

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 17-0399.01 Julie Pelegrin x2700

SENATE BILL 17-061

SENATE SPONSORSHIP

Hill and Williams A.,

HOUSE SPONSORSHIP

Sias,

Senate Committees

Education
Appropriations

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.

SENATE
Amended 2nd Reading
March 13, 2017

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) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (4) AND (5)
5 OF THIS SECTION, 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 A LOCAL SCHOOL BOARD HAS IN PLACE
16 OR ADOPTS A WRITTEN POLICY THAT DIRECTS THE SCHOOL DISTRICT TO
17 DISTRIBUTE ANY PORTION OF ITS ADDITIONAL MILL LEVY REVENUE TO
18 SPECIFICALLY BENEFIT STUDENTS ENROLLED IN ALTERNATIVE EDUCATION
19 CAMPUSES, STUDENTS WHO QUALIFY FOR FREE OR REDUCED-PRICE MEALS
20 UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH
21 ACT", 42 U.S.C. SEC. 1751 ET SEQ., STUDENTS WHO ARE IDENTIFIED AS
22 ENGLISH LANGUAGE LEARNERS UNDER SECTION 22-24-105, OR STUDENTS
23 WHO HAVE INDIVIDUALIZED EDUCATION PROGRAMS UNDER PART 1 OF
24 ARTICLE 20 OF THIS TITLE 22, THE SCHOOL DISTRICT MAY CONTINUE
25 DISTRIBUTING THE REVENUE FOR THESE PURPOSES, SO LONG AS THE
26 AMOUNT DISTRIBUTED FOR EACH STUDENT IS THE SAME REGARDLESS OF
27 WHETHER THE STUDENT IS ENROLLED IN A CHARTER SCHOOL OR ANOTHER

1 SCHOOL OF THE SCHOOL DISTRICT. THE SCHOOL DISTRICT SHALL
2 DISTRIBUTE ANY AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT
3 REMAINS AFTER DISTRIBUTION FOR THESE PURPOSES IN ACCORDANCE WITH
4 SUBSECTION (2)(a) OF THIS SECTION.

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

17 (f) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
18 THIS SECTION TO THE CONTRARY, IF, BEFORE DECEMBER 31, 2016, A
19 LOCAL SCHOOL BOARD ADOPTS A WRITTEN POLICY OR RESOLUTION THAT
20 EXPLICITLY DIRECTS THE SCHOOL DISTRICT TO DISTRIBUTE AN IDENTIFIED
21 AMOUNT OF THE REVENUE FROM THE SCHOOL DISTRICT'S ADDITIONAL MILL
22 LEVY FOR USE IN CONSTRUCTING OR MAINTAINING ONE OR MORE
23 BUILDINGS IDENTIFIED IN THE WRITTEN POLICY OR RESOLUTION, THE
24 SCHOOL DISTRICT MAY CONTINUE DISTRIBUTING THE IDENTIFIED REVENUE
25 AMOUNT IN ACCORDANCE WITH THE WRITTEN POLICY.

26 (g) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
27 THIS SECTION TO THE CONTRARY, IF A SCHOOL DISTRICT OBTAINED VOTER

1 APPROVAL FOR A BALLOT MEASURE FOR AN ADDITIONAL MILL LEVY
2 BEFORE THE EFFECTIVE DATE OF THIS SECTION AND THE BALLOT QUESTION
3 SPECIFICALLY ALLOTTED A PORTION OF THE ADDITIONAL MILL LEVY
4 REVENUES TO ONE OR MORE CAPITAL IMPROVEMENT PROJECTS, THE
5 SCHOOL DISTRICT IS NOT REQUIRED TO DISTRIBUTE TO THE CHARTER
6 SCHOOL ANY PORTION OF THE AMOUNT OF ADDITIONAL MILL LEVY
7 REVENUES ALLOCATED TO THE SPECIFIED CAPITAL IMPROVEMENT
8 PROJECTS UNTIL THE SPECIFIED CAPITAL IMPROVEMENT PROJECTS ARE
9 COMPLETED.

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

14 (4) (a) BEGINNING IN THE 2018-19 BUDGET YEAR, EACH SCHOOL
15 DISTRICT SHALL DISTRIBUTE THE PER PUPIL MILL LEVY SHARE TO THE
16 CHARTER SCHOOLS OF THE SCHOOL DISTRICT AS PROVIDED IN SUBSECTION
17 (2) OF THIS SECTION; EXCEPT THAT:

18 (I) FOR THE 2018-19 BUDGET YEAR, THE SCHOOL DISTRICT SHALL
19 CALCULATE THE PER PUPIL MILL LEVY SHARE BASED ON AT LEAST
20 THIRTY-THREE PERCENT OF THE ADDITIONAL MILL LEVY REVENUE IT
21 COLLECTS FOR THE 2018-19 BUDGET YEAR;

22 (II) FOR THE 2019-20 BUDGET YEAR, THE SCHOOL DISTRICT SHALL
23 CALCULATE THE PER PUPIL MILL LEVY SHARE BASED ON AT LEAST
24 SIXTY-SIX PERCENT OF THE ADDITIONAL MILL LEVY REVENUE IT COLLECTS
25 FOR THE 2019-20 BUDGET YEAR; AND

26 (III) FOR THE 2020-21 BUDGET YEAR AND EACH BUDGET YEAR
27 THEREAFTER, THE SCHOOL DISTRICT SHALL CALCULATE THE PER PUPIL

1 MILL LEVY SHARE BASED ON ONE HUNDRED PERCENT OF THE ADDITIONAL
2 MILL LEVY REVENUE IT COLLECTS FOR EACH APPLICABLE BUDGET YEAR.

3 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (4)(a) OF
4 THIS SECTION, IF, FOR THE 2016-17 BUDGET YEAR, A SCHOOL DISTRICT
5 DISTRIBUTES TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT AN
6 AMOUNT OF THE SCHOOL DISTRICT'S ADDITIONAL MILL LEVY REVENUE
7 THAT IS GREATER THAN THE AMOUNT REQUIRED IN SUBSECTION (4)(a)(I)
8 OF THIS SECTION FOR THE 2018-19 BUDGET YEAR, THE LOCAL SCHOOL
9 BOARD SHALL DISTRIBUTE TO THE CHARTER SCHOOLS OF THE SCHOOL
10 DISTRICT FOR THE 2018-19 BUDGET YEAR AT LEAST THE AMOUNT
11 DISTRIBUTED IN THE 2016-17 BUDGET YEAR, ALLOCATED AS PROVIDED IN
12 SUBSECTION (2) OF THIS SECTION.

13 (c) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (4)(a) OF
14 THIS SECTION, IF, FOR THE 2016-17 BUDGET YEAR, A SCHOOL DISTRICT
15 DISTRIBUTES TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT AN
16 AMOUNT OF THE SCHOOL DISTRICT'S ADDITIONAL MILL LEVY REVENUE
17 THAT IS GREATER THAN THE AMOUNT REQUIRED IN SUBSECTION (4)(a)(II)
18 OF THIS SECTION FOR THE 2019-20 BUDGET YEAR, THE LOCAL SCHOOL
19 BOARD SHALL DISTRIBUTE TO THE CHARTER SCHOOLS OF THE SCHOOL
20 DISTRICT FOR THE 2019-20 BUDGET YEAR AT LEAST THE AMOUNT
21 DISTRIBUTED IN THE 2016-17 BUDGET YEAR, ALLOCATED AS PROVIDED IN
22 SUBSECTION (2) OF THIS SECTION.

23 (5) (a) A LOCAL SCHOOL BOARD MAY SUBMIT TO THE ELIGIBLE
24 ELECTORS OF THE SCHOOL DISTRICT AT THE NEXT REGULAR SCHOOL
25 DISTRICT ELECTION AFTER THE EFFECTIVE DATE OF THIS SECTION THE
26 FOLLOWING BALLOT QUESTION: "SHALL THE SCHOOL DISTRICT BOARD OF
27 EDUCATION FOR [NAME OF SCHOOL DISTRICT] USE THE PROPERTY TAX

1 REVENUE COLLECTED FROM NON-DEBT-RELATED MILL LEVIES AUTHORIZED
2 BEFORE JULY 1, 2017, WITHOUT CHANGE TO ANY PURPOSE FOR WHICH
3 SUCH REVENUE WAS ORIGINALLY AUTHORIZED BY THE VOTERS, TO
4 SUPPORT THE STUDENTS ENROLLED IN THE PUBLIC SCHOOLS OF THE
5 SCHOOL DISTRICT, INCLUDING THE CHARTER SCHOOLS AUTHORIZED BY THE
6 SCHOOL DISTRICT, IN ACCORDANCE WITH SECTION 22-30.5-112.4,
7 COLORADO REVISED STATUTES?".

8 (b) IF A MAJORITY OF THE PERSONS VOTING IN THE SCHOOL
9 DISTRICT ELECTION VOTE "NO" ON THE BALLOT QUESTION SPECIFIED IN
10 SUBSECTION (5)(a) OF THIS SECTION, NOTWITHSTANDING ANY PROVISION
11 OF THIS SECTION TO THE CONTRARY, THE LOCAL SCHOOL BOARD MAY, BUT
12 IS NOT REQUIRED TO, DISTRIBUTE A PORTION OF THE SCHOOL DISTRICT'S
13 REVENUE FROM ADDITIONAL MILL LEVIES THAT WERE APPROVED BEFORE
14 JULY 1, 2017, TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT AS THE
15 LOCAL SCHOOL BOARD MAY PROVIDE.

16 (c) IF A MAJORITY OF THE PERSONS VOTING IN THE SCHOOL
17 DISTRICT ELECTION VOTE "YES" ON THE BALLOT QUESTION SPECIFIED IN
18 SUBSECTION (5)(a) OF THIS SECTION, THE LOCAL SCHOOL BOARD SHALL
19 DISTRIBUTE A PORTION OF THE SCHOOL DISTRICT'S ADDITIONAL MILL LEVY
20 REVENUE TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT IN
21 ACCORDANCE WITH SUBSECTIONS (2) AND (4) OF THIS SECTION.

22 (d) EACH LOCAL SCHOOL BOARD SHALL DISTRIBUTE TO THE
23 CHARTER SCHOOLS OF THE SCHOOL DISTRICT AS PROVIDED IN SUBSECTIONS
24 (2) AND (4) OF THIS SECTION A PORTION OF THE REVENUE FROM
25 ADDITIONAL MILL LEVIES APPROVED ON OR AFTER JULY 1, 2017,
26 REGARDLESS OF WHETHER THE LOCAL SCHOOL BOARD SUBMITS A BALLOT
27 QUESTION TO THE ELIGIBLE ELECTORS OF THE SCHOOL DISTRICT AT THE

1 NEXT REGULAR SCHOOL DISTRICT ELECTION AFTER THE EFFECTIVE DATE
2 OF THIS SECTION AS PROVIDED IN SUBSECTION (5)(a) OF THIS SECTION AND
3 REGARDLESS OF THE OUTCOME OF THAT ELECTION.

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

6 **22-30.5-513.1. Mill levy equalization report - fund created -**
7 **legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS THAT SCHOOL
8 DISTRICTS RECEIVE SIGNIFICANT OPERATING REVENUE FROM MILL LEVIES
9 THAT ARE IN ADDITION TO THE SCHOOL DISTRICTS' TOTAL PROGRAM MILL
10 LEVY. THIS ADDITIONAL REVENUE HELPS SCHOOL DISTRICTS OFFSET THE
11 EFFECTS OF THE NEGATIVE FACTOR IMPOSED BY SECTION 22-54-104 (5)(g).
12 THE GENERAL ASSEMBLY FURTHER FINDS THAT INSTITUTE CHARTER
13 SCHOOLS DO NOT HAVE ACCESS TO ADDITIONAL REVENUE FROM A LOCAL
14 PROPERTY TAX MILL LEVY. THE GENERAL ASSEMBLY FINDS, THEREFORE,
15 THAT IT IS APPROPRIATE TO CONSIDER ADDITIONAL STATE EQUALIZING
16 FUNDING FOR INSTITUTE CHARTER SCHOOLS.

17 (2) (a) THE MILL LEVY EQUALIZATION FUND, REFERRED TO IN THIS
18 SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY.
19 THE FUND CONSISTS OF ANY AMOUNT THAT THE GENERAL ASSEMBLY MAY
20 APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL
21 CREDIT TO THE FUND ALL INTEREST AND INCOME DERIVED FROM THE
22 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.

23 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
24 ASSEMBLY, THE INSTITUTE SHALL ANNUALLY DISTRIBUTE ALL OF THE
25 MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO THE INSTITUTE
26 CHARTER SCHOOLS ON AN EQUAL PER-PUPIL BASIS. THE MONEY
27 DISTRIBUTED PURSUANT TO THIS SECTION IS IN ADDITION TO MONEY

1 DISTRIBUTED TO INSTITUTE CHARTER SCHOOLS PURSUANT TO SECTION
2 22-30.5-513. =====

3 **SECTION 3. Act subject to petition - effective date.** This act
4 takes effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly (August
6 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part will not take effect
10 unless approved by the people at the general election to be held in
11 November 2018 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.