

**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. 04-0027.01 Julie Pelegrin

**HOUSE BILL 04-1141**

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**House Committees**

Education  
Appropriations

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**Senate Committees**

Education

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**A BILL FOR AN ACT**

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

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**Bill Summary**

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

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

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

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

HOUSE  
3rd Reading Unamended  
March 9, 2004

HOUSE  
Amended 2nd Reading  
March 8, 2004

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

With regard to the charter application contents:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Authorizes the state board to appoint an advisory committee to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (c) A STATE CHARTER SCHOOL SHALL BE A PUBLIC SCHOOL THAT  
26 IS NOT A SCHOOL OF A SCHOOL DISTRICT, BUT IS UNDER THE GENERAL  
27 SUPERVISION OF THE STATE BOARD AND IS ACCOUNTABLE TO THE STATE

1 BOARD FOR PURPOSES OF ENSURING COMPLIANCE WITH APPLICABLE LAWS  
2 AND CHARTER PROVISIONS AND THE REQUIREMENT OF SECTION 1 OF  
3 ARTICLE IX OF THE STATE CONSTITUTION.

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

17 (4) A charter school shall be administered and governed by a  
18 governing body in a manner agreed to by the charter school applicant and  
19 ~~the local board of education~~ ITS CHARTERING AUTHORITY. A charter  
20 school may organize as a nonprofit corporation pursuant to the "Colorado  
21 Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., which  
22 shall not affect its status as a public school for any purposes under  
23 Colorado law.

24 (4.5) (a) In order to clarify the status of charter schools for  
25 purposes of tax-exempt financing, a charter school, as a public school, is  
26 a governmental entity. Direct leases and financial obligations of a  
27 DISTRICT charter school shall not constitute debt or financial obligations

1 of the school district unless the school district specifically assumes such  
2 obligations. DIRECT LEASES AND FINANCIAL OBLIGATIONS OF A STATE  
3 CHARTER SCHOOL SHALL NOT CONSTITUTE DEBT OR FINANCIAL  
4 OBLIGATIONS OF THE STATE.

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

9 (5) Except as otherwise provided in sections 22-20-109,  
10 22-32-115, and 22-54-109, a charter school shall not charge tuition.

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

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

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

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

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

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

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

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

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

24 (9) All decisions regarding the planning, siting, and inspection of  
25 charter school facilities shall be made in accordance with section  
26 22-32-124 and as specified by contract with the ~~district~~ CHARTER  
27 SCHOOL'S CHARTERING AUTHORITY.

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

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

11 **22-30.5-105. Charter schools - contract contents - regulations**

12 **- repeal.** (1) An approved charter application shall serve as the basis for  
13 a contract between ~~the~~ A charter school and ~~the local board of education~~  
14 ITS CHARTERING AUTHORITY.

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

1 (b) (I) Any contract between ~~the~~ A charter school and ~~the local~~  
2 ~~board of education~~ ITS CHARTERING AUTHORITY approved on or after July  
3 1, 2001, but prior to July 1, 2010, shall include a statement specifying  
4 how the charter school intends to use the one-percent increase in the  
5 statewide base per pupil funding for state fiscal years 2001-02 through  
6 2010-11 required by section 17 of article IX of the state constitution to  
7 raise student achievement.

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

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

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

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

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

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

25 (B) Have the local board of education submit a ballot question for  
26 approval of a special mill levy to finance the capital construction needs  
27 of the DISTRICT charter school to the voters of the district pursuant to

1 section 22-30.5-405.

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

26 (4) A material revision of the terms of ~~the~~ A CHARTER contract  
27 may be made only with the approval of the ~~local board of education~~

1 CHARTERING AUTHORITY and the governing body of the charter school.

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

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

10 **22-30.5-106. Charter application - contents.** (1) The charter  
11 school application shall be a proposed agreement UPON WHICH THE  
12 CHARTER APPLICANT AND THE CHARTERING AUTHORITY NEGOTIATE A  
13 CHARTER CONTRACT, and, AT A MINIMUM, shall include:

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

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

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

23 (d) Repealed.

24 (e) A description of the charter school's RESEARCH-BASED  
25 educational program THAT HAS BEEN PROVEN TO BE EFFECTIVE, pupil  
26 performance standards, MEASURABLE ANNUAL ACHIEVEMENT GOALS THAT  
27 ARE BASED ON THE STATE ACCREDITATION INDICATORS SPECIFIED IN

1 ARTICLE 11 OF THIS TITLE, and curriculum; ~~which must meet or exceed~~  
2 ~~any content standards adopted by the school district in which the charter~~  
3 ~~school has applied for a charter and must be designed to enable each~~  
4 ~~pupil to achieve such standards;~~

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

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

21 (h) A description of the governance and operation of the charter  
22 school, including the nature and extent of parental, professional educator,  
23 and community involvement in the governance and operation of the  
24 charter school;

25 (i) An explanation of the relationship that will exist between the  
26 proposed charter school and its employees; ~~including evidence that the~~  
27 ~~terms and conditions of employment have been addressed with affected~~

1 ~~employees and their recognized representative, if any;~~  
2 (i.5) The employment policies of the proposed charter school;  
3 (j) ~~An agreement between the parties regarding their~~ A PROPOSAL  
4 REGARDING THE PARTIES' respective legal ~~liability~~ LIABILITIES and  
5 applicable insurance coverage;  
6 (k) A description of how the charter school plans to meet the  
7 transportation needs of its pupils and, if the charter school plans to  
8 provide transportation for pupils, a plan for addressing the transportation  
9 needs of low-income and academically low-achieving pupils;  
10 (l) A description of the charter school's enrollment policy,  
11 consistent with the requirements of section 22-30.5-104 (3), and the  
12 criteria for enrollment decisions;  
13 (m) A dispute resolution process, as provided in section  
14 22-30.5-107.5.  
15 (2) No person, group, or organization may submit an application  
16 to convert a private school or a nonpublic home-based educational  
17 program into a charter school or to create a charter school which is a  
18 nonpublic home-based educational program as defined in section  
19 22-33-104.5.  
20 (3) A charter applicant is not required to provide personal  
21 identifying information concerning any parent, teacher, or prospective  
22 pupil prior to the time that the charter ~~is approved~~ CONTRACT IS  
23 APPROVED BY BOTH PARTIES and either the charter school actually  
24 employs the teacher or the pupil actually enrolls in the charter school,  
25 whichever is applicable. A charter school applicant shall provide, upon  
26 request of the ~~school-district~~ CHARTERING AUTHORITY, aggregate  
27 information concerning the grade levels and schools in which prospective

1 pupils are enrolled.

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

4 **22-30.5-107. Charter application - process.** (1) A charter  
5 applicant cannot apply to, or ~~be granted a charter by~~ ENTER INTO A  
6 CHARTER CONTRACT WITH, a school district unless a majority of the  
7 PROPOSED charter school's pupils, other than on-line pupils, will reside in  
8 the chartering school district or in school districts contiguous thereto.  
9 The local board of education shall receive and review all applications for  
10 charter schools. IF THE LOCAL BOARD OF EDUCATION DOES NOT REVIEW  
11 A CHARTER APPLICATION, IT SHALL BE DEEMED TO HAVE DENIED THE  
12 CHARTER APPLICATION. Applications must be filed with the local board  
13 of education by ~~a date determined by the local board of education~~  
14 SEPTEMBER 1 to be eligible for consideration for the following school  
15 year. ~~The date determined by the local board of education for filing of~~  
16 ~~applications shall not be any earlier than August 15, or any later than~~  
17 ~~October 1. Prior to any change in the application deadline, the local~~  
18 ~~board of education shall notify each charter school applicant in the~~  
19 ~~district of the proposed change by certified letter.~~ The local board of  
20 education shall not charge any application fees. If such board finds the  
21 charter school application is incomplete, the board shall request the  
22 necessary information from the charter applicant PRIOR TO OCTOBER 15  
23 AND GIVE THE CHARTER APPLICANT REASONABLE OPPORTUNITY TO  
24 PROVIDE ADDITIONAL INFORMATION TO THE LOCAL BOARD OF EDUCATION  
25 FOR REVIEW. The charter school application shall be reviewed by the  
26 district accountability committee prior to consideration by the local board  
27 of education.

1 (1.5) For purposes of reviewing a charter school application, a  
2 district accountability committee shall include at least:

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

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

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

21 (2.5) The charter applicant and the local board of education may  
22 jointly waive the deadlines set forth in this section.

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

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

10 (5) A SCHOOL DISTRICT MAY UNILATERALLY IMPOSE CONDITIONS  
11 ON A CHARTER APPLICANT OR ON A DISTRICT CHARTER SCHOOL ONLY  
12 THROUGH ADOPTION OF A RESOLUTION OF THE LOCAL BOARD OF  
13 EDUCATION OF THE SCHOOL DISTRICT. IF A LOCAL BOARD ADOPTS A  
14 RESOLUTION UNILATERALLY IMPOSING CONDITIONS ON A CHARTER  
15 APPLICANT OR ON A DISTRICT CHARTER SCHOOL, THE RESOLUTION SHALL,  
16 AT A MINIMUM, STATE THE SCHOOL DISTRICT'S REASONS FOR IMPOSING THE  
17 CONDITIONS UNILATERALLY, DESPITE THE OBJECTIONS OF THE CHARTER  
18 APPLICANT OR THE DISTRICT CHARTER SCHOOL. THE CHARTER APPLICANT  
19 OR DISTRICT CHARTER SCHOOL MAY APPEAL THE DECISION OF THE LOCAL  
20 BOARD OF EDUCATION TO UNILATERALLY IMPOSE THE CONDITIONS BY  
21 FILING THE NOTICE OF APPEAL WITH THE STATE BOARD WITHIN FIFTEEN  
22 DAYS AFTER ADOPTION OF THE RESOLUTION, AS PROVIDED IN SECTION  
23 22-30.5-108 (2) (a).

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

26 **22-30.5-107.5. Dispute resolution - governing policy provisions**  
27 **- appeal.** (1) Except as otherwise provided in section 22-30.5-108, any

1 disputes that may arise between a DISTRICT charter school and its  
2 chartering school district concerning governing policy provisions of the  
3 school's charter contract shall be resolved pursuant to this section.

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

10 (b) Within thirty days after receipt of the written notice described  
11 in paragraph (a) of this subsection (2), the DISTRICT charter school and  
12 the CHARTERING school district shall agree to use any form of alternative  
13 dispute resolution to resolve the dispute, including but not limited to any  
14 of the forms described in the "Dispute Resolution Act", part 3 of article  
15 22 of title 13, C.R.S.; except that any form chosen by the parties shall  
16 result in final written findings by a neutral third party within one hundred  
17 twenty days after receipt of such written notice.

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

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

25 **22-30.5-108. Appeal - standard of review - procedures.**

26 (1) Acting pursuant to its supervisory power as provided in section 1 of  
27 article IX of the state constitution, the state board, upon receipt of a

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

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

1 error. IF THE APPEAL CONCERNS THE DENIAL OF A CHARTER APPLICATION  
2 OR THE IMPOSITION OF CONDITIONS ON A CHARTER APPLICANT, THE NOTICE  
3 SHALL ALSO SPECIFY WHETHER THE CHARTER APPLICANT INTENDS TO  
4 APPLY FOR A STATE CHARTER PURSUANT TO THE PROVISIONS OF SECTION  
5 22-30.5-108.1 IF THE LOCAL BOARD OF EDUCATION SUBSEQUENTLY DENIES  
6 THE CHARTER APPLICATION OR CHOOSES TO UNILATERALLY IMPOSE THE  
7 CONDITION ON THE CHARTER APPLICANT OR IF THE LOCAL BOARD OF  
8 EDUCATION AND THE CHARTER APPLICANT ARE UNABLE TO COMPLETE THE  
9 CHARTER CONTRACT WITHIN THE FORTY-FIVE-DAY PERIOD REQUIRED IN  
10 PARAGRAPH (B) OF SUBSECTION (3) OF THIS SECTION.

11 (b) (I) IN CONSIDERING AN APPEAL OF THE DENIAL OF A CHARTER  
12 APPLICATION OR OF THE UNILATERAL IMPOSITION OF CONDITIONS ON A  
13 CHARTER APPLICANT WHERE THE APPEALING PERSON HAS GIVEN NOTICE OF  
14 THE INTENT TO APPLY FOR A STATE CHARTER, THE STATE BOARD SHALL  
15 FIRST DETERMINE WHETHER THE LOCAL BOARD OF EDUCATION HAS,  
16 WITHIN THE PRECEDING FOUR YEARS:

17 (A) IMPOSED A MORATORIUM ON APPROVING CHARTER  
18 APPLICATIONS OR ENTERING INTO CHARTER CONTRACTS;

19 (B) REFUSED TO APPROVE A CHARTER APPLICATION AFTER A  
20 SECOND REMAND BY THE STATE BOARD ORDERING THE LOCAL BOARD OF  
21 EDUCATION TO APPROVE THE CHARTER APPLICATION;

22 (C) FOLLOWING THE ITEMIZED ACCOUNTING OF CENTRAL  
23 ADMINISTRATIVE OVERHEAD COSTS REQUIRED PURSUANT TO SECTION  
24 22-30.5-112 (2) (a.4), BEEN FOUND ON TWO OR MORE OCCASIONS TO BE  
25 OWING AN AMOUNT TO A DISTRICT CHARTER SCHOOL EQUAL TO TEN  
26 PERCENT OR MORE OF THE AMOUNT OF THE DISTRICT CHARTER SCHOOL'S  
27 PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS FOR

1 SERVICES ACTUALLY PROVIDED TO THE DISTRICT CHARTER SCHOOL;

2 (D) FAILED TO PAY TO A DISTRICT CHARTER SCHOOL AN AMOUNT  
3 FOUND TO BE OWING FOLLOWING THE ITEMIZED ACCOUNTING OF CENTRAL  
4 ADMINISTRATIVE OVERHEAD COSTS REQUIRED PURSUANT TO SECTION  
5 22-30.5-112 (2) (a.4);

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

12 (F) FAILED TO PAY TO A DISTRICT CHARTER SCHOOL AN AMOUNT  
13 FOUND TO BE OWING TO THE CHARTER SCHOOL PURSUANT TO SECTION  
14 22-30.5-112 (9).

15 (II) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT  
16 HAS COMMITTED ONE OR MORE OF THE ACTS SPECIFIED IN SUBPARAGRAPH  
17 (I) OF THIS PARAGRAPH (b), THE STATE BOARD SHALL DECLARE THE  
18 SCHOOL DISTRICT TO BE SUBJECT TO CREATION OF A STATE CHARTER  
19 SCHOOL AND PROCEED WITH THE APPEAL AS PROVIDED IN PARAGRAPH (c)  
20 OF THIS SUBSECTION (2). IF THE STATE BOARD DETERMINES THAT THE  
21 SCHOOL DISTRICT HAS NOT COMMITTED ANY OF THE ACTS SPECIFIED IN  
22 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), THE STATE BOARD SHALL  
23 DECLARE THE SCHOOL DISTRICT EXEMPT FROM THE CREATION OF A STATE  
24 CHARTER SCHOOL AND PROCEED WITH THE APPEAL AS IF THE CHARTER  
25 APPLICANT HAD NOT GIVEN NOTICE OF THE INTENT TO APPLY FOR A STATE  
26 CHARTER.

27 (c) IN CONSIDERING AN APPEAL OF THE DENIAL OF A CHARTER

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

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

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

27 (3) If the notice of appeal, or the motion to review by the state

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

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

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

26 (c) (I) FOLLOWING THE REMAND, if the local board of education's  
27 final decision is still to deny A CHARTER APPLICATION OR TO

1 UNILATERALLY IMPOSE THE CONDITION ON A CHARTER APPLICANT OR IF  
2 THE LOCAL BOARD OF EDUCATION AND THE CHARTER APPLICANT ARE  
3 UNABLE TO COMPLETE THE CHARTER CONTRACT WITHIN THE  
4 FORTY-FIVE-DAY PERIOD REQUIRED IN PARAGRAPH (b) OF THIS SUBSECTION  
5 (3), THE CHARTER APPLICANT MAY SUBMIT THE CHARTER APPLICATION TO  
6 THE STATE BOARD FOR ISSUANCE OF A STATE CHARTER AS PROVIDED IN  
7 SECTION 22-30.5-108.1 (1), IF THE APPEALING PARTY GAVE NOTICE OF THE  
8 INTENT TO APPLY FOR A STATE CHARTER AS PROVIDED IN PARAGRAPH (a)  
9 OF SUBSECTION (2) OF THIS SECTION AND IF THE STATE BOARD  
10 DETERMINED THAT THE SCHOOL DISTRICT IS SUBJECT TO CREATION OF A  
11 STATE CHARTER SCHOOL. A CHARTER APPLICANT MAY NOT SEEK A  
12 SECOND APPEAL OF THE DENIAL OF THE CHARTER APPLICATION OR OF THE  
13 UNILATERAL IMPOSITION OF A CONDITION ON THE CHARTER APPLICANT IF  
14 THE APPEALING PARTY GAVE NOTICE OF THE INTENT TO APPLY FOR A STATE  
15 CHARTER AND THE STATE BOARD DETERMINED THAT THE SCHOOL DISTRICT  
16 IS SUBJECT TO THE CREATION OF A STATE CHARTER SCHOOL.

17 (II) IF THE APPEALING PARTY DID NOT GIVE NOTICE OF THE INTENT  
18 TO APPLY FOR A STATE CHARTER, OR IF THE STATE BOARD DETERMINED  
19 THAT THE SCHOOL DISTRICT IS EXEMPT FROM CREATION OF A STATE  
20 CHARTER SCHOOL, AND THE LOCAL BOARD OF EDUCATION'S DECISION IS  
21 STILL TO DENY A CHARTER APPLICATION OR TO UNILATERALLY IMPOSE THE  
22 CONDITION ON THE CHARTER APPLICANT OR IF THE LOCAL BOARD OF  
23 EDUCATION'S FINAL DECISION IS STILL TO REFUSE TO RENEW OR TO REVOKE A  
24 DISTRICT CHARTER OR TO UNILATERALLY IMPOSE CONDITIONS UNACCEPTABLE TO THE  
25 DISTRICT CHARTER APPLICANT SCHOOL, A SECOND NOTICE OF APPEAL MAY BE  
26 FILED WITH THE STATE BOARD WITHIN THIRTY DAYS FOLLOWING SUCH FINAL DECISION.

27 (d) Within thirty days following receipt of the second notice of

1 appeal or the making of a motion for a second review by the state board  
2 and after reasonable public notice, the state board, at a public hearing,  
3 shall determine whether the final decision of the local board of education  
4 was contrary to the best interests of the pupils, school district, or  
5 community. If such a finding is made, the state board shall remand such  
6 final decision to the local board with instructions to approve the charter  
7 application, or to renew or reinstate the charter or to approve or  
8 disapprove the conditions imposed on the charter applicant OR THE  
9 DISTRICT CHARTER SCHOOL. The decision of the state board shall be final  
10 and not subject to appeal.

11 (3.5) In lieu of a first appeal to the state board pursuant to  
12 paragraph (a) of subsection (3) of this section, the parties may agree to  
13 facilitation. Within thirty days after denial OF A CHARTER APPLICATION  
14 OR nonrenewal or revocation of a DISTRICT charter OR UNILATERAL  
15 IMPOSITION OF CONDITIONS ON A CHARTER APPLICANT OR A DISTRICT  
16 CHARTER SCHOOL by the local board of education, the parties may file a  
17 notice of facilitation with the state board. The parties may continue in  
18 facilitation as long as both parties agree to its continued use. If one party  
19 subsequently rejects facilitation, and such rejection is not reconsidered  
20 within seven days, the local board of education shall reconsider its denial  
21 OF A CHARTER APPLICATION OR nonrenewal or revocation of a DISTRICT  
22 charter and make a final decision as provided in paragraph (b) of  
23 subsection (3) of this section. The charter applicant may file a notice of  
24 appeal with the state board as provided in paragraph (c) of subsection (3)  
25 of this section within thirty days after a local board of education's final  
26 decision to deny ~~not~~ A CHARTER APPLICATION, TO REFUSE TO renew or TO  
27 revoke a DISTRICT charter, OR TO UNILATERALLY IMPOSE CONDITIONS ON

1 A CHARTER APPLICANT OR A DISTRICT CHARTER SCHOOL. A CHARTER  
2 APPLICANT THAT AGREES TO FACILITATION MAY NOT APPLY FOR A STATE  
3 CHARTER.

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

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

- 14 (A) ~~Violate any federal or state laws concerning civil rights;~~
- 15 (B) ~~Violate any court order;~~
- 16 (C) ~~Threaten the health and safety of pupils in the school district;~~
- 17 (D) ~~Violate the provisions of section 22-30.5-109 (2), prescribing~~  
18 ~~the permissible number of charter schools; or~~
- 19 (E) ~~Be inconsistent with the equitable distribution of charter~~  
20 ~~schools among school districts.~~

21 (H) ~~If such a determination is made, the state board shall remand~~  
22 ~~such decision to the local board with instructions to deny the charter~~  
23 ~~application. The decision of the state board shall be final and not subject~~  
24 ~~to appeal.~~

25 (5) Nothing in this section shall be construed to alter the  
26 requirement that a DISTRICT charter school be a part of the school district  
27 that grants APPROVES its charter APPLICATION AND CHARTER CONTRACT

1 and BE accountable to the local board of education pursuant to section  
2 22-30.5-104 (2).

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

6 **22-30.5-108.1. State charter schools - state board - application**  
7 **- conversion - advisory committee.** (1) (a) IN ACCORDANCE WITH THE  
8 PROVISIONS OF SECTION 22-30.5-108 (3) (c), A CHARTER APPLICANT MAY  
9 SUBMIT ITS APPLICATION TO THE STATE BOARD FOR ISSUANCE OF A STATE  
10 CHARTER, IF THE APPEALING PARTY GAVE NOTICE OF THE INTENT TO APPLY  
11 FOR A STATE CHARTER AS PROVIDED IN SECTION 22-30.5-108 (2) (a) AND  
12 THE STATE BOARD DETERMINED THAT THE SCHOOL DISTRICT IS SUBJECT TO  
13 CREATION OF A STATE CHARTER SCHOOL. THE APPLICANT SHALL SUBMIT  
14 THE CHARTER APPLICATION TO THE STATE BOARD WITHIN FIFTEEN DAYS  
15 AFTER THE LOCAL BOARD ISSUES ITS FINAL DECISION TO DENY THE  
16 APPLICATION OR TO UNILATERALLY IMPOSE THE CONDITION ON THE  
17 CHARTER APPLICANT OR WITHIN FIFTEEN DAYS AFTER EXPIRATION OF THE  
18 FORTY-FIVE-DAY PERIOD FOR COMPLETION OF THE CONTRACT, WHICHEVER  
19 IS APPLICABLE. THE STATE BOARD SHALL APPROVE THE CHARTER  
20 APPLICATION, SUBJECT TO CORRECTION OF ANY DEFICIENCIES THE STATE  
21 BOARD MAY HAVE IDENTIFIED UPON REMAND, AND THE CHARTER  
22 APPLICANT AND THE STATE BOARD SHALL COMPLETE THE STATE CHARTER  
23 CONTRACT WITHIN FORTY-FIVE DAYS AFTER THE CHARTER APPLICANT  
24 SUBMITS THE APPLICATION TO THE STATE BOARD. [REDACTED]

25 [REDACTED]  
26 (b) IF A STATE CHARTER APPLICANT AND THE STATE BOARD ARE  
27 UNABLE TO COMPLETE THE STATE CHARTER CONTRACT WITHIN THE

1 FORTY-FIVE-DAY PERIOD PRESCRIBED IN PARAGRAPH (a) OF THIS  
2 SUBSECTION (1), THE STATE CHARTER APPLICANT AND THE STATE BOARD  
3 SHALL AGREE TO ALTERNATIVE DISPUTE RESOLUTION AS PROVIDED IN  
4 SECTION 22-30.5-108.5 TO RESOLVE THE STATE CHARTER CONTRACT  
5 ISSUES BETWEEN THE PARTIES.

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

21 (2) (a) A DISTRICT CHARTER SCHOOL, WITH THE AGREEMENT OF  
22 THE LOCAL BOARD OF EDUCATION OF ITS CHARTERING SCHOOL DISTRICT,  
23 MAY APPLY TO THE STATE BOARD TO CONVERT TO A STATE CHARTER  
24 SCHOOL. THE STATE BOARD SHALL ADOPT RULES SPECIFYING THE TIME  
25 FRAMES FOR SUBMITTING AND CONSIDERING AN APPLICATION TO CONVERT  
26 TO A STATE CHARTER SCHOOL AND THE INFORMATION TO BE INCLUDED IN  
27 THE APPLICATION. PRIOR TO APPLYING TO CONVERT TO A STATE CHARTER

1 SCHOOL, THE DISTRICT CHARTER SCHOOL AND THE LOCAL BOARD OF  
2 EDUCATION OF THE CHARTERING SCHOOL DISTRICT SHALL ENTER INTO A  
3 MUTUAL AGREEMENT REGARDING THE CONVERSION THAT, AT A MINIMUM,  
4 SHALL INCLUDE RESOLUTION OF ISSUES PERTAINING TO ASSET  
5 DISTRIBUTION, PROPERTY OWNERSHIP, ANY OUTSTANDING BONDED  
6 INDEBTEDNESS OF THE DISTRICT CHARTER SCHOOL, AND PAYMENT OF  
7 INCOME RECEIVED FROM THE ISSUANCE OF BONDS PURSUANT TO SECTION  
8 22-30.5-404 OR AS A RESULT OF IMPOSITION OF A MILL LEVY BY THE  
9 SCHOOL DISTRICT ON BEHALF OF THE DISTRICT CHARTER SCHOOL  
10 PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-405.

11 [REDACTED]

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

22 (c) WITHIN SIXTY DAYS AFTER SUBMITTAL OF THE APPLICATION  
23 FOR CONVERSION, THE STATE BOARD SHALL DETERMINE WHETHER TO  
24 ALLOW THE DISTRICT CHARTER SCHOOL TO CONVERT TO A STATE CHARTER  
25 SCHOOL. IF THE STATE BOARD DENIES THE APPLICATION FOR CONVERSION,  
26 THE DISTRICT CHARTER SCHOOL MAY CONTINUE TO OPERATE UNDER ITS  
27 DISTRICT CHARTER CONTRACT. IF THE STATE BOARD APPROVES THE

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

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

17 (3) THE STATE BOARD MAY APPOINT AN ADVISORY COMMITTEE TO  
18 ASSIST IN REVIEWING APPEALS OF THE DENIAL OF A DISTRICT CHARTER  
19 APPLICATION SUBMITTED PURSUANT TO SECTION 22-30.5-108 AND IN  
20 REVIEWING APPLICATIONS FOR CONVERSION TO A STATE CHARTER SCHOOL  
21 SUBMITTED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND TO MAKE  
22 RECOMMENDATIONS TO THE STATE BOARD CONCERNING APPROVAL OF  
23 STATE CHARTER APPLICATIONS. IN APPOINTING PERSONS TO THE ADVISORY  
24 BOARD, THE STATE BOARD SHALL, AT A MINIMUM, INCLUDE PERSONS WITH  
25 EXPERIENCE IN THE FORMATION, OPERATION, AND EVALUATION OF  
26 CHARTER SCHOOLS, PARENTS OF STUDENTS WHO ARE ENROLLED IN  
27 CHARTER SCHOOLS, AND PERSONS WHO CAN HELP ASSURE AWARENESS

1 AND CONSIDERATION OF LOCAL COMMUNITY INPUT. AN ADVISORY BOARD  
2 APPOINTED PURSUANT TO THIS SUBSECTION (3) SHALL SERVE WITHOUT  
3 COMPENSATION, INCLUDING PAYMENT OF EXPENSES.

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

12 **22-30.5-108.3. State charter schools - oversight - costs - state**  
13 **charter school cash fund.** (1) (a) A STATE CHARTER SCHOOL SHALL BE  
14 UNDER THE GENERAL SUPERVISION OF THE STATE BOARD AND SHALL BE  
15 SUBJECT TO ACCREDITATION IN ACCORDANCE WITH THE PROVISIONS OF  
16 ARTICLE 11 OF THIS TITLE. A STATE CHARTER SCHOOL SHALL BE A LOCAL  
17 EDUCATION AGENCY FOR PURPOSES OF STATE AND FEDERAL LAW. THE  
18 STATE BOARD MAY DIRECT THE DEPARTMENT TO PROVIDE THE NECESSARY  
19 ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES TO THE STATE  
20 CHARTER SCHOOL, OR THE STATE BOARD, AT ITS DISCRETION, MAY  
21 CONTRACT WITH A THIRD PARTY, INCLUDING BUT NOT LIMITED TO A  
22 SCHOOL DISTRICT, A BOARD OF COOPERATIVE SERVICES, OR A FOR-PROFIT  
23 OR NONPROFIT ENTITY, TO PROVIDE SOME OR ALL OF THE NECESSARY  
24 ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES.

25 (b) THE STATE BOARD SHALL ADOPT RULES IDENTIFYING THOSE  
26 STATUTORY DUTIES THAT ARE APPLICABLE TO SCHOOL DISTRICTS THAT  
27 SHALL ALSO APPLY TO STATE CHARTER SCHOOLS AS NECESSARY TO

1 EXERCISE GENERAL SUPERVISION OVER THE STATE CHARTER SCHOOLS AND  
2 TO MAINTAIN A THOROUGH AND UNIFORM STATEWIDE SYSTEM OF FREE  
3 PUBLIC SCHOOLS.

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

21 (b) THE DEPARTMENT IS ENCOURAGED TO SOLICIT AND MAY  
22 ACCEPT ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS THAT MAY  
23 BE AVAILABLE TO ASSIST IN OFFSETTING THE COSTS INCURRED IN  
24 IMPLEMENTING THE PROVISIONS OF THIS SECTION AND SECTIONS  
25 22-30.5-108 (2), 22-30.5-108.1, AND 22-30.5-108.5, INCLUDING THE  
26 COSTS INCURRED IN CONTRACTING WITH A THIRD PARTY. THE  
27 DEPARTMENT SHALL TRANSMIT ALL PRIVATE AND PUBLIC FUNDS RECEIVED

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

18 **22-30.5-108.5. State charter schools - alternative dispute**  
19 **resolution process - appeals.** (1) (a) A STATE CHARTER APPLICANT, A  
20 DISTRICT CHARTER SCHOOL THAT IS SEEKING TO CONVERT TO A STATE  
21 CHARTER SCHOOL, A STATE CHARTER SCHOOL, OR THE STATE BOARD, BY  
22 PROVIDING REASONABLE WRITTEN NOTICE TO INVOKE THIS SECTION, MAY  
23 PARTICIPATE IN ALTERNATIVE DISPUTE RESOLUTION CONCERNING:

- 24 (I) CREATION OF THE STATE CHARTER CONTRACT;
- 25 (II) IMPLEMENTATION OF THE PROVISIONS OF THE STATE CHARTER  
26 CONTRACT;
- 27 (III) THE STATE BOARD'S REFUSAL TO RENEW THE STATE CHARTER;

1 OR

2 (IV) REVOCATION OF THE STATE CHARTER.

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

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

21 (d) THE NEUTRAL THIRD PARTY SHALL APPORTION ALL COSTS  
22 REASONABLY RELATED TO THE MUTUALLY AGREED UPON DISPUTE  
23 RESOLUTION PROCESS.

24 (2) (a) A STATE CHARTER APPLICANT, DISTRICT CHARTER SCHOOL,  
25 OR STATE CHARTER SCHOOL AND THE STATE BOARD MAY AGREE TO BE  
26 BOUND BY THE WRITTEN FINDINGS AND DETERMINATIONS OF THE NEUTRAL  
27 THIRD PARTY RESULTING FROM ANY ALTERNATIVE DISPUTE RESOLUTION

1 ENTERED INTO PURSUANT TO SUBSECTION (1) OF THIS SECTION. IN SUCH  
2 CASE, THE WRITTEN FINDINGS AND DETERMINATIONS SHALL BE FINAL AND  
3 NOT SUBJECT TO APPEAL.

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

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

20 (4) IF THE DISTRICT COURT, AFTER MOTION BY ONE OF THE PARTIES  
21 AND SUFFICIENT NOTICE AND HEARING, FINDS THAT EITHER OF THE PARTIES  
22 TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS HELD PURSUANT TO  
23 THIS SECTION HAS FAILED TO PARTICIPATE IN GOOD FAITH IN THE PROCESS  
24 OR HAS REFUSED TO COMPLY WITH THE WRITTEN FINDINGS AND  
25 DETERMINATIONS REACHED AFTER AGREEING TO BE BOUND BY THE RESULT  
26 OF THE DISPUTE RESOLUTION PROCESS, THE DISTRICT COURT SHALL  
27 RESOLVE THE DISPUTE IN FAVOR OF THE AGGRIEVED PARTY.

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

3           **22-30.5-109. Charter schools - reporting.** (1) ~~A local board of~~  
4 ~~education may reasonably limit the number of charter schools in the~~  
5 ~~school district.~~ EACH LOCAL BOARD OF EDUCATION THAT APPROVES A  
6 CHARTER APPLICATION AND ENTERS INTO A CHARTER CONTRACT WITH A  
7 DISTRICT CHARTER SCHOOL AND EACH STATE CHARTER SCHOOL SHALL  
8 ANNUALLY REPORT TO THE DEPARTMENT INFORMATION THAT THE  
9 DEPARTMENT REQUESTS TO EVALUATE THE EFFECTIVENESS OF CHARTER  
10 SCHOOLS. THE LOCAL BOARDS OF EDUCATION AND STATE CHARTER  
11 SCHOOLS SHALL PROVIDE THE INFORMATION ON FORMS PROVIDED BY THE  
12 DEPARTMENT. THE STATE BOARD SHALL ADOPT RULES ESTABLISHING THE  
13 TIME LINES AND PROCEDURES FOR REPORTING THE INFORMATION  
14 REQUIRED IN THIS SUBSECTION (1).

15           (2) (a) ~~No more than sixty charters shall be granted prior to July~~  
16 ~~1, 1997, and at least sixteen of said sixty charters shall be reserved for~~  
17 ~~charter school applications which are designed to increase the educational~~  
18 ~~opportunities of at-risk pupils, as defined in section 22-30.5-103.~~

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

25           (3) It is the intent of the general assembly that priority of  
26 GREATER consideration be given to charter school applications designed  
27 to increase the educational opportunities of at-risk pupils, as defined in

1 section 22-30.5-103.

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

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

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

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

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

25 **22-30.5-110. Charter schools - term - renewal of charter -**  
26 **grounds for nonrenewal or revocation - repeal.** (1) A new charter ~~may~~  
27 APPLICATION SHALL be approved BY A CHARTERING AUTHORITY for a

1 period of at least three years. ~~but not more than five academic years.~~ A  
2 charter may be renewed for a ~~period not to exceed five years~~ SUCCESSIVE  
3 PERIODS. THE DEPARTMENT SHALL CONDUCT ACCREDITATION REVIEWS IN  
4 ALL STATE CHARTER SCHOOLS IN ACCORDANCE WITH RULES OF THE STATE  
5 BOARD.

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

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

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

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

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

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

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

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

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

17 (b.5) IN THE CASE OF A STATE CHARTER SCHOOL, FAILED TO MEET  
18 THE REQUIREMENTS OF THE STATE CHARTER SCHOOL'S ACCREDITATION  
19 CONTRACT;

20 (c) Failed to meet generally accepted standards of fiscal  
21 management; or

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

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

1 (4.5) If a ~~local board of education~~ CHARTERING AUTHORITY  
2 revokes or does not renew a charter, the ~~board~~ CHARTERING AUTHORITY  
3 shall state its reasons for the revocation or nonrenewal.

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

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

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

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

24 (3) Employees of a charter school shall be members of the public  
25 employees' retirement association or the Denver public schools retirement  
26 system, whichever is applicable. The charter school and the teacher shall  
27 contribute the appropriate respective amounts as required by the funds of

1 such association or system.

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

4 **22-30.5-112. District charter schools - financing - guidelines -**  
5 **repeal.** (1) (a) For purposes of the "Public School Finance Act of 1994",  
6 article 54 of this title, pupils enrolled in a DISTRICT charter school shall  
7 be included in the pupil enrollment, the on-line pupil enrollment, or the  
8 preschool enrollment, whichever is applicable, of the CHARTERING school  
9 district. ~~that granted its charter.~~ The CHARTERING school district ~~that~~  
10 ~~granted its charter~~ shall report to the department of education the number  
11 of pupils included in the school district's pupil enrollment, the school  
12 district's on-line pupil enrollment, and the school district's preschool  
13 enrollment that are actually enrolled in each DISTRICT charter school.

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

23 (2) (a) (I) As part of the charter school contract, the DISTRICT  
24 charter school and the CHARTERING school district shall agree on funding  
25 and any services to be provided by the CHARTERING school district to the  
26 DISTRICT charter school.

27 (II) For the 1999-2000 budget year, the DISTRICT charter school

1 and the CHARTERING school district shall begin discussions on the  
2 contract using eighty percent of the district per pupil operating revenues.

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

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

26 (a.3) If the ~~authorizing~~ CHARTERING school district enrolls five  
27 hundred or fewer students, the DISTRICT charter school shall receive

1 funding in the amount of the greater of one hundred percent of the district  
2 per pupil on-line funding for each on-line pupil enrolled in the DISTRICT  
3 charter school plus one hundred percent of the district per pupil revenues  
4 for each pupil who is not an on-line pupil enrolled in the DISTRICT charter  
5 school, minus the actual amount of the DISTRICT charter school's per pupil  
6 share of the central administrative overhead costs incurred by the  
7 CHARTERING school district, based on audited figures, or eighty-five  
8 percent of the district per pupil revenues for each pupil enrolled in the  
9 DISTRICT charter school who is not an on-line pupil plus eighty-five  
10 percent of the district per pupil on-line funding for each on-line pupil  
11 enrolled in the DISTRICT charter school.

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

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

1 paid to the owed party.

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

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

9 (I) "Central administrative overhead costs" means indirect costs  
10 incurred in providing:

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

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

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

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

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

26 (a.7) For the 2000-01 budget year and budget years thereafter,  
27 each DISTRICT charter school shall annually allocate the minimum per

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

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

22 (a.9) For budget year 2002-03 and budget years thereafter, and in  
23 accordance with section 22-30.5-406, the funding provided by a  
24 chartering school district to a DISTRICT charter school pursuant to this  
25 subsection (2) shall be reduced by the amount of any direct payments of  
26 principal and interest due on bonds issued on behalf of a DISTRICT charter  
27 school by a governmental entity other than a school district for the

1 purpose of financing charter school capital construction that were made  
2 by the state treasurer or the chartering school district on behalf of the  
3 DISTRICT charter school.

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

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

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

23 (II) For budget year 2000-01 and budget years thereafter, the  
24 amount of funding received by a DISTRICT charter school pursuant to this  
25 subsection (2) shall not be less than ~~ninety-five percent~~ ONE HUNDRED  
26 PERCENT of the CHARTERING SCHOOL DISTRICT'S district per pupil  
27 revenues, MINUS UP TO FIVE PERCENT AS PROVIDED IN SUBPARAGRAPH (III)

1 OF PARAGRAPH (a) OF THIS SUBSECTION (2), multiplied by the number of  
2 pupils enrolled in the DISTRICT charter school or as otherwise provided  
3 in paragraph (a.3) of this subsection (2) for any DISTRICT charter school  
4 ~~authorized~~ CHARTERED by a school district that enrolls five hundred or  
5 fewer students.

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

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

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

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

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

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

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

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

24 (4.5) Except as provided in section 22-30.5-112.3 (2) (b), any  
25 moneys received by a DISTRICT charter school from any source and  
26 remaining in the DISTRICT charter school's accounts at the end of any  
27 budget year shall remain in the DISTRICT charter school's accounts for use

1 by the DISTRICT charter school during subsequent budget years and shall  
2 not revert to the CHARTERING school district or to the state.

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

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

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

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

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

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

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

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

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

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

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

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

27 (d) IF THE CHARTERING SCHOOL DISTRICT FAILS WITHIN THE

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

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

26 (10) (a) IF A DISTRICT CHARTER SCHOOL DETERMINES THAT A  
27 SCHOOL DISTRICT HAS NOT PAID THE TUITION CHARGE FOR THE EXCESS

1 COSTS INCURRED IN EDUCATING A CHILD WITH A DISABILITY AS REQUIRED  
2 IN SECTION 22-20-109 (5), THE DISTRICT CHARTER SCHOOL MAY SEEK A  
3 DETERMINATION FROM THE STATE BOARD IN ACCORDANCE WITH THE  
4 PROVISIONS OF SUBSECTION (9) OF THIS SECTION.

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

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

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

27 **22-30.5-112.1. State charter schools - financing - facilities.**

1 (1) AS USED IN THIS SECTION:

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

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

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

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

20 (e) "ON-LINE PUPIL ENROLLMENT" MEANS THE NUMBER OF PUPILS,  
21 ON OCTOBER 1 WITHIN THE APPLICABLE BUDGET YEAR OR THE SCHOOL  
22 DAY NEAREST SAID DATE, ENROLLED IN, ATTENDING, AND ACTIVELY  
23 PARTICIPATING IN, AN ON-LINE PROGRAM CREATED PURSUANT TO SECTION  
24 22-33-104.6 BY THE STATE CHARTER SCHOOL, WHICH PUPILS MEET THE  
25 REQUIREMENTS SPECIFIED IN SECTION 22-33-104.6 (4) (a) OR ARE EXEMPT  
26 PURSUANT TO RULES ADOPTED BY THE STATE BOARD PURSUANT TO  
27 SECTION 22-33-104.6 (7).

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

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

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

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

27 (3) (a) FOR EACH STATE CHARTER SCHOOL, THE DEPARTMENT

1 SHALL WITHHOLD FROM THE STATE EQUALIZATION PAYMENTS OF THE  
2 STATE CHARTER SCHOOL'S DENYING DISTRICT AN AMOUNT EQUAL TO THE  
3 LESSER OF:

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

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

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

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

1 DEPARTMENT, OR A THIRD-PARTY WITH WHICH THE STATE BOARD HAS  
2 CONTRACTED, TO THE STATE CHARTER SCHOOL AND THE COSTS OF THE  
3 SERVICES.

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

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

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

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

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

20 (6) (a) EACH STATE CHARTER SCHOOL SHALL PROVIDE FEDERALLY  
21 REQUIRED EDUCATIONAL SERVICES TO STUDENTS ENROLLED IN THE STATE  
22 CHARTER SCHOOL. FOR PURPOSES OF PROVIDING EDUCATIONAL SERVICES  
23 FOR CHILDREN WITH DISABILITIES PURSUANT TO ARTICLE 20 OF THIS TITLE,  
24 EACH STATE CHARTER SCHOOL MAY OPERATE AS ITS OWN ADMINISTRATIVE  
25 UNIT OR IT MAY JOIN A BOARD OF COOPERATIVE SERVICES OR IT MAY  
26 CONTRACT WITH A BOARD OF COOPERATIVE SERVICES OR A SCHOOL  
27 DISTRICT FOR THE DELIVERY OF SAID EDUCATIONAL SERVICES.

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

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

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

26 (b) UPON RECEIPT FROM A STATE CHARTER SCHOOL OF A REQUEST  
27 FOR A DETERMINATION OF WHETHER A SCHOOL DISTRICT HAS IMPROPERLY

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

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

22 (II) IF THE STATE BOARD DETERMINES THAT THE SCHOOL DISTRICT  
23 HAS IMPROPERLY WITHHELD MONEYS DUE TO THE STATE CHARTER  
24 SCHOOL, THE SCHOOL DISTRICT, WITHIN THIRTY DAYS AFTER THE STATE  
25 BOARD'S DETERMINATION, SHALL PAY TO THE STATE CHARTER SCHOOL THE  
26 AMOUNT IMPROPERLY WITHHELD. IN ADDITION, THE SCHOOL DISTRICT  
27 SHALL PAY THE COSTS INCURRED BY THE DEPARTMENT IN REVIEWING THE

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

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

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

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

22 (9) THE GOVERNING BODY OF A STATE CHARTER SCHOOL IS  
23 AUTHORIZED TO ACCEPT GIFTS, DONATIONS, OR GRANTS OF ANY KIND  
24 MADE TO THE STATE CHARTER SCHOOL AND TO EXPEND OR USE SAID GIFTS,  
25 DONATIONS, OR GRANTS IN ACCORDANCE WITH THE CONDITIONS  
26 PRESCRIBED BY THE DONOR; HOWEVER, NO GIFT, DONATION, OR GRANT  
27 SHALL BE ACCEPTED BY THE GOVERNING BODY IF SUBJECT TO ANY

1       CONDITION CONTRARY TO LAW OR CONTRARY TO THE TERMS OF THE STATE  
2       CHARTER CONTRACT BETWEEN THE STATE CHARTER SCHOOL AND THE  
3       STATE BOARD.

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

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

11               **22-30.5-112.3. Charter schools - additional aid from district.**

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

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

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

27       (a.7) (I) For the 2003-04 budget year and each budget year

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

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

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

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

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

27 (II) THE DEPARTMENT SHALL PROVIDE FUNDING TO EACH STATE

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

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

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

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

16 **22-30.5-112.5. District charter schools - transportation plans.**

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

1 district.

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

4 **22-30.5-113. State board - department of education - duties -**  
5 **charter schools - evaluation - report.** (1) BEGINNING IN THE 2004-05  
6 BUDGET YEAR, AND AT LEAST EVERY THREE YEARS THEREAFTER, THE  
7 DEPARTMENT SHALL PREPARE A REPORT AND EVALUATION FOR THE  
8 GOVERNOR AND THE HOUSE AND SENATE COMMITTEES ON EDUCATION ON  
9 THE SUCCESS OR FAILURE OF CHARTER SCHOOLS, THEIR RELATIONSHIP TO  
10 OTHER SCHOOL REFORM EFFORTS, AND SUGGESTED CHANGES IN STATE  
11 LAW NECESSARY TO STRENGTHEN OR CHANGE THE CHARTER SCHOOL  
12 PROGRAM.

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

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

26 **SECTION 19.** 22-30.5-403 (3), Colorado Revised Statutes, is  
27 amended, and the said 22-30.5-403 is further amended BY THE

1 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

2 **22-30.5-403. Definitions.** As used in this part 4, unless the  
3 context otherwise requires:

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

11 (5.5) "DISTRICT CHARTER SCHOOL" MEANS A CHARTER SCHOOL  
12 THAT ENTERS INTO A CHARTER CONTRACT WITH A BOARD OF EDUCATION.

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

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

18 **22-30.5-404. Needs-based inclusion of district charter schools**  
19 **in district bond elections - eligibility - determination of need -**  
20 **allocation of bond revenues.** (1) In enacting this section, it is the intent  
21 of the general assembly to respect the principle of school district local  
22 control and to encourage school districts and DISTRICT charter schools to  
23 work together to ensure that the capital construction needs of DISTRICT  
24 charter schools can be met. Accordingly, nothing in this section shall be  
25 construed to limit in any way the existing ability of any school district to  
26 include a DISTRICT charter school in any local bond elections or to  
27 otherwise assist a DISTRICT charter school in financing its capital

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

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

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

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

21 (3) A DISTRICT charter school that seeks to have its capital  
22 construction needs included as part of a ballot question to be submitted  
23 by the board of education of its chartering school district to the voters of  
24 the district or that seeks to obtain funding for its capital construction  
25 needs through the imposition of a special mill levy pursuant to section  
26 22-30.5-405 shall submit a capital construction plan to the board of  
27 education of its chartering school district. The plan shall include:

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

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

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

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

15 (e) An estimate of the amount of time needed to complete the  
16 capital construction;

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

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

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

27 (4) The board of education of a school district shall review a

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 **22-30.5-405. Mill levy for district charter school capital**  
26 **construction.** (1) With the agreement of all DISTRICT charter schools  
27 that will receive the revenues generated by a special mill levy, the board

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

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

25 (3) If the majority of votes cast at an election held pursuant to this  
26 section are in favor of the question, the mill levy of the district for  
27 DISTRICT charter school capital construction shall be as so approved by

1 the eligible electors of the district and taxes shall be levied as so  
2 approved.

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

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

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

22 **22-30.5-406. Direct payment of charter school bonds by the**  
23 **state treasurer and school districts - charter school financing**  
24 **administrative cash fund.** (1) (c) (I) IN THE CASE OF A DISTRICT  
25 CHARTER SCHOOL, the state treasurer shall withhold the amount of any  
26 direct payments made on behalf of a DISTRICT charter school plus  
27 administrative costs associated with the making of direct payments in an

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

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

1 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c).

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

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

24 (c) A chartering district shall withhold the amount of any direct  
25 payments made on behalf of a DISTRICT charter school plus administrative  
26 costs associated with the making of direct payments in an amount agreed  
27 upon by the chartering district and the DISTRICT charter school from the

1 funding provided by the district to the DISTRICT charter school pursuant  
2 to part 1 of this article.

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

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

11 **22-30.5-407. Charter school state debt reserve fund - creation**  
12 **- use of fund moneys - legislative declaration.** (1) The general  
13 assembly hereby finds and declares that:

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

22 (b) It is appropriate for state education fund moneys to be  
23 appropriated to the ~~state~~ charter school debt STATE reserve fund and it is  
24 also appropriate for those qualified charter schools that receive more  
25 favorable financing terms that result in interest rate savings due to the  
26 existence of and reliance upon the ~~state~~ charter school debt STATE reserve  
27 fund and the provisions of section 22-30.5-408 with respect to such bonds

1 to pay a portion of their resulting savings to the ~~state~~ charter school debt  
2 STATE reserve fund and for all charter schools to bear the risk of having  
3 charter school per pupil facilities aid program moneys withheld to  
4 replenish the ~~state~~ charter school debt STATE reserve fund in the event  
5 that moneys from the ~~state~~ charter school debt STATE reserve fund are  
6 expended to make bond payments.

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

10 (I) One million dollars that are hereby appropriated from the state  
11 education fund to the ~~state~~ charter school debt STATE reserve fund on July  
12 1, 2002;

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

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

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

24 (c) All interest and income derived from the deposit and  
25 investment of moneys in the ~~state~~ charter school debt STATE reserve fund  
26 shall be credited to the state education fund; except that all interest and  
27 income derived from the deposit and investment of moneys in the ~~state~~

1 charter school STATE interest savings account shall be credited to the  
2 account in accordance with paragraph (b) of this subsection (2). At the  
3 end of any fiscal year, all unexpended and unencumbered moneys in the  
4 ~~state~~ charter school debt STATE reserve fund and the account shall remain  
5 in the fund and the account respectively.

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

12 (I) The limitation on state fiscal year spending set forth in section  
13 20 (7) (a) of article X of the state constitution and section 24-77-103,  
14 C.R.S.; and

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

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

1 charter school debt STATE reserve fund and the provisions of section  
2 22-30.5-408 with respect to such bonds. Each annual payment of ten  
3 basis points shall be prorated and payable in equal installments among the  
4 debt service payments required of the qualified charter school, with  
5 respect to the qualified charter school bonds issued for its benefit, during  
6 the twelve months following the annual computation date. The state  
7 treasurer shall credit any payment received pursuant to this paragraph (a)  
8 to the ~~state~~ charter school STATE interest savings account.

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

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

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

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

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

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

23 (c) The state treasurer shall expend all moneys in the ~~state~~ charter  
24 school STATE interest savings account before expending any other moneys  
25 in the ~~state~~ charter school debt STATE reserve fund. If a qualified charter  
26 school defaults on a payment with respect to outstanding qualified charter  
27 school bonds, as defined in section 22-30.5-408 (1) (c), and the amounts

1 of such payment defaults exceed the amounts available in the ~~state~~ charter  
2 school STATE interest savings account and the ~~state~~ charter school debt  
3 STATE reserve fund, moneys from the account and the fund shall be  
4 allocated pro rata among the qualified charter school bonds that will have  
5 a default in the payment of principal or interest based on the ratio that the  
6 payment default on each series of such bonds bears to the total payment  
7 defaults on all series of such qualified charter school bonds.

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

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

22 (II) If, in any given fiscal year, the state treasurer determines that  
23 after withholding the maximum amount of charter school per pupil  
24 facilities aid program moneys that may be withheld pursuant to  
25 subparagraph (I) of this paragraph (d) the portion of the ~~state~~ charter  
26 school debt STATE reserve fund that is not the ~~state~~ charter school STATE  
27 interest savings account will not be restored to a one million dollar

1 balance, each charter school that is not relying upon the ~~state~~ charter  
2 school debt STATE reserve fund and the provisions of section 22-30.5-408  
3 with respect to bonds issued on its behalf by the Colorado educational  
4 and cultural facilities authority shall have its payment reduced by the  
5 same percentage and by a maximum of ten percent.

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

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

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

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

27 (9) This section is in addition to, and not in limitation of, the

1 powers granted to the Colorado educational and cultural facilities  
2 authority pursuant to article 15 of title 23, C.R.S., to finance the costs of  
3 facilities of charter schools.

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

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

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

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

22 **SECTION 25.** The introductory portion to 22-30.5-409 (1) and  
23 22-30.5-409 (1) (i), Colorado Revised Statutes, are amended to read:

24 **22-30.5-409. Annual reports on bonds issued on behalf of**  
25 **charter schools - review by state auditor.** (1) Prior to January 30,  
26 2003, and prior to January 30 of each year thereafter, the Colorado  
27 educational and cultural facilities authority created in section 23-15-104

1 (1) (a), C.R.S., shall submit a report to the state auditor that includes  
2 information concerning the issuance of qualified charter school bonds, as  
3 defined in section 22-30.5-408 (1) (c), that have resulted in charter  
4 schools obtaining more favorable financing terms by reliance on the  
5 existence of the ~~state~~ charter school debt STATE reserve fund created in  
6 section 22-30.5-407 (2) (a) and the potential replenishment of the ~~state~~  
7 charter school debt STATE reserve fund pursuant to section 22-30.5-408  
8 (2) (a). Such report shall include, but need not be limited to:

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

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

15 **22-1-101. Schools defined.** (1) A public school is a school that  
16 derives its support, in whole or in part, from moneys raised by a general  
17 state, county, or district tax.

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

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

1           **22-5-102. Legislative declaration.** The general assembly  
2 declares that this article is enacted for the general improvement and  
3 expansion of educational services of the public schools in the state of  
4 Colorado; for the creation of boards of cooperative services where  
5 feasible for purposes of enabling two or more school districts AND STATE  
6 CHARTER SCHOOLS to cooperate in furnishing services authorized by law  
7 if cooperation appears desirable; and for the setting forth of the powers  
8 and duties of said boards of cooperative services.

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

12           **22-5-103. Definitions.** As used in this article, unless the context  
13 otherwise requires:

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

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

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

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

23           (1) Whenever the boards of education of two or more school districts or  
24 the board of education of a school district and the governing board or  
25 governing agency of a postsecondary institution OR THE GOVERNING  
26 BOARDS OF TWO OR MORE STATE CHARTER SCHOOLS OR THE GOVERNING  
27 BOARD OF A STATE CHARTER SCHOOL AND THE BOARD OF EDUCATION OF

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

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

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

3           **22-5-104. Creation of board of cooperative services - meetings.**

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

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

18           **22-5-110. State and federal payments.** Any state or federal  
19 financial assistance ~~which~~ THAT would accrue to an individual school  
20 district OR STATE CHARTER SCHOOL if it were performing a service  
21 performed under the direction of a board of cooperative services shall be  
22 apportioned by the appropriate state or federal agency to the participating  
23 school districts AND STATE CHARTER SCHOOLS on the basis of the  
24 proportionality of the contributions of the participating school districts  
25 AND STATE CHARTER SCHOOLS to the performance of the service or upon  
26 the basis of proportionality otherwise set forth by law.

27           **SECTION 32.** 22-5-111 (2), Colorado Revised Statutes, is

1 amended to read:

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

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

24           **22-5-118. Implementation and financing of regional education**  
25 **and support services - plan - annual report.** (2) Beginning fiscal year  
26 1996-97 and for fiscal years thereafter, in addition to any state moneys  
27 received pursuant to section 22-5-115, a board of cooperative services

1 may receive state moneys by submitting to the department of education  
2 a plan for the provision of education and support services programs, as  
3 specified in this section. Any amount appropriated to fund any education  
4 or support services program pursuant to this section shall be distributed  
5 by the department of education to each board of cooperative services that  
6 submits a plan. The amount appropriated shall be divided equally based  
7 on the total number of students enrolled in the member school districts  
8 AND STATE CHARTER SCHOOLS of the participating boards and distributed  
9 based on the number of students participating in the funded education or  
10 support services program from each member school district AND EACH  
11 MEMBER STATE CHARTER SCHOOL of each participating board.

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

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

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

27 **22-11-102. Legislative declaration.** (3) The general assembly

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

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

16 **22-11-103. Definitions.** As used in this article, unless the context  
17 otherwise requires:

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

27 (5) "Corrective action cycle" means the corrective actions

1 described in section 22-11-204 to which a school district OR A STATE  
2 CHARTER SCHOOL shall be subject in the event that it fails to comply with  
3 provisions of the accreditation contract.

4 (6.5) "PUBLIC SCHOOL" INCLUDES A TRADITIONAL PUBLIC SCHOOL  
5 AS DEFINED IN SECTION 22-1-101, A DISTRICT CHARTER SCHOOL, AND A  
6 STATE CHARTER SCHOOL.

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

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

12 **22-11-104. Accreditation indicators.** (3) **Rules.** (a) The state  
13 board shall promulgate rules concerning how the school districts AND  
14 STATE CHARTER SCHOOLS shall measure data relating to the accreditation  
15 indicators and the form in which the school districts AND STATE CHARTER  
16 SCHOOLS shall provide such data to the state board.

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

21 **22-11-201. Accreditation contract.** (2) **Parties.** (a) Each  
22 school board AND EACH STATE CHARTER SCHOOL shall enter into an  
23 accreditation contract with the state board of education.

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

27 (3) **Goals.** The accreditation contract shall define the standards,

1 goals, and requirements to be met by the school district OR STATE  
2 CHARTER SCHOOL over the term of the contract. Failure to achieve the  
3 standards, goals, and requirements set forth in the accreditation contract  
4 may result in the sanctions and corrective actions set forth in this article.

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

7 (V) Provisions for allowing annual comparisons between the  
8 school board OR STATE CHARTER SCHOOL assessment results and the  
9 statewide assessment results.

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

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

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

24 **SECTION 38.** 22-11-202 (2) (b), Colorado Revised Statutes, is  
25 amended to read:

26 **22-11-202. Accreditation levels.** (2) **Ratings.** (b) The ratings  
27 shall be based upon student achievement on school district standards OR

1 STATE CHARTER SCHOOL STANDARDS, WHICHEVER IS APPLICABLE, shall be  
2 consistent with the ratings for student achievement on the state  
3 assessments, and shall indicate the public schools' and school districts'  
4 performance on the accreditation indicators.

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

7 **22-11-203. Monitoring of accreditation contracts.** (2) The  
8 department shall provide technical assistance to any school district of the  
9 state OR STATE CHARTER SCHOOL that requests such assistance in order to  
10 improve its performance on the accreditation indicators.

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

13 **22-11-204. Corrective action cycle.** (1) **Level one: Notice.**

14 (a) At any time during the term of the accreditation contract, if a school  
15 district OR STATE CHARTER SCHOOL fails to comply with any of the  
16 provisions of the accreditation contract, the department shall notify the  
17 school district OR STATE CHARTER SCHOOL of the nature of the ~~school~~  
18 ~~district's~~ lack of compliance. This notice shall constitute level one in the  
19 corrective action cycle.

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

1 that shall be established in rules promulgated by the state board.

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

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

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

19 (3) **Level three: Nonaccreditation status.** Pursuant to rules  
20 established by the state board, the state board may remove a school  
21 district's OR STATE CHARTER SCHOOL'S accreditation if the school district  
22 OR STATE CHARTER SCHOOL fails to remedy its lack of compliance. The  
23 rules of the state board shall include a process for a school district's OR  
24 STATE CHARTER SCHOOL'S right to a hearing before the board in order to  
25 determine whether the school district OR STATE CHARTER SCHOOL had  
26 remedied its lack of compliance. Removal of accreditation may result in  
27 reorganization of the school district as provided in section 22-30-105.

1 REMOVAL OF ACCREDITATION MAY RESULT IN REVOCATION OF THE STATE  
2 CHARTER SCHOOL'S CHARTER.

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

5 **22-11-301. Colorado school awards program - created - rules.**

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

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

10 **22-11-303. Colorado school awards program - distribution of**

11 **award.** (2) Any moneys made available to a public school OF A SCHOOL  
12 DISTRICT in the form of an award pursuant to the provisions of this part  
13 3 shall not supplant moneys made available to such public school from  
14 funding received by the school district pursuant to article 54 of this title  
15 or pursuant to the taxing authority of the school district. ANY MONEYS  
16 MADE AVAILABLE TO A STATE CHARTER SCHOOL IN THE FORM OF AN  
17 AWARD PURSUANT TO THE PROVISIONS OF THIS PART 3 SHALL NOT  
18 SUPPLANT MONEYS PAYABLE TO THE STATE CHARTER SCHOOL PURSUANT  
19 TO ARTICLE 54 OF THIS TITLE.

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

23 **22-20-103. Definitions.** As used in this article, unless the  
24 context otherwise requires:

25 (1) "Administrative unit" means a school district, A STATE  
26 CHARTER SCHOOL, or a board of cooperative services that is providing  
27 educational services to exceptional children and that is responsible for the

1 local administration of this article.

2 (5.5) "Least restrictive environment" means programs used to  
3 educate a child with a disability using the delivery system most  
4 appropriately meeting the needs of the child, and, to the extent possible,  
5 as determined by the local board of education OR THE GOVERNING BOARD  
6 OF THE STATE CHARTER SCHOOL, subject to the appeals procedures  
7 outlined in section 22-20-108 (3), the term means an environment in  
8 which a child with a disability is educated with children without  
9 disabilities, unless the nature or severity of the disability is such that  
10 education in regular classes with the use of supplementary aids and  
11 services cannot be achieved satisfactorily, or, when provided with  
12 supplementary aids and services, the nature or severity of the disability  
13 is so disruptive that the education of other children in such classes would  
14 be significantly impaired.

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

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

20 **22-20-104. Administration.** (1) This article shall be  
21 administered by the department. Administration of this article shall  
22 include the recommendation to the state board of reasonable criteria,  
23 rules, and regulations; recommended minimum standards for facilities,  
24 materials, equipment, and personnel; and recommended assessment  
25 criteria for identifying exceptional children, their level of disability or  
26 exception, and the special services needed. The state board shall adopt  
27 appropriate recommendations following public hearings in several

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

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

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

23 **22-20-106. Special educational programs.** (1) By September  
24 1, 1973, every school district in the state shall be either an administrative  
25 unit in itself or in a board of cooperative services which shall be  
26 designated as an administrative unit. EACH STATE CHARTER SCHOOL  
27 SHALL BE EITHER AN ADMINISTRATIVE UNIT IN ITSELF OR IN A BOARD OF

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

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

26 (3) Administrative units shall make available special educational  
27 services for the education of any child with a disability between the ages

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

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

15 **22-20-108. Determination of disability - enrollment.** (1) The  
16 determination that a child has a disability and the recommendation for  
17 placement of that child in an individual educational program shall be  
18 made by a committee of professionally qualified personnel designated by  
19 the board of education of the school district, BY THE GOVERNING BOARD  
20 OF THE STATE CHARTER SCHOOL IF THE ADMINISTRATIVE UNIT CONSISTS OF  
21 A STATE CHARTER SCHOOL, or by the governing board of the board of  
22 cooperative services if the administrative unit encompasses more than a  
23 single school district OR SINGLE STATE CHARTER SCHOOL. The  
24 composition of the committee shall be prescribed by the state board and  
25 may be composed of but not limited to the following: The director of  
26 special education for the administrative unit, a psychologist, a social  
27 worker, a physician, a school administrator, and a teacher of children

1 with disabilities. The committee shall utilize guidelines recommended by  
2 the department to determine the least restrictive environment in which to  
3 educate the child. In the event that placement in a community center for  
4 the retarded and for persons with serious disabilities is considered  
5 appropriate for the needs of a child with a disability, a joint placement  
6 committee composed of professional personnel, as described in this  
7 section, representing the administrative unit and the community center for  
8 the retarded and for persons with serious disabilities, may recommend  
9 placement in such center. The committee shall give parents of a child  
10 with an alleged disability an opportunity to consult with the committee  
11 or a representative thereof prior to determination that their child has a  
12 disability.

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

22 (b) If the ~~local~~ SCHOOL DISTRICT board of education OR THE  
23 GOVERNING BOARD OF THE STATE CHARTER SCHOOL or the parent or  
24 guardian disagrees with the findings of the administrative law judge,  
25 either party may appeal to the commissioner of education for review.  
26 This review shall be conducted in accordance with procedures and  
27 timetables established by the state board of education, and a decision

1 concerning the review shall be returned to the school district OR STATE  
2 CHARTER SCHOOL and the parent or guardian.

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

25 (4.5) (e) Nothing in this subsection (4.5) shall require a school  
26 district OR STATE CHARTER SCHOOL to expend additional resources or hire  
27 additional personnel to implement the provisions of this section.

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

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

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

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

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

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

1 school district shall provide staff input into the final decision regarding  
2 placement. In the event that a disagreement exists between the  
3 recommending school district and the agency and school district receiving  
4 the child regarding the placement, the commissioner of education and the  
5 director of the state agency under which the facility or program in which  
6 the child is being placed is operated shall make the final determination of  
7 the placement.

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

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

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

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

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

14           **22-20-114. Funding of programs.** (1) (b.7) (I) For the 1997-98  
15 budget year and budget years thereafter, forty-nine million eight hundred  
16 thousand seven hundred fifty-six dollars shall be distributed to each  
17 administrative unit that maintains and operates special education  
18 programs in proportion to the amount of state funding the administrative  
19 unit received for the 1994-95 budget year divided by the appropriation for  
20 the 1994-95 budget year.

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

1 disabilities in the state. The increase in the appropriation to be  
2 distributed to school districts AND STATE CHARTER SCHOOLS pursuant to  
3 this paragraph (b.7) shall be distributed as soon as practicable after the  
4 beginning of the fiscal year. For purposes of this paragraph (b.7), the  
5 number of children with disabilities shall be based upon the count taken  
6 in December of the immediately preceding budget year.

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

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

12 **22-20-116. Minimum standards for educational interpreters**  
13 **for the deaf in the public schools - committee to recommend standards**  
14 **- rules.** (6) After review and study of the recommendations of the  
15 interpreter standards committee, the state board, on or before July 1,  
16 1998, shall promulgate rules setting minimum standards for educational  
17 interpreters for the deaf employed by or in the public schools in this state.  
18 The state board may revise and amend such minimum standards as it  
19 deems necessary. The state board shall promulgate rules that set forth the  
20 documentation that a person seeking employment as an educational  
21 interpreter for the deaf in a public school must submit to the EMPLOYING  
22 school district OR STATE CHARTER SCHOOL.

23 (7) On or after July 1, 2000, in addition to any other requirements  
24 that a school district OR A STATE CHARTER SCHOOL establishes, any person  
25 employed as an educational interpreter for deaf students on a full-time or  
26 part-time basis by or in a school district OR A STATE CHARTER SCHOOL  
27 shall meet the minimum standards for educational interpreters for the deaf

1 as established by rules of the state board.

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

4 **22-24-102. Legislative declaration.** The general assembly  
5 hereby finds, determines, and declares that there are substantial numbers  
6 of students in this state whose educational potential is severely restricted  
7 because a language other than English is their primary means of  
8 communication. The general assembly recognizes the need to provide for  
9 transitional programs to improve the English language skills of these  
10 students. The general assembly declares that, in order to improve  
11 educational and career opportunities for every student in this state, it is  
12 the purpose of this article to provide for the establishment of an English  
13 language proficiency program in the public schools and to provide for the  
14 distribution of moneys to the several school districts AND STATE CHARTER  
15 SCHOOLS to help defray the costs of such program.

16 **SECTION 51.** 22-24-103 (3) and the introductory portion to  
17 22-24-103 (4), Colorado Revised Statutes, are amended, and the said  
18 22-24-103 is further amended BY THE ADDITION OF A NEW  
19 SUBSECTION, to read:

20 **22-24-103. Definitions.** As used in this article, unless the context  
21 otherwise requires:

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

25 (3.5) "STATE CHARTER SCHOOL" MEANS ONE OR MORE CHARTER  
26 SCHOOLS THAT ENTER INTO CHARTER CONTRACTS WITH THE STATE BOARD  
27 OF EDUCATION PURSUANT TO SECTION 22-30.5-108.1 OR A BOARD OF

1 COOPERATIVE SERVICES ORGANIZED AND EXISTING PURSUANT TO LAW  
2 THAT INCLUDES ONE OR MORE STATE CHARTER SCHOOLS.

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

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

12 **22-24-104. English language proficiency program established**  
13 **- funding.** (1) There is hereby established an English language  
14 proficiency program for students in kindergarten and grades one through  
15 twelve whose dominant language is not English.

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

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

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

1 determination, pursuant to section 22-24-106 (1) (d), of the number of  
2 students in each district OR STATE CHARTER SCHOOL to be included in the  
3 program.

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

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

25 (II) The remainder of the annual appropriation shall be used by  
26 the districts AND STATE CHARTER SCHOOLS for students certified to be  
27 within section 22-24-103 (4) (c). No such student shall be funded for an

1 amount greater than two hundred dollars per year or an amount equal to  
2 ten percent of the state average per pupil operating revenues, as defined  
3 in section 22-54-103 (12), for the preceding year as annually determined  
4 by the department, whichever is greater.

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

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

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

24 **SECTION 53.** The introductory portion to 22-24-105 (1) and  
25 22-24-105 (1) (b) (II), (1) (c), and (2), Colorado Revised Statutes, are  
26 amended to read:

27 **22-24-105. District - powers and duties - repeal.** (1) It is the

1 duty of each district AND STATE CHARTER SCHOOL to:

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

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

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

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

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

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

27 (b) Provide assistance, on request, to districts AND STATE CHARTER

1       SCHOOLS in the identification and assessment of students;

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

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

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

11               **22-32-124. Building codes - zoning - planning.** (1.5) Prior to  
12       contracting for a facility, a charter school shall advise in writing the  
13       planning commission, or governing body if no planning commission  
14       exists, which has jurisdiction over the territory in which the site is  
15       proposed to be located. The relevant planning commission or governing  
16       body may request the charter school to submit a site development plan for  
17       the proposed facility, but must issue such request, if any, within ten days  
18       after receiving the written advisement. If requested by the relevant  
19       planning commission or governing body, the charter school, acting on  
20       behalf of its ~~sponsoring school board~~ CHARTERING AUTHORITY, shall  
21       submit such a site development plan. The relevant planning commission  
22       or governing body may review and comment on such plan to the  
23       governing body of the charter school, but must do so, if at all, within  
24       thirty days after receiving such plan. The relevant planning commission  
25       or governing body, if not satisfied with the response to such comments,  
26       may request a hearing before the ~~board of education~~ CHARTER SCHOOL'S  
27       CHARTERING AUTHORITY regarding such plan. Such hearing shall be held,

1 if at all, within thirty days after the request of the relevant planning  
2 commission or governing body. The charter school then may proceed  
3 with its site development plan unless prohibited from doing so by school  
4 board resolution OF ITS CHARTERING AUTHORITY. [REDACTED] NOTHING  
5 IN THIS SUBSECTION (1.5) SHALL BE CONSTRUED TO LIMIT THE AUTHORITY  
6 OF A CHARTERING AUTHORITY TO FINALLY DETERMINE THE LOCATION OF  
7 CHARTER SCHOOLS AND ERECT NECESSARY BUILDINGS AND STRUCTURES.

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

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

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

25 (3) The county, town, city, city and county, or fire protection  
26 district providing fire protection service for the buildings and structures  
27 of a school district OR OF A STATE CHARTER SCHOOL may annually inspect

1 such buildings and structures to assure that they are maintained in  
2 accordance with the fire code adopted by the director of the division of  
3 oil and public safety unless the board of education of the district OR THE  
4 GOVERNING BOARD OF THE STATE CHARTER SCHOOL has contracted for  
5 such inspections to be conducted by a person qualified to conduct such  
6 inspections by reason of experience, training, or certification.

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

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

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

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

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

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

24 **22-37-104. Qualification.** (2) A program shall:

25 (e) Include provisions for the dissemination of the results of the  
26 program to the state board, school board OR GOVERNING BOARD of the  
27 participating public school, parents, guardians, or legal custodians with

1 students attending the participating public school, and any other  
2 interested persons.

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

5 **22-51-101. Legislative declaration.** It is declared to be the  
6 policy of this state to furnish financial aid to school districts AND STATE  
7 CHARTER SCHOOLS of the state for the transportation of pupils to and from  
8 their places of residence and the public schools which they attend,  
9 including transportation for purposes of special education and vocational  
10 education, and for board in lieu of transportation.

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

14 **22-51-102. Definitions.** As used in this article, unless the context  
15 otherwise requires:

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

22 (3) "Pupil transportation" means the transportation of pupils  
23 regularly enrolled in the public schools through grade twelve to and from  
24 their places of residence and the public schools in which enrolled,  
25 including any site attended for special education or vocational education,  
26 and to and from one school of attendance and another in vehicles owned  
27 or rented and operated by a school district OR STATE CHARTER SCHOOL or

1 under contract with a school district OR STATE CHARTER SCHOOL.

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

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

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

10 **22-51-104. Methods of determining reimbursement**  
11 **entitlement.** (1) Except as otherwise provided in subsection (1.5) of this  
12 section, for financial aid in providing pupil transportation, for entitlement  
13 periods ending on June 30, 1988, and thereafter, each school district AND  
14 STATE CHARTER SCHOOL shall have a reimbursement entitlement in an  
15 amount determined as follows:

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

22 (b) Thirty-three and eighty-seven one-hundredths percent of any  
23 amount by which the school district's OR STATE CHARTER SCHOOL'S  
24 current operating expenditures for pupil transportation during the  
25 entitlement period exceeded the school district's OR STATE CHARTER  
26 SCHOOL'S reimbursement entitlement under the provisions of paragraph  
27 (a) of this subsection (1); and

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

12 (1.5) (a) Repealed.

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

24 (2) In no event shall the reimbursement entitlement of any school  
25 district OR STATE CHARTER SCHOOL under the provisions of subsection (1)  
26 of this section for any entitlement period exceed ninety percent of the  
27 total amount expended by the school district OR STATE CHARTER SCHOOL

1 during said entitlement period for current operating expenditures for pupil  
2 transportation.

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

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

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

1 the transportation route descriptions in effect on said date.

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

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

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

1 total reimbursement entitlement of each district, and the county treasurer  
2 shall forthwith credit to the general fund of each district in ~~his~~ THE county  
3 the amount certified therefor.

4 (b) For purposes of this section:

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

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

15 (III) "Total reimbursement entitlement" means the advance  
16 reimbursement entitlement and the final reimbursement entitlement of a  
17 school district OR STATE CHARTER SCHOOL.

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

26 (b) For the entitlement period beginning on or after July 1, 1993,  
27 the calculation in paragraph (a) of this subsection (2) shall be based on

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

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

10 **22-51-107. Requirements for participation.** Unless otherwise  
11 authorized by the commissioner of education, any school district ~~which~~  
12 OR STATE CHARTER SCHOOL THAT has not filed the certifications required  
13 by section 22-51-105 on or before the date provided in said section or has  
14 not complied with the rules and regulations promulgated by the state  
15 board of education pursuant to section 22-51-108 shall not be entitled to  
16 any reimbursement under this article.

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

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

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

3           **22-54-102. Legislative declaration - statewide applicability -**  
4 **intergovernmental agreements.** (1) The general assembly hereby finds  
5 and declares that this article is enacted in furtherance of the general  
6 assembly's duty under section 2 of article IX of the state constitution to  
7 provide for a thorough and uniform system of public schools throughout  
8 the state; that a thorough and uniform system requires that all school  
9 districts AND STATE CHARTER SCHOOLS operate under the same finance  
10 formula; and that equity considerations dictate that all districts AND STATE  
11 CHARTER SCHOOLS be subject to the expenditure and maximum levy  
12 provisions of this article. Accordingly, the provisions of this article  
13 concerning the financing of public schools for budget years beginning on  
14 and after July 1, 1994, shall apply to all school districts AND STATE  
15 CHARTER SCHOOLS organized under the laws of this state.

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

20           **22-54-103. Definitions - repeal.** As used in this article, unless  
21 the context otherwise requires:

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

24           (7) "Funded pupil count" means:

25           (c) (I) For budget years commencing on and after July 1, 2003,  
26 the district's on-line pupil enrollment for the applicable budget year plus  
27 the district's preschool enrollment for the applicable budget year plus the

1 greater of:

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

3 or

4 (B) The average of the district's pupil enrollment for the  
5 applicable budget year and the district's pupil enrollment for the  
6 immediately preceding budget year; or

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

10 (D) The average of the district's pupil enrollment for the  
11 applicable budget year and the district's pupil enrollment for the three  
12 immediately preceding budget years.

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

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

20 (III) (A) Notwithstanding any provision of law to the contrary, for  
21 purposes of subparagraph (I) of this paragraph (c), for the 2000-01,  
22 2001-02, and 2002-03 budget years, a district's pupil enrollment shall not  
23 include any pupils enrolled in a district preschool program pursuant to  
24 article 28 of this title.

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

26 (IV) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
27 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c)

1 FOR BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S  
2 FUNDED PUPIL COUNT SHALL INCLUDE THE CERTIFIED PUPIL ENROLLMENT  
3 AND ON-LINE PUPIL ENROLLMENT OF EACH OPERATING STATE CHARTER  
4 SCHOOL FOR WHICH THE DISTRICT IS THE DENYING DISTRICT. THE  
5 DEPARTMENT OF EDUCATION SHALL ADD THE STATE CHARTER SCHOOL'S  
6 CERTIFIED PUPIL ENROLLMENT AND ON-LINE PUPIL ENROLLMENT TO THE  
7 FUNDED PUPIL COUNT OF THE DISTRICT PRIOR TO CALCULATING THE  
8 DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION 22-54-104.

9 (8.5) "On-line pupil enrollment" means the number of pupils, on  
10 October 1 within the applicable budget year or the school day nearest said  
11 date, enrolled in, attending, and actively participating in, an on-line  
12 program created pursuant to section 22-33-104.6 by the district or by a  
13 charter school chartered by the district, minus any such pupils who were  
14 enrolled in any such on-line programs for the 2001-02 school year. In  
15 addition, "on-line pupil enrollment" means the number of pupils who  
16 meet the requirements specified in section 22-33-104.6 (4) (a) and  
17 transfer to an on-line program after October 1 of a school year. FOR  
18 BUDGET YEARS BEGINNING ON OR AFTER JULY 1, 2004, A DISTRICT'S  
19 ON-LINE PUPIL ENROLLMENT SHALL INCLUDE THE CERTIFIED ON-LINE PUPIL  
20 ENROLLMENT OF EACH OPERATING STATE CHARTER SCHOOL FOR WHICH  
21 THE DISTRICT IS THE DENYING DISTRICT. THE DEPARTMENT OF EDUCATION  
22 SHALL ADD THE STATE CHARTER SCHOOL'S CERTIFIED ON-LINE PUPIL  
23 ENROLLMENT TO THE ON-LINE PUPIL ENROLLMENT OF THE DISTRICT PRIOR  
24 TO CALCULATING THE DISTRICT'S TOTAL PROGRAM PURSUANT TO SECTION  
25 22-54-104.

26 (9.3) "PER PUPIL REVENUES" MEANS THE DISTRICT'S TOTAL  
27 PROGRAM FOR ANY BUDGET YEAR DIVIDED BY THE DISTRICT'S FUNDED

1 PUPIL COUNT FOR SAID BUDGET YEAR.

2 (13.5) "STATE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT  
3 ENTERS INTO A CHARTER CONTRACT WITH THE STATE BOARD PURSUANT TO  
4 THE PROVISIONS OF SECTION 22-30.5-108.1.

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

7 **22-54-104. District total program.** (1) (a) For every budget  
8 year, the provisions of this section shall be used to calculate for each  
9 district an amount that represents the financial base of support for public  
10 education in that district. Such amount shall be known as the district's  
11 total program. The district's total program shall be available to the district  
12 to fund the costs of providing public education, and, except as otherwise  
13 provided in section 22-54-105, the amounts and purposes for which such  
14 moneys are budgeted and expended shall be in the discretion of the  
15 district.

16 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS  
17 SUBSECTION (1), IF A DISTRICT IS THE DENYING DISTRICT OF A STATE  
18 CHARTER SCHOOL, THEN THE CALCULATION OF TOTAL PROGRAM PURSUANT  
19 TO THE PROVISIONS OF THIS SECTION SHALL ALSO REPRESENT THE  
20 FINANCIAL BASE OF SUPPORT FOR THE STATE CHARTER SCHOOL, EVEN  
21 THOUGH THE STATE CHARTER SCHOOL IS NOT A SCHOOL OF THE DISTRICT.  
22 THE AMOUNT OF THE DISTRICT'S STATE SHARE OF TOTAL PROGRAM THAT  
23 IS WITHHELD FROM THE DISTRICT AND PAID TO THE STATE CHARTER  
24 SCHOOL PURSUANT TO THE PROVISIONS OF SECTION 22-54-115 (1.3), SHALL  
25 NOT BE AVAILABLE TO NOR UNDER THE CONTROL OF THE DISTRICT, BUT  
26 SHALL BE UNDER THE CONTROL OF THE GOVERNING BOARD OF THE STATE  
27 CHARTER SCHOOL TO FUND THE COSTS OF PROVIDING PUBLIC EDUCATION

1 TO PUPILS ENROLLED IN THE STATE CHARTER SCHOOL, AND THE AMOUNTS  
2 AND PURPOSES FOR WHICH SUCH MONEYS ARE BUDGETED AND EXPENDED  
3 SHALL BE IN THE DISCRETION OF THE STATE CHARTER SCHOOL.

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

7 **22-54-106. Local and state shares of district total program.**

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

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

20 (b) In the event that the appropriation for the state's share of the  
21 total program of all districts, INCLUDING FUNDING FOR STATE CHARTER  
22 SCHOOLS, under this article for any budget year, as established in the  
23 general appropriation act, is not sufficient to fully fund the state's share  
24 INCLUDING FUNDING FOR STATE CHARTER SCHOOLS, the department of  
25 education shall submit a request for a supplemental appropriation in an  
26 amount which will fully fund the state's share INCLUDING FUNDING FOR  
27 STATE CHARTER SCHOOLS. Such request shall be made to the general

1 assembly during the fiscal year in which such underfunding occurs.

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

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

24 (I) AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT  
25 PER PUPIL REVENUES MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN  
26 THE STATE CHARTER SCHOOL WHO ARE NOT ON-LINE PUPILS PLUS ONE  
27 HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING

1 MULTIPLIED BY THE NUMBER OF ON-LINE PUPILS ENROLLED IN THE STATE  
2 CHARTER SCHOOL; OR

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

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

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

16 **22-54-109. Attendance in district other than district of**  
17 **residence.** (1) Districts paying tuition for pupils of residence in the  
18 district to attend public schools in other Colorado school districts, IN  
19 STATE CHARTER SCHOOLS, and in school districts of adjoining states shall  
20 report and be entitled to support for such pupils; except that no district  
21 shall report any pupil who is from another district and whose tuition is  
22 paid by the pupil's district of residence.

23 (3) Every school district AND STATE CHARTER SCHOOL shall report  
24 to the department of education, by district of residence, the number of  
25 pupils not included in the district's OR STATE CHARTER SCHOOL'S pupil  
26 enrollment but who are receiving educational services in residential child  
27 care facilities, community centers, regional centers, the school for the

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

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

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

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

27 **SECTION 70.** 22-54-114, Colorado Revised Statutes, is amended

1 to read:

2           **22-54-114. State public school fund.** (1) There is hereby created  
3 in the office of the state treasurer a fund, separate from the general fund,  
4 to be known as the state public school fund. There shall be credited to  
5 said fund the net balance of the public school income fund existing as of  
6 December 31, 1973, and all distributions from the state public school  
7 income fund thereafter made, the state's share of all moneys received  
8 from the federal government pursuant to the provisions of section  
9 34-63-102, C.R.S., and such additional moneys as shall be appropriated  
10 by the general assembly which are necessary to meet the state's share of  
11 the total program of all districts, FUNDING FOR STATE CHARTER SCHOOLS,  
12 and the contingency reserve during the budget year. Moneys annually  
13 appropriated by the general assembly shall be transferred from the state  
14 general fund and credited to the state public school fund in four quarterly  
15 installments on July 1, September 30, December 31, and March 31 to  
16 assure the availability of funds for the required distribution of state  
17 moneys to school districts AND STATE CHARTER SCHOOLS. Such quarterly  
18 installments shall be determined in accordance with estimates prepared  
19 by the department of education with respect to the required distribution  
20 of state moneys to school districts AND STATE CHARTER SCHOOLS.

21           (2) No later than thirty days prior to the beginning of the budget  
22 year, the department of education shall determine the estimated  
23 requirements in order to provide each district AND EACH STATE CHARTER  
24 SCHOOL the amount it is eligible to receive from the state during the next  
25 ensuing fiscal year of the state. The appropriation by the general  
26 assembly shall be based on the requirements necessary to provide all  
27 districts AND STATE CHARTER SCHOOLS with the amounts they are each

1 eligible to receive from the state, pursuant to the provisions of this part  
2 1, during the next ensuing fiscal year of the state.

3 (2.5) The general assembly finds that implementation of section  
4 22-7-603.5, including implementation of rules to uniquely identify  
5 individual students, has resulted in more accurate determinations of pupil  
6 enrollment and a savings in the amount required to fund the state's share  
7 of total program funding for school districts AND STATE CHARTER  
8 SCHOOLS. For the 2003-04 budget year and budget years thereafter, the  
9 department of education shall allocate a portion of the amount of the  
10 in-year cost recovery occurring as a result of the use of unique student  
11 identifiers to fund implementation of the academic growth pilot program  
12 and the academic growth program pursuant to section 22-7-603.7. The  
13 amount allocated to the academic growth pilot program and the academic  
14 growth program pursuant to this subsection (2.5) shall not exceed two  
15 hundred thousand dollars in any budget year.

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

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

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

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

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

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

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

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

27 (1.3) (a) IN DETERMINING THE STATE'S SHARE OF EACH DISTRICT'S

1 TOTAL PROGRAM, THE STATE BOARD SHALL DETERMINE WHETHER THE  
2 DISTRICT IS A DENYING DISTRICT OF A STATE CHARTER SCHOOL. IF A  
3 DISTRICT IS A DENYING DISTRICT OF A STATE CHARTER SCHOOL, THE STATE  
4 BOARD SHALL INSTRUCT THE DEPARTMENT OF EDUCATION TO WITHHOLD  
5 FROM THE AMOUNT OF THE STATE SHARE OTHERWISE PAYABLE TO THE  
6 DISTRICT AN AMOUNT EQUAL TO THE LESSER OF:

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

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

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

23 (1.5) Any school district may give written instructions to the state  
24 board directing that a specified portion of a monthly payment or monthly  
25 payments that the district is otherwise entitled to receive pursuant to this  
26 section shall be transferred to the division of vocational rehabilitation in  
27 the department of human services for the district's cost of participating in

1 school to work alliance programs. Such written instructions shall specify  
2 the amount to be transferred to the division of vocational rehabilitation  
3 from the district's payment for a specified month or months. Such written  
4 instructions shall be given to the state board no later than the fifth day of  
5 the first month in which such amount is to be transferred to the division  
6 of vocational rehabilitation.

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

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

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

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

24 (c) PAY THE AMOUNT CERTIFIED AS PAYABLE TO EACH STATE  
25 CHARTER SCHOOL DIRECTLY TO THE TREASURER OF EACH STATE CHARTER  
26 SCHOOL OR, IN ACCORDANCE WITH WRITTEN INSTRUCTIONS FROM THE  
27 STATE CHARTER SCHOOL, DIRECTLY TO AN ACCOUNT DESIGNATED BY THE

1 STATE CHARTER SCHOOL THAT ALLOWS THE STATE CHARTER SCHOOL TO  
2 RETAIN TITLE TO THE FUNDS.

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

11 (5) (Deleted by amendment, L. 94, p. 800, § 2, effective April 27,  
12 1994.)

13 (6) (a) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO  
14 THE CONTRARY, THE DEPARTMENT OF EDUCATION MAY WITHHOLD A  
15 PORTION OF A STATE CHARTER SCHOOL'S OR A SCHOOL DISTRICT'S  
16 MONTHLY PAYMENT UNDER THIS SECTION IF THE STATE CHARTER SCHOOL  
17 OR THE SCHOOL DISTRICT FAILS TO COMPLY WITH THE REQUIREMENTS  
18 SPECIFIED IN THIS TITLE AND IN RULES PROMULGATED BY THE STATE  
19 BOARD PERTAINING TO REPORTING FINANCIAL INFORMATION TO THE  
20 DEPARTMENT, INCLUDING BUT NOT LIMITED TO FINANCIAL REPORTING  
21 REQUIRED UNDER THE STATEWIDE FINANCIAL, STUDENT MANAGEMENT,  
22 AND HUMAN RESOURCE ELECTRONIC DATA COMMUNICATIONS AND  
23 REPORTING SYSTEM IMPLEMENTED PURSUANT TO SECTION 22-44-105 (4)  
24 AND REPORTING REQUIRED FOR THE DEPARTMENT OF EDUCATION TO  
25 CONDUCT AN AUDIT PURSUANT TO SECTION 22-2-113 (1) (f). THE  
26 DEPARTMENT OF EDUCATION MAY WITHHOLD A PORTION OF THE PAYMENT  
27 ONLY UNTIL SUCH TIME AS THE STATE CHARTER SCHOOL OR THE SCHOOL

1 DISTRICT COMPLIES WITH THE REPORTING REQUIREMENT. A SCHOOL  
2 DISTRICT MAY NOT OBTAIN A LOAN PURSUANT TO THE PROVISIONS OF  
3 SECTION 22-54-110 TO ALLEVIATE ANY CASH FLOW MANAGEMENT ISSUES  
4 THAT MAY ARISE DUE TO THE WITHHOLDING OF PAYMENTS PURSUANT TO  
5 THIS SUBSECTION (6).

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

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

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

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

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

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

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

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

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

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

1           (1.5) (d) Any supplemental assistance granted to a DISTRICT  
2 charter school pursuant to this subsection (1.5) shall be provided to the  
3 chartering school district, and the school district shall distribute all such  
4 moneys to the DISTRICT charter school and may not retain any portion of  
5 such moneys for any purpose. ANY SUPPLEMENTAL ASSISTANCE GRANTED  
6 TO A STATE CHARTER SCHOOL PURSUANT TO THIS SUBSECTION (1.5) SHALL  
7 BE PROVIDED DIRECTLY TO THE STATE CHARTER SCHOOL.

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

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

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

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

24           **SECTION 73.** 22-54-120 (2), Colorado Revised Statutes, is  
25 amended to read:

26           **22-54-120. Rules and regulations.** (2) All reports and  
27 certifications required from secretaries of boards of education AND FROM

1 STATE CHARTER SCHOOLS pursuant to the provisions of this article shall  
2 be made in such manner and form as may be prescribed by the state  
3 board.

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

6 **22-54-122. Small attendance center aid.** (1) For the 1998-99  
7 budget year and budget years thereafter, a district shall be eligible for aid  
8 pursuant to this section if:

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

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

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

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

1 and then multiplying such amount by the percentage determined by  
2 dividing the difference between two hundred and the funded pupil count  
3 of the small attendance center by two hundred.

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

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

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

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

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

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

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

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

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

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

23             **SECTION 77.** 22-54-124 (1) (b), (1) (c), (1) (e), (2), (3) (a) (III),  
24 (3) (b), and (4) and the introductory portion to 22-54-124 (6), Colorado  
25 Revised Statutes, are amended, and the said 22-54-124 (1) is further  
26 amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

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

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

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

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

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

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

1 DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION, AS CERTIFIED  
2 BY THE DEPARTMENT OF EDUCATION PURSUANT TO PARAGRAPH (b) OF  
3 SUBSECTION (3) OF THIS SECTION DURING THE BUDGET YEAR THAT  
4 IMMEDIATELY PRECEDES SAID BUDGET YEAR.

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

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

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

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

1 eligible districts for the same budget year pursuant to sub-subparagraph  
2 (A) of this subparagraph (III).

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

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

27 (4) For the 2001-02 budget year, the 2003-04 budget year, and

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

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

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

20 **23-8-101.5. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
21 CONTEXT OTHERWISE REQUIRES:

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

26 (2) "STATE CHARTER SCHOOL'S PER PUPIL OPERATING REVENUES"  
27 MEANS THE AMOUNT RECEIVED BY A STATE CHARTER SCHOOL PURSUANT

1 TO THE PROVISIONS OF SECTION 22-54-115 (1.3), C.R.S., FOR ANY BUDGET  
2 YEAR, DIVIDED BY THE NUMBER OF PUPILS ENROLLED IN THE STATE  
3 CHARTER SCHOOL FOR THAT BUDGET YEAR, MINUS THE MINIMUM AMOUNT  
4 PER PUPIL REQUIRED BY SECTION 22-30.5-112.1 (5) (b), C.R.S., TO BE  
5 ALLOCATED FOR CAPITAL RESERVE OR RISK MANAGEMENT PURPOSES.

6 **SECTION 79.** 23-8-102 (1), (2), (3), (4), and (5), Colorado  
7 Revised Statutes, are amended to read:

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

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

25 (b) As vocational education program support, the state shall  
26 provide, to each school district AND EACH STATE CHARTER SCHOOL  
27 conducting an approved vocational education program for each

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

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

16 (I) The cost of providing the services of instructional personnel  
17 for the time involved;

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

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

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

22 (V) Repealed.

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

26 (3) The provisions of this section shall not be construed to prevent  
27 any school district OR STATE CHARTER SCHOOL from conducting any

1 course in vocational education with costs in excess of those for which  
2 state vocational education program support funds are approved by the  
3 board.

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

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

25 **SECTION 80.** 23-8-103, Colorado Revised Statutes, is amended  
26 to read:

27 **23-8-103. Standards for eligibility for grants.** (1) The board

1 shall not approve vocational education program support to be provided  
2 under section 23-8-102 unless the courses of vocational education  
3 conducted by a school district OR STATE CHARTER SCHOOL meet the  
4 standards prescribed in subsection (2) of this section.

5 (2) Any such course shall:

6 (a) Be designed to provide students with an entry level  
7 occupational skill;

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

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

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

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

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

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

1           **SECTION 81.** 23-15-103 (8) (a) (VIII), Colorado Revised  
2 Statutes, is amended, and the said 23-15-103 (8) (a) is further amended  
3 BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

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

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

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

11           (IX) PROVIDES AN EDUCATIONAL PROGRAM PURSUANT TO A  
12 CHARTER FROM THE STATE BOARD OF EDUCATION IN ACCORDANCE WITH  
13 APPLICABLE LAWS.

14           **SECTION 82.** 29-1-304.5 (2), Colorado Revised Statutes, is  
15 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

16           **29-1-304.5. State mandates - prohibition - exception.** (2) The  
17 provisions of subsection (1) of this section shall not apply to:

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

23           **SECTION 83. Appropriation.** In addition to any other  
24 appropriation, there is hereby appropriated, out of any moneys in the state  
25 charter school cash fund created pursuant to section 22-30.5-108.3 (2)  
26 (b), Colorado Revised Statutes, not otherwise appropriated, to the  
27 department of education, for the fiscal year beginning July 1, 2004, the

1 sum of one hundred thousand dollars (\$100,000), or so much thereof as  
2 may be necessary, for the implementation of this act.

3 **SECTION 84. Safety clause.** The general assembly hereby  
4 finds, determines, and declares that this act is necessary for the immediate  
5 preservation of the public peace, health, and safety.