

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

**REVISED**

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

LLS NO. 04-0149.02 Jeff Conway

**HOUSE BILL 04-1362**

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**HOUSE SPONSORSHIP**

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

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**Groff**, Grossman, Hagedorn, and Jones

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**House Committees**

Education  
Appropriations

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Education  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING THE AUTHORIZATION OF INSTITUTE CHARTER SCHOOLS**  
102 **BY THE STATE CHARTER SCHOOL INSTITUTE, AND MAKING AN**  
103 **APPROPRIATION THEREFOR.**

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**Bill Summary**

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

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

*Capital letters indicate new material to be added to existing statute.*

*Dashes through the words indicate deletions from existing statute.*

SENATE  
2nd Reading Unamended  
April 29, 2004

HOUSE  
3rd Reading Unamended  
April 16, 2004

HOUSE  
Amended 2nd Reading  
April 15, 2004

of the thorough and uniform system of free public schools in the state. 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.

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

2 **SECTION 1.** Article 30.5 of title 22, Colorado Revised Statutes,  
3 is amended BY THE ADDITION OF A NEW PART to read:

4 **PART 5**

5 **INSTITUTE CHARTER SCHOOLS**

6 **22-30.5-501. Legislative declaration.** (1) THE GENERAL  
7 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

8 (a) THERE IS A GROWING DEMAND FOR MORE CHARTER SCHOOLS  
9 IN THE STATE.

10 (b) THERE IS AN UNDERSERVED POPULATION OF AT-RISK STUDENTS  
11 IN THE STATE, FOR WHOM INNOVATIVE EDUCATIONAL MODELS ARE  
12 NEEDED.

13 (2) THE INTENT OF THE GENERAL ASSEMBLY IN ESTABLISHING THE  
14 STATE CHARTER SCHOOL INSTITUTE PURSUANT TO THIS PART 5 IS TO:

15 (a) PROVIDE AN ALTERNATIVE MODE OF AUTHORIZING CHARTER  
16 SCHOOLS AS A MEANS TO ASSIST SCHOOL DISTRICTS IN UTILIZING BEST  
17 PRACTICES FOR CHARTERING SCHOOLS AND TO APPROVE AND OVERSEE  
18 CHARTER SCHOOLS IN SCHOOL DISTRICTS NOT DESIRING TO DO SO  
19 THEMSELVES; AND

20 (b) PRESERVE THE AUTHORITY OF A SCHOOL DISTRICT TO  
21 AUTHORIZE CHARTER SCHOOLS, AT THE SCHOOL DISTRICT'S OPTION.

22 **22-30.5-502. Definitions.** AS USED IN THIS PART 5, UNLESS THE  
23 CONTEXT OTHERWISE REQUIRES:

24 (1) "AT-RISK STUDENT" MEANS A STUDENT:

25 (a) WHO IS ELIGIBLE TO RECEIVE FREE OR REDUCED-COST LUNCH

1 PURSUANT TO THE PROVISIONS OF THE FEDERAL "NATIONAL SCHOOL  
2 LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.; OR

3 (b) WHO HAS PERFORMED AT THE PROFICIENCY LEVEL OF "LOW"  
4 OR "UNSATISFACTORY" ON A STATEWIDE ASSESSMENT.

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

7 (3) "COMMISSIONER" MEANS THE OFFICE OF THE COMMISSIONER OF  
8 EDUCATION CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE  
9 IX OF THE STATE CONSTITUTION.

10 (4) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION  
11 CREATED AND EXISTING PURSUANT TO SECTION 24-1-115, C.R.S.

12 (5) "INSTITUTE BOARD" MEANS THE GOVERNING BOARD OF THE  
13 STATE CHARTER SCHOOL INSTITUTE THAT IS APPOINTED PURSUANT TO  
14 SECTION 22-30.5-505 (2).

15 (6) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
16 AUTHORIZED PURSUANT TO THIS PART 5.

17 (7) "LOCAL BOARD OF EDUCATION" OR "LOCAL BOARD" MEANS A  
18 SCHOOL DISTRICT BOARD OF EDUCATION.

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

23 (9) "ON-LINE PUPIL" MEANS A CHILD WHO RECEIVES EDUCATIONAL  
24 SERVICES PREDOMINANTLY THROUGH AN ON-LINE PROGRAM CREATED  
25 PURSUANT TO SECTION 22-33-104.6.

26 (10) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED  
27 AND EXISTING UNDER THE LAWS OF COLORADO, EXCEPT A JUNIOR COLLEGE

1 DISTRICT; EXCEPT THAT, FOR PURPOSES OF SECTION 22-30.5-513, "SCHOOL  
2 DISTRICT" SHALL HAVE THE MEANING SET FORTH IN SECTION 22-30.5-513  
3 (1) (o).

4 (11) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION  
5 CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE IX OF THE  
6 STATE CONSTITUTION.

7 (12) "STATE CHARTER SCHOOL INSTITUTE" OR "INSTITUTE" MEANS  
8 THE ENTITY CREATED PURSUANT TO SECTION 22-30.5-503.

9 **22-30.5-503. State charter school institute - establishment.**

10 (1) (a) THERE IS ESTABLISHED, AS AN INDEPENDENT AGENCY IN THE  
11 DEPARTMENT OF EDUCATION, THE STATE CHARTER SCHOOL INSTITUTE.  
12 THE INSTITUTE SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND  
13 FUNCTIONS AS IF IT WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE**  
14 **1** TRANSFER UNDER THE PROVISIONS OF THE "ADMINISTRATIVE  
15 ORGANIZATION ACT OF 1968", ARTICLE 1 OF TITLE 24, C.R.S.

16 (b) THE INSTITUTE SHALL:

17 (I) REVIEW INSTITUTE CHARTER SCHOOL APPLICATIONS AND ASSIST  
18 IN THE ESTABLISHMENT OF INSTITUTE CHARTER SCHOOLS THROUGHOUT  
19 THE STATE;

20 (II) ASSIST IN THE CONVERSION OF A SCHOOL DISTRICT CHARTER  
21 SCHOOL TO AN INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION  
22 22-30.5-510 (1) (a);

23 (III) APPROVE OR DENY INSTITUTE CHARTER SCHOOL APPLICATIONS  
24 AND REVOKE, RENEW, OR REFUSE TO RENEW INSTITUTE CHARTER SCHOOL  
25 CONTRACTS; AND

26 (IV) MONITOR THE OPERATIONS OF INSTITUTE CHARTER SCHOOLS  
27 AND THE ACADEMIC ACHIEVEMENT OF STUDENTS ATTENDING INSTITUTE

1 CHARTER SCHOOLS, INCLUDING COMPLIANCE WITH APPLICABLE STATE AND  
2 FEDERAL ACCOUNTABILITY REQUIREMENTS.

3 (c) THE INSTITUTE IS AUTHORIZED TO ENTER INTO CONTRACTS OR  
4 SERVICE AGREEMENTS WITH ANY PUBLIC OR PRIVATE CONTRACTOR TO  
5 PROVIDE ADMINISTRATIVE SERVICES OR TECHNICAL ASSISTANCE TO  
6 INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS PART 5. ANY SUCH  
7 CONTRACT OR SERVICE AGREEMENT SHALL ALSO INCLUDE PROVISIONS  
8 ESTABLISHING LIQUIDATED DAMAGES AND PENALTIES FOR FAILURE TO  
9 COMPLY WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND SHALL  
10 BE IN ACCORDANCE WITH RULES PROMULGATED BY THE INSTITUTE BOARD.

11 (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE  
12 INSTITUTE SHALL EXIST TO MODEL BEST PRACTICES IN AUTHORIZING  
13 CHARTER SCHOOLS AND MAKE THOSE PRACTICES AVAILABLE TO SCHOOL  
14 DISTRICTS.

15 (3) FOR PURPOSES OF FEDERAL LAW, THE STATE CHARTER SCHOOL  
16 INSTITUTE SHALL BE A LOCAL EDUCATIONAL AGENCY, DEEMED TO BE A  
17 PUBLIC AUTHORITY LEGALLY CONSTITUTED WITHIN THE STATE FOR THE  
18 ADMINISTRATIVE CONTROL AND DIRECTION OF, AND TO PERFORM A  
19 SERVICE FUNCTION FOR, PUBLIC ELEMENTARY SCHOOLS AND SECONDARY  
20 SCHOOLS IN THE STATE.

21 (4) FOR PURPOSES OF THE "EXCEPTIONAL CHILDREN'S  
22 EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, THE STATE CHARTER  
23 SCHOOL INSTITUTE SHALL BE CONSIDERED AN ADMINISTRATIVE UNIT,  
24 RESPONSIBLE FOR ASSISTING IN THE DELIVERY OF FEDERALLY REQUIRED  
25 SERVICES TO STUDENTS ENROLLED IN INSTITUTE CHARTER SCHOOLS. THE  
26 INSTITUTE MAY PROVIDE OR CONTRACT FOR THE PROVISION OF SERVICES  
27 TO A STUDENT ENROLLED IN AN INSTITUTE CHARTER SCHOOL.

1           (5) THE STATE CHARTER SCHOOL INSTITUTE SHALL BE RESPONSIBLE  
2 FOR MONITORING THE FISCAL MANAGEMENT OF EACH INSTITUTE CHARTER  
3 SCHOOL. EACH INSTITUTE CHARTER SCHOOL SHALL ANNUALLY PROVIDE  
4 TO THE INSTITUTE THE RESULTS OF AN INDEPENDENT FINANCIAL AUDIT OF  
5 THE INSTITUTE CHARTER SCHOOL. THE INSTITUTE SHALL REPORT TO THE  
6 STATE BOARD THE SAME FINANCIAL INFORMATION IN THE SAME FORMAT  
7 THAT SCHOOL DISTRICTS ARE REQUIRED TO REPORT TO THE STATE BOARD  
8 PURSUANT TO THIS TITLE. INSTITUTE CHARTER SCHOOLS SHALL COMPILE  
9 AND REPORT TO THE INSTITUTE THE SAME FINANCIAL INFORMATION IN THE  
10 SAME FORMAT THAT CHARTER SCHOOLS ARE REQUIRED TO REPORT TO  
11 SCHOOL DISTRICTS PURSUANT TO PART 1 OF THIS ARTICLE.

12           (6) THE INSTITUTE AND INSTITUTE CHARTER SCHOOLS SHALL BE  
13 DEEMED PART OF THE THOROUGH AND UNIFORM SYSTEM OF FREE PUBLIC  
14 SCHOOLS TO BE ESTABLISHED AND MAINTAINED BY THE GENERAL  
15 ASSEMBLY, AS REQUIRED IN SECTION 2 OF ARTICLE IX OF THE STATE  
16 CONSTITUTION. THE STATE BOARD SHALL HAVE GENERAL SUPERVISION OF  
17 INSTITUTE CHARTER SCHOOLS, AS REQUIRED IN SECTION 1 OF ARTICLE IX  
18 OF THE STATE CONSTITUTION.

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

21           **22-30.5-504. Institute chartering authority - institute charter**  
22 **schools.** (1) THE INSTITUTE SHALL BE AUTHORIZED TO APPROVE OR DENY  
23 AN APPLICATION SUBMITTED FOR THE ESTABLISHMENT OF AN INSTITUTE  
24 CHARTER SCHOOL PURSUANT TO THIS PART 5.

25           (2) AN INSTITUTE CHARTER SCHOOL APPLICANT MAY SUBMIT AN  
26 APPLICATION TO THE INSTITUTE ONLY IF THE SCHOOL DISTRICT IN WHICH  
27 THE INSTITUTE CHARTER SCHOOL IS TO BE LOCATED HAS NOT RETAINED

1 EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS AS PROVIDED IN  
2 SUBSECTION (5) OF THIS SECTION. IF A SCHOOL DISTRICT HAS NOT  
3 RETAINED EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS AS  
4 PROVIDED IN SUBSECTION (5) OF THIS SECTION, THE SCHOOL DISTRICT AND  
5 THE INSTITUTE SHALL HAVE CONCURRENT AUTHORITY TO AUTHORIZE  
6 CHARTER SCHOOLS AND INSTITUTE CHARTER SCHOOLS, RESPECTIVELY, TO  
7 BE LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL  
8 DISTRICT. THE SCHOOL DISTRICT SHALL MONITOR AND OVERSEE ALL  
9 CHARTER SCHOOLS AUTHORIZED BY THE SCHOOL DISTRICT AS PROVIDED  
10 IN PART 1 OF THIS ARTICLE. THE INSTITUTE SHALL MONITOR AND OVERSEE  
11 ALL INSTITUTE CHARTER SCHOOLS AUTHORIZED BY THE INSTITUTE AS  
12 PROVIDED IN THIS PART 5.

13 (3) NOTHING IN THIS PART 5 SHALL BE CONSTRUED TO ELIMINATE  
14 THE ABILITY OF A SCHOOL DISTRICT TO AUTHORIZE CHARTER SCHOOLS  
15 PURSUANT TO PART 1 OF THIS ARTICLE. A SCHOOL DISTRICT SHALL RETAIN  
16 THE AUTHORITY TO RE-AUTHORIZE AND TO OVERSEE ANY CHARTER  
17 SCHOOL WHICH IT HAS AUTHORIZED, EXCEPT WITH RESPECT TO ANY  
18 CHARTER SCHOOL THAT IS CONVERTED TO AN INSTITUTE CHARTER SCHOOL  
19 PURSUANT TO SECTION 22-30.5-510.

20 (4) (a) FOR FISCAL YEAR 2005-06, AND FOR EACH FISCAL YEAR  
21 THEREAFTER, A LOCAL BOARD OF EDUCATION MAY SEEK TO RETAIN  
22 EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS WITHIN THE  
23 GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT BY PRESENTING TO  
24 THE STATE BOARD, ON OR BEFORE MARCH 1 OF THE FISCAL YEAR PRIOR TO  
25 THAT FOR WHICH THE EXCLUSIVE AUTHORITY IS TO APPLY, A WRITTEN  
26 RESOLUTION ADOPTED BY THE LOCAL BOARD OF EDUCATION INDICATING  
27 THE INTENT TO RETAIN EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER

1 SCHOOLS. FOR FISCAL YEAR 2004-05, A LOCAL BOARD OF EDUCATION MAY  
2 SEEK TO RETAIN THE EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTERS BY  
3 PRESENTING TO THE STATE BOARD THE WRITTEN RESOLUTION ON OR  
4 BEFORE A DATE SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.  
5 THE WRITTEN RESOLUTION SHALL BE ACCOMPANIED BY A WRITTEN  
6 DESCRIPTION OF THOSE PORTIONS OF SUBSECTION (5) OF THIS SECTION  
7 THAT THE SCHOOL DISTRICT INTENDS TO DEMONSTRATE. THE LOCAL  
8 BOARD OF EDUCATION SHALL PROVIDE A COMPLETE COPY OF THE  
9 RESOLUTION, INCLUDING THE DESCRIPTION, TO EACH CHARTER SCHOOL  
10 AUTHORIZED BY THE LOCAL BOARD ON OR BEFORE THE DATE THE LOCAL  
11 BOARD SUBMITS THE RESOLUTION TO THE STATE BOARD.

12 (b) A PARTY MAY CHALLENGE THE GRANT OF EXCLUSIVE  
13 AUTHORITY MADE BY THE STATE BOARD PURSUANT TO SUBSECTION (5) OF  
14 THIS SECTION BY FILING WITH THE STATE BOARD A NOTICE OF CHALLENGE  
15 WITHIN THIRTY DAYS AFTER THE STATE BOARD GRANTS EXCLUSIVE  
16 AUTHORITY. THE NOTICE SHALL BE ACCOMPANIED BY A SPECIFIC WRITTEN  
17 DESCRIPTION OF THE BASIS FOR THE CHALLENGE. THE CHALLENGING  
18 PARTY, AT THE TIME OF FILING NOTICE WITH THE STATE BOARD, SHALL  
19 PROVIDE A COPY OF THE NOTICE OF CHALLENGE TO THE SCHOOL DISTRICT  
20 THAT HAS BEEN GRANTED EXCLUSIVE AUTHORITY. THE STATE BOARD  
21 SHALL PERMIT THE SCHOOL DISTRICT THE OPPORTUNITY TO APPEAR AND  
22 RESPOND IN WRITING TO THE CHALLENGE. THE STATE BOARD SHALL MAKE  
23 A DETERMINATION UPON THE CHALLENGE WITHIN SIXTY DAYS AFTER  
24 RECEIPT OF THE NOTICE OF CHALLENGE.

25 (5) (a) THE STATE BOARD SHALL GRANT TO A LOCAL BOARD OF  
26 EDUCATION EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS  
27 WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT IF THE

1 STATE BOARD DETERMINES, AFTER ADEQUATE NOTICE AND IN A PUBLIC  
2 HEARING AND AFTER RECEIVING INPUT FROM ANY CHARTER SCHOOLS  
3 AUTHORIZED BY THE LOCAL BOARD OF EDUCATION, THAT THE LOCAL  
4 BOARD HAS PROVIDED FAIR AND EQUITABLE TREATMENT TO ITS CHARTER  
5 SCHOOLS DURING THE FOUR YEARS PRIOR TO THE LOCAL BOARD'S  
6 SUBMISSION OF THE RESOLUTION DESCRIBED IN SUBSECTION (4) OF THIS  
7 SECTION, THROUGH THE LOCAL BOARD'S DEMONSTRATION OF:

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

11 (A) COMPLIANCE WITH FULL AND ACCURATE ACCOUNTING  
12 PRACTICES AND CHARGES FOR CENTRAL ADMINISTRATIVE OVERHEAD  
13 COSTS;

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

17 (C) THE ABSENCE OF A SCHOOL DISTRICT MORATORIUM  
18 REGARDING CHARTER SCHOOLS OR THE ABSENCE OF ANY DISTRICT-WIDE  
19 CHARTER SCHOOL ENROLLMENT LIMITS; AND

20 (D) COMPLIANCE WITH VALID ORDERS OF THE STATE BOARD; AND

21 (II) ANY COMBINATION OF THE FOLLOWING:

22 (A) THE DISTRIBUTION TO CHARTER SCHOOLS AUTHORIZED BY THE  
23 LOCAL BOARD OF A PRO RATA SHARE OF MILL LEVY OVERRIDES, EXCEPT  
24 FOR ANY MILL LEVIED FOR A PARTICULAR PURPOSE THAT BY ITS EXPRESS  
25 TERMS IS INTENDED TO BENEFIT A GRADE, A PROGRAM, OR A SCHOOL AND,  
26 AS A RESULT, IS NOT AVAILABLE TO BE OFFERED TO ANY CHARTER SCHOOL  
27 THAT DID NOT PARTICIPATE IN THE MILL LEVY PROCEEDS;

1 (B) THE PROVISION OF ASSISTANCE TO CHARTER SCHOOLS TO MEET  
2 THEIR FACILITIES NEEDS, BY INCLUDING THOSE NEEDS IN LOCAL BOND  
3 ISSUES OR OTHERWISE PROVIDING AVAILABLE LAND AND FACILITIES THAT  
4 ARE COMPARABLE TO THOSE PROVIDED TO OTHER PUBLIC SCHOOL  
5 STUDENTS IN THE SAME GRADE LEVELS WITHIN THE SCHOOL DISTRICT;

6 (C) THE DISTRIBUTION TO CHARTER SCHOOLS AUTHORIZED BY THE  
7 LOCAL BOARD OF A PRO RATA SHARE OF FEDERAL AND STATE GRANTS  
8 RECEIVED BY THE SCHOOL DISTRICT, EXCEPT FOR ANY GRANT RECEIVED  
9 FOR A PARTICULAR PURPOSE THAT BY ITS EXPRESS TERMS IS INTENDED TO  
10 BENEFIT A STUDENT POPULATION NOT ABLE TO BE SERVED BY, OR A  
11 PROGRAM NOT ABLE TO BE OFFERED AT, A CHARTER SCHOOL WHICH DID  
12 NOT RECEIVE A PROPORTIONATE SHARE OF SUCH GRANT PROCEEDS;

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

20 (E) THE LACK OF A POLICY OR PRACTICE OF IMPOSING INDIVIDUAL  
21 CHARTER SCHOOL ENROLLMENT LIMITS, EXCEPT AS OTHERWISE PROVIDED  
22 IN ARTICLE 36 OF THIS TITLE; OR

23 (F) THE PROVISION OF AN ADEQUATE NUMBER OF EDUCATIONAL  
24 CHOICE PROGRAMS TO SERVE STUDENTS EXERCISING THEIR RIGHTS TO  
25 TRANSFER PURSUANT TO THE "NO CHILD LEFT BEHIND ACT OF 2001",  
26 PUBLIC LAW 107-110, AND A HISTORY OF CHARTER SCHOOL APPROVAL  
27 THAT ENCOURAGES PROGRAMS THAT SERVE AT-RISK STUDENT

1 POPULATIONS.

2 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
3 SUBSECTION (5) TO THE CONTRARY, THE STATE BOARD SHALL GRANT TO A  
4 LOCAL BOARD OF EDUCATION EXCLUSIVE AUTHORITY TO AUTHORIZE  
5 CHARTER SCHOOLS WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL  
6 DISTRICT IF THE SCHOOL DISTRICT CERTIFIES THAT:

7 (I) THE TOTAL PUPIL ENROLLMENT OF THE SCHOOL DISTRICT IS  
8 LESS THAN THREE THOUSAND PUPILS; OR

9 (II) THE PERCENTAGE OF PUPILS WHO ARE ELIGIBLE FOR FREE OR  
10 REDUCED-COST LUNCH PURSUANT TO THE PROVISIONS OF THE FEDERAL  
11 "NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751, ET SEQ., AND WHO  
12 ENROLLED IN CHARTER SCHOOLS AUTHORIZED BY THE SCHOOL DISTRICT  
13 IS GREATER THAN THE PERCENTAGE THAT IS ONE PERCENTAGE POINT  
14 BELOW THE OVERALL PERCENTAGE OF PUPILS ELIGIBLE FOR FREE OR  
15 REDUCED-COST LUNCH WHO ARE ENROLLED IN THE SCHOOL DISTRICT.

16 (6) FOR SCHOOL DISTRICTS THAT HAVE NO DISCERNABLE HISTORY  
17 OF AUTHORIZING CHARTER SCHOOLS, THE STATE BOARD MAY MAKE A  
18 RENEWABLE ONE-YEAR GRANT OF EXCLUSIVE AUTHORITY IF THE SCHOOL  
19 DISTRICT DEMONSTRATES ITS COMPLIANCE WITH THE PROVISIONS OF  
20 SUB-SUBPARAGRAPHS (C) AND (D) OF SUBPARAGRAPH (I) OF PARAGRAPH  
21 (a) OF SUBSECTION (5) OF THIS SECTION AND PRESENTS TO THE STATE  
22 BOARD A PLAN TO IMPLEMENT A COMBINATION OF THE AUTHORIZING  
23 PRACTICES DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (5).

24 (7) A GRANT OF EXCLUSIVE AUTHORITY BY THE STATE BOARD  
25 SHALL CONTINUE SO LONG AS A SCHOOL DISTRICT CONTINUES TO COMPLY  
26 WITH THE PROVISIONS OF SUBSECTION (5) OF THIS SECTION AND HAS  
27 PRESENTED A WRITTEN RESOLUTION TO THE STATE BOARD AS SET FORTH

1 IN SUBSECTION (4) OF THIS SECTION.

2 (8) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO  
3 THE CONTRARY, A LOCAL BOARD OF EDUCATION MAY PERMIT THE  
4 ESTABLISHMENT OF ONE OR MORE INSTITUTE CHARTER SCHOOLS WITHIN  
5 THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT BY ADOPTING A  
6 FAVORABLE RESOLUTION AND SUBMITTING THE RESOLUTION TO TH STATE  
7 BOARD. THE RESOLUTION SHALL BE EFFECTIVE UNTIL IT IS RESCINDED BY  
8 RESOLUTION OF THE LOCAL BOARD OF EDUCATION.

9 (8) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION  
10 TO THE CONTRARY, THE STATE BOARD SHALL GRANT TO A LOCAL BOARD  
11 OF EDUCATION EXCLUSIVE AUTHORITY TO AUTHORIZE CHARTER SCHOOLS  
12 WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT IF THE  
13 SCHOOL DISTRICT ANNUALLY CERTIFIES TO THE STATE BOARD THAT THE  
14 TOTAL NUMBER OF STUDENTS ENROLLED IN CHARTER SCHOOLS  
15 AUTHORIZED BY THE SCHOOL DISTRICT, OR THE MAXIMUM NUMBER OF  
16 STUDENTS ALLOWED TO BE ENROLLED PURSUANT TO CHARTER SCHOOL  
17 CONTRACTS ENTERED INTO BY THE SCHOOL DISTRICT, WHICHEVER IS  
18 GREATER, DIVIDED BY THE DISTRICT PUPIL ENROLLMENT, AS DEFINED IN  
19 SECTION 22-54-103, FOR THAT BUDGET YEAR, REFLECTED AS A  
20 PERCENTAGE, EXCEEDS BY MORE THAN THREE PERCENTAGE POINTS THE  
21 PERCENTAGE OF STUDENTS ENROLLED IN CHARTER SCHOOLS STATEWIDE.

22 (b) A SCHOOL DISTRICT THAT RETAINS EXCLUSIVE AUTHORITY TO  
23 AUTHORIZE CHARTER SCHOOLS PURSUANT TO PARAGRAPH (a) OF THIS  
24 SUBSECTION (8) SHALL SATISFY THE REQUIREMENTS OF PARAGRAPH (a) OF  
25 SUBSECTION (5) OF THIS SECTION.

26 **22-30.5-505. State charter school institute - institute board -**  
27 **appointment - powers and duties.** (1) THE INSTITUTE SHALL CONSIST OF

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

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

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

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

25 (III) FINANCIAL MANAGEMENT EXPERTISE;

26 (IV) DETAILED KNOWLEDGE OF CHARTER SCHOOL LAW;

27 (V) OTHER BOARD OR PUBLIC SERVICE EXPERIENCE;

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

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

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

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

27 (a) ACT AS A MODEL OF BEST PRACTICES IN AUTHORIZING CHARTER

1       SCHOOLS;

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

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

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

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

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

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

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

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

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

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

26              (g)   TO PROVIDE FOR THE NECESSARY EXPENSES OF THE INSTITUTE  
27       BOARD IN THE EXERCISE OF ITS POWERS AND THE PERFORMANCE OF ITS

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

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

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

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

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

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

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

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

1 AVAILABLE, INCLUDING A SCHOOL DISTRICT.

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

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

11 (9) THE INSTITUTE SHALL ENSURE THAT EACH INSTITUTE CHARTER  
12 SCHOOL ADDRESSES THE EXPULSION, SUSPENSION, AND EDUCATION OF  
13 EXPELLED OR SUSPENDED STUDENTS IN A MANNER CONSISTENT WITH THE  
14 INTENTS AND PURPOSES OF SECTIONS 22-33-106 and 22-33-203.

15 (10) THE INSTITUTE MAY ISSUE REQUESTS FOR PROPOSALS TO  
16 SOLICIT APPLICATIONS FOR AN INSTITUTE CHARTER SCHOOL TO SERVE  
17 AT-RISK STUDENTS.

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

21 **22-30.5-506. State charter school institute fund - created.**

22 (1) THE STATE CHARTER SCHOOL INSTITUTE IS AUTHORIZED TO RECEIVE  
23 AND EXPEND GIFTS, GRANTS, AND DONATIONS OF ANY KIND FROM ANY  
24 PUBLIC OR PRIVATE ENTITY TO CARRY OUT THE PURPOSES OF THIS PART 5,  
25 SUBJECT TO THE TERMS AND CONDITIONS UNDER WHICH GIVEN; EXCEPT  
26 THAT NO GIFT, GRANT, OR DONATION SHALL BE ACCEPTED IF THE  
27 CONDITIONS ATTACHED THERETO REQUIRE THE USE OR EXPENDITURE

1       THEREOF IN A MANNER CONTRARY TO LAW. ANY GIFTS, GRANTS, OR  
2       DONATIONS RECEIVED PURSUANT TO THIS SUBSECTION (1) SHALL BE  
3       TRANSMITTED TO THE STATE TREASURER WHO SHALL CREDIT THE SAME TO  
4       THE STATE CHARTER SCHOOL INSTITUTE FUND, HEREINAFTER REFERRED TO  
5       AS THE "FUND", WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY.  
6       MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY  
7       THE GENERAL ASSEMBLY TO THE INSTITUTE, TO OFFSET THE ACTUAL AND  
8       REASONABLE COSTS INCURRED BY THE INSTITUTE IN IMPLEMENTING THIS  
9       PART 5. ALL INVESTMENT EARNINGS DERIVED FROM THE DEPOSIT AND  
10      INVESTMENT OF THE MONEYS IN THE FUND SHALL BE CREDITED TO THE  
11      FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN  
12      THE FUND AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND  
13      AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER  
14      FUND.

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

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

24               **22-30.5-507. Institute charter school - requirements -**  
25      **authority.** (1) (a) AN INSTITUTE CHARTER SCHOOL SHALL BE A PUBLIC,  
26      NONSECTARIAN, NONRELIGIOUS, NON-HOME-BASED SCHOOL THAT  
27      OPERATES PURSUANT TO A CHARTER CONTRACT AUTHORIZED BY THE STATE

1 CHARTER SCHOOL INSTITUTE.

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

10 (2) AN INSTITUTE CHARTER SCHOOL SHALL BE:

11 (a) SUBJECT TO THE TERMS OF THE CHARTER CONTRACT ENTERED  
12 INTO WITH THE INSTITUTE;

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

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

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

1 BY STATE OR FEDERAL LAW. ENROLLMENT DECISIONS SHALL BE MADE IN  
2 A NONDISCRIMINATORY MANNER SPECIFIED BY THE APPLICANT IN THE  
3 INSTITUTE CHARTER SCHOOL APPLICATION.

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

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

17 (6) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 22-20-109 (5),  
18 22-32-115 (1) AND (2), AND 22-54-109, AN INSTITUTE CHARTER SCHOOL  
19 SHALL NOT CHARGE TUITION.

20 (7) PURSUANT TO THE CHARTER CONTRACT, AN INSTITUTE  
21 CHARTER SCHOOL MAY OPERATE FREE FROM SPECIFIED STATUTES AND  
22 STATE BOARD RULES. THE STATE BOARD MAY WAIVE STATE STATUTORY  
23 REQUIREMENTS OR RULES PROMULGATED BY THE STATE BOARD; EXCEPT  
24 THAT THE STATE BOARD MAY NOT WAIVE ANY STATE STATUTE OR RULE  
25 RELATING TO THE ASSESSMENTS REQUIRED TO BE ADMINISTERED  
26 PURSUANT TO SECTION 22-7-409, ANY STATE STATUTE OR RULE  
27 NECESSARY TO PREPARE THE SCHOOL ACCOUNTABILITY REPORTS

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

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

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

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

26 (10) ALL DECISIONS REGARDING THE PLANNING, SITING, AND  
27 INSPECTION OF INSTITUTE CHARTER SCHOOL FACILITIES SHALL BE MADE IN

1 ACCORDANCE WITH SECTION 22-32-124 AND AS SPECIFIED BY CONTRACT  
2 WITH THE INSTITUTE.

3 **22-30.5-508. Institute charter schools - contract contents -**  
4 **regulations - repeal.** (1) AN APPROVED INSTITUTE CHARTER SCHOOL  
5 APPLICATION SHALL SERVE AS THE BASIS FOR A CHARTER CONTRACT  
6 BETWEEN THE INSTITUTE CHARTER SCHOOL AND THE INSTITUTE.

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

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

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

1 DENIES A REQUEST FOR RELEASE THAT INCLUDES MULTIPLE STATE  
2 STATUTES OR RULES, THE DENIAL SHALL SPECIFY THE STATE STATUTES AND  
3 RULES FOR WHICH THE RELEASE IS DENIED, AND THE DENIAL SHALL APPLY  
4 ONLY TO THOSE STATE STATUTES AND RULES SO SPECIFIED.

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

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

15 **22-30.5-509. Institute charter school application - contents.**

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

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

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

25 (c) EVIDENCE THAT AN ADEQUATE NUMBER OF PARENTS,  
26 TEACHERS, PUPILS, OR ANY COMBINATION THEREOF, SUPPORT THE  
27 FORMATION OF AN INSTITUTE CHARTER SCHOOL;

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

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

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

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

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

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

26 (j) A PLAN FOR THE INSTITUTE CHARTER SCHOOL TO CONDUCT  
27 COMMUNITY OUTREACH TO RECRUIT AND RETAIN AT-RISK STUDENTS; AND

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

4 **22-30.5-510. Institute charter school application - process -**  
5 **rule-making.** (1) (a) EXCEPT AS OTHERWISE PROVIDED IN SECTION  
6 22-30.5-506 (2), THE INSTITUTE SHALL RECEIVE AND REVIEW ALL  
7 APPLICATIONS FOR INSTITUTE CHARTER SCHOOLS. AN APPLICATION FOR  
8 AN INSTITUTE CHARTER SCHOOL MAY BE SUBMITTED BY ONE OR MORE  
9 INDIVIDUALS, BY A NON-PROFIT, GOVERNMENTAL, OR OTHER ENTITY OR  
10 ORGANIZATION, OR BY AN EXISTING CHARTER SCHOOL AUTHORIZED BY A  
11 DISTRICT. THE INSTITUTE'S APPROVAL OF AN APPLICATION FROM AN  
12 EXISTING CHARTER SCHOOL SHALL NOT RELIEVE THE CHARTER SCHOOL OF  
13 ANY PRE-EXISTING CONTRACTUAL OBLIGATIONS OR RELATIONSHIPS,  
14 INCLUDING OBLIGATIONS OF THE CHARTER SCHOOL DUE TO THE SCHOOL  
15 DISTRICT THAT AUTHORIZED THE CHARTER SCHOOL. THE TRANSFER OF  
16 OVERSIGHT OF A CHARTER SCHOOL FROM A SCHOOL DISTRICT TO THE  
17 INSTITUTE SHALL NOT BE DEEMED A DISSOLUTION OR OTHER EVENT THAT  
18 EMPOWERS OR OBLIGATES THE SCHOOL DISTRICT TO WIND DOWN THE  
19 CHARTER SCHOOL'S AFFAIRS OR TO DISPOSE OF THE CHARTER SCHOOL'S  
20 ASSETS. AN ENTITY APPLYING FOR AN INSTITUTE CHARTER SCHOOL SHALL  
21 FILE AN APPLICATION WITH THE INSTITUTE BY A DATE DETERMINED BY  
22 RULE OF THE INSTITUTE BOARD TO BE ELIGIBLE FOR CONSIDERATION FOR  
23 THE FOLLOWING SCHOOL YEAR. PRIOR TO ANY CHANGE IN THE  
24 APPLICATION DEADLINE, THE INSTITUTE SHALL NOTIFY EACH KNOWN  
25 INSTITUTE CHARTER SCHOOL APPLICANT OF THE PROPOSED CHANGE BY  
26 CERTIFIED LETTER. IF THE INSTITUTE FINDS THE INSTITUTE CHARTER  
27 SCHOOL APPLICATION IS INCOMPLETE, THE INSTITUTE SHALL REQUEST THE

1 NECESSARY INFORMATION FROM THE APPLICANT.

2 (b) THE INSTITUTE BOARD SHALL SET FORTH BY RULE ALL  
3 NECESSARY PROCEDURES FOR THE APPLICATION PROCESS AND FOR  
4 APPLICATION REVIEW BY THE INSTITUTE AND THE INSTITUTE BOARD. THE  
5 RULES SHALL DESCRIBE A RIGOROUS REVIEW OF THE APPLICATION THAT  
6 INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, THE FOLLOWING KEY  
7 EVALUATIVE AREAS INVOLVING THE INSTITUTE CHARTER SCHOOL:

8 (I) CURRICULUM AND INSTRUCTIONAL PROGRAM;

9 (II) NON-ACADEMIC PROGRAM CHARACTERISTICS;

10 (III) FINANCIAL VIABILITY;

11 (IV) APPROPRIATE GOVERNANCE MODEL AND PROPOSED  
12 PRACTICES;

13 (V) APPROPRIATE, CONSISTENT, CLEAR, AND MEASURABLE  
14 ACCOUNTABILITY SYSTEMS; AND

15 (VI) THE EXTENT TO WHICH THE INSTRUCTIONAL PROGRAM FITS  
16 THE MISSION STATEMENT OF THE INSTITUTE CHARTER SCHOOL.

17 (c) THE RULES DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION  
18 (1) SHALL REQUIRE THE APPLICANT TO PROVIDE WRITTEN NOTIFICATION OF  
19 THE APPLICATION TO THE SCHOOL DISTRICT BOARD OF EDUCATION AND THE  
20 SCHOOL DISTRICT ACCOUNTABILITY COMMITTEE OF THE SCHOOL DISTRICT  
21 IN WHICH THE PROPOSED INSTITUTE CHARTER SCHOOL IS TO BE LOCATED.  
22 THE RULES SHALL PERMIT THE BOARD OF EDUCATION AND THE  
23 ACCOUNTABILITY COMMITTEE TO SUBMIT TO THE INSTITUTE WRITTEN  
24 COMMENTS CONCERNING THE INSTITUTE CHARTER SCHOOL APPLICATION.

25 (2) THE INSTITUTE BOARD SHALL RULE BY RESOLUTION ON THE  
26 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL IN A PUBLIC HEARING,  
27 FOLLOWING REASONABLE PUBLIC NOTICE, WITHIN SIXTY DAYS AFTER

1 RECEIVING THE APPLICATION FILED PURSUANT TO SUBSECTION (1) OF THIS  
2 SECTION. ALL NEGOTIATIONS BETWEEN THE INSTITUTE CHARTER SCHOOL  
3 AND THE INSTITUTE ON THE CHARTER CONTRACT SHALL BE CONCLUDED,  
4 AND ALL TERMS OF THE CHARTER CONTRACT AGREED UPON, NO LATER  
5 THAN FORTY-FIVE DAYS AFTER THE INSTITUTE BOARD APPROVES THE  
6 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL.

7 (3) THE INSTITUTE CHARTER SCHOOL APPLICANT AND THE  
8 INSTITUTE MAY JOINTLY WAIVE THE DEADLINES SET FORTH IN THIS  
9 SECTION.

10 (4) IF THE INSTITUTE DENIES AN INSTITUTE CHARTER SCHOOL  
11 APPLICATION, IT SHALL STATE ITS REASONS FOR THE DENIAL. WITHIN  
12 THIRTY DAYS AFTER THE DENIAL, THE ENTITY THAT SUBMITTED THE  
13 INSTITUTE CHARTER SCHOOL APPLICATION MAY SUBMIT TO THE STATE  
14 BOARD A NOTICE OF APPEAL, STATING THE GROUNDS FOR THE APPEAL.

15 (5) WITHIN SIXTY DAYS AFTER RECEIPT OF A NOTICE OF APPEAL BY  
16 THE STATE BOARD AND AFTER REASONABLE PUBLIC NOTICE, THE STATE  
17 BOARD SHALL REVIEW THE DECISION OF THE INSTITUTE AND DETERMINE  
18 WHETHER THE DECISION WAS ARBITRARY AND CAPRICIOUS. THE STATE  
19 BOARD SHALL REMAND THE MATTER TO THE INSTITUTE WITH  
20 INSTRUCTIONS TO APPROVE OR DENY THE INSTITUTE CHARTER SCHOOL  
21 APPLICATION. THE DECISION OF THE STATE BOARD SHALL BE FINAL AND  
22 NOT SUBJECT TO APPEAL.

23 **22-30.5-511. Institute charter schools - term - renewal of**  
24 **contract - grounds for non-renewal or revocation - appeal.** (1) (a) A  
25 NEW CHARTER CONTRACT FOR AN INSTITUTE CHARTER SCHOOL MAY BE  
26 APPROVED FOR SUCCEEDING PERIODS OF AT LEAST THREE ACADEMIC  
27 YEARS BUT NOT MORE THAN FIVE ACADEMIC YEARS, AND THE CHARTER

1 CONTRACT MAY BE RENEWED FOR A PERIOD NOT TO EXCEED FIVE  
2 ACADEMIC YEARS.

3 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS  
4 SUBSECTION (1) TO THE CONTRARY, AN INSTITUTE CHARTER SCHOOL AND  
5 THE INSTITUTE MAY AGREE TO EXTEND THE LENGTH OF THE CHARTER  
6 CONTRACT BEYOND FIVE ACADEMIC YEARS FOR THE PURPOSE OF  
7 ENHANCING THE TERMS OF ANY LEASE OR FINANCIAL OBLIGATION.

8 (2) AN INSTITUTE CHARTER SCHOOL SHALL SUBMIT AN ANNUAL  
9 REPORT TO THE INSTITUTE ON THE INSTITUTE CHARTER SCHOOL'S  
10 PROGRESS IN ACHIEVING THE GOALS, OBJECTIVES, PUPIL PERFORMANCE  
11 STANDARDS, CONTENT STANDARDS, AND OTHER TERMS OF THE PENDING  
12 CHARTER CONTRACT. THE INSTITUTE SHALL CONSIDER, DURING THE  
13 REVIEW OF A RENEWAL APPLICATION, THE ANNUAL REPORTS SUBMITTED  
14 BY THE INSTITUTE CHARTER SCHOOL DURING THE TERM OF THE PENDING  
15 CHARTER CONTRACT.

16 (3) THE INSTITUTE BOARD MAY REVOKE OR DENY RENEWAL OF A  
17 CHARTER CONTRACT IF THE INSTITUTE BOARD DETERMINES THAT THE  
18 INSTITUTE CHARTER SCHOOL DID ANY OF THE FOLLOWING:

19 (a) COMMITTED A MATERIAL VIOLATION OF ANY OF THE  
20 CONDITIONS, STANDARDS, OR PROCEDURES SET FORTH IN THE CHARTER  
21 CONTRACT OF THE INSTITUTE CHARTER SCHOOL;

22 (b) FAILED TO MEET OR MAKE REASONABLE PROGRESS TOWARD  
23 ACHIEVEMENT OF THE CONTENT STANDARDS OR PUPIL PERFORMANCE  
24 STANDARDS IDENTIFIED IN THE CHARTER CONTRACT OF THE INSTITUTE  
25 CHARTER SCHOOL;

26 (c) RECEIVED AN OVERALL ACADEMIC PERFORMANCE RATING OF  
27 "UNSATISFACTORY" PURSUANT TO SECTION 22-7-604 (5), UPON THE

1 COMPLETION OF THE THIRD SCHOOL YEAR OF OPERATION UNDER A SCHOOL  
2 IMPROVEMENT PLAN PURSUANT TO SECTION 22-7-609, AND THE STATE  
3 BOARD RECOMMENDED THAT THE INSTITUTE CHARTER SCHOOL BE  
4 CONVERTED TO AN INDEPENDENT CHARTER SCHOOL PURSUANT TO SECTION  
5 22-7-609 (5) (b);

6 (d) FAILED TO MEET GENERALLY ACCEPTED STANDARDS OF FISCAL  
7 MANAGEMENT; OR

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

10 (4) IN ADDITION, THE INSTITUTE BOARD MAY DENY RENEWAL OF A  
11 CHARTER CONTRACT UPON A DETERMINATION BY THE INSTITUTE BOARD  
12 THAT IT IS NOT IN THE BEST INTERESTS OF THE PUPILS ATTENDING THE  
13 INSTITUTE CHARTER SCHOOL TO CONTINUE THE OPERATION OF THE  
14 INSTITUTE CHARTER SCHOOL.

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

18 (b) (I) THE STATE BOARD, UPON RECEIPT OF A NOTICE OF APPEAL  
19 OR UPON ITS OWN MOTION, MAY REVIEW DECISIONS OF THE INSTITUTE  
20 BOARD CONCERNING THE REVOCATION OR NONRENEWAL OF AN INSTITUTE  
21 CHARTER SCHOOL'S CHARTER CONTRACT. AN INSTITUTE CHARTER SCHOOL  
22 OR ANY OTHER PERSON WHO WISHES TO APPEAL A DECISION OF THE  
23 INSTITUTE BOARD CONCERNING THE REVOCATION OR NONRENEWAL OF A  
24 CHARTER CONTRACT SHALL PROVIDE THE STATE BOARD AND THE  
25 INSTITUTE BOARD WITH A NOTICE OF APPEAL WITHIN THIRTY DAYS AFTER  
26 THE INSTITUTE BOARD'S DECISION. THE PERSON BRINGING THE APPEAL  
27 SHALL LIMIT THE GROUNDS OF THE APPEAL TO THE GROUNDS FOR THE

1 REVOCATION OR THE NONRENEWAL OF THE CHARTER CONTRACT SPECIFIED  
2 BY THE INSTITUTE BOARD. THE NOTICE SHALL INCLUDE A BRIEF  
3 STATEMENT OF THE REASONS THE PERSON CONTENDS THE INSTITUTE  
4 BOARD'S REVOCATION OR NONRENEWAL OF THE CHARTER CONTRACT WAS  
5 IN ERROR.

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

18 **22-30.5-512. Institute charter schools - employee retirement**  
19 **funds.** A LOCAL BOARD OF EDUCATION SHALL DETERMINE BY POLICY OR  
20 BY NEGOTIATED AGREEMENT, IF ONE EXISTS, THE EMPLOYMENT STATUS OF  
21 SCHOOL DISTRICT EMPLOYEES EMPLOYED BY AN INSTITUTE CHARTER  
22 SCHOOL WHO SEEK TO RETURN TO EMPLOYMENT WITH PUBLIC SCHOOLS IN  
23 THE SCHOOL DISTRICT. EMPLOYEES OF AN INSTITUTE CHARTER SCHOOL  
24 SHALL BE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT  
25 ASSOCIATION. THE INSTITUTE CHARTER SCHOOL AND THE EMPLOYEE  
26 SHALL CONTRIBUTE THE APPROPRIATE RESPECTIVE AMOUNTS AS REQUIRED  
27 BY THE FUNDS OF SUCH ASSOCIATION.

1           **22-30.5-513. Institute charter schools - district charter schools**

2   **- funding.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
3 OTHERWISE REQUIRES:

4           (a) "ACCOUNTING DISTRICT" MEANS THE SCHOOL DISTRICT WITHIN  
5 WHOSE GEOGRAPHIC BOUNDARIES AN INSTITUTE CHARTER SCHOOL IS  
6 PHYSICALLY LOCATED.

7           (b) "ADJUSTED DISTRICT PER PUPIL REVENUES" MEANS THE  
8 ACCOUNTING DISTRICT'S PER PUPIL FUNDING PLUS THE ACCOUNTING  
9 DISTRICT'S AT-RISK PER PUPIL FUNDING.

10          (c) "ADMINISTRATIVE OVERHEAD COSTS" MEANS ALL ACTUAL AND  
11 REASONABLE COSTS INCURRED BY THE INSTITUTE AS A RESULT OF ITS  
12 PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS PART 5.  
13 "ADMINISTRATIVE OVERHEAD COSTS" SHALL NOT INCLUDE ANY COSTS  
14 INCURRED IN ORDER TO DELIVER SERVICES THAT AN INSTITUTE CHARTER  
15 SCHOOL MAY PURCHASE AT ITS DISCRETION.

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

18           [REDACTED]  
19          (e) "DISTRICT AT-RISK FUNDING" MEANS THE AMOUNT OF FUNDING  
20 DETERMINED IN ACCORDANCE WITH THE FORMULAS DESCRIBED IN SECTION  
21 22-54-104 (4).

22          (f) "DISTRICT AT-RISK PER PUPIL FUNDING" MEANS THE AMOUNT OF  
23 FUNDING DETERMINED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

24           ( (THE ACCOUNTING DISTRICT'S AT-RISK FUNDING DIVIDED BY  
25           THE ACCOUNTING DISTRICT'S FUNDED PUPIL COUNT) X (THE  
26           DISTRICT CHARTER SCHOOL'S PERCENTAGE OF PUPILS  
27           ELIGIBLE FOR FREE LUNCH DIVIDED BY THE ACCOUNTING

1 DISTRICT'S PERCENTAGE OF PUPILS ELIGIBLE FOR FREE  
2 LUNCH)

3 (g) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
4 AUTHORIZED ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION BY A  
5 SCHOOL DISTRICT THAT HAS RETAINED EXCLUSIVE AUTHORITY TO  
6 AUTHORIZE CHARTER SCHOOLS PURSUANT TO THE PROVISIONS OF SECTION  
7 22-30.5-504.

8 (h) "DISTRICT FUNDED PUPIL COUNT" SHALL HAVE THE SAME  
9 MEANING AS PROVIDED IN SECTION 22-54-103 (7).

10 (i) "DISTRICT PER PUPIL FUNDING" MEANS AN ACCOUNTING  
11 DISTRICT'S PER PUPIL FUNDING AS DETERMINED IN ACCORDANCE WITH THE  
12 FORMULA DESCRIBED IN SECTION 22-54-104 (3).

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

16 (k) "ON-LINE PUPIL ENROLLMENT" MEANS THE NUMBER OF PUPILS,  
17 ON OCTOBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL  
18 DAY NEAREST SAID DATE, ENROLLED IN, ATTENDING, AND ACTIVELY  
19 PARTICIPATING IN, AN ON-LINE PROGRAM CREATED PURSUANT TO SECTION  
20 22-33-104.6 BY THE INSTITUTE CHARTER SCHOOL, WHICH PUPILS MEET THE  
21 REQUIREMENTS SPECIFIED IN SECTION 22-33-104.6 (4) (a) OR ARE EXEMPT  
22 PURSUANT TO RULES ADOPTED BY THE STATE BOARD PURSUANT TO  
23 SECTION 22-33-104.6 (7).

24 (l) "PUPIL ENROLLMENT" SHALL HAVE THE SAME MEANING AS  
25 PROVIDED IN SECTION 22-54-103 (10).

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

1 (n) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT THAT:

2 (I) HAS RETAINED EXCLUSIVE AUTHORITY PURSUANT TO THE  
3 PROVISIONS OF SECTION 22-30.5-504; AND

4 (II) HAS MORE THAN FORTY PERCENT OF ITS PUPIL ENROLLMENT  
5 CONSISTING OF AT-RISK PUPILS.

6 (2) (a) AS PART OF THE CHARTER CONTRACT, THE INSTITUTE  
7 CHARTER SCHOOL AND THE INSTITUTE SHALL AGREE ON FUNDING AND ANY  
8 SERVICES TO BE PROVIDED BY THE INSTITUTE OR BY OTHER PARTIES TO THE  
9 INSTITUTE CHARTER SCHOOL.

10 (b) FOR BUDGET YEAR 2004-05 AND BUDGET YEARS THEREAFTER,  
11 EACH INSTITUTE CHARTER SCHOOL AND THE INSTITUTE SHALL NEGOTIATE  
12 FUNDING UNDER THE CHARTER CONTRACT AT A MINIMUM OF NINETY-FIVE  
13 PERCENT OF THE INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT'S  
14 ADJUSTED PER PUPIL REVENUES FOR EACH PUPIL ENROLLED IN THE  
15 INSTITUTE CHARTER SCHOOL WHO IS NOT AN ON-LINE PUPIL AND  
16 NINETY-FIVE PERCENT OF THE INSTITUTE CHARTER SCHOOL'S ACCOUNTING  
17 DISTRICT'S PER PUPIL ON-LINE FUNDING FOR EACH ON-LINE PUPIL  
18 ENROLLED IN THE INSTITUTE CHARTER SCHOOL. THE INSTITUTE MAY  
19 RETAIN THE ACTUAL AMOUNT OF THE INSTITUTE CHARTER SCHOOL'S PER  
20 PUPIL SHARE OF THE ADMINISTRATIVE OVERHEAD COSTS FOR SERVICES  
21 ACTUALLY PROVIDED TO THE INSTITUTE CHARTER SCHOOL; EXCEPT THAT  
22 THE INSTITUTE MAY RETAIN NO MORE THAN THE ACTUAL COST OF THE  
23 ADMINISTRATIVE OVERHEAD COSTS NOT TO EXCEED THREE PERCENT OF  
24 THE ACCOUNTING DISTRICT'S PER PUPIL REVENUES FOR EACH PUPIL, WHO  
25 IS NOT AN ON-LINE PUPIL, ENROLLED IN THE INSTITUTE CHARTER SCHOOL,  
26 AND THREE PERCENT OF THE ACCOUNTING DISTRICT'S PER PUPIL ON-LINE  
27 FUNDING FOR EACH ON-LINE PUPIL ENROLLED IN THE INSTITUTE CHARTER

1 SCHOOL.

2 (c) EACH INSTITUTE CHARTER SCHOOL SHALL PAY AN AMOUNT  
3 EQUAL TO THE PER PUPIL COST INCURRED BY THE INSTITUTE IN PROVIDING  
4 FEDERALLY REQUIRED EDUCATIONAL SERVICES, MULTIPLIED BY THE  
5 NUMBER OF STUDENTS ENROLLED IN THE INSTITUTE CHARTER SCHOOL. AT  
6 EITHER PARTY'S REQUEST, THE INSTITUTE CHARTER SCHOOL AND THE  
7 INSTITUTE MAY NEGOTIATE AND INCLUDE IN THE CHARTER CONTRACT  
8 ALTERNATE ARRANGEMENTS FOR THE PROVISION OF AND PAYMENT FOR  
9 FEDERALLY REQUIRED EDUCATIONAL SERVICES, INCLUDING, BUT NOT  
10 NECESSARY LIMITED TO, A REASONABLE RESERVE NOT TO EXCEED FIVE  
11 PERCENT OF THE INSTITUTE'S TOTAL BUDGET FOR PROVIDING FEDERALLY  
12 REQUIRED EDUCATIONAL SERVICES. THE RESERVE SHALL ONLY BE USED  
13 BY THE INSTITUTE TO OFFSET EXCESS COSTS OF PROVIDING SERVICES TO  
14 STUDENTS WITH DISABILITIES ENROLLED IN ANY INSTITUTE CHARTER  
15 SCHOOL.

16 (d) (I) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,  
17 THE INSTITUTE SHALL PROVIDE TO EACH INSTITUTE CHARTER SCHOOL AN  
18 ITEMIZED ACCOUNTING OF ALL THE INSTITUTE'S ADMINISTRATIVE  
19 OVERHEAD COSTS. THE ACTUAL ADMINISTRATIVE OVERHEAD COSTS SHALL  
20 BE THE AMOUNT CHARGED TO THE INSTITUTE CHARTER SCHOOL. ANY  
21 DIFFERENCE, WITHIN THE LIMITATIONS OF THIS SUBSECTION (2), BETWEEN  
22 THE AMOUNT INITIALLY CHARGED TO THE INSTITUTE CHARTER SCHOOL  
23 AND THE ACTUAL COST SHALL BE RECONCILED AND PAID TO THE OWED  
24 PARTY.

25 (II) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,  
26 THE INSTITUTE SHALL PROVIDE TO EACH INSTITUTE CHARTER SCHOOL AN  
27 ITEMIZED ACCOUNTING OF ALL THE ACTUAL COSTS OF ANY ADDITIONAL

1 SERVICES THE INSTITUTE CHARTER SCHOOL CHOSE AT ITS DISCRETION TO  
2 PURCHASE AS PROVIDED IN PARAGRAPH (b) OF SUBSECTION (4) OF THIS  
3 SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT INITIALLY CHARGED  
4 TO THE INSTITUTE CHARTER SCHOOL AND THE ACTUAL COST SHALL BE  
5 RECONCILED AND PAID TO THE OWED PARTY.

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

23 (b) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF  
24 1994", ARTICLE 54 OF THIS TITLE, THE DEPARTMENT SHALL ADD THE PUPILS  
25 ENROLLED IN AN INSTITUTE CHARTER SCHOOL TO THE FUNDED PUPIL  
26 COUNT AND THE ON-LINE PUPIL ENROLLMENT OF THE INSTITUTE CHARTER  
27 SCHOOL'S ACCOUNTING DISTRICT.

1           (4) (a) FOR EACH INSTITUTE CHARTER SCHOOL, THE DEPARTMENT  
2 SHALL WITHHOLD FROM THE STATE EQUALIZATION PAYMENTS OF THE  
3 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT AN AMOUNT EQUAL  
4 TO ONE HUNDRED PERCENT OF THE ADJUSTED PER PUPIL REVENUES  
5 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE INSTITUTE  
6 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS AN AMOUNT EQUAL  
7 TO ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING  
8 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE  
9 INSTITUTE CHARTER SCHOOL. THE DEPARTMENT SHALL FORWARD TO THE  
10 INSTITUTE THE AMOUNT WITHHELD MINUS AN AMOUNT NOT TO EXCEED  
11 TWO PERCENT OF THE AMOUNT WITHHELD THAT MAY BE RETAINED BY THE  
12 DEPARTMENT AS REIMBURSEMENT FOR THE REASONABLE AND NECESSARY  
13 COSTS TO THE DEPARTMENT TO IMPLEMENT THE PROVISIONS OF THIS PART

14 5. THE INSTITUTE SHALL FORWARD TO EACH INSTITUTE CHARTER SCHOOL  
15 AN AMOUNT EQUAL TO THE INSTITUTE CHARTER SCHOOL'S PUPIL  
16 ENROLLMENT MULTIPLIED BY THE ADJUSTED PER PUPIL REVENUES OF THE  
17 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT, MINUS THE AMOUNT  
18 OF THE ACTUAL COSTS INCURRED BY THE INSTITUTE IN PROVIDING  
19 NECESSARY ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES  
20 TO THE INSTITUTE CHARTER SCHOOL, NOT TO EXCEED THREE PERCENT OF  
21 THE AMOUNT WITHHELD, AND MINUS THE AMOUNT AGREED TO IN THE  
22 INSTITUTE CHARTER CONTRACT FOR ANY ADDITIONAL SERVICES, AS  
23 PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (4).

24           (b) AS PART OF THE INSTITUTE CHARTER SCHOOL CONTRACT, THE  
25 INSTITUTE CHARTER SCHOOL AND THE INSTITUTE BOARD SHALL AGREE ON  
26 THE SERVICES, OTHER THAN NECESSARY ADMINISTRATION, OVERSIGHT,  
27 AND MANAGEMENT SERVICES, TO BE PROVIDED TO THE INSTITUTE CHARTER

1 SCHOOL BY ANY THIRD PARTY WITH WHICH THE INSTITUTE OR INSTITUTE  
2 CHARTER SCHOOL CONTRACTS AND THE COSTS OF THE SERVICES.

3 (c) FOR BUDGET YEARS 2004-05 THROUGH 2010-11, THE AMOUNT  
4 OF FUNDING SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (4) SHALL  
5 REFLECT THE ONE-PERCENT INCREASE IN THE STATEWIDE BASE PER PUPIL  
6 FUNDING FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11 RECEIVED  
7 BY SCHOOL DISTRICTS [REDACTED] AS REQUIRED BY SECTION 17 OF ARTICLE IX  
8 OF THE STATE CONSTITUTION.

9 (5) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS  
10 THEREAFTER, AND IN ACCORDANCE WITH SECTION 22-30.5-406, THE  
11 FUNDING PROVIDED BY THE INSTITUTE TO AN INSTITUTE CHARTER SCHOOL  
12 PURSUANT TO THIS SECTION SHALL BE REDUCED BY THE AMOUNT OF ANY  
13 DIRECT PAYMENTS OF PRINCIPAL AND INTEREST DUE ON BONDS ISSUED ON  
14 BEHALF OF AN INSTITUTE CHARTER SCHOOL BY A GOVERNMENTAL ENTITY  
15 FOR THE PURPOSE OF FINANCING INSTITUTE CHARTER SCHOOL CAPITAL  
16 CONSTRUCTION THAT WERE MADE BY THE STATE TREASURER ON BEHALF  
17 OF THE INSTITUTE CHARTER SCHOOL.

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

27 (b) MONEYS RECEIVED BY AN INSTITUTE CHARTER SCHOOL FROM

1 ANY SOURCE AND REMAINING IN THE INSTITUTE CHARTER SCHOOL'S  
2 ACCOUNTS AT THE END OF A BUDGET YEAR SHALL REMAIN IN THE  
3 INSTITUTE CHARTER SCHOOL'S ACCOUNTS FOR USE BY THE INSTITUTE  
4 CHARTER SCHOOL DURING SUBSEQUENT BUDGET YEARS AND SHALL NOT  
5 REVERT TO THE STATE. MONEYS REMAINING IN THE INSTITUTE CHARTER  
6 SCHOOL'S ACCOUNTS UPON REVOCATION OR NONRENEWAL OF THE  
7 CHARTER CONTRACT SHALL REVERT TO THE INSTITUTE; EXCEPT THAT ANY  
8 GIFTS SHALL BE DISPOSED OF IN ACCORDANCE WITH ANY CONDITIONS  
9 PRESCRIBED BY THE DONOR THAT ARE NOT CONTRARY TO LAW.

10 (7) (a) FOR BUDGET YEAR 2004-05 AND BUDGET YEARS  
11 THEREAFTER, EACH DISTRICT CHARTER SCHOOL AND THE AUTHORIZING  
12 SCHOOL DISTRICT SHALL NEGOTIATE FUNDING UNDER THE CONTRACT AT  
13 A MINIMUM OF NINETY-FIVE PERCENT OF THE ADJUSTED PER PUPIL  
14 REVENUES FOR EACH PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL  
15 WHO IS NOT AN ON-LINE PUPIL AND NINETY-FIVE PERCENT OF THE DISTRICT  
16 PER PUPIL ON-LINE FUNDING FOR EACH ON-LINE PUPIL ENROLLED IN THE  
17 DISTRICT CHARTER SCHOOL. THE SCHOOL DISTRICT MAY CHOOSE TO  
18 RETAIN THE SUM OF THE ACTUAL AMOUNT OF THE DISTRICT CHARTER  
19 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD  
20 COSTS; EXCEPT THAT SUCH AMOUNT SHALL NOT EXCEED FIVE PERCENT  
21 OF THE ADJUSTED PER PUPIL REVENUES FOR EACH PUPIL WHO IS NOT AN  
22 ON-LINE PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL AND FIVE  
23 PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR EACH ON-LINE  
24 PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL.

25 (b) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,  
26 EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH DISTRICT CHARTER  
27 SCHOOL AUTHORIZED BY THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING

1 OF ALL ITS CENTRAL ADMINISTRATIVE OVERHEAD COSTS. ■ THE ACTUAL  
2 CENTRAL ADMINISTRATIVE OVERHEAD COSTS ■ SHALL BE THE AMOUNT  
3 CHARGED TO THE DISTRICT CHARTER SCHOOL. ANY DIFFERENCE, WITHIN  
4 THE LIMITATIONS OF THIS SUBSECTION (7), BETWEEN THE AMOUNT  
5 INITIALLY CHARGED TO THE DISTRICT CHARTER SCHOOL AND THE ACTUAL  
6 COST SHALL BE RECONCILED AND PAID TO THE OWED PARTY.

7 (c) THE DISTRICT CHARTER SCHOOL, AT ITS DISCRETION, MAY  
8 CONTRACT WITH THE SCHOOL DISTRICT FOR THE DIRECT PURCHASE OF  
9 DISTRICT SERVICES IN ADDITION TO THOSE INCLUDED IN CENTRAL  
10 ADMINISTRATIVE OVERHEAD COSTS, INCLUDING BUT NOT LIMITED TO FOOD  
11 SERVICES, CUSTODIAL SERVICES, MAINTENANCE, CURRICULUM, MEDIA  
12 SERVICES, AND LIBRARIES. THE AMOUNT TO BE PAID BY A DISTRICT  
13 CHARTER SCHOOL IN PURCHASING ANY DISTRICT SERVICE PURSUANT TO  
14 THIS PARAGRAPH (c) SHALL BE DETERMINED THROUGH AN AGREEMENT  
15 BETWEEN THE DISTRICT CHARTER SCHOOL AND THE SCHOOL DISTRICT  
16 USING ONE OF THE FOLLOWING METHODS:

17 (I) BY DIVIDING THE COST OF PROVIDING THE SERVICE FOR THE  
18 ENTIRE SCHOOL DISTRICT, AS SPECIFIED IN THE SCHOOL DISTRICT'S  
19 BUDGET, BY THE NUMBER OF STUDENTS ENROLLED IN THE SCHOOL  
20 DISTRICT AND MULTIPLYING SAID AMOUNT BY THE NUMBER OF STUDENTS  
21 ENROLLED IN THE DISTRICT CHARTER SCHOOL;

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

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

27 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS

1 SUBSECTION (7) TO THE CONTRARY, IF THE AUTHORIZING SCHOOL DISTRICT  
2 ENROLLS FIVE HUNDRED OR FEWER STUDENTS, THE DISTRICT CHARTER  
3 SCHOOL SHALL RECEIVE FUNDING IN THE AMOUNT OF THE GREATER OF ONE  
4 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR  
5 EACH ON-LINE PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL PLUS  
6 ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR EACH  
7 PUPIL WHO IS NOT AN ON-LINE PUPIL ENROLLED IN THE DISTRICT CHARTER  
8 SCHOOL, MINUS THE ACTUAL AMOUNT OF THE DISTRICT CHARTER SCHOOL'S  
9 PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS  
10 INCURRED BY THE SCHOOL DISTRICT, BASED ON AUDITED FIGURES, OR  
11 EIGHTY-FIVE PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR EACH  
12 PUPIL ENROLLED IN THE DISTRICT CHARTER SCHOOL WHO IS NOT AN  
13 ON-LINE PUPIL PLUS EIGHTY-FIVE PERCENT OF THE DISTRICT PER PUPIL  
14 ON-LINE FUNDING FOR EACH ON-LINE PUPIL ENROLLED IN THE DISTRICT  
15 CHARTER SCHOOL.

16 (8) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO  
17 THE CONTRARY AND FOR THE PURPOSES OF THIS SECTION ONLY, ANY  
18 SCHOOL DISTRICT THAT HAS MORE THAN FORTY PERCENT OF ITS PUPIL  
19 ENROLLMENT CONSISTING OF AT-RISK PUPILS AT THE TIME THE CHARTER  
20 SCHOOL IS FIRST AUTHORIZED SHALL BE DEEMED TO HAVE THE SAME  
21 PERCENTAGE OF AT-RISK PUPIL ENROLLMENT FOR THE TERM OF THE  
22 CHARTER CONTRACT. FOR PURPOSES OF RENEWAL OF THE CHARTER  
23 CONTRACT, THE PERCENTAGE OF AT-RISK PUPILS IN THE SCHOOL DISTRICT  
24 AT THE TIME THE RENEWAL APPLICATION IS SUBMITTED SHALL BE THE  
25 PERCENTAGE USED FOR PURPOSES OF THIS SECTION.

26 (9) (a) FOR THE 2004-05 BUDGET YEAR, AND FOR EACH BUDGET  
27 YEAR THEREAFTER, THE PROPORTIONATE SHARE OF MONEYS GENERATED

1 UNDER FEDERAL OR STATE CATEGORICAL AID PROGRAMS SHALL BE  
2 DIRECTED TO INSTITUTE CHARTER SCHOOLS SERVING STUDENTS ELIGIBLE  
3 FOR SUCH AID.

4 (b) EACH INSTITUTE CHARTER SCHOOL THAT RECEIVES FEDERAL OR  
5 STATE CATEGORICAL AID SHALL COMPLY WITH ALL APPLICABLE FEDERAL  
6 AND STATE REPORTING REQUIREMENTS TO RECEIVE SUCH AID.

7 **22-30.5-514. Institute charter school - capital reserve, risk**  
8 **management, and instructional purposes.** (1) FOR THE 2004-05  
9 BUDGET YEAR AND BUDGET YEARS THEREAFTER, EACH INSTITUTE CHARTER  
10 SCHOOL SHALL ANNUALLY ALLOCATE THE MINIMUM PER PUPIL DOLLAR  
11 AMOUNT SPECIFIED IN SECTION 22-54-105 (2) (b), MULTIPLIED BY THE  
12 NUMBER OF STUDENTS ENROLLED IN THE INSTITUTE CHARTER SCHOOL WHO  
13 ARE NOT ON-LINE PUPILS, TO A FUND CREATED BY THE INSTITUTE CHARTER  
14 SCHOOL FOR CAPITAL RESERVE PURPOSES, AS SET FORTH IN SECTION  
15 22-45-103 (1) (c) AND (1) (e), OR SOLELY FOR THE MANAGEMENT OF  
16 RISK-RELATED ACTIVITIES, AS IDENTIFIED IN SECTION 24-10-115, C.R.S.,  
17 AND ARTICLE 13 OF TITLE 29, C.R.S., OR AMONG SUCH ALLOWABLE FUNDS.  
18 SAID MONEYS SHALL BE USED FOR THE PURPOSES SET FORTH IN SECTION  
19 22-45-103 (1) (c) AND (1) (e) AND MAY NOT BE EXPENDED BY THE  
20 INSTITUTE CHARTER SCHOOL FOR ANY OTHER PURPOSE.

21 (2) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS  
22 THEREAFTER, EACH INSTITUTE CHARTER SCHOOL SHALL ANNUALLY  
23 ALLOCATE THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION  
24 22-54-105 (1) (b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED  
25 IN THE INSTITUTE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO  
26 ACCOUNTS CREATED BY THE INSTITUTE CHARTER SCHOOL FOR  
27 INSTRUCTIONAL SUPPLIES AND MATERIALS, INSTRUCTIONAL CAPITAL

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

13 **22-30.5-515. Institute charter school - additional aid.**

14 (1) (a) FOR THE 2004-05 BUDGET YEAR AND EACH BUDGET YEAR  
15 THEREAFTER, A QUALIFIED CHARTER SCHOOL, AS THAT TERM IS DEFINED  
16 IN SECTION 22-54-124, THAT IS AN INSTITUTE CHARTER SCHOOL SHALL  
17 RECEIVE STATE EDUCATION FUND MONEYS FROM THE DEPARTMENT IN AN  
18 AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL QUALIFIED CHARTER  
19 SCHOOL PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED  
20 TO BE ENROLLED IN THE INSTITUTE CHARTER SCHOOL MULTIPLIED BY THE  
21 TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED FOR THE  
22 SAME BUDGET YEAR PURSUANT TO SECTION 22-54-124 (3).

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

25 (2) FUNDING RECEIVED PURSUANT TO SUBSECTION (1) OF THIS  
26 SECTION SHALL BE IN ADDITION TO ANY FUNDING PROVIDED PURSUANT TO  
27 SECTION 22-30.5-513.

1 (3) THE DEPARTMENT SHALL PROVIDE FUNDING TO EACH  
2 QUALIFIED CHARTER SCHOOL THAT IS AN INSTITUTE CHARTER SCHOOL BY  
3 MAKING A SINGLE LUMP-SUM PAYMENT TO THE INSTITUTE [REDACTED] [REDACTED] AS  
4 SOON AS POSSIBLE AFTER THE DEPARTMENT RECEIVES A LUMP-SUM  
5 PAYMENT OF STATE EDUCATION FUND MONEYS PURSUANT TO SECTION  
6 22-54-124. THE INSTITUTE SHALL PROMPTLY REMIT THE APPROPRIATE  
7 AMOUNT TO EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AND SHALL NOT  
8 WITHHOLD ANY PORTION OF THE AMOUNT.

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

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

15 **22-2-107. State board - powers.** (1) The state board has the  
16 power:

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

21 (t) TO RENDER A DECISION ON THE APPEAL OF THE STATE CHARTER  
22 SCHOOL INSTITUTE'S APPROVAL OR DENIAL OF AN INSTITUTE CHARTER  
23 SCHOOL APPLICATION OR THE REVOCATION OR NONRENEWAL OF AN  
24 INSTITUTE CHARTER SCHOOL CONTRACT PURSUANT TO PART 5 OF ARTICLE  
25 30.5 OF THIS TITLE.

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

1           **22-2-117. Additional power - state board - waiver of**  
2 **requirements - rules.** (6) NOTWITHSTANDING ANY PROVISION OF THIS  
3 SECTION TO THE CONTRARY, A SCHOOL DISTRICT THAT HAS BEEN GRANTED  
4 BY THE STATE BOARD EXCLUSIVE AUTHORITY TO CHARTER SCHOOLS  
5 WITHIN ITS GEOGRAPHIC BOUNDARIES PURSUANT TO SECTION 22-30.5-504  
6 SHALL NOT BE REQUIRED TO DEMONSTRATE THAT IT HAS OBTAINED THE  
7 CONSENT OF A MAJORITY OF THE APPROPRIATE ACCOUNTABILITY  
8 COMMITTEE, A MAJORITY OF THE AFFECTED LICENSED ADMINISTRATORS,  
9 AND A MAJORITY OF THE TEACHERS OF THE AFFECTED SCHOOL OR DISTRICT  
10 IN ORDER TO APPLY FOR A WAIVER OF ANY OF THE REQUIREMENTS IMPOSED  
11 BY THIS TITLE OR BY RULE PROMULGATED BY THE STATE BOARD; EXCEPT  
12 THAT SUCH CONSENT SHALL BE REQUIRED FOR AN APPLICATION FOR A  
13 WAIVER FROM ANY PROVISIONS OF ARTICLE 9 OR ARTICLES 60.5 TO 64 OF  
14 THIS TITLE.

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

19           **22-7-106. School advisory councils - creation - qualifications**  
20 **- elections.** (1) (a) Except as provided in subsection (4) of this section,  
21 there shall be a school advisory council at each public school in each  
22 school district AND AT EACH INSTITUTE CHARTER SCHOOL CREATED  
23 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE. A school advisory  
24 council shall consist of seven members designated, appointed, or elected  
25 as follows:

26           (b.5) IN THE CASE OF AN INSTITUTE CHARTER SCHOOL, NO MORE  
27 THAN THREE MEMBERS OF A SCHOOL ADVISORY COUNCIL SHALL BE

1 EMPLOYED BY OR RELATIVES OF AN EMPLOYEE OF THE INSTITUTE CHARTER  
2 SCHOOL. IF AN ELECTION WOULD RESULT IN MORE THAN THREE SCHOOL  
3 EMPLOYEES OR PERSONS RELATED TO SCHOOL EMPLOYEES SERVING ON  
4 THE COUNCIL, ONLY THE NUMBER OF CANDIDATES WHO RECEIVE THE  
5 HIGHEST NUMBER OF VOTES THAT WILL RESULT IN THREE SCHOOL  
6 EMPLOYEES OR PERSONS RELATED TO SCHOOL EMPLOYEES SERVING ON  
7 THE COUNCIL SHALL BECOME MEMBERS OF THE COUNCIL AND OTHER  
8 EMPLOYEES OR PERSONS RELATED TO EMPLOYEES SHALL BE DISQUALIFIED.

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

11 **22-7-205. Local goals and objectives and plans to improve**  
12 **educational achievement and graduation rates.** (6) AFTER  
13 CONSULTING WITH THE SCHOOL ACCOUNTABILITY COMMITTEE OF EACH  
14 INSTITUTE CHARTER SCHOOL AND REVIEWING THEIR RECOMMENDATIONS,  
15 THE STATE CHARTER SCHOOL INSTITUTE CREATED IN PART 5 OF ARTICLE  
16 30.5 OF THIS TITLE SHALL COMPILE SCHOOL BUILDING GOALS AND  
17 OBJECTIVES AND PLANS AND SHALL REPORT EACH INSTITUTE CHARTER  
18 SCHOOL'S HIGH, BUT ACHIEVABLE, GOALS AND OBJECTIVES FOR THE  
19 IMPROVEMENT OF EDUCATION IN EACH SCHOOL. THE STATE CHARTER  
20 SCHOOL INSTITUTE SHALL ALSO REPORT EACH INSTITUTE CHARTER  
21 SCHOOL'S PLAN TO IMPROVE EDUCATIONAL ACHIEVEMENT, TO MAXIMIZE  
22 HIGH SCHOOL GRADUATION RATES, AND TO INCREASE THE RATINGS FOR  
23 THE INSTITUTE CHARTER SCHOOL'S ACCREDITATION CATEGORY  
24 ESTABLISHED PURSUANT TO SECTION 22-11-202. THE STATE CHARTER  
25 SCHOOL INSTITUTE SHALL MAKE THE REPORT AVAILABLE TO THE PUBLIC NO  
26 LATER THAN OCTOBER 1 OF EACH YEAR.

27 **SECTION 6.** 22-7-409 (1.1) (a), (1.2) (a) (II), and (1.2) (a) (V),

1 Colorado Revised Statutes, are amended to read:

2 **22-7-409. Assessments - repeal.** (1.1) (a) Upon request by a  
3 school district OR INSTITUTE CHARTER SCHOOL, the entity responsible for  
4 developing a statewide assessment shall return to the school district OR  
5 INSTITUTE CHARTER SCHOOL the student responses to the essay and  
6 appropriate paragraphs from the writing portion of the statewide  
7 assessment, along with the results of all requested assessments. The  
8 school district OR INSTITUTE CHARTER SCHOOL making the request shall  
9 pay the entity for the actual cost of photocopying and mailing the writing  
10 portion of the statewide assessment for the exclusive and confidential use  
11 of improving an individual student's writing skills.

12 (1.2) (a) (II) The department shall make available to school  
13 districts AND INSTITUTE CHARTER SCHOOLS the assessment data of  
14 individual students required to measure academic progress over time.  
15 The state board shall ensure that the assessments administered pursuant  
16 to subsection (1) of this section shall be a combination of constructed  
17 response and selected response tasks that require the student to produce  
18 information or perform tasks in a way that the student's skills and  
19 competencies can be measured.

20 (V) Each district board AND THE STATE CHARTER SCHOOL  
21 INSTITUTE shall adopt policies to ensure that appropriate personnel within  
22 the district AND EACH INSTITUTE CHARTER SCHOOL, RESPECTIVELY, share  
23 with and explain to the parent or legal guardian of each student enrolled  
24 in the school district OR THE INSTITUTE CHARTER SCHOOL the student's  
25 assessment results and diagnostic reporting returned to the student's  
26 public school pursuant to subparagraph (I.5) of this paragraph (a).

27 **SECTION 7.** 22-7-506 (1), Colorado Revised Statutes, is

1 amended to read:

2 **22-7-506. Read-to-achieve grant program - board created -**  
3 **fund - repeal.** (1) There is hereby created in the department of  
4 education the read-to-achieve grant program, referred to in this section as  
5 the "program". Under this program, any public school, including a  
6 charter school ~~as defined in section 22-30.5-104~~ OR AN INSTITUTE  
7 CHARTER SCHOOL, AS THOSE SCHOOLS ARE DESCRIBED IN ARTICLE 30.5 OF  
8 THIS TITLE, may apply for grants to fund intensive reading programs for  
9 second-, and third-grade pupils and pupils between the third and fourth  
10 grades whose literacy and reading comprehension skills are below the  
11 level established by the state board of education for pupils at each grade  
12 level.

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

15 **22-7-605. School accountability reports - format.** (2) (b) Each  
16 public school and school district, AND THE STATE CHARTER SCHOOL  
17 INSTITUTE shall report accurately any data required to produce a school  
18 accountability report for each public school, using whenever possible the  
19 state data reporting system described in section 22-7-603. The state  
20 board shall seek to minimize and eliminate the duplication of data  
21 reporting required under this section and that required by other state or  
22 federal statutes or rules so that school districts, INSTITUTE CHARTER  
23 SCHOOLS, AND THE STATE CHARTER SCHOOL INSTITUTE may satisfy  
24 multiple reporting requirements within a single reporting framework. The  
25 state board in particular shall note the data collection and reporting  
26 already required and conducted by the department, public schools, and  
27 school districts in sections 22-2-112, 22-7-105, 22-11-104, 22-11-201,

1 22-30.5-110, 22-32-109, 22-32-110, 22-33-105, 22-44-105, 22-44-111,  
2 and 22-54-112.

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

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

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

21 **SECTION 10.** 22-7-609 (3), Colorado Revised Statutes, is  
22 amended BY THE ADDITION OF THE FOLLOWING NEW  
23 PARAGRAPHS to read:

24 **22-7-609. School improvement plans.** (3) (a.5) WITHIN NINETY  
25 DAYS AFTER RECEIVING THE NOTIFICATION FROM THE STATE BOARD AS  
26 PROVIDED IN SUBSECTION (2) OF THIS SECTION, THE STATE CHARTER  
27 SCHOOL INSTITUTE SHALL SUBMIT TO THE STATE BOARD A SCHOOL

1 IMPROVEMENT PLAN. THE PLAN SHALL BE ADOPTED BY THE STATE  
2 CHARTER SCHOOL INSTITUTE AFTER A PUBLIC HEARING ON THE PROPOSED  
3 PLAN.

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

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

15 **22-7-609.6. School improvement - appropriations.** On and  
16 after July 1, 2003, the general assembly may appropriate such moneys as  
17 are available to assist school districts AND THE STATE CHARTER SCHOOL  
18 INSTITUTE in improving the academic improvement of schools that  
19 received an academic improvement rating of "unsatisfactory". In  
20 addition, the department of education may allocate any moneys received  
21 pursuant to the federal "No Child Left Behind Act of 2001", Public Law  
22 107-110, for such purpose.

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

25 **22-7-705. Teacher development grant program - application.**

26 (4) AN INSTITUTE CHARTER SCHOOL THAT SUBMITS AN APPLICATION  
27 PURSUANT TO THIS PART 7 SHALL NOT BE REQUIRED TO SUBMIT THE

1 APPLICATION TO ANY SCHOOL DISTRICT OR TO INCLUDE IN THE  
2 APPLICATION A STATEMENT OF SUPPORT FOR OR OPPOSITION TO THE  
3 APPLICATION BY A LOCAL BOARD OF EDUCATION.

4 **SECTION 13.** 22-11-102 (3), Colorado Revised Statutes, is  
5 amended to read:

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

19 **SECTION 14.** 22-11-103 (2) and (5), Colorado Revised Statutes,  
20 are amended, and the said 22-11-103 is further amended BY THE  
21 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

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

24 (2) "Accreditation contract" means the agreement between the  
25 state board of education and a school district that binds the school district  
26 to manage the accreditation of public schools within ~~such~~ THE school  
27 district, consistent with the standards and goals to be met according to the

1 accreditation indicators. "ACCREDITATION CONTRACT" ALSO MEANS THE  
2 AGREEMENT BETWEEN THE STATE BOARD OF EDUCATION AND THE STATE  
3 CHARTER SCHOOL INSTITUTE THAT BINDS THE INSTITUTE TO MEET THE  
4 STANDARDS AND GOALS ESTABLISHED IN THE ACCREDITATION CONTRACT  
5 ACCORDING TO THE ACCREDITATION INDICATORS.

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

10 (6.3) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
11 THAT ENTERS INTO A CONTRACT WITH THE STATE CHARTER SCHOOL  
12 INSTITUTE PURSUANT TO THE PROVISIONS OF PART 5 OF ARTICLE 30.5 OF  
13 THIS TITLE.

14 (6.7) "PUBLIC SCHOOL" INCLUDES A [REDACTED] PUBLIC SCHOOL AS  
15 DEFINED IN SECTION 22-1-101, A CHARTER SCHOOL, AND AN INSTITUTE  
16 CHARTER SCHOOL.

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

19 **22-11-104. Accreditation indicators.** (3) **Rules.** (a) The state  
20 board shall promulgate rules concerning how the school districts AND THE  
21 STATE CHARTER SCHOOL INSTITUTE shall measure data relating to the  
22 accreditation indicators and the form in which the school districts AND  
23 THE STATE CHARTER SCHOOL INSTITUTE shall provide such data to the  
24 state board.

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

1 amended to read:

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

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

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

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

16 (V) Provisions for allowing annual comparisons between the  
17 school board OR STATE CHARTER SCHOOL INSTITUTE assessment results  
18 and the statewide assessment results.

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

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

1 STATE CHARTER SCHOOL INSTITUTE pursuant to sections 22-55-106 and  
2 22-55-107.

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

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

9 **22-11-202. Accreditation levels. (2) Ratings.** (b) The ratings  
10 shall be based upon student achievement on school district standards OR  
11 STATE CHARTER SCHOOL INSTITUTE STANDARDS, WHICHEVER IS  
12 APPLICABLE, shall be consistent with the ratings for student achievement  
13 on the state assessments, and shall indicate the public schools', and school  
14 districts', AND STATE CHARTER SCHOOL INSTITUTE'S performance on the  
15 accreditation indicators.

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

18 **22-11-203. Monitoring of accreditation contracts.** (2) The  
19 department shall provide technical assistance to THE STATE CHARTER  
20 SCHOOL INSTITUTE OR TO any school district of the state that requests such  
21 assistance in order to improve its performance on the accreditation  
22 indicators.

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

25 **22-11-204. Corrective action cycle. (1) Level one: Notice.**  
26 (a) At any time during the term of the accreditation contract, if a school  
27 district OR THE STATE CHARTER SCHOOL INSTITUTE fails to comply with

1 any of the provisions of the accreditation contract, the department shall  
2 notify the school district OR THE STATE CHARTER SCHOOL INSTITUTE of the  
3 nature of the ~~school district's~~ lack of compliance. This notice shall  
4 constitute level one in the corrective action cycle.

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

15 (c) Upon ~~a school district's~~ THE request OF A SCHOOL DISTRICT OR  
16 THE STATE CHARTER SCHOOL INSTITUTE, the department shall provide  
17 technical assistance to the school district OR THE STATE CHARTER SCHOOL  
18 INSTITUTE in connection with the areas in which the school district OR  
19 THE STATE CHARTER SCHOOL INSTITUTE is out of compliance.

20 (2) **Level two: Probation.** (a) Pursuant to rules established by  
21 the state board, the state board shall place a school district OR THE STATE  
22 CHARTER SCHOOL INSTITUTE on probationary status if the school district  
23 OR INSTITUTE fails to implement the plan submitted pursuant to paragraph  
24 (b) of subsection (1) of this section. Probation shall constitute level two  
25 in the corrective action cycle. The rules of the state board shall include  
26 a process for THE STATE CHARTER SCHOOL INSTITUTE'S OR a school  
27 district's right to a hearing before the board in order to determine whether

1 the school district OR THE STATE CHARTER SCHOOL INSTITUTE had  
2 implemented the plan pursuant to paragraph (b) of subsection (1) of this  
3 section.

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

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

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

21 **22-11-301. Colorado school awards program - created - rules.**

22 (2) For purposes of this part 3, "public school" means a public school of  
23 a school district in this state OR AN INSTITUTE CHARTER SCHOOL.

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

26 **22-11-303. Colorado school awards program - distribution of**

27 **award.** (2) Any moneys made available to a public school OF A SCHOOL

1 DISTRICT in the form of an award pursuant to the provisions of this part  
2 3 shall not supplant moneys made available to such public school from  
3 funding received by the school district pursuant to article 54 of this title  
4 or pursuant to the taxing authority of the school district. ANY MONEYS  
5 MADE AVAILABLE TO AN INSTITUTE CHARTER SCHOOL IN THE FORM OF AN  
6 AWARD PURSUANT TO THE PROVISIONS OF THIS PART 3 SHALL NOT  
7 SUPPLANT MONEYS PAYABLE TO THE INSTITUTE CHARTER SCHOOL  
8 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE.

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

13 **22-20-103. Definitions.** As used in this article, unless the context  
14 otherwise requires:

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

19 (2.5) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
20 AUTHORIZED BY A SCHOOL DISTRICT PURSUANT TO PART 1 OF ARTICLE 30.5  
21 OF THIS TITLE.

22 (5.5) "Least restrictive environment" means programs used to  
23 educate a child with a disability using the delivery system most  
24 appropriately meeting the needs of the child, and, to the extent possible,  
25 as determined by the local board of education OR THE STATE CHARTER  
26 SCHOOL INSTITUTE, subject to the appeals procedures outlined in section  
27 22-20-108 (3), the term means an environment in which a child with a

1 disability is educated with children without disabilities, unless the nature  
2 or severity of the disability is such that education in regular classes with  
3 the use of supplementary aids and services cannot be achieved  
4 satisfactorily, or, when provided with supplementary aids and services,  
5 the nature or severity of the disability is so disruptive that the education  
6 of other children in such classes would be significantly impaired.

7 (11) "STATE CHARTER SCHOOL INSTITUTE" MEANS THE STATE  
8 CHARTER SCHOOL INSTITUTE CREATED PURSUANT TO PART 5 OF ARTICLE  
9 30.5 OF THIS TITLE.

10 **SECTION 23.** 22-20-104 (1) and (4), Colorado Revised Statutes,  
11 are amended to read:

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

1 specific recommendations for their correction. Funding will be provided  
2 or continued for a reasonable period of time, as determined by the  
3 department, to allow the local SCHOOL district OR THE STATE CHARTER  
4 SCHOOL INSTITUTE opportunity to satisfy the recommended criteria, rules,  
5 regulations, and standards, or to establish a claim for variance based upon  
6 conditions indigenous to a local SCHOOL district OR UNIQUE TO THE STATE  
7 CHARTER SCHOOL INSTITUTE.

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

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

16 **22-20-106. Special educational programs.** (1) By September  
17 1, 1973, every school district in the state shall be either an administrative  
18 unit in itself or in a board of cooperative services which shall be  
19 designated as an administrative unit. THE STATE CHARTER SCHOOL  
20 INSTITUTE SHALL BE AN ADMINISTRATIVE UNIT FOR THE PURPOSE OF  
21 DELIVERING SPECIAL EDUCATION SERVICES TO ALL INSTITUTE CHARTER  
22 SCHOOLS AND SHALL MEET THE CRITERIA ESTABLISHED BY THE STATE  
23 BOARD GOVERNING THE DUTIES AND RESPONSIBILITIES OF THE DIRECTOR  
24 OF SPECIAL EDUCATION. An administrative unit shall ALSO be a school  
25 district or board of cooperative services ~~which~~ THAT meets criteria  
26 established by the state board governing the duties and responsibilities of  
27 the director of special education and is either a board of cooperative

1 services ~~which~~ THAT conducts special educational programs for all school  
2 districts ~~which~~ THAT are members of the board of cooperative services or  
3 is a school district ~~which~~ THAT meets criteria of geographic size, location,  
4 and number of pupils established by the state board to achieve maximum  
5 efficiency in administering programs of special education. Although the  
6 state board shall define the qualifications and the general duties and  
7 responsibilities of directors of special education, such directors shall be  
8 regarded for all purposes as employees of their local administrative units  
9 and subject to the administrative direction of such units.

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

20 (3) Administrative units shall make available special educational  
21 services for the education of any child with a disability between the ages  
22 of five and twenty-one and, on and after January 1, 1992, between the  
23 ages of three and twenty-one under jurisdiction of the administrative unit  
24 and may serve gifted students. In providing these services, an  
25 administrative unit shall pay for salaries and employee benefits of  
26 certified special education teachers and special education staff;  
27 equipment; in-service training of the staff of an administrative unit who

1 have pupil contact; mileage expenses incurred by staff; the costs of  
2 educational services for a child in an eligible facility; or any other  
3 expenses related to special education. Special education services may be  
4 provided by community centered boards in cooperation with  
5 administrative units, ~~and~~ school districts, AND THE STATE CHARTER  
6 SCHOOL INSTITUTE. SPECIAL EDUCATION SERVICES MAY BE PROVIDED BY  
7 THE STATE CHARTER SCHOOL INSTITUTE THROUGH CONTRACTS WITH  
8 SCHOOL DISTRICTS OR BOARDS OF COOPERATIVE SERVICES.

9 **SECTION 25.** 22-20-108 (1), (3), (4), (4.5) (e), (4.5) (f), (4.7)  
10 (b), (4.7) (g), (5) (d), (7) (a), (9), and (10), Colorado Revised Statutes, are  
11 amended to read:

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

1 a disability, a joint placement committee composed of professional  
2 personnel, as described in this section, representing the administrative  
3 unit and the community center for the retarded and for persons with  
4 serious disabilities, may recommend placement in such center. The  
5 committee shall give parents of a child with an alleged disability an  
6 opportunity to consult with the committee or a representative thereof  
7 prior to determination that their child has a disability.

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

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

25 (4) Each child determined to have a disability by the committee  
26 pursuant to subsection (1) of this section shall be provided with an  
27 individual educational program which shall be developed in accordance

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

21 (4.5) (e) Nothing in this subsection (4.5) shall require a school  
22 district OR THE STATE CHARTER SCHOOL INSTITUTE to expend additional  
23 resources or hire additional personnel to implement the provisions of this  
24 section.

25 (f) On or before June 1, 1995, the department of education shall  
26 develop guidelines for caseload management for instructors of blind  
27 children in the school districts AND INSTITUTE CHARTER SCHOOLS of the

1 state. Such guidelines will evaluate how much instructional time should  
2 be allotted for blind children, will reflect the varying levels of severity of  
3 such children's needs, and will be renewed and updated on a periodic  
4 basis to incorporate current research and practice.

5 (4.7) (b) To enable a parent to make informed decisions  
6 concerning which educational options are best suited to the parent's child,  
7 all of the educational options provided by the school district OR THE  
8 STATE CHARTER SCHOOL INSTITUTE and available to the child at the time  
9 the child's individual educational program is prepared shall be explained  
10 to the parent.

11 (g) Nothing in this subsection (4.7) shall require a school district  
12 OR THE STATE CHARTER SCHOOL INSTITUTE to expend additional resources  
13 or hire additional personnel to implement the provisions of this  
14 subsection (4.7).

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

17 (d) Consider the cost to the school district OR THE STATE CHARTER  
18 SCHOOL INSTITUTE when choosing between two or more appropriate  
19 placements.

20 (7) (a) When it is recommended by a school district OR THE STATE  
21 CHARTER SCHOOL INSTITUTE that a child be placed in a residential setting  
22 operated by a state agency outside of his THE CHILD'S current district of  
23 residence, it is the duty of the current district of residence to notify the  
24 agency to which it is recommended that the child be sent, and the school  
25 district in which the agency is located, of the child's potential placement  
26 in such agency in the school district. The receiving agency and the  
27 receiving school district shall provide staff input into the final decision

1 regarding placement. In the event that a disagreement exists between the  
2 recommending school district OR THE STATE CHARTER SCHOOL INSTITUTE  
3 and the agency and school district receiving the child regarding the  
4 placement, the commissioner of education and the director of the state  
5 agency under which the facility or program in which the child is being  
6 placed is operated shall make the final determination of the placement.

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

18 (10) ~~No~~ A school, school district, ~~or~~ THE STATE CHARTER SCHOOL  
19 INSTITUTE, OR AN administrative unit that receives funds under article 54  
20 of this title shall NOT implement or enforce any rule or policy of the state  
21 department of education that requires or permits an administrative unit to  
22 appoint a person to act as an educational surrogate parent for the purpose  
23 of making educational decisions regarding a child's placement in special  
24 education services or for the purpose of consenting or refusing to consent  
25 to assessments prior to placement when the child's parent is unknown,  
26 unavailable, or fails to respond after reasonable efforts.

27 **SECTION 26.** 22-20-109 (5), Colorado Revised Statutes, is

1 amended to read:

2 **22-20-109. Tuition.** (5) When a child with a disability enrolls in  
3 and attends a DISTRICT charter school pursuant to the provisions of part  
4 1 of article 30.5 of this title, the district of residence shall be responsible  
5 for paying to the DISTRICT charter school the tuition charge for the excess  
6 costs incurred in educating the child. The amount of the tuition charge  
7 shall be determined pursuant to guidelines developed by the department.  
8 Under the circumstances described in this subsection (5), the provisions  
9 of section 22-20-108 (8) shall not apply.

10 **SECTION 27.** 22-20-114 (1) (b.7) (II) and (2), Colorado Revised  
11 Statutes, are amended to read:

12 **22-20-114. Funding of programs.** (1) (b.7) (II) For the 1997-98  
13 budget year and budget years thereafter, any increase in the appropriation  
14 made to the department over the amount distributed in accordance with  
15 subparagraph (I) of this paragraph (b.7) shall be distributed to a school  
16 district OR THE STATE CHARTER SCHOOL INSTITUTE in proportion to the  
17 number of children with disabilities residing in ~~such~~ THE district OR THE  
18 NUMBER OF CHILDREN WITH DISABILITIES ENROLLED IN INSTITUTE  
19 CHARTER SCHOOLS, divided by the total number of children with  
20 disabilities in the state. The increase in the appropriation to be  
21 distributed to school districts AND THE STATE CHARTER SCHOOL INSTITUTE  
22 pursuant to this paragraph (b.7) shall be distributed as soon as practicable  
23 after the beginning of the fiscal year. For purposes of this paragraph  
24 (b.7), the number of children with disabilities shall be based upon the  
25 count taken in December of the immediately preceding budget year.

26 (2) Payments made under the provisions of this article shall in no  
27 way affect the amount of other state aid for which a school district OR AN

1 INSTITUTE CHARTER SCHOOL may qualify.

2 **SECTION 28.** 22-20-116 (6) and (7), Colorado Revised Statutes,  
3 are amended to read:

4 **22-20-116. Minimum standards for educational interpreters**  
5 **for the deaf in the public schools - committee to recommend standards**

6 **- rules.** (6) After review and study of the recommendations of the  
7 interpreter standards committee, the state board, on or before July 1,  
8 1998, shall promulgate rules setting minimum standards for educational  
9 interpreters for the deaf employed by or in the public schools in this state.

10 The state board may revise and amend such minimum standards as it  
11 deems necessary. The state board shall promulgate rules that set forth the  
12 documentation that a person seeking employment as an educational  
13 interpreter for the deaf in a public school must submit to the EMPLOYING  
14 school district OR TO THE STATE CHARTER SCHOOL INSTITUTE.

15 (7) On or after July 1, 2000, in addition to any other requirements  
16 that a school district OR THE STATE CHARTER SCHOOL INSTITUTE  
17 establishes, any person employed as an educational interpreter for deaf  
18 students on a full-time or part-time basis by or in a school district OR AN  
19 INSTITUTE CHARTER SCHOOL shall meet the minimum standards for  
20 educational interpreters for the deaf as established by rules of the state  
21 board.

22 **SECTION 29.** 22-24-102, Colorado Revised Statutes, is amended  
23 to read:

24 **22-24-102. Legislative declaration.** The general assembly  
25 hereby finds, determines, and declares that there are substantial numbers  
26 of students in this state whose educational potential is severely restricted  
27 because a language other than English is their primary means of

1 communication. The general assembly recognizes the need to provide for  
2 transitional programs to improve the English language skills of these  
3 students. The general assembly declares that, in order to improve  
4 educational and career opportunities for every student in this state, it is  
5 the purpose of this article to provide for the establishment of an English  
6 language proficiency program in the public schools and to provide for the  
7 distribution of moneys to the several school districts AND THE STATE  
8 CHARTER SCHOOL INSTITUTE to help defray the costs of such program.

9 **SECTION 30.** 22-24-103 (3) and the introductory portion to  
10 22-24-103 (4), Colorado Revised Statutes, are amended, and the said  
11 22-24-103 is further amended BY THE ADDITION OF A NEW  
12 SUBSECTION, to read:

13 **22-24-103. Definitions.** As used in this article, unless the context  
14 otherwise requires:

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

18 (3.5) "STATE CHARTER SCHOOL INSTITUTE" MEANS THE STATE  
19 CHARTER SCHOOL INSTITUTE CREATED PURSUANT TO PART 5 OF ARTICLE  
20 30.5 OF THIS TITLE.

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

1           **SECTION 31.** 22-24-104, Colorado Revised Statutes, is amended  
2 to read:

3           **22-24-104. English language proficiency program established**  
4 **- funding.** (1) There is hereby established an English language  
5 proficiency program for students in kindergarten and grades one through  
6 twelve whose dominant language is not English.

7           (2) The purpose of the program is to provide assistance to districts  
8 AND INSTITUTE CHARTER SCHOOLS having students whose dominant  
9 language is not English.

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

13           (4) (a) The general assembly shall make an annual appropriation  
14 to the department for the implementation of this article. Funding for the  
15 program shall be from the department to the districts AND TO THE STATE  
16 CHARTER SCHOOL INSTITUTE on a per-student basis. That portion of the  
17 annual appropriation scheduled for distribution to the districts AND THE  
18 STATE CHARTER SCHOOL INSTITUTE shall be paid to the districts AND THE  
19 STATE CHARTER SCHOOL INSTITUTE upon the determination, pursuant to  
20 section 22-24-106 (1) (d), of the number of students in each district OR  
21 INSTITUTE CHARTER SCHOOL to be included in the program.

22           (b) The general assembly shall annually make a separate  
23 appropriation to the department of education to cover the state's share of  
24 the estimated cost pursuant to the provisions of this section. If the  
25 amount of the appropriation made is less than the total amount  
26 determined to be the state's actual share of support to be provided all  
27 eligible students pursuant to the provisions of this section, then the

1 amount to be distributed to any district OR TO THE STATE CHARTER  
2 SCHOOL INSTITUTE shall be in the same proportion as the amount of the  
3 appropriation made bears to such total amount determined to be the state's  
4 actual share.

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

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

24 (III) Any appropriated moneys not distributed by the department  
25 pursuant to subparagraph (I) of this paragraph (c) may be distributed by  
26 the department pursuant to subparagraph (II) of this paragraph (c). Any  
27 appropriated moneys not distributed by the department pursuant to

1 subparagraph (II) of this paragraph (c) may be distributed pursuant to  
2 subparagraph (I) of this paragraph (c).

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

8 (6) Nothing in this article shall be construed to prohibit use of  
9 moneys made available under this article by a district OR THE STATE  
10 CHARTER SCHOOL INSTITUTE for bilingual programs,  
11 English-as-a-second-language programs, or any other method of  
12 achieving the purposes of this article. Districts AND THE STATE CHARTER  
13 SCHOOL INSTITUTE conducting such programs shall receive moneys made  
14 available under this article only on the basis of the number of students  
15 whose dominant language is not English enrolled in such programs.

16 **SECTION 32.** The introductory portion to 22-24-105 (1) and  
17 22-24-105 (1) (b) (II), (1) (c), and (2), Colorado Revised Statutes, are  
18 amended to read:

19 **22-24-105. District - powers and duties - repeal.** (1) It is the  
20 duty of each district AND THE STATE CHARTER SCHOOL INSTITUTE to:

21 (b) (II) Notwithstanding the provisions of subparagraph (I) of this  
22 paragraph (b), for the school years 2002-03, 2003-04, and 2004-05, a  
23 district OR THE STATE CHARTER SCHOOL INSTITUTE may assess students  
24 whose dominant language may not be English using any of the  
25 instruments or techniques approved by the department prior to January 1,  
26 2002. This subparagraph (II) is repealed, effective July 1, 2005.

27 (c) Certify each year to the department those students in the

1 district OR IN INSTITUTE CHARTER SCHOOLS whose dominant language is  
2 not English, including specification of the number of non-English  
3 languages identified as dominant languages and of the number of students  
4 who speak each non-English language as their dominant language;

5 (2) The assessment described in paragraph (b) of subsection (1)  
6 of this section and the certification described in paragraph (c) of  
7 subsection (1) of this section shall be conducted on at least an annual  
8 basis and each district AND THE STATE CHARTER SCHOOL INSTITUTE shall  
9 present the results therefrom to the department for inclusion in the  
10 relevant annual report of achievement of accreditation indicators required  
11 by section 22-11-105.

12 **SECTION 33.** 22-24-106 (1) (a), (1) (b), (1) (c), and (1) (d),  
13 Colorado Revised Statutes, are amended to read:

14 **22-24-106. Department - powers and duties - advisory**  
15 **commission - repeal.** (1) It is the duty of the department to:

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

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

22 (c) Audit the identification and testing procedures used by the  
23 districts AND THE STATE CHARTER SCHOOL INSTITUTE and evaluate the  
24 effectiveness of the programs conducted by districts AND THE STATE  
25 CHARTER SCHOOL INSTITUTE;

26 (d) Determine which students are to be counted as eligible for  
27 purposes of calculating the district's OR THE STATE CHARTER SCHOOL

1 INSTITUTE'S entitlement;

2 **SECTION 34.** 22-30.5-112 (2) (a) (III) (A), (2) (b.5), and (5),  
3 Colorado Revised Statutes, are amended to read:

4 **22-30.5-112. Charter schools - financing - guidelines - repeal.**

5 (2) (a) (III) (A) For budget year 2000-01 and budget years thereafter,  
6 except as otherwise provided in paragraph (a.3) of this subsection (2) AND  
7 EXCEPT AS OTHERWISE PROVIDED IN SECTION 22-30.5-513 (7), each charter  
8 school and the authorizing school district shall negotiate funding under  
9 the contract at a minimum of ninety-five percent of the district per pupil  
10 revenues for each pupil enrolled in the charter school who is not an  
11 on-line pupil and ninety-five percent of the district per pupil on-line  
12 funding for each on-line pupil enrolled in the charter school. The school  
13 district may choose to retain the actual amount of the charter school's per  
14 pupil share of the central administrative overhead costs for services  
15 actually provided to the charter school; except that such amount shall not  
16 exceed five percent of the district per pupil revenues for each pupil who  
17 is not an on-line pupil enrolled in the charter school and five percent of  
18 the district per pupil on-line funding for each on-line pupil enrolled in the  
19 charter school.

20 (2) (b.5) (I) The charter school ~~may agree with~~ AND the school  
21 district ~~to pay~~ SHALL NEGOTIATE PRIOR TO THE BEGINNING OF EACH FISCAL  
22 YEAR FOR THE PAYMENT TO THE SCHOOL DISTRICT OF any ~~actual~~ DIRECT  
23 costs incurred by the school district. ~~in providing unique support services~~  
24 ~~used only by the charter school.~~ IF THE CHARTER SCHOOL AND THE  
25 SCHOOL DISTRICT DO NOT REACH AGREEMENT REGARDING THE PAYMENT  
26 OF DIRECT COSTS, THE SCHOOL DISTRICT SHALL BE BARRED FROM  
27 WITHHOLDING FROM THE CHARTER SCHOOL ANY MONEYS AS

1 REIMBURSEMENT FOR DIRECT COSTS. THE SCHOOL DISTRICT SHALL  
2 PROVIDE AN ITEMIZED ACCOUNTING TO EACH CHARTER SCHOOL FOR THE  
3 DIRECT COSTS INCURRED BY THE SCHOOL DISTRICT WITH THE ITEMIZED  
4 ACCOUNTING PROVIDED PURSUANT TO PARAGRAPH (a.4) OF THIS  
5 SUBSECTION (2).

6 (II) FOR PURPOSES OF THIS PARAGRAPH (b.5), "DIRECT COSTS"  
7 MEANS THE DIRECT COSTS INCURRED BY A SCHOOL DISTRICT SOLELY FOR  
8 THE PURPOSE OF REVIEWING CHARTER APPLICATIONS, NEGOTIATING THE  
9 CHARTER CONTRACT, AND PROVIDING DIRECT OVERSIGHT TO CHARTER  
10 SCHOOLS. "DIRECT COSTS" SHALL NOT INCLUDE THE SCHOOL DISTRICT'S  
11 LEGAL OR OTHER COSTS ATTRIBUTABLE TO LITIGATION OR THE  
12 RESOLUTION OF A DISPUTE WITH A CHARTER SCHOOL.

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

19 **SECTION 35.** 22-30.5-113 (1) and (3), Colorado Revised  
20 Statutes, are amended to read:

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

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

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

10 **SECTION 36.** 22-30.5-406 (1) (c), Colorado Revised Statutes,  
11 is amended to read:

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

1 treasurer for the direct and indirect costs of the administration of this  
2 section. Moneys in the charter school financing administrative cash fund  
3 shall remain in the fund and shall not revert to the general fund at the end  
4 of any fiscal year.

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

20 **SECTION 37.** 22-30.5-407 (7), Colorado Revised Statutes, is  
21 amended to read:

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

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

12 **SECTION 38.** 22-30.5-408 (1) (b), Colorado Revised Statutes,  
13 is amended to read:

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

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

25 **SECTION 39.** 22-32-124 (1.5), Colorado Revised Statutes, is  
26 amended to read:

27 **22-32-124. Building codes - zoning - planning.** (1.5) (a) Prior

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

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

1 BOARD OF EDUCATION.

2 **SECTION 40.** 22-33-105, Colorado Revised Statutes, is amended  
3 BY THE ADDITION OF A NEW SUBSECTION to read:

4 **22-33-105. Suspension, expulsion, and denial of admission.**

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

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

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

15 **SECTION 41.** 22-54-102 (1), Colorado Revised Statutes, is  
16 amended to read:

17 **22-54-102. Legislative declaration - statewide applicability -**  
18 **intergovernmental agreements.** (1) The general assembly hereby finds  
19 and declares that this article is enacted in furtherance of the general  
20 assembly's duty under section 2 of article IX of the state constitution to  
21 provide for a thorough and uniform system of public schools throughout  
22 the state; that a thorough and uniform system requires that all school  
23 districts AND INSTITUTE CHARTER SCHOOLS operate under the same  
24 finance formula; and that equity considerations dictate that all districts  
25 AND INSTITUTE CHARTER SCHOOLS be subject to the expenditure and  
26 maximum levy provisions of this article. Accordingly, the provisions of  
27 this article concerning the financing of public schools for budget years

1 beginning on and after July 1, 1994, shall apply to all school districts AND  
2 INSTITUTE CHARTER SCHOOLS organized under the laws of this state.

3 **SECTION 42.** 22-54-103 (7) (c) and (8.5), Colorado Revised  
4 Statutes, are amended, and the said 22-54-103 is further amended BY  
5 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to  
6 read:

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

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

12 (7) "Funded pupil count" means:

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

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

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

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

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

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

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

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

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

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

24 (7.5) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
25 THAT ENTERS INTO A CHARTER CONTRACT WITH THE STATE CHARTER  
26 SCHOOL INSTITUTE PURSUANT TO THE PROVISIONS OF PART 5 OF ARTICLE  
27 30.5 OF THIS TITLE.

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

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

21          **SECTION 43.** 22-54-104 (1), Colorado Revised Statutes, is  
22          amended to read:

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

1 to fund the costs of providing public education, and, except as otherwise  
2 provided in section 22-54-105, the amounts and purposes for which such  
3 moneys are budgeted and expended shall be in the discretion of the  
4 district.

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

21 **SECTION 44.** 22-54-106 (1) (b) and (4), Colorado Revised  
22 Statutes, are amended, and the said 22-54-106 is further amended BY  
23 THE ADDITION OF A NEW SUBSECTION, to read:

24 **22-54-106. Local and state shares of district total program.**  
25 (1) (b) Except as provided in ~~subsection (8)~~ SUBSECTIONS (8) AND (11)  
26 of this section, the state's share of a district's total program shall be the  
27 difference between the district's total program and the district's share of

1 its total program; except that no district shall receive less in state aid than  
2 an amount established by the general assembly in the annual general  
3 appropriation act based upon the amount of school lands and mineral  
4 lease moneys received pursuant to the provisions of article 41 of this title  
5 and section 34-63-102 (2), C.R.S., multiplied by the district's funded  
6 pupil count.

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

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

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

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

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

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

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

24 **SECTION 45.** 22-54-112 (2), Colorado Revised Statutes, is  
25 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

1 SCHOOL INSTITUTE BOARD SHALL CERTIFY TO THE STATE BOARD THE PUPIL  
2 ENROLLMENT AND THE ON-LINE PUPIL ENROLLMENT OF EACH INSTITUTE  
3 CHARTER SCHOOL TAKEN IN THE PRECEDING OCTOBER.

4 **SECTION 46.** 22-54-114 (1), (2), (2.5), and (4), Colorado  
5 Revised Statutes, are amended to read:

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

26 (2) No later than thirty days prior to the beginning of the budget  
27 year, the department of education shall determine the estimated

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

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

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

1 for appropriation to the department in subsequent fiscal years.

2 **SECTION 47.** 22-54-115, Colorado Revised Statutes, is amended  
3 to read:

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

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

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

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

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

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

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

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

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

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

1 any, to be transferred to the division of vocational rehabilitation during  
2 said month in accordance with subsection (1.5) of this section.

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

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

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

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

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

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

3 **SECTION 48.** 22-54-120 (2), Colorado Revised Statutes, is  
4 amended to read:

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

10 **SECTION 49.** 22-54-122 (2), (3), and (4), Colorado Revised  
11 Statutes, are amended, and the said 22-54-122 is further amended BY  
12 THE ADDITION OF A NEW SUBSECTION, to read:

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

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

1 dividing the difference between two hundred and the funded pupil count  
2 of the small attendance center by two hundred.

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

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

27 (4) If a school district receives small attendance center aid

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

8 **SECTION 50.** 22-54-123, Colorado Revised Statutes, is amended  
9 to read:

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

26 **SECTION 51.** 22-54-123.5 (1), Colorado Revised Statutes, is  
27 amended to read:

1           **22-54-123.5. School breakfast program - appropriation -**  
2 **low-performing schools.** (1) (a) For the 2002-03 budget year and each  
3 budget year thereafter, the general assembly may appropriate by separate  
4 line item an amount to assist school districts AND INSTITUTE CHARTER  
5 SCHOOLS that are providing a school breakfast program through  
6 participation in programs authorized under the "National School Lunch  
7 Act", 42 U.S.C. sec. 1751 et seq., or the "Child Nutrition Act of 1966",  
8 42 U.S.C. sec. 1771 et seq. The department shall develop procedures to  
9 appropriately allocate and disburse the funds among participating school  
10 districts AND INSTITUTE CHARTER SCHOOLS.

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

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

23           **SECTION 52.** 22-54-124 (1) (b), (1) (e), (2), (3) (a) (III), (3) (b),  
24 and (4) and the introductory portion to 22-54-124 (6), Colorado Revised  
25 Statutes, are amended, and the said 22-54-124 (1) is further amended BY  
26 THE ADDITION OF A NEW PARAGRAPH, to read:

27           **22-54-124. State aid for charter schools - use of state education**

1 **fund moneys.** (1) As used in this section:

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

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

15 (e) "Operating revenues" means the total amount of funding that  
16 a DISTRICT charter school receives from a district for a budget year  
17 pursuant to section 22-30.5-112 minus the amounts required by section  
18 22-30.5-112 (2) (a.7) to be allocated for capital reserve purposes or the  
19 management of risk-related activities. FOR PURPOSES OF AN INSTITUTE  
20 CHARTER SCHOOL, "OPERATING REVENUES" MEANS THE TOTAL AMOUNT OF  
21 FUNDING THAT THE INSTITUTE CHARTER SCHOOL RECEIVES FROM THE  
22 STATE CHARTER SCHOOL INSTITUTE FOR A BUDGET YEAR PURSUANT TO  
23 SECTION 22-30.5-513, MINUS THE AMOUNTS REQUIRED BY SECTION  
24 22-30.5-514 (1), TO BE ALLOCATED FOR CAPITAL RESERVE PURPOSES OR  
25 THE MANAGEMENT OF RISK-RELATED ACTIVITIES.

26 (2) (a) For the 2001-02 budget year and budget years thereafter,  
27 a district shall be eligible to receive state education fund moneys for

1 DISTRICT charter school capital construction pursuant to this section if at  
2 least one qualified DISTRICT charter school will be receiving funding from  
3 the district pursuant to section 22-30.5-112 during the budget year for  
4 which state education fund moneys are to be distributed.

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

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

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

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

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

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

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

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

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

14 **SECTION 53.** 22-55-106 (2), Colorado Revised Statutes, is  
15 amended to read:

16 **22-55-106. Statewide base per pupil funding - increases.**

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

24 **SECTION 54.** Article 8 of title 23, Colorado Revised Statutes,  
25 is amended BY THE ADDITION OF A NEW SECTION to read:

26 **23-8-101.5. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
27 CONTEXT OTHERWISE REQUIRES:

1 (1) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
2 THAT ENTERS INTO A CHARTER CONTRACT WITH THE STATE CHARTER  
3 SCHOOL INSTITUTE PURSUANT TO PART 5 OF ARTICLE 30.5 OF TITLE 22,  
4 C.R.S.

5 (2) "INSTITUTE CHARTER SCHOOL'S PER PUPIL OPERATING  
6 REVENUES" MEANS THE AMOUNT RECEIVED BY AN INSTITUTE CHARTER  
7 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-54-115 (1.3),  
8 C.R.S., FOR ANY BUDGET YEAR, DIVIDED BY THE NUMBER OF PUPILS  
9 ENROLLED IN THE INSTITUTE CHARTER SCHOOL FOR THAT BUDGET YEAR,  
10 MINUS THE MINIMUM AMOUNT PER PUPIL REQUIRED BY SECTION  
11 22-30.5-513, C.R.S., TO BE ALLOCATED FOR CAPITAL RESERVE OR RISK  
12 MANAGEMENT PURPOSES.

13 **SECTION 55.** 23-8-102 (1), (2), (3), (4), and (5), Colorado  
14 Revised Statutes, are amended to read:

15 **23-8-102. School districts and institute charter schools**  
16 **conducting vocational education courses - eligibility for state funds.**

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

26 (a) The cost of providing the approved vocational education  
27 programs of the district OR INSTITUTE CHARTER SCHOOL shall be

1 computed in accordance with paragraph (c) of this subsection (1). The  
2 cost so computed shall be divided by the number of full-time equivalent  
3 students to be served by the programs, and the result shall be designated,  
4 for purposes of this article, as the district's OR INSTITUTE CHARTER  
5 SCHOOL'S vocational education program cost per full-time equivalent  
6 student.

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

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

25 (I) The cost of providing the services of instructional personnel  
26 for the time involved;

27 (II) The cost of services to be provided by another education

1 agency or institution;

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

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

4 (V) Repealed.

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

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

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

26 (5) If the appropriations to implement subsections (1) to (4) of this  
27 section are less than the total amount required to pay the vocational

1 education program support for approved vocational education courses, the  
2 board shall prorate the amount to be paid each school district AND EACH  
3 INSTITUTE CHARTER SCHOOL in the same proportion that the appropriation  
4 bears to such total amount so required for distribution. Any unexpended  
5 balance of any such appropriation shall revert to the general fund at the  
6 end of the fiscal year for which the appropriation is made.

7 **SECTION 56.** 23-8-103 (1), (2) (c), (2) (d), and (3), Colorado  
8 Revised Statutes, are amended to read:

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

14 (2) Any such course shall:

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

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

24 (3) In approving programs and vocational education program  
25 support funds under this article, the board shall attempt to avoid  
26 unnecessary duplication in either facilities or staffing for vocational  
27 education in any school district, INSTITUTE CHARTER SCHOOL, or area of

1 this state; and, where feasible, sharing of facilities shall be required by  
2 the board.

3 **SECTION 57.** 23-15-103 (8) (a) (VIII), Colorado Revised  
4 Statutes, is amended, and the said 23-15-103 (8) (a) is further amended  
5 BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

6 **23-15-103. Definitions.** As used in this article, unless the context  
7 otherwise requires:

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

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

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

16 **SECTION 58.** 24-1-115, Colorado Revised Statutes, is amended  
17 BY THE ADDITION OF A NEW SUBSECTION to read:

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

23 **SECTION 59.** 24-50-135 (1) (g), Colorado Revised Statutes, is  
24 amended to read:

25 **24-50-135. Exemptions from personnel system.**  
26 (1) Administrators employed in educational institutions and departments  
27 not charitable or reformatory in character shall include the following,

1 who shall be exempt from the state personnel system:

2 (g) Professional officers and professional staff of the department  
3 of education AND OF THE STATE CHARTER SCHOOL INSTITUTE ESTABLISHED  
4 IN SECTION 22-30.5-503, C.R.S.

5 **SECTION 60. Appropriation.** (1) In addition to any other  
6 appropriation, there is hereby appropriated, out of any moneys in the state  
7 charter school institute fund created pursuant to section 22-30.5-506 (1),  
8 Colorado Revised Statutes, not otherwise appropriated, to the department  
9 of education, for allocation to the state charter school institute, for the  
10 fiscal year beginning July 1, 2004, the sum of one hundred fifty thousand  
11 dollars (\$150,000), or so much thereof as may be necessary, for the  
12 implementation of this act.

13 (2) In addition to any other appropriation, there is hereby  
14 appropriated to the department of law, for the fiscal year beginning July  
15 1, 2004, the sum of five thousand dollars (\$5,000), or so much thereof as  
16 may be necessary, for the provision of legal services to the state board of  
17 education related to the implementation of this act. Said sum shall be  
18 from cash funds exempt received from the department of education out  
19 of general fund moneys withheld by the department of education pursuant  
20 to section 22-30.5-513 (4) (a), Colorado Revised Statutes.

21 **SECTION 61. Effective date.** This act shall take effect July 1,  
22 2004.

23 **SECTION 62. Safety clause.** The general assembly hereby  
24 finds, determines, and declares that this act is necessary for the immediate  
25 preservation of the public peace, health, and safety.