AN ACT

CONCERNING THE ELIMINATION OF OUTDATED PROVISIONS OF LAW RELATED TO THE ELEMENTARY AND SECONDARY EDUCATION SYSTEM RESULTING FROM THE LAW'S OBSOLESCENCE OR INFREQUENCY OF USE, AND, IN CONNECTION THEREWITH, REPEALING OR AMENDING VARIOUS PROVISIONS OF LAW.

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

SECTION 1. 2-3-115 (1) (a), Colorado Revised Statutes, is amended to read:

2-3-115. 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), (1) (f.5), or (1) (f.6), C.R.S., whichever is applicable; in accordance with section 22-54-124 (4), or (4.5), C.R.S.; whichever is applicable; or

SECTION 2. Repeal. 22-1-113, Colorado Revised Statutes, is repealed as follows:

22-1-113. School census - oath of parent. All persons who are authorized or appointed to take the school census shall ascertain and record the name, place and date of birth, school grade last attended, and nationality of the parents of each child

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
enumerated. The person taking such school census is authorized to require such parent, guardian, or other person having charge or control of such child to subscribe to take an oath or affirmation that such information and record is true and correct. Any parent, guardian, or person who has control of any child and who refuses to take such oath or affirmation when required by such census enumerator is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than one dollar nor more than ten dollars. The census enumerator is empowered to administer such oath or affirmation; but, in any school district, the board of education thereof, in its discretion, may cause to be kept in the records of such school district a record containing the above information, corrected at least once per month during the school term, and in such cases, it shall not be necessary for the parents, guardians, or other persons, having charge or control of children, to take or subscribe the aforesaid oath.

SECTION 3. 22-1-120 (4), Colorado Revised Statutes, is amended to read:

22-1-120. Rights of free expression for public school students. (4) The board of education of each school district shall adopt a written publications code, which shall be consistent with the terms of this section, and shall include reasonable provisions for the time, place, and manner of conducting free expression within the school district's jurisdiction. Said the publications code shall be distributed, posted, or otherwise made available to all students and teachers at the beginning of the 1991-92 school year and at the beginning of each school year thereafter.

SECTION 4. Repeal. 22-2-109 (6) (b), Colorado Revised Statutes, is repealed as follows:

22-2-109. State board of education - additional duties - teacher standards - principal standards. (6) (b) On or before January 1, 2004, the state board and the department, along with the commission on higher education, shall submit a joint report to the education committees of the senate and the house of representatives. Said report shall include, but need not be limited to, the following:

(I) An analysis of current state licensing and principal preparation program practices;

(II) The performance-based principal licensure standards as adopted by the state board pursuant to paragraph (a) of this subsection (6);

(III) The proposed program requirements for institutions of higher education, as established by the commission on higher education pursuant to section 23-1-121.1, C.R.S.;

(IV) A plan for periodic review and approval of principal preparation programs offered by institutions of higher education;

(V) Proposed assessments to be used in evaluating the skills and knowledge of candidates seeking licensure as a principal pursuant to article 60.5 of this title;

(VI) A plan for evaluating the effectiveness of the performance-based principal licensure standards adopted pursuant to this subsection (6) and performance-based
principal preparation programs as they relate to enhancing the quality of school leadership and implementation of a standards-based education for all students; and

(VII) The estimated costs to local school districts, institutions of higher education, and state agencies of implementing the recommendations of the state board, the department, and the commission on higher education contained in the report described in this paragraph (b):

SECTION 5. Repeal. 22-2-121, Colorado Revised Statutes, is repealed as follows:

22-2-121. Department of education - funding for national academic award winners. (1) The department shall have the authority to distribute moneys to school districts for the purpose of sending pupils from the school district who are state-level winners of academic contests and their chaperones to represent the state at the national level of said contests. Pupils participating in an academic extracurricular or interscholastic activity offered by a public school within a school district pursuant to section 22-32-116.5 or 22-33-104.5 shall be deemed to be pupils from such school district for the purposes of this section.

(2) The state board shall promulgate rules governing the distribution of moneys pursuant to subsection (1) of this section. Such rules shall be promulgated in accordance with article 4 of title 24, C.R.S. The criteria upon which the state board shall distribute moneys pursuant to subsection (1) of this section shall include, but not be limited to, the following:

(a) The contests shall be academic in nature and shall motivate pupils to be creative and to demonstrate excellence;

(b) The contests shall be sponsored by a nationally recognized organization;

(c) The contests shall be open to all pupils regardless of race, creed, sex, or national origin; except that a contest may separate pupils by age or grade level;

(d) The opportunity to compete at the national level shall be the result of successfully competing at the state level of that contest;

(e) The board shall encourage school districts, individual schools, and community organizations to provide contributions to assist in sending pupils and their chaperones to national-level contests and shall consider such contributions in making distributions to a school district;

(3) The department is authorized to accept any bequests, gifts, and grants to be used for the purposes of this section. Such bequests, gifts, and grants, along with any other moneys appropriated by the general assembly, shall be credited to the national academic contest fund, which fund is hereby created in the state treasury. The moneys in said fund shall be subject to annual appropriation by the general assembly to the department for the purposes set forth in subsection (1) of this section. All interest derived from the deposit and investment of moneys in the fund shall be credited to the fund. Any moneys not appropriated shall remain in the fund and shall not be transferred or revert to the general fund of the state at the end of any
fiscal year.

(4) It is the intent of the general assembly that no general fund dollars be appropriated for the purpose of implementing the requirements of this section.

SECTION 6. 22-2-124 (9) (b) (I), Colorado Revised Statutes, is amended to read:

22-2-124. Family literacy education grant program - rule-making - repeal.
(9) (b) (I) If sufficient moneys have not been credited to the family literacy education fund pursuant to subsection (8) of this section prior to December 1, 2002, and December 1 of each year, thereafter, the state treasurer shall immediately provide notification of such fact to the department and the revisor of statutes.

SECTION 7. 22-5-118 (6) (a), Colorado Revised Statutes, is amended to read:

22-5-118. Implementation and financing of regional education and support services - plan - annual report. (6) (a) On or before July 1, 1997, and by July 1 of each year, thereafter, each board of cooperative services that receives moneys pursuant to this section shall submit a report to the department concerning the programs and services funded by moneys received pursuant to this section.

SECTION 8. 22-7-404 (3), Colorado Revised Statutes, is amended to read:

22-7-404. State standards and assessments development and implementation council - creation - membership. (3) Members of the council shall be reimbursed by the department for their actual and necessary expenses incurred in the performance of their duties pursuant to this part 4. For the 1993-94 and 1994-95 fiscal years, the department shall allocate the moneys normally allocated to fund statewide testing pursuant to section 22-7-203 to fund any costs incurred by the council pursuant to this subsection (3) and pursuant to section 22-7-405 and to fund any pilot professional educator development programs developed by the council pursuant to section 22-7-405 (1) (d) (III).

SECTION 9. 22-7-409 (3), Colorado Revised Statutes, is amended to read:

22-7-409. Assessments. (3) For the fiscal year 1998-99 and for each fiscal year thereafter, the general assembly shall appropriate moneys in the annual general appropriation act to the department to fund the Colorado student assessment program.

SECTION 10. Repeal. 22-7-507 (1) (b) (II), Colorado Revised Statutes, is repealed as follows:

22-7-507. Learning improvement grants - programs - fund. (1) (b) (II) On or before March 1, 2003, the department of education shall report to the education committees of the senate and the house of representatives on the effectiveness of programs receiving grants under this paragraph (b):

SECTION 11. Repeal. 22-7-604.3 (5) (c), Colorado Revised Statutes, is
repealed as follows:

22-7-604.3. Diagnostic academic growth calculation - model - rule-making. (5) Diagnostic academic growth information - rule-making. (c) Beginning in the 2004-05 school year, the department shall provide to each school district in the state diagnostic academic growth information for each student residing in the school district who is an eligible child receiving assistance to attend a participating nonpublic school pursuant to article 56 of this title. The information shall be based on the CSAP assessment results for the preceding school years. The school district shall provide such information to the eligible child through the participating nonpublic school in which the eligible child is enrolled.

SECTION 12. 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 and each fiscal year thereafter, appropriations made by the general assembly to fund programs for gifted and talented children shall be designated by a separate line item in the annual general appropriation act.

SECTION 13. 22-20-106 (5), Colorado Revised Statutes, is amended to read:

22-20-106. Special educational programs. (5) By September 1, 1973, and thereafter, each administrative unit shall employ a director of special education. From and after July 1, 1975, no director of special education shall be employed who does not meet qualification standards as set by the state board.

SECTION 14. 22-25-104.5 (7) (a), Colorado Revised Statutes, is amended to read:

22-25-104.5. Law-related education program - creation. (7) (a) Each school district may prepare an annual report concerning the progress of the school district in implementing a law-related education program. Such report shall be filed with the state board on or before October 1, 1996, and on or before October 1 of each year thereafter.

SECTION 15. Repeal. Article 27 of title 22, Colorado Revised Statutes, is repealed as follows:

ARTICLE 27
Educational Clinics for Public School Dropouts

22-27-101. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that the public school dropout rate in Colorado has reached alarming proportions. Such dropout rate has resulted in a loss of talent for businesses and other aspects of the economy which need trained, educated, and motivated workers, as well as a loss to the state which needs a productive and contributing citizenry. The general assembly further declares that it is necessary to re-capture the interest and motivation of the students who have left the public schools and encourage such students to return to school and complete their
(2) In order to achieve such goals, the general assembly deems it necessary to look beyond the traditional boundaries of school. A successful approach tried by several other states is private educational clinics. Such clinics provide a viable alternative to traditional approaches to the dropout problem. The goal of such clinics is to provide a bridge back to the public school in a short period of time through individualized instruction in basic academic skills.

(3) The general assembly finds that it is in the best interest of the state to encourage the establishment of such clinics in Colorado and to set forth standards and guidelines for their certification.

22-27-102. Definitions. As used in this article, unless the context otherwise requires:

(1) "Basic academic skills" means the study of mathematics, speech, language, reading and composition, science, history, literature, and political science or civics. "Basic academic skills" includes any other courses if deemed essential by the commissioner of education.

(2) "Certified educational clinic", "educational clinic", or "clinic" means a private educational institution operated on a profit or nonprofit basis which is certified by the commissioner of education and does the following:

(a) Teaches basic academic skills with an emphasis on improvement of the students' motivation for achievement and teaches employment orientation or public school reentry orientation;

(b) Operates on a clinical, client-centered basis;

(c) Conducts courses of instruction taught and administered by professionally trained personnel, licensed pursuant to the "Colorado Educator Licensing Act of 1991", article 60.5 of this title. For purposes of licensure pursuant to said act and for purposes of permanent employment pursuant to the "Teacher Employment, Compensation, and Dismissal Act of 1990", article 63 of this title, one year's teaching experience in an educational clinic shall be deemed to be the equivalent of one year's teaching experience in public school;

(3) "Class size" means the number of students assigned to a single licensed educator during the period of time for which reimbursement from the department is requested, regardless of whether or not the students are working on similar courses, subjects, or activities.

(4) "Clinical, client-centered basis" means an approach to education which includes as a minimum:

(a) Consideration of the student's achievement, abilities, interests, and aptitudes by qualified personnel;

(b) Delineation of individual learning objectives and educational or employment
goals or both;

(c) Development and implementation of curriculum and instruction appropriate
to diagnosed needs, specified objectives, and goals of the student; and

(d) Provision for evaluation of the student's progress toward and attainment of
learning objectives and educational or employment goals or both:

(5) "Commissioner of education" or "commissioner" means the office of the
commissioner of education created and existing pursuant to section 1 of article IX
of the state constitution:

(6) "Educational gain" means:

(a) Measurable increases in the student's achievement as determined by
instruments approved by the commissioner of education; and

(b) The student's subsequent participation in constructive activities, such as
enrollment in a public or private school, employment, attendance at an institution
of higher or vocational education, or military service.

(7) "Eligible public school dropout", "eligible student applicant", or "student"
means a person who:

(a) Does not possess a high school diploma or its equivalent;

(b) Has reached his or her thirteenth birthday;

(c) Does not show proficiency beyond the high school level in a test approved by
the commissioner of education which has been given as a part of the initial
diagnostic procedure;

(d) Has on file with the appropriate certified educational clinic a written waiver
allowing the commissioner of education and the state auditor to examine his records
at the certified educational clinic at any time and for purposes consistent with the
intent of this article; and

(e) Has not attended a public school for at least one month of a school year or
years and with respect to whom written verification has been received from a school
official of the public school last attended stating that such person is no longer in
attendance at such school. If such written verification is unavailable, the following
may be substituted:

(f) A written request by the district superintendent or the superintendent's
designee asking that such person be admitted; or

(H) Verification that the person has been suspended or expelled from such school:

(8) "Employment orientation" means but is not limited to instruction in the
following areas:
(a) Job applications;
(b) Interview techniques;
(c) Expectations for attendance and production;
(d) Translation of skills and abilities in terms of a job's requirements;
(e) Examination by the student of job descriptions; and

(f) Exploration of the student's ability to fulfill the needs of a particular job.

(9) "General educational development tests" or "GED" means the battery of tests given at an authorized testing center which tests are designed and published by the GED testing service of the American council on education to measure the major outcomes and concepts generally associated with four years of high school education. Each GED testing center must have a current contract with the American council on education and be authorized by the commissioner of education.

(10) "Hour of instruction" means a time period sixty minutes in length. A student who attends more than three-quarters of an hour of instruction shall be considered to have attended for the entire hour.

(11) "Individual diagnostic procedure" means the individual written assessment by a certified teacher or, when deemed necessary by the educational clinic, by a certified teacher in conjunction with a psychometrist, psychologist, or other professional who is appropriately certified or licensed to conduct specific diagnostic evaluations and to prescribe an individual educational and instructional program. Each written assessment shall include, but need not be limited to, all of the following information:

(a) A transcript of the student's previous academic record if available;
(b) A description of the assessment procedures utilized to determine the student's ability, interests, and aptitudes;
(c) A summary of all diagnostic findings;
(d) A list of the student's educational objectives and program placement recommendations; and
(e) The dated signature of each person conducting any part of the diagnosis.

(12) "Reentry orientation" means but is not limited to instruction in the following areas:

(a) Study skills;
(b) Attention and recognition through positive behavior; and
(c) Constructive interaction with teachers, school administrators, and parents.
22-27-103. Certification of educational clinics. (1) To be certified as an educational clinic, a private educational institution must apply to the commissioner of education and submit evidence that it:

(a) Meets the qualifications established in this article for educational clinics;

(b) Offers instruction in the basic academic skills, employment orientation, and reentry orientation;

(c) Operates on a clinical, client-centered basis;

(d) Produces educational gains in students which relate directly to the individual learning objectives and educational or employment goals or both which are established for the student; and

(e) Maintains accurate and complete financial and personnel records.

(2) A private educational institution shall apply for certification to the commissioner of education on a form provided by the commissioner. The commissioner of education or his designee shall determine by documentary evidence submitted by the applicant whether the criteria set forth in subsection (1) of this section have been satisfied. The commissioner shall notify the applicant educational clinic of its certification status within five weeks after the date he receives a completed application.

(3) A private educational institution shall be certified as an educational clinic by the commissioner of education for no more than three years.

(4) A certified educational clinic shall report annually to the commissioner any substantive changes in the operation of the clinic which are relevant to certification criteria set forth in subsection (1) of this section.

(5) The commissioner of education may withdraw certification if he finds that a clinic fails:

(a) To provide adequate instruction in basic academic skills which shall include the following:

(f) The clinic does not offer or make provision for instruction in all the basic skills;

(II) Evidence and data do not verify educational gains which relate directly to the individual learning objectives and the educational or employment goals or both established; or

(b) To provide opportunities for employment orientation and reentry orientation; or

(c) To meet any of the criteria for certification pursuant to subsection (1) of this section.
22-27-104. Contracts for certified educational clinic services. The commissioner may contract with an educational clinic certified pursuant to section 22-27-103 for the provision of services by the clinic to eligible public school dropouts. If such a contract is entered into by the commissioner, subject to appropriation by the general assembly, the commissioner shall pay the clinic the fees to which it is entitled pursuant to the provisions of section 22-27-105.

22-27-105. Fees. (1) The commissioner shall negotiate with an educational clinic reasonable fees to be paid to such clinic pursuant to a contract negotiated and entered into as provided in section 22-27-104.

(2) In negotiating and soliciting contracts pursuant to section 22-27-104, the commissioner shall not be required to accept the lowest bid. Rather, he shall consider the quality of services offered by an educational clinic as well as the clinic’s fee structure.

(3) An educational clinic shall only be entitled to reimbursement for a total of one hundred thirty-five days of instruction per student, regardless of whether a student has attended all or a portion of each day.

22-27-106. Student responsibilities and requirements. (1) Attendance at a certified educational clinic shall be deemed to satisfy the school attendance requirements of article 33 of this title.

(2) A public school dropout who is of public school age and who has attended a certified educational clinic shall be entitled to reenroll in the public school system at the grade level in which he would have been if he had not dropped out of school, if the following conditions are met:

(a) The student has attended the clinic for no less than ninety hours of instruction;

(b) The student has reenrolled in the public school system no later than the commencement of the next regular school year semester or trimester following his last day of attendance at a certified educational clinic; and

(c) The student possesses the ability to perform academically at a passing level at the grade level of placement as determined by the principal of the public school of enrollment or such other school district authority as may be designated pursuant to school district policy. Such determination shall be made by the principal or other designated official only after consultation with one or more representatives of the educational clinic which the student last attended and shall be based exclusively upon the principal’s or other designated official’s professional judgment of the following:

(f) The recommendations of clinic representatives;

(H) The student’s performance while enrolled in the clinic; and

(III) The student’s academic ability as documented by the results of standardized tests administered by the clinic or school district, or both.
(2) The school district of a former public school dropout together with the commissioner shall make every attempt possible to ensure a former public school dropout who has rejoined his class after meeting the requirements of subsection (2) of this section to graduate with the class in which he has reenrolled, notwithstanding any loss of credits prior to reentry, if each of the following conditions has been met:

(a) The student has earned credits following his reentry at the rate of students who have not dropped out;

(b) The student has been enrolled at least two of the three grades nine through eleven at a public school or private school, or a combination of both; and

(c) The student has commenced and satisfactorily completed his last full school year immediately preceding high school graduation at a public high school or a combination of public high schools.

(4) Any student of a certified educational clinic, upon completion of an individual student program, shall be eligible with the permission of his school district and the commissioner to take the GED test at an authorized testing center.

22-27-107. Additional requirements for educational clinics. (†) No certified educational clinic shall make any charge to any student or his parent, guardian, or custodian for whom a fee is being received from a school district or the commissioner of education under the provisions of this article:

(2) The instructional program activities and procedures, and the records of students for whom fees are paid pursuant to section 22-27-105, shall be monitored at the clinic on a schedule established by the commissioner of education:

(3) Any certified educational clinic under contract with the commissioner of education pursuant to this article shall permit, without prior notice, a review of its records by the state auditor and the commissioner during normal business hours.

(4) Repealed:

(5) A total of no more than ten percent of the funds appropriated for this program for any fiscal year may be expended for administrative, auditing, and evaluation costs by the department of education, the state auditor, and the commissioner.

22-27-108. Authority for counties to contract with educational clinics. A county, as part of any welfare diversion program, may contract with a private educational clinic for the provision of services pursuant to this article.

22-27-109. Funding. The commissioner is authorized to seek local, federal, and private moneys, and the department of education is authorized to accept such moneys for the purposes set forth in this article. Such moneys shall be deposited in the private educational clinics cash fund, which fund is hereby created, and such moneys shall be expended by the department, subject to appropriation by the general assembly. No general fund moneys appropriated to the commission shall be appropriated by the general assembly except by separate bill other than the general appropriation bill.
22-27-110. Liability. Nothing in this article shall be construed to create any liability on the part of the department of education or the state of Colorado for actions taken pursuant to this article, and no civil action may be brought or maintained against the department of education or the state of Colorado for any injury alleged to have been the result of acts or omissions of any private educational clinic.

SECTION 16. 22-28-106 (1) (a) (I), Colorado Revised Statutes, is amended to read:

22-28-106. Eligibility of children for participation in district program. (1) (a) The department shall establish, by rule, criteria for each school district to use in determining which children in the district shall be eligible for participation in the district preschool program, subject to the following requirements:

(I) For each school year prior to the 2002-03 school year, no child shall participate in the district preschool program unless he or she is four or five years old and would be eligible to enroll in kindergarten in the following academic year. For the 2002-03 school year and each school year thereafter, a child who is three, four, or five years old and meets the criteria specified in subparagraphs (II) to (IV) of this paragraph (a) and any other criteria established by rule may participate in the district preschool program.

SECTION 17. Repeal. 22-28-107 (1.5), Colorado Revised Statutes, is repealed as follows:

22-28-107. Eligibility of school districts for participation in state preschool program. (1.5) By September 15, 1992, all school districts participating in the state preschool program prior to such date must submit to the department a modified application for participation in the state preschool program which includes all of the information required by subsection (1) of this section, as amended. Submission of such modified application shall not affect the eligibility of such school district for continued participation in the state preschool program.

SECTION 18. 22-29-104 (2), Colorado Revised Statutes, is amended to read:

22-29-104. Reports - school districts - department. (2) On or before January 15, 2002, and on or before each January 15, thereafter, the department shall submit to the education committees of the senate and the house of representatives, OR ANY SUCCESSOR COMMITTEES, an executive summary of any reports submitted by school districts pursuant to subsection (1) of this section.

SECTION 19. 22-30.5-109 (4) and (6), Colorado Revised Statutes, are amended to read:

22-30.5-109. Charter schools - reporting - publicizing - limits on enrollment - moratorium prohibited. (4) If otherwise qualified, nothing in this part 1 shall be construed to prohibit any institution certified on or before April 1, 1993, as an educational clinic pursuant to FORMER article 27 of this title on or before April 1, 1993 AS IT EXISTED PRIOR TO THE EFFECTIVE DATE OF THIS ACT, from applying to become a charter school pursuant to this part 1.
(6) A school district shall not discriminate against a charter school or nonpublic school participating in the Colorado opportunity contract pilot program pursuant to article 56 of this title in publicizing the educational options available to students residing within the district through advertising, direct mail, availability of mailing lists, or other informational activities, provided that the charter or nonpublic school pays for its share of such publicity at cost.

SECTION 20. 22-30.5-112 (1) (b), Colorado Revised Statutes, is amended to read:

22-30.5-112. Charter schools - financing - guidelines. (1) (b) The school district shall also identify each charter school that is a qualified charter school as defined in section 22-54-124 (1) (f), (1) (f.5), or (1) (f.6), whichever is applicable, identify each qualified charter school that will be operating in a school district facility and that does not have ongoing financial obligations incurred to repay the outstanding costs of new construction undertaken for the charter school's benefit, 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 21. Repeal. 22-30.5-112.3 (1) (a) and (1) (a.5), Colorado Revised Statutes, are repealed as follows:

22-30.5-112.3. Charter schools - additional aid from district. (1) (a) (I) For the 2001-02 budget year, 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):

(II) As used in this paragraph (a), "pupils" means pupils other than on-line pupils enrolled in a charter school:

(a.5) For the 2002-03 budget year, a qualified charter school, as defined in section 22-54-124 (1) (f.5), shall receive state education moneys from the school district that granted its charter in an amount equal to the amount paid to the school district by the department of education pursuant to section 22-54-124 (4.5):

SECTION 22. 22-30.5-112.3 (1) (c), Colorado Revised Statutes, is amended to read:

22-30.5-112.3. Charter schools - additional aid from district. (1) (c) A district shall provide funding to each qualified charter school, as defined in section 22-54-124 (1) (f), (1) (f.5), or (1) (f.6), whichever is applicable, 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), or (4.5), whichever is applicable.

SECTION 23. 22-31-131 (1.5) (c) (II) and (12) (a), Colorado Revised Statutes,
are amended to read:

22-31-131. Election procedures in districts composed of a city and county. (1.5) (c) (II) The board of education for school district number 1 shall provide for the revision of the director district boundaries following the federal census in 2000 and each federal census. thereafter.

(12) (a) Within one hundred twenty days after publication of the 2000 decennial census prepared by the United States bureau of the census, the board of education of school district number 1 shall reapportion and redraw the boundaries for the director districts of the school district to maintain five director districts. In addition, two directors shall continue to be elected from the district at large.

SECTION 24. 22-32-109.8 (11) (d), Colorado Revised Statutes, is amended to read:

22-32-109.8. Applicants selected for nonlicensed positions - submittal of form and fingerprints - prohibition against employing persons failing to comply - department database. (11) (d) On or before November 15, 2004, and On or before August 30 each year, thereafter; the department of education shall submit a list of all persons employed by each school district in the state for the preceding school year to the Colorado bureau of investigation. The list shall include each employee's name and date of birth.

SECTION 25. Repeal. 22-32-129, Colorado Revised Statutes, is repealed as follows:

22-32-129. Validation - effect - limitations. (1) All bonds issued and other contracts, leases, or agreements executed by school districts, all district bond elections held and carried, and all acts and proceedings had or taken prior to July 1, 1973, by or on behalf of such districts, preliminary to and in the authorization, execution, sale, and issuance of all bonds, the authorization and execution of all other contracts, leases, or agreements, and the exercise of other powers in sections 22-32-110 and 22-32-127 are hereby validated, ratified, approved, and confirmed, notwithstanding any defects and irregularities, other than constitutional, in such bonds, acts, and proceedings, in such authorization, execution, sale, and issuance, and in such exercise of powers; and such bonds and other contracts, leases, or agreements are and shall be binding, legal, valid, and enforceable obligations of the district to which they pertain in accordance with their terms and their authorization proceedings.

(2) This section shall operate to supply legislative authority as may be necessary to accomplish the validations provided and authorized in this section but shall be limited to validations consistent with all provisions of applicable law in effect at the time of such action or other matter. This article shall not operate to validate any action or other matter the legality of which is being contested or inquired into in any legal proceedings pending and undetermined prior to July 1, 1973, nor to validate any action or other matter which has been determined in any legal proceedings prior to July 1, 1973, to be illegal, void, or ineffective.

SECTION 26. 22-32-133 (2), Colorado Revised Statutes, is amended to read:
22-32-133. American sign language. (2) On and after August 4, 2004, a school district may offer one or more elective courses in American sign language.

SECTION 27. 22-36-106 (2) (b), Colorado Revised Statutes, is amended to read:

22-36-106. Department - distribution of information - study - report. (2) (b) Based upon such evaluation and study, the department of EDUCATION shall make a report to the house and senate committees on education of the SENATE AND THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, in January of 1992 and each January, thereafter.

SECTION 28. 22-38-106 (2) and (4), Colorado Revised Statutes, are amended to read:

22-38-106. Application process for pilot school contract. (2) Applications must be filed with the state board by October 1, 1996, to be eligible for the award of contracts for operation during the 1997-98 following school year. If the state board finds the pilot school application is incomplete, it shall request the necessary information from the applicant.

(4) The state board shall select applicants for contracts for operation of pilot schools in a public hearing, upon reasonable public notice, by December 15, 1996.

SECTION 29. 22-41-101 (1) and (2), Colorado Revised Statutes, are amended to read:

22-41-101. Composition of fund. (1) The general assembly hereby finds and declares that:

(a) For fiscal years 1994-95 and 1995-96, a total of ten million eight hundred thousand dollars was transferred from the state public school fund to the public school fund in accordance with sections 24 and 25 of House Bill 95-1327, enacted at the first regular session of the sixtieth general assembly;

(b) House Bill 95-1327 also amended this section to require that interest earned on moneys transferred to the public school fund during these two fiscal years be retained in the fund;

(c) Through the language added by section 3 of House Bill 95-1327, the general assembly intended that only the interest earned on the moneys transferred to the public school fund in accordance with sections 24 and 25 of House Bill 95-1327 be retained in the fund;

(d) The general assembly did not intend that interest earned on other moneys transferred to the public school fund during the 1994-95 and 1995-96 fiscal years also be retained in the public school fund;

(e) The fact that this interest has been retained in the fund does not result in the interest becoming principal of the public school fund and does not prevent the transfer of this interest to any other fund in accordance with law;
(f) As soon as practicable and in accordance with law, the state treasurer should comply with the provisions of this section and transfer the interest earned on all moneys transferred to the public school fund during the 1994-95 and 1995-96 fiscal years, except for the interest earned on moneys transferred to the fund pursuant to sections 24 and 25 of House Bill 95-1327, to the public school income fund.

(2) The public school fund of the state shall consist of the proceeds of such lands as have been, or may be, granted to the state by the federal government for educational purposes; all estates that may escheat to the state; all other grants, gifts, or devises that may be made to the state for educational purposes; and such other moneys as the general assembly may appropriate or transfer. The interest earned on any moneys transferred to the public school fund during the 1994-95 and 1995-96 fiscal years pursuant to sections 24 and 25 of House Bill 95-1327 shall remain in the public school fund and may not be transferred to any other fund.

SECTION 30. Repeal. 22-42-123, Colorado Revised Statutes, is repealed as follows:

22-42-123. Validation. All outstanding bonds and all acts and proceedings had or taken, or purportedly had or taken, prior to July 1, 1964, by or on behalf of any school district under law or under color of law preliminary to and in the authorization, execution, sale, issuance, and payment of all such bonds are validated, ratified, approved, and confirmed, notwithstanding any lack of power or authority or otherwise, other than constitutional, and notwithstanding any defects and irregularities, other than constitutional, in such bonds, acts, and proceedings; and in such authorization, execution, sale, issuance, and payment, including without limiting the generality of the foregoing, such acts and proceedings appertaining to bonds, all or any part of which have not been issued nor purportedly issued.

SECTION 31. Repeal. 22-42-124, Colorado Revised Statutes, is repealed as follows:

22-42-124. Prior obligations not impaired. Nothing in this article shall be construed in a manner so as to impair the obligations of any bonds, or the refunding thereof, issued by a school district prior to July 1, 1964, or otherwise invalidate any such bond or the obligations or refunding thereof.

SECTION 32. Repeal. 22-43-109, Colorado Revised Statutes, is repealed as follows:

22-43-109. Validation. All outstanding bonds and all acts and proceedings had or taken, or purportedly had or taken, prior to July 1, 1964, by or on behalf of any school district under law or under color of law preliminary to and in the authorization, execution, sale, issuance, and payment of such bonds are validated, ratified, approved, and confirmed, notwithstanding any lack of power or authority, or otherwise, other than constitutional and notwithstanding any defects and irregularities, other than constitutional, in such bonds, acts, and proceedings, and in such authorization, execution, sale, issuance, and payment, including, without limiting the generality of the foregoing, such acts and proceedings appertaining to bonds, all or any part of which have not been issued nor purportedly issued.
SECTION 33. Repeal. 22-43-110, Colorado Revised Statutes, is repealed as follows:

22-43-110. Prior obligations not impaired. Nothing in this article shall be construed in a manner so as to impair the obligations of any bonds, or the refunding thereof, issued by a school district prior to July 1, 1964, or otherwise invalidate any such bond or the obligations or refunding thereof.

SECTION 34. Repeal. 22-44-105 (4) (d), Colorado Revised Statutes, is repealed as follows:

22-44-105. Budget - contents - mandatory. (4) (d) The financial, student management, and human resources reporting system shall be available on a pilot basis by July 1, 1996, and shall be completely implemented by July 1, 1997. The electronic data communications reporting system shall be available on a pilot basis by July 1, 1997, and shall be completely implemented by July 1, 1998.

SECTION 35. 22-44-108 (1) (c), Colorado Revised Statutes, is amended to read:

22-44-108. Preparation of budget. (1) (c) Effective January 1, 1992, The proposed budget shall be submitted to the board at least thirty days prior to the beginning of the next fiscal year.

SECTION 36. Repeal. 22-44-204 (1) and (2), Colorado Revised Statutes, are repealed as follows:

22-44-204. Use of handbook by school districts. (1) The state board of education shall prepare a first draft of the financial policies and procedures handbook and shall send at least one copy thereof to each school district in the state no later than September 1, 1973:

(2) The state board of education shall designate not less than five volunteer school districts which are representative as to pupil size and population to cooperate in finalizing a financial policies and procedures handbook during the 1974 budget year.

SECTION 37. 22-52-103 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

22-52-103. Eligible schools. (1) Any of the following schools are eligible to apply to the department of education to participate in the second chance program:

(e) A COMMUNITY COLLEGE.

SECTION 38. Repeal. 22-52-104 (2) (b) (II), Colorado Revised Statutes, is repealed as follows:

22-52-104. Application - payment. (2) (b) (II) Of that portion of the moneys remaining with the school district of residence, the school district shall transmit two thirds to the department of education and retain the remaining one third for implementation of its requirements under the second chance program. These
payment procedures shall continue as long as the student continues to reside in the original district of residence, continues to attend the eligible school, and progresses in a satisfactory manner.

SECTION 39. Repeal. 22-54-102 (3) (b) (II), Colorado Revised Statutes, is repealed as follows:

22-54-102. Legislative declaration - statewide applicability - intergovernmental agreements. (3) (b) Notwithstanding any provision of paragraph (a) of this subsection (3) to the contrary, nothing in this subsection (3) shall be construed to:

(II) Affect any agreements entered into before May 1, 1996, that were the subject of litigation pending before the Colorado supreme court on May 1, 1996. If a supreme court decision affirms the right to impose impact fees or other similar development charges or fees, a local government that had imposed such fees or charges prior to May 1, 1996, may impose and collect such fees and charges until July 1, 1997. If a decision of the supreme court rejects the right to impose such fees or charges, such local government may impose and collect such fees and charges in connection with or as required by a voluntary agreement entered into before July 1, 1996, for the term of the agreement. In either event, all such impact fees or other similar development charges or fees shall be appropriated on or before December 31, 1997.

SECTION 40. Repeal. 22-54-103 (1.5) (a) (I), (1.5) (a) (II), (1.5) (a) (III), (1.5) (a) (IV), and (10) (a) (III), Colorado Revised Statutes, are repealed as follows:

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

(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:

\[
\text{District pupils eligible for free lunch + 25\% x ((District percentage of pupils eligible for free lunch x District pupil enrollment) - District pupils eligible for free lunch)}
\]

(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:

\[
\text{District percentage of pupils eligible for free lunch x District pupil enrollment}
\]
(III) For the 2001-02 and 2002-03 budget years, 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:

\[
\text{District percentage of pupils eligible for free lunch} \times \text{District pupil enrollment} + \text{the number of district pupils whose dominant language is not English}
\]

(IV) For the 2003-04 and 2004-05 budget years, 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:

\[
\text{District percentage of pupils eligible for free lunch} \times \text{District pupil enrollment}
\]

(10) (a) (III) “Pupil enrollment” shall include a pupil who resides in the school district and is enrolled and attending a participating nonpublic school under the terms of an opportunity contract pursuant to article 56 of this title on October 1 within the applicable budget year or the school day nearest said date.

SECT 41. Repeal. 22-54-104 (2) (a) (I), (2) (a) (II), (2) (a) (III), (2) (a) (III.5), (2) (a) (III.6), (2) (a) (III.7), (2) (a) (V), (4) (a) (II), (4) (b) (II), (4.5) (a), (5) (a) (I), (5) (a) (II), (5) (a) (III), (5) (a) (IV), (5) (a) (V), (5) (a) (VI), (5) (a) (VII), (5) (a) (VIII), (5) (a) (IX), (5) (a) (X), (5) (a) (XI), (5) (b) (I), (5) (b) (I.2), (5) (b) (I.3), (5) (b) (I.4), (5) (c) (II), and (6) (a), Colorado Revised Statutes, are repealed as follows:

22-54-104. District total program. (2) (a) (I) 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 1994-95 budget year shall be the greater of the following:

(A) (District per pupil funding x District funded pupil count) + District at-risk funding; or

(B) $3,975 x District funded pupil count.

(II) 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 1995-96 budget year shall be the greater of the following:

(A) (District per pupil funding x District funded pupil count) + District at-risk funding; or

(B) $4,200 x District funded pupil count.

(III) 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 1996-97, 1997-98, and 1998-99 budget years shall be the greater of the following:
(A) (District per pupil funding x District funded pupil count) + District at-risk funding; or

(b) $4,305 x District funded pupil count.

(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 and 2000-01 budget years shall be the greater of the following:

(A) (District per pupil funding x District funded pupil count) + District at-risk funding; or

(b) $4,675 x District funded pupil count.

(III.6) For the 2000-01 budget year, 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 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.

(V) 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 2002-03 budget year shall be the greater of the following:

(A) (District per pupil funding x (District funded pupil count - District on-line pupil enrollment)) + District at-risk funding + District on-line funding; or

(b) $5,435 x District funded pupil count.

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

(a) (II) Notwithstanding the provisions of subparagraph (I) of this paragraph (a), for the 2004-05 budget year, 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:

District per pupil funding x 11.2%) x District at-risk pupils

(b) (II) Notwithstanding the provisions of subparagraph (I) of this paragraph (b), for the 2004-05 budget year, 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:

\[
(\text{District per pupil funding} \times 11.2\%) \times (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment}) - ((\text{District per pupil funding} \times \text{District at-risk factor}) \times (\text{District at-risk pupils} \times (\text{Statewide average percentage of at-risk pupils} \times \text{District pupil enrollment})))
\]

(4.5) A district's on-line funding shall be determined in accordance with the following formulas:

(a) For the 2002-03 budget year, the formula shall be:

\[
(5,435 \times \text{District on-line pupil enrollment})
\]

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

(a) (I) The statewide base per pupil funding for the 1994-95 budget year shall be $3,390.

(II) (A) For the 1995-96 budget year, the statewide base per pupil funding shall be $3,390 supplemented by $73 to account for inflation.

(B) In addition to the $73 increase in the statewide base per pupil funding for the 1995-96 budget year, the department shall further increase the base per pupil funding in an amount that will spend any state monies not expended by the department because districts could not accept the full increase in 1995-96 total program authorized pursuant to the provisions of section 22-54-104.3 (2.5) (c) and (2.5) (d). The department shall determine the amount of the additional increase, if any, no later than December 10, 1995:

(III) For the 1996-97 budget year, the statewide base per pupil funding shall be $3,463 supplemented by $105 to account for inflation:

(IV) For the 1997-98 budget year, the statewide base per pupil funding shall be $3,568 supplemented by $99 to account for inflation:

(V) For the 1998-99 budget year, the statewide base per pupil funding shall be $3,667 supplemented by $116 to account for inflation:

(VI) For the 1999-2000 budget year, the statewide base per pupil funding shall be $3,783 supplemented by $95 to account for inflation:

(VII) For the 2000-01 budget year, the statewide base per pupil funding shall be $3,878 supplemented by $123.70 to account for inflation:

(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:

(IX) For the 2002-03 budget year, the statewide base per pupil funding shall be $4,202 supplemented by $239.51 to account for inflation plus an additional one
percentage point.

(X) For the 2003-04 budget year, the statewide base per pupil funding shall be $4,570.31, which is an amount equal to $4,441.51 supplemented by $128.80 to account for inflation plus an additional one percentage point.

(XI) For the 2004-05 budget year, the statewide base per pupil funding shall be $4,666.29, which is an amount equal to $4,570.31 supplemented by $95.98 to account for inflation plus an additional one percentage point.

(b) (I) A district's size factor for the 1994-95, 1995-96, 1996-97, and 1997-98 budget years shall be determined in accordance with the following formula:

If the district's funded pupil count is: The district's size factor shall be:

Less than 276 1.5502 + (0.00376159 x the difference between the funded pupil count and 276)  
276 or more but less than 459 1.2430 + (0.00167869 x the difference between the funded pupil count and 459)  
459 or more but less than 1,027 1.1260 + (0.00020599 x the difference between the funded pupil count and 1,027)  
1,027 or more but less than 2,293 1.0578 + (0.00005387 x the difference between the funded pupil count and 2,293)  
2,293 or more but less than 5,814 1.0000 + (0.00001642 x the difference between the funded pupil count and 5,814)  
5,814 or more but less than 21,940 1.0000  
21,940 or more but less than 32,193 1.0000 + (0.00000334 x the difference between the funded pupil count and 21,940)  
32,193 or more 1.0342

(I.2) (A) A district's size factor for the 1998-99 budget year shall be determined in accordance with the following formula:

If the district's funded pupil count is: The district's size factor shall be:

Less than 276 1.5502 + (0.00376159 x the difference between the funded pupil count and 276)  
276 or more but less than 459 1.2430 + (0.00167869 x the difference between the funded pupil count and 459)  
459 or more but less than 1,027 1.1260 + (0.00020599 x the difference between the funded pupil count and 1,027)  
1,027 or more but less than 2,293 1.0578 + (0.00005387 x the difference between the funded pupil count and 2,293)  
2,293 or more but less than 5,814 1.0000 + (0.00001642 x the difference between the funded pupil count and 5,814)  
5,814 or more but less than 21,940 1.0000  
21,940 or more but less than 32,193 1.0000 + (0.00000334 x the difference between the funded pupil count and 21,940)  
32,193 or more 1.0342
276 or more but less than 459  
\[ 1.2430 + (0.00167869 \times \text{the difference between the funded pupil count and 459}) \]

459 or more but less than 1,027  
\[ 1.1260 + (0.00020599 \times \text{the difference between the funded pupil count and 1,027}) \]

1,027 or more but less than 2,293  
\[ 1.0578 + (0.0005387 \times \text{the difference between the funded pupil count and 2,293}) \]

2,293 or more but less than 5,650  
\[ 1.0042 + (0.00001597 \times \text{the difference between the funded pupil count and 5,650}) \]

5,650 or more but less than 23,211  
\[ 1.0042 \]

23,211 or more but less than 32,193  
\[ 1.0042 + (0.00000334 \times \text{the difference between the funded pupil count and 23,211}) \]

32,193 or more  
\[ 1.0042 \]

(B) For the 1998-99 budget year only, for the purpose of distributing additional funds, no district shall have a size factor under sub-subparagraph (a) of this paragraph (I.2) of less than 1.0081, except that the department shall reduce the minimum size factor downward by the amount of money equal to one million dollars minus the amount of money transferred from the secretary of state cash fund to the state public school fund in S.B. 98-194 enacted at the second regular session of the sixty-first general assembly.

(I.3) (A) A district's size factor for the 1999-2000, 2000-01, and 2001-02 budget years shall be determined in accordance with the following formula:

<table>
<thead>
<tr>
<th>If the district's funded pupil count is:</th>
<th>The district's size factor shall be:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 276</td>
<td>[ \text{1.5502} - (0.00376159 \times \text{the difference between the funded pupil count and 276}) ]</td>
</tr>
<tr>
<td>276 or more but less than 459</td>
<td>[ \text{1.2430} + (0.00167869 \times \text{the difference between the funded pupil count and 459}) ]</td>
</tr>
<tr>
<td>459 or more but less than 1,027</td>
<td>[ \text{1.1260} + (0.00020599 \times \text{the difference between the funded pupil count and 1,027}) ]</td>
</tr>
<tr>
<td>1,027 or more but less than 2,293</td>
<td>[ \text{1.0578} + (0.0005387 \times \text{the difference between the funded pupil count and 2,293}) ]</td>
</tr>
</tbody>
</table>
(C) Notwithstanding the provisions of subparagraph (A) of this paragraph (I.3), no district shall have a size factor of less than 1.0194 for the 2000-01 budget year and a size factor of less than 1.0268 for the 2001-02 budget year.

(I.4) A district's size factor for the 2002-03 budget year shall be determined in accordance with the following formula:

<table>
<thead>
<tr>
<th>Funded Pupil Count Range</th>
<th>Size Factor Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 276</td>
<td>1.5502 + (0.00376159 x the difference between the funded pupil count and 276)</td>
</tr>
<tr>
<td>276 or more but less than 459</td>
<td>1.2430 + (0.00167869 x the difference between the funded pupil count and 459)</td>
</tr>
<tr>
<td>459 or more but less than 1,027</td>
<td>1.1260 + (0.00020599 x the difference between the funded pupil count and 1,027)</td>
</tr>
<tr>
<td>1,027 or more but less than 2,293</td>
<td>1.0578 + (0.00005387 x the difference between the funded pupil count and 2,293)</td>
</tr>
<tr>
<td>2,293 or more but less than 4,023</td>
<td>1.0342 + (0.00001364 x the difference between the funded pupil count and 4,023)</td>
</tr>
<tr>
<td>4,023 or more</td>
<td>1.0342</td>
</tr>
</tbody>
</table>

(c) (II) (A) Except as provided in subparagraph (IV) of this paragraph (c), for the 1996-97 and 1997-98 budget years, a district's cost of living factor shall be determined by dividing the percentage change in the district's cost of living amount...
from the previous cost of living study to the current cost of living study by the lowest percentage change in cost of living amount of all districts in the state, dividing said amount by one thousand and rounding to the nearest one-thousandth of one percent, and adding the result obtained to the district's cost of living factor for the current budget year.

(B) Except as provided in subparagraph (IV) of this paragraph (c), for the 1998-99 and 1999-2000 budget years, a district's cost of living factor shall be the greater of: The district's cost of living factor for the prior budget year or the cost of living factor determined by dividing the percentage change in the district's cost of living amount from the previous cost of living study to the current cost of living study by the lowest positive percentage change in the cost of living amount of all districts in the state, dividing said amount by one thousand and rounding to the nearest one-thousandth of one percent, and adding the result obtained to the district's cost of living factor for the prior budget year.

(6) (a) Notwithstanding the provisions of subsection (2) of this section, for the 1994-95 budget year only, if a district's 1994-95 total per pupil funding is more than twenty-five percent greater than the district's 1993-94 total per pupil funding, the total program for such district shall be calculated in accordance with the following formula:

\[ \text{District 1994-95 funded pupil count} \times \text{District 1993-94 total per pupil funding} \times 1.25 \]

SECTION 42. 22-54-104 (2) (b) (II) (A) and (5) (f), Colorado Revised Statutes, are amended to read:

22-54-104. District total program. (2) (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 district's total program shall be the lesser of:

(II) (A) The district's total program as calculated by: Adding the amount determined by multiplying the district's per pupil funding by four hundred fifty-nine to the amount determined by multiplying 12% of the district's per pupil funding by the district's at-risk pupils; then dividing the sum of those two amounts by four hundred fifty-nine; then multiplying the resulting amount by the district's funded pupil count minus the district's on-line pupil enrollment; and then adding the district's on-line funding. except that, for the 2004-05 budget year, the district's total program as calculated by: Adding the amount determined by multiplying the district's per pupil funding by four hundred fifty-nine to the amount determined by multiplying 11.2% of the district's per pupil funding by the district's at-risk pupils; then dividing the sum of those two amounts by four hundred fifty-nine; and then multiplying the resulting amount by the district's funded pupil count minus the district's on-line pupil enrollment; and then adding the district's on-line funding.

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

(f) (I) 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 but not in excess of fifty thousand, the district's at-risk factor shall be 12% plus a 0.30 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%.

Notwithstanding the provisions of this subparagraph (I), for the 2004-05 budget year, 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 but not in excess of fifty thousand, the district's at-risk factor shall be 11.2% plus a 0.30 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%.

(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 12% plus a 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%. Notwithstanding the provisions of this subparagraph (II), for the 2004-05 budget year, 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 11.2% plus a 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 43. Repeal. 22-54-104.1 (3), Colorado Revised Statutes, is repealed as follows:

22-54-104.1. General fund appropriations requirements - maintenance of effort base. (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 an amount equal to five percent of the maintenance of effort base.

SECTION 44. 22-54-104.2 (1), Colorado Revised Statutes, is amended 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) (II), section 22-54-103 (1.5) (a) (V), 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 (2) (b) (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, 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), and the increase in the at-risk factor from 11.2% to 12% for the 2005-06 budget year and each budget year thereafter pursuant to section 22-54-104 (2) (b) (II) (A) (I) (a) (II), (II) (A) (I) (b) (II), and (2) (b) (II) (A) (I) (b) (II) (f) 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.

SECTION 45. Repeal. 22-54-104.3 (1), (2), (2.5), (2.6), (2.7) (c), (5) (a), (5) (b), (5) (c), (5) (d), and (6), Colorado Revised Statutes, are repealed as follows:

22-54-104.3. Total program for budget years - special provisions. (1) Notwithstanding the provisions of section 22-54-104 (2) and (6), the 1994-95 total program of a district that increased its 1993-94 equalization program funding pursuant to the provisions of former section 22-53-107.4 shall be the lesser of:

(a) The district's 1994-95 formula total program; or

(b) The district's 1994-95 allowable total program plus the 1993-94 increase in equalization program funding:

(2) For purposes of subsection (1) of this section and this subsection (2):

(a) "1993-94 actual total funding" means the district's 1993-94 total funding, as defined in subsection (5) of this section, plus the 1993-94 increase in equalization program funding:

(b) "1993-94 increase in equalization program funding" means the amount of additional funding allowed by former section 22-53-107.4 and appropriated or otherwise credited to the special district reserve pursuant to former section 22-53-107.4 (4) (c):

(c) "1994-95 formula total program" means the district's total program for the 1994-95 budget year as calculated pursuant to section 22-54-104 (2) or (6):

(d) "1994-95 allowable total program" means the amount determined by multiplying the district's 1993-94 actual total funding by 100% plus the district's maximum annual percentage change in 1994-95 fiscal year spending:

(e) "Maximum annual percentage change in 1994-95 fiscal year spending" means the percentage change allowed by section 20 of article X of the state constitution based upon the definition of inflation found in said section 20 and based upon the definition of local growth as the percentage change between the district's October 1993 funded pupil count and the district's October 1994 funded pupil count:

(2.5) (a) Notwithstanding the provisions of section 22-54-104 (2) and (6), a district's 1995-96 total program shall not exceed the district's 1994-95 revenue multiplied by 100% plus the district's maximum annual percentage change in 1995-96 fiscal year spending:

(b) For purposes of this subsection (2.5):

(f) "Maximum annual percentage change in 1995-96 fiscal year spending" means the percentage change in fiscal year spending allowed by section 20 of article X of the state constitution based upon the definition of inflation found in said section 20 and based upon the definition of local growth as the percentage change between the district's October 1994 funded pupil count and the district's October 1995 funded
(II) "1994-95 revenue" means the district's 1994-95 total program minus any increase in 1993-94 equalization program funding pursuant to former section 22-53-107.4(4)(a) plus any increase in the district's 1994-95 total program pursuant to subsection (6) of this section.

(c) For the period from July 1 through December 31, 1995, if a district's 1995-96 total program was calculated pursuant to paragraph (a) of this subsection (2.5) and the district is capable of receiving an increase in its total 1995-96 total program within the limitations on its fiscal year spending for the 1995-96 budget year under section 20 of article X of the state constitution, the district may notify the department that it may receive an additional increase in an amount equal to the lesser of:

(I) Fifty dollars multiplied by the district's 1995-96 funded pupil count;

(II) The difference between the district's 1995-96 total program calculated pursuant to paragraph (a) of this subsection (2.5) and the district's 1995-96 total program calculated pursuant to section 22-54-104 (2) or (6); or

(III) The difference between the district's 1995-96 total program calculated pursuant to paragraph (a) of this subsection (2.5) and the district's allowable fiscal year spending for the 1995-96 budget year under section 20 of article X of the state constitution.

(d) (I) Any district eligible for an increase pursuant to paragraph (c) of this subsection (2.5) may certify to the department of education that it may receive an additional increase in its 1995-96 total program in an amount equal to the lesser of:

(A) Two hundred twenty-five dollars multiplied by the district's 1995-96 funded pupil count minus the amount of additional increase received pursuant to paragraph (c) of this subsection (2.5);

(B) The difference between the district's 1995-96 total program as increased by paragraph (c) of this subsection (2.5) and the district's 1995-96 total program calculated pursuant to section 22-54-104 (2) or (6); or

(C) The difference between the district's 1995-96 total program as increased by paragraph (c) of this subsection (2.5) and the district's 1995-96 fiscal year spending under section 20 of article X of the state constitution.

(H) Each district eligible for an increase pursuant to this paragraph (d) shall certify to the department the exact dollar amount of increase that the district can accept. Such certification shall be submitted no later than December 1, 1995, and must have been reviewed and approved by an auditor for the district.

(2.6) (a) Notwithstanding the provisions of section 22-54-104 (2) and (6), a district's 1996-97 total program shall not exceed the district's 1995-96 revenue multiplied by 100% plus the district's maximum annual percentage change in 1996-97 fiscal year spending.
(b) For purposes of this subsection (2.6):

(i) "Maximum annual percentage change in 1996-97 fiscal year spending" means the percentage change in fiscal year spending allowed by section 20 of article X of the state constitution based upon the definition of inflation found in said section 20 and based upon the definition of local growth as the percentage change between the district's October 1995 funded pupil count and the district's October 1996 funded pupil count.

(ii) "1995-96 revenue" means the district's 1995-96 total program, which shall include any moneys received pursuant to subsection (2.5) of this section:

(c) If a district's 1996-97 total program was calculated pursuant to paragraph (a) of this subsection (2.6) and the district is eligible for an increase in its 1996-97 total program within the limitations on its fiscal year spending for the 1996-97 budget year under section 20 of article X of the state constitution, the district may certify to the department that it may receive an additional increase in its 1996-97 total program in an amount equal to the lesser of:

(i) The difference between the district's 1996-97 total program calculated pursuant to paragraph (a) of this subsection (2.6) and the district's 1996-97 total program calculated pursuant to section 22-54-104 (2) or (6); or

(ii) The difference between the district's 1996-97 total program calculated pursuant to paragraph (a) of this subsection (2.6) and the district's allowable fiscal year spending for the 1996-97 budget year under section 20 of article X of the state constitution:

(d) If, after certifying the maximum amount allowed under section 20 of article X of the state constitution, a district has not received its total program amount as calculated pursuant to section 22-54-104 (2) or (6), the district may certify to the department that it may receive an additional increase in an amount approved by a majority of the registered electors within the district in an election held in accordance with section 20 of article X of the state constitution and title 1, C.R.S., but in no event more than the amount determined pursuant to section 22-54-104 (2) or (6):

(e) Each district eligible for an increase pursuant to this subsection (2.6) shall certify to the department the exact dollar amount of increase that the district can accept. Such certification shall be submitted no later than December 1, 1996, and must have been reviewed and approved by an auditor for the district:

(2.7) (c) (I) If a district's 1997-98 total program was calculated pursuant to paragraph (a) of this subsection (2.7) and the district is eligible for an increase in its 1997-98 total program within the limitations on its fiscal year spending for the 1997-98 budget year under section 20 of article X of the state constitution, the district may certify to the department that it may receive an additional increase in its 1997-98 total program in an amount equal to the lesser of:

(A) The difference between the district's 1997-98 total program calculated pursuant to paragraph (a) of this subsection (2.7) and the district's 1997-98 total
(B) The difference between the district's 1997-98 total program calculated pursuant to paragraph (a) of this subsection (2.7) and the district's allowable fiscal year spending for the 1997-98 budget year under section 20 of article X of the state constitution.

(II) Each district eligible for an increase pursuant to this paragraph (c) shall certify to the department the exact dollar amount of increase that the district can accept. Such certification shall be submitted no later than December 1, 1997, and must be reviewed and approved by an auditor for the district.

(5) For purposes of subsection (3) of this section and section 22-54-104 (6):

(a) A district's "1993-94 total per pupil funding" means the amount which results from dividing the district's 1993-94 total funding by the district's 1993-94 funded pupil count.

(b) A district's "1993-94 total funding" shall include the district's equalization program funding and increasing enrollment funding received for the 1993-94 budget year pursuant to former sections 22-53-107 and 22-53-116, plus any additional funding received for the 1993-94 budget year pursuant to the provisions of former section 22-53-107.3 or section 22-44-105 (1) (e), plus the amount of specific ownership tax revenue paid to the district for the 1993-94 budget year.

(c) A district's "1993-94 funded pupil count" means the pupil enrollment, preschool enrollment, and three- and four-year-old handicapped enrollment taken in October of 1993 or the average of the pupil enrollments, preschool enrollments; and three-and four-year-old handicapped enrollments taken in October of 1992 and October of 1993.

(d) A district's "1994-95 total formula per pupil funding" means the amount which results from dividing the district's total program for the 1994-95 budget year, as calculated pursuant to section 22-54-104 (2), by the district's 1994-95 funded pupil count.

(6) (a) If a district received an additional increase in its 1993-94 equalization program funding pursuant to former section 22-53-107.4 (4) (a) and the district's 1994-95 fiscal year spending multiplied by 100% plus the percentage change in fiscal year spending is less than its 1995-96 allowable spending, then the district shall be entitled to an additional increase in the district's 1994-95 total program equal to the lesser of:

(I) The difference between its 1995-96 allowable spending divided by 100% plus the percentage change in fiscal year spending and its 1994-95 fiscal year spending;

(II) An amount equal to the additional increase in the district's 1993-94 equalization program funding pursuant to former section 22-53-107.4 (4) (a); or

(III) The difference between its 1994-95 allowable revenue and its 1994-95 actual revenue;
(b) Any district entitled to an additional increase in the district's 1994-95 total program pursuant to this subsection (6) shall spend the funding during the 1994-95 fiscal year in compliance with section 20 (2)(e) of article X of the state constitution.

(c) For purposes of this subsection (6):

(i) "1994-95 fiscal year spending" means 1994-95 total program calculated pursuant to section 22-54-104 (2) or (6) or section 22-54-104.3 minus the additional increase in 1993-94 equalization program funding.

(ii) "1995-96 allowable spending" means the lesser of:

(A) Projected 1995-96 total program as calculated pursuant to section 22-54-104 (2) or (6); or

(B) 1994-95 total program calculated pursuant to section 22-54-104 (2) or (6) or section 22-54-104.3 multiplied by 100% plus the percentage change in fiscal year spending.

(iii) "Percentage change in fiscal year spending" means the percentage change in fiscal year spending allowed by section 20 of article X of the state constitution based upon the definition of inflation found in said section 20 and based on the definition of local growth as the percentage change between the district's October 1994 funded pupil count and the district's projected October 1995 funded pupil count.

(iv) "1994-95 allowable revenue" means the 1993-94 actual total funding, as defined in paragraph (a) of subsection (2) of this section, multiplied by the maximum annual percentage change in 1994-95 fiscal year spending, as defined in paragraph (e) of subsection (2) of this section.

(v) "1994-95 actual revenue" means state aid for the 1994-95 budget year, 1994 property tax revenue, specific ownership tax revenue pursuant to section 22-54-106, and any excess property tax revenue offset against any state aid pursuant to section 22-44-103.5.

(d) Each district eligible for an increase pursuant to this subsection (6) shall certify to the department the exact dollar amount of increase that the district can accept in order to ensure that no district exceeds its allowable fiscal year spending for the 1994-95 budget year under section 20 of article X of the state constitution; except that the amount certified shall not exceed the amount of increase determined in paragraph (a) of this subsection (6).

SECTION 46. Repeal. 22-54-105 (1) (b) (II) (B), (2) (b) (II) (B), and (3) (c), Colorado Revised Statutes, are repealed as follows:

22-54-105. Instructional supplies and materials - capital reserve and insurance reserve - at-risk funding - preschool funding. (1) (b) (II) (B) For the 2003-04 budget year, the minimum dollar amount required to be budgeted per pupil pursuant to this paragraph (b) shall be an amount equal to the amount required to be budgeted per pupil pursuant to sub-subparagraph (A) of this subparagraph (II)
(2) (b) (II) (B) For the 2003-04 budget year, the minimum dollar amount required to be budgeted per pupil pursuant to this paragraph (b) shall be an amount equal to the amount required to be budgeted per pupil pursuant to sub-subparagraph (A) of this subparagraph (II) for the 2002-03 budget year.

(3) (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 and 2002-03 budget years, 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.

SECTION 47. Repeal. 22-54-106 (1) (a) (II) and (2) (a) (IV), Colorado Revised Statutes, are repealed as follows:

22-54-106. Local and state shares of district total program. (1) (a) (II) For the 1994-95 budget year only, in determining the district's share of its 1994-95 total program, the district shall include any moneys received as an increase in 1993-94 equalization program funding pursuant to section 22-53-107.4 and appropriated or otherwise credited to the special district reserve pursuant to former section 22-53-107.4 (4) (c).

(2) (a) Except as provided in paragraph (c) of this subsection (2), for reorganized districts, for the 1994 property tax year and property tax years thereafter, each district shall levy the lesser of:

(IV) (A) For the 1995 property tax year, 41.75 mills if the district's total program was not calculated pursuant to section 22-54-104.3 for the 1994-95 budget year.

(B) For the 1996 property tax year, 40.25 mills; except that no district may set its levy at a level that would cause the total mill levy reductions for the 1995-96 budget year and the 1996-97 budget year to exceed 2.5 mills.

SECTION 48. Repeal. 22-54-124 (1) (f), (1) (f.5), (3) (a) (I), (3) (a) (II), (3) (a) (III) (B), and (4.5), Colorado Revised Statutes, are repealed as follows:

22-54-124. State aid for charter schools - use of state education fund moneys. (1) As used in this section:

(f) For budget years commencing before July 1, 2002, "qualified charter school" means:
(f) 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

(H) 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.

(f.5) For the budget year commencing on July 1, 2002, "qualified charter school" means a charter school; except that the term does not include a charter school that operates, or that will operate in the next budget year, within a facility that is listed on the state inventory of real property and improvements and other capital assets maintained by the department of personnel pursuant to section 24-30-1303.5, C.R.S.

(3) (a) (I) The amount of state education fund moneys to be distributed to an eligible district for the 2001-02 budget year 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:

(II) (A) The maximum amount of state education fund moneys to be distributed to all eligible districts for the 2002-03 budget year shall be seven million eight hundred thirteen thousand nine hundred forty-three dollars.

(B) For the 2002-03 budget year, the maximum amount of state education fund moneys to be distributed to any eligible district shall be an amount equal to the percentage of the sum of the district's certified charter school pupil enrollment for all eligible districts in the state that is attributable to the eligible district multiplied by seven million eight hundred thirteen thousand nine hundred forty-three dollars.

(III) (B) For the 2003-04 budget year, the amount of state education fund moneys to be distributed to any eligible district shall be an amount equal to the percentage of the sum of the district's certified charter school pupil enrollment for all eligible districts in the state that is attributable to the eligible district multiplied by the total amount of state education fund moneys distributed to all eligible districts for the same budget year pursuant to sub-subparagraph (A) of this subparagraph (III):

(4.5) (a) For the 2002-03 budget year, the general assembly shall appropriate seven million eight hundred thirteen thousand nine hundred forty-three dollars 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 subparagraph (h) of paragraph (a) of subsection (3) of this section:

(b) From the moneys appropriated to the department of education for the 2002-03 budget year pursuant to paragraph (a) of this subsection (4.5), the department shall make payments of the moneys to be distributed to an eligible district for a qualified charter school during the 2002-03 budget year as soon as possible upon receipt of the following information from the qualified charter school:

(f) A list of expenditures made as of January 31, 2003, using moneys received by the charter school in the 2001-02 budget year pursuant to section 22-30.5-112.3 (1);

(h) A list of all moneys expended, encumbered, or obligated as of January 31, 2003, in anticipation of the receipt of moneys in the 2002-03 budget year pursuant to section 22-30.5-112.3 (1); and

(III) Copies of invoices, contracts, or other appropriate documentation of the amount and purposes of the expenditures, encumbrances, or obligations described in subparagraphs (I) and (II) of this paragraph (b):

(c) Once a charter school expends amounts that were encumbered or obligated as of January 31, 2003, as described in subparagraph (II) of paragraph (b) of this subsection (4.5), the charter school shall submit copies of invoices, contracts, or other appropriate documentation of the amounts and purposes of the expenditures to the department by August 1, 2003:

(d) All information submitted to the department of education pursuant to this subsection (4.5) shall be in a form prescribed by the department:

(e) Of the amount of state education fund moneys appropriated for the 2002-03 budget year pursuant to paragraph (a) of this subsection (4.5), any amount not distributed pursuant to paragraph (b) of this subsection (4.5) shall remain in the state education fund.

SECTION 49. Repeal. Article 56 of title 22, Colorado Revised Statutes, is repealed as follows:

ARTICLE 56
Colorado Opportunity Contract Pilot Program

22-56-101. Short title. This article shall be known and may be cited as the "Colorado Opportunity Contract Pilot Program".

22-56-102. Legislative declaration. (a) The general assembly hereby finds and declares that:

(a) Meeting the educational needs of high-poverty, low-achieving children in our state’s highest-poverty public schools is of the greatest importance to the future welfare of Colorado;
(b) Closing the achievement gap between high-performing and low-performing children, including the gap between minority and non-minority students and between economically disadvantaged students and their more advantaged peers, is a significant and present challenge; and

(c) Providing a broader range of educational options to parents and utilizing existing resources and educational structures may help high-poverty, low-achieving students improve their academic achievement.

(2) The general assembly further finds and declares that the pilot program established in this article:

(a) Provides Colorado families with a financial tool to access additional educational resources in an effort to improve academic achievement;

(b) Is not in violation of either section 7 of article IX or section 34 of article V of the state constitution; and


22-56-103. Definitions. As used in this article, unless the context otherwise requires:

(1) "Assistance" means the financial assistance provided by a school district to the parent of an eligible child attending a participating nonpublic school pursuant to this article:

(2) "Department" means the department of education created and existing pursuant to section 24-1-115, C.R.S:

(3) "Eligible child" means a child who meets the eligibility criteria for participation in the pilot program as provided in section 22-56-104:

(4) "Nonpublic school pilot program membership" means the number of eligible children who are attending a nonpublic school pursuant to this article on October 1 of each school year:

(5) "Opportunity contract" means the contract entered into between a school district and the parent of an eligible child pursuant to this article:

(6) "Parent" means an eligible child's parent or legal guardian:

(7) "Participating nonpublic school" means a nonpublic school that meets the standards set forth in section 22-56-106 and that participates in the pilot program:

(8) "Participation cap" means the limitation on the number of a school district's eligible children permitted to participate in the pilot program in any school year, as described in section 22-56-104 (5) (a).
(9) "Pilot program" means the Colorado opportunity contract pilot program established pursuant to section 22-56-104.

(10) (a) "School district" means:

(I) A school district which, for the 2001-02 school year, had at least eight schools that received an academic performance rating of "low" or "unsatisfactory" pursuant to section 22-7-604 (5), and which school district continues to operate said schools in the 2003-04 school year; or

(II) A school district that chooses to participate in the pilot program pursuant to section 22-56-104 (1) (b).

(b) For purposes of this subsection (10), a school is deemed to have received an academic performance rating of "low" or "unsatisfactory" if one or more school levels within the school has received said rating, as "school level" is defined in section 22-7-602 (8).

(11) "State board" means the state board of education created and existing pursuant to section 1 of article IX of the state constitution.

22-56-104. Pilot program - established - eligible child - criteria - application - limitations on participation - priorities. (1) (a) There is hereby established in the department the Colorado opportunity contract pilot program to provide assistance to eligible children in attending participating nonpublic schools.

(b) A school district in the state, other than a school district described in section 22-56-103 (10) (a) (I), may participate voluntarily in the pilot program. A school district shall indicate its intent to participate in the pilot program through the adoption of a favorable resolution by the school district board of education and the provision of a copy of the resolution to the state board.

(2) A child who resides within a school district may participate in the pilot program if, at the time of applying, the school district determines that the child meets the following criteria:

(a) The child is eligible to receive free or reduced-cost lunch pursuant to the provisions of the federal "National School Lunch Act", 42 U.S.C. sec. 1751 et seq.; and

(b) (I) For children entering or enrolled in one of grades four through twelve, the child was continuously enrolled in and attending a public school during the previous school year and:

(A) Performed at the proficiency level of "unsatisfactory" in at least one academic area on the most recent statewide assessment for which data is available; or

(B) Performed at the proficiency level equivalent to "unsatisfactory" in reading, writing, or mathematics on the most recent curriculum-based, achievement college entrance exams for which data is available.
(II) For children entering or enrolled in one of grades one through three, the child either was continuously enrolled in and attending a public school during the previous school year or had not attained the age for compulsory school attendance specified in section 22-33-104 for the previous school year, and the child:

(A) Lacks overall learning readiness attributable to at least three significant family risk factors, as described in section 22-28-106;

(B) Resides in an area in which the child’s neighborhood school, as defined in section 22-1-122 (2) (c), is a public school in the school district that received an academic performance rating of “low” or “unsatisfactory” pursuant to section 22-7-604 (5); or

(C) Has been assessed on the reading readiness or literacy and reading comprehension assessment described in section 22-7-504 at a level below the level established by the state for pupils at the child’s grade level.

(III) For children entering or enrolled in kindergarten, the child:

(A) Lacks overall learning readiness attributable to at least three significant family risk factors, as described in section 22-28-106; or

(B) Resides in an area in which the child’s neighborhood school, as defined in section 22-1-122 (2) (c), is a public school in the school district that received an academic performance rating of “low” or “unsatisfactory” pursuant to section 22-7-604 (5);

(3) (a) The parent of a child who seeks to participate in the pilot program and to enter into an opportunity contract shall apply to the school district in which the child resides on or before January 1 of the school year preceding the school year in which the child intends to enroll in and attend a participating nonpublic school pursuant to the pilot program. On or before February 15 of the school year in which the application was received by the school district, the school district shall notify each applying parent whose child meets the criteria specified in subsection (2) of this section. Once a child is eligible to participate in the pilot program, the child remains eligible so long as he or she enrolls in a participating nonpublic school and continues to be included in the school district’s pupil enrollment, and the child need not reapply to participate in the pilot program. If an eligible child enrolls in and attends a public school and subsequently chooses to participate in the pilot program, the parent of the child shall submit an application as required in this paragraph (a); and the school district shall make a new determination regarding whether the child meets the eligibility criteria specified in subsection (2) of this section.

(b) Notwithstanding the provisions of paragraph (a) of this subsection (3), if an eligible child enrolls in and attends a public school because the child is denied participation in the pilot program pursuant to subsection (5) of this section, the child’s application shall be kept on file by the school district in the event an opening occurs in the pilot program during the school year. If an eligible child is not selected to participate in the pilot program, the eligible child shall reapply in accordance with paragraph (a) of this subsection (3) to be considered for the pilot program in subsequent years.
(4) Each eligible child shall provide annual written notice of intent to participate in the pilot program and to renew his or her opportunity contract.

(5) (a) A school district's participation cap shall be determined as follows:

(i) For the 2004-05 school year, no more than one percent of a school district's student enrollment for the previous school year may participate in the pilot program.

(ii) For the 2005-06 school year, no more than two percent of a school district's student enrollment for the previous school year may participate in the pilot program.

(iii) For the 2006-07 school year, no more than four percent of a school district's student enrollment for the previous school year may participate in the pilot program.

(iv) For the 2007-08 school year and for each school year thereafter, no more than six percent of a school district's student enrollment for the previous school year may participate in the pilot program.

(b) If the number of eligible children in a school district who seek to participate in the pilot program exceeds the school district's participation cap for a school year, the school district shall select from among the eligible children seeking to participate in the pilot program, on or before March 1 of the school year preceding the school year in which the eligible child intends to enroll in and attend a participating nonpublic school pursuant to the pilot program, by applying the following priorities:

(i) The school district shall give first priority to eligible children who participated in the pilot program in the preceding school year, if any. If the number of eligible children described in this subparagraph (i) exceeds the school district's participation cap, the school district shall select from among them by use of a lottery.

(ii) If, after selecting the eligible children described in subparagraph (i) of this paragraph (b), the school district has not reached its participation cap, the school district shall give priority to eligible children who are siblings of eligible children who have been selected to participate in the pilot program. If the number of eligible children described in this subparagraph (ii) plus the eligible children described in subparagraph (i) of this paragraph (b) exceeds the school district's participation cap, the school district shall select from among the eligible children described in this subparagraph (ii) by use of a lottery.

(iii) If, after selecting the eligible children described in subparagraphs (i) and (ii) of this paragraph (b), the school district has not reached its participation cap, the school district shall select from among the remaining eligible children by use of a lottery.

(6) Within fifteen days after making the selections described in paragraph (b) of subsection (5) of this section, the school district shall notify in writing an eligible child's parent whether the eligible child is selected to participate in the pilot program. If the eligible child is not selected pursuant to paragraph (b) of subsection (5) of this section, the notice shall inform the parent of the opportunity to submit a notice of intent to participate in the pilot program for the following school year.
(7) (a) A parent may withdraw an eligible child from a participating nonpublic school at any time during the school year and may either:

(I) Enroll the eligible child in a public school; or

(II) Enroll the eligible child in another participating nonpublic school that has space for the eligible child and has accepted the eligible child for admission.

(b) While an eligible child may enroll in and attend more than one participating nonpublic school in a school year after withdrawing pursuant to paragraph (a) of this subsection (7), a school district need not make more than one payment in a quarterly payment period described in section 22-56-108 (3).

(8) (a) A parent is deemed to have breached the opportunity contract and to have relinquished the right to receive payments pursuant to the pilot program if:

(I) The parent voluntarily notifies the school district in writing of his or her intent to relinquish the right;

(II) The parent fails to submit an application to a participating nonpublic school pursuant to section 22-56-105;

(III) The eligible child does not enroll in a participating nonpublic school by September 15 of the school year for which the eligible child was accepted by a participating nonpublic school;

(IV) The eligible child fails to attend the nonpublic school at least sixty percent of the school days in two quarterly payment periods, as described in section 22-56-108 (3), unless the attendance failure is due to illness, injury, or other reason excused at the discretion of the school district;

(V) The eligible child's domicile becomes located outside the state; or

(VI) The eligible child fails to take a statewide assessment required pursuant to law, unless the failure is excused by the school district.

(b) Following a breach and relinquishment by the parent pursuant to paragraph (a) of this subsection (8), the school district shall select another eligible child through a lottery conducted at least weekly and shall enter into an opportunity contract with the eligible child's parent. The school district need not comply with the priorities described in paragraph (b) of subsection (5) of this section in selecting an eligible child pursuant to this paragraph (b).

(9) A child who was continuously enrolled in and attending a nonpublic school, or participating in a nonpublic home-based educational program pursuant to section 22-33-104.5, shall not be entitled to participate in the pilot program in the school year following the school year in which the child attended the nonpublic school or participated in the nonpublic home-based educational program; except that the provisions of this subsection (9) shall not apply if the child was enrolled in the nonpublic school through participation in the pilot program.
22-56-105. Pilot program - application to participating nonpublic school - acceptance. (1) On or after April 1, but prior to June 1, of the school year in which the eligible child is deemed eligible and is selected to participate in the pilot program, a parent shall submit an application to the participating nonpublic school on a form provided by the school district. Within fifteen days after receiving the application, the participating nonpublic school shall notify the applicant, in writing, whether the eligible child has been accepted for admission. In addition to any other admission criteria used by a participating nonpublic school that is consistent with this article, the participating nonpublic school shall determine which eligible children to accept for admission on the basis of the order in which their applications are received:

(2) Notwithstanding the provisions of subsection (1) of this section, a participating nonpublic school may give preference in accepting for admission:

(a) Eligible children who have attended the participating nonpublic school pursuant to the pilot program in a previous school year; and

(b) Siblings of eligible children already accepted for admission.

22-56-106. Pilot program - participating nonpublic school standards - appeal - annual notification. (1) A nonpublic school that chooses to participate in the pilot program shall file an application with a school district. The nonpublic school shall provide information at the time of filing the application pursuant to this subsection (1), and annually thereafter as long as the nonpublic school seeks to participate in the pilot program, that indicates that the nonpublic school meets the following standards:

(a) For the school year 2004-05, and for each school year thereafter, the nonpublic school notifies the school district of its intent to participate in the pilot program;

(b) The nonpublic school does not discriminate against eligible children in admissions, dismissals, or other rights or privileges of parents or eligible children, on the basis of race, color, religion, national origin, or disability;

(c) The nonpublic school does not advocate or foster unlawful behavior or teach hatred of a person or a group;

(d) The nonpublic school meets all health and safety laws or codes that apply to public schools;

(e) The nonpublic school permits the school district, at the nonpublic school's cost, to administer statewide assessments to the eligible children attending the nonpublic school pursuant to this article;

(f) The nonpublic school agrees to make an inquiry to the department pursuant to section 22-1-121, to require the submission of fingerprints for each employee or prospective employee of the nonpublic school, and to bear the costs of each fingerprint-based criminal history record check;
(g) The nonpublic school permits the eligible child attending the nonpublic school pursuant to the pilot program to withdraw from the nonpublic school at any time without further obligation but without a right of recovery for payments made prior to the withdrawal; and

(h) The nonpublic school provides information regarding the school’s history and administrative structure and provides a description of the school’s educational philosophy and curriculum.

(2) (a) A nonpublic school operating for fewer than three years at the time of filing an application pursuant to subsection (1) of this section shall include as part of the application evidence of a savings account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a surety bond as set forth in paragraph (b) of this subsection (2) covering the nonpublic school and its agents: A nonpublic school described in this paragraph (a) that fails to comply with the requirements of this paragraph (a) is prohibited from participating in the program.

(b) An applicant nonpublic school, acting as principal, and a surety company authorized to do business in this state may execute a surety bond. The bond shall be conditioned to provide indemnification for any loss incurred if the nonpublic school ceases operations. The amount of the bond shall be equal to a reasonable estimate of the sum of the payments the nonpublic school anticipates receiving for each quarterly payment period described in section 22-6-108 (3); except that the amount of the bond shall not be less than five thousand dollars.

(3) (a) A nonpublic school shall provide the notice described in paragraph (a) of subsection (1) of this section by October 1 of the school year preceding the school year in which the nonpublic school intends to participate in the pilot program. The notice shall specify the number of eligible children for which the nonpublic school has space in each grade level offered by the nonpublic school and whether the nonpublic school is willing to accept eligible children for admission after the beginning of the school year. The nonpublic school may change the number of available spaces by written amendment at any time; except that the nonpublic school shall not decrease the number of available spaces during the period beginning March 1 and ending August 15 that follows the date the notice is given pursuant to this paragraph (a).

(b) Within thirty days after receiving the application submitted pursuant to subsection (1) of this section, a school district shall notify the nonpublic school applicant, in writing, of its decision to accept or deny the application. A school district shall deny an application only on the basis of:

(I) Failure of a nonpublic school to provide reasonable documentation demonstrating compliance with the standards described in subsection (1) of this section; or

(II) A reasonable determination by the school district board of education that the nonpublic school does not meet the standards described in subsection (1) of this section.

(c) A nonpublic school that is denied participation in the pilot program by a
school district may file an appeal with the state board within thirty days after receiving notification of the denial. Within sixty days after receiving notice of the appeal, the state board, after providing reasonable notice and holding a hearing on the matter, shall render its decision on whether the nonpublic school applicant may participate in the pilot program. The decision of the state board shall be final and not subject to appeal.

(4) Each participating nonpublic school shall annually affirm that it meets the standards described in subsection (1) of this section and notify the school district of its intent to continue as a participating nonpublic school. A nonpublic school that ceases participation in the pilot program and later seeks to again become a participating nonpublic school shall file an application with a school district pursuant to subsection (1) of this section.

(5) By December 1 of each school year, a school district shall provide information to eligible children and their parents who reside in the school district regarding the nonpublic schools participating in the pilot program. At a minimum, the information shall be in a form that includes a description of the pilot program, the identities of participating nonpublic schools, and an application for participation in the program. The information may be either in an electronic format or in a mailing to parents. If the school district receives private moneys sufficient to pay for a mailing to the parents, the school district shall provide the information to the parents in such a mailing. The school district shall provide to participating nonpublic schools an electronic file, if available, that includes the names and contact information of those eligible students who have applied to participate in the pilot program.


(1) The parent of an eligible child chosen to participate in the pilot program and accepted by a participating nonpublic school shall enter into an opportunity contract with the school district. The opportunity contract shall set forth the responsibilities of the parties, which shall include at a minimum:

(a) The terms and procedures of payment made by the school district to the parent in accordance with section 22-56-108;

(b) The consequences for failure to abide by the terms of the opportunity contract;

(c) The circumstances involving the administration of the statewide assessments to the eligible child, as described in section 22-56-106 (1) (c); and

(d) Other matters, as required by the provisions of this article.

(2) In the case of an eligible child who has an individual educational program pursuant to article 20 of this title, the opportunity contract shall set forth the responsibilities of the participating nonpublic school in which the eligible child is enrolled, the parent, and the administrative unit in implementing the individual educational program. Unless otherwise specified in the opportunity contract, the presumption shall be that the administrative unit is responsible for providing all individual educational program services.
(2) For purposes of determining pupil enrollment under the "Public School Finance Act of 1994", article 54 of this title, the school district in which an eligible child who is participating in the pilot program resides shall be entitled to count the eligible child, in accordance with the provisions of section 22-54-103 (10) (a) (III):

22-56-108. Report of enrollment - assistance - payments. (1) On or before October 15, 2004, and on or before October 15 of each year thereafter, each participating nonpublic school shall file with the department, and with the school district of residence of each eligible child enrolled in the participating nonpublic school, a report stating its nonpublic school pilot program membership:

(2) For the school year 2004-05, and for each school year thereafter, upon receipt from a participating nonpublic school of proof of an eligible child's enrollment in a participating nonpublic school during a school year and the signing of an opportunity contract, the school district shall pay pursuant to subsections (3) and (4) of this section an amount equal to the lesser of the following:

(a) The participating nonpublic school's actual educational cost per pupil as evidenced by an annual cost-report audit; or

(b) (I) Seventy-five percent of the school district's per pupil operating revenues, as defined in section 22-54-103 (9), if the eligible child is enrolled in one of grades one through eight;

(II) Eighty-five percent of the school district's per pupil operating revenues, as defined in section 22-54-103 (9), if the eligible child is enrolled in one of grades nine through twelve; or

(III) Thirty-seven and one-half percent of the school district's per pupil operating revenues, as defined in section 22-54-103 (9), if the eligible child is enrolled in kindergarten:

(3) The school district shall pay assistance to the parent of an eligible child who is participating in the pilot program as follows: Twenty-five percent of the amount described in subsection (2) of this section in September, twenty-five percent of the amount in November, twenty-five percent of the amount in February, and the remainder in May.

(4) (a) The school district shall issue a check for each payment described in subsection (3) of this section in the name of the eligible child's parent. The school district shall send the check to the participating nonpublic school in which the parent's child is enrolled, and the parent shall restrictively endorse the check for the sole use of the participating nonpublic school:

(b) Notwithstanding the provisions of paragraph (a) of this subsection (4), the school district may withhold a payment described in subsection (3) of this section if the eligible child has not attended at least sixty percent of the school days at the participating nonpublic school during the preceding quarterly payment period; except that the provisions of this paragraph (b) shall not apply during the first quarterly payment period in which the eligible child is attending the participating nonpublic school.
(1) On or before January 1, 2008, the state auditor shall conduct or cause to be conducted a performance and financial audit of the pilot program. The state auditor's office shall submit its findings, conclusions, and recommendations in the form of a written report to the members of the legislative audit committee of the general assembly and to the members of the education committees of the senate and the house of representatives.

(2) This section is repealed, effective January 15, 2008.

(1) A school district shall evaluate the academic performance of each eligible child who is enrolled in a participating nonpublic school pursuant to the pilot program. On or before January 1, 2008, the school district shall provide a written report to the members of the education committees of the senate and the house of representatives and to the department. The report shall include non-identifying individual student data on the statewide assessments and an analysis of individual student achievement. The school district shall also record similar data for those eligible children not selected in the lottery process to participate in the pilot program. The school district shall also report the financial impact of the pilot program on the school district:

(2) This section is repealed, effective January 15, 2008.

SECTION 50. 22-60.5-201 (1) (b) (I) (C), (1) (b) (III) (A), and (5), Colorado Revised Statutes, are amended to read:

22-60.5-201. Types of teacher licenses issued - term.  
(1) The department of education is designated as the sole agency authorized to issue the following teacher licenses to persons of good moral character:

(b) Initial teacher license.  
(I) Except as otherwise provided in subparagraphs (II) and (II.5) of this paragraph (b), the department of education, in its discretion, may issue an initial teacher license to any applicant who:

(C) Has demonstrated professional competencies in subject areas as specified by rule and regulation of the state board of education pursuant to section 22-60.5-203. except that any applicant who has completed an approved program of preparation for teachers or an alternative teacher program on or after July 1, 1994, but prior to July 1, 1995, need not demonstrate professional competencies to receive an initial teacher license, but shall demonstrate professional competencies to renew the initial teacher license or to receive a professional teacher license pursuant to paragraph (c) of this subsection (4).  

(II) An initial teacher license shall be valid in any school districts that provide an approved induction program for teachers or have obtained a waiver of the approved induction program requirement pursuant to section 22-60.5-114 (2). Except as otherwise provided in sub-subparagraph (B) of this subparagraph (III), any initial license issued pursuant to this paragraph (b) shall be valid for a period of three years after the date of issuance and is renewable only once for an additional period of three years. Any applicant who completed an approved program of
preparation for teachers or an alternative teacher program on or after July 1, 1994, but prior to July 1, 1995, and received an initial teacher license without demonstrating professional competencies shall demonstrate professional competencies prior to renewing the initial teacher license:

(5) No license shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 51. 22-60.5-202, Colorado Revised Statutes, is amended to read:

22-60.5-202. Professional teacher licensees - master certification. The department of education may, in its discretion, issue a master certificate to any applicant who holds a valid professional teacher license and who meets the criteria for master certification as specified by rule and regulation of the state board of education. Master certification shall recognize those professional teacher licensees who are involved in ongoing professional development and training and who have advanced competencies or expertise or who have demonstrated outstanding achievements. Any master certificate issued pursuant to this section shall be valid for the period of time for which the applicant's professional teacher license is valid and is renewable at its expiration. No master certificate shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 52. Repeal. 22-60.5-210 (5), Colorado Revised Statutes, is repealed as follows:

22-60.5-210. Types of special services licenses issued - term. (5) No license shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 53. 22-60.5-211, Colorado Revised Statutes, is amended to read:

22-60.5-211. Professional special services licensees - master certification. The department of education may, in its discretion, issue a master certificate to any applicant who holds a valid professional special services license and who meets the criteria for master certification as specified by rule and regulation of the state board of education. Master certification shall recognize those professional special services licensees who are involved in ongoing professional development and training and who have advanced competencies or expertise or who have demonstrated outstanding achievements. Any master certificate issued pursuant to this section shall be valid for the period of time for which the applicant's professional special services license is valid and is renewable at its expiration. No master certificate shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 54. Repeal. 22-60.5-301 (5), Colorado Revised Statutes, is repealed as follows:

22-60.5-301. Types of principal licenses issued - term. (5) No license shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 55. 22-60.5-302, Colorado Revised Statutes, is amended to read:

22-60.5-302. Professional principal licensees - master certification. The
department of education may, in its discretion, issue a master certificate to any applicant who holds a valid professional principal license and who meets the criteria for master certification as specified by rule and regulation of the state board of education. Master certification shall recognize those professional principal licensees who are involved in ongoing professional development and training and who have advanced competencies or expertise or who have demonstrated outstanding achievements. Any master certificate issued pursuant to this section shall be valid for the period of time for which the applicant's professional principal license is valid and is renewable at its expiration. No master certification shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 56. Repeal. 22-60.5-306 (5), Colorado Revised Statutes, is repealed as follows:

22-60.5-306. Types of administrator licenses issued - term. (5) No license shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 57. 22-60.5-307, Colorado Revised Statutes, is amended to read:

22-60.5-307. Professional administrator licensees - master certification. The department of education may, in its discretion, issue a master certificate to any applicant who holds a valid professional administrator license and who meets the criteria for master certification as specified by rule and regulation of the state board of education. Master certification shall recognize those professional administrator licensees who are involved in ongoing professional development and training and who have advanced competencies or expertise or who have demonstrated outstanding achievements. Any master certificate issued pursuant to this section shall be valid for the period of time for which the applicant's professional administrator license is valid and is renewable at its expiration. No master certificate shall be issued pursuant to the provisions of this section prior to July 1, 1994.

SECTION 58. Repeal. 22-60.5-404, Colorado Revised Statutes, is repealed as follows:

22-60.5-404. Change of term - direction to revisor. On and after July 1, 1999, the revisor of statutes is authorized to change all references to certificates and certificated personnel in articles 9, 27, 28, 32, and 63 of this title to licenses and licensed personnel, whichever is appropriate.

SECTION 59. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution (August 9, 2006, if adjournment sine die is on May 10, 2006); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 24, 2006