CHAPTER 248

EDUCATION - PUBLIC SCHOOLS

SENATE BILL 13-213

BY SENATOR(S) Johnston and Heath, Aguilar, Carroll, Giron, Guzman, Hodge, Jahn, Jones, Kefalas, Kerr, Newell, Nicholson, Tochtrop, Todd, Ulibarri, Morse;

AN ACT

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, CREATING THE "PUBLIC SCHOOL FINANCE ACT".

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

SECTION 1. In Colorado Revised Statutes, add article 54.5 to title 22 as follows:

ARTICLE 54.5
Public School Finance Act

PART 1
GENERAL PROVISIONS

22-54.5-101. Short title. This article shall be known and may be cited as the "Public School Finance Act".

22-54.5-102. Legislative declaration. (1) (a) The general assembly finds that:

(I) Since passage of the "Public School Finance Act of 1994", article 54 of this title, public education in Colorado has undergone a substantial transformation through implementation of significant education policy advancements, including adoption of content standards and assessments that are aligned from preschool through high school graduation and postsecondary expectations; advancements in measuring district and

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
PUBLIC SCHOOL PERFORMANCE IN THE AREAS OF STUDENT ACHIEVEMENT AND ACADEMIC GROWTH; AND INCREASED USE OF TECHNOLOGY IN DELIVERING EDUCATION;

(II) DURING THIS SAME PERIOD, VARIOUS CONSTITUTIONAL PROVISIONS AND STATUTORY FORMULAS HAVE LIMITED THE AMOUNT OF STATE AND LOCAL FUNDING AVAILABLE FOR PUBLIC EDUCATION, INCREASED THE BURDEN ON STATE REVENUES RELATIVE TO LOCAL REVENUES FOR FUNDING PUBLIC SCHOOLS, AND CREATED SIGNIFICANT INEQUITIES IN THE TAX BURDEN BORNE BY COMMUNITIES THROUGHOUT THE STATE;

(III) SECTION 2 OF ARTICLE IX OF THE STATE CONSTITUTION REQUIRES THE GENERAL ASSEMBLY TO ESTABLISH AND MAINTAIN A THOROUGH AND UNIFORM SYSTEM OF PUBLIC SCHOOLS THROUGHOUT THE STATE. ESTABLISHING A THOROUGH AND UNIFORM SYSTEM INVOLVES SETTING THE ACADEMIC STANDARDS FOR ALL STUDENTS TO MEET, MAKING PRIORITY INVESTMENTS THAT ARE RATIONALLY RELATED TO ENABLING STUDENTS TO MEET THOSE STANDARDS, AND ESTABLISHING AND FUNDING A SCHOOL FINANCE SYSTEM THAT DIRECTS RESOURCES INTO THOSE PRIORITY INVESTMENTS.

(IV) A THOROUGH AND UNIFORM SYSTEM REQUIRES THAT ALL SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS OPERATE UNDER THE SAME FINANCE FORMULA, AND EQUITY CONSIDERATIONS DICTATE THAT ALL DISTRICTS AND INSTITUTE CHARTER SCHOOLS ARE SUBJECT TO THE EXPENDITURE AND MAXIMUM LEVY PROVISIONS OF THIS ARTICLE. A THOROUGH AND UNIFORM SYSTEM ALSO REQUIRES THE APPLICATION OF INCREASED REVENUES TO ENABLE THE PUBLIC SCHOOLS TO PROVIDE ALL STUDENTS WITH THE NECESSARY AND APPROPRIATE INSTRUCTION, SUPPORTS, AND EDUCATIONAL OPPORTUNITIES THAT THEY NEED TO CONTRIBUTE ECONOMICALLY AND CIVICALLY AS ADULTS IN SOCIETY.

(V) ALL STUDENTS ENROLLED IN PUBLIC SCHOOLS, REGARDLESS OF THE TYPE OF PUBLIC SCHOOL IN WHICH THEY ARE ENROLLED AND REGARDLESS OF WHETHER THEY ARE ENROLLED IN A PUBLIC SCHOOL OF THE DISTRICT IN WHICH THEY RESIDE, AND ALL PUBLIC SCHOOLS, WHETHER THEY ARE INSTITUTE CHARTER SCHOOLS, CHARTER SCHOOLS OF A DISTRICT, SCHOOLS OF INNOVATION OF A DISTRICT, OR TRADITIONAL SCHOOLS OF A DISTRICT, SHOULD HAVE EQUITABLE ACCESS TO STATE AND LOCAL FUNDING;

(VI) LEGISLATION IN RECENT YEARS HAS CLEARLY ESTABLISHED THE GOAL THAT ALL DISTRICTS AND PUBLIC SCHOOLS ENSURE THAT ALL COLORADO STUDENTS ARE ON TRACK TO ACHIEVE POSTSECONDARY AND WORKFORCE READINESS BY HIGH SCHOOL GRADUATION. DEFICITS IN DISTRICT AND PUBLIC SCHOOL PERFORMANCE LEVELS INDICATE THE INABILITY TO ADEQUATELY SERVE KEY STUDENT GROUPS, INCLUDING CHILDREN WITH DISABILITIES, GIFTED AND TALENTED STUDENTS, AT-RISK STUDENTS, AND ENGLISH LANGUAGE LEARNERS, AS WELL AS THE INABILITY TO ADEQUATELY ADDRESS AREAS OF EARLY CHILDHOOD EDUCATION, INCLUDING SCHOOL READINESS AND FULL-DAY KINDERGARTEN. RECOGNIZING THESE INABILITIES, THIS ARTICLE MAKES THE ADDITIONAL INVESTMENTS THAT ARE REQUIRED TO GENERATE SIGNIFICANT IMPROVEMENTS IN SERVING THESE STUDENTS AND ADDRESSING THESE AREAS.
(VII) Recent legislation has also clearly established the requirement that all districts and public schools focus their efforts on eliminating the academic achievement and growth gaps, including the significant gaps that exist among student groups when disaggregated by race. Research demonstrates that these gaps in achievement and growth transcend students’ economic situations, suggesting the need for systemic change to ensure that the level of services that a student receives is not affected by the student’s race, rather that all students, regardless of race, have equal access, opportunity, and encouragement to enroll in upper level and advanced placement courses and to undertake other academic challenges.

(VIII) An important component of eliminating the academic achievement and growth gaps among student groups disaggregated by race and strengthening the uniformity and thoroughness of public education in the state is to ensure that districts and schools have the resources needed to develop, attract, and retain educators, including teachers, paraprofessionals, principals, and administrators, so that the racial composition of the faculty and staff of each district and public school reflects the racial composition of the student populations served in the districts and public schools; and

(IX) To ensure that the state continues to maintain a thorough and uniform system of public education requires not merely picking a static number for the level of financial investment but making strategic and targeted investments in key areas and continuously evaluating the efficacy of that spending in generating the academic outcomes that are the ultimate measure of the success of the public education system. An ongoing analysis of any academic performance deficits and of the targeted funding that may be needed to remediate these deficits will ensure that the system for financing public education in Colorado is and remains rationally related to establishing and maintaining the thorough and uniform system of free public schools in the state.

(b) The general assembly concludes that enacting this article, in conjunction with the passage of a citizen-initiated statewide measure to increase state tax revenues for the purpose of funding preschool through twelfth grade public education, are necessary and critical first steps toward achieving the ongoing maintenance of a thorough and uniform system of free public schools. Accordingly, the provisions of this article concerning the financing of public schools for budget years beginning on and after July 1, 2015, apply to all school districts and institute charter schools organized under the laws of this state.

(2) Following the passage of a citizen-initiated statewide ballot measure to increase state tax revenues for the purpose of funding preschool through twelfth grade public education, and depending on the amount of the increase in state tax revenues, it is the intent of the general assembly that all or a portion of the increase in state tax revenues be appropriated as follows:
(a) **One hundred million dollars annually to the Education Innovation Grant Fund created in Section 22-54.5-311 (9);**

(b) **Eighty million dollars annually for distribution as special education funding pursuant to Section 22-20-114 (1)(c);**

(c) **Six million dollars annually to a statewide program to provide additional career opportunities for highly effective educators;**

(d) **Seven million dollars annually for funding for programs for gifted and talented students pursuant to Part 2 of Article 20 of this title, at least one million dollars of which must be used to identify gifted and talented students;**

(e) **Five million dollars annually to the department to offset the costs incurred in implementing a data system to implement the average daily membership count and the financial and human resource reporting system described in Section 22-44-105 (4);**

(f) **One million dollars annually to the department to provide professional development programs pursuant to Section 22-2-142;**

(g) **One million three hundred thousand dollars annually for distribution to the boards of cooperative services pursuant to Section 22-5-122; and**

(h) **One million dollars for mill levy election administrative costs pursuant to Section 22-54.5-305.**

(3) **The General Assembly finds that the moneys appropriated for the following purposes will benefit the education of students in kindergarten through twelfth grade and participants in preschool programs by implementing education reforms and programmatic enhancements:**

(a) **Distributing teacher and leadership investment moneys pursuant to Section 22-54.5-301 to assist districts and institute charter schools in implementing education reform measures;**

(b) **Increasing the additional funding for at-risk pupils;**

(c) **Increasing the additional funding for English language learners;**

(d) **Funding all kindergarten pupils as full-time pupils;**

(e) **Funding all eligible three-, four-, and five-year-old pupils for participation in the Colorado Preschool Program pursuant to Article 28 of this title;**

(f) **Funding all secondary students as full-time pupils;**
(g) Increasing the funding for children with disabilities as provided in Section 22-20-114;

(h) Increasing the funding for students enrolled in multi-district on-line schools and students who participate in the ASCENT program;

(i) Increasing the funding for gifted and talented students;

(j) Distributing per pupil supplemental payments pursuant to Section 22-54.5-303 to ensure that all districts receive a minimum level of funding;

(k) Funding the Education Innovation Grant program created in Section 22-54.5-311;

(l) Increasing the size factor for districts with fewer than four thousand three hundred students;

(m) Distributing hold-harmless funding to districts to help ensure they receive full total program funding;

(n) Matching a portion of the voter-approved increases in the property tax mill levy for districts with low assessed valuation;

(o) Increasing the funding for charter school facilities;

(p) Funding a mill levy equalization factor for institute charter schools to raise the funding for institute charter schools to a level more comparable to districts;

(q) Funding a statewide program to provide additional career opportunities for highly effective educators;

(r) Funding the implementation of a data system that will support the data collection for and calculation of average daily membership; and

(s) Funding the election costs incurred by districts that seek voter approval for an increase in the total program mill levy.

(4) The general assembly further finds that, in enacting this article, it has adopted a formula for the support of schools for the 2015-16 budget year and budget years thereafter; however, the adoption of the formula does not represent a commitment on the part of the general assembly concerning the level of total funding for schools for the 2015-16 budget year or any budget year thereafter.

(5) (a) This article does not prohibit local governments from cooperating with school districts through intergovernmental agreements to fund, construct, maintain, or manage capital construction projects or other facilities as set forth in Section 22-45-103 (1)(c) and (1)(D), including but not limited to swimming pools,
PLAygROUNDS, OR SPORTS FIELDS, AS LONG AS FUNDING FOR THESE PROJECTS IS PROVIDED SOLELY FROM A SOURCE OF LOCAL GOVERNMENT REVENUE THAT IS OTHERWISE AUTHORIZED BY LAW EXCEPT IMPACT FEES OR OTHER SIMILAR DEVELOPMENT CHARGES OR FEES.

(b) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (a) OF THIS SUBSECTION (5) TO THE CONTRARY, THIS SUBSECTION (5) DOES NOT LIMIT OR RESTRICT A COUNTY’S POWER TO REQUIRE THE RESERVATION OR DEDICATION OF SITES AND LAND AREAS FOR SCHOOLS OR THE PAYMENT OF MONEYS IN LIEU THEREOF PURSUANT TO SECTION 30-28-133 (4) (a), C.R.S.

22-54.5-103. DEFINITIONS - REPEAL. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ACCOUNTING DISTRICT" MEANS THE DISTRICT WITHIN WHOSE GEOGRAPHIC BOUNDARIES AN INSTITUTE CHARTER SCHOOL IS PHYSICALLY LOCATED.

(2) "ADJUSTED AVERAGE DAILY MEMBERSHIP" MEANS THE KINDERGARTEN THROUGH TWELFTH-GRADE AVERAGE DAILY MEMBERSHIP PLUS THE ON-LINE AVERAGE DAILY MEMBERSHIP OF A LOCAL EDUCATION PROVIDER.

(3) "ASCENT PROGRAM" MEANS THE ACCELERATING STUDENTS THROUGH CONCURRENT ENROLLMENT PROGRAM CREATED IN SECTION 22-35-108.

(4) (a) "ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP" MEANS THE NUMBER OF PUPILS WHO ARE ENROLLED EACH SCHOOL DAY IN A LOCAL EDUCATION PROVIDER AND ARE PARTICIPANTS IN THE ASCENT PROGRAM, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD. THE ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE ASCENT PROGRAM PARTICIPANTS ENROLLED IN EACH DISTRICT CHARTER SCHOOL OF THE DISTRICT. AN ASCENT PROGRAM PARTICIPANT WHO IS ENROLLED IN AT LEAST TWELVE CREDIT HOURS OF POSTSECONDARY COURSES, INCLUDING ACADEMIC COURSES AND CAREER AND TECHNICAL EDUCATION COURSES, IS INCLUDED IN THE ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS A FULL-TIME PUPIL. AN ASCENT PROGRAM PARTICIPANT WHO IS ENROLLED IN LESS THAN TWELVE CREDIT HOURS OF POSTSECONDARY COURSES, INCLUDING ACADEMIC COURSES AND CAREER AND TECHNICAL EDUCATION COURSES, IS INCLUDED IN THE ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS A PART-TIME PUPIL.

(b) (I) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (a) OF THIS SUBSECTION (4) TO THE CONTRARY, FOR PURPOSES OF CALCULATING FUNDING PURSUANT TO THIS ARTICLE FOR THE 2015-16 AND 2016-17 BUDGET YEARS, "ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP" MEANS THE NUMBER OF PUPILS ENROLLED IN A LOCAL EDUCATION PROVIDER AND PARTICIPATING IN THE ASCENT PROGRAM ON OCTOBER 1 OF THE BUDGET YEAR FOR WHICH FUNDING IS CALCULATED.

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

(5) "AT-RISK" MEANS A PUPIL IS ENROLLED IN ONE OF GRADES KINDERGARTEN THROUGH TWELVE AND IS ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS PURSUANT
(6) (a) "AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP" MEANS THE GREATER OF:

(I) THE NUMBER OF AT-RISK PUPILS ENROLLED IN A LOCAL EDUCATION PROVIDER EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD; OR

(II) THE LOCAL EDUCATION PROVIDER'S AT-RISK PUPIL PERCENTAGE MULTIPLIED BY THE LOCAL EDUCATION PROVIDER'S ADJUSTED AVERAGE DAILY MEMBERSHIP.

(b) THE AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE AT-RISK PUPILS ENROLLED IN EACH DISTRICT CHARTER SCHOOL OF THE DISTRICT.

(c) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (c) OF SUBSECTION (26) OF THIS SECTION, THE AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP OF A LOCAL EDUCATION PROVIDER INCLUDES THE AT-RISK PUPILS ENROLLED IN A MULTI-DISTRICT ON-LINE SCHOOL OF THE LOCAL EDUCATION PROVIDER.

(d) (I) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (a) OF THIS SUBSECTION (6) TO THE CONTRARY, FOR PURPOSES OF CALCULATING FUNDING PURSUANT TO THIS ARTICLE FOR THE 2015-16 AND 2016-17 BUDGET YEARS, "AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP" MEANS THE GREATER OF:

(A) THE NUMBER OF AT-RISK PUPILS INCLUDED IN THE LOCAL EDUCATION PROVIDER'S MEMBERSHIP ON OCTOBER 1 OF THE BUDGET YEAR FOR WHICH FUNDING IS CALCULATED; OR

(B) THE LOCAL EDUCATION PROVIDER'S AT-RISK PUPIL PERCENTAGE MULTIPLIED BY THE LOCAL EDUCATION PROVIDER'S ADJUSTED AVERAGE DAILY MEMBERSHIP.

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

(7) (a) "AT-RISK PUPIL PERCENTAGE" MEANS THE NUMBER OF AT-RISK PUPILS ENROLLED IN GRADES ONE THROUGH EIGHT IN A LOCAL EDUCATION PROVIDER EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD, THEN DIVIDED BY THE LOCAL EDUCATION PROVIDER'S AVERAGE DAILY MEMBERSHIP FOR THE SAME AVERAGING PERIOD FOR GRADES ONE THROUGH EIGHT.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (7), FOR AN INSTITUTE CHARTER SCHOOL THAT DOES NOT ENROLL STUDENTS IN GRADES ONE THROUGH EIGHT, "AT-RISK PUPIL PERCENTAGE" MEANS THE NUMBER OF AT-RISK PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD, THEN DIVIDED BY THE INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE SAME AVERAGING PERIOD.

(c) THE AT-RISK PUPIL PERCENTAGE OF A DISTRICT INCLUDES THE AT-RISK PUPILS
(d) Notwithstanding the provisions of paragraph (c) of subsection (26) of this section, the at-risk pupil percentage of a local education provider includes the at-risk pupils enrolled in a multi-district on-line school of the local education provider.

(c)(I) Notwithstanding any provision of paragraph (a) of this subsection (7) to the contrary, for purposes of calculating funding pursuant to this article for the 2015-16 and 2016-17 budget years, "at-risk pupil percentage" means the number of at-risk pupils included in the local education provider's membership in grades one through eight, or, for an institute charter school that does not serve grades one through eight, the number of at-risk pupils enrolled in the institute charter school, on October 1 of the budget year for which funding is calculated.

(II) This paragraph (d) is repealed, effective July 1, 2017.

(8) (a) "Average daily membership" means the membership of a local education provider for each school day, totaled for the averaging period and divided by the number of school days in the averaging period. The average daily membership of a district includes the pupils enrolled in each district charter school of the district.

(b) (I) Notwithstanding any provision of paragraph (a) of this subsection (8) to the contrary, for purposes of calculating funding pursuant to this article for the 2015-16 and 2016-17 budget years, "average daily membership" means the membership of a local education provider on October 1 of the budget year for which funding is calculated.

(II) This paragraph (b) is repealed, effective July 1, 2017.

(9) "Averaging period" means a quarter of a school year, a half of a school year, or the full school year, whichever is applicable.

(10) "Board of Education" means the board of education of a district.

(11) "Budget year" means the period beginning on July 1 of each year and ending on the following June 30 for which a budget for a district is adopted.

(12) "Constitutional property tax revenue limitation" means the property tax revenue limitation imposed on a district by section 20(7)(c) of article X of the state constitution.

(13) "Department" means the department of education created in section 24-1-115, C.R.S.

(14) "District" means a public school district organized under the laws of Colorado but does not include a junior college district.
(15) "DISTRICT CHARTER SCHOOL" means a charter school authorized by a district pursuant to Part 1 of Article 30.5 of this title.

(16) "ENGLISH LANGUAGE LEARNER" means a pupil:

(a) who is enrolled in an elementary school or secondary school;

(b) who is identified as an English language learner based on an assessment administered by a local education provider pursuant to Article 24 of this title; and

(c) who is receiving educational services through an English language proficiency program pursuant to Article 24 of this title.

(17) (a) "ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP" means the number of English language learner pupils who are enrolled in a local education provider each school day, totaled for the averaging period and divided by the number of school days in the averaging period.

(b) Notwithstanding any provision of this article to the contrary, the department shall not include an English language learner pupil in the English language learner average daily membership of one or more local education providers for more than five budget years.

(c) The English language learner average daily membership of a district includes the English language learner pupils enrolled in each district charter school of the district.

(d) Notwithstanding the provisions of paragraph (c) of subsection (26) of this section, the English language learner average daily membership of a local education provider includes the English language learner pupils enrolled in a multi-district on-line school of the local education provider.

(e) (I) Notwithstanding any provision of paragraph (a) of this subsection (17) to the contrary, for purposes of calculating funding pursuant to this article for the 2015-16 and 2016-17 budget years, "English language learner average daily membership" means the number of English language learners included in the local education provider’s membership on October 1 of the budget year for which funding is calculated.

(II) This paragraph (e) is repealed, effective July 1, 2017.

(18) "ENGLISH LANGUAGE LEARNER PERCENTAGE" means a local education provider’s English language learner average daily membership divided by the local education provider’s adjusted average daily membership.

(19) "FUNDED MEMBERSHIP" means:

(a) the total of a district’s or an institute charter school’s preschool program average daily membership for the funding averaging period,
ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD, AND THE GREATER OF:

(I) The district's or institute charter school's average daily membership for the funding averaging period; or

(II) The average of the district's or institute charter school's average daily membership for the funding averaging period and the average daily membership for the preceding funding averaging period; or

(III) The average of the district's or institute charter school's average daily membership for the funding averaging period and the average daily membership for the two preceding funding averaging periods; or

(IV) The average of the district's or institute charter school's average daily membership for the funding averaging period and the average daily membership for the three preceding funding averaging periods; or

(V) The average of the district's or institute charter school's average daily membership for the funding averaging period and the average daily membership for the four preceding funding averaging periods.

(b) Notwithstanding any provision of paragraph (a) of this subsection (19) to the contrary, for a budget year in which average daily membership for the funding averaging period is not available, the department shall use the district's or the institute charter school's pupil enrollment, as defined in section 22-54-103 (10) as it existed prior to repeal, for that budget year for purposes of calculating funded membership.

(c) Notwithstanding any provision of this article to the contrary, for purposes of calculating a district's funded membership pursuant to paragraph (a) of this subsection (19) only, pupils who are enrolled in the Colorado preschool program are included in the district's preschool program average daily membership and are not included in the district's average daily membership.

(d) Notwithstanding any provision of law to the contrary, for purposes of paragraph (a) of this subsection (19), a district's funded membership does not include a pupil who is or was enrolled in a charter school that the district originally authorized and that was subsequently converted on or after July 1, 2010, to an institute charter school or to a charter school of a district that is contiguous to the original authorizing district.

(20) (a) "Funding Averaging Period" means the period that begins on the first day of the first quarter of the preceding budget year and continues through the last day of the first quarter of the then-current budget year.
(b) (I) Notwithstanding any provision of paragraph (a) of this subsection (20) to the contrary, for purposes of calculating funding pursuant to this article for the 2015-16 and 2016-17 budget years, "funding averaging period" means October 1 of the budget year for which funding is calculated.

(II) This paragraph (b) is repealed, effective July 1, 2017.

(21) "Inflation" means percentage change in the consumer price index for the Denver-Boulder-Greeley consolidated metropolitan statistical area for all urban consumers, all goods, as published by the United States Department of Labor, Bureau of Labor Statistics, or its successor index.

(22) "Institute charter school." means a charter school that enters into a charter contract with the state charter school institute pursuant to the provisions of Part 5 of Article 30.5 of this title.

(23) "Investment money" means the teaching and leadership investment money allocated to districts and to institute charter schools pursuant to section 22-54.5-301.

(24) "Joint district" means a district that is located in more than one county.

(25) "Local education provider" means a district, a district charter school, or an institute charter school.

(26) (a) "Membership" means the pupils who are enrolled in a local education provider in preschool pursuant to article 28 of this title, the pupils who are enrolled in kindergarten, who are all counted as full-time pupils, the pupils who are enrolled in grades one through eight, who are counted as either full-time or part-time pupils, and the pupils who are enrolled in grades nine through twelve, who are all counted as full-time pupils; except that a pupil who is participating in a nonpublic home-based educational program pursuant to section 22-33-104.5 but also attending a public school for a portion of the school day is counted as either full-time or part-time, whichever is applicable based on rules of the state board. The state board, by rule, shall specify the point at which a pupil is enrolled in a local education provider and the circumstances under which a pupil ceases to be enrolled in a local education provider.

(b) For purposes of this article, the membership of a local education provider includes:

(I) A pupil who is enrolled in a preschool program pursuant to article 28 of this title, but only if the pupil is at least three years of age as of October 1 of the applicable averaging period. A pupil enrolled in a preschool program is counted as a half-time pupil.

(II) A pupil who is enrolled in a kindergarten educational program but
ONLY IF THE PUPIL IS:

(A) **FIVE YEARS OF AGE AS OF OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD;** OR

(B) **FOUR YEARS OF AGE AS OF OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD, AND THE LOCAL EDUCATION PROVIDER OR AN ADMINISTRATIVE UNIT HAS IDENTIFIED THE PUPIL AS A HIGHLY ADVANCED GIFTED CHILD FOR WHOM EARLY ACCESS TO KINDERGARTEN IS APPROPRIATE, AS PROVIDED IN SECTION 22-20-204;**

(III) A PUPIL WHO IS ENROLLED IN FIRST GRADE, BUT ONLY IF THE PUPIL IS:

(A) **AT LEAST SIX YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD;**

(B) **AT LEAST FIVE YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD AND THE PUPIL ATTENDED AT LEAST ONE HUNDRED TWENTY DAYS OF KINDERGARTEN IN A STATE OTHER THAN COLORADO;** OR

(C) **AT LEAST FIVE YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD, AND THE LOCAL EDUCATION PROVIDER OR AN ADMINISTRATIVE UNIT HAS IDENTIFIED THE PUPIL AS A HIGHLY ADVANCED GIFTED CHILD FOR WHOM EARLY ACCESS TO FIRST GRADE IS APPROPRIATE, AS PROVIDED IN SECTION 22-20-204;**

(IV) A PUPIL WHO IS THREE YEARS OF AGE AND RECEIVES EDUCATIONAL SERVICES UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, WHICH PUPIL IS COUNTED AS A HALF-TIME PUPIL;

(V) A PUPIL WHO RESIDES WITHIN THE BOUNDARIES OF THE DISTRICT AND IS RECEIVING EDUCATIONAL SERVICES UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, OUTSIDE OF THE DISTRICT, FOR WHICH SERVICES THE DISTRICT OF RESIDENCE PAYS TUITION;

(VI) A PUPIL WHO IS ENROLLED IN AN ON-LINE PROGRAM, AS DEFINED IN SECTION 22-30.7-102 (9), OR AN ON-LINE SCHOOL, AS DEFINED IN SECTION 22-30.7-102 (9.5), OPERATED PURSUANT TO ARTICLE 30.7 OF THIS TITLE BY A LOCAL EDUCATION PROVIDER;

(VII) A PUPIL WHO IS EXPelled WITHIN THE APPLICABLE BUDGET YEAR AND TO WHOM THE LOCAL EDUCATION PROVIDER PROVIDES EDUCATIONAL SERVICES PURSUANT TO SECTION 22-33-203; AND

(VIII) A JUVENILE WHO IS HELD IN AN ADULT JAIL AND TO WHOM THE DISTRICT PROVIDES EDUCATIONAL SERVICES PURSUANT TO SECTION 22-32-141.

(c) **FOR PURPOSES OF THIS ARTICLE, MEMBERSHIP OF A LOCAL EDUCATION PROVIDER DOES NOT INCLUDE:**

(I) A PUPIL WHO IS PLACED IN A FACILITY, AS DEFINED IN SECTION 22-2-402 (3), AND WHO IS RECEIVING SERVICES THROUGH AN APPROVED FACILITY SCHOOL, AS
DEFINED IN SECTION 22-2-402 (1);

(II) A Pupil who is enrolled in a multi-district on-line school; or

(III) A pupil who is participating in the ASCENT Program.

(27) "Multi-district on-line school" has the same meaning as provided in section 22-30.7-102 (6).

(28) (a) "On-line average daily membership" means the number of on-line pupils enrolled each school day in a multi-district on-line school operated by a local education provider, totaled for the averaging period and divided by the number of school days in the averaging period. The state board by rule shall define "enrollment" for purposes of multi-district on-line schools. The on-line average daily membership of a district includes the pupils enrolled in a district charter school of the district that is a multi-district on-line school.

(b) (I) Notwithstanding any provision of paragraph (a) of this subsection (28) to the contrary, for purposes of calculating funding pursuant to this article for the 2015-16 and 2016-17 budget years, "on-line average daily membership" means the number of pupils enrolled on October 1 of the budget year for which funding is calculated in a multi-district on-line school operated by a local education provider.

(II) This paragraph (b) is repealed, effective July 1, 2017.

(29) "Preceding budget year" means the budget year that immediately precedes the budget year for which funding is calculated.

(30) (a) "Preschool program average daily membership" means the number of pupils, counted as half-day pupils, enrolled each school day pursuant to article 28 of this title in a district preschool program or an institute charter school preschool program, totaled for the averaging period and divided by the number of school days in the averaging period.

(b) (I) Notwithstanding any provision of paragraph (a) of this subsection (30) to the contrary, for purposes of calculating funding pursuant to this article for the 2015-16 and 2016-17 budget years, "preschool program average daily membership" means the number of pupils enrolled pursuant to article 28 of this title in a district preschool program or in an institute charter school preschool program and included in the district's or institute charter school's membership on October 1 of the budget year for which funding is calculated.

(II) This paragraph (b) is repealed, effective July 1, 2017.

(31) "School day" means:

(a) For a district, a day on which at least one school of the district is providing educational services to pupils enrolled in the district,
INCLUDING PUPILS ENROLLED IN A DISTRICT CHARTER SCHOOL OF THE DISTRICT; OR

(b) FOR AN INSTITUTE CHARTER SCHOOL, A DAY ON WHICH THE INSTITUTE CHARTER SCHOOL IS PROVIDING EDUCATIONAL SERVICES TO PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL.

(32) "SCHOOL YEAR" MEANS JULY 1 THROUGH THE FOLLOWING JUNE 30.

(33) "SPECIFIC OWNERSHIP TAX REVENUE PAID TO THE DISTRICT" MEANS THE AMOUNT OF SPECIFIC OWNERSHIP TAX REVENUE THAT A DISTRICT RECEIVES PURSUANT TO SECTION 42-3-107 (24), C.R.S., FOR THE PRECEDING BUDGET YEAR THAT IS ATTRIBUTABLE TO ALL PROPERTY TAX LEVIES MADE BY THE DISTRICT除Those property tax levies made for the purpose of satisfying bonded indebtedness obligations, both principal and interest, and those property tax levies authorized at elections held under the provisions of former section 22-53-117, or section 22-54-108 or 22-54-108.5 as they existed before repeal, or section 22-54.5-205, 22-54.5-206, 22-54.5-207, or 22-54.5-208.

(34) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION CREATED IN SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

(35) "STATE SHARE" MEANS THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54.5-203 THAT A DISTRICT RECEIVES AS THE STATE SHARE OF TOTAL PROGRAM.

(36) "STATEWIDE AVERAGE AT-RISK PUPIL PERCENTAGE" MEANS THE TOTAL AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS DIVIDED BY THE TOTAL ADJUSTED AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS.

(37) (a) "STATEWIDE AVERAGE DAILY MEMBERSHIP" MEANS THE TOTAL MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS IN THE STATE EACH SCHOOL DAY AND THE TOTAL NUMBER OF PUPILS ENROLLED IN THE MULTI-DISTRICT ON-LINE SCHOOLS OF THE STATE EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD.

(b) (I) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (a) OF THIS SUBSECTION (37) TO THE CONTRARY, FOR PURPOSES OF CALCULATING FUNDING PURSUANT TO THIS ARTICLE FOR THE 2015-16 AND 2016-17 BUDGET YEARS, "STATEWIDE AVERAGE DAILY MEMBERSHIP" MEANS THE TOTAL MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS IN THE STATE ON OCTOBER 1 OF THE BUDGET YEAR FOR WHICH FUNDING IS CALCULATED.

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

(38) "STATEWIDE AVERAGE ENGLISH LANGUAGE LEARNER PERCENTAGE" MEANS THE TOTAL ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS DIVIDED BY THE TOTAL ADJUSTED AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS.
"Total program" means:

(a) The funding for a district, as determined pursuant to Section 22-54.5-201, which represents the financial base of support for public education in that district; or

(b) The funding for an institute charter school, as determined pursuant to Section 22-54.5-202, which represents the financial base of support for the institute charter school.

"Total program mill levy" means the number of mills specified in Section 22-54.5-203(3) that a district is expected to levy for purposes of the district's local share of total program.

22-54.5-104. Rules - general provisions. (1) The state board, pursuant to the "State Administrative Procedure Act", article 4 of title 24, C.R.S., shall promulgate rules as necessary for the administration and enforcement of this article.

(2) This article does not affect or limit the authority of a district to impose such other tax levies as are provided by law.

(3) This article does not affect the right of a district to obtain or receive moneys that are allowable or payable to the district under the provisions of other laws.

22-54.5-105. Report - return on investment - cost study - legislative declaration. (1) The general assembly finds that the purpose of investing in public education is to generate specific educational outcomes; as such, the two must be evaluated together. It is not enough to know how much is invested in the preschool, elementary, and secondary education system; it is more important to know how effective the investment is in achieving the standards-based education goals the general assembly has established. The general assembly further finds that the preliminary investments made by this article, supported by the increase in state tax revenues approved by a statewide ballot measure, address the most significant deficiencies existing as of the effective date of this article. But the continued application of these investments must be monitored on a regular basis to ensure that they generate the desired results and that the investments are sufficient to meet the statutory education-reform requirements. Because the ultimate goal of the standards-based education system is meeting the educational standards set for each level, future cost studies must evaluate where failure to meet those standards indicates a lack of resources and target future resources to directly address those programs, student groups, or schools that continue to underperform.

(2) The department shall prepare a report analyzing the return on the investment provided to districts and institute charter schools pursuant to this article, as described in subsection (3) of this section, and a cost study as described in subsection (4) of this section, to identify any

(3) (a) The department may prepare the report of the return on the investment of the funding provided by this section either directly or by contract with one or more providers. The report must analyze the relationship between the funding investments made through this article and the subsequent levels of student academic growth and achievement, including progress in eliminating the growth and achievement gaps among student groups disaggregated by race, as measured by, at a minimum, the statewide assessments, school attendance rates, high school graduation rates, and college remediation rates. Specifically, the report, at a minimum, must analyze the following:

(I) District size, school size, district and school location, district and school student demographics, and other district and school attributes, including but not limited to district and school calendars, standard class sizes, and specialization in schools and curricula;

(II) The amount of funding received by each district, each district charter school, each non-charter public school, and each institute charter school pursuant to this article and through categorical program funding;

(III) Student learning conditions within each district, each school that is not a charter school, each district charter school, and each institute charter school using data from the biennial teaching and learning conditions survey administered by the department pursuant to section 22-2-503, other valid and reliable data regarding staff, parent, and student perceptions, and other valid and reliable data that districts and public schools may provide;

(IV) The levels of achievement on the performance indicators described in section 22-11-204, including each of the specific measures, by each district, each district charter school, each non-charter public school, and each institute charter school;

(V) The level of investments in programs and initiatives that are specifically designed to eliminate the growth and achievement gaps among student groups disaggregated by race;

(VI) The level of investments in expanded learning time initiatives and the types of initiatives implemented;
(VII) Investments in targeted programs, including programs to serve at-risk pupils, English language learners, student with disabilities, and gifted and talented students, and the academic growth and achievement levels of students within these groups;

(VIII) Concurrent enrollment pursuant to Article 35 of this title, including participation in the ASCENT program, postsecondary enrollment by students graduating from Colorado high schools, including the types of postsecondary certificate and degree programs, and the remediation rates for those students, analyzed for students as a whole and disaggregated by race; and

(IX) The postsecondary persistence rates and the number of years to obtain postsecondary credentials for students who graduate from Colorado high schools, analyzed for students as a whole and disaggregated by race.

(b) In addition, the report must confirm the level to which each district, each district charter school, and each institute charter school implements the following statutory requirements with integrity:

(I) The statewide educator effectiveness evaluation system described in Article 9 of this title;

(II) The "Preschool to Postsecondary Education Alignment Act", part 10 of Article 7 of this title;

(III) The "Colorado READ Act", part 12 of Article 7 of this title;

(IV) The "Education Accountability Act of 2009", article 11 of this title; and

(V) The "Exceptional Children's Educational Act", article 20 of this title.

(4) (a) The department shall contract for studies of the amount of funding required for districts, district charter schools, and institute charter schools to successfully implement the "Preschool to Postsecondary Education Alignment Act", part 10 of Article 7 of this title, the "Colorado READ Act", part 12 of Article 7 of this title, the "Licensed Personnel Performance Evaluation Act", article 9 of this title, and the "Education Accountability Act of 2009", article 11 of this title and to eliminate the growth and achievement gaps among student groups disaggregated by race. The cost study must include identification of specific areas of funding deficit and the amount needed to remedy the deficit.

(b) In contracting for the cost studies, the department shall ensure that the studies implement multiple methods, including but not limited to:
(I) The Professional Judgement Method, which identifies and measures the resources needed to provide services, estimates the prices of resources across districts, and tabulates the costs for all districts and institute charter schools;

(II) The Successful School District Method, which identifies representative school districts and schools that meet a chosen standard of success and assumes that the expenditures in those school districts and schools are adequate; and

(III) The Cost Function Method, which uses a statistical method to measure the systematic relationship between actual expenditures and educational outcomes and predicts the cost of achieving a desired level of outcome in each district.

(c) In preparing the cost studies, the provider must attempt to correlate deficits in performance with deficits in funding to enable the general assembly to identify specific programs, student groups, or areas of the state that should receive strategic, targeted increases in funding to improve performance.

22-54.5-106. Effectiveness of article - applicability - rules. (1) This article takes effect upon the proclamation by the governor of the vote cast in a statewide election held no later than November 2017 at which a majority of those voting approve a citizen-initiated increase in state tax revenues for the purpose of funding preschool through twelfth grade public education, so long as the amount of the approved revenue increase is equal to or greater than the total estimated state fiscal impact associated with the payment of the state share of total program pursuant to section 22-54.5-203, investment moneys pursuant to section 22-54.5-301, hold-harmless moneys pursuant to section 22-54.5-302, and per pupil supplemental payments pursuant to section 22-54.5-303, in the second budget year commencing after the increase is approved, as stated in the final fiscal note prepared for Senate Bill 13-213, enacted in 2013.

(2) The provisions of this article apply in the second budget year commencing after the statewide election at which the voters approve the increase in state tax revenues for the purpose of funding public education and in budget years thereafter; except that, in the first budget year commencing after the statewide election:

(a) The department shall recalculate the state and local shares of total program pursuant to section 22-54.5-203; and

(b) The state board may promulgate such rules as may be necessary to implement the provisions of this article.

PART 2
TOTAL PROGRAM
AND LOCAL REVENUES
22-54.5-201. District total program. (1) The department shall apply the provisions of this section to calculate for each district an amount that represents the financial base of support for public education in that district, which amount is known as the district’s total program. Each district’s total program is available to the district to fund the costs of providing public education, and, except as otherwise provided in section 22-54.5-410, the district has discretion concerning the amounts and purposes for which the moneys are budgeted and expended.

(2) Total program funding. A district’s total program is calculated as:

\[ \text{District’s total program} = \text{District’s per pupil funding} \times (\text{District’s funded membership} - \text{District’s on-line average daily membership} - \text{District’s ASCENT program average daily membership}) + \text{District’s at-risk funding} + \text{District’s English language learner funding} + \text{District’s on-line funding} + \text{District’s ASCENT program funding}. \]

(3) District per pupil funding. (a) The department shall calculate a district’s per pupil funding using the following formula:

\[ \text{Statewide base per pupil funding} \times \text{District size factor}. \]

(b) Statewide base per pupil funding. (I) For the 2014-15 budget year, the statewide base per pupil funding is the amount specified in section 22-54-104 (5).

(II) For the 2015-16 budget year and each budget year thereafter, statewide base per pupil funding must annually increase over the amount established for the preceding budget year by the rate of inflation, as defined in section 20 (2) (f) of Article X of the State Constitution, for the preceding budget year.

(c) District size factor. (I) The department shall calculate each district’s size factor using the following formula:

If the district’s funded membership count is:

<table>
<thead>
<tr>
<th>Membership Count</th>
<th>Size Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 276</td>
<td>1.5457 + (0.00376159 x the difference between the funded membership and 276).</td>
</tr>
<tr>
<td>276 or more but less than 459</td>
<td>1.2385 + (0.00167869 x the difference between the funded membership and 459).</td>
</tr>
<tr>
<td>459 or more but less than 1,027</td>
<td>1.1215 + (0.00020599 x the difference between the funded membership and 1,027).</td>
</tr>
<tr>
<td>1,027 or more but less than 2,293</td>
<td>1.0533 + (0.00005387 x the difference between the funded membership and 2,293).</td>
</tr>
</tbody>
</table>
2,293 OR MORE BUT LESS THAN 4,023  
\[1.0297 + (0.00001364 \times \text{the difference between the funded membership and 4,023}).\]

4,023 OR MORE BUT LESS THAN 4,300  
\[1.0 + (0.00010722 \times \text{the difference between the funded membership and 4,300}).\]

4,300 OR MORE  
1.0.

(II) If the reorganization of a district or districts results in one or more of the districts involved in the reorganization having a higher size factor than the original district or districts had for the budget year immediately preceding reorganization, the size factor for each subsequent budget year for the districts involved in the reorganization is the size factor that the original district or districts had for the budget year preceding the reorganization or, if two or more districts reorganize into a single district, the size factor of the original district with the lowest size factor for the budget year immediately preceding the reorganization. A district involved in the reorganization shall not, for any budget year, be allowed the size factor that would otherwise be provided by this paragraph (c).

(III) If the reorganization of a district or districts results in one or more of the districts involved in the reorganization having a lower size factor than the original district or districts had for the budget year immediately preceding reorganization, the size factor for the new district or districts is determined as follows:

(A) For the first budget year following reorganization, the size factor of the original district for the budget year immediately preceding reorganization or, if two or more districts are involved in the reorganization, the weighted average size factor of the original districts for the budget year immediately preceding reorganization. For purposes of this sub-subparagraph (A), the weighted average size factor is the sum of the amounts calculated by multiplying the funded membership of the original districts by the size factor of the original districts and dividing that sum by the total funded membership of the original districts.

(B) For the second budget year following reorganization, the size factor for the prior budget year minus an amount equal to one-fifth of the difference between the size factor for the prior budget year and the size factor determined pursuant to subparagraph (I) of this paragraph (c);

(C) For the third budget year following reorganization, the size factor for the prior budget year minus an amount equal to one-fourth of the difference between the size factor for the prior budget year and the size factor determined pursuant to subparagraph (I) of this paragraph (c);
(D) For the fourth budget year following reorganization, the size factor for the prior budget year minus an amount equal to one-third of the difference between the size factor for the prior budget year and the size factor determined pursuant to subparagraph (I) of this paragraph (c);

(E) For the fifth budget year following reorganization, the size factor for the prior budget year minus an amount equal to one-half of the difference between the size factor for the prior budget year and the size factor determined pursuant to subparagraph (I) of this paragraph (c);

(F) For the sixth budget year following reorganization and budget years thereafter, the size factor determined pursuant to subparagraph (I) of this paragraph (c).

(IV) The funded membership used to calculate a district’s size factor pursuant to this paragraph (c) is the funded membership of the district reduced by sixty-five percent of the number of pupils included in the funded membership who are enrolled in charter schools of the district; except that the provisions of this subparagraph (IV) apply only to those districts with a funded membership of five hundred or less.

(4) District at-risk funding. (a) Formulas. The department shall calculate a district’s at-risk funding using one of the following formulas:

(I) If the district’s at-risk pupil percentage is equal to or less than the statewide average at-risk pupil percentage, the department shall use the following formula:

\[(\text{Statewide base per pupil funding} \times 20\%) \times \text{District’s at-risk pupil average daily membership}].\]

(II) If the district’s at-risk pupil percentage is greater than the statewide average at-risk percentage, the department shall use the following formula:

\[\left(\frac{(\text{Statewide base per pupil funding} \times 20\%) \times (\text{Statewide average at-risk pupil percentage} \times \text{District’s adjusted average daily membership})}{(\text{Statewide base per pupil funding} \times \text{District’s at-risk factor}) \times \text{District’s at-risk pupil average daily membership} - (\text{Statewide average at-risk pupil percentage} \times \text{District’s adjusted average daily membership})}\right).

(b) At-risk factor. If the district’s at-risk pupil percentage is greater than the statewide average at-risk pupil percentage, the district’s at-risk factor is twenty percent plus 0.40 percentage point for each percentage point that the district’s at-risk pupil percentage exceeds the statewide average at-risk pupil percentage; except that a district’s at-risk factor shall not exceed forty percent.

(5) District English language learner funding. (a) Formulas. The
DEPARTMENT SHALL CALCULATE A DISTRICT’S ENGLISH LANGUAGE LEARNER FUNDING USING ONE OF THE FOLLOWING FORMULAS:

(I) IF THE DISTRICT’S ENGLISH LANGUAGE LEARNER PERCENTAGE IS EQUAL TO OR LESS THAN THE STATEWIDE AVERAGE ENGLISH LANGUAGE LEARNER PERCENTAGE, THE DEPARTMENT SHALL USE THE FOLLOWING FORMULA:

\[(\text{Statewide base per pupil funding} \times 20\%) \times \text{District’s English language learner average daily membership}.\]

(II) IF THE DISTRICT’S ENGLISH LANGUAGE LEARNER PERCENTAGE IS GREATER THAN THE STATEWIDE AVERAGE ENGLISH LANGUAGE LEARNER PERCENTAGE, THE DEPARTMENT SHALL USE THE FOLLOWING FORMULA:

\[((\text{Statewide base per pupil funding} \times 20\%) \times (\text{Statewide average English language learner percentage} \times \text{District’s adjusted average daily membership})) + ((\text{Statewide base per pupil funding} \times \text{District’s English language learner factor}) \times (\text{District’s English language learner average daily membership} - (\text{Statewide average English language learner percentage} \times \text{District’s adjusted average daily membership}))).\]

(b) **English language learner factor.** IF THE DISTRICT’S ENGLISH LANGUAGE LEARNER PERCENTAGE IS GREATER THAN THE STATEWIDE AVERAGE ENGLISH LANGUAGE LEARNER PERCENTAGE, THE DISTRICT’S ENGLISH LANGUAGE LEARNER FACTOR IS TWENTY PERCENT PLUS A 0.80 PERCENTAGE POINT FOR EACH PERCENTAGE POINT THAT THE DISTRICT’S ENGLISH LANGUAGE LEARNER PERCENTAGE EXCEEDS THE STATEWIDE AVERAGE ENGLISH LANGUAGE LEARNER PERCENTAGE; EXCEPT THAT A DISTRICT’S ENGLISH LANGUAGE LEARNER FACTOR SHALL NOT EXCEED FORTY PERCENT.

(6) **District on-line funding.** A DISTRICT’S ON-LINE FUNDING IS AN AMOUNT EQUAL TO THE DISTRICT’S ON-LINE AVERAGE DAILY MEMBERSHIP MULTIPLIED BY THE STATEWIDE BASE PER PUPIL FUNDING SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION FOR THE APPLICABLE BUDGET YEAR.

(7) **District ASCENT program funding.** A DISTRICT’S ASCENT PROGRAM FUNDING IS AN AMOUNT EQUAL TO THE DISTRICT’S ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP MULTIPLIED BY THE STATEWIDE BASE PER PUPIL FUNDING SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION FOR THE APPLICABLE BUDGET YEAR.

22-54.5-202. **Total program - institute charter schools.** (1) THE CALCULATION OF TOTAL PROGRAM PURSUANT TO THE PROVISIONS OF THIS SECTION REPRESENTS THE FINANCIAL BASE OF SUPPORT FOR EACH INSTITUTE CHARTER SCHOOL, WHICH AMOUNT IS KNOWN AS THE INSTITUTE CHARTER SCHOOL’S TOTAL PROGRAM. EACH INSTITUTE CHARTER SCHOOL’S TOTAL PROGRAM IS AVAILABLE TO THE INSTITUTE CHARTER SCHOOL TO FUND THE COSTS OF PROVIDING PUBLIC EDUCATION TO PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL. THE INSTITUTE CHARTER SCHOOL HAS DISCRETION CONCERNING THE AMOUNTS AND PURPOSES FOR WHICH THE MONEYS ARE BUDGETED AND EXPENDED.
(2) **Total program funding.** An institute charter school's total program is calculated using the per pupil funding of the institute charter school's accounting district as calculated pursuant to Section 22-54.5-201 (3). The formula for an institute charter school's total program is:

\[
\text{(Accounting district's per pupil funding \times (Institute charter school's funded membership - institute charter school's on-line average daily membership - institute charter school's ASCENT program average daily membership)) + Institute charter school's mill levy equalization funding + Institute charter school's at-risk funding + Institute charter school's English language learner funding + Institute charter school's on-line funding + Institute charter school's ASCENT program funding.}
\]

(3) **Institute charter school mill levy equalization funding.** (a) **Formula.** The department shall calculate an institute charter school's mill levy equalization funding using the following formula:

\[
\text{(Accounting district's per pupil funding \times Institute charter school's mill levy equalization factor \times (Institute charter school's funded membership - Institute charter school's ASCENT program average daily membership).}
\]

(b) **Mill levy equalization factor.** (I) The department shall annually calculate the mill levy equalization factor for each institute charter school using the following formula:

\[
\text{Per pupil mill levy equalization \div Accounting district's per pupil funding.}
\]

(II) The department shall annually calculate the per pupil mill levy equalization as an amount equal to the local property tax revenues that the accounting district is authorized to collect for the preceding budget year that are in addition to the accounting district’s total program mill levy revenues but not including any revenues authorized pursuant to Section 22-40-110 or Article 42 or Article 43 of this title, divided by the accounting district's funded membership, minus ASCENT program average daily membership, for the funding averaging period for the preceding budget year.

(4) **Institute charter school at-risk funding.** (a) **Formulas.** The department shall calculate an institute charter school's at-risk funding using one of the following formulas:

(I) If the institute charter school’s at-risk pupil percentage is equal to or less than the statewide average at-risk pupil percentage, the department shall use the following formula:

\[
\text{(Statewide base per pupil funding \times 20\%) \times Institute charter school's at-risk pupil average daily membership.}
\]
(II) If the Institute Charter School’s at-risk pupil percentage is greater than the statewide average at-risk percentage, the Department shall use the following formula:

\[
\left( \text{Statewide base per pupil funding} \times 20\% \right) \times \left( \text{Statewide average at-risk pupil percentage} \times \text{Institute Charter School’s adjusted average daily membership} \right) + \left( \text{Statewide base per pupil funding} \times \text{Institute Charter School’s at-risk factor} \right) \times \left( \text{Institute Charter School’s at-risk pupil average daily membership} - \left( \text{Statewide average at-risk pupil percentage} \times \text{Institute Charter School’s adjusted average daily membership} \right) \right).
\]

(b) At-risk factor. If the Institute Charter School’s at-risk pupil percentage is greater than the statewide average at-risk pupil percentage, the Institute Charter School’s at-risk factor is twenty percent plus a 0.40 percentage point for each percentage point that the Institute Charter School’s at-risk pupil percentage exceeds the statewide average at-risk pupil percentage; except that an Institute Charter School’s at-risk factor shall not exceed forty percent.

(5) Institute charter school English language learner funding. (a) Formulas. The Department shall calculate an Institute charter school’s English language learner funding using one of the following formulas:

(I) If the Institute charter school’s English language learner percentage is equal to or less than the statewide average English language learner percentage, the Department shall use the following formula:

\[
\left( \text{Statewide base per pupil funding} \times 20\% \right) \times \text{Institute Charter School’s English language learner average daily membership}.
\]

(II) If the Institute charter school’s English language learner percentage is greater than the statewide average English language learner percentage, the Department shall use the following formula:

\[
\left( \text{Statewide base per pupil funding} \times 20\% \right) \times \left( \text{Statewide average English language learner percentage} \times \text{Institute Charter School’s adjusted average daily membership} \right) + \left( \text{Statewide base per pupil funding} \times \text{Institute Charter School’s English language learner factor} \right) \times \left( \text{Institute Charter School’s English language learner average daily membership} - \left( \text{Statewide average English language learner percentage} \times \text{Institute Charter School’s adjusted average daily membership} \right) \right).
\]

(b) English language learner factor. If the Institute charter school’s English language learner percentage is greater than the statewide average English language learner percentage, the Institute charter school’s English language learner factor is twenty percent plus a 0.80 percentage point for each percentage point that the Institute charter school’s English language learner percentage exceeds the statewide average English language learner percentage.
AVERAGE ENGLISH LANGUAGE LEARNER PERCENTAGE; EXCEPT THAT AN INSTITUTE CHARTER SCHOOL’S ENGLISH LANGUAGE LEARNER FACTOR SHALL NOT EXCEED FORTY PERCENT.

(6) **Institute charter school on-line funding.** An institute charter school’s on-line funding is an amount equal to the institute charter school’s on-line average daily membership multiplied by the statewide base per pupil funding specified in section 22-54.5-201 (3) (b) for the applicable budget year.

(7) **Institute charter school ASCENT program funding.** An institute charter school’s ASCENT program funding is an amount equal to the institute charter school’s ASCENT program average daily membership multiplied by the statewide base per pupil funding specified in section 22-54.5-201 (3) (b) for the applicable budget year.

22-54.5-203. **Local and state shares of district total program - total program mill levy - calculation.** (1) (a) No later than July 1, 2015, no later than July 1, 2020, and no later than July 1 every six years thereafter, the department shall calculate the local share and state share for each district as provided in subsection (2) of this section. The department shall perform the calculation using the most recent assessed valuations of property, the median family income levels based on the most recent American community survey conducted by the United States census bureau, and the membership calculations for the most recent funding averaging period.

(b) Based on each district’s local share of total program calculated pursuant to paragraph (a) of this subsection (1), the department, as provided in subsection (3) of this section, shall calculate the number of mills that each district is expected to levy beginning in the first budget year following recalculation of the local share and state share and for each budget year thereafter until the department again recalculates the local share and state share of total program pursuant to paragraph (a) of this subsection (1).

(2) **Calculation of local and state shares.** (a) Statewide percentage of state and local shares. For the 2015-16 budget year and for each budget year thereafter through the 2019-20 budget year, the statewide local share of total program is forty percent, and the statewide state share of total program is sixty percent for purposes of calculating the local share pursuant to paragraph (c) of this subsection (2).

(b) **Calculation of state share for each district.** Each district’s state share of total program is the difference between the district’s total program and an amount equal to the amount of specific ownership tax revenue paid to the district for the applicable budget year plus the amount of property tax revenue that the district is entitled to receive from levying the number of mills identified as the district’s total program mill levy pursuant to subsection (3) of this section, assuming one hundred percent collection, for the applicable budget year.
(c) Calculation of local share for each district. (I) For purposes of calculating each district’s total program mill levy, each district’s local share of total program is an amount equal to the district’s total program for the budget year in which the department calculates the local share multiplied by the district’s local share ratio. A district’s local share ratio is an amount equal to one minus the square root of:

\[
\text{District’s equalization ratio squared + (District’s at-risk pupil average daily membership ÷ District’s adjusted average daily membership) squared} ÷ 2.
\]

(II) Each district’s equalization ratio is equal to:

\[
1 - (0.4 \times \left(\frac{\text{District’s normalized adjusted assessed valuation ÷ District’s average daily membership}}{\text{Statewide assessed valuation ÷ Statewide average daily membership}}\right)).
\]

(III) Notwithstanding the provisions of subparagraph (II) of this paragraph (c), if the calculation of a district’s equalization ratio results in a negative number, the district’s equalization ratio is zero.

(IV) The adjusted assessed valuation is an amount equal to the assessed valuation for a district multiplied by the ratio that the median family income of the district bears to the statewide median family income. To ensure that the total statewide adjusted assessed valuation equals the total statewide assessed valuation, a district’s normalized adjusted assessed valuation is an amount equal to:

\[
\text{Statewide assessed valuation} \times \left(\frac{\text{District’s adjusted assessed valuation}}{\text{Statewide adjusted assessed valuation}}\right).
\]

(3) Total program mill levy. (a) Using each district’s local share calculated pursuant to subsection (2) of this section, the department shall calculate for each district the number of mills necessary to produce property tax revenues in an amount equal to the district’s calculated local share of total program minus the amount of specific ownership tax revenue paid to the district for the property tax year in which the department calculated the district’s local share. The department shall calculate the number of mills using the district’s assessed valuation of property for the property tax year in which the department calculated the district’s local share.

(b) Except as otherwise provided in paragraphs (c) and (d) of this subsection (3), beginning with the first budget year following the calculation of state and local shares pursuant to this section and in each of the following budget years until the department recalculates the state and local shares, each district shall levy the greater of:

(I) The number of mills calculated for the district pursuant to paragraph (a) of this subsection (3), but not more than twenty-five mills; or
(II) The number of mills that the district levied in the preceding budget year.

(c) If the total program mill levy under paragraph (b) of this subsection (3) for a district that has not obtained voter approval to retain and spend revenues in excess of the constitutional property tax revenue limitation is greater than the number of mills allowable under the constitutional property tax revenue limitation, the district’s total program mill levy is the maximum number of mills allowable under the constitutional property tax revenue limitation. In calculating local growth for purposes of determining the constitutional property tax revenue limitation imposed on a district under this paragraph (c), a district’s student enrollment is the district’s funded membership.

(d) If a district’s total program as calculated before application of the negative factor pursuant to section 22-54-104(5)(g), as it existed prior to repeal, for the 2014-15 budget year is greater than the district’s total program calculated pursuant to section 22-54.5-201 for the 2015-16 budget year, and the amount of property tax revenue generated by the district’s total program mill levy plus the amount of specific ownership tax revenue paid to the district is greater than the district’s total program as calculated pursuant to section 22-54.5-201 for the 2015-16 budget year, then the district’s total program mill levy is reduced by the number of mills required to generate property tax revenue in an amount equal to the difference between the district’s total program as calculated before application of the negative factor pursuant to section 22-54-104(5)(g), as it existed prior to repeal, for the 2014-15 budget year and the district’s total program calculated pursuant to section 22-54.5-201 for the 2015-16 budget year. The amount by which property tax revenue is reduced pursuant to this paragraph (d) is counted toward the limitation on additional local revenues for cost of living expenses as provided in section 22-54.5-208(4).

(e) If a district’s total program mill levy, as reduced pursuant to paragraph (d) of this subsection (3), if applicable, produces an amount of property tax revenue that exceeds the district’s total program in a budget year, the district shall use the excess revenues to replace categorical program support funds as provided in section 22-54.5-204.

(f) The department shall round the mill levies assigned by this section to the nearest thousandth of one mill.

(4)(a) If a district’s total program mill levy, as calculated pursuant to subsection (3) of this section, is greater than the mill levy required for the preceding budget year, the district may seek voter approval for a mill levy increase during the period for which the total program mill levy applies.

(b) If for any reason, including the outcome of an election, a district does not certify the full total program mill levy, the department shall annually calculate the amount of the district’s state share of total
PROGRAM AS IF THE DISTRICT RECEIVES LOCAL REVENUES IN THE AMOUNT THAT WOULD BE RAISED BY THE DISTRICT’S TOTAL PROGRAM MILL LEVY, ASSUMING ONE-HUNDRED-PERCENT COLLECTION, PLUS THE AMOUNT OF SPECIFIC OWNERSHIP TAX REVENUES PAID TO THE DISTRICT.

(c) If a district that has obtained voter approval to retain and spend revenues in excess of the constitutional property tax revenue limitation obtains voter approval after March 16, 2009, to again become subject to the constitutional property tax revenue limitation, the department shall calculate the district’s state share of total program as if the district levied the number of mills that it would have levied in the applicable budget year if the district had maintained its authority to retain and spend revenues in excess of the property tax revenue limitation.

(d) If a district before, on, or after the effective date of this section reduces or ends business personal property taxes through action taken pursuant to section 20 (8)(b) of article X of the state constitution, the state share of the district’s total program for the budget year in which the action is taken and any budget year thereafter is the amount by which the district’s total program exceeds the amount of specific ownership tax revenue paid to the district and the amount of property tax revenue that the district would have been entitled to receive if the district had not taken the action.

(5) (a) Except as otherwise provided in sections 22-54.5-205 to 22-54.5-208, a district shall not certify a levy for its general fund in excess of that authorized by this section; except that, if a district’s certified levy before the effective date of this section included a levy authorized by section 22-53-117, 22-54-106 (2)(b), 22-54-107, 22-54-107.5, 22-54-108, or 22-54-108.5, as these sections existed prior to repeal, the district may continue to certify a levy that includes those levies.

(b) A district shall not seek voter approval to impose additional mill levies for its general fund in excess of that authorized by this section and sections 22-54.5-205 to 22-54.5-208. Voter approval obtained by a district under section 20 of article X of the state constitution to be capable of receiving additional revenues within the limitations on the district’s fiscal year spending for any budget year does not constitute voter approval for the district to certify a levy for its general fund in excess of that authorized by this section and sections 22-54.5-205 to 22-54.5-208.

(6) Each district shall use the property tax revenue that it is entitled to receive from the total program mill levy to fund the district’s local share of total program for the budget year beginning on July 1 of the property tax year. The total amount of the revenue is considered to be collected during the budget year for purposes of determining the state share of the district’s total program.

(7) (a) If a new district is created through a deconsolidation as
DESCRIBED IN SECTION 22-30-102 (2) (a), THE SPECIFIC OWNERSHIP TAX REVENUE PAYABLE TO THE NEW DISTRICT IN THE FIRST YEAR OF OPERATION IS AN AMOUNT EQUAL TO THE RATIO OF THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE NEW DISTRICT TO THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE OLD DISTRICT MULTIPLIED BY THE SPECIFIC OWNERSHIP TAX REVENUE PAYABLE TO THE OLD DISTRICT.

(b) BEGINNING WITH THE FIRST JULY SPECIFIC OWNERSHIP TAX PAYMENT DUE AFTER THE NEW DISTRICT IS ESTABLISHED AND CONTINUING UNTIL THE NEW DISTRICT RECEIVES ITS FIRST PAYMENT OF SPECIFIC OWNERSHIP TAX REVENUES FROM THE COUNTY TREASURER, THE DEPARTMENT SHALL:

(I) INCREASE THE STATE'S SHARE OF THE NEW DISTRICT'S TOTAL PROGRAM BY AN AMOUNT EQUAL TO THE RATIO OF THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE NEW DISTRICT TO THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE OLD DISTRICT MULTIPLIED BY THE SPECIFIC OWNERSHIP TAX REVENUE PAYABLE TO THE OLD DISTRICT; AND

(II) REDUCE THE STATE'S SHARE OF THE OLD DISTRICT'S TOTAL PROGRAM BY THE SAME AMOUNT.

22-54.5-204. Buy-out of categorical programs. (1) IF A DISTRICT'S TOTAL PROGRAM MILL LEVY, AS REDUCED PURSUANT TO SECTION 22-54.5-203 (3) (d), IF APPLICABLE, RESULTS IN AN AMOUNT OF PROPERTY TAX REVENUE THAT EXCEEDS THE DISTRICT'S TOTAL PROGRAM, THE DISTRICT SHALL USE THE EXCESS REVENUE TO REPLACE, ON A PRO RATA BASIS, ANY CATEGORICAL PROGRAM SUPPORT MONEYS THAT THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE. THE DEPARTMENT SHALL USE THE AMOUNT OF CATEGORICAL PROGRAM SUPPORT MONEYS REPLACED BY LOCAL PROPERTY TAX REVENUE PURSUANT TO THE PROVISIONS OF THIS SUBSECTION (1) TO MAKE PAYMENTS OF CATEGORICAL PROGRAM SUPPORT MONEYS TO ELIGIBLE DISTRICTS. IF THE APPROPRIATIONS FOR CATEGORICAL PROGRAMS ARE LESS THAN THE TOTAL CATEGORICAL PROGRAM SUPPORT MONEYS TO WHICH DISTRICTS ARE ENTITLED UNDER APPLICABLE PROVISIONS OF LAW, THE DEPARTMENT SHALL APPLY THE MONEYS THAT ARE REPLACED BY LOCAL PROPERTY TAX REVENUE TO CATEGORICAL PROGRAMS IN THE FOLLOWING ORDER:

(a) FIRST, TRANSPORTATION AID PURSUANT TO ARTICLE 51 OF THIS TITLE;

(b) SECOND, SMALL ATTENDANCE CENTER AID PURSUANT TO SECTION 22-54.5-306; AND

(c) THIRD, MONEYS PURSUANT TO THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE.

(2) FOR PURPOSES OF THIS SECTION, "CATEGORICAL PROGRAM SUPPORT MONEYS THAT THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE" MEANS AMOUNTS THAT THE DISTRICT WOULD HAVE RECEIVED FROM THE STATE BUT THAT WILL BE RECEIVED INSTEAD FROM PROPERTY TAX REVENUES BY REASON OF THIS SECTION AND INCLUDES MONEYS PURSUANT TO THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, TRANSPORTATION AID PURSUANT TO ARTICLE 51 OF THIS TITLE, SMALL ATTENDANCE CENTER AID PURSUANT TO...
SECTION 22-54.5-306, AND VOCATIONAL EDUCATION AID PURSUANT TO ARTICLE 8 OF TITLE 23, C.R.S. MONEYS RECEIVED BY AN ADMINISTRATIVE UNIT UNDER THE "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT", ARTICLE 20 OF THIS TITLE, AS REIMBURSEMENT FOR SERVICES PROVIDED TO CHILDREN COUNTED IN THE AVERAGE DAILY MEMBERSHIP OF A DISTRICT ARE CONSIDERED TO BE CATEGORICAL PROGRAM SUPPORT MONEYS THAT THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE FOR PURPOSES OF THIS SUBSECTION (2).

(3) A DISTRICT THAT LEVIED ADDITIONAL MILLS PURSUANT TO SECTION 22-54-107, AS IT EXISTED PRIOR TO REPEAL, TO GENERATE PROPERTY TAX REVENUES IN AN AMOUNT EQUAL TO THE AMOUNT OF CATEGORICAL PROGRAM SUPPORT MONEYS THAT THE DISTRICT WOULD OTHERWISE BE ELIGIBLE TO RECEIVE FROM THE STATE SHALL CONTINUE COLLECTING THOSE PROPERTY TAX REVENUES AND USING THE REVENUES TO REPLACE CATEGORICAL SUPPORT MONEYS AS PROVIDED IN THIS SECTION.

22-54.5-205. Authorization of additional local revenues - operating moneys. (1) (a) The board of education of a district may seek to raise and expend local property tax revenues in excess of the district's total program by submitting to the eligible electors of the district the question of whether the district should be authorized to raise and expend additional local property tax revenues, subject to the limitations of subsection (3) of this section. In addition, if a district receives by proper submittal a valid initiative petition to raise and expend local property tax revenues in excess of the district's total program, subject to the limitations of subsection (3) of this section, the board of education of the district must submit the question to the eligible electors of the district. An initiative petition submitted pursuant to this subsection (1) must be signed by at least five percent of the eligible electors in the district at the time the petition is filed.

(b) Notwithstanding any provision of paragraph (a) of this subsection (1) to the contrary, a district that does not receive per pupil supplemental payments pursuant to section 22-54.5-303 must levy its full total program mill levy before it may seek voter approval, whether by action of the board of education or by initiative petition, to raise and expend local property tax revenues pursuant to this section.

(2) A district must submit the question to raise and expend additional local property taxes pursuant to this section to the eligible electors at an election held in accordance with section 20 of article X of the state constitution and title 1, C.R.S. If the question is approved by a majority of the eligible electors voting in the election, the district is authorized to collect the additional levy in excess of the district's total program mill levy for the district's general fund for the then-current budget year and each budget year thereafter.

(3) (a) Notwithstanding the provisions of section 20 of article X of the state constitution that allow districts to seek voter approval for spending and revenue increases, the provisions of this subsection (3) limit a district's authority to raise and expend local property tax revenues in
EXCESS OF THE DISTRICT'S TOTAL PROGRAM.

(b) THE TOTAL ADDITIONAL LOCAL PROPERTY TAX REVENUES THAT A DISTRICT MAY RECEIVE PURSUANT TO ELECTIONS HELD PURSUANT TO THIS SECTION SHALL NOT EXCEED UNDER ANY CIRCUMSTANCES THE GREATER OF:

(I) TWENTY-FIVE PERCENT OF THE DISTRICT'S TOTAL PROGRAM, PLUS THE AMOUNT OF INVESTMENT MONEYS THE DISTRICT RECEIVES, FOR THE APPLICABLE BUDGET YEAR;

(II) TWENTY-FIVE PERCENT OF THE SUM OF:

(A) THE DISTRICT'S TOTAL PROGRAM AS CALCULATED FOR THE 2014-15 BUDGET YEAR PURSUANT TO SECTION 22-54-104, AS IT EXISTED PRIOR TO REPEAL, BEFORE APPLICATION OF THE NEGATIVE FACTOR PURSUANT TO SECTION 22-54-104(5)(g) AS IT EXISTED PRIOR TO REPEAL; PLUS

(B) THE TOTAL PER PUPIL SUPPLEMENTAL PAYMENTS THE DISTRICT RECEIVES PURSUANT TO SECTION 22-54.5-303 FOR THE APPLICABLE BUDGET YEAR; PLUS

(C) THE AMOUNT, IF ANY, OF ADDITIONAL LOCAL REVENUES THE DISTRICT RECEIVES FOR THE APPLICABLE BUDGET YEAR AS A RESULT OF A MILL LEVY INCREASE FOR A COST OF LIVING ADJUSTMENT APPROVED BEFORE JUNE 7, 2002, PURSUANT TO SECTION 22-54-107.5, AS IT EXISTED PRIOR TO REPEAL, OR FOR A COST OF LIVING ADJUSTMENT APPROVED PURSUANT TO SECTION 22-54-108, AS SPECIFICALLY AUTHORIZED BY THE LIMITATION INCREASE IN SECTION 22-54-108(3)(b)(III)(A), AS IT EXISTED PRIOR TO REPEAL; PLUS

(D) THE AMOUNT OF INVESTMENT MONEYS THE DISTRICT RECEIVES FOR THE APPLICABLE BUDGET YEAR; PLUS

(E) THE AMOUNT, IF ANY, OF EXCESS REVENUE THE DISTRICT EXPENDS PURSUANT TO SECTION 22-54.5-204 FOR THE APPLICABLE BUDGET YEAR TO REPLACE CATEGORICAL PROGRAM SUPPORT MONEYS; PLUS

(F) THE AMOUNT, IF ANY, THE DISTRICT RECEIVES FROM THE STATE IN CATEGORICAL PROGRAM SUPPORT MONEYS FOR THE APPLICABLE BUDGET YEAR; OR

(III) TWO HUNDRED THOUSAND DOLLARS.

(c) THE FOLLOWING REVENUES APPLY TO CALCULATING THE LIMITATION IN THIS SUBSECTION (3):

(I) ANY ADDITIONAL LOCAL PROPERTY TAX REVENUES AUTHORIZED FOR A DISTRICT AT ELECTIONS HELD PURSUANT TO SECTION 22-53-117, 22-54-107, 22-54-107.5, OR 22-54-108, AS EACH SECTION EXISTED PRIOR TO REPEAL;

(II) THE DIFFERENCE BETWEEN THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104.3 (3), AS IT EXISTED PRIOR TO REPEAL, AND THE DISTRICT'S TOTAL PROGRAM FOR THE 1994-95 BUDGET YEAR, AS CALCULATED PURSUANT TO SECTION 22-54-104(2), AS IT EXISTED
PRIOR TO REPEAL; AND

(III) The amount of property tax generated pursuant to Section 22-54-106 (2) (b) (III), as it existed prior to repeal.

(d) The following authorizations for additional local property tax revenues do not apply in calculating the district’s limitation under this subsection (3):

(I) Any additional local property tax revenues authorized to replace categorical support funds with local property tax revenues as provided in Section 22-54-107, as it existed prior to repeal;

(II) Any additional local property tax revenues authorized for a district for purposes of full-day kindergarten as provided in Section 22-54-108.5, as it existed prior to repeal;

(III) Any additional local property tax revenues authorized for early childhood education programs as provided in Section 22-54.5-206;

(IV) Any additional local property tax revenues authorized for building maintenance and operation as provided in Section 22-54.5-207; or

(V) Any additional local property tax revenues authorized for cost of living expenses as provided in Section 22-54.5-208.

(e) Any portion of the specific ownership tax paid to the district does not apply in calculating the limitation under this subsection (3).

(f) If the additional local property tax revenues already authorized exceeds the limitation, the district shall not hold an election pursuant to the provisions of this section until the limitation is greater than the additional local property tax revenues already authorized.

(4) If a district received voter approval for additional local property tax revenues pursuant to Section 22-53-117, 22-54-107.5, 22-54-108, or 22-54-108.5, as these sections existed prior to repeal, the district may continue collecting the approved additional local property tax revenues and using the revenues for the purposes and time period authorized by the voters.

22-54.5-206. Authorization of additional local revenues - early childhood education. (1) (a) The board of education of a district may seek to raise and expend local property tax revenues in excess of the district’s total program to provide funding for early childhood education programs in the district by submitting to the eligible electors of the district the question of whether the district should be authorized to raise and expend additional local property tax revenues for that purpose. The question may also include a question of whether to impose an additional mill levy of a stated amount and limited duration to meet the initial capital construction needs of the district associated with the
ESTABLISHMENT OF AN EARLY CHILDHOOD EDUCATION PROGRAM.

(b) In addition, if a district receives by proper submittal a valid initiative petition to raise and expend local property tax revenues in excess of the district's total program to provide funding for early childhood education programs, which initiative petition may include funding of a stated amount and limited duration to meet the initial capital construction needs associated with an early childhood education program, the board of education of the district must submit the question to the eligible electors of the district. An initiative petition submitted pursuant to this paragraph (b) must be signed by at least five percent of the eligible electors in the district at the time the petition is filed.

(c) If a mill levy question submitted to the eligible electors of a district pursuant to paragraph (a) or (b) of this subsection (1) for capital construction needs associated with the district's early childhood education program is approved for more than one year, the board of education of the district may, without calling an election, decrease the amount or duration of the mill levy in subsequent years.

(d) Notwithstanding any provision of paragraph (a) or (b) of this subsection (1) to the contrary, a district that does not receive per pupil supplemental payments pursuant to section 22-54.5-303 must levy its full total program mill levy before it may seek voter approval, whether by action of the board of education or by initiative petition, to raise and expend local property tax revenues pursuant to this section.

(2) A district must submit the question to raise and expend additional local property taxes pursuant to this section to the eligible electors at an election held in accordance with section 20 of article X of the state constitution and title 1, C.R.S. If the question is approved by a majority of the eligible electors voting in the election, the district is authorized to collect the additional levy for the then-current budget year and each budget year thereafter for the purposes specified in subsection (1) of this section, which additional levy is in excess of the district's total program mill levy and in excess of any other authorized additional local property tax levies.

(3) If a majority of the votes cast in an election held pursuant to subsection (2) of this section are in favor of the question, the district shall levy the additional mill levy each year and deposit the revenues received from the additional mill levy in the early childhood education fund of the district created in section 22-45-103 (1) (h). If the district obtains voter approval for an additional mill levy to meet the capital construction needs associated with the district's early childhood education program, the district shall deposit the revenues generated from that mill levy in the capital construction account of the district's early childhood education fund.

(4) Notwithstanding the provisions of section 20 of article X of the
STATE CONSTITUTION THAT ALLOW DISTRICTS TO SEEK VOTER APPROVAL FOR SPENDING AND REVENUE INCREASES, THE PROVISIONS OF THIS SECTION LIMIT A DISTRICT'S AUTHORITY TO RAISE AND EXPEND LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM.

(5) A DISTRICT THAT OBTAINS VOTER APPROVAL PURSUANT TO THIS SECTION TO IMPOSE AN ADDITIONAL MILL LEVY TO FUND EARLY CHILDHOOD EDUCATION PROGRAMS IN THE DISTRICT MUST ESTABLISH ITS EARLY CHILDHOOD EDUCATION PROGRAM USING EVIDENCE-BASED RESEARCH DEMONSTRATING THE TYPES OF PROGRAMS AND METHODS APPROPRIATE FOR AN EARLY CHILDHOOD EDUCATION PROGRAM.

22-54.5-207. Authorization of additional local revenues - technology and building maintenance and operation. (1) (a) The board of education of a district may seek to raise and expend local property tax revenues in excess of the district's total program to provide funding for technology and building maintenance and operation by submitting to the eligible electors of the district the question of whether the district should be authorized to raise and expend additional local property tax revenues for that purpose. In addition, if a district receives by proper submittal a valid initiative petition to raise and expend local property tax revenues in excess of the district's total program to provide funding for technology and building maintenance and operation, the board of education of the district must submit the question to the eligible electors of the district. An initiative petition submitted pursuant to this subsection (1) must be signed by at least five percent of the eligible electors in the district at the time the petition is filed.

(b) Notwithstanding any provision of paragraph (a) of this subsection (1) to the contrary, a district that does not receive per pupil supplemental payments pursuant to section 22-54.5-303 must levy its full total program mill levy before it may seek voter approval, whether by action of the board of education or by initiative petition, to raise and expend local property tax revenues pursuant to this section.

(2) A district must submit the question to raise and expend additional local property taxes pursuant to this section to the eligible electors at an election held in accordance with section 20 of Article X of the state constitution and Title 1, C.R.S. If the question is approved by a majority of the eligible electors voting in the election, the district is authorized to collect the additional levy for the then-current budget year and each budget year thereafter for the purposes specified in subsection (1) of this section, which additional levy is in excess of the district's total program mill levy and in excess of any other authorized additional local property tax levies.

(3) If a majority of the votes cast in an election held pursuant to subsection (2) of this section are in favor of the question, the district shall levy the additional mill levy each year and deposit the revenues received from the additional mill levy in the technology and building maintenance and operation fund of the district created in section
(4) Notwithstanding the provisions of section 20 of article X of the state constitution that allow districts to seek voter approval for spending and revenue increases, the provisions of this section limit a district's authority to raise and expend local property tax revenues in excess of the district's total program.

22-54.5-208. Authorization of additional local revenues - cost of living expenses. (1)(a) The board of education of a district may seek to raise and expend local property tax revenues in excess of the district's total program, subject to the limitations specified in subsection (4) of this section, to provide funding for cost of living expenses for district employees by submitting to the eligible electors of the district the question of whether the district should be authorized to raise and expend additional local property tax revenues for that purpose. In addition, if a district receives by proper submittal a valid initiative petition to raise and expend local property tax revenues in excess of the district's total program, subject to the limitations specified in subsection (4) of this section, to provide funding for cost of living expenses for district employees, the board of education of the district must submit the question to the eligible electors of the district. An initiative petition submitted pursuant to this subsection (1) must be signed by at least five percent of the eligible electors in the district at the time the petition is filed.

(b) Notwithstanding any provision of paragraph (a) of this subsection (1) to the contrary, a district that does not receive per pupil supplemental payments pursuant to section 22-54.5-303 must levy its full program mill levy before it may seek voter approval, whether by action of the board of education or by initiative petition, to raise and expend local property tax revenues pursuant to this section.

(2) A district must submit the question to raise and expend additional local property taxes pursuant to this section to the eligible electors at an election held in accordance with section 20 of article X of the state constitution and title 1, C.R.S. If the question is approved by a majority of the eligible electors voting in the election, the district is authorized to collect the additional levy for the then-current budget year and each budget year thereafter for the purposes specified in subsection (1) of this section, which additional levy is in excess of the district's total program mill levy and in excess of any other authorized additional local property tax levies.

(3) If a majority of the votes cast in an election held pursuant to subsection (2) of this section are in favor of the question, the district shall levy the additional mill levy each year and use the revenues received from the additional mill levy to offset the cost of living expenses incurred by the employees of the district.

(4)(a) Notwithstanding the provisions of section 20 of article X of the
STATE CONSTITUTION THAT ALLOW DISTRICTS TO SEEK VOTER APPROVAL FOR SPENDING AND REVENUE INCREASES, THE PROVISIONS OF THIS SECTION LIMIT A DISTRICT’S AUTHORITY TO RAISE AND EXPEND LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT’S TOTAL PROGRAM.

(b)(I) THE TOTAL ADDITIONAL LOCAL PROPERTY TAX REVENUES THAT A DISTRICT MAY RECEIVE PURSUANT TO ELECTIONS HELD PURSUANT TO THIS SECTION SHALL NOT EXCEED UNDER ANY CIRCUMSTANCES AN AMOUNT EQUAL TO THE PORTION OF THE DISTRICT’S TOTAL PROGRAM GENERATED BY APPLICATION OF THE DISTRICT’S COST OF LIVING FACTOR, CALCULATED FOR THE 2014-15 BUDGET YEAR PURSUANT TO SECTION 22-54-104(5)(c), AS IT EXISTED PRIOR TO REPEAL, BEFORE APPLICATION OF THE NEGATIVE FACTOR REQUIRED IN SECTION 22-54-104(5)(g), AS IT EXISTED PRIOR TO REPEAL.

(II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) TO THE CONTRARY, BEGINNING WITH THE 2016-17 BUDGET YEAR, THE LIMITATION ON THE AMOUNT OF ADDITIONAL PROPERTY TAX REVENUE THAT A DISTRICT MAY RAISE PURSUANT TO THIS SECTION INCREASES ANNUALLY BY THE RATE OF INFLATION.

(c) THE AMOUNT BY WHICH A DISTRICT’S TOTAL PROGRAM PROPERTY TAX REVENUE IS REDUCED PURSUANT TO SECTION 22-54.5-203(3)(d) APPLIES TO CALCULATING THE LIMITATION IN THIS SUBSECTION (4).

(d) ANY PORTION OF THE SPECIFIC OWNERSHIP TAX PAID TO THE DISTRICT DOES NOT APPLY IN CALCULATING THE LIMITATION UNDER THIS SUBSECTION (4).

(e) IF THE ADDITIONAL LOCAL PROPERTY TAX REVENUES ALREADY AUTHORIZED EXCEEDS THE LIMITATION SPECIFIED IN THIS SUBSECTION (4), THE DISTRICT SHALL NOT HOLD AN ELECTION PURSUANT TO THE PROVISIONS OF THIS SECTION UNTIL THE LIMITATION IS GREATER THAN THE ADDITIONAL LOCAL PROPERTY TAX REVENUES ALREADY AUTHORIZED.

(5) FOR PURPOSES OF THIS SECTION, "COST OF LIVING EXPENSES" INCLUDES THE COSTS OF FOOD, HOUSING, CLOTHING, AND TRANSPORTATION THAT MAY BE GREATER WITHIN THE DISTRICT THAN IN OTHER AREAS OF THE STATE BECAUSE OF THE ECONOMIC CONDITIONS EXISTING WITHIN THE DISTRICT.

22-54.5-209. Loans to alleviate cash flow deficits - lease-purchase agreements - definitions. (1) (a) (I) UPON APPROVAL BY THE STATE TREASURER OF AN APPLICATION TO PARTICIPATE IN AN INTEREST-FREE OR LOW-INTEREST LOAN PROGRAM SUBMITTED BY A DISTRICT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (1), THE STATE TREASURER SHALL MAKE AVAILABLE TO THE DISTRICT IN ANY MONTH OF THE BUDGET YEAR AN INTEREST-FREE OR LOW-INTEREST LOAN FROM THE STATE GENERAL FUND OR FROM THE PROCEEDS OF THE TAX AND REVENUE ANTICIPATION NOTES ISSUED PURSUANT TO SECTION 29-15-112, C.R.S., IN AN AMOUNT FOR THE MONTH AS CERTIFIED BY THE CHIEF FINANCIAL OFFICER AND THE SUPERINTENDENT OF THE DISTRICT.

(II) THE STATE TREASURER SHALL DETERMINE THE METHOD FOR CALCULATING CASH DEFICITS AND ESTABLISH REPORTING MECHANISMS NECESSARY TO ENSURE
CONSISTENT AND ACCURATE REPORTING OF CASH DEFICITS. The treasurer shall not make a loan in a month unless the district demonstrates, through the submission of the actual or projected financial or budgetary statements required by the state treasurer, that a general fund cash deficit will exist for that month and that the district has the capacity to repay the loan by June 25 of the state fiscal year in which the loan is made. This subparagraph (II) applies to a loan made from the state general fund or from the proceeds of the tax and revenue anticipation notes issued pursuant to section 29-15-112, C.R.S.

(b) A district that chooses to participate in the interest-free or low-interest loan program must submit an application to the state treasurer. A district’s initial application to participate in the interest-free or low-interest loan program is subject to approval by a resolution adopted by the district board of education as follows:

(I) For a month in which the district seeks an emergency loan pursuant to paragraph (e) of this subsection (I), the chief financial officer of the district and the district superintendent must present the emergency loan request to the district board of education, explaining the need for the emergency loan and the requested amount. The district board of education, by majority vote, must approve or disapprove the emergency loan request and the amount. If the district board of education approves the emergency loan request, the chief financial officer and the district superintendent must request the emergency loan from, and certify the approved amount of the emergency loan as approved by the district board of education to, the state treasurer as provided in paragraph (a) of this subsection (I).

(II) If, to receive an interest-free loan, a district seeks to have tax and revenue anticipation notes issued on its behalf pursuant to section 29-15-112, C.R.S., the chief financial officer of the district and the district superintendent must present a request to the district board of education to participate in the interest-free loan program and to have tax and revenue anticipation notes issued on its behalf. The request must explain the district’s anticipated cash flow deficit for the upcoming calendar year and the total amount of tax and revenue anticipation notes that need to be issued on its behalf to cover the deficit. The district board of education, by majority vote, must approve or disapprove the participation in the interest-free loan program and the amount of tax anticipation and revenue notes to be issued on behalf of the district. If the district board of education approves the participation in the interest-free loan program and the issuance of tax and revenue anticipation notes, the chief financial officer and the district superintendent must certify to the state treasurer the amount of the tax and revenue notes, as approved by the district board of education, that shall be issued on behalf of the district. Thereafter, a district is not required to receive approval for an interest-free loan made from the proceeds of the tax and revenue anticipation notes that received prior approval by the district board of education.
(c) The state treasurer may not make a loan under this section to provide assistance for matters that are eligible for payment from the contingency reserve fund pursuant to section 22-54.5-310 or to cover a foreseeable level of uncollectible property taxes, nor may a district use a loan for the simultaneous purchase and sale of the same security or an equivalent security in order to profit from price disparity.

(d) Except as otherwise provided in paragraph (e) of this subsection (1), the state treasurer must make all loans to a district from the proceeds of the tax and revenue anticipation notes issued pursuant to section 29-15-112, C.R.S.

(e) If the amount of the tax and revenue anticipation notes, if any, issued on behalf of a district as determined by the state treasurer pursuant to section 29-15-112 (2) (f), C.R.S., is not sufficient to cover a district's cash deficit, then the state treasurer may, in his or her discretion, make available to the district an emergency loan from the state general fund. The emergency loan must accrue interest at the same rate as the rate of interest paid by the state treasurer on notes issued by the state pursuant to part 9 of article 75 of title 24, C.R.S.

(2) (a) For the months of March, April, and May of each budget year, a district that receives a loan under the provisions of paragraph (e) of subsection (1) of this section shall begin to repay the loan if the district's available resources, as of the last day of the month, increased by the next month's revenues exceed the next month's expenditures plus a cash reserve. The district must remit the excess resources to the state treasurer by the close of business on the fifteenth day, or the first business day following the fifteenth day, of the following month. All loans must be repaid by June 25 of the state fiscal year in which the loan was made or on a later alternative date as determined by the state treasurer.

(b) For the months of March, April, and May of each budget year, a district that receives a loan under the provisions of paragraph (d) of subsection (1) of this section shall begin to repay the loan as established by the district's agreement with the state treasurer. All loans must be repaid by June 25 of the state fiscal year in which the loan was made or on a later alternative date as determined by the state treasurer.

(c) If a district defaults on a loan that is made from the proceeds of the tax and revenue anticipation notes issued pursuant to section 29-15-112, C.R.S., by failing to repay the loan on or before the date required, interest must accrue on the unpaid balance from the date of default until the loan is repaid in an amount that is equal to the interest paid by the state treasurer on notes issued by the state pursuant to part 9 of article 75 of title 24, C.R.S.

(d) For purposes of paragraph (a) of this subsection (2):

(I) "Available resources" means any available cash and investments.
IN DISTRICT FUNDS THAT CAN BE USED TO ALLEVIATE GENERAL FUND CASH SHORTFALLS, INCLUDING BUT NOT LIMITED TO THE DISTRICT’S CAPITAL RESERVE FUND AND ANY FUND OR ACCOUNT WITHIN THE GENERAL FUND ESTABLISHED SOLELY FOR THE MANAGEMENT OF RISK-RELATED ACTIVITIES. "AVAILABLE RESOURCES" DOES NOT INCLUDE CASH THAT IS LEGALLY SEGREGATED OR PLEDGED BY CONTRACT OR RULE OF THE STATE BOARD.

(II) “Cash reserve” means eight percent of the district’s average monthly expenditures or twenty thousand dollars, whichever is greater.

(e) A lien in the amount of a loan made from the proceeds of the tax and revenue anticipation notes issued pursuant to section 29-15-112, C.R.S., plus any interest specified in paragraph (c) of this subsection (2), attaches to district property tax revenues, except for bond redemption fund revenues, collected during the state fiscal year in which the loan was made, and the lien has priority over all other expenditures from the revenues until the loan is repaid in full. The county treasurer of the county in which the headquarters of the district are located is jointly responsible with the district for repayment of a loan made pursuant to this section, plus any interest specified in paragraph (c) of this subsection (2). If a district fails to repay a loan to the state treasurer in accordance with the provisions of this section, the state treasurer must notify the county treasurer of the county in which the headquarters of the district are located that the district is in default on the loan and the amount of the default, plus any interest specified in paragraph (c) of this subsection (2). The county treasurer must withhold any moneys of the district in the county treasurer’s possession in an amount equal to the amount of the default, plus any interest specified in paragraph (c) of this subsection (2), and transmit the moneys to the state treasurer. If the amount of moneys of the district in the county treasurer’s possession at the time notice of the default is given is less than the amount of the default, the county treasurer must withhold additional moneys of the district until such time as the default, plus any interest specified in paragraph (c) of this subsection (2), is completely paid to the state treasurer.

(f) (i) A district may sell real property to the state treasurer pursuant to the provisions of this paragraph (f) if:

(A) The state treasurer denies the district a loan pursuant to the provisions of this section, in which case the fair market value of the property is equal to or greater than the amount of the purchase price; or

(B) The district is unable to pay a loan back in the same state fiscal year in which the loan was made, in which case the fair market value of the real property is equal to or greater than the outstanding balance of the loan to the state treasurer.

(II) The sale pursuant to this paragraph (f) may be made only if:
(A) At the same time of the sale, the state treasurer leases back all of the property to the district pursuant to a lease-purchase agreement that is subject to annual appropriation by the school district;

(B) The district pays any legal or other transaction costs incurred by the state treasurer related to the sale of the property and the lease-purchase agreement; and

(C) The state treasurer agrees to the sale of the property and the lease-purchase agreement.

(III) The provisions of paragraph (e) of this subsection (2) apply to the lease-purchase agreement, and a lien shall not attach to any district tax revenues to secure the district’s lease payments. The lease-purchase agreement does not authorize the district to receive fee title to the property that is the subject of the lease-purchase agreement before the expiration of the terms of the lease-purchase agreement.

(IV) Sections 24-82-102 (1) (b) and 24-82-801, C.R.S., do not apply to the lease-purchase agreement.

(V) If a district defaults in the payment of rent required by the lease-purchase agreement, it has thirty days to cure the default. If after thirty days the district has not cured the default and if the district remains in possession of the property, the state treasurer must recover possession of the property pursuant to the provisions of Article 40 of Title 13, C.R.S. If a court enters a judgment in favor of the state treasurer and issues a writ of restitution pursuant to Section 13-40-115, C.R.S., the state treasurer must liquidate the property to the best advantage of the state.

(3) The state treasurer shall consult with the department concerning the administration of the loan program under this section to ensure that it is implemented in a manner that minimizes the amount of emergency loans needed by each district.

(4) A district that receives a loan pursuant to this section is subject to an audit that the state auditor conducts or contracts for. The district must be penalized through the withholding of state share if an audit finds the district used the loan in a manner contrary to the provisions of this section.

**PART 3**

**ADDITIONAL STATE FUNDING**

22-54.5-301. Teaching and leadership investment - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "District" means a district that does not receive a per-pupil supplemental payment pursuant to section 22-54.5-303 (2) or receives a per-pupil supplemental payment for which the per pupil amount for the
APPLICABLE BUDGET YEAR IS LESS THAN ONE HUNDRED FIFTY-NINE DOLLARS.

(b) "ELIGIBLE INSTITUTE CHARTER SCHOOL" MEANS AN INSTITUTE CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL AND THAT DOES NOT RECEIVE A PER-PUPIL SUPPLEMENTAL PAYMENT PURSUANT TO SECTION 22-54.5-303 (2) OR RECEIVES A PER-PUPIL SUPPLEMENTAL PAYMENT FOR WHICH THE PER PUPIL AMOUNT FOR THE APPLICABLE BUDGET YEAR IS LESS THAN ONE HUNDRED FIFTY-NINE DOLLARS.

(c) "GROWTH TAX REVENUES" MEANS THE AMOUNT OF STATE REVENUES GENERATED IN THE APPLICABLE INCOME TAX YEAR AS A RESULT OF A CITIZEN-INITIATED STATEWIDE BALLOT QUESTION THAT INCREASES STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, WHICH AMOUNT OF STATE REVENUES EXCEEDS THE AMOUNT SPECIFIED IN THE STATEWIDE BALLOT QUESTION.

(d) "SUPPLEMENTAL PAYMENT RECIPIENT" MEANS A DISTRICT, OR AN INSTITUTE CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL, FOR WHICH THE PER PUPIL AMOUNT OF THE PER-PUPIL SUPPLEMENTAL PAYMENT RECEIVED PURSUANT TO SECTION 22-54.5-303 (2) FOR THE APPLICABLE BUDGET YEAR IS EQUAL TO OR GREATER THAN ONE HUNDRED FIFTY-NINE DOLLARS.

(e) "TOTAL INVESTMENT MONEYS" MEANS AN AMOUNT EQUAL TO ANY AMOUNT OF THE GROWTH TAX REVENUES REMAINING AFTER THE APPROPRIATION OF GROWTH TAX REVENUES REQUIRED IN SECTION 22-20-114 (8) FOR THE APPLICABLE BUDGET YEAR.

(2) IN ADDITION TO THE STATE SHARE CALCULATED PURSUANT TO SECTION 22-54.5-203 FOR DISTRICTS AND SUPPLEMENTAL PAYMENT RECIPIENTS THAT ARE DISTRICTS AND THE TOTAL PROGRAM FUNDING FOR ELIGIBLE INSTITUTE CHARTER SCHOOLS AND SUPPLEMENTAL PAYMENT RECIPIENTS THAT ARE INSTITUTE CHARTER SCHOOLS, EACH DISTRICT, SUPPLEMENTAL PAYMENT RECIPIENT, AND ELIGIBLE INSTITUTE CHARTER SCHOOL SHALL ANNUALLY RECEIVE THE PER PUPIL AMOUNT OF TEACHING AND LEADERSHIP INVESTMENT MONEYS DESCRIBED IN SUBSECTION (3) OF THIS SECTION, MULTIPLIED BY THE DISTRICT'S, THE SUPPLEMENTAL PAYMENT RECIPIENT'S, OR THE ELIGIBLE INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD. THE DEPARTMENT SHALL DISTRIBUTE THE INVESTMENT MONEYS WITH THE STATE SHARE FOR EACH DISTRICT AND SUPPLEMENTAL PAYMENT RECIPIENT THAT IS A DISTRICT AND WITH THE FUNDING FOR EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AND SUPPLEMENTAL PAYMENT RECIPIENT THAT IS AN INSTITUTE CHARTER SCHOOL AS PROVIDED IN SECTION 22-54.5-408. IF A DISTRICT OR SUPPLEMENTAL PAYMENT RECIPIENT THAT IS A DISTRICT DOES NOT RECEIVE STATE SHARE, THE DEPARTMENT SHALL DISTRIBUTE THE INVESTMENT MONEYS FOR THE DISTRICT OR SUPPLEMENTAL PAYMENT RECIPIENT THAT IS A DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 22-54.5-408.

(3) (a) FOR THE 2015-16 BUDGET YEAR, THE PER PUPIL AMOUNT OF INVESTMENT MONEYS FOR EACH DISTRICT, EACH SUPPLEMENTAL PAYMENT RECIPIENT, AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL IS FOUR HUNDRED FORTY-ONE DOLLARS.

(b) (I) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (C) OF THIS SUBSECTION
FOR THE 2016-17 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE DEPARTMENT SHALL ANNUALLY CALCULATE THE PER PUPIL AMOUNT OF INVESTMENT MONEYS FOR EACH DISTRICT AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AS THE GREATER OF FOUR HUNDRED FORTY-ONE DOLLARS OR AN AMOUNT EQUAL TO:

\[
\text{(Total investment moneys} - (\$441 \times \text{Total average daily membership of supplemental payment recipients})) \div (\text{Total average daily membership of districts} + \text{Total average daily membership of eligible institute charter schools})
\]

(II) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (3), FOR THE 2016-17 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE DEPARTMENT SHALL ANNUALLY CALCULATE THE PER PUPIL AMOUNT OF INVESTMENT MONEYS FOR EACH SUPPLEMENTAL PAYMENT RECIPIENT AS THE GREATER OF FOUR HUNDRED FORTY-ONE DOLLARS OR AN AMOUNT EQUAL TO:

\[
\$441 + ((\text{Total investment moneys} - (\$600 \times \text{Total average daily membership of districts} + \text{Total average daily membership of eligible institute charter schools})) \div \text{Total average daily membership of supplemental payment recipients})
\]

(III) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (b), THE PER PUPIL AMOUNT OF INVESTMENT MONEYS FOR A DISTRICT, A SUPPLEMENTAL PAYMENT RECIPIENT, OR AN ELIGIBLE INSTITUTE CHARTER SCHOOL, SHALL NOT EXCEED SIX HUNDRED DOLLARS IN A BUDGET YEAR, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (3).

(c) IN A BUDGET YEAR IN WHICH THE PER PUPIL AMOUNT OF INVESTMENT MONEYS CALCULATED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (3) FOR EACH DISTRICT, SUPPLEMENTAL PAYMENT RECIPIENT, AND ELIGIBLE INSTITUTE CHARTER SCHOOL EXCEEDS SIX HUNDRED DOLLARS, THE DEPARTMENT SHALL CALCULATE THE PER PUPIL AMOUNT OF INVESTMENT MONEYS FOR EACH DISTRICT, SUPPLEMENTAL PAYMENT RECIPIENT, AND ELIGIBLE INSTITUTE CHARTER SCHOOL AS AN AMOUNT EQUAL TO THE TOTAL INVESTMENT MONEYS DIVIDED BY THE COMBINED TOTAL AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS, ALL SUPPLEMENTAL PAYMENT RECIPIENTS, AND ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS.

(4) EACH DISTRICT, DISTRICT CHARTER SCHOOL, SUPPLEMENTAL PAYMENT RECIPIENT, AND ELIGIBLE INSTITUTE CHARTER SCHOOL SHALL USE THE INVESTMENT MONEYS RECEIVED PURSUANT TO THIS SECTION TO PAY THE COSTS INCURRED IN PROVIDING STAFF SUPPORT AND PROFESSIONAL DEVELOPMENT NECESSARY TO IMPLEMENT:

(a) STANDARDS-BASED INSTRUCTION AND ASSESSMENTS AS PROVIDED IN PARTS 10 AND 12 OF ARTICLE 7 OF THIS TITLE AND THE FEDERAL "NO CHILD LEFT BEHIND ACT OF 2001", 20 U.S.C. sec. 6381 et seq.;

(b) EDUCATOR PERFORMANCE EVALUATIONS AS PROVIDED IN ARTICLE 9 OF THIS TITLE AND SECTIONS 22-63-202 AND 22-63-203; AND

(c) ACCREDITATION AS PROVIDED IN ARTICLE 11 OF THIS TITLE, INCLUDING
EFFORTS THAT ARE SPECIFICALLY DIRECTED AT ELIMINATING THE ACHIEVEMENT AND GROWTH GAPS AMONG STUDENT GROUPS DISAGGREGATED BY RACE.

22-54.5-302. Hold-harmless moneys - state share hold-harmless fund - created - definitions. (1) For purposes of this section:

(a) "District’s 2014-15 state share" means the amount of state share that a district receives for the 2014-15 budget year pursuant to section 22-54-106, as it existed prior to repeal.

(b) "Fund" means the state share hold-harmless fund created in subsection (3) of this section.

(c) "State funding" means the amount of state share plus investment moneys that a district receives in a budget year.

(2)(a) If the recalculation of state and local shares of total program pursuant to section 22-54.5-203 results in a district receiving a lower amount of state funding, the district is eligible to receive hold-harmless moneys as provided in this section. The department shall annually calculate a district’s hold-harmless moneys using the district’s state funding, total program, and investment moneys for the applicable budget year in the following formula:

\[(\text{District’s 2014-15 state share} - \text{District’s state funding}) + (0.02 \times (\text{District’s total program} + \text{District’s investment moneys}))\]

(b) A district that is eligible to receive hold-harmless moneys as the result of a recalculation of state and local shares continues to be eligible to receive the hold-harmless moneys in each subsequent budget year in which the calculation of the hold-harmless moneys results in a positive number.

(c) Notwithstanding any provision of this section to the contrary, the department shall reduce a district’s hold-harmless moneys as necessary to ensure that, in any budget year, the district’s hold-harmless moneys plus the district’s local share and state share do not exceed the greater of the district’s total program for the applicable budget year or the district’s total program for the 2014-15 budget year calculated pursuant to section 22-54-104, as it existed prior to repeal.

(3)(a) There is created in the state treasury the state share hold-harmless fund consisting of such moneys as the general assembly may appropriate to the fund. The moneys in the fund are subject to annual appropriation by the general assembly to the department for distribution as hold-harmless moneys to eligible districts as provided in this section.

(b) The state treasurer may invest any moneys in the fund not expended for the purpose of this section as provided by law. The state treasurer shall credit all interest and income derived from the
INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

(4) IN A BUDGET YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT APPROPRIATE A SUFFICIENT AMOUNT TO FULLY FUND THE HOLD-HARMLESS MONEYS AUTHORIZED IN THIS SECTION, THE DEPARTMENT SHALL REDUCE THE AMOUNT OF EACH ELIGIBLE DISTRICT'S HOLD-HARMLESS MONEYS BY THE SAME PERCENTAGE THAT THE DEFICIT BEARS TO THE AMOUNT REQUIRED TO FULLY FUND THE HOLD-HARMLESS MONEYS AUTHORIZED BY THIS SECTION.

22-54.5-303. Per pupil supplemental payment - per pupil supplemental fund - created - definitions. (1) For purposes of this section:

(a) "District's per pupil revenue" means, for each budget year, the sum of the amount of local property tax revenues generated from the number of mills a district levies for total program plus the specific ownership tax revenue paid to the district plus the state share paid to the district plus any hold-harmless moneys paid to the district pursuant to section 22-54.5-302, divided by the district's funded membership for the applicable budget year.

(b) "Fund" means the per pupil supplemental fund created in subsection (3) of this section.

(c) "Institute charter school's per pupil revenue" means, for each budget year, the amount of state funding paid to the institute charter school divided by the institute charter school's funded membership for the applicable budget year.

(d) "State average per pupil revenue" means the total program of all districts and all institute charter schools for a budget year plus the total amount of hold-harmless moneys paid by the state pursuant to section 22-54.5-302 for the budget year, divided by the total funded membership of all districts and all institute charter schools for the budget year.

(2) (a) Subject to available appropriations, the department shall annually pay per pupil supplemental payments to districts and institute charter schools to ensure that, for each budget year, each district's per pupil revenue and each institute charter school's per pupil revenue is at least equal to ninety-five percent of the state average per pupil revenue. The department shall annually identify the districts and institute charter schools that may receive per pupil supplemental payments as provided in this section.

(b) The department shall calculate the amount payable to each district by subtracting the district's per pupil revenue for the applicable budget year from an amount equal to ninety-five percent of the state average per pupil revenue for the applicable budget year and multiplying
THE DIFFERENCE BY THE DISTRICT’S FUNDED MEMBERSHIP FOR THE APPLICABLE BUDGET YEAR.

(c) The department shall calculate the amount payable to each institute charter school by subtracting the institute charter school’s per pupil revenue for the applicable budget year from an amount equal to ninety-five percent of the state average per pupil revenue for the applicable budget year and multiplying the difference by the institute charter school’s funded membership for the applicable budget year.

(d) A district or an institute charter school is not eligible for per pupil supplemental payments in any budget year in which the calculation described in this subsection (2) results in a negative number.

(3) (a) Subject to available appropriations, the department shall pay an at-risk supplemental payment to each district and each institute charter school in each budget year in which:

(I) the district or the institute charter school is eligible for per pupil supplemental payments pursuant to this section; and

(II) the district’s or the institute charter school’s at-risk pupil percentage is equal to or greater than a percentage that is ten percentage points less than the statewide average at-risk pupil percentage for the applicable budget year.

(b) The at-risk supplemental payment for a district or an institute charter school that meets the requirements stated in paragraph (a) of this subsection (3) is an amount equal to twenty-three percent of the district’s or the institute charter school’s at-risk funding calculated for the applicable budget year pursuant to section 22-54.5-201 (4) or 22-54.5-202 (4), whichever is applicable.

(4)(a) There is created in the state treasury the per pupil supplemental fund consisting of such moneys as the general assembly may appropriate to the fund. The moneys in the fund are subject to annual appropriation by the general assembly to the department for distribution to districts and institute charter schools as provided in this section.

(b) The state treasurer may invest any moneys in the fund not expended for the purpose of this section as provided by law. The state treasurer shall credit all interest and income derived from the investment and deposit of moneys in the fund to the fund. Any unexpended and unencumbered moneys remaining in the fund at the end of a fiscal year must remain in the fund and shall not be credited or transferred to the general fund or another fund.

(5) In a budget year in which the general assembly does not appropriate a sufficient amount to fully fund the per pupil supplemental payments authorized in subsection (2) of this section and the at-risk supplemental payments authorized in subsection (3) of this section, the department
Shall reduce each district’s and each institute charter school’s per pupil supplemental payment and at-risk supplemental payment by the same percentage that the deficit bears to the amount required to fully fund the per pupil supplemental payments authorized by subsection (2) of this section and the at-risk supplemental payments authorized in subsection (3) of this section.

**22-54.5-304. Mill levy equalization - mill levy equalization fund - created - definitions.** (1) For purposes of this section:

(a) "District mill levy equalization payment" means an amount equal to:

(I) The average daily membership plus the on-line average daily membership of an eligible district for the funding averaging period for the budget year in which the eligible district receives voter approval for an increase in property tax revenues multiplied by the district per pupil equalization; minus

(II) The amount of property tax revenues received from the levy of two and five-tenths mills by the eligible district for the property tax year in which the eligible district applies for the mill levy equalization payment.

(b) "District per pupil equalization" means an amount equal to the amount of property tax revenue that would be generated by a levy of two and five-tenths mills on the statewide assessed property valuation for the budget year in which an eligible district receives voter approval for an increase in property tax revenues, divided by the total average daily membership plus total on-line average daily membership for all districts for the funding averaging period for that budget year.

(c) "Eligible district" means a district that:

(I) Has a combined average daily membership and on-line average daily membership of fewer than ten thousand pupils; and

(II) Receives voter approval on or after November 1, 2013, for an increase of at least two and five-tenths in the number of property tax mills that the district levies for purposes of total program or in the number of property tax mills that the district is authorized to levy pursuant to section 22-54.5-205, 22-54.5-206, 22-54.5-207, or 22-54.5-208. For a district to qualify as an "eligible district", the ballot measure must be worded as a specific increase in the number of mills levied and not as an increase in the amount of property tax revenues collected.

(d) "Fund" means the mill levy equalization fund created in subsection (4) of this section.

(2) (a) An eligible district may apply to the department for a mill levy equalization payment in each budget year in which the mill levy equalization payment for the eligible district would be greater than
ZERO AND THE DISTRICT MEETS THE DEFINITION OF AN ELIGIBLE DISTRICT.

(b) In each budget year, subject to available appropriations, the department shall distribute from the fund the applicable mill levy equalization payment to each eligible district that applies pursuant to this section. An eligible district may qualify for only one mill levy equalization payment per budget year.

(3) A mill levy equalization payment that a district receives pursuant to this section is in addition to any other state moneys that the district receives for the applicable budget year.

(4) (a) There is created in the state treasury the mill levy equalization fund consisting of such moneys as the general assembly may appropriate to the fund. The moneys in the fund are subject to annual appropriation by the general assembly to the department for distribution to eligible districts as provided in this section.

(b) The state treasurer may invest any moneys in the fund not expended for the purpose of this section as provided by law. The state treasurer shall credit all interest and income derived from the investment and deposit of moneys in the fund to the fund. Any unexpended and unencumbered moneys remaining in the fund at the end of a fiscal year must remain in the fund and shall not be credited or transferred to the general fund or another fund.

(5) In a budget year in which the general assembly does not appropriate a sufficient amount to fully fund the district mill levy equalization payments authorized in subsection (2) of this section, the department shall reduce each eligible district’s mill levy equalization payment by the same percentage that the deficit bears to the amount required to fully fund the payments authorized by subsection (2) of this section.

22-54.5-305. Mill levy elections - administrative costs. (1) A district that, pursuant to section 22-54.5-203 (4)(a), chooses to seek voter approval for a mill levy increase may apply to the department for reimbursement of election costs if:

(a) The district holds an election to seek voter approval for an increase in local property tax revenues for purposes of total program; and

(b) The county clerk and recorder’s office that administers the election requires the district to pay the administration costs for the election.

(2) Upon receiving an application for reimbursement of mill levy election costs, including documentation of the amount of election administration costs that the district paid to the county clerk and recorder, the department shall reimburse to the district the documented amount of administration costs.
(3) The General Assembly shall annually appropriate to the department the amount necessary to reimburse districts for election costs pursuant to this section. If the amount appropriated in a budget year is less than the amount required to fully reimburse districts pursuant to this section, the department shall reduce each district's reimbursement by the percentage of the overall deficit.

22-54.5-306. Small attendance center aid. (1) A district is eligible for aid pursuant to this section if:

(a) The district has more than one elementary or secondary school attendance center;

(b) The district operates one or more elementary or secondary attendance centers that each has an average daily membership for the applicable funding averaging period of fewer than two hundred and that are located twenty or more miles from any similar school attendance center in the same district; and

(c) The district received small attendance center aid before the 2008-09 budget year.

(2) A district that meets the eligibility requirements of subsection (1) of this section may receive aid for each small attendance center as calculated by: multiplying the average daily membership of the small attendance center for the applicable funding averaging period by an amount equal to thirty-five percent of the difference between the district per pupil funding, as calculated pursuant to section 22-54.5-201, and the district per pupil funding, as calculated pursuant to section 22-54.5-201, except using a size factor based on the average daily membership of the small attendance center for the applicable funding averaging period; and then multiplying that amount by the percentage calculated by subtracting the average daily membership of the small attendance center for the applicable funding averaging period from two hundred and dividing that difference by two hundred.

(3) The General Assembly shall appropriate annually an amount for small attendance center aid that the department shall distribute using the formulas in subsection (2) of this section. If the amount of money that the general assembly appropriates is less than the amount of aid authorized by this section to all eligible districts, the amount that the department distributes to each eligible school district must be in the same proportion that the amount of the appropriation bears to the total amount of aid authorized for all eligible districts.

(4) If a school district receives small attendance center aid pursuant to this section for a small attendance center that is a district charter school, the school district must forward the entire amount of the aid to the district charter school for which it was received.

22-54.5-307. National school meal programs - appropriation of state
matching funds - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "LOW-PERFORMING SCHOOL" MEANS A SCHOOL THAT IS REQUIRED TO IMPLEMENT A PRIORITY IMPROVEMENT OR TURNAROUND PLAN PURSUANT TO SECTION 22-11-405 OR 22-11-406, RESPECTIVELY, OR IS SUBJECT TO RESTRUCTURING PURSUANT TO SECTION 22-11-210.

(b) "SCHOOL FOOD AUTHORITY" MEANS:

(I) A SCHOOL DISTRICT OR THE STATE CHARTER SCHOOL INSTITUTE;

(II) A CHARTER SCHOOL COLLABORATIVE FORMED PURSUANT TO SECTION 22-30.5-603;

(III) A BOARD OF COOPERATIVE SERVICES CREATED PURSUANT TO ARTICLE 5 OF THIS TITLE THAT ELECTS TO OPERATE AS A SCHOOL FOOD AUTHORITY PURSUANT TO SECTION 22-5-120; OR

(IV) A DISTRICT CHARTER SCHOOL OR AN INSTITUTE CHARTER SCHOOL THAT:

(A) THE COMMISSIONER OF EDUCATION OR HIS OR HER DESIGNEE PROVISIONALLY AUTHORIZES AS A SCHOOL FOOD AUTHORITY PURSUANT TO SECTION 22-32-120 (6); OR

(B) THE DEPARTMENT AUTHORIZES AS A SCHOOL FOOD AUTHORITY PURSUANT TO SECTION 22-32-120 (5).

(2) THE GENERAL ASSEMBLY SHALL APPROPRIATE BY SEPARATE LINE ITEM AN AMOUNT TO COMPLY WITH THE REQUIREMENTS FOR STATE MATCHING FUNDS UNDER THE FEDERAL "NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ. THE DEPARTMENT SHALL DEVELOP PROCEDURES TO ALLOCATE AND DISBURSE THE FUNDS AMONG PARTICIPATING SCHOOL FOOD AUTHORITIES EACH YEAR IN AN EQUITABLE MANNER SO AS TO COMPLY WITH THE REQUIREMENTS OF THE FEDERAL ACT.

(3) (a) THE GENERAL ASSEMBLY MAY APPROPRIATE BY SEPARATE LINE ITEM AN AMOUNT TO ASSIST SCHOOL FOOD AUTHORITIES THAT ARE PROVIDING A SCHOOL BREAKFAST PROGRAM THROUGH PARTICIPATION IN PROGRAMS AUTHORIZED UNDER THE FEDERAL "NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., OR THE FEDERAL "CHILD NUTRITION ACT OF 1966", 42 U.S.C. SEC. 1771 ET SEQ. THE DEPARTMENT SHALL DEVELOP PROCEDURES TO APPROPRIATELY ALLOCATE AND DISBURSE THE FUNDS AMONG PARTICIPATING SCHOOL FOOD AUTHORITIES.

(b) EACH SCHOOL DISTRICT THAT RECEIVES MONEYS PURSUANT TO THIS SUBSECTION (3) MUST USE THE MONEYS TO CREATE, EXPAND, OR ENHANCE THE SCHOOL BREAKFAST PROGRAM IN EACH LOW-PERFORMING SCHOOL OF THE RECEIVING DISTRICT WITH THE GOAL OF IMPROVING THE ACADEMIC PERFORMANCE OF THE STUDENTS ATTENDING THE SCHOOLS.

(c) A DISTRICT CHARTER SCHOOL, AN INSTITUTE CHARTER SCHOOL, OR A CHARTER SCHOOL COLLABORATIVE THAT IS A SCHOOL FOOD AUTHORITY IS ELIGIBLE TO
receive moneys pursuant to this subsection (3) only if it is a low-performing school. A district charter school or an institute charter school that is a school food authority that receives moneys pursuant to this section must use the moneys to create, expand, or enhance its school breakfast program with the goal of improving the academic performance of the students attending the district charter school or the institute charter school.

22-54.5-308. Declining enrollment districts with new charter schools - additional aid - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Declining enrollment district" means a district whose funded membership is greater than the sum of the district’s average daily membership, on-line average daily membership, and ASCENT program average daily membership for the funding averaging period for the applicable budget year.

(b) "New charter school enrollment" means the average daily membership of a charter school for the funding averaging period for the first budget year in which the charter school operates.

(2) In a budget year in which a new district charter school that is not a multi-district on-line school is opened in a declining enrollment district, the declining enrollment district must receive additional aid as specified in this section to help mitigate the impact of the enrollment of pupils in the new district charter school who might otherwise have attended a traditional school in the declining enrollment district. The additional aid is available only for the first year of operation of a new district charter school in a declining enrollment district.

(3) The general assembly shall annually appropriate moneys from the general fund or any other source for additional aid to a declining enrollment district in which a new charter school is opened. The department shall distribute the additional aid to all declining enrollment districts in which new charter schools are opened in the budget year for which the aid is appropriated. The department shall distribute the additional aid among the declining enrollment districts in which new charter schools are opened in the proportion that the declining enrollment district’s new charter school enrollment bears to the total new charter school enrollment in all declining enrollment districts statewide in which new charter schools are opened in the budget year for which the additional aid is appropriated; except that a declining enrollment district shall not receive more than three hundred thousand dollars of additional aid pursuant to this section.

22-54.5-309. State assistance for charter schools - use of state education fund moneys - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Capital construction" means construction, demolition,
(b) "Charter school" means a charter school authorized by a district pursuant to part 1 of article 30.5 of this title or an institute charter school.

(c) "District's certified charter school average daily membership" means the projected total average daily membership of pupils who are not on-line pupils, as defined in section 22-30.5-103(6), for all qualified charter schools that receive funding from the district pursuant to section 22-30.5-111.5 for the funding averaging period for the budget year for which state education fund moneys are appropriated and distributed pursuant to subsection (4) of this section, as certified by the department pursuant to paragraph (b) of subsection (3) of this section during the budget year that immediately precedes the applicable budget year.

(d) "Institute charter schools' certified average daily membership" means the projected total average daily membership of pupils who are not on-line pupils, as defined in section 22-30.5-502(9), for all qualified institute charter schools that receive funding pursuant to section 22-30.5-513.5 for the funding averaging period for the budget year for which state education fund moneys are appropriated and distributed pursuant to subsection (4) of this section, as certified by the department pursuant to paragraph (b) of subsection (3) of this section during the budget year that immediately precedes the applicable budget year.

(e) (I) "Qualified charter school" means:

(A) A charter school that is not operating in a school district facility and that has capital construction costs;

(B) A charter school that is operating in a school district facility and that has capital construction costs; or

(C) A charter school that is operating or will operate in the next budget year in 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., and that is obligated to make lease payments for use of the facility.

(II) "Qualified charter school" does not include:

(A) A charter school that is operating in a school district facility and that does not have capital construction costs;

(B) A charter school that does not have capital construction costs;

(C) A charter school that is operating or will operate in the next budget year in 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., AND THAT IS NOT OBLIGATED TO MAKE LEASE PAYMENTS FOR USE OF THE FACILITY;

(D) A CHARTER SCHOOL THAT OPERATES, OR WILL OPERATE IN THE NEXT BUDGET YEAR, IN A FACILITY THAT IS NOT LISTED ON THE STATEWIDE FINANCIAL ASSISTANCE PRIORITY ASSESSMENT LIST AS PROVIDED IN 22-43.7-108; OR

(E) A CHARTER SCHOOL THAT OPERATES, OR WILL OPERATE IN THE NEXT BUDGET YEAR, IN A FACILITY THAT IS BUILT USING FINANCIAL ASSISTANCE AWARDED PURSUANT TO THE "BUILDING EXCELLENT SCHOOLS TODAY ACT", ARTICLE 43.7 OF THIS TITLE.

(2) (a) A DISTRICT IS ELIGIBLE TO RECEIVE STATE EDUCATION FUND MONEYS FOR DISTRICT CHARTER SCHOOL CAPITAL CONSTRUCTION PURSUANT TO THIS SECTION IF AT LEAST ONE QUALIFIED DISTRICT CHARTER SCHOOL RECEIVES FUNDING FROM THE DISTRICT PURSUANT TO SECTION 22-30.5-111.5 DURING THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE DISTRIBUTED.

(b) AN INSTITUTE CHARTER SCHOOL IS ELIGIBLE TO RECEIVE STATE EDUCATION FUND MONEYS FOR INSTITUTE CHARTER SCHOOL CAPITAL CONSTRUCTION IF THE INSTITUTE CHARTER SCHOOL RECEIVES FUNDING FROM THE STATE CHARTER SCHOOL INSTITUTE PURSUANT TO SECTION 22-30.5-513.5 DURING THE BUDGET YEAR FOR WHICH STATE EDUCATION FUND MONEYS ARE DISTRIBUTED.

(3) (a) (I) THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION TO THE DEPARTMENT THE AMOUNT REQUIRED FOR DISTRIBUTION PURSUANT TO THIS SECTION.

(II) THE DEPARTMENT SHALL DISTRIBUTE THE MONEYS APPROPRIATED FOR ELIGIBLE DISTRICTS AND ELIGIBLE INSTITUTE CHARTER SCHOOLS AS FOLLOWS:

(A) EACH QUALIFIED CHARTER SCHOOL THAT OPERATES DURING THE APPLICABLE BUDGET YEAR IN A FACILITY THAT THE QUALIFIED CHARTER SCHOOL OWNS AND THAT HAS DEMONSTRABLE CAPITAL CONSTRUCTION COSTS RECEIVES AN AMOUNT EQUAL TO FOUR HUNDRED FIFTY DOLLARS MULTIPLIED BY THE QUALIFIED CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE BUDGET YEAR;

(B) EACH QUALIFIED CHARTER SCHOOL THAT OPERATES DURING THE APPLICABLE BUDGET YEAR IN A FACILITY THAT IS NOT OWNED BY A DISTRICT OR BY THE QUALIFIED CHARTER SCHOOL AND THAT HAS DEMONSTRABLE CAPITAL CONSTRUCTION COSTS RECEIVES AN AMOUNT EQUAL TO THREE HUNDRED DOLLARS MULTIPLIED BY THE QUALIFIED CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE BUDGET YEAR; AND

(C) EACH QUALIFIED CHARTER SCHOOL THAT OPERATES DURING THE APPLICABLE BUDGET YEAR IN A FACILITY THAT IS OWNED BY A DISTRICT OR 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., AND THAT HAS DEMONSTRABLE CAPITAL CONSTRUCTION
COSTS RECEIVES AN AMOUNT EQUAL TO ONE HUNDRED DOLLARS MULTIPLIED BY THE QUALIFIED CHARTER SCHOOL’S AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE BUDGET YEAR.

(b) No later than February 1 of each budget year, the department shall certify to the education committees of the Senate and the House of Representatives, or any successor committees, and to the joint budget committee of the General Assembly the projected total average daily membership for all qualified charter schools in the State for the funding averaging period for the next budget year, as derived from reports provided to the department by districts pursuant to Section 22-30.5-111.5 (2) and by institute charter schools pursuant to Section 22-30.5-513.5(2).

(4) The department shall distribute the total amount to be distributed pursuant to this section to each eligible school district and eligible institute charter school in twelve approximately equal monthly payments during the applicable budget year in conjunction with the distribution of the State’s share of district total program pursuant to Section 22-54.5-408.

(5) A district that receives State education fund moneys pursuant to this section must distribute all moneys received to qualified charter schools as required by Section 22-30.5-111.5 and may not retain any of the moneys to defray administrative expenses or for any other purpose.

(6) In a budget year in which the General Assembly does not appropriate a sufficient amount to fully fund the requirements of this section, the department shall reduce each qualified charter school’s distribution by the same percentage that the deficit bears to the amount required to fully fund the requirements of this section.

(7) Pursuant to Section 17 (3) of Article IX of the State Constitution, the moneys appropriated by the General Assembly out of the State education fund, received by an eligible district or eligible institute charter school pursuant to this section, and distributed to a qualified charter school by a district pursuant to this section and Section 22-30.5-111.5 are exempt from:

(a) The limitation on state fiscal year spending set forth in Section 20 (7)(a) of Article X of the State Constitution and Section 24-77-103, C.R.S.; and

(b) The limitation on local government fiscal year spending set forth in Section 20 (7)(b) of Article X of the State Constitution.

(8) The General Assembly finds that, for purposes of Section 17 of Article IX of the State Constitution, providing funding for charter school capital construction from moneys in the State education fund created in Section 17 (4) of Article IX of the State Constitution is a permissible use of the moneys in the State education fund because the moneys are being used for public school building capital construction as
22-54.5-310. Contingency reserve fund - created - supplemental assistance.

(1) (a) There is created in the state treasury the contingency reserve fund, which consists of such moneys as the general assembly may annually appropriate to the fund. In deciding the amount to appropriate to the contingency reserve fund, the general assembly may take into consideration any recommendations the department may make, but the general assembly is not obligated to provide supplemental assistance to all districts that may be in need or to fully fund the total amount of the need. Any unexpended balance in the contingency reserve fund at the end of a fiscal year must remain in the fund and does not revert to the state general fund and shall not be transferred to another fund.

(b) The state board may approve and order payments from the contingency reserve fund for supplemental assistance to districts that are in need as the result of one or more of the following circumstances:

(I) Financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;

(II) Financial emergencies arising from the nonpayment of property taxes pending the outcome of an administrative appeal or litigation or both challenging the inclusion of the value of certain property in a county’s abstract of assessment that resulted from a change in the applicable state law;

(III) Insufficiency of the amount of property tax levied and collected pursuant to section 39-10-114, C.R.S., to make abatements and refunds of property taxes that the district is required to make pursuant to said section;

(IV) A contingency that a district board of education could not have reasonably foreseen at the time it adopted the annual budget, including but not limited to reductions in valuation of the district in excess of twenty percent as described in section 39-10-114 (1) (a) (I) (B.5), C.R.S.;

(V) Unusual financial burden caused by instruction of children who formerly resided outside the district but are assigned to live within the district by courts or public welfare agencies. Supplemental assistance under this circumstance must not exceed the additional cost for current operations incurred by this circumstance.

(VI) Unusual financial burden caused by an increase in a district’s average daily membership during a school year. Supplemental assistance under this circumstance must not exceed the additional cost incurred by the district due to the increase in average daily membership. Only districts with a funded membership of two thousand or fewer are eligible for supplemental assistance under this subparagraph (VI).

(VII) Unusual financial burden caused by a significant decline in
AVERAGE DAILY MEMBERSHIP AS A RESULT OF DETACHMENT AND ANNEXATION PURSUANT TO A REORGANIZATION PLAN APPROVED PURSUANT TO ARTICLE 30 OF THIS TITLE.

(c) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (b) OF THIS SUBSECTION (1) CONCERNING CIRCUMSTANCES UNDER WHICH THE STATE BOARD MAY APPROVE AND ORDER PAYMENTS FROM THE CONTINGENCY RESERVE FUND, THE STATE BOARD, IN CASES OF EXTREME EMERGENCY, MAY TAKE INTO CONSIDERATION SUCH OTHER FACTORS AS IT FINDS NECESSARY AND PROPER IN GRANTING SUPPLEMENTAL ASSISTANCE FROM THE CONTINGENCY RESERVE FUND TO DISTRICTS THAT CANNOT MAINTAIN THEIR SCHOOLS WITHOUT ADDITIONAL FINANCIAL ASSISTANCE.

(d) If the department pays supplemental assistance pursuant to subparagraph (II) of paragraph (b) of subsection (1) of this section and the disputed property is finally determined to have been properly included in the abstract of assessment, the district shall reimburse to the contingency reserve fund the amount of supplemental assistance paid, plus interest at the same rate as provided by statute for penalty interest on unpaid property taxes, after the district collects the taxes in full.

(e) In addition to a reimbursement pursuant to paragraph (d) of this subsection (1), the department shall credit to the contingency reserve fund any other reimbursement by a school district of a payment for supplemental assistance made pursuant to this subsection (1).

(2) A district may apply for supplemental assistance pursuant to subsection (1) of this section by submitting to the department an application that, at a minimum, describes fully the grounds upon which it relies for assistance. The president and secretary of the district board of education shall swear under oath to the contents of the application.

(3) The state board shall investigate each application, as it deems necessary, and, if it finds that an application should be approved, it shall determine the amount of supplemental assistance that the district receives. In determining which districts receive supplemental assistance pursuant to this section and the amount of the assistance, the state board shall consider the amount of the supplemental assistance requested by the district as a percentage of the district's total program. By order upon the state treasurer, the state board shall direct payment of the specified amount of supplemental assistance from the contingency reserve fund to the treasurer of the eligible district for credit to the general fund of the district.

22-54.5-311. Education innovation grant program - board created - fund created - rules - report - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(a) "Board" means the education innovation board created in subsection (7) of this section.

(b) "Educators" means teachers, principals, and administrators.
(c) "Expanded learning time" means an initiative to extend the length of the school day or to increase the number of school days for all students attending the school and to improve the use of learning time throughout the school day and improve academic achievement, eliminate the achievement and growth gaps among student groups disaggregated by race, and increase student engagement. The additional time must allow for more time for a combination of core academics, engaging enrichment programs, and teacher collaboration and professional development.

(d) "Fund" means the education innovation grant fund created in subsection (9) of this section.

(2) The education innovation grant program is created in the department to provide moneys to educators, local education providers, and boards of cooperative services to implement innovations in the delivery of public preschool, elementary, and secondary education in the state. The department shall recommend grant recipients to the board, and the board shall award grants for education innovation initiatives out of any moneys available in the fund.

(3) (a) The department shall publish policies that specify the procedures and timelines by which an educator, a local education provider, or a board of cooperative services may apply for an education innovation grant. An educator who is employed by a district must obtain the approval of the board of education of the applicable district before applying to the department for a grant.

(b) Each application must include a description of the education innovation initiative the applicant will implement using the grant moneys and the manner in which the applicant will measure whether the initiative is effective in eliminating the achievement and growth gaps among student groups disaggregated by race and in improving student retention, reducing dropout rates, and increasing graduation rates. Applicants are encouraged to apply for grants to implement expanded learning time initiatives and other initiatives that are likely to result in significant student academic growth.

(4) (a) The department shall accept and evaluate grant applications and, for each application received, recommend to the board whether a grant should be awarded and the amount and duration of the grant. To evaluate grant applications, the department shall create a rubric of measurements designed to identify education innovation initiatives that are most likely to result in eliminating the achievement and growth gaps among student groups disaggregated by race and in improving student retention, reducing dropout rates, and increasing graduation rates and may result in improving student academic achievement. In addition, in evaluating grant applications, the department shall:

(I) give priority to applications to implement education innovation initiatives for schools and districts that are implementing improvement,
PRIORITY IMPROVEMENT, OR TURNAROUND PLANS;

(II) GIVE PREFERENCE TO GRANT APPLICATIONS TO IMPLEMENT EXPANDED LEARNING TIME INITIATIVES OR OTHER EDUCATION INITIATIVES THAT ARE LIKELY TO ELIMINATE THE ACHIEVEMENT AND GROWTH GAPS AMONG STUDENT GROUPS DISAGGREGATED BY RACE, IMPROVE STUDENT RETENTION, REDUCE DROPOUT RATES, AND INCREASE GRADUATION RATES AND MAY IMPROVE STUDENT ACADEMIC ACHIEVEMENT;

(III) GIVE PREFERENCE TO GRANT APPLICATIONS THAT INCLUDE A PLAN TO IMPLEMENT THE INITIATIVE AFTER THE GRANT EXPIRES; AND

(IV) TAKE INTO ACCOUNT ANY GRANT FUNDING FOR EDUCATION INITIATIVES THAT THE APPLICANT RECEIVES FROM OTHER SOURCES.

(b) SUBJECT TO AVAILABLE APPROPRIATIONS, THE BOARD SHALL AWARD THE EDUCATION INNOVATION GRANTS, TAKING INTO ACCOUNT:

(I) THE RECOMMENDATIONS OF THE DEPARTMENT;

(II) EACH APPLICANT’S DEMONSTRATED ABILITY TO SUSTAIN THE PROPOSED INITIATIVE AFTER GRANT MONEYS ARE NO LONGER AVAILABLE; AND

(III) THE NUMBER OF YEARS, IF ANY, THAT EACH APPLICANT HAS ALREADY RECEIVED EDUCATION INNOVATION GRANT FUNDING AND THE SUCCESS ACHIEVED BY IMPLEMENTING THE INITIATIVE.

(c) AN APPLICANT THAT RECEIVES AN EDUCATION INNOVATION GRANT MAY APPLY TO RENEW THE GRANT IN SUBSEQUENT YEARS; EXCEPT THAT AN APPLICANT MAY RECEIVE EDUCATION INNOVATION GRANT MONEYS FOR THE SAME INITIATIVE FOR NO MORE THAN FIVE SCHOOL YEARS.

(d) AN APPLICANT THAT RECEIVES AN EDUCATION INNOVATION GRANT AND APPLIES FOR A SECOND OR SUBSEQUENT EDUCATION INNOVATION GRANT FOR THE SAME INITIATIVE MUST, WITH EACH APPLICATION, SUBMIT A REPORT THAT SETS FORTH THE SUCCESS OF THE INITIATIVE IN ELIMINATING THE ACHIEVEMENT AND GROWTH GAPS AMONG STUDENT GROUPS DISAGGREGATED BY RACE, IMPROVING STUDENT RETENTION, REDUCING DROPOUT RATES, INCREASING GRADUATION RATES, AND IMPROVING STUDENT ACADEMIC ACHIEVEMENT.

(5) THE DEPARTMENT SHALL ADOPT METHODS OF MEASURING THE SUCCESS OF EACH EDUCATION INNOVATION INITIATIVE IN ELIMINATING THE ACHIEVEMENT AND GROWTH GAPS AMONG STUDENT GROUPS DISAGGREGATED BY RACE, IMPROVING STUDENT RETENTION, REDUCING DROPOUT RATES, AND INCREASING GRADUATION RATES AND IN IMPROVING STUDENT ACADEMIC ACHIEVEMENT. EACH GRANT RECIPIENT SHALL REPORT THE INFORMATION REQUIRED BY THE DEPARTMENT TO APPLY THE METHODS. THE DEPARTMENT SHALL COMMUNICATE TO LOCAL EDUCATION PROVIDERS AND BOARDS OF COOPERATIVE SERVICES DESCRIPTIONS OF THE SUCCESSFUL EDUCATION INNOVATION INITIATIVES, INCLUDING BEST PRACTICES AND STRATEGIES.

(6) WITHIN SIX MONTHS AFTER THE END OF EACH BUDGET YEAR IN WHICH THE

(7) (a) THERE IS CREATED IN THE DEPARTMENT THE EDUCATION INNOVATION BOARD TO PERFORM THE DUTIES SPECIFIED IN THIS SECTION. THE BOARD SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT AS IF THE SAME WERE TRANSFERRED TO THE DEPARTMENT BY A TYPE 2 TRANSFER AS DEFINED IN THE "ADMINISTRATIVE ORGANIZATION ACT OF 1968", ARTICLE 1 OF TITLE 24, C.R.S. THE BOARD CONSISTS OF FIFTEEN MEMBERS APPOINTED AS FOLLOWS:

(I) THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE, SHALL APPOINT ELEVEN MEMBERS AS FOLLOWS:

(A) ONE PERSON WHO IS A MEMBER OF A STATEWIDE BUSINESS ORGANIZATION OR ASSOCIATION;

(B) ONE PERSON WHO IS AN EMPLOYEE OF AN EDUCATION POLICY AND ADVOCACY ORGANIZATION;

(C) ONE PERSON WHO IS A TEACHER IN A PUBLIC SCHOOL IN COLORADO;

(D) ONE PERSON WHO IS AN EMPLOYEE OF A CHARTER SCHOOL IN COLORADO;

(E) ONE PERSON WHO IS A SCHOOL EXECUTIVE IN A PUBLIC SCHOOL OR SCHOOL DISTRICT IN COLORADO;

(F) ONE PERSON WHO IS A MEMBER OF A SCHOOL DISTRICT BOARD OF EDUCATION IN COLORADO;

(G) ONE PERSON WHO IS A CITIZEN OF THE STATE OF COLORADO;

(H) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION OF TEACHERS;

(I) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION OF CHARTER SCHOOLS;

(J) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION OF SCHOOL EXECUTIVES;

(K) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION OF SCHOOL DISTRICT BOARDS OF EDUCATION; AND
(II) The President and the minority leader of the Senate and the Speaker and the minority leader of the House of Representatives shall each appoint one member to the Board.

(b) The appointing authorities shall consider ethnicity, gender, and geographic representation in appointing members to the Board. In addition, the appointing authorities shall consider each appointee's background and experience in developing, guiding, and evaluating innovative efforts in education, in business, or in some other sector. The appointing authorities shall make the initial appointments to the Board no later than July 1, 2014. Each member of the Board serves at the pleasure of the appointing authority. Each member of the Board serves a four-year term; except that two of the members initially appointed by the governor serve two-year terms, and two of the members initially appointed by the governor serve one-year terms. If a vacancy arises on the Board, the original appointing authority shall appoint a person to fill the vacancy for the remainder of the term.

(c) The Board shall elect a chair from among its members to serve for a term not to exceed two years, as the Board determines. A member is not eligible to serve as chair for more than two successive terms.

(d) The members of the Board serve without compensation and without reimbursement for expenses.

(e) This subsection (7) is repealed, effective September 1, 2023. Prior to repeal, the Board shall be reviewed as provided for in Section 2-3-1203, C.R.S.

(8) (a) An applicant may select an organization to provide technical assistance to the applicant in writing the grant application and in implementing the initiative for which the applicant seeks a grant. The applicant may apply to the Department for approval of the organization. If the Department approves the organization, the Board may approve a technical grant for the organization to offset the organization's costs in assisting the applicant. In issuing the grant, the Board may specify certain duties or activities that the organization must complete using the grant moneys.

(b) The Board, with support from the Department, shall research and identify organizations that may be appropriate to assist grant applicants in writing the grant applications and in implementing the initiatives. The Board shall publicize the list of appropriate organizations through the Department's Web site.

(9) (a) There is created in the State Treasury the Education Innovation Grant Fund. The fund consists of any moneys the General Assembly may appropriate to the fund and any moneys the State Treasurer may credit to the fund pursuant to paragraph (d) of this subsection (9).

(b) It is the intent of the General Assembly, beginning in the 2015-16
BUDGET YEAR, TO APPROPRIATE ANNUALLY ONE HUNDRED MILLION DOLLARS TO THE FUND FROM REVENUES RECEIVED FROM AN INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PUBLIC EDUCATION, WHICH INCREASE IS APPROVED BY A STATEWIDE BALLOT MEASURE. IT IS FURTHER THE INTENT OF THE GENERAL ASSEMBLY THAT THE APPROPRIATION OF THOSE MONEYS FOR THE FUND TAKE PRIORITY OVER OTHER APPROPRIATIONS OF THOSE MONEYS.

(c) THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS INCURRED IN IMPLEMENTING THIS SECTION. THE MONEYS APPROPRIATED TO THE FUND ARE ALLOCATED AS FOLLOWS:

(I) THE DEPARTMENT MAY EXPEND UP TO ONE PERCENT OF THE TOTAL AMOUNT OF MONEYS ANNUALLY APPROPRIATED FROM THE FUND TO OFFSET THE ADMINISTRATIVE COSTS THAT THE DEPARTMENT INCURS IN IMPLEMENTING THIS SECTION;

(II) THE BOARD SHALL EXPEND UP TO THREE PERCENT OF THE MONEYS ANNUALLY APPROPRIATED FROM THE FUND TO AWARD TECHNICAL GRANTS TO APPROVED ORGANIZATIONS AS PROVIDED IN SUBSECTION (8) OF THIS SECTION; AND

(III) OF THE AMOUNT OF MONEYS ANNUALLY APPROPRIATED FROM THE FUND THAT REMAINS AFTER THE EXPENDITURES DESCRIBED IN SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (b), THE BOARD SHALL AWARD SEVENTY-FIVE PERCENT TO LOCAL EDUCATION PROVIDERS THAT SEEK EDUCATION INNOVATION GRANTS AND ARE IMPLEMENTING IMPROVEMENT, PRIORITY IMPROVEMENT, OR TURNAROUND PLANS AND TWENTY-FIVE PERCENT TO EDUCATORS, OTHER LOCAL EDUCATION PROVIDERS, AND BOARDS OF COOPERATIVE SERVICES THAT SEEK EDUCATION INNOVATION GRANTS.

(d) (I) THE DEPARTMENT MAY SEEK AND ACCEPT GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION; EXCEPT THAT THE DEPARTMENT MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE STATE. THE DEPARTMENT SHALL TRANSMIT ALL PRIVATE AND PUBLIC MONEYS RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE FUND.

(II) THE GENERAL ASSEMBLY FINDS THAT IMPLEMENTATION OF THIS SECTION DOES NOT RELY, IN WHOLE OR IN PART, ON GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO THIS PARAGRAPH (c). THEREFORE, THE DEPARTMENT IS NOT SUBJECT TO THE NOTIFICATION REQUIREMENTS SPECIFIED IN SECTION 24-75-1303 (3), C.R.S.

(e) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION AS PROVIDED BY LAW. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.
22-54.5-401. County public school fund - created. (1) There is created in the office of the county treasurer of each county a continuing fund, to be known as the county public school fund, into which is paid the proceeds of all county school moneys.

(2) The county treasurer shall charge a collection fee of one-quarter of one percent upon moneys collected for or distributed to a district located in whole or in part in the county from taxes levied for the general fund of the district.

(3) Each district in the county is entitled to receive distribution during a budget year of moneys in the county public school fund in the same proportion that its funded membership in the county for the budget year bears to the aggregate of the funded membership of all districts in the county for the budget year.

(4) The department shall determine the proportionate part of the county public school fund that the county treasurer distributes during the budget year to each district in the county. On or before the first day of each budget year, the department shall certify the determination to the county treasurer. The certified proportions are the basis upon which the county treasurer distributes the moneys in the fund during the ensuing budget year. At the end of each month during the budget year, the county treasurer shall credit or pay over the proper proportions of the moneys in the fund to the general funds of the districts in the county.

(5) For the purpose of determination and certification by the state board and distribution of moneys in the fund, the funded membership of a joint district for a budget year shall be apportioned and assigned to the portion of the district in each county that has territory in the district in the same proportion as the portion of the district's funded membership for the budget year that is attributable to pupils who reside in each county bears to the total funded membership of the joint district for the budget year. The secretary of the board of education of each joint district shall certify to the state board the required information applicable to each county.

22-54.5-402. Adjustments in valuation for assessment. (1) For each budget year, in calculating the total amount of revenue that a district is entitled to receive from the property tax levy for the general fund of a district during the budget year, the valuation for assessment of a district shall be adjusted as provided in subsection (2) of this section.

(2) If the valuation for assessment of a district includes the value of a certain property that was formerly tax-exempt but becomes taxable as a result of a change in the applicable state law and the inclusion is challenged by administrative appeal or litigation or both and the property taxes attributable to the property are not paid pending the
OUTCOME OF THE CHALLENGE, THE VALUATION FOR ASSESSMENT ATTRIBUTABLE TO THE PROPERTY IS SUBTRACTED FROM THE VALUATION FOR ASSESSMENT OF THE SCHOOL DISTRICT. IF THE PROPERTY IS FINALLY DETERMINED TO HAVE BEEN PROPERLY INCLUDED IN THE DISTRICT'S VALUATION FOR ASSESSMENT, THE VALUATION FOR ASSESSMENT ATTRIBUTABLE TO THE PROPERTY IS RESTORED TO THE DISTRICT'S VALUATION FOR ASSESSMENT, AND THE DISTRICT, AFTER COLLECTION OF TAXES, SHALL REIMBURSE THE STATE GENERAL FUND IN FULL PLUS INTEREST AT THE SAME RATE AS PROVIDED BY STATUTE FOR PENALTY INTEREST ON UNPAID PROPERTY TAXES.

22-54.5-403. Joint districts. (1) The board of education of a joint district shall determine the location of its administrative headquarters and shall notify both the state board and the treasurer of each county in which any territory of the joint district is situated of the location.

(2) Allocation of moneys in the county public school fund to a joint district that is partially situated in a county shall be made on the basis set forth in section 22-54.5-401.

(3) The county treasurer of a county in which part of a joint district is situated shall credit all moneys collected under this article to the joint district and at the end of each month shall pay the moneys to the treasurer of the county in which the administrative headquarters of the joint district is located who shall credit or pay the moneys to the general fund of the joint district. The treasurer of the county in which the administrative headquarters of the joint district is located shall not charge for collection of moneys transferred from other counties. Warrants of a joint district shall be drawn only upon the treasurer of the county in which its administrative headquarters is located in those cases where a district has not elected under law to withdraw its funds from the custody of the county treasurer.

22-54.5-404. Valuations for assessment - reports to the state board. (1) On or before November 15 of each year, the property tax administrator shall certify to the state board the valuations for assessment of all taxable property within each county and for each district or portion of a district in each county; except that the time for certification for the city and county of Denver is on or before December 20. The property tax administrator fulfills the requirements of this section by providing to the state board the certified copies of the board of county commissioners' certification of levies and revenue to the county assessor and the property tax administrator, as provided by section 39-1-111 (2), C.R.S.

(2) If the valuation for assessment for all or a part of a district has been divided for an urban renewal area, pursuant to section 31-25-107 (9) (a), C.R.S., any report under this section must be based upon that portion of the valuation for assessment under section 31-25-107 (9) (a) (I), C.R.S., so long as the division remains in effect.

22-54.5-405. Average daily membership - reports to state board - calculation
- department duties. (1) Each district and each institute charter school shall certify to the department for each quarter of the school year the district’s or institute charter school’s membership for each school day during the quarter, including specifying the number of preschool pupils, at-risk pupils, and English language learners. The district and the institute charter school shall also certify to the department for each quarter of the school year the number of the district’s or institute charter school’s pupils who are enrolled each school day during the quarter in a multi-district on-line school, including specifying the number of at-risk pupils and English language learners, or in the ASCENT program. The state board by rule shall establish the timelines and reporting requirements for submitting quarterly membership and enrollment certifications throughout the school year.

(2) The department shall calculate each district’s and each institute charter school’s average daily membership, preschool program average daily membership, at-risk pupil average daily membership, English language learner average daily membership, on-line average daily membership, and ASCENT program average daily membership for:

(a) Each quarter of the school year by totaling the daily, preschool program, at-risk pupil, or English language learner membership or the daily multi-district on-line school or ASCENT program enrollment for the quarter and dividing each respective sum by the number of school days in the respective district’s or institute charter school’s quarter of the school year;

(b) The first and last halves of each school year by totaling the daily, preschool program, at-risk pupil, or English language learner membership or the daily multi-district on-line school or ASCENT program enrollment for the first two quarters of the school year, or the last two quarters of the school year, whichever is applicable, and dividing each respective sum by the total number of school days in the respective district’s or institute charter school’s first two quarters of the school year or last two quarters of the school year, whichever is applicable;

(c) Each school year by totaling the daily, preschool program, at-risk pupil, or English language learner membership or the daily multi-district on-line school or ASCENT program enrollment for the school year and dividing each respective sum by the total number of school days in the respective district’s or institute charter school’s school year; and

(d) Each funding averaging period by totaling the daily, preschool program, at-risk pupil, or English language learner membership or the daily multi-district on-line school or ASCENT program enrollment for the funding averaging period and dividing each respective sum by the total number of school days in the respective district’s or institute charter school’s funding averaging period.

(3) The department shall use the average daily membership, preschool
PROGRAM AVERAGE DAILY MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD TO CALCULATE EACH DISTRICT’S AND EACH INSTITUTE CHARTER SCHOOL’S FUNDED MEMBERSHIP, TOTAL PROGRAM, AND INVESTMENT MONEYS FOR EACH BUDGET YEAR.

(4) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, THE DEPARTMENT, IN CALCULATING AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS PROVIDED IN THIS SECTION, SHALL ADJUST THE CALCULATION AS NECESSARY TO ENSURE THAT A SINGLE STUDENT IS NOT COUNTED AS MORE THAN A FULL-TIME PUPIL.

(5) A PUPIL WHO IS IDENTIFIED AS AN AT-RISK PUPIL AS PROVIDED IN SECTION 22-54.5-411 ONCE DURING A SCHOOL YEAR IS PRESUMED TO QUALIFY AS AN AT-RISK PUPIL THROUGHOUT THE REMAINDER OF THE SCHOOL YEAR.

22-54.5-406. Attendance in district other than district of residence. (1) (a) A DISTRICT THAT PAYS TUITION FOR A PUPIL WHO RESIDES IN THE DISTRICT TO ATTEND PUBLIC SCHOOL IN ANOTHER COLORADO SCHOOL DISTRICT OR IN A SCHOOL DISTRICT OF AN ADJOINING STATE SHALL REPORT AND BE ENTITLED TO SUPPORT FOR THAT PUPIL. A DISTRICT SHALL NOT REPORT A PUPIL WHO IS FROM ANOTHER DISTRICT AND WHOSE TUITION IS PAID BY THE PUPIL’S DISTRICT OF RESIDENCE. (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1), IF A CHILD WITH DISABILITIES ENROLLS IN A DISTRICT OTHER THAN THE CHILD’S DISTRICT OF RESIDENCE, THE DISTRICT IN WHICH THE CHILD WITH DISABILITIES ENROLLS MAY INCLUDE THE CHILD IN THE DISTRICT’S MEMBERSHIP FOR FUNDING PURSUANT TO THIS ARTICLE AND MAY CONTRACT WITH THE CHILD’S DISTRICT OF RESIDENCE FOR PAYMENT OF TUITION IN ACCORDANCE WITH SECTION 22-20-109(4).

(2) A COURT OF RECORD, THE DEPARTMENT OF HUMAN SERVICES, OR ANOTHER AGENCY THAT IS AUTHORIZED TO PLACE A CHILD IN A RESIDENTIAL CHILD CARE FACILITY SHALL NOTIFY THE CHILD’S SCHOOL DISTRICT OF RESIDENCE, THE DISTRICT IN WHICH THE CHILD WILL RECEIVE EDUCATIONAL SERVICES, AND THE DEPARTMENT OF THE PLACEMENT WITHIN FIFTEEN DAYS AFTER THE PLACEMENT.

QUARTERLY INSTALLMENTS ON JULY 1, SEPTEMBER 30, DECEMBER 31, AND MARCH 31 TO ENSURE THE AVAILABILITY OF FUNDS FOR THE REQUIRED DISTRIBUTION OF STATE MONEYS TO DISTRICTS AND INSTITUTE CHARTER SCHOOLS. THE AMOUNTS OF THE QUARTERLY INSTALLMENTS ARE DETERMINED IN ACCORDANCE WITH ESTIMATES PREPARED BY THE DEPARTMENT WITH RESPECT TO THE REQUIRED DISTRIBUTION OF STATE MONEYS TO DISTRICTS AND INSTITUTE CHARTER SCHOOLS.

(b) ANY UNEXPENDED BALANCE OF MONEYS APPROPRIATED BY THE GENERAL ASSEMBLY IN THE STATE PUBLIC SCHOOL FUND AT THE END OF A FISCAL YEAR REMAINS IN THE STATE PUBLIC SCHOOL FUND AND IS AVAILABLE FOR DISTRIBUTION DURING THE FOLLOWING FISCAL YEAR.

(2) NO LATER THAN THIRTY DAYS BEFORE THE BEGINNING OF THE BUDGET YEAR, THE DEPARTMENT SHALL DETERMINE THE ESTIMATED REQUIREMENTS TO PROVIDE EACH DISTRICT AND EACH INSTITUTE CHARTER SCHOOL THE AMOUNT IT IS ELIGIBLE TO RECEIVE FROM THE STATE DURING THE NEXT ENSUING FISCAL YEAR OF THE STATE. THE GENERAL ASSEMBLY SHALL BASE THE AMOUNT OF THE APPROPRIATION TO THE STATE PUBLIC SCHOOL FUND ON THE REQUIREMENTS NECESSARY TO PROVIDE ALL DISTRICTS AND INSTITUTE CHARTER SCHOOLS WITH THE AMOUNTS THEY ARE EACH ELIGIBLE TO RECEIVE FROM THE STATE PURSUANT TO THE PROVISIONS OF THIS ARTICLE DURING THE NEXT ENSUING STATE FISCAL YEAR.


(4) THE DEPARTMENT SHALL ANNUALLY IDENTIFY BY AUDIT OF DISTRICTS, THE STATE CHARTER SCHOOL INSTITUTE, AND INSTITUTE CHARTER SCHOOLS ANY OVERPAYMENTS MADE TO SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS. THE NET AMOUNT OF OVERPAYMENTS RECOVERED BY THE DEPARTMENT DURING A FISCAL YEAR THAT WOULD OTHERWISE BE TRANSMITTED TO THE STATE TREASURER FOR DEPOSIT IN THE GENERAL FUND SHALL INSTEAD BE TRANSMITTED TO THE STATE
TREASURER FOR DEPOSIT IN THE STATE PUBLIC SCHOOL FUND. THE AMOUNT IS AVAILABLE FOR APPROPRIATION TO THE DEPARTMENT IN SUBSEQUENT FISCAL YEARS.

(5) THE DEPARTMENT SHALL REIMBURSE DISTRICTS FOR EDUCATIONAL SERVICES PROVIDED TO JUVENILES PURSUANT TO SECTION 22-32-141 FROM MONEYS APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND FOR THAT PURPOSE.

(6) THE DEPARTMENT SHALL PAY FROM MONEYS APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND ALL PUBLISHING COSTS ASSOCIATED WITH THE ANNUAL PRINTING OF THE LAWS ENACTED BY THE GENERAL ASSEMBLY CONCERNING EDUCATION.

22-54.5-408. Distribution from state public school fund. (1) (a) No later than June 30 of each year, the State Board shall determine the amount of the state share of each district’s total program and the amount of investment moneys for each district for the budget year beginning on July 1, and the total for all districts. The amount for each district is payable from the State Public School Fund in twelve approximately equal monthly payments during the budget year; except that:

(I) The department shall adjust the payments following the certification of valuations for assessment to the state board pursuant to section 22-54.5-404 and the certification of any payments in lieu of taxes received by districts pursuant to section 39-3-114.5, C.R.S.;

(II) The department shall adjust the payments following certification pursuant to section 22-54.5-405 of membership and multi-district on-line school and ASCENT program enrollment for the first quarter of the then-current school year; and

(III) The department shall adjust the payments in accordance with a district’s instructions given pursuant to paragraph (b) of this subsection (1).

(b) A district may give written instructions to the State Board directing the department to transfer a specified portion of a monthly payment or monthly payments that the district is otherwise entitled to receive pursuant to this section to the Division of Vocational Rehabilitation in the Department of Human Services for the district’s cost of participating in school-to-work alliance programs. The written instructions must specify the amount that the department must transfer to the Division of Vocational Rehabilitation from the district’s payment for a specified month or months. The district shall submit the written instructions to the State Board no later than the fifth day of the first month in which the amount is transferred to the Division of Vocational Rehabilitation.

(2) (a) No later than June 30 of each year, the State Board shall determine the amount of each Institute Charter School’s funding calculated pursuant to section 22-54.5-202 and the amount of each
INSTITUTE CHARTER SCHOOL’S INVESTMENT MONEYS FOR THE BUDGET YEAR BEGINNING ON JULY 1, AND THE TOTAL FOR ALL INSTITUTE CHARTER SCHOOLS. THE AMOUNT FOR EACH INSTITUTE CHARTER SCHOOL IS PAYABLE FROM THE STATE PUBLIC SCHOOL FUND IN TWELVE APPROXIMATELY EQUAL MONTHLY PAYMENTS DURING THE BUDGET YEAR; EXCEPT THAT THE DEPARTMENT SHALL ADJUST THE PAYMENTS FOLLOWING CERTIFICATION PURSUANT TO SECTION 22-54.5-405 OF MEMBERSHIP AND MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT FOR THE FIRST QUARTER OF THE THEN-CURRENT SCHOOL YEAR.

(b) The department shall transfer the institute charter school funding to the state charter school institute for distribution pursuant to Section 22-30.5-513.5; except that the department may withhold up to one percent of the total amount distributed to the state charter school institute to offset the reasonable and necessary expenses the department incurs in implementing Part 5 of Article 30.5 of this title.

(3)(a) The General Assembly shall make annual appropriations to fund the state share of the total program of all districts, the total program of all institute charter schools, and the investment moneys for all districts and institute charter schools.

(b) If the appropriation, as established in the general appropriation act, for the state share of the total program of all districts, the total program of all institute charter schools, and the investment moneys for all districts and institute charter schools pursuant to this article, for a budget year is not sufficient to fully fund the state share for districts, the total program for institute charter schools, and the investment moneys for all districts and institute charter schools, the department shall submit a request for a supplemental appropriation in an amount that will fully fund the state share for districts, the total program for institute charter schools, and the investment moneys for all districts and institute charter schools. The department shall submit the request to the general assembly during the fiscal year in which the funding deficit occurs.

(c) If the General Assembly does not make a supplemental appropriation to fully fund the state share of total program of all districts, the total program of all institute charter schools, and the investment moneys for all districts and institute charter schools, or the General Assembly enacts a supplemental appropriation to reduce the state share of total program of all districts, the total program for institute charter schools, and the investment moneys for all districts and institute charter schools, the department shall reduce the state share for each district, and the funding for each institute charter school as provided in this paragraph (c). The department shall reduce the total program of each district that receives state share and the total program of each institute charter school by a percentage determined by dividing the deficit in the appropriation or the reduction in the appropriation, whichever is applicable, by the total program of all districts that receive state share and all institute charter schools. The department shall reduce the state share of each district by the amount of the
REDDUCTION IN THE DISTRICT’S TOTAL PROGRAM OR THE AMOUNT OF STATE SHARE, whichever is less. THE DEPARTMENT SHALL REDUCE THE FUNDING FOR EACH INSTITUTE CHARTER SCHOOL BY THE AMOUNT OF THE REDUCTION IN THE INSTITUTE CHARTER SCHOOL’S TOTAL PROGRAM. THE DEPARTMENT SHALL ENSURE THAT IT ACCOMPLISHES THE REDUCTION IN STATE SHARE REQUIRED BY THIS PARAGRAPH (c) BEFORE THE END OF THE BUDGET YEAR.

(4) NO LATER THAN THE FIFTEENTH DAY OF EACH MONTH, THE STATE BOARD SHALL CERTIFY TO THE STATE TREASURER THE AMOUNT PAYABLE TO EACH DISTRICT AND TO THE STATE CHARTER SCHOOL INSTITUTE FOR INSTITUTE CHARTER SCHOOLS IN ACCORDANCE WITH THIS SECTION DURING THE MONTH AND THE AMOUNT, IF ANY, TO BE TRANSFERRED TO THE DIVISION OF VOCATIONAL REHABILITATION DURING THE MONTH IN ACCORDANCE WITH PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION.

(5) NO LATER THAN THE TWENTY-FIFTH DAY OF EACH MONTH, THE STATE TREASURER SHALL:

(a) PAY THE AMOUNT CERTIFIED AS PAYABLE TO EACH DISTRICT, LESS THE TOTAL AMOUNT OF ANY DIRECT PAYMENTS OF PRINCIPAL AND INTEREST DUE ON BONDS PURSUANT TO SECTION 22-30.5-406 MADE BY THE STATE TREASURER ON BEHALF OF A CHARTER SCHOOL AUTHORIZED BY THE DISTRICT, DIRECTLY TO THE TREASURER OF EACH DISTRICT OR, IN ACCORDANCE WITH WRITTEN INSTRUCTIONS FROM THE DISTRICT, DIRECTLY TO AN ACCOUNT DESIGNATED BY THE DISTRICT THAT ALLOWS THE DISTRICT TO RETAIN TITLE TO THE FUNDS;

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

(c) PAY THE AMOUNT CERTIFIED AS PAYABLE TO THE STATE CHARTER SCHOOL INSTITUTE DIRECTLY OR, IN ACCORDANCE WITH WRITTEN INSTRUCTIONS FROM THE STATE CHARTER SCHOOL INSTITUTE, DIRECTLY TO AN ACCOUNT DESIGNATED BY THE STATE CHARTER SCHOOL INSTITUTE THAT ALLOWS THE STATE CHARTER SCHOOL INSTITUTE TO RETAIN TITLE TO THE FUNDS.

(6) THE STATE BOARD SHALL TAKE CARE TO AVOID OVERPAYMENT OF STATE MONEYS. IF THE DEPARTMENT FINDS THAT A DISTRICT OR THE STATE CHARTER SCHOOL INSTITUTE HAS BEEN OVERPAID IN A MONTH, THE STATE BOARD SHALL ADJUST THE FOLLOWING MONTHLY PAYMENT OR PAYMENTS TO THE DISTRICT OR THE STATE CHARTER SCHOOL INSTITUTE SO AS TO RECOVER THE AMOUNT OVERPAID. IF AN OVERPAYMENT CANNOT BE RECOVERED, THE DISTRICT OR THE STATE CHARTER SCHOOL INSTITUTE THAT RECEIVED THE OVERPAYMENT SHALL REFUND THE OVERPAYMENT AMOUNT TO THE STATE PUBLIC SCHOOL FUND.

22-54.5-409. Facility school funding - rules - definitions - legislative declaration. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "APPROVED FACILITY SCHOOL" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-2-402 (1).

(b) "FACILITY" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-2-402 (3).
(c) "Pupil enrollment" means the number of students receiving educational services at an approved facility school or state program.

(d) "State program" means the Colorado School for the Deaf and the Blind or the education program operated by the Colorado Mental Health Institute at Pueblo or Fort Logan for students for whom the institute has responsibility because of a court order or other action by a public entity in Colorado.

(e) "Statewide base per pupil funding" means the amount specified in section 22-54.5-201 (3) (b).

(2) (a) The general assembly finds that:

(I) The unique environments of approved facility schools and state programs and the population of students that they serve create obstacles to learning and academic growth that other public schools and students do not encounter;

(II) Because approved facility schools and state programs must operate year round, their need for funding remains constant year round; and

(III) Although students in approved facility schools may or may not be economically at-risk, the circumstances that have resulted in their placement in approved facility schools and state programs make it likely that they are academically at-risk and require costly educational support services to achieve academic growth.

(b) The general assembly finds, therefore, that it is appropriate to fund approved facility schools and state programs:

(I) By an additional one-third above the statewide base per pupil funding amount to recognize the increased costs of educating students in approved facility schools and state programs year round; and

(II) By an additional forty percent above the statewide base per pupil funding amount to offset the increased costs inherent in providing education services to the students who are placed in approved facility schools and state programs.

(3) Each approved facility school and state program that meets the requirements of this section receives education program funding, which the department shall distribute pursuant to subsection (4) of this section. The amount of funding available for all approved facility schools and state programs in a budget year is an amount equal to the pupil enrollment of each approved facility school and state program for the applicable budget year multiplied by an amount equal to one and seventy-three hundredths of the statewide base per pupil revenue for the applicable budget year.
(4) (a) To receive education program funding pursuant to this section, an approved facility school or a state program must, on or before the fifteenth day of each month, report to the department, in a manner determined by the department, the actual number of students who received educational services at the facility school or state program for the prior calendar month and the corresponding number of full-time equivalent students to which the approved facility school or state program provided educational services. The department may accept amended monthly reports from an approved facility school or a state program before making the distribution of funding for the applicable month pursuant to paragraph (b) of this subsection (4).

(b) On or before the fifteenth day of the month following the month in which an approved facility school or a state program reported the number of students to which it provided educational services and the number of full-time equivalent students to which the approved facility school or state program provided services pursuant to paragraph (a) of this subsection (4), the department shall pay the approved facility school or state program a proportional amount of the total amount of education program funding as determined pursuant to subsection (3) of this section, based on the approved facility school’s or state program’s reported number of full-time equivalent students.

(c) The department may prorate the payments made pursuant to paragraph (b) of this subsection (4) if the department determines that proration is necessary to accommodate a projected shortfall in education program funding as calculated pursuant to subsection (3) of this section.

(5) In each applicable budget year, the general assembly shall appropriate to the department the amount required for education program funding pursuant to subsection (3) of this section.

(6) (a) The state board shall promulgate rules in accordance with the "State Administrative Procedure Act", article 4 of title 24, C.R.S., as necessary for the administration and enforcement of this section. In promulgating the rules, the state board shall seek input from approved facility schools, state programs, districts, and organizations that represent facility schools.

(b) In promulgating rules pursuant to paragraph (a) of this subsection (6), the state board shall seek input from the facility schools board created in section 22-2-404.

(7) The general assembly finds and declares that, for the purposes of section 17 of article IX of the state constitution, providing funding for pupils who are placed in a facility and receive educational services through an approved facility school, who attend the Colorado school for the deaf and the blind, or who receive educational services through an education program operated by the Colorado mental health institute at Pueblo or Fort Logan is a program for accountable education reform.
AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

22-54.5-410. Funding - allocation within districts - rules. (1) (a) Each district shall annually calculate the district's per pupil at-risk funding, including any at-risk supplemental payment received pursuant to section 22-54.5-303 (3), by dividing the total amount of at-risk funding received by the district for the applicable budget year by the number of at-risk pupils enrolled in the district each school day, totaled for the applicable funding averaging period and divided by the number of school days in the applicable funding averaging period.

(b) Each district shall annually allocate the district at-risk funding as follows:

(I) To each charter school of the district, an amount equal to the per pupil at-risk funding multiplied by the charter school's at-risk pupil average daily membership for the applicable funding averaging period; and

(II) To each public school of the district that is not a charter school, the district's state share portion of the per pupil at-risk funding multiplied by the public school's at-risk pupil average daily membership for the applicable funding averaging period.

(2) (a) Each district shall annually calculate the district's per pupil English language learner funding by dividing the total amount of English language learner funding received by the district for the applicable budget year by the district's English language learner average daily membership for the applicable funding averaging period.

(b) Each district shall annually allocate the district English language learner funding as follows:

(I) To each charter school of the district, an amount equal to the per pupil English language learner funding multiplied by the charter school's English language learner average daily membership for the applicable funding averaging period; and

(II) To each public school of the district that is not a charter school, the district's state share portion of the per pupil English language learner funding multiplied by the public school's English language learner average daily membership for the applicable funding averaging period.

(3) Following certification pursuant to section 22-54.5-405 of membership and multi-district on-line school enrollment for the first quarter of the then-current school year, the district shall recalculate its per pupil at-risk funding and per pupil English language learner funding and adjust the distribution to charter schools and other public schools of the district accordingly.
(4) (a) The principal of each public school that is not a charter school and that receives an allocation of per pupil at-risk funding and per pupil English language learner funding pursuant to this section shall develop a budget that specifies how the principal will use the moneys for programs and personnel that primarily serve at-risk and English language learners enrolled at the public school. The principal shall design the budget to enable the public school to meet the district-adopted achievement targets for at-risk pupils and English language learners enrolled in the district. Before implementing the budget, the principal shall submit the budget to the district superintendent, or a designee, for review and comment. The superintendent or the designee shall review the budget for alignment with the major improvement strategies identified in the school's performance, improvement, priority improvement, or turnaround plan for at-risk pupils and English language learners using the standards, curricula, programs, and interventions approved by the district board of education. If the budget does not align with the standards, curricula, programs, or interventions set forth in the principal's budget, in creating the budget, the principal shall ensure that the at-risk funding is not used for programs, activities, or personnel that do not primarily serve at-risk pupils and that the English language learner funding is not used for programs, activities, or personnel that do not primarily serve English language learners.

(b) A principal may use the at-risk funding allocated to the principal's public school pursuant to this section to purchase at-risk programs or services from the district and may use the English language learner funding allocated to the principal's public school to purchase English language learner programs or services from the district.

c) A principal may choose to forego the control of at-risk funding and English language learner funding allocated to the principal's public school pursuant to this section, in which case the district maintains control of the at-risk funding and English language learner funding allocated to the public school.

(5) Each district shall use the local share of the at-risk funding to provide programs, activities, and personnel that primarily serve at-risk pupils. Each district shall use the local share of the English language learner funding to provide programs, activities, and personnel that primarily serve English language learners.

(6) Notwithstanding any provision of this section to the contrary, a district may apply to the state board for a waiver of the requirements of this section regarding distribution of per pupil at-risk funding and per pupil English language learner funding to the schools of the district that are not charter schools. The state board may grant the waiver by a majority vote only if it finds that the district has in place and is implementing a student-based funding allocation plan that distributes
A significant portion of the district’s funding to the control of the principals of the schools of the district that are not charter schools. The state board may promulgate rules as necessary to implement this subsection (6).

(7) Notwithstanding any provision of this section to the contrary, a district that is subject to a court order or court-approved consent decree, or to a settlement agreement with the United States department of justice or the office for civil rights of the United States department of education, that directs the district's implementation of English language acquisition programs is not required to allocate any portion of the English language learner funding to the public schools of the district that are not charter schools.

22-54.5-411. National school lunch eligibility - applications. (1) Except as otherwise provided in subsection (2) of this section, each school of a district, including each charter school of a district, and each institute charter school shall include in the materials for pupil registration the pupil application form to participate under the federal "National School Lunch Act", 42 U.S.C. sec. 1751 et seq., referred to in this section as the "pupil application form". The registration materials must include an explanation to parents that the school of the district, district charter school, or institute charter school uses the pupil application form to determine whether the school of the district, district charter school, or institute charter school is eligible for at-risk funding on behalf of the pupil and that, by filling out the form, the parent is ensuring that the school district or school will receive the at-risk funding to which it is entitled based on the population of at-risk pupils served by the school district or school.

(2) If one or more schools of a school district or if a district charter school or an institute charter school does not participate in the federal child nutrition programs under the federal "National School Lunch Act", 42 U.S.C. sec. 1751 et seq., or the federal "Child Nutrition Act of 1966", 42 U.S.C. sec. 1771 et seq., the school district, the district charter school, or the institute charter school shall use the family economic data survey form created by the department, in lieu of the pupil application form, to identify pupils who qualify as at-risk pupils.

(3) In certifying the average daily enrollment pursuant to section 22-54.5-405, the secretary of the board of education of each district and each institute charter school shall specify as at-risk pupils those pupils identified through use of the pupil application form and the family economic data survey form. A pupil who is identified as an at-risk pupil once during a school year is presumed to qualify as an at-risk pupil throughout the remainder of the school year.

22-54.5-412. Preschool through twelfth grade education reserve fund - created. (1) There is created in the state treasury the preschool through twelfth grade education reserve fund, referred to in this section as the "reserve fund". The general assembly shall appropriate to the reserve
FUND AN AMOUNT EQUAL TO UP TO FORTY PERCENT OF THE REVENUES RECEIVED BY THE STATE BEFORE JULY 1, 2015, AS A RESULT OF A CITIZEN-INITIATED INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, WHICH INCREASE IS APPROVED BY A MAJORITY OF THE VOTES CAST IN THE STATEWIDE ELECTION HELD IN NOVEMBER 2013. THE MONEYS IN THE RESERVE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE PURPOSES SPECIFIED IN SECTION 22-54.5-102 (3).

(2) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE RESERVE FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION AS PROVIDED BY LAW. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE RESERVE FUND TO THE RESERVE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE RESERVE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN THE RESERVE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

22-54.5-413. Educator effectiveness reserve fund - created. (1) THERE IS CREATED IN THE STATE TREASURY THE EDUCATOR EFFECTIVENESS RESERVE FUND. THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE EDUCATOR EFFECTIVENESS RESERVE FUND AN AMOUNT EQUAL TO UP TO FIFTEEN PERCENT OF THE REVENUES RECEIVED BY THE STATE BEFORE JULY 1, 2015, AS A RESULT OF A CITIZEN-INITIATED INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, WHICH INCREASE IS APPROVED BY A MAJORITY OF THE VOTES CAST IN THE STATEWIDE ELECTION HELD IN NOVEMBER 2013. THE MONEYS IN THE EDUCATOR EFFECTIVENESS RESERVE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY FOR INITIATIVES TO RECRUIT, PREPARE, AND RETAIN EFFECTIVE EDUCATORS, GIVING FIRST PRIORITY TO SUPPORTING INITIATIVES THAT EXIST AS OF THE EFFECTIVE DATE OF THIS SECTION.

(2) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE EDUCATOR EFFECTIVENESS RESERVE FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION AS PROVIDED BY LAW. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE EDUCATOR EFFECTIVENESS RESERVE FUND TO THE EDUCATOR EFFECTIVENESS RESERVE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE EDUCATOR EFFECTIVENESS RESERVE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN THE EDUCATOR EFFECTIVENESS RESERVE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

22-54.5-414. Education technology fund - created. (1) THERE IS CREATED IN THE STATE TREASURY THE EDUCATION TECHNOLOGY FUND. THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE EDUCATION TECHNOLOGY FUND AN AMOUNT EQUAL TO UP TO FIVE PERCENT OF THE REVENUES RECEIVED BY THE STATE BEFORE JULY 1, 2015, AS A RESULT OF A CITIZEN-INITIATED INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, WHICH INCREASE IS APPROVED BY A MAJORITY OF THE VOTES CAST IN THE STATEWIDE ELECTION HELD IN NOVEMBER 2013. THE MONEYS IN THE EDUCATION TECHNOLOGY FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO ASSIST SCHOOL DISTRICTS AND PUBLIC SCHOOLS IN PURCHASING AND MAINTAINING TECHNOLOGY, INCLUDING HARDWARE AND SOFTWARE, THAT IS NEEDED TO SUPPORT EDUCATIONAL REFORMS AND
PROGRAMMATIC ENHANCEMENTS.

(2) The state treasurer may invest any moneys in the education technology fund not expended for the purpose of this section as provided by law. The state treasurer shall credit all interest and income derived from the investment and deposit of moneys in the education technology fund to the education technology fund. Any unexpended and unencumbered moneys remaining in the education technology fund at the end of a fiscal year must remain in the education technology fund and shall not be credited or transferred to the general fund or another fund.

SECTION 2. In Colorado Revised Statutes, add 22-30.5-111.5 and 22-30.5-111.7 as follows:

22-30.5-111.5. Charter schools - financing - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Additional local revenues" means the local property tax revenues that a district is authorized to collect by voter approval received on or after the effective date of this section and that are in addition to the district's total program mill levy; except that "additional local revenues" does not include amounts authorized pursuant to Section 22-40-110 or Article 42 or Article 43 of this title for capital improvements in growth districts for the purpose of repaying bonded indebtedness or refunding bonds.

(b) "Ascent program average daily membership" has the same meaning as provided in section 22-54.5-103 (4).

(c) "At-risk" has the same meaning as provided in section 22-54.5-103 (5).

(d) "At-risk pupil average daily membership" has the same meaning as provided in section 22-54.5-103 (6).

(e) "Average daily membership" has the same meaning as provided in section 22-54.5-103 (8).

(f) "Central administrative overhead costs" means indirect costs incurred in providing:

(I) Services listed under the heading of support services - general administration in the school district chart of accounts as specified by rule of the state board; and

(II) Salaries and benefits for administrative job classifications listed under the headings of support services - business and support services - central in the school district chart of accounts as specified by rule of the state board.

(g) "Direct costs" means the direct costs incurred by a school district
SOLELY FOR THE PURPOSE OF REVIEWING CHARTER APPLICATIONS, NEGOTIATING THE
CHARTER CONTRACT, AND PROVIDING DIRECT OVERSIGHT TO CHARTER SCHOOLS.
"DIRECT COSTS" DOES NOT INCLUDE THE SCHOOL DISTRICT'S LEGAL OR OTHER COSTS
ATTRIBUTABLE TO LITIGATION OR THE RESOLUTION OF A DISPUTE WITH A CHARTER
SCHOOL.

(h) "DISTRICT'S CERTIFIED CHARTER SCHOOL AVERAGE DAILY MEMBERSHIP" HAS
THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-309 (1) (c).

(i) "ENGLISH LANGUAGE LEARNER" HAS THE SAME MEANING AS PROVIDED IN
SECTION 22-54.5-103 (16).

(j) "ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP" HAS THE SAME
MEANING AS PROVIDED IN SECTION 22-54.5-103 (17).

(k) "EXCESS COST OF PROVIDING FEDERALLY REQUIRED EDUCATIONAL SERVICES"
MEANS THE PER PUPIL COST THAT A SCHOOL DISTRICT INCURS IN PROVIDING
FEDERALLY REQUIRED EDUCATIONAL SERVICES TO STUDENTS, MINUS THE AMOUNT
THE SCHOOL DISTRICT RECEIVES IN FEDERAL AND STATE MONEYS TO PROVIDE THE
SERVICES.

(l) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS PROVIDED IN
SECTION 22-54.5-103 (20).

(m) "INVESTMENT MONEYS" HAS THE SAME MEANING AS PROVIDED IN SECTION
22-54.5-103 (23).

(n) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103
(26).

(o) "MULTI-DISTRICT ON-LINE SCHOOL" HAS THE SAME MEANING AS PROVIDED IN
SECTION 22-30.7-102 (6).

(p) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS
PROVIDED IN SECTION 22-54.5-103 (28).

(q) "PER PUPIL FUNDING" MEANS THE AMOUNT CALCULATED FOR A DISTRICT
Pursuant to Section 22-54.5-201 (3).

(r) "QUALIFIED CHARTER SCHOOL" HAS THE SAME MEANING AS PROVIDED IN
SECTION 22-54.5-309 (1) (e).

(2) (a) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF
THIS TITLE, AN AUTHORIZING SCHOOL DISTRICT SHALL INCLUDE THE PUPILS
ENROLLED IN A CHARTER SCHOOL IN THE SCHOOL DISTRICT'S DAILY MEMBERSHIP FOR
PURPOSES OF CALCULATING AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM
AVERAGE DAILY MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, AND
ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP, AS APPLICABLE, FOR
EACH BUDGET YEAR. THE AUTHORIZING SCHOOL DISTRICT SHALL ALSO INCLUDE THE
PUPILS ENROLLED IN THE CHARTER SCHOOL IN THE DISTRICT'S DAILY MULTI-DISTRICT
ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT, AS APPLICABLE, FOR
PURPOSES OF CALCULATING THE DISTRICT’S ON-LINE AVERAGE DAILY MEMBERSHIP AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP FOR EACH BUDGET YEAR. IN CERTIFYING MEMBERSHIP AND MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT TO THE DEPARTMENT PURSUANT TO SECTION 22-54.5-405, THE AUTHORIZING SCHOOL DISTRICT SHALL SPECIFY THE NUMBER OF PUPILS INCLUDED IN THE SCHOOL DISTRICT’S MEMBERSHIP AND ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT WHO ARE ACTUALLY INCLUDED IN THE MEMBERSHIP AND ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT OF EACH CHARTER SCHOOL.

(b) THE SCHOOL DISTRICT SHALL IDENTIFY IN A REPORT TO THE DEPARTMENT:

(I) EACH CHARTER SCHOOL THAT IS A QUALIFIED CHARTER SCHOOL;

(II) 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

(III) AN ESTIMATE OF THE NUMBER OF PUPILS EXPECTED TO BE INCLUDED IN THE AVERAGE DAILY MEMBERSHIP FOR EACH QUALIFIED CHARTER SCHOOL FOR THE FUNDING AVERAGE PERIOD FOR THE BUDGET YEAR FOLLOWING THE BUDGET YEAR IN WHICH THE DISTRICT SUBMITS THE REPORT.

(3) (a) AS PART OF THE CHARTER SCHOOL CONTRACT, EACH CHARTER SCHOOL AND THE AUTHORIZING SCHOOL DISTRICT SHALL AGREE ON FUNDING AND ANY SERVICES THAT THE SCHOOL DISTRICT PROVIDES TO THE CHARTER SCHOOL. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (5) AND (6) OF THIS SECTION, THE CHARTER SCHOOL AND THE AUTHORIZING SCHOOL DISTRICT SHALL NEGOTIATE FUNDING UNDER THE CHARTER CONTRACT, STARTING WITH THE AMOUNTS SPECIFIED IN SUBSECTION (4) OF THIS SECTION.

(b) EACH AUTHORIZING SCHOOL DISTRICT SHALL PAY TO EACH CHARTER SCHOOL OF THE SCHOOL DISTRICT THE AMOUNTS THAT ARE DUE TO EACH CHARTER SCHOOL AS PROVIDED IN THIS SECTION. THE SCHOOL DISTRICT SHALL PAY THE AMOUNTS IN TWELVE MONTHLY INSTALLMENTS AS SOON AS PRACTICABLE AFTER THE SCHOOL DISTRICT RECEIVES DISTRIBUTIONS OF MONEYS FROM THE DEPARTMENT PURSUANT TO SECTION 22-30.5-408.

(c) FOLLOWING CERTIFICATION PURSUANT TO SECTION 22-54.5-405 OF MEMBERSHIP AND MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT FOR THE FIRST QUARTER OF THE SCHOOL YEAR, THE DISTRICT SHALL ADJUST THE DISTRIBUTION OF MONEYS TO THE CHARTER SCHOOLS OF THE DISTRICT BASED ON EACH CHARTER SCHOOL’S AVERAGE DAILY MEMBERSHIP, AT-RISK AVERAGE DAILY MEMBERSHIP, ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY MEMBERSHIP, IF APPLICABLE, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP, IF APPLICABLE, FOR THE FUNDING AVERAGING PERIOD FOR THE THEN-CURRENT BUDGET YEAR.

(4) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (5) AND (6) OF THIS SECTION, NEGOTIATIONS BETWEEN A CHARTER SCHOOL AND THE AUTHORIZING
DISTRICT BEGIN WITH THE CHARTER SCHOOL RECEIVING AN AMOUNT EQUAL TO:

(I) the authorizing district’s per pupil funding for the applicable budget year multiplied by the charter school’s average daily membership for the applicable funding averaging period; plus

(II) the ASCENT program funding amount for the applicable budget year specified in section 22-54.5-201(7) multiplied by the charter school’s ASCENT program average daily membership for the applicable funding averaging period; plus

(III) the at-risk funding and English language learner funding allocated to the charter school for the applicable budget year pursuant to section 22-54.5-410; plus

(IV) the investment moneys in the per pupil amount calculated pursuant to section 22-54.5-301(3) multiplied by the charter school’s average daily membership for the applicable funding averaging period.

(b) in negotiating the charter school’s funding, the charter school and the authorizing school district may, by negotiation allow the school district to retain the actual amount of the charter school’s per pupil share of the central administrative overhead costs for services actually provided to the charter school, up to five percent of the amount specified in subparagraph (I) of paragraph (a) of this subsection (4).

(5) (a) if a charter school is a multi-district on-line school, negotiations between the charter school and the authorizing district begin with the charter school receiving an amount equal to:

(I) the on-line funding amount for the applicable budget year specified in section 22-54.5-201(6) multiplied by the charter school’s on-line average daily membership for the applicable funding averaging period; plus

(II) the at-risk funding and English language learner funding allocated to the charter school for the applicable budget year pursuant to section 22-54.5-410.

(b) in negotiating the charter school’s funding, the charter school and the authorizing school district may, by negotiation, allow the school district to retain the actual amount of the charter school’s per pupil share of the central administrative overhead costs for services actually provided to the charter school, up to five percent of the amount specified in subparagraph (I) of paragraph (a) of this subsection (5).

(6) (a) if a school district that has an average daily membership of five hundred or fewer students for the most recent funding averaging period authorizes a charter school that is not a multi-district on-line school,
The charter school receives funding in the amount of the greater of:

(I) The total of the amounts specified in paragraph (a) of subsection (4) of this section minus the actual amount of the charter school's per pupil share of the central administrative overhead costs incurred by the school district, based on audited figures; or

(II) Eighty-five percent of the amount specified in subparagraph (I) of paragraph (a) of subsection (4) of this section plus the total of the amounts specified in subparagraphs (II) to (IV) of paragraph (a) of subsection (4) of this section.

(b) If a school district that has an average daily membership of five hundred or fewer students for the most recent funding averaging period authorizes a charter school that is a multi-district on-line school, the charter school receives funding in the amount of the greater of:

(I) The total of the amounts specified in paragraph (a) of subsection (5) of this section minus the actual amount of the charter school's per pupil share of the central administrative overhead costs incurred by the school district, based on audited figures; or

(II) Eighty-five percent of the amount specified in subparagraph (I) of paragraph (a) of subsection (5) of this section plus the amount specified in subparagraph (II) of paragraph (a) of subsection (5) of this section.

(7) In addition to the moneys a charter school receives pursuant to subsection (4), (5), or (6) of this section:

(a) (I) A school district shall distribute to each qualified charter school of the school district an amount equal to the percentage of the district's certified charter school average daily membership 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 22-54.5-309. The school district must provide the funding to each qualified charter school by making a monthly payment to the qualified charter school as soon as possible after the district receives a monthly payment of moneys pursuant to section 22-54.5-309. The qualified charter school shall use the moneys received pursuant to this paragraph (a) solely for capital construction as defined in section 22-54.5-309 (1) (a).

(II) For purposes of this paragraph (a), "pupils" does not include pupils who are enrolled in an on-line program, as defined in section 22-30.7-102 (9), or in an on-line school, as defined in section 22-30.7-102 (9.5).

(b) A school district shall distribute to a charter school of the school district any small attendance center aid that the school district receives pursuant to section 22-54.5-306 on behalf of the charter school.

(c) (I) A school district shall distribute to the charter schools of the
SCHOOL DISTRICT EACH CHARTER SCHOOL'S PROPORTIONATE SHARE OF MONEYS RECEIVED PURSUANT TO FEDERAL OR STATE CATEGORICAL AID PROGRAMS, OTHER THAN FEDERALLY REQUIRED EDUCATIONAL SERVICES, BASED ON THE PUPILS ENROLLED IN EACH CHARTER SCHOOL; EXCEPT THAT, IF A SCHOOL DISTRICT RECEIVES SMALL ATTENDANCE CENTER AID PURSUANT TO SECTION 22-54.5-306 FOR A SMALL ATTENDANCE CENTER THAT IS A CHARTER SCHOOL OF THE SCHOOL DISTRICT, THE SCHOOL DISTRICT SHALL FORWARD THE ENTIRE AMOUNT OF THE AID TO THE CHARTER SCHOOL.

(II) EACH CHARTER SCHOOL THAT SERVES STUDENTS WHO MAY BE ELIGIBLE TO RECEIVE SERVICES PROVIDED THROUGH FEDERAL AID PROGRAMS MUST COMPLY WITH ALL FEDERAL REPORTING REQUIREMENTS TO RECEIVE THE DISTRIBUTION OF FEDERAL AID FROM THE SCHOOL DISTRICT.

(d) A SCHOOL DISTRICT SHALL DISTRIBUTE TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT A PERCENTAGE OF ADDITIONAL LOCAL REVENUES AS NEGOTIATED PURSUANT TO SUBSECTION (13) OF THIS SECTION.

(e) EACH CHARTER SCHOOL RETAINS THE FEES COLLECTED FROM STUDENTS ENROLLED AT THE CHARTER SCHOOL.

(8) BEFORE THE BEGINNING OF EACH BUDGET YEAR, THE CHARTER SCHOOL AND THE AUTHORIZING SCHOOL DISTRICT SHALL NEGOTIATE FOR PAYMENT TO THE SCHOOL DISTRICT OF ANY DIRECT COSTS INCURRED BY THE SCHOOL DISTRICT ON BEHALF OF THE CHARTER SCHOOL. IF THE CHARTER SCHOOL AND THE SCHOOL DISTRICT DO NOT REACH AGREEMENT REGARDING THE PAYMENT OF DIRECT COSTS, THE SCHOOL DISTRICT IS BARRED FROM WITHHOLDING FROM THE CHARTER SCHOOL ANY MONEYS AS REIMBURSEMENT FOR DIRECT COSTS. THE SCHOOL DISTRICT SHALL PROVIDE AN ITEMIZED ACCOUNTING TO EACH CHARTER SCHOOL FOR THE DIRECT COSTS INCURRED BY THE SCHOOL DISTRICT WITH THE ITEMIZED ACCOUNTING PROVIDED PURSUANT TO SECTION 22-30.5-111.7.

(9) A CHARTER SCHOOL, AT ITS DISCRETION, MAY CONTRACT WITH THE AUTHORIZING SCHOOL DISTRICT FOR THE DIRECT PURCHASE OF DISTRICT SERVICES IN ADDITION TO THOSE INCLUDED IN CENTRAL ADMINISTRATIVE OVERHEAD COSTS, INCLUDING BUT NOT LIMITED TO FOOD SERVICES, CUSTODIAL SERVICES, MAINTENANCE, CURRICULUM, MEDIA SERVICES, AND LIBRARIES. THE AMOUNT THAT A CHARTER SCHOOL PAYS IN PURCHASING A DISTRICT SERVICE PURSUANT TO THIS SUBSECTION (9) IS EQUAL TO THE COST OF PROVIDING THE SERVICE FOR THE ENTIRE SCHOOL DISTRICT, AS SPECIFIED IN THE SCHOOL DISTRICT'S BUDGET FOR THE APPLICABLE BUDGET YEAR, DIVIDED BY THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP PLUS THE SCHOOL DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD, MULTIPLIED BY THE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE APPLICABLE FUNDING AVERAGING PERIOD.

(10) IN ACCORDANCE WITH SECTION 22-30.5-406, AN AUTHORIZING SCHOOL DISTRICT SHALL REDUCE THE FUNDING PROVIDED TO A CHARTER SCHOOL PURSUANT TO SUBSECTION (4), (5), OR (6) OF THIS SECTION, WHICHEVER IS APPLICABLE, BY THE AMOUNT OF ANY DIRECT PAYMENTS MADE BY THE STATE TREASURER OR THE AUTHORIZING SCHOOL DISTRICT, ON THE CHARTER SCHOOL'S BEHALF, OF PRINCIPAL
AND INTEREST DUE ON BONDS THAT WERE ISSUED ON THE CHARTER SCHOOL’S BEHALF BY A GOVERNMENTAL ENTITY OTHER THAN A SCHOOL DISTRICT TO FINANCE CHARTER SCHOOL CAPITAL CONSTRUCTION.

(11) (a) An authorizing school district shall provide federally required educational services to students enrolled in the charter schools of the school district on the same basis that the school district provides services to students enrolled in the other public schools of the school district. Each charter school shall pay an amount equal to the excess cost of providing federally required educational services, multiplied by the charter school’s average daily membership for the applicable funding averaging period. At the request of either the charter school or the school district, however, the charter school and the school district may negotiate and include in the charter contract alternate arrangements for providing and paying for federally required educational services.

(b) If a charter school and the authorizing school district negotiate to allow the charter school to provide federally required educational services pursuant to paragraph (a) of this subsection (11), the school district or administrative unit shall distribute to the charter school the proportionate share of state and federal resources generated by students enrolled in the charter school who receive the federally required educational services or by the staff who serve the students.

(12) If a student with a disability attends a charter school, the school district of residence is responsible for paying any tuition charge for the excess costs incurred in educating the student in accordance with the provisions of section 22-20-109 (5).

(13) (a) If an authorizing school district seeks voter approval to collect additional local revenues on or after the effective date of this section, the authorizing school district must invite the charter schools of the school district to participate in the discussions regarding submission of the ballot question at the earliest possible time but no later than June 1 of the applicable election year.

(b) An authorizing school district and a charter school shall negotiate the percentage that the charter school receives of the additional local revenues that the authorizing school district collects. If the authorizing school district and the charter school cannot reach agreement on the percentage of additional local revenues that the charter school receives, the charter school may apply to the state charter school institute to convert to an institute charter school as provided in section 22-30.5-510, regardless of whether the authorizing school district has exclusive jurisdiction to authorize charter schools within its geographic boundaries.

(c) Except as specifically provided in paragraph (b) of this subsection (13), the provisions of this subsection (13) do not affect a school district’s exclusive jurisdiction to authorize charter schools within its geographic
(14) Each charter school that receives at-risk funding shall use the at-risk funding to provide programs, activities, and personnel that primarily serve at-risk pupils. Each charter school that receives English language learner funding shall use the English language learner funding to provide programs, activities, and personnel that primarily serve English language learners.

(15) The governing body of a charter school may accept gifts, donations, or grants of any kind made to the charter school and expend or use the gifts, donations, or grants in accordance with the conditions prescribed by the donor; however, the governing body shall not accept a gift, donation, or grant if it is subject to any condition contrary to law or contrary to the terms of the charter school’s charter contract.

(16) Moneys that a charter school receives from any source that remain in the charter school’s accounts at the end of a budget year must remain in the charter school’s accounts for use by the charter school during subsequent budget years and do not revert to the school district or to the state.

(17) (a) This section takes effect upon the proclamation by the governor of the vote cast in a statewide election held no later than November 2017 at which a majority of those voting approve a citizen-initiated increase in state tax revenues for the purpose of funding preschool through twelfth grade public education, so long as the amount of the approved revenue increase is equal to or greater than the total estimated state fiscal impact associated with the payment of the state share of total program pursuant to Section 22-54.5-203, investment moneys pursuant to Section 22-54.5-301, hold-harmless moneys pursuant to Section 22-54.5-302, and per pupil supplemental payments pursuant to Section 22-54.5-303, in the second budget year commencing after the increase is approved, as stated in the final fiscal note prepared for Senate Bill 13-213, enacted in 2013.

(b) The provisions of this section apply in the second budget year commencing after the statewide election at which the voters approve the increase in state tax revenues for the purpose of funding public education and in budget years thereafter.

22-30.5-111.7. Financial reporting - request for accounting. (1) (a) A charter school shall comply with all of the state financial and budget rules, regulations, and financial reporting requirements with which the authorizing school district is required to comply, including but not limited to annual completion of an independent governmental audit that complies with the requirements of the department.

(b) A school district, under the circumstances specified in the contract between the school district and the charter school pursuant to Section 22-30.5-105 (2) (c) (IV), may withhold a portion of a charter school’s
MONTHLY PAYMENT DUE PURSUANT TO SECTION 22-30.5-111.5 UNTIL THE CHARTER SCHOOL COMPLIES WITH THE FINANCIAL REPORTING REQUIREMENTS.

(2) (a) WITHIN NINETY DAYS AFTER THE END OF EACH BUDGET YEAR, EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH CHARTER SCHOOL OF THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING OF ALL OF THE CHARTER SCHOOL'S CENTRAL ADMINISTRATIVE OVERHEAD COSTS FOR THE APPLICABLE BUDGET YEAR. THE ACTUAL CENTRAL ADMINISTRATIVE OVERHEAD COSTS MUST BE THE AMOUNT CHARGED TO THE CHARTER SCHOOL. THE SCHOOL DISTRICT AND THE CHARTER SCHOOL SHALL RECONCILE ANY DIFFERENCE, WITHIN THE LIMITATIONS SPECIFIED IN SECTION 22-30.5-111.5 (4) (b), (5) (b), OR (6), BETWEEN THE AMOUNT THE SCHOOL DISTRICT INITIALLY CHARGED TO THE CHARTER SCHOOL AND THE ACTUAL COST, AND THE OWED PARTY SHALL RECEIVE APPROPRIATE REIMBURSEMENT.

(b) WITHIN NINETY DAYS AFTER THE END OF EACH BUDGET YEAR, EACH SCHOOL DISTRICT SHALL PROVIDE TO EACH CHARTER SCHOOL OF THE SCHOOL DISTRICT AN ITEMIZED ACCOUNTING OF ALL THE ACTUAL COSTS OF DISTRICT SERVICES THE CHARTER SCHOOL CHOSE TO PURCHASE FROM THE SCHOOL DISTRICT FOR THE APPLICABLE BUDGET YEAR, CALCULATED IN ACCORDANCE WITH SECTION 22-30.5-111.5 (9). THE SCHOOL DISTRICT AND THE CHARTER SCHOOL SHALL RECONCILE ANY DIFFERENCE BETWEEN THE AMOUNT INITIALLY CHARGED TO THE CHARTER SCHOOL AND THE ACTUAL COST OF THE SERVICES, AND THE OWED PARTY SHALL RECEIVE APPROPRIATE REIMBURSEMENT.

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

(d) IF EITHER PARTY DISPUTES THE ITEMIZED ACCOUNTING PROVIDED PURSUANT TO PARAGRAPH (a), (b), OR (c) OF THIS SUBSECTION (2), OR THE CHARGES INCLUDED IN AN ACCOUNTING OR THE CHARGES TO EITHER PARTY, THE DISPUTING PARTY MAY REQUEST A THIRD-PARTY REVIEW AT THE DISPUTING PARTY'S EXPENSE. THE DEPARTMENT SHALL CONDUCT THE REVIEW, AND THE DEPARTMENT'S DETERMINATION IS FINAL.

(3) (a) IF A CHARTER SCHOOL DETERMINES THAT THE AUTHORIZING SCHOOL DISTRICT HAS NOT FORWARDED TO THE CHARTER SCHOOL THE AMOUNT DUE TO THE CHARTER SCHOOL IN ACCORDANCE WITH THE TERMS OF THE CHARTER CONTRACT AND THE PROVISIONS OF SECTION 22-30.5-111.5, THE CHARTER SCHOOL MAY REQUEST A DETERMINATION FROM THE STATE BOARD REGARDING WHETHER THE AUTHORIZING SCHOOL DISTRICT IMPROPERLY WITHHELD ANY PORTION OF THE AMOUNT DUE TO THE CHARTER SCHOOL. A CHARTER SCHOOL THAT REQUESTS A DETERMINATION PURSUANT TO THIS SUBSECTION (3) MUST SUBMIT THE REQUEST WITHIN THE NEXT BUDGET YEAR FOLLOWING THE BUDGET YEAR IN WHICH THE AUTHORIZING SCHOOL DISTRICT MAY HAVE IMPROPERLY WITHHELD FUNDING; EXCEPT THAT, IF THE CHARTER CONTRACT REQUIRES THE CHARTER SCHOOL TO COMPLETE ANY REQUIREMENTS BEFORE SEEKING A DETERMINATION FROM THE DEPARTMENT PURSUANT TO THIS SUBSECTION (3), THE CHARTER SCHOOL MUST
SUBMIT THE REQUEST NO LATER THAN THE END OF THE NEXT BUDGET YEAR FOLLOWING THE BUDGET YEAR IN WHICH THE CHARTER SCHOOL COMPLETES THE REQUIREMENTS.


(d) IF THE AUTHORIZING SCHOOL DISTRICT FAILS WITHIN THE THIRTY-DAY PERIOD TO PAY THE FULL AMOUNT THAT WAS IMPROPERLY WITHHELD, THE CHARTER SCHOOL MAY NOTIFY THE DEPARTMENT, AND THE DEPARTMENT SHALL WITHHOLD FROM THE AUTHORIZING SCHOOL DISTRICT’S STATE SHARE OF TOTAL PROGRAM THE UNPAID PORTION OF THE AMOUNT IMPROPERLY WITHHELD BY THE AUTHORIZING SCHOOL DISTRICT FROM THE CHARTER SCHOOL AND PAY THE WITHHELD AMOUNT DIRECTLY TO THE CHARTER SCHOOL.

(4) (a) IF A CHARTER SCHOOL DETERMINES THAT A SCHOOL DISTRICT HAS NOT PAID THE TUITION CHARGE FOR THE EXCESS COSTS INCURRED IN EDUCATING A CHILD WITH A DISABILITY AS REQUIRED IN SECTION 22-20-109 (5), THE CHARTER SCHOOL MAY SEEK A DETERMINATION FROM THE STATE BOARD IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (3) OF THIS SECTION.
(b) If the State Board finds that the school district has improperly withheld moneys due to the charter school, the school district, within thirty days after the State Board issues the decision, shall pay to the charter school the amount improperly withheld. In addition, the school district shall pay the Department's costs incurred in reviewing the necessary information to make its report. If the school district fails, within the thirty-day period, to pay the full amount that was improperly withheld, the charter school may notify the Department, and the Department shall withhold from the school district's state share of total program the unpaid portion of the amount improperly withheld by the district and pay the amount withheld directly to the charter school.

c) If the State Board finds that the school district did not improperly withhold any portion of the amount due to the charter school, the charter school shall pay the Department's costs incurred in reviewing the necessary information to make its report.

(5) (a) This section takes effect upon the proclamation by the Governor of the vote cast in a statewide election held no later than November 2017 at which a majority of those voting approve a citizen-initiated increase in state tax revenues for the purpose of funding preschool through twelfth grade public education, so long as the amount of the approved revenue increase is equal to or greater than the total estimated state fiscal impact associated with the payment of the state share of total program pursuant to section 22-54.5-203, investment moneys pursuant to section 22-54.5-301, hold-harmless moneys pursuant to section 22-54.5-302, and per pupil supplemental payments pursuant to section 22-54.5-303, in the second budget year commencing after the increase is approved, as stated in the final fiscal note prepared for Senate Bill 13-213, enacted in 2013.

(b) The provisions of this section apply in the second budget year commencing after the statewide election at which the voters approve the increase in state tax revenues for the purpose of funding public education and in budget years thereafter.

SECTION 3. In Colorado Revised Statutes, add 22-30.5-513.5 as follows:

22-30.5-513.5. Institute charter schools - funding - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Administrative overhead costs" means all actual and reasonable costs incurred by the Institute as a result of its performance of its obligations pursuant to this part 5. "Administrative overhead costs" does not include the costs incurred to deliver services that an institute charter school may purchase at its discretion.

(b) "Ascent program" has the same meaning as provided in section 22-54.5-103 (3).

(c) "Ascent program average daily membership" has the same meaning
AS PROVIDED IN SECTION 22-54.5-103 (4).

(d) "AT-RISK" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (5).

(e) "AT-RISK FUNDING" MEANS THE FUNDING CALCULATED FOR AN INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION 22-54.5-202 (4).

(f) "AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (6).

(g) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (8).

(h) "ENGLISH LANGUAGE LEARNER" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (16).

(i) "ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (17).

(j) "ENGLISH LANGUAGE LEARNER FUNDING" MEANS THE FUNDING CALCULATED FOR AN INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION 22-54.5-202 (5).

(k) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (20).

(l) "INVESTMENT MONEYS" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (23).

(m) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (26).

(n) "MULTI-DISTRICT ON-LINE SCHOOL." HAS THE SAME MEANING AS PROVIDED IN SECTION 22-30.7-102 (6).

(o) "QUALIFIED INSTITUTE CHARTER SCHOOL" HAS THE SAME MEANING AS "QUALIFIED CHARTER SCHOOL." DEFINED IN SECTION 22-54.5-309 (1) (e).

(p) "SCHOOL DAY" HAS THE SAME MEANING AS PROVIDED IN SECTION 22-54.5-103 (31).

(q) "TOTAL PROGRAM" MEANS THE TOTAL PROGRAM FOR AN INSTITUTE CHARTER SCHOOL THAT THE DEPARTMENT CALCULATES PURSUANT TO SECTION 22-54.5-202.

(2) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF THIS TITLE, EACH INSTITUTE CHARTER SCHOOL, AS REQUIRED IN SECTION 22-54.5-405, SHALL CERTIFY TO THE DEPARTMENT THE INSTITUTE CHARTER SCHOOL'S MEMBERSHIP FOR EACH SCHOOL DAY, INCLUDING SPECIFYING THE NUMBER OF PRESCHOOL PUPILS, AT-RISK PUPILS, AND ENGLISH LANGUAGE LEARNERS, AND THE NUMBER OF PUPILS WHO ARE ENROLLED EACH SCHOOL DAY IN A MULTI-DISTRICT ON-LINE SCHOOL OR THE ASCENT PROGRAM, AS APPLICABLE. EACH INSTITUTE
A CHARTER SCHOOL SHALL ALSO SPECIFY WHETHER IT IS A QUALIFIED CHARTER SCHOOL. THE DEPARTMENT SHALL USE THE MEMBERSHIP AND THE MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENTS CERTIFIED TO CALCULATE THE AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP, AT-RISK AVERAGE DAILY MEMBERSHIP, ENGLISH LANGUAGE LEARNER AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP, AS APPLICABLE, AND THE TOTAL PROGRAM FOR EACH INSTITUTE CHARTER SCHOOL PURSUANT TO SECTIONS 22-54.5-202 AND 22-54.5-405, AND THE INVESTMENT MONEYS FOR EACH INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION 22-54.5-301.

(3) (a) As part of the charter contract, each institute charter school and the institute shall agree on funding and any services that the institute or a third party provides to the institute charter school. The institute charter school and the institute shall negotiate funding under the charter contract, starting with the amounts specified in subsection (4) of this section.

(b) The institute shall pay to each institute charter school the amounts that are due to each institute charter school as provided in this section. The institute shall pay the amounts in twelve monthly installments as soon as practicable after the institute receives distributions of moneys from the department pursuant to section 22-30.5-408.

(c) If the department adjusts an institute charter school's payments pursuant to section 22-54.5-408 (1) (a) (II), the institute shall adjust its payments to the institute charter school pursuant to this section accordingly.

(4) (a) Negotiations between an institute charter school and the institute begin with the institute charter school receiving an amount equal to:

(I) (A) The institute charter school's total program minus one percent withheld by the department pursuant to section 22-54.5-408 (2); plus

(B) The investment moneys in the amount of the per pupil amount calculated pursuant to section 22-54.5-301 (3) multiplied by the institute charter school's average daily membership for the applicable funding averaging period, as provided in section 22-54.5-301; minus

(II) (A) An amount equal to three percent of the institute charter school's total program, which amount the institute shall transfer to the state treasurer for credit to the account created in section 22-30.5-506 (4) and used to offset administrative overhead costs; plus

(B) The amount agreed to in the charter contract for additional services as provided in paragraph (b) of this subsection (4); plus

(C) Any amount agreed to by the institute and the institute charter
SCHOOL FOR REPAYMENT OF A LOAN TO THE INSTITUTE CHARTER SCHOOL FROM THE
INSTITUTE CHARTER SCHOOL ASSISTANCE FUND CREATED IN SECTION 22-30.5-515.5;
PLUS

(D) ANY AMOUNT WITHHELD PURSUANT TO SECTION 22-30.5-406 FOR THE DIRECT
PAYMENTS MADE BY THE STATE TREASURER OF PRINCIPAL AND INTEREST DUE ON
BONDS ISSUED ON BEHALF OF THE INSTITUTE CHARTER SCHOOL BY A
GOVERNMENTAL ENTITY FOR THE PURPOSE OF FINANCING INSTITUTE CHARTER
SCHOOL CAPITAL CONSTRUCTION.

(b) IN NEGOTIATING THE CHARTER CONTRACT, THE INSTITUTE CHARTER SCHOOL
AND THE INSTITUTE BOARD SHALL AGREE ON THE SERVICES, OTHER THAN
NECESSARY ADMINISTRATION, OVERSIGHT, AND MANAGEMENT SERVICES, AND THE
COST OF THE SERVICES THAT A THIRD PARTY WITH WHICH THE INSTITUTE OR
INSTITUTE CHARTER SCHOOL CONTRACTS PROVIDES TO THE INSTITUTE CHARTER
SCHOOL.

(5) IN ADDITION TO THE MONEYS AN INSTITUTE CHARTER SCHOOL RECEIVES
PURSUANT TO SUBSECTION (4) OF THIS SECTION:

(a)(I) THE INSTITUTE SHALL DISTRIBUTE TO EACH QUALIFIED INSTITUTE CHARTER
SCHOOL AN AMOUNT EQUAL TO THE PERCENTAGE OF THE QUALIFIED INSTITUTE
CHARTER SCHOOL'S CERTIFIED AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE
FUNDING AVERAGING PERIOD MULTIPLIED BY THE TOTAL AMOUNT OF STATE
EDUCATION FUND MONEYS DISTRIBUTED TO THE INSTITUTE FOR THE SAME BUDGET
YEAR PURSUANT TO SECTION 22-54.5-309. THE INSTITUTE MUST PROVIDE THE
FUNDING TO EACH QUALIFIED INSTITUTE CHARTER SCHOOL BY MAKING A MONTHLY
PAYMENT TO THE QUALIFIED INSTITUTE CHARTER SCHOOL AS SOON AS POSSIBLE
AFTER THE INSTITUTE RECEIVES A MONTHLY PAYMENT OF MONEYS PURSUANT TO
SECTION 22-54.5-309. THE QUALIFIED INSTITUTE CHARTER SCHOOL SHALL USE THE
MONEYS RECEIVED PURSUANT TO THIS PARAGRAPH (A) SOLELY FOR CAPITAL
CONSTRUCTION AS DEFINED IN SECTION 22-54.5-309(1)(a).

(II) FOR PURPOSES OF THIS PARAGRAPH (A), "PUPILS" DOES NOT INCLUDE PUPILS
WHO ARE ENROLLED IN AN ON-LINE PROGRAM, AS DEFINED IN SECTION 22-30.7-102
(9), OR IN AN ON-LINE SCHOOL, AS DEFINED IN SECTION 22-30.7-102(9.5).

(b)(I) THE INSTITUTE SHALL DISTRIBUTE TO EACH INSTITUTE CHARTER SCHOOL
THE SCHOOL'S PROPORTIONATE SHARE OF MONEYS RECEIVED PURSUANT TO FEDERAL
OR STATE CATEGORICAL AID PROGRAMS BASED ON THE PUPILS ENROLLED IN EACH
INSTITUTE CHARTER SCHOOL.

(II) EACH INSTITUTE CHARTER SCHOOL THAT SERVES STUDENTS WHO MAY BE
ELIGIBLE TO RECEIVE SERVICES PROVIDED THROUGH FEDERAL AID PROGRAMS MUST
COMPLY WITH ALL FEDERAL REPORTING REQUIREMENTS TO RECEIVE THE
DISTRIBUTION OF FEDERAL AID FROM THE INSTITUTE.

(c) THE INSTITUTE SHALL DISTRIBUTE TO EACH INSTITUTE CHARTER SCHOOL THE
PER PUPIL SUPPLEMENTAL PAYMENT PAYABLE TO THE INSTITUTE CHARTER SCHOOL
PURSUANT TO SECTION 22-54.5-303.
(d) Each institute charter school retains the fees collected from students enrolled at the institute charter school.

(E) Each institute charter school shall pay an amount equal to the per pupil cost incurred by the institute in providing federally required educational services, multiplied by the number of students enrolled in the institute charter school. At either party’s request, the institute charter school and the institute may negotiate and include in the charter contract alternate arrangements for the provision of and payment for federally required educational services, including but not necessarily limited to a reasonable reserve not to exceed five percent of the institute’s total budget for providing federally required educational services. The institute shall use the reserve only to offset the excess costs of providing services to students with disabilities who are enrolled in an institute charter school.

(E) Each institute charter school that receives at-risk funding shall use the at-risk funding to provide programs, activities, and personnel that primarily serve at-risk pupils. Each institute charter school that receives English language learner funding shall use the English language learner funding to provide programs, activities, and personnel that primarily serve English language learners.

(8) (a) Within ninety days after the end of each budget year, the institute shall provide to each institute charter school an itemized accounting of all the institute’s administrative overhead costs.

(b) Within ninety days after the end of each budget year, the institute shall provide to each institute charter school an itemized accounting of all of the actual costs of any additional services the institute charter school chose to purchase as provided in paragraph (b) of subsection (4) of this section. The institute and the institute charter school shall reconcile any difference between the amount initially charged to the institute charter school and the actual cost of the services, and the owed party shall receive appropriate reimbursement.

(9) (a) The governing body of an institute charter school may accept gifts, donations, or grants of any kind made to the institute charter school and expend or use the gifts, donations, or grants in accordance with the conditions prescribed by the donor; however, the governing body shall not accept a gift, donation, or grant if the gift, donation, or grant is subject to any condition contrary to law or contrary to the terms of the charter contract between the institute charter school and the institute.

(b) Moneys that an institute charter school receives from any source and that remain in the institute charter school’s accounts at the end of a budget year must remain in the institute charter school’s accounts for the institute charter school’s use during subsequent budget years and do not revert to the state. Moneys remaining in the institute charter school’s accounts upon the revocation or nonrenewal of the charter
CONTRACT REVERT TO THE INSTITUTE; EXCEPT THAT ANY GIFTS MUST BE DISPOSED OF IN ACCORDANCE WITH ANY CONDITIONS PRESCRIBED BY THE DONOR THAT ARE NOT CONTRARY TO LAW.

(10) (a) **On or before December 1 of each year, a representative from the governing board of each institute charter school and the institute board shall meet to review the level of funding received by the institute as a result of the moneys withheld by the institute for the amount of actual costs incurred by the institute in providing necessary administration, oversight, and management services to the institute charter schools. The institute charter school representatives and the institute board shall, at a minimum, review for each budget year the amount of moneys annually appropriated to the institute, the amount of costs incurred by the institute, and the services provided by the institute.**

(b) **On or before January 15 of each year, the institute board shall submit to the education committees of the Senate and the House of Representatives, or any successor committees, the findings of the review described in paragraph (a) of this subsection (10) and any recommendations for legislative changes regarding the operations of the institute.**

(c) **The provisions of this subsection (10) do not limit the authority of the institute or the institute board in making decisions concerning operations of the institute or the use of institute moneys.**

(11) (a) **This section takes effect upon the proclamation by the governor of the vote cast in a statewide election held no later than November 2017 at which a majority of those voting approve a citizen-initiated increase in state tax revenues for the purpose of funding preschool through twelfth grade public education, so long as the amount of the approved revenue increase is equal to or greater than the total estimated state fiscal impact associated with the payment of the state share of total program pursuant to section 22-54.5-203, investment moneys pursuant to section 22-54.5-301, hold-harmless moneys pursuant to section 22-54.5-302, and per pupil supplemental payments pursuant to section 22-54.5-303, in the second budget year commencing after the increase is approved, as stated in the final fiscal note prepared for Senate Bill 13-213, enacted in 2013.**

(b) **The provisions of this section apply in the second budget year commencing after the statewide election at which the voters approve the increase in state tax revenues for the purpose of funding public education and in budget years thereafter.**

SECTION 4. In Colorado Revised Statutes, add 22-28-104.1 and 22-28-107.1 as follows:

**22-28-104.1. Establishment of public preschool programs.** (1) The Colorado preschool program is established in the department and as a local
PROGRAM IN EACH SCHOOL DISTRICT. THE PURPOSES OF THE PROGRAM ARE:

(a) TO SERVE THREE-, FOUR-, AND FIVE-YEAR-OLD CHILDREN WHO LACK OVERALL LEARNING READINESS DUE TO SIGNIFICANT FAMILY RISK FACTORS, WHO ARE IN NEED OF LANGUAGE DEVELOPMENT, OR WHO ARE RECEIVING SERVICES FROM THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO ARTICLE 5 OF TITLE 26, C.R.S., AS NEGLECTED OR DEPENDENT CHILDREN AND WHO WOULD BENEFIT FROM PARTICIPATION IN THE COLORADO PRESCHOOL PROGRAM;

(b) TO ESTABLISH CRITERIA THAT SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS MUST FOLLOW TO ESTABLISH DISTRICT AND INSTITUTE CHARTER SCHOOL PRESCHOOL PROGRAMS; AND

(c) TO ENCOURAGE PARENTS TO PARTICIPATE WITH THEIR CHILDREN IN DISTRICT OR INSTITUTE CHARTER SCHOOL PRESCHOOL PROGRAMS.

(2) ALL CHILDREN WHO MEET THE ELIGIBILITY REQUIREMENTS SPECIFIED IN SECTION 22-28-106 MAY PARTICIPATE IN THE COLORADO PRESCHOOL PROGRAM AS HALF-TIME PUPILS.

(3) EACH SCHOOL DISTRICT AND EACH INSTITUTE CHARTER SCHOOL SHALL INCLUDE IN THE MEMBERSHIP CERTIFIED TO THE DEPARTMENT PURSUANT TO SECTION 22-54.5-405 THE PUPILS ENROLLED IN THE COLORADO PRESCHOOL PROGRAM TO RECEIVE FUNDING FOR THOSE PUPILS THROUGH THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF THIS TITLE.

(4) THIS ARTICLE DOES NOT PROHIBIT A SCHOOL DISTRICT FROM ESTABLISHING AND MAINTAINING OTHER PRESCHOOL PROGRAMS USING ANY FUNDS AVAILABLE FOR THAT PURPOSE, BUT THE SCHOOL DISTRICT SHALL NOT COUNT CHILDREN ENROLLED IN ANOTHER PRESCHOOL PROGRAM FOR PURPOSES OF DETERMINING AVERAGE DAILY MEMBERSHIP UNDER THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF THIS TITLE.

(5)(a) THIS SECTION TAKES EFFECT UPON THE PROCLAMATION BY THE GOVERNOR OF THE VOTE CAST IN A STATEWIDE ELECTION HELD NO LATER THAN NOVEMBER 2017 AT WHICH A MAJORITY OF THOSE VOTING APPROVE A CITIZEN-INITIATED INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, SO LONG AS THE AMOUNT OF THE APPROVED REVENUE INCREASE IS EQUAL TO OR GREATER THAN THE TOTAL ESTIMATED STATE FISCAL IMPACT ASSOCIATED WITH THE PAYMENT OF THE STATE SHARE OF TOTAL PROGRAM PURSUANT TO SECTION 22-54.5-203, INVESTMENT MONEYS PURSUANT TO SECTION 22-54.5-301, HOLD-HARMLESS MONEYS PURSUANT TO SECTION 22-54.5-302, AND PER PUPIL SUPPLEMENTAL PAYMENTS PURSUANT TO SECTION 22-54.5-303, IN THE SECOND BUDGET YEAR COMMENCING AFTER THE INCREASE IS APPROVED, AS STATED IN THE FINAL FISCAL NOTE PREPARED FOR SENATE BILL 13-213, ENACTED IN 2013.

(b) THE PROVISIONS OF THIS SECTION APPLY IN THE SECOND BUDGET YEAR COMMENCING AFTER THE STATEWIDE ELECTION AT WHICH THE VOTERS APPROVE THE INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PUBLIC EDUCATION AND IN BUDGET YEARS THEREAFTER.
22-28-107.1. District and institute charter school preschool programs - plans.

(1) Each school district that has not submitted a plan to the department by the effective date of this section to implement a district preschool program shall do so within six months after that date. An institute charter school that chooses to offer a preschool program pursuant to this section shall submit a plan to implement the preschool program to the department at least six months before the preschool program begins operation. A school district’s or institute charter school’s plan must include, but need not be limited to, the following information requested by the department:

(a) The number of eligible children that the preschool program is expected to serve;

(b) Whether the preschool program will be a four-and-one-half-month, nine-month, or twelve-month program;

(c) Whether the school district or institute charter school itself will provide the preschool program or whether a Head Start agency or one or more child care agencies under contract with the school district or institute charter school will provide the preschool program in whole or in part;

(d) If the school district or institute charter school will provide the preschool program:

(I) The number of schools in the school district that will be involved if it is a district preschool program;

(II) The number of additional personnel needed to staff the preschool program; and

(III) The training program for preschool teachers;

(e) If a Head Start agency or child care agencies under contract with the school district or the institute charter school will provide the preschool program, in whole or in part:

(I) The Head Start agency or child care agencies with which the school district or institute charter school will contract;

(II) The terms of the contracts; and

(III) The procedure the school district or institute charter school will use to monitor the preschool program that the Head Start agency or child care agencies are providing;

(f) The extended day services, if any, to be provided in connection with the preschool program;

(g) The plan for coordinating the preschool program with family
SUPPORT SERVICES FOR CHILDREN PARTICIPATING IN THE PROGRAM AND THEIR FAMILIES;

(h) THE PLAN FOR INVOLVING THE PARENT OR PARENTS OF EACH CHILD ENROLLED IN THE PRESCHOOL PROGRAM IN PARTICIPATION IN THE PROGRAM;

(i) THE PLAN FOR COORDINATING THE PRESCHOOL PROGRAM WITH A PARENTING PROGRAM;

(j) THE PLAN FOR INVOLVING PARENTS AND THE COMMUNITY IN THE PRESCHOOL PROGRAM; AND

(k) THE PROCEDURE THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL WILL FOLLOW TO EVALUATE THE CURRENT AND CONTINUING EFFECTIVENESS OF THE PRESCHOOL PROGRAM.

(2) A SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL THAT PARTICIPATES IN THE COLORADO PRESCHOOL PROGRAM BY OFFERING A NINE-MONTH PROGRAM MAY, IN THE FIRST YEAR OF OPERATION, APPLY FOR PERMISSION FROM THE DEPARTMENT TO RECEIVE FUNDING FOR A NINE-MONTH PROGRAM BUT TO USE UP TO HALF OF THE MONEYS ALLOCATED FOR THE PROGRAM TO PREPARE, DURING THE FIRST HALF OF THE SCHOOL YEAR, TO OFFER A PRESCHOOL PROGRAM AND TO USE THE REMAINDER OF THE MONEYS TO OFFER, DURING THE SECOND HALF OF THE SCHOOL YEAR, A FOUR-AND-ONE-HALF-MONTH PRESCHOOL PROGRAM.

(3) (a) UPON THE REQUEST OF A SCHOOL DISTRICT OR AN INSTITUTE CHARTER SCHOOL, THE DEPARTMENT SHALL PROVIDE, SUBJECT TO AVAILABLE RESOURCES, SUCH TECHNICAL ASSISTANCE AS MAY BE NECESSARY FOR THE SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL TO SUBMIT ITS PLAN FOR IMPLEMENTING THE PRESCHOOL PROGRAM AND FOR ONGOING TRAINING OF PERSONNEL FOR THE SUCCESSFUL IMPLEMENTATION OF THE PROGRAM.

(b) THE DEPARTMENT SHALL ANNUALLY CONDUCT ON-SITE VISITS AT A REASONABLE NUMBER OF SCHOOL DISTRICTS AND INSTITUTE CHARTER SCHOOLS TO DETERMINE WHETHER:

(I) EACH SCHOOL DISTRICT’S AND INSTITUTE CHARTER SCHOOL’S SCREENING PROCESS AND THE ELIGIBILITY CRITERIA FOR CHILDREN PARTICIPATING IN THE PRESCHOOL PROGRAM COMPLY WITH ALL APPLICABLE STATE LAWS;

(II) THE DISTRICT ADVISORY COUNCIL ESTABLISHED PURSUANT TO SECTION 22-28-105 FOR A DISTRICT PRESCHOOL PROGRAM COMPLIES WITH ALL APPLICABLE STATE LAWS; AND

(III) THE SCHOOL DISTRICT’S OR INSTITUTE CHARTER SCHOOL’S QUALITY ASSURANCE ACTIVITIES, EVALUATION EFFORTS, AND FINANCIAL ACTIVITIES REGARDING THE PRESCHOOL PROGRAM COMPLY WITH ALL APPLICABLE STATE LAWS.

(4)(a) THIS SECTION TAKES EFFECT UPON THE PROCLAMATION BY THE GOVERNOR OF THE VOTE CAST IN A STATEWIDE ELECTION HELD NO LATER THAN NOVEMBER 2017 AT WHICH A MAJORITY OF THOSE VOTING APPROVE A CITIZEN-INITIATED
INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, SO LONG AS THE AMOUNT OF THE APPROVED REVENUE INCREASE IS EQUAL TO OR GREATER THAN THE TOTAL ESTIMATED STATE FISCAL IMPACT ASSOCIATED WITH THE PAYMENT OF THE STATE SHARE OF TOTAL PROGRAM PURSUANT TO SECTION 22-54.5-203, INVESTMENT MONEYS PURSUANT TO SECTION 22-54.5-301, HOLD-HARMLESS MONEYS PURSUANT TO SECTION 22-54.5-302, AND PER PUPIL SUPPLEMENTAL PAYMENTS PURSUANT TO SECTION 22-54.5-303, IN THE SECOND BUDGET YEAR COMMENCING AFTER THE INCREASE IS APPROVED, AS STATED IN THE FINAL FISCAL NOTE PREPARED FOR SENATE BILL 13-213, ENACTED IN 2013.

(b) THE PROVISIONS OF THIS SECTION APPLY IN THE SECOND BUDGET YEAR COMMENCING AFTER THE STATEWIDE ELECTION AT WHICH THE VOTERS APPROVE THE INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PUBLIC EDUCATION AND IN BUDGET YEARS THEREAFTER.

SECTION 5. In Colorado Revised Statutes, 22-45-103, add (1) (i) as follows:

22-45-103. Funds. (1) The following funds are created for each school district for purposes specified in this article:


(II) (A) THIS PARAGRAPH (i) TAKES EFFECT UPON THE PROCLAMATION BY THE GOVERNOR OF THE VOTE CAST IN A STATEWIDE ELECTION HELD NO LATER THAN NOVEMBER 2017 AT WHICH A MAJORITY OF THOSE VOTING APPROVE A CITIZEN-INITIATED INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION, SO LONG AS THE AMOUNT OF THE APPROVED REVENUE INCREASE IS EQUAL TO OR GREATER THAN THE TOTAL ESTIMATED STATE FISCAL IMPACT ASSOCIATED WITH THE PAYMENT OF THE STATE SHARE OF TOTAL PROGRAM PURSUANT TO SECTION 22-54.5-203, INVESTMENT MONEYS PURSUANT TO SECTION 22-54.5-301, HOLD-HARMLESS MONEYS PURSUANT TO SECTION 22-54.5-302, AND PER PUPIL SUPPLEMENTAL PAYMENTS PURSUANT TO SECTION 22-54.5-303, IN THE SECOND BUDGET YEAR COMMENCING AFTER THE INCREASE IS APPROVED, AS STATED IN THE FINAL FISCAL NOTE PREPARED FOR SENATE BILL 13-213, ENACTED IN 2013.

(B) THE PROVISIONS OF THIS PARAGRAPH (i) APPLY IN THE SECOND BUDGET YEAR COMMENCING AFTER THE STATEWIDE ELECTION AT WHICH THE VOTERS APPROVE THE INCREASE IN STATE TAX REVENUES FOR THE PURPOSE OF FUNDING PUBLIC EDUCATION AND IN BUDGET YEARS THEREAFTER.
SECTION 6. In Colorado Revised Statutes, 22-44-105, amend (4) as follows:

22-44-105. Budget - contents - mandatory. (4) (a) Not later than July 1, 1998, the state board of education, with input from the financial policies and procedures advisory committee, shall establish, and implement, and maintain a statewide financial, student management, and human resource electronic data communications and reporting system that is based on a redesigned standard chart of accounts, a standard information system, and a standard personnel classification system and that includes to the fullest extent possible comparable reporting of expenditures at the school-site level as well as at the school district level, at the board of cooperative services level, and by the state charter school institute. The department of education, the state charter school institute, and all district charter schools, institute charter schools, school districts, and boards of cooperative services in the state shall use the system to report and obtain necessary financial information.

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

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

(II) The reporting system, including the standard chart of accounts, must require the reporting of expenditures, including but not limited to salary and benefit expenditures, at the school site level and whether the school principal retains or chooses to forego control of the at-risk and English language learner funding distributed to the school pursuant to section 22-54.5-410;

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

(IV) The reporting system must require each charter school, each school district for the district as a whole and for each school of the school district, each board of cooperative services, and the institute to report the number and percentages of professional instructional staff disaggregated by race and the number and percentages of students disaggregated by race;

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

(VI) The reporting system must require each charter school, each school district, each board of cooperative services, and the institute to report actual salary amounts when reporting salary expenditures and require each charter school, each school district, each board of cooperative services, and the institute to report benefit expenditures by
(VII) The reporting system must require each district to report the total amount of additional local property tax revenues the district is authorized to collect in addition to the district’s total program mill levy, but not including amounts authorized pursuant to section 22-40-110 or article 42 or article 43 of this title, and the amount of the additional local property tax revenues that the district distributes to charter schools of the school district, stated as a dollar amount.

(c) Notwithstanding any provision of this subsection (4) to the contrary, if a school district’s average daily membership for the most recent funding averaging period is one thousand or fewer students, the school district may decide whether to report expenditures at the school-site level.

(d) The requirements specified in this subsection (4) to report information at the school-site level apply to the 2014-15 budget year and budget years thereafter.

(e) Nothing in this section shall be interpreted to require accounting of salary and benefit costs by school site. The department shall create or contract for the creation of a web site view that, at a minimum, translates the reported expenditures for school sites, school districts, the state charter school institute, and boards of cooperative services into a format that is readable by a layperson. In addition, the department shall collect, review, and standardize the data reported by the state charter school institute, charter schools, districts, and boards of cooperative services pursuant to this subsection (4) to ensure the greatest level of transparency and comparability of expenditures among school sites, school districts, the state charter school institute, and boards of cooperative services.

(d) Repealed.

SECTION 7. In Colorado Revised Statutes, add 22-2-113.7 as follows:

22-2-113.7. Department of education - additional local revenues - distribution to charter schools - annual report. (1) The department shall annually compile a report of the information received pursuant to section 22-44-105 (4) (b) (VII) concerning the collection of additional local property tax revenues by each district and the distribution of a portion of the revenues to the charter schools of the school district. In addition to the compiled information, the report must include a comparison of the amount of additional local property tax revenues received by the district and the amount distributed to the charter schools of the district at the district level and aggregated statewide.

(2) (a) The department shall allow each district and each district charter school to review the report before publication. A district or a charter school may request that the department compile an addendum...
TO THE REPORT THAT IS SPECIFIC TO THE REQUESTING DISTRICT OR CHARTER SCHOOL AND THAT EXAMINES THE OVERALL LEVEL OF FUNDING DISTRIBUTED BY THE DISTRICT TO THE CHARTER SCHOOLS OF THE DISTRICT, INCLUDING:

(I) CAPITAL CONSTRUCTION AND FACILITIES FUNDING;

(II) FUNDING FOR TECHNOLOGY; AND

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

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

SECTION 8. In Colorado Revised Statutes, 22-24-104, add (7) as follows:

22-24-104. English language proficiency program established - funding. (7) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, BEGINNING IN THE 2015-16 BUDGET YEAR AND FOR BUDGET YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL NOT APPROPRIATE MONEYS SPECIFICALLY TO FUND THIS SECTION. FOR THE 2015-16 BUDGET YEAR AND BUDGET YEARS THEREAFTER, A DISTRICT, THE STATE CHARTER SCHOOL INSTITUTE, OR A FACILITY SCHOOL MAY RECEIVE MONEYS FOR THE IMPLEMENTATION OF THIS SECTION THROUGH THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF THIS TITLE.

SECTION 9. In Colorado Revised Statutes, 22-24-104 as repealed and reenacted by House Bill 13-1211, add (6) as follows:

22-24-104. English language proficiency program established - funding. (6) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, BEGINNING IN THE 2015-16 BUDGET YEAR AND FOR BUDGET YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL NOT APPROPRIATE MONEYS SPECIFICALLY TO FUND THIS SECTION. FOR THE 2015-16 BUDGET YEAR AND BUDGET YEARS THEREAFTER, A LOCAL EDUCATION PROVIDER MAY RECEIVE MONEYS FOR THE IMPLEMENTATION OF THIS SECTION THROUGH THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF THIS TITLE.

SECTION 10. In Colorado Revised Statutes, 22-33-205, add (5) as follows:

22-33-205. Services for expelled and at-risk students - grants - criteria. (5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, BEGINNING IN THE 2015-16 BUDGET YEAR AND FOR BUDGET YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL NOT APPROPRIATE MONEYS SPECIFICALLY TO FUND THIS SECTION. FOR THE 2015-16 BUDGET YEAR AND BUDGET YEARS THEREAFTER, A DISTRICT, A CHARTER SCHOOL, OR A FACILITY SCHOOL MAY RECEIVE MONEYS FOR THE IMPLEMENTATION OF THIS SECTION THROUGH THE "PUBLIC SCHOOL FINANCE ACT", ARTICLE 54.5 OF THIS TITLE.

SECTION 11. In Colorado Revised Statutes, 22-20-114, amend (1) introductory portion; and add (8), (9), (10), and (11) as follows:
22-20-114. Funding of programs - legislative intent - definition. (1) Subject to the provisions of subsection (3) subsections (3), (8), (9), and (10) of this section, for the 2005-06 budget year and each budget year thereafter, the total amount appropriated to the department for the payment of costs incurred by administrative units for the provision of special education programs shall be distributed to each administrative unit that provides educational services for children with disabilities as follows:

(8) (a) For the 2015-16 budget year and budget years thereafter, in a budget year for which the state receives growth tax revenues, if there is a portion of the growth tax revenues remaining after fully funding the state share of total program for all districts and total program for all institute charter schools, as calculated pursuant to article 54.5 of this title, the general assembly shall increase the amount appropriated for distribution pursuant to this section by the remaining amount of growth tax revenues, up to the amount required to increase the per pupil allocation pursuant to paragraph (b) of subsection (1) of this section to two thousand five hundred dollars for each child with disabilities receiving special education services from an administrative unit.

(b) As used in this subsection (8), "growth tax revenues" means the amount of state revenues generated in the applicable income tax year as a result of a citizen-initiated statewide ballot question that increases state tax revenues for the purpose of funding preschool through twelfth grade public education, which amount of state revenues exceeds the amount specified in the statewide ballot question.

(9) (a) For the 2015-16 budget year and budget years thereafter, in addition to any amount of the total annual appropriation moneys that are distributed pursuant to paragraph (c) of subsection (1) of this section, the general assembly shall appropriate at least eighty million dollars to increase the percentage of children for which an administrative unit may receive additional funding pursuant to paragraph (c) of subsection (1) of this section.

(b) The general assembly shall appropriate the amount described in paragraph (a) of this subsection (9) from the increase in state tax revenues received as the result of passage of a statewide ballot measure to increase state tax revenues for the purpose of funding public education.

(10) It is the intent of the general assembly that, beginning in the 2015-16 budget year and for budget years thereafter, in addition to any other appropriations for purposes of this section, the general assembly shall appropriate for distribution pursuant to paragraph (c) of subsection (1) of this section an amount equal to the amounts appropriated in budget years before the 2015-16 budget year to fund English language development programs pursuant to section 22-24-104 and the services for expelled and at-risk students grant program pursuant to section 22-33-205.
(11) It is further the General Assembly’s intent that, as a result of receiving an increase in the distribution of state moneys pursuant to subsection (8), (9), or (10) of this section, an administrative unit, in complying with the maintenance of effort requirement specified in the federal "No Child Left Behind Act of 2001", 20 U.S.C. sec. 6381 et seq., shall not reduce the level of state and local expenditures below the level of state and local expenditures for the preceding budget year. Any additional appropriation of moneys for distribution pursuant to this section is intended to alter the ratio between state and local expenditures, but the overall level of expenditures may remain the same, thereby satisfying the federal maintenance of effort requirements.

SECTION 12. In Colorado Revised Statutes, add 22-2-142 as follows:

22-2-142. Professional development programs - principals. (1) The department shall provide or contract for professional development programs for principals. The department shall provide programs that address budgeting and curriculum and program development skills, especially with regard to programs for at-risk pupils and English language learners, as defined in section 22-54.5-103. The department shall publicize the availability of the professional development programs and make the professional development programs available to principals at a free or significantly reduced price. The department shall ensure that professional development programs are available at locations throughout the state.

(2) The department shall submit to the education committees of the house of representatives and the Senate, or any successor committees, an annual report of the persons who participate in the professional development programs provided pursuant to this section. The report, at a minimum, must include the name of the participant, the employing school district or charter school, and the school of the school district at which the participant is employed.

(3) The general assembly shall annually appropriate one million dollars to the department for the costs incurred in implementing this section. The general assembly shall appropriate the moneys from the increase in state tax revenues received as the result of the passage of a citizen-initiated statewide ballot measure to increase state tax revenues to fund preschool through twelfth grade public education.

SECTION 13. In Colorado Revised Statutes, 22-43.7-104, add (2) (c) as follows:

22-43.7-104. Public school capital construction assistance fund - creation - crediting of moneys to fund - use of fund - emergency reserve - creation. (2) (c) (I) For the 2014-15 budget year, the General Assembly shall appropriate to the assistance fund an amount equal to up to forty percent of the revenues received by the state before July 1, 2015, as a result of a citizen-initiated increase in state tax revenues for the purpose of funding preschool through twelfth grade public education,
(II) The board must award the amount appropriated to the assistance fund pursuant to subparagraph (I) of this paragraph (c) for financial assistance for public school facility capital construction projects that are needed to support educational reforms and programmatic enhancements, including up to fifty percent for facilities for full-day kindergarten and preschool programs.

(III) If the board awards any portion of the amount appropriated to the assistance fund pursuant to subparagraph (I) of this paragraph (c) to provide financial assistance by financing public school facility capital construction projects through lease-purchase agreements, the amount of annual lease payments payable by the state for those lease-purchase agreements shall not exceed the amount appropriated to the assistance fund pursuant to subparagraph (I) of this paragraph (c) plus any interest attributable to the amount appropriated.

(IV) The general assembly finds that appropriating the revenues described in subparagraph (I) of this paragraph (c) to the assistance fund will benefit the education of kindergarten through twelfth grade students and participants in preschool programs by ensuring that public schools and school districts have the facilities necessary to support implementation of the education reforms and programmatic enhancements required by law.

SECTION 14. In Colorado Revised Statutes, 2-3-1203, add (3) (jj.5) as follows:

2-3-1203. Sunset review of advisory committees. (3) The following dates are the dates for which the statutory authorization for the designated advisory committees is scheduled for repeal:

(jj.5) September 1, 2023:

(IV) The education innovation board created in section 22-54.5-311 (7), C.R.S.

SECTION 15. Effective date. (1) This act takes effect upon the proclamation by the governor of the vote cast in a statewide election held no later than November 2017 at which a majority of those voting approve a citizen-initiated increase in state tax revenues for the purpose of funding preschool through twelfth grade public education, so long as the amount of the approved revenue increase is equal to or greater than the total estimated state fiscal impact associated with the payment of the state share of total program pursuant to section 22-54.5-203, investment moneys pursuant to section 22-54.5-301, hold-harmless moneys pursuant to section 22-54.5-302, and per pupil supplemental payments pursuant to section 22-54.5-303, in the second budget year commencing after the increase is approved, as stated in the final fiscal note prepared for Senate Bill 13-213, enacted in 2013.

(2) Notwithstanding the provisions of subsection (1) of this section to the
contrary:

(a) Section 8 of this act takes effect only if House Bill 13-1211 does not become law; and

(b) Section 9 of this act takes effect only if House Bill 13-1211 becomes law.

SECTION 16. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 21, 2013