



**Colorado  
Legislative  
Council  
Staff**

**HB16-1343**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0860  
**Prime Sponsor(s):** Rep. Moreno

**Date:** August 3, 2016  
**Bill Status:** Deemed Lost  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**BILL TOPIC:** WAIVERS FOR CHARTER SCHOOLS

| Fiscal Impact Summary                                                                  | FY 2016-2017           | FY 2017-2018           |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>State Revenue</b>                                                                   |                        |                        |
| <b>State Expenditures</b>                                                              | <b><u>\$14,690</u></b> | <b><u>\$14,739</u></b> |
| General Fund                                                                           | 12,053                 | 12,053                 |
| Centrally Appropriated Costs                                                           | 2,637                  | 2,686                  |
| <b>FTE Position Change</b>                                                             | 0.2 FTE                | 0.2 FTE                |
| <b>Appropriation Required:</b> \$12,053 - Colorado Department of Education (FY2016-17) |                        |                        |
| <b>Future Year Impacts:</b> Ongoing expenditure and workload increase.                 |                        |                        |

**NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.**

**Summary of Legislation**

The bill repeals the authority of the State Board of Education (SBE) to automatically waive state statutes or board rules for charter schools. For any new or renewed charter school contract, charter schools must submit a request for a waiver, along with a rationale for the request and a statement describing how the school intends to comply with the intent of the waived statute or rule.

**Background**

Charter schools are automatically exempt from a number of state statutes in addition to district rules that the schools may negotiate with their authorizer (i.e., the school district or the Charter School Institute) as part of the charter agreement. Generally, state 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.

**State Expenditures**

***For FY 2016-17, this bill increases state expenditures in the CDE by \$14,690 and 0.2 FTE. For FY 2017-18, increased expenditures are \$14,739 and 0.2 FTE.***

The bill increases workload for the department to support charter schools to prepare replacement plans for state statutes and rules that are currently waived automatically. This support includes reviewing draft plans, providing feedback and technical assistance, and preparing waiver requests for approval by the SBE.

There are currently 170 charter schools in the state and the total is expected to grow by 14-20 schools annually. Assuming that current charter schools retain the automatic waivers until they renew on a typical five-year renewal schedule, the department can anticipate assisting multiple schools annually with this process.

| <b>Table 1. Expenditures Under HB 16-1343</b> |                   |                   |
|-----------------------------------------------|-------------------|-------------------|
| <b>Cost Components</b>                        | <b>FY 2016-17</b> | <b>FY 2017-18</b> |
| Personal Services                             | \$12,053          | \$12,053          |
| FTE                                           | 0.2 FTE           | 0.2 FTE           |
| Centrally Appropriated Costs*                 | 2,637             | 2,686             |
| <b>TOTAL</b>                                  | <b>\$14,690</b>   | <b>\$14,739</b>   |

*\* Centrally appropriated costs are not included in the bill's appropriation.*

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

| <b>Table 2. Centrally Appropriated Costs Under HB 16-1343</b>        |                   |                   |
|----------------------------------------------------------------------|-------------------|-------------------|
| <b>Cost Components</b>                                               | <b>FY 2016-17</b> | <b>FY 2017-18</b> |
| Employee Insurance (Health, Life, Dental, and Short-term Disability) | \$1,606           | \$1,606           |
| Supplemental Employee Retirement Payments                            | 1,031             | 1,080             |
| <b>TOTAL</b>                                                         | <b>\$2,637</b>    | <b>\$2,686</b>    |

**School District Impact**

The bill increases the workload and expenditures of charter schools when applying for or renewing a charter.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://1.usa.gov/23AxLIT>

## **Effective Date**

The bill is deemed lost since the House of Representatives laid the bill over to May 12, 2016 during second reading on May 10, 2016.

## **State Appropriations**

For FY 2016-17, this bill would have required an appropriation of \$12,053 General Fund to the Colorado Department of Education and the allocation of 0.2 FTE.

## **State and Local Government Contacts**

Education      Law