

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 02-0066.04 Jason Gelender

HOUSE BILL 02-1273

HOUSE SPONSORSHIP

King,

SENATE SPONSORSHIP

Thiebaut,

House Committees

Education
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF CHARTER SCHOOL FACILITIES, AND**
102 **MAKING AN APPROPRIATION THEREFOR.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires a school district that is considering submitting any question of contracting bonded indebtedness to the voters of the district at an upcoming election to invite each charter school chartered by the district to participate in discussions regarding the possible submission of such a question at the earliest possible time. Encourages school districts and charter schools to work together to ensure that the capital construction needs of charter schools can be met with as few adverse effects on school districts as possible, but also creates an alternative

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.*

HOUSE
Amended 3rd Reading
April 3, 2002

HOUSE
Amended 2nd Reading
April 2, 2002

statutory procedure by which charter schools can obtain funding for capital facilities by being included in school district bond elections or by having school districts seek voter approval for special mill levies to generate revenues to be used for charter school capital construction.

Requires a charter school that wishes to participate in a school district bond election or have a special mill levy imposed to submit a capital construction plan to the board of education of its chartering school district, and requires specified information to be included in the plan. If the board of education, after reviewing the capital construction plan, determines that a charter school has established a need for capital construction, has a viable plan for such capital construction, and requires bond or special mill levy revenues to finance the capital construction, requires the board to either include the charter school in the district's bond question or submit a special mill levy question to the voters of the district. Otherwise requires only the submission of a special mill levy ballot question and only if the charter school agrees to pay all the costs of submitting such a question.

Allows a school district board of education to determine the amount of bonds to be sold or revenues to be generated by a special mill levy after considering any input from a charter school. If a charter school is to be included in a bond election, requires the charter school and the district to agree to the distribution of bond proceeds and the amount and repayment schedule for the bonds before the election. Specifies the manner in which the costs of submitting a bond question are to be shared unless the district and charter school mutually agree to a different cost-sharing arrangement.

Before issuing any bonds or imposing any special mill levy for the purpose of financing a charter school's capital construction, requires a school district to enter into a contract with the charter school specifying to whom the ownership of any financed capital construction shall revert if the charter school loses its charter, fails to pay for capital construction to be financed from mill levy revenues, or becomes insolvent.

Specifies the maximum amount and duration of a special mill levy and requires the costs of submitting a ballot question for approval of a special mill levy to be borne by the charter school that will receive mill levy revenues unless the school board agrees to incur a portion of such costs.

Creates state and local intercept programs for charter schools under which a charter school that enters into a lease agreement or installment purchase agreement may obtain more favorable financing terms by entering into a contract with the state treasurer or, if the charter school does not receive a sufficient amount of state public school fund moneys, its chartering school district, for the state treasurer or the chartering school district to make direct payments of principal or interest due in connection with the lease agreement or installation purchase

agreement on behalf of the charter school. Requires the state treasurer or the chartering school district to intercept specified moneys payable to the charter school to cover the state or the school district for the amount of payments made on behalf of the charter school plus any administrative costs incurred. Allows the state treasurer to promulgate rules necessary to implement the state intercept program. Specifies that the intercept program shall not be construed to create any state or district debt or other financial obligation whatsoever.

Creates a charter school debt reserve fund and a charter school interest savings account within the fund for the purpose of enhancing the ability of any charter school that chooses to finance capital construction with revenues from bonds issued on behalf of the charter school by a governmental entity other than a school district to obtain such financing on favorable terms. Specifies that moneys in the fund, other than moneys in the account, are exempt from specified constitutional limitations on state and local government spending.

Specifies that moneys in the fund may be expended solely to make interest and principal payments on bonds issued on behalf of the charter school by a governmental entity other than a school district, that such payments must first be made from the charter school interest savings account of the fund, and that payments may be made only if the charter school relied on the existence of the fund to obtain more favorable financing terms, made specified required payments into the charter school interest savings account of the fund, has exhausted its own debt reserve fund or account, and cannot make the bond payments. If fund moneys other than moneys in the account are expended, requires the state treasurer to replenish the fund by withholding payments to be made from the state education fund to school districts and distributed to charter schools for charter school capital construction in accordance with a specified formula. Specifies that the provisions regarding the fund and the account shall not be construed to create any state debt, to require the state to make bond payments on behalf of any charter school from any source of state moneys other than the charter school debt reserve fund, or to require the state to fully pay off any outstanding bonds of a charter school that cannot make scheduled bond payments.

Requires the state to consider appropriating moneys to restore the qualified charter school debt service reserve fund of any qualified charter school for which bonds have been issued by a governmental entity other than a school district to its qualified charter school debt service reserve fund requirement. Specifies that the provision regarding the requirement shall not be construed to create any debt of the state or any state financial obligation whatsoever within the meaning of any state constitutional provision or to create any state liability whatsoever.

Requires any operating contract between a school district and a charter school that is approved after a specified date to contain provisions

specifying:

- The manner in which the school district will support any start-up and long-term facility needs of the charter school; and
- The actions that the charter school must take to be included in a bond election or to have a ballot question for approval of a special mill levy submitted to the voters of the district on its behalf.

Increases the maximum period for which a school district may rent or lease district property to a charter school from 10 years to 30 years, or in the case of a charter school using debt financing, for the term of the debt financing.

Modifies the formula for determining the amount of state education fund moneys to be distributed to school districts for allocation to charter schools for the purpose of funding charter school capital construction.

Repeals an existing statutory provision that requires the pro rata distribution of bond revenues to qualified charter schools.

Defines terms. Makes conforming amendments.

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

2 **SECTION 1.** Article 30.5 of title 22, Colorado Revised Statutes,
3 is amended BY THE ADDITION OF A NEW PART to read:

4 **PART 4**

5 **CHARTER SCHOOL CAPITAL FACILITIES FINANCING ACT**

6 **22-30.5-401. Short title.** THIS PART 4 SHALL BE KNOWN AND MAY
7 BE CITED AS THE "CHARTER SCHOOL FACILITIES FINANCING ACT".

8 **22-30.5-402. Legislative declaration.** (1) THE GENERAL
9 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

10 (a) THE "CHARTER SCHOOLS ACT", PART 1 OF ARTICLE 30.5 OF
11 THIS TITLE, WAS ENACTED BY THE GENERAL ASSEMBLY WITHOUT
12 PROVIDING A METHOD FOR FUNDING THE CAPITAL CONSTRUCTION NEEDS
13 OF CHARTER SCHOOLS.

14 (b) SINCE THE ENACTMENT OF THE "CHARTER SCHOOLS ACT", THE

1 GENERAL ASSEMBLY HAS ENACTED LEGISLATION REQUIRING A PORTION OF
2 THE MONEYS IN THE STATE EDUCATION FUND TO BE DISTRIBUTED TO
3 CHARTER SCHOOLS FOR USE IN FUNDING CAPITAL CONSTRUCTION, BUT
4 SUCH MONEYS ARE NOT SUFFICIENT TO FULLY MEET THE CAPITAL
5 CONSTRUCTION NEEDS OF CHARTER SCHOOLS.

6 (c) PURSUANT TO SENATE BILL 01-237, ENACTED AT THE FIRST
7 REGULAR SESSION OF THE SIXTY-THIRD GENERAL ASSEMBLY, THE GENERAL
8 ASSEMBLY DECLARED ITS INTENT TO ESTABLISH A METHOD FOR FUNDING
9 THE CAPITAL CONSTRUCTION NEEDS OF CHARTER SCHOOLS THAT IS
10 EQUITABLE, WITHSTANDS CONSTITUTIONAL CHALLENGE, AND PROMOTES
11 COOPERATION BETWEEN CHARTER SCHOOLS AND THEIR AUTHORIZING
12 SCHOOL DISTRICTS AND ENCOURAGED REPRESENTATIVES OF LOCAL
13 BOARDS OF EDUCATION, SCHOOL DISTRICT ADMINISTRATORS, CHARTER
14 SCHOOLS, THE BUSINESS COMMUNITY, AND ANY OTHER INTERESTED
15 PERSONS TO MEET AND DEVELOP A COMPREHENSIVE LEGISLATIVE
16 PROPOSAL FOR FUNDING THE CAPITAL CONSTRUCTION NEEDS OF CHARTER
17 SCHOOLS FOR CONSIDERATION BY THE SIXTY-THIRD GENERAL ASSEMBLY
18 AT THE 2002 REGULAR SESSION.

19 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
20 THIS PART 4 IS THE PRODUCT OF LEGISLATIVE EXAMINATION AND
21 MODIFICATION OF A COMPREHENSIVE LEGISLATIVE PROPOSAL THAT
22 RESULTED FROM MEETINGS OF REPRESENTATIVES OF LOCAL BOARDS OF
23 EDUCATION, SCHOOL DISTRICT ADMINISTRATORS, CHARTER SCHOOLS, THE
24 BUSINESS COMMUNITY, AND ANY OTHER INTERESTED PERSONS AND
25 REPRESENTS A COMPREHENSIVE LEGISLATIVE PROPOSAL FOR FUNDING THE
26 CAPITAL CONSTRUCTION NEEDS OF CHARTER SCHOOLS THAT IS EQUITABLE,
27 WITHSTANDS CONSTITUTIONAL CHALLENGE, AND PROMOTES COOPERATION

1 BETWEEN CHARTER SCHOOLS AND THEIR AUTHORIZING SCHOOL DISTRICTS.

2 **22-30.5-403. Definitions.** AS USED IN THIS PART 4, UNLESS THE
3 CONTEXT OTHERWISE REQUIRES:

4 (1) "BOARD OF EDUCATION" OR "BOARD" MEANS A SCHOOL
5 DISTRICT BOARD OF EDUCATION.

6 (2) "BUDGET YEAR" MEANS THE PERIOD BEGINNING ON JULY 1 OF
7 EACH YEAR AND ENDING ON THE FOLLOWING JUNE 30 FOR WHICH A
8 BUDGET FOR A DISTRICT IS ADOPTED.

9 (3) "CHARTER SCHOOL" MEANS A CHARTER SCHOOL AS DESCRIBED
10 IN SECTION 22-30.5-104, AND ALSO INCLUDES A NONPROFIT CORPORATION
11 EXEMPT FROM TAXATION UNDER SECTION 501(c) (3) OF THE FEDERAL
12 "INTERNAL REVENUE CODE OF 1986", AS AMENDED, THAT OWNS A
13 FACILITY USED FOR OCCUPANCY BY PUPILS ENROLLED OR TO BE ENROLLED
14 IN A CHARTER SCHOOL ON BEHALF OF A CHARTER SCHOOL.

15 (4) "CHARTER SCHOOL CAPITAL CONSTRUCTION" OR "CAPITAL
16 CONSTRUCTION" MEANS CONSTRUCTING, DEMOLISHING, REMODELING,
17 FINANCING, OR REFINANCING THE ACQUISITION OF LAND, BUILDINGS, OR
18 FACILITIES USED FOR OCCUPANCY BY PUPILS ENROLLED IN OR TO BE
19 ENROLLED IN A CHARTER SCHOOL. THE TERM ALSO INCLUDES ACTIONS
20 TAKEN TO ACHIEVE THE PURPOSES SET FORTH IN SECTION 22-42-102 (2) (a)
21 (I) TO (2) (a) (V).

22 (5) "CHARTER SCHOOL PER PUPIL FACILITIES AID PROGRAM
23 MONEYS" MEANS STATE EDUCATION FUND MONEYS TO BE DISTRIBUTED TO
24 CHARTER SCHOOLS FOR CAPITAL CONSTRUCTION PURSUANT TO SECTION
25 22-54-124.

26 (6) "SCHOOL DISTRICT" OR "DISTRICT" MEANS A SCHOOL DISTRICT
27 ORGANIZED AND EXISTING PURSUANT TO LAW; EXCEPT THAT THE TERM

1 DOES NOT INCLUDE A JUNIOR COLLEGE DISTRICT.

2 (7) "SPECIAL MILL LEVY" MEANS A MILL LEVY AUTHORIZED BY
3 SECTION 22-30.5-405.

4 **22-30.5-404. Needs-based inclusion of charter schools in**
5 **district bond elections - eligibility - determination of need - allocation**

6 **of bond revenues.** (1) IN ENACTING THIS SECTION, IT IS THE INTENT OF
7 THE GENERAL ASSEMBLY TO RESPECT THE PRINCIPLE OF SCHOOL DISTRICT
8 LOCAL CONTROL AND TO ENCOURAGE SCHOOL DISTRICTS AND CHARTER
9 SCHOOLS TO WORK TOGETHER TO ENSURE THAT THE CAPITAL
10 CONSTRUCTION NEEDS OF CHARTER SCHOOLS CAN BE MET. ACCORDINGLY,
11 NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT IN ANY WAY THE
12 EXISTING ABILITY OF ANY SCHOOL DISTRICT TO INCLUDE A CHARTER
13 SCHOOL IN ANY LOCAL BOND ELECTIONS OR TO OTHERWISE ASSIST A
14 CHARTER SCHOOL IN FINANCING ITS CAPITAL CONSTRUCTION NEEDS IN ANY
15 LEGAL MANNER MUTUALLY AGREED UPON BY THE SCHOOL DISTRICT AND
16 THE CHARTER SCHOOL. EACH SCHOOL DISTRICT THAT IS CONSIDERING
17 SUBMITTING ANY QUESTION OF CONTRACTING BONDED INDEBTEDNESS TO
18 THE ELIGIBLE ELECTORS OF THE DISTRICT AT AN UPCOMING ELECTION
19 SHALL INVITE EACH CHARTER SCHOOL CHARTERED BY THE DISTRICT TO
20 PARTICIPATE IN DISCUSSIONS REGARDING THE POSSIBLE SUBMISSION OF
21 SUCH A QUESTION AT THE EARLIEST POSSIBLE TIME, AND EACH SCHOOL
22 DISTRICT IS ENCOURAGED TO VOLUNTARILY INCLUDE FUNDING FOR THE
23 CAPITAL CONSTRUCTION NEEDS OF CHARTER SCHOOLS IN THE DISTRICT'S
24 QUESTIONS OF CONTRACTING BONDED INDEBTEDNESS WITHOUT REQUIRING
25 A CHARTER SCHOOL TO COMPLY WITH THE CAPITAL CONSTRUCTION PLAN
26 SUBMISSION PROCESS SET FORTH IN SUBSECTION (3) OF THIS SECTION.

27 (2) A CHARTER SCHOOL THAT HAS CAPITAL CONSTRUCTION NEEDS

1 MAY SEEK TO OBTAIN MONEYS TO FUND SUCH CAPITAL CONSTRUCTION
2 NEEDS BY REQUESTING THAT THE BOARD OF EDUCATION OF ITS
3 CHARTERING SCHOOL DISTRICT:

4 (a) INCLUDE THE CHARTER SCHOOL'S CAPITAL CONSTRUCTION
5 NEEDS AS PART OF A BALLOT QUESTION FOR APPROVAL OF BONDED
6 INDEBTEDNESS TO BE SUBMITTED BY THE DISTRICT TO THE VOTERS OF THE
7 DISTRICT; OR

8 (b) SUBMIT A BALLOT QUESTION FOR APPROVAL OF A SPECIAL MILL
9 LEVY TO THE VOTERS OF THE DISTRICT PURSUANT TO SECTION 22-30.5-405.

10 (3) A CHARTER SCHOOL THAT SEEKS TO HAVE ITS CAPITAL
11 CONSTRUCTION NEEDS INCLUDED AS PART OF A BALLOT QUESTION TO BE
12 SUBMITTED BY THE BOARD OF EDUCATION OF ITS CHARTERING SCHOOL
13 DISTRICT TO THE VOTERS OF THE DISTRICT OR THAT SEEKS TO OBTAIN
14 FUNDING FOR ITS CAPITAL CONSTRUCTION NEEDS THROUGH THE
15 IMPOSITION OF A SPECIAL MILL LEVY PURSUANT TO SECTION 22-30.5-405
16 SHALL SUBMIT A CAPITAL CONSTRUCTION PLAN TO THE BOARD OF
17 EDUCATION OF ITS CHARTERING SCHOOL DISTRICT. THE PLAN SHALL
18 INCLUDE:

19 (a) A STATEMENT OF REASONS WHY THE CAPITAL CONSTRUCTION
20 TO BE FINANCED BY BONDED INDEBTEDNESS OR A SPECIAL MILL LEVY IS
21 NECESSARY;

22 (b) A DESCRIPTION OF THE CAPITAL CONSTRUCTION TO BE
23 FINANCED BY BONDED INDEBTEDNESS OR REVENUES FROM A SPECIAL MILL
24 LEVY;

25 (c) A DESCRIPTION OF THE ARCHITECTURAL, FUNCTIONAL, AND
26 CONSTRUCTION STANDARDS THAT ARE TO BE APPLIED TO EACH FACILITY
27 THAT IS THE SUBJECT OF THE CAPITAL CONSTRUCTION PROJECT;

1 (d) AN ESTIMATE OF THE TOTAL COST OF COMPLETING THE CAPITAL
2 CONSTRUCTION TO BE FINANCED BY BONDED INDEBTEDNESS OR A SPECIAL
3 MILL LEVY AND, IF ANY MONEYS OTHER THAN PROCEEDS OF BONDED
4 INDEBTEDNESS OR A SPECIAL MILL LEVY AND INTEREST EARNED ON SUCH
5 PROCEEDS ARE TO BE USED TO FINANCE THE CAPITAL CONSTRUCTION, A
6 BREAKDOWN OF THE MONEYS THAT WILL BE USED TO FINANCE THE
7 CAPITAL CONSTRUCTION;

8 (e) AN ESTIMATE OF THE AMOUNT OF TIME NEEDED TO COMPLETE
9 THE CAPITAL CONSTRUCTION;

10 (f) A STATEMENT OF REASONS WHY REVENUE SOURCES OTHER
11 THAN BONDED INDEBTEDNESS OR A SPECIAL MILL LEVY ARE INADEQUATE
12 TO FULLY FINANCE THE CAPITAL CONSTRUCTION; AND

13 (g) A STATEMENT OF THE CHARTER SCHOOL'S PREFERRED MEANS
14 OF OBTAINING MONEYS.

15 (4) THE BOARD OF EDUCATION OF A SCHOOL DISTRICT SHALL
16 REVIEW A CAPITAL CONSTRUCTION PLAN SUBMITTED BY A CHARTER
17 SCHOOL PURSUANT TO SUBSECTION (3) OF THIS SECTION AND DETERMINE
18 WHETHER THE CHARTER SCHOOL HAS ESTABLISHED A NEED FOR THE
19 CAPITAL CONSTRUCTION, A NEED TO INCUR BONDED INDEBTEDNESS OR
20 OBTAIN REVENUES FROM A SPECIAL MILL LEVY TO FINANCE THE CAPITAL
21 CONSTRUCTION, AND A VIABLE PLAN FOR THE CAPITAL CONSTRUCTION. IF
22 THE BOARD DETERMINES THAT:

23 (a) THE CHARTER SCHOOL HAS ESTABLISHED CAPITAL
24 CONSTRUCTION NEEDS, A NEED TO INCUR BONDED INDEBTEDNESS OR
25 OBTAIN REVENUES FROM A SPECIAL MILL LEVY TO FINANCE THE CAPITAL
26 CONSTRUCTION, AND A VIABLE PLAN, THE BOARD SHALL EITHER INCLUDE
27 THE CHARTER SCHOOL'S CAPITAL CONSTRUCTION IN A BALLOT QUESTION

1 FOR APPROVAL OF BONDED INDEBTEDNESS IN ACCORDANCE WITH
2 SUBSECTION (5) OF THIS SECTION OR SUBMIT A SEPARATE SPECIAL MILL
3 LEVY QUESTION TO THE VOTERS OF THE DISTRICT PURSUANT TO SECTION
4 22-30.5-405. THE BOARD SHALL HAVE THE DISCRETION TO CHOOSE
5 BETWEEN THE BOND OR SPECIAL MILL LEVY OPTIONS AND TO DETERMINE
6 THE AMOUNT OF BONDS THAT WILL BE NEEDED TO BE SOLD OR THE
7 AMOUNT OF MONEYS THAT WILL BE NEEDED TO BE RAISED BY A SPECIAL
8 MILL LEVY, BUT THE BOARD SHALL FIRST CONSIDER ANY INFORMATION
9 PROVIDED OR PREFERENCES EXPRESSED BY THE CHARTER SCHOOL.

10 (b) THE CHARTER SCHOOL HAS NOT ESTABLISHED CAPITAL
11 CONSTRUCTION NEEDS, A NEED TO INCUR BONDED INDEBTEDNESS OR
12 OBTAIN REVENUES FROM A SPECIAL MILL LEVY TO FINANCE THE CAPITAL
13 CONSTRUCTION, OR A VIABLE PLAN:

14 (I) THE BOARD SHALL PROVIDE THE CHARTER SCHOOL WITH A
15 WRITTEN STATEMENT SPECIFYING ITS REASONS FOR CONCLUDING THAT THE
16 CHARTER SCHOOL HAS NOT ESTABLISHED CAPITAL CONSTRUCTION NEEDS,
17 A NEED TO INCUR BONDED INDEBTEDNESS OR OBTAIN REVENUES FROM A
18 SPECIAL MILL LEVY TO FINANCE THE CAPITAL CONSTRUCTION, OR A VIABLE
19 PLAN; AND

20 (II) THE BOARD NEED NOT INCLUDE THE CHARTER SCHOOL'S
21 CAPITAL CONSTRUCTION IN THE DISTRICT'S BALLOT QUESTION FOR
22 APPROVAL OF BONDED INDEBTEDNESS BUT SHALL SUBMIT A SPECIAL MILL
23 LEVY BALLOT QUESTION TO THE VOTERS OF THE DISTRICT PURSUANT TO
24 SECTION 22-30.5-405 IF THE CHARTER SCHOOL REQUESTS THAT A SPECIAL
25 MILL LEVY BE SUBMITTED AND **THE CHARTER SCHOOL** AGREES TO PAY ALL
26 OF THE COSTS OF SUBMITTING THE SPECIAL MILL LEVY BALLOT QUESTION.

27 (5) IF THE BOARD OF A SCHOOL DISTRICT CHOOSES TO INCLUDE A

1 CHARTER SCHOOL'S CAPITAL CONSTRUCTION IN A DISTRICT BALLOT
2 QUESTION SEEKING APPROVAL OF BONDED INDEBTEDNESS:

3 (a) THE BOARD SHALL CONSULT WITH THE CHARTER SCHOOL IN
4 DETERMINING THE AMOUNT OF, AND REPAYMENT SCHEDULE FOR, THE
5 BONDS PROPOSED TO BE SOLD TO FINANCE THE CHARTER SCHOOL'S
6 CAPITAL CONSTRUCTION;

7 (b) THE BOARD AND THE CHARTER SCHOOL SHALL AGREE TO THE
8 PRIORITIZATION OF THE DISTRIBUTION OF BOND PROCEEDS BETWEEN THE
9 CHARTER SCHOOL AND ANY OTHER PUBLIC SCHOOL THAT WILL RECEIVE
10 BOND PROCEEDS BEFORE SUBMITTING THE BALLOT QUESTION TO THE
11 VOTERS OF THE SCHOOL DISTRICT; AND

12 (c) THE COSTS OF SUBMITTING THE BALLOT QUESTION SHALL BE
13 BORNE BY BOTH THE DISTRICT AND THE CHARTER SCHOOL IN PROPORTION
14 TO THEIR RESPECTIVE PORTIONS OF THE TOTAL BOND PROCEEDS TO BE
15 RECEIVED UNLESS THE BOARD AND THE CHARTER SCHOOL AGREE TO A
16 DIFFERENT COST-SHARING ARRANGEMENT. EXCEPT AS OTHERWISE
17 PROVIDED IN PARAGRAPH (b) OF SUBSECTION (4) OF THIS SECTION, IF THE
18 BOARD OF THE DISTRICT SUBMITS A SEPARATE SPECIAL MILL LEVY BALLOT
19 QUESTION ON THE SAME BALLOT AS A BALLOT QUESTION FOR APPROVAL OF
20 BONDED INDEBTEDNESS, THE COSTS OF SUBMITTING THE SPECIAL MILL
21 LEVY BALLOT QUESTION SHALL BE BORNE AS AGREED UPON BY THE
22 SCHOOL DISTRICT AND THE CHARTER SCHOOL.

23 (6) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
24 NO BONDS SHALL BE ISSUED FOR THE PURPOSE OF FINANCING CHARTER
25 SCHOOL CAPITAL CONSTRUCTION UNLESS THE CHARTER SCHOOL THAT IS
26 TO RECEIVE BOND PROCEEDS AND THE DISTRICT HAVE ENTERED INTO A
27 CONTRACT SPECIFYING TO WHOM THE OWNERSHIP OF ANY CAPITAL

1 CONSTRUCTION FINANCED BY BOND REVENUES SHALL REVERT IF THE
2 CHARTER SCHOOL LOSES ITS CHARTER, FAILS TO PAY FOR THE CAPITAL
3 CONSTRUCTION TO BE FINANCED BY BOND REVENUES, OR BECOMES
4 INSOLVENT AND CAN NO LONGER OPERATE AS A CHARTER SCHOOL.

5 **22-30.5-405. Mill levy for charter school capital construction.**

6 (1) WITH THE AGREEMENT OF ALL CHARTER SCHOOLS THAT WILL RECEIVE
7 THE REVENUES GENERATED BY A SPECIAL MILL LEVY, THE BOARD OF
8 EDUCATION OF ANY SCHOOL DISTRICT SHALL, AT ANY TIME AT WHICH A
9 BALLOT ISSUE ARISING UNDER SECTION 20 OF ARTICLE X OF THE STATE
10 CONSTITUTION MAY BE DECIDED, SUBMIT TO THE ELIGIBLE ELECTORS OF
11 THE DISTRICT THE QUESTION OF WHETHER TO IMPOSE A MILL LEVY OF A
12 STATED AMOUNT FOR THE PURPOSE OF FINANCING CAPITAL CONSTRUCTION
13 FOR ONE OR MORE CHARTER SCHOOLS CHARTERED BY THE DISTRICT,
14 WHICH MILL LEVY SHALL NOT EXCEED ONE MILL IN ANY YEAR OR EXCEED
15 TEN YEARS IN DURATION. WHEN A MILL LEVY FOR MORE THAN ONE YEAR
16 HAS BEEN APPROVED, THE BOARD SHALL, WITHOUT CALLING AN ELECTION,
17 DECREASE THE AMOUNT OR DURATION OF THE MILL LEVY AS NECESSARY
18 TO AVOID EXCESSIVE COLLECTIONS AS EACH CAPITAL CONSTRUCTION
19 PROJECT FINANCED BY THE MILL LEVY IS COMPLETED. IF THE BOARD IS
20 REQUIRED TO SUBMIT THE BALLOT QUESTION FOR A MILL LEVY PURSUANT
21 TO SECTION 22-30.5-404 (4), THE BOARD SHALL CONSULT WITH ALL
22 AFFECTED CHARTER SCHOOLS THAT WILL RECEIVE THE REVENUES
23 GENERATED BY THE SPECIAL MILL LEVY BEFORE DETERMINING THE
24 AMOUNT AND DURATION OF THE SPECIAL MILL LEVY.

25 (2) ANY ELECTION CALLED PURSUANT TO SUBSECTION (1) OF THIS
26 SECTION SHALL BE CONDUCTED PURSUANT TO THE PROVISIONS OF
27 ARTICLES 1 TO 13 OF TITLE 1, C.R.S. THE COSTS OF THE ELECTION SHALL

1 BE BORNE BY EACH CHARTER SCHOOL THAT IS TO RECEIVE REVENUES
2 GENERATED BY THE MILL LEVY IN PROPORTION TO THE AMOUNT OF
3 REVENUES IT IS TO RECEIVE UNLESS OTHER COST-SHARING ARRANGEMENTS
4 ARE AGREED TO BY THE CHARTER SCHOOLS AND, IF THE SCHOOL DISTRICT
5 SUBMITTING THE BALLOT QUESTION AGREES TO BEAR ANY OF THE COSTS
6 OF THE ELECTION AND IS NOT PROHIBITED FROM BEARING SUCH COSTS BY
7 SECTION 22-30.5-404 (4) (b), THE DISTRICT.

8 (3) IF THE MAJORITY OF VOTES CAST AT AN ELECTION HELD
9 PURSUANT TO THIS SECTION ARE IN FAVOR OF THE QUESTION, THE MILL
10 LEVY OF THE DISTRICT FOR CHARTER SCHOOL CAPITAL CONSTRUCTION
11 SHALL BE AS SO APPROVED BY THE ELIGIBLE ELECTORS OF THE DISTRICT
12 AND TAXES SHALL BE LEVIED AS SO APPROVED.

13 (4) NOTWITHSTANDING THE PROVISIONS OF SECTION 22-30.5-404
14 (4) AND ANY OTHER PROVISIONS OF THIS SECTION, NO MILL LEVY SHALL BE
15 IMPOSED PURSUANT TO THIS SECTION TO BENEFIT A CHARTER SCHOOL
16 UNLESS THE CHARTER SCHOOL AND THE DISTRICT HAVE ENTERED INTO A
17 CONTRACT SPECIFYING TO WHOM THE OWNERSHIP OF ANY CAPITAL
18 CONSTRUCTION FINANCED BY THE MILL LEVY SHALL REVERT IF THE
19 CHARTER SCHOOL LOSES ITS CHARTER, FAILS TO PAY FOR THE CAPITAL
20 CONSTRUCTION TO BE FINANCED BY REVENUES FROM THE MILL LEVY, OR
21 BECOMES INSOLVENT AND CAN NO LONGER OPERATE AS A CHARTER
22 SCHOOL.

23 (5) A SCHOOL DISTRICT MAY IMPOSE A TOTAL MILL LEVY
24 PURSUANT TO THIS SECTION IN EXCESS OF ONE MILL IN ANY YEAR IF THE
25 VOTERS OF THE DISTRICT APPROVE MULTIPLE BALLOT QUESTIONS, BUT THE
26 MILL LEVY IMPOSED PURSUANT TO ANY SINGLE BALLOT QUESTION
27 SUBMITTED PURSUANT TO THIS SECTION SHALL NOT EXCEED ONE MILL IN

1 ANY YEAR AS SPECIFIED IN SUBSECTION (1) OF THIS SECTION. THE
2 IMPOSITION OF A SECOND OR SUBSEQUENT MILL LEVY PURSUANT TO THIS
3 SECTION SHALL NOT AFFECT THE RIGHTS OF ANY CHARTER SCHOOL TO THE
4 REVENUES GENERATED BY ANY PREEXISTING SPECIAL MILL LEVY.

5 [REDACTED]

6 **22-30.5-406. Direct payment of charter school bonds by the**

7 **state treasurer and school districts.** (1) (a) FOR THE PURPOSE OF
8 ENHANCING THE ABILITY OF A CHARTER SCHOOL TO OBTAIN FAVORABLE
9 FINANCING TERMS ON BONDS ISSUED ON BEHALF OF THE CHARTER SCHOOL
10 BY A GOVERNMENTAL ENTITY OTHER THAN A SCHOOL DISTRICT FOR THE
11 PURPOSE OF FINANCING CHARTER SCHOOL CAPITAL CONSTRUCTION, A
12 CHARTER SCHOOL THAT IS ENTITLED TO RECEIVE MONEYS FROM THE STATE
13 PUBLIC SCHOOL FUND PURSUANT TO PART 1 OF THIS ARTICLE MAY REQUEST
14 THAT THE STATE TREASURER MAKE DIRECT PAYMENTS OF PRINCIPAL AND
15 INTEREST ON THE BONDS ON BEHALF OF THE CHARTER SCHOOL. THE
16 CHARTER SCHOOL SHALL SPECIFY THE AMOUNT OF EACH PAYMENT TO BE
17 MADE.

18 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS
19 SUBSECTION (1), IF THE STATE TREASURER CONCLUDES THAT THE AMOUNT
20 OF MONEYS FROM THE STATE PUBLIC SCHOOL FUND THAT A CHARTER
21 SCHOOL WILL RECEIVE PURSUANT TO PART 1 OF THIS ARTICLE FOR ANY
22 GIVEN BUDGET YEAR WILL BE LESS THAN THE AMOUNT OF THE PAYMENTS
23 SPECIFIED BY THE CHARTER SCHOOL PURSUANT TO PARAGRAPH (a) OF THIS
24 SUBSECTION (1) THAT WILL BE DUE DURING THE BUDGET YEAR, THE STATE
25 TREASURER SHALL NOT AGREE TO MAKE DIRECT PAYMENTS ON BEHALF OF
26 THE CHARTER SCHOOL.

27 [REDACTED]

1 (c) THE STATE TREASURER SHALL WITHHOLD THE AMOUNT OF ANY
2 DIRECT PAYMENTS MADE ON BEHALF OF A CHARTER SCHOOL PLUS
3 ADMINISTRATIVE COSTS ASSOCIATED WITH THE MAKING OF DIRECT
4 PAYMENTS IN AN AMOUNT AGREED UPON BY THE STATE TREASURER AND
5 THE CHARTER SCHOOL FROM THE PAYMENTS TO THE CHARTERING DISTRICT
6 OF THE STATE SHARE OF THE DISTRICT'S TOTAL PROGRAM MADE PURSUANT
7 TO ARTICLE 54 OF THIS TITLE. THE STATE TREASURER SHALL NOTIFY THE
8 CHIEF FINANCIAL OFFICERS OF THE CHARTERING DISTRICT AND THE
9 CHARTER SCHOOL OF ANY AMOUNT OF MONEYS WITHHELD AND THE
10 CHARTERING DISTRICT SHALL REDUCE THE AMOUNT OF FUNDING IT
11 PROVIDES TO THE CHARTER SCHOOL BY SAID AMOUNT. ANY
12 ADMINISTRATIVE COSTS WITHHELD BY THE STATE TREASURER PURSUANT
13 TO THIS PARAGRAPH (c) SHALL BE CREDITED TO THE CHARTER SCHOOL
14 FINANCING ADMINISTRATIVE CASH FUND, WHICH FUND IS HEREBY
15 CREATED. MONEYS IN THE FUND SHALL BE CONTINUOUSLY APPROPRIATED
16 TO THE STATE TREASURER FOR THE DIRECT AND INDIRECT COSTS OF THE
17 ADMINISTRATION OF THIS SECTION. MONEYS IN THE CHARTER SCHOOL
18 FINANCING ADMINISTRATIVE CASH FUND SHALL REMAIN IN THE FUND AND
19 SHALL NOT REVERT TO THE GENERAL FUND AT THE END OF ANY FISCAL
20 YEAR.

21 (d) THE STATE TREASURER SHALL ESTABLISH THE PROCEDURES
22 NECESSARY TO IMPLEMENT THIS SUBSECTION (1) AND MAY PROMULGATE
23 RULES FOR THAT PURPOSE. ANY RULES SHALL BE PROMULGATED IN
24 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

25 (e) THIS SUBSECTION (1) SHALL NOT BE CONSTRUED TO REQUIRE
26 THE STATE TO CONTINUE THE PAYMENT OF STATE ASSISTANCE TO ANY
27 SCHOOL DISTRICT OR TO LIMIT OR PROHIBIT THE STATE FROM REPEALING

1 OR AMENDING ANY LAW RELATING TO THE AMOUNT OF STATE ASSISTANCE
2 TO SCHOOL DISTRICTS OR THE MANNER OR TIMING OF THE PAYMENT OF
3 SUCH ASSISTANCE. THIS SUBSECTION (1) SHALL NOT BE CONSTRUED TO
4 CREATE A DEBT OF THE STATE OR ANY STATE FINANCIAL OBLIGATION
5 WHATSOEVER WITH RESPECT TO ANY [REDACTED] BONDS ISSUED ON BEHALF
6 OF A CHARTER SCHOOL BY A GOVERNMENTAL ENTITY OTHER THAN A
7 SCHOOL DISTRICT FOR THE PURPOSE OF FINANCING CHARTER SCHOOL
8 CAPITAL CONSTRUCTION WITHIN THE MEANING OF ANY STATE
9 CONSTITUTIONAL PROVISION OR TO CREATE ANY LIABILITY EXCEPT TO THE
10 EXTENT PROVIDED IN THIS SUBSECTION (1).

11 [REDACTED]

12 (2) (a) IF THE STATE TREASURER DOES NOT AGREE TO MAKE DIRECT
13 PAYMENTS OF PRINCIPAL AND INTEREST ON BONDS ON BEHALF OF A
14 CHARTER SCHOOL PURSUANT TO SUBSECTION (1) OF THIS SECTION BECAUSE
15 THE CHARTER SCHOOL IS NOT ENTITLED TO RECEIVE MONEYS FROM THE
16 STATE PUBLIC SCHOOL FUND PURSUANT TO PART 1 OF THIS ARTICLE OR
17 BECAUSE THE STATE TREASURER HAS CONCLUDED THAT THE AMOUNT OF
18 MONEYS FROM THE STATE PUBLIC SCHOOL FUND THAT THE CHARTER
19 SCHOOL WILL RECEIVE PURSUANT TO PART 1 OF THIS ARTICLE FOR ANY
20 GIVEN BUDGET YEAR WILL BE LESS THAN THE AMOUNT OF THE DIRECT
21 PAYMENT SPECIFIED BY THE CHARTER SCHOOL THAT WILL BE DUE DURING
22 THE BUDGET YEAR, THE CHARTER SCHOOL MAY REQUEST THAT ITS
23 CHARTERING DISTRICT MAKE DIRECT PAYMENTS OF PRINCIPAL AND
24 INTEREST ON THE BONDS ON BEHALF OF THE CHARTER SCHOOL. THE
25 CHARTER SCHOOL SHALL SPECIFY THE AMOUNT OF EACH PAYMENT TO BE
26 MADE.

27 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS

1 SUBSECTION (2), IF THE BOARD OF EDUCATION OF A CHARTERING DISTRICT
2 CONCLUDES THAT THE TOTAL AMOUNT OF MONEYS THAT A CHARTER
3 SCHOOL WILL RECEIVE FOR ANY GIVEN BUDGET YEAR FROM THE DISTRICT
4 PURSUANT TO THE OPERATING CONTRACT BETWEEN THE DISTRICT AND THE
5 CHARTER SCHOOL WILL BE LESS THAN THE AMOUNT OF THE [REDACTED]
6 PAYMENTS SPECIFIED BY THE CHARTER SCHOOL PURSUANT TO PARAGRAPH
7 (a) OF THIS SUBSECTION (2) THAT WILL BE DUE DURING THE BUDGET YEAR,
8 THE CHARTERING DISTRICT SHALL NOT AGREE TO MAKE DIRECT PAYMENTS
9 ON BEHALF OF THE CHARTER SCHOOL.

10

11 (c) A CHARTERING DISTRICT SHALL WITHHOLD THE AMOUNT OF
12 ANY DIRECT PAYMENTS MADE ON BEHALF OF A CHARTER SCHOOL PLUS
13 ADMINISTRATIVE COSTS ASSOCIATED WITH THE MAKING OF DIRECT
14 PAYMENTS IN AN AMOUNT AGREED UPON BY THE CHARTERING DISTRICT
15 AND THE CHARTER SCHOOL FROM THE FUNDING PROVIDED BY THE
16 DISTRICT TO THE CHARTER SCHOOL PURSUANT TO PART 1 OF THIS ARTICLE.

17

18 (d) THIS SUBSECTION (2) SHALL NOT BE CONSTRUED TO CREATE A
19 DEBT OF ANY CHARTERING DISTRICT OR ANY DISTRICT OBLIGATION
20 WHATSOEVER WITH RESPECT TO ANY LEASE AGREEMENT OR INSTALLMENT
21 PURCHASE AGREEMENT ENTERED INTO BY A CHARTER SCHOOL WITHIN THE
22 MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR TO CREATE ANY
23 LIABILITY EXCEPT TO THE EXTENT PROVIDED IN THIS SUBSECTION (2).

24 **22-30.5-407. Charter school debt reserve fund - creation - use**
25 **of fund moneys - legislative declaration.** (1) THE GENERAL ASSEMBLY
26 HEREBY FINDS AND DECLARES THAT:

27 (a) THE CHARTER SCHOOL DEBT RESERVE FUND CREATED BY THIS

1 SECTION IS INTENDED TO ENHANCE THE ABILITY OF ANY CHARTER SCHOOL
2 THAT CHOOSES TO FINANCE CAPITAL CONSTRUCTION WITH REVENUES
3 FROM BONDS ISSUED ON BEHALF OF THE CHARTER SCHOOL BY A
4 GOVERNMENTAL ENTITY OTHER THAN A SCHOOL DISTRICT TO OBTAIN SUCH
5 FINANCING ON FAVORABLE TERMS BY PROVIDING A SOURCE OF MONEYS
6 THAT CAN BE USED TO MAKE BOND PAYMENTS IF THE CHARTER SCHOOL
7 FAILS TO MAKE SUCH PAYMENTS.

8 (b) IT IS APPROPRIATE FOR STATE EDUCATION FUND MONEYS TO BE
9 APPROPRIATED TO THE CHARTER SCHOOL DEBT RESERVE FUND AND IT IS
10 ALSO APPROPRIATE FOR THOSE CHARTER SCHOOLS THAT RECEIVE MORE
11 FAVORABLE FINANCING TERMS DUE TO THE EXISTENCE OF THE CHARTER
12 SCHOOL DEBT RESERVE FUND TO PAY A PORTION OF THEIR RESULTING
13 SAVINGS TO THE CHARTER SCHOOL DEBT RESERVE FUND AND FOR ALL
14 CHARTER SCHOOLS TO BEAR THE RISK OF HAVING CHARTER SCHOOL PER
15 PUPIL FACILITIES AID PROGRAM MONEYS WITHHELD TO REPLENISH THE
16 CHARTER SCHOOL DEBT RESERVE FUND IN THE EVENT THAT MONEYS FROM
17 THE CHARTER SCHOOL DEBT RESERVE FUND ARE EXPENDED TO MAKE BOND
18 PAYMENTS.

19 (2) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
20 CHARTER SCHOOL DEBT RESERVE FUND. THE FUND SHALL CONSIST OF THE
21 FOLLOWING MONEYS:

22 (I) TWO MILLION DOLLARS THAT ARE HEREBY APPROPRIATED FROM
23 THE STATE EDUCATION FUND TO THE CHARTER SCHOOL DEBT RESERVE
24 FUND ON JULY 1, 2002;

25 (II) MONEYS CREDITED TO THE CHARTER SCHOOL INTEREST
26 SAVINGS ACCOUNT OF THE FUND PURSUANT TO SUBSECTION (3) OF THIS
27 SECTION; AND

1 (III) MONEYS TRANSFERRED FROM THE STATE EDUCATION FUND TO
2 THE CHARTER SCHOOL DEBT RESERVE FUND PURSUANT TO PARAGRAPH (d)
3 OF SUBSECTION (4) OF THIS SECTION.

4 (b) THERE IS HEREBY CREATED WITHIN THE CHARTER SCHOOL DEBT
5 RESERVE FUND THE CHARTER SCHOOL INTEREST SAVINGS ACCOUNT. THE
6 ACCOUNT SHALL CONSIST OF MONEYS CREDITED TO THE ACCOUNT BY THE
7 STATE TREASURER PURSUANT TO SUBSECTION (3) OF THIS SECTION AND
8 ANY INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT
9 OF MONEYS IN THE ACCOUNT.

10 (c) ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
11 INVESTMENT OF MONEYS IN THE CHARTER SCHOOL DEBT RESERVE FUND
12 SHALL BE CREDITED TO THE STATE EDUCATION FUND; EXCEPT THAT ALL
13 INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF
14 MONEYS IN THE CHARTER SCHOOL INTEREST SAVINGS ACCOUNT SHALL BE
15 CREDITED TO THE ACCOUNT IN ACCORDANCE WITH PARAGRAPH (b) OF THIS
16 SUBSECTION (2). AT THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND
17 UNENCUMBERED MONEYS IN THE CHARTER SCHOOL DEBT RESERVE FUND
18 AND THE ACCOUNT SHALL REMAIN IN THE FUND AND THE ACCOUNT
19 RESPECTIVELY.

20 (d) ALL MONEYS CREDITED TO THE CHARTER SCHOOL DEBT
21 RESERVE FUND OR EXPENDED FROM THE FUND, OTHER THAN MONEYS
22 CREDITED TO OR EXPENDED FROM THE CHARTER SCHOOL INTEREST
23 SAVINGS ACCOUNT, ARE MONEYS ORIGINALLY CREDITED TO THE STATE
24 EDUCATION FUND AND ARE THEREFORE, IN ACCORDANCE WITH SECTION 17
25 (3) OF ARTICLE IX OF THE STATE CONSTITUTION AND SECTION 22-55-103
26 (5), EXEMPT FROM:

27 (I) THE LIMITATION ON STATE FISCAL YEAR SPENDING SET FORTH

1 IN SECTION 20 (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION AND
2 SECTION 24-77-103, C.R.S.; AND

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

6 (3) A CHARTER SCHOOL THAT CHOOSES TO FINANCE CAPITAL
7 CONSTRUCTION WITH REVENUES FROM BONDS ISSUED ON BEHALF OF THE
8 CHARTER SCHOOL BY A GOVERNMENTAL ENTITY OTHER THAN A SCHOOL
9 DISTRICT AND THAT ALSO CHOOSES TO RELY UPON THE EXISTENCE OF THE
10 CHARTER SCHOOL DEBT RESERVE FUND TO OBTAIN MORE FAVORABLE
11 FINANCING TERMS SHALL PAY TO THE STATE TREASURER, AT THE TIME ANY
12 BOND PAYMENT IS DUE, AN AMOUNT EQUAL TO TEN PERCENT OF THE
13 REDUCTION IN THE AMOUNT OF THE PAYMENT RESULTING FROM THE MORE
14 FAVORABLE FINANCING TERMS. AT THE TIME THE BONDS ARE ISSUED, THE
15 CHARTER SCHOOL SHALL OBTAIN AND PROVIDE TO THE STATE TREASURER
16 SUFFICIENT DOCUMENTATION OF THE SAVINGS RESULTING FROM THE
17 CHARTER SCHOOL'S ABILITY TO OBTAIN MORE FAVORABLE FINANCING
18 TERMS BY RELYING UPON THE EXISTENCE OF THE CHARTER SCHOOL DEBT
19 RESERVE FUND. THE STATE TREASURER SHALL CREDIT ANY PAYMENT
20 RECEIVED PURSUANT TO THIS SUBSECTION (3) TO THE CHARTER SCHOOL
21 INTEREST SAVINGS ACCOUNT.

22 (4) (a) MONEYS IN THE CHARTER SCHOOL DEBT RESERVE FUND ARE
23 HEREBY CONTINUOUSLY APPROPRIATED TO THE STATE TREASURER, WHO
24 SHALL EXPEND SUCH MONEYS SOLELY FOR THE PURPOSE OF PAYING
25 PRINCIPAL AND INTEREST ON BONDS ISSUED ON BEHALF OF A CHARTER
26 SCHOOL BY A GOVERNMENTAL ENTITY OTHER THAN A SCHOOL DISTRICT
27 AND ONLY IF:

1 (I) THE STATE TREASURER HAS BEEN NOTIFIED AND HAS
2 CONFIRMED, IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION
3 (4), THAT THE CHARTER SCHOOL HAS EXPENDED ALL MONEYS IN ITS OWN
4 DEBT SERVICE RESERVE FUND OR ACCOUNT THAT HAS BEEN FUNDED WITH
5 PROCEEDS DERIVED FROM THE ISSUANCE OF THE BONDS AND IS UNABLE TO
6 MAKE BOND PAYMENTS; AND

7 (II) THE CHARTER SCHOOL HAS RELIED UPON THE EXISTENCE OF
8 THE CHARTER SCHOOL DEBT RESERVE FUND TO OBTAIN MORE FAVORABLE
9 FINANCING TERMS FOR THE BONDS AND HAS MADE PAYMENTS TO THE
10 STATE TREASURER AS REQUIRED BY SUBSECTION (3) OF THIS SECTION.

11 (b) WHENEVER THE TRUSTEE RESPONSIBLE FOR MAKING PAYMENTS
12 TO THE HOLDERS OF ANY BONDS ISSUED ON BEHALF OF A CHARTER SCHOOL
13 BY A GOVERNMENTAL ENTITY OTHER THAN A SCHOOL DISTRICT FOR WHICH
14 THE CHARTER SCHOOL HAS OBTAINED MORE FAVORABLE FINANCING TERMS
15 BY RELYING ON THE EXISTENCE OF THE CHARTER SCHOOL DEBT RESERVE
16 FUND HAS NOT RECEIVED PAYMENT OF PRINCIPAL OR INTEREST ON THE
17 BONDS ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE DATE ON WHICH
18 SUCH PAYMENT IS DUE, THE TRUSTEE SHALL SO NOTIFY THE STATE
19 TREASURER AND THE CHARTER SCHOOL BY TELEPHONE, FACSIMILE, OR
20 OTHER SIMILAR COMMUNICATION, FOLLOWED BY WRITTEN VERIFICATION,
21 OF SUCH PAYMENT STATUS. THE STATE TREASURER SHALL IMMEDIATELY
22 CONTACT THE CHARTER SCHOOL AND DETERMINE WHETHER THE CHARTER
23 SCHOOL WILL MAKE THE PAYMENT BY THE DATE ON WHICH IT IS DUE AND,
24 IF THE STATE TREASURER CONFIRMS THAT THE CHARTER SCHOOL WILL NOT
25 MAKE THE PAYMENT, THE STATE TREASURER SHALL MAKE THE PAYMENT.

26 (c) THE STATE TREASURER SHALL EXPEND ALL MONEYS IN THE
27 CHARTER SCHOOL INTEREST SAVINGS ACCOUNT BEFORE EXPENDING ANY

1 OTHER MONEYS IN THE CHARTER SCHOOL DEBT RESERVE FUND.

2 (d) IF THE STATE TREASURER EXPENDS MONEYS FROM THE PORTION
3 OF THE CHARTER SCHOOL DEBT RESERVE FUND THAT IS NOT THE CHARTER
4 SCHOOL INTEREST SAVINGS ACCOUNT, THE STATE TREASURER SHALL
5 WITHHOLD CHARTER SCHOOL PER PUPIL FACILITIES AID PROGRAM MONEYS
6 TO THE EXTENT NECESSARY TO RESTORE THAT PORTION OF THE CHARTER
7 SCHOOL DEBT RESERVE FUND, BY THE TRANSFER OF ALL WITHHELD
8 AMOUNTS FROM THE STATE EDUCATION FUND TO THAT PORTION OF THE
9 CHARTER SCHOOL DEBT RESERVE FUND, TO A TWO MILLION DOLLAR
10 BALANCE IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

11 (I) EACH CHARTER SCHOOL THAT HAS [REDACTED] RELIED UPON THE
12 EXISTENCE OF THE CHARTER SCHOOL DEBT RESERVE FUND TO OBTAIN
13 MORE FAVORABLE FINANCING TERMS FOR BONDS ISSUED ON ITS BEHALF BY
14 A GOVERNMENTAL ENTITY OTHER THAN A SCHOOL DISTRICT SHALL HAVE
15 ITS PAYMENTS REDUCED BY THE SAME PERCENTAGE AND BY A MAXIMUM
16 OF FIFTY PERCENT.

17 (II) IF, IN ANY GIVEN FISCAL YEAR, THE STATE TREASURER
18 DETERMINES THAT AFTER WITHHOLDING OF THE MAXIMUM AMOUNT OF
19 CHARTER SCHOOL PER PUPIL FACILITIES AID PROGRAM MONEYS THAT MAY
20 BE WITHHELD PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (d)
21 THE PORTION OF THE CHARTER SCHOOL DEBT RESERVE FUND THAT IS NOT
22 THE CHARTER SCHOOL INTEREST SAVINGS ACCOUNT WILL NOT BE
23 RESTORED TO A TWO MILLION DOLLAR BALANCE, EACH CHARTER SCHOOL
24 THAT HAS NOT RELIED UPON THE EXISTENCE OF THE CHARTER SCHOOL
25 DEBT RESERVE FUND TO OBTAIN MORE FAVORABLE FINANCING TERMS FOR
26 BONDS ISSUED ON ITS BEHALF BY A GOVERNMENTAL ENTITY OTHER THAN
27 A SCHOOL DISTRICT SHALL HAVE ITS PAYMENT REDUCED BY THE SAME

1 PERCENTAGE AND BY A MAXIMUM OF TEN PERCENT.

2 (5) THIS SECTION SHALL NOT BE CONSTRUED TO CREATE ANY
3 STATE DEBT, TO REQUIRE THE STATE TO MAKE ANY BOND PAYMENTS ON
4 BEHALF OF ANY CHARTER SCHOOL FROM ANY SOURCE OF STATE MONEYS
5 OTHER THAN THE CHARTER SCHOOL DEBT RESERVE FUND, OR TO REQUIRE
6 THE STATE TO FULLY PAY OFF ANY OUTSTANDING BONDS OF A CHARTER
7 SCHOOL THAT CANNOT MAKE SCHEDULED BOND PAYMENTS.

8 **22-30.5-408. Replenishment of qualified charter school debt**
9 **service reserve funds.** (1) AS USED IN THIS SECTION:

10 (a) "INVESTMENT GRADE" MEANS DEBT OBLIGATIONS THAT ARE
11 RATED IN ONE OF THE FOUR HIGHEST INVESTMENT RATING CATEGORIES BY
12 ONE OR MORE NATIONALLY RECOGNIZED RATING AGENCIES.

13 (b) "QUALIFIED CHARTER SCHOOL" MEANS A CHARTER SCHOOL
14 WHOSE DEBT IS RATED AT LEAST INVESTMENT GRADE BY A NATIONALLY
15 RECOGNIZED RATING AGENCY PRIOR TO THE ISSUANCE OF ANY QUALIFIED
16 CHARTER SCHOOL BONDS ON BEHALF OF THE CHARTER SCHOOL BY:

17 (I) THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES
18 AUTHORITY PURSUANT TO THE "COLORADO EDUCATIONAL AND CULTURAL
19 FACILITIES AUTHORITY ACT", ARTICLE 15 OF TITLE 23, C.R.S.; OR

20 (II) ANY OTHER GOVERNMENTAL ENTITY OTHER THAN A SCHOOL
21 DISTRICT THAT HAS AUTHORITY TO ISSUE BONDS ON BEHALF OF A CHARTER
22 SCHOOL.

23 (c) "QUALIFIED CHARTER SCHOOL BONDS" MEANS BONDS THAT ARE
24 ISSUED BY THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES
25 AUTHORITY OR ANY OTHER GOVERNMENTAL ENTITY OTHER THAN A
26 SCHOOL DISTRICT THAT HAS AUTHORITY TO ISSUE BONDS ON BEHALF OF A
27 CHARTER SCHOOL FOR THE PURPOSE OF FINANCING A FACILITY TO BE USED

1 FOR OCCUPANCY BY PUPILS ENROLLED IN A CHARTER SCHOOL.

2 (d) "QUALIFIED CHARTER SCHOOL DEBT SERVICE RESERVE FUND
3 REQUIREMENT" MEANS THE LEVEL OF FUNDING REQUIRED FOR A QUALIFIED
4 CHARTER SCHOOL DEBT SERVICE RESERVE FUND AS SPECIFIED IN THE
5 TRUST INDENTURE OR RESOLUTION PURSUANT TO WHICH QUALIFIED
6 CHARTER SCHOOL BONDS HAVE BEEN ISSUED.

7 (e) "QUALIFIED CHARTER SCHOOL DEBT SERVICE RESERVE
8 REQUIREMENT" MEANS A REASONABLY REQUIRED DEBT SERVICE RESERVE
9 FUND OR ACCOUNT THAT HAS BEEN FUNDED WITH PROCEEDS DERIVED
10 FROM THE ISSUANCE OF QUALIFIED CHARTER SCHOOL BONDS.

11 (f) "RATING AGENCY" MEANS ANY NATIONALLY RECOGNIZED
12 STATISTICAL RATING ORGANIZATION AS DEFINED UNDER RULE 2a-7 OF THE
13 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, 17 CFR 270.2a-7 (a)
14 (17).

15 (2) (a) NO LATER THAN JANUARY 15, 2003, AND NO LATER THAN
16 JANUARY 15 OF EACH SUCCEEDING YEAR, IF THE COLORADO EDUCATIONAL
17 AND CULTURAL FACILITIES AUTHORITY OR ANY OTHER GOVERNMENTAL
18 ENTITY OTHER THAN A SCHOOL DISTRICT THAT HAS AUTHORITY TO ISSUE
19 BONDS ON BEHALF OF A CHARTER SCHOOL HAS ISSUED QUALIFIED CHARTER
20 SCHOOL BONDS ON BEHALF OF ANY CHARTER SCHOOL THAT HAS FAILED
21 DURING THE PRIOR CALENDAR YEAR TO RESTORE ITS QUALIFIED CHARTER
22 SCHOOL DEBT SERVICE RESERVE FUND TO THE APPLICABLE QUALIFIED
23 CHARTER SCHOOL DEBT SERVICE RESERVE FUND REQUIREMENT, THE
24 GOVERNING BODY OF THE GOVERNMENTAL ENTITY THAT ISSUED THE
25 QUALIFIED CHARTER SCHOOL BONDS SHALL SUBMIT TO THE GOVERNOR A
26 CERTIFICATE CERTIFYING ANY AMOUNT OF MONEYS REQUIRED TO RESTORE
27 THE QUALIFIED CHARTER SCHOOL DEBT SERVICE RESERVE FUND TO THE

1 APPLICABLE QUALIFIED CHARTER SCHOOL DEBT SERVICE RESERVE FUND
2 REQUIREMENT. THE GOVERNOR MAY, IN THE GOVERNOR'S DISCRETION,
3 SUBMIT TO A REQUEST FOR APPROPRIATIONS IN AN AMOUNT SUFFICIENT TO
4 RESTORE ANY OR ALL QUALIFIED CHARTER SCHOOL DEBT RESERVE FUNDS
5 TO THEIR RESPECTIVE QUALIFIED CHARTER SCHOOL DEBT SERVICE
6 RESERVE FUND REQUIREMENTS AND THE GENERAL ASSEMBLY MAY, BUT
7 SHALL NOT BE REQUIRED TO, APPROPRIATE MONEYS FOR SAID PURPOSE.

8 (b) ANY MONEYS APPROPRIATED FOR THE PURPOSE OF RESTORING
9 ANY QUALIFIED CHARTER SCHOOL DEBT SERVICE RESERVE FUND TO ITS
10 QUALIFIED CHARTER SCHOOL DEBT SERVICE RESERVE FUND REQUIREMENT
11 SHALL BE DEPOSITED INTO THE APPLICABLE QUALIFIED CHARTER SCHOOL
12 DEBT SERVICE RESERVE FUND.

13 (3) THIS SECTION SHALL NOT BE CONSTRUED TO CREATE ANY DEBT
14 OF THE STATE OR ANY STATE FINANCIAL OBLIGATION WHATSOEVER WITHIN
15 THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR TO CREATE
16 ANY STATE LIABILITY WHATSOEVER.

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

19 **2-3-115. Use of state education fund moneys for school capital**
20 **construction - audits - reports.** (1) For the 2001-02 school district
21 budget year and each school district budget year thereafter, for the
22 purpose of determining the amount of state education fund moneys
23 expended by each school district in the state for capital construction and
24 identifying the schools and projects on which school districts expended
25 such moneys, the state auditor shall annually examine the records of each
26 school district in the state that received state education fund moneys for
27 the budget year:

1 (a) Directly from the department of education for capital
2 construction aid to qualified charter schools, as defined in section
3 22-54-124 (1) (f) OR (1) (f.5), C.R.S., WHICHEVER IS APPLICABLE, in
4 accordance with section 22-54-124 (4), C.R.S.; or

5 **SECTION 3.** 22-30.5-105 (2), Colorado Revised Statutes, is
6 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

7 **22-30.5-105. Charter schools - contract contents - regulations**

8 **- repeal.** (2) (c) ANY CONTRACT BETWEEN A CHARTER SCHOOL AND A
9 LOCAL BOARD OF EDUCATION APPROVED ON OR AFTER JULY 1, 2002,
10 SHALL SPECIFY:

11 (I) IF THE CONTRACT IS NOT A RENEWAL OF AN EXPIRING
12 CONTRACT, THE MANNER IN WHICH THE SCHOOL DISTRICT GOVERNED BY
13 THE LOCAL BOARD OF EDUCATION WILL SUPPORT ANY START-UP FACILITY
14 NEEDS OF THE CHARTER SCHOOL;

15 (II) THE MANNER IN WHICH THE SCHOOL DISTRICT GOVERNED BY
16 THE LOCAL BOARD OF EDUCATION WILL SUPPORT ANY LONG-TERM
17 FACILITY NEEDS OF THE CHARTER SCHOOL; AND

18 (III) THE ACTIONS THAT THE CHARTER SCHOOL MUST TAKE IN
19 ORDER TO:

20 (A) HAVE ITS CAPITAL CONSTRUCTION NEEDS INCLUDED AS PART
21 OF THE NEXT BALLOT QUESTION FOR APPROVAL OF BONDED INDEBTEDNESS
22 TO BE SUBMITTED BY THE LOCAL BOARD OF EDUCATION OF ITS
23 CHARTERING SCHOOL DISTRICT TO THE VOTERS OF THE DISTRICT; OR

24 (B) HAVE THE LOCAL BOARD OF EDUCATION SUBMIT A BALLOT
25 QUESTION FOR APPROVAL OF A SPECIAL MILL LEVY TO FINANCE THE
26 CAPITAL CONSTRUCTION NEEDS OF THE CHARTER SCHOOL TO THE VOTERS
27 OF THE DISTRICT PURSUANT TO SECTION 22-30.5-405.

1 **SECTION 4.** 22-30.5-112 (1), Colorado Revised Statutes, is
2 amended to read:

3 **22-30.5-112. Charter schools - financing - guidelines.** (1) For
4 purposes of the "Public School Finance Act of 1994", article 54 of this
5 title, pupils enrolled in a charter school shall be included in the pupil
6 enrollment of the school district that granted its charter. The school
7 district that granted its charter shall report to the department of education
8 the number of pupils included in the school district's pupil enrollment that
9 are actually enrolled in each charter school. The school district shall also
10 identify each charter school that is a qualified charter school as defined
11 in section 22-54-124 (1) (f) OR (1) (f.5), WHICHEVER IS APPLICABLE,
12 IDENTIFY EACH QUALIFIED CHARTER SCHOOL THAT WILL BE OPERATING IN
13 A SCHOOL DISTRICT FACILITY FOR WHICH IT WILL NOT BE REQUIRED TO PAY
14 RENT DURING THE NEXT BUDGET YEAR, and provide an estimate of the
15 number of pupils expected to be enrolled in each qualified charter school
16 during the budget year following the budget year in which the district
17 makes a report.

18 **SECTION 5.** 22-30.5-112 (2), Colorado Revised Statutes, is
19 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

20 **22-30.5-112. Charter schools - financing - guidelines.** (2) (a.9)
21 FOR BUDGET YEAR 2002-03 AND BUDGET YEARS THEREAFTER,
22 AND IN ACCORDANCE WITH SECTION 22-30.5-406, THE FUNDING
23 PROVIDED BY A CHARTERING SCHOOL DISTRICT TO A CHARTER SCHOOL
24 PURSUANT TO THIS SUBSECTION (2) SHALL BE REDUCED BY THE AMOUNT
25 OF ANY DIRECT PAYMENTS OF PRINCIPAL AND INTEREST DUE ON BONDS
26 ISSUED ON BEHALF OF A CHARTER SCHOOL BY A GOVERNMENTAL ENTITY
27 OTHER THAN A SCHOOL DISTRICT FOR THE PURPOSE OF FINANCING

1 CHARTER SCHOOL CAPITAL CONSTRUCTION THAT WERE MADE BY THE
2 STATE TREASURER OR THE CHARTERING SCHOOL DISTRICT ON BEHALF OF
3 THE CHARTER SCHOOL.

4 **SECTION 6.** 22-30.5-112.3 (1) (a) and (1) (c), Colorado Revised
5 Statutes, are amended to read:

6 **22-30.5-112.3. Charter schools - additional aid from district.**

7 (1) (a) For the 2001-02 budget year and each budget year thereafter, a
8 qualified charter school, as defined in section 22-54-124 (1) (f) OR (1)
9 (f.5), WHICHEVER IS APPLICABLE, shall receive state education fund
10 moneys from the school district that granted its charter in an amount
11 equal to the percentage of the district's certified charter school pupil
12 enrollment that is attributable to pupils expected to be enrolled in the
13 qualified charter school multiplied by the total amount of state education
14 fund moneys distributed to the district for the same budget year pursuant
15 to section 22-54-124 (3).

16 (c) A district shall provide funding to each qualified charter
17 school, as defined in section 22-54-124 (1) (f) OR (1) (f.5), WHICHEVER IS
18 APPLICABLE, by making a single lump sum payment to the qualified
19 charter school as soon as possible after the district receives a lump sum
20 payment of state education fund moneys pursuant to section 22-54-124
21 (4).

22 **SECTION 7.** 22-32-110 (1) (f), Colorado Revised Statutes, is
23 amended to read:

24 **22-32-110. Board of education - specific powers - repeal.**

25 (1) In addition to any other power granted to a board of education of a
26 school district by law, each board of education of a school district shall
27 have the following specific powers, to be exercised in its judgment:

1 (f) To rent or lease district property not needed for its purposes
2 for terms not exceeding ten years, OR IN THE CASE OF UNIMPROVED REAL
3 PROPERTY LEASED TO A LESSEE THAT IS A CHARTER SCHOOL AS DEFINED IN
4 SECTION 22-30.5-403 (3), FOR A TERM NOT EXCEEDING THIRTY YEARS, OR
5 IN THE CASE OF A CHARTER SCHOOL USING DEBT FINANCING, FOR A TERM
6 NOT EXCEEDING THE TERM OF THE DEBT FINANCING, subject to all land use
7 and building and zoning plans, codes, resolutions, and regulations, and
8 to permit the use of district property by community organizations upon
9 such terms and conditions as it may approve. No finding that the
10 property is not needed for the district's purposes shall be necessary if the
11 board anticipates that the district will become the subtenant of the
12 property under a sublease, and under such circumstances the term of the
13 lease may exceed ten years but may not exceed fifty years.

14 **SECTION 8.** 22-54-115 (3) (a), Colorado Revised Statutes, is
15 amended to read:

16 **22-54-115. Distribution from state public school fund.** (3) No
17 later than the twenty-fifth day of each month, the state treasurer shall:

18 (a) Pay the amount certified, LESS THE TOTAL AMOUNT OF ANY
19 DIRECT PAYMENTS MADE BY THE STATE TREASURER ON BEHALF OF
20 CHARTER SCHOOLS CHARTERED BY EACH SCHOOL DISTRICT OF ANY
21 PRINCIPAL AND INTEREST DUE **ON BONDS** PURSUANT TO SECTION
22 22-30.5-406 directly to the treasurer of each district or, in accordance
23 with written instructions from the district, directly to an account
24 designated by the district that allows the district to retain title to the
25 funds; and

26 **SECTION 9.** 22-54-117 (1.7) (a), Colorado Revised Statutes, is
27 amended to read:

1 **22-54-117. Contingency reserve - capital construction**
2 **expenditures reserve.** (1.7) (a) In addition to any amount annually
3 appropriated by the general assembly to the state public school fund as
4 a contingency reserve and any amount appropriated from the general fund
5 to the state public school fund as a school capital construction
6 expenditures reserve in accordance with section 24-75-201.1 (4) (b),
7 C.R.S., and subsection (1.5) of this section, for the 2001-02 budget year
8 and budget years thereafter, an amount equal to the amount appropriated
9 for the budget year from the state education fund to the department of
10 education pursuant to section 22-54-124 (4) shall be appropriated from
11 the state education fund created in section 17 (4) of article IX of the state
12 constitution to the school capital construction expenditures reserve
13 created in said subsection (1.5) to be used only as provided in said
14 subsection (1.5); EXCEPT THAT, FOR THE 2002-03 BUDGET YEAR THROUGH
15 THE 2010-11 BUDGET YEAR, AN AMOUNT EQUAL TO SEVENTY PERCENT OF
16 THE AMOUNT CALCULATED PURSUANT TO SECTION 22-54-124 (3) (a) (II)
17 (A) AND APPROPRIATED FOR THE BUDGET YEAR FROM THE STATE
18 EDUCATION FUND TO THE DEPARTMENT OF EDUCATION PURSUANT TO
19 SECTION 22-54-124 (4) SHALL BE APPROPRIATED FROM THE STATE
20 EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE
21 CONSTITUTION TO THE SCHOOL CAPITAL CONSTRUCTION EXPENDITURES
22 RESERVE CREATED IN SAID SUBSECTION (1.5) TO BE USED ONLY AS
23 PROVIDED IN SAID SUBSECTION (1.5).

24 **SECTION 10.** 22-54-124 (1) (f) and (3), Colorado Revised
25 Statutes, are amended, and the said 22-54-124 (1) is further amended BY
26 THE ADDITION OF A NEW PARAGRAPH, to read:

27 **22-54-124. State aid for charter schools - use of state education**

1 **fund moneys.** (1) As used in this section:

2 (f) FOR BUDGET YEARS COMMENCING BEFORE JULY 1, 2002,
3 "qualified charter school" means:

4 (I) A charter school that will receive funding from a district
5 pursuant to section 22-30.5-112 for the budget year for which state
6 education fund moneys are to be appropriated and distributed pursuant to
7 subsection (4) of this section, that received such funding from the district
8 for the budget year two years prior to the budget year for which state
9 education fund moneys are to be appropriated, and that expended more
10 than three percent of its operating revenues for said prior budget year for
11 capital construction; or

12 (II) Any other charter school if:

13 (A) The charter school will receive funding from a district
14 pursuant to section 22-30.5-112 for the budget year for which state
15 education fund moneys are to be appropriated and distributed pursuant to
16 subsection (4) of this section; and

17 (B) The proposed budget for the charter school submitted by the
18 charter school to the district that granted its charter for the budget year for
19 which state education fund moneys are to be appropriated and distributed
20 pursuant to subsection (4) of this section indicates that the charter school
21 will expend more than three percent of its operating revenues for said
22 budget year for capital construction.

23 (f.5) FOR BUDGET YEARS COMMENCING ON OR AFTER JULY 1, 2002,
24 "QUALIFIED CHARTER SCHOOL" MEANS A CHARTER SCHOOL; EXCEPT THAT
25 THE TERM DOES NOT INCLUDE A CHARTER SCHOOL THAT OPERATES, OR
26 THAT WILL OPERATE IN THE NEXT BUDGET YEAR, WITHIN A FACILITY THAT
27 IS LISTED ON THE STATE INVENTORY OF REAL PROPERTY AND

1 **IMPROVEMENTS AND OTHER CAPITAL ASSETS MAINTAINED BY THE**
2 **DEPARTMENT OF PERSONNEL PURSUANT TO SECTION 24-30-1303.5.**

3 (3) (a) (I) The amount of state education fund moneys to be
4 distributed to an eligible district for the 2001-02 budget year ~~and each~~
5 ~~budget year thereafter~~ shall be calculated by multiplying the district's
6 certified charter school pupil enrollment by an amount equal to one
7 hundred thirty percent of the minimum capital reserve amount per pupil.

8 (II) (A) **EXCEPT AS OTHERWISE PROVIDED IN SUB-SUBPARAGRAPH**
9 **(B) OF THIS SUBPARAGRAPH (II), THE TOTAL AMOUNT OF STATE EDUCATION**
10 **FUND MONEYS TO BE DISTRIBUTED TO ALL ELIGIBLE DISTRICTS FOR EACH**
11 **BUDGET YEAR FROM THE 2002-03 BUDGET YEAR THROUGH THE 2010-11**
12 **BUDGET YEAR SHALL BE AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF**
13 **STATE EDUCATION FUND MONEYS DISTRIBUTED TO ALL ELIGIBLE DISTRICTS**
14 **FOR THE PRECEDING BUDGET YEAR PURSUANT TO SUBPARAGRAPH (I) OF**
15 **THIS PARAGRAPH (a) OR THIS SUB-SUBPARAGRAPH (A), WHICHEVER IS**
16 **APPLICABLE,** INCREASED BY THE RATE OF INFLATION FOR THE CALENDAR
17 YEAR ENDING IN THE PRECEDING BUDGET YEAR PLUS ONE PERCENTAGE
18 POINT. THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS TO BE
19 DISTRIBUTED TO ALL ELIGIBLE DISTRICTS FOR THE 2011-12 BUDGET YEAR
20 AND EACH BUDGET YEAR THEREAFTER SHALL BE AN AMOUNT EQUAL TO
21 THE TOTAL AMOUNT DISTRIBUTED TO ALL ELIGIBLE DISTRICTS **PURSUANT**
22 **TO THIS SUB-SUBPARAGRAPH (A)** FOR THE PRECEDING BUDGET YEAR
23 INCREASED BY THE RATE OF INFLATION FOR THE CALENDAR YEAR ENDING
24 IN THE PRECEDING BUDGET YEAR.

25 (B) **FOR BUDGET YEARS 2002-03 THROUGH 2010-11, ADDITIONAL**
26 **STATE EDUCATION FUND MONEYS IN AN AMOUNT EQUAL TO THIRTY**
27 **PERCENT OF THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS TO**

1 BE DISTRIBUTED TO ELIGIBLE DISTRICTS PURSUANT TO SUB-SUBPARAGRAPH
2 (A) OF THIS SUBPARAGRAPH (II) SHALL BE DISTRIBUTED TO ALL ELIGIBLE
3 DISTRICTS.

4 (C) FOR THE 2002-03 BUDGET YEAR AND EACH BUDGET YEAR
5 THEREAFTER, THE AMOUNT OF STATE EDUCATION FUND MONEYS TO BE
6 DISTRIBUTED TO AN ELIGIBLE DISTRICT SHALL BE AN AMOUNT EQUAL TO
7 THE PERCENTAGE OF THE SUM OF THE DISTRICT'S CERTIFIED CHARTER
8 SCHOOL PUPIL ENROLLMENT FOR ALL ELIGIBLE DISTRICTS IN THE STATE
9 THAT IS ATTRIBUTABLE TO THE ELIGIBLE DISTRICT MULTIPLIED BY THE
10 TOTAL AMOUNT OF STATE EDUCATION FUND MONEYS DISTRIBUTED TO ALL
11 ELIGIBLE DISTRICTS FOR THE SAME BUDGET YEAR PURSUANT TO
12 SUB-SUBPARAGRAPHS (A) AND (B) OF THIS SUBPARAGRAPH (II).

13 (b) No later than February 1 of each budget year, the department
14 of education shall certify to the education committees of the senate and
15 the house of representatives and the joint budget committee of the general
16 assembly the total number of pupils expected to be enrolled in all
17 qualified charter schools in the state during the next budget year, as
18 derived from reports provided to the department by districts pursuant to
19 section 22-30.5-112 (1). FOR THE PURPOSES OF ANY CERTIFICATION MADE
20 DURING THE 2002-03 BUDGET YEAR AND BUDGET YEARS THEREAFTER, A
21 PUPIL EXPECTED TO BE ENROLLED IN A QUALIFIED CHARTER SCHOOL THAT
22 WILL BE OPERATING IN A SCHOOL DISTRICT FACILITY FOR WHICH IT WILL
23 NOT BE REQUIRED TO PAY RENT DURING THE NEXT BUDGET YEAR SHALL BE
24 COUNTED AS ONE-HALF OF ONE PUPIL.

25 **SECTION 11. Repeal.** 22-42-104.5, Colorado Revised Statutes,
26 is repealed as follows:

27 **22-42-104.5. Pro rata distribution of bond revenues to qualified**

1 **charter schools.** ~~(1) Any qualified charter school, as defined in section~~
2 ~~22-54-124 (1) (f), that is similarly situated to a noncharter public school~~
3 ~~that will be constructed, repaired, or otherwise maintained or improved~~
4 ~~by an expenditure of a district's proceeds of bonds to be issued upon the~~
5 ~~approval of a question of contracting bonded indebtedness submitted to~~
6 ~~the eligible electors of the district on or after July 1, 2002, shall receive~~
7 ~~a portion of the proceeds of said bonds in proportion to the ratio of the~~
8 ~~qualified charter school's pupil enrollment at grade levels that are also~~
9 ~~served by one or more similarly situated noncharter public schools that~~
10 ~~will be constructed, repaired, or otherwise maintained or improved by the~~
11 ~~district's expenditure of bond proceeds to the total pupil enrollment of all~~
12 ~~schools in the district that will be constructed, repaired, or otherwise~~
13 ~~maintained or improved by the district's expenditure of bond proceeds.~~
14 ~~Any question of contracting bonded indebtedness submitted to the~~
15 ~~eligible electors of a district on or after July 1, 2002, shall identify any~~
16 ~~qualified charter school that will receive bond proceeds.~~

17 ~~(2) For purposes of this section, a qualified charter school is~~
18 ~~similarly situated to a noncharter public school if:~~

19 ~~(a) The noncharter public school is in the district that granted the~~
20 ~~qualified charter school's charter; and~~

21 ~~(b) The qualified charter school and the noncharter public school~~
22 ~~both serve students at one or more of the same grade levels.~~

23 **SECTION 12. Appropriation - adjustments to the 2002 long**
24 **bill.** **(1) For the implementation of this act, appropriations made in the**
25 **annual general appropriation act for the fiscal year beginning July 1,**
26 **2002, shall be adjusted as follows:**

27 **(a) The cash funds exempt appropriation to the department of**

1 education, assistance to public schools, grant programs and other
2 distributions, for charter school capital construction, is increased by one
3 million seventy-seven thousand nine hundred thirty dollars (\$1,077,930).
4 Said sum shall be from the state education fund, created pursuant to
5 section 17 (4) of article IX of the state constitution.

6 (b) The cash funds exempt appropriation to the department of
7 education, assistance to public schools, grant programs and other
8 distributions, for the state public school fund, school capital construction
9 expenditures reserve, is decreased by three million twenty-six thousand
10 twelve dollars (\$3,026,012). Said sum shall be from the state education
11 fund, created pursuant to section 17 (4) of article IX of the state
12 constitution.

13 **SECTION 13. Safety clause.** The general assembly hereby
14 finds, determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, and safety.