

CHAPTER 88

EDUCATION - PUBLIC SCHOOLS

SENATE BILL 23-219

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also REPRESENTATIVE(S) Bird and Sirota, Bockenfeld, Amabile, Bacon, Brown, Epps, Froelich, Garcia, Gonzales-Gutierrez, Hamrick, Joseph, Lieder, Lindsay, Marshall, Martinez, Michaelson Jenet, Ortiz, Snyder, Titone, Valdez, Young, McCluskie.

AN ACT

**CONCERNING SERVICES TO SUPPORT STUDENTS ELIGIBLE TO ENROLL IN FACILITY SCHOOLS, AND,
IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.**

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

SECTION 1. In Colorado Revised Statutes, 22-2-401, **add** (4) as follows:

22-2-401. Legislative declaration. (4) (a) THE GENERAL ASSEMBLY FURTHER FINDS THAT THE NUMBER OF APPROVED FACILITY SCHOOLS AND PLACEMENTS OF STUDENTS IN FACILITY SCHOOLS IN COLORADO HAS SUBSTANTIALLY DECLINED DUE IN PART TO COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES AND OTHER STATE AND LOCAL AGENCIES REDUCING THE USE OF CONGREGATE CARE PLACEMENTS. HOWEVER, A SMALL PERCENTAGE OF STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS, WHO MAY HAVE BEEN SERVED IN APPROVED FACILITY SCHOOLS IN THE PAST, STILL REQUIRE SPECIALIZED SERVICES BEYOND THE LEVEL AVAILABLE FROM THEIR SCHOOL DISTRICT OF RESIDENCE.

(b) THEREFORE, THE GENERAL ASSEMBLY FURTHER FINDS THAT IT IS IN THE BEST INTERESTS OF STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS TO STABILIZE AND ENHANCE THE NUMBER OF APPROVED FACILITY SCHOOL PLACEMENTS AND TO IMPROVE STUDENT SERVICES BY:

(I) PROVIDING ADEQUATE AND PREDICTABLE FUNDING FOR APPROVED FACILITY SCHOOLS;

(II) ESTABLISHING AN INTERAGENCY RESOURCE GUIDE FOR FACILITIES SEEKING LICENSURE OR AUTHORIZATION TO OPERATE AS APPROVED FACILITY SCHOOLS;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(III) REQUIRING STATE AGENCIES TO ESTABLISH CONSISTENT ADMINISTRATIVE PRACTICES TO LICENSE, AUTHORIZE, APPROVE, AND FUND APPROVED FACILITY SCHOOLS THAT MAY RESULT FROM THE DEVELOPMENT OF THE INTERAGENCY RESOURCE GUIDE DESCRIBED IN SUBSECTION (4)(b)(II) OF THIS SECTION;

(IV) ALLOWING STATE AGENCIES TO RECOMMEND CHANGES TO LAW, RULE, POLICY, AND PRACTICE BASED ON THE ESTABLISHMENT OF CONSISTENT ADMINISTRATIVE PRACTICES DESCRIBED IN SUBSECTION (4)(a)(III) OF THIS SECTION;

(V) REQUIRING THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, IN CONSULTATION WITH THE WORK GROUP, TO RECOMMEND A PLAN TO PROVIDE GUIDANCE TO APPROVED FACILITY SCHOOLS ON THE ELIGIBILITY STANDARDS REQUIRED TO REQUEST AND RECEIVE MEDICAID REIMBURSEMENT FUNDING FOR THERAPEUTIC SERVICES TO THE MAXIMUM EXTENT POSSIBLE TO REDUCE RELIANCE ON SCHOOL DISTRICT REVENUE FOR THERAPEUTIC SERVICES;

(VI) AUTHORIZING THE FACILITY SCHOOLS BOARD TO AUTHORIZE A FACILITY TO OPERATE AS A SPECIALIZED DAY SCHOOL;

(VII) AUTHORIZING THE FACILITY SCHOOLS BOARD TO ADOPT ACCREDITATION MEASURES FOR APPROVED FACILITY SCHOOLS; AND

(VIII) EXPANDING TECHNICAL ASSISTANCE FOR SCHOOL DISTRICTS AND ADMINISTRATIVE UNITS, WITH A PRIORITY TO SERVE RURAL SCHOOL DISTRICTS, REMOTE SCHOOL DISTRICTS, OR SCHOOL DISTRICTS THAT FACE SIGNIFICANT OBSTACLES PROVIDING INTENSIVE SUPPORTS TO SERVE STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

SECTION 2. In Colorado Revised Statutes, 22-2-402, **amend** (3); **repeal** (8); and **add** (3.9), (4.5), (5.5), and (7.5) as follows:

22-2-402. Definitions. As used in this part 4, unless the context otherwise requires:

(3) "Facility" means a day treatment center, residential child care facility or other facility licensed by the department of human services pursuant to section 26-6-905, ~~or~~ a hospital licensed by the department of public health and environment pursuant to section 25-1.5-103, OR A SPECIALIZED DAY SCHOOL AUTHORIZED BY THE OFFICE.

(3.9) "OFFICE" MEANS THE OFFICE OF FACILITY SCHOOLS CREATED WITHIN THE DEPARTMENT PURSUANT TO SECTION 22-2-403.

(4.5) "PUBLIC ENTITY" MEANS A PUBLIC ENTITY RESPONSIBLE FOR REFERRING STUDENTS TO OR PLACING STUDENTS IN OUT-OF-HOME, DAY TREATMENT, RESIDENTIAL TREATMENT, HOSPITAL, AND SPECIALIZED DAY SCHOOL PLACEMENTS WITH PROVIDERS.

(5.5) "SPECIALIZED DAY SCHOOL" MEANS A SCHOOL THAT SERVES STUDENTS WHO ARE REFERRED TO OR PLACED BY A PUBLIC ENTITY OR PLACED IN A SPECIALIZED DAY SCHOOL BY A HOSPITAL, HEALTH-CARE PROVIDER, BEHAVIORAL HEALTH PROVIDER,

CASE MANAGEMENT SERVICE, COURT, DIVISION OF YOUTH SERVICES, SCHOOL DISTRICT, COUNTY DEPARTMENT OF HUMAN OR SOCIAL SERVICES, OR OTHER STATE AGENCY BECAUSE THE STUDENTS' BEHAVIORAL AND EDUCATIONAL NEEDS ARE BEYOND THE CAPACITY OF THE STUDENTS' CURRENT EDUCATIONAL PLACEMENT DUE TO THE SEVERITY OF THE STUDENTS' NEEDS OR THE REQUIREMENT FOR HIGHLY SPECIALIZED PROGRAMMING.

(7.5) "STUDENT WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS" MEANS A STUDENT WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS THAT A SCHOOL DISTRICT IS UNABLE TO SERVE ADEQUATELY WITHIN THE SCHOOL DISTRICT'S REGULAR OR SPECIALIZED EDUCATIONAL SERVICES.

(8) ~~"Unit" means the facility schools unit created within the department pursuant to section 22-2-403.~~

SECTION 3. In Colorado Revised Statutes, **amend** 22-2-403 as follows:

22-2-403. Office of facility schools - created. (1) There is hereby created within the department the OFFICE OF facility schools. ~~unit~~. The head of the ~~unit shall be~~ OFFICE IS the director of facility schools and ~~shall be~~ is appointed by the commissioner of education in accordance with section 13 of article XII of the state constitution.

(2) The OFFICE OF facility schools ~~unit~~ and the office of the director of facility schools exercise their powers and perform their duties and functions under the department, the commissioner of education, and the state board of education. The OFFICE OF facility schools ~~unit~~ and the office of the director of facility schools are **type 2** entities, as defined in section 24-1-105.

SECTION 4. In Colorado Revised Statutes, 22-2-404, **amend** (1) as follows:

22-2-404. Facility schools board - created - membership. (1) There is created the facility schools board to adopt curriculum standards and set graduation requirements for facility schools and to collaborate with and advise the ~~unit~~ OFFICE. The facility schools board consists of seven members appointed by the state board as ~~provided~~ SET FORTH in this section. The state board shall appoint the initial members of the facility schools board on or before November 1, 2008. The facility schools board is a **type 1** entity, as defined in section 24-1-105, and exercises its powers and performs its duties and functions under the department of education.

SECTION 5. In Colorado Revised Statutes, 22-2-405, **amend** (1) introductory portion, (1)(a), and (2) introductory portion; and **add** (3), (4), and (5) as follows:

22-2-405. Facility schools office - duties. (1) In addition to any other duties that may be required by law, the ~~unit~~ OFFICE shall:

(a) Develop and maintain, as ~~provided~~ DESCRIBED in section 22-2-407, the list of approved facility schools AND THE LIST OF APPROVED FACILITY SCHOOLS THAT RECEIVE ACCREDITATION;

(2) In complying with the duties specified in ~~paragraph (d) of subsection (1)~~

SUBSECTION (1)(d) of this section, the ~~unit~~ OFFICE shall:

(3) THE OFFICE SHALL CREATE, MAINTAIN, AND ANNUALLY PUBLISH:

(a) THE ACCREDITATION OUTCOME REPORTS THAT THE OFFICE DEVELOPS FOR EACH APPROVED FACILITY SCHOOL PURSUANT TO SECTION 22-2-406 (4)(c) ON THE OFFICE'S PUBLIC WEBSITE; AND

(b) A LIST OF INDEPENDENT NATIONAL ACCREDITATION ORGANIZATIONS THAT ARE APPROVED BY THE FACILITY SCHOOLS BOARD PURSUANT TO 22-2-406 (4)(c).

(4) (a) THE OFFICE SHALL CONTRACT WITH A QUALIFIED THIRD-PARTY EVALUATOR TO EVALUATE AND REPORT WHETHER THE WORK GROUP RECOMMENDATIONS MADE PURSUANT TO SECTION 22-2-407.5 RESULTED IN MORE EFFECTIVE SERVICES AND BETTER ACCESS TO THOSE SERVICES FOR STUDENTS WITH EXCEPTIONALLY SEVERE AND SPECIALIZED NEEDS. THE OFFICE SHALL CONSULT WITH THE WORK GROUP AND QUALIFIED THIRD-PARTY EVALUATOR TO EVALUATE AND REPORT THE FOLLOWING:

(I) WHETHER THE NUMBER OF APPROVED FACILITY SCHOOL PLACEMENTS FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS HAS STABILIZED OR INCREASED;

(II) WHETHER RELIANCE ON HOMEBOUND AND OUT-OF-STATE PLACEMENTS HAS DECREASED;

(III) WHETHER ADMINISTRATIVE UNITS THAT ARE UNABLE TO ACCESS APPROVED FACILITY SCHOOL PLACEMENTS DUE TO GEOGRAPHIC OR OTHER CONSTRAINTS RECEIVE SUFFICIENT SUPPORT FROM THE TECHNICAL ASSISTANCE CENTER CREATED IN SECTION 22-2-412 TO PROVIDE EFFECTIVE SERVICES TO STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS;

(IV) WHETHER PARENTS, GUARDIANS, ADVOCATES, COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES, AND OTHER INTERESTED PARTIES ASSESS THAT THE WORK GROUP'S IMPLEMENTATION PLAN DESCRIBED IN SECTION 22-2-407.5 (4) HAS HAD A POSITIVE IMPACT ON SERVICES FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS; AND

(V) ANY OTHER MEASURE OF SUCCESS THE OFFICE, WORK GROUP, AND THIRD-PARTY EVALUATOR DETERMINE NECESSARY.

(b) ON OR BEFORE SEPTEMBER 1, 2025, THE QUALIFIED THIRD-PARTY EVALUATOR SHALL SUBMIT A REPORT TO THE WORK GROUP AND THE OFFICE SUMMARIZING THE MEASURES AND RECOMMENDATIONS DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION. THE REPORT MUST BE INCLUDED IN THE OCTOBER 1, 2025, REPORT REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e).

(5) (a) THE OFFICE SHALL ASSEMBLE STAKEHOLDERS, INCLUDING MEMBERS OF THE WORK GROUP, TO ANALYZE AND RECOMMEND CHANGES TO THE METHODS USED FOR CALCULATING TUITION COSTS FOR APPROVED FACILITY SCHOOLS PURSUANT TO SECTION 22-20-109 (2).

(b) AS PART OF THE OCTOBER 1, 2023, REPORT REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e), THE OFFICE SHALL SUMMARIZE THE STAKEHOLDER RECOMMENDATIONS DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION, INCLUDING WHETHER STATUTORY OR RULE UPDATES ARE REQUIRED TO IMPLEMENT THE RECOMMENDATIONS.

(c) ON OR BEFORE JULY 1, 2024, THE STATE BOARD SHALL CONSIDER THE PROPOSED CHANGES AND PROMULGATE RULES IMPLEMENTING THE NEW METHODS USED FOR CALCULATING TUITION COSTS.

(d) AS PART OF THE OCTOBER 1, 2024, REPORT REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e), THE OFFICE SHALL INCLUDE AN UPDATE DESCRIBING THE TUITION CHANGES ADOPTED AS OF JULY 1, 2024.

SECTION 6. In Colorado Revised Statutes, 22-2-406, **amend** (1), (2)(h), (2)(i), and (3); and **add** (2)(j), (4), and (5) as follows:

22-2-406. Facility schools board duties - curriculum - graduation standards - report - rules. (1) In addition to any other duties provided by law, the facility schools board shall:

(a) Adopt curriculum to be provided by approved facility schools. At a minimum, the facility schools board shall align the curriculum for the core subjects of reading, writing, mathematics, science, history, and geography with the state content standards adopted pursuant to section 22-7-1005 and the state assessments OR ALTERNATE ASSESSMENTS administered as ~~provided~~ DESCRIBED in section 22-7-1006.3 (3). The curriculum must include a range of course work from which an approved facility school may select courses that meet the needs of the students who are placed at the facility, INCLUDING A VARIETY OF INSTRUCTIONAL METHODS AND STRATEGIES TO MEET STUDENT NEEDS.

(b) Adopt accountability AND ACCREDITATION measures, including academic performance measures, to be applied to approved facility schools and the students receiving educational services through the approved facility schools; ~~and~~

(c) Award a high school diploma to a student who, while receiving services through an approved facility school, meets the graduation requirements the facility schools board shall establish pursuant to subsection (3) of this section and who applies for the award of a high school diploma from the facility schools board; AND

(d) DEVELOP PROCEDURES TO AUTHORIZE FACILITIES TO OPERATE AS SPECIALIZED DAY SCHOOLS.

(2) The facility schools board may make recommendations to the state board and to the department of human services regarding any of the following issues:

(h) The oversight and monitoring of approved facility schools; ~~and~~

(i) Any other issues that are determined by the facility schools board to be within its purview and that are intended to improve educational outcomes for students receiving educational services from approved facility schools or to promote the

efficient delivery of educational services to students who are placed in facilities;
AND

(j) THE CREATION OF AN INTERAGENCY RESOURCE GUIDE TO ASSIST FACILITIES IN BECOMING LICENSED OR AUTHORIZED AS APPROVED FACILITY SCHOOLS, WHICH MUST BE ADOPTED BY THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AS SET FORTH IN SECTION 22-2-410.

(3) The facility schools board shall promulgate rules in accordance with the "State Administrative Procedure Act", article 4 of title 24, ~~C.R.S.~~, to establish procedures by which a student who participates in an approved facility school may apply to receive a high school diploma awarded by the facility schools board. The facility schools board shall also, by rule, establish the graduation requirements that a student receiving educational services through an approved facility school shall meet to be awarded the facility school's high school diploma. In adopting the graduation requirements, the facility schools board shall take into consideration the recommendations of the ~~unit~~ OFFICE and shall ensure that the graduation requirements follow the guidelines for high school graduation requirements specified by the state board pursuant to section 22-2-106 (1)(a.5).

(4) (a) (I) IN COMPLYING WITH THE DUTIES SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION, ON OR BEFORE DECEMBER 1, 2026, THE FACILITY SCHOOLS BOARD SHALL REVIEW THE IMPLEMENTATION OF ACCOUNTABILITY MEASURES BY AN APPROVED FACILITY SCHOOL THAT HAS BEEN APPROVED FOR AT LEAST ONE YEAR AND RECOMMEND TO THE STATE BOARD WHETHER TO ACCREDIT THE APPROVED FACILITY SCHOOL. THE STATE BOARD MAY GRANT ACCREDITATION TO THE APPROVED FACILITY SCHOOL BASED ON THE FACILITY SCHOOLS BOARD RECOMMENDATION.

(II) IF A FACILITY SCHOOL HAS BEEN AN APPROVED FACILITY SCHOOL PURSUANT TO SECTION 22-2-407 (2)(b) FOR LESS THAN ONE YEAR AS OF DECEMBER 1, 2026, THE APPROVED FACILITY SCHOOL SHALL IMPLEMENT ACCOUNTABILITY MEASURES WITHIN ONE YEAR OF APPROVAL BEFORE THE FACILITY SCHOOLS BOARD REVIEW PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION.

(III) IF A FACILITY SCHOOL BECOMES AN APPROVED FACILITY SCHOOL PURSUANT TO SECTION 22-2-407 (2)(b) AFTER DECEMBER 1, 2026, THE APPROVED FACILITY SCHOOL HAS ONE YEAR TO IMPLEMENT THE ACCOUNTABILITY MEASURES BEFORE A REVIEW BY THE FACILITY SCHOOLS BOARD AND ACCREDITATION APPROVAL BY THE STATE BOARD PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION.

(IV) (A) THE FACILITY SCHOOLS BOARD SHALL APPROVE A LIST OF RECOGNIZED INDEPENDENT NATIONAL ACCREDITATION ORGANIZATIONS THAT ACCREDIT APPROVED FACILITY SCHOOLS.

(B) IF A RECOGNIZED INDEPENDENT NATIONAL ACCREDITATION ORGANIZATION ACCREDITS AN APPROVED FACILITY SCHOOL, THE FACILITY SCHOOLS BOARD MAY CONSIDER THE RECOGNIZED INDEPENDENT NATIONAL ACCREDITATION AS PART OF THE FACILITY SCHOOLS BOARD'S ACCREDITATION REVIEW OF THE APPROVED FACILITY SCHOOL PURSUANT TO THIS SUBSECTION (4)(a)(I).

(C) THE OFFICE SHALL POST THE LIST OF RECOGNIZED INDEPENDENT NATIONAL ACCREDITATION ORGANIZATIONS TO THE OFFICE'S WEBSITE PURSUANT TO SECTION 22-2-405 (3).

(b) (I) NOTWITHSTANDING SUBSECTION (4)(b)(II) OF THIS SECTION, ON OR AFTER DECEMBER 1, 2026, A SCHOOL DISTRICT OR AN ADMINISTRATIVE UNIT SHALL ONLY PLACE A STUDENT IN AN APPROVED FACILITY SCHOOL THAT RECEIVES ACCREDITATION FROM THE STATE BOARD OR AN INDEPENDENT NATIONAL ACCREDITATION ORGANIZATION, UNLESS THE SCHOOL DISTRICT OR ADMINISTRATIVE UNIT DETERMINES THAT THERE IS NOT AN ACCREDITED FACILITY AVAILABLE AND THE SELECTED PLACEMENT IS IN THE BEST INTERESTS OF THE STUDENT.

(II) IF A STUDENT IS A STUDENT IN AN OUT-OF-HOME PLACEMENT, AS DEFINED IN SECTION 22-32-138, AND THE CHANGE OF EDUCATIONAL PLACEMENT IS A RESULT OF PLACEMENT IN OUT-OF-HOME CARE, THE PROCEDURES SET FORTH IN SECTION 22-32-138 MUST BE FOLLOWED.

(c) (I) ON OR AFTER OCTOBER 1, 2026, AND EACH OCTOBER 1 THEREAFTER, THE FACILITY SCHOOLS BOARD SHALL CREATE AN ACCREDITATION OUTCOME REPORT FOR EACH APPROVED FACILITY SCHOOL AS PART OF THE PROCESS TO DETERMINE WHETHER AN APPROVED FACILITY SCHOOL REMAINS ACCREDITED. THE ACCREDITATION OUTCOME REPORT MUST INCLUDE INFORMATION ON STUDENT OUTCOMES, POSTSECONDARY AND WORKFORCE READINESS, AND STUDENT ENGAGEMENT.

(II) ON OR AFTER DECEMBER 1, 2026, AND EACH DECEMBER 1 THEREAFTER, THE FACILITY SCHOOLS BOARD SHALL SUBMIT THE ACCREDITATION OUTCOME REPORTS AND ACCREDITATION RECOMMENDATIONS TO THE STATE BOARD.

(III) THE STATE BOARD MAY APPROVE ACCREDITATION, DENY ACCREDITATION, OR GRANT CONDITIONAL ACCREDITATION. IF ACCREDITATION IS CONDITIONAL OR DENIED BY THE STATE BOARD, AN APPROVED FACILITY SCHOOL MAY RESPOND TO THE OFFICE WITHIN SIXTY DAYS AFTER RECEIVING THE REPORT. THE FACILITY SCHOOLS BOARD AND STATE BOARD MAY RECONSIDER AN APPROVED FACILITY SCHOOL'S ACCREDITATION STATUS BASED ON THE ACCREDITATION OUTCOME REPORT AND ANY OTHER DATA SUBMITTED BY AN APPROVED FACILITY SCHOOL OR THE OFFICE.

(IV) THE OFFICE SHALL ANNUALLY UPDATE ON THE OFFICE'S WEBSITE THE ACCREDITATION OUTCOME REPORTS FOR EACH APPROVED FACILITY SCHOOL PURSUANT TO SECTION 22-2-405 (3).

(5) (a) IN DEVELOPING PROCEDURES AS SET FORTH IN SUBSECTION (1)(d) OF THIS SECTION, THE FACILITY SCHOOLS BOARD SHALL PROMULGATE RULES FOR THE CREATION AND MAINTENANCE OF A LIST OF SCHOOLS THAT ARE AUTHORIZED TO OPERATE AS SPECIALIZED DAY SCHOOLS AND ARE APPROVED AS FACILITY SCHOOLS TO RECEIVE REIMBURSEMENT FOR PROVIDING EDUCATIONAL SERVICES TO STUDENTS PLACED IN THE SPECIALIZED DAY SCHOOL. THE FACILITY SCHOOLS BOARD SHALL PROMULGATE RULES SPECIFYING THE FOLLOWING PROCEDURES:

(I) HOW TO AUTHORIZE A FACILITY TO OPERATE, BECOME ACCREDITED, AND BE

MAINTAINED AS A SPECIALIZED DAY SCHOOL;

(II) HOW TO SECURE HEALTH AND SAFETY INSPECTIONS OF A SPECIALIZED DAY SCHOOL;

(III) HOW TO SECURE ZONING APPROVAL IN CITIES AND COUNTIES FOR A SPECIALIZED DAY SCHOOL;

(IV) HOW TO PROCURE EMPLOYEE BACKGROUND CHECKS; AND

(V) HOW TO TRACK AND REPORT INCIDENTS AT SPECIALIZED DAY SCHOOLS.

(b) THE FACILITY SCHOOLS BOARD MAY ENTER INTO INTERAGENCY AGREEMENTS WITH THE DEPARTMENT OF HUMAN SERVICES, DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AND OTHER STATE AND LOCAL GOVERNMENT AGENCIES TO IMPLEMENT THIS SUBSECTION (5).

(c) IF A FACILITY MEETS THE CRITERIA TO BECOME AUTHORIZED TO OPERATE, BECOME ACCREDITED, AND BE MAINTAINED AS A SPECIALIZED DAY SCHOOL PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION, THE OFFICE SHALL AUTHORIZE THE FACILITY TO OPERATE AS A SPECIALIZED DAY SCHOOL. THE OFFICE SHALL PERIODICALLY, AS PROVIDED BY RULE OF THE FACILITY SCHOOLS BOARD, REVIEW EACH SPECIALIZED DAY SCHOOL TO DETERMINE WHETHER THE SPECIALIZED DAY SCHOOL IS IN COMPLIANCE WITH THE REQUIREMENTS SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION. THE FACILITY SCHOOLS BOARD SHALL PROMULGATE RULES SPECIFYING THE PROCEDURAL REQUIREMENTS ASSOCIATED WITH THE RENEWAL OF SPECIALIZED DAY SCHOOLS.

SECTION 7. In Colorado Revised Statutes, 22-2-407, **amend** (2)(a)(I), (2)(b), (3)(c), and (4); and **add** (3)(b.5) as follows:

22-2-407. List of approved facility schools - application - criteria - rules.
(2) (a) The facility schools board by rule shall specify:

(I) The procedures by which a facility school may apply to the ~~unit~~ OFFICE for placement on the list of approved facility schools;

(b) The ~~unit~~ OFFICE shall review the applications received pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION and shall place on the list of approved facility schools those applicants that meet the criteria specified by rule of the facility schools board. The ~~unit~~ OFFICE shall notify each applicant regarding placement on the list of approved facility schools. If the ~~unit~~ OFFICE denies an applicant placement on the list, the ~~unit~~ OFFICE shall explain the basis for the denial. An applicant that is denied may reapply for placement on the list following correction of the cause for denial.

(3) An approved facility school shall comply with the following requirements in order to remain on the list of approved facility schools:

(b.5) DEMONSTRATE COMPLIANCE WITH THE ACCOUNTABILITY AND

ACCREDITATION MEASURES WITHIN THE TIME FRAMES ADOPTED BY THE FACILITY SCHOOLS BOARD PURSUANT TO SECTION 22-2-406 (4);

(c) Comply with the reporting and records tracking requirements specified by the ~~unit~~ OFFICE pursuant to section 22-2-405 (1)(d) and (2); and

(4) The ~~unit~~ OFFICE shall periodically, as provided by rule of the facility schools board, review each approved facility school to determine whether the approved facility school is in compliance with the requirements specified in subsection (3) of this section. If the ~~unit~~ OFFICE determines that an approved facility school is out of compliance, the ~~unit~~ OFFICE shall give the approved facility school notice of the lack of compliance. If the approved facility school does not come into compliance within thirty days after receiving the notice, the ~~unit~~ OFFICE shall remove the facility school from the list of approved facility schools. A facility school that is removed from the list of approved facility schools may reapply for placement on the list as provided in subsection (2) of this section.

SECTION 8. In Colorado Revised Statutes, 22-2-407.5, **amend** (1)(b) introductory portion, (1)(b)(VII), and (4)(e); and **add** (1)(b)(IX), (1)(b)(X), and (5) as follows:

22-2-407.5. Facility schools - sustainable model of education for facility students - work group - created - membership - duties - reporting requirements - funding. (1) (b) The work group shall obtain input from parents and students who reflect the diversity of the state with regard to race, ethnicity, immigration status, income, and disability. The work group must include THE FOLLOWING representatives: ~~from the following entities:~~

(VII) The department of human services, including the division of youth services; ~~and~~

(IX) PARENTS, GUARDIANS, AND LEGAL CUSTODIANS OF STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS; AND

(X) THERAPEUTIC FACILITIES FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS THAT ARE NOT APPROVED FACILITY SCHOOLS.

(4) (e) (I) On or before October 1, 2023, and on or before each October 1 during the implementation phase of the model, the department shall submit a written report concerning the progress of the model's implementation, including but not limited to, the status of each deliverable identified in the implementation plan, any modifications to the implementation plan, and any statutory changes and funding necessary in the upcoming fiscal year in order to successfully implement each phase of the model. THE DEPARTMENT SHALL DRAFT THE REPORT WITH ONGOING INPUT FROM THE WORK GROUP. THE DEPARTMENT SHALL SUBMIT THE REPORTS TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR THEIR SUCCESSOR COMMITTEES, THE JOINT BUDGET COMMITTEE, AND THE STATE BOARD. THE OFFICE SHALL POST THE REPORTS ON THE OFFICE'S WEBSITE.

(II) AS PART OF THE OCTOBER 1, 2023, REPORT REQUIRED PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE OFFICE SHALL INCLUDE

RECOMMENDATIONS TO CHANGE THE METHOD USED FOR CALCULATING TUITION COSTS FOR APPROVED FACILITY SCHOOLS AS DESCRIBED IN SECTION 22-2-405 (5) OF THIS SECTION AND IDENTIFY NEXT STEPS. THE DEPARTMENT SHALL STATE WHETHER STATUTORY OR RULE UPDATES ARE REQUIRED TO IMPLEMENT CHANGES TO THE METHODS FOR CALCULATING TUITION COSTS.

(III) (A) AS PART OF THE OCTOBER 1, 2024, REPORT REQUIRED PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE DEPARTMENT SHALL INCLUDE AN UPDATE DESCRIBING THE TUITION CHANGES DESCRIBED IN SUBSECTION (4)(e)(II) OF THIS SECTION THAT ARE ADOPTED AS OF JULY 1, 2024, PURSUANT TO SECTION 22-2-405 (5).

(B) AS PART OF THE OCTOBER 1, 2024, REPORT REQUIRED PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE REPORT SUMMARIZING THE IMPLEMENTATION OF THE INTERAGENCY RESOURCE GUIDE DESCRIBED IN SECTION 22-2-410 (2).

(IV) AS PART OF THE OCTOBER 1, 2025, REPORT REQUIRED PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE REPORT SUMMARIZING THE EVALUATION MEASURES AND RECOMMENDATIONS DESCRIBED IN SECTION 22-2-405 (4).

(V) AS PART OF THE OCTOBER 1, 2025, AND OCTOBER 1, 2026, REPORTS REQUIRED PURSUANT TO (4)(e)(I) OF THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE REPORT SUMMARIZING INFORMATION SUBMITTED TO THE DEPARTMENT, AS DESCRIBED IN SECTION 22-2-411 (7), BY ELIGIBLE APPLICANTS WHO RECEIVED GRANT MONEY FROM THE SHARED OPERATIONAL SERVICES GRANT PROGRAM CREATED IN SECTION 22-2-411 (2).

(5) THE WORK GROUP SHALL CONSULT WITH THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING PURSUANT TO SECTION 25.5-1-104 (6) ON A PLAN TO PROVIDE GUIDANCE TO APPROVED FACILITY SCHOOLS ON THE ELIGIBILITY STANDARDS REQUIRED TO REQUEST AND RECEIVE MEDICAID REIMBURSEMENT FUNDING FOR THERAPEUTIC SERVICES TO THE MAXIMUM EXTENT POSSIBLE TO REDUCE RELIANCE ON SCHOOL DISTRICT REVENUE FOR THERAPEUTIC SERVICES.

SECTION 9. In Colorado Revised Statutes, 22-2-408, **amend** (2) as follows:

22-2-408. Approved facility schools - funding. (2) (a) For the 2009-10 budget year, ~~and for each budget year thereafter~~ THROUGH THE 2021-22 BUDGET YEAR, the department shall annually withhold two percent of the amount payable to each approved facility school. For the 2022-23 BUDGET YEAR, THE DEPARTMENT SHALL WITHHOLD FOUR PERCENT OF THE AMOUNT PAYABLE TO EACH APPROVED FACILITY SCHOOL. The amount withheld shall be allocated to the ~~unit~~ OFFICE to offset the costs incurred by the ~~unit~~ OFFICE and the facility schools board in implementing this part 4.

(b) FOR THE 2023-24 BUDGET YEAR, AND FOR EACH BUDGET YEAR THEREAFTER, FUNDING FOR THE ADMINISTRATION OF THE OFFICE IS PROVIDED THROUGH A SEPARATE APPROPRIATION.

SECTION 10. In Colorado Revised Statutes, **add 22-2-410, 22-2-411, and 22-2-412** as follows:

22-2-410. Administration - licensing - reports. (1) ON OR BEFORE NOVEMBER 1, 2023, THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF HUMAN SERVICES, DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, SHALL DEVELOP AN INTERAGENCY RESOURCE GUIDE TO ASSIST FACILITIES TO BECOME LICENSED OR AUTHORIZED AND FUNDED AS AN APPROVED FACILITY SCHOOL AND THAT MUST BE ADOPTED ACROSS DEPARTMENTS TO SUPPORT EFFICIENT LICENSURE AND APPROVAL FOR THE FOLLOWING TYPES OF FACILITIES:

(a) A HOSPITAL LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-1.5-103;

(b) A RESIDENTIAL CHILD CARE FACILITY, DAY TREATMENT PROGRAM, OR OTHER FACILITY LICENSED BY THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO SECTION 26-6-905; AND

(c) A SPECIALIZED DAY SCHOOL AUTHORIZED BY THE OFFICE PURSUANT TO SECTION 22-2-406 (5).

(2) ON OR BEFORE NOVEMBER 1, 2023, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR THEIR SUCCESSOR COMMITTEES, AND THE JOINT BUDGET COMMITTEE, SUMMARIZING THE FOLLOWING:

(a) A PLAN FOR THE IMPLEMENTATION OF THE INTERAGENCY RESOURCE GUIDE DESCRIBED IN SUBSECTION (1) OF THIS SECTION; AND

(b) ANY RECOMMENDED CHANGES TO STATUTES, RULES, OR ADMINISTRATIVE PROCEDURES AS DETERMINED BY EACH DEPARTMENT PARTICIPATING IN THE DEVELOPMENT OF THE INTERAGENCY RESOURCE GUIDE PURSUANT TO SUBSECTION (1) OF THIS SECTION TO IMPROVE ADMINISTRATIVE EFFICIENCY AND ELIMINATE DUPLICATION OR OTHER UNNECESSARY ADMINISTRATIVE OBSTACLES TO THE LICENSING, AUTHORIZATION, APPROVAL, AND FUNDING OF APPROVED FACILITY SCHOOLS.

(3) ON OR BEFORE OCTOBER 1, 2024, THE DEPARTMENT SHALL SUBMIT A REPORT SUMMARIZING THE IMPLEMENTATION OF THE INTERAGENCY RESOURCE GUIDE DESCRIBED IN SUBSECTION (1) OF THIS SECTION TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR THEIR SUCCESSOR COMMITTEES, AND THE JOINT BUDGET COMMITTEE. THE REPORT MAY BE SUBMITTED AS PART OF THE REPORT REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e).

(4) THE OFFICE SHALL PROMINENTLY POST THE INTERAGENCY RESOURCE GUIDE DESCRIBED IN SUBSECTION (1) OF THIS SECTION ON THE OFFICE'S WEBSITE.

22-2-411. Shared operational services grant program - creation - report - rules - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "AGENCY" MEANS AN INDEPENDENT AGENCY THAT OVERSEES APPROVED FACILITY SCHOOLS.

(b) "ELIGIBLE APPLICANT" MEANS AN APPROVED FACILITY SCHOOL THAT APPLIES TO THE GRANT PROGRAM ON BEHALF OF ITSELF AND ONE OR MORE OTHER APPROVED FACILITY SCHOOLS, AN ORGANIZATION, OR AN AGENCY.

(c) "GRANT PROGRAM" MEANS THE SHARED OPERATIONAL SERVICES GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(d) "ORGANIZATION" MEANS A PUBLIC OR PRIVATE ORGANIZATION THAT PROVIDES OR COORDINATES OPERATIONAL SERVICES FOR GRANTEES.

(e) "SHARED OPERATIONAL SERVICES" MEANS SERVICES THAT SUPPORT APPROVED FACILITY SCHOOLS, INCLUDING BUT NOT LIMITED TO FOOD SERVICES, JANITORIAL SERVICES, SHARED OFFICE SPACE, BILLING, TECHNICAL ASSISTANCE ON MEDICAID SERVICES, TECHNOLOGY, SECURITY, TRANSPORTATION, OR PURCHASING. SHARED OPERATIONAL SERVICES MAY INCLUDE PURCHASING AND SHARING ITEMS SUCH AS OFFICE SUPPLIES AND TECHNOLOGY.

(2) (a) (I) THERE IS CREATED IN THE DEPARTMENT THE SHARED OPERATIONAL SERVICES GRANT PROGRAM TO AWARD AN ELIGIBLE APPLICANT GRANT MONEY FOR THE SPAN OF TWO BUDGET YEARS TO CONTRACT WITH AN ORGANIZATION THAT PROVIDES OR COORDINATES SHARED OPERATIONAL SERVICES FOR GRANTEES.

(II) IN THE FIRST YEAR OF THE GRANT PROGRAM, AN ELIGIBLE APPLICANT WHO IS AWARDED A GRANT SHALL DETERMINE THE SHARED OPERATIONAL SERVICES NEEDED BY APPROVED FACILITY SCHOOLS AND CONTRACT WITH AN ORGANIZATION TO PROVIDE OR COORDINATE SERVICES. IN THE SECOND YEAR OF THE GRANT PROGRAM, THE GRANTEE SHALL WORK WITH THE ORGANIZATION TO PROVIDE THE SHARED OPERATIONAL SERVICES FOR THE APPROVED FACILITY SCHOOLS.

(b) THE DEPARTMENT SHALL IMPLEMENT A TIMELINE FOR THE GRANT PROGRAM, WHICH MUST INCLUDE THE FOLLOWING:

(I) THE DATE THE DEPARTMENT ANNOUNCES THE GRANT PROGRAM AND BEGINS ACCEPTING APPLICATIONS FROM ELIGIBLE APPLICANTS;

(II) THE DATE THE ELIGIBLE APPLICANTS MUST SUBMIT APPLICATIONS BY; AND

(III) THE DATE THE DEPARTMENT BEGINS DISTRIBUTING GRANT MONEY TO THE ELIGIBLE APPLICANTS THAT ARE AWARDED A GRANT.

(c) AN ELIGIBLE APPLICANT THAT CHOOSES TO APPLY FOR A GRANT MUST SUBMIT AN APPLICATION TO THE DEPARTMENT. THE APPLICATION MUST INCLUDE, AT A MINIMUM, THE FOLLOWING INFORMATION:

(I) THE TYPES OF SHARED OPERATIONAL SERVICES NEEDED BY APPROVED FACILITY SCHOOLS;

(II) THE NAME OF THE ORGANIZATION THE ELIGIBLE APPLICANT PLANS ON

CONTRACTING WITH FOR SHARED OPERATIONAL SERVICES;

(III) PROJECTED BUDGET AND COST SAVINGS BY IMPLEMENTING SHARED OPERATIONAL SERVICES BETWEEN APPROVED FACILITY SCHOOLS; AND

(IV) THE SUSTAINABILITY OF THE SHARED OPERATIONAL SERVICES AFTER THE GRANT PROGRAM CONCLUDES.

(3) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS SUBMITTED PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION AND MAKE RECOMMENDATIONS TO THE STATE BOARD. THE STATE BOARD SHALL TAKE INTO CONSIDERATION THE RECOMMENDATIONS OF THE DEPARTMENT IN SELECTING ELIGIBLE APPLICANTS THAT RECEIVE GRANTS AND DETERMINING THE AMOUNT OF EACH GRANT.

(4) IN SELECTING GRANTEEES, THE STATE BOARD SHALL GIVE PRIORITY TO ELIGIBLE APPLICANTS WHO:

(a) CREATE A DETAILED PLAN TO MEET THE VARIOUS NEEDS OF APPROVED FACILITY SCHOOLS THAT REQUIRE SHARED OPERATIONAL SERVICES; AND

(b) ANTICIPATE THE SUSTAINABILITY OF SHARED OPERATIONAL SERVICES AFTER THE GRANT PROGRAM CONCLUDES BASED ON THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION (2)(c)(IV) OF THIS SECTION.

(5) THE STATE BOARD MAY PROMULGATE RULES AS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION.

(6) TO ENSURE ACCOUNTABILITY, THE DEPARTMENT SHALL CONDUCT AN AUDIT OF AN ELIGIBLE APPLICANT WHO RECEIVES GRANT MONEY.

(7) (a) ON OR BEFORE SEPTEMBER 1, 2024, EACH ELIGIBLE APPLICANT THAT IS AWARDED GRANT MONEY SHALL SUBMIT AN INTERIM REPORT TO THE DEPARTMENT. ON OR BEFORE SEPTEMBER 1, 2025, EACH ELIGIBLE APPLICANT THAT IS AWARDED GRANT MONEY SHALL SUBMIT A FINAL REPORT TO THE DEPARTMENT. THE INTERIM AND FINAL REPORTS MUST INCLUDE THE FOLLOWING INFORMATION:

(I) THE TYPES OF SHARED OPERATIONAL SERVICES THAT WERE PROVIDED OR COORDINATED BY THE ORGANIZATION;

(II) A PERFORMANCE REVIEW OF THE ORGANIZATION THAT PROVIDED OR COORDINATED SHARED OPERATIONAL SERVICES BETWEEN APPROVED FACILITY SCHOOLS;

(III) AN ANALYSIS OF COST SAVINGS BASED ON THE IMPLEMENTATION OF THE SHARED OPERATIONAL SERVICES; AND

(IV) THE PROJECTED SUSTAINABILITY OF THE SHARED OPERATIONAL SERVICES AFTER THE GRANT PROGRAM CONCLUDES.

(b) AS PART OF THE OCTOBER 1, 2024 AND OCTOBER 1, 2025 REPORTS REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e), THE DEPARTMENT SHALL SUBMIT

INFORMATION THAT, AT A MINIMUM, SUMMARIZES THE INFORMATION RECEIVED BY THE DEPARTMENT PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION.

(8) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2026.

22-2-412. Technical assistance center - creation - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADMINISTRATIVE UNIT" HAS THE SAME MEANING AS SET FORTH IN SECTION 22-20-103.

(b) "BOARD OF COOPERATIVE SERVICES" OR "BOCES" MEANS A BOARD OF COOPERATIVE SERVICES CREATED PURSUANT TO ARTICLE 5 OF THIS TITLE 22 THAT OPERATES ONE OR MORE PUBLIC SCHOOLS.

(c) "CENTER" MEANS THE TECHNICAL ASSISTANCE CENTER CREATED IN SUBSECTION (2) OF THIS SECTION.

(d) "REMOTE SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT IN COLORADO, IRRESPECTIVE OF PUPIL ENROLLMENT, THAT IS MORE THAN FIFTY MILES FROM THE NEAREST LARGE, URBANIZED AREA.

(e) "RURAL SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT IN COLORADO THAT THE DEPARTMENT DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE SCHOOL DISTRICT, THE DISTANCE OF THE SCHOOL DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND A TOTAL ENROLLMENT OF SIX THOUSAND FIVE HUNDRED OR FEWER STUDENTS.

(2)(a) THERE IS CREATED IN THE OFFICE THE TECHNICAL ASSISTANCE CENTER TO PROVIDE TECHNICAL ASSISTANCE TO SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE UNITS SERVING STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS WHO NEED TO BE SERVED BY AN APPROVED FACILITY SCHOOL BUT ARE UNABLE TO ACCESS AN APPROVED FACILITY SCHOOL DUE TO LACK OF PROXIMITY TO AN APPROVED FACILITY SCHOOL OR OTHER FACTORS. THE CENTER SHALL PRIORITIZE TECHNICAL ASSISTANCE TO RURAL SCHOOL DISTRICTS, REMOTE SCHOOL DISTRICTS, AND OTHER SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE UNITS THAT FACE SIGNIFICANT OBSTACLES TO PROVIDING SUPPORTS TO SERVE STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

(b) TECHNICAL ASSISTANCE MAY INCLUDE:

(I) TRAINING;

(II) PROFESSIONAL DEVELOPMENT;

(III) COACHING;

(IV) SUPPORTS FOR RESOURCE SHARING AND COLLABORATION BETWEEN ADMINISTRATIVE UNITS, APPROVED FACILITY SCHOOLS, SCHOOL DISTRICTS, OR BOCES; AND

(V) DIRECT SUPPORTS TO ADMINISTRATIVE UNITS TO ENSURE THE ADMINISTRATIVE UNIT PROVIDES A FREE AND APPROPRIATE PUBLIC EDUCATION FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

(3)(a) BEGINNING IN THE 2023-24 BUDGET YEAR, THE CENTER SHALL ASSESS THE NEEDS OF SCHOOL DISTRICTS, PRIORITIZING RURAL SCHOOL DISTRICTS, REMOTE SCHOOL DISTRICTS, AND OTHER SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE UNITS THAT FACE SIGNIFICANT OBSTACLES TO PROVIDING SUPPORTS TO SERVE STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

(b) BEGINNING IN THE 2024-25 BUDGET YEAR, THE CENTER SHALL PROVIDE TECHNICAL ASSISTANCE TO SCHOOL DISTRICTS, PRIORITIZING RURAL SCHOOL DISTRICTS, REMOTE SCHOOL DISTRICTS, AND OTHER SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE UNITS THAT FACE SIGNIFICANT OBSTACLES TO PROVIDING SUPPORTS TO SERVE STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

(4) THE QUALIFIED THIRD-PARTY EVALUATOR DESCRIBED IN SECTION 22-2-405 (4) SHALL STUDY THE EFFECTIVENESS OF THE CENTER, WHICH MUST INCLUDE FEEDBACK FROM SCHOOL DISTRICTS AND ADMINISTRATIVE UNITS THAT USE THE SERVICES OF THE CENTER.

(5) SUBJECT TO AVAILABLE APPROPRIATIONS, THE CENTER MAY EXTEND SUPPORT SERVICES TO SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE UNITS TO IMPROVE SERVICES FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS, INCLUDING THROUGH GRANT PROGRAMS AND DIRECT AND CONTRACTED SERVICES.

SECTION 11. In Colorado Revised Statutes, 22-54-129, **amend** (2)(c)(II), (3), and (4); and **add** (1)(a.5), (2)(c)(III), and (2.5) as follows:

22-54-129. Facility school funding - definitions - legislative declaration.
(1) As used in this section, unless the context otherwise requires:

(a.5) "BASELINE FUNDING" MEANS A FUNDING AMOUNT BASED ON STUDENT ENROLLMENT PROJECTIONS THAT IS INTENDED TO PROVIDE SUFFICIENT FUNDING FOR MINIMUM EDUCATION PROGRAM SERVICES FOR AN APPROVED FACILITY SCHOOL.

(2) (c) (II) For the 2013-14 budget year and each budget year thereafter, each ~~approved facility school and~~ state program that meets the requirements of this section must receive education program funding, which must be distributed pursuant to subsection (4) of this section. The amount of funding available for all ~~approved facility schools and~~ state programs in a budget year is an amount equal to the pupil enrollment of each ~~approved facility school and~~ state program for the applicable budget year multiplied by an amount equal to one and seventy-three hundredths of the statewide base per pupil funding for the applicable budget year.

(III) FOR THE 2013-14 BUDGET YEAR THROUGH THE 2022-23 BUDGET YEAR, EACH APPROVED FACILITY SCHOOL THAT COMPLIES WITH THE REQUIREMENTS OF THIS SECTION MUST RECEIVE EDUCATION PROGRAM FUNDING, WHICH MUST BE DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION. THE AMOUNT OF FUNDING AVAILABLE FOR ALL APPROVED FACILITY SCHOOLS IN A BUDGET YEAR IS

AN AMOUNT EQUAL TO THE PUPIL ENROLLMENT OF EACH APPROVED FACILITY SCHOOL FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY AN AMOUNT EQUAL TO ONE AND SEVENTY-THREE HUNDREDTHS OF THE STATEWIDE BASE PER PUPIL FUNDING FOR THE APPLICABLE BUDGET YEAR.

(2.5) (a) (I) FOR THE 2023-24 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, EACH APPROVED FACILITY SCHOOL THAT MEETS THE REQUIREMENTS OF THIS SECTION MUST RECEIVE EDUCATION PROGRAM FUNDING, WHICH MUST BE DISTRIBUTED PURSUANT TO THIS SUBSECTION (2.5). THE AMOUNT OF STATE FUNDING AVAILABLE FOR ALL APPROVED FACILITY SCHOOLS IN A BUDGET YEAR IS AN AMOUNT EQUAL TO THE SUM OF THE BASELINE FUNDING OF EACH APPROVED FACILITY SCHOOL FOR THE APPLICABLE BUDGET YEAR, BASED ON STUDENT ENROLLMENT PROJECTIONS FOR EACH APPROVED FACILITY SCHOOL AND PER PUPIL FUNDING FOR EACH APPROVED FACILITY SCHOOL, IF APPLICABLE, OFFSET BY OTHER REVENUE SOURCES DESCRIBED IN SUBSECTION (2.5)(a)(III) OF THIS SECTION.

(II) THE BASELINE FUNDING AMOUNT MUST BE CALCULATED BY USING STUDENT ENROLLMENT PROJECTIONS. THE BASELINE FUNDING AMOUNT MAY INCLUDE FUNDING FOR SPECIAL EDUCATION DIRECTORS, LICENSED TEACHERS, RELEVANT THERAPEUTIC STAFF, CLASSROOM TEACHING AIDES, SCHOOL ADMINISTRATION, NONPERSONNEL COSTS, AND ANY OTHER ELEMENTS REQUIRED TO PROVIDE MINIMUM EDUCATION PROGRAM SERVICES FOR AN APPROVED FACILITY SCHOOL.

(III) THE BASELINE FUNDING AMOUNT PAID BY THE STATE MUST BE OFFSET BY A PORTION OF THE TUITION RECEIVED FOR THE COST OF ENROLLED STUDENTS PER DAY FOR SPECIAL EDUCATION SERVICES FROM SCHOOL DISTRICTS PURSUANT TO SECTION 22-20-109 AND BY A PORTION OF HOSPITAL REVENUE FOR THE COST OF ENROLLED STUDENTS PER DAY FROM OTHER SOURCES FOR HOSPITAL-BASED APPROVED FACILITY SCHOOLS.

(b) THE OFFICE OF FACILITY SCHOOLS MAY SUSPEND, REDUCE, OR RECOUP MONTHLY PAYMENTS FROM AN APPROVED FACILITY SCHOOL IF THE OFFICE OF FACILITY SCHOOLS DETERMINES THAT AN APPROVED FACILITY SCHOOL DOES NOT PROVIDE SERVICES FOR WHICH THE APPROVED FACILITY SCHOOL IS FUNDED OR SERVES SIGNIFICANTLY FEWER STUDENTS THAN WERE ANTICIPATED WHEN THE APPROVED FACILITY SCHOOL'S BASELINE FUNDING WAS APPROVED.

(c) BASELINE FUNDING MUST BE ADJUSTED BASED ON THRESHOLDS FOR STUDENT ENROLLMENT COUNT, BUT AN APPROVED FACILITY SCHOOL SHALL RECEIVE FUNDING FOR NO FEWER THAN EIGHT STUDENTS. BASELINE FUNDING MUST BE ADJUSTED EACH YEAR FOR INFLATIONARY IMPACTS ON EACH COST ELEMENT INCLUDED IN THE CALCULATION. STUDENT ENROLLMENT THRESHOLDS PROVIDE FOR FUNDING ADJUSTMENTS FOR:

(I) UP TO EIGHT STUDENTS;

(II) NINE TO SIXTEEN STUDENTS; AND

(III) SEVENTEEN OR MORE STUDENTS.

(d)(I) STUDENT ENROLLMENT PROJECTIONS MUST BE BASED ON ACTUAL STUDENT

ENROLLMENT COUNTS FROM PRIOR YEARS, CAPACITY ADJUSTMENTS, OR ANY OTHER FACTORS RELEVANT TO PROJECTING THE AVERAGE STUDENT ENROLLMENT FOR EACH APPROVED FACILITY SCHOOL IN A BUDGET YEAR.

(II) INITIAL FUNDING LEVELS AND MONTHLY PAYMENTS TO APPROVED FACILITY SCHOOLS MUST BE BASED ON ACTUAL STUDENT ENROLLMENT COUNTS FROM PRIOR YEARS, WHICH MAY BE ADJUSTED BY THE OFFICE OF FACILITY SCHOOLS TO ADDRESS KNOWN CHANGES IN THE CAPACITY OF AN APPROVED FACILITY SCHOOL. IF THE STUDENT ENROLLMENT COUNT FOR AN APPROVED FACILITY SCHOOL IS SIGNIFICANTLY DIFFERENT THAN THE PROJECTED STUDENT ENROLLMENT COUNT, THE AMOUNT OF FUNDING MUST BE ADJUSTED TO ACCOUNT FOR THE CHANGE.

(III) THE DEPARTMENT MAY REQUEST ADDITIONAL FUNDS FOR THE CURRENT BUDGET YEAR OR THE NEXT BUDGET YEAR AS PART OF ITS MID-YEAR BUDGET SUBMISSION IF REQUIRED BASED ON EXPENDITURE PROJECTIONS DUE TO CUMULATIVE STUDENT ENROLLMENT DATA THROUGH NOVEMBER OF A GIVEN BUDGET YEAR.

(e)(I) FOR THE 2023-24 BUDGET YEAR, THE STATE SHALL PAY BASELINE FUNDING AMOUNTS TO APPROVED FACILITY SCHOOLS WITH STUDENT ENROLLMENT THRESHOLDS AS FOLLOWS:

(A) UP TO EIGHT STUDENTS MUST BE NO MORE THAN FIFTY THOUSAND ONE HUNDRED FORTY-NINE DOLLARS PER MONTH LESS THE OFFSET AMOUNT CALCULATED PURSUANT TO SUBSECTION (2.5)(a)(III) OF THIS SECTION AND SET FORTH IN SUBSECTION (2.5)(e)(II) OF THIS SECTION;

(B) NINE TO SIXTEEN STUDENTS MUST BE NO MORE THAN FIFTY-NINE THOUSAND SIX HUNDRED NINETY-SEVEN DOLLARS PER MONTH LESS THE OFFSET AMOUNT CALCULATED PURSUANT TO SUBSECTION (2.5)(a)(III) OF THIS SECTION AND SET FORTH IN SUBSECTION (2.5)(e)(II) OF THIS SECTION;

(C) THE PAYMENT FOR EACH ADDITIONAL STUDENT ABOVE SIXTEEN STUDENTS MUST BE NO MORE THAN TWO THOUSAND FIVE HUNDRED FORTY-ONE DOLLARS PER MONTH PER STUDENT IN ADDITION TO THE FIFTY-NINE THOUSAND SIX HUNDRED NINETY-SEVEN DOLLARS PER MONTH DESCRIBED IN SUBSECTION (2.5)(e)(I)(B) OF THIS SECTION, LESS THE OFFSET AMOUNT CALCULATED PURSUANT TO SUBSECTION (2.5)(a)(III) OF THIS SECTION AND SET FORTH IN SUBSECTION (2.5)(e)(II) OF THIS SECTION. THE AMOUNT PER STUDENT FOR EACH ADDITIONAL STUDENT PURSUANT TO THIS SUBSECTION (2.5)(e)(I)(C) MUST DECREASE BASED ON STUDENT ENROLLMENT THRESHOLDS ESTABLISHED BY THE DEPARTMENT.

(II) THE OFFSET AMOUNTS DESCRIBED IN SUBSECTION (2.5)(a)(III) MUST BE CALCULATED AS FIFTY-FIVE DOLLARS PER ENROLLED STUDENT PER DAY FOR SPECIAL EDUCATION SERVICES FROM SCHOOL DISTRICTS AND SEVENTY-FIVE DOLLARS PER ENROLLED STUDENT PER DAY FOR THE PORTION OF THE HOSPITAL REVENUE FROM OTHER SOURCES FOR HOSPITAL-BASED APPROVED FACILITY SCHOOLS.

(III) FOR FUTURE BUDGET YEARS AFTER THE 2023-24 BUDGET YEAR, INFLATIONARY ADJUSTMENTS AND OTHER ADJUSTMENTS TO THE AMOUNTS SET

FORTH IN THIS SUBSECTION (2.5)(e) MUST BE SET IN THE ANNUAL APPROPRIATIONS BILL.

(f) SUBJECT TO AVAILABLE APPROPRIATIONS, FUNDING FOR EACH APPROVED FACILITY SCHOOL MAY BE PRORATED PROPORTIONATELY BASED ON STUDENT ENROLLMENT.

(3) To receive education program funding pursuant to this section, an approved facility school, THROUGH THE 2022-23 BUDGET YEAR, or a state program shall submit its pupil enrollment for the applicable budget year to the department on or before November 10, 2008, and on or before October 5 of each budget year thereafter.

(4) (a) In addition to the requirements of subsection (3) of this section, on or before the fifteenth day of each month, an approved facility school or a state program shall report to the department, in a manner to be determined by the department, the actual number of students who received educational services at the approved facility school or through the state program during the prior calendar month and the corresponding number of full-time equivalent students to which the approved facility school or state program provided such services. The department may accept amended monthly reports from an approved facility school or a state program prior to making the distribution of funding for the applicable month pursuant to ~~paragraph (b) of this subsection (4)~~ SUBSECTION (4)(b) OF THIS SECTION. BEGINNING IN THE 2023-24 BUDGET YEAR, FUNDING FOR AN APPROVED FACILITY SCHOOL MUST BE DISTRIBUTED PURSUANT TO SUBSECTION (2.5) OF THIS SECTION.

(b) (I) On or before the fifteenth day of the month following the month in which ~~an approved facility school or a state program reported the number of students to which it provided educational services and the number of full-time equivalent students to which the approved facility school or state program provided services pursuant to paragraph (a) of this subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION, the department shall pay the ~~approved facility school or state program~~ a proportional amount of the total amount of education program funding as determined pursuant to subsection (2) of this section, based on the ~~approved facility school's or state program's reported number of full-time equivalent students.~~

(II) FOR THE 2013-14 BUDGET YEAR THROUGH THE 2022-23 BUDGET YEAR ONLY, ON OR BEFORE THE FIFTEENTH DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH AN APPROVED FACILITY SCHOOL REPORTED THE NUMBER OF STUDENTS TO WHOM IT PROVIDED EDUCATIONAL SERVICES AND THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS TO WHOM THE APPROVED FACILITY SCHOOL PROVIDED SERVICES PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE DEPARTMENT SHALL PAY THE APPROVED FACILITY SCHOOL A PROPORTIONAL AMOUNT OF THE TOTAL AMOUNT OF EDUCATION PROGRAM FUNDING AS DETERMINED PURSUANT TO SUBSECTION (2) OF THIS SECTION BASED ON THE APPROVED FACILITY SCHOOL'S REPORTED NUMBER OF FULL-TIME EQUIVALENT STUDENTS.

(III) BEGINNING IN THE 2023-24 BUDGET YEAR, THE DEPARTMENT SHALL PAY AN APPROVED FACILITY SCHOOL MONTHLY AS SET FORTH IN SUBSECTION (2.5) OF THIS SECTION.

(c) The department may prorate the payments made pursuant to ~~paragraph (b) of this subsection (4)~~ SUBSECTIONS (4)(b)(I) AND (4)(b)(II) OF THIS SECTION, if the department determines that such action is necessary to accommodate a projected shortfall in education program funding as calculated pursuant to subsection (2) of this section.

SECTION 12. In Colorado Revised Statutes, 25-1.5-103, **add** (6) as follows:

25-1.5-103. Health facilities - powers and duties of department reports - rules - limitations on rules - definitions - repeal. (6) (a) THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND THE DEPARTMENT OF HUMAN SERVICES TO DEVELOP AN INTERAGENCY RESOURCE GUIDE PURSUANT TO SECTION 22-2-410 TO ASSIST FACILITIES TO BECOME LICENSED OR AUTHORIZED AS APPROVED FACILITY SCHOOLS AND TO RECOMMEND CHANGES RELATED TO THE INTERAGENCY RESOURCE GUIDE TO THE DEPARTMENT'S STATUTE, RULE, OR ADMINISTRATIVE PROCEDURES.

(b) THE DEPARTMENT SHALL PROMINENTLY POST THE INTERAGENCY RESOURCE GUIDE CREATED PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION ON THE DEPARTMENT'S WEBSITE.

SECTION 13. In Colorado Revised Statutes, 25.5-1-104, **add** (6) as follows:

25.5-1-104. Department of health care policy and financing created - executive director - powers, duties, and functions - report. (6) (a) (I) THE STATE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AND THE DEPARTMENT OF HUMAN SERVICES TO DEVELOP AN INTERAGENCY RESOURCE GUIDE PURSUANT TO SECTION 22-2-410 TO ASSIST FACILITIES TO BECOME LICENSED OR AUTHORIZED AS APPROVED FACILITY SCHOOLS AND TO RECOMMEND CHANGES RELATED TO THE INTERAGENCY RESOURCE GUIDE TO THE STATE DEPARTMENT'S STATUTE, RULE, OR ADMINISTRATIVE PROCEDURES.

(II) THE STATE DEPARTMENT SHALL PROMINENTLY POST THE INTERAGENCY RESOURCE GUIDE CREATED PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION ON THE DEPARTMENT'S WEBSITE.

(b) ON OR BEFORE NOVEMBER 1, 2023, THE STATE DEPARTMENT, AFTER CONSULTING WITH THE FACILITY SCHOOL WORK GROUP CREATED IN SECTION 22-2-407.5, SHALL RECOMMEND A PLAN TO PROVIDE GUIDANCE TO APPROVED FACILITY SCHOOLS ON THE ELIGIBILITY STANDARDS REQUIRED TO REQUEST AND RECEIVE MEDICAID REIMBURSEMENT FUNDING FOR THERAPEUTIC SERVICES TO THE MAXIMUM EXTENT POSSIBLE TO REDUCE RELIANCE ON SCHOOL DISTRICT REVENUES FOR TUITION PAYMENTS REQUIRED PURSUANT TO SECTION 22-20-109. THE PLAN MUST INCLUDE BEST PRACTICES FROM OTHER STATES, RECOMMENDATIONS ON REQUIRED FEDERAL OR STATE AUTHORITY CHANGES, COST ESTIMATES, AND COST-SAVING POTENTIALS.

SECTION 14. In Colorado Revised Statutes, 26-6-905, **add** (12) as follows:

26-6-905. Licenses - out-of-state notices and consent - demonstration pilot

program - report - rules - definition. (12) (a) THE STATE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO DEVELOP AN INTERAGENCY RESOURCE GUIDE PURSUANT TO SECTION 22-2-410 TO ASSIST FACILITIES TO BECOME LICENSED OR AUTHORIZED AS APPROVED FACILITY SCHOOLS AND TO RECOMMEND CHANGES RELATED TO THE INTERAGENCY RESOURCE GUIDE TO THE STATE DEPARTMENT'S STATUTE, RULE, OR ADMINISTRATIVE PROCEDURES.

(b) THE STATE DEPARTMENT SHALL PROMINENTLY POST THE INTERAGENCY RESOURCE GUIDE CREATED PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION ON THE DEPARTMENT'S WEBSITE.

SECTION 15. In Colorado Revised Statutes, 22-2-103, **amend** (1)(g) as follows:

22-2-103. Department of education. (1) The department of education shall include the following:

(g) The OFFICE OF facility schools ~~unit~~ created in section 22-2-403;

SECTION 16. In Colorado Revised Statutes, 22-2-107, **amend** (1)(q) as follows:

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

(q) To promulgate rules and regulations to define the types and amounts of costs in excess of applicable revenues that a school district of residence of a child with a disability shall pay as tuition to educate that child elsewhere within Colorado at a facility, as defined by the department in its regulations, approved by the OFFICE OF facility schools ~~unit~~ in the department pursuant to section 22-2-407, or at an administrative unit as defined in section 22-20-103 (1) other than the administrative unit of residence; however, a school district may pay a higher amount, as provided in section 22-20-109 (1);

SECTION 17. In Colorado Revised Statutes, 22-20-109, **amend** (2)(b) as follows:

22-20-109. Tuition - rules. (2) (b) The state board shall promulgate rules to define the contract approval process and the method for determining the tuition rate that a school district of residence of a child with a disability shall pay as tuition to educate that child at an approved facility school. The rules for determining a tuition rate must include, but need not be limited to, the limitations on the number of staff members per number of students, the number of school days, all special education expenditures as defined in section 22-20-103 (22.7) and specified by the child's IEP, other education costs, and applicable revenues associated with the approved facility school's educational program. The rules may not require that, in calculating the amount of the tuition charge for educating a child with a disability in an approved facility school, the costs incurred by the approved facility school in providing the special education program be reduced by the amount of revenues, if any, received by the approved facility school as donations or special education grants. The school district of residence is responsible for paying as tuition any excess costs above the

amount the department pays to provide these services pursuant to ~~section 22-54-129~~
(2) SECTION 22-54-129.

SECTION 18. In Colorado Revised Statutes, 24-1-115, **amend** (12) as follows:

24-1-115. Department of education - creation. (12) The department of education includes the OFFICE OF facility schools ~~unit~~ and the office of the director of the OFFICE OF facility schools ~~unit~~ established in section 22-2-403. The OFFICE OF facility schools ~~unit~~ and the office of the director of the facility schools unit are **type 2** entities, as defined in section 24-1-105, and exercise their powers and perform their duties and functions under the department, the commissioner of education, and the state board of education.

SECTION 19. Appropriation - adjustments to 2023 long bill. (1) To implement this act, appropriations made in the annual general appropriation act for the 2023-24 state fiscal year to the department of education are adjusted as follows. The appropriation for use by the facility schools office and facility schools board is decreased by \$216,625 and the related FTE is decreased by 3.0 FTE. This appropriation is from reappropriated funds transferred from the facility school funding line item and the state school funding line item appropriations.

(2) For the 2023-24 state fiscal year, \$18,780,654 is appropriated to the department of education. This appropriation is from the state education fund created in section 17 (4)(a) of article IX of the state constitution. To implement this act, the department may use this appropriation as follows:

(a) \$738,482 for the facility schools office, facility schools board, and facility schools technical assistance center, which amount is based on an assumption that the department will require an additional 7.1 FTE;

(b) \$200,000 for the facility schools shared operational services grant program;

(c) \$100,000 for facility schools work group and program evaluation contracts;
and

(d) \$17,742,172 for facility school funding.

(3) Any money appropriated in subsection (2)(b) of this section that is not expended prior to July 1, 2024, is further appropriated to the department for the 2024-25 state fiscal year for the same purpose.

SECTION 20. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: April 20, 2023