A BILL FOR AN ACT
CONCERNING MONEYS ALLOCATED TO THE STATE ELEMENTARY AND SECONDARY PUBLIC SCHOOL SYSTEM, AND, IN CONNECTION THEREWITH, REQUIRING INCREASED REPORTING OF THE USE OF PUBLIC MONEYS BY PUBLIC SCHOOLS, INCREASING THE FUNDING FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION, INCREASING THE FUNDING FOR THE "COLORADO READ ACT", AND MAKING AN APPROPRIATION.

Bill Summary
(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at
Reduction in the negative factor. Under current law, for the 2014-15 budget year, the sum of total program funding for all school districts and institute charter schools, after application of the negative factor, is an amount equal to the final sum of total program funding for the 2013-14 budget year increased by the amount required to adjust the state average per pupil revenues for the 2014-15 budget year by inflation. The bill increases total program funding for the 2014-15 budget year by an additional $100 million.

Implementation fund. The bill creates the implementation fund (fund) to assist school districts, boards of cooperative services that operate public schools, the state charter school institute, and charter schools (local education providers) in implementing accountability, early literacy, and educator evaluation statutes (education policy plan) and in implementing initiatives and projects to improve educational practice. The fund consists of $40 million transferred to the fund from the state education fund on July 1, 2014. The department of education (department) is authorized to use 2% of the moneys in the fund to offset the administrative costs of distributing the moneys in the fund and to provide technical support for local education providers in implementing the education policy plan.

Each local education provider receives an allocation from the fund on a per pupil basis. A local education provider may use the moneys only to implement the education policy plan as specified in the bill, initiatives and projects to improve educational practice, and school safety requirements. The fund is repealed, effective July 1, 2018.

Average daily membership. Under current law, funding for school districts and institute charter schools is based on the number of pupils enrolled on a specified count date each school year. Beginning with the 2018-19 budget year, the bill directs the department to calculate funding for school districts and institute charter schools based on the district's or institute charter school's average daily membership, preschool program average daily membership, at-risk pupil average daily membership, on-line average daily membership, ASCENT program average daily membership, and funded membership (collectively referred to as "membership") for the funding averaging period. The funding averaging period is the 4 quarters of the preceding budget year plus the first quarter of the current budget year.

The department must create a data system in the 2014-15 budget year to calculate membership. During the 2015-16 budget year, the department will work with school districts on a volunteer basis to develop and test practices for collecting data and implementing the average daily membership calculation. Beginning in the 2016-17 budget year, each district and institute charter school, in accordance with rule, but no more
than twice per budget year, must report the data required to calculate membership. For the 2016-17 and 2017-18 budget years, each district and institute charter school will continue to receive funding calculated based on pupil enrollment, but the department must also calculate funding based on membership for comparison purposes. Beginning in the 2018-19 budget year and for budget years thereafter, each district's and institute charter school's funding is based on calculations that use membership, rather than single-day pupil enrollment.

Beginning in the 2018-19 budget year, if a school district's membership calculated for the first half of a budget year increases over the preceding funding averaging period, the department will recalculate the school district's total program funding for the remainder of the budget year using the school district's membership for the first half of the then-current budget year.

Under current law, payments of state share of total program for the first several months of the budget year are based on estimated enrollments. When the department receives actual numbers, it recalculates each school district's total program and adjusts each school district's payments accordingly. This process will continue in the 2018-19 budget year and budget years thereafter. The department will recalculate total program and payments of state share after it receives the membership data for the first quarter of each budget year. For the 2018-19 budget year and budget years thereafter, the bill creates the actual membership reserve account within the state public school fund that consists of a one-time appropriation of $20 million. The department may use the moneys in the actual membership reserve account to make payments of the state's share of total program to a district and payments to an institute charter school if the district's projected funded membership, plus institute charter school membership if the district is an accounting district, is less than the actual funded membership plus institute charter school membership, and the amount appropriated to the state public school fund is insufficient to cover the full amount of the state's share of total program funding and institute charter school funding for the applicable budget year. If the general assembly makes a supplemental appropriation to fully fund the state's share of total program and institute charter school funding for the applicable budget year, the department must restore the balance of the actual membership reserve account before using the supplemental appropriation to make payments to districts and institute charter schools.

Beginning in the 2018-19 budget year, a new institute charter school's funding will be based on the projected membership for the first school day. If the new institute charter school's membership for the first quarter of the budget year is different from the projections, the department shall recalculate the institute charter school's funding based on the membership for the first quarter of the then-current budget year. In the second year of operation or in a budget year in which an institute
charter school increases its program by at least one grade level, if the membership for the first quarter of the school year is greater than the membership for the funding averaging period, the department will recalculate the institute charter school's funding based on the membership for the first quarter of the then-current budget year. In any other budget year, the department will recalculate an institute charter school's funding halfway through the budget year on the same basis that it would recalculate a school district's total program.

Beginning in the 2018-19 budget year, a school district that authorizes a charter school shall calculate the charter school's funding based on the charter school's membership. A school district must calculate and recalculate the funding for a district charter school on the same basis that the department recalculate the funding for an institute charter school.

The general assembly must appropriate moneys for the mid-year increases in funding for school districts, district charter schools, and institute charter schools.

For the 2018-19 budget year, the department must submit to the joint budget committee an estimate of the reduction in the state's share of total program funding that will occur as a result of calculating funding based on membership rather than the one-day pupil enrollment count. It is the general assembly's intent in the 2018-19 budget year to appropriate an amount equal to the reduction to the department. The department will distribute the amount to districts and the state charter school institute on a per pupil basis. Each district and the institute must distribute the per pupil amounts to the charter schools it has authorized.

**Reporting of elementary and secondary education expenditures.** Under current law, the state board of education (state board) must implement a statewide financial, student management, and human resource electronic data communications and reporting system (reporting system). Under the bill, the reporting system, including the standard chart of accounts, must require the reporting of expenditures, including salary and benefit expenditures by job classification, at the school-site level. The bill specifies how certain expenditures must be reported. The site-level requirements and new reporting requirements take effect beginning in the 2015-16 budget year.

The department will create, either directly or by contract, a web site view that translates the reported expenditures for schools, school districts, boards of cooperative services, and the state charter school institute into a format that is readable by a layperson, provides school performance data, and correlates the financial information with the academic performance data. The web site must be available to the public by July 1, 2017.

Each school district that authorizes a charter school must, at the end of each budget year, provide to the charter school an accounting of
the special education costs for the budget year. The department must annually publish a report concerning the amounts of mill levy override revenues collected by school districts and the distribution of the revenues to the schools of the district, including charter schools.

**Public school capital construction.** Beginning in the 2014-15 fiscal year, the state treasurer must annually transfer the first $40 million collected as excise taxes on recreational marijuana (transferred moneys) to the public school capital construction assistance fund (assistance fund). Under the bill, the state treasurer must credit 75% of the transferred moneys to the full-day kindergarten facility capital construction account that the bill creates within the assistance fund, 12.5% of the transferred moneys to the technology assistance account that the bill creates within the assistance fund, and 12.5% of the transferred moneys to the charter school facilities assistance account that the bill creates within the assistance fund. The bill repeals the existing full-day kindergarten facility capital construction fund. The public school capital construction assistance board (BEST board) may use the moneys in the full-day kindergarten facility capital construction account only to provide financial assistance for full-day kindergarten facilities.

The state board, based on recommendations from the department, will distribute the moneys credited to the technology assistance account to school districts, boards of cooperative services, charter schools, and the school for the deaf and the blind based on applications received. An applicant may use the moneys to upgrade technology infrastructure or purchase technology. The department will recommend applicants to the state board based on prioritizing criteria specified in the bill. The department will distribute the moneys credited to the charter school facilities assistance account to qualified charter schools based on the certified pupil enrollment in qualified charter schools.

The bill strengthens the requirement that the BEST board adopt rules to help ensure that members avoid conflicts of interest.

One of the existing duties of the BEST board is to review applications for financial assistance for public school capital construction and to recommend to the state board those applicants that should receive assistance. The bill requires the BEST board to create a standard rubric for reviewing and evaluating applications that the BEST board and the division must use. The BEST board must communicate the standard rubric to potential applicants and must keep the completed rubrics for each application on file. The BEST board must also provide copies of the completed rubrics to the state board upon request.

Under current law, each school district, board of cooperative services, or charter school that receives financial assistance in the form of a lease-purchase agreement must provide a certain percentage of matching funds. The statute specifies several criteria that the BEST board must use in deciding the percentage of matching funds that an applicant
must provide. For school districts and boards of cooperative services, the bill adds to these criteria consideration of a school district's remaining capacity to issue capital construction bonds.

Under current law, certain district charter schools and institute charter schools qualify for funding for capital construction. The total amount available to these charter schools is $7 million. The bill increases the total amount available to $20 million in the 2014-15 budget year and for budget years thereafter.

**English Language Proficiency Act.** The bill repeals and reenacts the existing English Language Proficiency Act (ELPA). Under the existing ELPA, funding for a student with limited English proficiency is limited to 2 years, and funds are allocated to school districts, the state charter school institute, and facility schools based on students' levels of English proficiency.

The new ELPA uses the term "English language learner" (ELL) rather than "student with limited English proficiency" and uses the term "local education provider", which includes a school district, the state charter school institute, or a facility school. Under the new ELPA, the time for funding expands to 5 years, and each ELL is funded at the same level. The funding allocation is based on certification of the number of ELLs that a local education provider enrolls.

Each local education provider must:

- Use the ELPA moneys it receives only to pay for the English language proficiency program;
- Identify and assess ELLs;
- Report to the department the number of ELLs, the number of non-English languages spoken by ELLs, and the number of ELLs who speak each language;
- Provide an English language proficiency program that meets specific requirements for each ELL;
- Submit to the department a budget for the ELPA moneys the local education provider receives;
- Report its use of ELPA moneys; and
- Provide assurances that the local education provider is complying with state and federal laws.

The department must:

- Identify the English language proficiency assessments that local education providers will use to identify ELLs, which may be the same assessments used under existing law;
- Annually review the statewide levels of proficiency on the statewide assessments for the ELLs who are required to take the statewide assessment;
- Identify accommodations that a local education provider must allow on statewide assessments;
- Monitor, based on the proficiency levels achieved by the
local education provider's ELLs, all aspects of each local education provider's implementation of its English language proficiency program;

Identify which students are appropriately counted as ELLs and appropriately allocate the ELPA moneys to local education providers;

Disaggregate and report academic performance data for ELLs; and

Review the ELPA budgets received from local education providers.

The state board is directed to adopt rules as necessary to implement the ELPA, but the existing rules remain in effect to the extent they continue to be appropriate. The state board may adopt measures that are specific to the English language proficiency assessments, which measures the department must use to determine a local education provider's level of achievement in meeting the English language development and academic achievement goals for ELLs. In monitoring the local education providers' implementation of the new ELPA, the department cannot require the local education providers to submit data that they already submit under existing federal or state statutes or rules.

The bill creates the English language proficiency act excellence awards program (excellence awards program). The department makes awards by identifying the local education providers and charter schools that achieve the highest English language and academic growth with regard to ELLs and the highest academic achievement for ELLs who successfully transition out of the English language proficiency program. The excellence awards program is funded by state education fund moneys in the amount of $5 million.

The bill creates the professional development and student support program (support program) to provide moneys to local education providers to: Offset the costs incurred in meeting the ELPA reporting requirements; provide professional development activities for all educators who may work with ELLs; and expand programs to help students who are or have been identified as ELLs in achieving greater content proficiency. The department distributes the support program moneys to local education providers based on the percentage of the statewide number of ELLs that each local education provider enrolls. Each school district and the state charter school institute must distribute the per pupil amount to the charter schools that it authorizes. The support program is funded by state education fund moneys in the amount of $30 million.

**Early literacy fund.** The bill directs the state treasurer to transfer $20 million from the state general fund to the early literacy fund on July 1, 2014, and on July 1 each year thereafter.
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Short title. This act shall be known and may be cited as the "Student Success Act".

SECTION 2. In Colorado Revised Statutes, 22-54-104, amend (5) (g) (I) (E) as follows:

22-54-104. District total program. (5) For purposes of the formulas used in this section:

(g) (I) For the 2010-11 budget year and each budget year thereafter, the general assembly determines that stabilization of the state budget requires a reduction in the amount of the annual appropriation to fund the state's share of total program funding for all districts and the funding for institute charter schools. The department of education shall implement the reduction in total program funding through the application of a negative factor as provided in this paragraph (g). For the 2010-11 budget year and each budget year thereafter, the department of education and the staff of the legislative council shall determine, based on budget projections, the amount of such reduction to ensure the following:

(E) That, for the 2014-15 budget year, and each budget year thereafter, the sum of the total program funding for all districts, including the funding for institute charter schools, after application of the negative factor, is not less than the sum of the total program funding for all districts, including the funding for institute charter schools, after the application of the negative factor, for the immediately preceding budget year, adjusted by the amount necessary to adjust the state average per pupil revenues for the applicable budget year by the rate of inflation, as defined in section 22-55-102 (7), for the calendar year ending in the
immediately preceding school district budget year is not less than five billion nine hundred eleven million one hundred nine thousand two hundred sixty-seven dollars ($5,911,109,267); except that the department of education and the staff of the legislative council shall make mid-year revisions to replace projections with actual figures including, but not limited to, actual pupil enrollment, assessed valuations, and specific ownership tax revenue from the prior year, to determine any necessary changes in the amount of the reduction to maintain a total program funding amount for the applicable budget year that is consistent with this sub-subparagraph (E).

SECTION 3. In Colorado Revised Statutes, add 22-54-136 as follows:

22-54-136. Student count collection system study - report - repeal. (1) The department of education shall work with districts and the state charter school institute to study the feasibility, design, and cost of creating a statewide system for collecting student enrollment counts for purposes of this article. At a minimum, the department shall consider the feasibility and cost of creating a centralized student count collection system that collects information from school districts and the institute as compared with a system that enables the department to receive information through the various systems that districts and the institute choose to use. The department shall report the findings of the study to the joint budget committee and to the education committees of the senate and the house of representatives at a meeting scheduled
IN NOVEMBER OR DECEMBER OF 2014 AS REQUIRED IN SECTION 2-7-203, C.R.S. THE DEPARTMENT SHALL INCLUDE IN ITS REPORT A REVIEW OF THE CAPABILITIES OF THE PROPOSED STUDENT COUNT COLLECTION SYSTEM, INCLUDING THE ABILITY TO IDENTIFY AND ACCURATELY FUND STUDENT POPULATIONS THAT HAVE A HIGH DEGREE OF MOBILITY WITHIN THE SCHOOL YEAR, AND THE COSTS TO THE STATE, DISTRICTS, AND THE INSTITUTE TO IMPLEMENT THE PROPOSED SYSTEM.

(2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

SECTION 4. In Colorado Revised Statutes, 22-44-105, amend as it exists until proclamation of the governor (4) as follows:

22-44-105. Budget - contents - mandatory. (4) (a) Not later than July 1, 1998, the state board of education, with input from the financial policies and procedures advisory committee, shall establish, and implement, AND MAINTAIN a statewide financial, student management, and human resource electronic data communications and reporting system that is based on a redesigned standard chart of accounts, a standard information system, and a standard personnel classification system. THE REPORTING SYSTEM MUST INCLUDE TO THE FULLEST EXTENT POSSIBLE COMPARABLE REPORTING OF EXPENDITURES AT THE SCHOOL-SITE LEVEL AS WELL AS AT THE SCHOOL DISTRICT LEVEL, AT THE BOARD OF COOPERATIVE SERVICES LEVEL, AND BY THE STATE CHARTER SCHOOL INSTITUTE. The department of education, THE STATE CHARTER SCHOOL INSTITUTE, and all DISTRICT CHARTER SCHOOLS, INSTITUTE CHARTER SCHOOLS, school districts, and boards of cooperative services in the state shall use the system to report and obtain necessary financial information.

(b) In redesigning, IMPLEMENTING AND MAINTAINING the financial and human resource reporting system pursuant to paragraph (a) of this
section, the state board of education shall adhere to, but is not limited to, the following guidelines:

(I) The financial and human resource reporting system shall be based on a redesigned standard chart of accounts that will make school-to-school and school district-to-school district comparisons more accurate and meaningful;

(II) The reporting system, including the standard chart of accounts, must require the reporting of expenditures, including but not limited to salary and benefit expenditures reported by job classifications specified in the common chart of accounts, at the school-site level;

(III) The financial and human resource reporting system shall provide standard definitions for employment positions such that full, accurate disclosure of administrative costs is made within the budgets and the financial statements of every school district;

(IV) The financial reporting system shall make it possible to collect comparable data by program and school site;

(V) The reporting system must require each charter school, each school district, each board of cooperative services, and the state charter school institute to report actual salary amounts by job classification when reporting salary expenditures and require each charter school, each school district, each board of cooperative services, and the state charter school institute to report benefit expenditures by type of benefit; and

(VI) The reporting system must require each school district to report the total amount of additional local
PROPERTY TAX REVENUES THE DISTRICT IS AUTHORIZED TO COLLECT IN
ADDITION TO THE DISTRICT'S TOTAL PROGRAM MILL LEVY, BUT NOT
INCLUDING AMOUNTS AUTHORIZED PURSUANT TO SECTION 22-40-110,
ARTICLE 42 OF THIS TITLE, OR ARTICLE 43 OF THIS TITLE, AND THE AMOUNT
OF THE ADDITIONAL LOCAL PROPERTY TAX REVENUES THAT THE SCHOOL
DISTRICT DISTRIBUTES DIRECTLY TO SCHOOLS OF THE SCHOOL DISTRICT,
STATED AS A DOLLAR AMOUNT.

(c) A SCHOOL DISTRICT THAT CONSISTS OF ONLY ONE SCHOOL
BUILDING THAT HOUSES SEVERAL GRADE LEVELS MAY COMPLY WITH THE
REQUIREMENTS OF THIS SECTION BY REPORTING EXPENDITURES AND
OTHER REQUIRED INFORMATION IN TOTAL FOR ALL OF THE GRADE LEVELS
HOUSED IN THE BUILDING AND IS NOT REQUIRED TO DISAGGREGATE
EXPENDITURES AND OTHER INFORMATION FOR THE INDIVIDUALLY CODED
SCHOOLS LOCATED WITHIN THE BUILDING.

(d) IN COMPLYING WITH THE REQUIREMENTS OF THIS SECTION,
each school district, each board of cooperative services, and
the institute shall allocate centralized administrative costs
among its public schools by calculating the per pupil amount of
the total administrative costs and multiplying the per pupil
amount by the number of students enrolled in each public
school.

(e) (I) No later than July 1, 2015, the state board, based on
recommendations of the financial policies and procedures
advisory committee, shall adopt guidelines as necessary to
update the reporting system to reflect site-level reporting
requirements and the requirements specified in subparagraphs
(II), (V), and (VI) of paragraph (b) of this subsection (4).
SITE-LEVEL REPORTING REQUIREMENTS AND THE REQUIREMENTS SPECIFIED IN SUBPARAGRAPHS (II) AND (V) OF PARAGRAPH (b) OF THIS SUBSECTION (4) ARE EFFECTIVE FOR THE 2015-16 BUDGET YEAR AND BUDGET YEARS THEREAFTER. THE REPORTING REQUIREMENTS SPECIFIED IN SUBPARAGRAPH (VI) OF PARAGRAPH (b) OF THIS SUBSECTION (4) ARE EFFECTIVE FOR THE 2014-15 BUDGET YEAR AND BUDGET YEARS THEREAFTER.

(II) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE STATE BOARD AND THE DEPARTMENT OF EDUCATION WILL IMPLEMENT THE SITE-LEVEL REPORTING REQUIREMENTS AND THE REQUIREMENTS SPECIFIED IN SUBPARAGRAPHS (II), (V), AND (VI) OF PARAGRAPH (b) OF THIS SUBSECTION (4) IN A MANNER THAT, TO THE GREATEST EXTENT POSSIBLE, DOES NOT INCREASE THE FINANCIAL AND PERSONNEL COSTS THAT SCHOOL DISTRICTS, BOARDS OF COOPERATIVE SERVICES, THE INSTITUTE, AND CHARTER SCHOOLS INCUR IN COMPLYING WITH THIS SUBSECTION (4).

(e) (f) Nothing in this section shall be interpreted to require accounting of salary and benefit costs by school site FOR THE 2016-17 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL COLLECT, REVIEW, STANDARDIZE, AND PUBLISH THE DATA REPORTED BY THE STATE CHARTER SCHOOL INSTITUTE, CHARTER SCHOOLS, SCHOOL DISTRICTS, AND BOARDS OF COOPERATIVE SERVICES PURSUANT TO THIS SUBSECTION (4) TO ENSURE THE GREATEST LEVEL OF TRANSPARENCY AND COMPARABILITY OF EXPENDITURES AMONG SCHOOL SITES, SCHOOL DISTRICTS, THE STATE CHARTER SCHOOL INSTITUTE, AND BOARDS OF COOPERATIVE SERVICES.

(d) Repealed.

(g) (I) THE DEPARTMENT SHALL CREATE OR CONTRACT FOR THE
CREATION OF A WEB SITE VIEW THAT, AT A MINIMUM:

(A) TRANSLATES THE REPORTED EXPENDITURES FOR SCHOOL SITES, SCHOOL DISTRICTS, THE STATE CHARTER SCHOOL INSTITUTE, AND BOARDS OF COOPERATIVE SERVICES INTO A FORMAT THAT IS READABLE BY A LAYPERSON;

(B) REPORTS ACADEMIC PERFORMANCE DATA FOR EACH PUBLIC SCHOOL INCLUDING THE SCHOOL'S MEDIAN GROWTH PERCENTILE, ACT SCORES, COLLEGE REMEDIATION RATES, STUDENT SUSPENSION RATES, AND ATTENDANCE RATES; AND

(C) CORRELATES REPORTED EXPENDITURES AND ACADEMIC PERFORMANCE DATA FOR SCHOOL SITES, SCHOOL DISTRICTS, THE STATE CHARTER SCHOOL INSTITUTE, AND BOARDS OF COOPERATIVE SERVICES.

(II) THE DEPARTMENT SHALL ENSURE THAT THE WEB SITE CREATED PURSUANT TO THIS PARAGRAPH (g) IS AVAILABLE TO THE PUBLIC NO LATER THAN JULY 1, 2017.

SECTION 5. In Colorado Revised Statutes, 22-30.5-112, add (3)(c) as follows:

22-30.5-112. Charter schools - financing - definitions - guidelines. (3) (c) WITHIN NINETY DAYS AFTER THE END OF EACH BUDGET YEAR, EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH CHARTER SCHOOL OF THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING OF ALL THE ACTUAL SPECIAL EDUCATION COSTS THAT THE SCHOOL DISTRICT INCURRED FOR THE APPLICABLE BUDGET YEAR AND THE BASIS OF ANY PER PUPIL CHARGES FOR SPECIAL EDUCATION THAT THE SCHOOL DISTRICT IMPOSED AGAINST THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR.

SECTION 6. In Colorado Revised Statutes, add 22-2-113.8 as follows:
22-2-113.8. Department of education - additional local revenues - distribution to schools - annual report. (1) For the 2014-15 budget year and budget years thereafter, the department shall annually compile a report of the information received pursuant to section 22-44-105(4)(b)(VI) concerning the collection of additional local property tax revenues by each school district and the distribution of the revenues to the schools of the school district, including the charter schools. In addition to the compiled information, the report must include a comparison of the amount of additional local property tax revenues received by the school district and the amount distributed to the schools of the district, including the charter schools, at the district level and aggregated statewide.

(2) (a) The department shall allow each school district and each district charter school to review the report before publication. A school district or a charter school may request that the department compile an addendum to the report that is specific to the requesting school district or charter school and that examines the overall level of funding distributed by the school district to the charter schools of the district, including:

(I) Capital construction and facilities funding;

(II) Funding for technology; and

(III) Any other funding that the school district distributes to the charter schools of the district.

(b) The department shall simultaneously publish on the department web site the report and any addenda prepared for the report in response to a school district or charter school.
REQUEST.

SECTION 7. In Colorado Revised Statutes, repeal as it will take effect upon proclamation of the governor 22-2-113.7.

SECTION 8. In Colorado Revised Statutes, 22-43.7-104, amend (2) (b) (I), (3), and (3.5); and add (2) (d) as follows:

22-43.7-104. Public school capital construction assistance fund - creation - crediting of moneys to fund - use of fund - emergency reserve - creation - reserve account - creation and use. (2) (b) For each fiscal year commencing on or after July 1, 2008, the following moneys shall be credited to the assistance fund:

(I) (A) Unless and until the state treasurer, pursuant to sub-subparagraph (B) of this subparagraph (I), provides written notice to the joint budget committee of the general assembly that the state treasurer has determined that the use of interest or income earned on the deposit and investment of moneys in the public school fund to make lease payments under a lease-purchase agreement entered into pursuant to section 22-43.7-110 (2) will prevent the interest component of the lease payments from qualifying for exemption from federal income taxation, the greater of thirty-five percent of the gross amount of public school lands income received during the fiscal year or an amount of such income equal to the difference between the total amount of lease payments to be made by the state under the terms of lease-purchase agreements entered into pursuant to section 22-43.7-110 (2) and the total amount of matching moneys to be paid to the state as lease payments under the terms of sublease-purchase agreements entered into pursuant to section 22-43.7-110 (2) FORTY MILLION DOLLARS. The moneys required to be credited to the assistance fund pursuant to this sub-subparagraph (A) may
be taken from any single source or combination of sources of public
school lands income.

(B) Except as otherwise provided in sub-subparagraph (C) of this
subparagraph (I), if the state treasurer determines during any fiscal year
that the use of interest or income earned on the deposit and investment of
moneys in the public school fund to make lease payments under a
lease-purchase agreement will prevent the interest component of the lease
payments from qualifying for exemption from federal income taxation
and provides written notice to the joint budget committee of the general
assembly of the determination, for the portion of the fiscal year beginning
on the date the written notice is provided to the joint budget committee
and for each subsequent fiscal year, the greater of fifty percent of the
gross amount of public school lands income other than interest or income
earned on the deposit and investment of moneys in the public school fund
received during the fiscal year or an amount of such public school lands
income equal to the difference between the total amount of lease
payments to be made by the state under the terms of lease-purchase
agreements entered into pursuant to section 22-43.7-110 (2) and the total
amount of matching moneys to be paid to the state as lease payments
under the terms of sublease-purchase agreements entered into pursuant to
section 22-43.7-110 (2) FORTY MILLION DOLLARS. The moneys required
to be credited to the assistance fund pursuant to this sub-subparagraph (B)
may be taken from any single source or combination of sources of public
school lands income other than interest or income earned on the deposit
and investment of moneys in the public school fund.

(C) If, after making a determination and providing notice pursuant
to sub-subparagraph (B) of this subparagraph (I), the state treasurer
makes a new determination during any fiscal year that the use of interest
or income earned on the deposit and investment of moneys in the public
school fund to make lease payments under a lease-purchase agreement
entered into pursuant to section 22-43.7-110 (2) will not prevent the
interest component of the lease payments from qualifying for exemption
from federal income taxation and the state treasurer provides written
notice to the joint budget committee of the general assembly that the state
treasurer has made a new determination and is rescinding the
determination made pursuant to said sub-subparagraph (B) as of the date
the written notice is provided, for the portion of the fiscal year beginning
on the date the written notice is provided to the joint budget committee
and for each subsequent fiscal year, the greater of thirty-five percent of
the gross amount of public school lands income received during the fiscal
year or an amount of such income equal to the difference between the
total amount of lease payments to be made by the state under the terms of
lease-purchase agreements entered into pursuant to section 22-43.7-110
(2) and the total amount of matching moneys to be paid to the state as
lease payments under the terms of sublease-purchase agreements entered
into pursuant to section 22-43.7-110 (2) FORTY MILLION DOLLARS. The
moneys required to be credited to the assistance fund pursuant to this
sub-subparagraph (C) may be taken from any single source or
combination of sources of public school lands income.

(d) FOR EACH FISCAL YEAR COMMENCING ON OR AFTER JULY 1,
2014, THE STATE TREASURER, AS PROVIDED IN SECTION 39-28.8-305 (1)
(a), C.R.S., SHALL TRANSFER TO THE ASSISTANCE FUND THE FIRST FORTY
MILLION DOLLARS ANNUALLY RECEIVED AND COLLECTED AS AN EXCISE
TAX ON RETAIL MARIJUANA PURSUANT TO PART 3 OF ARTICLE 28.8 OF
Title 39, C.R.S. The state treasurer shall credit the amounts annually transferred to the assistance fund pursuant to this paragraph (d) as follows:

(I) Seventy-five percent to the full-day kindergarten capital construction account, which account is created within the assistance fund;

(II) Twelve and five-tenths percent to the technology assistance account, which account is created within the assistance fund; and

(III) Twelve and five-tenths percent to the charter school facilities assistance account, which account is created within the assistance fund.

(3) Subject to annual appropriation, the department may expend moneys in the assistance fund to pay the direct and indirect administrative costs, including but not limited to the costs of conducting or contracting for the financial assistance priority assessment required by section 22-43.7-108 (1), incurred by the division, and the board, and the department in exercising their powers and duties pursuant to this article. Any moneys in the assistance fund not appropriated for a fiscal year to the department for administrative costs before the fiscal year commences are hereby continuously appropriated to the board for the purpose of providing financial assistance, making payments required by section 22-43.7-114, and paying any transaction costs necessarily incurred in connection with the provision of financial assistance as authorized by this article; except that:

(a) The use of any assistance fund moneys to make lease payments required by lease-purchase agreements entered into pursuant to section
22-43.7-110 (2) shall be subject to annual appropriation by the general assembly;

(b) The board shall use the moneys credited to the full-day kindergarten facility capital construction account pursuant to subparagraph (I) of paragraph (d) of subsection (2) of this section to provide financial assistance as provided in part 2 of this article; and

(c) The moneys credited to the technology assistance account pursuant to subparagraph (II) of paragraph (d) of subsection (2) of this section and to the charter school facilities assistance account pursuant to subparagraph (III) of paragraph (d) of subsection (2) of this section are continuously appropriated to the department for distribution as provided in section 22-43.7-110.3.

(3.5) In determining the amount of financial assistance that it provides and in so doing managing the balance of the assistance fund, the board shall ensure that, effective June 30, 2013, and effective each June 30 thereafter, the balance of the assistance fund, not including the amounts credited to the full-day kindergarten facility capital construction account, the technology assistance account, and the charter school facilities assistance account pursuant to paragraph (d) of subsection (2) of this section, is at least equal to the total amount of payments to be made by the state during the next fiscal year under the terms of any lease-purchase agreements entered into pursuant to section 22-43.7-110 (2) less the amount of any school district matching moneys and any federal moneys to be received for the purpose of making the payments.
SECTION 9. In Colorado Revised Statutes, 22-43.7-106, amend (2) (i) (I) introductory portion and (2) (i) (I) (A); and add (2) (i) (I) (A.5) and (2) (i) (I) (A.7) as follows:

22-43.7-106. Public school capital construction assistance board - creation - general powers and duties - rules. (2) The function of the board is to protect the health and safety of students, teachers, and other persons using public school facilities and maximize student achievement by ensuring that the condition and capacity of public school facilities are sufficient to provide a safe and uncrowded environment that is conducive to students' learning. In performing its function, the board shall ensure the most equitable, efficient, and effective use of state revenues dedicated to provide financial assistance for capital construction projects pursuant to the provisions of this article by assessing public school capital construction needs throughout the state and providing expert recommendations based on objective criteria to the state board regarding the appropriate prioritization and allocation of such financial assistance. To further the performance of its function, the board, in addition to any other powers and duties specified in this article, has the following powers and duties:

   (i) (I) To promulgate such rules, in accordance with article 4 of title 24, C.R.S., as are necessary and proper for the administration of this article, including but not limited to:

      (A) Conflict of interest rules for board members IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 18 OF TITLE 24, C.R.S.;

      (A.5) A PROCESS BY WHICH THE BOARD MUST REVIEW AND RESOLVE POSSIBLE CONFLICTS OF INTEREST OF BOARD MEMBERS,
INCLUDING MEASURES TO ENFORCE THE CONFLICT OF INTEREST RULES;

(A.7) A PROCESS FOR DOCUMENTING AND MAINTAINING
DISCLOSURES OF CONFLICTS OF INTEREST BY BOARD MEMBERS TO ENSURE
THAT A BOARD MEMBER RECUSES HIMSELF OR HERSELF FROM VOTING ON
A PROJECT IF THE BOARD MEMBER HAS A PREVIOUS INVOLVEMENT WITH AN
APPLICANT OR PROJECT;

SECTION 10. In Colorado Revised Statutes, 22-43.7-109, amend (6) and (7) (a); and add (9) (a) (III.5) and (9) (b) (III.5) as follows:

22-43.7-109. Financial assistance for public school capital
construction - application requirements - evaluation criteria - local
match requirements. (6) (a) The board may request that the division
undertake a preliminary review of any or all applications for financial
assistance, and the board may also request that any department, agency,
or institution of state government with expertise or experience in
construction management provide assistance to the board with regard to
the evaluation of such applications for financial assistance.

(b) THE BOARD SHALL ADOPT A STANDARD EVALUATION RUBRIC
THAT THE BOARD AND THE DIVISION SHALL USE IN REVIEWING ALL
APPLICATIONS FOR FINANCIAL ASSISTANCE. AT A MINIMUM, THE
EVALUATION RUBRIC MUST INCLUDE CONSIDERATION OF THE CRITERIA
SPECIFIED IN THIS SECTION AND MUST EVALUATE THE ADEQUACY OF THE
PROPOSED CONSTRUCTION PROJECT TO ADDRESS THE APPLICANT'S NEEDS
AND THE APPLICANT'S FINANCIAL CAPACITY TO ADDRESS CONSTRUCTION
NEEDS IN ADDITION TO RECEIVING FINANCIAL ASSISTANCE PURSUANT TO
THIS PART 1. THE BOARD SHALL COMMUNICATE TO POTENTIAL APPLICANTS
THE EVALUATION CRITERIA INCLUDED IN THE EVALUATION RUBRIC.
(c) The board shall retain a copy of the completed evaluation rubric for each application as documentation in support of the list of prioritized public school facility capital construction projects that the board submits to the state board pursuant to subsection (7) of this section.

(7) (a) Pursuant to the timelines established pursuant to subsection (2) of this section for any fiscal year for which financial assistance is to be awarded, and after prioritizing public school facility capital construction projects as specified in subsection (5) of this section, the board shall submit to the state board a prioritized list of projects for which the board recommends the provision of financial assistance AND COPIES OF THE COMPLETED EVALUATION RUBRIC FOR EACH PROJECT INCLUDED ON THE LIST. The prioritized list must include the board's recommendation as to the amount and type of financial assistance to be provided and a statement of the source and amount of applicant matching moneys for each recommended project based upon information provided by the applicant. The board may recommend that any specific project only receive financial assistance if another higher priority project or group of projects becomes ineligible for financial assistance due to the inability of an applicant to raise required matching moneys by a deadline prescribed by the board as a condition of a financial assistance award for the higher priority project or group of projects. The state board shall review and make decisions regarding the prioritized list no later than June 20 of each year and may approve, disapprove, or modify the provision of financial assistance for any project recommended by the board if the state board concludes that the board misinterpreted the results of the prioritization assessment conducted pursuant to section 22-43.7-108 or misapplied the
prioritization criteria specified in subsection (5) of this section. To
facilitate its review, the state board may request and the board
must provide copies of the completed evaluation rubrics for
projects that the board did not include on the prioritized list.
The state board shall specifically explain in writing its reasons for finding
that the board misinterpreted the results of the priority assessment or
misapplied the prioritization criteria when disapproving or modifying any
financial assistance award recommended by the board.

(9) Except as otherwise provided in subsection (10) of this
section, the board may recommend, and the state board may approve
financial assistance that does not involve a lease-purchase agreement for,
or recommend to the capital development committee the approval of
financial assistance that involves a lease-purchase agreement for, a public
school facility capital construction project only if the applicant provides
matching moneys in an amount equal to a percentage of the total
financing for the project determined by the board after consideration of
the applicant's financial capacity, as determined by the following factors:

(a) With respect to a school district's application for financial
assistance:

(III.5) The school district's remaining capacity to issue
bonds within the school district's bonded indebtedness limit
calculated pursuant to section 22-42-104;

(b) With respect to a board of cooperative services' application for
financial assistance:

(III.5) The average remaining capacity of all members of
the board of cooperative services participating in the capital
construction project to issue bonds within each school district's
BONDED INDEBTEDNESS LIMIT CALCULATED PURSUANT TO SECTION 22-42-104;

SECTION 11. In Colorado Revised Statutes, add 22-43.7-110.3 as follows:

22-43.7-110.3. Department - technology assistance account - charter school facilities assistance account - distribution - definitions.

(1) (a) The department, subject to the approval of the State Board, shall distribute the moneys credited to the technology assistance account created in section 22-43.7-104 (2) (d) (II) as provided in subsection (2) of this section. An applicant may use moneys received from the technology assistance account to upgrade technology infrastructure or purchase technology, including hardware and software, for use in administering statewide assessments and other classroom uses.

(b) The department shall distribute the moneys credited to the charter school facilities assistance account created in section 22-43.7-104 (2) (d) (III) as provided in subsection (3) of this section. A qualified charter school may use moneys received from the charter school facilities assistance account for capital construction purposes.

(2) (a) The department shall establish an annual timeline by which an applicant may apply for a grant from the technology assistance account. At a minimum, the timeline must specify:

(I) The deadline for applicants to submit grant applications to the department;

(II) The period during which the department reviews the
GRANT APPLICATIONS; AND

(III) The deadline by which the department submits to the state board a prioritized list of the applications that the department recommends for grant awards.

(b) Technology grant applications must be in the form described by the department and must include:

(I) A description of the purpose for which the technology grant is sought, including a description of how any newly purchased technology would be used and the extent to which it would be integrated into the curricula that the applicant provides;

(II) A description of the technology resources available to the applicant, including the applicant's level of broadband access, and the existing use of technology within the applicant's classrooms, including the extent to which the use of technology is integrated into the curricula that the applicant provides;

(III) A description of the financial resources available to the applicant to provide access to technology for use in the classroom; and

(IV) Any additional information requested by the department to evaluate the application.

(c) The department, taking into account any technology needs assessment that the department has completed within five years preceding submission of the application, shall identify the applications that it recommends for a grant award based on each applicant's degree of financial and technological need and each applicant's access to other financial resources. The
DEPARTMENT SHALL PRIORITIZE APPLICATIONS THAT IT RECOMMENDS FOR TECHNOLOGY GRANTS BASED ON THE FOLLOWING CRITERIA:

(I) PROJECTS THAT IMPROVE THE APPLICANT’S TECHNOLOGY INFRASTRUCTURE AND ABILITY TO SUPPORT TECHNOLOGICAL APPLICATIONS;

(II) PROJECTS THAT IMPROVE THE APPLICANT’S ABILITY TO ADMINISTER STATEWIDE ASSESSMENTS; AND

(III) PROJECTS THAT INCREASE THE EXTENT TO WHICH THE APPLICANT IS ABLE TO INTEGRATE THE USE OF TECHNOLOGY INTO CLASSROOM INSTRUCTION AND DELIVERY OF THE CURRICULA.

(d) In accordance with the timelines that the Department establishes pursuant to paragraph (a) of this subsection (2), the Department shall submit to the State Board the prioritized list of the applications that the Department recommends for grant awards. The prioritized list must include the Department's recommendation as to the amount and duration of each grant. The State Board shall review the prioritized list and, subject to available appropriations, award grants as it deems appropriate. The technology grants are payable from the technology assistance account.

(3) (a) The Department shall annually distribute the moneys credited to the charter school facilities assistance account based on each school district's certified charter school pupil enrollment and each institute charter school's certified pupil enrollment for the applicable fiscal year.

(b) (I) Each school district that provides funding pursuant to section 22-30.5-112 or 22-30.5-112.1 to at least one
QUALIFIED CHARTER SCHOOL IN A FISCAL YEAR SHALL, FOR THAT FISCAL YEAR, RECEIVE AN AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT FOR ALL QUALIFIED CHARTER SCHOOLS STATEWIDE FOR THE APPLICABLE FISCAL YEAR THAT IS ATTRIBUTABLE TO THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT, MULTIPLIED BY THE AMOUNT CREDITED TO THE CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT FOR THE APPLICABLE FISCAL YEAR.

(II) A SCHOOL DISTRICT SHALL DISTRIBUTE THE MONEYS RECEIVED PURSUANT TO THIS PARAGRAPH (b) TO EACH QUALIFIED CHARTER SCHOOL OF THE SCHOOL DISTRICT IN AN AMOUNT EQUAL TO THE PERCENTAGE OF THE SCHOOL DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED TO BE ENROLLED IN THE QUALIFIED CHARTER SCHOOL, MULTIPLIED BY THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE SCHOOL DISTRICT PURSUANT TO THIS PARAGRAPH (b) FOR THE APPLICABLE FISCAL YEAR. THE SCHOOL DISTRICT SHALL NOT RETAIN ANY PORTION OF THE MONEYS RECEIVED PURSUANT TO THIS PARAGRAPH (b) TO DEFRAY ADMINISTRATIVE EXPENSES OR FOR ANY OTHER PURPOSE.

(c) (I) THE STATE CHARTER SCHOOL INSTITUTE, IN EACH FISCAL YEAR IN WHICH IT DISTRIBUTES MONEYS TO AT LEAST ONE INSTITUTE CHARTER SCHOOL THAT IS A QUALIFIED CHARTER SCHOOL, SHALL, FOR THAT FISCAL YEAR, RECEIVE AN AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT FOR ALL QUALIFIED CHARTER SCHOOLS FOR THE APPLICABLE FISCAL YEAR THAT IS ATTRIBUTABLE TO INSTITUTE CHARTER SCHOOLS THAT ARE QUALIFIED CHARTER SCHOOLS, MULTIPLIED BY THE AMOUNT CREDITED TO THE
CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT FOR THE APPLICABLE FISCAL YEAR.

(II) THE STATE CHARTER SCHOOL INSTITUTE SHALL DISTRIBUTE THE MONEYS RECEIVED PURSUANT TO THIS PARAGRAPH (c) TO EACH INSTITUTE CHARTER SCHOOL THAT IS A QUALIFIED CHARTER SCHOOL IN AN AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL INSTITUTE CHARTER SCHOOL CERTIFIED PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED TO BE ENROLLED IN THE QUALIFIED INSTITUTE CHARTER SCHOOL, MULTIPLIED BY THE TOTAL AMOUNT OF MONEYS RECEIVED BY THE STATE CHARTER SCHOOL INSTITUTE PURSUANT TO THIS PARAGRAPH (c) FOR THE APPLICABLE FISCAL YEAR. THE STATE CHARTER SCHOOL INSTITUTE SHALL NOT RETAIN ANY PORTION OF THE MONEYS RECEIVED PURSUANT TO THIS PARAGRAPH (c) TO DEFRAY ADMINISTRATIVE EXPENSES OR FOR ANY OTHER PURPOSE.

(d) AS USED IN THIS SUBSECTION (3):

(I) "CAPITAL CONSTRUCTION" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54-124 (1) (a).

(II) "DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54-124 (1) (c).

(III) "INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL ENROLLMENT" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54-124 (1) (c.5).

(IV) "QUALIFIED CHARTER SCHOOL" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54-124 (1) (f.6).

(V) "TOTAL CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT" MEANS THE PUPIL ENROLLMENT CERTIFIED BY THE DEPARTMENT PURSUANT TO SECTION 22-54-124 (3) (b).
SECTION 12. In Colorado Revised Statutes, amend 22-43.7-201 as follows:

22-43.7-201. Full-day kindergarten facility capital construction account - grants - definitions. (1) (a) There is hereby established in the state treasury the full-day kindergarten facility capital construction fund, referred to in this part 2 as the “fund”. The fund shall consist of any moneys annually appropriated thereto by the general assembly for the purposes of this part 2. All interest and income earned on the deposit of moneys in the fund shall be credited to the fund. Except as otherwise provided in paragraph (b) of this subsection (1), any unexpended and unencumbered moneys remaining in the fund at the end of a budget year shall remain in the fund and shall not be credited or transferred to the general fund or any other fund:

(b) On June 30, 2011, the state treasurer shall transfer the balance of moneys in the fund to the state education fund created in section 17 (4) of article IX of the state constitution:

(2) The public school capital construction assistance board shall use the moneys in the fund FULL-DAY KINDERGARTEN FACILITY CAPITAL CONSTRUCTION ACCOUNT CREATED WITHIN THE ASSISTANCE FUND PURSUANT TO SECTION 22-43.7-104 (4.5), REFERRED TO IN THIS SECTION AS THE "ACCOUNT", to provide grants or matching grants to any school district or institute charter school that is undertaking a capital construction project to renovate a facility, rent a facility, or provide a temporary auxiliary facility that will be used in conjunction with providing a full-day kindergarten program. The board shall award a grant or matching grant pursuant to this part 2 to a school district or institute charter school only if, without the grant or matching grant, the school district or institute
charter school would be unable to provide a facility in which to offer a full day of kindergarten to more students than were offered a full day of kindergarten in the 2007-08 budget year. For purposes of this part 2, "temporary auxiliary facility" means a temporary building that will be placed on the same campus as a main educational facility.

(3) Each budget year, the board shall use fifty percent of the moneys in the fund ACCOUNT to provide grants pursuant to this part 2 and fifty percent of the moneys in the fund ACCOUNT to provide matching grants pursuant to this part 2.

SECTION 13. In Colorado Revised Statutes, 22-54-124, amend (3) (a) as follows:

22-54-124. State aid for charter schools - use of state education fund moneys - definitions. (3) (a) (I) and (II) Repealed.

(III) (A) The total amount of state education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for the 2003-04 through 2011-12 budget years shall be an amount equal to five million dollars; except that, for the 2006-07 budget year, an additional two million eight hundred thousand dollars shall be appropriated from the state education fund and shall be used for the purposes of this section, and for the 2008-09 budget year, an additional one hundred thirty-five thousand dollars shall be appropriated from the state education fund and shall be distributed pursuant to section 22-54-133, as said section existed prior to its repeal in 2010. The total amount of state education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for the 2012-13 budget year is six million dollars. The total amount of state education fund moneys to be appropriated for all eligible districts and for all eligible
institute charter schools for the 2013-14 budget year and each budget year thereafter is seven million dollars.

(B) Repealed.

(IV) (A) The total amount of state education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for the 2014-15 budget year is thirteen million five hundred thousand dollars.

(B) The total amount of state education fund moneys to be appropriated for all eligible districts and all eligible institute charter schools for the 2015-16 budget year and budget years thereafter is twenty million dollars.

(V) For the 2004-05 budget year, and each budget year thereafter, the amount of state education fund moneys to be distributed to any eligible district and any eligible institute charter school shall be an amount equal to the percentage of the sum of the district's certified charter school pupil enrollment and the institute charter school's certified pupil enrollment for all eligible districts and eligible institute charter schools in the state that is attributable to the eligible district or eligible institute charter school multiplied by the total amount of state education fund moneys distributed to all eligible districts and eligible institute charter schools for the same budget year pursuant to sub-subparagraph (A) of this subparagraph of paragraphs (III) and (IV) of this paragraph (a).

SECTION 14. In Colorado Revised Statutes, 22-30.5-407, amend (2) (a) (III), (2) (a) (IV), (2) (c), (4) (d) introductory portion, and (4) (d) (II); and add (2) (a) (I.5) and (2) (a) (V) as follows:
22-30.5-407. State charter school debt reserve fund - creation
- use of fund moneys - legislative declaration. (2) (a) There is hereby
created in the state treasury the state charter school debt reserve fund. The
fund shall consist of the following moneys:

(I.5) SIX MILLION FIVE HUNDRED THOUSAND DOLLARS THAT ARE
TRANSFERRED FROM THE STATE EDUCATION FUND TO THE STATE CHARTER
SCHOOL DEBT RESERVE FUND ON JULY 1, 2014;

(III) Moneys transferred from the state education fund to the state
chart school debt reserve fund pursuant to paragraph (d) of subsection
(4) of this section; and

(IV) Moneys credited to the fund by the state treasurer pursuant
to section 22-30.5-408 (2) (c) (II); AND

(V) INTEREST AND INCOME CREDITED TO THE FUND PURSUANT TO
PARAGRAPH (c) OF THIS SUBSECTION (2).

(c) All interest and income derived from the deposit and
investment of moneys in the state charter school debt reserve fund shall
be ON OR BEFORE JUNE 30, 2014, IS credited to the state education fund
AND ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
INVESTMENT OF MONEYS IN THE STATE CHARTER SCHOOL DEBT RESERVE
FUND ON AND AFTER JULY 1, 2014, IS CREDITED TO THE STATE CHARTER
SCHOOL DEBT RESERVE FUND; except that all interest and income derived
from the deposit and investment of moneys in the state charter school
interest savings account shall be credited to the account in accordance
with paragraph (b) of this subsection (2). At the end of any fiscal year, all
unexpended and unencumbered moneys in the state charter school debt
reserve fund and the account shall remain in the fund and the account
respectively.
(4) (d) If the state treasurer expends moneys from the portion of
the state charter school debt reserve fund that is not the state charter
school interest savings account or if the state treasurer expends moneys
from the state charter school interest savings account for purposes other
than the payment of the administrative costs of the state treasurer, the
state treasurer shall withhold charter school per pupil facilities aid
program moneys to the extent necessary to restore that portion of the state
charter school debt reserve fund, by the transfer of all withheld amounts
from the state education fund to that portion of the state charter school
debt reserve fund, to a one million dollar balance of seven million five
hundred thousand dollars and to the extent necessary to restore the
state charter school interest savings account, by the transfer of all
withheld amounts from the state education fund to the state charter school
interest savings account, to the balance prior to expenditure of moneys
from the account, in accordance with the following requirements:

(II) If, in any given fiscal year, the state treasurer determines that
after withholding the maximum amount of charter school per pupil
facilities aid program moneys that may be withheld pursuant to
subparagraph (I) of this paragraph (d) the portion of the state charter
school debt reserve fund that is not the state charter school interest
savings account will not be restored to a one million dollar balance of
seven million five hundred thousand dollars or the state charter
school interest savings account will not be restored to the balance in the
account prior to the state treasurer's expenditure of moneys from the
account, each charter school that is not relying upon the state charter
school debt reserve fund and the provisions of section 22-30.5-408 with
respect to bonds issued on its behalf by the Colorado educational and
cultural facilities authority shall have its payment reduced by the same
percentage and by a maximum of ten percent.

SECTION 15. In Colorado Revised Statutes, 22-30.5-408,
amend (2) (a) and (2) (c) (II) as follows:

22-30.5-408. Replenishment of qualified charter school debt
service reserve funds - additional responsibilities - state treasurer -
qualified charter schools - definitions. (2) (a) If the Colorado
educational and cultural facilities authority has issued qualified charter
school bonds on behalf of any qualified charter school that fails
immediately to restore its qualified charter school debt service reserve
fund to the applicable qualified charter school debt service reserve fund
requirement, the board of directors of the authority shall submit to the
governor a certificate certifying any amount of moneys required to restore
the qualified charter school debt service reserve fund to the applicable
qualified charter school debt service reserve fund requirement. The
governor shall submit a request for appropriations in an amount sufficient
to restore any or all qualified charter school debt reserve funds to their
respective qualified charter school debt service reserve fund requirements
and the general assembly may, but shall not be required to, appropriate
moneys for said purpose. If, in its sole discretion, the general assembly
appropriates any moneys for said purpose, the aggregate outstanding
principal amount of bonds for which moneys may be appropriated for said
purpose shall not exceed four FIVE hundred million dollars.

(c) (II) Any net proceeds from the sale of property securing the
bonds for which the qualified charter school debt reserve fund is
established shall be used to reimburse the state treasurer for any costs
incurred in connection with the sale of such property. The state treasurer
shall credit any additional net proceeds from the sale of such property to the state charter school debt reserve fund to restore the fund to a balance of **one** seven million five hundred thousand dollars. The state treasurer shall credit any remaining net proceeds from the sale of such property to the state charter school interest savings account in the state charter school debt reserve fund.

**SECTION 16.** In Colorado Revised Statutes, 22-7-1210, amend (1) (d) (I) as follows:

**22-7-1210. Early literacy fund - created - repeal.** (1) The early literacy fund is hereby created in the state treasury and is referred to in this section as the "fund". The fund shall consist of:

(d) (I) For the 2013-14 budget year, and each budget year thereafter, an amount equal to sixteen million dollars from the state education fund, AND FOR THE 2014-15 BUDGET YEAR, AND BUDGET YEARS THEREAFTER, AN AMOUNT EQUAL TO THIRTY-SIX MILLION DOLLARS FROM THE STATE EDUCATION FUND. On July 1, 2013, and on July 1 each year thereafter, the state treasurer shall transfer said THE APPROPRIATE amount from the state education fund to the early literacy fund.

**SECTION 17. Appropriation - adjustments to 2014 long bill.**

(1) For the implementation of this act, appropriations made in the annual general appropriation act to the department of education for the fiscal year beginning July 1, 2014, are adjusted as follows:

(a) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for the state share of districts' total program funding, is increased by $152,358,980.

(b) The cash funds appropriation from the state education fund
created in section 17 (4) (a) of article IX of the state constitution, for hold-harmless full-day kindergarten funding, is increased by $193,196.

(c) The cash funds appropriation from the state education fund created in section 17 (4) (a) of article IX of the state constitution, for state aid to charter school facilities, is increased by $6,500,000.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the early literacy fund created in section 22-7-1210 (1), Colorado Revised Statutes, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2014, the sum of $20,000,000, or so much thereof as may be necessary, to be allocated to the early literacy program for early literacy program per pupil intervention funding. Said sum is from moneys transferred from the state education fund created in section 17 (4) (a) of article IX of the state constitution pursuant to section 22-7-1210 (1) (d) (I), Colorado Revised Statutes.

(3) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in section 17 (4) (a) of article IX of the state constitution, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2014, the sum of $250,000, or so much thereof as may be necessary, to be allocated to the public school finance unit for the implementation of section 22-54-136, Colorado Revised Statutes.

(4) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in section 17 (4) (a) of article IX of the state constitution, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2014, the sum of $237,265 and 1.5 FTE, or so much thereof as
may be necessary, to be allocated to the public school finance unit for the
implementation of section 22-44-105 (4), Colorado Revised Statutes.

(5) In addition to any other appropriation, there is hereby
appropriated, out of any moneys in the public school capital construction
assistance fund created in section 22-43.7-104 (1), Colorado Revised
Statutes, not otherwise appropriated, to the department of education, for
the fiscal year beginning July 1, 2014, the sum of $47,467 and 0.5 FTE,
or so much thereof as may be necessary, to be allocated to the division of
public school capital construction assistance, for the implementation of
this act.

SECTION 18. Appropriation to the department of education
for the fiscal year beginning July 1, 2014. In section 2 of House Bill
14-1336, amend Part III (2) (A) Footnote 5, as follows:

Section 2. Appropriation.

Department of Education, Assistance to Public Schools, Public
School Finance, State Share of Districts' Total Program Funding
-- Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of
this footnote is to specify what portion of this appropriation is
intended to be available for the Accelerating Students Through
Concurrent Enrollment (ASCENT) Program for FY 2014-15. It is
the intent of the General Assembly that the Department of
Education be authorized to utilize up to $4,419,336 $4,536,864 of
this appropriation to fund qualified students designated as
ASCENT Program participants. This amount is calculated based
on an estimated 708 FTE participants funded at a rate of $6,242
$6,408 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.
SECTION 19. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, and safety.