

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 22-0970.02 Alana Rosen x2606

**SENATE BILL 22-197**

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**SENATE SPONSORSHIP**

**Coleman and Hansen,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**  
Education

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING AUTHORIZING ALTERNATIVE GOVERNANCE FOR**  
102      **INNOVATION SCHOOL ZONES.**

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**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>.)*

The bill allows an innovation school zone (innovation zone) to use an alternative governance structure by which the school district board of education (local school board) delegates management of schools within the innovation zone to another organization and the organization forms a partnership with the local school board. An innovation zone is required to submit information regarding the alternative governance structure in

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

the innovation zone's innovation plan to the local school board.

The bill requires that the local school board and an innovation zone that has an alternative governance structure, or a school within the innovation zone, use a dispute resolution process to resolve disagreements that may arise. The bill outlines the dispute resolution process.

The bill requires a local school board to review the level of performance of an innovation zone that uses alternative governance, and each school within the innovation zone, at the same time.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-32.5-102, **add** (3)  
3 as follows:

4 **22-32.5-102. Legislative declaration.** (3) THE GENERAL  
5 ASSEMBLY FURTHER DECLARES THAT:

6 (a) SINCE THE "INNOVATION SCHOOLS ACT OF 2008" WAS PASSED,  
7 INNOVATIONS HAVE BEEN USED TO LEVERAGE OUTCOMES FOR STUDENTS  
8 AND SUPPORT CREATIVE SCHOOL MODELS TO MEET THE NEEDS OF  
9 STUDENTS, EDUCATORS, AND FAMILIES;

10 (b) THE CORNERSTONE OF INNOVATION WORK IS EMPOWERING  
11 EDUCATORS TO BE PART OF THE DESIGN PROCESS, HELPING TO DEVELOP AN  
12 INNOVATION PLAN AND VOTING TO APPROVE THE SCHOOL'S PLAN AND ANY  
13 REVISIONS TO THE INNOVATION PLAN;

14 (c) THE "INNOVATION SCHOOLS ACT OF 2008" IDENTIFIES AREAS  
15 OF INNOVATION THAT SCHOOLS ARE ENCOURAGED TO EXPLORE,  
16 INCLUDING INNOVATIONS IN GOVERNANCE;

17 (d) LOCAL SCHOOL BOARDS AND INNOVATION SCHOOL ZONES HAVE  
18 IMPLEMENTED ALTERNATIVE GOVERNANCE MODELS FOR INNOVATION  
19 SCHOOL ZONES AND SCHOOLS WITHIN THE INNOVATION SCHOOL ZONES,  
20 INCLUDING DELEGATION OF SOME MANAGEMENT ACTIVITIES FROM A  
21 LOCAL SCHOOL BOARD TO A NONPROFIT ORGANIZATION AFFILIATED WITH

1 AN INNOVATION SCHOOL ZONE;

2 (e) INNOVATION SCHOOLS WERE DESIGNED AS AN OPPORTUNITY  
3 FOR SCHOOLS THAT OPERATE WITHIN THEIR SCHOOL DISTRICT TO EXERCISE  
4 AUTONOMY AND FLEXIBILITY TO ADAPT TO MEET THE NEEDS OF SCHOOLS  
5 AND STUDENTS WHOM INNOVATION SCHOOLS SERVE;

6 (f) IF DISPUTES ARISE BETWEEN AN INNOVATION SCHOOL ZONE AS  
7 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, AND THE  
8 LOCAL SCHOOL BOARD THAT OVERSEES THE INNOVATION SCHOOL ZONE  
9 REGARDING THE ADMINISTRATION OF AN INNOVATION PLAN, A FAIR AND  
10 CONSISTENT RESOLUTION PROCESS IS NEEDED TO ADDRESS THE DISPUTE;  
11 AND

12 (g) THE DISPUTE RESOLUTION PROCESS DESCRIBED IN THIS ARTICLE  
13 32.5 IS MODELED FROM EXISTING STATUTORY DISPUTE RESOLUTION  
14 PROCESSES AND INTENDS TO SUPPORT BOTH PARTIES, ENCOURAGE  
15 INNOVATION SCHOOL ZONES TO PRACTICE INNOVATIVE GOVERNANCE, AND  
16 ALLOW THE LOCAL SCHOOL BOARD TO REACH SOLUTIONS WITH  
17 INNOVATION SCHOOL ZONES WITH ALTERNATIVE GOVERNANCE.

18 **SECTION 2.** In Colorado Revised Statutes, 22-32.5-103, **add**  
19 (1.7), (4.5), and (5.5) as follows:

20 **22-32.5-103. Definitions.** As used in this article 32.5, unless the  
21 context otherwise requires:

22 (1.7) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION  
23 CREATED IN SECTION 24-1-115.

24 (4.5) "INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
25 GOVERNANCE" MEANS AN INNOVATION SCHOOL ZONE THAT EITHER  
26 OPERATES AS AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
27 GOVERNANCE ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION

1 (4.5) OR SUBMITS TO ITS LOCAL SCHOOL BOARD AN INNOVATION PLAN,  
2 WHICH THE LOCAL SCHOOL BOARD APPROVES, THAT AUTHORIZES  
3 ALTERNATIVE GOVERNANCE AND DELEGATES MANAGEMENT ACTIVITIES  
4 TO ANOTHER ORGANIZATION PURSUANT TO SECTION 22-32.5-104 (5),  
5 INCLUDING BUT NOT LIMITED TO A NONPROFIT ORGANIZATION.

6 (5.5) "NEUTRAL THIRD PARTY" MEANS A TRAINED INDIVIDUAL  
7 WHO ASSISTS DISPUTANTS IN REACHING A MUTUALLY ACCEPTABLE  
8 RESOLUTION OF THEIR DISPUTES BY IDENTIFYING AND EVALUATING  
9 ALTERNATIVES, AND IS ON AN APPROVED LIST BY THE OFFICE OF DISPUTE  
10 RESOLUTION ESTABLISHED IN SECTION 13-22-303 OR THE AMERICAN  
11 ARBITRATION ASSOCIATION, OR ITS SUCCESSOR.

12 **SECTION 3.** In Colorado Revised Statutes, 22-32.5-104, **add** (5)  
13 as follows:

14 **22-32.5-104. Innovation plans - submission - contents.** (5) A  
15 GROUP OF SCHOOLS THAT SUBMITS A PLAN TO CREATE AN INNOVATION  
16 SCHOOL ZONE AS PROVIDED IN THIS SECTION AND SEEKS TO HAVE  
17 MANAGEMENT ACTIVITIES DELEGATED BY THE LOCAL BOARD TO AN  
18 ORGANIZATION THAT FORMS A PARTNERSHIP WITH THE LOCAL SCHOOL  
19 BOARD MUST, IN ADDITION TO THE PROVISIONS SPECIFIED IN SUBSECTION  
20 (4) OF THIS SECTION, INCLUDE THE FOLLOWING INFORMATION IN THE  
21 INNOVATION PLAN:

22 (a) AN EXPLANATION OF HOW ALTERNATIVE GOVERNANCE WILL  
23 HELP ACHIEVE THE VISION AND GOALS OF THE GROUP OF SCHOOLS IN A  
24 SCHOOL DISTRICT;

25 (b) A DESCRIPTION OF THE ORGANIZATION AND THE  
26 ORGANIZATION'S GOVERNING BOARD AND GOVERNANCE STRUCTURE;

27 (c) A DESCRIPTION OF THE ROLES AND DUTIES OF THE

1 ORGANIZATION'S GOVERNING BOARD, WHICH DUTIES MUST INCLUDE, AT A  
2 MINIMUM, OVERSEEING THE IMPLEMENTATION OF THE INNOVATION PLAN  
3 AND SUPPORTING ACADEMIC PROGRESS;

4 (d) A DESCRIPTION OF THE ZONE STAFFING AND MANAGEMENT THE  
5 ORGANIZATION WOULD PROVIDE;

6 (e) A DESCRIPTION OF THE TERMS UNDER AND PROCESS BY WHICH  
7 A SCHOOL WITHIN AN INNOVATION SCHOOL ZONE MAY ELECT TO LEAVE  
8 THE INNOVATION SCHOOL ZONE; AND

9 (f) A DESCRIPTION OF THE METHOD THE SCHOOL DISTRICT WILL  
10 USE FOR DETERMINING THE COST OF SERVICES AND A CORRESPONDING  
11 FINANCIAL AGREEMENT WITH THE INNOVATION SCHOOL ZONE. ==

12 **SECTION 4.** In Colorado Revised Statutes, **add 22-32.5-110.5**  
13 as follows:

14 **22-32.5-110.5. Dispute resolution - innovation school zones**  
15 **with alternative governance.** (1) THE LOCAL SCHOOL BOARD AND AN  
16 INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE,  
17 OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
18 GOVERNANCE, SHALL USE A DISPUTE RESOLUTION PROCESS TO RESOLVE  
19 DISAGREEMENTS REGARDING THE ADMINISTRATION OF THE INNOVATION  
20 PLAN. IN THE EVENT OF A DISPUTE, THE INNOVATION SCHOOL ZONE SHALL  
21 CONTINUE TO OPERATE UNDER THE INNOVATION PLAN UNTIL THE  
22 CONCLUSION OF THE DISPUTE RESOLUTION PROCESS. THE DISPUTE  
23 RESOLUTION PROCESS MAY BE USED IF:

24 ==  
25 (a) THE LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS  
26 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE VIOLATES  
27 THE APPROVED INNOVATION PLAN OR SUPPORTING DOCUMENTS,

1 REGARDLESS OF WHETHER THE VIOLATION IS RELATED TO A WAIVER AS  
2 DESCRIBED IN SECTION 22-32.5-108; OR

3 (b) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE  
4 DISAGREE REGARDING THE FINANCIAL ARRANGEMENT BETWEEN THE  
5 LOCAL SCHOOL BOARD AND THE INNOVATION SCHOOL ZONE, INCLUDING  
6 BUT NOT LIMITED TO A CHANGE TO THE METHOD FOR DETERMINING THE  
7 COSTS OF SERVICES AND THE CORRESPONDING FINANCIAL AGREEMENT  
8 BETWEEN THE INNOVATION SCHOOL ZONE AND THE LOCAL SCHOOL BOARD.

9  
10 (2) A NEUTRAL THIRD PARTY MUST CONDUCT THE DISPUTE  
11 RESOLUTION. THE DEPARTMENT SHALL CREATE A LIST OF NEUTRAL THIRD  
12 PARTIES WHO HAVE EXPERIENCE WITH AND AN UNDERSTANDING OF THIS  
13 ARTICLE 32.5. THE DEPARTMENT SHALL CREATE AND MAINTAIN THE LIST  
14 OF NEUTRAL THIRD PARTIES AND MAKE THE LIST AVAILABLE ON THE  
15 DEPARTMENT'S WEBSITE.

16 (3)(a) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE  
17 WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE  
18 INNOVATION SCHOOL ZONE, SHALL MAKE A GOOD FAITH EFFORT TO REACH  
19 A RESOLUTION CONCERNING A DISAGREEMENT AS DESCRIBED IN  
20 SUBSECTION (1) OF THIS SECTION.

21 (b) IF AN AGREEMENT IS NOT REACHED, THE LOCAL SCHOOL BOARD  
22 OR THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS  
23 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, MAY  
24 INITIATE A DISPUTE RESOLUTION PROCESS AS FOLLOWS:

25 (I) THE LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS  
26 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE MAY  
27 INITIATE DISPUTE RESOLUTION THROUGH A WRITTEN NOTICE TO THE OTHER

1 PARTY AND THE STATE BOARD OF AN INTENT TO INVOKE THE DISPUTE  
2 RESOLUTION PROCESS PURSUANT TO THIS SECTION. WRITTEN NOTICE MUST  
3 INCLUDE, AT A MINIMUM, A BRIEF DESCRIPTION OF THE MATTER IN DISPUTE  
4 AND THE SCOPE OF THE DISAGREEMENT BETWEEN THE PARTIES.

5 (II) WITHIN FIFTEEN CALENDAR DAYS AFTER RECEIPT OF THE  
6 WRITTEN NOTICE DESCRIBED IN SUBSECTION (3)(b)(I) OF THIS SECTION,  
7 THE LOCAL SCHOOL BOARD AND THE INNOVATION SCHOOL ZONE MUST  
8 AGREE TO USE A DISPUTE RESOLUTION PROCESS TO RESOLVE THE DISPUTE;  
9 EXCEPT THAT ANY FORM OF DISPUTE RESOLUTION THAT THE PARTIES  
10 CHOOSE MUST RESULT IN FINAL WRITTEN FINDINGS BY A NEUTRAL THIRD  
11 PARTY WITHIN SIXTY CALENDAR DAYS AFTER RECEIPT OF WRITTEN NOTICE  
12 PURSUANT TO SUBSECTION (3)(b)(I) OF THIS SECTION;

13 (III) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE  
14 SHALL AGREE TO A NEUTRAL THIRD PARTY TO CONDUCT THE DISPUTE  
15 RESOLUTION. THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE  
16 SHALL SELECT A NEUTRAL THIRD PARTY FROM THE LIST OF NEUTRAL THIRD  
17 PARTIES CREATED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2) OF  
18 THIS SECTION.

19 (IV) THE NEUTRAL THIRD PARTY SHALL ACCEPT EVIDENCE AND ==  
20 ARGUMENTS FROM THE PARTIES AS PART OF THE DELIBERATIVE PROCESS  
21 AND SHALL ISSUE WRITTEN FINDINGS AND A DETERMINATION WITHIN SIXTY  
22 CALENDAR DAYS AFTER RECEIPT OF THE WRITTEN NOTICE PURSUANT TO  
23 SUBSECTION (3)(b)(I) OF THIS SECTION; ==

24 (V) TO ARRIVE AT THE WRITTEN FINDINGS AND DETERMINATION,  
25 THE NEUTRAL THIRD PARTY SHALL CONSIDER:

26 (A) THE ACADEMIC INTERESTS OF THE STUDENTS;

27 (B) THE FULFILLMENT OF THE PURPOSES OF THIS ARTICLE 32.5;

1 AND

2 (C) STIPULATIONS BETWEEN THE PARTIES;

3 (VI) THE NEUTRAL THIRD PARTY SHALL APPORTION BETWEEN THE  
4 PARTIES ALL COSTS REASONABLY RELATED TO THE MUTUALLY AGREED  
5 UPON DISPUTE RESOLUTION PROCESS; AND

6 (VII) UPON COMPLETION OF THE DISPUTE RESOLUTION PROCESS,  
7 THE WRITTEN FINDINGS AND DETERMINATION OF THE NEUTRAL THIRD  
8 PARTY MUST BE SUBMITTED TO THE PARTIES FOR IMPLEMENTATION AND  
9 ARE FINAL.

10

11 SECTION 5. In Colorado Revised Statutes, 22-32.5-110, amend  
12 (1); and add (2)(c) and (4) as follows:

13 **22-32.5-110. District of innovation - review of innovation**  
14 **schools and innovation school zones - repeal.** (1) (a) Three years after  
15 the local school board of a district of innovation approves an innovation  
16 plan or a plan for creating an innovation school zone, and every three  
17 years thereafter, the local school board shall review the level of  
18 performance of the innovation school and each public school included in  
19 the innovation school zone and determine whether the innovation school  
20 or innovation school zone is achieving or making adequate progress  
21 toward achieving the academic performance results identified in the  
22 school's or zone's innovation plan. The local school board, in  
23 collaboration with the innovation school or the innovation school zone,  
24 may revise the innovation plan, including but not limited to revising the  
25 identification of the provisions of the collective bargaining agreement that  
26 need to be waived to implement the innovations, as necessary to improve  
27 or continue to improve academic performance at the innovation school or



1 innovation school zone. Any revisions to the innovation plan shall require  
2 the consent of a majority of the teachers and a majority of the  
3 administrators employed at and a majority of the school accountability  
4 committee for each affected public school.

5 (b) IF THE LOCAL SCHOOL BOARD DOES NOT SECURE THE CONSENT  
6 OF A MAJORITY OF TEACHERS AND A MAJORITY OF THE ADMINISTRATORS  
7 EMPLOYED AT THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
8 GOVERNANCE AND A MAJORITY OF THE SCHOOL ACCOUNTABILITY  
9 COMMITTEE WITHIN THIRTY DAYS AFTER PROPOSING THE REVISED  
10 INNOVATION PLAN, THE INITIAL INNOVATION PLAN MUST REMAIN IN  
11 EFFECT.

12 (2) (c) CONSISTENT WITH SUBSECTIONS (2)(a) AND (2)(b) OF THIS  
13 SECTION, IF A LOCAL SCHOOL BOARD VOTES EITHER TO REVOKE THE  
14 INNOVATION STATUS OF AN INNOVATION SCHOOL ZONE WITH  
15 ALTERNATIVE GOVERNANCE, OR OF A SCHOOL WITHIN THE INNOVATION  
16 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, OR TO REMOVE A SCHOOL  
17 WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE  
18 FROM THE INNOVATION SCHOOL ZONE BASED ON THE INSUFFICIENT  
19 ACADEMIC PROGRESS OF THE STUDENTS ENROLLED IN THE INNOVATION  
20 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, THE INNOVATION  
21 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE MAY REQUEST THAT THE  
22 STATE BOARD REVIEW THE LOCAL SCHOOL BOARD'S DETERMINATION. IF  
23 THE STATE BOARD FINDS THAT THE ENROLLED STUDENTS HAVE MADE  
24 SUFFICIENT ACADEMIC PROGRESS, THE STATUS OF THE INNOVATION  
25 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, AND OF THE SCHOOLS  
26 WITHIN THE INNOVATION SCHOOL ZONE, REMAINS IN EFFECT. ANY  
27 DECISION BY THE STATE BOARD PURSUANT TO THIS SECTION IS FINAL AND

1     NOT SUBJECT TO APPEAL.

2             (4) (a) THE LOCAL SCHOOL BOARD SHALL REVIEW THE LEVEL OF  
3 PERFORMANCE OF AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
4 GOVERNANCE AND EACH SCHOOL WITHIN THE INNOVATION SCHOOL ZONE  
5 AT THE SAME TIME.

6             (b) IF AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
7 GOVERNANCE HAS A FINANCIAL AGREEMENT WITH A LOCAL SCHOOL  
8 BOARD PURSUANT TO SECTION 22-32.5-104 (5)(f), THE AGREEMENT MUST  
9 BE SUBJECT TO REVISION ONLY THROUGH THE REVIEW PROCESS SPECIFIED  
10 IN SUBSECTION (1) OF THIS SECTION, AND SHALL NOT BE UNILATERALLY  
11 REVISED DURING THE THREE-YEAR PERIOD BETWEEN REVIEWS.

12             **SECTION 6. Act subject to petition - effective date.** This act  
13 takes effect at 12:01 a.m. on the day following the expiration of the  
14 ninety-day period after final adjournment of the general assembly; except  
15 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
16 of the state constitution against this act or an item, section, or part of this  
17 act within such period, then the act, item, section, or part will not take  
18 effect unless approved by the people at the general election to be held in  
19 November 2022 and, in such case, will take effect on the date of the  
20 official declaration of the vote thereon by the governor.