



**Colorado  
Legislative  
Council  
Staff**

**SB17-061**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0399 **Date:** January 27, 2017  
**Prime Sponsor(s):** Sen. Hill; Williams A. **Bill Status:** Senate Education  
 Rep. Sias **Fiscal Analyst:** Marc Carey (303-866-4102)

**BILL TOPIC:** ADDITIONAL FUNDING CHARTER SCHOOL OPERATING COSTS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
<b>State Revenue</b>		
<b>State Expenditures</b>	<b><u>\$13.7 Million</u></b>	<b><u>\$13.7 Million</u></b>
General Fund	13.7 Million	13.7 Million
<b>Appropriation Required:</b> \$13,697,824 - Colorado Department of Education (FY 2017-18)		
<b>Future Year Impacts:</b> Ongoing State Expenditures		

**Summary of Legislation**

The bill makes several changes to current law governing the distribution of mill levy override revenue to charter schools.

**Mill levy override revenue.** Beginning with FY 2017-18, the bill requires that school districts share revenue from mill levy overrides with charter schools. Districts are required to calculate a per pupil mill levy share based on override revenue and the district's funded pupil count, and distribute 100 percent of the per pupil share for each charter school student enrolled in schools authorized by the district.

The bill exempts override revenue from mills that a growing district may levy for capital construction, and mills any district may levy for bonded debt. Districts are not required to share override revenue, and the Colorado Department of Education (CDE) will not distribute equalization payments to CSI schools, if the authorized revenue is for specific purposes (e.g., full day kindergarten), and the charter school does not provide that specific program.

**Mill levy equalization.** The Colorado Department of Education (CDE) is required to calculate a mill levy equalization payment for CSI schools based on the funded pupil count and the amount of additional override revenue in an institute charter school's accounting district. If the General Assembly appropriates money for the mill levy equalization, the CSI will distribute the funding on a per pupil basis to each institute charter school.

### **State Expenditures**

For both FY 2017-18 and FY 2018-19, the bill increases state expenditures by about \$13.7 million General Fund for the CSI to distribute mill levy equalization payments to CSI charter schools. This total is based on FY 2016-17 data, which are the latest available.

### **School District Impact**

**Mill levy override revenue.** School districts will be required to allocate mill levy override revenue to charter schools based on each district's per pupil override calculation. The total amount of local revenue distributed to charter schools is estimated at about \$96.4 million for FY 2017-18, although some portion of this amount may already be distributed to charter schools. Further, some of this revenue is restricted revenue, and will only be distributed to those charter schools that provide the applicable service for which the override was authorized. This total is based on FY 2016-17 data, which are the latest available.

### **Effective Date**

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

### **State Appropriations**

For FY 2017-18, this bill requires a General Fund appropriation of \$13,697,824 to the Colorado Department of Education.

### **State and Local Government Contacts**

Education      School Districts