

**COLORADO DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FINANCE UNIT
SUMMARY OF HB03-1160
Signed by Governor
Effective Date for Vouchers to Begin FY2004-05 School Year.**

**CONCERNING THE PROVISION OF FINANCIAL ASSISTANCE FOR KINDERGARTEN
THROUGH TWELFTH GRADE EDUCATION TO DISADVANTAGED CHILDREN.**

This act establishes the "Colorado Opportunity Contract Pilot Program", which allows a school district to provide financial assistance for an eligible child to attend a participating nonpublic school, under the terms of an opportunity contract between the child's parent and the school district.

Limits the pilot program eligibility to a child in kindergarten or grades 1 through 12 who resides in a school district that had at least eight schools that received an academic performance rating of "low" or "unsatisfactory" or a school district which voluntarily chooses to participate in the pilot program.

The districts that have been identified as having at least eight schools that received an academic performance rating of "low" or "unsatisfactory" are as follows:

- Adams 12 – Northglenn
- Adams 14 – Commerce City
- Adams 50 – Westminster
- Adams Arapahoe - Aurora
- Boulder – St. Vrain
- Boulder – Boulder
- Denver – Denver
- El Paso – Harrison
- El Paso – Colorado Springs
- Jefferson – Jefferson
- Pueblo – Pueblo 60
- Weld – Greeley 6
- Other Districts who volunteer to participate.

An eligible child is defined as:

1. A child who is eligible for free or reduced-cost school lunches;
2. For a child entering or enrolled in grades 4 through 12, the child;
 - a) performed at the proficiency level of "unsatisfactory" in at least one academic area on the most recent statewide assessment; or
 - b) performed at the proficiency level equivalent to "unsatisfactory" in reading, writing, or mathematics on the most recent curriculum based, achievement college entrance exams; or
 - c) was not required to take a statewide assessment pursuant to law.
3. For a child entering or enrolled in Kindergarten or grades 1 through 3, the child;
 - a) lacks overall learning readiness attributable to at least three significant family risk factors, as described in section 22-28-106; or
 - b) resides in an area in which the child's neighborhood school is a public school in the district that received an academic performance rating of "low" or "unsatisfactory".

The parents of a child who seeks to participate in the pilot program and to enter into an opportunity contract shall apply to the school district in which the child resides on or before January 1 of the preceding school year. The school district must notify the parent of eligibility on or before February 15 of the preceding school year. Once a child is eligible to participate in the pilot program, the child remains eligible as long as he or she is enrolled in the school district.

If an eligible child is denied participation in the pilot program, the child's application will be kept on file in the event of an opening later in the school year. If an eligible child is not selected to participate in the pilot program, the child must reapply to be considered for the pilot program in subsequent years.

A school district's participation cap shall be:

1. For the 2004-05 school year, no more than 1 percent of the district's student enrollment for the previous school year;
2. For the 2005-06 school year, no more than 2 percent of the district's student enrollment for the previous school year;
3. For the 2006-07 school year, no more than 4 percent of the district's student enrollment for the previous school year; and
4. For the 2007-03 school year and each school year thereafter, 6 percent of the district's student enrollment for the previous school year.

If the number of eligible children in a school district who seek to participate in the pilot program exceeds the district's cap, the district shall give priority to:

1. Eligible children who participated in the pilot program in the preceding school year;
2. Siblings of eligible children who participated in the pilot program;
3. Eligible children who have an IEP.

If the district reaches its participation cap at any of priorities 1, 2 or 3 above, the district shall use a lottery to select children for participation. If after priorities 1, 2 or 3 above, the district has not reached its participation cap, the district will use a lottery to select other eligible children for participation.

Within 15 days after making the selections, the school district shall notify the parents of an eligible child whether or not the child has been selected to participate in the pilot program. If an eligible child is not selected, the parents may submit a notice of intent to participate in the pilot program for the following school year.

A parent may withdraw an eligible child from a participating nonpublic school at any time during the school year and may either enroll the child in a public school or enroll the child in another participating nonpublic school that has accepted the child.

An eligible child may enroll and attend more than one participating nonpublic school in a school year, but the school district does not need to make more than one payment in a quarterly payment period.

A parent is deemed to have breached the opportunity contract and to have relinquished the right to receive payments if;

1. The parent voluntarily notifies the district in writing of his or her intent to relinquish the right;
2. The parent does not submit an application to a participating nonpublic school;
3. The eligible child does not enroll in the nonpublic school prior to September 15;
4. The eligible child fails to attend the nonpublic school at least 60% of the school days in two quarterly payment periods, unless the attendance failure is due to illness, injury, or other reasons excused at the discretion of the district;
5. The eligible child's residence becomes located outside the state; or
6. The eligible child fails to take the statewide assessment required by statute, unless excused by the school district.

If an opening becomes available, the district shall select another eligible child through a lottery conducted at least weekly. The district is not required to comply with the priorities given.

Application to the nonpublic school

On or after April 1, but prior to June 1, of the school year in which the child is deemed eligible and is selected to participate in the pilot program, a parent shall submit an application to the participating nonpublic school on a form provided by the school district. Within 15 days of receiving the application, the nonpublic school will notify, in writing, whether the eligible child has been accepted for admission. The nonpublic school will determine acceptance for admission based on the order in which applications are received. A nonpublic school may give preference for admission to eligible children who have attended the nonpublic school in the previous year, or siblings of eligible children who have already been accepted for admission.

A nonpublic school, who wants to participate in the pilot program, must annually:

1. Provide notice of intent to participate, including the number of spaces available;
2. Comply with anti-discrimination provisions;
3. Comply with all health and safety codes that apply to public schools;
4. Permit the school district to administer statewide assessments to the eligible children enrolled at the school.

The school district has 30 days to accept or deny the nonpublic school application. The nonpublic school may appeal the decision of the district to the State Board of Education within 30 days. After reasonable notice and holding a hearing, the State Board of Education shall render its decision and that decision shall be final and not subject to appeal. By December 1 of each year, a school district shall provide information to eligible children and their parents who reside in the school district regarding the nonpublic schools participating in the pilot program.

A nonpublic school operating for fewer than 3 years must include as part of the application evidence of a savings account, deposit or certificate of deposit or a surety bond covering the nonpublic school and its agents.

On or before October 1 of the preceding school year, the nonpublic school shall send written notice specifying the number of eligible children for which the school has space by grade level. The nonpublic school may change the number of available spaces by written amendment at any time except during the period March 1 through August 15.

On or before October 15, 2004, and each October 15 thereafter, each participating nonpublic school shall file with the department and the school district of residence of each eligible child enrolled in the participating nonpublic school a report stating its nonpublic school pilot program membership.

For the school year 2004-05 and each school year thereafter, upon receipt of proof of an eligible child's enrollment in a participating nonpublic school and the signing of an opportunity contract between the parents and the resident school district, the school district shall pay an amount equal to the lesser of the following:

1. The participating nonpublic school's actual educational cost per pupil as evidenced by an annual cost report audit; or
2. Seventy five percent of the school district's per pupil operating revenues if the eligible child is enrolled in grades one through eight.
3. Eighty five percent of the school district's per pupil operating revenues if the eligible child is enrolled in grades nine through twelve.
4. Thirty seven and one half percent of the school district's per pupil operating revenues if the eligible child is enrolled in kindergarten.

The school district shall make quarterly payments to the parent of an eligible child in September, November, February and the remainder in May. The check will be made payable to the parent of the eligible child and mailed to the participating nonpublic school and the parent shall endorse the check for the use of the nonpublic school.

The school district may withhold a payment if the eligible child has not attended at least sixty percent of the school days at the participating nonpublic school during the preceding quarterly payment period; except that this provision shall not apply to the first quarterly period.

On or before January 1, 2008, the state auditor shall conduct or cause to be conducted a performance and financial audit of the pilot program. The state auditor shall submit its findings, conclusions and recommendations in a written report to the legislative audit committee of the general assembly and to the members of the education committees of the senate and the House of Representatives.

On or before January 1, 2008, the school district shall provide a written report to the members of the education committees of the senate and of the House of Representatives and to the department. The report shall include non-identifying individual student data on the statewide assessments and an analysis of individual student achievement. The school district shall also record similar data for those eligible children not selected in the lottery process to participate in the pilot program. The school district shall also report the financial impact of the pilot program on the school district.