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less controversial
more modest

JBC STAFF FISCAL ANALYSIS SENATE APPROPRIATIONS COMMITTEE

CONCERNING CHARTER SCHOOLS.

Prime Sponsor: Sen. Owens

JBC Analyst: Byron Pendley
Phone: 866-4960
Date Prepared: 04/06/93

Summary of Major Amendments Made to the Bill After the 02/03/93 Legislative Council Fiscal Note Was Prepared: (Amended by Senate Education on 03/19/93)

1. Limits the number of charter schools to no more than eight per congressional district prior to July 1, 1988. Of this number, at least two charter schools shall be devoted to increasing the educational opportunities of at-risk students.
2. Provides that charter school employees shall be members of PERA or the Denver Public Schools Retirement System, whichever is applicable.
3. Provides a presumption for per-pupil operating revenue (PPOR) payments from school districts to charter schools to be made as follows: 90% of PPOR for high school students; 85% of PPOR for 7th and 8th grade students; and 80% of PPOR for 1st through 6th grade students. Categorical funding and federal program funding would be paid 100% proportionately for each charter school student.
4. Requires the State Board of Education to evaluate the charter schools and to report to the General Assembly by January 1, 1997, on its findings.

JBC Staff Concurrence with Legislative Council Fiscal Note

Concurs

Does Not Concur

1. The Legislative Council Fiscal Note was based on a \$3,762 per-pupil funding amount for FY 1993-94. The FY 1993-94 Long Bill as introduced provides for per-pupil funding of \$4,076.
2. This difference affects the amount of funds which the Department of Education is to withhold from districts to fund costs incurred by the Department. For FY 1993-94, assume 500 students * 0.5% * \$4,076 = \$10,190. An estimated 1,000 students are projected to enroll in charter schools in FY 1994-95.

JBC STAFF FISCAL IMPACT	FY 1993/94	FY 1994/95
<u>State Revenues</u>		
General Fund		
Other		
<u>State Expenditures</u>		
General Fund	\$10,190	\$20,380
State Public School Fund	(\$10,190)	(\$20,380)
FTE Position Change	None	None

Amendments/Appropriation Status

The attached amendment (.001) appropriates \$10,190 (from existing Long Bill funding in the Equalization Program line item) to the Department of Education.

Questions and Concerns

1. What is the basis for the presumptive PPOR funding allocation (90%, 85%, 80% for students enrolled in the various grades) which districts would pay to charter schools?
2. Is participation in PERA or the Denver Public Schools Retirement System mandatory for employees of charter schools?

COLORADO LEGISLATIVE COUNCIL

FISCAL NOTE

Drafting Number: LLS 554
 Prime Sponsor(s): Sen. Owens
 Rep. Kerns

Date: February 3, 1993
 Bill Status: Senate Education
 Fiscal Analyst: Harry Zeid
 (866-4753)

Title: CONCERNING CHARTER SCHOOLS.

Fiscal Summary of Legislation

STATE FISCAL IMPACT SUMMARY	FY 1993/94	FY 1994/95
<u>State Revenues</u>		
General Fund		
Other		
<u>State Expenditures</u>		
General Fund	\$ 9,405	\$ 18,810
State Public School Fund	(\$ 9,405)	(\$ 18,810)
FTE Position Change	None	None
SCHOOL DISTRICT IMPACT - Revenue reduction - see School District Section.		

This bill would authorize the establishment of charter schools. A charter school would be granted the greatest practical degree of control over the education and activities of the school, consistent with the state constitution. Applications for charter schools would be submitted to the local board of education for consideration. The application must meet certain evaluation criteria requirements prior to approval. The State Board of Education would be authorized to review the decisions of a local board of education concerning charter schools. A charter may be approved for a period of not more than five years, and would be subject to semiannual review by the authority which granted the charter.

Each charter school would report annually on the progress towards achieving its goals, objectives, pupil performance outcomes, and other terms of the charter application. A financial statement which outlines various categories of cost would also be included. Teachers who would leave a school district to work in a charter school would be considered to be on a three-year

Fiscal Summary of Legislation (continued)

leave of absence, and would retain the right to make payments to the teacher's account in either the Public Employees' Retirement System, or the Denver Public Schools Retirement System, whichever is applicable. Employer contributions on behalf of the teacher working at a charter school would not be required by either a school district, or a charter school.

Pupils enrolled in a charter school would be included in the pupil enrollment count of the school district where the pupil resides. The Department of Education would retain an amount equal to one-half of one percent of the school district of residence's per pupil operating revenues (PPOR) multiplied by the number of pupils attending the charter school. This money would be used by the Department of Education to review state statutes and rules, and to provide technical assistance to charter applicants. For each pupil attending a charter school, the school district of residence would pay an amount equal to not less than 98.5 percent of the district's PPOR to the charter school in twelve equal monthly installments. One percent of the PPOR would be retained by the district of residence.

The bill would become effective upon signature of the Governor.

State Expenditures

The Department of Education would retain an amount equal to one-half of one percent of the school district of residence's PPOR for each pupil attending a charter school. This money would be used for review of state statutes and rules and regulations applicable to charter schools, providing technical assistance to charter applicants, and evaluation of the effectiveness of the charter school's program. It is assumed that the Department of Education will spend the money which is allocated to it from the retained PPOR moneys, and that no additional funding would be necessary for the Department in order to carry out its responsibilities.

It is estimated that 500 students would participate in a charter school during FY 1993-94, and that number would increase to 1,000 in FY 1994-95. Based on a statewide average PPOR of \$3,762, a total of \$9,405 would be retained by the Department of Education during FY 1993-94, and \$18,810 would be retained during FY 1994-95, to be used in the review of state statutes and rules and regulations regarding charter schools, for technical assistance to applicants, and for evaluation of the overall effectiveness of the charter school program.

School District Impact

The impact on individual school districts would depend entirely upon whether a charter school is established within the district, and upon the number of pupils within the district who choose to enroll in a charter school. It is assumed that the bill would allow a charter school to be established to operate independently within an existing public school building.

School District Impact (continued)

Any school district of residence which has a charter school located within its boundaries would experience a 98.5 percent reduction in its PPOR for each pupil attending a charter school. The resident school district would be allowed to retain one-percent of the PPOR per pupil attending a charter school.

The state average PPOR for FY 1993-94 is assumed to be \$3,762. Based on the statewide average PPOR, if 500 pupils were to attend charter schools during FY 1993-94, the charter schools would receive a total of \$1,852,785 in revenues from the school district of residence of the students in attendance, and the school district of residence would retain \$18,810. During FY 1994-95, if 1,000 pupils were in attendance in charter schools, the charter schools would receive a total of \$3,705,570, and the district of residence would retain \$37,620.

Impact on PERA

The bill provides that teachers at a charter school would be considered to be on a three-year leave of absence from the school district. Any teacher employed at a charter school would retain the right to make payments to the Public Employees' Retirement System, or the Denver Public Schools retirement System, whichever is applicable. However, the school district or the charter school would not be required to make the employer contributions to the retirement fund on behalf of the teacher working at the charter school.

It would appear that teachers of a charter school would retain disability and survivors benefit eligibility within PERA, but would not be eligible for service credit for the time they work at a charter school. Administrators and noncertificated personnel of a charter school would not be eligible for PERA. Therefore, both the employee and the charter school would be required to participate in FICA withholding.

Departments Contacted

Education

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

Date

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

SB 93-183 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend the Education Committee amendment, as printed in Senate
- 2 Journal, March 19, page 616, after line 8, insert the following:
 - 3 "SECTION 3. Appropriation. In addition to any other
 - 4 appropriation, there is hereby appropriated to the department
 - 5 of education, for the fiscal year beginning July 1, 1993, the
 - 6 sum of ten thousand one hundred ninety dollars (\$10,190), or so
 - 7 much thereof as may be necessary, for implementation of this
 - 8 act. Such sum shall be from moneys appropriated to the
 - 9 department of education for the equalization program in the
 - 10 annual general appropriations act for the fiscal year beginning
 - 11 July 1, 1993, pursuant to 22-30.5-112(5)."
- 12 Renumber succeeding section accordingly.

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SENATE JOURNAL
Fifty-ninth General Assembly
STATE OF COLORADO
First Regular Session

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66th Legislative Day Friday, March 19, 1993

Call to Order By the President at 9:00 a.m.

Prayer By the Chaplain, Dr. Mel Taylor.

Roll Call Present--Total, 33.
Absent--Groff, Traylor--Total, 2.
Present later--Groff, Traylor.

Quorum The President announced a quorum present.

Reading of Journal On motion of Senator L. Powers, reading of the Journal of March 18th was dispensed with and the Journal stands approved as corrected by the Secretary.

SENATE SERVICES REPORT

Senate Services Correctly engrossed: SB 93-188.

Correctly revised: HB 93-1040 and 1209.

To the governor for signature on March 18, 1993, at 10:35 a.m.:
SJR 93-7.

COMMITTEE OF REFERENCE REPORT

Education After consideration on the merits, the committee recommends that S.B. No. 93-183 be amended as follows and, as so amended, be referred to the Committee on Appropriations with favorable recommendation:

Amend printed bill, strike everything below the enacting clause and substitute the following:

"SECTION 1. Title 22, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 30.5

Charter Schools

22-30.5-101. Short title. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "CHARTER SCHOOLS ACT".

22-30.5-102. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) IT IS THE OBLIGATION OF ALL COLORADANS TO PROVIDE ALL CHILDREN WITH SCHOOLS THAT REFLECT HIGH EXPECTATIONS AND CREATE CONDITIONS IN ALL SCHOOLS WHERE THESE EXPECTATIONS CAN BE MET;

(b) EDUCATION REFORM IS IN THE BEST INTERESTS OF THE STATE IN ORDER TO STRENGTHEN THE PERFORMANCE OF ELEMENTARY AND SECONDARY PUBLIC SCHOOL PUPILS, THAT THE BEST EDUCATION

SB 93-183
(Cont.)

DECISIONS ARE MADE BY THOSE WHO KNOW THE STUDENTS BEST AND WHO ARE RESPONSIBLE FOR IMPLEMENTING THE DECISIONS, AND, THEREFORE, THAT EDUCATORS AND PARENTS HAVE A RIGHT AND A RESPONSIBILITY TO PARTICIPATE IN THE EDUCATION INSTITUTIONS WHICH SERVE THEM;

(c) DIFFERENT PUPILS LEARN DIFFERENTLY AND PUBLIC SCHOOL PROGRAMS SHOULD BE DESIGNED TO FIT THE NEEDS OF INDIVIDUAL PUPILS AND THAT THERE ARE EDUCATORS, CITIZENS, AND PARENTS IN COLORADO WHO ARE WILLING AND ABLE TO OFFER INNOVATIVE PROGRAMS, EDUCATIONAL TECHNIQUES, AND ENVIRONMENTS BUT WHO LACK A CHANNEL THROUGH WHICH THEY CAN DIRECT THEIR INNOVATIVE EFFORTS.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THIS ARTICLE IS ENACTED FOR THE FOLLOWING PURPOSES:

(a) TO IMPROVE PUPIL LEARNING;

(b) TO INCREASE LEARNING OPPORTUNITIES FOR ALL PUPILS, WITH SPECIAL EMPHASIS ON EXPANDED LEARNING EXPERIENCES FOR PUPILS WHO ARE IDENTIFIED AS ACADEMICALLY LOW-ACHIEVING;

(c) TO ENCOURAGE DIVERSE APPROACHES TO LEARNING AND EDUCATION AND THE USE OF DIFFERENT AND INNOVATIVE TEACHING METHODS;

(d) TO REQUIRE THE MEASUREMENT OF LEARNING OUTCOMES AND CREATE DIFFERENT AND INNOVATIVE FORMS OF MEASURING OUTCOMES;

(e) TO CREATE NEW PROFESSIONAL OPPORTUNITIES FOR TEACHERS, INCLUDING THE OPPORTUNITY TO BE RESPONSIBLE FOR THE LEARNING PROGRAM AT THE SCHOOL SITE;

(f) TO PROVIDE PARENTS AND PUPILS WITH EXPANDED CHOICES IN THE TYPES OF EDUCATION OPPORTUNITIES THAT ARE AVAILABLE WITHIN THE PUBLIC SCHOOL SYSTEM;

(g) TO ENCOURAGE COMMUNITY INVOLVEMENT WITH PUBLIC SCHOOLS;

(h) TO HOLD CHARTER SCHOOLS ACCOUNTABLE FOR MEETING STATE BOARD AND SCHOOL DISTRICT CONTENT STANDARDS AND MEASURABLE PUPIL OUTCOMES AND TO PROVIDE SUCH SCHOOLS WITH A METHOD TO CHANGE ACCOUNTABILITY SYSTEMS.

(3) IN AUTHORIZING CHARTER SCHOOLS, IT IS THE INTENT OF THE GENERAL ASSEMBLY TO CREATE A LEGITIMATE AVENUE FOR PARENTS, TEACHERS, AND COMMUNITY MEMBERS TO TAKE RESPONSIBLE RISKS AND CREATE NEW, INNOVATIVE, AND MORE FLEXIBLE WAYS OF EDUCATING ALL CHILDREN WITHIN THE PUBLIC SCHOOL SYSTEM. THE GENERAL ASSEMBLY SEEKS TO CREATE AN ATMOSPHERE IN COLORADO'S PUBLIC SCHOOL SYSTEMS WHERE RESEARCH AND DEVELOPMENT IN DEVELOPING DIFFERENT LEARNING OPPORTUNITIES IS ACTIVELY PURSUED. AS SUCH, THE PROVISIONS OF THIS ARTICLE SHOULD BE INTERPRETED LIBERALLY TO SUPPORT THE FINDINGS AND GOALS OF THIS SECTION AND TO ADVANCE A RENEWED COMMITMENT BY THE STATE OF COLORADO TO THE MISSION, GOALS, AND DIVERSITY OF PUBLIC EDUCATION.

22-30.5-103. Definitions. (1) FOR PURPOSES OF THIS ARTICLE:

(a) "AT-RISK PUPIL" MEANS A PUPIL WHO, BECAUSE OF PHYSICAL, EMOTIONAL, SOCIOECONOMIC, OR CULTURAL FACTORS, IS LESS LIKELY TO SUCCEED IN A CONVENTIONAL EDUCATIONAL ENVIRONMENT.

(b) "LOCAL BOARD OF EDUCATION" MEANS THE SCHOOL DISTRICT BOARD OF EDUCATION.

at risk pupil

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SB 93-183
(Cont.)

(c) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION.

22-30.5-104. Charter school - requirements - authority.

(1) A CHARTER SCHOOL SHALL BE A PUBLIC, NONSECTARIAN, NONRELIGIOUS, NON-HOME-BASED SCHOOL WHICH OPERATES WITHIN A PUBLIC SCHOOL DISTRICT.

(2) A CHARTER SCHOOL SHALL BE A PUBLIC SCHOOL WHICH IS PART OF THE SCHOOL DISTRICT IN WHICH IT IS LOCATED AND SHALL BE ACCOUNTABLE TO THE LOCAL BOARD OF EDUCATION FOR PURPOSES OF ENSURING COMPLIANCE WITH APPLICABLE LAWS AND CHARTER PROVISIONS AND THE REQUIREMENT OF SECTION 15 OF ARTICLE IX OF THE STATE CONSTITUTION.

(3) A CHARTER SCHOOL SHALL BE ADMINISTERED AND GOVERNED IN A MANNER AGREED TO BETWEEN THE CHARTER SCHOOL APPLICANT AND THE LOCAL BOARD OF EDUCATION.

(4) A CHARTER SCHOOL SHALL NOT CHARGE TUITION.

(5) A CHARTER SCHOOL MAY OPERATE FREE FROM SCHOOL DISTRICT AND STATE REGULATIONS, AND POLICIES PURSUANT TO CONTRACT.

(6) A CHARTER SCHOOL MAY NEGOTIATE AND CONTRACT WITH A SCHOOL DISTRICT, THE GOVERNING BODY OF A STATE COLLEGE OR UNIVERSITY, OR ANY THIRD PARTY FOR THE USE OF A SCHOOL BUILDING AND GROUNDS, THE OPERATION AND MAINTENANCE THEREOF, AND THE PROVISION OF ANY SERVICE, ACTIVITY, OR UNDERTAKING WHICH THE CHARTER SCHOOL IS REQUIRED TO PERFORM IN ORDER TO CARRY OUT THE EDUCATIONAL PROGRAM DESCRIBED IN ITS CHARTER. ANY SERVICES FOR WHICH A CHARTER SCHOOL CONTRACTS WITH A SCHOOL DISTRICT SHALL BE PROVIDED BY THE DISTRICT AT COST.

22-30.5-105. Charter schools - contract contents - regulations. (1) AN APPROVED CHARTER APPLICATION SHALL CONSTITUTE AN AGREEMENT, AND THE TERMS THEREOF SHALL BE THE TERMS OF A CONTRACT BETWEEN THE CHARTER SCHOOL AND THE LOCAL BOARD OF EDUCATION.

(2) THE CONTRACT BETWEEN THE CHARTER SCHOOL AND THE LOCAL BOARD OF EDUCATION SHALL REFLECT ALL AGREEMENTS REGARDING THE RELEASE OF THE CHARTER SCHOOL FROM SCHOOL DISTRICT REGULATIONS.

(3) THE CONTRACT BETWEEN THE CHARTER SCHOOL AND THE LOCAL BOARD OF EDUCATION SHALL REFLECT ALL REQUESTS FOR RELEASE OF THE CHARTER SCHOOL FROM STATE REGULATIONS. THE LOCAL BOARD OF EDUCATION AND THE CHARTER SCHOOL SHALL JOINTLY REQUEST SUCH RELEASE FROM THE STATE BOARD.

(4) A MATERIAL REVISION OF THE TERMS OF THE CONTRACT MAY BE MADE ONLY WITH THE APPROVAL OF THE LOCAL BOARD OF EDUCATION AND THE GOVERNING BODY OF THE CHARTER SCHOOL.

22-30.5-106. Charter application - contents. (1) THE CHARTER SCHOOL APPLICATION SHALL BE A PROPOSED AGREEMENT AND SHALL INCLUDE:

(a) EVIDENCE THAT AN ADEQUATE NUMBER OF PARENTS, TEACHERS, PUPILS, OR ANY COMBINATION THEREOF SUPPORT THE FORMATION OF A CHARTER SCHOOL;

(b) A STATEMENT OF THE NEED FOR A CHARTER SCHOOL AND A DEMONSTRATION THAT THE NEED IS NOT BEING MET BY THE SCHOOL DISTRICT OR IN A GEOGRAPHIC AREA WITHIN A SCHOOL DISTRICT;

(c) EVIDENCE TO DEMONSTRATE THAT THE CHARTER SCHOOL'S

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application

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education outcomes

SB 93-103
(Cont.)

CURRICULUM IS EDUCATIONALLY SOUND, INCLUDING INFORMATION REGARDING THE EXPECTED PUPIL OUTCOMES WHICH SHALL MEET OR EXCEED SCHOOL DISTRICT OUTCOMES, THE TEACHING-LEARNING METHODS TO BE USED TO ATTAIN THE OUTCOMES, AND THE METHODS OF ASSESSMENT OF THE OUTCOMES;

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meet or exceed

(d) EVIDENCE THAT THE CHARTER SCHOOL'S CURRICULUM WILL MEET OR EXCEED CONTENT STANDARDS ESTABLISHED BY THE STATE BOARD AND THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL IS LOCATED;

eco sound

(e) EVIDENCE THAT THE PLAN FOR THE CHARTER SCHOOL IS ECONOMICALLY SOUND FOR BOTH THE CHARTER SCHOOL AND THE SCHOOL DISTRICT, AN EXPLANATION OF HOW FUNDING WILL BE APPORTIONED TO THE CHARTER SCHOOL AND THE SCHOOL DISTRICT, WITH DUE CONSIDERATION GIVEN TO THE FINANCING GUIDELINES IN SECTION 22-30.5-112, AND A PLAN FOR THE DISPLACEMENT OF PUPILS, TEACHERS, AND OTHER EMPLOYEES WHO WILL NOT ATTEND OR BE EMPLOYED IN THE CHARTER SCHOOL;

Contract
gov

(f) A DESCRIPTION OF THE GOVERNANCE AND OPERATION OF THE CHARTER SCHOOL, INCLUDING THE NATURE AND EXTENT OF PARENTAL, PROFESSIONAL EDUCATOR, AND COMMUNITY INVOLVEMENT IN THE GOVERNANCE AND OPERATION OF THE CHARTER SCHOOL;

employ

(g) AN EXPLANATION OF THE RELATIONSHIP THAT WILL EXIST BETWEEN THE PROPOSED CHARTER SCHOOL AND ITS EMPLOYEES, INCLUDING EVIDENCE THAT THE TERMS AND CONDITIONS OF EMPLOYMENT HAVE BEEN ADDRESSED WITH AFFECTED EMPLOYEES AND THEIR RECOGNIZED REPRESENTATIVE, IF ANY;

inc.

(h) AN AGREEMENT BETWEEN THE PARTIES REGARDING THEIR RESPECTIVE LEGAL LIABILITY AND APPLICABLE INSURANCE COVERAGE;

trans.

(i) A DESCRIPTION OF THE METHOD FOR ADDRESSING THE TRANSPORTATION NEEDS OF PUPILS, PARTICULARLY LOW-INCOME AND ACADEMICALLY LOW-ACHIEVING PUPILS, ATTENDING THE CHARTER SCHOOL.

non home based

(2) NO PERSON, GROUP, OR ORGANIZATION MAY SUBMIT AN APPLICATION TO CONVERT A NON-PUBLIC HOME-BASED EDUCATIONAL PROGRAM INTO A CHARTER SCHOOL OR TO CREATE A CHARTER SCHOOL WHICH IS A NON-PUBLIC HOME-BASED EDUCATIONAL PROGRAM AS DEFINED IN SECTION 22-33-104.5.

22-30.5-107. Charter application - process. (1) THE LOCAL BOARD OF EDUCATION SHALL RECEIVE AND REVIEW ALL APPLICATIONS FOR CHARTER SCHOOLS. THE LOCAL BOARD OF EDUCATION MAY ESTABLISH A SCHEDULE FOR RECEIVING APPLICATIONS AND SHALL MAKE A COPY OF ANY SUCH SCHEDULE AVAILABLE TO ALL INTERESTED PARTIES UPON REQUEST. IF SUCH BOARD FINDS THE CHARTER SCHOOL APPLICATION IS INCOMPLETE, THE BOARD SHALL REQUEST THE NECESSARY INFORMATION FROM THE APPLICANT. THE CHARTER SCHOOL APPLICATION SHALL BE REVIEWED BY THE DISTRICT ACCOUNTABILITY COMMITTEE PRIOR TO CONSIDERATION BY THE LOCAL BOARD OF EDUCATION.

Application
meeting

(2) THE LOCAL BOARD OF EDUCATION SHALL HOLD COMMUNITY MEETINGS IN THE AFFECTED AREAS OR THE ENTIRE SCHOOL DISTRICT TO OBTAIN INFORMATION TO ASSIST THE LOCAL BOARD OF EDUCATION IN ITS DECISION TO GRANT A CHARTER SCHOOL APPLICATION. THE LOCAL BOARD OF EDUCATION SHALL RULE ON THE APPLICATION FOR A CHARTER SCHOOL IN AN OPEN MEETING WITHIN SEVENTY-FIVE DAYS AFTER RECEIVING IT.

(3) IF A LOCAL BOARD OF EDUCATION DENIES A CHARTER SCHOOL APPLICATION, THE APPLICANT MAY APPEAL THE DENIAL TO THE STATE BOARD PURSUANT TO SECTION 22-30.5-108.

Appeal

22-30.5-108. Appeal - standard of review - procedures. (1) ACTING PURSUANT TO ITS SUPERVISORY POWER AS PROVIDED IN

SB 93-133
(Cont.)

SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION, THE STATE BOARD MAY REVIEW DECISIONS OF ANY LOCAL BOARD OF EDUCATION CONCERNING CHARTER SCHOOLS AS PROVIDED IN THIS SECTION.

(2) THE STATE BOARD MAY OVERTURN THE DECISION OF A LOCAL BOARD OF EDUCATION ONLY WHEN IT DETERMINES THAT THE DECISION OF THE LOCAL BOARD OF EDUCATION WAS CONTRARY TO THE BEST INTERESTS OF THE CHILDREN, STUDENTS, SCHOOL DISTRICT, AND COMMUNITY.

(3) IF THE STATE BOARD DETERMINES THAT A LOCAL BOARD OF EDUCATION'S DECISION TO DENY A CHARTER APPLICATION WAS CONTRARY TO THE BEST INTERESTS OF THE CHILDREN, STUDENTS, SCHOOL DISTRICT, AND COMMUNITY IT MAY REMAND THE APPLICATION TO THE LOCAL BOARD OF EDUCATION FOR RECONSIDERATION OR GRANT THE CHARTER APPLICATION.

(4) IF THE STATE BOARD OF EDUCATION DETERMINES THAT A LOCAL BOARD OF EDUCATION'S DECISION TO REVOKE OR NOT RENEW AN EXISTING CHARTER WAS CONTRARY TO THE BEST INTERESTS OF THE CHILDREN, STUDENTS, SCHOOL DISTRICT, AND COMMUNITY, IT MAY REMAND THE DECISION TO THE LOCAL BOARD OF EDUCATION FOR RECONSIDERATION OR ORDER THE CHARTER REINSTATED OR RENEWED, AS APPROPRIATE.

(5) A CHARTER APPLICANT THAT WISHES TO APPEAL THE DECISION OF A LOCAL BOARD OF EDUCATION SHALL PROVIDE A NOTICE OF APPEAL TO THE STATE BOARD AND THE LOCAL BOARD OF EDUCATION WITHIN THIRTY DAYS OF RECEIPT OF THE DECISION OF THE LOCAL BOARD OF EDUCATION.

(6) NOT LATER THAN THIRTY DAYS AFTER RECEIPT OF A NOTICE OF APPEAL, THE STATE BOARD SHALL PROVIDE REASONABLE WRITTEN NOTICE OF AND CONDUCT A PUBLIC HEARING TO DETERMINE WHETHER THE DECISION OF THE LOCAL BOARD OF EDUCATION WAS CONTRARY TO THE BEST INTERESTS OF THE CHILDREN, STUDENTS, SCHOOL DISTRICT, AND COMMUNITY.

(7) THE STATE BOARD SHALL PROVIDE REASONABLE NOTICE OF ITS DECISION WITHIN SIXTY DAYS OF THE HEARING CONDUCTED PURSUANT TO SUBSECTION (6) OF THIS SECTION, WHICH DECISION SHALL INCLUDE FINDINGS REGARDING CONTENT AND PROCESS.

22-30.5-109. Charter schools - restrictions - establishment - number. (1) SCHOOL DISTRICTS MAY, BUT SHALL NOT BE OBLIGATED TO, ESTABLISH CHARTER SCHOOLS PRIOR TO THE 1994-95 SCHOOL YEAR. A LOCAL BOARD OF EDUCATION MAY LIMIT THE NUMBER OF CHARTER SCHOOLS IN THE SCHOOL DISTRICT.

(2) NO MORE THAN EIGHT CHARTERS PER CONGRESSIONAL DISTRICT SHALL BE GRANTED PRIOR TO JULY 1, 1998, AND AT LEAST TWO OF SAID EIGHT CHARTERS SHALL BE RESERVED FOR CHARTER SCHOOL APPLICATIONS WHICH ARE DESIGNED TO INCREASE THE EDUCATIONAL OPPORTUNITIES OF AT-RISK PUPILS, AS DEFINED IN SECTION 22-30.5-103.

(3) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT PRIORITY OF CONSIDERATION BE GIVEN TO CHARTER SCHOOL APPLICATIONS DESIGNED TO INCREASE THE EDUCATIONAL OPPORTUNITIES OF AT-RISK PUPILS, AS DEFINED IN SECTION 22-30.5-103.

22-30.5-110. Charter schools - term - renewal of charter - grounds for nonrenewal or revocation. (1) A CHARTER MAY BE APPROVED OR RENEWED FOR A PERIOD NOT TO EXCEED FIVE ACADEMIC YEARS.

(2) A CHARTER SCHOOL RENEWAL APPLICATION SUBMITTED TO THE LOCAL BOARD OF EDUCATION SHALL CONTAIN:

Appeal

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1994-95*

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generally accepted accounting principles →

SB 93-183
(Cont.)

(a) A REPORT ON THE PROGRESS OF THE CHARTER SCHOOL IN ACHIEVING THE GOALS, OBJECTIVES, PUPIL PERFORMANCE OUTCOMES, CONTENT STANDARDS, AND OTHER TERMS OF THE INITIAL APPROVED CHARTER APPLICATION; AND

(b) A FINANCIAL STATEMENT THAT DISCLOSES THE COSTS OF ADMINISTRATION, INSTRUCTION, AND OTHER SPENDING CATEGORIES FOR THE CHARTER SCHOOL THAT IS UNDERSTANDABLE TO THE GENERAL PUBLIC AND THAT WILL ALLOW COMPARISON OF SUCH COSTS TO OTHER SCHOOLS OR OTHER COMPARABLE ORGANIZATIONS.

(3) A CHARTER MAY BE REVOKED OR NOT RENEWED BY THE LOCAL BOARD OF EDUCATION IF SUCH BOARD DETERMINES THAT THE CHARTER SCHOOL DID ANY OF THE FOLLOWING:

(a) COMMITTED A MATERIAL VIOLATION OF ANY OF THE CONDITIONS, STANDARDS, OR PROCEDURES SET FORTH IN THE CHARTER APPLICATION;

(b) FAILED TO MEET OR MAKE REASONABLE PROGRESS TOWARD ACHIEVEMENT OF THE CONTENT STANDARDS OR PUPIL PERFORMANCE OUTCOMES IDENTIFIED IN THE CHARTER APPLICATION;

(c) FAILED TO MEET GENERALLY ACCEPTED ACCOUNTING STANDARDS OF FISCAL MANAGEMENT; OR

(d) VIOLATED ANY PROVISION OF LAW FROM WHICH THE CHARTER SCHOOL WAS NOT SPECIFICALLY EXEMPTED.

(4) IN ADDITION, A CHARTER MAY BE NOT RENEWED UPON A DETERMINATION BY THE LOCAL BOARD OF EDUCATION THAT IT IS NOT IN THE INTEREST OF THE PUPILS RESIDING WITHIN THE SCHOOL DISTRICT TO CONTINUE THE OPERATION OF THE CHARTER SCHOOL.

(5) A DECISION TO REVOKE OR NOT TO RENEW A CHARTER MAY BE APPEALED PURSUANT TO THE PROVISIONS OF SECTION 22-30.5-108.

22-30.5-111. Charter schools - employee options. (1) DURING THE FIRST YEAR THAT A TEACHER EMPLOYED BY A SCHOOL DISTRICT IS EMPLOYED BY A CHARTER SCHOOL, SUCH TEACHER SHALL BE CONSIDERED TO BE ON A ONE-YEAR LEAVE OF ABSENCE FROM THE SCHOOL DISTRICT. SUCH LEAVE OF ABSENCE SHALL COMMENCE ON THE FIRST DAY OF SERVICES FOR THE CHARTER SCHOOL. THE ONE-YEAR LEAVE OF ABSENCE MAY BE RENEWED FOR ONE-YEAR PERIODS UP TO A TOTAL OF FIVE YEARS AT THE OPTION OF THE TEACHER. AT THE END OF FIVE YEARS, THE RELATIONSHIP BETWEEN THE TEACHER AND THE SCHOOL DISTRICT SHALL BE ESTABLISHED BY THE SCHOOL DISTRICT.

(2) THE LOCAL BOARD OF EDUCATION SHALL DETERMINE BY POLICY OR BY NEGOTIATED AGREEMENT, IF ONE EXISTS, THE EMPLOYMENT STATUS OF SCHOOL DISTRICT EMPLOYEES EMPLOYED BY THE CHARTER SCHOOL WHO SEEK TO RETURN TO EMPLOYMENT WITH PUBLIC SCHOOLS IN THE SCHOOL DISTRICT.

(3) EMPLOYEES OF A CHARTER SCHOOL SHALL BE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OR THE DENVER PUBLIC SCHOOLS RETIREMENT SYSTEM, WHICHEVER IS APPLICABLE.

22-30.5-112. Charter schools - financing - guidelines. (1) FOR PURPOSES OF THE "PUBLIC SCHOOL FINANCE ACT OF 1988", ARTICLE 53 OF THIS TITLE, PUPILS ENROLLED IN A CHARTER SCHOOL SHALL BE INCLUDED IN THE PUPIL ENROLLMENT OF THE DISTRICT WITHIN WHICH THE PUPIL RESIDES. THE SCHOOL DISTRICT OF RESIDENCE SHALL REPORT TO THE DEPARTMENT OF EDUCATION THE NUMBER OF PUPILS INCLUDED IN THE SCHOOL DISTRICT OF RESIDENCE'S PUPIL ENROLLMENT THAT ARE ACTUALLY ENROLLED IN EACH CHARTER SCHOOL.

use a format required by the local board

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renewal/revocation

one year leave

PERM/DPS

FINANCE

use student words

SB 93-183
(Cont.)

(2) FOR THE PURPOSE OF NEGOTIATIONS BETWEEN A CHARTER SCHOOL AND THE SCHOOL DISTRICT WHICH CONCERN THE APPORTIONMENT OF DISTRICT FUNDING, THE FOLLOWING ALLOCATIONS TO A CHARTER SCHOOL SHALL BE PRESUMPTIVELY REASONABLE:

*a-12
90%*

(a) FOR EACH PUPIL IN GRADES NINE THROUGH TWELVE, APPROXIMATELY NINETY PERCENT OF THE DISTRICT PER PUPIL OPERATING REVENUES;

*7-8
85%*

(b) FOR EACH PUPIL IN GRADES SEVEN AND EIGHT, APPROXIMATELY EIGHTY-FIVE PERCENT OF THE DISTRICT PER PUPIL OPERATING REVENUES; AND

*1-6
80%*

(c) FOR EACH PUPIL IN GRADES ONE THROUGH SIX, APPROXIMATELY EIGHTY PERCENT OF THE DISTRICT PER PUPIL OPERATING REVENUES.

disabilities

(3) NOTWITHSTANDING SUBSECTION (2) OF THIS SECTION, THE PROPORTIONATE SHARE OF STATE AND FEDERAL RESOURCES GENERATED BY STUDENTS WITH DISABILITIES OR STAFF SERVING THEM SHALL BE DIRECTED TO CHARTER SCHOOLS ENROLLING SUCH STUDENTS BY THEIR SCHOOL DISTRICTS OR ADMINISTRATIVE UNITS. THE PROPORTIONATE SHARE OF MONEYS GENERATED UNDER OTHER FEDERAL OR STATE CATEGORICAL AID PROGRAMS SHALL BE DIRECTED TO CHARTER SCHOOLS SERVING STUDENTS ELIGIBLE FOR SUCH AID.

*success
or
failure*

(4) THE GOVERNING BODY OF A CHARTER SCHOOL IS AUTHORIZED TO ACCEPT GIFTS, DONATIONS, OR GRANTS OF ANY KIND MADE TO THE CHARTER SCHOOL AND TO EXPEND OR USE SAID GIFTS, DONATIONS, OR GRANTS IN ACCORDANCE WITH THE CONDITIONS PRESCRIBED BY THE DONOR; HOWEVER, NO GIFT, DONATION, OR GRANT SHALL BE ACCEPTED BY THE GOVERNING BODY IF SUBJECT TO ANY CONDITION CONTRARY TO LAW OR CONTRARY TO THE TERMS OF THE CONTRACT BETWEEN THE CHARTER SCHOOL AND THE LOCAL BOARD OF EDUCATION.

(5) AN AMOUNT EQUAL TO ONE-HALF OF ONE PERCENT OF THE PER PUPIL OPERATING REVENUES OF THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL IS LOCATED, MULTIPLIED BY THE NUMBER OF PUPILS ATTENDING THE CHARTER SCHOOL, SHALL BE RETAINED BY THE DEPARTMENT OF EDUCATION TO BE USED, SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY, FOR:

(a) PREPARING AN ANNUAL REPORT AND EVALUATION FOR THE GOVERNOR AND THE GENERAL ASSEMBLY ON THE SUCCESS OF CHARTER SCHOOLS, THEIR RELATIONSHIP TO OTHER SCHOOL REFORM EFFORTS, AND SUGGESTED CHANGES IN STATE LAW NECESSARY TO STRENGTHEN THE CHARTER SCHOOL PROGRAM;

(b) PROVIDING TECHNICAL ASSISTANCE TO PERSONS AND GROUPS PREPARING OR REVISING CHARTER APPLICATIONS; AND

(c) FACILITATING DISCUSSIONS AT EACH SCHOOL OR DISTRICT AMONG PARENTS, PROFESSIONAL EDUCATORS, AND COMMUNITY MEMBERS CONCERNING CHOICES WITHIN THE PUBLIC SCHOOL SYSTEM.

st

22-30.5-113. Charter schools - evaluation - report.

(1) THE STATE BOARD SHALL COMPILE EVALUATIONS OF CHARTER SCHOOLS RECEIVED FROM LOCAL BOARDS OF EDUCATION. THE STATE BOARD SHALL REVIEW INFORMATION REGARDING THE REGULATIONS AND POLICIES FROM WHICH CHARTER SCHOOLS WERE RELEASED PURSUANT TO SECTION 22-30.5-105 TO DETERMINE IF THE RELEASES ASSISTED OR IMPEDED THE CHARTER SCHOOLS IN MEETING THEIR STATED OUTCOMES.

(2) THE STATE BOARD SHALL ISSUE A REPORT TO THE GENERAL ASSEMBLY ON ITS FINDINGS NO LATER THAN JANUARY 1, 1997.

22-30.5-114. Repeal of article. THIS ARTICLE IS REPEALED,

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SB 93-183 EFFECTIVE JULY 1, 1998.
(Cont.)

SECTION 2. 22-2-117 (4), Colorado Revised Statutes, 1988
Repl. Vol., as amended, is amended to read:

22-2-117. Additional power - state board - waiver of
requirements - repeal. (4) This section is repealed, effective
July 1, 1994 1998.

SECTION 3. Safety clause. The general assembly hereby
finds, determines, and declares that this act is necessary for
the immediate preservation of the public peace, health, and
safety."

INTRODUCTION OF BILLS--FIRST READING

The following bills were read by title and referred to the committees
indicated:

SB 93-228 by Senators Roberts, Wells, Schroeder, and Weissmann; also Representative
Jerke--Concerning interference with the distribution of campaign material.
State, Veterans, and Military Affairs

SB 93-229 by Senators Roberts, Wells, and Schroeder; also Representatives R. Hernandez
and Jerke--Concerning the color of ink that an elector is encouraged to use in
signing a petition, including an initiative or referendum petition.
State, Veterans, and Military Affairs

THIRD READING OF BILLS--FINAL PASSAGE

On Third Reading, the titles of the following bills were publicly read, the
reading at length having been dispensed with by unanimous consent:

SB 93-188 by Senator Mendez; Rep. Fleming--Costs for Clinical Trials for Cancer

The question being "Shall the bill pass?" the roll was called with the
following result:

YES 20		NO 15		EXCUSED 0		ABSENT 0	
Ament	N	Hopper	Y	Pastore	Y	Tebedo	N
Bird	N	Johnson	Y	Peterson	Y	Traylor	N
Bishop	N	Lacy	N	Powers, L.	Y	Trujillo	Y
Blickensderfer	N	Mares	Y	Powers, R.	N	Wattenberg	Y
Casey	Y	Martinez	Y	Rizzuto	Y	Weissmann	Y
Cassidy	Y	Meiklejohn	Y	Roberts	N	Wells	N
Feeley	Y	Mendez	Y	Ruddick	Y	Wham	Y
Gallagher	Y	Mutzebaugh	N	Schaffer	N	Mr. President	N
Groff	Y	Owens	N	Schroeder	N		

A majority of all members elected to the Senate having voted in the
affirmative, the bill was declared PASSED.

Co-sponsors added: Casey, Gallagher, Groff, Hopper, Mares, Martinez,
Peterson.

HB 93-1040 by Rep. Reeves; Senator Wattenberg--Delinquent Property Taxes

The question being "Shall the bill pass?" the roll was called with the
following result:

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