING BOARD OF  
20 A STATE CHARTER SCHOOL, requests inspections by the building  
21 department, such inspections shall be in lieu of any inspections made by  
22 the division of oil and public safety; except that this subsection (2) shall  
23 not be construed to relieve the division of oil and public safety of the  
24 responsibility to conduct such inspections if the appropriate county, town,  
25 city, or city and county agency does not conduct the inspections. Any  
26 county, town, city, or city and county conducting such inspections shall  
27 also be authorized to annually reinspect the building or structure to assure

1 that it is maintained and operated in accordance with the fire code  
2 adopted by the director of the division of oil and public safety. The  
3 inspecting entity shall cooperate with the affected school district OR  
4 STATE CHARTER SCHOOL in carrying out the duties of this section.

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

21 (3) The county, town, city, city and county, or fire protection  
22 district providing fire protection service for the buildings and structures  
23 of a school district OR OF A STATE CHARTER SCHOOL may annually inspect  
24 such buildings and structures to assure that they are maintained in  
25 accordance with the fire code adopted by the director of the division of  
26 oil and public safety unless the board of education of the district OR THE  
27 GOVERNING BOARD OF THE STATE CHARTER SCHOOL has contracted for

1 such inspections to be conducted by a person qualified to conduct such  
2 inspections by reason of experience, training, or certification.

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

5 (a) "CHARTER SCHOOL" MEANS A PUBLIC SCHOOL THAT ENTERS  
6 INTO A CHARTER CONTRACT PURSUANT TO THE PROVISIONS OF PART 1 OF  
7 ARTICLE 30.5 OF THIS TITLE AND INCLUDES BOTH A DISTRICT CHARTER  
8 SCHOOL AND A STATE CHARTER SCHOOL.

9         
10 (b) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT  
11 ENTERS INTO A CHARTER CONTRACT WITH A LOCAL BOARD OF EDUCATION.

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

15 **SECTION 57.** 22-37-104 (2) (e), Colorado Revised Statutes, is  
16 amended to read:

17 **22-37-104. Qualification.** (2) A program shall:

18 (e) Include provisions for the dissemination of the results of the  
19 program to the state board, school board OR GOVERNING BOARD of the  
20 participating public school, parents, guardians, or legal custodians with  
21 students attending the participating public school, and any other  
22 interested persons.

23 **SECTION 58.** 22-51-101, Colorado Revised Statutes, is amended  
24 to read:

25 **22-51-101. Legislative declaration.** It is declared to be the  
26 policy of this state to furnish financial aid to school districts AND STATE  
27 CHARTER SCHOOLS of the state for the transportation of pupils to and from

1 their places of residence and the public schools which they attend,  
2 including transportation for purposes of special education and vocational  
3 education, and for board in lieu of transportation.

4 **SECTION 59.** 22-51-102 (1) (b), (3), and (4), Colorado Revised  
5 Statutes, are amended, and the said 22-51-102 is further amended BY  
6 THE ADDITION OF A NEW SUBSECTION, to read:

7 **22-51-102. Definitions.** As used in this article, unless the context  
8 otherwise requires:

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

15 (3) "Pupil transportation" means the transportation of pupils  
16 regularly enrolled in the public schools through grade twelve to and from  
17 their places of residence and the public schools in which enrolled,  
18 including any site attended for special education or vocational education,  
19 and to and from one school of attendance and another in vehicles owned  
20 or rented and operated by a school district OR STATE CHARTER SCHOOL or  
21 under contract with a school district OR STATE CHARTER SCHOOL.

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

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

1           **SECTION 60.** 22-51-104, Colorado Revised Statutes, is amended  
2 to read:

3           **22-51-104. Methods of determining reimbursement**  
4 **entitlement.** (1) Except as otherwise provided in subsection (1.5) of this  
5 section, for financial aid in providing pupil transportation, for entitlement  
6 periods ending on June 30, 1988, and thereafter, each school district AND  
7 STATE CHARTER SCHOOL shall have a reimbursement entitlement in an  
8 amount determined as follows:

9           (a) Thirty-seven and eighty-seven one-hundredths cents for each  
10 mile traveled by vehicles operated by or for the school district OR STATE  
11 CHARTER SCHOOL in providing pupil transportation during the entitlement  
12 period. The number of miles traveled shall be determined by the state  
13 board of education based upon information submitted pursuant to section  
14 22-51-105.

15           (b) Thirty-three and eighty-seven one-hundredths percent of any  
16 amount by which the school district's OR STATE CHARTER SCHOOL'S  
17 current operating expenditures for pupil transportation during the  
18 entitlement period exceeded the school district's OR STATE CHARTER  
19 SCHOOL'S reimbursement entitlement under the provisions of paragraph  
20 (a) of this subsection (1); and

21           (c) Not more than sixty percent of the costs of contracts entered  
22 into BY A SCHOOL DISTRICT pursuant to section 22-32-110 (1) (w) OR  
23 ENTERED INTO BY A STATE CHARTER SCHOOL PURSUANT TO SECTION  
24 22-30.5-104 (7) (b), for the purpose of conserving fuel or reducing  
25 operating or capital expenditures, or both, for pupil transportation under  
26 public transportation programs which comply with the code of federal  
27 regulations, Title 49, parts 390 to 397, or successor regulations thereto.

1 Reimbursement entitlements under this paragraph (c) shall not be greater  
2 than those the school district OR STATE CHARTER SCHOOL would otherwise  
3 receive if it operated its own vehicles or contracted for the exclusive  
4 transportation of pupils.

5 (1.5) (a) Repealed.

6 (b) Notwithstanding the provisions of subsection (1) of this  
7 section, for entitlement periods ending on June 30, 1989, and thereafter,  
8 no school district OR STATE CHARTER SCHOOL shall receive a  
9 reimbursement entitlement in an amount which is less than its  
10 reimbursement entitlement for the preceding entitlement period. For  
11 purposes of this paragraph (b), the reimbursement entitlement for the  
12 preceding entitlement period shall be the amount to which the school  
13 district OR STATE CHARTER SCHOOL would have been entitled under the  
14 formula in subsection (1) of this section, and not the amount it actually  
15 received for the preceding entitlement period, if different from the  
16 amount under said formula.

17 (2) In no event shall the reimbursement entitlement of any school  
18 district OR STATE CHARTER SCHOOL under the provisions of subsection (1)  
19 of this section for any entitlement period exceed ninety percent of the  
20 total amount expended by the school district OR STATE CHARTER SCHOOL  
21 during said entitlement period for current operating expenditures for pupil  
22 transportation.

23 (3) For financial aid in providing board allowances in lieu of  
24 transportation, each school district OR STATE CHARTER SCHOOL shall have  
25 a reimbursement entitlement for an entitlement period for each pupil who  
26 is temporarily residing during said entitlement period for the purpose of  
27 attending school at a place nearer the school of attendance than ~~his~~ THE

1 STUDENT'S permanent residence, and for whom the district OR STATE  
2 CHARTER SCHOOL has paid a board allowance in lieu of furnishing  
3 transportation, in the amount of one dollar for each day such board was  
4 paid by the district OR STATE CHARTER SCHOOL.

5 **SECTION 61.** 22-51-105, Colorado Revised Statutes, is amended  
6 to read:

7 **22-51-105. Certifications by school boards and governing**  
8 **boards.** (1) On or before August 15 of each year, the school board of  
9 each school district AND THE GOVERNING BOARD OF EACH STATE CHARTER  
10 SCHOOL, entitled to and desiring reimbursement under this article shall  
11 certify to the state board of education, on forms to be provided by the  
12 commissioner of education, such information as the board shall deem  
13 necessary to determine the reimbursement entitlement of the district OR  
14 STATE CHARTER SCHOOL, including, but not limited to, the total amount  
15 of the school district's OR STATE CHARTER SCHOOL'S current operating  
16 expenditures for pupil transportation during the preceding entitlement  
17 period, the total number of miles traveled and the total number of pupils  
18 transported on October 1, or the school day nearest said date, during the  
19 preceding entitlement period by vehicles operated by or for the school  
20 district OR STATE CHARTER SCHOOL in providing pupil transportation, and  
21 the transportation route descriptions in effect on said date.

22 (2) The department of education shall promulgate rules and  
23 regulations to allow for verification of the accuracy and appropriateness  
24 of the route mileages submitted by school districts AND STATE CHARTER  
25 SCHOOLS pursuant to subsection (1) of this section. If the department  
26 determines that an overpayment has been made due to the submission of  
27 inaccurate or inappropriate route mileages, the department shall recover

1 from the school district OR STATE CHARTER SCHOOL an amount equal to  
2 the overpayment plus a penalty of not more than twenty percent of the  
3 overpayment.

4 **SECTION 62.** 22-51-106, Colorado Revised Statutes, is amended  
5 to read:

6 **22-51-106. Certification to and payment by state treasurer -**  
7 **deficiency in fund.** (1) (a) On or before October 15 of each year, the  
8 commissioner of education shall certify to the state treasurer the amount  
9 of the advance reimbursement entitlement of each school district AND  
10 STATE CHARTER SCHOOL for the current entitlement period and the amount  
11 of the final reimbursement entitlement of each school district AND STATE  
12 CHARTER SCHOOL for the preceding entitlement period. The state  
13 treasurer shall thereupon pay from the public school transportation fund  
14 directly to the treasurer of each school district which has elected under  
15 the law to withdraw its funds from the custody of the county treasurer  
16 AND DIRECTLY TO THE TREASURER OF EACH STATE CHARTER SCHOOL the  
17 amount certified as the total reimbursement entitlement of the school  
18 district OR STATE CHARTER SCHOOL; and, for all other school districts, ~~he~~  
19 THE STATE TREASURER shall pay to the county treasurer of the county in  
20 which each school district has its headquarters the amount certified as the  
21 total reimbursement entitlement of each district, and the county treasurer  
22 shall forthwith credit to the general fund of each district in ~~his~~ THE county  
23 the amount certified therefor.

24 (b) For purposes of this section:

25 (I) "Advance reimbursement entitlement" means an amount which  
26 a school district OR STATE CHARTER SCHOOL is entitled to receive in the  
27 current entitlement period as an advance payment of its reimbursement

1 entitlement for such period and which is equal to twenty percent of the  
2 reimbursement entitlement of the school district OR STATE CHARTER  
3 SCHOOL for the preceding entitlement period.

4 (II) "Final reimbursement entitlement" means the reimbursement  
5 entitlement of a school district OR STATE CHARTER SCHOOL for the  
6 preceding entitlement period less any advance reimbursement entitlement  
7 received by said district OR STATE CHARTER SCHOOL for said period.

8 (III) "Total reimbursement entitlement" means the advance  
9 reimbursement entitlement and the final reimbursement entitlement of a  
10 school district OR STATE CHARTER SCHOOL.

11 (2) (a) In the event the amount of money appropriated by the  
12 general assembly to the public school transportation fund is less than the  
13 amount of the total reimbursement entitlements of all of the school  
14 districts AND STATE CHARTER SCHOOLS authorized by this section, the  
15 amount to be distributed to each school district AND STATE CHARTER  
16 SCHOOL shall be in the same proportion as the amount which the  
17 appropriation made bears to the total amount of the reimbursement  
18 entitlements of all school districts AND STATE CHARTER SCHOOLS.

19 (b) For the entitlement period beginning on or after July 1, 1993,  
20 the calculation in paragraph (a) of this subsection (2) shall be based on  
21 the amount of money appropriated by the general assembly to the public  
22 school transportation fund. For the entitlement period beginning on or  
23 after July 1, 1993, any district subject to a court-ordered desegregation  
24 order shall be entitled to reimbursement of one million five hundred  
25 thousand dollars, subject to separate appropriation by the general  
26 assembly, for pupil transportation in addition to any amount received  
27 pursuant to paragraph (a) of this subsection (2).

1           **SECTION 63.** 22-51-107, Colorado Revised Statutes, is amended  
2 to read:

3           **22-51-107. Requirements for participation.** Unless otherwise  
4 authorized by the commissioner of education, any school district ~~which~~  
5 OR STATE CHARTER SCHOOL THAT has not filed the certifications required  
6 by section 22-51-105 on or before the date provided in said section or has  
7 not complied with the rules and regulations promulgated by the state  
8 board of education pursuant to section 22-51-108 shall not be entitled to  
9 any reimbursement under this article.

10           **SECTION 64.** 22-51-108, Colorado Revised Statutes, is amended  
11 to read:

12           **22-51-108. Rules and regulations.** The state board of education  
13 shall promulgate rules and regulations for the administration of this  
14 article. Such rules and regulations shall include reasonable and adequate  
15 standards of safety in the maintenance and operation of buses, the  
16 maintenance of records by school districts AND STATE CHARTER SCHOOLS,  
17 the length of bus routes, the number of children to be transported in the  
18 various types of buses, and such other rules and regulations pertaining to  
19 pupil transportation as will promote the welfare of the students and afford  
20 reasonable protection to the public.

21           **SECTION 65.** 22-54-102 (1), Colorado Revised Statutes, is  
22 amended to read:

23           **22-54-102. Legislative declaration - statewide applicability -**  
24 **intergovernmental agreements.** (1) The general assembly hereby finds  
25 and declares that this article is enacted in furtherance of the general  
26 assembly's duty under section 2 of article IX of the state constitution to  
27 provide for a thorough and uniform system of public schools throughout

1 the state; that a thorough and uniform system requires that all school  
2 districts AND STATE CHARTER SCHOOLS operate under the same finance  
3 formula; and that equity considerations dictate that all districts AND STATE  
4 CHARTER SCHOOLS be subject to the expenditure and maximum levy  
5 provisions of this article. Accordingly, the provisions of this article  
6 concerning the financing of public schools for budget years beginning on  
7 and after July 1, 1994, shall apply to all school districts AND STATE  
8 CHARTER SCHOOLS organized under the laws of this state.

9 **SECTION 66.** 22-54-103 (7) (c) and (8.5), Colorado Revised  
10 Statutes, are amended, and the said 22-54-103 is further amended BY  
11 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to  
12 read:

13 **22-54-103. Definitions - repeal.** As used in this article, unless  
14 the context otherwise requires:

15 (3.5) "DENYING DISTRICT" SHALL HAVE THE SAME MEANING AS  
16 PROVIDED IN SECTION 22-30.5-112.1 (1) (b).

17 (7) "Funded pupil count" means:

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

22 (A) The district's pupil enrollment for the applicable budget year;

23 or

24 (B) The average of the district's pupil enrollment for the  
25 applicable budget year and the district's pupil enrollment for the  
26 immediately preceding budget year; or

27 (C) The average of the district's pupil enrollment for the

1 applicable budget year and the district's pupil enrollment for the two  
2 immediately preceding budget years; or

3 (D) The average of the district's pupil enrollment for the  
4 applicable budget year and the district's pupil enrollment for the three  
5 immediately preceding budget years.

6 (II) (A) Notwithstanding any provision of law to the contrary, for  
7 purposes of subparagraph (I) of this paragraph (c), for any budget year  
8 commencing prior to July 1, 2002, the district's pupil enrollment for that  
9 budget year shall be the district's pupil enrollment, as defined by  
10 paragraph (a) of subsection (10) of this section, as it existed prior to June  
11 7, 2002.

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

13 (III) (A) Notwithstanding any provision of law to the contrary, for  
14 purposes of subparagraph (I) of this paragraph (c), for the 2000-01,  
15 2001-02, and 2002-03 budget years, a district's pupil enrollment shall not  
16 include any pupils enrolled in a district preschool program pursuant to  
17 article 28 of this title.

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

19 (IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
20 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c)  
21 FOR BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S  
22 FUNDED PUPIL COUNT SHALL INCLUDE THE CERTIFIED PUPIL ENROLLMENT  
23 AND ON-LINE PUPIL ENROLLMENT OF EACH OPERATING STATE CHARTER  
24 SCHOOL FOR WHICH THE DISTRICT IS THE DENYING DISTRICT. THE  
25 DEPARTMENT OF EDUCATION SHALL ADD THE STATE CHARTER SCHOOL'S  
26 CERTIFIED PUPIL ENROLLMENT AND ON-LINE PUPIL ENROLLMENT TO THE  
27 FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO CALCULATING THE

1 DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-104.

2 (8.5) "On-line pupil enrollment" means the number of pupils, on  
3 October 1 within the applicable budget year or the school day nearest said  
4 date, enrolled in, attending, and actively participating in, an on-line  
5 program created pursuant to section 22-33-104.6 by the district or by a  
6 charter school chartered by the district, minus any such pupils who were  
7 enrolled in any such on-line programs for the 2001-02 school year. In  
8 addition, "on-line pupil enrollment" means the number of pupils who  
9 meet the requirements specified in section 22-33-104.6 (4) (a) and  
10 transfer to an on-line program after October 1 of a school year. FOR  
11 BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S  
12 ON-LINE PUPIL ENROLLMENT SHALL INCLUDE THE CERTIFIED ON-LINE PUPIL  
13 ENROLLMENT OF EACH OPERATING STATE CHARTER SCHOOL FOR WHICH  
14 THE DISTRICT IS THE DENYING DISTRICT. THE DEPARTMENT OF EDUCATION  
15 SHALL ADD THE STATE CHARTER SCHOOL'S CERTIFIED ON-LINE PUPIL  
16 ENROLLMENT TO THE ON-LINE PUPIL ENROLLMENT OF THE DISTRICT PRIOR  
17 TO CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION  
18 22-54-104.

19 (9.3) "PER PUPIL REVENUES" MEANS THE DISTRICT'S TOTAL  
20 PROGRAM FOR ANY BUDGET YEAR DIVIDED BY THE DISTRICT'S FUNDED  
21 PUPIL COUNT FOR SAID BUDGET YEAR.

22 (13.5) "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 67.** 22-54-104 (1), Colorado Revised Statutes, is  
26 amended to read:

27 **22-54-104. District total program.** (1) (a) For every budget

1 year, the provisions of this section shall be used to calculate for each  
2 district an amount that represents the financial base of support for public  
3 education in that district. Such amount shall be known as the district's  
4 total program. The district's total program shall be available to the district  
5 to fund the costs of providing public education, and, except as otherwise  
6 provided in section 22-54-105, the amounts and purposes for which such  
7 moneys are budgeted and expended shall be in the discretion of the  
8 district.

9 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS  
10 SUBSECTION (1), IF A DISTRICT IS THE DENYING DISTRICT OF A STATE  
11 CHARTER SCHOOL, THEN THE CALCULATION OF TOTAL PROGRAM PURSUANT  
12 TO THE PROVISIONS OF THIS SECTION SHALL ALSO REPRESENT THE  
13 FINANCIAL BASE OF SUPPORT FOR THE STATE CHARTER SCHOOL, EVEN  
14 THOUGH THE STATE CHARTER SCHOOL IS NOT A SCHOOL OF THE DISTRICT.  
15 THE AMOUNT OF THE DISTRICT'S STATE SHARE OF TOTAL PROGRAM THAT  
16 IS WITHHELD FROM THE DISTRICT AND PAID TO THE STATE CHARTER  
17 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-54-115 (1.3), SHALL  
18 NOT BE AVAILABLE TO NOR UNDER THE CONTROL OF THE DISTRICT, BUT  
19 SHALL BE UNDER THE CONTROL OF THE GOVERNING BOARD OF THE STATE  
20 CHARTER SCHOOL TO FUND THE COSTS OF PROVIDING PUBLIC EDUCATION  
21 TO PUPILS ENROLLED IN THE STATE CHARTER SCHOOL, AND THE AMOUNTS  
22 AND PURPOSES FOR WHICH SUCH MONEYS ARE BUDGETED AND EXPENDED  
23 SHALL BE IN THE DISCRETION OF THE STATE CHARTER SCHOOL.

24 **SECTION 68.** 22-54-106 (1) (b) and (4), Colorado Revised  
25 Statutes, are amended, and the said 22-54-106 is further amended BY  
26 THE ADDITION OF A NEW SUBSECTION, to read:

27 **22-54-106. Local and state shares of district total program.**

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

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

13 (b) In the event that the appropriation for the state's share of the  
14 total program of all districts, INCLUDING FUNDING FOR STATE CHARTER  
15 SCHOOLS, under this article for any budget year, as established in the  
16 general appropriation act, is not sufficient to fully fund the state's share  
17 INCLUDING FUNDING FOR STATE CHARTER SCHOOLS, the department of  
18 education shall submit a request for a supplemental appropriation in an  
19 amount which will fully fund the state's share INCLUDING FUNDING FOR  
20 STATE CHARTER SCHOOLS. Such request shall be made to the general  
21 assembly during the fiscal year in which such underfunding occurs.

22 (c) If a supplemental appropriation is not made by the general  
23 assembly to fully fund the state's share of the total program of all districts  
24 INCLUDING FUNDING FOR STATE CHARTER SCHOOLS or a supplemental  
25 appropriation is made to reduce the state's share of the total program of  
26 all districts INCLUDING FUNDING FOR STATE CHARTER SCHOOLS, the state  
27 aid of each district AND THE FUNDING FOR EACH STATE CHARTER SCHOOL

1 shall be reduced in accordance with the provisions of this paragraph (c).  
2 The total program of each district that receives state aid shall be reduced  
3 by a percentage determined by dividing the deficit in the appropriation or  
4 the reduction in the appropriation, whichever is applicable, by the total  
5 program of all districts which receive state aid. The state aid of each  
6 district shall be reduced by the amount of the reduction in the district's  
7 total program or the amount of state aid, whichever is less. THE FUNDING  
8 FOR EACH STATE CHARTER SCHOOL SHALL BE REDUCED IN PROPORTION TO  
9 THE REDUCTION IN THE TOTAL PROGRAM OF THE DISTRICT FROM WHICH  
10 THE STATE CHARTER SCHOOL'S FUNDING IS WITHHELD. The department of  
11 education shall see that the reduction in state aid required by this  
12 paragraph (c) is accomplished prior to the end of the budget year.

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

17 (I) AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT  
18 PER PUPIL REVENUES MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN  
19 THE STATE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE  
20 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING  
21 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE STATE  
22 CHARTER SCHOOL; OR

23 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE  
24 DISTRICT. IF THERE IS MORE THAN ONE STATE CHARTER SCHOOL THAT  
25 RECEIVES FUNDING FROM THE DISTRICT'S STATE SHARE, THE DEPARTMENT  
26 SHALL DIVIDE THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE  
27 DISTRICT AMONG THE STATE CHARTER SCHOOLS ON A PER PUPIL BASIS.

1 (b) THE DEPARTMENT SHALL PAY THE AMOUNT SPECIFIED IN  
2 PARAGRAPH (a) OF THIS SUBSECTION (11), MINUS THE AMOUNTS SPECIFIED  
3 IN SECTION 22-30.5-112.1 (3), TO THE STATE CHARTER SCHOOL. THE  
4 AMOUNT SPECIFIED IN THIS SUBSECTION (11) SHALL CONSTITUTE A  
5 REDUCTION IN THE STATE SHARE OF THE STATE CHARTER SCHOOL'S  
6 DENYING DISTRICT.

7 **SECTION 69.** 22-54-109 (1), (3), and (4), Colorado Revised  
8 Statutes, are amended to read:

9 **22-54-109. Attendance in district other than district of**  
10 **residence.** (1) Districts paying tuition for pupils of residence in the  
11 district to attend public schools in other Colorado school districts, IN  
12 STATE CHARTER SCHOOLS, and in school districts of adjoining states shall  
13 report and be entitled to support for such pupils; except that no district  
14 shall report any pupil who is from another district and whose tuition is  
15 paid by the pupil's district of residence.

16 (3) Every school district AND STATE CHARTER SCHOOL shall report  
17 to the department of education, by district of residence, the number of  
18 pupils not included in the district's OR STATE CHARTER SCHOOL'S pupil  
19 enrollment but who are receiving educational services in residential child  
20 care facilities, community centers, regional centers, the school for the  
21 deaf and the blind, and other group care facilities or homes designated by  
22 the state board within the district's boundaries OR IN THE STATE CHARTER  
23 SCHOOL. The department of education shall annually withhold an amount  
24 equal to the district of residence's per pupil operating revenues for each  
25 such child counted by local school districts but not actually attending  
26 classes in the district of residence and included on the roll of  
27 out-of-district placed children. The department shall forward to the

1 district OR STATE CHARTER SCHOOL or state institution or facility  
2 delivering the education, on a monthly basis, the proportional amount of  
3 the state average per pupil operating revenues.

4 (4) For children with disabilities residing in a particular school  
5 district but receiving an education in another school district, a state  
6 institution or facility, a residential child care facility, or an eligible  
7 nonprofit organization within Colorado, the state average per pupil  
8 operating revenues shall be the district of residence's total responsibility  
9 under this article for the education of that child. The provisions of this  
10 subsection (4) shall not apply to children with disabilities enrolled in an  
11 interdistrict participating school district pursuant to the provisions of  
12 article 36 of this title.

13 **SECTION 70.** 22-54-112 (2), Colorado Revised Statutes, is  
14 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

15 **22-54-112. Reports to the state board.** (2) (c) ON OR BEFORE  
16 NOVEMBER 10 OF EACH YEAR, THE SECRETARY OF THE GOVERNING BOARD  
17 OF EACH STATE CHARTER SCHOOL SHALL CERTIFY TO THE STATE BOARD  
18 THE PUPIL ENROLLMENT AND THE ON-LINE PUPIL ENROLLMENT OF THE  
19 STATE CHARTER SCHOOL TAKEN IN THE PRECEDING OCTOBER.

20 **SECTION 71.** 22-54-114, Colorado Revised Statutes, is amended  
21 to read:

22 **22-54-114. State public school fund.** (1) There is hereby created  
23 in the office of the state treasurer a fund, separate from the general fund,  
24 to be known as the state public school fund. There shall be credited to  
25 said fund the net balance of the public school income fund existing as of  
26 December 31, 1973, and all distributions from the state public school  
27 income fund thereafter made, the state's share of all moneys received

1 from the federal government pursuant to the provisions of section  
2 34-63-102, C.R.S., and such additional moneys as shall be appropriated  
3 by the general assembly which are necessary to meet the state's share of  
4 the total program of all districts, FUNDING FOR STATE CHARTER SCHOOLS,  
5 and the contingency reserve during the budget year. Moneys annually  
6 appropriated by the general assembly shall be transferred from the state  
7 general fund and credited to the state public school fund in four quarterly  
8 installments on July 1, September 30, December 31, and March 31 to  
9 assure the availability of funds for the required distribution of state  
10 moneys to school districts AND STATE CHARTER SCHOOLS. Such quarterly  
11 installments shall be determined in accordance with estimates prepared  
12 by the department of education with respect to the required distribution  
13 of state moneys to school districts AND STATE CHARTER SCHOOLS.

14 (2) No later than thirty days prior to the beginning of the budget  
15 year, the department of education shall determine the estimated  
16 requirements in order to provide each district AND EACH STATE CHARTER  
17 SCHOOL the amount it is eligible to receive from the state during the next  
18 ensuing fiscal year of the state. The appropriation by the general  
19 assembly shall be based on the requirements necessary to provide all  
20 districts AND STATE CHARTER SCHOOLS with the amounts they are each  
21 eligible to receive from the state, pursuant to the provisions of this part  
22 1, during the next ensuing fiscal year of the state.

23 (2.5) The general assembly finds that implementation of section  
24 22-7-603.5, including implementation of rules to uniquely identify  
25 individual students, has resulted in more accurate determinations of pupil  
26 enrollment and a savings in the amount required to fund the state's share  
27 of total program funding for school districts AND STATE CHARTER

1     SCHOOLS. For the 2003-04 budget year and budget years thereafter, the  
2     department of education shall allocate a portion of the amount of the  
3     in-year cost recovery occurring as a result of the use of unique student  
4     identifiers to fund implementation of the academic growth pilot program  
5     and the academic growth program pursuant to section 22-7-603.7. The  
6     amount allocated to the academic growth pilot program and the academic  
7     growth program pursuant to this subsection (2.5) shall not exceed two  
8     hundred thousand dollars in any budget year.

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

16            (b) Notwithstanding the provisions of paragraph (a) of this  
17     subsection (3), any unexpended balance of moneys in the contingency  
18     reserve created pursuant to section 22-54-117 at the end of any fiscal year  
19     shall remain in the contingency reserve and shall not be transferred to any  
20     other fund.

21            (4) For the 1997-98 fiscal year and fiscal years thereafter, the net  
22     amount recovered by the department during the applicable fiscal year,  
23     pursuant to school district AND STATE CHARTER SCHOOL audits, as  
24     overpayments made to school districts AND STATE CHARTER SCHOOLS that  
25     would otherwise be transmitted to the state treasurer for deposit in the  
26     general fund shall instead be transmitted to the state treasurer for deposit  
27     in the state public school fund. Such amount shall be available for

1 appropriation to the department in subsequent fiscal years.

2 **SECTION 72.** 22-54-115, Colorado Revised Statutes, is amended  
3 to read:

4 **22-54-115. Distribution from state public school fund.** (1) No  
5 later than June 30 of each year, the state board shall determine the  
6 amount of the state's share of the district's total program for the budget  
7 year beginning on July 1, and the total thereof for all districts, which  
8 amount shall be payable in twelve approximately equal monthly  
9 payments during such budget year; except that:

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

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

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

20 (1.3) (a) IN DETERMINING THE STATE'S SHARE OF EACH DISTRICT'S  
21 TOTAL PROGRAM, THE STATE BOARD SHALL DETERMINE WHETHER THE  
22 DISTRICT IS A DENYING DISTRICT OF A STATE CHARTER SCHOOL. IF A  
23 DISTRICT IS A DENYING DISTRICT OF A STATE CHARTER SCHOOL, THE STATE  
24 BOARD SHALL INSTRUCT THE DEPARTMENT OF EDUCATION TO WITHHOLD  
25 FROM THE AMOUNT OF THE STATE SHARE OTHERWISE PAYABLE TO THE  
26 DISTRICT AN AMOUNT EQUAL TO THE LESSER OF:

27 (I) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES

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

5 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE  
6 DISTRICT.

7 (b) THE AMOUNT WITHHELD, MINUS THE AMOUNTS SPECIFIED IN  
8 SECTION 22-30.5-112.1 (3), SHALL BE PAYABLE TO THE STATE CHARTER  
9 SCHOOL IN TWELVE APPROXIMATELY EQUAL MONTHLY PAYMENTS DURING  
10 THE BUDGET YEAR. IF THE DEPARTMENT WITHHOLDS THE TOTAL AMOUNT  
11 OF THE STATE SHARE PAYABLE TO THE DISTRICT AND THERE IS MORE THAN  
12 ONE STATE CHARTER SCHOOL THAT RECEIVES FUNDING FROM THE  
13 DISTRICT'S STATE SHARE, THE DEPARTMENT SHALL DIVIDE THE TOTAL  
14 AMOUNT OF THE STATE SHARE PAYABLE TO THE DISTRICT AMONG THE  
15 STATE CHARTER SCHOOLS ON A PER PUPIL BASIS.

16 (1.5) Any school district may give written instructions to the state  
17 board directing that a specified portion of a monthly payment or monthly  
18 payments that the district is otherwise entitled to receive pursuant to this  
19 section shall be transferred to the division of vocational rehabilitation in  
20 the department of human services for the district's cost of participating in  
21 school to work alliance programs. Such written instructions shall specify  
22 the amount to be transferred to the division of vocational rehabilitation  
23 from the district's payment for a specified month or months. Such written  
24 instructions shall be given to the state board no later than the fifth day of  
25 the first month in which such amount is to be transferred to the division  
26 of vocational rehabilitation.

27 (2) No later than the fifteenth day of each month, the state board

1 shall certify to the state treasurer the amount payable to each district AND  
2 TO EACH STATE CHARTER SCHOOL IN ACCORDANCE WITH SUBSECTION (1.3)  
3 OF THIS SECTION during said month and the amount, if any, to be  
4 transferred to the division of vocational rehabilitation during said month  
5 in accordance with subsection (1.5) of this section.

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

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

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

17 (c) PAY THE AMOUNT CERTIFIED AS PAYABLE TO EACH STATE  
18 CHARTER SCHOOL DIRECTLY TO THE TREASURER OF EACH STATE CHARTER  
19 SCHOOL OR, IN ACCORDANCE WITH WRITTEN INSTRUCTIONS FROM THE  
20 STATE CHARTER SCHOOL, DIRECTLY TO AN ACCOUNT DESIGNATED BY THE  
21 STATE CHARTER SCHOOL THAT ALLOWS THE STATE CHARTER SCHOOL TO  
22 RETAIN TITLE TO THE FUNDS.

23 (4) The state board shall take care to avoid overpayment of state  
24 moneys. If it is determined that any district OR ANY STATE CHARTER  
25 SCHOOL has been overpaid in any month, the state board shall adjust the  
26 following monthly payment or payments to such district OR STATE  
27 CHARTER SCHOOL so as to recover the amount overpaid. In the event that

1 an overpayment cannot be recovered, the amount thereof shall be  
2 refunded to the state public school fund by the district OR STATE CHARTER  
3 SCHOOL receiving the same.

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

6

7

8 **SECTION 73.** 22-54-117 (1), (1.5) (d), (1.6) (a), (2), (3), and (4),  
9 Colorado Revised Statutes, are amended to read:

10 **22-54-117. Contingency reserve - capital construction**  
11 **expenditures reserve.** (1) An amount to be determined by the general  
12 assembly shall be appropriated annually to the state public school fund  
13 as a contingency reserve. In deciding the amount to be appropriated to  
14 the contingency reserve, the general assembly may take into consideration  
15 any recommendations made by the department of education, but nothing  
16 in this section shall be construed to obligate the general assembly to  
17 provide supplemental assistance to all districts AND STATE CHARTER  
18 SCHOOLS determined to be in need or fully fund the total amount of such  
19 need. The state board is authorized to approve and order payments from  
20 such contingency reserve for supplemental assistance to districts AND  
21 STATE CHARTER SCHOOLS determined to be in need as the result of any or  
22 all of the following circumstances:

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

25 (b) Financial emergencies arising from the nonpayment of  
26 property taxes pending the outcome of an administrative appeal or  
27 litigation or both challenging the inclusion of the value of certain property

1 in a county's abstract of assessment which resulted from a change in the  
2 applicable state law;

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

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

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

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

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

25 (1.5) (d) Any supplemental assistance granted to a DISTRICT  
26 charter school pursuant to this subsection (1.5) shall be provided to the  
27 chartering school district, and the school district shall distribute all such

1 moneys to the DISTRICT charter school and may not retain any portion of  
2 such moneys for any purpose. ANY SUPPLEMENTAL ASSISTANCE GRANTED  
3 TO A STATE CHARTER SCHOOL PURSUANT TO THIS SUBSECTION (1.5) SHALL  
4 BE PROVIDED DIRECTLY TO THE STATE CHARTER SCHOOL.

5 (1.6) (a) For each quarter including and after the first quarter of  
6 the state's fiscal year 2001-02, all moneys that would otherwise be  
7 transferred to the general fund pursuant to section 3 (1) (b) (III) of article  
8 XXVII of the state constitution shall be transferred to the state public  
9 school fund as a contingency reserve exempt from any restriction on  
10 spending, revenues, or appropriations, including, without limitation, the  
11 restrictions of section 20 of article X of the state constitution. The state  
12 board is authorized to approve and order payments from the moneys  
13 transferred pursuant to this subsection (1.6) only for supplemental  
14 assistance to districts OR STATE CHARTER SCHOOLS for capital  
15 expenditures to address immediate safety hazards or health concerns  
16 within existing school facilities either by repairing, remodeling, or  
17 refurbishing the existing school facilities or by constructing new school  
18 facilities to replace the existing school facilities.

19 (2) Application by a district OR A STATE CHARTER SCHOOL for  
20 supplemental assistance pursuant to either subsection (1) or (1.5) of this  
21 section shall set forth fully the grounds upon which it relies for assistance  
22 and shall be sworn to under oath by the president and secretary of the  
23 district board of the district OR BY THE PRESIDENT AND SECRETARY OF THE  
24 STATE CHARTER SCHOOL'S GOVERNING BOARD.

25 (3) The state board shall conduct such investigation as it deems  
26 proper, and, if it finds that an application should be approved, it shall  
27 determine the amount to be paid. In determining which districts AND

1 STATE CHARTER SCHOOLS receive payments pursuant to this section and  
2 the amount of such payments, the state board shall consider the amount  
3 of the supplemental assistance requested by the district as a percentage  
4 of the district's total program AND THE AMOUNT OF THE SUPPLEMENTAL  
5 ASSISTANCE REQUESTED BY THE STATE CHARTER SCHOOL AS A  
6 PERCENTAGE OF THE STATE CHARTER SCHOOL'S TOTAL OPERATING  
7 REVENUE. By order upon the state treasurer, said board shall direct  
8 payment from the contingency reserve or school capital construction  
9 expenditures reserve, whichever is applicable, of such amount to the  
10 treasurer of the eligible district for credit to the general fund of the district  
11 OR TO THE TREASURER OF THE ELIGIBLE STATE CHARTER SCHOOL FOR  
12 CREDIT TO THE GENERAL FUND OF THE STATE CHARTER SCHOOL.

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

21 **SECTION 74.** 22-54-120 (2), Colorado Revised Statutes, is  
22 amended to read:

23 **22-54-120. Rules and regulations.** (2) All reports and  
24 certifications required from secretaries of boards of education AND FROM  
25 STATE CHARTER SCHOOLS pursuant to the provisions of this article shall  
26 be made in such manner and form as may be prescribed by the state  
27 board.

1           **SECTION 75.** 22-54-122, Colorado Revised Statutes, is amended  
2 to read:

3           **22-54-122. Small attendance center aid.** (1) For the 1998-99  
4 budget year and budget years thereafter, a district shall be eligible for aid  
5 pursuant to this section if:

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

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

12           (1.5) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS  
13 THEREAFTER, A STATE CHARTER SCHOOL SHALL BE ELIGIBLE FOR AID  
14 PURSUANT TO THIS SECTION IF THE STATE CHARTER SCHOOL HAS A PUPIL  
15 ENROLLMENT OF FEWER THAN TWO HUNDRED AND IS LOCATED TWENTY OR  
16 MORE MILES FROM ANY SIMILAR SCHOOL ATTENDANCE CENTER.

17           (2) (a) A district meeting the eligibility requirements of subsection  
18 (1) of this section shall be eligible to receive aid for each small  
19 attendance center as calculated by: Multiplying the pupil enrollment of  
20 the small attendance center by an amount equal to thirty-five percent of  
21 the difference between the district per pupil funding, as calculated  
22 pursuant to section 22-54-104, and the district per pupil funding, as  
23 calculated pursuant to section 22-54-104 except using the size factor  
24 calculated using the funded pupil count of the small attendance center;  
25 and then multiplying such amount by the percentage determined by  
26 dividing the difference between two hundred and the funded pupil count  
27 of the small attendance center by two hundred.

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

15 (3) The general assembly shall appropriate annually an amount for  
16 small attendance center aid to be distributed pursuant to the ~~formula~~  
17 FORMULAS in subsection (2) of this section. In the event the amount of  
18 money appropriated by the general assembly is less than the amount of  
19 aid authorized by this section to all ELIGIBLE districts AND ELIGIBLE STATE  
20 CHARTER SCHOOLS, the amount to be distributed to each ELIGIBLE school  
21 district AND ELIGIBLE STATE CHARTER SCHOOL shall be in the same  
22 proportion as the amount that the appropriation bears to the total amount  
23 of aid for all ELIGIBLE districts AND ELIGIBLE STATE CHARTER SCHOOLS.

24 (4) If a school district receives small attendance center aid  
25 pursuant to this section for a small attendance center that is a DISTRICT  
26 charter school, the school district shall forward the entire amount of such  
27 aid to the DISTRICT charter school for which it was received. IF A STATE

1 CHARTER SCHOOL IS ELIGIBLE FOR SMALL ATTENDANCE CENTER AID  
2 PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL PAY THE SMALL  
3 ATTENDANCE CENTER AID DIRECTLY TO THE ELIGIBLE STATE CHARTER  
4 SCHOOL.

5 **SECTION 76.** 22-54-123, Colorado Revised Statutes, is amended  
6 to read:

7 **22-54-123. National school lunch act - appropriation of state**  
8 **matching funds.** For the 2001-02 budget year and budget years  
9 thereafter, the general assembly shall appropriate by separate line item an  
10 amount to comply with the requirements for state matching funds under  
11 the "National School Lunch Act", 42 U.S.C. sec. 1751 et seq. The  
12 department of education shall develop procedures to allocate and disburse  
13 the funds among participating school districts AND STATE CHARTER  
14 SCHOOLS each year in an equitable manner as to comply with the  
15 requirements of said act. In any participating school district that, prior to  
16 the enactment of this section, subsidized school lunch service with  
17 moneys from the school district's general fund, moneys received by such  
18 school district pursuant to this section shall be applied in addition to, and  
19 not in lieu of, the amount of the school district's subsidy. Any moneys  
20 received pursuant to this section shall be used only for the provision of  
21 the district's OR THE STATE CHARTER SCHOOL'S school lunch program.

22 **SECTION 77.** 22-54-123.5, Colorado Revised Statutes, is  
23 amended to read:

24 **22-54-123.5. School breakfast program - appropriation -**  
25 **low-performing schools.** (1) For the 2002-03 budget year and each  
26 budget year thereafter, the general assembly may appropriate by separate  
27 line item an amount to assist school districts AND LOW-PERFORMING

1 STATE CHARTER SCHOOLS that are providing a school breakfast program  
2 through participation in programs authorized under the "National School  
3 Lunch Act", 42 U.S.C. sec. 1751 et seq., or the "Child Nutrition Act of  
4 1966", 42 U.S.C. sec. 1771 et seq. The department shall develop  
5 procedures to appropriately allocate and disburse the funds among  
6 participating school districts AND LOW-PERFORMING STATE CHARTER  
7 SCHOOLS. Each school district that receives moneys pursuant to this  
8 section shall use such moneys to create, expand, or enhance the school  
9 breakfast program in each low-performing school of the receiving district  
10 with the goal of improving the academic performance of the students  
11 attending such schools. EACH LOW-PERFORMING STATE CHARTER SCHOOL  
12 THAT RECEIVES MONEYS PURSUANT TO THIS SECTION SHALL USE THE  
13 MONEYS TO CREATE, EXPAND, OR ENHANCE THE STATE CHARTER SCHOOL'S  
14 BREAKFAST PROGRAM WITH THE GOAL OF IMPROVING THE ACADEMIC  
15 PERFORMANCE OF THE STUDENTS ATTENDING THE SCHOOL.

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

20 **SECTION 78.** 22-54-124 (1) (b), (1) (c), (1) (e), (2), (3) (a) (III),  
21 (3) (b), and (4) and the introductory portion to 22-54-124 (6), Colorado  
22 Revised Statutes, are amended, and the said 22-54-124 (1) is further  
23 amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

24 **22-54-124. State aid for charter schools - use of state education**  
25 **fund moneys.** (1) As used in this section:

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

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

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

19 (g) "STATE CHARTER SCHOOLS CERTIFIED PUPIL ENROLLMENT"  
20 MEANS THE TOTAL NUMBER OF PUPILS WHO ARE NOT ON-LINE PUPILS, AS  
21 DEFINED IN SECTION 22-30.5-103 (7), EXPECTED TO BE ENROLLED IN A  
22 QUALIFIED STATE CHARTER SCHOOL THAT WILL RECEIVE FUNDING  
23 PURSUANT TO SECTION 22-30.5-112.1 FOR THE BUDGET YEAR FOR WHICH  
24 STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED AND  
25 DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION, AS CERTIFIED  
26 BY THE DEPARTMENT OF EDUCATION PURSUANT TO PARAGRAPH (b) OF  
27 SUBSECTION (3) OF THIS SECTION DURING THE BUDGET YEAR THAT

1 IMMEDIATELY PRECEDES SAID BUDGET YEAR.

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

8 (b) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS  
9 THEREAFTER, A STATE CHARTER SCHOOL SHALL BE ELIGIBLE TO RECEIVE  
10 STATE EDUCATION FUND MONEYS FOR STATE CHARTER SCHOOL CAPITAL  
11 CONSTRUCTION IF THE STATE CHARTER SCHOOL WILL BE RECEIVING  
12 FUNDING FROM THE DEPARTMENT PURSUANT TO SECTION 22-30.5-112.1  
13 DURING THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS  
14 ARE TO BE DISTRIBUTED.

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

19 (B) For the 2003-04 budget year, ~~and each budget year thereafter,~~  
20 the amount of state education fund moneys to be distributed to any  
21 eligible district shall be an amount equal to the percentage of the sum of  
22 the district's certified charter school pupil enrollment for all eligible  
23 districts in the state that is attributable to the eligible district multiplied  
24 by the total amount of state education fund moneys distributed to all  
25 eligible districts for the same budget year pursuant to sub-subparagraph  
26 (A) of this subparagraph (III).

27 (C) FOR THE 2004-05 BUDGET YEAR, AND EACH BUDGET YEAR

1 THEREAFTER, THE AMOUNT OF STATE EDUCATION FUND MONEYS TO BE  
2 DISTRIBUTED TO ANY ELIGIBLE DISTRICT AND ANY ELIGIBLE STATE  
3 CHARTER SCHOOL SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE OF  
4 THE SUM OF THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL  
5 ENROLLMENT AND THE STATE CHARTER SCHOOL'S CERTIFIED PUPIL  
6 ENROLLMENT FOR ALL ELIGIBLE DISTRICTS AND ELIGIBLE STATE CHARTER  
7 SCHOOLS IN THE STATE THAT IS ATTRIBUTABLE TO THE ELIGIBLE DISTRICT  
8 OR ELIGIBLE STATE CHARTER SCHOOL MULTIPLIED BY THE TOTAL AMOUNT  
9 OF STATE EDUCATION FUND MONEYS DISTRIBUTED TO ALL ELIGIBLE  
10 DISTRICTS AND ELIGIBLE STATE CHARTER SCHOOLS FOR THE SAME BUDGET  
11 YEAR PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (III).

12 (b) No later than February 1 of each budget year, the department  
13 of education shall certify to the education committees of the senate and  
14 the house of representatives and the joint budget committee of the general  
15 assembly the total number of pupils expected to be enrolled in all  
16 qualified charter schools in the state during the next budget year, as  
17 derived from reports provided to the department by districts pursuant to  
18 section 22-30.5-112 (1) AND BY STATE CHARTER SCHOOLS PURSUANT TO  
19 SECTION 22-30.5-112.1 (2)(a). For the purposes of any certification made  
20 during the 2003-04 budget year and budget years thereafter, a pupil  
21 expected to be enrolled in a qualified charter school as defined in  
22 sub-subparagraph (B) of subparagraph (I) of paragraph (f.6) of subsection  
23 (1) of this section shall be counted as one-half of one pupil.

24 (4) For the 2001-02 budget year, the 2003-04 budget year, and  
25 each budget year thereafter, the general assembly shall annually  
26 appropriate from the state education fund created in section 17 (4) of  
27 article IX of the state constitution, to the department of education for

1 distribution to eligible school districts AND ELIGIBLE STATE CHARTER  
2 SCHOOLS in accordance with the formula set forth in paragraph (a) of  
3 subsection (3) of this section, an amount equal to the total amount of  
4 moneys to be distributed to all districts AND STATE CHARTER SCHOOLS as  
5 determined pursuant to said formula. From the moneys appropriated for  
6 a given budget year, the department shall make lump sum payments of all  
7 moneys to be distributed to each eligible school district AND ELIGIBLE  
8 STATE CHARTER SCHOOL during the budget year as soon as possible.

9 (6) Pursuant to section 17 (3) of article IX of the state  
10 constitution, any moneys appropriated by the general assembly out of the  
11 state education fund, received by any eligible district OR ELIGIBLE STATE  
12 CHARTER SCHOOL pursuant to this section, and distributed to a qualified  
13 charter school by any district pursuant to this section and section  
14 22-30.5-112.3 shall be exempt from:

15 **SECTION 79.** Article 8 of title 23, Colorado Revised Statutes,  
16 is amended BY THE ADDITION OF A NEW SECTION to read:

17 **23-8-101.5. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
18 CONTEXT OTHERWISE REQUIRES:

19 (1) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT  
20 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD OF  
21 EDUCATION PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.1,  
22 C.R.S.

23 (2) "STATE CHARTER SCHOOL'S PER PUPIL OPERATING REVENUES"  
24 MEANS THE AMOUNT RECEIVED BY A STATE CHARTER SCHOOL PURSUANT  
25 TO THE PROVISIONS OF SECTION 22-54-115 (1.3), C.R.S., FOR ANY BUDGET  
26 YEAR, DIVIDED BY THE NUMBER OF PUPILS ENROLLED IN THE STATE  
27 CHARTER SCHOOL FOR THAT BUDGET YEAR, MINUS THE MINIMUM AMOUNT

1 PER PUPIL REQUIRED BY SECTION 22-30.5-112.1 (5) (b), C.R.S., TO BE  
2 ALLOCATED FOR CAPITAL RESERVE OR RISK MANAGEMENT PURPOSES.

3 **SECTION 80.** 23-8-102 (1), (2), (3), (4), and (5), Colorado  
4 Revised Statutes, are amended to read:

5 **23-8-102. School districts and state charter schools conducting**  
6 **vocational education courses - eligibility for state funds.** (1) Any  
7 school district OR STATE CHARTER SCHOOL of the state conducting any  
8 course of vocational education, approved pursuant to section 23-8-103 by  
9 the state board for community colleges and occupational education,  
10 referred to in this article as the "board", is entitled to vocational education  
11 program support from funds appropriated for the purpose by the general  
12 assembly. The amount of vocational education program support which a  
13 district OR STATE CHARTER SCHOOL is entitled to receive pursuant to  
14 provisions of this article shall be computed as follows:

15 (a) The cost of providing the approved vocational education  
16 programs of the district OR STATE CHARTER SCHOOL shall be computed in  
17 accordance with paragraph (c) of this subsection (1). The cost so  
18 computed shall be divided by the number of full-time equivalent students  
19 to be served by the programs, and the result shall be designated, for  
20 purposes of this article, as the district's OR STATE CHARTER SCHOOL'S  
21 vocational education program cost per full-time equivalent student.

22 (b) As vocational education program support, the state shall  
23 provide, to each school district AND EACH STATE CHARTER SCHOOL  
24 conducting an approved vocational education program for each  
25 twelve-month period beginning July 1, eighty percent of the first one  
26 thousand two hundred fifty dollars, or part thereof, by which the district's  
27 OR STATE CHARTER SCHOOL'S approved vocational education program cost

1 per full-time equivalent student exceeds seventy percent of the district's  
2 per pupil operating revenues, as defined in section 22-54-103 (9), C.R.S.,  
3 OR SEVENTY PERCENT OF THE STATE CHARTER SCHOOL'S PER PUPIL  
4 OPERATING REVENUES, for the school budget year during which such  
5 twelve-month period begins. In addition, if the district's OR STATE  
6 CHARTER SCHOOL'S approved vocational education cost per full-time  
7 equivalent student exceeds seventy percent of its per pupil operating  
8 revenues by an additional amount in excess of one thousand two hundred  
9 fifty dollars, the state shall provide fifty percent of such additional  
10 amount.

11 (c) For the purpose of computing approved vocational education  
12 program costs, the following shall be included:

13 (I) The cost of providing the services of instructional personnel  
14 for the time involved;

15 (II) The cost of services to be provided by another education  
16 agency or institution;

17 (III) The cost of necessary books and supplies; and

18 (IV) The cost of equipment approved for purchase by the board.

19 (V) Repealed.

20 (2) To be eligible to receive such funds, the district OR STATE  
21 CHARTER SCHOOL must assume the obligation of paying the balance of the  
22 program costs.

23 (3) The provisions of this section shall not be construed to prevent  
24 any school district OR STATE CHARTER SCHOOL from conducting any  
25 course in vocational education with costs in excess of those for which  
26 state vocational education program support funds are approved by the  
27 board.

1 (4) Funds made available under this article shall be distributed  
2 quarterly on the basis of expenditure estimates furnished to the board by  
3 participating school districts AND STATE CHARTER SCHOOLS. As soon as  
4 practicable after July 1 of each year, beginning in 1971, each  
5 participating school district AND EACH PARTICIPATING STATE CHARTER  
6 SCHOOL shall file with the board a report comparing estimated and actual  
7 expenditures for all vocational education programs financed pursuant to  
8 the provisions of this article during the preceding twelve-month period.  
9 The board shall determine if such expenditures coincide with the  
10 estimates of such school district OR STATE CHARTER SCHOOL and shall  
11 adjust the next quarterly payment as may be necessary to accommodate  
12 any underpayment or overpayment of state funds to the school district OR  
13 STATE CHARTER SCHOOL.

14 (5) If the appropriations to implement subsections (1) to (4) of this  
15 section are less than the total amount required to pay the vocational  
16 education program support for approved vocational education courses, the  
17 board shall prorate the amount to be paid each school district AND EACH  
18 STATE CHARTER SCHOOL in the same proportion that the appropriation  
19 bears to such total amount so required for distribution. Any unexpended  
20 balance of any such appropriation shall revert to the general fund at the  
21 end of the fiscal year for which the appropriation is made.

22 **SECTION 81.** 23-8-103, Colorado Revised Statutes, is amended  
23 to read:

24 **23-8-103. Standards for eligibility for grants.** (1) The board  
25 shall not approve vocational education program support to be provided  
26 under section 23-8-102 unless the courses of vocational education  
27 conducted by a school district OR STATE CHARTER SCHOOL meet the

1 standards prescribed in subsection (2) of this section.

2 (2) Any such course shall:

3 (a) Be designed to provide students with an entry level  
4 occupational skill;

5 (b) Be of sufficient duration to provide entry level skills and  
6 related knowledge required by business and industry;

7 (c) Have a technical advisory committee which functions at the  
8 state, regional, or local level to assist school districts AND STATE CHARTER  
9 SCHOOLS in planning and conducting their vocational education curricula;

10 (d) Be conducted in facilities that are sufficiently equipped to  
11 permit adequate training and education; such facilities may be located  
12 within or outside the school district, and they may be housed in buildings  
13 which are not owned or operated by a school district OR A STATE  
14 CHARTER SCHOOL;

15 (e) Meet an employment potential which is found to exist by any  
16 survey of the board concerning economic opportunities.

17 (3) In approving programs and vocational education program  
18 support funds under this article, the board shall attempt to avoid  
19 unnecessary duplication in either facilities or staffing for vocational  
20 education in any school district, STATE CHARTER SCHOOL, or area of this  
21 state; and, where feasible, sharing of facilities shall be required by the  
22 board.

23 (4) The board shall adopt such rules and regulations as may be  
24 necessary to administer the provisions of this article.

25 **SECTION 82.** 23-15-103 (8) (a) (VIII), Colorado Revised  
26 Statutes, is amended, and the said 23-15-103 (8) (a) is further amended  
27 BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

1           **23-15-103. Definitions.** As used in this article, unless the context  
2 otherwise requires:

3           (8) (a) "Educational institution" means any governmental,  
4 quasi-governmental, or nonprofit educational institution operating in this  
5 state that:

6           (VIII) Is any public school district that qualifies as a growth  
7 district, as defined in section 22-2-125 (1) (b), C.R.S.; OR

8           (IX) PROVIDES AN EDUCATIONAL PROGRAM PURSUANT TO A  
9 CHARTER FROM THE STATE BOARD OF EDUCATION IN ACCORDANCE WITH  
10 APPLICABLE LAWS.

11           **SECTION 83.** 29-1-304.5 (2), Colorado Revised Statutes, is  
12 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

13           **29-1-304.5. State mandates - prohibition - exception.** (2) The  
14 provisions of subsection (1) of this section shall not apply to:

15           (f) ANY ORDER FROM THE STATE BOARD OF EDUCATION  
16 PERTAINING TO THE ESTABLISHMENT, OPERATION, OR FUNDING OF A  
17 CHARTER SCHOOL OR ANY MODIFICATION OF THE STATUTORY OR  
18 REGULATORY RESPONSIBILITIES OF SCHOOL DISTRICTS PERTAINING TO  
19 CHARTER SCHOOLS.

20           **SECTION 84. Appropriation.** In addition to any other  
21 appropriation, there is hereby appropriated, out of any moneys in the state  
22 charter school cash fund created pursuant to section 22-30.5-108.3 (2)  
23 (b), Colorado Revised Statutes, not otherwise appropriated, to the  
24 department of education, for the fiscal year beginning July 1, 2004, the  
25 sum of one hundred thousand dollars (\$100,000), or so much thereof as  
26 may be necessary, for the implementation of this act.

27           **SECTION 85. Safety clause.** The general assembly hereby

- 1 finds, determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.