



**Colorado
Legislative
Council
Staff**

SB16-187

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1236 **Date:** April 19, 2016
Prime Sponsor(s): Sen. Hill **Bill Status:** Senate Education
 Rep. Williams; Sias **Fiscal Analyst:** Josh Abram (303-866-3561)

BILL TOPIC: MEASURES AFFECTING CHARTER SCHOOLS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Potential change. See State Expenditures section	
Appropriation Required: None.		
Future Year Impacts: Ongoing.		

Summary of Legislation

The bill makes several changes to current law governing charter schools.

Performance planning. If a charter school is accredited by the state in one of the highest categories (i.e., accredited, accredited with distinction) and is directed by the state to adopt an annual performance plan, the principal of the school may choose to adopt the performance plan biennially.

Exclusive chartering authority. The bill modifies the dates for school districts to apply for, retain, or recover exclusive chartering authority and the dates by which the State Board of Education must consider and determine chartering authority.

Open meetings. The bill specifies that the governing board of an institute charter school is a local public body, not a state public body under the state's open meeting laws.

Automatic waivers of statute and state rule. Under current law, charter schools receive certain automatic waivers from state law; however, the State Board of Education may not waive certain other laws, e.g., laws related to accountability or educator evaluations. This bill prohibits the state board from automatically waiving statutory requirements for the minimum number of teacher-pupil contact hours.

Charter school network audits. Charter school networks must be audited as a single legal entity. The bill waives the requirement that each public school undergo a separate audit if that school is included in a charter network. Charter school networks are required to submit financial statements for each campus in the network.

School district overhead accounting. Under current law, a chartering school district may retain a portion of a charter school's per pupil revenue to pay for central administrative costs and services provided by the district. School districts are required, if asked by a charter school, to give the school an itemized accounting of all its central administrative costs. If the accounting includes services provided by school district personnel, the accounting must include a list of the personnel positions and services provided. Each school district is required to distribute to each charter school, on a per pupil basis, any other state or federal money the school district receives that was based on a per pupil calculation and includes the students enrolled in the charter school.

Miscellaneous changes. The bill clarifies that if a district charter school converts to an institute charter school, or an institute charter school converts to a district charter school, the converted school's funding is still calculated using the formula that applied to the school before the conversion.

State Expenditures

When a charter school converts from a school authorized by the Charter School Institute to a district authorized charter school, this bill requires that at-risk supplemental aid continue to be calculated as if the authorizer was unchanged. The same is applied to district schools that convert to institute charter schools.

Under current law, some institute charter schools receive at-risk supplemental aid. If an institute charter school converts to a district authorized school, this bill requires that the charter continue to receive the supplemental aid the school received as an institute charter school, independent of the actual number of at-risk students the charter serves. This creates a potential state expenditure impact by increasing the cost of supplemental at-risk aid. There is also a potential opposite impact for a district charter school that converts to an institute charter school.

School District Impact

The bill increases workload for school districts, if asked, to provide a charter school with an itemized list of accounting and central administrative services and related costs that are supplied by the district to the charter school. If the accounting includes services provided by school district personnel, the accounting must also include a list of the personnel positions and services provided. It is estimated that for larger districts that host multiple charter schools, central administrative workload will increase by up to one hour per person per month to track and document these administrative services.

A charter school that performs at one of the two highest levels of state accreditation may reduce their workload should the school decide to submit state required performance plans on a biennial, rather than annual basis.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Education