

Second Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO

**PREAMENDED**

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

LLS NO. 06-0321.01 Julie Pelegrin

**HOUSE BILL 06-1008**

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**HOUSE SPONSORSHIP**

Massey,

**SENATE SPONSORSHIP**

Isgar,

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**House Committees**

Education  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING REIMBURSEMENT FOR SUPPLEMENTAL ON-LINE**  
102 **EDUCATION COURSES, AND MAKING AN APPROPRIATION**  
103 **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.)*

Allows each school district that enrolls fewer than 3,000 students ("eligible school district") and each charter school that is not an on-line program ("eligible charter school") to receive reimbursement for supplemental on-line education courses ("course") purchased for students enrolled in grades 6 through 12. Caps each eligible school district's and eligible charter school's total reimbursement for a budget year at \$10

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.*

multiplied by the number of students enrolled in grades 6 through 12 in the eligible school district or eligible charter school.

Specifies that, for an eligible school district or eligible charter school to receive reimbursement for a course, the course must be provided by an entity that uses Colorado-licensed teachers.

Establishes the procedure for an eligible school district or eligible charter school to be reimbursed by the department of education ("department"). Limits the amount of reimbursement for each course to the per-student cost of the course multiplied by the number of students who successfully complete the course.

Creates the supplemental on-line education course fund ("fund"), consisting of moneys appropriated from the state education fund. Directs the department to pay reimbursements from the fund. Instructs the department to provide annually to the joint budget committee estimates of the number of students expected to be enrolled in grades 6 through 12 in the eligible school districts and eligible charter schools. Allows the department to retain up to 3% of the amount appropriated to the fund to offset administrative costs.

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

2 **SECTION 1.** Title 22, Colorado Revised Statutes, is amended BY  
3 THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 57**

5 **Supplemental On-line Education Courses - Financing**

6 **22-57-101. Legislative declaration.** (1) (a) THE GENERAL  
7 ASSEMBLY FINDS THAT:

8 (I) ON-LINE EDUCATION COURSES THAT ARE SUPPLEMENTAL TO  
9 THE EDUCATION PROGRAM PROVIDED BY A SCHOOL DISTRICT OR A  
10 CHARTER SCHOOL ARE A VALUABLE RESOURCE FOR ALL SCHOOL DISTRICTS  
11 AND CHARTER SCHOOLS, ESPECIALLY SMALLER SCHOOL DISTRICTS AND  
12 SCHOOL DISTRICTS IN RURAL AREAS, BECAUSE THEY ALLOW A SCHOOL  
13 DISTRICT OR CHARTER SCHOOL TO PROVIDE A MUCH RICHER, MORE VARIED  
14 CURRICULUM OF COURSES FOR STUDENTS AT ALL LEVELS OF  
15 ACHIEVEMENT;

1 (II) SUPPLEMENTAL ON-LINE EDUCATION COURSES PROVIDE TOOLS  
2 FOR SCHOOL DISTRICTS AND CHARTER SCHOOLS TO USE IN DECREASING  
3 THE COLLEGE REMEDIATION RATES AND IN HELPING THEIR STUDENTS  
4 COMPLY WITH THE HIGHER EDUCATION ADMISSION GUIDELINES.

5 (b) IT IS THEREFORE IN THE BEST INTERESTS OF THE STATE TO  
6 ENSURE THE AVAILABILITY OF AFFORDABLE SUPPLEMENTAL ON-LINE  
7 EDUCATION COURSES FOR SCHOOL DISTRICTS AND CHARTER SCHOOLS BY  
8 SUBSIDIZING THE PROVISION OF SUPPLEMENTAL ON-LINE EDUCATION  
9 COURSES.

10 (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE  
11 AMOUNT NECESSARY TO REIMBURSE ELIGIBLE SCHOOL DISTRICTS AND  
12 ELIGIBLE CHARTER SCHOOLS PURSUANT TO THIS ARTICLE FOR THE COST OF  
13 PURCHASING SUPPLEMENTAL ON-LINE EDUCATION COURSES BE  
14 APPROPRIATED ANNUALLY FROM FEDERAL MINERAL LEASING REVENUES  
15 TRANSFERRED TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO  
16 SECTIONS 22-41-106 AND 22-54-114 (1).

17 **22-57-102. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
18 CONTEXT OTHERWISE REQUIRES:

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

21 (2) (a) "ELIGIBLE CHARTER SCHOOL" MEANS A CHARTER SCHOOL,  
22 AUTHORIZED BY AN ELIGIBLE SCHOOL DISTRICT PURSUANT TO PART 1 OF  
23 ARTICLE 30.5 OF THIS TITLE, OR AN INSTITUTE CHARTER SCHOOL, AS  
24 DEFINED IN SECTION 22-30.5-502 (6), THAT:

25 (I) ENROLLS STUDENTS IN ANY OF GRADES SIX THROUGH TWELVE;  
26 AND

27 (II) DOES NOT OPERATE AN ON-LINE PROGRAM.

1 (b) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (a) OF THIS  
2 SUBSECTION (2) TO THE CONTRARY, "ELIGIBLE CHARTER SCHOOL" DOES  
3 NOT INCLUDE AN INSTITUTE CHARTER SCHOOL IN ANY BUDGET YEAR IN  
4 WHICH THE INSTITUTE CHARTER SCHOOL ENROLLS THREE THOUSAND OR  
5 MORE STUDENTS, AS DETERMINED BY THE INSTITUTE CHARTER SCHOOL'S  
6 PUPIL ENROLLMENT CERTIFIED BY THE STATE CHARTER SCHOOL INSTITUTE  
7 ON BEHALF OF THE INSTITUTE CHARTER SCHOOL TO THE STATE BOARD  
8 PURSUANT TO SECTION 22-30.5-513 (3) (a).

9 (3) "ELIGIBLE SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT THAT:

10 (a) DOES NOT EXPORT AN ON-LINE EDUCATION PROGRAM TO  
11 STUDENTS RECEIVING THE PROGRAM AT A LOCATION OUTSIDE OF THE  
12 SCHOOL DISTRICT'S GEOGRAPHIC BOUNDARIES; AND

13 (b) ENROLLS FEWER THAN THREE THOUSAND STUDENTS IN A  
14 BUDGET YEAR, AS DETERMINED BY THE SCHOOL DISTRICT'S PUPIL  
15 ENROLLMENT CERTIFIED TO THE STATE BOARD PURSUANT TO SECTION  
16 22-54-112 FOR THE BUDGET YEAR IN WHICH THE ELIGIBLE SCHOOL  
17 DISTRICT CLAIMS REIMBURSEMENT PURSUANT TO THIS ARTICLE.

18

19 (4) "PROVIDER" MEANS AN ENTITY THAT SELLS SUPPLEMENTAL  
20 ON-LINE EDUCATION COURSES THAT ARE TAUGHT BY EMPLOYEES OF THE  
21 PROVIDER WHO ARE TEACHERS, LICENSED IN COLORADO PURSUANT TO  
22 ARTICLE 60.5 OF THIS TITLE. A "PROVIDER" MAY INCLUDE, BUT NEED NOT  
23 BE LIMITED TO, A NONPROFIT OR FOR-PROFIT ENTITY, A CHARTER SCHOOL,  
24 A SCHOOL DISTRICT, OR A CONSORTIUM OF SCHOOL DISTRICTS.

25 (5) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION  
26 CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE IX OF THE  
27 STATE CONSTITUTION.

1 (6) "SUCCESSFULLY COMPLETED" MEANS THAT A STUDENT PASSED  
2 A SUPPLEMENTAL ON-LINE EDUCATION COURSE WITH A LETTER GRADE OF  
3 "D" OR HIGHER IN ACCORDANCE WITH THE STANDARDS OF THE ELIGIBLE  
4 SCHOOL DISTRICT OR ELIGIBLE CHARTER SCHOOL THAT PURCHASED THE  
5 SUPPLEMENTAL ON-LINE EDUCATION COURSE.

6 (7) "SUPPLEMENTAL ON-LINE EDUCATION COURSE" MEANS AN  
7 EDUCATION COURSE THAT IS:

8 (a) TAUGHT BY A TEACHER, WHO IS LICENSED PURSUANT TO  
9 ARTICLE 60.5 OF THIS TITLE, AND DELIVERED VIA AN INTERNET FORMAT TO  
10 ONE OR MORE STUDENTS AT A LOCATION THAT IS REMOTE FROM THE  
11 DELIVERY POINT; AND

12 (b) PURCHASED BY AN ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE  
13 CHARTER SCHOOL FROM A PROVIDER TO AUGMENT THE EDUCATION  
14 COURSES TAUGHT BY EMPLOYEES OF THE ELIGIBLE SCHOOL DISTRICT OR  
15 ELIGIBLE CHARTER SCHOOL WHO ARE LOCATED ON THE SCHOOL SITE.

16 **22-57-103. Supplemental on-line education programs - cost**  
17 **reimbursement.** (1) EACH ELIGIBLE SCHOOL DISTRICT AND EACH  
18 ELIGIBLE CHARTER SCHOOL MAY RECEIVE REIMBURSEMENT FOR ALL OR A  
19 PORTION OF THE COSTS INCURRED IN PURCHASING SUPPLEMENTAL ON-LINE  
20 EDUCATION COURSES FOR STUDENTS ENROLLED IN GRADES SIX THROUGH  
21 TWELVE IN THE ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE CHARTER  
22 SCHOOL. [REDACTED]

23 (2) THE TOTAL AMOUNT OF REIMBURSEMENT FOR SUPPLEMENTAL  
24 ON-LINE EDUCATION COURSES THAT AN ELIGIBLE SCHOOL DISTRICT OR  
25 ELIGIBLE CHARTER SCHOOL MAY RECEIVE PURSUANT TO THIS ARTICLE IN  
26 A SINGLE BUDGET YEAR SHALL NOT EXCEED AN AMOUNT EQUAL TO THE  
27 NUMBER OF STUDENTS ENROLLED IN GRADES SIX THROUGH TWELVE IN THE

1 ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE CHARTER SCHOOL MULTIPLIED BY  
2 TEN DOLLARS. THE NUMBER OF STUDENTS ENROLLED IN GRADES SIX  
3 THROUGH TWELVE IN AN ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE CHARTER  
4 SCHOOL SHALL BE BASED ON THE ELIGIBLE SCHOOL DISTRICT'S OR ELIGIBLE  
5 CHARTER SCHOOL'S PUPIL ENROLLMENT CERTIFIED PURSUANT TO SECTION  
6 22-54-112 TO THE STATE BOARD FOR THE BUDGET YEAR DURING WHICH  
7 THE ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE CHARTER SCHOOL CLAIMS  
8 THE REIMBURSEMENT.

9 (3) (a) TO RECEIVE REIMBURSEMENT FOR A SUPPLEMENTAL  
10 ON-LINE EDUCATION COURSE, AN ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE  
11 CHARTER SCHOOL SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION  
12 FOR REIMBURSEMENT THAT, AT A MINIMUM, SPECIFIES THE SUPPLEMENTAL  
13 ON-LINE EDUCATION COURSE PURCHASED BY THE ELIGIBLE SCHOOL  
14 DISTRICT OR ELIGIBLE CHARTER SCHOOL, THE PER-STUDENT PRICE OF THE  
15 SUPPLEMENTAL ON-LINE EDUCATION COURSE, THE NUMBER OF STUDENTS  
16 WHO SUCCESSFULLY COMPLETED THE SUPPLEMENTAL ON-LINE EDUCATION  
17 COURSE, AND THE NAME OF THE PROVIDER FROM WHICH THE  
18 SUPPLEMENTAL ON-LINE EDUCATION COURSE WAS PURCHASED. THE  
19 DEPARTMENT SHALL PAY THE AMOUNT OF THE REIMBURSEMENT SPECIFIED  
20 IN PARAGRAPH (b) OF THIS SUBSECTION (3) TO THE APPLYING ELIGIBLE  
21 SCHOOL DISTRICT OR ELIGIBLE CHARTER SCHOOL.

22 (b) THE AMOUNT OF REIMBURSEMENT PAID TO AN ELIGIBLE  
23 SCHOOL DISTRICT OR ELIGIBLE CHARTER SCHOOL FOR A SUPPLEMENTAL  
24 ON-LINE EDUCATION COURSE SHALL BE EQUAL TO THE LESSER OF:

25 (I) THE PER-STUDENT PURCHASE PRICE OF THE SUPPLEMENTAL  
26 ON-LINE EDUCATION COURSE MULTIPLIED BY THE NUMBER OF STUDENTS  
27 WHO SUCCESSFULLY COMPLETED THE COURSE; OR

1 (II) THE PORTION OF THE ELIGIBLE SCHOOL DISTRICT'S OR ELIGIBLE  
2 CHARTER SCHOOL'S TOTAL AMOUNT AVAILABLE FOR REIMBURSEMENT, AS  
3 SPECIFIED IN SUBSECTION (2) OF THIS SECTION, THAT THE DEPARTMENT  
4 HAS NOT YET PAID TO THE ELIGIBLE SCHOOL DISTRICT OR ELIGIBLE  
5 CHARTER SCHOOL FOR THE BUDGET YEAR.

6 (4) (a) AN ELIGIBLE SCHOOL DISTRICT MAY NOT RECEIVE  
7 REIMBURSEMENT PURSUANT TO THIS ARTICLE FOR SUPPLEMENTAL ON-LINE  
8 EDUCATION COURSES THAT ARE PURCHASED FROM A PUBLIC SCHOOL OF  
9 THE ELIGIBLE SCHOOL DISTRICT. AN ELIGIBLE CHARTER SCHOOL MAY NOT  
10 RECEIVE REIMBURSEMENT PURSUANT TO THIS ARTICLE FOR SUPPLEMENTAL  
11 ON-LINE EDUCATION COURSES THAT ARE PURCHASED FROM THE ELIGIBLE  
12 CHARTER SCHOOL'S AUTHORIZING ENTITY.

13 (b) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
14 CONTRARY, AN ELIGIBLE SCHOOL DISTRICT OR AN ELIGIBLE CHARTER  
15 SCHOOL MAY NOT RECEIVE REIMBURSEMENT PURSUANT TO THIS ARTICLE  
16 FOR A PORTION OF THE PER-STUDENT COST OF A SUPPLEMENTAL ON-LINE  
17 EDUCATION COURSE THAT PURCHASES POSTSECONDARY CREDIT FOR THE  
18 STUDENT.

19  
20 (5) BEGINNING WITH THE BUDGET PREPARATIONS FOR THE 2007-08  
21 BUDGET YEAR, THE DEPARTMENT, AS PART OF THE ANNUAL BUDGET  
22 PREPARATION PROCESS, SHALL PROVIDE TO THE JOINT BUDGET COMMITTEE  
23 ESTIMATES OF THE NUMBER OF STUDENTS EXPECTED TO BE ENROLLED IN  
24 THE COMING BUDGET YEAR IN GRADES SIX THROUGH TWELVE IN ELIGIBLE  
25 SCHOOL DISTRICTS AND ELIGIBLE CHARTER SCHOOLS.

26 (6) THE DEPARTMENT MAY RETAIN UP TO THREE PERCENT OF THE  
27 MONEYS ANNUALLY APPROPRIATED FOR REIMBURSEMENTS PURSUANT TO

1 THIS ARTICLE TO OFFSET THE ACTUAL ADMINISTRATIVE COSTS INCURRED  
2 IN ADMINISTERING THIS ARTICLE.

3 **22-57-104. Repeal of article.** THIS ARTICLE IS REPEALED,  
4 EFFECTIVE JULY 1, 2009.

5 **SECTION 2. Appropriation.** In addition to any other  
6 appropriation, there is hereby appropriated, out of any moneys in the state  
7 public school fund created in section 22-54-114, Colorado Revised  
8 Statutes, not otherwise appropriated, to the department of education,  
9 assistance to public schools, grant programs and other distributions, for  
10 the fiscal year beginning July 1, 2006, the sum of five hundred thirty-one  
11 thousand five hundred eighty dollars (\$531,580), or so much thereof as  
12 may be necessary, for the implementation of this act. Said amount shall  
13 be from federal mineral leasing revenues transferred to the state public  
14 school fund pursuant to sections 22-41-106 and 22-54-114 (1), Colorado  
15 Revised Statutes.

16 **SECTION 3. Safety clause.** The general assembly hereby finds,  
17 determines, and declares that this act is necessary for the immediate  
18 preservation of the public peace, health, and safety.