

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

PREAMENDED

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

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

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

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

1 AMOUNT IN ACCORDANCE WITH THE WRITTEN POLICY.
2 (g) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF
3 THIS SECTION TO THE CONTRARY, IF A SCHOOL DISTRICT OBTAINED VOTER
4 APPROVAL FOR A BALLOT MEASURE FOR AN ADDITIONAL MILL LEVY
5 BEFORE THE EFFECTIVE DATE OF THIS SECTION AND THE BALLOT QUESTION
6 SPECIFICALLY ALLOTTED A PORTION OF THE ADDITIONAL MILL LEVY
7 REVENUES TO ONE OR MORE CAPITAL IMPROVEMENT PROJECTS, THE
8 SCHOOL DISTRICT IS NOT REQUIRED TO DISTRIBUTE TO THE CHARTER
9 SCHOOL ANY PORTION OF THE AMOUNT OF ADDITIONAL MILL LEVY
10 REVENUES ALLOCATED TO THE SPECIFIED CAPITAL IMPROVEMENT
11 PROJECTS UNTIL THE SPECIFIED CAPITAL IMPROVEMENT PROJECTS ARE
12 COMPLETED.

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

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

19 **22-30.5-513.1. Institute charter schools - mill levy equalization**
20 **payments - definitions - reporting.** (1) AS USED IN THIS SECTION,
21 UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

24 (b) "ADDITIONAL MILL LEVY" MEANS THE NUMBER OF MILLS THAT
25 AN ACCOUNTING DISTRICT LEVIES THAT ARE IN ADDITION TO THE
26 ACCOUNTING DISTRICT'S TOTAL PROGRAM MILL LEVY ESTABLISHED IN
27 SECTION 22-54-106(2), NOT INCLUDING MILLS AUTHORIZED PURSUANT TO

1 SECTION 22-40-110 OR ARTICLE 42 OR 43 OF THIS TITLE 22, AND THAT ARE
2 AUTHORIZED BY VOTERS BEFORE, ON, OR AFTER THE EFFECTIVE DATE OF
3 THIS SECTION.

4 (2) (a) BEGINNING WITH THE 2017-18 BUDGET YEAR, THE
5 DEPARTMENT SHALL TRANSFER TO THE INSTITUTE, AND THE INSTITUTE
6 SHALL DISTRIBUTE TO EACH INSTITUTE CHARTER SCHOOL, THE AMOUNT OF
7 THE MILL LEVY EQUALIZATION PAYMENT THAT THE DEPARTMENT
8 CALCULATES FOR EACH INSTITUTE CHARTER SCHOOL PURSUANT TO THIS
9 SECTION.

10 (b) THE DEPARTMENT SHALL CALCULATE THE MILL LEVY
11 EQUALIZATION PAYMENT FOR EACH INSTITUTE CHARTER SCHOOL BY
12 DIVIDING THE AMOUNT OF ADDITIONAL LOCAL PROPERTY TAX REVENUES
13 THAT THE ACCOUNTING DISTRICT FOR THE INSTITUTE CHARTER SCHOOL IS
14 ENTITLED TO RECEIVE FROM THE ADDITIONAL MILL LEVY FOR THE
15 APPLICABLE BUDGET YEAR, ASSUMING ONE HUNDRED PERCENT
16 COLLECTION, BY THE ACCOUNTING DISTRICT'S FUNDED PUPIL COUNT FOR
17 THE APPLICABLE BUDGET YEAR, AND MULTIPLYING THAT AMOUNT BY THE
18 NUMBER OF PUPILS ENROLLED IN THE INSTITUTE CHARTER SCHOOL FOR THE
19 APPLICABLE BUDGET YEAR. BEFORE CALCULATING AN INSTITUTE CHARTER
20 SCHOOL'S MILL LEVY EQUALIZATION PAYMENT IN EACH BUDGET YEAR, THE
21 DEPARTMENT SHALL SUBTRACT FROM THE ACCOUNTING DISTRICT'S
22 ADDITIONAL LOCAL PROPERTY TAX REVENUES ANY AMOUNT OF REVENUES
23 THAT ARE SPECIFICALLY AUTHORIZED BY VOTERS TO BE USED ONLY FOR
24 A SPECIFIC PROGRAM THAT THE INSTITUTE CHARTER SCHOOL CLEARLY
25 DOES NOT PROVIDE DURING THE APPLICABLE BUDGET YEAR OR FOR A
26 GRADE LEVEL THAT THE INSTITUTE CHARTER SCHOOL DOES NOT SERVE
27 DURING THE APPLICABLE BUDGET YEAR.

1 (c) THE INSTITUTE SHALL DISTRIBUTE TO EACH INSTITUTE
2 CHARTER SCHOOL ONE HUNDRED PERCENT OF THE AMOUNT OF THE MILL
3 LEVY EQUALIZATION PAYMENT THAT THE DEPARTMENT CALCULATES AND
4 TRANSFERS PURSUANT TO THIS SECTION FOR THE INSTITUTE CHARTER
5 SCHOOL FOR THE APPLICABLE BUDGET YEAR.

6 (3) EACH ACCOUNTING DISTRICT SHALL ANNUALLY REPORT TO THE
7 DEPARTMENT:

8 (a) THE TOTAL AMOUNT OF ADDITIONAL LOCAL PROPERTY TAX
9 REVENUES IT IS ENTITLED TO RECEIVE FROM THE ADDITIONAL MILL LEVY
10 FOR THE APPLICABLE BUDGET YEAR, ASSUMING ONE HUNDRED PERCENT
11 COLLECTION;

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

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

18 (4) IT IS THE GENERAL ASSEMBLY'S INTENT TO ANNUALLY
19 APPROPRIATE TO THE DEPARTMENT THE AMOUNT REQUIRED TO FULLY
20 FUND THE MILL LEVY EQUALIZATION PAYMENTS DESCRIBED IN THIS
21 SECTION. IN A BUDGET YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT
22 APPROPRIATE A SUFFICIENT AMOUNT TO FULLY FUND THE MILL LEVY
23 EQUALIZATION PAYMENTS, THE DEPARTMENT SHALL REDUCE THE AMOUNT
24 OF EACH INSTITUTE CHARTER SCHOOL'S MILL LEVY EQUALIZATION
25 PAYMENT BY THE SAME PERCENTAGE THAT THE APPROPRIATION DEFICIT
26 BEARS TO THE AMOUNT REQUIRED TO FULLY FUND THE MILL LEVY
27 EQUALIZATION PAYMENTS. IN A BUDGET YEAR IN WHICH THE GENERAL

1 ASSEMBLY DOES NOT APPROPRIATE ANY MONEY TO FUND THE MILL LEVY
2 EQUALIZATION PAYMENTS, THE DEPARTMENT, THE INSTITUTE, AND THE
3 ACCOUNTING DISTRICTS ARE NOT REQUIRED TO COMPLY WITH THE
4 PROVISIONS OF THIS SECTION.

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