

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-0083.03 Julie Pelegrin x2700

HOUSE BILL 14-1139

HOUSE SPONSORSHIP

Priola, Murray, Wilson, Holbert, Everett

SENATE SPONSORSHIP

(None),

House Committees

Education
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING FUNDING PUBLIC SCHOOLS BASED ON THE CALCULATION**
102 **OF AVERAGE DAILY MEMBERSHIP, AND, IN CONNECTION**
103 **THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Under current law, funding for school districts and institute charter schools is based on the number of pupils enrolled on a specified count date each school year. Beginning with the 2017-18 budget year, the bill directs the department of education (department) to calculate funding for

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

school districts and institute charter schools based on the district's or institute charter school's average daily membership, preschool program average daily membership, at-risk pupil average daily membership, on-line average daily membership, ASCENT program average daily membership, and funded membership (collectively referred to as "membership") for the funding averaging period. The funding averaging period is the 4 quarters of the preceding budget year plus the first quarter of the current budget year.

The district must create a data system in the 2014-15 budget year to calculate membership. Beginning in the 2015-16 budget year, each district and institute charter school must periodically report the data required to calculate membership. In the 2016-17 budget year, each district and institute charter school will continue to receive funding calculated based on pupil enrollment, but the department must also calculate funding based on membership for comparison purposes. Beginning in the 2017-18 budget years and for budget years thereafter, each district's and institute charter school's funding is based on calculations that use membership, rather than single-day pupil enrollment.

Beginning in the 2017-18 budget year, if a school district's membership calculated for the first half of a budget year increases by a greater percentage than the increase in the statewide membership over the preceding funding averaging period, the department will recalculate the school district's total program for the remainder of the budget year using the school district's membership for the first half of the then-current budget year.

Beginning in the 2017-18 budget year, a new institute charter school's funding will be based on the projected membership for the first school day. If the new institute charter school's membership for the first half of the budget year is different from the first-day projections, the department shall recalculate the institute charter school's funding based on the membership for the first half of the then-current budget year. In the second year or in a budget year in which an institute charter school increases its program by at least one grade level, if the membership for the first quarter of the school year is greater than the membership for the funding averaging period, the department will recalculate the institute charter school's funding based on the membership for the first quarter of the then-current budget year. In any other budget year, the department will recalculate an institute charter school's funding halfway through the budget year on the same basis that it would recalculate a school district's total program.

Beginning in the 2017-18 budget year, a school district that authorizes a charter school shall calculate the charter school's funding based on the charter school's membership. A school district must calculate and recalculate the funding for a district charter school that is new, or in a budget year in which the charter school increases its program

by at least one grade level, on the same basis that the department recalculates the funding for an institute charter school.

The general assembly must appropriate moneys for the mid-year increases in funding for district charter schools and institute charter schools.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-54-112.5 as
3 follows:

4 **22-54-112.5. Average daily membership - data system - rules**
5 **- implementation - definitions.** (1) AS USED IN THIS SECTION, UNLESS
6 THE CONTEXT OTHERWISE REQUIRES:

7 (a) "ADJUSTED AVERAGE DAILY MEMBERSHIP" MEANS THE
8 KINDERGARTEN THROUGH TWELFTH-GRADE AVERAGE DAILY MEMBERSHIP
9 PLUS THE ON-LINE AVERAGE DAILY MEMBERSHIP OF A DISTRICT.

10 (b) "ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP" MEANS
11 THE NUMBER OF PUPILS WHO ARE ENROLLED EACH SCHOOL DAY IN A
12 DISTRICT AND ARE PARTICIPANTS IN THE ASCENT PROGRAM, TOTALED
13 FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF SCHOOL
14 DAYS IN THE AVERAGING PERIOD. THE ASCENT PROGRAM AVERAGE
15 DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE ASCENT PROGRAM
16 PARTICIPANTS ENROLLED IN EACH DISTRICT CHARTER SCHOOL OF THE
17 DISTRICT. AN ASCENT PROGRAM PARTICIPANT WHO IS ENROLLED IN AT
18 LEAST TWELVE CREDIT HOURS OF POSTSECONDARY COURSES, INCLUDING
19 ACADEMIC COURSES AND CAREER AND TECHNICAL EDUCATION COURSES,
20 IS INCLUDED IN THE ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS
21 A FULL-TIME PUPIL. AN ASCENT PROGRAM PARTICIPANT WHO IS
22 ENROLLED IN FEWER THAN TWELVE CREDIT HOURS OF POSTSECONDARY
23 COURSES, INCLUDING ACADEMIC COURSES AND CAREER AND TECHNICAL

1 EDUCATION COURSES, IS INCLUDED IN THE ASCENT PROGRAM AVERAGE
2 DAILY MEMBERSHIP AS A PART-TIME PUPIL.

3 (c) (I) "AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP" MEANS THE
4 GREATER OF:

5 (A) THE NUMBER OF AT-RISK PUPILS ENROLLED IN A DISTRICT
6 EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED
7 BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD; OR

8 (B) THE DISTRICT'S AT-RISK PUPIL PERCENTAGE MULTIPLIED BY
9 THE DISTRICT'S ADJUSTED AVERAGE DAILY MEMBERSHIP.

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

13 (III) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III)
14 OF PARAGRAPH (j) OF THIS SUBSECTION (5), THE AT-RISK PUPIL AVERAGE
15 DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE AT-RISK PUPILS
16 ENROLLED IN A MULTI-DISTRICT ON-LINE SCHOOL OF THE DISTRICT.

17 (d) (I) "AT-RISK PUPIL PERCENTAGE" MEANS THE NUMBER OF
18 AT-RISK PUPILS ENROLLED IN GRADES ONE THROUGH EIGHT IN A DISTRICT
19 EACH SCHOOL DAY, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED
20 BY THE NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD, THEN
21 DIVIDED BY THE DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE SAME
22 AVERAGING PERIOD FOR GRADES ONE THROUGH EIGHT.

23 (II) THE AT-RISK PUPIL PERCENTAGE OF A DISTRICT INCLUDES THE
24 AT-RISK PUPILS ENROLLED IN EACH DISTRICT CHARTER SCHOOL OF THE
25 DISTRICT.

26 (III) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (III)
27 OF PARAGRAPH (j) OF THIS SUBSECTION (5), A DISTRICT'S AT-RISK PUPIL

1 PERCENTAGE INCLUDES THE AT-RISK PUPILS ENROLLED IN A
2 MULTI-DISTRICT ON-LINE SCHOOL OF THE DISTRICT.

3 (e) "AVERAGE DAILY MEMBERSHIP" MEANS THE MEMBERSHIP OF
4 A DISTRICT OR OF AN INSTITUTE CHARTER SCHOOL FOR EACH SCHOOL DAY,
5 TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE NUMBER OF
6 SCHOOL DAYS IN THE AVERAGING PERIOD. THE AVERAGE DAILY
7 MEMBERSHIP OF A DISTRICT INCLUDES THE PUPILS ENROLLED IN EACH
8 DISTRICT CHARTER SCHOOL OF THE DISTRICT.

9 (f) "AVERAGING PERIOD" MEANS A QUARTER OF A SCHOOL YEAR,
10 THE FULL SCHOOL YEAR, OR THE FULL SCHOOL YEAR PLUS THE FIRST
11 QUARTER OF THE NEXT SCHOOL YEAR, WHICHEVER IS APPLICABLE.

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

14 (h) "FUNDED MEMBERSHIP" MEANS:

15 (I) THE TOTAL OF A DISTRICT'S PRESCHOOL PROGRAM AVERAGE
16 DAILY MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD, SUPPLEMENTAL
17 KINDERGARTEN AVERAGE DAILY MEMBERSHIP FOR THE FUNDING
18 AVERAGING PERIOD, ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
19 FUNDING AVERAGING PERIOD, AND ASCENT PROGRAM AVERAGE DAILY
20 MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD, AND THE GREATER
21 OF:

22 (A) THE DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE
23 FUNDING AVERAGING PERIOD; OR

24 (B) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP
25 FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE DAILY
26 MEMBERSHIP FOR THE PRECEDING FUNDING AVERAGING PERIOD; OR

27 (C) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP

1 FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE DAILY
2 MEMBERSHIP FOR THE TWO PRECEDING FUNDING AVERAGING PERIODS; OR

3 (D) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY
4 MEMBERSHIP FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE
5 DAILY MEMBERSHIP FOR THE THREE PRECEDING FUNDING AVERAGING
6 PERIODS; OR

7 (E) THE AVERAGE OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP
8 FOR THE FUNDING AVERAGING PERIOD AND THE AVERAGE DAILY
9 MEMBERSHIP FOR THE FOUR PRECEDING FUNDING AVERAGING PERIODS.

10 (II) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
11 CONTRARY, FOR PURPOSES OF CALCULATING A DISTRICT'S FUNDED
12 MEMBERSHIP PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (h)
13 ONLY, PUPILS WHO ARE ENROLLED IN THE COLORADO PRESCHOOL
14 PROGRAM ARE INCLUDED IN THE DISTRICT'S PRESCHOOL PROGRAM
15 AVERAGE DAILY MEMBERSHIP AND ARE NOT INCLUDED IN THE DISTRICT'S
16 AVERAGE DAILY MEMBERSHIP.

17 (III) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
18 CONTRARY, FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (h),
19 A DISTRICT'S FUNDED MEMBERSHIP DOES NOT INCLUDE A PUPIL WHO IS OR
20 WAS ENROLLED IN A CHARTER SCHOOL THAT THE DISTRICT ORIGINALLY
21 AUTHORIZED AND THAT WAS SUBSEQUENTLY CONVERTED ON OR AFTER
22 JULY 1, 2010, TO AN INSTITUTE CHARTER SCHOOL OR TO A CHARTER
23 SCHOOL OF A DISTRICT THAT IS CONTIGUOUS TO THE ORIGINAL
24 AUTHORIZING DISTRICT.

25 (i) "FUNDING AVERAGING PERIOD" MEANS THE PERIOD THAT
26 BEGINS ON THE FIRST DAY OF THE FIRST QUARTER OF THE PRECEDING
27 BUDGET YEAR AND CONTINUES THROUGH THE LAST DAY OF THE FIRST

1 QUARTER OF THE THEN-CURRENT BUDGET YEAR.

2 (j) (I) "MEMBERSHIP" MEANS THE PUPILS WHO ARE ENROLLED IN
3 A DISTRICT OR AN INSTITUTE CHARTER SCHOOL IN PRESCHOOL PURSUANT
4 TO ARTICLE 28 OF THIS TITLE; THE PUPILS WHO ARE ENROLLED IN
5 KINDERGARTEN, WHO ARE ALL COUNTED AS HALF-TIME PUPILS; AND THE
6 PUPILS WHO ARE ENROLLED IN GRADES ONE THROUGH TWELVE, WHO ARE
7 COUNTED AS EITHER FULL-TIME OR PART-TIME PUPILS. THE STATE BOARD,
8 BY RULE, SHALL SPECIFY THE POINT AT WHICH A PUPIL IS ENROLLED IN A
9 DISTRICT OR AN INSTITUTE CHARTER SCHOOL, THE CIRCUMSTANCES UNDER
10 WHICH A PUPIL CEASES TO BE ENROLLED IN A DISTRICT OR AN INSTITUTE
11 CHARTER SCHOOL, AND THE REQUIRED DOCUMENTATION FOR CERTIFYING
12 PUPIL ENROLLMENT.

13 (II) FOR PURPOSES OF THIS ARTICLE, THE MEMBERSHIP OF A
14 DISTRICT OR AN INSTITUTE CHARTER SCHOOL INCLUDES:

15 (A) A PUPIL WHO IS ENROLLED IN A PRESCHOOL PROGRAM
16 PURSUANT TO ARTICLE 28 OF THIS TITLE, BUT ONLY IF THE PUPIL IS AT
17 LEAST THREE YEARS OF AGE AS OF OCTOBER 1 OF THE APPLICABLE
18 AVERAGING PERIOD. A PUPIL ENROLLED IN A PRESCHOOL PROGRAM IS
19 COUNTED AS A HALF-TIME PUPIL.

20 (B) A PUPIL WHO IS ENROLLED IN A KINDERGARTEN EDUCATIONAL
21 PROGRAM BUT ONLY IF THE PUPIL IS FIVE YEARS OF AGE AS OF OCTOBER
22 1 OF THE APPLICABLE AVERAGING PERIOD OR FOUR YEARS OF AGE AS OF
23 OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD AND THE DISTRICT OR
24 INSTITUTE CHARTER SCHOOL OR AN ADMINISTRATIVE UNIT HAS IDENTIFIED
25 THE PUPIL AS A HIGHLY ADVANCED GIFTED CHILD FOR WHOM EARLY
26 ACCESS TO KINDERGARTEN IS APPROPRIATE, AS PROVIDED IN SECTION
27 22-20-204;

1 (C) A PUPIL WHO IS ENROLLED IN FIRST GRADE, BUT ONLY IF THE
2 PUPIL IS AT LEAST SIX YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE
3 APPLICABLE AVERAGING PERIOD, AT LEAST FIVE YEARS OF AGE ON OR
4 BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING PERIOD AND THE
5 PUPIL ATTENDED AT LEAST ONE HUNDRED TWENTY DAYS OF
6 KINDERGARTEN IN A STATE OTHER THAN COLORADO, OR AT LEAST FIVE
7 YEARS OF AGE ON OR BEFORE OCTOBER 1 OF THE APPLICABLE AVERAGING
8 PERIOD AND THE DISTRICT OR INSTITUTE CHARTER SCHOOL OR AN
9 ADMINISTRATIVE UNIT HAS IDENTIFIED THE PUPIL AS A HIGHLY ADVANCED
10 GIFTED CHILD FOR WHOM EARLY ACCESS TO FIRST GRADE IS APPROPRIATE,
11 AS PROVIDED IN SECTION 22-20-204;

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

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

21 (F) A PUPIL WHO IS ENROLLED IN AN ON-LINE PROGRAM, AS
22 DEFINED IN SECTION 22-30.7-102 (9), OR AN ON-LINE SCHOOL, AS DEFINED
23 IN SECTION 22-30.7-102 (9.5), OPERATED PURSUANT TO ARTICLE 30.7 OF
24 THIS TITLE BY A DISTRICT OR AN INSTITUTE CHARTER SCHOOL;

25 (G) A PUPIL WHO IS EXPELLED WITHIN THE APPLICABLE BUDGET
26 YEAR AND TO WHOM THE DISTRICT OR INSTITUTE CHARTER SCHOOL
27 PROVIDES EDUCATIONAL SERVICES PURSUANT TO SECTION 22-33-203; AND

1 (H) A JUVENILE WHO IS HELD IN AN ADULT JAIL AND TO WHOM THE
2 DISTRICT PROVIDES EDUCATIONAL SERVICES PURSUANT TO SECTION
3 22-32-141.

4 (III) FOR PURPOSES OF THIS ARTICLE, MEMBERSHIP OF A DISTRICT
5 OR AN INSTITUTE CHARTER SCHOOL DOES NOT INCLUDE:

6 (A) A PUPIL WHO IS PLACED IN A FACILITY, AS DEFINED IN SECTION
7 22-2-402 (3), AND WHO IS RECEIVING SERVICES THROUGH AN APPROVED
8 FACILITY SCHOOL, AS DEFINED IN SECTION 22-2-402 (1);

9 (B) A PUPIL WHO IS ENROLLED IN A MULTI-DISTRICT ON-LINE
10 SCHOOL; OR

11 (C) A PUPIL WHO IS PARTICIPATING IN THE ASCENT PROGRAM.

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

14 (l) "ON-LINE AVERAGE DAILY MEMBERSHIP" MEANS THE NUMBER
15 OF ON-LINE PUPILS ENROLLED EACH SCHOOL DAY IN A MULTI-DISTRICT
16 ON-LINE SCHOOL OPERATED BY A DISTRICT OR AN INSTITUTE CHARTER
17 SCHOOL, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE
18 NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD. THE STATE BOARD,
19 BY RULE, SHALL SPECIFY THE POINT AT WHICH A PUPIL IS ENROLLED IN A
20 MULTI-DISTRICT ON-LINE SCHOOL, THE CIRCUMSTANCES UNDER WHICH A
21 PUPIL CEASES TO BE ENROLLED IN A MULTI-DISTRICT ON-LINE SCHOOL, AND
22 THE REQUIRED DOCUMENTATION FOR CERTIFYING PUPIL ENROLLMENT. THE
23 RULES CONCERNING ENROLLMENT IN A MULTI-DISTRICT ON-LINE SCHOOL
24 MUST BE SUBSTANTIALLY THE SAME AS THE RULES CONCERNING
25 ENROLLMENT IN A SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL. THE
26 ON-LINE AVERAGE DAILY MEMBERSHIP OF A DISTRICT INCLUDES THE
27 PUPILS ENROLLED IN A DISTRICT CHARTER SCHOOL OF THE DISTRICT THAT

1 IS A MULTI-DISTRICT ON-LINE SCHOOL.

2 (m) "PRECEDING BUDGET YEAR" MEANS THE BUDGET YEAR THAT
3 IMMEDIATELY PRECEDES THE BUDGET YEAR FOR WHICH FUNDING IS
4 CALCULATED.

5 (n) "PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP" MEANS
6 THE NUMBER OF PUPILS, COUNTED AS HALF-DAY PUPILS, ENROLLED EACH
7 SCHOOL DAY PURSUANT TO ARTICLE 28 OF THIS TITLE IN A DISTRICT
8 PRESCHOOL PROGRAM OR AN INSTITUTE CHARTER SCHOOL PRESCHOOL
9 PROGRAM, TOTALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE
10 NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD.

11 (o) "SCHOOL DAY" MEANS:

12 (I) FOR A DISTRICT, A DAY ON WHICH AT LEAST ONE SCHOOL OF
13 THE DISTRICT IS PROVIDING EDUCATIONAL SERVICES TO PUPILS ENROLLED
14 IN THE DISTRICT, INCLUDING PUPILS ENROLLED IN A DISTRICT CHARTER
15 SCHOOL OF THE DISTRICT; OR

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

19 (p) "SCHOOL YEAR" MEANS JULY 1 THROUGH THE FOLLOWING
20 JUNE 30.

21 (q) "STATEWIDE AVERAGE AT-RISK PUPIL PERCENTAGE" MEANS
22 THE TOTAL AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS
23 AND ALL INSTITUTE CHARTER SCHOOLS DIVIDED BY THE TOTAL ADJUSTED
24 AVERAGE DAILY MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE
25 CHARTER SCHOOLS.

26 (r) "STATEWIDE AVERAGE DAILY MEMBERSHIP" MEANS THE TOTAL
27 MEMBERSHIP OF ALL DISTRICTS AND ALL INSTITUTE CHARTER SCHOOLS IN

1 THE STATE EACH SCHOOL DAY AND THE TOTAL NUMBER OF PUPILS
2 ENROLLED IN THE MULTI-DISTRICT ON-LINE SCHOOLS OF THE STATE EACH
3 SCHOOL DAY, TOALED FOR THE AVERAGING PERIOD AND DIVIDED BY THE
4 NUMBER OF SCHOOL DAYS IN THE AVERAGING PERIOD.

5 (s) "STATEWIDE AVERAGE ENROLLMENT GROWTH" MEANS THE
6 PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE DAILY MEMBERSHIP
7 OF A FUNDING AVERAGING PERIOD OVER THE PREVIOUS FUNDING
8 AVERAGING PERIOD.

9 (t) "SUPPLEMENTAL KINDERGARTEN AVERAGE DAILY
10 MEMBERSHIP" MEANS THE NUMBER CALCULATED BY SUBTRACTING
11 FIVE-TENTHS FROM THE FULL-DAY KINDERGARTEN FACTOR FOR THE
12 APPLICABLE BUDGET YEAR AND THEN MULTIPLYING THAT NUMBER BY A
13 DISTRICT'S AVERAGE DAILY MEMBERSHIP CALCULATED SOLELY FOR
14 KINDERGARTEN FOR THE APPLICABLE FUNDING AVERAGING PERIOD. FOR
15 THE PURPOSES OF THIS PARAGRAPH (r), THE FULL-DAY KINDERGARTEN
16 FACTOR IS FIFTY-EIGHT HUNDREDTHS OF A FULL-DAY PUPIL.

17 (2) (a) DURING THE 2014-15 BUDGET YEAR, THE DEPARTMENT
18 SHALL CREATE A DATA SYSTEM TO CALCULATE AVERAGE DAILY
19 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
20 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
21 MEMBERSHIP, ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP, FUNDED
22 MEMBERSHIP, AND TOTAL PROGRAM FUNDING FOR EACH DISTRICT AND TO
23 CALCULATE AVERAGE DAILY MEMBERSHIP AND ON-LINE AVERAGE DAILY
24 MEMBERSHIP FOR EACH INSTITUTE CHARTER SCHOOL. THE STATE BOARD
25 SHALL PROMULGATE RULES AS NECESSARY TO IMPLEMENT THE DATA
26 SYSTEM.

27 (b) BEGINNING IN THE 2016-17 BUDGET YEAR AND FOR BUDGET

1 YEARS THEREAFTER, EACH DISTRICT AND INSTITUTE CHARTER SCHOOL
2 SHALL CERTIFY TO THE DEPARTMENT FOR EACH QUARTER OF THE SCHOOL
3 YEAR THE DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S MEMBERSHIP FOR
4 EACH SCHOOL DAY DURING THE QUARTER, INCLUDING SPECIFYING THE
5 NUMBER OF AT-RISK PUPILS AND, FOR A DISTRICT, THE NUMBER OF
6 PRESCHOOL PUPILS. THE DISTRICT AND EACH INSTITUTE CHARTER SCHOOL
7 SHALL ALSO CERTIFY TO THE DEPARTMENT FOR EACH QUARTER OF THE
8 SCHOOL YEAR THE NUMBER OF THE DISTRICT'S OR INSTITUTE CHARTER
9 SCHOOL'S PUPILS WHO ARE ENROLLED EACH SCHOOL DAY DURING THE
10 QUARTER IN A MULTI-DISTRICT ON-LINE SCHOOL, INCLUDING SPECIFYING
11 THE NUMBER OF AT-RISK PUPILS, AND EACH DISTRICT SHALL CERTIFY THE
12 NUMBER OF THE DISTRICT'S PUPILS ENROLLED EACH SCHOOL DAY DURING
13 THE QUARTER IN THE ASCENT PROGRAM. THE STATE CHARTER SCHOOL
14 INSTITUTE MAY CERTIFY THE INSTITUTE CHARTER SCHOOLS' MEMBERSHIP
15 AND ENROLLMENT FOR PURPOSES OF THIS SECTION.

16 (c) FOR THE 2016-17 BUDGET YEAR, EACH DISTRICT AND EACH
17 INSTITUTE CHARTER SCHOOL SHALL CONTINUE TO RECEIVE FUNDING
18 PURSUANT TO THIS ARTICLE BASED ON THE DISTRICT'S OR INSTITUTE
19 CHARTER SCHOOL'S PUPIL ENROLLMENT, BUT THE DEPARTMENT SHALL
20 ALSO USE THE MEMBERSHIP DATA CERTIFIED BY THE DISTRICT OR
21 INSTITUTE CHARTER SCHOOL TO CALCULATE EACH DISTRICT'S AND
22 INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM FUNDING FOR THE 2016-17
23 BUDGET YEAR FOR COMPARISON PURPOSES.

24 (d) (I) FOR THE 2017-18 BUDGET YEAR AND FOR BUDGET YEARS
25 THEREAFTER, THE DEPARTMENT SHALL CALCULATE THE TOTAL PROGRAM
26 FUNDING FOR EACH DISTRICT AND EACH INSTITUTE CHARTER SCHOOL AS
27 PROVIDED IN THIS SECTION.

1 (II) THE DEPARTMENT SHALL CALCULATE THE TOTAL PROGRAM
2 FUNDING FOR EACH DISTRICT IN EACH BUDGET YEAR USING THE DISTRICT'S
3 AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY
4 MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE
5 AVERAGE DAILY MEMBERSHIP, ASCENT PROGRAM AVERAGE DAILY
6 MEMBERSHIP, AND FUNDED MEMBERSHIP FOR THE APPLICABLE FUNDING
7 AVERAGING PERIOD. THE DEPARTMENT SHALL CALCULATE THE TOTAL
8 PROGRAM FUNDING FOR EACH INSTITUTE CHARTER SCHOOL USING THE
9 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP AND ON-LINE
10 AVERAGE DAILY MEMBERSHIP. THE DEPARTMENT SHALL ALSO CALCULATE
11 THE STATEWIDE AVERAGE AT-RISK PUPIL PERCENTAGE FOR PURPOSES OF
12 CALCULATING TOTAL PROGRAM FUNDING.

13 (e) NOTWITHSTANDING THE PROVISIONS OF SECTION 22-54-104 TO
14 THE CONTRARY, THE DEPARTMENT SHALL SUBSTITUTE AVERAGE DAILY
15 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
16 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
17 MEMBERSHIP, ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP, AND
18 FUNDED MEMBERSHIP FOR PUPIL ENROLLMENT AS APPROPRIATE TO
19 CALCULATE TOTAL PROGRAM FUNDING AS REQUIRED IN THIS SECTION.

20 (3) THE DEPARTMENT SHALL CALCULATE EACH DISTRICT'S
21 AVERAGE DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY
22 MEMBERSHIP, AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE
23 AVERAGE DAILY MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY
24 MEMBERSHIP AND EACH INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY
25 MEMBERSHIP AND ON-LINE AVERAGE DAILY MEMBERSHIP FOR:

26 (a) EACH QUARTER OF THE SCHOOL YEAR BY TOTALING THE DAILY,
27 PRESCHOOL PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY

1 MULTI-DISTRICT ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT
2 FOR THE QUARTER AND DIVIDING EACH RESPECTIVE SUM BY THE NUMBER
3 OF SCHOOL DAYS IN THE RESPECTIVE DISTRICT'S OR INSTITUTE CHARTER
4 SCHOOL'S QUARTER OF THE SCHOOL YEAR;

5 (b) EACH HALF OF A SCHOOL YEAR BY TOTALING THE DAILY,
6 PRESCHOOL PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY
7 MULTI-DISTRICT ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT
8 FOR HALF OF THE SCHOOL YEAR AND DIVIDING EACH RESPECTIVE SUM BY
9 THE TOTAL NUMBER OF SCHOOL DAYS IN THE RESPECTIVE DISTRICT'S OR
10 INSTITUTE CHARTER SCHOOL'S HALF OF A SCHOOL YEAR;

11 (c) EACH SCHOOL YEAR BY TOTALING THE DAILY, PRESCHOOL
12 PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY MULTI-DISTRICT
13 ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT FOR THE SCHOOL
14 YEAR AND DIVIDING EACH RESPECTIVE SUM BY THE TOTAL NUMBER OF
15 SCHOOL DAYS IN THE RESPECTIVE DISTRICT'S OR INSTITUTE CHARTER
16 SCHOOL'S SCHOOL YEAR; AND

17 (d) EACH FUNDING AVERAGING PERIOD BY TOTALING THE DAILY,
18 PRESCHOOL PROGRAM, OR AT-RISK PUPIL MEMBERSHIP OR THE DAILY
19 MULTI-DISTRICT ON-LINE SCHOOL OR ASCENT PROGRAM ENROLLMENT
20 FOR THE FUNDING AVERAGING PERIOD AND DIVIDING EACH RESPECTIVE
21 SUM BY THE TOTAL NUMBER OF SCHOOL DAYS IN THE RESPECTIVE
22 DISTRICT'S OR INSTITUTE CHARTER SCHOOL'S FUNDING AVERAGING PERIOD.

23 (4) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
24 THEREAFTER, IF A DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE FIRST
25 HALF OF A SCHOOL YEAR EXCEEDS THE DISTRICT'S AVERAGE DAILY
26 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD BY A
27 PERCENTAGE THAT IS GREATER THAN THE STATEWIDE AVERAGE

1 ENROLLMENT GROWTH FOR THE APPLICABLE FUNDING AVERAGING PERIOD,
2 THE DEPARTMENT SHALL RECALCULATE THE DISTRICT'S TOTAL PROGRAM
3 FOR THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
4 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
5 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
6 MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP FOR
7 THE FIRST HALF OF THE THEN-CURRENT SCHOOL YEAR. THE DEPARTMENT
8 SHALL ADJUST THE DISTRICT'S MONTHLY PAYMENTS ACCORDINGLY FOR
9 THE REMAINDER OF THE APPLICABLE BUDGET YEAR.

10 (5) (a) (I) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO
11 THE CONTRARY, FOR THE FIRST SCHOOL YEAR IN WHICH AN INSTITUTE
12 CHARTER SCHOOL ENROLLS PUPILS, THE DEPARTMENT SHALL CALCULATE
13 THE INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM USING THE INSTITUTE
14 CHARTER SCHOOL'S PROJECTED MEMBERSHIP FOR THE FIRST SCHOOL DAY
15 OF THE SCHOOL YEAR OR, IF THE INSTITUTE CHARTER SCHOOL IS A
16 MULTI-DISTRICT ON-LINE SCHOOL, THE INSTITUTE CHARTER SCHOOL'S
17 PROJECTED NUMBER OF PUPILS THAT WILL BE ENROLLED ON THE FIRST
18 SCHOOL DAY OF THE SCHOOL YEAR.

19 (II) THE DEPARTMENT SHALL CALCULATE THE INSTITUTE CHARTER
20 SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
21 MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST HALF OF THE
22 INSTITUTE CHARTER SCHOOL'S FIRST SCHOOL YEAR. IF THE CALCULATED
23 AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP
24 IS DIFFERENT FROM THE PROJECTED FIRST-DAY MEMBERSHIP OR
25 ENROLLMENT, THE DEPARTMENT SHALL RECALCULATE THE INSTITUTE
26 CHARTER SCHOOL'S TOTAL PROGRAM USING THE AVERAGE DAILY
27 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE FIRST

1 HALF OF THE THEN-CURRENT SCHOOL YEAR AND ADJUST THE INSTITUTE
2 CHARTER SCHOOL'S FUNDING BY REDUCING THE FUNDING OR PAYING
3 SUPPLEMENTAL FUNDING TO THE INSTITUTE CHARTER SCHOOL FOR THE
4 REMAINDER OF THE FIRST SCHOOL YEAR. IF THE RECALCULATION RESULTS
5 IN SUPPLEMENTAL FUNDING FOR THE INSTITUTE CHARTER SCHOOL, THE
6 DEPARTMENT SHALL PAY THE INCREASED AMOUNT FROM MONEYS
7 APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO SECTION
8 22-54-114 (2.1).

9 (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF
10 THIS PARAGRAPH (b), IF AN INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY
11 MEMBERSHIP FOR THE FIRST HALF OF A SCHOOL YEAR EXCEEDS THE
12 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
13 APPLICABLE FUNDING AVERAGING PERIOD BY A PERCENTAGE THAT IS
14 GREATER THAN THE STATEWIDE AVERAGE ENROLLMENT GROWTH FOR THE
15 APPLICABLE FUNDING AVERAGING PERIOD, THE DEPARTMENT SHALL
16 RECALCULATE THE INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM FOR
17 THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
18 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
19 APPLICABLE, FOR THE FIRST HALF OF THE THEN-CURRENT SCHOOL YEAR.
20 THE DEPARTMENT SHALL ADJUST THE INSTITUTE CHARTER SCHOOL'S
21 MONTHLY PAYMENTS ACCORDINGLY FOR THE REMAINDER OF THE
22 APPLICABLE BUDGET YEAR BY PAYING SUPPLEMENTAL FUNDING TO THE
23 STATE CHARTER SCHOOL INSTITUTE FOR THE INSTITUTE CHARTER SCHOOL
24 FROM MONEYS APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND
25 PURSUANT TO SECTION 22-54-114 (2.1).

26 (II) IN A BUDGET YEAR IN WHICH AN INSTITUTE CHARTER SCHOOL
27 IS IN THE SECOND YEAR OF OPERATION OR INCREASES ITS PROGRAM

1 AVAILABILITY BY AT LEAST ONE GRADE LEVEL, THE DEPARTMENT SHALL
2 RECALCULATE THE INSTITUTE CHARTER SCHOOL'S TOTAL PROGRAM IF THE
3 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE
4 AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST
5 QUARTER OF THE THEN-CURRENT SCHOOL YEAR EXCEEDS THE INSTITUTE
6 CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE
7 DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD.
8 THE DEPARTMENT SHALL RECALCULATE THE INSTITUTE CHARTER
9 SCHOOL'S TOTAL PROGRAM USING THE AVERAGE DAILY MEMBERSHIP OR
10 ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR
11 THE FIRST QUARTER OF THE THEN-CURRENT BUDGET YEAR. THE
12 DEPARTMENT SHALL ADJUST THE INSTITUTE CHARTER SCHOOL'S MONTHLY
13 PAYMENTS ACCORDINGLY FOR THE REMAINDER OF THE APPLICABLE
14 BUDGET YEAR BY PAYING SUPPLEMENTAL FUNDING TO THE STATE
15 CHARTER SCHOOL INSTITUTE FOR THE INSTITUTE CHARTER SCHOOL FROM
16 MONEYS APPROPRIATED TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO
17 SECTION 22-54-114 (2.1).

18 (c) THE PROVISIONS OF THIS SUBSECTION (5) APPLY TO THE
19 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER.

20 (6) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE
21 CONTRARY, THE DEPARTMENT, IN CALCULATING AVERAGE DAILY
22 MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
23 AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, ON-LINE AVERAGE DAILY
24 MEMBERSHIP, AND ASCENT PROGRAM AVERAGE DAILY MEMBERSHIP AS
25 PROVIDED IN THIS SECTION, SHALL ADJUST THE CALCULATION AS
26 NECESSARY TO ENSURE THAT A SINGLE STUDENT IS NOT COUNTED AS MORE
27 THAN A FULL-TIME PUPIL.

1 (7) A PUPIL WHO IS IDENTIFIED AS AN AT-RISK PUPIL, AS PROVIDED
2 IN SECTION 22-54-112 (4), ONCE DURING A SCHOOL YEAR IS PRESUMED TO
3 QUALIFY AS AN AT-RISK PUPIL THROUGHOUT THE REMAINDER OF THE
4 SCHOOL YEAR.

5 (8) THE GENERAL ASSEMBLY HEREBY DECLARES THAT, FOR
6 PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION,
7 CREATING AND IMPLEMENTING A SYSTEM TO FUND PUBLIC ELEMENTARY
8 AND SECONDARY EDUCATION BASED ON AVERAGE DAILY MEMBERSHIP IS
9 AN IMPORTANT ELEMENT IN IMPLEMENTING ACCOUNTABLE EDUCATION
10 REFORM AND MAY THEREFORE RECEIVE FUNDING FROM THE STATE
11 EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE
12 STATE CONSTITUTION.

13 **SECTION 2.** In Colorado Revised Statutes, 22-54-114, **amend**
14 (1) and (2); and **add** (2.1) as follows:

15 **22-54-114. State public school fund.** (1) There is hereby created
16 in the office of the state treasurer a fund, separate from the general fund,
17 to be known as the state public school fund. There shall be credited to
18 said fund the net balance of the public school income fund existing as of
19 December 31, 1973, and all distributions from the state public school
20 income fund thereafter made, the state's share of all moneys received
21 from the federal government pursuant to the provisions of section
22 34-63-102, C.R.S., and such additional moneys as shall be appropriated
23 by the general assembly which are necessary to meet the state's share of
24 the total program of all districts, INCLUDING FOR THE 2017-18 BUDGET
25 YEAR, AND BUDGET YEARS THEREAFTER, ANY SUPPLEMENTAL FUNDING
26 FOR DISTRICT CHARTER SCHOOLS AS PROVIDED IN SECTIONS 22-30.5-112
27 (2) (f) AND 22-30.5-112.1 (3.7); funding for institute charter schools,

1 INCLUDING FOR THE 2017-18 BUDGET YEAR, AND BUDGET YEARS
2 THEREAFTER, ANY SUPPLEMENTAL FUNDING AS PROVIDED IN SECTION
3 22-54-112.5 (5); and, for fiscal years prior to the 2007-08 fiscal year, the
4 contingency reserve during the budget year. Moneys annually
5 appropriated by the general assembly shall be transferred from the state
6 general fund and credited to the state public school fund in four quarterly
7 installments on July 1, September 30, December 31, and March 31 to
8 assure the availability of funds for the required distribution of state
9 moneys to school districts and institute charter schools. Such quarterly
10 installments shall be determined in accordance with estimates prepared
11 by the department of education with respect to the required distribution
12 of state moneys to school districts and institute charter schools.

13 (2) No later than thirty days prior to the beginning of the budget
14 year, the department of education shall determine the estimated
15 requirements in order to provide each district and each institute charter
16 school the amount it is eligible to receive from the state during the next
17 ensuing fiscal year of the state. FOR THE 2017-18 BUDGET YEAR, AND
18 BUDGET YEARS THEREAFTER, THE ESTIMATES MUST INCLUDE ANY AMOUNT
19 THAT MAY BE NECESSARY TO PROVIDE SUPPLEMENTAL FUNDING FOR
20 DISTRICT CHARTER SCHOOLS AS PROVIDED IN SECTIONS 22-30.5-112 (2) (f)
21 AND 22-30.5-112.1 (3.7) AND INSTITUTE CHARTER SCHOOLS AS PROVIDED
22 IN SECTION 22-54-112.5 (5). The GENERAL ASSEMBLY SHALL BASE THE
23 appropriation ~~by the general assembly shall be based~~ AMOUNT on the
24 requirements necessary to provide all districts and institute charter
25 schools with the amounts they are each eligible to receive from the state,
26 pursuant to the provisions of this ~~part~~ ARTICLE, during the next ensuing
27 fiscal year of the state, INCLUDING FOR THE 2017-18 BUDGET YEAR, AND

1 BUDGET YEARS THEREAFTER, ANY AMOUNT OF SUPPLEMENTAL FUNDING
2 THAT A DISTRICT CHARTER SCHOOL MAY BE ELIGIBLE TO RECEIVE AS
3 PROVIDED IN SECTIONS 22-30.5-112 (2) (f) AND 22-30.5-112.1 (3.7) OR AN
4 INSTITUTE CHARTER SCHOOL MAY BE ELIGIBLE TO RECEIVE AS PROVIDED
5 IN SECTION 22-54-112.5 (5).

6 (2.1) (a) FOR THE 2017-18 BUDGET YEAR, AND BUDGET YEARS
7 THEREAFTER, THE GENERAL ASSEMBLY SHALL MAKE ANNUAL
8 APPROPRIATIONS, IN ADDITION TO THE AMOUNT REQUIRED IN SECTION
9 22-54-106 (4), TO FUND THE SUPPLEMENTAL FUNDING FOR DISTRICT
10 CHARTER SCHOOLS CALCULATED AS PROVIDED IN SECTIONS 22-30.5-112
11 (2) (f) AND 22-30.5-112.1 (3.7) AND FOR INSTITUTE CHARTER SCHOOLS
12 CALCULATED AS PROVIDED IN SECTION 22-54-112.5 (5). IF THE
13 APPROPRIATION, AS ESTABLISHED IN THE GENERAL APPROPRIATION ACT,
14 FOR THE SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER SCHOOLS AND
15 INSTITUTE CHARTER SCHOOLS FOR A BUDGET YEAR IS NOT SUFFICIENT TO
16 FULLY FUND THE SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER
17 SCHOOLS AND INSTITUTE CHARTER SCHOOLS, THE DEPARTMENT SHALL
18 SUBMIT A REQUEST FOR A SUPPLEMENTAL APPROPRIATION IN AN AMOUNT
19 THAT WILL FULLY FUND THE SUPPLEMENTAL FUNDING FOR DISTRICT
20 CHARTER SCHOOLS AND INSTITUTE CHARTER SCHOOLS. THE DEPARTMENT
21 SHALL SUBMIT THE REQUEST TO THE GENERAL ASSEMBLY DURING THE
22 FISCAL YEAR IN WHICH THE FUNDING DEFICIT OCCURS.

23 (b) IF THE GENERAL ASSEMBLY DOES NOT MAKE A SUPPLEMENTAL
24 APPROPRIATION TO FULLY FUND THE SUPPLEMENTAL FUNDING FOR
25 DISTRICT CHARTER SCHOOLS AND INSTITUTE CHARTER SCHOOLS, OR THE
26 GENERAL ASSEMBLY ENACTS A SUPPLEMENTAL APPROPRIATION TO
27 REDUCE THE SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER SCHOOLS

1 AND INSTITUTE CHARTER SCHOOLS, THE DEPARTMENT SHALL REDUCE THE
2 AMOUNT OF SUPPLEMENTAL FUNDING FOR EACH QUALIFYING DISTRICT
3 CHARTER SCHOOL AND EACH QUALIFYING INSTITUTE CHARTER SCHOOL BY
4 THE PERCENTAGE OF THE DEFICIT IN THE AMOUNT REQUIRED TO FULLY
5 FUND THE SUPPLEMENTAL FUNDING FOR EACH QUALIFYING DISTRICT
6 CHARTER SCHOOL AND QUALIFYING INSTITUTE CHARTER SCHOOL. THE
7 DEPARTMENT SHALL ENSURE THAT IT ACCOMPLISHES THE REDUCTION IN
8 SUPPLEMENTAL FUNDING FOR DISTRICT CHARTER SCHOOLS AND INSTITUTE
9 CHARTER SCHOOLS BEFORE THE END OF THE BUDGET YEAR.

10 **SECTION 3.** In Colorado Revised Statutes, 22-54-115, **amend**
11 (1) (b) and (1.3) (b); and **add** (1) (d) and (1) (e) as follows:

12 **22-54-115. Distribution from state public school fund.** (1) No
13 later than June 30 of each year, the state board shall determine the amount
14 of the state's share of the district's total program for the budget year
15 beginning on July 1, and the total thereof for all districts, which amount
16 shall be payable in twelve approximately equal monthly payments during
17 such budget year; except that:

18 (b) Such payments shall be adjusted in accordance with any
19 district's instructions given pursuant to subsection (1.5) of this section;
20 **and**

21 (d) SUCH PAYMENTS SHALL BE ADJUSTED IN THE 2017-18 BUDGET
22 YEAR AND IN BUDGET YEARS THEREAFTER, IF REQUIRED PURSUANT TO
23 SECTION 22-54-112.5 (4); AND

24 (e) SUCH PAYMENTS SHALL BE ADJUSTED IN THE 2017-18 BUDGET
25 YEAR AND IN BUDGET YEARS THEREAFTER, IN ACCORDANCE WITH A
26 DISTRICT'S INSTRUCTIONS TO INCLUDE SUPPLEMENTAL FUNDING FOR A
27 DISTRICT CHARTER SCHOOL AS PROVIDED IN SECTIONS 22-30.5-112 (2) (f)

1 AND 22-30.5-112.1 (3.7).

2 (1.3) (b) The amount withheld shall be payable to the state charter
3 school institute, in twelve approximately equal monthly payments during
4 the budget year for payment to the institute charter school pursuant to
5 section 22-30.5-513 (4). IN ADDITION TO THE AMOUNT WITHHELD, IN THE
6 2017-18 BUDGET YEAR AND IN BUDGET YEARS THEREAFTER, THE
7 DEPARTMENT SHALL PAY TO THE STATE CHARTER SCHOOL INSTITUTE FOR
8 PAYMENT TO AN INSTITUTE CHARTER SCHOOL ANY SUPPLEMENTAL
9 FUNDING FOR THE INSTITUTE CHARTER SCHOOL REQUIRED AS A RESULT OF
10 A RECALCULATION PURSUANT TO SECTION 22-54-112.5 (5).

11 **SECTION 4.** In Colorado Revised Statutes, 22-30.5-112, **amend**
12 (2) (a) (III) (A), (2) (a.3), (2) (a.5), (2) (c) (II), and (2) (c) (III); and **add**
13 (1) (a.5), (2) (a) (I.3), (2) (a) (I.5), (2) (a.1), (2) (c) (II.5), and (2) (f) as
14 follows:

15 **22-30.5-112. Charter schools - financing - definitions -**
16 **guidelines.** (1) (a.5) (I) BEGINNING IN THE 2016-17 BUDGET YEAR AND
17 FOR BUDGET YEARS THEREAFTER, FOR PURPOSES OF IMPLEMENTING
18 SECTION 22-54-112.5, EACH AUTHORIZING SCHOOL DISTRICT SHALL
19 INCLUDE THE PUPILS ENROLLED IN A CHARTER SCHOOL IN THE SCHOOL
20 DISTRICT'S DAILY MEMBERSHIP FOR PURPOSES OF CALCULATING AVERAGE
21 DAILY MEMBERSHIP, PRESCHOOL PROGRAM AVERAGE DAILY MEMBERSHIP,
22 AND AT-RISK PUPIL AVERAGE DAILY MEMBERSHIP, AS APPLICABLE, FOR
23 EACH BUDGET YEAR. THE AUTHORIZING SCHOOL DISTRICT SHALL ALSO
24 INCLUDE THE PUPILS ENROLLED IN THE CHARTER SCHOOL IN THE
25 DISTRICT'S DAILY MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT
26 PROGRAM ENROLLMENT, AS APPLICABLE, FOR PURPOSES OF CALCULATING
27 THE DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP AND ASCENT

1 PROGRAM AVERAGE DAILY MEMBERSHIP FOR EACH BUDGET YEAR. IN
2 REPORTING MEMBERSHIP AND MULTI-DISTRICT ON-LINE SCHOOL AND
3 ASCENT PROGRAM ENROLLMENT TO THE DEPARTMENT PURSUANT TO
4 SECTION 22-54-112.5, THE AUTHORIZING SCHOOL DISTRICT SHALL SPECIFY
5 THE NUMBER OF PUPILS INCLUDED IN THE SCHOOL DISTRICT'S MEMBERSHIP
6 AND MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM
7 ENROLLMENT WHO ARE ACTUALLY INCLUDED IN THE MEMBERSHIP AND
8 MULTI-DISTRICT ON-LINE SCHOOL AND ASCENT PROGRAM ENROLLMENT
9 OF EACH CHARTER SCHOOL.

10 (II) BEGINNING IN THE 2016-17 BUDGET YEAR AND FOR BUDGET
11 YEARS THEREAFTER, THE SCHOOL DISTRICT SHALL REPORT TO THE
12 DEPARTMENT THE PROJECTED MEMBERSHIP, INCLUDING SPECIFYING THE
13 PROJECTED NUMBER OF PRESCHOOL PUPILS AND AT-RISK PUPILS FOR THE
14 FIRST SCHOOL DAY OF THE FIRST SCHOOL YEAR IN WHICH A NEW CHARTER
15 SCHOOL OF THE DISTRICT ENROLLS PUPILS. IF THE NEW CHARTER SCHOOL
16 IS A MULTI-DISTRICT ON-LINE SCHOOL, THE DISTRICT SHALL REPORT TO
17 THE DEPARTMENT THE PROJECTED ON-LINE PUPIL ENROLLMENT,
18 INCLUDING SPECIFYING THE PROJECTED NUMBER OF AT-RISK PUPILS, FOR
19 THE FIRST SCHOOL DAY OF THE FIRST SCHOOL YEAR IN WHICH THE NEW
20 CHARTER SCHOOL OF THE DISTRICT ENROLLS PUPILS.

21 (2) (a) (I.3) EACH AUTHORIZING SCHOOL DISTRICT SHALL PAY TO
22 EACH CHARTER SCHOOL OF THE SCHOOL DISTRICT THE AMOUNTS THAT ARE
23 DUE TO EACH CHARTER SCHOOL AS PROVIDED IN THIS SECTION. THE
24 SCHOOL DISTRICT SHALL PAY THE AMOUNTS IN TWELVE MONTHLY
25 INSTALLMENTS AS SOON AS PRACTICABLE AFTER THE SCHOOL DISTRICT
26 RECEIVES DISTRIBUTIONS OF MONEYS FROM THE DEPARTMENT PURSUANT
27 TO SECTION 22-54-115.

1 (I.5) FOR THE 2017-18 BUDGET YEAR, AND BUDGET YEARS
2 THEREAFTER, IF AN AUTHORIZING SCHOOL DISTRICT'S TOTAL PROGRAM
3 FUNDING IS ADJUSTED MID-YEAR PURSUANT TO SECTION 22-54-112.5 (4),
4 THE SCHOOL DISTRICT SHALL ADJUST THE DISTRIBUTION TO THE CHARTER
5 SCHOOLS OF THE SCHOOL DISTRICT ACCORDINGLY.

6 (III) (A) For budget year 2000-01 and budget years thereafter
7 THROUGH BUDGET YEAR 2016-17, except as otherwise provided in
8 SUBPARAGRAPH (I) OF paragraph (a.3) of this subsection (2), each charter
9 school and the chartering school district shall negotiate funding under the
10 contract. The charter school shall receive one hundred percent of the
11 district per pupil revenues for each pupil enrolled in the charter school
12 who is not an on-line pupil and one hundred percent of the district per
13 pupil on-line funding for each on-line pupil enrolled in the charter school;
14 except that the chartering school district may choose to retain the actual
15 amount of the charter school's per pupil share of the central administrative
16 overhead costs for services actually provided to the charter school, up to
17 five percent of the district per pupil revenues for each pupil who is not an
18 on-line pupil enrolled in the charter school and up to five percent of the
19 district per pupil on-line funding for each on-line pupil enrolled in the
20 charter school.

21 (a.1) (I) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
22 THEREAFTER, EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF
23 PARAGRAPH (a.3) OF THIS SUBSECTION (2), EACH CHARTER SCHOOL AND
24 THE CHARTERING SCHOOL DISTRICT SHALL NEGOTIATE FUNDING UNDER
25 THE CONTRACT. A CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT
26 ON-LINE SCHOOL SHALL RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED
27 PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR THE APPLICABLE

1 BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S AVERAGE DAILY
2 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD. A
3 CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE SCHOOL SHALL
4 RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT
5 PER PUPIL ON-LINE FUNDING MULTIPLIED BY THE CHARTER SCHOOL'S
6 ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING
7 AVERAGING PERIOD.

8 (II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF
9 THIS PARAGRAPH (a.1) TO THE CONTRARY, A CHARTERING SCHOOL
10 DISTRICT MAY CHOOSE TO RETAIN THE ACTUAL AMOUNT OF A CHARTER
11 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
12 COSTS FOR SERVICES ACTUALLY PROVIDED TO THE CHARTER SCHOOL, UP
13 TO FIVE PERCENT OF THE TOTAL AMOUNT OF DISTRICT PER PUPIL REVENUES
14 PAYABLE TO A CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE
15 SCHOOL OR UP TO FIVE PERCENT OF THE TOTAL AMOUNT OF DISTRICT PER
16 PUPIL ON-LINE FUNDING PAYABLE TO A CHARTER SCHOOL THAT IS A
17 MULTI-DISTRICT ON-LINE SCHOOL.

18 (a.3) (I) FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2017,
19 if the authorizing school district enrolls five hundred or fewer students,
20 the charter school shall receive funding in the amount of the greater of
21 one hundred percent of the district per pupil on-line funding for each
22 on-line pupil enrolled in the charter school plus one hundred percent of
23 the district per pupil revenues for each pupil who is not an on-line pupil
24 enrolled in the charter school, minus the actual amount of the charter
25 school's per pupil share of the central administrative overhead costs
26 incurred by the school district, based on audited figures, or eighty-five
27 percent of the district per pupil revenues for each pupil enrolled in the

1 charter school who is not an on-line pupil plus eighty-five percent of the
2 district per pupil on-line funding for each on-line pupil enrolled in the
3 charter school.

4 (II) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
5 THEREAFTER, IF AN AUTHORIZING SCHOOL DISTRICT HAS AN AVERAGE
6 DAILY MEMBERSHIP OF FIVE HUNDRED OR FEWER STUDENTS FOR THE MOST
7 RECENT FUNDING AVERAGING PERIOD:

8 (A) A CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE
9 SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE GREATER OF:
10 ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL REVENUES FOR THE
11 APPLICABLE BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S
12 AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING
13 PERIOD MINUS THE ACTUAL AMOUNT OF THE CHARTER SCHOOL'S PER PUPIL
14 SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD COSTS INCURRED BY
15 THE SCHOOL DISTRICT, BASED ON AUDITED FIGURES; OR EIGHTY-FIVE
16 PERCENT OF DISTRICT PER PUPIL REVENUES FOR THE APPLICABLE BUDGET
17 YEAR MULTIPLIED BY THE CHARTER SCHOOL'S AVERAGE DAILY
18 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD; AND

19 (B) A CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE
20 SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE GREATER OF:
21 ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE FUNDING FOR
22 THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S
23 ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING
24 AVERAGING PERIOD MINUS THE ACTUAL AMOUNT OF THE CHARTER
25 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
26 COSTS INCURRED BY THE SCHOOL DISTRICT, BASED ON AUDITED FIGURES;
27 OR EIGHTY-FIVE PERCENT OF DISTRICT PER PUPIL ON-LINE FUNDING FOR

1 THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE CHARTER SCHOOL'S
2 ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING
3 AVERAGING PERIOD.

4 (a.5) As used in this subsection (2):

5 (I) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS
6 PROVIDED IN SECTION 22-54-112.5 (1) (e).

7 (II) "AVERAGING PERIOD" HAS THE SAME MEANING AS PROVIDED
8 IN SECTION 22-54-112.5 (1) (f).

9 ~~(H)~~ (III) "Central administrative overhead costs" means indirect
10 costs incurred in providing:

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

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

18 ~~(H)~~ "District per pupil revenues" means the district's total program
19 as defined in section 22-54-103 (6) for any budget year divided by the
20 district's funded pupil count as defined in section 22-54-103 (7) for said
21 budget year;

22 ~~(H.5)~~ "District per pupil on-line funding" means a school district's
23 on-line funding, as specified in section 22-54-104 (4.5), divided by the
24 district's on-line pupil enrollment for any budget year;

25 ~~(HH)~~ ~~(Deleted by amendment, L. 2010, (HB 10-1013), ch. 399, p.~~
26 ~~1913, § 38, effective June 10, 2010.)~~

27 (IV) "DISTRICT PER PUPIL ON-LINE FUNDING" MEANS A SCHOOL

1 DISTRICT'S ON-LINE FUNDING, AS SPECIFIED IN SECTION 22-54-104 (4.5),
2 DIVIDED BY THE DISTRICT'S ON-LINE PUPIL ENROLLMENT FOR ANY BUDGET
3 YEAR; EXCEPT THAT, FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
4 THEREAFTER, "DISTRICT PER PUPIL ON-LINE FUNDING" MEANS A SCHOOL
5 DISTRICT'S ON-LINE FUNDING FOR ANY BUDGET YEAR DIVIDED BY THE
6 DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THAT BUDGET
7 YEAR.

8 (V) "DISTRICT PER PUPIL REVENUES" MEANS THE DISTRICT'S TOTAL
9 PROGRAM AS DEFINED IN SECTION 22-54-103 (6) FOR ANY BUDGET YEAR
10 DIVIDED BY THE DISTRICT'S FUNDED PUPIL COUNT AS DEFINED IN SECTION
11 22-54-103 (7) FOR SAID BUDGET YEAR; EXCEPT THAT, FOR THE 2017-18
12 BUDGET YEAR AND BUDGET YEARS THEREAFTER, "DISTRICT PER PUPIL
13 REVENUES" MEANS THE DISTRICT'S TOTAL PROGRAM FOR ANY BUDGET
14 YEAR DIVIDED BY THE DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN
15 SECTION 22-54-112.5 (1) (H), FOR THAT BUDGET YEAR.

16 (VI) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS
17 PROVIDED IN SECTION 22-54-112.5 (1) (i).

18 (VII) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN
19 SECTION 22-54-112.5 (1) (j).

20 (VIII) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
21 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (l).

22 (IX) "STATEWIDE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
23 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (r).

24 (X) "STATEWIDE AVERAGE ENROLLMENT GROWTH" HAS THE SAME
25 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (s).

26 (c) (II) For budget year 2000-01 and budget years thereafter
27 THROUGH THE 2016-17 BUDGET YEAR, the amount of funding received by

1 a charter school pursuant to this subsection (2) shall not be less than one
2 hundred percent of the chartering school district's district per pupil
3 revenues, minus up to five percent as provided in subparagraph (III) of
4 paragraph (a) of this subsection (2), multiplied by the number of pupils
5 enrolled in the charter school or as otherwise provided in paragraph (a.3)
6 of this subsection (2) for any charter school chartered by a school district
7 that enrolls five hundred or fewer students.

8 (II.5) FOR BUDGET YEAR 2017-18 AND BUDGET YEARS
9 THEREAFTER, THE AMOUNT OF FUNDING RECEIVED BY A CHARTER SCHOOL
10 PURSUANT TO THIS SUBSECTION (2) SHALL NOT BE LESS THAN ONE
11 HUNDRED PERCENT OF THE CHARTERING SCHOOL DISTRICT'S DISTRICT PER
12 PUPIL REVENUES, MINUS UP TO FIVE PERCENT AS PROVIDED IN
13 SUBPARAGRAPH (II) OF PARAGRAPH (a.1) OF THIS SUBSECTION (2),
14 MULTIPLIED BY THE CHARTER SCHOOL AVERAGE DAILY ENROLLMENT OR
15 AS OTHERWISE PROVIDED IN PARAGRAPH (a.3) OF THIS SUBSECTION (2) FOR
16 A CHARTER SCHOOL CHARTERED BY A SCHOOL DISTRICT THAT ENROLLS
17 FIVE HUNDRED OR FEWER STUDENTS.

18 (III) (A) FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2017,
19 if a charter school operates a full-day kindergarten program, for purposes
20 of calculating the charter school's funding pursuant to this subsection (2),
21 the number of pupils enrolled in the charter school shall include the
22 supplemental kindergarten enrollment as defined in section 22-54-103
23 (15).

24 (B) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
25 THEREAFTER, IF A CHARTER SCHOOL OPERATES A FULL-DAY
26 KINDERGARTEN PROGRAM, FOR PURPOSES OF CALCULATING THE CHARTER
27 SCHOOL'S FUNDING PURSUANT TO THIS SUBSECTION (2), THE NUMBER OF

1 PUPILS ENROLLED IN THE CHARTER SCHOOL INCLUDES THE SUPPLEMENTAL
2 KINDERGARTEN AVERAGE DAILY MEMBERSHIP AS DEFINED IN SECTION
3 22-54-112.5 (1) (t).

4 (f) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
5 CONTRARY, FOR THE 2017-18 BUDGET YEAR, AND BUDGET YEARS
6 THEREAFTER:

7 (I) (A) IN THE FIRST YEAR THAT A CHARTER SCHOOL ENROLLS
8 PUPILS, THE SCHOOL DISTRICT SHALL CALCULATE THE CHARTER SCHOOL'S
9 FUNDING BASED ON THE CHARTER SCHOOL'S PROJECTED MEMBERSHIP ON
10 THE FIRST DAY OF THE SCHOOL YEAR. IF THE NEW CHARTER SCHOOL IS A
11 MULTI-DISTRICT ON-LINE SCHOOL, THE SCHOOL DISTRICT SHALL
12 CALCULATE THE CHARTER SCHOOL'S FUNDING BASED ON THE NUMBER OF
13 ON-LINE PUPILS EXPECTED TO BE ENROLLED ON THE FIRST DAY OF THE
14 SCHOOL YEAR.

15 (B) THE SCHOOL DISTRICT SHALL CALCULATE THE CHARTER
16 SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
17 MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST QUARTER OF THE
18 CHARTER SCHOOL'S FIRST SCHOOL YEAR. IF THE CALCULATED AVERAGE
19 DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP IS
20 DIFFERENT FROM THE PROJECTED MEMBERSHIP, THE SCHOOL DISTRICT
21 SHALL RECALCULATE THE CHARTER SCHOOL'S FUNDING USING THE
22 AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP,
23 WHICHEVER IS APPLICABLE, OF THE FIRST QUARTER OF THE THEN-CURRENT
24 SCHOOL YEAR AND ADJUST THE CHARTER SCHOOL'S FUNDING
25 ACCORDINGLY FOR THE REMAINDER OF THE FIRST SCHOOL YEAR.

26 (II) IN THE SECOND YEAR THAT A CHARTER SCHOOL ENROLLS
27 PUPILS AND IN ANY YEAR IN WHICH A CHARTER SCHOOL INCREASES ITS

1 PROGRAM AVAILABILITY BY AT LEAST ONE ADDITIONAL GRADE LEVEL, IF
2 THE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE
3 AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST
4 QUARTER OF THE THEN-CURRENT BUDGET YEAR EXCEEDS THE CHARTER
5 SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
6 MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD, THE
7 SCHOOL DISTRICT SHALL RECALCULATE THE CHARTER SCHOOL'S FUNDING
8 FOR THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
9 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
10 APPLICABLE, FOR THE FIRST QUARTER OF THE THEN-CURRENT BUDGET
11 YEAR AND ADJUST THE CHARTER SCHOOL'S FUNDING ACCORDINGLY FOR
12 THE REMAINDER OF THE FIRST SCHOOL YEAR.

13 (III) IF A CHARTER SCHOOL'S FUNDING INCREASES BECAUSE OF THE
14 RECALCULATIONS DESCRIBED IN THIS PARAGRAPH (f), THE SCHOOL
15 DISTRICT SHALL REPORT TO THE DEPARTMENT THE SUPPLEMENTAL
16 FUNDING DUE TO THE CHARTER SCHOOL BASED ON THE RECALCULATIONS.
17 THE DEPARTMENT SHALL PAY THE SUPPLEMENTAL FUNDING TO THE
18 SCHOOL DISTRICT IN MONTHLY INSTALLMENTS FOR THE REMAINDER OF
19 THE BUDGET YEAR, AND THE SCHOOL DISTRICT SHALL INCREASE THE
20 MONTHLY PAYMENTS DUE TO THE CHARTER SCHOOL BY THE FULL AMOUNT
21 RECEIVED FROM THE DEPARTMENT FOR THE REMAINDER OF THE BUDGET
22 YEAR. NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (f) TO THE
23 CONTRARY, THE AMOUNT OF SUPPLEMENTAL FUNDING THAT A CHARTER
24 SCHOOL RECEIVES PURSUANT TO THIS PARAGRAPH (f) MAY BE REDUCED AS
25 PROVIDED IN SECTION 22-54-114 (2.1) (b).

26 **SECTION 5.** In Colorado Revised Statutes, 22-30.5-112.1,
27 **amend** (1) (c), (1) (i), (1) (j), (1) (k) (II), (1) (m), (3), and (6); and **add** (1)

1 (d.3), (1) (d.5), (1) (f.5), (1) (j.3), (1) (j.5), (1) (j.7), (1) (j.9), (1) (n), (1)
2 (o), (2.5), (3.5), and (3.7) as follows:

3 **22-30.5-112.1. Charter schools - definitions - exclusive**
4 **jurisdiction districts - authorized on or after July 1, 2004 - financing.**

5 (1) As used in this section, unless the context otherwise requires:

6 (c) (I) "At-risk per pupil funding", FOR BUDGET YEARS
7 COMMENCING BEFORE JULY 1, 2017, means the amount of funding
8 determined in accordance with the following formula:

9 (The qualifying school district's at-risk funding divided by
10 the qualifying school district's funded pupil count) x (the
11 district charter school's percentage of at-risk pupils divided
12 by the qualifying school district's percentage of at-risk
13 pupils)

14 (II) "AT-RISK PER PUPIL FUNDING", FOR THE 2017-18 BUDGET YEAR
15 AND BUDGET YEARS THEREAFTER, MEANS THE AMOUNT OF FUNDING
16 DETERMINED IN ACCORDANCE WITH THE FOLLOWING FORMULA:

17 (THE QUALIFYING SCHOOL DISTRICT'S AT-RISK FUNDING
18 DIVIDED BY THE QUALIFYING SCHOOL DISTRICT'S FUNDED
19 MEMBERSHIP) X (THE DISTRICT CHARTER SCHOOL'S
20 PERCENTAGE OF AT-RISK PUPILS DIVIDED BY THE
21 QUALIFYING SCHOOL DISTRICT'S PERCENTAGE OF AT-RISK
22 PUPILS)

23 (d.3) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS
24 PROVIDED IN SECTION 22-54-112.5 (1) (e).

25 (d.5) "AVERAGING PERIOD" HAS THE SAME MEANING AS PROVIDED
26 IN SECTION 22-54-112.5 (1) (f).

27 (f.5) "DISTRICT FUNDED MEMBERSHIP" MEANS A QUALIFYING

1 SCHOOL DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN SECTION
2 22-54-112.5 (1) (h).

3 (i) "District per pupil on-line funding" means a school district's
4 on-line funding, as specified in section 22-54-104 (4.5), divided by the
5 district's on-line pupil enrollment for any budget year; EXCEPT THAT, FOR
6 THE 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER, "DISTRICT
7 PER PUPIL ON-LINE FUNDING" MEANS A SCHOOL DISTRICT'S ON-LINE
8 FUNDING FOR ANY BUDGET YEAR DIVIDED BY THE DISTRICT'S ON-LINE
9 AVERAGE DAILY MEMBERSHIP FOR THAT BUDGET YEAR.

10 (j) "District per pupil revenues" means the qualifying school
11 district's total program, as defined in section 22-54-103 (6), for any
12 budget year divided by the qualifying school district's funded pupil count
13 for said budget year; EXCEPT THAT, FOR THE 2017-18 BUDGET YEAR AND
14 BUDGET YEARS THEREAFTER, "DISTRICT PER PUPIL REVENUES" MEANS THE
15 QUALIFYING DISTRICT'S TOTAL PROGRAM FOR ANY BUDGET YEAR DIVIDED
16 BY THE QUALIFYING DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN
17 SECTION 22-54-112.5 (1) (h), FOR THAT BUDGET YEAR.

18 (j.3) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS
19 PROVIDED IN SECTION 22-54-112.5 (1) (i).

20 (j.5) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN
21 SECTION 22-54-112.5 (1) (j).

22 (j.7) "MULTI-DISTRICT ON-LINE SCHOOL" HAS THE SAME MEANING
23 AS PROVIDED IN SECTION 22-30.7-102 (6).

24 (j.9) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
25 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (l).

26 (k) "On-line pupil enrollment" means:

27 (II) For the 2008-09 budget year, and for budget years thereafter

1 THROUGH THE 2016-17 BUDGET YEAR, the number of pupils, on the pupil
2 enrollment count day within the applicable budget year, enrolled in,
3 attending, and actively participating in a multi-district on-line school, as
4 defined in section 22-30.7-102 (6), created pursuant to article 30.7 of this
5 title, by the district charter school.

6 (m) "Qualifying school district" means a school district:

7 (I) That has retained exclusive authority to authorize charter
8 schools pursuant to the provisions of section 22-30.5-504; and

9 (II) In which more than forty percent of the pupil enrollment OR
10 MEMBERSHIP consists of at-risk pupils.

11 (n) "STATEWIDE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
12 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (r).

13 (o) "STATEWIDE AVERAGE ENROLLMENT GROWTH" HAS THE SAME
14 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (s).

15 (2.5) (a) EACH QUALIFYING SCHOOL DISTRICT SHALL PAY TO EACH
16 DISTRICT CHARTER SCHOOL THE AMOUNTS THAT ARE DUE TO EACH
17 DISTRICT CHARTER SCHOOL AS PROVIDED IN THIS SECTION. THE
18 QUALIFYING SCHOOL DISTRICT SHALL PAY THE AMOUNTS IN TWELVE
19 MONTHLY INSTALLMENTS AS SOON AS PRACTICABLE AFTER THE
20 QUALIFYING SCHOOL DISTRICT RECEIVES DISTRIBUTIONS OF MONEYS FROM
21 THE DEPARTMENT PURSUANT TO SECTION 22-54-115.

22 (b) FOR THE 2017-18 BUDGET YEAR, AND BUDGET YEARS
23 THEREAFTER, IF A QUALIFYING SCHOOL DISTRICT'S TOTAL PROGRAM
24 FUNDING IS ADJUSTED MID-YEAR PURSUANT TO SECTION 22-54-112.5 (4),
25 THE QUALIFYING SCHOOL DISTRICT SHALL ADJUST THE DISTRIBUTION TO
26 THE DISTRICT CHARTER SCHOOLS ACCORDINGLY.

27 (3) (a) For budget year 2004-05 and budget years thereafter

1 THROUGH THE 2016-17 BUDGET YEAR, each district charter school and the
2 qualifying school district that approved the charter shall negotiate funding
3 under the charter contract. The district charter school shall receive one
4 hundred percent of the adjusted district per pupil revenues for each pupil
5 enrolled in the district charter school who is not an on-line pupil and one
6 hundred percent of the district per pupil on-line funding for each on-line
7 pupil enrolled in the district charter school; except that the qualifying
8 school district may choose to retain the sum of the actual amount of the
9 district charter school's per pupil share of the central administrative
10 overhead costs for services actually provided to the district charter school,
11 up to five percent of the adjusted district per pupil revenues for each pupil
12 who is not an on-line pupil enrolled in the district charter school and up
13 to five percent of the district per pupil on-line funding for each on-line
14 pupil enrolled in the district charter school.

15 (b) Notwithstanding any provision of this subsection (3) to the
16 contrary, FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2017, if a
17 qualifying school district enrolls five hundred or fewer students, the
18 district charter school shall receive funding in the amount of the greater
19 of one hundred percent of the district per pupil on-line funding for each
20 on-line pupil enrolled in the district charter school plus one hundred
21 percent of the district per pupil revenues for each pupil who is not an
22 on-line pupil enrolled in the district charter school, minus the actual
23 amount of the district charter school's per pupil share of the central
24 administrative overhead costs incurred by the qualifying school district,
25 based on audited figures, or eighty-five percent of the district per pupil
26 revenues for each pupil enrolled in the district charter school who is not
27 an on-line pupil plus eighty-five percent of the district per pupil on-line

1 funding for each on-line pupil enrolled in the district charter school.

2 (c) If a charter school operates a full-day kindergarten program,
3 for purposes of calculating the charter school's funding pursuant to this
4 subsection (3), the number of pupils enrolled in the charter school shall
5 include the supplemental kindergarten enrollment as defined in section
6 22-54-103 (15).

7 (3.5) (a) (I) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
8 THEREAFTER, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS
9 SUBSECTION (3.5), EACH DISTRICT CHARTER SCHOOL AND THE QUALIFYING
10 SCHOOL DISTRICT THAT APPROVED THE CHARTER SHALL NEGOTIATE
11 FUNDING UNDER THE CONTRACT. A DISTRICT CHARTER SCHOOL THAT IS
12 NOT A MULTI-DISTRICT ON-LINE SCHOOL SHALL RECEIVE AN AMOUNT
13 EQUAL TO ONE HUNDRED PERCENT OF THE ADJUSTED DISTRICT PER PUPIL
14 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
15 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
16 APPLICABLE FUNDING AVERAGING PERIOD. A DISTRICT CHARTER SCHOOL
17 THAT IS A MULTI-DISTRICT ON-LINE SCHOOL SHALL RECEIVE AN AMOUNT
18 EQUAL TO ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE
19 FUNDING MULTIPLIED BY THE DISTRICT CHARTER SCHOOL'S ON-LINE
20 AVERAGE DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING
21 PERIOD.

22 (II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF
23 THIS PARAGRAPH (a) TO THE CONTRARY, A QUALIFYING SCHOOL DISTRICT
24 MAY CHOOSE TO RETAIN THE ACTUAL AMOUNT OF A DISTRICT CHARTER
25 SCHOOL'S PER PUPIL SHARE OF THE CENTRAL ADMINISTRATIVE OVERHEAD
26 COSTS FOR SERVICES ACTUALLY PROVIDED TO THE DISTRICT CHARTER
27 SCHOOL, UP TO FIVE PERCENT OF THE TOTAL AMOUNT OF ADJUSTED

1 DISTRICT PER PUPIL REVENUES PAYABLE TO A DISTRICT CHARTER SCHOOL
2 THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL OR UP TO FIVE PERCENT
3 OF THE TOTAL AMOUNT OF DISTRICT PER PUPIL ON-LINE FUNDING PAYABLE
4 TO A DISTRICT CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE
5 SCHOOL.

6 (b) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
7 THEREAFTER, IF A QUALIFYING SCHOOL DISTRICT HAS AN AVERAGE DAILY
8 MEMBERSHIP OF FIVE HUNDRED OR FEWER STUDENTS FOR THE MOST
9 RECENT FUNDING AVERAGING PERIOD:

10 (I) A DISTRICT CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT
11 ON-LINE SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE
12 GREATER OF:

13 (A) ONE HUNDRED PERCENT OF THE ADJUSTED DISTRICT PER PUPIL
14 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
15 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
16 APPLICABLE FUNDING AVERAGING PERIOD MINUS THE ACTUAL AMOUNT OF
17 THE DISTRICT CHARTER SCHOOL'S PER PUPIL SHARE OF THE CENTRAL
18 ADMINISTRATIVE OVERHEAD COSTS INCURRED BY THE QUALIFYING
19 SCHOOL DISTRICT, BASED ON AUDITED FIGURES; OR

20 (B) EIGHTY-FIVE PERCENT OF ADJUSTED DISTRICT PER PUPIL
21 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
22 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
23 APPLICABLE FUNDING AVERAGING PERIOD; AND

24 (II) A DISTRICT CHARTER SCHOOL THAT IS A MULTI-DISTRICT
25 ON-LINE SCHOOL RECEIVES FUNDING IN AN AMOUNT EQUAL TO THE
26 GREATER OF:

27 (A) ONE HUNDRED PERCENT OF THE DISTRICT PER PUPIL ON-LINE

1 FUNDING FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT
2 CHARTER SCHOOL'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
3 APPLICABLE FUNDING AVERAGING PERIOD MINUS THE ACTUAL AMOUNT OF
4 THE DISTRICT CHARTER SCHOOL'S PER PUPIL SHARE OF THE CENTRAL
5 ADMINISTRATIVE OVERHEAD COSTS INCURRED BY THE QUALIFYING
6 SCHOOL DISTRICT, BASED ON AUDITED FIGURES; OR

7 (B) EIGHTY-FIVE PERCENT OF DISTRICT PER PUPIL ON-LINE
8 FUNDING FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE DISTRICT
9 CHARTER SCHOOL'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
10 APPLICABLE FUNDING AVERAGING PERIOD.

11 (c) IF A DISTRICT CHARTER SCHOOL OPERATES A FULL-DAY
12 KINDERGARTEN PROGRAM, FOR PURPOSES OF CALCULATING THE DISTRICT
13 CHARTER SCHOOL'S FUNDING PURSUANT TO THIS SUBSECTION (3.5), THE
14 NUMBER OF PUPILS ENROLLED IN THE DISTRICT CHARTER SCHOOL SHALL
15 INCLUDE THE SUPPLEMENTAL KINDERGARTEN AVERAGE DAILY
16 MEMBERSHIP AS DEFINED IN SECTION 22-54-112.5 (1) (t).

17 (3.7) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
18 CONTRARY, FOR THE 2017-18 BUDGET YEAR, AND BUDGET YEARS
19 THEREAFTER:

20 (a) (I) IN THE FIRST YEAR THAT A DISTRICT CHARTER SCHOOL
21 ENROLLS PUPILS, THE QUALIFYING SCHOOL DISTRICT SHALL CALCULATE
22 THE DISTRICT CHARTER SCHOOL'S FUNDING BASED ON THE CHARTER
23 SCHOOL'S PROJECTED MEMBERSHIP ON THE FIRST DAY OF THE SCHOOL
24 YEAR. IF THE NEW DISTRICT CHARTER SCHOOL IS A MULTI-DISTRICT
25 ON-LINE SCHOOL, THE QUALIFYING SCHOOL DISTRICT SHALL CALCULATE
26 THE DISTRICT CHARTER SCHOOL'S FUNDING BASED ON THE NUMBER OF
27 ON-LINE PUPILS EXPECTED TO BE ENROLLED ON THE FIRST DAY OF THE

1 SCHOOL YEAR.

2 (II) THE QUALIFYING SCHOOL DISTRICT SHALL CALCULATE THE
3 DISTRICT CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP OR ON-LINE
4 AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, FOR THE FIRST
5 QUARTER OF THE DISTRICT CHARTER SCHOOL'S FIRST SCHOOL YEAR. IF THE
6 CALCULATED AVERAGE DAILY MEMBERSHIP OR ON-LINE AVERAGE DAILY
7 MEMBERSHIP IS DIFFERENT FROM THE PROJECTED MEMBERSHIP, THE
8 QUALIFYING SCHOOL DISTRICT SHALL RECALCULATE THE DISTRICT
9 CHARTER SCHOOL'S FUNDING USING THE AVERAGE DAILY MEMBERSHIP OR
10 ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS APPLICABLE, OF THE
11 FIRST QUARTER OF THE THEN-CURRENT SCHOOL YEAR AND ADJUST THE
12 DISTRICT CHARTER SCHOOL'S FUNDING ACCORDINGLY FOR THE REMAINDER
13 OF THE FIRST SCHOOL YEAR.

14 (b) IN THE SECOND YEAR THAT A DISTRICT CHARTER SCHOOL
15 ENROLLS PUPILS AND IN ANY YEAR IN WHICH A DISTRICT CHARTER SCHOOL
16 INCREASES ITS PROGRAM AVAILABILITY BY AT LEAST ONE ADDITIONAL
17 GRADE LEVEL, IF THE DISTRICT CHARTER SCHOOL'S AVERAGE DAILY
18 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
19 APPLICABLE, FOR THE FIRST QUARTER OF THE THEN-CURRENT BUDGET
20 YEAR EXCEEDS THE DISTRICT CHARTER SCHOOL'S AVERAGE DAILY
21 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP FOR THE
22 APPLICABLE FUNDING AVERAGING PERIOD, THE QUALIFYING SCHOOL
23 DISTRICT SHALL RECALCULATE THE DISTRICT CHARTER SCHOOL'S FUNDING
24 FOR THE THEN-CURRENT BUDGET YEAR USING THE AVERAGE DAILY
25 MEMBERSHIP OR ON-LINE AVERAGE DAILY MEMBERSHIP, WHICHEVER IS
26 APPLICABLE, FOR THE FIRST QUARTER OF THE THEN-CURRENT BUDGET
27 YEAR AND ADJUST THE DISTRICT CHARTER SCHOOL'S FUNDING

1 ACCORDINGLY FOR THE REMAINDER OF THE FIRST SCHOOL YEAR.

2 (c) IF A DISTRICT CHARTER SCHOOL'S FUNDING INCREASES
3 BECAUSE OF THE RECALCULATIONS DESCRIBED IN THIS SUBSECTION (3.7),
4 THE QUALIFYING SCHOOL DISTRICT SHALL REPORT TO THE DEPARTMENT
5 THE SUPPLEMENTAL FUNDING DUE TO THE DISTRICT CHARTER SCHOOL
6 BASED ON THE RECALCULATIONS. THE DEPARTMENT SHALL PAY THE
7 SUPPLEMENTAL FUNDING TO THE QUALIFYING SCHOOL DISTRICT IN
8 MONTHLY INSTALLMENTS FOR THE REMAINDER OF THE BUDGET YEAR, AND
9 THE QUALIFYING SCHOOL DISTRICT SHALL INCREASE THE MONTHLY
10 PAYMENTS DUE TO THE DISTRICT CHARTER SCHOOL BY THE FULL AMOUNT
11 RECEIVED FROM THE DEPARTMENT FOR THE REMAINDER OF THE BUDGET
12 YEAR. NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3.7) TO
13 THE CONTRARY, THE AMOUNT OF SUPPLEMENTAL FUNDING THAT A
14 DISTRICT CHARTER SCHOOL RECEIVES PURSUANT TO THIS SUBSECTION
15 (3.7) MAY BE REDUCED AS PROVIDED IN SECTION 22-54-114 (2.1) (b).

16 (6) Notwithstanding any other provision of this section to the
17 contrary and for the purposes of this section only, a school district in
18 which more than forty percent of the pupil enrollment OR MEMBERSHIP
19 consists of at-risk pupils at the time a charter school's application is first
20 approved shall be deemed to have the same percentage of at-risk pupil
21 enrollment OR MEMBERSHIP for the term of the charter contract. For
22 purposes of renewal of the charter contract, the percentage of at-risk
23 pupils in the school district at the time the renewal application is
24 submitted shall be the percentage used for purposes of determining
25 whether the school district is a qualifying school district and subject to the
26 provisions of this section.

27 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-513, **amend**

1 (1), (2) (b), (2) (b.5), (3), (4) (a) (I), (4) (a) (I.5) introductory portion, and
2 (4) (a) (I.5) (A); and **add** (2) (b.3) as follows:

3 **22-30.5-513. Institute charter schools - definitions - funding -**
4 **at-risk supplemental aid - legislative declaration.** (1) As used in this
5 section, unless the context otherwise requires:

6 (a) "Accounting district" means the school district within whose
7 geographic boundaries an institute charter school is physically located.

8 (b) "Accounting district's adjusted per pupil revenues" means the
9 accounting district's per pupil funding plus the accounting district's at-risk
10 per pupil funding.

11 (c) "Accounting district's at-risk funding" means the amount of
12 funding for at-risk pupils in the accounting district determined in
13 accordance with the formulas described in section 22-54-104 (4).

14 (d) (I) "Accounting district's at-risk per pupil funding" FOR
15 BUDGET YEARS COMMENCING BEFORE JULY 1, 2017, means the amount of
16 funding determined in accordance with the following formula:

17 (The accounting district's at-risk funding divided by the
18 accounting district's funded pupil count) x (the institute
19 charter school's percentage of at-risk pupils divided by the
20 accounting district's percentage of at-risk pupils).

21 (II) "ACCOUNTING DISTRICT'S AT-RISK PER PUPIL FUNDING", FOR
22 THE 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER, MEANS THE
23 AMOUNT OF FUNDING DETERMINED IN ACCORDANCE WITH THE FOLLOWING
24 FORMULA:

25 (THE ACCOUNTING DISTRICT'S AT-RISK FUNDING DIVIDED BY
26 THE ACCOUNTING DISTRICT'S FUNDED MEMBERSHIP) X (THE
27 INSTITUTE CHARTER SCHOOL'S PERCENTAGE OF AT-RISK

1 PUPILS DIVIDED BY THE ACCOUNTING DISTRICT'S
2 PERCENTAGE OF AT-RISK PUPILS)

3 (e) "ACCOUNTING DISTRICT'S FUNDED MEMBERSHIP" MEANS AN
4 ACCOUNTING SCHOOL DISTRICT'S FUNDED MEMBERSHIP, AS DEFINED IN
5 SECTION 22-54-112.5 (1) (h).

6 ~~(e)~~ (f) "Accounting district's funded pupil count" shall have the
7 same meaning as the term "district funded pupil count" defined in section
8 22-54-103 (7).

9 ~~(f)~~ (g) "Accounting district's per pupil funding" means the per
10 pupil funding calculated for the accounting district pursuant to the
11 formula described in section 22-54-104 (3).

12 ~~(g)~~ (h) "Accounting district's per pupil on-line funding" means
13 on-line funding, as specified in section 22-54-104 (4.5), for any budget
14 year divided by the on-line pupil enrollment; EXCEPT THAT, FOR THE
15 2017-18 BUDGET YEAR AND BUDGET YEARS THEREAFTER, "ACCOUNTING
16 DISTRICT'S PER PUPIL ON-LINE FUNDING" MEANS AN ACCOUNTING
17 DISTRICT'S ON-LINE FUNDING FOR ANY BUDGET YEAR DIVIDED BY THE
18 ACCOUNTING DISTRICT'S ON-LINE AVERAGE DAILY MEMBERSHIP FOR THAT
19 BUDGET YEAR.

20 ~~(h)~~ (i) "Administrative overhead costs" means all actual and
21 reasonable costs incurred by the institute as a result of its performance of
22 its obligations pursuant to this part 5. "Administrative overhead costs"
23 shall not include any costs incurred in order to deliver services that an
24 institute charter school may purchase at its discretion.

25 ~~(i)~~ (j) "At-risk pupils" shall have the same meaning as provided
26 in section 22-54-103 (1.5).

27 (k) "AVERAGE DAILY MEMBERSHIP" HAS THE SAME MEANING AS

1 PROVIDED IN SECTION 22-54-112.5 (1) (e).

2 (l) "FUNDING AVERAGING PERIOD" HAS THE SAME MEANING AS
3 PROVIDED IN SECTION 22-54-112.5 (1) (i).

4 (m) "MEMBERSHIP" HAS THE SAME MEANING AS PROVIDED IN
5 SECTION 22-54-112.5 (1) (j).

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

8 (o) "ON-LINE AVERAGE DAILY MEMBERSHIP" HAS THE SAME
9 MEANING AS PROVIDED IN SECTION 22-54-112.5 (1) (l).

10 (j) (p) "On-line pupil enrollment" means:

11 (I) Repealed.

12 (II) For the 2008-09 budget year, and for budget years thereafter
13 THROUGH THE 2016-17 BUDGET YEAR, the number of pupils, on the pupil
14 enrollment count day within the applicable budget year, enrolled in,
15 attending, and actively participating in a multi-district on-line school, as
16 defined in section 22-30.7-102 (6), created pursuant to article 30.7 of this
17 title by the institute charter school.

18 (k) (q) "Pupil enrollment" shall have the same meaning as
19 provided in section 22-54-103 (10).

20 (h) (r) "Qualified charter school" shall have the same meaning as
21 provided in section 22-54-124 (1) (f.6).

22 (2) (b) For budget year 2004-05 and budget years thereafter
23 THROUGH THE 2016-17 BUDGET YEAR, each institute charter school and
24 the institute shall negotiate funding under the charter contract at a
25 minimum of ninety-five percent of the institute charter school's
26 accounting district's adjusted per pupil revenues for each pupil enrolled
27 in the institute charter school who is not an on-line pupil and ninety-five

1 percent of the institute charter school's accounting district's per pupil
2 on-line funding for each on-line pupil enrolled in the institute charter
3 school. The institute may retain three percent of the accounting district's
4 adjusted per pupil revenues for each pupil, who is not an on-line pupil,
5 enrolled in the institute charter school and three percent of the accounting
6 district's per pupil on-line funding for each on-line pupil enrolled in the
7 institute charter school.

8 (b.3) (I) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
9 THEREAFTER, EACH INSTITUTE CHARTER SCHOOL AND THE INSTITUTE
10 SHALL NEGOTIATE FUNDING UNDER THE CONTRACT. AN INSTITUTE
11 CHARTER SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL SHALL
12 RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE INSTITUTE
13 CHARTER SCHOOL'S ACCOUNTING DISTRICT'S ADJUSTED DISTRICT PER PUPIL
14 REVENUES FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE
15 INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP FOR THE
16 APPLICABLE FUNDING AVERAGING PERIOD. AN INSTITUTE CHARTER
17 SCHOOL THAT IS A MULTI-DISTRICT ON-LINE SCHOOL SHALL RECEIVE AN
18 AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE INSTITUTE CHARTER
19 SCHOOL'S ACCOUNTING DISTRICT'S PER PUPIL ON-LINE FUNDING
20 MULTIPLIED BY THE INSTITUTE CHARTER SCHOOL'S ON-LINE AVERAGE
21 DAILY MEMBERSHIP FOR THE APPLICABLE FUNDING AVERAGING PERIOD.

22 (II) NOTWITHSTANDING ANY PROVISION OF SUBPARAGRAPH (I) OF
23 THIS PARAGRAPH (b.3) TO THE CONTRARY, THE INSTITUTE MAY RETAIN
24 THREE PERCENT OF THE TOTAL AMOUNT OF THE ACCOUNTING DISTRICT'S
25 ADJUSTED PER PUPIL REVENUES PAYABLE TO AN INSTITUTE CHARTER
26 SCHOOL THAT IS NOT A MULTI-DISTRICT ON-LINE SCHOOL OR THREE
27 PERCENT OF THE TOTAL AMOUNT OF THE ACCOUNTING DISTRICT'S PER

1 PUPIL ON-LINE FUNDING PAYABLE TO AN INSTITUTE CHARTER SCHOOL
2 THAT IS A MULTI-DISTRICT ON-LINE SCHOOL.

3 (b.5) If an institute charter school operates a full-day kindergarten
4 program, for purposes of calculating the institute charter school's funding
5 pursuant to this subsection (2), the number of pupils enrolled in the
6 ~~institute's~~ INSTITUTE charter school shall include:

7 (I) The supplemental kindergarten enrollment as defined in
8 section 22-54-103 (15) FOR BUDGET YEARS BEGINNING BEFORE JULY 1,
9 2017; AND

10 (II) THE SUPPLEMENTAL KINDERGARTEN AVERAGE DAILY
11 MEMBERSHIP AS DEFINED IN SECTION 22-54-112.5 (1) (t) FOR THE 2017-18
12 BUDGET YEAR AND BUDGET YEARS THEREAFTER.

13 (3) (a) On or before November 10 of each BUDGET year
14 COMMENCING BEFORE JULY 1, 2017, the institute shall certify to the state
15 board each institute charter school's pupil enrollment and on-line pupil
16 enrollment for that year. In certifying the pupil enrollment of each
17 institute charter school to the state board, the institute shall specify the
18 number of pupils enrolled in half-day kindergarten; the number of pupils
19 enrolled in full-day kindergarten; the number of pupils enrolled in first
20 grade through twelfth grade, specifying those who are enrolled as
21 full-time students and those who are enrolled as less than full-time
22 students; the number of expelled pupils receiving educational services
23 pursuant to section 22-33-203; the number of pupils receiving educational
24 programs under the "Exceptional Children's Educational Act", article 20
25 of this title; and the number of at-risk pupils. The institute shall also
26 notify the department as to whether each institute charter school is a
27 qualified charter school.

1 (a.5) FOR THE 2015-16 BUDGET YEAR AND BUDGET YEARS
2 THEREAFTER, THE INSTITUTE SHALL CERTIFY TO THE DEPARTMENT FOR
3 EACH QUARTER OF THE SCHOOL YEAR EACH INSTITUTE CHARTER SCHOOL'S
4 MEMBERSHIP FOR EACH SCHOOL DAY DURING THE QUARTER, INCLUDING
5 SPECIFYING THE NUMBER OF AT-RISK PUPILS. THE INSTITUTE SHALL ALSO
6 CERTIFY TO THE DEPARTMENT FOR EACH INSTITUTE CHARTER SCHOOL FOR
7 EACH QUARTER OF THE SCHOOL YEAR THE NUMBER OF THE INSTITUTE
8 CHARTER SCHOOL'S PUPILS WHO ARE ENROLLED EACH SCHOOL DAY
9 DURING THE QUARTER IN A MULTI-DISTRICT ON-LINE SCHOOL, INCLUDING
10 SPECIFYING THE NUMBER OF AT-RISK PUPILS.

11 (b) For purposes of the "Public School Finance Act of 1994",
12 article 54 of this title, FOR BUDGET YEARS COMMENCING BEFORE JULY 1,
13 2017, the department shall add the pupils enrolled in an institute charter
14 school to the funded pupil count and the on-line pupil enrollment of the
15 institute charter school's accounting district.

16 (b.5) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF
17 1994", ARTICLE 54 OF THIS TITLE, FOR THE 2017-18 BUDGET YEAR AND
18 BUDGET YEARS THEREAFTER, THE DEPARTMENT SHALL ADD THE
19 MEMBERSHIP OF EACH INSTITUTE CHARTER SCHOOL THAT IS NOT A
20 MULTI-DISTRICT ON-LINE SCHOOL TO THE FUNDED MEMBERSHIP OF THE
21 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT. FOR EACH
22 INSTITUTE CHARTER SCHOOL THAT IS A MULTI-DISTRICT ON-LINE SCHOOL,
23 THE DEPARTMENT SHALL ADD THE INSTITUTE CHARTER SCHOOL'S ON-LINE
24 AVERAGE DAILY MEMBERSHIP TO THE ON-LINE AVERAGE DAILY
25 MEMBERSHIP OF THE INSTITUTE CHARTER SCHOOL'S ACCOUNTING
26 DISTRICT.

27 (4) (a) (I) (A) FOR BUDGET YEARS COMMENCING BEFORE JULY 1,

1 2017, for each institute charter school, the department shall withhold from
2 the state equalization payments of the institute charter school's accounting
3 district an amount equal to one hundred percent of the accounting
4 district's adjusted per pupil revenues multiplied by the number of pupils
5 enrolled in the institute charter school who are not on-line pupils plus an
6 amount equal to one hundred percent of the accounting district's per pupil
7 on-line funding multiplied by the number of on-line pupils enrolled in the
8 institute charter school.

9 (B) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
10 THEREAFTER, THE DEPARTMENT SHALL WITHHOLD FROM THE STATE
11 EQUALIZATION PAYMENTS OF THE INSTITUTE CHARTER SCHOOL'S
12 ACCOUNTING DISTRICT AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF
13 THE ACCOUNTING DISTRICT'S ADJUSTED PER PUPIL REVENUES MULTIPLIED
14 BY THE INSTITUTE CHARTER SCHOOL'S AVERAGE DAILY MEMBERSHIP, IF
15 THE INSTITUTE CHARTER SCHOOL IS NOT A MULTI-DISTRICT ON-LINE
16 SCHOOL, OR ONE HUNDRED PERCENT OF THE ACCOUNTING DISTRICT'S PER
17 PUPIL ON-LINE FUNDING MULTIPLIED BY THE INSTITUTE CHARTER SCHOOL'S
18 ON-LINE AVERAGE DAILY MEMBERSHIP, IF THE INSTITUTE CHARTER
19 SCHOOL IS A MULTI-DISTRICT ON-LINE SCHOOL.

20 (C) The department shall forward to the institute the amount
21 withheld minus an amount not to exceed one percent of the amount
22 withheld that the department may retain as reimbursement for the
23 reasonable and necessary costs to the department to implement the
24 provisions of this part 5.

25 (D) FOR THE 2017-18 BUDGET YEAR AND BUDGET YEARS
26 THEREAFTER, IF THE DEPARTMENT RECALCULATES THE FUNDING FOR AN
27 INSTITUTE CHARTER SCHOOL PURSUANT TO SECTION 22-54-112.5 (5), THE

1 DEPARTMENT SHALL REDUCE THE AMOUNT WITHHELD PURSUANT TO THIS
2 SUBPARAGRAPH (I) OR FORWARD TO THE INSTITUTE SUPPLEMENTAL
3 FUNDING FOR THE INSTITUTE CHARTER SCHOOL FROM MONEYS
4 APPROPRIATED PURSUANT TO SECTION 22-54-114 (2.1).
5 NOTWITHSTANDING ANY PROVISION OF THIS SUB-SUBPARAGRAPH (D) TO
6 THE CONTRARY, THE AMOUNT OF SUPPLEMENTAL FUNDING THAT AN
7 INSTITUTE CHARTER SCHOOL RECEIVES PURSUANT TO THIS
8 SUB-SUBPARAGRAPH (D) MAY BE REDUCED AS PROVIDED IN SECTION
9 22-54-114 (2.1) (b).

10 (I.5) The institute shall forward to each institute charter school an
11 amount equal to the ~~institute charter school's pupil enrollment multiplied~~
12 ~~by the accounting district's adjusted per pupil revenues of the institute~~
13 ~~charter school's accounting district~~ AMOUNT CALCULATED FOR THE
14 INSTITUTE CHARTER SCHOOL PURSUANT TO SUBPARAGRAPH (I) OF THIS
15 PARAGRAPH (a), minus:

16 (A) The amount ~~withheld not to exceed one percent~~ retained by
17 the department pursuant to subparagraph (I) of this paragraph (a);

18 **SECTION 7.** In Colorado Revised Statutes, 22-30.5-112.1,
19 **amend** (1) (e) as follows:

20 **22-30.5-112.1. Charter schools - definitions - exclusive**
21 **jurisdiction districts - authorized on or after July 1, 2004 - financing.**

22 (1) As used in this section, unless the context otherwise requires:

23 (e) "Central administrative overhead costs" shall have the same
24 meaning as provided in section 22-30.5-112 (2) (a.5) ~~(f)~~ (III).

25 **SECTION 8.** In Colorado Revised Statutes, 22-30.5-112.2,
26 **amend** (1) (d) as follows:

27 **22-30.5-112.2. Charter schools - at-risk supplemental aid -**

1 **definitions - legislative declaration.** (1) As used in this section, unless
2 the context otherwise requires:

3 (d) "District per pupil revenues" has the same meaning as defined
4 in section 22-30.5-112 (2) (a.5) ~~(H)~~ (V).

5 **SECTION 9.** In Colorado Revised Statutes, 22-30.5-506, **amend**
6 (4) (a) as follows:

7 **22-30.5-506. State charter school institute fund - created.**

8 (4) (a) The state charter school institute shall create in the fund an
9 account for payment of the institute's administrative overhead costs, as
10 defined in section 22-30.5-513 (1) ~~(h)~~ (i), which account consists solely
11 of moneys retained by the institute from the institute charter schools'
12 adjusted per pupil revenues and per-pupil on-line funding pursuant to
13 section 22-30.5-513 (4) (a) (I.5) (E). Except as otherwise provided in
14 paragraph (b) of this subsection (4), at the end of a budget year, if the
15 amount of unexpended and unencumbered moneys remaining in the
16 account exceeds twenty percent of the amount retained by the institution
17 pursuant to section 22-30.5-513 (4) (a) (I.5) (E) for the applicable budget
18 year, the institute shall transfer the amount of the excess to the institute
19 charter school assistance fund created in section 22-30.5-515.5.

20 **SECTION 10.** In Colorado Revised Statutes, 22-33-203, **amend**
21 (2) (d) as follows:

22 **22-33-203. Educational alternatives for expelled students.**

23 (2) (d) If an expelled student is receiving educational services delivered
24 by a school district other than the expelling school district, by a charter
25 school in a school district other than the expelling school district, by a
26 board of cooperative services, by a nonpublic, nonparochial school, or by

1 a pilot school pursuant to an agreement entered into pursuant to
2 subparagraph (I) of paragraph (c) of this subsection (2), the expelling
3 school district shall transfer ninety-five percent of the district per pupil
4 revenues, as defined in section 22-30.5-112 (2) (a.5) ~~(H)~~ (V) to the school
5 district, charter school, nonpublic, nonparochial school, board of
6 cooperative services, or pilot school that is providing educational
7 services, reduced in proportion to the amount of time remaining in the
8 school year at the time the student begins receiving educational services.

9 **SECTION 11. Appropriation.** In addition to any other
10 appropriation, there is hereby appropriated, out of any moneys in the state
11 education fund created in section 17 (4) (a) of article IX of the state
12 constitution, not otherwise appropriated, to the department of education,
13 for the fiscal year beginning July 1, 2014, the sum of \$933,103 and 2.0
14 FTE, or so much thereof as may be necessary, for allocation to the public
15 school finance unit for the implementation of this act.

16 **SECTION 12. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2014 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.