

**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
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.*

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. Mill levy equalization report - fund created -**
20 **legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS THAT SCHOOL
21 DISTRICTS RECEIVE SIGNIFICANT OPERATING REVENUE FROM MILL LEVIES
22 THAT ARE IN ADDITION TO THE SCHOOL DISTRICTS' TOTAL PROGRAM MILL
23 LEVY. THIS ADDITIONAL REVENUE HELPS SCHOOL DISTRICTS OFFSET THE
24 EFFECTS OF THE NEGATIVE FACTOR IMPOSED BY SECTION 22-54-104 (5)(g).
25 THE GENERAL ASSEMBLY FURTHER FINDS THAT INSTITUTE CHARTER
26 SCHOOLS DO NOT HAVE ACCESS TO ADDITIONAL REVENUE FROM A LOCAL
27 PROPERTY TAX MILL LEVY. THE GENERAL ASSEMBLY FINDS, THEREFORE,

1 THAT IT IS APPROPRIATE TO CONSIDER ADDITIONAL STATE EQUALIZING
2 FUNDING FOR INSTITUTE CHARTER SCHOOLS.

3 (2) (a) THE MILL LEVY EQUALIZATION FUND, REFERRED TO IN THIS
4 SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY.
5 THE FUND CONSISTS OF ANY AMOUNT THAT THE GENERAL ASSEMBLY MAY
6 APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL
7 CREDIT TO THE FUND ALL INTEREST AND INCOME DERIVED FROM THE
8 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.

9 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
10 ASSEMBLY, THE INSTITUTE SHALL ANNUALLY DISTRIBUTE ALL OF THE
11 MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO THE INSTITUTE
12 CHARTER SCHOOLS ON AN EQUAL PER-PUPIL BASIS. THE MONEY
13 DISTRIBUTED PURSUANT TO THIS SECTION IS IN ADDITION TO MONEY
14 DISTRIBUTED TO INSTITUTE CHARTER SCHOOLS PURSUANT TO SECTION
15 22-30.5-513. _____

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