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Revised Fiscal Note

(replaces fiscal note dated February 24, 2023)

Drafting Number: LLS 23-0399 Date: March 31, 2023
Prime Sponsors: Rep. Soper Bill Status: House Appropriations
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Bill Topic: INDIVIDUALIZED LEARNING SCHOOLS & PROGRAMS

- Summary of Fiscal Impact:
State Revenue, TABOR Refund, State Expenditure, School District, State Transfer, Statutory Public Entity

The bill allows students in certain independent study programs at charter schools to be funded through the School Finance Act. The bill may impact state expenditures and school funding in FY 2023-24 only.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, as amended by the House Education Committee.

Summary of Legislation

The bill specifies that a student in kindergarten through 8th grade who is enrolled in independent study at a charter school is eligible for funding through the School Finance Act. The independent study must be offered through a charter contract approved by its authorizer as of June 1, 2020, based on guidance at that time from the Colorado Department of Education (CDE), and must remain authorized by its charter contract. The bill is repealed July 1, 2024.

Background and Assumptions

The fiscal note assumes that the bill applies to two charters schools that operate independent study programs in line with the bill's parameters. Under current law, students enrolled in these programs are funded through the school finance formula as full-time, traditional students under a waiver from CDE that ends in FY 2022-23. In FY 2023-24, the waiver is set to expire, and the State Board of Education may consider rule changes, including possible modifications to the definition of independent study. Any changes to state rules and alignment of current programs with those rules would impact how students in these independent study programs are funded.

As a result, it is unknown how these students will be funded under current law in FY 2023-24. They could continue to be counted as full-time traditional students, or be counted as part-time, online, or homeschool enrichment students, depending on rule changes and whether the programs align with the definition of independent study or receive a new waiver.

## State Expenditures

The bill may impact the state share of school finance by a minimal amount in FY 2023-24 only. Because it is unknown how students in these two programs will be funded in FY 2023-24 under current law, the bill may continue current expenditures for those students, or it may increase funding for those students compared to potentially lower funding in FY 2023-24 without the bill. For this reason, and because the bill is assumed to apply to a limited population of students, the fiscal note assumes that any changes to the state share of total program will occur through the 2024 October Count and school finance mid-year adjustment. The state share of school finance is typically paid from the General Fund and State Education Fund.

## School District

As discussed in the state expenditures section, the bill may impact funding for the school districts that authorize charter schools with eligible programs in FY 2023-24 only. This fiscal note assumes that the provisions of this bill will apply to students attending one of two charter schools in two school districts.

## 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

School Districts