

CHAPTER 127

EDUCATION - PUBLIC SCHOOLS

SENATE BILL 01-129

BY SENATOR(S) Thiebaut, Chlouber, Fitz-Gerald, Gordon, Hanna, Hernandez, Linkhart, Matsunaka, Nichol, Pascoe, Phillips, Tupa, and Windels;
 also REPRESENTATIVE(S) Dean, Boyd, Chavez, Coleman, Crane, Daniel, Groff, Jahn, Larson, Lawrence, Mace, Marshall, Miller, Romanoff, Sanchez, Spence, Stafford, Stengel, Swenson, Tapia, Tochtrop, Vigil, Webster, Weddig, White, Williams S., Williams T., and Young.

AN ACT

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 22-54-104 (5) (a), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

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

(a) (VIII) FOR THE 2001-02 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING SHALL BE \$4,001.70 SUPPLEMENTED BY \$200.30 TO ACCOUNT FOR INFLATION PLUS AN ADDITIONAL ONE PERCENTAGE POINT.

SECTION 2. 22-30.5-112 (2) (a) (III), Colorado Revised Statutes, is amended to read:

22-30.5-112. Charter schools - financing - guidelines. (2) (a) (III) For budget year 2000-2001 and budget years thereafter, except as otherwise provided in paragraph (a.3) of this subsection (2), each charter school and the authorizing school district shall negotiate funding under the contract at a minimum of ninety-five percent of the district per pupil revenues for each pupil enrolled in the charter school. The school district may choose to retain ~~up to~~ THE ACTUAL AMOUNT OF THE CHARTER SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS FOR SERVICES ACTUALLY PROVIDED TO THE CHARTER SCHOOL; EXCEPT THAT SUCH

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AMOUNT SHALL NOT EXCEED five percent of the district per pupil revenues for each pupil enrolled in the charter school. ~~as payment for the charter school's portion of central administrative overhead costs incurred by the school district.~~

SECTION 3. 22-28-104 (2) (d) (I), Colorado Revised Statutes, is amended, and the said 22-28-104 (2) (d) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

22-28-104. Establishment of public preschool programs. (2) In recognition of the fact that there are thousands of children in Colorado not presently being served who would benefit from the state preschool program, the number of children that may participate in the state preschool program shall be increased:

(d) (I) To not more than 8,850 in the 1998-99 budget year, ~~and~~ to not more than 9,050 in the 1999-2000 AND 2000-2001 budget year YEARS, AND TO NOT MORE THAN 10,050 IN THE 2001-02 BUDGET YEAR and budget years thereafter.

(III) FOR THE 2001-02 BUDGET YEAR, THE DEPARTMENT SHALL ALLOW SCHOOL DISTRICTS TO APPLY TO THE DEPARTMENT FOR AUTHORIZATION TO SERVE NO MORE THAN ONE THOUSAND ELIGIBLE CHILDREN THROUGH A FULL-DAY KINDERGARTEN COMPONENT OF THE DISTRICT'S PRESCHOOL PROGRAM. THE DEPARTMENT, USING ESTABLISHED CRITERIA, SHALL SELECT SCHOOL DISTRICTS TO PARTICIPATE IN SUCH FULL-DAY KINDERGARTEN PROGRAMS UNTIL THE TOTAL NUMBER OF FULL-DAY KINDERGARTEN POSITIONS APPLIED FOR HAS BEEN FILLED OR THE LIMITATION OF ONE THOUSAND CHILDREN HAS BEEN REACHED, WHICHEVER EVENT OCCURS FIRST. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO WAIVERS SHALL BE GRANTED BY THE DEPARTMENT THAT WOULD ALLOW MORE THAN ONE THOUSAND FULL-DAY KINDERGARTEN CHILDREN.

(IV) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, INCREASING THE NUMBER OF CHILDREN THAT MAY PARTICIPATE IN THE STATE PRESCHOOL PROGRAM IS AN IMPORTANT ELEMENT OF EXPANDING THE AVAILABILITY OF PRESCHOOL AND KINDERGARTEN PROGRAMS AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

SECTION 4. 22-54-103 (1), (5.5), and (14), Colorado Revised Statutes, are amended, and the said 22-54-103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

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

(1) "AT-RISK FUNDED PUPIL COUNT" MEANS THE GREATER OF:

(a) "~~At-risk pupils~~" means: THE NUMBER OF THE DISTRICT'S AT-RISK PUPILS FOR THE APPLICABLE BUDGET YEAR; OR

~~(f) For the 1994-95 budget year, the greater of:~~

~~(A) The number of district pupils eligible for free lunch; or~~

~~(B) The number of pupils calculated in accordance with the following formula:
District pupils eligible for free lunch + 25% x ((District percentage of pupils
eligible for free lunch x District pupil enrollment) - District pupils eligible for
free lunch)~~

~~(H) For the 1995-96 budget year and budget years thereafter, the greater of:~~

~~(A) The number of district pupils eligible for free lunch; or~~

~~(B) The number of pupils calculated in accordance with the following formula:
District percentage of pupils eligible for free lunch x District pupil
enrollment~~

(b) ~~For purposes of this subsection (1):~~ THE AVERAGE OF THE NUMBER OF THE DISTRICT'S AT-RISK PUPILS FOR THE APPLICABLE BUDGET YEAR AND THE NUMBER OF THE DISTRICT'S AT-RISK PUPILS FOR THE IMMEDIATELY PRECEDING BUDGET YEAR; OR

~~(I) "District percentage of pupils eligible for free lunch" means the district pupils eligible for free lunch in grades one through eight divided by the district pupil enrollment in grades one through eight.~~

~~(II) "District pupil enrollment" means the pupil enrollment of the district, as determined in accordance with subsection (10) of this section, minus the number of pupils enrolled in district preschool programs pursuant to article 28 of this title and the number of three- or four-year-old pupils with disabilities receiving educational programs pursuant to article 20 of this title.~~

~~(III) "District pupils eligible for free lunch" means the number of pupils included in the district pupil enrollment who are eligible for free lunch pursuant to the provisions of the federal "National School Lunch Act".~~

(c) ~~For purposes of this subsection (1), at-risk pupils shall be counted in the same manner as pupils are counted pursuant to subsection (10) of this section~~ THE AVERAGE OF THE NUMBER OF THE DISTRICT'S AT-RISK PUPILS FOR THE APPLICABLE BUDGET YEAR AND THE NUMBER OF THE DISTRICT'S AT-RISK PUPILS FOR THE TWO IMMEDIATELY PRECEDING BUDGET YEARS.

(1.5) (a) "AT-RISK PUPILS" MEANS:

(I) FOR THE 1994-95 BUDGET YEAR, THE GREATER OF:

(A) THE NUMBER OF DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH; OR

(B) THE NUMBER OF PUPILS CALCULATED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH + 25% x ((DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE LUNCH x DISTRICT PUPIL ENROLLMENT) - DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH)

(II) FOR THE 1995-96 BUDGET YEAR AND BUDGET YEARS THEREAFTER THROUGH THE 2000-01 BUDGET YEAR, THE GREATER OF:

(A) THE NUMBER OF DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH; OR

(B) THE NUMBER OF PUPILS CALCULATED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE LUNCH X DISTRICT PUPIL ENROLLMENT

(III) FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE GREATER OF:

(A) THE NUMBER OF DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH PLUS THE NUMBER OF DISTRICT PUPILS WHOSE DOMINANT LANGUAGE IS NOT ENGLISH; OR

(B) THE NUMBER OF PUPILS CALCULATED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

(DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE LUNCH X DISTRICT PUPIL ENROLLMENT) + THE NUMBER OF DISTRICT PUPILS WHOSE DOMINANT LANGUAGE IS NOT ENGLISH

(b) FOR PURPOSES OF THIS SUBSECTION (1.5):

(I) "DISTRICT PERCENTAGE OF PUPILS ELIGIBLE FOR FREE LUNCH" MEANS THE DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH IN GRADES ONE THROUGH EIGHT DIVIDED BY THE DISTRICT PUPIL ENROLLMENT IN GRADES ONE THROUGH EIGHT.

(II) "DISTRICT PUPIL ENROLLMENT" MEANS THE PUPIL ENROLLMENT OF THE DISTRICT, AS DETERMINED IN ACCORDANCE WITH SUBSECTION (10) OF THIS SECTION, MINUS THE NUMBER OF PUPILS ENROLLED IN DISTRICT PRESCHOOL PROGRAMS PURSUANT TO ARTICLE 28 OF THIS TITLE AND THE NUMBER OF THREE- OR FOUR-YEAR-OLD PUPILS WITH DISABILITIES RECEIVING EDUCATIONAL PROGRAMS PURSUANT TO ARTICLE 20 OF THIS TITLE.

(III) "DISTRICT PUPILS ELIGIBLE FOR FREE LUNCH" MEANS THE NUMBER OF PUPILS INCLUDED IN THE DISTRICT PUPIL ENROLLMENT WHO ARE ELIGIBLE FOR FREE LUNCH PURSUANT TO THE PROVISIONS OF THE FEDERAL "NATIONAL SCHOOL LUNCH ACT".

(IV) "DISTRICT PUPILS WHOSE DOMINANT LANGUAGE IS NOT ENGLISH" MEANS THE NUMBER OF PUPILS INCLUDED IN THE DISTRICT PUPIL ENROLLMENT FOR THE PRECEDING BUDGET YEAR WHO WERE NOT ELIGIBLE FOR FREE LUNCH PURSUANT TO THE PROVISIONS OF THE FEDERAL "NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., AND WHOSE DOMINANT LANGUAGE IS NOT ENGLISH, AS DEFINED IN SECTION 22-24-103 (4), AND:

(A) WHOSE SCORES WERE NOT INCLUDED IN CALCULATING SCHOOL ACADEMIC PERFORMANCE GRADES AS PROVIDED IN SECTION 22-7-409 (1.2) (d) (I) (C); OR

(B) WHO TOOK AN ASSESSMENT ADMINISTERED PURSUANT TO SECTION 22-7-409 IN A LANGUAGE OTHER THAN ENGLISH.

(c) FOR PURPOSES OF THIS SUBSECTION (1.5), AT-RISK PUPILS SHALL BE COUNTED IN THE SAME MANNER AS PUPILS ARE COUNTED PURSUANT TO SUBSECTION (10) OF THIS SECTION.

(5.5) "District percentage of at-risk pupils" means the number of at-risk pupils in the district, as determined in accordance with ~~subsection (1)~~ SUBSECTION (1.5) of this section, divided by the pupil enrollment of the district, as determined in accordance with subsection (10) of this section; except that pupil enrollment shall not include the number of pupils enrolled in district preschool programs pursuant to article 28 of this title and the number of three- or four-year-old pupils with disabilities receiving educational programs pursuant to article 20 of this title.

(14) "Statewide average percentage of at-risk pupils" means the total number of at-risk pupils in all districts, as determined in accordance with ~~subsection (1)~~ SUBSECTION (1.5) of this section, divided by the pupil enrollment of all districts, as determined in accordance with subsection (10) of this section; except that pupil enrollment shall not include the number of pupils enrolled in district preschool programs pursuant to article 28 of this title and the number of three- or four-year-old pupils with disabilities receiving educational programs pursuant to article 20 of this title.

SECTION 5. The introductory portion to 22-54-104 (2) (a) (III.5) and 22-54-104 (2) (a) (III.6), (4), and (5) (f) (II), Colorado Revised Statutes, are amended, and the said 22-54-104 (2) (a) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

22-54-104. District total program - repeal. (2) (a) (III.5) Except as otherwise provided in this subsection (2), subsection (6) of this section, or section 22-54-104.3, a district's total program for the 1999-2000 ~~budget year and~~ AND 2000-01 budget years ~~thereafter~~ shall be the greater of the following:

(III.6) For the 2000-01 budget year, ~~and budget years thereafter~~, the dollar amount set forth in sub-subparagraph (B) of subparagraph (III.5) of this paragraph (a) shall be increased by the percentage by which the statewide base per pupil funding for the budget year is increased over the statewide base per pupil funding set forth for the 1999-2000 budget year. Such amount shall be rounded to the nearest dollar.

(III.7) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION (2), SUBSECTION (6) OF THIS SECTION, OR SECTION 22-54-104.3, A DISTRICT'S TOTAL PROGRAM FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER SHALL BE THE GREATER OF THE FOLLOWING:

(A) (DISTRICT PER PUPIL FUNDING X DISTRICT FUNDED PUPIL COUNT) + DISTRICT AT-RISK FUNDING; OR

(B) \$5,100 X DISTRICT FUNDED PUPIL COUNT.

(III.8) FOR THE 2002-03 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE

DOLLAR AMOUNT SET FORTH IN SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III.7) OF THIS PARAGRAPH (a) SHALL BE INCREASED BY THE PERCENTAGE BY WHICH THE STATEWIDE BASE PER PUPIL FUNDING FOR THE BUDGET YEAR IS INCREASED OVER THE STATEWIDE BASE PER PUPIL FUNDING SET FORTH FOR THE 2001-02 BUDGET YEAR. SUCH AMOUNT SHALL BE ROUNDED TO THE NEAREST DOLLAR.

(4) A district's at-risk funding shall be determined in accordance with one of the following formulas:

(a) If the district percentage of at-risk pupils is equal to or less than the statewide average percentage of at-risk pupils or the district's funded pupil count is equal to or less than four hundred fifty-nine, the formula shall be:

$(\text{District per pupil funding} \times 11.5\%) \times \text{District at-risk pupils FUNDED PUPIL COUNT}$

(b) If the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than four hundred fifty-nine, the formula shall be:

$((\text{District per pupil funding} \times 11.5\%) \times (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})) + ((\text{District per pupil funding} \times \text{District at-risk factor}) \times (\text{District at-risk pupils FUNDED PUPIL COUNT} - (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})))$.

(5) For purposes of the formulas used in this section:

(f) (II) If the district percentage of at-risk pupils is greater than the statewide average percentage of at-risk pupils and the district's funded pupil count is greater than fifty thousand, the district's at-risk factor shall be 11.5% plus a ~~0.34 percentage~~ 0.36 PERCENTAGE point for each percentage point that the district percentage of at-risk pupils exceeds the statewide average percentage of at-risk pupils; except that no district's at-risk factor shall exceed 30%.

SECTION 6. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-104.2. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE EXPANSION OF THE DEFINITION OF "AT-RISK PUPILS", AS DEFINED IN SECTION 22-54-103 (1.5) (a) (III), TO INCLUDE DISTRICT PUPILS WHOSE DOMINANT LANGUAGE IS NOT ENGLISH, AS DEFINED IN SECTION 22-54-103 (1.5) (b) (IV), THE INCREASE IN THE AT-RISK FACTOR PURSUANT TO SECTION 22-54-104 (5) (f) (II) FOR DISTRICTS WHOSE PERCENTAGE OF AT-RISK PUPILS IS GREATER THAN THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS AND WHOSE FUNDED PUPIL COUNT IS GREATER THAN FIFTY THOUSAND, AND THE REQUIREMENT THAT DISTRICTS THAT RECEIVE AT-RISK FUNDING SPEND A PORTION OF THEIR AT-RISK FUNDING ON IMPLEMENTATION OF THE DISTRICT'S ENGLISH LANGUAGE PROFICIENCY PROGRAM PURSUANT TO SECTION 22-54-105 (3) (b) (I) AND (3) (c) ARE IMPORTANT ELEMENTS OF ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN

SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE ENACTMENT OF THE DEFINITION OF "AT-RISK FUNDED PUPIL COUNT", AS DEFINED IN SECTION 22-54-103 (1), TO ALLOW UP TO THREE-YEAR AVERAGING OF THE NUMBER OF AT-RISK PUPILS, IS AN IMPORTANT ELEMENT OF ACCOUNTABLE EDUCATION REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

SECTION 7. 22-20-109 (2), Colorado Revised Statutes, is amended to read:

22-20-109. Tuition. (2) The state board shall promulgate rules and regulations to define the contract approval process, to define the types and amounts of costs in excess of the state average per pupil operating revenues, as defined in section 22-54-103 (12), and to define other applicable revenues that a school district of residence of a child with a disability shall pay as tuition to educate that child elsewhere at a community centered board or a facility approved by the state board pursuant to section 22-2-107 (1) (p). These rules and regulations shall include, but shall not be limited to, the limitations on the number of staff members per number of students, the amount of equipment necessary for classroom instruction of the child, the number of days of school, and any other expenses involved in the provision of educational services as determined by the child's individual educational program. HOWEVER, THESE RULES SHALL NOT REQUIRE THAT, IN CALCULATING THE AMOUNT OF THE TUITION CHARGE FOR EDUCATING A CHILD WITH A DISABILITY IN ANY COMMUNITY CENTERED BOARD OR FACILITY, THE COSTS INCURRED BY A COMMUNITY CENTERED BOARD OR FACILITY IN PROVIDING SUCH SPECIAL EDUCATION PROGRAM BE REDUCED BY THE AMOUNT OF REVENUES, IF ANY, RECEIVED BY SUCH COMMUNITY CENTERED BOARD OR FACILITY AS DONATIONS OR SPECIAL EDUCATION GRANTS. The school district of residence shall be responsible for paying as tuition any excess costs above the state average per pupil operating revenues to provide these services.

SECTION 8. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-104.1. General fund appropriations requirements - maintenance of effort base - general fund appropriation for 2001-02 fiscal year. (1) IN ACCORDANCE WITH SECTION 17 (5) OF ARTICLE IX OF THE STATE CONSTITUTION, FOR STATE FISCAL YEARS 2001-02 THROUGH 2010-11, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE FROM THE GENERAL FUND FOR TOTAL PROGRAM UNDER THE PROVISIONS OF THIS ARTICLE AN AMOUNT EQUAL TO THE MAINTENANCE OF EFFORT BASE PLUS AN AMOUNT AS DETERMINED ANNUALLY BY THE GENERAL ASSEMBLY THAT IS EQUAL TO AT LEAST FIVE PERCENT OF THE MAINTENANCE OF EFFORT BASE.

(2) FOR PURPOSES OF THIS SECTION, "MAINTENANCE OF EFFORT BASE" MEANS THE AGGREGATE AMOUNT OF GENERAL FUND APPROPRIATIONS FOR TOTAL PROGRAM PURSUANT TO THE PROVISIONS OF THIS ARTICLE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, INCLUDING:

(a) ANY INCREASES OR DECREASES MADE TO SAID APPROPRIATIONS THROUGH THE ENACTMENT OF A SUPPLEMENTAL APPROPRIATION BILL OR BILLS FOR THAT STATE

FISCAL YEAR; AND

(b) ANY GENERAL FUND APPROPRIATION FOR THE STATE'S SHARE OF THE DISTRICT'S TOTAL PROGRAM AS DETERMINED PURSUANT TO SECTION 22-54-106 (8).

(3) FOR THE 2001-02 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE GENERAL FUND FOR TOTAL PROGRAM PURSUANT TO THE PROVISIONS OF THIS ARTICLE AN AMOUNT EQUAL TO THE MAINTENANCE OF EFFORT BASE PLUS:

(a) AN AMOUNT EQUAL TO FIVE AND NINETY-TWO ONE-HUNDREDTHS PERCENT OF THE MAINTENANCE OF EFFORT BASE IF SENATE BILL 01-119 IS ENACTED AT THE FIRST REGULAR SESSION OF THE SIXTY-THIRD GENERAL ASSEMBLY AND BECOMES LAW; OR

(b) AN AMOUNT EQUAL TO FIVE AND EIGHTY ONE-HUNDREDTHS PERCENT OF THE MAINTENANCE OF EFFORT BASE IF SENATE BILL 01-119 IS NOT ENACTED AT THE FIRST REGULAR SESSION OF THE SIXTY-THIRD GENERAL ASSEMBLY AND DOES NOT BECOME LAW.

SECTION 9. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-124. State aid for charter schools - use of state education fund moneys.

(1) AS USED IN THIS SECTION:

(a) "CAPITAL CONSTRUCTION" MEANS CONSTRUCTION, DEMOLITION, REMODELING, FINANCING, PURCHASING, OR LEASING OF LAND, BUILDINGS, OR FACILITIES USED TO EDUCATE PUPILS ENROLLED IN OR TO BE ENROLLED IN A CHARTER SCHOOL.

(b) "CHARTER SCHOOL" MEANS A CHARTER SCHOOL AS DESCRIBED IN SECTION 22-30.5-104.

(c) "DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT" MEANS THE TOTAL NUMBER OF PUPILS EXPECTED TO BE ENROLLED IN ALL QUALIFIED CHARTER SCHOOLS THAT WILL RECEIVE FUNDING FROM THE DISTRICT PURSUANT TO SECTION 22-30.5-112 FOR THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED AND DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION, AS CERTIFIED BY THE DEPARTMENT OF EDUCATION PURSUANT TO PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION DURING THE BUDGET YEAR THAT IMMEDIATELY PRECEDES SAID BUDGET YEAR.

(d) "MINIMUM CAPITAL RESERVE AMOUNT PER PUPIL" MEANS THE MINIMUM AMOUNT PER PUPIL REQUIRED TO BE BUDGETED BY EACH DISTRICT TO THE CAPITAL RESERVE FUND CREATED BY SECTION 22-45-103 (1) (c), A RISK MANAGEMENT FUND OR ACCOUNT, OR BOTH, PURSUANT TO SECTION 22-54-105 (2) (a) AND (2) (b), WITHOUT REGARD TO ANY EXCEPTION TO SAID MINIMUM BUDGETING REQUIREMENT PERMITTED PURSUANT TO SECTION 22-54-105 (2) (c).

(e) "OPERATING REVENUES" MEANS THE TOTAL AMOUNT OF FUNDING THAT A CHARTER SCHOOL RECEIVES FROM A DISTRICT FOR A BUDGET YEAR PURSUANT TO SECTION 22-30.5-112 MINUS THE AMOUNTS REQUIRED BY SECTION 22-30.5-112 (2)

(a.7) TO BE ALLOCATED FOR CAPITAL RESERVE PURPOSES OR THE MANAGEMENT OF RISK-RELATED ACTIVITIES.

(f) "QUALIFIED CHARTER SCHOOL" MEANS:

(I) A CHARTER SCHOOL THAT WILL RECEIVE FUNDING FROM A DISTRICT PURSUANT TO SECTION 22-30.5-112 FOR THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED AND DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION, THAT RECEIVED SUCH FUNDING FROM THE DISTRICT FOR THE BUDGET YEAR TWO YEARS PRIOR TO THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED, AND THAT EXPENDED MORE THAN THREE PERCENT OF ITS OPERATING REVENUES FOR SAID PRIOR BUDGET YEAR FOR CAPITAL CONSTRUCTION; OR

(II) ANY OTHER CHARTER SCHOOL IF:

(A) THE CHARTER SCHOOL WILL RECEIVE FUNDING FROM A DISTRICT PURSUANT TO SECTION 22-30.5-112 FOR THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED AND DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION; AND

(B) THE PROPOSED BUDGET FOR THE CHARTER SCHOOL SUBMITTED BY THE CHARTER SCHOOL TO THE DISTRICT THAT GRANTED ITS CHARTER FOR THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE APPROPRIATED AND DISTRIBUTED PURSUANT TO SUBSECTION (4) OF THIS SECTION INDICATES THAT THE CHARTER SCHOOL WILL EXPEND MORE THAN THREE PERCENT OF ITS OPERATING REVENUES FOR SAID BUDGET YEAR FOR CAPITAL CONSTRUCTION.

(2) FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER, A DISTRICT SHALL BE ELIGIBLE TO RECEIVE STATE EDUCATION FUND MONEYS FOR CHARTER SCHOOL CAPITAL CONSTRUCTION PURSUANT TO THIS SECTION IF AT LEAST ONE QUALIFIED CHARTER SCHOOL WILL BE RECEIVING FUNDING FROM THE DISTRICT PURSUANT TO SECTION 22-30.5-112 DURING THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE TO BE DISTRIBUTED.

(3) (a) THE AMOUNT OF STATE EDUCATION FUND MONEYS TO BE DISTRIBUTED TO AN ELIGIBLE DISTRICT FOR THE 2001-02 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT BY AN AMOUNT EQUAL TO ONE HUNDRED THIRTY PERCENT OF THE MINIMUM CAPITAL RESERVE AMOUNT PER PUPIL.

(b) NO LATER THAN FEBRUARY 1 OF EACH BUDGET YEAR, THE DEPARTMENT OF EDUCATION SHALL CERTIFY TO THE EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY THE TOTAL NUMBER OF PUPILS EXPECTED TO BE ENROLLED IN ALL QUALIFIED CHARTER SCHOOLS IN THE STATE DURING THE NEXT BUDGET YEAR, AS DERIVED FROM REPORTS PROVIDED TO THE DEPARTMENT BY DISTRICTS PURSUANT TO SECTION 22-30.5-112 (1).

(4) FOR THE 2001-02 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE FROM THE STATE EDUCATION

FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION, TO THE DEPARTMENT OF EDUCATION FOR DISTRIBUTION TO ELIGIBLE SCHOOL DISTRICTS IN ACCORDANCE WITH THE FORMULA SET FORTH IN PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION, AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF MONEYS TO BE DISTRIBUTED TO ALL DISTRICTS AS DETERMINED PURSUANT TO SAID FORMULA. FROM THE MONEYS APPROPRIATED FOR A GIVEN BUDGET YEAR, THE DEPARTMENT SHALL MAKE LUMP SUM PAYMENTS OF ALL MONEYS TO BE DISTRIBUTED TO EACH ELIGIBLE SCHOOL DISTRICT DURING THE BUDGET YEAR AS SOON AS POSSIBLE.

(5) A DISTRICT THAT RECEIVES STATE EDUCATION FUND MONEYS PURSUANT TO THIS SECTION SHALL DISTRIBUTE ALL MONEYS RECEIVED TO QUALIFIED CHARTER SCHOOLS AS REQUIRED BY SECTION 22-30.5-112.3 AND MAY NOT RETAIN ANY OF SUCH MONEYS TO DEFRAY ADMINISTRATIVE EXPENSES OR FOR ANY OTHER PURPOSE.

(6) PURSUANT TO SECTION 17 (3) OF ARTICLE IX OF THE STATE CONSTITUTION, ANY MONEYS APPROPRIATED BY THE GENERAL ASSEMBLY OUT OF THE STATE EDUCATION FUND, RECEIVED BY ANY ELIGIBLE DISTRICT PURSUANT TO THIS SECTION, AND DISTRIBUTED TO A QUALIFIED CHARTER SCHOOL BY ANY DISTRICT PURSUANT TO THIS SECTION AND SECTION 22-30.5-112.3 SHALL BE EXEMPT FROM:

(a) THE LIMITATION ON STATE FISCAL YEAR SPENDING SET FORTH IN SECTION 20 (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION AND SECTION 24-77-103, C.R.S.; AND

(b) THE LIMITATION ON LOCAL GOVERNMENT FISCAL YEAR SPENDING SET FORTH IN SECTION 20 (7) (b) OF ARTICLE X OF THE STATE CONSTITUTION.

(7) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, PROVIDING FUNDING FOR CHARTER SCHOOL CAPITAL CONSTRUCTION FROM MONEYS IN THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION IS A PERMISSIBLE USE OF THE MONEYS IN THE STATE EDUCATION FUND SINCE THE MONEYS ARE BEING USED FOR PUBLIC SCHOOL BUILDING CAPITAL CONSTRUCTION AS AUTHORIZED BY SECTION 17 (4) (b) OF ARTICLE IX OF THE STATE CONSTITUTION.

SECTION 10. Part 1 of article 30.5 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-30.5-112.3. Charter schools - additional aid from district. (1)(a) FOR THE 2001-02 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, A QUALIFIED CHARTER SCHOOL, AS DEFINED IN SECTION 22-54-124 (1)(f), SHALL RECEIVE STATE EDUCATION FUND MONEYS FROM THE SCHOOL DISTRICT THAT GRANTED ITS CHARTER IN AN AMOUNT EQUAL TO THE PERCENTAGE OF THE DISTRICT'S CERTIFIED CHARTER SCHOOL PUPIL ENROLLMENT THAT IS ATTRIBUTABLE TO PUPILS EXPECTED TO BE ENROLLED IN THE QUALIFIED CHARTER SCHOOL MULTIPLIED BY THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED TO THE DISTRICT FOR THE SAME BUDGET YEAR PURSUANT TO SECTION 22-54-124 (3).

(b) FUNDING RECEIVED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL BE IN ADDITION TO ANY FUNDING PROVIDED PURSUANT TO SECTION 22-30.5-112.

(c) A DISTRICT SHALL PROVIDE FUNDING TO EACH QUALIFIED CHARTER SCHOOL, AS DEFINED IN SECTION 22-54-124 (1) (f), BY MAKING A SINGLE LUMP SUM PAYMENT TO THE QUALIFIED CHARTER SCHOOL AS SOON AS POSSIBLE AFTER THE DISTRICT RECEIVES A LUMP SUM PAYMENT OF STATE EDUCATION FUND MONEYS PURSUANT TO SECTION 22-54-124 (4).

(2) A CHARTER SCHOOL SHALL USE MONEYS IT RECEIVES PURSUANT TO SUBSECTION (1) OF THIS SECTION SOLELY FOR CAPITAL CONSTRUCTION, AS DEFINED IN SECTION 22-54-124 (1) (a).

SECTION 11. 22-30.5-112 (1), Colorado Revised Statutes, is amended to read:

22-30.5-112. Charter schools - financing - guidelines. (1) For purposes of the "Public School Finance Act of 1994", article 54 of this title, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district that granted its charter. The school district that granted its charter shall report to the department of education the number of pupils included in the school district's pupil enrollment that are actually enrolled in each charter school. THE SCHOOL DISTRICT SHALL ALSO IDENTIFY EACH CHARTER SCHOOL THAT IS A QUALIFIED CHARTER SCHOOL AS DEFINED IN SECTION 22-54-124 (1) (f) AND PROVIDE AN ESTIMATE OF THE NUMBER OF PUPILS EXPECTED TO BE ENROLLED IN EACH QUALIFIED CHARTER SCHOOL DURING THE BUDGET YEAR FOLLOWING THE BUDGET YEAR IN WHICH THE DISTRICT MAKES A REPORT.

SECTION 12. Part 1 of article 3 of title 2, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

2-3-114. Use of state education fund moneys for school capital construction - audits - reports. (1) FOR THE 2001-02 SCHOOL DISTRICT BUDGET YEAR AND EACH SCHOOL DISTRICT BUDGET YEAR THEREAFTER, FOR THE PURPOSE OF DETERMINING THE AMOUNT OF STATE EDUCATION FUND MONEYS EXPENDED BY EACH SCHOOL DISTRICT IN THE STATE FOR CAPITAL CONSTRUCTION AND IDENTIFYING THE SCHOOLS AND PROJECTS ON WHICH SCHOOL DISTRICTS EXPENDED SUCH MONEYS, THE STATE AUDITOR SHALL ANNUALLY EXAMINE THE RECORDS OF EACH SCHOOL DISTRICT IN THE STATE THAT RECEIVED STATE EDUCATION FUND MONEYS FOR THE BUDGET YEAR:

(a) DIRECTLY FROM THE DEPARTMENT OF EDUCATION FOR CAPITAL CONSTRUCTION AID TO QUALIFIED CHARTER SCHOOLS, AS DEFINED IN SECTION 22-54-124 (1) (f), C.R.S., IN ACCORDANCE WITH SECTION 22-54-124 (4), C.R.S.; OR

(b) INDIRECTLY FROM THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE CREATED IN SECTION 22-54-117 (1.5), C.R.S., IN ACCORDANCE WITH SECTION 22-54-117 (1.5) AND (1.7), C.R.S.

(2) NO LATER THAN FEBRUARY 1 OF EACH SCHOOL DISTRICT BUDGET YEAR COMMENCING ON OR AFTER JULY 1, 2002, THE STATE AUDITOR SHALL REPORT TO THE EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, THE LEGISLATIVE AUDIT COMMITTEE, AND THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY:

(a) THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS THAT DISTRICTS

THROUGHOUT THE STATE EXPENDED FOR CAPITAL CONSTRUCTION AND THE AMOUNT OF STATE EDUCATION FUND MONEYS THAT EACH DISTRICT EXPENDED FOR CAPITAL CONSTRUCTION DURING THE PRIOR BUDGET YEAR;

(b) THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS THAT QUALIFIED CHARTER SCHOOLS THROUGHOUT THE STATE EXPENDED FOR CAPITAL CONSTRUCTION AND THE AMOUNT OF STATE EDUCATION FUND MONEYS THAT EACH QUALIFIED CHARTER SCHOOL THROUGHOUT THE STATE EXPENDED FOR CAPITAL CONSTRUCTION DURING THE PRIOR BUDGET YEAR;

(c) THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS RECEIVED INDIRECTLY FROM THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE BY DISTRICTS THROUGHOUT THE STATE AND BY EACH DISTRICT THAT WERE EXPENDED FOR CAPITAL CONSTRUCTION DURING THE PRIOR BUDGET YEAR;

(d) THE SCHOOLS AND PROJECTS ON WHICH STATE EDUCATION FUND MONEYS WERE EXPENDED;

(e) THE BALANCES OF ALL MONEYS AND ALL STATE EDUCATION FUND MONEYS IN THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE AS OF THE IMMEDIATELY PRECEDING JANUARY 1; AND

(f) THE TOTAL PUPIL ENROLLMENT OF ALL SCHOOL DISTRICTS IN THE STATE IN WHICH STATE EDUCATION FUND MONEYS WERE EXPENDED FOR CAPITAL CONSTRUCTION DURING THE PRIOR BUDGET YEAR, THE PUPIL ENROLLMENT OF EACH SCHOOL DISTRICT IN WHICH STATE EDUCATION FUND MONEYS WERE EXPENDED FOR CAPITAL CONSTRUCTION DURING THE PRIOR BUDGET YEAR, AND THE PUPIL ENROLLMENT OF EACH SCHOOL IN THE STATE ON WHICH STATE EDUCATION FUND MONEYS WERE EXPENDED FOR CAPITAL CONSTRUCTION DURING THE PRIOR BUDGET YEAR.

SECTION 13. Article 42 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-42-104.5. Pro rata distribution of bond revenues to qualified charter schools. (1) ANY QUALIFIED CHARTER SCHOOL, AS DEFINED IN SECTION 22-54-124 (1) (f), THAT IS SIMILARLY SITUATED TO A NONCHARTER PUBLIC SCHOOL THAT WILL BE CONSTRUCTED, REPAIRED, OR OTHERWISE MAINTAINED OR IMPROVED BY AN EXPENDITURE OF A DISTRICT'S PROCEEDS OF BONDS TO BE ISSUED UPON THE APPROVAL OF A QUESTION OF CONTRACTING BONDED INDEBTEDNESS SUBMITTED TO THE ELIGIBLE ELECTORS OF THE DISTRICT ON OR AFTER JULY 1, 2001, SHALL RECEIVE A PORTION OF THE PROCEEDS OF SAID BONDS IN PROPORTION TO THE RATIO OF THE QUALIFIED CHARTER SCHOOL'S PUPIL ENROLLMENT AT GRADE LEVELS THAT ARE ALSO SERVED BY ONE OR MORE SIMILARLY SITUATED NONCHARTER PUBLIC SCHOOLS THAT WILL BE CONSTRUCTED, REPAIRED, OR OTHERWISE MAINTAINED OR IMPROVED BY THE DISTRICT'S EXPENDITURE OF BOND PROCEEDS TO THE TOTAL PUPIL ENROLLMENT OF ALL SCHOOLS IN THE DISTRICT THAT WILL BE CONSTRUCTED, REPAIRED, OR OTHERWISE MAINTAINED OR IMPROVED BY THE DISTRICT'S EXPENDITURE OF BOND PROCEEDS. ANY QUESTION OF CONTRACTING BONDED INDEBTEDNESS SUBMITTED TO THE ELIGIBLE ELECTORS OF A DISTRICT ON OR AFTER JULY 1, 2001, SHALL IDENTIFY ANY QUALIFIED CHARTER SCHOOL THAT WILL RECEIVE BOND PROCEEDS.

(2) FOR PURPOSES OF THIS SECTION, A QUALIFIED CHARTER SCHOOL IS SIMILARLY SITUATED TO A NONCHARTER PUBLIC SCHOOL IF:

(a) THE NONCHARTER PUBLIC SCHOOL IS IN THE DISTRICT THAT GRANTED THE QUALIFIED CHARTER SCHOOL'S CHARTER; AND

(b) THE QUALIFIED CHARTER SCHOOL AND THE NONCHARTER PUBLIC SCHOOL BOTH SERVE STUDENTS AT ONE OR MORE OF THE SAME GRADE LEVELS.

SECTION 14. 22-54-117, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-54-117. Contingency reserve - capital construction expenditures reserve.

(1.7) (a) IN ADDITION TO ANY AMOUNT ANNUALLY APPROPRIATED BY THE GENERAL ASSEMBLY TO THE STATE PUBLIC SCHOOL FUND AS A CONTINGENCY RESERVE AND ANY AMOUNT APPROPRIATED FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND AS A SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE IN ACCORDANCE WITH SECTION 24-75-201.1 (4) (b), C.R.S., AND SUBSECTION (1.5) OF THIS SECTION, FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER, AN AMOUNT EQUAL TO THE AMOUNT APPROPRIATED FOR THE BUDGET YEAR FROM THE STATE EDUCATION FUND TO THE DEPARTMENT OF EDUCATION PURSUANT TO SECTION 22-54-124 (4) SHALL BE APPROPRIATED FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION TO THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE CREATED IN SAID SUBSECTION (1.5) TO BE USED ONLY AS PROVIDED IN SAID SUBSECTION (1.5).

(b) PURSUANT TO SECTION 17(3) OF ARTICLE IX OF THE STATE CONSTITUTION, ANY MONEYS APPROPRIATED BY THE GENERAL ASSEMBLY FROM THE STATE EDUCATION FUND TO THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES RESERVE PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1.7) SHALL BE EXEMPT FROM:

(I) THE LIMITATION ON STATE FISCAL YEAR SPENDING SET FORTH IN SECTION 20 (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION AND SECTION 24-77-103, C.R.S.; AND

(II) THE LIMITATION ON LOCAL GOVERNMENT FISCAL YEAR SPENDING SET FORTH IN SECTION 20 (7) (b) OF ARTICLE X OF THE STATE CONSTITUTION.

SECTION 15. 22-54-105 (3), Colorado Revised Statutes, is amended to read:

22-54-105. Instructional supplies and materials - capital reserve and insurance reserve. (3) (a) For the 1997-98 budget year and budget years thereafter, every district that receives at-risk funding pursuant to the provisions of section 22-54-104 shall expend in total at least seventy-five percent of the district's at-risk funding on direct instruction or staff development, or both, for the educational program of at-risk pupils in the district.

(b) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (3), FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER, ANY DISTRICT THAT RECEIVES AT-RISK FUNDING PURSUANT TO SECTION 22-54-104 AND QUALIFIES FOR A HIGHER AT-RISK FACTOR AS PROVIDED IN SECTION 22-54-104 (5) (f) (II) SHALL EXPEND AN AMOUNT CALCULATED PURSUANT TO SUBPARAGRAPH (II) OF THIS

PARAGRAPH (b) ON IMPLEMENTATION OF THE DISTRICT'S ENGLISH LANGUAGE PROFICIENCY PROGRAM AS PROVIDED IN ARTICLE 24 OF THIS TITLE. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EACH SCHOOL DISTRICT EXPEND SAID AMOUNT ON ENGLISH LANGUAGE PROFICIENCY PROGRAMS THAT ARE EITHER TAUGHT IN ENGLISH OR THAT ARE DESIGNED TO MOVE STUDENTS AS QUICKLY AS POSSIBLE INTO PROGRAMS TAUGHT IN ENGLISH. THE DISTRICT SHALL EXPEND AT LEAST SEVENTY-FIVE PERCENT OF THE REMAINING AMOUNT OF AT-RISK FUNDING RECEIVED ON DIRECT INSTRUCTION OR STAFF DEVELOPMENT, OR BOTH, FOR THE EDUCATIONAL PROGRAM OF AT-RISK PUPILS IN THE DISTRICT.

(II) THE AMOUNT OF AT-RISK FUNDING EXPENDED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF AT-RISK FUNDING GENERATED BY AN INCREASE IN THE AT-RISK FACTOR OF 0.36 OF A PERCENTAGE POINT VERSUS AN INCREASE OF 0.34 OF A PERCENTAGE POINT FOR EACH PERCENTAGE POINT THAT THE DISTRICT PERCENTAGE OF AT-RISK PUPILS EXCEEDS THE STATEWIDE AVERAGE PERCENTAGE OF AT-RISK PUPILS.

(c) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (3) AND IN ADDITION TO ANY AMOUNTS REQUIRED TO BE EXPENDED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (3), FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER, EVERY DISTRICT THAT RECEIVES AT-RISK FUNDING PURSUANT TO THE PROVISIONS OF SECTION 22-54-104 SHALL EXPEND ALL OF THE AT-RISK FUNDING RECEIVED BY THE DISTRICT FOR DISTRICT PUPILS WHOSE DOMINANT LANGUAGE IS NOT ENGLISH ON IMPLEMENTATION OF THE DISTRICT'S ENGLISH LANGUAGE PROFICIENCY PROGRAM AS PROVIDED IN ARTICLE 24 OF THIS TITLE. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EACH SCHOOL DISTRICT EXPEND SAID AT-RISK FUNDING ON ENGLISH LANGUAGE PROFICIENCY PROGRAMS THAT ARE EITHER TAUGHT IN ENGLISH OR THAT ARE DESIGNED TO MOVE STUDENTS AS QUICKLY AS POSSIBLE INTO PROGRAMS TAUGHT IN ENGLISH. THE DISTRICT SHALL EXPEND AT LEAST SEVENTY-FIVE PERCENT OF THE REMAINING AMOUNT OF AT-RISK FUNDING RECEIVED ON DIRECT INSTRUCTION OR STAFF DEVELOPMENT, OR BOTH, FOR THE EDUCATIONAL PROGRAM OF AT-RISK PUPILS IN THE DISTRICT.

(d) ON OR BEFORE OCTOBER 1, 2001, AND ON OR BEFORE OCTOBER 1 EACH YEAR THEREAFTER, EACH DISTRICT THAT HAS A PUPIL ENROLLMENT THAT EXCEEDS SIX THOUSAND PUPILS AND RECEIVES AT-RISK FUNDING PURSUANT TO SECTION 22-54-104 SHALL SUBMIT TO THE DEPARTMENT OF EDUCATION A REPORT SPECIFYING HOW THE DISTRICT USED THE AT-RISK FUNDING RECEIVED DURING THE PRECEDING FISCAL YEAR. ON OR BEFORE JANUARY 15, 2002, AND ON OR BEFORE JANUARY 15 EACH YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL SUBMIT TO THE EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND TO THE JOINT BUDGET COMMITTEE A SUMMARY OF THE DISTRICT REPORTS RECEIVED PURSUANT TO THIS PARAGRAPH (d) DURING THE PRECEDING OCTOBER.

SECTION 16. 22-5-114 (1) (a), Colorado Revised Statutes, is amended to read:

22-5-114. Eligibility for funds. (1) (a) Any board of cooperative services organized under the provisions of this article shall be entitled to such state moneys as may be available upon receiving approval by the state board; except that the state board shall approve not more than ~~seventeen~~ TWENTY-TWO such boards of cooperative services.

SECTION 17. 24-75-1104 (2), Colorado Revised Statutes, is amended to read:

24-75-1104. Use of settlement moneys - programs. (2) The general assembly shall appropriate the amounts specified in subsection (1) of this section from moneys credited to the tobacco litigation settlement cash fund created in section 24-22-115. Any amount of unencumbered settlement moneys remaining in the fund of any program specified in subsection (1) of this section ~~except the children's basic health plan trust created in section 26-19-105, C.R.S.;~~ at the end of any fiscal year shall be transferred to the tobacco litigation settlement trust fund created in section 24-22-115.5; EXCEPT THAT UNENCUMBERED SETTLEMENT MONEYS SHALL NOT BE TRANSFERRED FROM THE FOLLOWING FUNDS:

(a) THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION 26-19-105, C.R.S.;

(b) THE READ-TO-ACHIEVE CASH FUND CREATED PURSUANT TO SECTION 22-7-506, C.R.S.

SECTION 18. Part 6 of article 7 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-7-609.5. School improvement grant program - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADEQUATE PROGRESS" MEANS IMPROVEMENT OF 0.5 OF A POINT OR GREATER FROM THE STANDARD DEVIATION OVER THE IMMEDIATELY PRECEDING YEAR'S OVERALL STANDARDIZED, WEIGHTED TOTAL SCORE CALCULATED PURSUANT TO SECTION 22-7-604 (5).

(b) "ELIGIBLE SCHOOL" MEANS A PUBLIC SCHOOL THAT HAS RECEIVED AN ACADEMIC PERFORMANCE GRADE OF "F" ON THE SCHOOL REPORT CARD PREPARED PURSUANT TO THIS PART 6 FOR THE SCHOOL YEAR 2000-01.

(c) "GRANT PROGRAM" MEANS THE SCHOOL IMPROVEMENT GRANT PROGRAM CREATED IN THIS SECTION.

(d) "LOCAL BOARD OF EDUCATION" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 22-7-609 (1).

(2) THERE IS HEREBY CREATED IN THE DEPARTMENT OF EDUCATION THE SCHOOL IMPROVEMENT GRANT PROGRAM TO PROVIDE MONEYS TO ANY ELIGIBLE SCHOOL IN THE STATE TO IMPLEMENT A SCHOOL IMPROVEMENT PLAN SUBMITTED PURSUANT TO SECTION 22-7-609 (3).

(3) (a) FOR THE 2001-02 AND 2002-03 SCHOOL YEARS, THE STATE BOARD SHALL AWARD TWO-YEAR SCHOOL IMPROVEMENT GRANTS IN THE AMOUNT OF AT LEAST ONE HUNDRED FIFTY THOUSAND DOLLARS BUT NOT MORE THAN TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS FOR EACH ELIGIBLE SCHOOL IN THE STATE; EXCEPT THAT NO SCHOOL THAT RECEIVES A SCHOOL IMPROVEMENT GRANT PURSUANT TO THIS SECTION SHALL BE ELIGIBLE TO RECEIVE MONEYS FROM MORE THAN ONE SCHOOL IMPROVEMENT GRANT AND IN NO EVENT SHALL ANY SCHOOL IMPROVEMENT

GRANT BE AWARDED FOR ANY SCHOOL YEAR COMMENCING AFTER THE 2002-03 SCHOOL YEAR.

(b) UPON RECEIPT OF A SCHOOL IMPROVEMENT PLAN FOR AN ELIGIBLE SCHOOL SUBMITTED PURSUANT TO SECTION 22-7-609 (3), THE STATE BOARD SHALL AWARD THE ELIGIBLE SCHOOL A SCHOOL IMPROVEMENT GRANT IN THE FOLLOWING AMOUNT:

(I) FOR AN ELIGIBLE ELEMENTARY SCHOOL, SEVENTY-FIVE THOUSAND DOLLARS PER YEAR;

(II) FOR AN ELIGIBLE MIDDLE OR JUNIOR HIGH SCHOOL, ONE HUNDRED THOUSAND DOLLARS PER YEAR; AND

(III) FOR AN ELIGIBLE HIGH SCHOOL, ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS PER YEAR.

(c) (I) THE DEPARTMENT SHALL CREDIT TO THE SCHOOL DISTRICT IN WHICH THE ELIGIBLE SCHOOL IS LOCATED THE MONEYS FOR THE FIRST YEAR OF THE GRANT UPON RECEIPT OF THE SCHOOL IMPROVEMENT PLAN. THE DEPARTMENT SHALL CREDIT TO SAID SCHOOL DISTRICT THE MONEYS FOR THE SECOND YEAR OF THE GRANT NO LATER THAN JULY 1 FOLLOWING COMPLETION OF THE FIRST YEAR OF OPERATION UNDER THE SCHOOL IMPROVEMENT PLAN.

(II) IN ADDITION TO THE AMOUNTS SPECIFIED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (3), THE DEPARTMENT SHALL CREDIT AN ADDITIONAL TWENTY-FIVE THOUSAND DOLLARS TO THE SCHOOL DISTRICT OF ANY ELIGIBLE SCHOOL THAT HAS MADE ADEQUATE PROGRESS.

(4) (a) MONEYS RECEIVED BY AN ELIGIBLE SCHOOL PURSUANT TO THE GRANT PROGRAM SHALL BE IN ADDITION TO THE MONEYS BUDGETED TO THE SCHOOL BY THE SCHOOL DISTRICT IN WHICH THE SCHOOL IS LOCATED AND SHALL NOT REDUCE THE AMOUNT OF SAID BUDGETED MONEYS THAT THE SCHOOL WOULD HAVE RECEIVED IF IT HAD NOT RECEIVED A GRANT PURSUANT TO THIS SECTION.

(b) GRANTS AWARDED PURSUANT TO THIS SECTION SHALL BE FROM MONEYS IN THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION THAT ARE APPROPRIATED BY THE GENERAL ASSEMBLY FOR THE PURPOSES OF THIS SECTION. IN ACCORDANCE WITH SECTION 17 (3) OF ARTICLE IX OF THE STATE CONSTITUTION, EXPENDITURES OF SUCH MONEYS BY A SCHOOL DISTRICT OR SCHOOL SHALL BE EXEMPT FROM THE LIMITATION ON FISCAL YEAR SPENDING SET FORTH IN SECTION 20 (7) (b) OF ARTICLE X OF THE STATE CONSTITUTION.

(5) ON OR BEFORE JANUARY 1, 2002, AND ON OR BEFORE JANUARY 1, 2003, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE SCHOOL IMPROVEMENT GRANT PROGRAM TO THE GOVERNOR, THE EDUCATION COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, AND THE LOCAL BOARD OF EDUCATION FOR EACH SCHOOL DISTRICT THAT HAS RECEIVED A SCHOOL IMPROVEMENT GRANT PURSUANT TO THIS SECTION. THE REPORT SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

(a) A LIST OF THE SCHOOL DISTRICTS THAT HAVE RECEIVED GRANTS PURSUANT TO THE GRANT PROGRAM AND THE ELIGIBLE SCHOOLS IN EACH SCHOOL DISTRICT FOR

WHICH THE GRANTS WERE RECEIVED;

(b) THE ACADEMIC PERFORMANCE GRADE RECEIVED FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR BY EACH ELIGIBLE SCHOOL FOR WHICH GRANT MONEYS HAVE BEEN PROVIDED; AND

(c) SUCH ADDITIONAL INFORMATION CONCERNING THE IMPLEMENTATION AND EFFECTIVENESS OF THE GRANT PROGRAM AS MAY BE DEEMED BENEFICIAL BY THE STATE BOARD.

(6) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, ESTABLISHING A SCHOOL IMPROVEMENT GRANT PROGRAM TO PROVIDE FUNDING TO PUBLIC SCHOOLS THAT RECEIVED AN ACADEMIC PERFORMANCE GRADE OF "F" ON THE SCHOOL REPORT CARD PREPARED PURSUANT TO THIS PART 6 FOR THE SCHOOL YEAR 2000-01 IS AN IMPORTANT ELEMENT OF ACCOUNTABLE EDUCATION REFORM AND THEREFORE MAY RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2003.

SECTION 19. 22-7-609 (2), (3) (a), (3) (b), and (5), Colorado Revised Statutes, are amended to read:

22-7-609. School improvement plans. (2) On or before June 15, 2001, and on or before each June 15 thereafter, the state board shall notify a local board of education what school, if any, in its district will receive an academic performance grade of "F", pursuant to section 22-7-604 (5), on the school report card being prepared for that academic year; EXCEPT THAT, BEGINNING IN 2003, FOR ANY SCHOOL THAT RECEIVED AN ACADEMIC PERFORMANCE GRADE OF "F" ON THE SCHOOL REPORT CARD PREPARED FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR, THE STATE BOARD SHALL NOTIFY THE LOCAL BOARD OF EDUCATION FOR THAT SCHOOL NO LATER THAN MAY 1, 2003, AND EACH MAY 1 THEREAFTER IF THAT SCHOOL WILL RECEIVE AN ACADEMIC PERFORMANCE GRADE OF "F" ON THE SCHOOL REPORT CARD PREPARED FOR THAT ACADEMIC YEAR. The state board shall notify the local board of education that it must submit a school improvement plan pursuant to this section. ~~or the state board shall recommend an independent charter school pursuant to part 3 of article 30.5 of this title. The local board of education shall have the option of developing and implementing a school improvement plan pursuant to this section or having the state board recommend an independent charter school.~~

(3) (a) ~~If the local board of education chooses to develop and implement a school improvement plan;~~ Within ninety days after receiving the notification from the state board in subsection (2) of this section, the local board of education shall submit to the state board a school improvement plan. The plan must be adopted by the local board of education after a public hearing on the proposed plan.

(b) The state board shall adopt rules specifying the information required to be contained in a school improvement plan. ~~Such information shall include but is not limited to:~~ WHERE TO THE EXTENT POSSIBLE, SAID RULES SHALL COORDINATE THE INFORMATION REQUIRED TO BE CONTAINED IN A SCHOOL IMPROVEMENT PLAN WITH

THE REQUIREMENTS OF FEDERAL PROGRAMS RELATED TO STUDENT ACHIEVEMENT.

~~(I) A determination of the causes for the public school's low academic performance;~~

~~(II) Curriculum, managerial, or other practices that hinder student achievement at the public school;~~

~~(III) Proposed changes in staffing, curriculum, or district policies to improve student achievement at the public school; and~~

~~(IV) Proposed changes in resource allocations, including grants and federal title I moneys to target resources on improving student achievement at the public school.~~

(5) (a) If, upon completion of the ~~first~~ SECOND school year of operation under a school improvement plan pursuant to this section, a public school receives an overall academic performance grade of "F" pursuant to section 22-7-604 (5), the state board shall ~~proceed with the recommendation for the conversion~~ RECOMMEND THAT THE PUBLIC SCHOOL BE CONVERTED to an independent charter school pursuant to part 3 of article 30.5 of this title; except that the state board shall not ~~proceed with the~~ MAKE SUCH recommendation if the public school had an improvement of 0.5 of a point or greater from the standard deviation over the immediately preceding year's overall standardized, weighted total score pursuant to ~~22-7-604 (6)~~ SECTION 22-7-604 (5), and the school district shall be allowed to continue to operate that school under the school improvement plan for another year.

(b) If, upon completion of the ~~second~~ THIRD school year of operation under a school improvement plan pursuant to this section, a public school receives an overall academic performance grade of "F" pursuant to section 22-7-604 (5), the state board shall ~~proceed with the recommendation for the conversion~~ RECOMMEND THAT THE PUBLIC SCHOOL BE CONVERTED to an independent charter school pursuant to part 3 of article 30.5 of this title.

SECTION 20. 22-7-409 (1.2) (a) (I), Colorado Revised Statutes, is amended, and the said 22-7-409 (1.2) (a) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

22-7-409. Assessments - repeal. (1.2) (a) (I) The assessments required by subsection (1) of this section shall be aligned with the model content standards adopted by the state board pursuant to section 22-7-406. The assessments shall be conducted during the period beginning the second Monday in March and ending on the third Monday in April of each year. No later than June 1 of each year, the department shall provide to each public school results of all assessments administered; EXCEPT THAT, BEGINNING IN 2003, FOR PURPOSES OF NOTIFYING LOCAL BOARDS OF EDUCATION PURSUANT TO SECTION 22-7-609 (2), THE DEPARTMENT SHALL PROVIDE THE RESULTS OF THE ASSESSMENTS OF STUDENTS ENROLLED IN SCHOOLS THAT RECEIVED AN ACADEMIC PERFORMANCE GRADE OF "F" ON THE SCHOOL REPORT CARD PREPARED FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR NO LATER THAN MAY 1, 2003, AND MAY 1 OF EACH YEAR THEREAFTER. For reporting purposes only, results shall include diagnostic reporting for each student's performance on each assessment, including but not limited to content-based sub-test scores for several

components of each of the standards assessed pursuant to this section.

(III) AT ANY TIME THAT THE DEPARTMENT RELEASES ASSESSMENT RESULTS TO THE PUBLIC, IN ADDITION TO RELEASING THE RESULTS OF THE ENGLISH VERSIONS OF THE ASSESSMENTS, THE DEPARTMENT SHALL RELEASE THE RESULTS OF ANY ASSESSMENTS ADMINISTERED IN LANGUAGES OTHER THAN ENGLISH.

SECTION 21. 22-30.5-303 (2) (a) and the introductory portion to 22-30.5-303 (2) (b), Colorado Revised Statutes, are amended to read:

22-30.5-303. Independent charter schools - request for proposals - response contents. (2) (a) If an independent charter school is to be organized, the state board, on or before ~~August 30~~ MAY 10 of the year ~~preceding the opening of such a~~ IN WHICH THE INDEPENDENT CHARTER school IS TO OPEN, shall cause to be issued a request for proposals. The request for proposals shall solicit proposals from interested parties, including but not limited to individuals, persons, nonprofit or for-profit companies, existing public schools or school districts, and institutions of higher education, for the operation of an independent charter school within a building that currently houses a public school of a school district. Responses to the request for proposals shall be due no later than ~~December 31 of the year preceding the opening of such a school~~ THE DATE SPECIFIED BY THE STATE BOARD PURSUANT TO RULES ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (2). The state board shall issue the request for proposals without regard to the provisions of the "Procurement Code", articles 101 to 112 of title 24, C.R.S.

(b) The state board shall adopt rules specifying A SCHEDULE FOR RECEIPT OF THE RESPONSES TO THE REQUEST FOR PROPOSALS PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2), THE FORMATION OF A REVIEW COMMITTEE AND RECEIPT OF THE RECOMMENDATIONS OF SAID COMMITTEE PURSUANT TO SECTION 22-30.5-304, AND THE SELECTION OF AN APPLICANT AND NOTIFICATION TO THE LOCAL BOARD OF EDUCATION PURSUANT TO SECTION 22-30.5-305. SAID SCHEDULE SHALL ENSURE THE COMPLETION OF NEGOTIATIONS ON THE INDEPENDENT CHARTER NO LATER THAN AUGUST 15 OF THE YEAR IN WHICH THE INDEPENDENT CHARTER SCHOOL IS TO OPEN. THE RULES SHALL ALSO SPECIFY the information that an independent charter proposal shall include in order to be eligible for consideration. Such information shall include, but need not be limited to, the following:

SECTION 22. The introductory portion to 22-30.5-304 (1) and 22-30.5-304 (1) (c) (II), (1) (d) (II), and (2), Colorado Revised Statutes, are amended to read:

22-30.5-304. Review committee - membership - recommendations. (1) Whenever an independent charter school is to be organized pursuant to this part 3, on or before ~~January 15 of the year in which the independent charter school is to open~~ THE DATE SPECIFIED BY RULE ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH SECTION 22-30.5-303 (2) (b), the commissioner shall cause a review committee to be formed. The review committee shall consist of:

(c) (II) The election required by this paragraph (c) shall be conducted during ~~October of the year prior to the opening of the independent charter school~~ THE MONTH SPECIFIED BY RULE ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH SECTION 22-30.5-303 (2) (b).

(d) (II) The election required by this paragraph (d) shall be conducted during ~~October of the year prior to the opening of the independent charter school;~~ THE MONTH SPECIFIED BY RULE ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH SECTION 22-30.5-303 (2) (b).

(2) The committee shall meet by call of the chair of the review committee as needed to review the proposals received in response to the request for proposals issued pursuant to section 22-30.5-303. The committee shall evaluate the proposals and, on or before ~~March 1 of the year in which the independent charter school is to open~~ THE DATE SPECIFIED BY RULE ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH SECTION 22-30.5-303 (2) (b), shall forward to the state board all proposals and its recommendations on each proposal. The committee may make recommendations on applicants without regard to the provisions of the "Procurement Code", articles 101 to 112 of title 24, C.R.S.

SECTION 23. 22-30.5-305 (1) and (2), Colorado Revised Statutes, are amended to read:

22-30.5-305. Independent charter schools - selection. (1) On or before ~~March 30 of the year in which the independent charter school is to open~~ THE DATE SPECIFIED BY RULE ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH SECTION 22-30.5-303 (2) (b), the state board shall select an applicant to recommend to the local board of education. The state board may select the applicant without regard to the provisions of the "Procurement Code", articles 101 to 112 of title 24, C.R.S.

(2) On or before ~~April 15 of the year in which the independent charter school is to open~~ THE DATE SPECIFIED BY RULE ADOPTED BY THE STATE BOARD IN ACCORDANCE WITH SECTION 22-30.5-303 (2) (b), the commissioner shall forward to the local board of education a copy of the selected applicant's response to the request for proposals.

SECTION 24. 22-30.5-306 (3) (a), Colorado Revised Statutes, is amended to read:

22-30.5-306. Independent charter schools - charter - term. (3) (a) On or before ~~May 30~~ AUGUST 15 of the year in which the independent charter school is to open, all negotiations between the selected applicant and the local board of education shall be concluded and the local board of education shall accept the application following a public hearing held upon public notice.

SECTION 25. 22-30.5-112 (2), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

22-30.5-112. Charter schools - financing - guidelines. (2) (a.4) (I) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR, EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH CHARTER SCHOOL WITHIN ITS DISTRICT AN ITEMIZED ACCOUNTING OF ALL ITS CENTRAL ADMINISTRATIVE OVERHEAD COSTS. THE ACTUAL CENTRAL ADMINISTRATIVE OVERHEAD COSTS SHALL BE THE AMOUNT CHARGED TO THE CHARTER SCHOOL. ANY DIFFERENCE, WITHIN THE LIMITATIONS OF SUBPARAGRAPH (III) OF PARAGRAPH (a) OF THIS SUBSECTION (2) AND PARAGRAPH (a.3) OF THIS SUBSECTION (2), BETWEEN THE AMOUNT INITIALLY CHARGED TO THE CHARTER SCHOOL AND THE ACTUAL COST SHALL BE RECONCILED AND PAID TO THE OWED

PARTY.

(II) WITHIN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR, EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH CHARTER SCHOOL WITHIN ITS DISTRICT AN ITEMIZED ACCOUNTING OF ALL THE ACTUAL COSTS OF DISTRICT SERVICES THE CHARTER SCHOOL CHOSE AT ITS DISCRETION TO PURCHASE FROM THE DISTRICT CALCULATED IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (2). ANY DIFFERENCE BETWEEN THE AMOUNT INITIALLY CHARGED TO THE CHARTER SCHOOL AND THE ACTUAL COST SHALL BE RECONCILED AND PAID TO THE OWED PARTY.

(III) IF EITHER PARTY DISPUTES AN ITEMIZED ACCOUNTING PROVIDED PURSUANT TO SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (a.4), ANY CHARGES INCLUDED IN AN ACCOUNTING, OR CHARGES TO EITHER PARTY, THAT PARTY IS ENTITLED TO REQUEST A THIRD-PARTY REVIEW AT THE REQUESTING PARTY'S EXPENSE. THE REVIEW SHALL BE CONDUCTED BY THE DEPARTMENT OF EDUCATION, AND THE DEPARTMENT'S DETERMINATION SHALL BE FINAL.

SECTION 26. 22-7-603 (1), Colorado Revised Statutes, is amended to read:

22-7-603. State data reporting system. (1) The department shall develop and implement a comprehensive data collection and reporting system for collecting and reporting performance indicators from each public school. On or before September 1, 2000, the department shall contract out for the development of the state data reporting system. The department shall award the contract based upon a competitive bid; except that the provisions of the "Procurement Code", articles 101 to 112 of title 24, C.R.S., shall not apply to this contract. The state data reporting system shall be designed to collect, through electronic transfer where possible, all student and public school performance data required to ascertain the degree to which public schools and school districts are meeting state performance standards and shall be capable of producing data for decision-making and for the comprehensive annual report cards on public school and district performance pursuant to sections 22-7-604 and 22-7-605. The state data reporting system shall be designed to protect the privacy of individual students. ~~and individually identifying data.~~ In addition, the state data reporting system shall be designed to include all the information and data elements needed for measuring student and school performance, including fiscal, student, program, personnel, facility, community, evaluation, and other relevant data and shall allow for the analysis of the relationship between school district and public school expenditures and effectiveness. ON AND AFTER JUNE 1, 2002, THE STATE DATA REPORTING SYSTEM SHALL ALSO HAVE THE CAPABILITIES DESCRIBED IN SECTION 22-7-603.5 (3). Data elements collected and provided by the department, school districts, and individual public schools shall be compatible. The state data reporting system shall be managed and administered by the department. Each school district that has a unique information management system shall assure that compatibility exists between its unique system and the data elements of the state data reporting system so that all data required to be input into the state data reporting system is made available through electronic transfer and in the appropriate input format.

SECTION 27. Part 6 of article 7 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-7-603.5. Legislative declaration - measurement of value added to

academic progress. (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(I) THE EDUCATION OF THE YOUTH OF THE STATE IS ONE OF THE PRIMARY PURPOSES OF GOVERNMENT;

(II) EACH CHILD, NO MATTER WHERE THE CHILD STARTS, SHOULD IMPROVE THE EQUIVALENT OF AT LEAST ONE ACADEMIC GRADE DURING A SCHOOL YEAR;

(III) EACH SCHOOL YEAR, THE GOAL OF EACH SCHOOL AND EVERY TEACHER SHOULD BE TO ADD VALUE TO EVERY STUDENT'S ACADEMIC PROGRESS SO THAT EVERY STUDENT IS AT GRADE LEVEL;

(IV) THERE IS CURRENTLY NO MECHANISM IN PLACE TO TRACK A STUDENT'S ACADEMIC PROGRESS FROM YEAR-TO-YEAR OR OVER TIME; AND

(V) THERE IS CURRENTLY NO MECHANISM IN PLACE TO DETERMINE THE INCREASED ACHIEVEMENT OF A STUDENT'S ACADEMIC PROGRESS FROM SPENDING A YEAR IN A SCHOOL.

(b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(I) IN ADOPTING SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE VOTERS INDICATED THAT SPECIFIED AREAS ARE PRIORITIES FOR STATE EDUCATION FUNDING;

(II) AMONG THE AREAS THAT ARE TO BE GIVEN A PRIORITY FOR STATE EDUCATION FUNDING ARE ACCOUNTABLE EDUCATION REFORM, ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS, AND ACCOUNTABILITY REPORTS; AND

(III) A PROGRAM THAT TRACKS INDIVIDUAL STUDENT'S ACADEMIC PROGRESS FROM YEAR-TO-YEAR OR OVER TIME MEETS MANY OF THE PRIORITIES ADOPTED BY THE VOTERS.

(c) IN ENACTING THIS SECTION, IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

(I) ESTABLISH THE CAPABILITY OF MEASURING A STUDENT'S ACADEMIC PROGRESS FROM YEAR-TO-YEAR AND OVER TIME; AND

(II) ESTABLISH THE CAPABILITY TO PERFORM A LONGITUDINAL ANALYSIS OF A STUDENT'S ACADEMIC PROGRESS EACH YEAR.

(d) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE CREATION OF A PROGRAM TO CONDUCT LONGITUDINAL ANALYSES TO MEASURE STUDENTS' ACADEMIC PROGRESS FROM ONE SCHOOL YEAR TO THE NEXT CONSTITUTES AN ACCOUNTABLE PROGRAM TO MEET STATE ACADEMIC STANDARDS AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES,

"LONGITUDINAL ANALYSIS" MEANS THE MEASUREMENT OF A STUDENT'S ACADEMIC PROGRESS FROM ONE SCHOOL YEAR TO THE NEXT, AS SHOWN BY THE STUDENT'S SCORES ON THE ASSESSMENTS ADMINISTERED PURSUANT TO SECTION 22-7-409.

(3) NO LATER THAN MARCH 1, 2002, THE DEPARTMENT SHALL MODIFY THE STATE DATA REPORTING SYSTEM DEVELOPED AND IMPLEMENTED PURSUANT TO SECTION 22-7-603 AS NECESSARY TO ENSURE THAT THE SYSTEM:

(a) IS CAPABLE OF STORING ALL SCORES FROM THE ASSESSMENTS ADMINISTERED PURSUANT TO SECTION 22-7-409 IN THE 2001-02 SCHOOL YEAR AND EACH SUCCEEDING SCHOOL YEAR;

(b) CAN BE USED TO PERFORM A VARIETY OF LONGITUDINAL ANALYSES OF INDIVIDUAL STUDENT ASSESSMENT RESULTS, CLASSROOM ASSESSMENT RESULTS, AND ENTIRE SCHOOL ASSESSMENT RESULTS WITH RESPECT TO SAID ASSESSMENTS; AND

(c) IS CAPABLE OF LONGITUDINALLY TRACKING THE ASSESSMENT RESULTS OF STUDENTS WHO TRANSFER FROM ONE SCHOOL DISTRICT TO ANOTHER AND WHOSE ANNUAL ASSESSMENTS ARE ADMINISTERED BY DIFFERENT DISTRICTS.

(4) THE STATE BOARD MAY ADOPT RULES NECESSARY FOR IMPLEMENTATION AND ADMINISTRATION OF THIS SECTION INCLUDING, BUT NOT LIMITED TO, PROVISIONS TO UNIQUELY IDENTIFY INDIVIDUAL STUDENTS.

SECTION 28. 22-20-104.5 (4), Colorado Revised Statutes, is amended to read:

22-20-104.5. Plan for academic excellence - inclusion of gifted children - cooperation. (4) For the 1997-98 fiscal year and fiscal years thereafter, appropriations made by the general assembly to fund programs for gifted and talented children shall be designated by a separate line item entitled, "~~Special Education - Gifted and Talented Children~~", in the public school finance portion of the appropriations to the department of education in the annual general appropriation act.

SECTION 29. 22-54-103 (10), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

(10) (a.5) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (10) TO THE CONTRARY, IF THE VOTERS OF A QUALIFIED SCHOOL DISTRICT, AS DEFINED IN SECTION 22-54-104 (5) (b) (II) (B), APPROVED AT THE 2000 GENERAL ELECTION A PLAN OF REORGANIZATION THAT RESULTED IN A DECONSOLIDATION OF THE DISTRICT, AS DESCRIBED IN SECTION 22-30-102 (2) (a):

(A) FOR ANY NEW DISTRICT THAT IS CREATED AS THE RESULT OF SUCH DECONSOLIDATION, THE PUPIL ENROLLMENT OF THE NEW DISTRICT FOR ANY BUDGET YEAR PRIOR TO SUCH DECONSOLIDATION SHALL BE THE PUPIL ENROLLMENT OF THE SMALL ATTENDANCE CENTER OF THE ORIGINAL DISTRICT FOR THAT BUDGET YEAR; AND

(B) FOR THE ORIGINAL DISTRICT THAT IS DECONSOLIDATED, THE PUPIL ENROLLMENT FOR THE ORIGINAL DISTRICT FOR ANY BUDGET YEAR PRIOR TO SUCH DECONSOLIDATION SHALL BE THE PUPIL ENROLLMENT OF THE ORIGINAL DISTRICT FOR THAT BUDGET YEAR MINUS THE PUPIL ENROLLMENT OF THE SMALL ATTENDANCE CENTER OF THE ORIGINAL DISTRICT FOR THAT BUDGET YEAR.

(II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE JULY 1, 2004.

SECTION 30. 22-54-114 (3), Colorado Revised Statutes, is amended to read:

22-54-114. State public school fund. (3) (a) Fifty percent of any unexpended balance of moneys appropriated by the general assembly in the state public school fund at the end of each fiscal year shall be transferred to the Colorado comprehensive health education fund created in section 22-25-109. The remaining fifty percent and any balances derived from other sources shall remain in said state public school fund and become available for distribution during the following fiscal year.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (3), ANY UNEXPENDED BALANCE OF MONEYS IN THE CONTINGENCY RESERVE CREATED PURSUANT TO SECTION 22-54-117 AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE CONTINGENCY RESERVE AND SHALL NOT BE TRANSFERRED TO ANY OTHER FUND.

SECTION 31. 22-54-117 (5) and (6) (a), Colorado Revised Statutes, are amended to read:

22-54-117. Contingency reserve - capital construction expenditures reserve. (5) (a) If a payment for supplemental assistance is made pursuant to paragraph (b) of subsection (1) of this section and the disputed property is finally determined to have been properly included in the abstract of assessment, the payment shall be reimbursed by the school district after collection of the taxes to the contingency reserve fund in full, plus interest at the same rate as provided by statute for penalty interest on unpaid property taxes.

(b) NOTWITHSTANDING PARAGRAPH (a) OF THIS SUBSECTION (5), ANY REIMBURSEMENT BY A SCHOOL DISTRICT OF A PAYMENT FOR SUPPLEMENTAL ASSISTANCE MADE PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE CREDITED TO THE CONTINGENCY RESERVE FUND.

(6) (a) Any unexpended balance in the contingency reserve at the end of each fiscal year shall REMAIN IN THE CONTINGENCY RESERVE AND SHALL NOT revert to the state general fund OR ANY OTHER FUND.

SECTION 32. 22-54-115 (1), (2), and (3), Colorado Revised Statutes, are amended, and the said 22-54-115 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

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

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

(b) SUCH PAYMENTS SHALL BE ADJUSTED IN ACCORDANCE WITH ANY DISTRICT'S INSTRUCTIONS GIVEN PURSUANT TO SUBSECTION (1.5) OF THIS SECTION.

(1.5) ANY SCHOOL DISTRICT MAY GIVE WRITTEN INSTRUCTIONS TO THE STATE BOARD DIRECTING THAT A SPECIFIED PORTION OF A MONTHLY PAYMENT OR MONTHLY PAYMENTS THAT THE DISTRICT IS OTHERWISE ENTITLED TO RECEIVE PURSUANT TO THIS SECTION SHALL BE TRANSFERRED TO THE DIVISION OF VOCATIONAL REHABILITATION IN THE DEPARTMENT OF HUMAN SERVICES FOR THE DISTRICT'S COST OF PARTICIPATING IN SCHOOL TO WORK ALLIANCE PROGRAMS. SUCH WRITTEN INSTRUCTIONS SHALL SPECIFY THE AMOUNT TO BE TRANSFERRED TO THE DIVISION OF VOCATIONAL REHABILITATION FROM THE DISTRICT'S PAYMENT FOR A SPECIFIED MONTH OR MONTHS. SUCH WRITTEN INSTRUCTIONS SHALL BE GIVEN TO THE STATE BOARD NO LATER THAN THE FIFTH DAY OF THE FIRST MONTH IN WHICH SUCH AMOUNT IS TO BE TRANSFERRED TO THE DIVISION OF VOCATIONAL REHABILITATION.

(2) No later than the fifteenth day of each month, the state board shall certify to the state treasurer the amount payable to each district during said month AND THE AMOUNT, IF ANY, TO BE TRANSFERRED TO THE DIVISION OF VOCATIONAL REHABILITATION DURING SAID MONTH IN ACCORDANCE WITH SUBSECTION (1.5) OF THIS SECTION.

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

(a) Pay the amount certified directly to the treasurer of each district or, in accordance with written instructions from the district, directly to an account designated by the district that allows the district to retain title to the funds; AND

(b) TRANSFER THE AMOUNT CERTIFIED, IF ANY, TO THE DIVISION OF VOCATIONAL REHABILITATION.

SECTION 33. Part 1 of article 32 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-32-110.7. Board of education - specific powers - drug testing. (1) THE GENERAL ASSEMBLY RECOGNIZES THAT THE SAFETY ISSUES WHICH FACE SCHOOLS HAVE CHANGED IN THE RECENT PAST. THE GENERAL ASSEMBLY FINDS THE SAFETY OF SCHOOL CHILDREN SHOULD BE A PRIORITY OF THE STATE. THE GENERAL ASSEMBLY FURTHER FINDS THE USE OF ILLEGAL DRUGS BY EMPLOYEES OF SCHOOL DISTRICTS WHO HOLD SAFETY-SENSITIVE POSITIONS COULD ENDANGER THE LIVES AND SAFETY OF SCHOOL CHILDREN. THE GENERAL ASSEMBLY THEREFORE AUTHORIZES SCHOOL DISTRICTS TO CREATE SCHOOL SAFETY PROGRAMS, WHICH MAY INCLUDE DRUG TESTING OF ALL PERSONNEL WHO APPLY FOR, TRANSFER TO, OR ARE PROMOTED TO SAFETY-SENSITIVE POSITIONS. THE PROGRAM MAY ALSO INCLUDE DRUG TESTING OF PERSONNEL IN SAFETY-SENSITIVE POSITIONS IF THERE IS PROBABLE CAUSE TO BELIEVE THE PERSON IS USING ILLEGAL DRUGS.

(2) FOR EACH COLLECTIVE BARGAINING AGREEMENT ENTERED INTO ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION WITH A UNION REPRESENTING PERSONNEL IN SAFETY-SENSITIVE POSITIONS, THE COLLECTIVE BARGAINING AGREEMENT SHALL INCLUDE DRUG TESTING POLICIES FOR PERSONNEL WHO OCCUPY SAFETY-SENSITIVE POSITIONS.

(3) IMPLEMENTATION OF THIS SECTION SHALL BE WITHIN EXISTING APPROPRIATIONS.

(4) FOR THE PURPOSES OF THIS SECTION, "SAFETY-SENSITIVE POSITIONS" MEANS POSITIONS IN WHICH A SINGLE MISTAKE CAN CREATE IMMINENT THREAT OF SERIOUS HARM TO STUDENTS OR TEACHERS.

SECTION 34. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-107.5. Authorization of additional local revenues for supplemental cost of living adjustment. (1) NOTWITHSTANDING ANY LAW TO THE CONTRARY, EFFECTIVE JULY 1, 2001, ANY DISTRICT THAT DESIRES TO RAISE AND EXPEND LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM, AS DETERMINED IN ACCORDANCE WITH SECTION 22-54-104, AND IN ADDITION TO ANY PROPERTY TAX REVENUES LEVIED PURSUANT TO SECTIONS 22-54-107 AND 22-54-108, MAY SUBMIT THE QUESTION OF WHETHER THE DISTRICT SHOULD BE AUTHORIZED TO RAISE AND EXPEND ADDITIONAL LOCAL PROPERTY TAX REVENUES, SUBJECT TO THE LIMITATIONS OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION, THEREBY AUTHORIZING AN ADDITIONAL LEVY IN EXCESS OF THE LEVY AUTHORIZED UNDER SECTIONS 22-54-106, 22-54-107, AND 22-54-108, TO PROVIDE A SUPPLEMENTAL COST OF LIVING ADJUSTMENT FOR THE DISTRICT FOR THE THEN CURRENT BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER. THE QUESTION AUTHORIZED BY THIS SUBSECTION (1) SHALL BE SUBMITTED AT AN ELECTION HELD IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND TITLE 1, C.R.S.

(2) NOTWITHSTANDING ANY LAW TO THE CONTRARY, EFFECTIVE JULY 1, 2001, UPON PROPER SUBMITTAL TO A DISTRICT OF A VALID INITIATIVE PETITION, THE DISTRICT SHALL SUBMIT TO THE ELIGIBLE ELECTORS OF THE DISTRICT THE QUESTION OF WHETHER THE DISTRICT SHOULD BE AUTHORIZED TO RAISE AND EXPEND ADDITIONAL LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM, AS DETERMINED IN ACCORDANCE WITH SECTION 22-54-104, AND IN ADDITION TO ANY PROPERTY TAX REVENUES LEVIED PURSUANT TO SECTIONS 22-54-107 AND 22-54-108, SUBJECT TO THE LIMITATIONS OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION, THEREBY AUTHORIZING AN ADDITIONAL LEVY IN EXCESS OF THE LEVY AUTHORIZED UNDER SECTIONS 22-54-106, 22-54-107, AND 22-54-108, TO PROVIDE A SUPPLEMENTAL COST OF LIVING ADJUSTMENT FOR THE DISTRICT FOR THE THEN CURRENT BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER. THE QUESTION AUTHORIZED BY THIS SUBSECTION (2) SHALL BE SUBMITTED AT AN ELECTION HELD IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND TITLE 1, C.R.S. AN INITIATIVE PETITION UNDER THIS SUBSECTION (2) SHALL BE SIGNED BY AT LEAST FIVE PERCENT OF THE ELIGIBLE ELECTORS IN THE DISTRICT AT THE TIME THE PETITION IS FILED.

(3) (a) THE MAXIMUM DOLLAR AMOUNT OF PROPERTY TAX REVENUE THAT A

DISTRICT CAN GENERATE PURSUANT TO THIS SECTION FOR ANY GIVEN BUDGET YEAR SHALL NOT EXCEED THE DIFFERENCE BETWEEN WHAT WOULD BE THE DISTRICT'S TOTAL PROGRAM FOR THAT BUDGET YEAR IF CALCULATED USING THE DISTRICT'S ADJUSTED COST OF LIVING FACTOR FOR THAT BUDGET YEAR AND THE DISTRICT'S TOTAL PROGRAM FOR THAT BUDGET YEAR CALCULATED PURSUANT TO SECTION 22-54-104.

(b) FOR PURPOSES OF DETERMINING A DISTRICT'S TOTAL PROGRAM FOR A GIVEN BUDGET YEAR IF CALCULATED USING THE DISTRICT'S ADJUSTED COST OF LIVING FACTOR, "PER PUPIL FUNDING" UNDER SECTION 22-54-104 (2) (a) (IV) (D) SHALL BE CALCULATED USING THE SIZE FACTOR USED IN THE CALCULATION FOR THE PRIOR BUDGET YEAR OR THE SIZE FACTOR USED IN THE CALCULATION FOR THE APPLICABLE BUDGET YEAR, WHICHEVER IS LESS, THE COST OF LIVING FACTOR FOR THE PRIOR BUDGET YEAR, AND THE AT-RISK FACTOR CALCULATED FOR THE DISTRICT USING A BASE AT-RISK FACTOR OF ELEVEN AND ONE-HALF PERCENT.

(c) FOR PURPOSES OF THIS SUBSECTION (3), "ADJUSTED COST OF LIVING FACTOR" MEANS THE DISTRICT'S COST OF LIVING FACTOR DETERMINED BY DIVIDING THE DISTRICT'S COST OF LIVING AMOUNT BY THE LOWEST COST OF LIVING AMOUNT OF ALL DISTRICTS IN THE STATE FROM THE CURRENT COST OF LIVING STUDY, ROUNDED TO THE NEAREST ONE-THOUSANDTH OF ONE PERCENT.

(4) IF THE MAXIMUM DOLLAR AMOUNT OF PROPERTY TAX REVENUE ALLOWED FOR ANY GIVEN BUDGET YEAR PURSUANT TO PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION WILL NOT BE GENERATED BY THE LEVY OF THE TOTAL NUMBER OF MILLS LEVIED BY THE DISTRICT PURSUANT TO THIS SECTION FOR THE IMMEDIATELY PRECEDING BUDGET YEAR, THE TOTAL NUMBER OF MILLS LEVIED BY THE DISTRICT PURSUANT TO THIS SECTION SHALL NOT BE INCREASED UNLESS THE DISTRICT SUBMITS THE QUESTION OF THE INCREASE TO THE ELIGIBLE ELECTORS IN THE MANNER PROVIDED IN SUBSECTION (1) OF THIS SECTION OR UNLESS THE QUESTION OF THE INCREASE IS SUBMITTED TO THE ELIGIBLE ELECTORS BY INITIATIVE IN THE MANNER PROVIDED IN SUBSECTION (2) OF THIS SECTION.

(5) NOTWITHSTANDING THE PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION WHICH ALLOW DISTRICTS TO SEEK VOTER APPROVAL FOR SPENDING AND REVENUE INCREASES, THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION SHALL LIMIT A DISTRICT'S AUTHORITY TO RAISE AND EXPEND LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM AS DETERMINED IN ACCORDANCE WITH SECTION 22-54-104.

SECTION 35. Article 54 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-54-123. National school lunch act - appropriation of state matching funds. FOR THE 2001-02 BUDGET YEAR AND BUDGET YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE BY SEPARATE LINE ITEM AN AMOUNT TO COMPLY WITH THE REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE "NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ. THE DEPARTMENT OF EDUCATION SHALL DEVELOP PROCEDURES TO ALLOCATE AND DISBURSE THE FUNDS AMONG PARTICIPATING SCHOOL DISTRICTS EACH YEAR IN AN EQUITABLE MANNER AS TO COMPLY WITH THE REQUIREMENTS OF SAID ACT. IN ANY PARTICIPATING SCHOOL

DISTRICT THAT, PRIOR TO THE ENACTMENT OF THIS SECTION, SUBSIDIZED SCHOOL LUNCH SERVICE WITH MONEYS FROM THE SCHOOL DISTRICT'S GENERAL FUND, MONEYS RECEIVED BY SUCH SCHOOL DISTRICT PURSUANT TO THIS SECTION SHALL BE APPLIED IN ADDITION TO, AND NOT IN LIEU OF, THE AMOUNT OF THE SCHOOL DISTRICT'S SUBSIDY. ANY MONEYS RECEIVED PURSUANT TO THIS SECTION SHALL BE USED ONLY FOR THE PROVISION OF THE DISTRICT'S SCHOOL LUNCH PROGRAM.

SECTION 36. Article 7 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

**PART 8
SUMMER SCHOOL GRANT PROGRAM**

22-7-801. Legislative declaration. THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, FOR PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, ESTABLISHING A SUMMER SCHOOL GRANT PROGRAM TO PROVIDE FUNDING TO SCHOOL DISTRICTS FOR THE OPERATION OF INTENSIVE LITERACY AND READING COMPREHENSION EDUCATION SERVICES TO FOURTH AND FIFTH GRADE STUDENTS WHO SCORED AT THE UNSATISFACTORY PROFICIENCY LEVEL ON THE COLORADO STATE ASSESSMENT PROGRAM READING ASSESSMENT ADMINISTERED PURSUANT TO SECTION 22-7-409 FOR THE PREVIOUS GRADE IS AN IMPORTANT ELEMENT OF ACCOUNTABLE EDUCATION REFORM AND CONSTITUTES AN ACCOUNTABLE PROGRAM TO MEET STATE ACADEMIC STANDARDS. THEREFORE, THE SUMMER SCHOOL GRANT PROGRAM ESTABLISHED BY THIS PART 8 MAY RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

22-7-802. Definitions. AS USED IN THIS PART 8, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

(2) "ELIGIBLE STUDENT" MEANS A STUDENT WHO HAS:

(a) COMPLETED THE THIRD GRADE AND IS PREPARING TO ENTER THE FOURTH GRADE AND HAS SCORED AT THE UNSATISFACTORY PROFICIENCY LEVEL ON THE THIRD GRADE COLORADO STATE ASSESSMENT PROGRAM READING ASSESSMENT ADMINISTERED PURSUANT TO SECTION 22-7-409; OR

(b) COMPLETED THE FOURTH GRADE AND IS PREPARING TO ENTER THE FIFTH GRADE AND HAS SCORED AT THE UNSATISFACTORY PROFICIENCY LEVEL ON THE FOURTH GRADE COLORADO STATE ASSESSMENT PROGRAM READING ASSESSMENT ADMINISTERED PURSUANT TO SECTION 22-7-409.

(3) "GRANT PROGRAM" MEANS THE SUMMER SCHOOL GRANT PROGRAM CREATED PURSUANT TO SECTION 22-7-803.

(4) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION CREATED PURSUANT TO SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

22-7-803. Summer school grant program - created - application - rules.

(1) THERE IS HEREBY CREATED IN THE DEPARTMENT THE SUMMER SCHOOL GRANT PROGRAM TO PROVIDE FUNDING TO SCHOOL DISTRICTS FOR THE OPERATION OF SUMMER SCHOOL READING PROGRAMS. THE SUMMER SCHOOL READING PROGRAMS SHALL BE DESIGNED TO PROVIDE INTENSIVE LITERACY AND READING COMPREHENSION EDUCATION SERVICES TO ELIGIBLE STUDENTS DURING THE SUMMER PRIOR TO BEGINNING FOURTH GRADE AND DURING THE SUMMER PRIOR TO BEGINNING FIFTH GRADE.

(2) TO PARTICIPATE IN THE PROGRAM, A SCHOOL DISTRICT SHALL FILE WITH THE DEPARTMENT AN APPLICATION IN A FORM SPECIFIED BY RULE OF THE STATE BOARD THAT DESCRIBES THE CURRICULUM THAT THE SCHOOL DISTRICT EXPECTS TO USE IN THE SUMMER SCHOOL READING PROGRAM AND THE NUMBER OF ELIGIBLE STUDENTS THAT THE SCHOOL DISTRICT ANTICIPATES WILL PARTICIPATE IN THE SUMMER SCHOOL READING PROGRAM.

(3) EACH SCHOOL DISTRICT THAT SUBMITS AN APPLICATION PURSUANT TO THIS SECTION SHALL RECEIVE A GRANT IN THE AMOUNT OF ONE HUNDRED DOLLARS FOR EACH ELIGIBLE STUDENT WHO IS ENROLLED IN THE SUMMER SCHOOL READING PROGRAM FOR EACH ACADEMIC YEAR. GRANTS SHALL BE PAID FROM THE SUMMER SCHOOL GRANT PROGRAM FUND CREATED IN SECTION 22-7-804.

(4) ON OR BEFORE SEPTEMBER 1, 2001, THE STATE BOARD SHALL PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., TO IMPLEMENT THE GRANT PROGRAM, INCLUDING BUT NOT LIMITED TO RULES SPECIFYING THE TIME FRAMES FOR SUBMITTING GRANT PROGRAM APPLICATIONS, THE FORM OF THE GRANT PROGRAM APPLICATION, AND THE TIME FRAMES FOR DISTRIBUTION OF THE GRANT MONEYS.

22-7-804. Summer school grant program fund - created. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE SUMMER SCHOOL GRANT PROGRAM FUND, WHICH FUND SHALL BE MADE UP OF MONEYS APPROPRIATED THERETO FROM THE STATE GENERAL FUND OR FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, AS WELL AS ANY MONEYS RECEIVED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION. THE MONEYS IN SAID FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS OF IMPLEMENTING AND ADMINISTERING THE GRANT PROGRAM.

(2) ANY BEQUESTS, GIFTS, AND GRANTS RECEIVED BY THE DEPARTMENT TO BE USED FOR THE GRANT PROGRAM SHALL BE CREDITED TO THE SUMMER SCHOOL GRANT PROGRAM FUND.

22-7-805. Reporting requirements. (1) EACH SCHOOL DISTRICT THAT PARTICIPATES IN THE GRANT PROGRAM SHALL SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT AFTER COMPLETION OF EACH ACADEMIC YEAR IN WHICH THE SCHOOL DISTRICT PARTICIPATES IN THE GRANT PROGRAM. EACH SCHOOL DISTRICT SHALL SUBMIT THE REPORT ON OR BEFORE OCTOBER 1 FOLLOWING THE COMPLETION OF AN ACADEMIC YEAR AND SHALL INCLUDE THE FOLLOWING INFORMATION:

(a) THE NUMBER OF ELIGIBLE STUDENTS ENROLLED IN THE SCHOOL DISTRICT

DURING THE MOST RECENTLY COMPLETED ACADEMIC YEAR AND THE NUMBER OF ELIGIBLE STUDENTS WHO ENROLLED IN THE SUMMER SCHOOL READING PROGRAM;

(b) THE SUBSEQUENT PERFORMANCE LEVELS FOR READING AND WRITING, AS MEASURED BY ASSESSMENTS ADMINISTERED PURSUANT TO THE COLORADO STUDENT ASSESSMENT PROGRAM ESTABLISHED PURSUANT TO SECTION 22-7-409, OF ELIGIBLE STUDENTS WHO ENROLLED IN THE SUMMER SCHOOL READING PROGRAM; AND

(c) SUCH OTHER INFORMATION AS THE STATE BOARD MAY BY RULE REQUIRE TO ASSESS THE EFFECTIVENESS OF THE SUMMER SCHOOL READING PROGRAMS IMPLEMENTED BY THE SCHOOL DISTRICT AND THE GRANT PROGRAM.

SECTION 37. Part 1 of article 30.5 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-30.5-112.5. Charter schools - transportation plans. IF A CHARTER SCHOOL'S CHARTER OR CONTRACT INCLUDES PROVISION OF TRANSPORTATION SERVICES BY THE SCHOOL DISTRICT, THE CHARTER SCHOOL AND THE SCHOOL DISTRICT SHALL COLLABORATE IN DEVELOPING A TRANSPORTATION PLAN TO USE SCHOOL DISTRICT EQUIPMENT TO TRANSPORT STUDENTS ENROLLED IN THE CHARTER SCHOOL TO AND FROM THE CHARTER SCHOOL AND THEIR HOMES AND TO AND FROM THE CHARTER SCHOOL AND ANY EXTRACURRICULAR ACTIVITIES. THE TRANSPORTATION PLAN MAY INCLUDE, BUT NEED NOT BE LIMITED TO, DEVELOPMENT OF BUS ROUTES AND PLANS FOR SHARING THE USE OF SCHOOL DISTRICT EQUIPMENT FOR THE BENEFIT OF STUDENTS ENROLLED IN CHARTER SCHOOLS OF THE SCHOOL DISTRICT AND STUDENTS ENROLLED IN OTHER SCHOOLS OF THE SCHOOL DISTRICT.

SECTION 38. Appropriation - adjustments to the 2001 long bill. (1) (a) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, the sum of two million nine hundred thousand dollars (\$2,900,000), or so much thereof as may be necessary, for the implementation of section 22-7-609.5, Colorado Revised Statutes. Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(b) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, the sum of five million three hundred eight thousand nine hundred sixty-one dollars (\$5,308,961), or so much thereof as may be necessary, for the implementation of section 22-54-124, Colorado Revised Statutes. Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(c) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, from the state education fund created in section 17 (4) of article IX of the state constitution, to the state public school fund created in section 22-54-114, Colorado Revised Statutes, for allocation to the school capital construction expenditures reserve created in section 22-54-117, Colorado Revised Statutes, the sum of five million three hundred eight thousand nine hundred sixty-one dollars (\$5,308,961), and such sum, or so much thereof as may be necessary, is further appropriated to the department of education for the implementation of section 22-54-117, Colorado Revised Statutes.

(d) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, the sum of two million four hundred seventy-two thousand six hundred forty-four dollars (\$2,472,644), or so much thereof as may be necessary, for the implementation of section 22-54-123, Colorado Revised Statutes. Said sum shall be from the state public school fund created in section 22-54-114, Colorado Revised Statutes.

(e) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, the sum of nine hundred forty-five thousand eight hundred dollars (\$945,800), or so much thereof as may be necessary, for the implementation of part 8 of article 7 of title 22, Colorado Revised Statutes. Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(f) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, the sum of fifty thousand dollars (\$50,000), or so much thereof as may be necessary, for the implementation of section 22-5-114, Colorado Revised Statutes. Said sum shall be from the state public school fund created in section 22-54-114, Colorado Revised Statutes.

(g) In addition to any other appropriation, there is hereby appropriated, to the department of education, for the fiscal year beginning July 1, 2001, the sum of three hundred eighty-eight thousand dollars (\$388,000), and 2.0 FTE, or so much thereof as may be necessary, for the implementation of section 22-7-603.5, Colorado Revised Statutes. Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(2) For the implementation of this act, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 2001, shall be adjusted as follows:

(a) The appropriation to the department of education for the state share of districts' total program funding is increased by nine million seven hundred fifteen thousand one hundred eighteen dollars (\$9,715,118). Of this amount, eight million eight hundred sixty-eight thousand four hundred eighty dollars (\$8,868,480) shall be from the state education fund created in section 17 (4) of article IX of the state constitution and eight hundred forty-six thousand six hundred thirty-eight dollars (\$846,638) shall be from the state public school fund created in section 22-54-114, Colorado Revised Statutes.

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

SECTION 39. Part III (3) and the affected totals of Part III of section 2 of chapter 413, Session Laws of Colorado 2000, as amended by section 1 of Senate Bill 01-181, enacted at the First Regular Session of the Sixty-third General Assembly, and as further amended by section 5 of Senate Bill 01-212, enacted at the First Regular Session of the Sixty-third General Assembly, are amended to read:

Section 2. **Appropriation.**

**PART III
DEPARTMENT OF EDUCATION**

(3) PUBLIC SCHOOL FINANCE

State Share of Districts' Total					
Program Funding ^{27, 28, 29}	2,036,958,382		1,972,521,551		54,436,831 ^b
Additional State Aid Related to Locally Negotiated Business Incentive Agreements	1,937,066		1,937,066		
Colorado Student Assessment Program	6,472,823		6,472,823		
Small Attendance Center Aid	948,140		948,140		
Public School Transportation	37,101,178		36,922,227		178,951(L)^c
			31,068,972		6,032,206 ^c

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

SECTION 40. Part VII (7) (A) and the affected totals of Part VII of section 2 of chapter 413, Session Laws of Colorado 2000, as amended by section 1 of Senate Bill 01-185, enacted at the First Regular Session of the Sixty-third General Assembly, and as further amended by section 7 of Senate Bill 01-212, enacted at the First Regular Session of the Sixty-third General Assembly, are amended to read:

Section 2. **Appropriation.**

**PART VII
DEPARTMENT OF HUMAN SERVICES**

(7) CHILDREN, YOUTH AND FAMILIES

(A) Child Welfare^{85, 86}

Child Welfare Administration (28.0 FTE)	1,871,678	1,458,549(M)		50,692(T) ^a	362,437 ^b
Child Welfare Services ⁸⁷	263,056,077	102,859,298		105,085,042 ^c	55,111,737 ^d
Family and Children's Programs	42,564,610	26,664,653		11,858,280^e	4,041,677 ^f
		32,517,908		6,005,025 ^e	

	(3.0 FTE)			
Independent Living Program	400,579			400,579 ^f
Family Preservation/Family Support Program	3,401,231		850,307 ^g	2,550,924 ^h
	(2.0 FTE)			
Expedited Permanency Planning Project	4,207,891		4,207,891 ⁱ	
Evaluation of Performance Agreement Pilot Projects	<u>400,000</u>		200,000 ⁱ	200,000 ^f
	315,902,066			

^a This amount shall be from Medicaid funds appropriated to the Department of Health Care Policy and Financing.

^b This amount shall be from Title IV-E of the Social Security Act.

^c Of this amount, \$64,097,537(T) shall be from Medicaid funds appropriated to the Department of Health Care Policy and Financing, and \$40,987,505(L) shall be from local funds.

^d Of this amount, \$28,550,223 shall be from Title IV-E of the Social Security Act, \$22,690,313 shall be from the Title XX Social Services Block Grant, and \$3,871,201 shall be from various sources of federal funds. Of the amount from the Title XX Social Services Block Grant, \$523,889 shall be from federal Temporary Assistance for Needy Families Block Grant Funds that have been transferred to programs funded by Title XX of the federal Social Security Act, as authorized under federal law.

^e Of this amount, ~~\$8,118,915~~ \$2,265,660 shall be from reserves in the Family Issues Cash Fund pursuant to Section 26-5.3-106 (1.5), C.R.S., and \$3,739,365(L) shall be from local funds.

^f These amounts shall be from Title IV-E of the Social Security Act.

^g Of this amount, \$351,914 shall be from reserves in the Family Issues Cash Fund pursuant to Section 26-5.3-106 (1.5), C.R.S., and \$498,393(L) shall be from local funds.

^h This amount shall be from Title IV-B of the Social Security Act.

ⁱ These amounts shall be from reserves in the Family Issues Cash Fund pursuant to Section 26-5.3-106 (1.5), C.R.S.

TOTALS PART VII

(HUMAN SERVICES)^{5, 6, 118, 119} \$1,755,475,688 ~~\$490,220,780~~^a \$71,319,404 ~~\$670,534,752~~^b \$523,400,752

\$496,074,035^a

\$664,681,497^b

^a Of this amount, \$2,558,160 is appropriated pursuant to a final court order for Case #94-M-1417. This amount is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (B), C.R.S.

^b Of this amount, \$507,152,603 contains a (T) notation, and \$100,916,908 contains an (L) notation.

SECTION 41. Appropriation - adjustments to the 2001 long bill. (1) For the implementation of this act, appropriations made in the annual general appropriations act for the fiscal year beginning July 1, 2001, shall be adjusted as follows:

(a) The general fund appropriation to the department of human services, division of child welfare, for family and children's programs, is decreased by five million eight hundred fifty-three thousand two hundred fifty-five dollars (\$5,853,255).

(b) The cash funds exempt appropriation to the department of human services, division of child welfare, for family and children's programs, is increased by five million eight hundred fifty-three thousand two hundred fifty-five dollars (\$5,853,255). Said sum shall be from the family issues cash fund created in section 26-5.3-106, Colorado Revised Statutes.

SECTION 42. Appropriation - adjustments to the 2001 long bill. (1) For the implementation of this act, appropriations made in the annual general appropriations act for the fiscal year beginning July 1, 2001, shall be adjusted as follows:

(a) The general fund appropriation to the department of education for the state share of districts' total program funding is increased by five million eight hundred fifty-three thousand two hundred fifty-five dollars (\$5,853,255).

(b) The cash funds exempt appropriation to the department of education for the state share of districts' total program funding is decreased by five million eight hundred fifty-three thousand two hundred fifty-five dollars (\$5,853,255). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 43. Appropriation - adjustments to the 2001 long bill. (1) For the implementation of this act, appropriations made

in the annual general appropriations act for the fiscal year beginning July 1, 2001, shall be adjusted as follows:

(a) The general fund appropriation to the department of education for the state share of districts' total program funding is increased by eight million three hundred fifty-three thousand two hundred fifty-five dollars (\$8,353,255).

(b) The cash funds exempt appropriation to the department of education for the state share of districts' total program funding is decreased by eight million three hundred fifty-three thousand two hundred fifty-five dollars (\$8,353,255). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

SECTION 44. Effective date. (1) Except for sections 39, 40, 41, 42, and 43 of this act which shall take effect July 1, 2001, this act shall take effect upon passage; except that:

(a) Section 42 of this act shall take effect only if Senate Bill 01-119 is not enacted at the first regular session of the sixty-third general assembly and does not become law; and

(b) Section 43 of this act shall take effect only if Senate Bill 01-119 is enacted at the first regular session of the sixty-third general assembly and becomes law.

SECTION 45. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 16, 2001