



*Colorado Legislative Council Staff Fiscal Note*  
**LOCAL**  
**FISCAL IMPACT**

**Drafting Number:** LLS 12-0748

**Date:** February 10, 2012

**Prime Sponsor(s):** Sen. Bacon

**Bill Status:** Senate Education

**Fiscal Analyst:** Marc Carey (303-866-4102)

**TITLE:** CONCERNING THE ALLOCATION OF AT-RISK FUNDING FOR PUBLIC SCHOOLS.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> None required.		
<b>School District Impact:</b> See School District Impact section.		

**Summary of Legislation**

Effective July 1, 2015, this bill changes the statutory formula for the provision of at-risk funding to district charter schools. Specifically, the bill provides that funding for all district charter schools will be based on a formula for *adjusted* per pupil revenue, regardless of:

- whether the school's charter was approved before or after July 1, 2004; and
- the percentage of at-risk students in the chartering district.

Beginning in FY 2015-16, the bill also requires school districts receiving at-risk funding to provide free, online access to information regarding the programs and services purchased with at-risk funding and the percentage of district students served by each program or service.

**Background**

Currently, the funding formula used for a district charter school depends on whether the authorizing school district meets certain criteria and the affected charter school was chartered on or after July 1, 2004. If the school 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 that takes into consideration the number of at-risk students served by a charter school. All schools chartered by the state Charter School Institute are funded in this way. For district charter schools that do not meet these criteria or were chartered prior to July 1, 2004, funding

is based on a percentage of the district's per pupil revenue, and does not depend on the number of at-risk students enrolled in the charter school. Beginning January 1, 2015, this bill requires that all school districts use the *adjusted* funding formula to calculate funding for charter schools.

### **School District Impact**

The bill will not affect the school district total program under the School Finance Act. Within districts, however, the bill will affect funding for some charter schools. Institute charter schools and 35 district charter schools in qualifying districts are currently eligible for adjusted funding and are not affected by the bill. However, another 116 district charter schools will receive more or less funding than they would otherwise, depending on whether their share of enrolled at-risk students is greater or less than their district-wide average. These schools are currently ineligible, either because they are in non-qualifying districts or because they are in a qualifying district, but were chartered before July 1, 2004.

The table in Appendix 1 summarizes the school districts, the number of charter schools, and the overall funding changes projected to occur as a result of the bill, based on data for FY 2011-12. Overall, district charter schools will lose an estimated \$6.9 million in funding, which results in an additional \$6.9 million of funding for school districts. As the table indicates, 39 districts will receive additional funding because of a decrease in charter school funding within that district. In contrast, five school districts will receive less funding, with that money going to charter schools within the district.

Beginning in FY 2015-16, the bill requires districts receiving at-risk funding to post on-line information regarding the programs and services purchased and the percentage of district students served by that funding. Districts will incur additional costs to comply with this requirement.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

### **Departments Contacted**

Education

**Appendix 1**  
**School Districts, Charter Schools and Charter School Funding Impacted by SB12-103**

<b>County</b>	<b>District</b>	<b>Number of Impacted Charter Schools</b>	<b>Change in Charter School Funding</b>
<b>Adams</b>	Strasburg	1	(\$406)
	Bennett	1	(\$21,787)
	Westminster	1	(\$178,041)
	Brighton	5	(\$403,730)
	Adams 12	5	(\$680,231)
<b>Arapahoe</b>	Littleton	2	(\$80,193)
	Cherry Creek	1	(\$87,455)
	Aurora	1	(\$168,112)
<b>Boulder</b>	Boulder	5	(\$178,585)
	St. Vrain	6	(\$446,019)
<b>Clear Creek</b>	Clear Creek	1	(\$10,332)
<b>Denver</b>	Denver	9	(\$162,304)
<b>Douglas</b>	Douglas	10	(\$274,202)
<b>Eagle</b>	Eagle	2	(\$99,655)
<b>El Paso</b>	Colorado Springs	5	\$235,566
	Cheyenne Mountain	1	(\$22,251)
	Lewis-Palmer	1	(\$40,807)
	Widefield	1	(\$42,425)
	Harrison	2	(\$297,007)
	Academy Falcon	4 4	(\$325,655) (\$337,900)
<b>Elbert</b>	Elizabeth	1	(\$14,831)
<b>Fremont</b>	Canon City	1	(\$70,304)
<b>Garfield</b>	Roaring Fork	1	(\$23,682)
<b>Grand</b>	East Grand	1	(\$485)
<b>Gunnison</b>	Gunnison	1	\$1,884
<b>Jefferson</b>	Jefferson	16	(\$827,860)
	Thompson Poudre	2 2	(\$161,945) (\$374,298)
<b>Mesa</b>	Mesa Valley	2	(\$102,158)
<b>Montezuma</b>	Montezuma-Cortez	2	(\$4,967)
<b>Montrose</b>	West End	1	\$7,043
	Montrose	1	\$8,250
<b>Park</b>	Park	2	\$10,831
<b>Pitkin</b>	Aspen	1	(\$8,547)
<b>Prowers</b>	Lamar	1	(\$48,058)
<b>Pueblo</b>	Pueblo City	2	(\$96,394)
	Pueblo Rural	3	(\$229,847)
<b>Routt</b>	Streamboat Springs	1	(\$6,434)
<b>Saguache</b>	Moffat	1	(\$21,929)
<b>Weld</b>	Keenesburg	1	(\$36,723)
	Johnstown	1	(\$45,737)
	Windsor	1	(\$124,970)
	Greeley	3	(\$1,094,499)
<b>Total</b>		<b>116</b>	<b>(\$6,887,194)</b>

Source: Colorado Department of Education data for Academic Year 2011-12

Note: Funding changes in future years will vary, based on the number of at-risk students.