



**Colorado
Legislative
Council
Staff**

Room 029 State Capitol, Denver, CO 80203-1784
(303) 866-3521 • FAX: 866-3855 • TDD: 866-3472
www.colorado.gov/lcs
E-mail: lcs.ga@state.co.us

M E M O R A N D U M

April 21, 2016

TO: Senator Owen Hill
FROM: Josh Abram, Principal Fiscal Analyst (303-866-3561)
SUBJECT: Fiscal Assessment of Proposed Amendment **SB188_L.003**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **SB16-188**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

The amendment deletes the provision in the introduced bill that requires the state to calculate a mill levy equalization payment for Charter School Institute (CSI) schools based on the total pupil count and the amount of additional revenue from overrides in an institute charter school's accounting district.

The amendment creates the Mill Levy Equalization Fund to consist of any amount of money that the General Assembly may appropriate or transfer to the fund. Subject to annual appropriations, the CSI is required to annually distribute all the money in the fund to institute charter schools on a per-pupil basis.

Fiscal Impact of Amendment

SB188_L.003 removes the state fiscal impact of the introduced bill, estimated at \$12.2 million. The amendment will increase state expenditures by an indeterminate amount.

Bill's Revised Fiscal Impact with Amendment

The bill increases state expenditures to provide mill levy equalization payments to institute charter schools on a per-pupil basis. The precise amount of funding for the payments is at the discretion of the General Assembly, and must be determined annually. It is estimated that for the 2016-17 school year, institute charter schools will enroll approximately 15,175 students. As an example, if the General Assembly appropriates or transfers \$1.0 million to the fund, equalization payments to CSI schools would equate to about \$65.90 per student.

In the current fiscal year, local school districts raised local revenue from overrides that on a statewide average basis equates to about \$1,000 per student. If the General Assembly chooses to appropriate funds to equalize CSI schools at this per-pupil amount, state expenditures increase by \$15,175,000. Table 1 displays the per-pupil amount of equalization payments assuming variable levels of funding.

Table 1. Appropriation Scenarios for CSI Equalization Payments		
Appropriation	CSI Students	Per-Pupil Funding
\$1.0 million	15,175	\$65.90
\$5.0 million	15,175	\$329.49
\$10.0 million	15,175	\$658.98
\$15.0 million	15,175	\$988.47

SB188_L.003

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Education.

SB16-188 be amended as follows:

1 Amend printed bill, page 8, strike line 27 and substitute:

2 "SECTION 6. In Colorado Revised Statutes, add 22-30.5-513.1
3 as follows:

4 **22-30.5-513.1. Mill levy equalization report - fund created -**
5 **legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS THAT SCHOOL
6 DISTRICTS RECEIVE SIGNIFICANT OPERATING REVENUE FROM MILL LEVIES
7 THAT ARE IN ADDITION TO THE SCHOOL DISTRICTS' TOTAL PROGRAM MILL
8 LEVY. THIS ADDITIONAL REVENUE HELPS SCHOOL DISTRICTS OFFSET THE
9 EFFECTS OF THE NEGATIVE FACTOR IMPOSED BY SECTION 22-54-104 (5)
10 (g). THE GENERAL ASSEMBLY FURTHER FINDS THAT INSTITUTE CHARTER
11 SCHOOLS DO NOT HAVE ACCESS TO ADDITIONAL REVENUE FROM A LOCAL
12 PROPERTY TAX MILL LEVY. THE GENERAL ASSEMBLY FINDS, THEREFORE,
13 THAT IT IS APPROPRIATE TO CONSIDER ADDITIONAL STATE EQUALIZING
14 FUNDING FOR INSTITUTE CHARTER SCHOOLS.

15 (2) (a) THE MILL LEVY EQUALIZATION FUND, REFERRED TO IN THIS
16 SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY.
17 THE FUND CONSISTS OF ANY AMOUNT THAT THE GENERAL ASSEMBLY MAY
18 APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL
19 CREDIT TO THE FUND ALL INTEREST AND INCOME DERIVED FROM THE
20 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.

21 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
22 ASSEMBLY, THE INSTITUTE SHALL ANNUALLY DISTRIBUTE ALL OF THE
23 MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO THE INSTITUTE
24 CHARTER SCHOOLS ON AN EQUAL PER-PUPIL BASIS. THE MONEY
25 DISTRIBUTED PURSUANT TO THIS SECTION IS IN ADDITION TO MONEY
26 DISTRIBUTED TO INSTITUTE CHARTER SCHOOLS PURSUANT TO SECTION
27 22-30.5-513."

28 Strike pages 9 and 10.

29 Page 11, strike lines 1 through 4.

** *** ** ** *

