

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

INTRODUCED

LLS NO. 04-0149.02 Jeff Conway

HOUSE BILL 04-1362

HOUSE SPONSORSHIP

Carroll, Jahn, Hefley, King, Lee, Rose, Spence, and Williams T.

SENATE SPONSORSHIP

Groff, Grossman, Hagedorn, and Jones

House Committees

Education

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE AUTHORIZATION OF INSTITUTE CHARTER SCHOOLS**

102 **BY THE STATE CHARTER SCHOOL INSTITUTE.**

Bill Summary

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

Creates the state charter school institute ("institute") as an independent agency in the department of education ("department"). Permits the institute to authorize a form of charter school to be known as an "institute charter school". Creates a board ("institute board") to oversee the operations of the institute. Allows the institute board to promulgate rules regarding the authorization of institute charter schools. States that the institute and institute charter schools are to be deemed part of the thorough and uniform system of free public schools in the state.

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.

Clarifies that the institute is not to be deemed a school district.

Allows a school district to retain exclusive authority to authorize charter schools within the school district's boundaries if the school district meets criteria that demonstrate to the state board of education ("state board") a commitment to, and oversight of, charter schools. Permits the institute to authorize an institute charter school to be located within a school district's boundaries only if the school district has not retained exclusive authority to authorize charter schools.

Adjusts school district funding based on the percentage of the pupil enrollment eligible for free lunch in an institute charter school or in a charter school authorized by a school district that has retained exclusive authority to authorize charter schools.

Creates a graduated reimbursement to school districts that have retained exclusive authority to authorize charter schools of the direct costs of authorizing charter schools based on the percentage of the district's funded pupil count that is enrolled in charter schools.

Permits an appeal to the state board of an institute board decision to deny, revoke, or not renew an institute charter. Permits the state board to reverse the institute board's decision if it finds the decision was contrary to the best interests of the pupils or community.

Authorizes the institute to be a local educational agency, to be an administrative unit for purposes of special education, and to receive annual financial audits of institute charter schools.

Creates an institute board appointed by the governor, the president of the senate, and the speaker of the house of representatives. Describes the powers and duties of the institute board.

Creates a cash fund.

Specifies that an institute charter school is a public school in the state, unaffiliated with a school district, and subject to accreditation by the state board. Provides that institute charter schools are generally subject to provisions similar to the "Charter Schools Act".

Requires an institute charter school annually to certify to the state board and the institute the number of pupils enrolled in the institute charter school. Directs the department to withhold a portion of the state share of equalization funding from the school district where the institute charter school is located and to forward the withheld amount to the institute charter school. Requires each institute charter school to budget for instructional supplies, capital reserve, and risk management.

Permits an institute charter school to receive state education fund moneys. Allows an institute charter school to benefit from some provisions of the "Colorado Educational and Cultural Facilities Authority Act".

Permits some professional staff of the institute to be exempt from the state personnel system.

Makes conforming amendments.

1 (1) "BOARD OF COOPERATIVE SERVICES" MEANS A BOARD OF
2 COOPERATIVE SERVICES AS DEFINED IN SECTION 22-5-103 (2).

3 (2) "COMMISSIONER" MEANS THE OFFICE OF THE COMMISSIONER OF
4 EDUCATION CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE
5 IX OF THE STATE CONSTITUTION.

6 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION
7 CREATED AND EXISTING PURSUANT TO SECTION 24-1-115, C.R.S.

8 (4) "INSTITUTE BOARD" MEANS THE GOVERNING BOARD OF THE
9 STATE CHARTER SCHOOL INSTITUTE THAT IS APPOINTED PURSUANT TO
10 SECTION 22-30.5-505 (2).

11 (5) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL
12 AUTHORIZED PURSUANT TO THIS PART 5.

13 (6) "LOCAL BOARD OF EDUCATION" OR "LOCAL BOARD" MEANS A
14 SCHOOL DISTRICT BOARD OF EDUCATION.

15 (7) "ON-LINE PUPIL" MEANS A CHILD WHO RECEIVES EDUCATIONAL
16 SERVICES PREDOMINANTLY THROUGH AN ON-LINE PROGRAM CREATED
17 PURSUANT TO SECTION 22-33-104.6.

18 (8) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED
19 AND EXISTING UNDER THE LAWS OF COLORADO, EXCEPT A JUNIOR COLLEGE
20 DISTRICT; EXCEPT THAT, FOR PURPOSES OF SECTION 22-30.5-513, "SCHOOL
21 DISTRICT" SHALL HAVE THE MEANING SET FORTH IN SECTION 22-30.5-513
22 (1) (o).

23 (9) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION
24 CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE IX OF THE
25 STATE CONSTITUTION.

26 (10) "STATE CHARTER SCHOOL INSTITUTE" OR "INSTITUTE" MEANS
27 THE ENTITY CREATED PURSUANT TO SECTION 22-30.5-503.

1 COMPLY WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND SHALL
2 BE IN ACCORDANCE WITH RULES PROMULGATED BY THE INSTITUTE BOARD.

3 (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
4 INSTITUTE SHALL EXIST TO MODEL BEST PRACTICES IN AUTHORIZING
5 CHARTER SCHOOLS AND MAKE THOSE PRACTICES AVAILABLE TO SCHOOL
6 DISTRICTS.

7 (3) FOR PURPOSES OF FEDERAL LAW, THE STATE CHARTER SCHOOL
8 INSTITUTE SHALL BE A LOCAL EDUCATIONAL AGENCY, DEEMED TO BE A
9 PUBLIC AUTHORITY LEGALLY CONSTITUTED WITHIN THE STATE FOR THE
10 ADMINISTRATIVE CONTROL AND DIRECTION OF, AND TO PERFORM A
11 SERVICE FUNCTION FOR, PUBLIC ELEMENTARY SCHOOLS AND SECONDARY
12 SCHOOLS IN THE STATE.

13 (4) FOR PURPOSES OF THE "EXCEPTIONAL CHILDREN'S
14 EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, THE STATE CHARTER
15 SCHOOL INSTITUTE SHALL BE CONSIDERED AN ADMINISTRATIVE UNIT,
16 RESPONSIBLE FOR ASSISTING IN THE DELIVERY OF FEDERALLY REQUIRED
17 SERVICES TO STUDENTS ENROLLED IN INSTITUTE CHARTER SCHOOLS. THE
18 INSTITUTE MAY PROVIDE OR CONTRACT FOR THE PROVISION OF SERVICES
19 TO A STUDENT ENROLLED IN AN INSTITUTE CHARTER SCHOOL.

20 (5) THE STATE CHARTER SCHOOL INSTITUTE SHALL BE RESPONSIBLE
21 FOR MONITORING THE FISCAL MANAGEMENT OF EACH INSTITUTE CHARTER
22 SCHOOL. EACH INSTITUTE CHARTER SCHOOL SHALL ANNUALLY PROVIDE
23 TO THE INSTITUTE THE RESULTS OF AN INDEPENDENT FINANCIAL AUDIT OF
24 THE INSTITUTE CHARTER SCHOOL. THE INSTITUTE SHALL REPORT TO THE
25 STATE BOARD THE SAME FINANCIAL INFORMATION IN THE SAME FORMAT
26 THAT SCHOOL DISTRICTS ARE REQUIRED TO REPORT TO THE STATE BOARD
27 PURSUANT TO THIS TITLE. INSTITUTE CHARTER SCHOOLS SHALL COMPILE

1 AND REPORT TO THE INSTITUTE THE SAME FINANCIAL INFORMATION IN THE
2 SAME FORMAT THAT CHARTER SCHOOLS ARE REQUIRED TO REPORT TO
3 SCHOOL DISTRICTS PURSUANT TO PART 1 OF THIS ARTICLE.

4 (6) THE INSTITUTE AND INSTITUTE CHARTER SCHOOLS SHALL BE
5 DEEMED PART OF THE THOROUGH AND UNIFORM SYSTEM OF FREE PUBLIC
6 SCHOOLS TO BE ESTABLISHED AND MAINTAINED BY THE GENERAL
7 ASSEMBLY, AS REQUIRED IN SECTION 2 OF ARTICLE IX OF THE STATE
8 CONSTITUTION. THE STATE BOARD SHALL HAVE GENERAL SUPERVISION OF
9 INSTITUTE CHARTER SCHOOLS, AS REQUIRED IN SECTION 1 OF ARTICLE IX
10 OF THE STATE CONSTITUTION.

11 (7) THE INSTITUTE, BY VIRTUE OF ITS FUNCTIONS AND DUTIES,
12 SHALL NOT BE DEEMED TO BE A SCHOOL DISTRICT FOR ANY PURPOSE.

13 **22-30.5-504. Institute chartering authority - institute charter**
14 **schools.** (1) THE INSTITUTE SHALL BE AUTHORIZED TO APPROVE OR DENY
15 AN APPLICATION SUBMITTED FOR THE ESTABLISHMENT OF AN INSTITUTE
16 CHARTER SCHOOL PURSUANT TO THIS PART 5.

17 (2) AN INSTITUTE CHARTER SCHOOL APPLICANT MAY SUBMIT AN
18 APPLICATION TO THE INSTITUTE ONLY IF THE SCHOOL DISTRICT IN WHICH
19 THE INSTITUTE CHARTER SCHOOL IS TO BE LOCATED HAS NOT RETAINED
20 EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS AS PROVIDED IN
21 SUBSECTION (5) OF THIS SECTION. IF A SCHOOL DISTRICT HAS NOT
22 RETAINED EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS AS
23 PROVIDED IN SUBSECTION (5) OF THIS SECTION, THE SCHOOL DISTRICT AND
24 THE INSTITUTE SHALL HAVE CONCURRENT AUTHORITY TO AUTHORIZE
25 CHARTER SCHOOLS AND INSTITUTE CHARTER SCHOOLS, RESPECTIVELY, TO
26 BE LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL
27 DISTRICT. THE SCHOOL DISTRICT SHALL MONITOR AND OVERSEE ALL

1 CHARTER SCHOOLS AUTHORIZED BY THE SCHOOL DISTRICT AS PROVIDED
2 IN PART 1 OF THIS ARTICLE. THE INSTITUTE SHALL MONITOR AND OVERSEE
3 ALL INSTITUTE CHARTER SCHOOLS AUTHORIZED BY THE INSTITUTE AS
4 PROVIDED IN THIS PART 5.

5 (3) NOTHING IN THIS PART 5 SHALL BE CONSTRUED TO ELIMINATE
6 THE ABILITY OF A SCHOOL DISTRICT TO AUTHORIZE CHARTER SCHOOLS
7 PURSUANT TO PART 1 OF THIS ARTICLE. A SCHOOL DISTRICT SHALL RETAIN
8 THE AUTHORITY TO RE-AUTHORIZE AND TO OVERSEE ANY CHARTER
9 SCHOOL WHICH IT HAS AUTHORIZED, EXCEPT WITH RESPECT TO ANY
10 CHARTER SCHOOL THAT IS CONVERTED TO AN INSTITUTE CHARTER SCHOOL
11 PURSUANT TO SECTION 22-30.5-510.

12 (4) (a) A LOCAL BOARD OF EDUCATION MAY RETAIN EXCLUSIVE
13 AUTHORITY TO AUTHORIZE CHARTER SCHOOLS WITHIN THE GEOGRAPHIC
14 BOUNDARIES OF THE SCHOOL DISTRICT BY PRESENTING TO THE STATE
15 BOARD, ON OR BEFORE MARCH 1 OF THE FISCAL YEAR PRIOR TO THAT FOR
16 WHICH THE EXCLUSIVE AUTHORITY IS TO APPLY, A WRITTEN RESOLUTION
17 ADOPTED BY THE LOCAL BOARD OF EDUCATION INDICATING THE INTENT TO
18 RETAIN EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS. THE
19 WRITTEN RESOLUTION SHALL BE ACCOMPANIED BY A WRITTEN
20 DESCRIPTION OF THOSE PORTIONS OF SUBSECTION (5) OF THIS SECTION
21 THAT THE SCHOOL DISTRICT INTENDS TO DEMONSTRATE. THE LOCAL
22 BOARD OF EDUCATION SHALL PROVIDE A COMPLETE COPY OF THE
23 RESOLUTION, INCLUDING THE DESCRIPTION, TO EACH CHARTER SCHOOL
24 AUTHORIZED BY THE LOCAL BOARD ON OR BEFORE THE DATE THE LOCAL
25 BOARD SUBMITS THE RESOLUTION TO THE STATE BOARD.

26 (b) A PARTY MAY CHALLENGE THE GRANT OF EXCLUSIVE
27 AUTHORITY MADE BY THE STATE BOARD PURSUANT TO SUBSECTION (5) OF

1 THIS SECTION BY FILING WITH THE STATE BOARD A NOTICE OF CHALLENGE
2 WITHIN THIRTY DAYS AFTER THE STATE BOARD GRANTS EXCLUSIVE
3 AUTHORITY. THE NOTICE SHALL BE ACCOMPANIED BY A SPECIFIC WRITTEN
4 DESCRIPTION OF THE BASIS FOR THE CHALLENGE. THE CHALLENGING
5 PARTY, AT THE TIME OF FILING NOTICE WITH THE STATE BOARD, SHALL
6 PROVIDE A COPY OF THE NOTICE OF CHALLENGE TO THE SCHOOL DISTRICT
7 THAT HAS BEEN GRANTED EXCLUSIVE AUTHORITY. THE STATE BOARD
8 SHALL PERMIT THE SCHOOL DISTRICT THE OPPORTUNITY TO APPEAR AND
9 RESPOND IN WRITING TO THE CHALLENGE. THE STATE BOARD SHALL MAKE
10 A DETERMINATION UPON THE CHALLENGE WITHIN SIXTY DAYS AFTER
11 RECEIPT OF THE NOTICE OF CHALLENGE.

12 (5) (a) THE STATE BOARD SHALL GRANT TO A LOCAL BOARD OF
13 EDUCATION EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS
14 WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT IF THE
15 STATE BOARD DETERMINES, AFTER ADEQUATE NOTICE AND IN A PUBLIC
16 HEARING, THAT THE LOCAL BOARD PROVIDES FAIR AND EQUITABLE
17 TREATMENT TO ITS CHARTER SCHOOLS THROUGH THE DEMONSTRATION OF
18 ANY COMBINATION OF THE FOLLOWING:

19 (I) FULL COMPLIANCE WITH THE PROVISIONS OF THE "CHARTER
20 SCHOOLS ACT", PART 1 OF THIS ARTICLE, WHICH INCLUDES, AT A
21 MINIMUM:

22 (A) COMPLIANCE WITH FULL AND ACCURATE ACCOUNTING
23 PRACTICES AND CHARGES FOR CENTRAL ADMINISTRATIVE OVERHEAD
24 COSTS; AND

25 (B) COMPLIANCE WITH SECTION 22-30.5-112, WHICH PERMITS A
26 CHARTER SCHOOL TO PURCHASE, AT ITS DISCRETION, CERTAIN SERVICES OR
27 A COMBINATION OF SERVICES;

1 (II) THE DISTRIBUTION TO CHARTER SCHOOLS AUTHORIZED BY THE
2 LOCAL BOARD OF A PRO RATA SHARE OF MILL LEVY OVERRIDES, EXCEPT
3 FOR ANY MILL LEVIED FOR A PARTICULAR PURPOSE THAT BY ITS EXPRESS
4 TERMS IS INTENDED TO BENEFIT A GRADE, A PROGRAM, OR A SCHOOL AND,
5 AS A RESULT, IS NOT AVAILABLE TO BE OFFERED TO ANY CHARTER SCHOOL
6 THAT DID NOT PARTICIPATE IN THE MILL LEVY PROCEEDS;

7 (III) THE PROVISION OF ASSISTANCE TO CHARTER SCHOOLS TO
8 MEET THEIR FACILITIES NEEDS, BY INCLUDING THOSE NEEDS IN LOCAL
9 BOND ISSUES OR OTHERWISE PROVIDING AVAILABLE LAND AND FACILITIES
10 THAT ARE COMPARABLE TO THOSE PROVIDED TO OTHER PUBLIC SCHOOL
11 STUDENTS IN THE SAME GRADE LEVELS WITHIN THE SCHOOL DISTRICT;

12 (IV) THE DISTRIBUTION TO CHARTER SCHOOLS AUTHORIZED BY THE
13 LOCAL BOARD OF A PRO RATA SHARE OF FEDERAL AND STATE GRANTS
14 RECEIVED BY THE SCHOOL DISTRICT, EXCEPT FOR ANY GRANT RECEIVED
15 FOR A PARTICULAR PURPOSE THAT BY ITS EXPRESS TERMS IS INTENDED TO
16 BENEFIT A STUDENT POPULATION NOT ABLE TO BE SERVED BY, OR A
17 PROGRAM NOT ABLE TO BE OFFERED AT, A CHARTER SCHOOL WHICH DID
18 NOT RECEIVE A PROPORTIONATE SHARE OF SUCH GRANT PROCEEDS;

19 (V) THE PROVISION OF ADEQUATE STAFF AND OTHER RESOURCES
20 TO SERVE CHARTER SCHOOLS AUTHORIZED BY THE LOCAL BOARD, WHICH
21 SERVICES ARE PROVIDED BY THE SCHOOL DISTRICT AT A COST TO THE
22 CHARTER SCHOOLS THAT DOES NOT EXCEED THEIR ACTUAL COST TO THE
23 SCHOOL DISTRICT, OR, IN THE CASE OF FEDERALLY REQUIRED
24 EDUCATIONAL SERVICES, THE AMOUNT SPECIFIED IN SECTION 22-30.5-112
25 (2) (a.8);

26 (VI) THE LACK OF A MORATORIUM ON NEW CHARTER SCHOOL
27 APPROVALS OR A REFUSAL TO REVIEW APPLICATIONS AND THE LACK OF A

1 POLICY OR PRACTICE OF PREVENTING OR OTHERWISE RESTRICTING THE
2 APPROVAL OF CHARTER SCHOOL APPLICATIONS OR ENROLLMENT, EITHER
3 AS INDIVIDUAL CHARTER SCHOOL ENROLLMENT LIMITS OR AS
4 DISTRICT-WIDE CHARTER SCHOOL ENROLLMENT LIMITS, EXCEPT AS
5 OTHERWISE PROVIDED IN ARTICLE 36 OF THIS TITLE; OR

6 (VII) THE PROVISION OF AN ADEQUATE NUMBER OF EDUCATIONAL
7 CHOICE PROGRAMS TO SERVE STUDENTS EXERCISING THEIR RIGHTS TO
8 TRANSFER PURSUANT TO THE "NO CHILD LEFT BEHIND ACT OF 2001",
9 PUBLIC LAW 107-110, AND A HISTORY OF CHARTER SCHOOL APPROVAL
10 THAT ENCOURAGES PROGRAMS THAT SERVE DIVERSE STUDENT
11 POPULATIONS.

12 (b) FOR SCHOOL DISTRICTS THAT HAVE NO DISCERNABLE HISTORY
13 OF AUTHORIZING CHARTER SCHOOLS, THE STATE BOARD MAY MAKE A
14 RENEWABLE ONE-YEAR GRANT OF EXCLUSIVE AUTHORITY IF THE SCHOOL
15 DISTRICT PRESENTS TO THE STATE BOARD A PLAN TO IMPLEMENT A
16 COMBINATION OF THE AUTHORIZING PRACTICES DESCRIBED IN PARAGRAPH
17 (a) OF THIS SUBSECTION (5).

18 (6) A GRANT OF EXCLUSIVE AUTHORITY BY THE STATE BOARD
19 SHALL CONTINUE SO LONG AS A SCHOOL DISTRICT CONTINUES TO
20 DEMONSTRATE A COMBINATION OF THE AUTHORIZING PRACTICES
21 DESCRIBED IN PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION. EACH
22 SCHOOL DISTRICT SEEKING TO RETAIN EXCLUSIVE AUTHORITY SHALL
23 ANNUALLY SUBMIT TO THE STATE BOARD, PRIOR TO MARCH 1, A WRITTEN
24 RESOLUTION DESCRIBED IN SUBSECTION (4) OF THIS SECTION THAT
25 DEMONSTRATES A COMBINATION OF THE AUTHORIZING PRACTICES
26 DESCRIBED IN SUBSECTION (5) OF THIS SECTION.

27 **22-30.5-505. State charter school institute - institute board -**

1 **appointment - powers and duties.** (1) THE INSTITUTE SHALL CONSIST OF
2 THE INSTITUTE BOARD, APPOINTED PURSUANT TO SUBSECTION (2) OF THIS
3 SECTION, AND ANY STAFF OR CONTRACT EMPLOYEES HIRED BY THE
4 INSTITUTE BOARD AS AUTHORIZED BY LAW. ANY STAFF HIRED BY THE
5 INSTITUTE BOARD SHALL BE DEEMED EMPLOYEES SUBJECT TO THE STATE
6 PERSONNEL SYSTEM OF THIS STATE AS DEFINED IN SECTION 13 OF ARTICLE
7 XII OF THE STATE CONSTITUTION AND ARTICLE 50 OF TITLE 24, C.R.S.;
8 EXCEPT THAT, AS A MATTER OF LEGISLATIVE DETERMINATION, ALL
9 POSITIONS CLASSIFIED BY THE INSTITUTE BOARD AS PROFESSIONAL
10 OFFICERS AND PROFESSIONAL STAFF OF THE INSTITUTE ARE DECLARED TO
11 BE EDUCATIONAL IN NATURE AND EXEMPT FROM THE STATE PERSONNEL
12 SYSTEM.

13 (2) (a) THE INSTITUTE BOARD SHALL CONSIST OF NINE MEMBERS,
14 NO MORE THAN FIVE OF WHOM ARE MEMBERS OF THE SAME POLITICAL
15 PARTY. SEVEN OF THE MEMBERS SHALL BE APPOINTED BY THE GOVERNOR,
16 WITH THE CONSENT OF THE SENATE, AND TWO OF THE MEMBERS SHALL BE
17 APPOINTED BY THE COMMISSIONER. IN MAKING THE APPOINTMENTS, THE
18 GOVERNOR AND THE COMMISSIONER SHALL ENSURE THE INSTITUTE BOARD
19 REFLECTS THE GEOGRAPHIC DIVERSITY OF THE STATE. MEMBERS
20 APPOINTED TO THE INSTITUTE BOARD SHALL HAVE EXPERIENCE IN AT LEAST
21 ONE OF THE FOLLOWING AREAS:

22 (I) EXPERIENCE AS A CHARTER SCHOOL BOARD MEMBER OR
23 FOUNDER OF A CHARTER SCHOOL;

24 (II) EXPERIENCE AS A PUBLIC SCHOOL ADMINISTRATOR WITH
25 EXPERIENCE WORKING WITH CHARTER SCHOOLS;

26 (III) FINANCIAL MANAGEMENT EXPERTISE;

27 (IV) DETAILED KNOWLEDGE OF CHARTER SCHOOL LAW;

- 1 (V) OTHER BOARD OR PUBLIC SERVICE EXPERIENCE;
- 2 (VI) EXPERIENCE AS A PUBLIC SCHOOL TEACHER;
- 3 (VII) ON-LINE EDUCATION AND ON-LINE CURRICULUM
- 4 DEVELOPMENT EXPERTISE;
- 5 (VIII) SCHOOL DISTRICT SPECIAL EDUCATION EXPERTISE; AND
- 6 (IX) CURRICULUM AND ASSESSMENT EXPERTISE.

7 (b) THE MEMBERS OF THE INSTITUTE BOARD SHALL SERVE TERMS
8 OF THREE YEARS; EXCEPT THAT, OF THE MEMBERS FIRST APPOINTED BY THE
9 GOVERNOR, TWO MEMBERS SHALL SERVE A TERM OF THREE YEARS, THREE
10 MEMBERS SHALL SERVE A TERM OF TWO YEARS, AND TWO MEMBERS SHALL
11 SERVE A TERM OF ONE YEAR; AND OF THE MEMBERS FIRST APPOINTED BY
12 THE COMMISSIONER, ONE MEMBER SHALL SERVE A TERM OF THREE YEARS
13 AND ONE MEMBER SHALL SERVE A TERM OF ONE YEAR. NO MEMBER SHALL
14 SERVE MORE THAN SIX CONSECUTIVE YEARS. THE GOVERNOR AND THE
15 COMMISSIONER SHALL MAKE THE INITIAL APPOINTMENTS NO LATER THAN
16 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

17 (c) AN INSTITUTE BOARD MEMBER MAY BE REMOVED FOR ANY
18 CAUSE THAT RENDERS THE MEMBER INCAPABLE OR UNFIT TO DISCHARGE
19 THE DUTIES OF THE OFFICE. WHENEVER A VACANCY ON THE INSTITUTE
20 BOARD EXISTS, THE PERSON MAKING THE ORIGINAL APPOINTMENT SHALL
21 APPOINT A MEMBER FOR THE REMAINING PORTION OF THE UNEXPIRED TERM
22 CREATED BY THE VACANCY.

23 (3) THE MISSION OF THE INSTITUTE BOARD SHALL BE TO FOSTER
24 HIGH-QUALITY PUBLIC SCHOOL CHOICES OFFERED THROUGH INSTITUTE
25 CHARTER SCHOOLS, INCLUDING PARTICULARLY SCHOOLS FOR
26 UNDERSERVED STUDENTS. IN DISCHARGING ITS DUTIES PURSUANT TO THIS
27 PART 5, THE INSTITUTE SHALL:

1 (a) ACT AS A MODEL OF BEST PRACTICES IN AUTHORIZING CHARTER
2 SCHOOLS;

3 (b) USE STATE AND FEDERAL SYSTEMS FOR ENSURING THE
4 ACCOUNTABILITY OF EACH INSTITUTE CHARTER SCHOOL IN MEETING THE
5 OBLIGATIONS AND GOALS SET FORTH IN ITS CONTRACT;

6 (c) MEASURE THE ACADEMIC SUCCESS OF EACH INSTITUTE
7 CHARTER SCHOOL STUDENT THROUGH LONGITUDINAL INDICES; AND

8 (d) MEASURE THE ACADEMIC SUCCESS OF EACH INSTITUTE
9 CHARTER SCHOOL THROUGH PERFORMANCE-BASED MEANS AND NOT
10 PROCESS-BASED MEANS.

11 (4) IN ADDITION TO ANY OTHER POWERS GRANTED BY LAW TO THE
12 INSTITUTE BOARD, THE INSTITUTE BOARD SHALL HAVE THE FOLLOWING
13 POWERS:

14 (a) TO HAVE AND USE A CORPORATE SEAL;

15 (b) TO SUE AND BE SUED IN ITS OWN NAME;

16 (c) TO INCUR DEBTS, LIABILITIES, AND OBLIGATIONS, SUBJECT TO
17 ANY LIMITATIONS IMPOSED THEREON PURSUANT TO LAW;

18 (d) TO COOPERATE AND CONTRACT WITH THE STATE OR FEDERAL
19 GOVERNMENT OR AN AGENCY OR INSTRUMENTALITY THEREOF AND TO
20 APPLY FOR AND RECEIVE GRANTS OR FINANCIAL ASSISTANCE FROM ANY
21 SUCH ENTITIES;

22 (e) TO ACQUIRE, HOLD, LEASE, SELL, OR OTHERWISE DISPOSE OF
23 REAL OR PERSONAL PROPERTY OR A COMMODITY OR SERVICE;

24 (f) TO DO OR PERFORM AN ACT AUTHORIZED BY THIS PART 5 BY
25 MEANS OF AN AGENT OR BY CONTRACT WITH A PERSON, FIRM, OR
26 CORPORATION;

27 (g) TO PROVIDE FOR THE NECESSARY EXPENSES OF THE INSTITUTE

1 BOARD IN THE EXERCISE OF ITS POWERS AND THE PERFORMANCE OF ITS
2 DUTIES AND TO REIMBURSE A BOARD MEMBER FOR NECESSARY EXPENSES
3 INCURRED IN THE PERFORMANCE OF THE BOARD MEMBER'S DUTIES;

4 (h) TO PROVIDE FOR THE PROPER KEEPING OF ACCOUNTS AND
5 RECORDS AND FOR BUDGETING OF FUNDS;

6 (i) TO ACT AS A PUBLIC ENTITY FOR PURPOSES OF THE "COLORADO
7 GOVERNMENTAL IMMUNITY ACT", ARTICLE 10 OF TITLE 24, C.R.S.;

8 (j) TO EXERCISE THE SAME POWERS RETAINED BY BOARDS OF
9 COOPERATIVE SERVICES THAT ARE DESCRIBED IN SECTION 22-5-108; AND

10 (k) TO PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF
11 TITLE 24, C.R.S., FOR THE ADMINISTRATION OF THIS PART 5.

12 (5) NO LATER THAN NINETY DAYS AFTER THE DATE THE INSTITUTE
13 COMMENCES OPERATIONS, AS DESCRIBED IN SECTION 22-30.5-506 (2) (b),
14 THE INSTITUTE BOARD SHALL PROMULGATE RULES THAT SET FORTH THE
15 PROCEDURES FOR THE ACCEPTANCE OF INSTITUTE CHARTER SCHOOL
16 APPLICATIONS AND THE CRITERIA FOR AUTHORIZING INSTITUTE CHARTER
17 SCHOOLS PURSUANT TO THIS PART 5.

18 (6) (a) THE INSTITUTE MAY CONTRACT WITH BOARDS OF
19 COOPERATIVE SERVICES CREATED PURSUANT TO ARTICLE 5 OF THIS TITLE,
20 OR WITH ANY OTHER QUALIFIED INDIVIDUAL OR PUBLIC OR PRIVATE ENTITY
21 OR ORGANIZATION, INCLUDING A SCHOOL DISTRICT, FOR THE PROVISION OF
22 ADMINISTRATIVE OR OTHER SUPPORT SERVICES DIRECTLY TO THE
23 INSTITUTE OR FOR THE BENEFIT OF INSTITUTE CHARTER SCHOOLS.

24 (b) THIS PART 5 SHALL NOT BE CONSTRUED TO REQUIRE THE
25 INSTITUTE TO PROVIDE SERVICES TO AN INSTITUTE CHARTER SCHOOL, TO
26 REQUIRE AN INSTITUTE CHARTER SCHOOL TO PURCHASE SERVICES FROM
27 THE INSTITUTE, NOR TO PROHIBIT AN INSTITUTE CHARTER SCHOOL FROM

1 PURCHASING EDUCATION-RELATED SERVICES FROM ANY SOURCES
2 AVAILABLE, INCLUDING A SCHOOL DISTRICT.

3 (7) THE INSTITUTE SHALL ENSURE THAT EACH INSTITUTE CHARTER
4 SCHOOL COMPLIES WITH THE PROVISIONS OF ARTICLE 7 OF THIS TITLE.
5 EACH INSTITUTE CHARTER SCHOOL SHALL BE RESPONSIBLE FOR
6 GATHERING AND SUBMITTING TO THE INSTITUTE THE DATA NECESSARY TO
7 PREPARE A SCHOOL ACCOUNTABILITY REPORT REQUIRED BY SECTION
8 22-7-605 FOR THE INSTITUTE CHARTER SCHOOL.

9 (8) THE INSTITUTE SHALL ENSURE THAT EACH INSTITUTE CHARTER
10 SCHOOL ADOPTS CONTENT STANDARDS IN A MANNER CONSISTENT WITH
11 THAT REQUIRED OF SCHOOL DISTRICTS PURSUANT TO SECTION 22-7-407.

12 (9) THE INSTITUTE SHALL ENSURE THAT EACH INSTITUTE CHARTER
13 SCHOOL ADDRESSES THE EXPULSION, SUSPENSION, AND EDUCATION OF
14 EXPELLED OR SUSPENDED STUDENTS IN A MANNER CONSISTENT WITH THE
15 INTENTS AND PURPOSES OF SECTION 22-33-105.

16 (10) THE INSTITUTE MAY ISSUE REQUESTS FOR PROPOSALS TO
17 SOLICIT APPLICATIONS FOR AN INSTITUTE CHARTER SCHOOL TO SERVE
18 STUDENTS IDENTIFIED AS UNDERSERVED BY REASONABLY AVAILABLE
19 PUBLIC SCHOOL OPTIONS.

20 (11) THE INSTITUTE SHALL ANNUALLY REVIEW EACH INSTITUTE
21 CHARTER SCHOOL'S ACCOMPLISHMENT OF THE GOALS DESCRIBED IN
22 SECTION 22-30.5-509.

23 **22-30.5-506. State charter school institute fund - created.**

24 (1) THE STATE CHARTER SCHOOL INSTITUTE IS AUTHORIZED TO RECEIVE
25 AND EXPEND GIFTS, GRANTS, AND DONATIONS OF ANY KIND FROM ANY
26 PUBLIC OR PRIVATE ENTITY TO CARRY OUT THE PURPOSES OF THIS PART 5,
27 SUBJECT TO THE TERMS AND CONDITIONS UNDER WHICH GIVEN; EXCEPT

1 THAT NO GIFT, GRANT, OR DONATION SHALL BE ACCEPTED IF THE
2 CONDITIONS ATTACHED THERETO REQUIRE THE USE OR EXPENDITURE
3 THEREOF IN A MANNER CONTRARY TO LAW. ANY GIFTS, GRANTS, OR
4 DONATIONS RECEIVED PURSUANT TO THIS SUBSECTION (1) SHALL BE
5 TRANSMITTED TO THE STATE TREASURER WHO SHALL CREDIT THE SAME TO
6 THE STATE CHARTER SCHOOL INSTITUTE FUND, HEREINAFTER REFERRED TO
7 AS THE "FUND", WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY.
8 MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY
9 THE GENERAL ASSEMBLY TO THE INSTITUTE, TO OFFSET THE ACTUAL AND
10 REASONABLE COSTS INCURRED BY THE INSTITUTE IN IMPLEMENTING THIS
11 PART 5. ALL INVESTMENT EARNINGS DERIVED FROM THE DEPOSIT AND
12 INVESTMENT OF THE MONEYS IN THE FUND SHALL BE CREDITED TO THE
13 FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN
14 THE FUND AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND
15 AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER
16 FUND.

17 (2) (a) THE INSTITUTE SHALL NOT BE OBLIGATED TO COMMENCE
18 OPERATIONS NECESSARY TO RECEIVE APPLICATIONS, UNTIL SUCH TIME AS
19 THERE IS AT LEAST FIFTY THOUSAND DOLLARS IN THE FUND, WHETHER
20 RECEIVED FROM GIFTS, GRANTS, DONATIONS, OR OTHER SOURCES.

21 (b) THE INSTITUTE SHALL NOT BE OBLIGATED TO COMMENCE
22 REVIEW OF APPLICATIONS ACTUALLY RECEIVED, UNTIL SUCH TIME AS THE
23 BALANCE IN THE FUND REACHES AT LEAST ONE HUNDRED FIFTY THOUSAND
24 DOLLARS, WHETHER RECEIVED FROM GIFTS, GRANTS, DONATIONS OR
25 OTHER SOURCES.

26 **22-30.5-507. Institute charter school - requirements -**
27 **authority.** (1) (a) AN INSTITUTE CHARTER SCHOOL SHALL BE A PUBLIC,

1 NONSECTARIAN, NONRELIGIOUS, NON-HOME-BASED SCHOOL THAT
2 OPERATES PURSUANT TO A CHARTER CONTRACT AUTHORIZED BY THE STATE
3 CHARTER SCHOOL INSTITUTE.

4 (b) AN INSTITUTE CHARTER SCHOOL SHALL EXIST AS A PUBLIC
5 SCHOOL WITHIN THE STATE, UNAFFILIATED WITH A SCHOOL DISTRICT.
6 NOTHING IN THIS PART 5 SHALL BE CONSTRUED TO PERMIT A SCHOOL
7 DISTRICT TO DETERMINE CURRICULUM, POLICIES, PROCEDURES, OR
8 OPERATIONS OF AN INSTITUTE CHARTER SCHOOL, INCLUDING BUT NOT
9 LIMITED TO COMPLIANCE WITH THE ACCOUNTABILITY PROVISIONS
10 SPECIFIED IN THIS TITLE, ACCREDITATION CONTRACTS, AND STATEWIDE
11 ASSESSMENT REQUIREMENTS.

12 (2) AN INSTITUTE CHARTER SCHOOL SHALL BE:

13 (a) SUBJECT TO THE TERMS OF THE CHARTER CONTRACT ENTERED
14 INTO WITH THE INSTITUTE;

15 (b) ACCOUNTABLE TO THE INSTITUTE FOR PURPOSES OF ENSURING
16 COMPLIANCE WITH APPLICABLE LAWS AND CHARTER CONTRACT
17 PROVISIONS; AND

18 (c) SUBJECT TO ACCREDITATION BY THE STATE BOARD PURSUANT
19 TO ARTICLE 11 OF THIS TITLE.

20 (3) AN INSTITUTE CHARTER SCHOOL SHALL BE SUBJECT TO ALL
21 FEDERAL AND STATE LAWS AND CONSTITUTIONAL PROVISIONS PROHIBITING
22 DISCRIMINATION ON THE BASIS OF DISABILITY, RACE, CREED, COLOR,
23 GENDER, NATIONAL ORIGIN, RELIGION, ANCESTRY, OR NEED FOR SPECIAL
24 EDUCATION SERVICES. ENROLLMENT IN AN INSTITUTE CHARTER SCHOOL
25 SHALL BE OPEN TO ANY CHILD WHO RESIDES WITHIN THE STATE; EXCEPT
26 THAT AN INSTITUTE CHARTER SCHOOL SHALL NOT BE REQUIRED TO MAKE
27 ALTERATIONS IN THE STRUCTURE OF THE FACILITY USED BY THE INSTITUTE

1 CHARTER SCHOOL OR TO MAKE ALTERATIONS TO THE ARRANGEMENT OR
2 FUNCTION OF ROOMS WITHIN THE FACILITY, EXCEPT AS MAY BE REQUIRED
3 BY STATE OR FEDERAL LAW. ENROLLMENT DECISIONS SHALL BE MADE IN
4 A NONDISCRIMINATORY MANNER SPECIFIED BY THE APPLICANT IN THE
5 INSTITUTE CHARTER SCHOOL APPLICATION.

6 (4) AN INSTITUTE CHARTER SCHOOL SHALL BE ADMINISTERED AND
7 GOVERNED BY A GOVERNING BODY IN A MANNER AGREED TO AND SET
8 FORTH IN THE CHARTER CONTRACT. AN INSTITUTE CHARTER SCHOOL MAY
9 ORGANIZE AS A NONPROFIT CORPORATION PURSUANT TO THE "COLORADO
10 REVISED NONPROFIT CORPORATION ACT", ARTICLES 121 TO 137 OF TITLE
11 7, C.R.S., WHICH SHALL NOT AFFECT ITS STATUS AS A PUBLIC SCHOOL FOR
12 ANY PURPOSES UNDER COLORADO LAW.

13 (5) IN ORDER TO CLARIFY THE STATUS OF INSTITUTE CHARTER
14 SCHOOLS FOR PURPOSES OF TAX-EXEMPT FINANCING, AN INSTITUTE
15 CHARTER SCHOOL, AS A PUBLIC SCHOOL, IS A GOVERNMENTAL ENTITY.
16 DIRECT LEASES AND FINANCIAL OBLIGATIONS OF AN INSTITUTE CHARTER
17 SCHOOL SHALL NOT CONSTITUTE DEBT OR FINANCIAL OBLIGATIONS OF THE
18 STATE OR ANY SCHOOL DISTRICT.

19 (6) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 22-20-109 (5),
20 22-32-115 (1) AND (2), AND 22-54-109, AN INSTITUTE CHARTER SCHOOL
21 SHALL NOT CHARGE TUITION.

22 (7) PURSUANT TO THE CHARTER CONTRACT, AN INSTITUTE
23 CHARTER SCHOOL MAY OPERATE FREE FROM SPECIFIED STATUTES AND
24 STATE BOARD RULES. THE STATE BOARD MAY WAIVE STATE STATUTORY
25 REQUIREMENTS OR RULES PROMULGATED BY THE STATE BOARD; EXCEPT
26 THAT THE STATE BOARD MAY NOT WAIVE ANY STATE STATUTE OR RULE
27 RELATING TO THE ASSESSMENTS REQUIRED TO BE ADMINISTERED

1 PURSUANT TO SECTION 22-7-409, ANY STATE STATUTE OR RULE
2 NECESSARY TO PREPARE THE SCHOOL ACCOUNTABILITY REPORTS
3 PURSUANT TO PART 6 OF ARTICLE 7 OF THIS TITLE, OR ANY STATE STATUTE
4 OR RULE RELATING TO THE "CHILDREN'S INTERNET PROTECTION ACT",
5 ARTICLE 87 OF THIS TITLE. ANY WAIVER OF STATE STATUTE OR STATE
6 BOARD RULE MADE PURSUANT TO THIS SUBSECTION (7) SHALL BE FOR THE
7 TERM OF THE CONTRACT FOR WHICH THE WAIVER IS MADE. A REQUEST
8 FOR A WAIVER MAY BE SUBMITTED TO THE INSTITUTE AS A PART OF THE
9 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL.

10 (8) (a) AN INSTITUTE CHARTER SCHOOL SHALL BE RESPONSIBLE
11 FOR ITS OWN OPERATION INCLUDING, BUT NOT LIMITED TO, PREPARATION
12 OF A BUDGET, CONTRACTING FOR SERVICES, AND PERSONNEL MATTERS.

13 (b) AN INSTITUTE CHARTER SCHOOL MAY NEGOTIATE AND
14 CONTRACT WITH A SCHOOL DISTRICT, THE GOVERNING BODY OF A STATE
15 COLLEGE OR UNIVERSITY, OR ANY THIRD PARTY FOR THE USE OF A SCHOOL
16 BUILDING AND GROUNDS, THE OPERATION AND MAINTENANCE THEREOF,
17 AND THE PROVISION OF ANY SERVICE, ACTIVITY, OR UNDERTAKING THAT
18 THE INSTITUTE CHARTER SCHOOL IS REQUIRED TO PERFORM IN ORDER TO
19 CARRY OUT THE EDUCATIONAL PROGRAM DESCRIBED IN ITS CHARTER
20 CONTRACT. THE INSTITUTE CHARTER SCHOOL SHALL HAVE STANDING TO
21 SUE AND BE SUED IN ITS OWN NAME FOR THE ENFORCEMENT OF ANY
22 CONTRACT CREATED PURSUANT TO THIS PARAGRAPH (b).

23 (9) AN INSTITUTE CHARTER SCHOOL IS AUTHORIZED TO OFFER ANY
24 EDUCATIONAL PROGRAM, INCLUDING BUT NOT LIMITED TO AN ON-LINE
25 PROGRAM PURSUANT TO SECTION 22-33-104.6, THAT MAY BE OFFERED BY
26 A SCHOOL DISTRICT, UNLESS EXPRESSLY PROHIBITED BY ITS CHARTER
27 CONTRACT OR BY STATE LAW.

1 (10) ALL DECISIONS REGARDING THE PLANNING, SITING, AND
2 INSPECTION OF INSTITUTE CHARTER SCHOOL FACILITIES SHALL BE MADE IN
3 ACCORDANCE WITH SECTION 22-32-124 AND AS SPECIFIED BY CONTRACT
4 WITH THE INSTITUTE.

5 **22-30.5-508. Institute charter schools - contract contents -**
6 **regulations - repeal.** (1) AN APPROVED INSTITUTE CHARTER SCHOOL
7 APPLICATION SHALL SERVE AS THE BASIS FOR A CHARTER CONTRACT
8 BETWEEN THE INSTITUTE CHARTER SCHOOL AND THE INSTITUTE.

9 (2) (a) A CHARTER CONTRACT BETWEEN AN INSTITUTE CHARTER
10 SCHOOL AND THE INSTITUTE COMPLETED ON OR AFTER JULY 1, 2004, BUT
11 PRIOR TO JULY 1, 2010, SHALL INCLUDE A STATEMENT SPECIFYING HOW
12 THE INSTITUTE CHARTER SCHOOL INTENDS TO USE THE ONE-PERCENT
13 INCREASE IN THE STATEWIDE BASE PER PUPIL FUNDING FOR STATE FISCAL
14 YEARS 2001-02 THROUGH 2010-11 REQUIRED BY SECTION 17 OF ARTICLE
15 IX OF THE STATE CONSTITUTION TO RAISE STUDENT ACHIEVEMENT.

16 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2011.

17 (3) THE CHARTER CONTRACT BETWEEN THE INSTITUTE CHARTER
18 SCHOOL AND THE INSTITUTE SHALL REFLECT ALL REQUESTS FOR RELEASE
19 FROM STATE STATUTES AND RULES MADE BY THE INSTITUTE CHARTER
20 SCHOOL APPLICANT. WITHIN FORTY-FIVE DAYS AFTER A REQUEST FOR
21 RELEASE IS RECEIVED BY THE STATE BOARD, THE STATE BOARD SHALL
22 EITHER GRANT OR DENY THE REQUEST. IF THE STATE BOARD GRANTS THE
23 REQUEST, IT MAY ORALLY NOTIFY THE INSTITUTE CHARTER SCHOOL OF ITS
24 DECISION. IF THE STATE BOARD DENIES THE REQUEST, IT SHALL NOTIFY
25 THE INSTITUTE CHARTER SCHOOL IN WRITING THAT THE REQUEST IS DENIED
26 AND SPECIFY THE REASONS FOR DENIAL. IF THE INSTITUTE CHARTER
27 SCHOOL DOES NOT RECEIVE NOTICE OF THE STATE BOARD'S DECISION

1 WITHIN FORTY-FIVE DAYS AFTER SUBMITTAL OF THE REQUEST FOR
2 RELEASE, THE REQUEST SHALL BE DEEMED GRANTED. IF THE STATE BOARD
3 DENIES A REQUEST FOR RELEASE THAT INCLUDES MULTIPLE STATE
4 STATUTES OR RULES, THE DENIAL SHALL SPECIFY THE STATE STATUTES AND
5 RULES FOR WHICH THE RELEASE IS DENIED, AND THE DENIAL SHALL APPLY
6 ONLY TO THOSE STATE STATUTES AND RULES SO SPECIFIED.

7 (4) A MATERIAL REVISION OF THE TERMS OF THE CHARTER
8 CONTRACT MAY BE MADE ONLY WITH THE APPROVAL OF THE INSTITUTE
9 AND THE GOVERNING BODY OF THE INSTITUTE CHARTER SCHOOL.

10 (5) ANY TERM INCLUDED IN A CHARTER CONTRACT THAT WOULD
11 REQUIRE AN INSTITUTE CHARTER SCHOOL TO WAIVE OR OTHERWISE
12 FOREGO RECEIPT OF ANY AMOUNT OF OPERATIONAL OR CAPITAL
13 CONSTRUCTION FUNDS PROVIDED TO THE INSTITUTE CHARTER SCHOOL
14 PURSUANT TO THE PROVISIONS OF THIS PART 5 OR PURSUANT TO ANY
15 OTHER PROVISION OF LAW IS HEREBY DECLARED NULL AND VOID AS
16 AGAINST PUBLIC POLICY AND IS UNENFORCEABLE.

17 **22-30.5-509. Institute charter school application - contents.**

18 (1) THE INSTITUTE CHARTER SCHOOL APPLICATION SHALL BE A PROPOSED
19 AGREEMENT AND SHALL INCLUDE:

20 (a) THE MISSION STATEMENT OF THE INSTITUTE CHARTER SCHOOL,
21 WHICH SHALL BE CONSISTENT WITH THE PRINCIPLES OF THE GENERAL
22 ASSEMBLY'S DECLARED PURPOSES AS SET FORTH IN SECTION 22-30.5-501;

23 (b) THE GOALS, OBJECTIVES, AND PUPIL PERFORMANCE
24 STANDARDS, IN COMPLIANCE WITH STATE AND FEDERAL LAW, TO BE
25 ACHIEVED BY THE INSTITUTE CHARTER SCHOOL FOR ALL STUDENTS WHO
26 ENROLL;

27 (c) EVIDENCE THAT AN ADEQUATE NUMBER OF PARENTS,

1 TEACHERS, PUPILS, OR ANY COMBINATION THEREOF, SUPPORT THE
2 FORMATION OF AN INSTITUTE CHARTER SCHOOL;

3 (d) A DESCRIPTION OF THE INSTITUTE CHARTER SCHOOL'S
4 EDUCATIONAL PROGRAM AND THE PLAN FOR ADMINISTRATION OF THE
5 STATEWIDE ASSESSMENTS DESCRIBED IN ARTICLE 7 OF THIS TITLE;

6 (e) A DESCRIPTION OF THE INSTITUTE CHARTER SCHOOL'S PLAN FOR
7 EVALUATING PUPIL PERFORMANCE, THE TYPES OF ASSESSMENTS THAT WILL
8 BE USED TO MEASURE PUPIL PROGRESS TOWARDS ACHIEVEMENT OF THE
9 INSTITUTE CHARTER SCHOOL'S PUPIL PERFORMANCE GOALS FOR ALL
10 STUDENTS ENROLLED, THE TIMELINE FOR ACHIEVEMENT OF THE GOALS,
11 AND THE PROCEDURES FOR TAKING CORRECTIVE ACTION IN THE EVENT
12 THAT PUPIL PERFORMANCE AT THE INSTITUTE CHARTER SCHOOL FALLS
13 BELOW SUCH GOALS;

14 (f) EVIDENCE THAT THE PLAN FOR THE INSTITUTE CHARTER SCHOOL
15 IS ECONOMICALLY SOUND, A PROPOSED BUDGET FOR THE TERM OF THE
16 CONTRACT, AND A DESCRIPTION OF THE MANNER IN WHICH AN ANNUAL
17 AUDIT OF THE FINANCIAL AND ADMINISTRATIVE OPERATIONS OF THE
18 INSTITUTE CHARTER SCHOOL WILL BE CONDUCTED;

19 (g) A DESCRIPTION OF THE GOVERNANCE AND OPERATION OF THE
20 INSTITUTE CHARTER SCHOOL, INCLUDING THE NATURE AND EXTENT OF
21 PARENTAL, PROFESSIONAL EDUCATOR, AND COMMUNITY INVOLVEMENT IN
22 THE GOVERNANCE AND OPERATION OF THE INSTITUTE CHARTER SCHOOL;

23 (h) AN EXPLANATION OF THE RELATIONSHIP THAT WILL EXIST
24 BETWEEN THE INSTITUTE CHARTER SCHOOL AND ITS EMPLOYEES, AND THE
25 EMPLOYMENT POLICIES OF THE INSTITUTE CHARTER SCHOOL;

26 (i) A PLAN FOR THE INSTITUTE CHARTER SCHOOL TO MEET
27 APPLICABLE INSURANCE COVERAGE REQUIREMENTS;

1 (j) A PLAN FOR THE INSTITUTE CHARTER SCHOOL TO CONDUCT
2 COMMUNITY OUTREACH TO RECRUIT AND RETAIN UNDERSERVED
3 POPULATIONS, WHICH MAY INCLUDE BUT NEED NOT BE LIMITED TO
4 ACADEMICALLY AT-RISK STUDENTS, SOCIOECONOMICALLY AT-RISK
5 STUDENTS, ENGLISH LANGUAGE LEARNERS, STUDENTS WITH SPECIAL
6 EDUCATION NEEDS, OR STUDENTS WITH UNIQUE CIRCUMSTANCES SUCH AS
7 TEEN PARENTS OR STUDENTS WITH A HISTORY OF DRUG ABUSE; AND

8 (k) A DESCRIPTION OF THE INSTITUTE CHARTER SCHOOL'S
9 ENROLLMENT POLICY, CONSISTENT WITH THE REQUIREMENTS OF SECTION
10 22-30.5-507 (3), AND THE CRITERIA FOR ENROLLMENT DECISIONS.

11 **22-30.5-510. Institute charter school application - process -**
12 **rule-making.** (1) (a) EXCEPT AS OTHERWISE PROVIDED IN SECTION
13 22-30.5-506 (2), THE INSTITUTE SHALL RECEIVE AND REVIEW ALL
14 APPLICATIONS FOR INSTITUTE CHARTER SCHOOLS. AN APPLICATION FOR
15 AN INSTITUTE CHARTER SCHOOL MAY BE SUBMITTED BY ONE OR MORE
16 INDIVIDUALS, BY A NON-PROFIT, GOVERNMENTAL, OR OTHER ENTITY OR
17 ORGANIZATION, OR BY AN EXISTING CHARTER SCHOOL AUTHORIZED BY A
18 DISTRICT. THE INSTITUTE'S APPROVAL OF AN APPLICATION FROM AN
19 EXISTING CHARTER SCHOOL SHALL NOT RELIEVE THE CHARTER SCHOOL OF
20 ANY PRE-EXISTING CONTRACTUAL OBLIGATIONS OR RELATIONSHIPS,
21 INCLUDING OBLIGATIONS OF THE CHARTER SCHOOL DUE TO THE SCHOOL
22 DISTRICT THAT AUTHORIZED THE CHARTER SCHOOL. THE TRANSFER OF
23 OVERSIGHT OF A CHARTER SCHOOL FROM A SCHOOL DISTRICT TO THE
24 INSTITUTE SHALL NOT BE DEEMED A DISSOLUTION OR OTHER EVENT THAT
25 EMPOWERS OR OBLIGATES THE SCHOOL DISTRICT TO WIND DOWN THE
26 CHARTER SCHOOL'S AFFAIRS OR TO DISPOSE OF THE CHARTER SCHOOL'S
27 ASSETS. AN ENTITY APPLYING FOR AN INSTITUTE CHARTER SCHOOL SHALL

1 FILE AN APPLICATION WITH THE INSTITUTE BY A DATE DETERMINED BY
2 RULE OF THE INSTITUTE BOARD TO BE ELIGIBLE FOR CONSIDERATION FOR
3 THE FOLLOWING SCHOOL YEAR. PRIOR TO ANY CHANGE IN THE
4 APPLICATION DEADLINE, THE INSTITUTE SHALL NOTIFY EACH KNOWN
5 INSTITUTE CHARTER SCHOOL APPLICANT OF THE PROPOSED CHANGE BY
6 CERTIFIED LETTER. IF THE INSTITUTE FINDS THE INSTITUTE CHARTER
7 SCHOOL APPLICATION IS INCOMPLETE, THE INSTITUTE SHALL REQUEST THE
8 NECESSARY INFORMATION FROM THE APPLICANT.

9 (b) THE INSTITUTE BOARD SHALL SET FORTH BY RULE ALL
10 NECESSARY PROCEDURES FOR THE APPLICATION PROCESS AND FOR
11 APPLICATION REVIEW BY THE INSTITUTE AND THE INSTITUTE BOARD. THE
12 RULES SHALL DESCRIBE A RIGOROUS REVIEW OF THE APPLICATION THAT
13 INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, THE FOLLOWING KEY
14 EVALUATIVE AREAS INVOLVING THE INSTITUTE CHARTER SCHOOL:

- 15 (I) CURRICULUM AND INSTRUCTIONAL PROGRAM;
- 16 (II) NON-ACADEMIC PROGRAM CHARACTERISTICS;
- 17 (III) FINANCIAL VIABILITY;
- 18 (IV) APPROPRIATE GOVERNANCE MODEL AND PROPOSED
19 PRACTICES;
- 20 (V) APPROPRIATE, CONSISTENT, CLEAR, AND MEASURABLE
21 ACCOUNTABILITY SYSTEMS; AND
- 22 (VI) THE EXTENT TO WHICH THE INSTRUCTIONAL PROGRAM FITS
23 THE MISSION STATEMENT OF THE INSTITUTE CHARTER SCHOOL.

24 (c) THE RULES DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION
25 (1) SHALL REQUIRE THE APPLICANT TO PROVIDE WRITTEN NOTIFICATION OF
26 THE APPLICATION TO THE SCHOOL DISTRICT BOARD OF EDUCATION AND THE
27 SCHOOL DISTRICT ACCOUNTABILITY COMMITTEE OF THE SCHOOL DISTRICT

1 IN WHICH THE PROPOSED INSTITUTE CHARTER SCHOOL IS TO BE LOCATED.
2 THE RULES SHALL PERMIT THE BOARD OF EDUCATION AND THE
3 ACCOUNTABILITY COMMITTEE TO SUBMIT TO THE INSTITUTE WRITTEN
4 COMMENTS CONCERNING THE INSTITUTE CHARTER SCHOOL APPLICATION.

5 (2) THE INSTITUTE BOARD SHALL RULE BY RESOLUTION ON THE
6 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL IN A PUBLIC HEARING,
7 FOLLOWING REASONABLE PUBLIC NOTICE, WITHIN SIXTY DAYS AFTER
8 RECEIVING THE APPLICATION FILED PURSUANT TO SUBSECTION (1) OF THIS
9 SECTION. ALL NEGOTIATIONS BETWEEN THE INSTITUTE CHARTER SCHOOL
10 AND THE INSTITUTE ON THE CHARTER CONTRACT SHALL BE CONCLUDED,
11 AND ALL TERMS OF THE CHARTER CONTRACT AGREED UPON, NO LATER
12 THAN FORTY-FIVE DAYS AFTER THE INSTITUTE BOARD APPROVES THE
13 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL.

14 (3) THE INSTITUTE CHARTER SCHOOL APPLICANT AND THE
15 INSTITUTE MAY JOINTLY WAIVE THE DEADLINES SET FORTH IN THIS
16 SECTION.

17 (4) IF THE INSTITUTE DENIES AN INSTITUTE CHARTER SCHOOL
18 APPLICATION, IT SHALL STATE ITS REASONS FOR THE DENIAL. WITHIN
19 THIRTY DAYS AFTER THE DENIAL, THE ENTITY THAT SUBMITTED THE
20 INSTITUTE CHARTER SCHOOL APPLICATION MAY SUBMIT TO THE STATE
21 BOARD A NOTICE OF APPEAL, STATING THE GROUNDS FOR THE APPEAL.

22 (5) WITHIN SIXTY DAYS AFTER RECEIPT OF A NOTICE OF APPEAL BY
23 THE STATE BOARD AND AFTER REASONABLE PUBLIC NOTICE, THE STATE
24 BOARD SHALL REVIEW THE DECISION OF THE INSTITUTE AND DETERMINE
25 WHETHER THE DECISION WAS ARBITRARY AND CAPRICIOUS. THE STATE
26 BOARD SHALL REMAND THE MATTER TO THE INSTITUTE WITH
27 INSTRUCTIONS TO APPROVE OR DENY THE INSTITUTE CHARTER SCHOOL

1 APPLICATION. THE DECISION OF THE STATE BOARD SHALL BE FINAL AND
2 NOT SUBJECT TO APPEAL.

3 **22-30.5-511. Institute charter schools - term - renewal of**
4 **contract - grounds for non-renewal or revocation - appeal.** (1) (a) A
5 NEW CHARTER CONTRACT FOR AN INSTITUTE CHARTER SCHOOL MAY BE
6 APPROVED FOR SUCCEEDING PERIODS OF AT LEAST THREE ACADEMIC
7 YEARS BUT NOT MORE THAN FIVE ACADEMIC YEARS, AND THE CHARTER
8 CONTRACT MAY BE RENEWED FOR A PERIOD NOT TO EXCEED FIVE
9 ACADEMIC YEARS.

10 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS
11 SUBSECTION (1) TO THE CONTRARY, AN INSTITUTE CHARTER SCHOOL AND
12 THE INSTITUTE MAY AGREE TO EXTEND THE LENGTH OF THE CHARTER
13 CONTRACT BEYOND FIVE ACADEMIC YEARS FOR THE PURPOSE OF
14 ENHANCING THE TERMS OF ANY LEASE OR FINANCIAL OBLIGATION.

15 (2) AN INSTITUTE CHARTER SCHOOL SHALL SUBMIT AN ANNUAL
16 REPORT TO THE INSTITUTE ON THE INSTITUTE CHARTER SCHOOL'S
17 PROGRESS IN ACHIEVING THE GOALS, OBJECTIVES, PUPIL PERFORMANCE
18 STANDARDS, CONTENT STANDARDS, AND OTHER TERMS OF THE PENDING
19 CHARTER CONTRACT. THE INSTITUTE SHALL CONSIDER, DURING THE
20 REVIEW OF A RENEWAL APPLICATION, THE ANNUAL REPORTS SUBMITTED
21 BY THE INSTITUTE CHARTER SCHOOL DURING THE TERM OF THE PENDING
22 CHARTER CONTRACT.

23 (3) THE INSTITUTE BOARD MAY REVOKE OR DENY RENEWAL OF A
24 CHARTER CONTRACT IF THE INSTITUTE BOARD DETERMINES THAT THE
25 INSTITUTE CHARTER SCHOOL DID ANY OF THE FOLLOWING:

26 (a) COMMITTED A MATERIAL VIOLATION OF ANY OF THE
27 CONDITIONS, STANDARDS, OR PROCEDURES SET FORTH IN THE CHARTER

1 CONTRACT OF THE INSTITUTE CHARTER SCHOOL;

2 (b) FAILED TO MEET OR MAKE REASONABLE PROGRESS TOWARD
3 ACHIEVEMENT OF THE CONTENT STANDARDS OR PUPIL PERFORMANCE
4 STANDARDS IDENTIFIED IN THE CHARTER CONTRACT OF THE INSTITUTE
5 CHARTER SCHOOL;

6 (c) RECEIVED AN OVERALL ACADEMIC PERFORMANCE RATING OF
7 "UNSATISFACTORY" PURSUANT TO SECTION 22-7-604 (5), UPON THE
8 COMPLETION OF THE THIRD SCHOOL YEAR OF OPERATION UNDER A SCHOOL
9 IMPROVEMENT PLAN PURSUANT TO SECTION 22-7-609, AND THE STATE
10 BOARD RECOMMENDED THAT THE INSTITUTE CHARTER SCHOOL BE
11 CONVERTED TO AN INDEPENDENT CHARTER SCHOOL PURSUANT TO SECTION
12 22-7-609 (5) (b);

13 (d) FAILED TO MEET GENERALLY ACCEPTED STANDARDS OF FISCAL
14 MANAGEMENT; OR

15 (e) VIOLATED ANY PROVISION OF LAW FROM WHICH THE INSTITUTE
16 CHARTER SCHOOL WAS NOT SPECIFICALLY EXEMPTED.

17 (4) IN ADDITION, THE INSTITUTE BOARD MAY DENY RENEWAL OF A
18 CHARTER CONTRACT UPON A DETERMINATION BY THE INSTITUTE BOARD
19 THAT IT IS NOT IN THE BEST INTERESTS OF THE PUPILS ATTENDING THE
20 INSTITUTE CHARTER SCHOOL TO CONTINUE THE OPERATION OF THE
21 INSTITUTE CHARTER SCHOOL.

22 (5) (a) IF THE INSTITUTE REVOKES OR DENIES RENEWAL OF A
23 CHARTER CONTRACT OF AN INSTITUTE CHARTER SCHOOL, THE INSTITUTE
24 BOARD SHALL STATE ITS REASONS FOR THE REVOCATION OR DENIAL.

25 (b) (I) THE STATE BOARD, UPON RECEIPT OF A NOTICE OF APPEAL
26 OR UPON ITS OWN MOTION, MAY REVIEW DECISIONS OF THE INSTITUTE
27 BOARD CONCERNING THE REVOCATION OR NONRENEWAL OF AN INSTITUTE

1 CHARTER SCHOOL'S CHARTER CONTRACT. AN INSTITUTE CHARTER SCHOOL
2 OR ANY OTHER PERSON WHO WISHES TO APPEAL A DECISION OF THE
3 INSTITUTE BOARD CONCERNING THE REVOCATION OR NONRENEWAL OF A
4 CHARTER CONTRACT SHALL PROVIDE THE STATE BOARD AND THE
5 INSTITUTE BOARD WITH A NOTICE OF APPEAL WITHIN THIRTY DAYS AFTER
6 THE INSTITUTE BOARD'S DECISION. THE PERSON BRINGING THE APPEAL
7 SHALL LIMIT THE GROUNDS OF THE APPEAL TO THE GROUNDS FOR THE
8 REVOCATION OR THE NONRENEWAL OF THE CHARTER CONTRACT SPECIFIED
9 BY THE INSTITUTE BOARD. THE NOTICE SHALL INCLUDE A BRIEF
10 STATEMENT OF THE REASONS THE PERSON CONTENDS THE INSTITUTE
11 BOARD'S REVOCATION OR NONRENEWAL OF THE CHARTER CONTRACT WAS
12 IN ERROR.

13 (II) WITHIN SIXTY DAYS AFTER RECEIPT OF THE NOTICE OF APPEAL
14 OR THE MAKING OF A MOTION TO REVIEW BY THE STATE BOARD AND AFTER
15 REASONABLE PUBLIC NOTICE, THE STATE BOARD, AT A PUBLIC HEARING
16 WHICH MAY BE HELD IN THE SCHOOL DISTRICT IN WHICH THE INSTITUTE
17 CHARTER SCHOOL IS LOCATED, SHALL REVIEW THE DECISION OF THE
18 INSTITUTE BOARD AND MAKE ITS FINDINGS. IF THE STATE BOARD FINDS
19 THAT THE INSTITUTE BOARD'S DECISION WAS CONTRARY TO THE BEST
20 INTERESTS OF THE PUPILS ATTENDING THE INSTITUTE CHARTER SCHOOL,
21 THE STATE BOARD SHALL REMAND SUCH FINAL DECISION TO THE INSTITUTE
22 BOARD WITH INSTRUCTIONS TO RENEW OR REINSTATE THE CHARTER
23 CONTRACT OF THE INSTITUTE CHARTER SCHOOL. THE DECISION OF THE
24 STATE BOARD SHALL BE FINAL AND NOT SUBJECT TO APPEAL.

25 **22-30.5-512. Institute charter schools - employee retirement**
26 **funds.** A LOCAL BOARD OF EDUCATION SHALL DETERMINE BY POLICY OR
27 BY NEGOTIATED AGREEMENT, IF ONE EXISTS, THE EMPLOYMENT STATUS OF

1 SCHOOL DISTRICT EMPLOYEES EMPLOYED BY AN INSTITUTE CHARTER
2 SCHOOL WHO SEEK TO RETURN TO EMPLOYMENT WITH PUBLIC SCHOOLS IN
3 THE SCHOOL DISTRICT. EMPLOYEES OF AN INSTITUTE CHARTER SCHOOL
4 SHALL BE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
5 ASSOCIATION. THE INSTITUTE CHARTER SCHOOL AND THE TEACHER SHALL
6 CONTRIBUTE THE APPROPRIATE RESPECTIVE AMOUNTS AS REQUIRED BY
7 THE FUNDS OF SUCH ASSOCIATION.

8 **22-30.5-513. Institute charter schools - funding.** (1) AS USED
9 IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

10 (a) "ACCOUNTING DISTRICT" MEANS THE SCHOOL DISTRICT WITHIN
11 WHOSE GEOGRAPHIC BOUNDARIES AN INSTITUTE CHARTER SCHOOL IS
12 PHYSICALLY LOCATED.

13 (b) "ADJUSTED DISTRICT PER PUPIL REVENUES" MEANS THE
14 ACCOUNTING DISTRICT'S PER PUPIL FUNDING PLUS THE ACCOUNTING
15 DISTRICT'S AT-RISK PER PUPIL FUNDING.

16 (c) "ADMINISTRATIVE OVERHEAD COSTS" MEANS ALL ACTUAL AND
17 REASONABLE COSTS INCURRED BY THE INSTITUTE AS A RESULT OF ITS
18 PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS PART 5.
19 "ADMINISTRATIVE OVERHEAD COSTS" SHALL NOT INCLUDE ANY COSTS
20 INCURRED IN ORDER TO DELIVER SERVICES THAT AN INSTITUTE CHARTER
21 SCHOOL MAY PURCHASE AT ITS DISCRETION.

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

24 (e) "DIRECT COSTS" MEANS THE DIRECT COSTS INCURRED BY A
25 SCHOOL DISTRICT SOLELY FOR THE PURPOSE OF REVIEWING CHARTER
26 APPLICATIONS, NEGOTIATING THE CHARTER CONTRACT, AND PROVIDING
27 SERVICES AND DIRECT OVERSIGHT TO CHARTER SCHOOLS.

1 (f) "DISTRICT AT-RISK FUNDING" MEANS THE AMOUNT OF FUNDING
2 DETERMINED IN ACCORDANCE WITH THE FORMULAS DESCRIBED IN SECTION
3 22-54-104 (4).

4 (g) "DISTRICT AT-RISK PER PUPIL FUNDING" MEANS THE AMOUNT
5 OF FUNDING DETERMINED IN ACCORDANCE WITH THE FOLLOWING
6 FORMULA:

7 (THE ACCOUNTING DISTRICT'S AT-RISK FUNDING DIVIDED BY
8 THE ACCOUNTING DISTRICT'S FUNDED PUPIL COUNT) X (THE
9 DISTRICT CHARTER SCHOOL'S PERCENTAGE OF PUPILS
10 ELIGIBLE FOR FREE LUNCH DIVIDED BY THE ACCOUNTING
11 DISTRICT'S PERCENTAGE OF PUPILS ELIGIBLE FOR FREE
12 LUNCH)

13 (h) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL
14 AUTHORIZED BY A SCHOOL DISTRICT THAT HAS RETAINED EXCLUSIVE
15 AUTHORITY TO AUTHORIZE CHARTER SCHOOLS PURSUANT TO THE
16 PROVISIONS OF SECTION 22-30.5-504.

17 (i) "DISTRICT FUNDED PUPIL COUNT" SHALL HAVE THE SAME
18 MEANING AS PROVIDED IN SECTION 22-54-103 (7).

19 (j) "DISTRICT PER PUPIL FUNDING" MEANS AN ACCOUNTING
20 DISTRICT'S PER PUPIL FUNDING AS DETERMINED IN ACCORDANCE WITH THE
21 FORMULA DESCRIBED IN SECTION 22-54-104 (3).

22 (k) "DISTRICT PER PUPIL ON-LINE FUNDING" MEANS THE MINIMUM
23 PER PUPIL FUNDING, AS DEFINED IN SECTION 22-54-104 (3.5), FOR ANY
24 BUDGET YEAR.

25 (l) "ON-LINE PUPIL ENROLLMENT" MEANS THE NUMBER OF PUPILS,
26 ON OCTOBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL
27 DAY NEAREST SAID DATE, ENROLLED IN, ATTENDING, AND ACTIVELY

1 PARTICIPATING IN, AN ON-LINE PROGRAM CREATED PURSUANT TO SECTION
2 22-33-104.6 BY THE INSTITUTE CHARTER SCHOOL, WHICH PUPILS MEET THE
3 REQUIREMENTS SPECIFIED IN SECTION 22-33-104.6 (4) (a) OR ARE EXEMPT
4 PURSUANT TO RULES ADOPTED BY THE STATE BOARD PURSUANT TO
5 SECTION 22-33-104.6 (7).

6 (m) "PUPIL ENROLLMENT" SHALL HAVE THE SAME MEANING AS
7 PROVIDED IN SECTION 22-54-103 (10).

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

10 (o) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT THAT HAS
11 RETAINED EXCLUSIVE AUTHORITY PURSUANT TO THE PROVISIONS OF
12 SECTION 22-30.5-504.

13 (2) (a) AS PART OF THE CHARTER CONTRACT, THE INSTITUTE
14 CHARTER SCHOOL AND THE INSTITUTE SHALL AGREE ON FUNDING AND ANY
15 SERVICES TO BE PROVIDED BY THE INSTITUTE OR BY OTHER PARTIES TO THE
16 INSTITUTE CHARTER SCHOOL.

17 (b) FOR BUDGET YEAR 2004-05 AND BUDGET YEARS THEREAFTER,
18 EACH INSTITUTE CHARTER SCHOOL AND THE INSTITUTE SHALL NEGOTIATE
19 FUNDING UNDER THE CHARTER CONTRACT AT A MINIMUM OF
20 NINETY-SEVEN PERCENT OF THE INSTITUTE CHARTER SCHOOL'S
21 ACCOUNTING DISTRICT'S ADJUSTED PER PUPIL REVENUES FOR EACH PUPIL
22 ENROLLED IN THE INSTITUTE CHARTER SCHOOL WHO IS NOT AN ON-LINE
23 PUPIL AND NINETY-SEVEN PERCENT OF THE INSTITUTE CHARTER SCHOOL'S
24 ACCOUNTING DISTRICT'S PER PUPIL ON-LINE FUNDING FOR EACH ON-LINE
25 PUPIL ENROLLED IN THE INSTITUTE CHARTER SCHOOL. THE INSTITUTE MAY
26 RETAIN THE ACTUAL AMOUNT OF THE INSTITUTE CHARTER SCHOOL'S PER
27 PUPIL SHARE OF THE ADMINISTRATIVE OVERHEAD COSTS FOR SERVICES

1 ACTUALLY PROVIDED TO THE INSTITUTE CHARTER SCHOOL; EXCEPT THAT
2 THE INSTITUTE MAY RETAIN NO MORE THAN THE ACTUAL COST OF THE
3 ADMINISTRATIVE OVERHEAD COSTS NOT TO EXCEED THREE PERCENT OF
4 THE ACCOUNTING DISTRICT'S PER PUPIL REVENUES FOR EACH PUPIL, WHO
5 IS NOT AN ON-LINE PUPIL, ENROLLED IN THE INSTITUTE CHARTER SCHOOL,
6 AND THREE PERCENT OF THE ACCOUNTING DISTRICT'S PER PUPIL ON-LINE
7 FUNDING FOR EACH ON-LINE PUPIL ENROLLED IN THE INSTITUTE CHARTER
8 SCHOOL.

9 (c) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,
10 THE INSTITUTE SHALL PROVIDE TO EACH INSTITUTE CHARTER SCHOOL AN
11 ITEMIZED ACCOUNTING OF ALL THE INSTITUTE'S ADMINISTRATIVE
12 OVERHEAD COSTS. THE ACTUAL ADMINISTRATIVE OVERHEAD COSTS SHALL
13 BE THE AMOUNT CHARGED TO THE INSTITUTE CHARTER SCHOOL. ANY
14 DIFFERENCE, WITHIN THE LIMITATIONS OF THIS SUBSECTION (2), BETWEEN
15 THE AMOUNT INITIALLY CHARGED TO THE INSTITUTE CHARTER SCHOOL
16 AND THE ACTUAL COST SHALL BE RECONCILED AND PAID TO THE OWED
17 PARTY.

18 (d) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,
19 THE INSTITUTE SHALL PROVIDE TO EACH INSTITUTE CHARTER SCHOOL AN
20 ITEMIZED ACCOUNTING OF ALL THE ACTUAL COSTS OF ANY ADDITIONAL
21 SERVICES THE INSTITUTE CHARTER SCHOOL CHOSE AT ITS DISCRETION TO
22 PURCHASE AS PROVIDED IN PARAGRAPH (b) OF SUBSECTION (4) OF THIS
23 SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT INITIALLY CHARGED
24 TO THE INSTITUTE CHARTER SCHOOL AND THE ACTUAL COST SHALL BE
25 RECONCILED AND PAID TO THE OWED PARTY.

26 (3) (a) ON OR BEFORE NOVEMBER 10 OF EACH YEAR, EACH
27 INSTITUTE CHARTER SCHOOL SHALL CERTIFY TO THE STATE BOARD AND

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

16 (b) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF
17 1994", ARTICLE 54 OF THIS TITLE, THE DEPARTMENT SHALL ADD THE PUPILS
18 ENROLLED IN AN INSTITUTE CHARTER SCHOOL TO THE FUNDED PUPIL
19 COUNT AND THE ON-LINE PUPIL ENROLLMENT OF THE INSTITUTE CHARTER
20 SCHOOL'S ACCOUNTING DISTRICT.

21 (4) (a) FOR EACH INSTITUTE CHARTER SCHOOL, THE DEPARTMENT
22 SHALL WITHHOLD FROM THE STATE EQUALIZATION PAYMENTS OF THE
23 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT AN AMOUNT EQUAL
24 TO ONE HUNDRED PERCENT OF THE ADJUSTED PER PUPIL REVENUES
25 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE INSTITUTE
26 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS AN AMOUNT EQUAL
27 TO ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING

1 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE
2 INSTITUTE CHARTER SCHOOL. THE DEPARTMENT SHALL FORWARD TO THE
3 INSTITUTE THE AMOUNT WITHHELD. THE INSTITUTE SHALL FORWARD TO
4 EACH INSTITUTE CHARTER SCHOOL AN AMOUNT EQUAL TO THE INSTITUTE
5 CHARTER SCHOOL'S PUPIL ENROLLMENT MULTIPLIED BY THE ADJUSTED PER
6 PUPIL REVENUES OF THE INSTITUTE CHARTER SCHOOL'S ACCOUNTING
7 DISTRICT, MINUS THE AMOUNT OF THE ACTUAL COSTS INCURRED BY THE
8 INSTITUTE IN PROVIDING NECESSARY ADMINISTRATION, OVERSIGHT, AND
9 MANAGEMENT SERVICES TO THE INSTITUTE CHARTER SCHOOL, NOT TO
10 EXCEED THREE PERCENT OF THE AMOUNT WITHHELD, AND MINUS THE
11 AMOUNT AGREED TO IN THE INSTITUTE CHARTER CONTRACT FOR ANY
12 ADDITIONAL SERVICES, AS PROVIDED IN PARAGRAPH (b) OF THIS
13 SUBSECTION (4).

14 (b) AS PART OF THE INSTITUTE CHARTER SCHOOL CONTRACT, THE
15 INSTITUTE CHARTER SCHOOL AND THE INSTITUTE BOARD SHALL AGREE ON
16 THE SERVICES, OTHER THAN NECESSARY ADMINISTRATION, OVERSIGHT,
17 AND MANAGEMENT SERVICES, TO BE PROVIDED TO THE INSTITUTE CHARTER
18 SCHOOL BY ANY THIRD PARTY WITH WHICH THE INSTITUTE OR INSTITUTE
19 CHARTER SCHOOL CONTRACTS AND THE COSTS OF THE SERVICES.

20 (c) FOR BUDGET YEARS 2004-05 THROUGH 2010-11, THE AMOUNT
21 OF FUNDING SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (4) SHALL
22 REFLECT THE ONE-PERCENT INCREASE IN THE STATEWIDE BASE PER PUPIL
23 FUNDING FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11 RECEIVED
24 BY SCHOOL DISTRICTS OF RESIDENCE AS REQUIRED BY SECTION 17 OF
25 ARTICLE IX OF THE STATE CONSTITUTION.

26 (5) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS
27 THEREAFTER, AND IN ACCORDANCE WITH SECTION 22-30.5-406, THE

1 FUNDING PROVIDED BY THE INSTITUTE TO AN INSTITUTE CHARTER SCHOOL
2 PURSUANT TO THIS SECTION SHALL BE REDUCED BY THE AMOUNT OF ANY
3 DIRECT PAYMENTS OF PRINCIPAL AND INTEREST DUE ON BONDS ISSUED ON
4 BEHALF OF AN INSTITUTE CHARTER SCHOOL BY A GOVERNMENTAL ENTITY
5 FOR THE PURPOSE OF FINANCING INSTITUTE CHARTER SCHOOL CAPITAL
6 CONSTRUCTION THAT WERE MADE BY THE STATE TREASURER ON BEHALF
7 OF THE INSTITUTE CHARTER SCHOOL.

8 (6) (a) THE GOVERNING BODY OF AN INSTITUTE CHARTER SCHOOL
9 IS AUTHORIZED TO ACCEPT GIFTS, DONATIONS, OR GRANTS OF ANY KIND
10 MADE TO THE INSTITUTE CHARTER SCHOOL AND TO EXPEND OR USE SAID
11 GIFTS, DONATIONS, OR GRANTS IN ACCORDANCE WITH THE CONDITIONS
12 PRESCRIBED BY THE DONOR; HOWEVER, NO GIFT, DONATION, OR GRANT
13 SHALL BE ACCEPTED BY THE GOVERNING BODY IF SUBJECT TO ANY
14 CONDITION CONTRARY TO LAW OR CONTRARY TO THE TERMS OF THE
15 CHARTER CONTRACT BETWEEN THE INSTITUTE CHARTER SCHOOL AND THE
16 INSTITUTE.

17 (b) MONEYS RECEIVED BY AN INSTITUTE CHARTER SCHOOL FROM
18 ANY SOURCE AND REMAINING IN THE INSTITUTE CHARTER SCHOOL'S
19 ACCOUNTS AT THE END OF A BUDGET YEAR SHALL REMAIN IN THE
20 INSTITUTE CHARTER SCHOOL'S ACCOUNTS FOR USE BY THE INSTITUTE
21 CHARTER SCHOOL DURING SUBSEQUENT BUDGET YEARS AND SHALL NOT
22 REVERT TO THE STATE. MONEYS REMAINING IN THE INSTITUTE CHARTER
23 SCHOOL'S ACCOUNTS UPON REVOCATION OR NONRENEWAL OF THE
24 CHARTER CONTRACT SHALL REVERT TO THE INSTITUTE; EXCEPT THAT ANY
25 GIFTS SHALL BE DISPOSED OF IN ACCORDANCE WITH ANY CONDITIONS
26 PRESCRIBED BY THE DONOR THAT ARE NOT CONTRARY TO LAW.

27 (7) (a) FOR BUDGET YEAR 2004-05 AND BUDGET YEARS

1 THEREAFTER, EACH DISTRICT CHARTER SCHOOL AND THE AUTHORIZING
2 SCHOOL DISTRICT SHALL NEGOTIATE FUNDING UNDER THE CONTRACT AT
3 A MINIMUM OF NINETY-FIVE PERCENT OF THE ADJUSTED PER PUPIL
4 REVENUES FOR EACH PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL
5 WHO IS NOT AN ON-LINE PUPIL AND NINETY-FIVE PERCENT OF THE DISTRICT
6 PER PUPIL ON-LINE FUNDING FOR EACH ON-LINE PUPIL ENROLLED IN THE
7 DISTRICT CHARTER SCHOOL. THE SCHOOL DISTRICT MAY CHOOSE TO
8 RETAIN THE SUM OF THE ACTUAL AMOUNT OF THE DISTRICT CHARTER
9 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
10 COSTS AND THE DIRECT COSTS FOR SERVICES ACTUALLY PROVIDED TO THE
11 DISTRICT CHARTER SCHOOL AS PROVIDED IN SUBSECTION (8) OF THIS
12 SECTION; EXCEPT THAT SUCH AMOUNT SHALL NOT EXCEED FIVE PERCENT
13 OF THE ADJUSTED PER PUPIL REVENUES FOR EACH PUPIL WHO IS NOT AN
14 ON-LINE PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL AND FIVE
15 PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR EACH ON-LINE
16 PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL.

17 (b) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,
18 EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH DISTRICT CHARTER
19 SCHOOL AUTHORIZED BY THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING
20 OF ALL ITS CENTRAL ADMINISTRATIVE OVERHEAD COSTS AND DIRECT
21 COSTS. THE ACTUAL CENTRAL ADMINISTRATIVE OVERHEAD COSTS AND
22 DIRECT COSTS SHALL BE THE AMOUNT CHARGED TO THE DISTRICT CHARTER
23 SCHOOL. ANY DIFFERENCE, WITHIN THE LIMITATIONS OF THIS SUBSECTION
24 (7), BETWEEN THE AMOUNT INITIALLY CHARGED TO THE DISTRICT CHARTER
25 SCHOOL AND THE ACTUAL COST SHALL BE RECONCILED AND PAID TO THE
26 OWED PARTY.

27 (c) THE DISTRICT CHARTER SCHOOL, AT ITS DISCRETION, MAY

1 CONTRACT WITH THE SCHOOL DISTRICT FOR THE DIRECT PURCHASE OF
2 DISTRICT SERVICES IN ADDITION TO THOSE INCLUDED IN CENTRAL
3 ADMINISTRATIVE OVERHEAD COSTS, INCLUDING BUT NOT LIMITED TO FOOD
4 SERVICES, CUSTODIAL SERVICES, MAINTENANCE, CURRICULUM, MEDIA
5 SERVICES, AND LIBRARIES. THE AMOUNT TO BE PAID BY A DISTRICT
6 CHARTER SCHOOL IN PURCHASING ANY DISTRICT SERVICE PURSUANT TO
7 THIS PARAGRAPH (c) SHALL BE DETERMINED THROUGH AN AGREEMENT
8 BETWEEN THE DISTRICT CHARTER SCHOOL AND THE SCHOOL DISTRICT
9 USING ONE OF THE FOLLOWING METHODS:

10 (I) BY DIVIDING THE COST OF PROVIDING THE SERVICE FOR THE
11 ENTIRE SCHOOL DISTRICT, AS SPECIFIED IN THE SCHOOL DISTRICT'S
12 BUDGET, BY THE NUMBER OF STUDENTS ENROLLED IN THE SCHOOL
13 DISTRICT AND MULTIPLYING SAID AMOUNT BY THE NUMBER OF STUDENTS
14 ENROLLED IN THE DISTRICT CHARTER SCHOOL;

15 (II) BY DETERMINING THE ACTUAL COSTS INCURRED BY THE
16 SCHOOL DISTRICT IN PROVIDING SUPPORT SERVICES; OR

17 (III) BY NEGOTIATING A SERVICES AGREEMENT BETWEEN THE
18 DISTRICT CHARTER SCHOOL AND THE SCHOOL DISTRICT PURSUANT TO
19 WHICH MULTIPLE SERVICES ARE PROVIDED FOR A FIXED COST.

20 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
21 SUBSECTION (7) TO THE CONTRARY, IF THE AUTHORIZING SCHOOL DISTRICT
22 ENROLLS FIVE HUNDRED OR FEWER STUDENTS, THE DISTRICT CHARTER
23 SCHOOL SHALL RECEIVE FUNDING IN THE AMOUNT OF THE GREATER OF ONE
24 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR
25 EACH ON-LINE PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL PLUS
26 ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR EACH
27 PUPIL WHO IS NOT AN ON-LINE PUPIL ENROLLED IN THE DISTRICT CHARTER

1 SCHOOL, MINUS THE ACTUAL AMOUNT OF THE DISTRICT CHARTER SCHOOL'S
2 PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS
3 INCURRED BY THE SCHOOL DISTRICT, BASED ON AUDITED FIGURES, OR
4 EIGHTY-FIVE PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR EACH
5 PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL WHO IS NOT AN
6 ON-LINE PUPIL PLUS EIGHTY-FIVE PERCENT OF THE DISTRICT PER PUPIL
7 ON-LINE FUNDING FOR EACH ON-LINE PUPIL ENROLLED IN THE DISTRICT
8 CHARTER SCHOOL.

9 (8) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (7) OF
10 THIS SECTION, A SCHOOL DISTRICT SHALL NOT RECEIVE REIMBURSEMENT
11 FOR DIRECT COSTS FROM A DISTRICT CHARTER SCHOOL IF LESS THAN TWO
12 PERCENT OF THE SCHOOL DISTRICT'S FUNDED PUPIL COUNT IS ENROLLED IN
13 A DISTRICT CHARTER SCHOOL OR SCHOOLS. A SCHOOL DISTRICT SHALL
14 RECEIVE REIMBURSEMENT FOR DIRECT COSTS FROM A DISTRICT CHARTER
15 SCHOOL AS FOLLOWS:

16 (a) AN AMOUNT EQUAL TO ONE PERCENT OF THE SCHOOL
17 DISTRICT'S ADJUSTED PER PUPIL REVENUES PROVIDED TO EACH DISTRICT
18 CHARTER SCHOOL, IF AT LEAST TWO PERCENT BUT LESS THAN THREE
19 PERCENT OF THE SCHOOL DISTRICT'S FUNDED PUPIL COUNT IS ENROLLED IN
20 A DISTRICT CHARTER SCHOOL OR SCHOOLS;

21 (b) AN AMOUNT EQUAL TO TWO PERCENT OF THE SCHOOL
22 DISTRICT'S ADJUSTED PER PUPIL REVENUES PROVIDED TO EACH DISTRICT
23 CHARTER SCHOOL, IF AT LEAST THREE PERCENT BUT LESS THAN FOUR
24 PERCENT OF THE SCHOOL DISTRICT'S FUNDED PUPIL COUNT IS ENROLLED IN
25 A DISTRICT CHARTER SCHOOL OR SCHOOLS;

26 (c) AN AMOUNT EQUAL TO THREE PERCENT OF THE SCHOOL
27 DISTRICT'S ADJUSTED PER PUPIL REVENUES PROVIDED TO EACH DISTRICT

1 CHARTER SCHOOL, IF AT LEAST FOUR PERCENT BUT LESS THAN FIVE
2 PERCENT OF THE SCHOOL DISTRICT'S FUNDED PUPIL COUNT IS ENROLLED
3 IN A DISTRICT CHARTER SCHOOL OR SCHOOLS;

4 (d) AN AMOUNT EQUAL TO FOUR PERCENT OF THE SCHOOL
5 DISTRICT'S ADJUSTED PER PUPIL REVENUE PROVIDED TO EACH DISTRICT
6 CHARTER SCHOOL, IF AT LEAST FIVE PERCENT BUT LESS THAN SIX PERCENT
7 OF THE SCHOOL DISTRICT'S FUNDED PUPIL COUNT IS ENROLLED IN A
8 DISTRICT CHARTER SCHOOL OR SCHOOLS; AND

9 (e) AN AMOUNT EQUAL TO FIVE PERCENT OF THE SCHOOL
10 DISTRICT'S ADJUSTED PER PUPIL REVENUES PROVIDED TO EACH DISTRICT
11 CHARTER SCHOOL, IF SIX PERCENT OR MORE OF THE SCHOOL DISTRICT'S
12 FUNDED PUPIL COUNT IS ENROLLED IN A DISTRICT CHARTER SCHOOL OR
13 SCHOOLS.

14 **22-30.5-514. Institute charter school - capital reserve, risk**
15 **management, and instructional purposes.** (1) FOR THE 2004-05
16 BUDGET YEAR AND BUDGET YEARS THEREAFTER, EACH INSTITUTE CHARTER
17 SCHOOL SHALL ANNUALLY ALLOCATE THE MINIMUM PER PUPIL DOLLAR
18 AMOUNT SPECIFIED IN SECTION 22-54-105 (2) (b), MULTIPLIED BY THE
19 NUMBER OF STUDENTS ENROLLED IN THE INSTITUTE CHARTER SCHOOL WHO
20 ARE NOT ON-LINE PUPILS, TO A FUND CREATED BY THE INSTITUTE CHARTER
21 SCHOOL FOR CAPITAL RESERVE PURPOSES, AS SET FORTH IN SECTION
22 22-45-103 (1) (c) AND (1) (e), OR SOLELY FOR THE MANAGEMENT OF
23 RISK-RELATED ACTIVITIES, AS IDENTIFIED IN SECTION 24-10-115, C.R.S.,
24 AND ARTICLE 13 OF TITLE 29, C.R.S., OR AMONG SUCH ALLOWABLE FUNDS.
25 SAID MONEYS SHALL BE USED FOR THE PURPOSES SET FORTH IN SECTION
26 22-45-103 (1) (c) AND (1) (e) AND MAY NOT BE EXPENDED BY THE
27 INSTITUTE CHARTER SCHOOL FOR ANY OTHER PURPOSE.

1 (2) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS
2 THEREAFTER, EACH INSTITUTE CHARTER SCHOOL SHALL ANNUALLY
3 ALLOCATE THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION
4 22-54-105 (1) (b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED
5 IN THE INSTITUTE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO
6 ACCOUNTS CREATED BY THE INSTITUTE CHARTER SCHOOL FOR
7 INSTRUCTIONAL SUPPLIES AND MATERIALS, INSTRUCTIONAL CAPITAL
8 OUTLAYS, OR OTHER INSTRUCTIONAL PURPOSES, AS SET FORTH IN SECTION
9 22-45-103 (1) (a) (II), OR AMONG SUCH ACCOUNTS. MONEYS MAY BE
10 TRANSFERRED AMONG THE THREE ACCOUNTS. THE MONEYS IN THE
11 ACCOUNTS SHALL BE USED FOR THE PURPOSES SET FORTH IN SECTION
12 22-45-103 (1) (a) (II) AND MAY NOT BE EXPENDED BY THE INSTITUTE
13 CHARTER SCHOOL FOR ANY OTHER PURPOSE. ANY MONEYS IN THE
14 ACCOUNTS THAT ARE NOT PROJECTED TO BE EXPENDED DURING A BUDGET
15 YEAR SHALL BE BUDGETED FOR THE PURPOSES SET FORTH IN SECTION
16 22-45-103 (1) (a) (II) IN THE NEXT BUDGET YEAR. NOTHING IN THIS
17 SUBSECTION (2) SHALL BE CONSTRUED TO REQUIRE THAT INTEREST ON
18 MONEYS IN THE ACCOUNTS BE SPECIFICALLY ALLOCATED TO THE
19 ACCOUNTS.

20 **22-30.5-515. Institute charter school - additional aid.**

21 (1) (a) FOR THE 2004-05 BUDGET YEAR AND EACH BUDGET YEAR
22 THEREAFTER, A QUALIFIED CHARTER SCHOOL, AS THAT TERM IS DEFINED
23 IN SECTION 22-54-124, THAT IS AN INSTITUTE CHARTER SCHOOL SHALL
24 RECEIVE STATE EDUCATION FUND MONEYS FROM THE DEPARTMENT IN AN
25 AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL QUALIFIED CHARTER
26 SCHOOL PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED
27 TO BE ENROLLED IN THE INSTITUTE CHARTER SCHOOL MULTIPLIED BY THE

1 TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED FOR THE
2 SAME BUDGET YEAR PURSUANT TO SECTION 22-54-124 (3).

3 (b) AS USED IN THIS SUBSECTION (1), "PUPILS" MEANS PUPILS
4 OTHER THAN ON-LINE PUPILS ENROLLED IN A QUALIFIED CHARTER SCHOOL.

5 (2) FUNDING RECEIVED PURSUANT TO SUBSECTION (1) OF THIS
6 SECTION SHALL BE IN ADDITION TO ANY FUNDING PROVIDED PURSUANT TO
7 SECTION 22-30.5-513.

8 (3) THE DEPARTMENT SHALL PROVIDE FUNDING TO EACH
9 QUALIFIED CHARTER SCHOOL THAT IS AN INSTITUTE CHARTER SCHOOL BY
10 MAKING A SINGLE LUMP-SUM PAYMENT TO THE INSTITUTE CHARTER
11 SCHOOL AS SOON AS POSSIBLE AFTER THE DEPARTMENT RECEIVES A
12 LUMP-SUM PAYMENT OF STATE EDUCATION FUND MONEYS PURSUANT TO
13 SECTION 22-54-124.

14 (4) AN INSTITUTE CHARTER SCHOOL SHALL USE MONEYS IT
15 RECEIVES PURSUANT TO SUBSECTION (1) OF THIS SECTION SOLELY FOR
16 CAPITAL CONSTRUCTION, AS DEFINED IN SECTION 22-54-124 (1) (a).

17 **SECTION 2.** 22-2-107 (1) (s), Colorado Revised Statutes, is
18 amended, and the said 22-2-107 (1) is further amended BY THE
19 ADDITION OF A NEW PARAGRAPH, to read:

20 **22-2-107. State board - powers.** (1) The state board has the
21 power:

22 (s) To approve programs by nonpublic, nonparochial schools to
23 provide educational services to students pursuant to section 22-33-203,
24 ~~C.R.S.~~, and to approve services to be provided to at-risk students pursuant
25 to agreements entered into pursuant to section 22-33-204; AND

26 (t) TO RENDER A DECISION ON THE APPEAL OF THE STATE CHARTER
27 SCHOOL INSTITUTE'S APPROVAL OR DENIAL OF AN INSTITUTE CHARTER

1 SCHOOL APPLICATION OR THE REVOCATION OR NONRENEWAL OF AN
2 INSTITUTE CHARTER SCHOOL CONTRACT PURSUANT TO PART 5 OF ARTICLE
3 30.5 OF THIS TITLE.

4 **SECTION 3.** 22-2-117, Colorado Revised Statutes, is amended
5 BY THE ADDITION OF A NEW SUBSECTION to read:

6 **22-2-117. Additional power - state board - waiver of**
7 **requirements - rules.** (6) NOTWITHSTANDING ANY PROVISION OF THIS
8 SECTION TO THE CONTRARY, A SCHOOL DISTRICT THAT HAS BEEN GRANTED
9 BY THE STATE BOARD EXCLUSIVE AUTHORITY TO CHARTER SCHOOLS
10 WITHIN ITS GEOGRAPHIC BOUNDARIES PURSUANT TO SECTION 22-30.5-504
11 SHALL NOT BE REQUIRED TO DEMONSTRATE THAT IT HAS OBTAINED THE
12 CONSENT OF A MAJORITY OF THE APPROPRIATE ACCOUNTABILITY
13 COMMITTEE, A MAJORITY OF THE AFFECTED LICENSED ADMINISTRATORS,
14 AND A MAJORITY OF THE TEACHERS OF THE AFFECTED SCHOOL OR DISTRICT
15 IN ORDER TO APPLY FOR A WAIVER OF ANY OF THE REQUIREMENTS IMPOSED
16 BY THIS TITLE OR BY RULE PROMULGATED BY THE STATE BOARD; EXCEPT
17 THAT SUCH CONSENT SHALL BE REQUIRED FOR AN APPLICATION FOR A
18 WAIVER FROM ANY PROVISIONS OF ARTICLE 9 OR ARTICLES 60.5 TO 64 OF
19 THIS TITLE.

20 **SECTION 4.** The introductory portion to 22-7-106 (1) (a),
21 Colorado Revised Statutes, is amended, and the said 22-7-106 (1) is
22 further amended BY THE ADDITION OF A NEW PARAGRAPH, to
23 read:

24 **22-7-106. School advisory councils - creation - qualifications**
25 **- elections.** (1) (a) Except as provided in subsection (4) of this section,
26 there shall be a school advisory council at each public school in each
27 school district AND AT EACH INSTITUTE CHARTER SCHOOL CREATED

1 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE. A school advisory
2 council shall consist of seven members designated, appointed, or elected
3 as follows:

4 (b.5) IN THE CASE OF AN INSTITUTE CHARTER SCHOOL, NO MORE
5 THAN THREE MEMBERS OF A SCHOOL ADVISORY COUNCIL SHALL BE
6 EMPLOYED BY OR RELATIVES OF AN EMPLOYEE OF THE INSTITUTE CHARTER
7 SCHOOL. IF AN ELECTION WOULD RESULT IN MORE THAN THREE SCHOOL
8 EMPLOYEES OR PERSONS RELATED TO SCHOOL EMPLOYEES SERVING ON
9 THE COUNCIL, ONLY THE NUMBER OF CANDIDATES WHO RECEIVE THE
10 HIGHEST NUMBER OF VOTES THAT WILL RESULT IN THREE SCHOOL
11 EMPLOYEES OR PERSONS RELATED TO SCHOOL EMPLOYEES SERVING ON
12 THE COUNCIL SHALL BECOME MEMBERS OF THE COUNCIL AND OTHER
13 EMPLOYEES OR PERSONS RELATED TO EMPLOYEES SHALL BE DISQUALIFIED.

14 **SECTION 5.** 22-7-205, Colorado Revised Statutes, is amended
15 BY THE ADDITION OF A NEW SUBSECTION to read:

16 **22-7-205. Local goals and objectives and plans to improve**
17 **educational achievement and graduation rates.** (6) AFTER
18 CONSULTING WITH THE SCHOOL ACCOUNTABILITY COMMITTEE OF EACH
19 INSTITUTE CHARTER SCHOOL AND REVIEWING THEIR RECOMMENDATIONS,
20 THE STATE CHARTER SCHOOL INSTITUTE CREATED IN PART 5 OF ARTICLE
21 30.5 OF THIS TITLE SHALL COMPILE SCHOOL BUILDING GOALS AND
22 OBJECTIVES AND PLANS AND SHALL REPORT EACH INSTITUTE CHARTER
23 SCHOOL'S HIGH, BUT ACHIEVABLE, GOALS AND OBJECTIVES FOR THE
24 IMPROVEMENT OF EDUCATION IN EACH SCHOOL. THE STATE CHARTER
25 SCHOOL INSTITUTE SHALL ALSO REPORT EACH INSTITUTE CHARTER
26 SCHOOL'S PLAN TO IMPROVE EDUCATIONAL ACHIEVEMENT, TO MAXIMIZE
27 HIGH SCHOOL GRADUATION RATES, AND TO INCREASE THE RATINGS FOR

1 THE INSTITUTE CHARTER SCHOOL'S ACCREDITATION CATEGORY
2 ESTABLISHED PURSUANT TO SECTION 22-11-202. THE STATE CHARTER
3 SCHOOL INSTITUTE SHALL MAKE THE REPORT AVAILABLE TO THE PUBLIC NO
4 LATER THAN OCTOBER 1 OF EACH YEAR.

5 **SECTION 6.** 22-7-409 (1.1) (a), (1.2) (a) (II), and (1.2) (a) (V),
6 Colorado Revised Statutes, are amended to read:

7 **22-7-409. Assessments - repeal.** (1.1) (a) Upon request by a
8 school district OR INSTITUTE CHARTER SCHOOL, the entity responsible for
9 developing a statewide assessment shall return to the school district OR
10 INSTITUTE CHARTER SCHOOL the student responses to the essay and
11 appropriate paragraphs from the writing portion of the statewide
12 assessment, along with the results of all requested assessments. The
13 school district OR INSTITUTE CHARTER SCHOOL making the request shall
14 pay the entity for the actual cost of photocopying and mailing the writing
15 portion of the statewide assessment for the exclusive and confidential use
16 of improving an individual student's writing skills.

17 (1.2) (a) (II) The department shall make available to school
18 districts AND INSTITUTE CHARTER SCHOOLS the assessment data of
19 individual students required to measure academic progress over time.
20 The state board shall ensure that the assessments administered pursuant
21 to subsection (1) of this section shall be a combination of constructed
22 response and selected response tasks that require the student to produce
23 information or perform tasks in a way that the student's skills and
24 competencies can be measured.

25 (V) Each district board AND THE STATE CHARTER SCHOOL
26 INSTITUTE shall adopt policies to ensure that appropriate personnel within
27 the district AND EACH INSTITUTE CHARTER SCHOOL, RESPECTIVELY, share

1 with and explain to the parent or legal guardian of each student enrolled
2 in the school district OR THE INSTITUTE CHARTER SCHOOL the student's
3 assessment results and diagnostic reporting returned to the student's
4 public school pursuant to subparagraph (I.5) of this paragraph (a).

5 **SECTION 7.** 22-7-506 (1), Colorado Revised Statutes, is
6 amended to read:

7 **22-7-506. Read-to-achieve grant program - board created -**
8 **fund - repeal.** (1) There is hereby created in the department of
9 education the read-to-achieve grant program, referred to in this section as
10 the "program". Under this program, any public school, including a
11 charter school ~~as defined in section 22-30.5-104~~ OR AN INSTITUTE
12 CHARTER SCHOOL, AS THOSE SCHOOLS ARE DESCRIBED IN ARTICLE 30.5 OF
13 THIS TITLE, may apply for grants to fund intensive reading programs for
14 second-, and third-grade pupils and pupils between the third and fourth
15 grades whose literacy and reading comprehension skills are below the
16 level established by the state board of education for pupils at each grade
17 level.

18 **SECTION 8.** 22-7-605 (2) (b), Colorado Revised Statutes, is
19 amended to read:

20 **22-7-605. School accountability reports - format.** (2) (b) Each
21 public school and school district, AND THE STATE CHARTER SCHOOL
22 INSTITUTE shall report accurately any data required to produce a school
23 accountability report for each public school, using whenever possible the
24 state data reporting system described in section 22-7-603. The state
25 board shall seek to minimize and eliminate the duplication of data
26 reporting required under this section and that required by other state or
27 federal statutes or rules so that school districts, INSTITUTE CHARTER

1 SCHOOLS, AND THE STATE CHARTER SCHOOL INSTITUTE may satisfy
2 multiple reporting requirements within a single reporting framework. The
3 state board in particular shall note the data collection and reporting
4 already required and conducted by the department, public schools, and
5 school districts in sections 22-2-112, 22-7-105, 22-11-104, 22-11-201,
6 22-30.5-110, 22-32-109, 22-32-110, 22-33-105, 22-44-105, 22-44-111,
7 and 22-54-112.

8 **SECTION 9.** 22-7-609 (2), Colorado Revised Statutes, is
9 amended to read:

10 **22-7-609. School improvement plans.** (2) (a) The state board
11 shall notify a local board of education ~~what~~ AS TO WHICH school, if any,
12 in its district will receive an academic performance rating of
13 "unsatisfactory", pursuant to section 22-7-604 (5), on the school
14 accountability report being prepared for that academic year. The state
15 board shall notify the local board of education that it must submit a
16 school improvement plan pursuant to this section.

17 (b) IN THE CASE OF AN INSTITUTE CHARTER SCHOOL CREATED
18 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE, THE STATE BOARD
19 SHALL NOTIFY THE STATE CHARTER SCHOOL INSTITUTE AS TO WHICH
20 INSTITUTE CHARTER SCHOOL, IF ANY, WILL RECEIVE AN ACADEMIC
21 PERFORMANCE RATING OF "UNSATISFACTORY", PURSUANT TO SECTION
22 22-7-604 (5), ON THE SCHOOL ACCOUNTABILITY REPORT BEING PREPARED
23 FOR THAT ACADEMIC YEAR. THE STATE BOARD SHALL NOTIFY THE STATE
24 CHARTER SCHOOL INSTITUTE THAT IT MUST SUBMIT A SCHOOL
25 IMPROVEMENT PLAN PURSUANT TO THIS SECTION.

26 **SECTION 10.** 22-7-609 (3), Colorado Revised Statutes, is
27 amended BY THE ADDITION OF THE FOLLOWING NEW

1 PARAGRAPHS to read:

2 **22-7-609. School improvement plans.** (3) (a.5) WITHIN NINETY
3 DAYS AFTER RECEIVING THE NOTIFICATION FROM THE STATE BOARD AS
4 PROVIDED IN SUBSECTION (2) OF THIS SECTION, THE STATE CHARTER
5 SCHOOL INSTITUTE SHALL SUBMIT TO THE STATE BOARD A SCHOOL
6 IMPROVEMENT PLAN. THE PLAN SHALL BE ADOPTED BY THE STATE
7 CHARTER SCHOOL INSTITUTE AFTER A PUBLIC HEARING ON THE PROPOSED
8 PLAN.

9 (c.5) THE DEPARTMENT SHALL RETURN TO THE STATE CHARTER
10 SCHOOL INSTITUTE COMMENTS AND SUGGESTIONS ON ANY PLAN
11 SUBMITTED WITH RESPECT TO AN INSTITUTE CHARTER SCHOOL. THE
12 COMMENTS AND SUGGESTIONS OF THE DEPARTMENT SHALL BE ADVISORY.
13 IF THE STATE CHARTER SCHOOL INSTITUTE ADOPTS ANY OF THE
14 SUGGESTIONS AND COMMENTS, THE STATE CHARTER SCHOOL INSTITUTE
15 SHALL SUBMIT TO THE STATE BOARD AN AMENDED SCHOOL IMPROVEMENT
16 PLAN ADOPTED BY THE STATE CHARTER SCHOOL INSTITUTE AFTER A PUBLIC
17 HEARING ON THE PROPOSED AMENDED PLAN.

18 **SECTION 11.** 22-7-609.6, Colorado Revised Statutes, is
19 amended to read:

20 **22-7-609.6. School improvement - appropriations.** On and
21 after July 1, 2003, the general assembly may appropriate such moneys as
22 are available to assist school districts AND THE STATE CHARTER SCHOOL
23 INSTITUTE in improving the academic improvement of schools that
24 received an academic improvement rating of "unsatisfactory". In
25 addition, the department of education may allocate any moneys received
26 pursuant to the federal "No Child Left Behind Act of 2001", Public Law
27 107-110, for such purpose.

1 **SECTION 12.** 22-7-705, Colorado Revised Statutes, is amended
2 BY THE ADDITION OF A NEW SUBSECTION to read:

3 **22-7-705. Teacher development grant program - application.**

4 (4) AN INSTITUTE CHARTER SCHOOL THAT SUBMITS AN APPLICATION
5 PURSUANT TO THIS PART 7 SHALL NOT BE REQUIRED TO SUBMIT THE
6 APPLICATION TO ANY SCHOOL DISTRICT OR TO INCLUDE IN THE
7 APPLICATION A STATEMENT OF SUPPORT FOR OR OPPOSITION TO THE
8 APPLICATION BY A LOCAL BOARD OF EDUCATION.

9 **SECTION 13.** 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 14.** 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 THE STATE
8 CHARTER SCHOOL INSTITUTE THAT BINDS THE INSTITUTE TO MEET 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 THE STATE
13 CHARTER SCHOOL INSTITUTE shall be subject in the event that it fails to
14 comply with provisions of the accreditation contract.

15 (6.3) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL
16 THAT ENTERS INTO A CONTRACT WITH THE STATE CHARTER SCHOOL
17 INSTITUTE PURSUANT TO THE PROVISIONS OF PART 5 OF ARTICLE 30.5 OF
18 THIS TITLE.

19 (6.7) "PUBLIC SCHOOL" INCLUDES A TRADITIONAL PUBLIC SCHOOL
20 AS DEFINED IN SECTION 22-1-101, A CHARTER SCHOOL, AND AN INSTITUTE
21 CHARTER SCHOOL.

22 **SECTION 15.** 22-11-104 (3) (a), Colorado Revised Statutes, is
23 amended to read:

24 **22-11-104. Accreditation indicators.** (3) **Rules.** (a) The state
25 board shall promulgate rules concerning how the school districts AND THE
26 STATE CHARTER SCHOOL INSTITUTE shall measure data relating to the
27 accreditation indicators and the form in which the school districts AND

1 THE STATE CHARTER SCHOOL INSTITUTE shall provide such data to the
2 state board.

3 **SECTION 16.** 22-11-201 (2), (3), and (4) (a) (V), the
4 introductory portion to 22-11-201 (4) (b), 22-11-201 (4) (c), and the
5 introductory portion to 22-11-201 (5), Colorado Revised Statutes, are
6 amended to read:

7 **22-11-201. Accreditation contract.** (2) **Parties.** (a) Each
8 school board AND THE STATE CHARTER SCHOOL INSTITUTE shall enter into
9 an accreditation contract with the state board of education.

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

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

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

21 (V) Provisions for allowing annual comparisons between the
22 school board OR STATE CHARTER SCHOOL INSTITUTE assessment results
23 and the statewide assessment results.

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

27 (c) The accreditation contract shall also contain a plan for the use

1 of revenues distributed to the school district OR STATE CHARTER SCHOOL
2 INSTITUTE pursuant to sections 22-55-106 and 22-55-107 for the term of
3 the contract. If the contract is renegotiated pursuant to paragraph (b) of
4 subsection (6) of this section, the plan shall be updated to reflect any
5 changes in the use of the revenues distributed to the school district OR
6 STATE CHARTER SCHOOL INSTITUTE pursuant to sections 22-55-106 and
7 22-55-107.

8 (5) **Student performance.** The accreditation contract shall bind
9 the school board to improve each public school's performance, AND
10 SHALL BIND THE STATE CHARTER SCHOOL INSTITUTE TO IMPROVE EACH
11 INSTITUTE CHARTER SCHOOL'S PERFORMANCE, relating to the following:

12 **SECTION 17.** 22-11-202 (2) (b), Colorado Revised Statutes, is
13 amended to read:

14 **22-11-202. Accreditation levels.** (2) **Ratings.** (b) The ratings
15 shall be based upon student achievement on school district standards OR
16 STATE CHARTER SCHOOL INSTITUTE STANDARDS, WHICHEVER IS
17 APPLICABLE, shall be consistent with the ratings for student achievement
18 on the state assessments, and shall indicate the public schools', and school
19 districts', AND STATE CHARTER SCHOOL INSTITUTE'S performance on the
20 accreditation indicators.

21 **SECTION 18.** 22-11-203 (2), Colorado Revised Statutes, is
22 amended to read:

23 **22-11-203. Monitoring of accreditation contracts.** (2) The
24 department shall provide technical assistance to THE STATE CHARTER
25 SCHOOL INSTITUTE OR TO any school district of the state that requests such
26 assistance in order to improve its performance on the accreditation
27 indicators.

1 **SECTION 19.** 22-11-204, Colorado Revised Statutes, is amended
2 to read:

3 **22-11-204. Corrective action cycle. (1) Level one: Notice.**

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

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

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

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

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

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

12 (3) **Level three: Nonaccreditation status.** Pursuant to rules
13 established by the state board, the state board may remove a school
14 district's OR THE STATE CHARTER SCHOOL INSTITUTE'S accreditation if the
15 school district OR THE INSTITUTE fails to remedy its lack of compliance.
16 The rules of the state board shall include a process for a school district's
17 OR THE STATE CHARTER SCHOOL INSTITUTE'S right to a hearing before the
18 board in order to determine whether the school district OR THE STATE
19 CHARTER SCHOOL INSTITUTE had remedied its lack of compliance.
20 Removal of accreditation may result in reorganization of the school
21 district as provided in section 22-30-105. THE STATE BOARD SHALL
22 PROMULGATE RULES THAT DESCRIBE THE OVERSIGHT OF INSTITUTE
23 CHARTER SCHOOLS IF THE INSTITUTE'S ACCREDITATION IS REMOVED.

24 **SECTION 20.** 22-11-301 (2), Colorado Revised Statutes, is
25 amended to read:

26 **22-11-301. Colorado school awards program - created - rules.**

27 (2) For purposes of this part 3, "public school" means a public school of

1 a school district in this state OR AN INSTITUTE CHARTER SCHOOL.

2 **SECTION 21.** 22-11-303 (2), Colorado Revised Statutes, is
3 amended to read:

4 **22-11-303. Colorado school awards program - distribution of**
5 **award.** (2) Any moneys made available to a public school OF A SCHOOL
6 DISTRICT in the form of an award pursuant to the provisions of this part
7 3 shall not supplant moneys made available to such public school from
8 funding received by the school district pursuant to article 54 of this title
9 or pursuant to the taxing authority of the school district. ANY MONEYS
10 MADE AVAILABLE TO AN INSTITUTE CHARTER SCHOOL IN THE FORM OF AN
11 AWARD PURSUANT TO THE PROVISIONS OF THIS PART 3 SHALL NOT
12 SUPPLANT MONEYS PAYABLE TO THE INSTITUTE CHARTER SCHOOL
13 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE.

14 **SECTION 22.** 22-24-102, Colorado Revised Statutes, is amended
15 to read:

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

1 **SECTION 23.** 22-24-103 (3) and the introductory portion to
2 22-24-103 (4), Colorado Revised Statutes, are amended, and the said
3 22-24-103 is further amended BY THE ADDITION OF A NEW
4 SUBSECTION, to read:

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

7 (3) "Program" means the English language proficiency program
8 created by this article. Design and implementation of programs shall be
9 the function of the districts AND THE STATE CHARTER SCHOOL INSTITUTE.

10 (3.5) "STATE CHARTER SCHOOL INSTITUTE" MEANS THE STATE
11 CHARTER SCHOOL INSTITUTE CREATED PURSUANT TO PART 5 OF ARTICLE
12 30.5 OF THIS TITLE.

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

20 **SECTION 24.** 22-24-104, Colorado Revised Statutes, is amended
21 to read:

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

26 (2) The purpose of the program is to provide assistance to districts
27 AND INSTITUTE CHARTER SCHOOLS having students whose dominant

1 language is not English.

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

5 (4) (a) The general assembly shall make an annual appropriation
6 to the department for the implementation of this article. Funding for the
7 program shall be from the department to the districts AND TO THE STATE
8 CHARTER SCHOOL INSTITUTE on a per-student basis. That portion of the
9 annual appropriation scheduled for distribution to the districts AND THE
10 STATE CHARTER SCHOOL INSTITUTE shall be paid to the districts AND THE
11 STATE CHARTER SCHOOL INSTITUTE upon the determination, pursuant to
12 section 22-24-106 (1) (d), of the number of students in each district OR
13 INSTITUTE CHARTER SCHOOL to be included in the program.

14 (b) The general assembly shall annually make a separate
15 appropriation to the department of education to cover the state's share of
16 the estimated cost pursuant to the provisions of this section. If the
17 amount of the appropriation made is less than the total amount
18 determined to be the state's actual share of support to be provided all
19 eligible students pursuant to the provisions of this section, then the
20 amount to be distributed to any district OR TO THE STATE CHARTER
21 SCHOOL INSTITUTE shall be in the same proportion as the amount of the
22 appropriation made bears to such total amount determined to be the state's
23 actual share.

24 (c) (I) An amount equal to seventy-five percent of the
25 appropriation made to the department for the 1998-99 fiscal year plus any
26 increase in the annual appropriation made to the department over the
27 appropriation made for the 1998-99 fiscal year or the amount needed to

1 fully fund the program pursuant to this subparagraph (I), whichever is
2 less, shall be used by the districts AND THE STATE CHARTER SCHOOL
3 INSTITUTE for students certified to be within section 22-24-103 (4) (a) or
4 (4) (b). No such student shall be funded for more than an amount equal
5 to four hundred dollars per year or an amount equal to twenty percent of
6 the state average per pupil operating revenues, as defined in section
7 22-54-103 (12) for the preceding year as annually determined by the
8 department, whichever is greater.

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

16 (III) Any appropriated moneys not distributed by the department
17 pursuant to subparagraph (I) of this paragraph (c) may be distributed by
18 the department pursuant to subparagraph (II) of this paragraph (c). Any
19 appropriated moneys not distributed by the department pursuant to
20 subparagraph (II) of this paragraph (c) may be distributed pursuant to
21 subparagraph (I) of this paragraph (c).

22 (5) Each district AND THE STATE CHARTER SCHOOL INSTITUTE shall
23 provide the programs for district AND INSTITUTE CHARTER SCHOOL
24 students whose dominant language is not English; except that districts
25 AND THE STATE CHARTER SCHOOL INSTITUTE may cooperate in carrying
26 out the provisions of this article.

27 (6) Nothing in this article shall be construed to prohibit use of

1 moneys made available under this article by a district OR THE STATE
2 CHARTER SCHOOL INSTITUTE for bilingual programs,
3 English-as-a-second-language programs, or any other method of
4 achieving the purposes of this article. Districts AND THE STATE CHARTER
5 SCHOOL INSTITUTE conducting such programs shall receive moneys made
6 available under this article only on the basis of the number of students
7 whose dominant language is not English enrolled in such programs.

8 **SECTION 25.** The introductory portion to 22-24-105 (1) and
9 22-24-105 (1) (b) (II), (1) (c), and (2), Colorado Revised Statutes, are
10 amended to read:

11 **22-24-105. District - powers and duties - repeal.** (1) It is the
12 duty of each district AND THE STATE CHARTER SCHOOL INSTITUTE to:

13 (b) (II) Notwithstanding the provisions of subparagraph (I) of this
14 paragraph (b), for the school years 2002-03, 2003-04, and 2004-05, a
15 district OR THE STATE CHARTER SCHOOL INSTITUTE may assess students
16 whose dominant language may not be English using any of the
17 instruments or techniques approved by the department prior to January 1,
18 2002. This subparagraph (II) is repealed, effective July 1, 2005.

19 (c) Certify each year to the department those students in the
20 district OR IN INSTITUTE CHARTER SCHOOLS whose dominant language is
21 not English, including specification of the number of non-English
22 languages identified as dominant languages and of the number of students
23 who speak each non-English language as their dominant language;

24 (2) The assessment described in paragraph (b) of subsection (1)
25 of this section and the certification described in paragraph (c) of
26 subsection (1) of this section shall be conducted on at least an annual
27 basis and each district AND THE STATE CHARTER SCHOOL INSTITUTE shall

1 present the results therefrom to the department for inclusion in the
2 relevant annual report of achievement of accreditation indicators required
3 by section 22-11-105.

4 **SECTION 26.** 22-24-106 (1) (a), (1) (b), (1) (c), and (1) (d),
5 Colorado Revised Statutes, are amended to read:

6 **22-24-106. Department - powers and duties - advisory**
7 **commission - repeal.** (1) It is the duty of the department to:

8 (a) Develop and approve a single instrument or technique to be
9 used by districts AND THE STATE CHARTER SCHOOL INSTITUTE in
10 identifying eligible students;

11 (b) Provide assistance, on request, to districts AND THE STATE
12 CHARTER SCHOOL INSTITUTE in the identification and assessment of
13 students;

14 (c) Audit the identification and testing procedures used by the
15 districts AND THE STATE CHARTER SCHOOL INSTITUTE and evaluate the
16 effectiveness of the programs conducted by districts AND THE STATE
17 CHARTER SCHOOL INSTITUTE;

18 (d) Determine which students are to be counted as eligible for
19 purposes of calculating the district's OR THE STATE CHARTER SCHOOL
20 INSTITUTE'S entitlement;

21 **SECTION 27.** 22-30.5-112 (2) (a) (III) (A) and (5), Colorado
22 Revised Statutes, are amended to read:

23 **22-30.5-112. Charter schools - financing - guidelines - repeal.**

24 (2) (a) (III) (A) For budget year 2000-01 and budget years thereafter,
25 except as otherwise provided in paragraph (a.3) of this subsection (2) AND
26 EXCEPT AS OTHERWISE PROVIDED IN SECTION 22-30.5-513 (7), each charter
27 school and the authorizing school district shall negotiate funding under

1 the contract at a minimum of ninety-five percent of the district per pupil
2 revenues for each pupil enrolled in the charter school who is not an
3 on-line pupil and ninety-five percent of the district per pupil on-line
4 funding for each on-line pupil enrolled in the charter school. The school
5 district may choose to retain the actual amount of the charter school's per
6 pupil share of the central administrative overhead costs for services
7 actually provided to the charter school; except that such amount shall not
8 exceed five percent of the district per pupil revenues for each pupil who
9 is not an on-line pupil enrolled in the charter school and five percent of
10 the district per pupil on-line funding for each on-line pupil enrolled in the
11 charter school.

12 (5) The department of education will prepare an annual report and
13 evaluation for the governor and the house and senate committees on
14 education on the success or failure of charter schools AND INSTITUTE
15 CHARTER SCHOOLS, their relationship to other school reform efforts, and
16 suggested changes in state law necessary to strengthen or change the
17 charter school program AND INSTITUTE CHARTER SCHOOL PROGRAMS.

18 **SECTION 28.** 22-30.5-113 (1) and (3), Colorado Revised
19 Statutes, are amended to read:

20 **22-30.5-113. Charter schools - evaluation - report.** (1) The
21 state board shall compile evaluations of charter schools received from
22 local boards of education. THE STATE BOARD SHALL ALSO COMPILE
23 RELEVANT INFORMATION RECEIVED FROM THE STATE CHARTER SCHOOL
24 INSTITUTE INVOLVING INSTITUTE CHARTER SCHOOLS AUTHORIZED
25 PURSUANT TO PART 5 OF THIS ARTICLE. The state board shall review
26 information regarding the regulations and policies from which charter
27 schools AND INSTITUTE CHARTER SCHOOLS were released pursuant to

1 section 22-30.5-105 AND SECTION 22-30.5-508, RESPECTIVELY, to
2 determine if the releases assisted or impeded the charter schools AND
3 INSTITUTE CHARTER SCHOOLS in meeting their stated goals and objectives.

4 (3) In preparing the report required by this section, the state board
5 shall compare the performance of charter school pupils AND INSTITUTE
6 CHARTER SCHOOL PUPILS with the performance of ethnically and
7 economically comparable groups of pupils in other public schools who
8 are enrolled in academically comparable courses.

9 **SECTION 29.** 22-30.5-406 (1) (c), Colorado Revised Statutes,
10 is amended to read:

11 **22-30.5-406. Direct payment of charter school bonds by the**
12 **state treasurer and school districts.** (1) (c) (I) IN THE CASE OF A
13 CHARTER SCHOOL AUTHORIZED BY A SCHOOL DISTRICT BOARD OF
14 EDUCATION, the state treasurer shall withhold the amount of any direct
15 payments made on behalf of a charter school plus administrative costs
16 associated with the making of direct payments in an amount agreed upon
17 by the state treasurer and the charter school from the payments to the
18 chartering district of the state share of the district's total program made
19 pursuant to article 54 of this title. The state treasurer shall notify the
20 chief financial officers of the chartering district and the charter school of
21 any amount of moneys withheld and the chartering district shall reduce
22 the amount of funding it provides to the charter school by said amount.
23 Any administrative costs withheld by the state treasurer pursuant to this
24 ~~paragraph (c)~~ SUBPARAGRAPH (I) shall be credited to the charter school
25 financing administrative cash fund, which fund is hereby created.
26 Moneys in the fund shall be continuously appropriated to the state
27 treasurer for the direct and indirect costs of the administration of this

1 section. Moneys in the charter school financing administrative cash fund
2 shall remain in the fund and shall not revert to the general fund at the end
3 of any fiscal year.

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

19 **SECTION 30.** 22-30.5-407 (7), Colorado Revised Statutes, is
20 amended to read:

21 **22-30.5-407. Charter school debt state reserve fund - creation**
22 **- use of fund moneys - legislative declaration.** (7) A qualified charter
23 school that chooses to finance capital construction with revenues from
24 bonds issued on behalf of the qualified charter school by the Colorado
25 educational and cultural facilities authority created in section 23-15-104
26 (1) (a), C.R.S., shall request that the state treasurer make direct payments
27 of principal and interest on the bonds on behalf of the qualified charter

1 school in accordance with section 22-30.5-406 (1). If the state treasurer
2 does not agree to make direct payments AND THE QUALIFIED CHARTER
3 SCHOOL IS A DISTRICT CHARTER SCHOOL, the qualified charter school shall
4 request that its chartering district make direct payments in accordance
5 with section 22-30.5-406 (2). IF THE STATE TREASURER DOES NOT AGREE
6 TO MAKE DIRECT PAYMENTS AND THE QUALIFIED CHARTER SCHOOL IS AN
7 INSTITUTE CHARTER SCHOOL, THE QUALIFIED CHARTER SCHOOL SHALL
8 REQUEST THAT THE STATE CHARTER SCHOOL INSTITUTE MAKE DIRECT
9 PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS ON BEHALF OF THE
10 INSTITUTE CHARTER SCHOOL.

11 **SECTION 31.** 22-30.5-408 (1) (b), Colorado Revised Statutes,
12 is amended to read:

13 **22-30.5-408. Replenishment of qualified charter school debt**
14 **service reserve funds.** (1) As used in this section:

15 (b) "Qualified charter school" means a charter school THAT IS
16 DESCRIBED IN SECTION 22-30.5-104 OR AN INSTITUTE CHARTER SCHOOL AS
17 THAT TERM IS DEFINED IN SECTION 22-30.5-502 that has a stand-alone
18 credit assessment or rating of at least investment grade by a nationally
19 recognized rating agency at the time of issuance of any qualified charter
20 school bonds on behalf of the charter school by the Colorado educational
21 and cultural facilities authority pursuant to the "Colorado Educational and
22 Cultural Facilities Authority Act", article 15 of title 23, C.R.S., and that
23 has been certified as a qualified charter school by the state treasurer.

24 **SECTION 32.** 22-32-124 (1.5), Colorado Revised Statutes, is
25 amended to read:

26 **22-32-124. Building codes - zoning - planning.** (1.5) (a) Prior
27 to contracting for a facility, a charter school shall advise in writing the

1 planning commission, or governing body if no planning commission
2 exists, which has jurisdiction over the territory in which the site is
3 proposed to be located. The relevant planning commission or governing
4 body may request the charter school to submit a site development plan for
5 the proposed facility, but must issue such request, if any, within ten days
6 after receiving the written advisement. If requested by the relevant
7 planning commission or governing body, the charter school, acting on
8 behalf of its sponsoring school board, shall submit such a site
9 development plan. The relevant planning commission or governing body
10 may review and comment on such plan to the governing body of the
11 charter school, but must do so, if at all, within thirty days after receiving
12 such plan. The relevant planning commission or governing body, if not
13 satisfied with the response to such comments, may request a hearing
14 before the board of education regarding such plan. Such hearing shall be
15 held, if at all, within thirty days after the request of the relevant planning
16 commission or governing body. The charter school then may proceed
17 with its site development plan unless prohibited from doing so by school
18 board resolution.

19 (b) AN INSTITUTE CHARTER SCHOOL AUTHORIZED PURSUANT TO
20 PART 5 OF ARTICLE 30.5 OF THIS TITLE SHALL PROCEED PURSUANT TO THE
21 PROVISIONS OF THIS SUBSECTION (1.5). NOTWITHSTANDING THE
22 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1.5) TO THE
23 CONTRARY, THE RELEVANT PLANNING COMMISSION OR GOVERNING BODY
24 MAY REQUEST A HEARING BEFORE THE STATE BOARD OF EDUCATION. THE
25 INSTITUTE CHARTER SCHOOL THEN MAY PROCEED WITH ITS SITE
26 DEVELOPMENT PLAN UNLESS PROHIBITED FROM DOING SO BY THE STATE
27 BOARD OF EDUCATION.

1 **SECTION 33.** 22-33-105, Colorado Revised Statutes, is amended
2 BY THE ADDITION OF A NEW SUBSECTION to read:

3 **22-33-105. Suspension, expulsion, and denial of admission.**

4 (7) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 1 TO THE
5 CONTRARY:

6 (a) AN INSTITUTE CHARTER SCHOOL AUTHORIZED PURSUANT TO
7 PART 5 OF ARTICLE 30.5 OF THIS TITLE MAY CARRY OUT THE FUNCTIONS OF
8 A SUSPENDING AUTHORITY PURSUANT TO THIS SECTION; AND

9 (b) THE STATE CHARTER SCHOOL INSTITUTE CREATED IN PART 5 OF
10 ARTICLE 30.5 OF THIS TITLE MAY CARRY OUT THE FUNCTIONS OF A SCHOOL
11 DISTRICT AND ITS BOARD OF EDUCATION WITH RESPECT TO THE
12 SUSPENSION, EXPULSION, OR DENIAL OF ADMISSION OF A STUDENT TO AN
13 INSTITUTE CHARTER SCHOOL.

14 **SECTION 34.** 22-54-102 (1), Colorado Revised Statutes, is
15 amended to read:

16 **22-54-102. Legislative declaration - statewide applicability -**

17 **intergovernmental agreements.** (1) The general assembly hereby finds
18 and declares that this article is enacted in furtherance of the general
19 assembly's duty under section 2 of article IX of the state constitution to
20 provide for a thorough and uniform system of public schools throughout
21 the state; that a thorough and uniform system requires that all school
22 districts AND INSTITUTE CHARTER SCHOOLS operate under the same
23 finance formula; and that equity considerations dictate that all districts
24 AND INSTITUTE CHARTER SCHOOLS be subject to the expenditure and
25 maximum levy provisions of this article. Accordingly, the provisions of
26 this article concerning the financing of public schools for budget years
27 beginning on and after July 1, 1994, shall apply to all school districts AND

1 INSTITUTE CHARTER SCHOOLS organized under the laws of this state.

2 **SECTION 35.** 22-54-103 (7) (c) and (8.5), Colorado Revised
3 Statutes, are amended, and the said 22-54-103 is further amended BY
4 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to
5 read:

6 **22-54-103. Definitions - repeal.** As used in this article, unless
7 the context otherwise requires:

8 (1.3) "ACCOUNTING DISTRICT" MEANS THE SCHOOL DISTRICT
9 WITHIN WHOSE GEOGRAPHIC BOUNDARIES AN INSTITUTE CHARTER SCHOOL
10 IS PHYSICALLY LOCATED.

11 (7) "Funded pupil count" means:

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

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

18 (B) The average of the district's pupil enrollment for the
19 applicable budget year and the district's pupil enrollment for the
20 immediately preceding budget year; or

21 (C) The average of the district's pupil enrollment for the
22 applicable budget year and the district's pupil enrollment for the two
23 immediately preceding budget years; or

24 (D) The average of the district's pupil enrollment for the
25 applicable budget year and the district's pupil enrollment for the three
26 immediately preceding budget years.

27 (II) (A) Notwithstanding any provision of law to the contrary, for

1 purposes of subparagraph (I) of this paragraph (c), for any budget year
2 commencing prior to July 1, 2002, the district's pupil enrollment for that
3 budget year shall be the district's pupil enrollment, as defined by
4 paragraph (a) of subsection (10) of this section, as it existed prior to June
5 7, 2002.

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

7 (III) (A) Notwithstanding any provision of law to the contrary, for
8 purposes of subparagraph (I) of this paragraph (c), for the 2000-01,
9 2001-02, and 2002-03 budget years, a district's pupil enrollment shall not
10 include any pupils enrolled in a district preschool program pursuant to
11 article 28 of this title.

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

13 (IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
14 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c)
15 FOR BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S
16 FUNDED PUPIL COUNT SHALL INCLUDE THE CERTIFIED PUPIL ENROLLMENT
17 AND ON-LINE PUPIL ENROLLMENT OF EACH OPERATING INSTITUTE CHARTER
18 SCHOOL FOR WHICH THE DISTRICT IS THE ACCOUNTING DISTRICT. THE
19 DEPARTMENT OF EDUCATION SHALL ADD THE INSTITUTE CHARTER
20 SCHOOL'S CERTIFIED PUPIL ENROLLMENT AND ON-LINE PUPIL ENROLLMENT
21 TO THE FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO CALCULATING THE
22 DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-104.

23 (7.5) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL
24 THAT ENTERS INTO A CHARTER CONTRACT WITH THE STATE CHARTER
25 SCHOOL INSTITUTE PURSUANT TO THE PROVISIONS OF PART 5 OF ARTICLE
26 30.5 OF THIS TITLE.

27 (8.5) "On-line pupil enrollment" means the number of pupils, on

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

17 (9.3) "PER PUPIL REVENUES" MEANS THE DISTRICT'S TOTAL
18 PROGRAM FOR ANY BUDGET YEAR DIVIDED BY THE DISTRICT'S FUNDED
19 PUPIL COUNT FOR SAID BUDGET YEAR.

20 **SECTION 36.** 22-54-104 (1), Colorado Revised Statutes, is
21 amended to read:

22 **22-54-104. District total program.** (1) (a) For every budget
23 year, the provisions of this section shall be used to calculate for each
24 district an amount that represents the financial base of support for public
25 education in that district. Such amount shall be known as the district's
26 total program. The district's total program shall be available to the district
27 to fund the costs of providing public education, and, except as otherwise

1 provided in section 22-54-105, the amounts and purposes for which such
2 moneys are budgeted and expended shall be in the discretion of the
3 district.

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

20 **SECTION 37.** 22-54-106 (1) (b) and (4), Colorado Revised
21 Statutes, are amended, and the said 22-54-106 is further amended BY
22 THE ADDITION OF A NEW SUBSECTION, to read:

23 **22-54-106. Local and state shares of district total program.**

24 (1) (b) Except as provided in ~~subsection (8)~~ SUBSECTIONS (8) AND (11)
25 of this section, the state's share of a district's total program shall be the
26 difference between the district's total program and the district's share of
27 its total program; except that no district shall receive less in state aid than

1 an amount established by the general assembly in the annual general
2 appropriation act based upon the amount of school lands and mineral
3 lease moneys received pursuant to the provisions of article 41 of this title
4 and section 34-63-102 (2), C.R.S., multiplied by the district's funded
5 pupil count.

6 (4) (a) The general assembly shall make annual appropriations to
7 fund the state's share of the total program of all districts AND TO FUND ALL
8 INSTITUTE CHARTER SCHOOLS.

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

18 (c) If a supplemental appropriation is not made by the general
19 assembly to fully fund the state's share of the total program of all districts
20 INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS or a supplemental
21 appropriation is made to reduce the state's share of the total program of
22 all districts INCLUDING FUNDING FOR INSTITUTE CHARTER SCHOOLS, the
23 state aid of each district AND THE FUNDING FOR EACH INSTITUTE CHARTER
24 SCHOOL shall be reduced in accordance with the provisions of this
25 paragraph (c). The total program of each district that receives state aid
26 shall be reduced by a percentage determined by dividing the deficit in the
27 appropriation or the reduction in the appropriation, whichever is

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

10 (11) PURSUANT TO THE PROVISIONS OF SECTION 22-54-115, FOR
11 EACH INSTITUTE CHARTER SCHOOL, THE DEPARTMENT OF EDUCATION
12 SHALL WITHHOLD FROM THE STATE SHARE OF THE INSTITUTE CHARTER
13 SCHOOL'S ACCOUNTING DISTRICT THE LESSER OF:

14 (a) AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE
15 ADJUSTED DISTRICT PER PUPIL REVENUES, AS DEFINED IN SECTION
16 22-30.5-513 (1) (b), MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN
17 THE INSTITUTE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE
18 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING
19 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE
20 INSTITUTE CHARTER SCHOOL; OR

21 (b) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
22 DISTRICT.

23 **SECTION 38.** 22-54-112 (2), Colorado Revised Statutes, is
24 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

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

3 **SECTION 39.** 22-54-114 (1), (2), (2.5), and (4), Colorado
4 Revised Statutes, are amended to read:

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

25 (2) No later than thirty days prior to the beginning of the budget
26 year, the department of education shall determine the estimated
27 requirements in order to provide each district AND EACH INSTITUTE

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

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

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

1 **SECTION 40.** 22-54-115, Colorado Revised Statutes, is amended
2 to read:

3 **22-54-115. Distribution from state public school fund.** (1) No
4 later than June 30 of each year, the state board shall determine the
5 amount of the state's share of the district's total program for the budget
6 year beginning on July 1, and the total thereof for all districts, which
7 amount shall be payable in twelve approximately equal monthly
8 payments during such budget year; except that:

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

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

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

19 (1.3) (a) IN DETERMINING THE STATE'S SHARE OF EACH DISTRICT'S
20 TOTAL PROGRAM, THE STATE BOARD SHALL DETERMINE WHETHER THE
21 DISTRICT IS AN ACCOUNTING DISTRICT OF AN INSTITUTE CHARTER SCHOOL.
22 IF A DISTRICT IS AN ACCOUNTING DISTRICT OF AN INSTITUTE CHARTER
23 SCHOOL, THE STATE BOARD SHALL INSTRUCT THE DEPARTMENT OF
24 EDUCATION TO WITHHOLD FROM THE AMOUNT OF THE STATE SHARE
25 OTHERWISE PAYABLE TO THE DISTRICT AN AMOUNT EQUAL TO THE LESSER
26 OF:

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

1 REVENUES, AS DEFINED IN SECTION 22-30.5-513 (1) (b), MULTIPLIED BY
2 THE NUMBER OF PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL
3 WHO ARE NOT ON-LINE PUPILS PLUS ONE HUNDRED PERCENT OF THE
4 DISTRICT PER PUPIL ON-LINE FUNDING MULTIPLIED BY THE NUMBER OF
5 ON-LINE PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL; OR

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

8 (b) THE AMOUNT WITHHELD SHALL BE PAYABLE TO THE STATE
9 CHARTER SCHOOL INSTITUTE, IN TWELVE APPROXIMATELY EQUAL
10 MONTHLY PAYMENTS DURING THE BUDGET YEAR FOR PAYMENT TO THE
11 INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION 22-30.5-513 (4).

12 (1.5) Any school district may give written instructions to the state
13 board directing that a specified portion of a monthly payment or monthly
14 payments that the district is otherwise entitled to receive pursuant to this
15 section shall be transferred to the division of vocational rehabilitation in
16 the department of human services for the district's cost of participating in
17 school to work alliance programs. Such written instructions shall specify
18 the amount to be transferred to the division of vocational rehabilitation
19 from the district's payment for a specified month or months. Such written
20 instructions shall be given to the state board no later than the fifth day of
21 the first month in which such amount is to be transferred to the division
22 of vocational rehabilitation.

23 (2) No later than the fifteenth day of each month, the state board
24 shall certify to the state treasurer the amount payable to each district AND
25 TO THE STATE CHARTER SCHOOL INSTITUTE IN ACCORDANCE WITH
26 SUBSECTION (1.3) OF THIS SECTION during said month and the amount, if
27 any, to be transferred to the division of vocational rehabilitation during

1 said month in accordance with subsection (1.5) of this section.

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

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

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

13 (c) PAY THE AMOUNT CERTIFIED AS PAYABLE TO THE STATE
14 CHARTER SCHOOL INSTITUTE DIRECTLY OR, IN ACCORDANCE WITH
15 WRITTEN INSTRUCTIONS FROM THE STATE CHARTER SCHOOL INSTITUTE,
16 DIRECTLY TO AN ACCOUNT DESIGNATED BY THE STATE CHARTER SCHOOL
17 INSTITUTE THAT ALLOWS THE STATE CHARTER SCHOOL INSTITUTE TO
18 RETAIN TITLE TO THE FUNDS.

19 (4) The state board shall take care to avoid overpayment of state
20 moneys. If it is determined that any district OR THE STATE CHARTER
21 SCHOOL INSTITUTE has been overpaid in any month, the state board shall
22 adjust the following monthly payment or payments to such district OR THE
23 STATE CHARTER SCHOOL INSTITUTE so as to recover the amount overpaid.
24 In the event that an overpayment cannot be recovered, the amount thereof
25 shall be refunded to the state public school fund by the district OR THE
26 STATE CHARTER SCHOOL INSTITUTE receiving the same.

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

1 1994.)

2 **SECTION 41.** 22-54-120 (2), Colorado Revised Statutes, is
3 amended to read:

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

9 **SECTION 42.** 22-54-122 (2), (3), and (4), Colorado Revised
10 Statutes, are amended, and the said 22-54-122 is further amended BY
11 THE ADDITION OF A NEW SUBSECTION, to read:

12 **22-54-122. Small attendance center aid.** (1.5) FOR THE 2004-05
13 BUDGET YEAR AND BUDGET YEARS THEREAFTER, AN INSTITUTE CHARTER
14 SCHOOL SHALL BE ELIGIBLE FOR AID PURSUANT TO THIS SECTION IF THE
15 INSTITUTE CHARTER SCHOOL HAS A PUPIL ENROLLMENT OF FEWER THAN
16 TWO HUNDRED AND IS LOCATED TWENTY OR MORE MILES FROM ANY
17 SIMILAR SCHOOL ATTENDANCE CENTER.

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

1 of the small attendance center by two hundred.

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

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

26 (4) If a school district receives small attendance center aid
27 pursuant to this section for a small attendance center that is a DISTRICT

1 charter school, the school district shall forward the entire amount of such
2 aid to the DISTRICT charter school for which it was received. IF AN
3 INSTITUTE CHARTER SCHOOL IS ELIGIBLE FOR SMALL ATTENDANCE CENTER
4 AID PURSUANT TO THIS SECTION, THE STATE CHARTER SCHOOL INSTITUTE
5 SHALL FORWARD THE ENTIRE AMOUNT OF SUCH AID TO THE INSTITUTE
6 CHARTER SCHOOL FOR WHICH IT WAS RECEIVED.

7 **SECTION 43.** 22-54-123, Colorado Revised Statutes, is amended
8 to read:

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

25 **SECTION 44.** 22-54-123.5 (1), Colorado Revised Statutes, is
26 amended to read:

27 **22-54-123.5. School breakfast program - appropriation -**

1 **low-performing schools.** (1) (a) For the 2002-03 budget year and each
2 budget year thereafter, the general assembly may appropriate by separate
3 line item an amount to assist school districts AND INSTITUTE CHARTER
4 SCHOOLS that are providing a school breakfast program through
5 participation in programs authorized under the "National School Lunch
6 Act", 42 U.S.C. sec. 1751 et seq., or the "Child Nutrition Act of 1966",
7 42 U.S.C. sec. 1771 et seq. The department shall develop procedures to
8 appropriately allocate and disburse the funds among participating school
9 districts AND INSTITUTE CHARTER SCHOOLS.

10 (b) Each school district that receives moneys pursuant to this
11 section shall use such moneys to create, expand, or enhance the school
12 breakfast program in each low-performing school of the receiving district
13 with the goal of improving the academic performance of the students
14 attending such schools.

15 (c) AN INSTITUTE CHARTER SCHOOL SHALL ONLY BE ELIGIBLE TO
16 RECEIVE MONEYS PURSUANT TO THIS SECTION IF IT IS A LOW-PERFORMING
17 SCHOOL. AN INSTITUTE CHARTER SCHOOL THAT RECEIVES MONEYS
18 PURSUANT TO THIS SECTION SHALL USE SUCH MONEYS TO CREATE, EXPAND,
19 OR ENHANCE ITS SCHOOL BREAKFAST PROGRAM WITH THE GOAL OF
20 IMPROVING THE ACADEMIC PERFORMANCE OF THE STUDENTS ATTENDING
21 THE INSTITUTE CHARTER SCHOOL.

22 **SECTION 45.** 22-54-124 (1) (b), (1) (e), (2), (3) (a) (III), (3) (b),
23 and (4) and the introductory portion to 22-54-124 (6), Colorado Revised
24 Statutes, are amended, and the said 22-54-124 (1) is further amended BY
25 THE ADDITION OF A NEW PARAGRAPH, to read:

26 **22-54-124. State aid for charter schools - use of state education**
27 **fund moneys.** (1) As used in this section:

1 (b) "Charter school" means a DISTRICT charter school as described
2 in section 22-30.5-104 OR AN INSTITUTE CHARTER SCHOOL AS DEFINED IN
3 SECTION 22-30.5-502.

4 (c.5) "INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL
5 ENROLLMENT" MEANS THE TOTAL NUMBER OF PUPILS WHO ARE NOT
6 ON-LINE PUPILS, AS DEFINED IN SECTION 22-30.5-502 (7), EXPECTED TO BE
7 ENROLLED IN A QUALIFIED INSTITUTE CHARTER SCHOOL THAT WILL
8 RECEIVE FUNDING PURSUANT TO SECTION 22-30.5-513 FOR THE BUDGET
9 YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE
10 APPROPRIATED AND DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS
11 SECTION, AS CERTIFIED BY THE DEPARTMENT OF EDUCATION PURSUANT TO
12 PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION DURING THE BUDGET
13 YEAR THAT IMMEDIATELY PRECEDES SAID BUDGET YEAR.

14 (e) "Operating revenues" means the total amount of funding that
15 a DISTRICT charter school receives from a district for a budget year
16 pursuant to section 22-30.5-112 minus the amounts required by section
17 22-30.5-112 (2) (a.7) to be allocated for capital reserve purposes or the
18 management of risk-related activities. FOR PURPOSES OF AN INSTITUTE
19 CHARTER SCHOOL, "OPERATING REVENUES" MEANS THE TOTAL AMOUNT OF
20 FUNDING THAT THE INSTITUTE CHARTER SCHOOL RECEIVES FROM THE
21 STATE CHARTER SCHOOL INSTITUTE FOR A BUDGET YEAR PURSUANT TO
22 SECTION 22-30.5-513, MINUS THE AMOUNTS SPECIFIED IN SECTION
23 22-30.5-513 (5).

24 (2) (a) For the 2001-02 budget year and budget years thereafter,
25 a district shall be eligible to receive state education fund moneys for
26 DISTRICT charter school capital construction pursuant to this section if at
27 least one qualified DISTRICT charter school will be receiving funding from

1 the district pursuant to section 22-30.5-112 during the budget year for
2 which state education fund moneys are to be distributed.

3 (b) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS
4 THEREAFTER, AN INSTITUTE CHARTER SCHOOL SHALL BE ELIGIBLE TO
5 RECEIVE STATE EDUCATION FUND MONEYS FOR INSTITUTE CHARTER
6 SCHOOL CAPITAL CONSTRUCTION IF THE INSTITUTE CHARTER SCHOOL WILL
7 BE RECEIVING FUNDING FROM THE STATE CHARTER SCHOOL INSTITUTE
8 PURSUANT TO SECTION 22-30.5-513 DURING THE BUDGET YEAR FOR WHICH
9 STATE EDUCATION FUND MONEYS ARE TO BE DISTRIBUTED.

10 (3) (a) (III) (A) The total amount of state education fund moneys
11 to be appropriated for all eligible districts AND FOR ALL ELIGIBLE
12 INSTITUTE CHARTER SCHOOLS for the 2003-04 budget year and each
13 budget year thereafter shall be an amount equal to five million dollars.

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

22 (C) FOR THE 2004-05 BUDGET YEAR, AND EACH BUDGET YEAR
23 THEREAFTER, THE AMOUNT OF STATE EDUCATION FUND MONEYS TO BE
24 DISTRIBUTED TO ANY ELIGIBLE DISTRICT AND ANY ELIGIBLE INSTITUTE
25 CHARTER SCHOOL SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE OF
26 THE SUM OF THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL
27 ENROLLMENT AND THE INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL

1 ENROLLMENT FOR ALL ELIGIBLE DISTRICTS AND ELIGIBLE INSTITUTE
2 CHARTER SCHOOLS IN THE STATE THAT IS ATTRIBUTABLE TO THE ELIGIBLE
3 DISTRICT OR ELIGIBLE INSTITUTE CHARTER SCHOOL MULTIPLIED BY THE
4 TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED TO ALL
5 ELIGIBLE DISTRICTS AND ELIGIBLE INSTITUTE CHARTER SCHOOLS FOR THE
6 SAME BUDGET YEAR PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS
7 SUBPARAGRAPH (III).

8 (b) No later than February 1 of each budget year, the department
9 of education shall certify to the education committees of the senate and
10 the house of representatives and the joint budget committee of the general
11 assembly the total number of pupils expected to be enrolled in all
12 qualified charter schools in the state during the next budget year, as
13 derived from reports provided to the department by districts pursuant to
14 section 22-30.5-112 (1) AND BY INSTITUTE CHARTER SCHOOLS PURSUANT
15 TO SECTION 22-30.5-513 (3) (a). For the purposes of any certification
16 made during the 2003-04 budget year and budget years thereafter, a pupil
17 expected to be enrolled in a qualified charter school as defined in
18 sub-subparagraph (B) of subparagraph (I) of paragraph (f.6) of subsection
19 (1) of this section shall be counted as one-half of one pupil.

20 (4) For the 2001-02 budget year, the 2003-04 budget year, and
21 each budget year thereafter, the general assembly shall annually
22 appropriate from the state education fund created in section 17 (4) of
23 article IX of the state constitution, to the department of education for
24 distribution to eligible school districts AND ELIGIBLE INSTITUTE CHARTER
25 SCHOOLS in accordance with the formula set forth in paragraph (a) of
26 subsection (3) of this section, an amount equal to the total amount of
27 moneys to be distributed to all districts AND INSTITUTE CHARTER SCHOOLS

1 as determined pursuant to said formula. From the moneys appropriated
2 for a given budget year, the department shall make lump sum payments
3 of all moneys to be distributed to each eligible school district AND
4 ELIGIBLE INSTITUTE CHARTER SCHOOL during the budget year as soon as
5 possible.

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

12 **SECTION 46.** 22-55-106 (2), Colorado Revised Statutes, is
13 amended to read:

14 **22-55-106. Statewide base per pupil funding - increases.**

15 (2) The general assembly may annually appropriate moneys in the state
16 education fund, the general fund, any other state fund, or some
17 combination thereof, as necessary in the sole discretion of the general
18 assembly, to satisfy the requirements of subsection (1) of this section, and
19 such moneys shall be distributed to public school districts AND THE STATE
20 CHARTER SCHOOL INSTITUTE in accordance with the provisions of the
21 "Public School Finance Act of 1994", article 54 of this title.

22 **SECTION 47.** Article 8 of title 23, Colorado Revised Statutes,
23 is amended BY THE ADDITION OF A NEW SECTION to read:

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

26 (1) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL
27 THAT ENTERS INTO A CHARTER CONTRACT WITH THE STATE CHARTER

1 SCHOOL INSTITUTE PURSUANT TO PART 5 OF ARTICLE 30.5 OF TITLE 22,
2 C.R.S.

3 (2) "INSTITUTE CHARTER SCHOOL'S PER PUPIL OPERATING
4 REVENUES" MEANS THE AMOUNT RECEIVED BY AN INSTITUTE CHARTER
5 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-54-115 (1.3),
6 C.R.S., FOR ANY BUDGET YEAR, DIVIDED BY THE NUMBER OF PUPILS
7 ENROLLED IN THE INSTITUTE CHARTER SCHOOL FOR THAT BUDGET YEAR,
8 MINUS THE MINIMUM AMOUNT PER PUPIL REQUIRED BY SECTION
9 22-30.5-513, C.R.S., TO BE ALLOCATED FOR CAPITAL RESERVE OR RISK
10 MANAGEMENT PURPOSES.

11 **SECTION 48.** 23-8-102 (1), (2), (3), (4), and (5), Colorado
12 Revised Statutes, are amended to read:

13 **23-8-102. School districts and institute charter schools**
14 **conducting vocational education courses - eligibility for state funds.**

15 (1) Any school district OR INSTITUTE CHARTER SCHOOL of the state
16 conducting any course of vocational education, approved pursuant to
17 section 23-8-103 by the state board for community colleges and
18 occupational education, referred to in this article as the "board", is
19 entitled to vocational education program support from funds appropriated
20 for the purpose by the general assembly. The amount of vocational
21 education program support which a district OR INSTITUTE CHARTER
22 SCHOOL is entitled to receive pursuant to provisions of this article shall
23 be computed as follows:

24 (a) The cost of providing the approved vocational education
25 programs of the district OR INSTITUTE CHARTER SCHOOL shall be
26 computed in accordance with paragraph (c) of this subsection (1). The
27 cost so computed shall be divided by the number of full-time equivalent

1 students to be served by the programs, and the result shall be designated,
2 for purposes of this article, as the district's OR INSTITUTE CHARTER
3 SCHOOL'S vocational education program cost per full-time equivalent
4 student.

5 (b) As vocational education program support, the state shall
6 provide, to each school district AND EACH INSTITUTE CHARTER SCHOOL
7 conducting an approved vocational education program for each
8 twelve-month period beginning July 1, eighty percent of the first one
9 thousand two hundred fifty dollars, or part thereof, by which the district's
10 OR INSTITUTE CHARTER SCHOOL'S approved vocational education program
11 cost per full-time equivalent student exceeds seventy percent of the
12 district's per pupil operating revenues, as defined in section 22-54-103
13 (9), C.R.S., OR SEVENTY PERCENT OF THE INSTITUTE CHARTER SCHOOL'S
14 PER PUPIL OPERATING REVENUES, for the school budget year during which
15 such twelve-month period begins. In addition, if the district's OR
16 INSTITUTE CHARTER SCHOOL'S approved vocational education cost per
17 full-time equivalent student exceeds seventy percent of its per pupil
18 operating revenues by an additional amount in excess of one thousand
19 two hundred fifty dollars, the state shall provide fifty percent of such
20 additional amount.

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

23 (I) The cost of providing the services of instructional personnel
24 for the time involved;

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

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

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

2 (V) Repealed.

3 (2) To be eligible to receive such funds, the district OR INSTITUTE
4 CHARTER SCHOOL must assume the obligation of paying the balance of the
5 program costs.

6 (3) The provisions of this section shall not be construed to prevent
7 any school district OR INSTITUTE CHARTER SCHOOL from conducting any
8 course in vocational education with costs in excess of those for which
9 state vocational education program support funds are approved by the
10 board.

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

24 (5) If the appropriations to implement subsections (1) to (4) of this
25 section are less than the total amount required to pay the vocational
26 education program support for approved vocational education courses, the
27 board shall prorate the amount to be paid each school district ANDEACH

1 INSTITUTE CHARTER SCHOOL in the same proportion that the appropriation
2 bears to such total amount so required for distribution. Any unexpended
3 balance of any such appropriation shall revert to the general fund at the
4 end of the fiscal year for which the appropriation is made.

5 **SECTION 49.** 23-8-103 (1), (2) (c), (2) (d), and (3), Colorado
6 Revised Statutes, are amended to read:

7 **23-8-103. Standards for eligibility for grants.** (1) The board
8 shall not approve vocational education program support to be provided
9 under section 23-8-102 unless the courses of vocational education
10 conducted by a school district OR INSTITUTE CHARTER SCHOOL meet the
11 standards prescribed in subsection (2) of this section.

12 (2) Any such course shall:

13 (c) Have a technical advisory committee which functions at the
14 state, regional, or local level to assist school districts AND INSTITUTE
15 CHARTER SCHOOLS in planning and conducting their vocational education
16 curricula;

17 (d) Be conducted in facilities that are sufficiently equipped to
18 permit adequate training and education; such facilities may be located
19 within or outside the school district, and they may be housed in buildings
20 which are not owned or operated by a school district OR AN INSTITUTE
21 CHARTER SCHOOL;

22 (3) In approving programs and vocational education program
23 support funds under this article, the board shall attempt to avoid
24 unnecessary duplication in either facilities or staffing for vocational
25 education in any school district, INSTITUTE CHARTER SCHOOL, or area of
26 this state; and, where feasible, sharing of facilities shall be required by
27 the board.

1 **SECTION 50.** 23-15-103 (8) (a) (VIII), Colorado Revised
2 Statutes, is amended, and the said 23-15-103 (8) (a) is further amended
3 BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

4 **23-15-103. Definitions.** As used in this article, unless the context
5 otherwise requires:

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

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

11 (IX) PROVIDES AN EDUCATIONAL PROGRAM PURSUANT TO A
12 CONTRACT WITH THE STATE CHARTER SCHOOL INSTITUTE IN ACCORDANCE
13 WITH APPLICABLE LAWS.

14 **SECTION 51.** 24-1-115, Colorado Revised Statutes, is amended
15 BY THE ADDITION OF A NEW SUBSECTION to read:

16 **24-1-115. Department of education - creation.** (9) THE
17 DEPARTMENT OF EDUCATION SHALL INCLUDE THE STATE CHARTER SCHOOL
18 INSTITUTE ESTABLISHED IN SECTION 22-30.5-503, C.R.S., AND ITS POWERS,
19 DUTIES, AND FUNCTIONS, AS IF THE INSTITUTE WERE TRANSFERRED BY A
20 **TYPE 1** TRANSFER TO THE DEPARTMENT OF EDUCATION.

21 **SECTION 52.** 24-50-135 (1) (g), Colorado Revised Statutes, is
22 amended to read:

23 **24-50-135. Exemptions from personnel system.**

24 (1) Administrators employed in educational institutions and departments
25 not charitable or reformatory in character shall include the following,
26 who shall be exempt from the state personnel system:

27 (g) Professional officers and professional staff of the department

1 of education AND OF THE STATE CHARTER SCHOOL INSTITUTE ESTABLISHED
2 IN SECTION 22-30.5-503, C.R.S.

3 **SECTION 53. Effective date.** This act shall take effect July 1,
4 2004.

5 **SECTION 54. Safety clause.** The general assembly hereby
6 finds, determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.