

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0226
Prime Sponsor(s): Rep. Buck

Date: February 5, 2015
Bill Status: House Education
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: RURAL SCHOOL DISTRICTS WAIVER STATUTE AND RULES

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Workload increase. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill permits a rural school district to request an automatic waiver from the same state statutes and State Board of Education (BOE) rules as are waived under current law for charter schools. A local school district board of education must notify the state BOE of the district's intent to operate pursuant to an automatic waiver.

Beginning with the 2015-2016 academic year, a rural school district may also request a state waiver from the requirement to administer the school readiness assessment to kindergarten students. The state BOE may grant the waiver if the rural district can demonstrate that it is able to measure each student's progress toward demonstrating school readiness through other means.

A rural school district is one that the Colorado Department of Education (CDE) determines is rural based on the size of the school district, the distance to large urban areas, and an enrollment of approximately 6,500 or fewer students.

Background

Charter schools are automatically exempt from a number of statutes. Generally, these waivers grant authority to charter school boards concerning:

- competitive bidding;
- employment of educational staff and pay;
- provisions for termination, salary schedules, and reimbursing employee expenses;
- policies relating to professional development of staff and official staff conduct;
- determination of teacher-pupil contact hours;
- the selection of educational programs;
- the procurement of life, health, or accident insurance; and
- attendance polices and excused absences.

In order to obtain waivers of these or any other statutes/rules, rural school districts are required to submit a statement describing how the school district intends to comply with the intent of the statute or rule. The BOE will grant the request so long as the waiver is deemed "necessary." Rural school districts cannot obtain waivers from statutes and/or rules related to standards, assessments, and accountability.

State Expenditures

The bill will increase workload for the CDE to review rural school district waiver requests. The granting of automatic waivers is not anticipated to increase state expenditures; however, since the bill allows a rural school district to request other waivers not automatically waived for charter schools, the CDE will experience a workload increase to review, process, and present the waiver request to the state BOE.

There are approximately 150 school districts with less than 6,500 students; however, some of these districts cannot be designated as rural due to the school district's close proximity to a large urban area. It is unknown how many total school districts will seek additional waivers from the BOE.

Approximately four hours of staff time is anticipated per request to review the application and prepare recommendations for the BOE. There are associated printing expenses for each waiver request. As an example, if 90 percent of 150 rural districts request a waiver, staff workload increases by about 540 hours, or about 0.3 FTE. Since the total workload and printing expense cannot be anticipated, appropriations for the bill must be addressed through the annual budget setting process.

School District Impact

Rural districts may have a small workload reduction as a result of automatically waived provisions. A rural district may also request waivers from other provisions of state law but must demonstrate to the state BOE how the school district intends to comply with the intent of the statute or rule. The state BOE may only grant the request so long as the waiver is deemed "necessary."

Pursuant to Section 22-32-143, C.R.S., 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>

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Education

Law