



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 22-0970	Date:	July 18, 2022
Prime Sponsors:	Sen. Coleman; Hansen Rep. Bacon	Bill Status:	Signed into Law
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Bill Topic: **INNOVATION SCHOOL ZONES WITH ALTERNATIVE GOVERNANCE**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> School District

The bill allows innovation schools to operate with alternative governance and establishes a dispute resolution process when innovation schools with an alternative governance and school boards have disagreements. The bill increase workload in the Colorado Department of Education and for school districts with innovation schools.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

The bill permits a group of schools to submit an innovation school zone plan that would authorize the schools to adopt an alternative governance model allowing management by an organization that forms a partnership with the local school board. The bill specifies what must be included in the plan as it relates to alternative governance.

The bill requires that a local school board and an innovation school zone with alternative governance, or a school within the innovation zone with alternative governance, use a dispute resolution process to resolve disagreements. Among other disputes, the resolution process may be used to resolve violations of an innovation plan or disputes over financial arrangements between the local school board and the innovation zone. A neutral third party must conduct the dispute resolution.

The Colorado Department of Education (CDE) must create, maintain, and make available a list of neutral third parties with experience with the innovation schools act. The State Board of Education must review allegations of non-compliance with a dispute resolution determination when the allegation is brought forward by a local board or a zone with alternative governance.

When determining the performance of public schools, the bill requires that a local school board review the level of performance of an innovation zone using an alternative governance, and each school within the innovation zone, at the same time.

Background

CDE's Schools of Choice office oversees the review of innovation plans to ensure they include the required components outlined in current law, and prepares agenda items for State Board action. The office also writes a yearly report on the status of innovation schools.

State Expenditures

The bill increases workload for CDE's Schools of Choice Unit to create the required list of neutral third parties. CDE will publish and disseminate a request for potential vendors and develop criteria for vendors to demonstrate qualifications for carrying out a dispute resolution process, as well as publish the list to ensure schools and districts have access to the information. Creating the vendor request, reviewing applicants and publishing the list is estimated to require between 40 - 120 hours of staff effort. The department will review and update the list annually. This workload does not require new appropriations.

School District Impact

The bill modifies procedures for districts with innovation zones, requires a dispute resolution process, and requires a performance review of innovation plans that include alternative governance.

Effective Date

The bill was signed into law by the Governor on June 2, 2022, and takes effect August 9, 2022, assuming no referendum petition is filed.

State and Local Government Contacts

Education

Law