

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

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 22-0970.02 Alana Rosen x2606

**SENATE BILL 22-197**

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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.*

HOUSE  
Amended 2nd Reading  
May 10, 2022

SENATE  
3rd Reading Unamended  
April 26, 2022

SENATE  
Amended 2nd Reading  
April 25, 2022

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 AND FAMILIES TO BE PART OF THE DESIGN PROCESS, HELPING  
12 TO DEVELOP AN INNOVATION PLAN AND VOTING TO APPROVE THE  
13 SCHOOL'S PLAN AND ANY 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 SCHOOLBOARDS 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. AN  
6 ORGANIZATION DOES NOT INCLUDE A FOR-PROFIT ORGANIZATION.

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

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

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

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

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

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

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

7 (e) A DESCRIPTION OF HOW FUNDS WILL BE USED TO ACHIEVE THE  
8 MISSION AND ACADEMIC PERFORMANCE OF THE INNOVATION PLAN;

9 (f) A DESCRIPTION OF WHERE AN EASILY ACCESSIBLE LINK TO THE  
10 FEDERAL FORM 990, 990-EZ, OR 990-PF, AS REQUIRED BY SECTION  
11 22-44-304, OR OTHER RELEVANT FINANCIAL INFORMATION IF THE  
12 ORGANIZATION DOES NOT RECEIVE A FEDERAL FORM 990, IS LOCATED ON  
13 THE ZONE WEBSITE;

14 (g) A DESCRIPTION OF THE TERMS UNDER AND PROCESS BY WHICH  
15 A SCHOOL WITHIN AN INNOVATION SCHOOL ZONE MAY ELECT TO LEAVE  
16 THE INNOVATION SCHOOL ZONE; AND

17 (h) A DESCRIPTION OF THE METHOD THE SCHOOL DISTRICT WILL  
18 USE FOR DETERMINING THE COST OF SERVICES AND A CORRESPONDING  
19 FINANCIAL AGREEMENT WITH THE INNOVATION SCHOOL ZONE. \_\_\_

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

22 **22-32.5-110.5. Dispute resolution - innovation school zones**  
23 **with alternative governance.** (1) THE LOCAL SCHOOL BOARD AND AN  
24 INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE,  
25 OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
26 GOVERNANCE, SHALL USE A DISPUTE RESOLUTION PROCESS TO RESOLVE  
27 DISAGREEMENTS REGARDING THE ADMINISTRATION OF THE INNOVATION

1 PLAN. IN THE EVENT OF A DISPUTE, THE PARTIES OF THE DISPUTE SHALL  
2 MAKE EVERY EFFORT TO REACH A RESOLUTION, AND THE INNOVATION  
3 SCHOOL ZONE SHALL CONTINUE TO OPERATE UNDER THE INNOVATION  
4 PLAN UNTIL THE CONCLUSION OF THE DISPUTE RESOLUTION PROCESS,  
5 REGARDLESS OF THE REVISION TIMELINE DESCRIBED IN SECTION  
6 22-32.5-110. THE DISPUTE RESOLUTION PROCESS MAY BE USED IF THE  
7 LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS A WHOLE, OR  
8 A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE VIOLATES THE TERMS  
9 OF THE APPROVED INNOVATION SCHOOL PLAN OR INNOVATION SCHOOL  
10 ZONE PLAN OR A MUTUALLY AGREED UPON WRITTEN AGREEMENT,  
11 INCLUDING, BUT NOT LIMITED TO, A WRITTEN FINANCIAL AGREEMENT.

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

18 (3)(a) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE  
19 WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE  
20 INNOVATION SCHOOL ZONE, SHALL SUBMIT CONCERNS REGARDING  
21 DISAGREEMENTS IN WRITING TO THE SUPERINTENDENT, OR THE  
22 SUPERINTENDENT'S DESIGNEE, AND SHALL MAKE A GOOD FAITH EFFORT TO  
23 REACH A RESOLUTION CONCERNING A DISAGREEMENT AS DESCRIBED IN  
24 SUBSECTION (1) OF THIS SECTION.

25 (b) IF AN AGREEMENT IS NOT REACHED, THE LOCAL SCHOOL BOARD  
26 OR THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS  
27 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, MAY

1 INITIATE A DISPUTE RESOLUTION PROCESS AS FOLLOWS:

2 (I) THE LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS  
3 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE MAY  
4 INITIATE DISPUTE RESOLUTION THROUGH A WRITTEN NOTICE TO THE OTHER  
5 PARTY AND THE STATE BOARD OF AN INTENT TO INVOKE THE DISPUTE  
6 RESOLUTION PROCESS PURSUANT TO THIS SECTION. WRITTEN NOTICE MUST  
7 INCLUDE, AT A MINIMUM, A BRIEF DESCRIPTION OF THE MATTER IN DISPUTE  
8 AND THE SCOPE OF THE DISAGREEMENT BETWEEN THE PARTIES.

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

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

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

1           (V) TO ARRIVE AT THE WRITTEN FINDINGS AND DETERMINATION,  
2 THE NEUTRAL THIRD PARTY SHALL CONSIDER, AT A MINIMUM:

3           (A) THE ACADEMIC INTERESTS OF THE STUDENTS;

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

5 AND

6           (C) STIPULATIONS BETWEEN THE PARTIES;

7           (VI) THE NEUTRAL THIRD PARTY SHALL APPORTION BETWEEN THE  
8 LOCAL SCHOOL BOARD AND THE ORGANIZATION THAT MANAGES THE  
9 INNOVATION SCHOOL ZONE ALL COSTS REASONABLY RELATED TO THE  
10 MUTUALLY AGREED UPON DISPUTE RESOLUTION PROCESS. THE NEUTRAL  
11 THIRD PARTY SHALL NOT APPORTION ANY COST TO A SCHOOL WITHIN THE  
12 INNOVATION SCHOOL ZONE.

13           (VII) UPON COMPLETION OF THE DISPUTE RESOLUTION PROCESS,  
14 THE WRITTEN FINDINGS AND DETERMINATION OF THE NEUTRAL THIRD  
15 PARTY MUST BE SUBMITTED TO THE PARTIES AS A RECOMMENDATION.

16           (4) RESOLUTION OF A DISPUTE ARISING PURSUANT TO SUBSECTION  
17 (1) OF THIS SECTION MUST NOT INCLUDE CHANGES TO THE TERMS OF THE  
18 INNOVATION PLAN THAT ARE NOT DIRECTLY IMPACTED BY THE ISSUE THAT  
19 IS THE SUBJECT OF THE DISPUTE.

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

22           **22-32.5-110. District of innovation - review of innovation**  
23 **schools and innovation school zones - repeal. (1) (a) Three years after**  
24 **the local school board of a district of innovation approves an innovation**  
25 **plan or a plan for creating an innovation school zone, and every three**  
26 **years thereafter, the local school board shall review the level of**  
27 **performance of the innovation school and each public school included in**



1 the innovation school zone and determine whether the innovation school  
2 or innovation school zone is achieving or making adequate progress  
3 toward achieving the academic performance results identified in the  
4 school's or zone's innovation plan. The local school board, in  
5 collaboration with the innovation school or the innovation school zone,  
6 may revise the innovation plan, including but not limited to revising the  
7 identification of the provisions of the collective bargaining agreement that  
8 need to be waived to implement the innovations, as necessary to improve  
9 or continue to improve academic performance at the innovation school or  
10 innovation school zone. Any revisions to the innovation plan shall require  
11 the consent of a majority of the teachers and a majority of the  
12 administrators employed at and a majority of the school accountability  
13 committee for each affected public school.

14 (b) WHEN A VOTE IS REQUIRED AS DESCRIBED IN SUBSECTION  
15 (1)(a) OF THIS SECTION AND CONCERNS CONSENT FOR AN INNOVATION  
16 PLAN REVISION IN AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
17 GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL  
18 ZONE WITH ALTERNATIVE GOVERNANCE, THE VOTE MUST OCCUR WITHIN  
19 THIRTY DAYS. WITHIN THE THIRTY DAY TIME FRAME OR IF APPROVAL IS  
20 NOT SECURED, THE INITIAL INNOVATION PLAN MUST REMAIN IN EFFECT.

21 (2) (c) CONSISTENT WITH SUBSECTIONS (2)(a) AND (2)(b) OF THIS  
22 SECTION, IF A LOCAL SCHOOL BOARD VOTES EITHER TO REVOKE THE  
23 INNOVATION STATUS OF AN INNOVATION SCHOOL ZONE WITH  
24 ALTERNATIVE GOVERNANCE, OR OF A SCHOOL WITHIN THE INNOVATION  
25 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, OR TO REMOVE A SCHOOL  
26 WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE  
27 FROM THE INNOVATION SCHOOL ZONE BASED ON THE INSUFFICIENT

1 ACADEMIC PROGRESS OF THE STUDENTS ENROLLED IN THE INNOVATION  
2 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, THE INNOVATION  
3 SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE MAY SUBMIT A WRITTEN  
4 REQUEST TO THE STATE BOARD AND COMMISSIONER OF EDUCATION TO  
5 REVIEW AND COMMENT ON THE LOCAL SCHOOL BOARD'S DETERMINATION.  
6 WITHIN SIXTY DAYS AFTER THE WRITTEN REQUEST IS SUBMITTED, THE  
7 STATE BOARD SHALL HOLD A PUBLIC HEARING TO RECEIVE PRESENTATIONS  
8 FROM THE PARTIES AND SHALL ISSUE COMMENTS AND RECOMMENDATIONS  
9 FOR THE CONSIDERATION OF THE LOCAL SCHOOL BOARD REGARDING THE  
10 LOCAL SCHOOL BOARD'S DETERMINATION. THE LOCAL SCHOOL BOARD  
11 SHALL INCLUDE A DISCUSSION OF THE STATE BOARD'S COMMENTS AND  
12 RECOMMENDATIONS ON THE AGENDA FOR THE LOCAL SCHOOL BOARD'S  
13 REGULAR VOTING MEETING AFTER THE COMMENTS AND  
14 RECOMMENDATIONS ARE RECEIVED OR ON THE AGENDA FOR THE SECOND  
15 REGULAR VOTING MEETING AFTER THE COMMENTS AND  
16 RECOMMENDATIONS ARE RECEIVED IF THE LOCAL SCHOOL BOARD  
17 RECEIVES THE COMMENTS AND RECOMMENDATIONS LESS THAN FIFTEEN  
18 DAYS BEFORE THE NEXT REGULAR VOTING MEETING.

19 (4) THE LOCAL SCHOOL BOARD SHALL REVIEW THE LEVEL OF  
20 PERFORMANCE OF AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE  
21 GOVERNANCE AND EACH SCHOOL WITHIN THE INNOVATION SCHOOL ZONE  
22 AT THE SAME TIME.

23

24 **SECTION 6. Act subject to petition - effective date.** This act  
25 takes effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly; except  
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this  
2 act within such period, then the act, item, section, or part will not take  
3 effect unless approved by the people at the general election to be held in  
4 November 2022 and, in such case, will take effect on the date of the  
5 official declaration of the vote thereon by the governor.