

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

REREVISED

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

LLS NO. 14-0482.01 Julie Pelegrin x2700

HOUSE BILL 14-1292

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A BILL FOR AN ACT

101 **CONCERNING MONEYS ALLOCATED TO THE STATE ELEMENTARY AND**
102 **SECONDARY PUBLIC SCHOOL SYSTEM, AND, IN CONNECTION**
103 **THEREWITH, ■ ■ ■ REQUIRING INCREASED REPORTING OF**
104 **THE USE OF PUBLIC MONEYS BY PUBLIC SCHOOLS, INCREASING**
105 **THE FUNDING FOR PUBLIC SCHOOL CAPITAL CONSTRUCTION, ■**
106 **■ INCREASING THE FUNDING FOR THE "COLORADO READ**
107 **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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
Amended 3rd Reading
May 1, 2014

SENATE
Amended 2nd Reading
April 30, 2014

HOUSE
3rd Reading Unamended
April 10, 2014

HOUSE
Amended 2nd Reading
April 9, 2014

<http://www.leg.state.co.us/bills/summaries/>.)

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 recalculates 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.

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

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

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

6 **22-54-104. District total program.** (5) For purposes of the
7 formulas used in this section:

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

18 (E) That, for the 2014-15 budget year, ~~and each budget year~~
19 ~~thereafter~~, the sum of the total program funding for all districts, including
20 the funding for institute charter schools, after application of the negative
21 factor is not less than the sum of the total program funding for all
22 districts, including the funding for institute charter schools, after the
23 application of the negative factor, for the immediately preceding budget
24 year, adjusted by the amount necessary to adjust the state average per
25 pupil revenues for the applicable budget year by the rate of inflation, as
26 defined in section 22-55-102 (7), for the calendar year ending in the

1 immediately preceding school district budget year IS NOT LESS THAN FIVE
2 BILLION NINE HUNDRED ELEVEN MILLION ONE HUNDRED NINE THOUSAND
3 TWO HUNDRED SIXTY-SEVEN DOLLARS (\$5,911,109,267); except that the
4 department of education and the staff of the legislative council shall make
5 mid-year revisions to replace projections with actual figures including,
6 but not limited to, actual pupil enrollment, assessed valuations, and
7 specific ownership tax revenue from the prior year, to determine any
8 necessary changes in the amount of the reduction to maintain a total
9 program funding amount for the applicable budget year that is consistent
10 with this sub-subparagraph (E).

11 **SECTION 3.** In Colorado Revised Statutes, 22-30.5-103, add
12 (1.5) as follows:

13 **22-30.5-103. Definitions.** As used in this part 1, unless the
14 context otherwise requires:

15 (1.5) "AUTOMATIC WAIVER" MEANS THE WAIVER OF A STATE
16 STATUTE OR STATE BOARD RULE:

17 (a) THAT IS INCLUDED ON THE LIST OF AUTOMATIC WAIVERS
18 ADOPTED BY RULE OF THE STATE BOARD;

19 (b) THAT IS AVAILABLE TO EACH CHARTER SCHOOL, INCLUDING AN
20 INSTITUTE CHARTER SCHOOL, AND IS VALID FOR THE INITIAL, OR
21 SUBSEQUENT RENEWAL, TERM OF THE CHARTER CONTRACT; AND

22 (c) FOR WHICH A CHARTER SCHOOL, INCLUDING AN INSTITUTE
23 CHARTER SCHOOL, IS NOT REQUIRED TO SUBMIT A STATEMENT THAT
24 SPECIFIES THE MANNER IN WHICH THE CHARTER SCHOOL INTENDS TO
25 COMPLY WITH THE INTENT OF THE AUTOMATICALLY WAIVED STATE
26 STATUTE OR STATE BOARD RULE.

27 **SECTION 4.** In Colorado Revised Statutes, 22-30.5-104, amend

1 (6) as follows:

2 **22-30.5-104. Charter school - requirements - authority.**

3 (6) (a) Pursuant to contract, a charter school may operate free from
4 specified school district policies and free from state rules, as provided in
5 paragraph (b) of this subsection (6). Pursuant to contract, a local board of
6 education may waive locally imposed school district requirements,
7 without seeking approval of the state board; except that a charter school
8 shall not, by contract or otherwise, operate free of the requirements
9 contained in the "Public School Finance Act of 1994", article 54 of this
10 title, the requirements specified in part 4 of article 11 of this title
11 concerning school accountability committees, or the requirements
12 contained in the "Children's Internet Protection Act", article 87 of this
13 title.

14 (b) The state board shall promulgate rules ~~identifying state statutes~~
15 ~~and state rules that are automatically waived~~ THAT LIST THE AUTOMATIC
16 WAIVERS for all charter schools. IN PROMULGATING THE LIST OF
17 AUTOMATIC WAIVERS, THE STATE BOARD SHALL CONSIDER THE OVERALL
18 IMPACT AND COMPLEXITY OF THE REQUIREMENTS SPECIFIED IN THE
19 STATUTE AND THE POTENTIAL CONSEQUENCES THAT WAIVING THE
20 STATUTE MAY HAVE ON THE PRACTICES OF A CHARTER SCHOOL.
21 NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (b) TO THE
22 CONTRARY, THE STATE BOARD SHALL NOT INCLUDE THE FOLLOWING
23 STATUTES ON THE LIST OF AUTOMATIC WAIVERS:

24 (I) SECTION 22-9-106, CONCERNING THE PERFORMANCE
25 EVALUATION SYSTEM FOR LICENSED PERSONNEL;

26 (II) SECTION 22-32-109 (1) (n) (I) AND (1) (n) (II) (B),
27 CONCERNING THE ANNUAL SCHOOL CALENDAR; AND

1 (III) PART 2 OF ARTICLE 63 OF THIS TITLE, CONCERNING THE
2 EMPLOYMENT OF LICENSED PERSONNEL.

3 (c) A school district, on behalf of a charter school, may apply to
4 the state board for a waiver of a state statute or state rule that is not
5 automatically waived for charter schools by rule AN AUTOMATIC WAIVER.
6 Notwithstanding any provision of this subsection (6) to the contrary, the
7 state board may not waive any statute or rule relating to:

8 (I) School accountability committees as described in section
9 22-11-401; any statute or rule relating to

10 (II) The assessments required to be administered pursuant to
11 section 22-7-409; any statute or rule necessary to prepare the

12 (III) School performance reports pursuant to part 5 of article 11
13 of this title; any statute or rule necessary to implement the provisions of

14 (IV) The "Public School Finance Act of 1994", article 54 of this
15 title; or any statute or rule relating to

16 (V) The "Children's Internet Protection Act", article 87 of this
17 title.

18 (e) (d) Upon request of a charter applicant, the state board and the
19 local board of education of the school district to which the charter
20 applicant applies shall provide summaries of the state and district rules
21 and policies to use in preparing a charter school application. The
22 department shall prepare the summary of state rules within existing
23 appropriations. Any A waiver of state rules or local school district
24 regulations made pursuant to this subsection (6) shall MUST be for the
25 term of the charter for which the waiver is made; except that a waiver of
26 state statutes or state board rules by the state board shall be IS subject to
27 periodic review as provided by state board rule and may be revoked if the

1 waiver is deemed no longer necessary by the state board. A SCHOOL
2 DISTRICT THAT APPLIES TO THE STATE BOARD FOR A WAIVER ON BEHALF
3 OF A CHARTER SCHOOL IS ONLY REQUIRED TO PROVIDE A COMPLETE COPY
4 OF THE SIGNED CHARTER CONTRACT.

5 **SECTION 5.** In Colorado Revised Statutes, 22-30.5-105, amend
6 (2) (a) and (3) as follows:

7 **22-30.5-105. Charter schools - contract contents - regulations.**

8 (2) (a) The contract between a charter school and the chartering local
9 board of education shall reflect all agreements regarding the release of the
10 charter school from school district policies. Each charter school's contract
11 shall include a statement specifying the manner in which the charter
12 school shall comply with the intent of the state statutes, state board rules,
13 and district rules that are waived for the charter school either
14 automatically or by application.

15 (3) A contract between a charter school and the chartering local
16 board of education shall reflect all requests for release of the charter
17 school from state statutes and state board rules THAT ARE NOT AUTOMATIC
18 WAIVERS AND A LIST OF THE AUTOMATIC WAIVERS THAT THE CHARTER
19 SCHOOL IS INVOKING. Within ten days after the contract is approved by the
20 chartering local board of education, any request for release from state
21 statutes and state board rules shall be delivered by the chartering local
22 board of education SHALL DELIVER to the state board ANY REQUEST FOR
23 WAIVER OF STATE STATUTES AND STATE BOARD RULES THAT ARE NOT
24 AUTOMATIC WAIVERS. The chartering local board of education shall
25 request the release on a form provided by the department BY SUBMITTING
26 A COMPLETE COPY OF THE SIGNED CHARTER CONTRACT. Within forty-five
27 days after a request for release is received by the state board, the state

1 board shall either grant or deny the request. If the state board grants the
2 request, it may orally notify the chartering local board of education and
3 the charter school of its decision. If the state board denies the request, it
4 shall notify the chartering local board of education and the charter school
5 in writing that the request is denied and specify the reasons for denial. If
6 the chartering local board of education and the charter school do not
7 receive notice of the state board's decision within forty-five days after
8 submittal of the request for release, the request shall be deemed granted.
9 If the state board denies a request for release that includes multiple state
10 statutes or state board rules, the denial shall specify the state statutes and
11 state board rules for which the release is denied, and the denial shall apply
12 only to those state statutes and state board rules so specified.

13 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-106, amend
14 (1) (o) as follows:

15 **22-30.5-106. Charter application - contents.** (1) The charter
16 school application is a proposed agreement upon which the charter
17 applicant and the chartering local board of education negotiate a charter
18 contract. At a minimum, each charter school application includes:

19 (o) A list of the waivers of statute, state rule, and school district
20 policies that the proposed charter school is requesting. ~~which list explains~~
21 FOR EACH REQUESTED WAIVER OF A STATUTE OR STATE RULE THAT IS NOT
22 AN AUTOMATIC WAIVER, THE CHARTER SCHOOL APPLICATION MUST STATE
23 the rationale for each THE requested waiver and the manner in which the
24 proposed charter school plans to meet the intent of the waived statute,
25 rule, or policy.

26 **SECTION 7.** In Colorado Revised Statutes, 22-30.5-502, add
27 (1.5) as follows:

1 22-30.5-502. Definitions. As used in this part 5, unless the
2 context otherwise requires:

3 (1.5) "AUTOMATIC WAIVER" MEANS THE WAIVER OF A STATE
4 STATUTE OR STATE BOARD RULE:

5 (a) THAT IS INCLUDED ON THE LIST OF AUTOMATIC WAIVERS
6 ADOPTED BY RULE OF THE STATE BOARD;

7 (b) THAT IS AVAILABLE TO EACH CHARTER SCHOOL, INCLUDING
8 EACH INSTITUTE CHARTER SCHOOL, AND IS VALID FOR THE INITIAL, OR
9 SUBSEQUENT RENEWAL, TERM OF THE CHARTER CONTRACT; AND

10 (c) FOR WHICH A CHARTER SCHOOL, INCLUDING AN INSTITUTE
11 CHARTER SCHOOL, IS NOT REQUIRED TO SUBMIT A STATEMENT THAT
12 SPECIFIES THE MANNER IN WHICH THE CHARTER SCHOOL INTENDS TO
13 COMPLY WITH THE INTENT OF THE AUTOMATICALLY WAIVED STATE
14 STATUTE OR STATE BOARD RULE.

15 SECTION 8. In Colorado Revised Statutes, 22-30.5-507, amend
16 (7) as follows:

17 22-30.5-507. Institute charter school - requirements -
18 authority - rules. (7) (a) Pursuant to the charter contract, an institute
19 charter school may operate free from specified statutes and state board
20 rules. The state board shall promulgate rules ~~identifying state statutes and~~
21 ~~state rules that are automatically waived~~ THAT LIST THE AUTOMATIC
22 WAIVERS for all charter schools, including institute charter schools. IN
23 PROMULGATING THE LIST OF AUTOMATIC WAIVERS, THE STATE BOARD
24 SHALL CONSIDER THE OVERALL IMPACT AND COMPLEXITY OF THE
25 REQUIREMENTS SPECIFIED IN THE STATUTE AND THE POTENTIAL
26 CONSEQUENCES THAT WAIVING THE STATUTE MAY HAVE ON THE
27 PRACTICES OF A CHARTER SCHOOL, INCLUDING AN INSTITUTE CHARTER

1 SCHOOL. NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (a) TO
2 THE CONTRARY, THE STATE BOARD SHALL NOT INCLUDE THE FOLLOWING
3 STATUTES ON THE LIST OF AUTOMATIC WAIVERS:

4 (I) SECTION 22-9-106, CONCERNING THE PERFORMANCE
5 EVALUATION SYSTEM FOR LICENSED PERSONNEL;

6 (II) SECTION 22-32-109 (1) (n) (I) AND (1) (n) (II) (B),
7 CONCERNING THE ANNUAL SCHOOL CALENDAR; AND

8 (III) PART 2 OF ARTICLE 63 OF THIS TITLE, CONCERNING THE
9 EMPLOYMENT OF LICENSED PERSONNEL.

10 (b) An institute charter school may apply to the state board,
11 through the institute, for a waiver of state statutes and state rules that are
12 not automatically waived AUTOMATIC WAIVERS. The state board may
13 wave state statutory requirements or rules promulgated by the state
14 board; except that the state board may not waive any statute or rule
15 relating to:

16 (I) School accountability committees as described in section
17 22-11-401; any state statute or rule relating to

18 (II) The assessments required to be administered pursuant to
19 section 22-7-409; any state statute or rule necessary to prepare

20 (III) The school performance reports pursuant to part 5 of article
21 11 of this title; or any statute or rule necessary to implement

22 (IV) The provisions of the "Public School Finance Act of 1994",
23 article 54 of this title; or any state statute or rule relating to

24 (V) The "Children's Internet Protection Act", article 87 of this
25 title.

26 (c) Any A waiver of state statute or state board rule made pursuant
27 to this subsection (7) shall be IS for the term of the contract for which the

1 waiver is made. A request for a waiver may be submitted to the institute
2 as a part of the application for an institute charter school. IF THE
3 INSTITUTE APPLIES TO THE STATE BOARD FOR A WAIVER ON BEHALF OF AN
4 INSTITUTE CHARTER SCHOOL, THE INSTITUTE IS ONLY REQUIRED TO
5 PROVIDE A COMPLETE COPY OF THE SIGNED CHARTER CONTRACT.

6 **SECTION 9.** In Colorado Revised Statutes, 22-30.5-509, amend
7 (1) (o) as follows:

8 **22-30.5-509. Institute charter school application - contents.**

9 (1) The institute charter school application is a proposed agreement upon
10 which the institute charter applicant and the institute negotiate a charter
11 contract. At a minimum, each institute charter school application
12 includes:

13 (o) A list of the waivers of statute and state rules that the proposed
14 institute charter school is requesting. ~~which list explains~~ FOR EACH
15 REQUESTED WAIVER OF A STATUTE OR STATE RULE THAT IS NOT AN
16 AUTOMATIC WAIVER, THE INSTITUTE CHARTER SCHOOL APPLICATION MUST
17 STATE the rationale for each requested waiver and the manner in which
18 the proposed institute charter school plans to meet the intent of the
19 waived statute or rule;

20 ■ ■
21 == ==

22 **SECTION 10.** In Colorado Revised Statutes, 22-44-105, amend
23 as it exists until proclamation of the governor (4); and add (6) as
24 follows:

25 **22-44-105. Budget - contents - mandatory.** (4) (a) Not later than
26 July 1, 1998, The state board of education, with input from the financial
27 policies and procedures advisory committee, shall establish, and

1 implement, AND MAINTAIN a statewide financial, student management,
2 and human resource electronic data communications and reporting system
3 that is based on a redesigned standard chart of accounts, a standard
4 information system, and a standard personnel classification system.

5 The department of education, THE STATE CHARTER SCHOOL
6 INSTITUTE, and all DISTRICT CHARTER SCHOOLS, INSTITUTE CHARTER
7 SCHOOLS, school districts, and boards of cooperative services in the state
8 shall use the system to report and obtain necessary financial information.

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

13 (I) The financial and human resource reporting system shall MUST
14 be based on a redesigned STANDARD chart of accounts that will make
15 MAKES school-to-school and school district-to-school district comparisons
16 more accurate and meaningful;

17
18 (II) The financial and human resource reporting system shall
19 MUST provide standard definitions for employment positions such that
20 full, accurate disclosure of administrative costs is made within the
21 budgets and the financial statements of every school district; AND

22 (III) The financial reporting system shall MUST make it possible
23 to collect comparable data by program and school site.

24 (c) Nothing in this section shall be interpreted to require
25 accounting of salary and benefit costs by school site.

26 (d) Repealed.

27

1 (d) THE FINANCIAL POLICIES AND PROCEDURES ADVISORY
2 COMMITTEE SHALL CONSIDER AND MAKE A RECOMMENDATION TO THE
3 STATE BOARD OF EDUCATION CONCERNING WHETHER THE STANDARD
4 CHART OF ACCOUNTS SHOULD INCLUDE THE REPORTING OF REVENUES
5 RECEIVED AT ALL LEVELS, INCLUDING PUBLIC REVENUES RECEIVED FROM
6 PRIVATE GIFTS, GRANTS, AND DONATIONS, AND, IF SO, HOW THE
7 REPORTING OF REVENUES WOULD BE INCLUDED IN THE STANDARD CHART
8 OF ACCOUNTS.

9 (e) (I) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS
10 AND CONTRACT FOR THE CREATION OF A WEB SITE VIEW THAT, AT A
11 MINIMUM, TRANSLATES THE EXPENDITURES FOR EACH OF THE MAJOR
12 CATEGORIES SPECIFIED IN THE CHART OF ACCOUNTS ___ FOR SCHOOL SITES,
13 SCHOOL DISTRICTS, THE STATE CHARTER SCHOOL INSTITUTE, AND BOARDS
14 OF COOPERATIVE SERVICES, AS POSTED ON THE WEB SITE MAINTAINED BY
15 EACH LOCAL EDUCATION PROVIDER PURSUANT TO SECTION 22-44-304,
16 INTO A FORMAT THAT IS READABLE BY A LAYPERSON. THE DEPARTMENT
17 AND THE ENTITY WITH WHICH THE DEPARTMENT CONTRACTS, IF ANY,
18 SHALL WORK WITH THE FINANCIAL POLICIES AND PROCEDURES ADVISORY
19 COMMITTEE AND A REPRESENTATIVE FROM THE OFFICE OF STATE
20 PLANNING AND BUDGETING IN DESIGNING THE PRESENTATION OF DATA ON
21 THE WEB SITE VIEW TO ENSURE THE GREATEST DEGREE OF CLARITY AND
22 COMPARABILITY BY LAYPERSONS OF EXPENDITURES ___ AMONG SCHOOL
23 SITES, SCHOOL DISTRICTS, THE STATE CHARTER SCHOOL INSTITUTE, AND
24 BOARDS OF COOPERATIVE SERVICES.

25 (II) THE DEPARTMENT SHALL ENSURE THAT THE WEB SITE
26 CREATED PURSUANT TO THIS PARAGRAPH (e) IS AVAILABLE TO THE PUBLIC
27 NO LATER THAN JULY 1, 2017, AND IS UPDATED ANNUALLY.

1 (6) (a) THERE IS CREATED IN THE STATE TREASURY THE FINANCIAL
2 REPORTING FUND, REFERRED TO IN THIS SUBSECTION (6) AS THE "FUND".
3 FOR THE 2014-15 BUDGET YEAR, THE STATE TREASURER SHALL TRANSFER
4 _____ THREE MILLION DOLLARS FROM THE STATE EDUCATION FUND,
5 CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION,
6 TO THE FUND TO OFFSET THE COSTS INCURRED BY THE DEPARTMENT IN
7 IMPLEMENTING PARAGRAPH (e) OF SUBSECTION (4) OF THIS SECTION. THE
8 MONEYS IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE
9 DEPARTMENT OF EDUCATION BEGINNING IN THE 2014-15 BUDGET YEAR
10 AND CONTINUING THROUGH THE 2017-18 BUDGET YEAR, AFTER WHICH
11 TIME ANY MONEYS REMAINING IN THE FUND ARE SUBJECT TO ANNUAL
12 APPROPRIATION.

13 (b) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE FUND
14 NOT EXPENDED FOR THE PURPOSE OF PARAGRAPH (e) OF SUBSECTION (4)
15 OF THIS SECTION AS PROVIDED BY LAW. THE STATE TREASURER SHALL
16 CREDIT ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND
17 DEPOSIT OF MONEYS IN THE FUND TO THE FUND. ANY UNEXPENDED AND
18 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A
19 FISCAL YEAR REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR
20 TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

21 (c) THE GENERAL ASSEMBLY HEREBY DECLARES THAT, FOR
22 PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION,
23 CREATING AND MAINTAINING THE WEB SITE DESCRIBED IN PARAGRAPH (e)
24 OF SUBSECTION (4) OF THIS SECTION IS AN IMPORTANT ELEMENT IN
25 IMPLEMENTING ACCOUNTABILITY REPORTING AND MAY THEREFORE
26 RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN
27 SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

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SECTION 11. In Colorado Revised Statutes, 22-44-304, amend (1), (3) (a), and (4) as follows:

22-44-304. Financial reporting - on-line access to information - repeal. (1) (a) Commencing July 1, 2010, and on a continuing basis thereafter, each local education provider shall post the following information on-line, in a downloadable format, for free public access:

(I) The local education provider's annual budget, adopted pursuant to section 22-44-110 (4), commencing with the budget for the 2009-10 budget year;

(II) The local education provider's annual audited financial statements, prepared pursuant to section 22-32-109 (1) (k), commencing with the audits prepared for the 2009-10 budget year;

(III) (A) The local education provider's quarterly financial statements, at a minimum, prepared pursuant to section 22-45-102, commencing with the statements for the 2010-11 budget year. and

(B) THIS SUBPARAGRAPH (III) IS REPEALED, EFFECTIVE JULY 1, 2017.

(IV) The local education provider's salary schedules or policies, adopted pursuant to sections 22-32-109.4 and 22-63-401, commencing with those applicable to the 2010-11 budget year.

(b) (I) Additionally, commencing July 1, 2011, each local education provider shall post accounts payable check registers and credit, debit, and purchase card statements on-line, in a downloadable format, for free public access.

(II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2017.

(c) (I) Additionally, commencing July 1, 2012, each local

1 education provider shall post investment performance reports or
2 statements on-line, in a downloadable format, for free public access.

3 (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2017.

4 (d) ADDITIONALLY, COMMENCING JULY 1, 2015, EACH LOCAL
5 EDUCATION PROVIDER SHALL POST IN A FORMAT THAT CAN BE
6 DOWNLOADED AND SORTED, FOR FREE PUBLIC ACCESS, THE LOCAL
7 EDUCATION PROVIDER'S ACTUAL EXPENDITURES, INCLUDING BUT NOT
8 LIMITED TO ACTUAL SALARY EXPENDITURES AND ACTUAL BENEFIT
9 EXPENDITURES REPORTED BY JOB CATEGORY SPECIFIED IN THE STANDARD
10 CHART OF ACCOUNTS, AT THE LOCAL EDUCATION PROVIDER LEVEL AND AT
11 THE SCHOOL-SITE LEVEL.

12 (3) (a) Each local education provider shall update the information
13 specified in PARAGRAPHS (a), (b), AND (c) OF subsection (1) of this
14 section within sixty days after the local education provider's completion
15 or receipt of the applicable report, statement, or document. EACH LOCAL
16 EDUCATION PROVIDER SHALL UPDATE THE INFORMATION SPECIFIED IN
17 PARAGRAPH (d) OF SUBSECTION (1) OF THIS SECTION ANNUALLY BY A
18 DATE SPECIFIED BY THE FINANCIAL POLICIES AND PROCEDURES ADVISORY
19 COMMITTEE.

20 (4) No later than July 1, 2010 2015, the financial policies and
21 procedures advisory committee of the department shall create a template
22 for voluntary use by THAT local education providers needing assistance
23 with the on-line posting of MUST USE TO POST ALL OF the information
24 specified in subsection (1) of this section, INCLUDING BUT NOT LIMITED
25 TO THE SITE-LEVEL REPORTING REQUIREMENTS. The template may include
26 both the type of electronic file posted as well as the information to be
27 included in the posting. The committee may take into consideration any

1 existing templates or reports developed by the department for purposes
2 of financial reporting. ■

3 **SECTION 12.** In Colorado Revised Statutes, 22-30.5-112, **add**
4 (3) (c) as follows:

5 **22-30.5-112. Charter schools - financing - definitions -**
6 **guidelines.** (3) (c) WITHIN NINETY DAYS AFTER THE END OF EACH
7 BUDGET YEAR, EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH CHARTER
8 SCHOOL OF THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING OF ALL THE
9 ACTUAL SPECIAL EDUCATION COSTS THAT THE SCHOOL DISTRICT
10 INCURRED FOR THE APPLICABLE BUDGET YEAR AND THE BASIS OF ANY PER
11 PUPIL CHARGES FOR SPECIAL EDUCATION THAT THE SCHOOL DISTRICT
12 IMPOSED AGAINST THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET
13 YEAR.

14 **SECTION 13.** In Colorado Revised Statutes, **add** 22-2-113.8 as
15 follows:

16 **22-2-113.8. Department of education - additional local**
17 **revenues - distribution to schools - annual report.** (1) FOR THE
18 2014-15 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, EACH
19 SCHOOL DISTRICT SHALL REPORT THE TOTAL AMOUNT OF ADDITIONAL
20 LOCAL PROPERTY TAX REVENUES THE DISTRICT IS AUTHORIZED TO
21 COLLECT IN ADDITION TO THE DISTRICT'S TOTAL PROGRAM MILL LEVY, BUT
22 NOT INCLUDING AMOUNTS AUTHORIZED PURSUANT TO SECTION 22-40-110,
23 ARTICLE 42 OF THIS TITLE, OR ARTICLE 43 OF THIS TITLE, AND THE
24 AMOUNT OF THE ADDITIONAL LOCAL PROPERTY TAX REVENUES THAT THE
25 SCHOOL DISTRICT DISTRIBUTES DIRECTLY TO SCHOOLS OF THE SCHOOL
26 DISTRICT, STATED AS A DOLLAR AMOUNT.

27 (2) THE DEPARTMENT SHALL ANNUALLY COMPILE A REPORT OF

1 THE INFORMATION RECEIVED PURSUANT TO SUBSECTION (1) OF THIS
2 SECTION CONCERNING THE COLLECTION OF ADDITIONAL LOCAL PROPERTY
3 TAX REVENUES BY EACH SCHOOL DISTRICT AND THE DISTRIBUTION OF THE
4 REVENUES TO THE SCHOOLS OF THE SCHOOL DISTRICT, INCLUDING THE
5 CHARTER SCHOOLS. IN ADDITION TO THE COMPILED INFORMATION, THE
6 REPORT MUST INCLUDE A COMPARISON OF THE AMOUNT OF ADDITIONAL
7 LOCAL PROPERTY TAX REVENUES RECEIVED BY THE SCHOOL DISTRICT AND
8 THE AMOUNT DISTRIBUTED TO THE SCHOOLS OF THE DISTRICT, INCLUDING
9 THE CHARTER SCHOOLS, AT THE DISTRICT LEVEL AND AGGREGATED
10 STATEWIDE.

11 (3) (a) THE DEPARTMENT SHALL ALLOW EACH SCHOOL DISTRICT
12 AND EACH DISTRICT CHARTER SCHOOL TO REVIEW THE REPORT BEFORE
13 PUBLICATION. A SCHOOL DISTRICT OR A CHARTER SCHOOL MAY REQUEST
14 THAT THE DEPARTMENT COMPILE AN ADDENDUM TO THE REPORT THAT IS
15 SPECIFIC TO THE REQUESTING SCHOOL DISTRICT OR CHARTER SCHOOL AND
16 THAT EXAMINES THE OVERALL LEVEL OF FUNDING DISTRIBUTED BY THE
17 SCHOOL DISTRICT TO THE CHARTER SCHOOLS OF THE DISTRICT, INCLUDING:

18 (I) CAPITAL CONSTRUCTION AND FACILITIES FUNDING;

19 (II) FUNDING FOR TECHNOLOGY; AND

20 (III) ANY OTHER FUNDING THAT THE SCHOOL DISTRICT
21 DISTRIBUTES TO THE CHARTER SCHOOLS OF THE DISTRICT.

22 (b) THE DEPARTMENT SHALL SIMULTANEOUSLY PUBLISH ON THE
23 DEPARTMENT WEB SITE THE REPORT AND ANY ADDENDA PREPARED FOR
24 THE REPORT IN RESPONSE TO A SCHOOL DISTRICT OR CHARTER SCHOOL
25 REQUEST.

26 **SECTION 14.** In Colorado Revised Statutes, **repeal as it will**
27 **take effect upon proclamation of the governor 22-2-113.7.**

1 **SECTION 15.** In Colorado Revised Statutes, 22-43.7-104,
2 **amend** (2) (b) (I), (3), and (3.5); and **add** (2) (d) as follows:

3 **22-43.7-104. Public school capital construction assistance fund**
4 **- creation - crediting of moneys to fund - use of fund - emergency**
5 **reserve - creation - reserve account - creation and use.** (2) (b) For
6 each fiscal year commencing on or after July 1, 2008, the following
7 moneys shall be credited to the assistance fund:

8 (I) (A) Unless and until the state treasurer, pursuant to
9 sub-subparagraph (B) of this subparagraph (I), provides written notice to
10 the joint budget committee of the general assembly that the state treasurer
11 has determined that the use of interest or income earned on the deposit
12 and investment of moneys in the public school fund to make lease
13 payments under a lease-purchase agreement entered into pursuant to
14 section 22-43.7-110 (2) will prevent the interest component of the lease
15 payments from qualifying for exemption from federal income taxation,
16 the greater of thirty-five percent of the gross amount of public school
17 lands income received during the fiscal year or ~~an amount of such income~~
18 ~~equal to the difference between the total amount of lease payments to be~~
19 ~~made by the state under the terms of lease-purchase agreements entered~~
20 ~~into pursuant to section 22-43.7-110 (2) and the total amount of matching~~
21 ~~moneys to be paid to the state as lease payments under the terms of~~
22 ~~sublease-purchase agreements entered into pursuant to section~~
23 ~~22-43.7-110 (2)~~ FORTY MILLION DOLLARS. The moneys required to be
24 credited to the assistance fund pursuant to this sub-subparagraph (A) may
25 be taken from any single source or combination of sources of public
26 school lands income.

27 (B) Except as otherwise provided in sub-subparagraph (C) of this

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

24 (C) If, after making a determination and providing notice pursuant
25 to sub-subparagraph (B) of this subparagraph (I), the state treasurer
26 makes a new determination during any fiscal year that the use of interest
27 or income earned on the deposit and investment of moneys in the public

1 school fund to make lease payments under a lease-purchase agreement
2 entered into pursuant to section 22-43.7-110 (2) will not prevent the
3 interest component of the lease payments from qualifying for exemption
4 from federal income taxation and the state treasurer provides written
5 notice to the joint budget committee of the general assembly that the state
6 treasurer has made a new determination and is rescinding the
7 determination made pursuant to said sub-subparagraph (B) as of the date
8 the written notice is provided, for the portion of the fiscal year beginning
9 on the date the written notice is provided to the joint budget committee
10 and for each subsequent fiscal year, the greater of thirty-five percent of
11 the gross amount of public school lands income received during the fiscal
12 year or ~~an amount of such income equal to the difference between the~~
13 ~~total amount of lease payments to be made by the state under the terms~~
14 ~~of lease-purchase agreements entered into pursuant to section~~
15 ~~22-43.7-110 (2) and the total amount of matching moneys to be paid to~~
16 ~~the state as lease payments under the terms of sublease-purchase~~
17 ~~agreements entered into pursuant to section 22-43.7-110 (2) FORTY~~
18 MILLION DOLLARS. The moneys required to be credited to the assistance
19 fund pursuant to this sub-subparagraph (C) may be taken from any single
20 source or combination of sources of public school lands income.

21 (d) BEGINNING JANUARY 1, 2014, THE STATE TREASURER, AS
22 PROVIDED IN SECTION 39-28.8-305 (1) (a), C.R.S., SHALL ANNUALLY
23 CREDIT TO THE ASSISTANCE FUND THE FIRST FORTY MILLION DOLLARS
24 RECEIVED AND COLLECTED FROM THE EXCISE TAX ON RETAIL MARIJUANA
25 IMPOSED PURSUANT TO PART 3 OF ARTICLE 28.8 OF TITLE 39, C.R.S. THE
26 STATE TREASURER SHALL CREDIT TWELVE AND FIVE-TENTHS PERCENT OF
27 THE AMOUNT ANNUALLY CREDITED PURSUANT TO THIS PARAGRAPH (d) TO

1 THE CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT, WHICH ACCOUNT
2 IS CREATED WITHIN THE ASSISTANCE FUND.

3 (3) Subject to annual appropriation, the department may expend
4 moneys in the assistance fund to pay the direct and indirect administrative
5 costs, including but not limited to the costs of conducting or contracting
6 for the financial assistance priority assessment required by section
7 22-43.7-108 (1), incurred by the division, ~~and~~ the board, AND THE
8 DEPARTMENT in exercising their powers and duties pursuant to this
9 article. Any moneys in the assistance fund not appropriated for a fiscal
10 year to the department for administrative costs before the fiscal year
11 commences are hereby continuously appropriated to the board for the
12 purpose of providing financial assistance, making payments required by
13 section 22-43.7-114, and paying any transaction costs necessarily
14 incurred in connection with the provision of financial assistance as
15 authorized by this article; except that the use of any assistance fund
16 moneys to make lease payments required by lease-purchase agreements
17 entered into pursuant to section 22-43.7-110 (2) shall be subject to annual
18 appropriation by the general assembly.

19 (3.5) In determining the amount of financial assistance that it
20 provides and in so doing managing the balance of the assistance fund, the
21 board shall ensure that, effective June 30, 2013, and effective each June
22 30 thereafter, the balance of the assistance fund, NOT INCLUDING THE
23 AMOUNTS CREDITED TO THE CHARTER SCHOOL FACILITIES ASSISTANCE
24 ACCOUNT PURSUANT TO PARAGRAPH (d) OF SUBSECTION (2) OF THIS
25 SECTION, is at least equal to the total amount of payments to be made by
26 the state during the next fiscal year under the terms of any lease-purchase
27 agreements entered into pursuant to section 22-43.7-110 (2) less the

1 amount of any school district matching moneys and any federal moneys
2 to be received for the purpose of making the payments.

3 [REDACTED]

4 **SECTION 16.** In Colorado Revised Statutes, **add 22-43.7-110.3**
5 as follows:

6 **22-43.7-110.3. Department - charter school facilities assistance**
7 **account - distribution - definitions.** (1) SUBJECT TO ANNUAL
8 APPROPRIATIONS, THE DEPARTMENT SHALL DISTRIBUTE THE MONEYS
9 CREDITED TO THE CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT
10 CREATED IN SECTION 22-43.7-104 (2) (d) AS PROVIDED IN THIS SECTION.
11 A QUALIFIED CHARTER SCHOOL MAY USE MONEYS RECEIVED FROM THE
12 CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT FOR CAPITAL
13 CONSTRUCTION PURPOSES.

14 (2) (a) THE DEPARTMENT SHALL ANNUALLY DISTRIBUTE THE
15 MONEYS CREDITED TO THE CHARTER SCHOOL FACILITIES ASSISTANCE
16 ACCOUNT BASED ON EACH SCHOOL DISTRICT'S CERTIFIED CHARTER
17 SCHOOL PUPIL ENROLLMENT AND EACH INSTITUTE CHARTER SCHOOL'S
18 CERTIFIED PUPIL ENROLLMENT FOR THE APPLICABLE FISCAL YEAR.

19 (b) (I) EACH SCHOOL DISTRICT THAT PROVIDES FUNDING
20 PURSUANT TO SECTION 22-30.5-112 OR 22-30.5-112.1 TO AT LEAST ONE
21 QUALIFIED CHARTER SCHOOL IN A FISCAL YEAR SHALL, FOR THAT FISCAL
22 YEAR, RECEIVE AN AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL
23 CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT FOR ALL QUALIFIED
24 CHARTER SCHOOLS STATEWIDE FOR THE APPLICABLE FISCAL YEAR THAT
25 IS ATTRIBUTABLE TO THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL
26 ENROLLMENT, MULTIPLIED BY THE AMOUNT CREDITED TO THE CHARTER
27 SCHOOL FACILITIES ASSISTANCE ACCOUNT FOR THE APPLICABLE FISCAL

1 YEAR.

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

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

23 (II) THE STATE CHARTER SCHOOL INSTITUTE SHALL DISTRIBUTE
24 THE MONEYS RECEIVED PURSUANT TO THIS PARAGRAPH (c) TO EACH
25 INSTITUTE CHARTER SCHOOL THAT IS A QUALIFIED CHARTER SCHOOL IN AN
26 AMOUNT EQUAL TO THE PERCENTAGE OF THE TOTAL INSTITUTE CHARTER
27 SCHOOL CERTIFIED PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS

1 EXPECTED TO BE ENROLLED IN THE QUALIFIED INSTITUTE CHARTER
2 SCHOOL, MULTIPLIED BY THE TOTAL AMOUNT OF MONEYS RECEIVED BY
3 THE STATE CHARTER SCHOOL INSTITUTE PURSUANT TO THIS PARAGRAPH
4 (c) FOR THE APPLICABLE FISCAL YEAR. THE STATE CHARTER SCHOOL
5 INSTITUTE SHALL NOT RETAIN ANY PORTION OF THE MONEYS RECEIVED
6 PURSUANT TO THIS PARAGRAPH (c) TO DEFRAY ADMINISTRATIVE
7 EXPENSES OR FOR ANY OTHER PURPOSE.

8 (d) AS USED IN THIS SECTION:

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

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

13 (III) "INSTITUTE CHARTER SCHOOL'S CERTIFIED PUPIL
14 ENROLLMENT" HAS THE SAME MEANING AS PROVIDED IN SECTION
15 22-54-124 (1) (c.5).

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

18 (V) "TOTAL CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT"
19 MEANS THE PUPIL ENROLLMENT CERTIFIED BY THE DEPARTMENT
20 PURSUANT TO SECTION 22-54-124 (3) (b).

21

22 **SECTION 17.** In Colorado Revised Statutes, 22-54-124, **amend**
23 (3) (a) as follows:

24 **22-54-124. State aid for charter schools - use of state**
25 **education fund moneys - definitions.** (3) (a) (I) and (II) Repealed.

26 (III) (A) The total amount of state education fund moneys to be
27 appropriated for all eligible districts and for all eligible institute charter

1 schools for the 2003-04 through 2011-12 budget years shall be an amount
2 equal to five million dollars; except that, for the 2006-07 budget year, an
3 additional two million eight hundred thousand dollars shall be
4 appropriated from the state education fund and shall be used for the
5 purposes of this section, and for the 2008-09 budget year, an additional
6 one hundred thirty-five thousand dollars shall be appropriated from the
7 state education fund and shall be distributed pursuant to section
8 22-54-133, as said section existed prior to its repeal in 2010. The total
9 amount of state education fund moneys to be appropriated for all eligible
10 districts and for all eligible institute charter schools for the 2012-13
11 budget year is six million dollars. The total amount of state education
12 fund moneys to be appropriated for all eligible districts and for all
13 eligible institute charter schools for the 2013-14 budget year ~~and each~~
14 ~~budget year thereafter~~ is seven million dollars.

15 (B) Repealed.

16 (IV) (A) THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS
17 TO BE APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND FOR ALL ELIGIBLE
18 INSTITUTE CHARTER SCHOOLS FOR THE 2014-15 BUDGET YEAR IS
19 THIRTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS.

20 (B) THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS TO
21 BE APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND ALL ELIGIBLE
22 INSTITUTE CHARTER SCHOOLS FOR THE 2015-16 BUDGET YEAR AND EACH
23 BUDGET YEAR THEREAFTER IS TWENTY MILLION DOLLARS.

24 (E) (V) For the 2004-05 budget year, and each budget year
25 thereafter, the amount of state education fund moneys to be distributed
26 to any eligible district and any eligible institute charter school shall be an
27 amount equal to the percentage of the sum of the district's certified

1 charter school pupil enrollment and the institute charter school's certified
2 pupil enrollment for all eligible districts and eligible institute charter
3 schools in the state that is attributable to the eligible district or eligible
4 institute charter school multiplied by the total amount of state education
5 fund moneys distributed to all eligible districts and eligible institute
6 charter schools for the same budget year pursuant to ~~sub-subparagraph~~
7 ~~(A) of this subparagraph~~ SUBPARAGRAPHS (III) AND (IV) OF THIS
8 PARAGRAPH (a).

9

10 **SECTION 18.** In Colorado Revised Statutes, 22-30.5-407,
11 **amend** (2) (a) (III), (2) (a) (IV), (2) (c), (4) (d) introductory portion, and
12 (4) (d) (II); and **add** (2) (a) (I.5) and (2) (a) (V) as follows:

13 **22-30.5-407. State charter school debt reserve fund - creation**
14 **- use of fund moneys - legislative declaration.** (2) (a) There is hereby
15 created in the state treasury the state charter school debt reserve fund.
16 The fund shall consist of the following moneys:

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

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

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

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

27 (c) All interest and income derived from the deposit and

1 investment of moneys in the state charter school debt reserve fund shall
2 be ON OR BEFORE JUNE 30, 2014, IS credited to the state education fund
3 AND ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
4 INVESTMENT OF MONEYS IN THE STATE CHARTER SCHOOL DEBT RESERVE
5 FUND ON AND AFTER JULY 1, 2014, IS CREDITED TO THE STATE CHARTER
6 SCHOOL DEBT RESERVE FUND; except that all interest and income derived
7 from the deposit and investment of moneys in the state charter school
8 interest savings account shall be credited to the account in accordance
9 with paragraph (b) of this subsection (2). At the end of any fiscal year, all
10 unexpended and unencumbered moneys in the state charter school debt
11 reserve fund and the account shall remain in the fund and the account
12 respectively.

13 (4) (d) If the state treasurer expends moneys from the portion of
14 the state charter school debt reserve fund that is not the state charter
15 school interest savings account or if the state treasurer expends moneys
16 from the state charter school interest savings account for purposes other
17 than the payment of the administrative costs of the state treasurer, the
18 state treasurer shall withhold charter school per pupil facilities aid
19 program moneys to the extent necessary to restore that portion of the state
20 charter school debt reserve fund, by the transfer of all withheld amounts
21 from the state education fund to that portion of the state charter school
22 debt reserve fund, to a ~~one million dollar~~ balance OF SEVEN MILLION FIVE
23 HUNDRED THOUSAND DOLLARS and to the extent necessary to restore the
24 state charter school interest savings account, by the transfer of all
25 withheld amounts from the state education fund to the state charter school
26 interest savings account, to the balance prior to expenditure of moneys
27 from the account, in accordance with the following requirements:

1 (II) If, in any given fiscal year, the state treasurer determines that
2 after withholding the maximum amount of charter school per pupil
3 facilities aid program moneys that may be withheld pursuant to
4 subparagraph (I) of this paragraph (d) the portion of the state charter
5 school debt reserve fund that is not the state charter school interest
6 savings account will not be restored to a ~~one million dollar~~ balance OF
7 SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS or the state charter
8 school interest savings account will not be restored to the balance in the
9 account prior to the state treasurer's expenditure of moneys from the
10 account, each charter school that is not relying upon the state charter
11 school debt reserve fund and the provisions of section 22-30.5-408 with
12 respect to bonds issued on its behalf by the Colorado educational and
13 cultural facilities authority shall have its payment reduced by the same
14 percentage and by a maximum of ten percent.

15 **SECTION 19.** In Colorado Revised Statutes, 22-30.5-408,
16 **amend** (2) (a) and (2) (c) (II) as follows:

17 **22-30.5-408. Replenishment of qualified charter school debt**
18 **service reserve funds - additional responsibilities - state treasurer -**
19 **qualified charter schools - definitions.** (2) (a) If the Colorado
20 educational and cultural facilities authority has issued qualified charter
21 school bonds on behalf of any qualified charter school that fails
22 immediately to restore its qualified charter school debt service reserve
23 fund to the applicable qualified charter school debt service reserve fund
24 requirement, the board of directors of the authority shall submit to the
25 governor a certificate certifying any amount of moneys required to
26 restore the qualified charter school debt service reserve fund to the
27 applicable qualified charter school debt service reserve fund requirement.

1 The governor shall submit a request for appropriations in an amount
2 sufficient to restore any or all qualified charter school debt reserve funds
3 to their respective qualified charter school debt service reserve fund
4 requirements and the general assembly may, but shall not be required to,
5 appropriate moneys for said purpose. If, in its sole discretion, the general
6 assembly appropriates any moneys for said purpose, the aggregate
7 outstanding principal amount of bonds for which moneys may be
8 appropriated for said purpose shall not exceed ~~four~~ FIVE hundred million
9 dollars.

10 (c) (II) Any net proceeds from the sale of property securing the
11 bonds for which the qualified charter school debt reserve fund is
12 established shall be used to reimburse the state treasurer for any costs
13 incurred in connection with the sale of such property. The state treasurer
14 shall credit any additional net proceeds from the sale of such property to
15 the state charter school debt reserve fund to restore the fund to a balance
16 of ~~one~~ SEVEN million FIVE HUNDRED THOUSAND dollars. The state
17 treasurer shall credit any remaining net proceeds from the sale of such
18 property to the state charter school interest savings account in the state
19 charter school debt reserve fund.

20 **SECTION 20.** In Colorado Revised Statutes, 22-7-1210, **amend**
21 (1) (d) (I) as follows:

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

25 (d) (I) For the 2013-14 budget year, ~~and each budget year~~
26 ~~thereafter~~, an amount equal to sixteen million dollars from the state
27 education fund, AND FOR THE 2014-15 BUDGET YEAR, AND EACH BUDGET

1 YEAR THEREAFTER, AN AMOUNT EQUAL TO THIRTY-SIX MILLION DOLLARS
2 FROM THE STATE EDUCATION FUND. On July 1, 2013, and on July 1 each
3 year thereafter, the state treasurer shall transfer ~~said~~ THE APPROPRIATE
4 amount from the state education fund to the early literacy fund.

5 **SECTION 21. Appropriation - adjustments to 2014 long bill.**

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

9 (a) The cash funds appropriation from the state education fund
10 created in section 17 (4) (a) of article IX of the state constitution, for the
11 state share of districts' total program funding, is increased by
12 \$152,358,980.

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

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

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

1 (I), Colorado Revised Statutes.

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5 **SECTION 22. Appropriation to the department of education**

6 **for the fiscal year beginning July 1, 2014.** In section 2 of House Bill

7 14-1336, **amend** Part III (2) (A) Footnote 5, as follows:

8 Section 2. **Appropriation.**

9 5 Department of Education, Assistance to Public Schools, Public

10 School Finance, State Share of Districts' Total Program Funding

11 -- Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of

12 this footnote is to specify what portion of this appropriation is

13 intended to be available for the Accelerating Students Through

14 Concurrent Enrollment (ASCENT) Program for FY 2014-15. It is

15 the intent of the General Assembly that the Department of

16 Education be authorized to utilize up to ~~\$4,419,336~~ \$4,536,864 of

17 this appropriation to fund qualified students designated as

18 ASCENT Program participants. This amount is calculated based

19 on an estimated 708 FTE participants funded at a rate of ~~\$6,242~~

20 \$6,408 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

21 **SECTION 23. Safety clause.** The general assembly hereby finds,

22 determines, and declares that this act is necessary for the immediate

23 preservation of the public peace, health, and safety.