



Colorado *Legislative Council Staff Fiscal Note*
LOCAL
FISCAL IMPACT

Drafting Number: LLS 11-0786
Prime Sponsor(s): Rep. Massey; Hamner

Date: February 15, 2011
Bill Status: House Education
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING A SCHOOL DISTRICT'S ELECTION OF EXISTING CHARTER SCHOOL FUNDING FORMULAS TO ADDRESS THE DISTRIBUTION OF AT-RISK PUPIL FUNDING.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns May 11, 2011 as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: None required.		
School District Impact: See School District Impact section.		

Summary of Legislation

This bill gives school districts the flexibility to choose between 2 funding methods for at-risk students in charter schools.

Currently, the funding formula used for a district charter school depends on whether the authorizing school district meets certain criteria. If the district has retained exclusive chartering authority and the district's student enrollment consists of more than 40 percent at-risk students, the district uses an *adjusted* funding formula. In districts that don't meet this criteria, district charter schools receive a percentage of the district's per pupil revenue for each student enrolled in the district charter school. Since at-risk funding is embedded in per pupil revenue under the School Finance Act, some at-risk funding is provided to these schools, regardless of whether they serve students who are at-risk. Alternatively, institute charter schools, and district charter schools in districts that meet the alternative funding criteria, receive a percentage of the district's *adjusted* per pupil revenue, which depends more specifically on the charter schools' at-risk student enrollment.

This bill allows all school districts to use the *adjusted* funding formula to calculate the amount of funding for one or more charter schools in the district. Following a public hearing, if a local school board elects to use the adjusted funding formula for one or more district charter schools, the local board must notify any affected charter school at least 60 days before the deadline for the school to submit its annual budget.

School District Impact

The bill will have no affect on school district funding under the School Finance Act. School district total program funding is unchanged, as is per pupil revenue. Within districts, some charter schools will see reductions in the amount of their school-level distribution of the district's per pupil revenue. Other charter schools that serve at-risk students will see increases in this distribution; however, because the bill does not change state expenditures for K-12 education, the impact is a redistribution of existing appropriations within a local school district.

Departments Contacted

Education