

**First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 15-0158.02 Julie Pelegrin x2700

**HOUSE BILL 15-1201**

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**HOUSE SPONSORSHIP**

**Rankin and Buckner**, Brown, DelGrosso, Dore, Garnett, Lundeen, Pettersen, Wilson

**SENATE SPONSORSHIP**

**Todd**,

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**House Committees**

Education  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING PROVIDING CENTRALIZED OPERATING SERVICES**  
102              **THROUGH BOARDS OF COOPERATIVE SERVICES, AND, IN**  
103              **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**Bill Summary**

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

The bill creates a grant program to enable boards of cooperative services (BOCES) to provide centralized operating services (services) to small, rural school districts and rural school districts (eligible school districts) and charter schools located within the eligible school districts (eligible charter schools), with the goal of reducing operating overhead

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.*

costs for eligible school districts and eligible charter schools that use the services and increasing the amount of time available to the administrators to support instruction in those eligible school districts and eligible charter schools. Eligible school districts and eligible charter schools may choose whether to use the services provided by a BOCES.

The state board of education (state board) must promulgate rules to implement the grant program, including the process and required information for applying for grants. If a BOCES expects to provide the services beginning in the first grant year, it must submit a plan for providing the services as part of the grant application. A BOCES may ask, and the state board may allow the BOCES, to use the moneys received in the first grant year to create the plan to provide services and, if the department of education (department) approves the plan, begin providing services in the second grant year.

The department will review the grant applications and recommend recipients to the state board, and the state board will select the grant recipients. The department and the state board must use specified criteria in selecting grant recipients, including the degree to which the BOCES will provide a wide range of services and the need demonstrated by the eligible school districts.

The department will distribute up to \$500,000 per grant year to each grant recipient; except that:

- ! A grant recipient that uses moneys in the first grant year to create a plan may receive up to \$50,000; and
- ! Each grant recipient will receive moneys in the second and third grant years only if it can demonstrate that it is providing the services effectively, as determined by the department based on specified criteria.

The department will distribute the grant moneys from the BOCES centralized operating services fund, which is created in the bill and consists of moneys appropriated in the 2015-16 budget year from the state education fund.

At the joint education committee hearing held in 2017, the department shall report concerning the effectiveness of the grant program in reducing eligible districts' and eligible charter schools' operating overhead costs and increasing administrators' ability to spend time supporting instruction. The department may also recommend legislative changes to continue the grant program.

The grant program is repealed, effective July 1, 2018.

The bill repeals an existing statute that authorizes funding for BOCES that submit plans for providing education and support services programs.

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

1           **SECTION 1.** In Colorado Revised Statutes, **repeal and reenact,**  
2 **with amendments,** 22-5-118 as follows:

3           **22-5-118. Assistance for centralized operating services -**  
4 **legislative declaration - definitions - rules - plans - reports - funding**  
5 **- repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS THAT:

6           (I) SCHOOL DISTRICTS ACROSS THE STATE ARE COMMITTED TO AND  
7 WORKING TOWARD THE GOAL OF PREPARING EVERY STUDENT TO BE  
8 POSTSECONDARY AND WORKFORCE READY UPON GRADUATION FROM HIGH  
9 SCHOOL;

10          (II) THERE IS WIDE VARIANCE AMONG THE SCHOOL DISTRICTS IN  
11 THE STATE IN THEIR CAPACITY TO ACHIEVE THIS GOAL, BASED IN PART ON  
12 EACH SCHOOL DISTRICT'S VARYING ABILITY TO GENERATE PROPERTY TAX  
13 REVENUES AND THE PERCENTAGE OF ITS BUDGET THAT EACH SCHOOL  
14 DISTRICT MUST USE FOR OPERATING EXPENSES;

15          (III) SMALL, RURAL SCHOOL DISTRICTS AND RURAL SCHOOL  
16 DISTRICTS ARE IMPACTED BY A HIGH PERCENTAGE OF OPERATING  
17 OVERHEAD COSTS AND RESTRICTED ABILITY TO GENERATE PROPERTY TAX  
18 REVENUE; AND

19          (IV) EXISTING BOCES WERE CREATED TO PROVIDE A BROAD  
20 ARRAY OF ADMINISTRATIVE AND EDUCATIONAL SERVICES. WITH  
21 ADDITIONAL RESOURCES AND SOME REORGANIZATION, THE BOCES COULD  
22 EXPAND THE CENTRALIZED OPERATING SERVICES THEY PROVIDE FOR  
23 SMALL, RURAL SCHOOL DISTRICTS, RURAL SCHOOL DISTRICTS, AND  
24 CHARTER SCHOOLS LOCATED WITHIN THOSE DISTRICTS, INCLUDING  
25 INFORMATION MANAGEMENT AND DATA ANALYSIS, ACCOUNTING  
26 SERVICES, TRANSPORTATION, FOOD SERVICES, FACILITY OPERATIONS AND  
27 MAINTENANCE, SECURITY SERVICES, TECHNICAL SUPPORT FOR BLENDED

1 LEARNING, AND TRAINING FOR NON-INSTRUCTIONAL STAFF.

2 (b) THE GENERAL ASSEMBLY HEREBY DECLARES THAT, FOR  
3 PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION,  
4 PROVIDING FUNDS TO ENABLE BOCES TO PROVIDE CENTRALIZED  
5 OPERATING SERVICES IS AN IMPORTANT ELEMENT IN ENABLING SCHOOL  
6 DISTRICTS AND CHARTER SCHOOLS TO IMPLEMENT ACCOUNTABLE  
7 EDUCATION REFORM, INCLUDING ACCOUNTABLE PROGRAMS TO MEET  
8 STATE ACADEMIC STANDARDS, AND THE GRANT PROGRAM CREATED IN  
9 THIS SECTION MAY THEREFORE RECEIVE FUNDING FROM THE STATE  
10 EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE  
11 STATE CONSTITUTION.

12 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
13 REQUIRES:

14 (a) "BOCES AREA" MEANS THE GEOGRAPHICAL AREA THAT  
15 ENCOMPASSES ALL OF THE SCHOOL DISTRICTS THAT ARE MEMBERS OF THE  
16 BOCES.

17 (b) "CENTRALIZED OPERATING SERVICES" MAY INCLUDE, BUT NEED  
18 NOT BE LIMITED TO:

- 19 (I) INFORMATION MANAGEMENT AND DATA ANALYSIS;
- 20 (II) ACCOUNTING SERVICES;
- 21 (III) HUMAN RESOURCE SERVICES;
- 22 (IV) TRANSPORTATION SERVICES;
- 23 (V) FOOD SERVICES;
- 24 (VI) FACILITY OPERATIONS AND MAINTENANCE SERVICES;
- 25 (VII) SECURITY SERVICES;
- 26 (VIII) TECHNICAL SUPPORT FOR BLENDED LEARNING AND ON-LINE  
27 LEARNING; AND

1 (IX) TRAINING FOR NON-INSTRUCTIONAL STAFF.

2 (c) "CHARTER SCHOOL" MEANS A CHARTER SCHOOL AUTHORIZED  
3 BY A SCHOOL DISTRICT PURSUANT TO PART 1 OF ARTICLE 30.5 OF THIS  
4 TITLE OR AN INSTITUTE CHARTER SCHOOL AUTHORIZED BY THE STATE  
5 CHARTER SCHOOL INSTITUTE PURSUANT TO PART 5 OF ARTICLE 30.5 OF  
6 THIS TITLE.

7 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION  
8 CREATED AND EXISTING PURSUANT TO SECTION 24-1-115, C.R.S.

9 (e) "ELIGIBLE CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT  
10 IS PHYSICALLY LOCATED WITHIN THE BOCES AREA OF A BOCES THAT  
11 RECEIVES A GRANT PURSUANT TO THIS SECTION OR WITHIN THE  
12 BOUNDARIES OF AN ELIGIBLE SCHOOL DISTRICT THAT IS CONTIGUOUS TO  
13 THE BOCES AREA.

14 (f) "ELIGIBLE SCHOOL DISTRICT" MEANS:

15 (I) A RURAL SCHOOL DISTRICT, WHICH IS A SCHOOL DISTRICT IN  
16 COLORADO THAT THE DEPARTMENT DETERMINES IS RURAL, BASED ON THE  
17 GEOGRAPHIC SIZE OF THE SCHOOL DISTRICT AND THE DISTANCE OF THE  
18 SCHOOL DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT  
19 ENROLLS AT LEAST ONE THOUSAND STUDENTS BUT FEWER THAN SIX  
20 THOUSAND FIVE HUNDRED STUDENTS; OR

21 (II) A SMALL, RURAL SCHOOL DISTRICT, WHICH IS A SCHOOL  
22 DISTRICT IN COLORADO THAT THE DEPARTMENT DETERMINES IS RURAL,  
23 BASED ON THE GEOGRAPHIC SIZE OF THE SCHOOL DISTRICT AND THE  
24 DISTANCE OF THE SCHOOL DISTRICT FROM THE NEAREST LARGE,  
25 URBANIZED AREA, AND THAT ENROLLS FEWER THAN ONE THOUSAND  
26 STUDENTS.

27 (g) "GRANT" MEANS A CONDITIONAL THREE-YEAR GRANT TO

1 PROVIDE CENTRALIZED OPERATING SERVICES THAT IS AWARDED TO A  
2 BOCES PURSUANT TO THIS SECTION.

3 (3) (a) A BOARD OF COOPERATIVE SERVICES MAY APPLY PURSUANT  
4 TO THIS SECTION FOR A CONDITIONAL THREE-YEAR GRANT TO ENABLE THE  
5 BOCES TO PROVIDE CENTRALIZED OPERATING SERVICES TO THE ELIGIBLE  
6 SCHOOL DISTRICTS THAT ARE MEMBERS OF THE BOCES, TO AN ELIGIBLE  
7 SCHOOL DISTRICT THAT IS CONTIGUOUS TO THE BOCES AREA, AND TO AN  
8 ELIGIBLE CHARTER SCHOOL. THE BOCES MAY PROVIDE THE CENTRALIZED  
9 OPERATING SERVICES ONLY UPON REQUEST BY AND WITHOUT CHARGE TO  
10 THE ELIGIBLE SCHOOL DISTRICT OR THE ELIGIBLE CHARTER SCHOOL. A  
11 BOCES MAY APPLY FOR A GRANT JOINTLY WITH OTHER BOCES.

12 (b) IN A GRANT APPLICATION, A BOCES MAY ASK TO USE THE  
13 MONEYS RECEIVED IN THE FIRST GRANT YEAR TO CREATE A PLAN FOR  
14 PROVIDING CENTRALIZED OPERATING SERVICES. BASED ON THE  
15 INFORMATION PROVIDED IN THE GRANT APPLICATION, THE STATE BOARD  
16 MAY ALLOW A BOCES TO USE THE FIRST-YEAR GRANT MONEYS TO  
17 DEVELOP THE PLAN. THE DEPARTMENT MUST REVIEW AND APPROVE THE  
18 PLAN FOR THE BOCES TO QUALIFY TO RECEIVE MONEYS IN THE SECOND  
19 GRANT YEAR.

20 (c) IF THE STATE BOARD AWARDS A GRANT TO A BOCES, IN ORDER  
21 TO RECEIVE THE GRANT MONEYS IN THE SECOND AND THIRD YEARS, THE  
22 BOCES MUST ANNUALLY DEMONSTRATE TO THE DEPARTMENT, AS  
23 PROVIDED IN SUBSECTION (7) OF THIS SECTION, THAT THE BOCES IS  
24 EFFECTIVE IN PROVIDING CENTRALIZED OPERATING SERVICES TO ELIGIBLE  
25 SCHOOL DISTRICTS AND ELIGIBLE CHARTER SCHOOLS.

26 (d) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3) TO  
27 THE CONTRARY, A BOCES THAT RECEIVES A GRANT PURSUANT TO THIS

1 SECTION AND THAT PROVIDES UNIQUE CENTRALIZED OPERATING SERVICES  
2 THAT ARE NOT PROVIDED BY ANOTHER BOCES IN THE STATE MAY USE  
3 THE GRANT MONEYS TO PROVIDE THE UNIQUE CENTRALIZED OPERATING  
4 SERVICES TO ANY ELIGIBLE SCHOOL DISTRICT AND TO A CHARTER SCHOOL  
5 PHYSICALLY LOCATED WITHIN ANY ELIGIBLE SCHOOL DISTRICT.

6 (4) (a) THE STATE BOARD SHALL PROMULGATE RULES PURSUANT  
7 TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE  
8 24, C.R.S., TO ESTABLISH THE PROCESS AND TIMELINES BY WHICH A  
9 BOCES MAY APPLY TO THE DEPARTMENT FOR A GRANT AND ANY  
10 INFORMATION IN ADDITION TO THE INFORMATION SPECIFIED IN PARAGRAPH  
11 (b) OF THIS SUBSECTION (4) THAT A BOCES MUST PROVIDE IN APPLYING  
12 FOR A GRANT.

13 (b) TO APPLY FOR A GRANT, A BOCES MUST SUBMIT A PLAN THAT,  
14 AT A MINIMUM, DESCRIBES:

15 (I) THE CENTRALIZED OPERATING SERVICES THE BOCES WILL  
16 PROVIDE, BASED ON THE NEEDS OF THE ELIGIBLE SCHOOL DISTRICTS THAT  
17 ARE MEMBERS OF AND CONTIGUOUS TO THE APPLYING BOCES AND THE  
18 ELIGIBLE CHARTER SCHOOLS THAT ARE PHYSICALLY LOCATED WITHIN  
19 THOSE ELIGIBLE SCHOOL DISTRICTS, OR THE UNIQUE CENTRALIZED  
20 OPERATING SERVICES THE BOCES WILL PROVIDE;

21 (II) THE MANNER IN WHICH THE BOCES WILL PROVIDE THE  
22 SERVICES; AND

23 (III) THE OUTCOMES THAT THE BOCES EXPECTS TO ACHIEVE AS  
24 A RESULT OF PROVIDING THE SERVICES, WHICH OUTCOMES MUST INCLUDE,  
25 BUT NEED NOT BE LIMITED TO, REDUCING THE OVERHEAD OPERATING  
26 COSTS OF THE ELIGIBLE SCHOOL DISTRICTS AND ELIGIBLE CHARTER  
27 SCHOOLS THAT USE THE SERVICES AND INCREASING THE TIME THAT

1 EMPLOYEES OF THE ELIGIBLE SCHOOL DISTRICTS AND ELIGIBLE CHARTER  
2 SCHOOLS USE TO IMPROVE INSTRUCTION IN THE PUBLIC SCHOOLS.

3 (c) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (b) OF  
4 THIS SUBSECTION (4), A BOCES THAT APPLIES FOR A GRANT AND ASKS TO  
5 USE THE GRANT MONEYS TO CREATE A PLAN IN THE FIRST GRANT YEAR  
6 MAY SUBMIT AN APPLICATION TO THE DEPARTMENT THAT PROVIDES THE  
7 INFORMATION REQUIRED BY RULE OF THE STATE BOARD.

8 (5) (a) THE STATE BOARD, BY RULE, SHALL ESTABLISH CRITERIA  
9 THAT THE DEPARTMENT AND THE STATE BOARD SHALL USE IN REVIEWING  
10 THE APPLICATIONS AND PLANS AND SELECTING THE GRANT RECIPIENTS.  
11 THE DEPARTMENT SHALL RECOMMEND APPLICANTS TO THE STATE BOARD,  
12 AND THE STATE BOARD SHALL SELECT THE BOCES THAT RECEIVE  
13 GRANTS, TAKING INTO CONSIDERATION THE DEPARTMENT'S  
14 RECOMMENDATIONS.

15 (b) THE CRITERIA MUST, AT A MINIMUM, GIVE GREATER WEIGHT TO  
16 BOCES APPLICATIONS OR PLANS THAT:

17 (I) PROVIDE INCENTIVES TO ELIGIBLE SCHOOL DISTRICTS AND  
18 ELIGIBLE CHARTER SCHOOLS TO COLLABORATE IN CENTRALIZING A BROAD  
19 ARRAY OF OPERATING SERVICES THAT WILL SIGNIFICANTLY REDUCE  
20 OPERATING OVERHEAD COSTS FOR PARTICIPATING ELIGIBLE SCHOOL  
21 DISTRICTS AND ELIGIBLE CHARTER SCHOOLS;

22 (II) PROVIDE EVIDENCE THAT A HIGH PERCENTAGE OF THE  
23 ELIGIBLE SCHOOL DISTRICTS THAT ARE MEMBERS OF AND CONTIGUOUS TO  
24 THE APPLYING BOCES:

25 (A) EMPLOY A SINGLE ADMINISTRATOR AND HAVE LOW PROPERTY  
26 VALUES, MINIMAL ABILITY TO RAISE ADDITIONAL LOCAL REVENUES UNDER  
27 SECTIONS 22-54-108 AND 22-54-108.5, AND RELATIVELY HIGH OPERATING



1 OVERHEAD COSTS; OR

2 (B) ANTICIPATE USING THE CENTRALIZED OPERATING SERVICES  
3 THAT THE BOCES EXPECTS TO PROVIDE;

4 (III) WITH REGARD TO AN APPLYING BOCES THAT PROVIDES  
5 UNIQUE CENTRALIZED OPERATING SERVICES THAT ARE NOT PROVIDED BY  
6 ANOTHER BOCES IN THE STATE, PROVIDE EVIDENCE THAT A SIGNIFICANT  
7 PERCENTAGE OF THE ELIGIBLE SCHOOL DISTRICTS THROUGHOUT THE STATE  
8 AND CHARTER SCHOOLS PHYSICALLY LOCATED WITHIN ELIGIBLE SCHOOL  
9 DISTRICTS THROUGHOUT THE STATE ANTICIPATE USING THE UNIQUE  
10 CENTRALIZED OPERATING SERVICES THAT THE BOCES PROVIDES;

11 (IV) TO THE EXTENT POSSIBLE, LEVERAGE MONEYS THAT THE  
12 APPLYING BOCES RECEIVES PURSUANT TO SECTION 22-5-122 AND  
13 FEDERAL MONEYS WITH THE MONEYS RECEIVED PURSUANT TO THIS  
14 SECTION TO PROVIDE CENTRALIZED OPERATING SERVICES TO ELIGIBLE  
15 SCHOOL DISTRICTS THAT ARE MEMBERS OF AND SURROUNDING THE  
16 APPLYING BOCES AND ELIGIBLE CHARTER SCHOOLS LOCATED WITHIN  
17 THOSE ELIGIBLE SCHOOL DISTRICTS OR TO PROVIDE UNIQUE CENTRALIZED  
18 OPERATING SERVICES TO ELIGIBLE SCHOOL DISTRICTS THROUGHOUT THE  
19 STATE AND TO CHARTER SCHOOLS PHYSICALLY LOCATED WITHIN ELIGIBLE  
20 SCHOOL DISTRICTS THROUGHOUT THE STATE; AND

21 (V) ARE SUBMITTED BY BOCES THAT ARE APPLYING JOINTLY  
22 WITH OTHER BOCES.

23 (6) (a) BY OCTOBER 1, 2015, THE STATE BOARD SHALL AWARD THE  
24 GRANTS. EACH GRANT CONTINUES FOR UP TO THREE YEARS, SUBJECT TO  
25 ANNUAL REVIEW BY THE DEPARTMENT AS PROVIDED IN SUBSECTION (7) OF  
26 THIS SECTION. THE DEPARTMENT SHALL DISTRIBUTE UP TO FIVE HUNDRED  
27 THOUSAND DOLLARS FOR EACH OF THE THREE GRANT YEARS TO EACH OF

1 THE SELECTED BOCES; EXCEPT THAT, THE DEPARTMENT SHALL  
2 DISTRIBUTE GRANT MONEYS TO A SELECTED BOCES IN THE SECOND AND  
3 THIRD GRANT YEARS ONLY IF THE BOCES DEMONSTRATES THAT IT IS  
4 EFFECTIVE IN PROVIDING CENTRALIZED OPERATING SERVICES, AS  
5 DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION (7) OF THIS  
6 SECTION.

7 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF  
8 THIS SUBSECTION (6), THE STATE BOARD MAY AUTHORIZE A SELECTED  
9 BOCES TO USE THE GRANT MONEYS IN THE FIRST YEAR AS A PLANNING  
10 GRANT, AND THE DEPARTMENT SHALL NOT DISTRIBUTE MORE THAN FIFTY  
11 THOUSAND DOLLARS TO THE BOCES IN THE FIRST GRANT YEAR. THE  
12 BOCES SHALL SUBMIT TO THE DEPARTMENT ITS PLAN FOR PROVIDING  
13 CENTRALIZED OPERATING SERVICES BY A DATE SPECIFIED BY RULE OF THE  
14 STATE BOARD. THE DEPARTMENT SHALL REVIEW THE BOCES'S PLAN AND  
15 SHALL DISTRIBUTE GRANT MONEYS TO THE BOCES FOR THE SECOND  
16 GRANT YEAR ONLY IF THE DEPARTMENT DETERMINES THAT THE BOCES'S  
17 PLAN IS SUFFICIENT.

18 (7) (a) EACH BOCES THAT RECEIVES A GRANT SHALL ANNUALLY  
19 SUBMIT TO THE DEPARTMENT A REPORT, AS DESCRIBED BY RULE OF THE  
20 STATE BOARD, THAT PROVIDES INFORMATION THAT THE DEPARTMENT  
21 SHALL USE TO EVALUATE THE BOCES'S EFFECTIVENESS IN PROVIDING  
22 CENTRALIZED OPERATING SERVICES. AT A MINIMUM, IN EVALUATING  
23 EFFECTIVENESS, THE DEPARTMENT SHALL CONSIDER:

24 (I) THE PERCENTAGE OF ELIGIBLE SCHOOL DISTRICTS THAT ARE  
25 MEMBERS OF OR SURROUNDING THE BOCES THAT USE THE CENTRALIZED  
26 OPERATING SERVICES THAT THE BOCES PROVIDES, OR IF THE BOCES  
27 PROVIDES UNIQUE CENTRALIZED OPERATING SERVICES, THE PERCENTAGE

1 OF ELIGIBLE SCHOOL DISTRICTS THROUGHOUT THE STATE AND CHARTER  
2 SCHOOLS PHYSICALLY LOCATED IN ELIGIBLE SCHOOL DISTRICTS  
3 THROUGHOUT THE STATE THAT USE THE UNIQUE CENTRALIZED OPERATING  
4 SERVICES THAT THE BOCES PROVIDES;

5 (II) EVIDENCE THAT THE ELIGIBLE SCHOOL DISTRICTS AND  
6 ELIGIBLE CHARTER SCHOOLS THAT USE THE CENTRALIZED OPERATING  
7 SERVICES HAVE REDUCED OPERATING OVERHEAD COSTS AS A RESULT OF  
8 THE CENTRALIZED OPERATING SERVICES THAT THE BOCES PROVIDES;

9 (III) THE LEVEL OF SATISFACTION OF THE ELIGIBLE SCHOOL  
10 DISTRICTS AND ELIGIBLE CHARTER SCHOOLS WITH THE CENTRALIZED  
11 OPERATING SERVICES THAT THE BOCES PROVIDES;

12 (IV) THE QUALITY OF THE CENTRALIZED OPERATING SERVICES  
13 THAT THE BOCES PROVIDES; AND

14 (V) THE PERFORMANCE OF THE ELIGIBLE SCHOOL DISTRICTS AND  
15 ELIGIBLE CHARTER SCHOOLS THAT USE THE CENTRALIZED OPERATING  
16 SERVICES ON THE PERFORMANCE INDICATORS DESCRIBED IN SECTION  
17 22-11-204.

18 (b) THE DEPARTMENT SHALL ANNUALLY REVIEW EACH BOCES'S  
19 REPORT, EVALUATE THE EFFECTIVENESS OF THE CENTRALIZED OPERATING  
20 SERVICES THAT EACH BOCES PROVIDES, AND, BASED ON THE  
21 EVALUATION, DETERMINE WHETHER EACH BOCES QUALIFIES TO RECEIVE  
22 FUNDING PURSUANT TO THIS SECTION FOR THE NEXT GRANT YEAR.

23 (c) NOTWITHSTANDING ANY PROVISION OF PARAGRAPHS (a) AND  
24 (b) OF THIS SUBSECTION (7) TO THE CONTRARY, IF A BOCES IS  
25 AUTHORIZED TO USE THE FIRST YEAR OF GRANT MONEYS AS A PLANNING  
26 GRANT, THE BOCES MUST SUBMIT THE REPORT DESCRIBED IN PARAGRAPH  
27 (a) OF THIS SUBSECTION (7) ONLY FOR THE SECOND AND THIRD YEARS OF

1 THE GRANT, AND THE BOCES'S RECEIPT OF GRANT MONEYS IN THE THIRD  
2 YEAR IS BASED ON THE EVALUATION DESCRIBED IN PARAGRAPH (b) OF THIS  
3 SUBSECTION (7).

4 (8) (a) THERE IS CREATED IN THE STATE TREASURY THE BOCES  
5 CENTRALIZED OPERATING SERVICES FUND, REFERRED TO IN THIS  
6 SUBSECTION (8) AS THE "FUND", CONSISTING OF MONEYS THAT THE  
7 GENERAL ASSEMBLY APPROPRIATES FROM THE STATE EDUCATION FUND,  
8 CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION,  
9 TO THE FUND. IT IS THE INTENT OF THE GENERAL ASSEMBLY TO  
10 APPROPRIATE TO THE FUND FIVE MILLION DOLLARS FOR EACH OF THE  
11 2015-16 AND 2016-17 BUDGET YEARS. THE MONEYS IN THE FUND ARE  
12 CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT FOR THE DIRECT AND  
13 INDIRECT COSTS ASSOCIATED WITH IMPLEMENTING THIS SECTION.

14 (b) THE STATE TREASURER MAY INVEST ANY MONEYS IN THE FUND  
15 NOT EXPENDED FOR THE PURPOSE OF THIS SECTION AS PROVIDED BY LAW.  
16 THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED  
17 FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND TO THE  
18 FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN  
19 THE FUND AT THE END OF A FISCAL YEAR MUST REMAIN IN THE FUND AND  
20 SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR  
21 ANOTHER FUND; EXCEPT THAT ANY MONEYS REMAINING IN THE FUND AS  
22 OF JULY 1, 2018, MUST REVERT TO THE STATE EDUCATION FUND.

23 (c) BEGINNING IN THE 2015-16 BUDGET YEAR, THE DEPARTMENT  
24 SHALL ANNUALLY DISTRIBUTE MONEYS FROM THE FUND AS PROVIDED IN  
25 THIS SECTION.

26 (9) (a) AS PART OF THE REPORT THAT THE DEPARTMENT PROVIDES  
27 PURSUANT TO SECTION 2-7-203, C.R.S., AT A HEARING OF THE JOINT

1 EDUCATION COMMITTEE IN NOVEMBER OR DECEMBER OF 2017, THE  
2 DEPARTMENT SHALL ADDRESS THE INFORMATION SPECIFIED IN PARAGRAPH  
3 (b) OF THIS SUBSECTION (9) AND PROVIDE RECOMMENDATIONS  
4 CONCERNING THE CONTINUATION OF AND ANY PROPOSED LEGISLATIVE  
5 CHANGES AFFECTING THE GRANTS PROVIDED PURSUANT TO THIS SECTION.

6 (b) THE DEPARTMENT'S REPORT MUST SPECIFY:

7 (I) THE BOCES THAT RECEIVED GRANTS, WHETHER THEY  
8 RECEIVED A PLANNING GRANT, AND WHETHER THEY RECEIVED THE GRANT  
9 MONEYS IN EACH OF THE THREE GRANT YEARS;

10 (II) THE CENTRALIZED OPERATING SERVICES THAT EACH BOCES  
11 PROVIDED USING THE GRANT MONEYS;

12 (III) THE ELIGIBLE SCHOOL DISTRICTS AND ELIGIBLE CHARTER  
13 SCHOOLS THAT USED THE CENTRALIZED OPERATING SERVICES THAT EACH  
14 BOCES PROVIDED; AND

15 (IV) WHETHER PROVIDING THE CENTRALIZED OPERATING  
16 SERVICES WAS EFFECTIVE IN REDUCING THE OPERATING OVERHEAD COSTS  
17 OF, AND INCREASING THE AMOUNT OF TIME AVAILABLE TO  
18 ADMINISTRATORS TO SUPPORT INSTRUCTION WITHIN, THE ELIGIBLE SCHOOL  
19 DISTRICTS AND ELIGIBLE CHARTER SCHOOLS THAT USED THE SERVICES.

20 (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2018.

21 **SECTION 2.** In Colorado Revised Statutes, 22-2-122, **amend** (3)

22 (a) as follows:

23 **22-2-122. Grants to schools and school districts.** (3) (a) For  
24 each budget year, the department shall allocate to the boards of  
25 cooperative services established pursuant to article 5 of this title that  
26 provide a wide range of services ~~described in section 22-5-118~~ to their  
27 member school districts, or school districts with student populations of

1 less than four thousand students, an amount equal to one percent of the  
2 amount appropriated to all education grant programs FOR WHICH A  
3 SCHOOL DISTRICT MAY APPLY for that fiscal year, or two hundred fifty  
4 thousand dollars, whichever is less. The amount allocated to the boards  
5 of cooperative services pursuant to this subsection (3) shall be taken from  
6 the amounts appropriated to all education grant programs FOR WHICH A  
7 SCHOOL DISTRICT MAY APPLY. In the event the department allocates two  
8 hundred fifty thousand dollars, such amount shall be taken from each  
9 education grant program FOR WHICH A SCHOOL DISTRICT MAY APPLY in the  
10 same proportion that the amount appropriated for that fiscal year to the  
11 education grant program bears to the total amount appropriated for that  
12 fiscal year to all education grant programs FOR WHICH A SCHOOL DISTRICT  
13 MAY APPLY.

14 **SECTION 3.** In Colorado Revised Statutes, 22-5-114, **repeal** (1)  
15 (b) and (2) as follows:

16 **22-5-114. Eligibility for funds.** (1) (b) ~~Approval to receive state~~  
17 ~~moneys under this subsection (1) does not constitute approval to receive~~  
18 ~~state moneys pursuant to section 22-5-118.~~

19 (2) ~~Unless otherwise approved by the state board, to be eligible to~~  
20 ~~receive state funds under this section, and under section 22-5-118, a board~~  
21 ~~of cooperative services shall meet all the following criteria:~~

22 (a) ~~It shall serve school districts with a combined total enrollment~~  
23 ~~of not less than four thousand students; and~~

24 (b) ~~It shall either serve school districts in two or more counties or~~  
25 ~~serve multiple school districts located in the same county.~~

26 **SECTION 4. Appropriation.** For the 2015-16 state fiscal year,  
27 \$5,000,000 is appropriated to the BOCES centralized operating services

1 fund created in section 22-5-118, C.R.S. This appropriation is from the  
2 state education fund created in section 17 (4) of article IX of the state  
3 constitution. The department of education is responsible for the  
4 accounting related to this appropriation.

5 **SECTION 5. Safety clause.** The general assembly hereby finds,  
6 determines, and declares that this act is necessary for the immediate  
7 preservation of the public peace, health, and safety.