

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0158.02 Julie Pelegrin x2700

HOUSE BILL 15-1201

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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/billsummaries>.)*

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.

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

27 (IX) TRAINING FOR NON-INSTRUCTIONAL STAFF.

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

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

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

13 (f) "ELIGIBLE SCHOOL DISTRICT" MEANS:

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

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

26 (g) "GRANT" MEANS A CONDITIONAL THREE-YEAR GRANT TO  
27 PROVIDE CENTRALIZED OPERATING SERVICES THAT IS AWARDED TO A

1 BOCES PURSUANT TO THIS SECTION.

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

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

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

25 (4) (a) THE STATE BOARD SHALL PROMULGATE RULES PURSUANT  
26 TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE  
27 24, C.R.S., TO ESTABLISH THE PROCESS AND TIMELINES BY WHICH A

1 BOCES MAY APPLY TO THE DEPARTMENT FOR A GRANT AND ANY  
2 INFORMATION IN ADDITION TO THE INFORMATION SPECIFIED IN PARAGRAPH  
3 (b) OF THIS SUBSECTION (4) THAT A BOCES MUST PROVIDE IN APPLYING  
4 FOR A GRANT.

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

7 (I) THE CENTRALIZED OPERATING SERVICES THE BOCES WILL  
8 PROVIDE, BASED ON THE NEEDS OF THE ELIGIBLE SCHOOL DISTRICTS THAT  
9 ARE MEMBERS OF AND CONTIGUOUS TO THE APPLYING BOCES AND THE  
10 ELIGIBLE CHARTER SCHOOLS THAT ARE PHYSICALLY LOCATED WITHIN  
11 THOSE ELIGIBLE SCHOOL DISTRICTS;

12 (II) THE MANNER IN WHICH THE BOCES WILL PROVIDE THE  
13 SERVICES; AND

14 (III) THE OUTCOMES THAT THE BOCES EXPECTS TO ACHIEVE AS  
15 A RESULT OF PROVIDING THE SERVICES, WHICH OUTCOMES MUST INCLUDE,  
16 BUT NEED NOT BE LIMITED TO, REDUCING THE OVERHEAD OPERATING  
17 COSTS OF THE ELIGIBLE SCHOOL DISTRICTS AND ELIGIBLE CHARTER  
18 SCHOOLS THAT USE THE SERVICES AND INCREASING THE TIME THAT  
19 EMPLOYEES OF THE ELIGIBLE SCHOOL DISTRICTS AND ELIGIBLE CHARTER  
20 SCHOOLS USE TO IMPROVE INSTRUCTION IN THE PUBLIC SCHOOLS.

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

26 (5) (a) THE STATE BOARD, BY RULE, SHALL ESTABLISH CRITERIA  
27 THAT THE DEPARTMENT AND THE STATE BOARD SHALL USE IN REVIEWING

1 THE APPLICATIONS AND PLANS AND SELECTING THE GRANT RECIPIENTS.  
2 THE DEPARTMENT SHALL RECOMMEND APPLICANTS TO THE STATE BOARD,  
3 AND THE STATE BOARD SHALL SELECT THE BOCES THAT RECEIVE  
4 GRANTS, TAKING INTO CONSIDERATION THE DEPARTMENT'S  
5 RECOMMENDATIONS.

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

8 (I) PROVIDE INCENTIVES TO ELIGIBLE SCHOOL DISTRICTS AND  
9 ELIGIBLE CHARTER SCHOOLS TO COLLABORATE IN CENTRALIZING A BROAD  
10 ARRAY OF OPERATING SERVICES THAT WILL SIGNIFICANTLY REDUCE  
11 OPERATING OVERHEAD COSTS FOR PARTICIPATING ELIGIBLE SCHOOL  
12 DISTRICTS AND ELIGIBLE CHARTER SCHOOLS;

13 (II) PROVIDE EVIDENCE THAT A HIGH PERCENTAGE OF THE  
14 ELIGIBLE SCHOOL DISTRICTS THAT ARE MEMBERS OF AND CONTIGUOUS TO  
15 THE APPLYING BOCES:

16 (A) EMPLOY A SINGLE ADMINISTRATOR AND HAVE LOW PROPERTY  
17 VALUES, MINIMAL ABILITY TO RAISE ADDITIONAL LOCAL REVENUES UNDER  
18 SECTIONS 22-54-108 AND 22-54-108.5, AND RELATIVELY HIGH OPERATING  
19 OVERHEAD COSTS; OR

20 (B) ANTICIPATE USING THE CENTRALIZED OPERATING SERVICES  
21 THAT THE BOCES EXPECTS TO PROVIDE;

22 (III) TO THE EXTENT POSSIBLE, LEVERAGE MONEYS THAT THE  
23 APPLYING BOCES RECEIVES PURSUANT TO SECTION 22-5-122 AND  
24 FEDERAL MONEYS WITH THE MONEYS RECEIVED PURSUANT TO THIS  
25 SECTION TO PROVIDE CENTRALIZED OPERATING SERVICES TO ELIGIBLE  
26 SCHOOL DISTRICTS THAT ARE MEMBERS OF AND SURROUNDING THE  
27 APPLYING BOCES AND ELIGIBLE CHARTER SCHOOLS LOCATED WITHIN



1 THOSE ELIGIBLE SCHOOL DISTRICTS; AND

2 (IV) ARE SUBMITTED BY BOCES THAT ARE APPLYING JOINTLY  
3 WITH OTHER BOCES.

4 (6) (a) BY OCTOBER 1, 2015, THE STATE BOARD SHALL AWARD THE  
5 GRANTS. EACH GRANT CONTINUES FOR UP TO THREE YEARS, SUBJECT TO  
6 ANNUAL REVIEW BY THE DEPARTMENT AS PROVIDED IN SUBSECTION (7) OF  
7 THIS SECTION. THE DEPARTMENT SHALL DISTRIBUTE UP TO FIVE HUNDRED  
8 THOUSAND DOLLARS FOR EACH OF THE THREE GRANT YEARS TO EACH OF  
9 THE SELECTED BOCES; EXCEPT THAT, THE DEPARTMENT SHALL  
10 DISTRIBUTE GRANT MONEYS TO A SELECTED BOCES IN THE SECOND AND  
11 THIRD GRANT YEARS ONLY IF THE BOCES DEMONSTRATES THAT IT IS  
12 EFFECTIVE IN PROVIDING CENTRALIZED OPERATING SERVICES, AS  
13 DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION (7) OF THIS  
14 SECTION.

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

26 (7) (a) EACH BOCES THAT RECEIVES A GRANT SHALL ANNUALLY  
27 SUBMIT TO THE DEPARTMENT A REPORT, AS DESCRIBED BY RULE OF THE

1 STATE BOARD, THAT PROVIDES INFORMATION THAT THE DEPARTMENT  
2 SHALL USE TO EVALUATE THE BOCES'S EFFECTIVENESS IN PROVIDING  
3 CENTRALIZED OPERATING SERVICES. AT A MINIMUM, IN EVALUATING  
4 EFFECTIVENESS, THE DEPARTMENT SHALL CONSIDER:

5 (I) THE PERCENTAGE OF ELIGIBLE SCHOOL DISTRICTS THAT ARE  
6 MEMBERS OF OR SURROUNDING THE BOCES THAT USE THE CENTRALIZED  
7 OPERATING SERVICES THAT THE BOCES PROVIDES;

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

12 (III) THE LEVEL OF SATISFACTION OF THE ELIGIBLE SCHOOL  
13 DISTRICTS AND ELIGIBLE CHARTER SCHOOLS WITH THE CENTRALIZED  
14 OPERATING SERVICES THAT THE BOCES PROVIDES;

15 (IV) THE QUALITY OF THE CENTRALIZED OPERATING SERVICES  
16 THAT THE BOCES PROVIDES; AND

17 (V) THE PERFORMANCE OF THE ELIGIBLE SCHOOL DISTRICTS AND  
18 ELIGIBLE CHARTER SCHOOLS THAT USE THE CENTRALIZED OPERATING  
19 SERVICES ON THE PERFORMANCE INDICATORS DESCRIBED IN SECTION  
20 22-11-204.

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

26 (c) NOTWITHSTANDING ANY PROVISION OF PARAGRAPHS (a) AND  
27 (b) OF THIS SUBSECTION (7) TO THE CONTRARY, IF A BOCES IS

1 AUTHORIZED TO USE THE FIRST YEAR OF GRANT MONEYS AS A PLANNING  
2 GRANT, THE BOCES MUST SUBMIT THE REPORT DESCRIBED IN PARAGRAPH  
3 (a) OF THIS SUBSECTION (7) ONLY FOR THE SECOND AND THIRD YEARS OF  
4 THE GRANT, AND THE BOCES'S RECEIPT OF GRANT MONEYS IN THE THIRD  
5 YEAR IS BASED ON THE EVALUATION DESCRIBED IN PARAGRAPH (b) OF THIS  
6 SUBSECTION (7).

7 (8) (a) THERE IS CREATED IN THE STATE TREASURY THE BOCES  
8 CENTRALIZED OPERATING SERVICES FUND, REFERRED TO IN THIS  
9 SUBSECTION (8) AS THE "FUND", CONSISTING OF MONEYS THAT THE  
10 GENERAL ASSEMBLY APPROPRIATES FROM THE STATE EDUCATION FUND,  
11 CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION,  
12 TO THE FUND. THE MONEYS IN THE FUND ARE CONTINUOUSLY  
13 APPROPRIATED TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS  
14 ASSOCIATED WITH IMPLEMENTING THIS SECTION.

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

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

27 (9) (a) AS PART OF THE REPORT THAT THE DEPARTMENT PROVIDES

1 PURSUANT TO SECTION 2-7-203, C.R.S., AT A HEARING OF THE JOINT  
2 EDUCATION COMMITTEE IN NOVEMBER OR DECEMBER OF 2017, THE  
3 DEPARTMENT SHALL ADDRESS THE INFORMATION SPECIFIED IN PARAGRAPH  
4 (b) OF THIS SUBSECTION (9) AND PROVIDE RECOMMENDATIONS  
5 CONCERNING THE CONTINUATION OF AND ANY PROPOSED LEGISLATIVE  
6 CHANGES AFFECTING THE GRANTS PROVIDED PURSUANT TO THIS SECTION.

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

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

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

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

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

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

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

23 (a) as follows:

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

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

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

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

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

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

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

27 **SECTION 4. Appropriation.** For the 2015-16 state fiscal year,

1 \$10,000,000 is appropriated to the BOCES centralized operating services  
2 fund created in section 22-5-118, C.R.S. This appropriation is from the  
3 state education fund created in section 17 (4) of article IX of the state  
4 constitution. The department of education is responsible for the  
5 accounting related to this appropriation.

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