

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-0399.01 Julie Pelegrin x2700

SENATE BILL 17-061

SENATE SPONSORSHIP

Hill and Williams A.,

HOUSE SPONSORSHIP

Sias,

Senate Committees

Education

House Committees

A BILL FOR AN ACT

101 **CONCERNING DISTRIBUTION OF ADDITIONAL OPERATIONAL FUNDING**

102 **TO CHARTER SCHOOLS.**

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://leg.colorado.gov/>.)

Beginning in the 2017-18 budget year, the bill requires a school district to distribute revenue it receives from ongoing local property tax mill levies equally, on a per-student basis, to the school district charter schools. Under specified circumstances, the school district may distribute the revenue using a different calculation. The bill does not require a school district to redistribute to charter schools any amount of the mill

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.

levy revenue that it distributed in budget years before the 2017-18 budget year.

The bill directs the department of education to calculate a mill levy equalization payment for each institute charter school in the amount of the per pupil share of the mill levy overrides of an institute charter school's accounting district. The state will pay the mill levy equalization amounts, subject to annual appropriations.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-30.5-112.4
3 as follows:

4 **22-30.5-112.4. Charter schools - mill levy revenues -**
5 **equalization - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE
6 CONTEXT OTHERWISE REQUIRES:

7 (a) "ADDITIONAL MILL LEVY" MEANS THE NUMBER OF MILLS THAT
8 A SCHOOL DISTRICT LEVIES THAT ARE IN ADDITION TO THE SCHOOL
9 DISTRICT'S TOTAL PROGRAM MILL LEVY ESTABLISHED IN SECTION
10 22-54-106(2), NOT INCLUDING MILLS THAT A SCHOOL DISTRICT MAY LEVY
11 UNDER SECTION 22-40-110 OR ARTICLE 42 OR 43 OF THIS TITLE 22, AND
12 THAT ARE AUTHORIZED BY VOTERS BEFORE, ON, OR AFTER THE EFFECTIVE
13 DATE OF THIS SECTION.

14 (b) "PER PUPIL MILL LEVY SHARE" MEANS AN AMOUNT EQUAL TO
15 THE REVENUE THAT A SCHOOL DISTRICT COLLECTS FROM ITS ADDITIONAL
16 MILL LEVY FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE SCHOOL
17 DISTRICT'S FUNDED PUPIL COUNT AS DEFINED IN SECTION 22-54-103 FOR
18 THE APPLICABLE BUDGET YEAR.

19 (c) "RESTRICTED REVENUE" MEANS REVENUE THAT A SCHOOL
20 DISTRICT COLLECTS FROM ITS ADDITIONAL MILL LEVY, THE USE OF WHICH
21 IS RESTRICTED BY VOTERS TO A SPECIFIC PROGRAM, TO STUDENTS
22 ENROLLED IN A SPECIFIC GRADE LEVEL, OR TO THE TERMS OF AN

1 AGREEMENT BETWEEN A THIRD PARTY AND THE SCHOOL DISTRICT THAT
2 GOVERNS THE USE OF THE REVENUE AND THAT EXISTED BEFORE THE
3 EFFECTIVE DATE OF THIS SECTION.

4 (2) (a) FOR THE 2017-18 BUDGET YEAR AND EACH BUDGET YEAR
5 THEREAFTER, EACH SCHOOL DISTRICT THAT AUTHORIZES A CHARTER
6 SCHOOL SHALL DISTRIBUTE TO THE CHARTER SCHOOL AT LEAST ONE
7 HUNDRED PERCENT OF AN AMOUNT EQUAL TO THE SCHOOL DISTRICT'S PER
8 PUPIL MILL LEVY SHARE FOR THE APPLICABLE BUDGET YEAR MULTIPLIED
9 BY THE NUMBER OF PUPILS, INCLUDING PRESCHOOL PROGRAM PUPILS,
10 ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR,
11 AS REPORTED TO THE DEPARTMENT FOR THE APPLICABLE BUDGET YEAR
12 PURSUANT TO SECTION 22-30.5-112 (1)(a). IN COUNTING THE NUMBER OF
13 PUPILS ENROLLED IN THE CHARTER SCHOOL, THE SCHOOL DISTRICT SHALL
14 COUNT A PUPIL ENROLLED IN KINDERGARTEN OR IN A PRESCHOOL
15 PROGRAM AS AT LEAST A HALF-DAY PUPIL AND MAY, AT THE SCHOOL
16 DISTRICT'S DISCRETION, COUNT A PUPIL WHO IS INCLUDED IN THE SCHOOL
17 DISTRICT'S ONLINE PUPIL ENROLLMENT, AS DEFINED IN SECTION 22-54-103.

18 (b) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
19 THIS SECTION TO THE CONTRARY, IN CALCULATING THE AMOUNT DUE TO
20 A CHARTER SCHOOL UNDER SUBSECTION (2)(a) OF THIS SECTION, A SCHOOL
21 DISTRICT MAY SUBTRACT FROM THE AMOUNT DUE TO THE CHARTER
22 SCHOOL ANY PORTION THAT IS RESTRICTED REVENUE IF THE CHARTER
23 SCHOOL, DURING THE APPLICABLE BUDGET YEAR, CLEARLY DOES NOT
24 PROVIDE THE SPECIFIC PROGRAM FOR WHICH THE RESTRICTED REVENUE IS
25 AUTHORIZED BY VOTERS OR IF THE CHARTER SCHOOL, DURING THE
26 APPLICABLE BUDGET YEAR, DOES NOT SERVE STUDENTS ENROLLED IN THE
27 GRADE LEVEL FOR WHICH THE RESTRICTED REVENUE IS AUTHORIZED BY

1 VOTERS.

2 (c) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
3 THIS SECTION TO THE CONTRARY, IN CALCULATING THE AMOUNT DUE TO
4 A CHARTER SCHOOL UNDER SUBSECTION (2)(a) OF THIS SECTION, A SCHOOL
5 DISTRICT MAY SUBTRACT FROM THE AMOUNT DUE TO THE CHARTER
6 SCHOOL ANY PORTION THAT IS RESTRICTED REVENUE BECAUSE IT IS
7 SUBJECT TO A THIRD-PARTY AGREEMENT THAT EXISTED BEFORE THE
8 EFFECTIVE DATE OF THIS SECTION; EXCEPT THAT, IF THE THIRD PARTY AND
9 THE SCHOOL DISTRICT AMEND THE TERMS OF THE AGREEMENT TO ALLOW
10 DISTRIBUTION OF THE REVENUE TO A CHARTER SCHOOL, THE REVENUE
11 CEASES TO BE RESTRICTED REVENUE AND THE SCHOOL DISTRICT SHALL
12 DISTRIBUTE THE REVENUE TO A CHARTER SCHOOL IN ACCORDANCE WITH
13 SUBSECTION (2)(a) OF THIS SECTION.

14 (d) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
15 THIS SECTION TO THE CONTRARY, IF, BEFORE THE EFFECTIVE DATE OF THIS
16 SECTION, A LOCAL SCHOOL BOARD HAS ADOPTED A WRITTEN POLICY THAT
17 DIRECTS THE SCHOOL DISTRICT TO DISTRIBUTE ANY PORTION OF ITS
18 ADDITIONAL MILL LEVY REVENUE TO SPECIFICALLY BENEFIT STUDENTS
19 ENROLLED IN ALTERNATIVE EDUCATION CAMPUSES, STUDENTS WHO
20 QUALIFY FOR REDUCED-PRICE MEALS UNDER THE FEDERAL "RICHARD B.
21 RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.,
22 STUDENTS WHO ARE IDENTIFIED AS ENGLISH LANGUAGE LEARNERS UNDER
23 SECTION 22-24-105, OR STUDENTS WHO HAVE INDIVIDUALIZED EDUCATION
24 PROGRAMS UNDER PART 1 OF ARTICLE 20 OF THIS TITLE 22, THE SCHOOL
25 DISTRICT MAY CONTINUE DISTRIBUTING THE REVENUE FOR THESE
26 PURPOSES, SO LONG AS THE AMOUNT DISTRIBUTED FOR EACH STUDENT IS
27 THE SAME REGARDLESS OF WHETHER THE STUDENT IS ENROLLED IN A

1 CHARTER SCHOOL OR ANOTHER SCHOOL OF THE SCHOOL DISTRICT. IF THE
2 SCHOOL DISTRICT CHANGES THE DISTRIBUTION OF REVENUE FOR THESE
3 PURPOSES AFTER THE EFFECTIVE DATE OF THIS SECTION, THE SCHOOL
4 DISTRICT SHALL DISTRIBUTE THE REVENUE IN ACCORDANCE WITH
5 SUBSECTION (2)(a) OF THIS SECTION. THE SCHOOL DISTRICT SHALL
6 DISTRIBUTE ANY AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT
7 REMAINS AFTER DISTRIBUTION FOR THESE PURPOSES IN ACCORDANCE WITH
8 SUBSECTION (2)(a) OF THIS SECTION.

9 (e) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
10 THIS SECTION TO THE CONTRARY, IF A SCHOOL DISTRICT AUTHORIZES A
11 CHARTER SCHOOL THAT IS PHYSICALLY LOCATED WITHIN THE GEOGRAPHIC
12 BOUNDARIES OF ANOTHER SCHOOL DISTRICT, THE CHARTERING SCHOOL
13 DISTRICT IS REQUIRED TO DISTRIBUTE TO THE CHARTER SCHOOL AN
14 AMOUNT EQUAL TO THE PER PUPIL MILL LEVY SHARE MULTIPLIED ONLY BY
15 THE NUMBER OF STUDENTS ENROLLED IN THE CHARTER SCHOOL WHO
16 RESIDE WITHIN THE AUTHORIZING SCHOOL DISTRICT, WHICH AMOUNT MAY
17 BE ADJUSTED AS PROVIDED IN SUBSECTIONS (2)(b) TO (2)(d) OF THIS
18 SECTION, AS APPROPRIATE. THE AUTHORIZING SCHOOL DISTRICT MAY
19 CHOOSE TO DISTRIBUTE A GREATER PORTION OF THE ADDITIONAL MILL
20 LEVY REVENUE TO THE CHARTER SCHOOL.

21 (3) THIS SECTION DOES NOT REQUIRE A SCHOOL DISTRICT TO
22 RECALCULATE THE DISTRIBUTION OF, OR TO REDISTRIBUTE, ANY
23 ADDITIONAL MILL LEVY REVENUE THAT THE SCHOOL DISTRICT COLLECTED
24 BEFORE THE 2017-18 BUDGET YEAR.

25 **SECTION 2.** In Colorado Revised Statutes, **add 22-30.5-513.1**
26 as follows:

27 **22-30.5-513.1. Institute charter schools - mill levy equalization**

1 **payments - definitions - reporting.** (1) AS USED IN THIS SECTION,
2 UNLESS THE CONTEXT OTHERWISE REQUIRES:

3 (a) "ACCOUNTING DISTRICT" HAS THE SAME DEFINITION AS
4 PROVIDED IN SECTION 22-30.5-513 (1)(a).

5 (b) "ADDITIONAL MILL LEVY" MEANS THE NUMBER OF MILLS THAT
6 AN ACCOUNTING DISTRICT LEVIES THAT ARE IN ADDITION TO THE
7 ACCOUNTING DISTRICT'S TOTAL PROGRAM MILL LEVY ESTABLISHED IN
8 SECTION 22-54-106(2), NOT INCLUDING MILLS AUTHORIZED PURSUANT TO
9 SECTION 22-40-110 OR ARTICLE 42 OR 43 OF THIS TITLE 22, AND THAT ARE
10 AUTHORIZED BY VOTERS BEFORE, ON, OR AFTER THE EFFECTIVE DATE OF
11 THIS SECTION.

12 (2) (a) BEGINNING WITH THE 2017-18 BUDGET YEAR, THE
13 DEPARTMENT SHALL TRANSFER TO THE INSTITUTE, AND THE INSTITUTE
14 SHALL DISTRIBUTE TO EACH INSTITUTE CHARTER SCHOOL, THE AMOUNT OF
15 THE MILL LEVY EQUALIZATION PAYMENT THAT THE DEPARTMENT
16 CALCULATES FOR EACH INSTITUTE CHARTER SCHOOL PURSUANT TO THIS
17 SECTION.

18 (b) THE DEPARTMENT SHALL CALCULATE THE MILL LEVY
19 EQUALIZATION PAYMENT FOR EACH INSTITUTE CHARTER SCHOOL BY
20 DIVIDING THE AMOUNT OF ADDITIONAL LOCAL PROPERTY TAX REVENUES
21 THAT THE ACCOUNTING DISTRICT FOR THE INSTITUTE CHARTER SCHOOL IS
22 ENTITLED TO RECEIVE FROM THE ADDITIONAL MILL LEVY FOR THE
23 APPLICABLE BUDGET YEAR, ASSUMING ONE HUNDRED PERCENT
24 COLLECTION, BY THE ACCOUNTING DISTRICT'S FUNDED PUPIL COUNT FOR
25 THE APPLICABLE BUDGET YEAR, AND MULTIPLYING THAT AMOUNT BY THE
26 NUMBER OF PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL FOR THE
27 APPLICABLE BUDGET YEAR. BEFORE CALCULATING AN INSTITUTE CHARTER

1 SCHOOL'S MILL LEVY EQUALIZATION PAYMENT IN EACH BUDGET YEAR, THE
2 DEPARTMENT SHALL SUBTRACT FROM THE ACCOUNTING DISTRICT'S
3 ADDITIONAL LOCAL PROPERTY TAX REVENUES ANY AMOUNT OF REVENUES
4 THAT ARE SPECIFICALLY AUTHORIZED BY VOTERS TO BE USED ONLY FOR
5 A SPECIFIC PROGRAM THAT THE INSTITUTE CHARTER SCHOOL CLEARLY
6 DOES NOT PROVIDE DURING THE APPLICABLE BUDGET YEAR OR FOR A
7 GRADE LEVEL THAT THE INSTITUTE CHARTER SCHOOL DOES NOT SERVE
8 DURING THE APPLICABLE BUDGET YEAR.

9 (c) THE INSTITUTE SHALL DISTRIBUTE TO EACH INSTITUTE
10 CHARTER SCHOOL ONE HUNDRED PERCENT OF THE AMOUNT OF THE MILL
11 LEVY EQUALIZATION PAYMENT THAT THE DEPARTMENT CALCULATES AND
12 TRANSFERS PURSUANT TO THIS SECTION FOR THE INSTITUTE CHARTER
13 SCHOOL FOR THE APPLICABLE BUDGET YEAR.

14 (3) EACH ACCOUNTING DISTRICT SHALL ANNUALLY REPORT TO THE
15 DEPARTMENT:

16 (a) THE TOTAL AMOUNT OF ADDITIONAL LOCAL PROPERTY TAX
17 REVENUES IT IS ENTITLED TO RECEIVE FROM THE ADDITIONAL MILL LEVY
18 FOR THE APPLICABLE BUDGET YEAR, ASSUMING ONE HUNDRED PERCENT
19 COLLECTION;

20 (b) ANY PORTION OF THE AMOUNT OF ADDITIONAL LOCAL
21 PROPERTY TAX REVENUES THAT IS SPECIFICALLY AUTHORIZED BY VOTERS
22 TO BE USED ONLY FOR A SPECIFIC PROGRAM OR GRADE LEVEL; AND

23 (c) THE SPECIFIC PROGRAMS OR GRADE LEVELS FOR WHICH ALL OR
24 A PORTION OF THE ADDITIONAL LOCAL PROPERTY TAX REVENUES ARE
25 AUTHORIZED BY VOTERS TO BE USED.

26 (4) IT IS THE GENERAL ASSEMBLY'S INTENT TO ANNUALLY
27 APPROPRIATE TO THE DEPARTMENT THE AMOUNT REQUIRED TO FULLY

1 FUND THE MILL LEVY EQUALIZATION PAYMENTS DESCRIBED IN THIS
2 SECTION. IN A BUDGET YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT
3 APPROPRIATE A SUFFICIENT AMOUNT TO FULLY FUND THE MILL LEVY
4 EQUALIZATION PAYMENTS, THE DEPARTMENT SHALL REDUCE THE AMOUNT
5 OF EACH INSTITUTE CHARTER SCHOOL'S MILL LEVY EQUALIZATION
6 PAYMENT BY THE SAME PERCENTAGE THAT THE APPROPRIATION DEFICIT
7 BEARS TO THE AMOUNT REQUIRED TO FULLY FUND THE MILL LEVY
8 EQUALIZATION PAYMENTS. IN A BUDGET YEAR IN WHICH THE GENERAL
9 ASSEMBLY DOES NOT APPROPRIATE ANY MONEY TO FUND THE MILL LEVY
10 EQUALIZATION PAYMENTS, THE DEPARTMENT, THE INSTITUTE, AND THE
11 ACCOUNTING DISTRICTS ARE NOT REQUIRED TO COMPLY WITH THE
12 PROVISIONS OF THIS SECTION.

13 **SECTION 3. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2018 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.