

Summary of Reengrossed Version of HB17-1375

Distribution of Additional Mill Levy Revenue

Starting in 2019-20, each school district that collects mill levy override revenue ("additional mill levy revenue") and authorizes a charter school or an innovation school ("participating school district") must either:

- 1) implement a plan for distributing the additional mill levy revenue to the public schools of the school district based on meeting the needs of students, regardless of the type of public school in which the student enrolls; or
- 2) distribute at least 95% of the per pupil share of the additional mill levy revenue to each charter school and innovation school of the school district.

Plan requirements. If a participating school district chooses to adopt a plan:

- The local school board must adopt the plan and post it on the district website by July 1, 2018, but is not required to implement the plan until the 2019-20 budget year.
- The plan must distribute the money to schools of the school district, or use the money for programs that benefit schools of the school district, based on the needs of, and to equitably support the education of, all students, regardless of type of school in which they enroll.
- For each program included in the plan, a charter school or innovation school may decide whether to participate in the program or receive a distribution of the per pupil program share in lieu of participating. A charter or innovation school must use the per pupil program share to provide a program or services, as selected by the charter or innovation school, to benefit program-eligible students.
 - "Per pupil program share" is the amount allocated for the program, divided by the total number of program-eligible students in the school district, multiplied by the number of program-eligible students enrolled in the charter school or innovation school.
- The participating school district may, through the plan, use additional mill levy revenue to support traditionally at-risk student populations, so long as the amount distributed for students in the population is the same regardless of the type of public school in which a student enrolls.
- Any amount not used for programs or at-risk populations must be equitably distributed to the schools of the school district in direct proportion to the number of students enrolled in each school, regardless of school type.

- The plan must identify the amount spent on administrative services or other district-level uses.
- The local school board may decide whether to include multi-district online schools in the plan.
- If the local school board authorizes a charter school that is located outside the boundaries of the school district, the local school board is not required to distribute additional mill levy revenue for students who are enrolled in the charter school but do not reside within the school district.
- A charter school that receives a portion of the additional mill levy revenue must ensure that its admissions policy complies with the existing statute that prohibits discrimination based on disability, race, religion, etc. *(added on House 2nd reading)*

Per-pupil distribution. If a participating school district chooses to distribute the additional mill levy revenue to charter schools and innovation schools on a per pupil basis:

- The participating school district must begin the distribution in the 2019-20 budget year.
- The participating school district must distribute to the charter schools and innovation schools at least 95% of the per pupil mill levy share.
 - "Per pupil mill levy share" is the total amount of additional mill levy revenue divided by the participating school district's funded pupil count, multiplied by the number of students enrolled in the charter school or innovation school.
 - In counting the number of students enrolled, each preschool and kindergarten student counts as at least a half-day student and the participating school district may choose whether to include a student enrolled in a multi-district online school.
- If the local school board has a written policy to distribute a portion of the additional mill levy revenue for traditionally at-risk student populations, it may continue distributing the money for these purposes, so long as the distribution does not take into account the type of public school in which a student is enrolled. The participating school district must distribute the remaining amount of the additional mill levy revenue following the 95% per pupil mill levy share formula.
- For 2018-19, the participating school district must post a statement of intent to distribute additional mill levy revenue on a per pupil basis. Starting in the 2019-20 budget year, the participating school district must annually post the total

amount of additional mill levy revenue, the amount distributed for at-risk populations, and the amount distributed to each charter school and innovation school.

If a participating school district distributes a portion of the additional mill levy revenue to a charter school or innovation school for the 2016-17 budget year, by percentage or per pupil, it must continue distributing at least the same percentage or per pupil amount for the 2017-18 and 2018-19 budget years. During this time, the participating school district and its charter school may renegotiate contract terms concerning providing services or fees for services, but the renegotiation cannot include the charter school's authorization.

The amount of additional mill levy revenue that a charter school or innovation school receives is in addition to the other money that the charter school or innovation school receives from the participating school district under the Charter Schools Act or the Innovation Schools Act of 2008. A charter school cannot be forced through contract negotiations or terms to forgo receipt of any amount of the additional mill levy revenue.

Financial Transparency Reporting

The bill repeals the definition and use of the term "local education provider" in the Public School Financial Transparency Act and consistently refers to the state charter school institute, school districts, boards of cooperative services, and charter schools throughout the act.

Commencing July 1, 2018, the institute and each school district, BOCES, and charter school must post a link on its website to the form 990 and any associated schedules that it files.

Commencing July 1, 2017, each school district and each charter school must post on its website a list of the statutes for which the school district or the charter school has received a waiver and the replacement plans for all non-automatic waivers. The school district's list must include waivers for the school district as a whole and waivers granted to one or more schools of the school district, other than charter schools, and must separately list the waivers for innovation schools and innovation school zones.

By July 1, 2018, CDE and the institute, working with the League of Charter Schools, will create a standardized description of the automatic waivers and the rationale for why each statute was include on the list of automatic waivers. Commencing July 1, 2018, each charter school shall post on its website the standardized description and rationale for each of its automatic waivers.

Automatic Waivers

In addition to the statutes identified in existing law, the state board of education may not automatically waive for charter schools:

- §22-32-109 (1)(b), C.R.S., concerning procedures for competitive bidding; or
- §22-32-110 (1)(y), C.R.S., concerning the power to accept gifts, grants, and donations.

The state board of education cannot waive the statute that requires posting of waivers for a school district, a charter school, or an innovation school.