

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 04-0149.02 Jeff Conway

HOUSE BILL 04-1362

HOUSE SPONSORSHIP

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

SENATE SPONSORSHIP

Groff, Grossman, Hagedorn, and Jones

House Committees

Education
Appropriations

Senate Committees

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.**

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.

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.

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

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

14 (II) 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 (III) 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 (IV) COMPLIANCE WITH VALID ORDERS OF THE STATE BOARD; AND

21 (b) ANY COMBINATION OF THE FOLLOWING:

22 (I) 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 (II) 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 (III) 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 (IV) 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 (V) 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 (VI) 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 (6) FOR SCHOOL DISTRICTS THAT HAVE NO DISCERNABLE HISTORY
3 OF AUTHORIZING CHARTER SCHOOLS, THE STATE BOARD MAY MAKE A
4 RENEWABLE ONE-YEAR GRANT OF EXCLUSIVE AUTHORITY IF THE SCHOOL
5 DISTRICT DEMONSTRATES ITS COMPLIANCE WITH THE PROVISIONS OF
6 SUBPARAGRAPHS (III) AND (IV) OF PARAGRAPH (a) OF SUBSECTION (5) OF
7 THIS SECTION AND PRESENTS TO THE STATE BOARD A PLAN TO IMPLEMENT
8 A COMBINATION OF THE AUTHORIZING PRACTICES DESCRIBED IN
9 SUBSECTION (5) OF THIS SECTION.

10 (7) A GRANT OF EXCLUSIVE AUTHORITY BY THE STATE BOARD
11 SHALL CONTINUE SO LONG AS A SCHOOL DISTRICT CONTINUES TO
12 IMPLEMENT THE AUTHORIZING PRACTICES DESCRIBED IN SUBSECTION (5)
13 OF THIS SECTION. EACH SCHOOL DISTRICT SEEKING TO RETAIN EXCLUSIVE
14 AUTHORITY SHALL ANNUALLY SUBMIT TO THE STATE BOARD, PRIOR TO
15 MARCH 1, A WRITTEN RESOLUTION DESCRIBED IN SUBSECTION (4) OF THIS
16 SECTION THAT THE SCHOOL DISTRICT INTENDS TO IMPLEMENT THE
17 AUTHORIZING PRACTICES DESCRIBED IN SUBSECTION (5) OF THIS SECTION.
18 A PARTY MAY CHALLENGE THE GRANT OF EXCLUSIVE AUTHORITY WITHIN
19 THIRTY DAYS AFTER THE SCHOOL DISTRICT SUBMITS THE RESOLUTION,
20 PURSUANT TO THE PROVISIONS OF PARAGRAPH (b) OF SUBSECTION (4) OF
21 THIS SECTION.

22 **22-30.5-505. State charter school institute - institute board -**
23 **appointment - powers and duties.** (1) THE INSTITUTE SHALL CONSIST OF
24 THE INSTITUTE BOARD, APPOINTED PURSUANT TO SUBSECTION (2) OF THIS
25 SECTION, AND ANY STAFF OR CONTRACT EMPLOYEES HIRED BY THE
26 INSTITUTE BOARD AS AUTHORIZED BY LAW. ANY STAFF HIRED BY THE
27 INSTITUTE BOARD SHALL BE DEEMED EMPLOYEES SUBJECT TO THE STATE

1 PERSONNEL SYSTEM OF THIS STATE AS DEFINED IN SECTION 13 OF ARTICLE
2 XII OF THE STATE CONSTITUTION AND ARTICLE 50 OF TITLE 24, C.R.S.;
3 EXCEPT THAT, AS A MATTER OF LEGISLATIVE DETERMINATION, ALL
4 POSITIONS CLASSIFIED BY THE INSTITUTE BOARD AS PROFESSIONAL
5 OFFICERS AND PROFESSIONAL STAFF OF THE INSTITUTE ARE DECLARED TO
6 BE EDUCATIONAL IN NATURE AND EXEMPT FROM THE STATE PERSONNEL
7 SYSTEM.

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

17 (I) EXPERIENCE AS A CHARTER SCHOOL BOARD MEMBER OR
18 FOUNDER OF A CHARTER SCHOOL;

19 (II) EXPERIENCE AS A PUBLIC SCHOOL ADMINISTRATOR WITH
20 EXPERIENCE WORKING WITH CHARTER SCHOOLS;

21 (III) FINANCIAL MANAGEMENT EXPERTISE;

22 (IV) DETAILED KNOWLEDGE OF CHARTER SCHOOL LAW;

23 (V) OTHER BOARD OR PUBLIC SERVICE EXPERIENCE;

24 (VI) EXPERIENCE AS A PUBLIC SCHOOL TEACHER;

25 (VII) ON-LINE EDUCATION AND ON-LINE CURRICULUM
26 DEVELOPMENT EXPERTISE;

27 (VIII) SCHOOL DISTRICT SPECIAL EDUCATION EXPERTISE; AND

1 (IX) CURRICULUM AND ASSESSMENT EXPERTISE.

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

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

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

23 (a) ACT AS A MODEL OF BEST PRACTICES IN AUTHORIZING CHARTER
24 SCHOOLS;

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

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

3 (d) MEASURE THE ACADEMIC SUCCESS OF EACH INSTITUTE
4 CHARTER SCHOOL THROUGH PERFORMANCE-BASED MEANS AND NOT
5 PROCESS-BASED MEANS.

6 (4) IN ADDITION TO ANY OTHER POWERS GRANTED BY LAW TO THE
7 INSTITUTE BOARD, THE INSTITUTE BOARD SHALL HAVE THE FOLLOWING
8 POWERS:

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

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

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

13 (d) TO COOPERATE AND CONTRACT WITH THE STATE OR FEDERAL
14 GOVERNMENT OR AN AGENCY OR INSTRUMENTALITY THEREOF AND TO
15 APPLY FOR AND RECEIVE GRANTS OR FINANCIAL ASSISTANCE FROM ANY
16 SUCH ENTITIES;

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

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

22 (g) TO PROVIDE FOR THE NECESSARY EXPENSES OF THE INSTITUTE
23 BOARD IN THE EXERCISE OF ITS POWERS AND THE PERFORMANCE OF ITS
24 DUTIES AND TO REIMBURSE A BOARD MEMBER FOR NECESSARY EXPENSES
25 INCURRED IN THE PERFORMANCE OF THE BOARD MEMBER'S DUTIES;

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

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

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

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

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

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

19 (b) THIS PART 5 SHALL NOT BE CONSTRUED TO REQUIRE THE
20 INSTITUTE TO PROVIDE SERVICES TO AN INSTITUTE CHARTER SCHOOL, TO
21 REQUIRE AN INSTITUTE CHARTER SCHOOL TO PURCHASE SERVICES FROM
22 THE INSTITUTE, NOR TO PROHIBIT AN INSTITUTE CHARTER SCHOOL FROM
23 PURCHASING EDUCATION-RELATED SERVICES FROM ANY SOURCES
24 AVAILABLE, INCLUDING A SCHOOL DISTRICT.

25 (7) THE INSTITUTE SHALL ENSURE THAT EACH INSTITUTE CHARTER
26 SCHOOL COMPLIES WITH THE PROVISIONS OF ARTICLE 7 OF THIS TITLE.
27 EACH INSTITUTE CHARTER SCHOOL SHALL BE RESPONSIBLE FOR

1 GATHERING AND SUBMITTING TO THE INSTITUTE THE DATA NECESSARY TO
2 PREPARE A SCHOOL ACCOUNTABILITY REPORT REQUIRED BY SECTION
3 22-7-605 FOR THE INSTITUTE CHARTER SCHOOL.

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

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

11 (10) THE INSTITUTE MAY ISSUE REQUESTS FOR PROPOSALS TO
12 SOLICIT APPLICATIONS FOR AN INSTITUTE CHARTER SCHOOL TO SERVE
13 AT-RISK STUDENTS.

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

17 **22-30.5-506. State charter school institute fund - created.**

18 (1) THE STATE CHARTER SCHOOL INSTITUTE IS AUTHORIZED TO RECEIVE
19 AND EXPEND GIFTS, GRANTS, AND DONATIONS OF ANY KIND FROM ANY
20 PUBLIC OR PRIVATE ENTITY TO CARRY OUT THE PURPOSES OF THIS PART 5,
21 SUBJECT TO THE TERMS AND CONDITIONS UNDER WHICH GIVEN; EXCEPT
22 THAT NO GIFT, GRANT, OR DONATION SHALL BE ACCEPTED IF THE
23 CONDITIONS ATTACHED THERETO REQUIRE THE USE OR EXPENDITURE
24 THEREOF IN A MANNER CONTRARY TO LAW. ANY GIFTS, GRANTS, OR
25 DONATIONS RECEIVED PURSUANT TO THIS SUBSECTION (1) SHALL BE
26 TRANSMITTED TO THE STATE TREASURER WHO SHALL CREDIT THE SAME TO
27 THE STATE CHARTER SCHOOL INSTITUTE FUND, HEREINAFTER REFERRED TO

1 AS THE "FUND", WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY.
2 MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY
3 THE GENERAL ASSEMBLY TO THE INSTITUTE, TO OFFSET THE ACTUAL AND
4 REASONABLE COSTS INCURRED BY THE INSTITUTE IN IMPLEMENTING THIS
5 PART 5. ALL INVESTMENT EARNINGS DERIVED FROM THE DEPOSIT AND
6 INVESTMENT OF THE MONEYS IN THE FUND SHALL BE CREDITED TO THE
7 FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN
8 THE FUND AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND
9 AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER
10 FUND.

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

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

20 **22-30.5-507. Institute charter school - requirements -**
21 **authority.** (1) (a) AN INSTITUTE CHARTER SCHOOL SHALL BE A PUBLIC,
22 NONSECTARIAN, NONRELIGIOUS, NON-HOME-BASED SCHOOL THAT
23 OPERATES PURSUANT TO A CHARTER CONTRACT AUTHORIZED BY THE STATE
24 CHARTER SCHOOL INSTITUTE.

25 (b) AN INSTITUTE CHARTER SCHOOL SHALL EXIST AS A PUBLIC
26 SCHOOL WITHIN THE STATE, UNAFFILIATED WITH A SCHOOL DISTRICT.
27 NOTHING IN THIS PART 5 SHALL BE CONSTRUED TO PERMIT A SCHOOL

1 DISTRICT TO DETERMINE CURRICULUM, POLICIES, PROCEDURES, OR
2 OPERATIONS OF AN INSTITUTE CHARTER SCHOOL, INCLUDING BUT NOT
3 LIMITED TO COMPLIANCE WITH THE ACCOUNTABILITY PROVISIONS
4 SPECIFIED IN THIS TITLE, ACCREDITATION CONTRACTS, AND STATEWIDE
5 ASSESSMENT REQUIREMENTS.

6 (2) AN INSTITUTE CHARTER SCHOOL SHALL BE:

7 (a) SUBJECT TO THE TERMS OF THE CHARTER CONTRACT ENTERED
8 INTO WITH THE INSTITUTE;

9 (b) ACCOUNTABLE TO THE INSTITUTE FOR PURPOSES OF ENSURING
10 COMPLIANCE WITH APPLICABLE LAWS AND CHARTER CONTRACT
11 PROVISIONS; AND

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

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

27 (4) AN INSTITUTE CHARTER SCHOOL SHALL BE ADMINISTERED AND

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

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

13 (6) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 22-20-109 (5),
14 22-32-115 (1) AND (2), AND 22-54-109, AN INSTITUTE CHARTER SCHOOL
15 SHALL NOT CHARGE TUITION.

16 (7) PURSUANT TO THE CHARTER CONTRACT, AN INSTITUTE
17 CHARTER SCHOOL MAY OPERATE FREE FROM SPECIFIED STATUTES AND
18 STATE BOARD RULES. THE STATE BOARD MAY WAIVE STATE STATUTORY
19 REQUIREMENTS OR RULES PROMULGATED BY THE STATE BOARD; EXCEPT
20 THAT THE STATE BOARD MAY NOT WAIVE ANY STATE STATUTE OR RULE
21 RELATING TO THE ASSESSMENTS REQUIRED TO BE ADMINISTERED
22 PURSUANT TO SECTION 22-7-409, ANY STATE STATUTE OR RULE
23 NECESSARY TO PREPARE THE SCHOOL ACCOUNTABILITY REPORTS
24 PURSUANT TO PART 6 OF ARTICLE 7 OF THIS TITLE, OR ANY STATE STATUTE
25 OR RULE RELATING TO THE "CHILDREN'S INTERNET PROTECTION ACT",
26 ARTICLE 87 OF THIS TITLE. ANY WAIVER OF STATE STATUTE OR STATE
27 BOARD RULE MADE PURSUANT TO THIS SUBSECTION (7) SHALL BE FOR THE

1 TERM OF THE CONTRACT FOR WHICH THE WAIVER IS MADE. A REQUEST
2 FOR A WAIVER MAY BE SUBMITTED TO THE INSTITUTE AS A PART OF THE
3 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL.

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

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

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

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

26 **22-30.5-508. Institute charter schools - contract contents -**
27 **regulations - repeal.** (1) AN APPROVED INSTITUTE CHARTER SCHOOL

1 APPLICATION SHALL SERVE AS THE BASIS FOR A CHARTER CONTRACT
2 BETWEEN THE INSTITUTE CHARTER SCHOOL AND THE INSTITUTE.

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

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

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

1 (4) A MATERIAL REVISION OF THE TERMS OF THE CHARTER
2 CONTRACT MAY BE MADE ONLY WITH THE APPROVAL OF THE INSTITUTE
3 AND THE GOVERNING BODY OF THE INSTITUTE CHARTER SCHOOL.

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

11 **22-30.5-509. Institute charter school application - contents.**

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

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

17 (b) THE GOALS, OBJECTIVES, AND PUPIL PERFORMANCE
18 STANDARDS, IN COMPLIANCE WITH STATE AND FEDERAL LAW, TO BE
19 ACHIEVED BY THE INSTITUTE CHARTER SCHOOL FOR ALL STUDENTS WHO
20 ENROLL;

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

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

27 (e) A DESCRIPTION OF THE INSTITUTE CHARTER SCHOOL'S PLAN FOR

1 EVALUATING PUPIL PERFORMANCE, THE TYPES OF ASSESSMENTS THAT WILL
2 BE USED TO MEASURE PUPIL PROGRESS TOWARDS ACHIEVEMENT OF THE
3 INSTITUTE CHARTER SCHOOL'S PUPIL PERFORMANCE GOALS FOR ALL
4 STUDENTS ENROLLED, THE TIMELINE FOR ACHIEVEMENT OF THE GOALS,
5 AND THE PROCEDURES FOR TAKING CORRECTIVE ACTION IN THE EVENT
6 THAT PUPIL PERFORMANCE AT THE INSTITUTE CHARTER SCHOOL FALLS
7 BELOW SUCH GOALS;

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

13 (g) A DESCRIPTION OF THE GOVERNANCE AND OPERATION OF THE
14 INSTITUTE CHARTER SCHOOL, INCLUDING THE NATURE AND EXTENT OF
15 PARENTAL, PROFESSIONAL EDUCATOR, AND COMMUNITY INVOLVEMENT IN
16 THE GOVERNANCE AND OPERATION OF THE INSTITUTE CHARTER SCHOOL;

17 (h) AN EXPLANATION OF THE RELATIONSHIP THAT WILL EXIST
18 BETWEEN THE INSTITUTE CHARTER SCHOOL AND ITS EMPLOYEES, AND THE
19 EMPLOYMENT POLICIES OF THE INSTITUTE CHARTER SCHOOL;

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

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

24 (k) A DESCRIPTION OF THE INSTITUTE CHARTER SCHOOL'S
25 ENROLLMENT POLICY, CONSISTENT WITH THE REQUIREMENTS OF SECTION
26 22-30.5-507 (3), AND THE CRITERIA FOR ENROLLMENT DECISIONS.

27 **22-30.5-510. Institute charter school application - process -**

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

25 (b) THE INSTITUTE BOARD SHALL SET FORTH BY RULE ALL
26 NECESSARY PROCEDURES FOR THE APPLICATION PROCESS AND FOR
27 APPLICATION REVIEW BY THE INSTITUTE AND THE INSTITUTE BOARD. THE

1 RULES SHALL DESCRIBE A RIGOROUS REVIEW OF THE APPLICATION THAT
2 INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, THE FOLLOWING KEY
3 EVALUATIVE AREAS INVOLVING THE INSTITUTE CHARTER SCHOOL:

- 4 (I) CURRICULUM AND INSTRUCTIONAL PROGRAM;
- 5 (II) NON-ACADEMIC PROGRAM CHARACTERISTICS;
- 6 (III) FINANCIAL VIABILITY;
- 7 (IV) APPROPRIATE GOVERNANCE MODEL AND PROPOSED
8 PRACTICES;
- 9 (V) APPROPRIATE, CONSISTENT, CLEAR, AND MEASURABLE
10 ACCOUNTABILITY SYSTEMS; AND
- 11 (VI) THE EXTENT TO WHICH THE INSTRUCTIONAL PROGRAM FITS
12 THE MISSION STATEMENT OF THE INSTITUTE CHARTER SCHOOL.

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

21 (2) THE INSTITUTE BOARD SHALL RULE BY RESOLUTION ON THE
22 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL IN A PUBLIC HEARING,
23 FOLLOWING REASONABLE PUBLIC NOTICE, WITHIN SIXTY DAYS AFTER
24 RECEIVING THE APPLICATION FILED PURSUANT TO SUBSECTION (1) OF THIS
25 SECTION. ALL NEGOTIATIONS BETWEEN THE INSTITUTE CHARTER SCHOOL
26 AND THE INSTITUTE ON THE CHARTER CONTRACT SHALL BE CONCLUDED,
27 AND ALL TERMS OF THE CHARTER CONTRACT AGREED UPON, NO LATER

1 THAN FORTY-FIVE DAYS AFTER THE INSTITUTE BOARD APPROVES THE
2 APPLICATION FOR AN INSTITUTE CHARTER SCHOOL.

3 (3) THE INSTITUTE CHARTER SCHOOL APPLICANT AND THE
4 INSTITUTE MAY JOINTLY WAIVE THE DEADLINES SET FORTH IN THIS
5 SECTION.

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

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

19 **22-30.5-511. Institute charter schools - term - renewal of**
20 **contract - grounds for non-renewal or revocation - appeal.** (1) (a) A
21 NEW CHARTER CONTRACT FOR AN INSTITUTE CHARTER SCHOOL MAY BE
22 APPROVED FOR SUCCEEDING PERIODS OF AT LEAST THREE ACADEMIC
23 YEARS BUT NOT MORE THAN FIVE ACADEMIC YEARS, AND THE CHARTER
24 CONTRACT MAY BE RENEWED FOR A PERIOD NOT TO EXCEED FIVE
25 ACADEMIC YEARS.

26 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS
27 SUBSECTION (1) TO THE CONTRARY, AN INSTITUTE CHARTER SCHOOL AND

1 THE INSTITUTE MAY AGREE TO EXTEND THE LENGTH OF THE CHARTER
2 CONTRACT BEYOND FIVE ACADEMIC YEARS FOR THE PURPOSE OF
3 ENHANCING THE TERMS OF ANY LEASE OR FINANCIAL OBLIGATION.

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

12 (3) THE INSTITUTE BOARD MAY REVOKE OR DENY RENEWAL OF A
13 CHARTER CONTRACT IF THE INSTITUTE BOARD DETERMINES THAT THE
14 INSTITUTE CHARTER SCHOOL DID ANY OF THE FOLLOWING:

15 (a) COMMITTED A MATERIAL VIOLATION OF ANY OF THE
16 CONDITIONS, STANDARDS, OR PROCEDURES SET FORTH IN THE CHARTER
17 CONTRACT OF THE INSTITUTE CHARTER SCHOOL;

18 (b) FAILED TO MEET OR MAKE REASONABLE PROGRESS TOWARD
19 ACHIEVEMENT OF THE CONTENT STANDARDS OR PUPIL PERFORMANCE
20 STANDARDS IDENTIFIED IN THE CHARTER CONTRACT OF THE INSTITUTE
21 CHARTER SCHOOL;

22 (c) RECEIVED AN OVERALL ACADEMIC PERFORMANCE RATING OF
23 "UNSATISFACTORY" PURSUANT TO SECTION 22-7-604 (5), UPON THE
24 COMPLETION OF THE THIRD SCHOOL YEAR OF OPERATION UNDER A SCHOOL
25 IMPROVEMENT PLAN PURSUANT TO SECTION 22-7-609, AND THE STATE
26 BOARD RECOMMENDED THAT THE INSTITUTE CHARTER SCHOOL BE
27 CONVERTED TO AN INDEPENDENT CHARTER SCHOOL PURSUANT TO SECTION

1 22-7-609 (5) (b);

2 (d) FAILED TO MEET GENERALLY ACCEPTED STANDARDS OF FISCAL
3 MANAGEMENT; OR

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

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

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

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

1 IN ERROR.

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

14 **22-30.5-512. Institute charter schools - employee retirement**
15 **funds.** A LOCAL BOARD OF EDUCATION SHALL DETERMINE BY POLICY OR
16 BY NEGOTIATED AGREEMENT, IF ONE EXISTS, THE EMPLOYMENT STATUS OF
17 SCHOOL DISTRICT EMPLOYEES EMPLOYED BY AN INSTITUTE CHARTER
18 SCHOOL WHO SEEK TO RETURN TO EMPLOYMENT WITH PUBLIC SCHOOLS IN
19 THE SCHOOL DISTRICT. EMPLOYEES OF AN INSTITUTE CHARTER SCHOOL
20 SHALL BE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
21 ASSOCIATION. THE INSTITUTE CHARTER SCHOOL AND THE EMPLOYEE
22 SHALL CONTRIBUTE THE APPROPRIATE RESPECTIVE AMOUNTS AS REQUIRED
23 BY THE FUNDS OF SUCH ASSOCIATION.

24 **22-30.5-513. Institute charter schools - district charter schools**
25 **- funding.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
26 OTHERWISE REQUIRES:

27 (a) "ACCOUNTING DISTRICT" MEANS THE SCHOOL DISTRICT WITHIN

1 WHOSE GEOGRAPHIC BOUNDARIES AN INSTITUTE CHARTER SCHOOL IS
2 PHYSICALLY LOCATED.

3 (b) "ADJUSTED DISTRICT PER PUPIL REVENUES" MEANS THE
4 ACCOUNTING DISTRICT'S PER PUPIL FUNDING PLUS THE ACCOUNTING
5 DISTRICT'S AT-RISK PER PUPIL FUNDING.

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

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

14 [REDACTED]

15 (e) "DISTRICT AT-RISK FUNDING" MEANS THE AMOUNT OF FUNDING
16 DETERMINED IN ACCORDANCE WITH THE FORMULAS DESCRIBED IN SECTION
17 22-54-104 (4).

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

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

26 (g) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL
27 AUTHORIZED ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION BY A

1 SCHOOL DISTRICT THAT HAS RETAINED EXCLUSIVE AUTHORITY TO
2 AUTHORIZE CHARTER SCHOOLS PURSUANT TO THE PROVISIONS OF SECTION
3 22-30.5-504.

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

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

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

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

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

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

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

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

27 (II) HAS MORE THAN FORTY PERCENT OF ITS PUPIL ENROLLMENT

1 CONSISTING OF AT-RISK PUPILS.

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

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

25 (c) EACH INSTITUTE CHARTER SCHOOL SHALL PAY AN AMOUNT
26 EQUAL TO THE PER PUPIL COST INCURRED BY THE INSTITUTE IN PROVIDING
27 FEDERALLY REQUIRED EDUCATIONAL SERVICES, MULTIPLIED BY THE

1 NUMBER OF STUDENTS ENROLLED IN THE INSTITUTE CHARTER SCHOOL. AT
2 EITHER PARTY'S REQUEST, THE INSTITUTE CHARTER SCHOOL AND THE
3 INSTITUTE MAY NEGOTIATE AND INCLUDE IN THE CHARTER CONTRACT
4 ALTERNATE ARRANGEMENTS FOR THE PROVISION OF AND PAYMENT FOR
5 FEDERALLY REQUIRED EDUCATIONAL SERVICES, INCLUDING, BUT NOT
6 NECESSARY LIMITED TO, A REASONABLE RESERVE NOT TO EXCEED FIVE
7 PERCENT OF THE INSTITUTE'S TOTAL BUDGET FOR PROVIDING FEDERALLY
8 REQUIRED EDUCATIONAL SERVICES. THE RESERVE SHALL ONLY BE USED
9 BY THE INSTITUTE TO OFFSET EXCESS COSTS OF PROVIDING SERVICES TO
10 STUDENTS WITH DISABILITIES ENROLLED IN ANY INSTITUTE CHARTER
11 SCHOOL.

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

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

1 RECONCILED AND PAID TO THE OWED PARTY.

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

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

24 (4) (a) FOR EACH INSTITUTE CHARTER SCHOOL, THE DEPARTMENT
25 SHALL WITHHOLD FROM THE STATE EQUALIZATION PAYMENTS OF THE
26 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT AN AMOUNT EQUAL
27 TO ONE HUNDRED PERCENT OF THE ADJUSTED PER PUPIL REVENUES

1 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE INSTITUTE
2 CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS AN AMOUNT EQUAL
3 TO ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING
4 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE
5 INSTITUTE CHARTER SCHOOL. THE DEPARTMENT SHALL FORWARD TO THE
6 INSTITUTE THE AMOUNT WITHHELD MINUS AN AMOUNT NOT TO EXCEED
7 TWO PERCENT OF THE AMOUNT WITHHELD THAT MAY BE RETAINED BY THE
8 DEPARTMENT AS REIMBURSEMENT FOR THE REASONABLE AND NECESSARY
9 COSTS TO THE DEPARTMENT TO IMPLEMENT THE PROVISIONS OF THIS PART

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

20 (b) AS PART OF THE INSTITUTE CHARTER SCHOOL CONTRACT, THE
21 INSTITUTE CHARTER SCHOOL AND THE INSTITUTE BOARD SHALL AGREE ON
22 THE SERVICES, OTHER THAN NECESSARY ADMINISTRATION, OVERSIGHT,
23 AND MANAGEMENT SERVICES, TO BE PROVIDED TO THE INSTITUTE CHARTER
24 SCHOOL BY ANY THIRD PARTY WITH WHICH THE INSTITUTE OR INSTITUTE
25 CHARTER SCHOOL CONTRACTS AND THE COSTS OF THE SERVICES.

26 (c) FOR BUDGET YEARS 2004-05 THROUGH 2010-11, THE AMOUNT
27 OF FUNDING SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (4) SHALL

1 REFLECT THE ONE-PERCENT INCREASE IN THE STATEWIDE BASE PER PUPIL
2 FUNDING FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11 RECEIVED
3 BY SCHOOL DISTRICTS ██████ AS REQUIRED BY SECTION 17 OF ARTICLE IX
4 OF THE STATE CONSTITUTION.

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

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

23 (b) MONEYS RECEIVED BY AN INSTITUTE CHARTER SCHOOL FROM
24 ANY SOURCE AND REMAINING IN THE INSTITUTE CHARTER SCHOOL'S
25 ACCOUNTS AT THE END OF A BUDGET YEAR SHALL REMAIN IN THE
26 INSTITUTE CHARTER SCHOOL'S ACCOUNTS FOR USE BY THE INSTITUTE
27 CHARTER SCHOOL DURING SUBSEQUENT BUDGET YEARS AND SHALL NOT

1 REVERT TO THE STATE. MONEYS REMAINING IN THE INSTITUTE CHARTER
2 SCHOOL'S ACCOUNTS UPON REVOCATION OR NONRENEWAL OF THE
3 CHARTER CONTRACT SHALL REVERT TO THE INSTITUTE; EXCEPT THAT ANY
4 GIFTS SHALL BE DISPOSED OF IN ACCORDANCE WITH ANY CONDITIONS
5 PRESCRIBED BY THE DONOR THAT ARE NOT CONTRARY TO LAW.

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

21 (b) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR,
22 EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH DISTRICT CHARTER
23 SCHOOL AUTHORIZED BY THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING
24 OF ALL ITS CENTRAL ADMINISTRATIVE OVERHEAD COSTS. ■ THE ACTUAL
25 CENTRAL ADMINISTRATIVE OVERHEAD COSTS ■ SHALL BE THE AMOUNT
26 CHARGED TO THE DISTRICT CHARTER SCHOOL. ANY DIFFERENCE, WITHIN
27 THE LIMITATIONS OF THIS SUBSECTION (7), BETWEEN THE AMOUNT

1 INITIALLY CHARGED TO THE DISTRICT CHARTER SCHOOL AND THE ACTUAL
2 COST SHALL BE RECONCILED AND PAID TO THE OWED PARTY.

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

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

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

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

23 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
24 SUBSECTION (7) TO THE CONTRARY, IF THE AUTHORIZING SCHOOL DISTRICT
25 ENROLLS FIVE HUNDRED OR FEWER STUDENTS, THE DISTRICT CHARTER
26 SCHOOL SHALL RECEIVE FUNDING IN THE AMOUNT OF THE GREATER OF ONE
27 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR

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

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

22 (9) (a) FOR THE 2004-05 BUDGET YEAR, AND FOR EACH BUDGET
23 YEAR THEREAFTER, THE PROPORTIONATE SHARE OF MONEYS GENERATED
24 UNDER FEDERAL OR STATE CATEGORICAL AID PROGRAMS SHALL BE
25 DIRECTED TO INSTITUTE CHARTER SCHOOLS SERVING STUDENTS ELIGIBLE
26 FOR SUCH AID.

27 (b) EACH INSTITUTE CHARTER SCHOOL THAT RECEIVES FEDERAL OR

1 STATE CATEGORICAL AID SHALL COMPLY WITH ALL APPLICABLE FEDERAL
2 AND STATE REPORTING REQUIREMENTS TO RECEIVE SUCH AID.

3 **22-30.5-514. Institute charter school - capital reserve, risk**
4 **management, and instructional purposes.** (1) FOR THE 2004-05
5 BUDGET YEAR AND BUDGET YEARS THEREAFTER, EACH INSTITUTE CHARTER
6 SCHOOL SHALL ANNUALLY ALLOCATE THE MINIMUM PER PUPIL DOLLAR
7 AMOUNT SPECIFIED IN SECTION 22-54-105 (2) (b), MULTIPLIED BY THE
8 NUMBER OF STUDENTS ENROLLED IN THE INSTITUTE CHARTER SCHOOL WHO
9 ARE NOT ON-LINE PUPILS, TO A FUND CREATED BY THE INSTITUTE CHARTER
10 SCHOOL FOR CAPITAL RESERVE PURPOSES, AS SET FORTH IN SECTION
11 22-45-103 (1) (c) AND (1) (e), OR SOLELY FOR THE MANAGEMENT OF
12 RISK-RELATED ACTIVITIES, AS IDENTIFIED IN SECTION 24-10-115, C.R.S.,
13 AND ARTICLE 13 OF TITLE 29, C.R.S., OR AMONG SUCH ALLOWABLE FUNDS.
14 SAID MONEYS SHALL BE USED FOR THE PURPOSES SET FORTH IN SECTION
15 22-45-103 (1) (c) AND (1) (e) AND MAY NOT BE EXPENDED BY THE
16 INSTITUTE CHARTER SCHOOL FOR ANY OTHER PURPOSE.

17 (2) FOR THE 2004-05 BUDGET YEAR AND BUDGET YEARS
18 THEREAFTER, EACH INSTITUTE CHARTER SCHOOL SHALL ANNUALLY
19 ALLOCATE THE MINIMUM PER PUPIL DOLLAR AMOUNT SPECIFIED IN SECTION
20 22-54-105 (1) (b), MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED
21 IN THE INSTITUTE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS, TO
22 ACCOUNTS CREATED BY THE INSTITUTE CHARTER SCHOOL FOR
23 INSTRUCTIONAL SUPPLIES AND MATERIALS, INSTRUCTIONAL CAPITAL
24 OUTLAYS, OR OTHER INSTRUCTIONAL PURPOSES, AS SET FORTH IN SECTION
25 22-45-103 (1) (a) (II), OR AMONG SUCH ACCOUNTS. MONEYS MAY BE
26 TRANSFERRED AMONG THE THREE ACCOUNTS. THE MONEYS IN THE
27 ACCOUNTS SHALL BE USED FOR THE PURPOSES SET FORTH IN SECTION

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

9 **22-30.5-515. Institute charter school - additional aid.**

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

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

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

24 (3) THE DEPARTMENT SHALL PROVIDE FUNDING TO EACH
25 QUALIFIED CHARTER SCHOOL THAT IS AN INSTITUTE CHARTER SCHOOL BY
26 MAKING A SINGLE LUMP-SUM PAYMENT TO THE INSTITUTE [REDACTED] [REDACTED] AS
27 SOON AS POSSIBLE AFTER THE DEPARTMENT RECEIVES A LUMP-SUM

1 PAYMENT OF STATE EDUCATION FUND MONEYS PURSUANT TO SECTION
2 22-54-124. THE INSTITUTE SHALL PROMPTLY REMIT THE APPROPRIATE
3 AMOUNT TO EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AND SHALL NOT
4 WITHHOLD ANY PORTION OF THE AMOUNT.

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

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

11 **22-2-107. State board - powers.** (1) The state board has the
12 power:

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

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

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

24 **22-2-117. Additional power - state board - waiver of**
25 **requirements - rules.** (6) NOTWITHSTANDING ANY PROVISION OF THIS
26 SECTION TO THE CONTRARY, A SCHOOL DISTRICT THAT HAS BEEN GRANTED
27 BY THE STATE BOARD EXCLUSIVE AUTHORITY TO CHARTER SCHOOLS

1 WITHIN ITS GEOGRAPHIC BOUNDARIES PURSUANT TO SECTION 22-30.5-504
2 SHALL NOT BE REQUIRED TO DEMONSTRATE THAT IT HAS OBTAINED THE
3 CONSENT OF A MAJORITY OF THE APPROPRIATE ACCOUNTABILITY
4 COMMITTEE, A MAJORITY OF THE AFFECTED LICENSED ADMINISTRATORS,
5 AND A MAJORITY OF THE TEACHERS OF THE AFFECTED SCHOOL OR DISTRICT
6 IN ORDER TO APPLY FOR A WAIVER OF ANY OF THE REQUIREMENTS IMPOSED
7 BY THIS TITLE OR BY RULE PROMULGATED BY THE STATE BOARD; EXCEPT
8 THAT SUCH CONSENT SHALL BE REQUIRED FOR AN APPLICATION FOR A
9 WAIVER FROM ANY PROVISIONS OF ARTICLE 9 OR ARTICLES 60.5 TO 64 OF
10 THIS TITLE.

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

15 **22-7-106. School advisory councils - creation - qualifications**
16 **- elections.** (1) (a) Except as provided in subsection (4) of this section,
17 there shall be a school advisory council at each public school in each
18 school district AND AT EACH INSTITUTE CHARTER SCHOOL CREATED
19 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE. A school advisory
20 council shall consist of seven members designated, appointed, or elected
21 as follows:

22 (b.5) IN THE CASE OF AN INSTITUTE CHARTER SCHOOL, NO MORE
23 THAN THREE MEMBERS OF A SCHOOL ADVISORY COUNCIL SHALL BE
24 EMPLOYED BY OR RELATIVES OF AN EMPLOYEE OF THE INSTITUTE CHARTER
25 SCHOOL. IF AN ELECTION WOULD RESULT IN MORE THAN THREE SCHOOL
26 EMPLOYEES OR PERSONS RELATED TO SCHOOL EMPLOYEES SERVING ON
27 THE COUNCIL, ONLY THE NUMBER OF CANDIDATES WHO RECEIVE THE

1 HIGHEST NUMBER OF VOTES THAT WILL RESULT IN THREE SCHOOL
2 EMPLOYEES OR PERSONS RELATED TO SCHOOL EMPLOYEES SERVING ON
3 THE COUNCIL SHALL BECOME MEMBERS OF THE COUNCIL AND OTHER
4 EMPLOYEES OR PERSONS RELATED TO EMPLOYEES SHALL BE DISQUALIFIED.

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

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

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

25 **22-7-409. Assessments - repeal.** (1.1) (a) Upon request by a
26 school district OR INSTITUTE CHARTER SCHOOL, the entity responsible for
27 developing a statewide assessment shall return to the school district OR

1 INSTITUTE CHARTER SCHOOL the student responses to the essay and
2 appropriate paragraphs from the writing portion of the statewide
3 assessment, along with the results of all requested assessments. The
4 school district OR INSTITUTE CHARTER SCHOOL making the request shall
5 pay the entity for the actual cost of photocopying and mailing the writing
6 portion of the statewide assessment for the exclusive and confidential use
7 of improving an individual student's writing skills.

8 (1.2) (a) (II) The department shall make available to school
9 districts AND INSTITUTE CHARTER SCHOOLS the assessment data of
10 individual students required to measure academic progress over time.
11 The state board shall ensure that the assessments administered pursuant
12 to subsection (1) of this section shall be a combination of constructed
13 response and selected response tasks that require the student to produce
14 information or perform tasks in a way that the student's skills and
15 competencies can be measured.

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

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

25 **22-7-506. Read-to-achieve grant program - board created -**
26 **fund - repeal.** (1) There is hereby created in the department of
27 education the read-to-achieve grant program, referred to in this section as

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

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

11 **22-7-605. School accountability reports - format.** (2) (b) Each
12 public school and school district, AND THE STATE CHARTER SCHOOL
13 INSTITUTE shall report accurately any data required to produce a school
14 accountability report for each public school, using whenever possible the
15 state data reporting system described in section 22-7-603. The state
16 board shall seek to minimize and eliminate the duplication of data
17 reporting required under this section and that required by other state or
18 federal statutes or rules so that school districts, INSTITUTE CHARTER
19 SCHOOLS, AND THE STATE CHARTER SCHOOL INSTITUTE may satisfy
20 multiple reporting requirements within a single reporting framework. The
21 state board in particular shall note the data collection and reporting
22 already required and conducted by the department, public schools, and
23 school districts in sections 22-2-112, 22-7-105, 22-11-104, 22-11-201,
24 22-30.5-110, 22-32-109, 22-32-110, 22-33-105, 22-44-105, 22-44-111,
25 and 22-54-112.

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

1 **22-7-609. School improvement plans.** (2) (a) The state board
2 shall notify a local board of education ~~what~~ AS TO WHICH school, if any,
3 in its district will receive an academic performance rating of
4 "unsatisfactory", pursuant to section 22-7-604 (5), on the school
5 accountability report being prepared for that academic year. The state
6 board shall notify the local board of education that it must submit a
7 school improvement plan pursuant to this section.

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

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

20 **22-7-609. School improvement plans.** (3) (a.5) WITHIN NINETY
21 DAYS AFTER RECEIVING THE NOTIFICATION FROM THE STATE BOARD AS
22 PROVIDED IN SUBSECTION (2) OF THIS SECTION, THE STATE CHARTER
23 SCHOOL INSTITUTE SHALL SUBMIT TO THE STATE BOARD A SCHOOL
24 IMPROVEMENT PLAN. THE PLAN SHALL BE ADOPTED BY THE STATE
25 CHARTER SCHOOL INSTITUTE AFTER A PUBLIC HEARING ON THE PROPOSED
26 PLAN.

27 (c.5) THE DEPARTMENT SHALL RETURN TO THE STATE CHARTER

1 SCHOOL INSTITUTE COMMENTS AND SUGGESTIONS ON ANY PLAN
2 SUBMITTED WITH RESPECT TO AN INSTITUTE CHARTER SCHOOL. THE
3 COMMENTS AND SUGGESTIONS OF THE DEPARTMENT SHALL BE ADVISORY.
4 IF THE STATE CHARTER SCHOOL INSTITUTE ADOPTS ANY OF THE
5 SUGGESTIONS AND COMMENTS, THE STATE CHARTER SCHOOL INSTITUTE
6 SHALL SUBMIT TO THE STATE BOARD AN AMENDED SCHOOL IMPROVEMENT
7 PLAN ADOPTED BY THE STATE CHARTER SCHOOL INSTITUTE AFTER A PUBLIC
8 HEARING ON THE PROPOSED AMENDED PLAN.

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

11 **22-7-609.6. School improvement - appropriations.** On and
12 after July 1, 2003, the general assembly may appropriate such moneys as
13 are available to assist school districts AND THE STATE CHARTER SCHOOL
14 INSTITUTE in improving the academic improvement of schools that
15 received an academic improvement rating of "unsatisfactory". In
16 addition, the department of education may allocate any moneys received
17 pursuant to the federal "No Child Left Behind Act of 2001", Public Law
18 107-110, for such purpose.

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

21 **22-7-705. Teacher development grant program - application.**

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

27 **SECTION 13.** 22-11-102 (3), Colorado Revised Statutes, is

1 amended to read:

2 **22-11-102. Legislative declaration.** (3) The general assembly
3 recognizes that under the state constitution the state board of education
4 is vested with the power to provide general supervision over the public
5 schools of the state, and the local boards of education have the power to
6 control instruction in the public schools of ~~the state~~ THEIR RESPECTIVE
7 SCHOOL DISTRICTS. Consistent with these powers, the general assembly
8 recommends that the state board of education encourage and promote the
9 adoption of teaching methods and environments in the public schools of
10 the state that will enhance the reading skills of the children in such
11 schools. To that end, the general assembly finds and declares that the use
12 of recognized instructional strategies, including phonics, and emphasis on
13 reading, writing, and mathematics will enhance the basic skills of the
14 children in the public schools of the state.

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

18 **22-11-103. Definitions.** As used in this article, unless the context
19 otherwise requires:

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

1 ACCORDING TO THE ACCREDITATION INDICATORS.

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

6 (6.3) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL
7 THAT ENTERS INTO A CONTRACT WITH THE STATE CHARTER SCHOOL
8 INSTITUTE PURSUANT TO THE PROVISIONS OF PART 5 OF ARTICLE 30.5 OF
9 THIS TITLE.

10 (6.7) "PUBLIC SCHOOL" INCLUDES A [REDACTED] PUBLIC SCHOOL AS
11 DEFINED IN SECTION 22-1-101, A CHARTER SCHOOL, AND AN INSTITUTE
12 CHARTER SCHOOL.

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

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

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

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

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

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

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

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

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

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

26 (5) **Student performance.** The accreditation contract shall bind
27 the school board to improve each public school's performance, AND

1 SHALL BIND THE STATE CHARTER SCHOOL INSTITUTE TO IMPROVE EACH
2 INSTITUTE CHARTER SCHOOL'S PERFORMANCE, relating to the following:

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

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

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

14 **22-11-203. Monitoring of accreditation contracts.** (2) The
15 department shall provide technical assistance to THE STATE CHARTER
16 SCHOOL INSTITUTE OR TO any school district of the state that requests such
17 assistance in order to improve its performance on the accreditation
18 indicators.

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

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

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

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

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

27 (b) The department shall provide technical assistance to THE

1 STATE CHARTER SCHOOL INSTITUTE OR a school district that is on
2 probationary status upon the request of the INSTITUTE OR school district.

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

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

17 **22-11-301. Colorado school awards program - created - rules.**
18 (2) For purposes of this part 3, "public school" means a public school of
19 a school district in this state OR AN INSTITUTE CHARTER SCHOOL.

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

22 **22-11-303. Colorado school awards program - distribution of**
23 **award.** (2) Any moneys made available to a public school OF A SCHOOL
24 DISTRICT in the form of an award pursuant to the provisions of this part
25 3 shall not supplant moneys made available to such public school from
26 funding received by the school district pursuant to article 54 of this title
27 or pursuant to the taxing authority of the school district. ANY MONEYS

1 MADE AVAILABLE TO AN INSTITUTE CHARTER SCHOOL IN THE FORM OF AN
2 AWARD PURSUANT TO THE PROVISIONS OF THIS PART 3 SHALL NOT
3 SUPPLANT MONEYS PAYABLE TO THE INSTITUTE CHARTER SCHOOL
4 PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE.

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

9 **22-20-103. Definitions.** As used in this article, unless the context
10 otherwise requires:

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

15 (2.5) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL
16 AUTHORIZED BY A SCHOOL DISTRICT PURSUANT TO PART 1 OF ARTICLE 30.5
17 OF THIS TITLE.

18 (5.5) "Least restrictive environment" means programs used to
19 educate a child with a disability using the delivery system most
20 appropriately meeting the needs of the child, and, to the extent possible,
21 as determined by the local board of education OR THE STATE CHARTER
22 SCHOOL INSTITUTE, subject to the appeals procedures outlined in section
23 22-20-108 (3), the term means an environment in which a child with a
24 disability is educated with children without disabilities, unless the nature
25 or severity of the disability is such that education in regular classes with
26 the use of supplementary aids and services cannot be achieved
27 satisfactorily, or, when provided with supplementary aids and services,

1 the nature or severity of the disability is so disruptive that the education
2 of other children in such classes would be significantly impaired.

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

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

8 **22-20-104. Administration.** (1) This article shall be
9 administered by the department. Administration of this article shall
10 include the recommendation to the state board of reasonable criteria,
11 rules, and regulations; recommended minimum standards for facilities,
12 materials, equipment, and personnel; and recommended assessment
13 criteria for identifying exceptional children, their level of disability or
14 exception, and the special services needed. The state board shall adopt
15 appropriate recommendations following public hearings in several
16 locations throughout the state with respect to the suggested criteria, rules,
17 regulations, and standards. Recommendations adopted by the state board
18 shall be in accord with the legislative declaration set forth in section
19 22-20-102. Any school district ~~which~~ OR THE STATE CHARTER SCHOOL
20 INSTITUTE THAT provides plans, programs, or services which do not
21 reasonably satisfy the criteria, rules, regulations, and standards
22 recommended by the state board will be provided by the department of
23 education with a detailed analysis of any discrepancies noted along with
24 specific recommendations for their correction. Funding will be provided
25 or continued for a reasonable period of time, as determined by the
26 department, to allow the ~~local~~ SCHOOL district OR THE STATE CHARTER
27 SCHOOL INSTITUTE opportunity to satisfy the recommended criteria, rules,

1 regulations, and standards, or to establish a claim for variance based upon
2 conditions indigenous to a local SCHOOL district OR UNIQUE TO THE STATE
3 CHARTER SCHOOL INSTITUTE.

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

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

12 **22-20-106. Special educational programs.** (1) By September
13 1, 1973, every school district in the state shall be either an administrative
14 unit in itself or in a board of cooperative services which shall be
15 designated as an administrative unit. THE STATE CHARTER SCHOOL
16 INSTITUTE SHALL BE AN ADMINISTRATIVE UNIT FOR THE PURPOSE OF
17 DELIVERING SPECIAL EDUCATION SERVICES TO ALL INSTITUTE CHARTER
18 SCHOOLS AND SHALL MEET THE CRITERIA ESTABLISHED BY THE STATE
19 BOARD GOVERNING THE DUTIES AND RESPONSIBILITIES OF THE DIRECTOR
20 OF SPECIAL EDUCATION. An administrative unit shall ALSO be a school
21 district or board of cooperative services ~~which~~ THAT meets criteria
22 established by the state board governing the duties and responsibilities of
23 the director of special education and is either a board of cooperative
24 services ~~which~~ THAT conducts special educational programs for all school
25 districts ~~which~~ THAT are members of the board of cooperative services or
26 is a school district ~~which~~ THAT meets criteria of geographic size, location,
27 and number of pupils established by the state board to achieve maximum

1 efficiency in administering programs of special education. Although the
2 state board shall define the qualifications and the general duties and
3 responsibilities of directors of special education, such directors shall be
4 regarded for all purposes as employees of their local administrative units
5 and subject to the administrative direction of such units.

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

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

1 administrative units, and school districts, AND THE STATE CHARTER
2 SCHOOL INSTITUTE. SPECIAL EDUCATION SERVICES MAY BE PROVIDED BY
3 THE STATE CHARTER SCHOOL INSTITUTE THROUGH CONTRACTS WITH
4 SCHOOL DISTRICTS OR BOARDS OF COOPERATIVE SERVICES.

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

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

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

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

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

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

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

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

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

1 (4.7) (b) To enable a parent to make informed decisions
2 concerning which educational options are best suited to the parent's child,
3 all of the educational options provided by the school district OR THE
4 STATE CHARTER SCHOOL INSTITUTE and available to the child at the time
5 the child's individual educational program is prepared shall be explained
6 to the parent.

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

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

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

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

1 agency under which the facility or program in which the child is being
2 placed is operated shall make the final determination of the placement.

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

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

23 **SECTION 26.** 22-20-109 (5), Colorado Revised Statutes, is
24 amended to read:

25 **22-20-109. Tuition.** (5) When a child with a disability enrolls in
26 and attends a DISTRICT charter school pursuant to the provisions of part
27 1 of article 30.5 of this title, the district of residence shall be responsible

1 for paying to the DISTRICT charter school the tuition charge for the excess
2 costs incurred in educating the child. The amount of the tuition charge
3 shall be determined pursuant to guidelines developed by the department.
4 Under the circumstances described in this subsection (5), the provisions
5 of section 22-20-108 (8) shall not apply.

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

8 **22-20-114. Funding of programs.** (1) (b.7) (II) For the 1997-98
9 budget year and budget years thereafter, any increase in the appropriation
10 made to the department over the amount distributed in accordance with
11 subparagraph (I) of this paragraph (b.7) shall be distributed to a school
12 district OR THE STATE CHARTER SCHOOL INSTITUTE in proportion to the
13 number of children with disabilities residing in ~~such~~ THE district OR THE
14 NUMBER OF CHILDREN WITH DISABILITIES ENROLLED IN INSTITUTE
15 CHARTER SCHOOLS, divided by the total number of children with
16 disabilities in the state. The increase in the appropriation to be
17 distributed to school districts AND THE STATE CHARTER SCHOOL INSTITUTE
18 pursuant to this paragraph (b.7) shall be distributed as soon as practicable
19 after the beginning of the fiscal year. For purposes of this paragraph
20 (b.7), the number of children with disabilities shall be based upon the
21 count taken in December of the immediately preceding budget year.

22 (2) Payments made under the provisions of this article shall in no
23 way affect the amount of other state aid for which a school district OR AN
24 INSTITUTE CHARTER SCHOOL may qualify.

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

27 **22-20-116. Minimum standards for educational interpreters**

1 **for the deaf in the public schools - committee to recommend standards**
2 **- rules.** (6) After review and study of the recommendations of the
3 interpreter standards committee, the state board, on or before July 1,
4 1998, shall promulgate rules setting minimum standards for educational
5 interpreters for the deaf employed by or in the public schools in this state.
6 The state board may revise and amend such minimum standards as it
7 deems necessary. The state board shall promulgate rules that set forth the
8 documentation that a person seeking employment as an educational
9 interpreter for the deaf in a public school must submit to the EMPLOYING
10 school district OR TO THE STATE CHARTER SCHOOL INSTITUTE.

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

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

20 **22-24-102. Legislative declaration.** The general assembly
21 hereby finds, determines, and declares that there are substantial numbers
22 of students in this state whose educational potential is severely restricted
23 because a language other than English is their primary means of
24 communication. The general assembly recognizes the need to provide for
25 transitional programs to improve the English language skills of these
26 students. The general assembly declares that, in order to improve
27 educational and career opportunities for every student in this state, it is

1 the purpose of this article to provide for the establishment of an English
2 language proficiency program in the public schools and to provide for the
3 distribution of moneys to the several school districts AND THE STATE
4 CHARTER SCHOOL INSTITUTE to help defray the costs of such program.

5 **SECTION 30.** 22-24-103 (3) and the introductory portion to
6 22-24-103 (4), Colorado Revised Statutes, are amended, and the said
7 22-24-103 is further amended BY THE ADDITION OF A NEW
8 SUBSECTION, to read:

9 **22-24-103. Definitions.** As used in this article, unless the context
10 otherwise requires:

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

14 (3.5) "STATE CHARTER SCHOOL INSTITUTE" MEANS THE STATE
15 CHARTER SCHOOL INSTITUTE CREATED PURSUANT TO PART 5 OF ARTICLE
16 30.5 OF THIS TITLE.

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

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

26 **22-24-104. English language proficiency program established**
27 **- funding.** (1) There is hereby established an English language

1 proficiency program for students in kindergarten and grades one through
2 twelve whose dominant language is not English.

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

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

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

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

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

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

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

26 (5) Each district AND THE STATE CHARTER SCHOOL INSTITUTE shall
27 provide the programs for district AND INSTITUTE CHARTER SCHOOL

1 students whose dominant language is not English; except that districts
2 AND THE STATE CHARTER SCHOOL INSTITUTE may cooperate in carrying
3 out the provisions of this article.

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

12 **SECTION 32.** The introductory portion to 22-24-105 (1) and
13 22-24-105 (1) (b) (II), (1) (c), and (2), Colorado Revised Statutes, are
14 amended to read:

15 **22-24-105. District - powers and duties - repeal.** (1) It is the
16 duty of each district AND THE STATE CHARTER SCHOOL INSTITUTE to:

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

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

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

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

10 **22-24-106. Department - powers and duties - advisory**
11 **commission - repeal.** (1) It is the duty of the department to:

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

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

18 (c) Audit the identification and testing procedures used by the
19 districts AND THE STATE CHARTER SCHOOL INSTITUTE and evaluate the
20 effectiveness of the programs conducted by districts AND THE STATE
21 CHARTER SCHOOL INSTITUTE;

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

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

27 **22-30.5-112. Charter schools - financing - guidelines - repeal.**

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

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

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

24 **22-30.5-113. Charter schools - evaluation - report.** (1) The
25 state board shall compile evaluations of charter schools received from
26 local boards of education. THE STATE BOARD SHALL ALSO COMPILE
27 RELEVANT INFORMATION RECEIVED FROM THE STATE CHARTER SCHOOL

1 INSTITUTE INVOLVING INSTITUTE CHARTER SCHOOLS AUTHORIZED
2 PURSUANT TO PART 5 OF THIS ARTICLE. The state board shall review
3 information regarding the regulations and policies from which charter
4 schools AND INSTITUTE CHARTER SCHOOLS were released pursuant to
5 section 22-30.5-105 AND SECTION 22-30.5-508, RESPECTIVELY, to
6 determine if the releases assisted or impeded the charter schools AND
7 INSTITUTE CHARTER SCHOOLS in meeting their stated goals and objectives.

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

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

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

1 ~~paragraph (c)~~ SUBPARAGRAPH (I) shall be credited to the charter school
2 financing administrative cash fund, which fund is hereby created.
3 Moneys in the fund shall be continuously appropriated to the state
4 treasurer for the direct and indirect costs of the administration of this
5 section. Moneys in the charter school financing administrative cash fund
6 shall remain in the fund and shall not revert to the general fund at the end
7 of any fiscal year.

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

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

25 **22-30.5-407. Charter school debt state reserve fund - creation**
26 **- use of fund moneys - legislative declaration.** (7) A qualified charter
27 school that chooses to finance capital construction with revenues from

1 bonds issued on behalf of the qualified charter school by the Colorado
2 educational and cultural facilities authority created in section 23-15-104
3 (1) (a), C.R.S., shall request that the state treasurer make direct payments
4 of principal and interest on the bonds on behalf of the qualified charter
5 school in accordance with section 22-30.5-406 (1). If the state treasurer
6 does not agree to make direct payments AND THE QUALIFIED CHARTER
7 SCHOOL IS A DISTRICT CHARTER SCHOOL, the qualified charter school shall
8 request that its chartering district make direct payments in accordance
9 with section 22-30.5-406 (2). IF THE STATE TREASURER DOES NOT AGREE
10 TO MAKE DIRECT PAYMENTS AND THE QUALIFIED CHARTER SCHOOL IS AN
11 INSTITUTE CHARTER SCHOOL, THE QUALIFIED CHARTER SCHOOL SHALL
12 REQUEST THAT THE STATE CHARTER SCHOOL INSTITUTE MAKE DIRECT
13 PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS ON BEHALF OF THE
14 INSTITUTE CHARTER SCHOOL.

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

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

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

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

3 **22-32-124. Building codes - zoning - planning.** (1.5) (a) Prior
4 to contracting for a facility, a charter school shall advise in writing the
5 planning commission, or governing body if no planning commission
6 exists, which has jurisdiction over the territory in which the site is
7 proposed to be located. The relevant planning commission or governing
8 body may request the charter school to submit a site development plan for
9 the proposed facility, but must issue such request, if any, within ten days
10 after receiving the written advisement. If requested by the relevant
11 planning commission or governing body, the charter school, acting on
12 behalf of its sponsoring school board, shall submit such a site
13 development plan. The relevant planning commission or governing body
14 may review and comment on such plan to the governing body of the
15 charter school, but must do so, if at all, within thirty days after receiving
16 such plan. The relevant planning commission or governing body, if not
17 satisfied with the response to such comments, may request a hearing
18 before the board of education regarding such plan. Such hearing shall be
19 held, if at all, within thirty days after the request of the relevant planning
20 commission or governing body. The charter school then may proceed
21 with its site development plan unless prohibited from doing so by school
22 board resolution.

23 (b) AN INSTITUTE CHARTER SCHOOL AUTHORIZED PURSUANT TO
24 PART 5 OF ARTICLE 30.5 OF THIS TITLE SHALL PROCEED PURSUANT TO THE
25 PROVISIONS OF THIS SUBSECTION (1.5). NOTWITHSTANDING THE
26 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1.5) TO THE
27 CONTRARY, THE RELEVANT PLANNING COMMISSION OR GOVERNING BODY

1 MAY REQUEST A HEARING BEFORE THE STATE BOARD OF EDUCATION. THE
2 INSTITUTE CHARTER SCHOOL THEN MAY PROCEED WITH ITS SITE
3 DEVELOPMENT PLAN UNLESS PROHIBITED FROM DOING SO BY THE STATE
4 BOARD OF EDUCATION.

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

7 **22-33-105. Suspension, expulsion, and denial of admission.**

8 (7) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 1 TO THE
9 CONTRARY:

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

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

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

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

1 AND INSTITUTE CHARTER SCHOOLS be subject to the expenditure and
2 maximum levy provisions of this article. Accordingly, the provisions of
3 this article concerning the financing of public schools for budget years
4 beginning on and after July 1, 1994, shall apply to all school districts AND
5 INSTITUTE CHARTER SCHOOLS organized under the laws of this state.

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

10 **22-54-103. Definitions - repeal.** As used in this article, unless
11 the context otherwise requires:

12 (1.3) "ACCOUNTING DISTRICT" MEANS THE SCHOOL DISTRICT
13 WITHIN WHOSE GEOGRAPHIC BOUNDARIES AN INSTITUTE CHARTER SCHOOL
14 IS PHYSICALLY LOCATED.

15 (7) "Funded pupil count" means:

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

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

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

25 (C) The average of the district's pupil enrollment for the
26 applicable budget year and the district's pupil enrollment for the two
27 immediately preceding budget years; or

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

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

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

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

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

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

27 (7.5) "INSTITUTE CHARTER SCHOOL" MEANS A CHARTER SCHOOL

1 THAT ENTERS INTO A CHARTER CONTRACT WITH THE STATE CHARTER
2 SCHOOL INSTITUTE PURSUANT TO THE PROVISIONS OF PART 5 OF ARTICLE
3 30.5 OF THIS TITLE.

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

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

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

26 **22-54-104. District total program.** (1) (a) For every budget
27 year, the provisions of this section shall be used to calculate for each

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

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

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

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

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

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

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

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

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

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

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

25 (b) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
26 DISTRICT.

27 **SECTION 45.** 22-54-112 (2), Colorado Revised Statutes, is

1 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

2 **22-54-112. Reports to the state board.** (2) (c) ON OR BEFORE
3 NOVEMBER 10 OF EACH YEAR, THE SECRETARY OF THE STATE CHARTER
4 SCHOOL INSTITUTE BOARD SHALL CERTIFY TO THE STATE BOARD THE PUPIL
5 ENROLLMENT AND THE ON-LINE PUPIL ENROLLMENT OF EACH INSTITUTE
6 CHARTER SCHOOL TAKEN IN THE PRECEDING OCTOBER.

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

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

1 SCHOOLS.

2 (2) No later than thirty days prior to the beginning of the budget
3 year, the department of education shall determine the estimated
4 requirements in order to provide each district AND EACH INSTITUTE
5 CHARTER SCHOOL the amount it is eligible to receive from the state during
6 the next ensuing fiscal year of the state. The appropriation by the general
7 assembly shall be based on the requirements necessary to provide all
8 districts AND INSTITUTE CHARTER SCHOOLS with the amounts they are
9 each eligible to receive from the state, pursuant to the provisions of this
10 part 1, during the next ensuing fiscal year of the state.

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

24 (4) For the 1997-98 fiscal year and fiscal years thereafter, the net
25 amount recovered by the department during the applicable fiscal year,
26 pursuant to school district AND INSTITUTE CHARTER SCHOOL audits, as
27 overpayments made to school districts AND INSTITUTE CHARTER SCHOOLS

1 that would otherwise be transmitted to the state treasurer for deposit in
2 the general fund shall instead be transmitted to the state treasurer for
3 deposit in the state public school fund. Such amount shall be available
4 for appropriation to the department in subsequent fiscal years.

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

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

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

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

20 AND

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

23 (1.3) (a) IN DETERMINING THE STATE'S SHARE OF EACH DISTRICT'S
24 TOTAL PROGRAM, THE STATE BOARD SHALL DETERMINE WHETHER THE
25 DISTRICT IS AN ACCOUNTING DISTRICT OF AN INSTITUTE CHARTER SCHOOL.
26 IF A DISTRICT IS AN ACCOUNTING DISTRICT OF AN INSTITUTE CHARTER
27 SCHOOL, THE STATE BOARD SHALL INSTRUCT THE DEPARTMENT OF

1 EDUCATION TO WITHHOLD FROM THE AMOUNT OF THE STATE SHARE
2 OTHERWISE PAYABLE TO THE DISTRICT AN AMOUNT EQUAL TO THE LESSER
3 OF:

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

10 (II) THE TOTAL AMOUNT OF THE STATE SHARE PAYABLE TO THE
11 DISTRICT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (2) (a) A district meeting the eligibility requirements of subsection
23 (1) of this section shall be eligible to receive aid for each small
24 attendance center as calculated by: Multiplying the pupil enrollment of
25 the small attendance center by an amount equal to thirty-five percent of
26 the difference between the district per pupil funding, as calculated
27 pursuant to section 22-54-104, and the district per pupil funding, as

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

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

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

1 the total amount of aid for all ELIGIBLE districts AND ELIGIBLE INSTITUTE
2 CHARTER SCHOOLS.

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

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

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

1 program.

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

4 **22-54-123.5. School breakfast program - appropriation -**
5 **low-performing schools.** (1) (a) For the 2002-03 budget year and each
6 budget year thereafter, the general assembly may appropriate by separate
7 line item an amount to assist school districts AND INSTITUTE CHARTER
8 SCHOOLS that are providing a school breakfast program through
9 participation in programs authorized under the "National School Lunch
10 Act", 42 U.S.C. sec. 1751 et seq., or the "Child Nutrition Act of 1966",
11 42 U.S.C. sec. 1771 et seq. The department shall develop procedures to
12 appropriately allocate and disburse the funds among participating school
13 districts AND INSTITUTE CHARTER SCHOOLS.

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

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

26 **SECTION 52.** 22-54-124 (1) (b), (1) (e), (2), (3) (a) (III), (3) (b),
27 and (4) and the introductory portion to 22-54-124 (6), Colorado Revised

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

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

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

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

18 (e) "Operating revenues" means the total amount of funding that
19 a DISTRICT charter school receives from a district for a budget year
20 pursuant to section 22-30.5-112 minus the amounts required by section
21 22-30.5-112 (2) (a.7) to be allocated for capital reserve purposes or the
22 management of risk-related activities. FOR PURPOSES OF AN INSTITUTE
23 CHARTER SCHOOL, "OPERATING REVENUES" MEANS THE TOTAL AMOUNT OF
24 FUNDING THAT THE INSTITUTE CHARTER SCHOOL RECEIVES FROM THE
25 STATE CHARTER SCHOOL INSTITUTE FOR A BUDGET YEAR PURSUANT TO
26 SECTION 22-30.5-513, MINUS THE AMOUNTS REQUIRED BY SECTION
27 22-30.5-514 (1), TO BE ALLOCATED FOR CAPITAL RESERVE PURPOSES OR

1 THE MANAGEMENT OF RISK-RELATED ACTIVITIES.

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

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

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

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

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

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

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

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

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

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

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

19 **22-55-106. Statewide base per pupil funding - increases.**

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

27 **SECTION 54.** Article 8 of title 23, Colorado Revised Statutes,

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

2 **23-8-101.5. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
3 CONTEXT OTHERWISE REQUIRES:

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

8 (2) "INSTITUTE CHARTER SCHOOL'S PER PUPIL OPERATING
9 REVENUES" MEANS THE AMOUNT RECEIVED BY AN INSTITUTE CHARTER
10 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-54-115 (1.3),
11 C.R.S., FOR ANY BUDGET YEAR, DIVIDED BY THE NUMBER OF PUPILS
12 ENROLLED IN THE INSTITUTE CHARTER SCHOOL FOR THAT BUDGET YEAR,
13 MINUS THE MINIMUM AMOUNT PER PUPIL REQUIRED BY SECTION
14 22-30.5-513, C.R.S., TO BE ALLOCATED FOR CAPITAL RESERVE OR RISK
15 MANAGEMENT PURPOSES.

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

18 **23-8-102. School districts and institute charter schools**
19 **conducting vocational education courses - eligibility for state funds.**

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

1 be computed as follows:

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

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

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

1 (I) The cost of providing the services of instructional personnel
2 for the time involved;

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

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

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

7 (V) Repealed.

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

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

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

1 INSTITUTE CHARTER SCHOOL.

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

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

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

17 (2) Any such course shall:

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

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

27 (3) In approving programs and vocational education program

1 support funds under this article, the board shall attempt to avoid
2 unnecessary duplication in either facilities or staffing for vocational
3 education in any school district, INSTITUTE CHARTER SCHOOL, or area of
4 this state; and, where feasible, sharing of facilities shall be required by
5 the board.

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

9 **23-15-103. Definitions.** As used in this article, unless the context
10 otherwise requires:

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

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

16 (IX) PROVIDES AN EDUCATIONAL PROGRAM PURSUANT TO A
17 CONTRACT WITH THE STATE CHARTER SCHOOL INSTITUTE IN ACCORDANCE
18 WITH APPLICABLE LAWS.

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

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

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

1 **24-50-135. Exemptions from personnel system.**

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

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

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

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

24 **SECTION 61. Effective date.** This act shall take effect July 1,
25 2004.

26 **SECTION 62. Safety clause.** The general assembly hereby

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