

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0970.02 Alana Rosen x2606

SENATE BILL 22-197

SENATE SPONSORSHIP

Coleman and Hansen,

HOUSE SPONSORSHIP

(None),

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 CONCERNING AUTHORIZING ALTERNATIVE GOVERNANCE FOR
102 INNOVATION SCHOOL ZONES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill allows an innovation school zone (innovation zone) to use an alternative governance structure by which the school district board of education (local school board) delegates management of schools within the innovation zone to another organization and the organization forms a partnership with the local school board. An innovation zone is required to submit information regarding the alternative governance structure in

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

the innovation zone's innovation plan to the local school board.

The bill requires that the local school board and an innovation zone that has an alternative governance structure, or a school within the innovation zone, use a dispute resolution process to resolve disagreements that may arise. The bill outlines the dispute resolution process.

The bill requires a local school board to review the level of performance of an innovation zone that uses alternative governance, and each school within the innovation zone, at the same time.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-32.5-102, **add** (3)
3 as follows:

4 **22-32.5-102. Legislative declaration.** (3) THE GENERAL
5 ASSEMBLY FURTHER DECLARES THAT:

6 (a) SINCE THE "INNOVATION SCHOOLS ACT OF 2008" WAS PASSED,
7 INNOVATIONS HAVE BEEN USED TO LEVERAGE OUTCOMES FOR STUDENTS
8 AND SUPPORT CREATIVE SCHOOL MODELS TO MEET THE NEEDS OF
9 STUDENTS, EDUCATORS, AND FAMILIES;

10 (b) THE CORNERSTONE OF INNOVATION WORK IS EMPOWERING
11 EDUCATORS TO BE PART OF THE DESIGN PROCESS, HELPING TO DEVELOP AN
12 INNOVATION PLAN AND VOTING TO APPROVE THE SCHOOL'S PLAN AND ANY
13 REVISIONS TO THE INNOVATION PLAN;

14 (c) THE "INNOVATION SCHOOLS ACT OF 2008" IDENTIFIES AREAS
15 OF INNOVATION THAT SCHOOLS ARE ENCOURAGED TO EXPLORE,
16 INCLUDING INNOVATIONS IN GOVERNANCE;

17 (d) LOCAL SCHOOL BOARDS AND INNOVATION SCHOOL ZONES HAVE
18 IMPLEMENTED ALTERNATIVE GOVERNANCE MODELS FOR INNOVATION
19 SCHOOL ZONES AND SCHOOLS WITHIN THE INNOVATION SCHOOL ZONES,
20 INCLUDING DELEGATION OF MANAGEMENT FROM A LOCAL SCHOOL BOARD
21 TO A NONPROFIT ORGANIZATION AFFILIATED WITH AN INNOVATION

1 SCHOOL ZONE;

2 (e) INNOVATION SCHOOLS WERE DESIGNED AS AN OPPORTUNITY
3 FOR SCHOOLS THAT OPERATE WITHIN THEIR SCHOOL DISTRICT TO EXERCISE
4 AUTONOMY AND FLEXIBILITY TO ADAPT TO MEET THE NEEDS OF SCHOOLS
5 AND STUDENTS WHOM INNOVATION SCHOOLS SERVE;

6 (f) IF DISPUTES ARISE BETWEEN AN INNOVATION SCHOOL ZONE AS
7 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, AND THE
8 LOCAL SCHOOL BOARD THAT OVERSEES THE INNOVATION SCHOOL ZONE,
9 A FAIR AND CONSISTENT RESOLUTION PROCESS IS NEEDED TO ADDRESS THE
10 DISPUTE; AND

11 (g) THE DISPUTE RESOLUTION PROCESS DESCRIBED IN THIS ARTICLE
12 32.5 IS MODELED FROM EXISTING STATUTORY DISPUTE RESOLUTION
13 PROCESSES AND INTENDS TO SUPPORT BOTH PARTIES, ENCOURAGE
14 INNOVATION SCHOOL ZONES TO PRACTICE INNOVATIVE GOVERNANCE, AND
15 ALLOW THE LOCAL SCHOOL BOARD TO REACH SOLUTIONS WITH
16 INNOVATION SCHOOL ZONES WITH ALTERNATIVE GOVERNANCE.

17 **SECTION 2.** In Colorado Revised Statutes, 22-32.5-103, **add**
18 (1.7) and (4.5) as follows:

19 **22-32.5-103. Definitions.** As used in this article 32.5, unless the
20 context otherwise requires:

21 (1.7) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION
22 CREATED IN SECTION 24-1-115.

23 (4.5) "INNOVATION SCHOOL ZONE WITH ALTERNATIVE
24 GOVERNANCE" MEANS AN INNOVATION SCHOOL ZONE THAT EITHER
25 OPERATES AS AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE
26 GOVERNANCE ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION
27 (4.5) OR SUBMITS TO ITS LOCAL SCHOOL BOARD AN INNOVATION PLAN,

1 WHICH THE LOCAL SCHOOL BOARD APPROVES, THAT AUTHORIZES
2 ALTERNATIVE GOVERNANCE AND DELEGATES MANAGEMENT TO ANOTHER
3 ORGANIZATION PURSUANT TO SECTION 22-32.5-104 (5), INCLUDING BUT
4 NOT LIMITED TO A NONPROFIT ORGANIZATION.

5 **SECTION 3.** In Colorado Revised Statutes, 22-32.5-104, **add** (5)
6 as follows:

7 **22-32.5-104. Innovation plans - submission - contents.** (5) A
8 GROUP OF SCHOOLS THAT SUBMITS A PLAN TO CREATE AN INNOVATION
9 SCHOOL ZONE AS PROVIDED IN THIS SECTION AND SEEKS TO BE MANAGED
10 BY AN ORGANIZATION THAT FORMS A PARTNERSHIP WITH THE LOCAL
11 SCHOOL BOARD MUST, IN ADDITION TO THE PROVISIONS SPECIFIED IN
12 SUBSECTION (4) OF THIS SECTION, INCLUDE THE FOLLOWING INFORMATION
13 IN THE INNOVATION PLAN:

14 (a) AN EXPLANATION OF HOW ALTERNATIVE GOVERNANCE WILL
15 HELP ACHIEVE THE VISION AND GOALS OF THE GROUP OF SCHOOLS IN A
16 SCHOOL DISTRICT;

17 (b) A DESCRIPTION OF THE ORGANIZATION AND THE
18 ORGANIZATION'S GOVERNING BOARD AND GOVERNANCE STRUCTURE;

19 (c) A DESCRIPTION OF THE ROLES AND DUTIES OF THE
20 ORGANIZATION'S GOVERNING BOARD, WHICH DUTIES MUST INCLUDE
21 OVERSEEING THE IMPLEMENTATION OF THE INNOVATION PLAN AND
22 SUPPORTING ACADEMIC PROGRESS;

23 (d) A DESCRIPTION OF THE ZONE STAFFING AND MANAGEMENT THE
24 ORGANIZATION WOULD PROVIDE;

25 (e) A DESCRIPTION OF THE TERMS UNDER AND PROCESS BY WHICH
26 A SCHOOL WITHIN AN INNOVATION SCHOOL ZONE MAY ELECT TO LEAVE
27 THE INNOVATION SCHOOL ZONE; AND

1 (f) A DESCRIPTION OF THE FINANCIAL AGREEMENT BETWEEN THE
2 INNOVATION SCHOOL ZONE AND THE LOCAL SCHOOL BOARD, INCLUDING
3 A METHOD FOR DETERMINING THE COST OF SERVICES THAT THE
4 INNOVATION SCHOOL ZONE MAY PURCHASE FROM THE LOCAL SCHOOL
5 BOARD.

6 **SECTION 4.** In Colorado Revised Statutes, **add 22-32.5-110.5**
7 as follows:

8 **22-32.5-110.5. Dispute resolution - innovation school zones**
9 **with alternative governance.** (1) THE LOCAL SCHOOL BOARD AND AN
10 INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE,
11 OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE
12 GOVERNANCE, SHALL USE A DISPUTE RESOLUTION PROCESS TO RESOLVE
13 DISAGREEMENTS. IN THE EVENT OF A DISPUTE, THE INNOVATION SCHOOL
14 ZONE SHALL CONTINUE TO OPERATE UNDER THE INNOVATION PLAN UNTIL
15 THE CONCLUSION OF THE DISPUTE RESOLUTION PROCESS. THE DISPUTE
16 RESOLUTION PROCESS MAY BE USED IF:

17 (a) THERE IS A DISPUTE IN CONNECTION WITH A REVIEW
18 CONDUCTED PURSUANT TO SECTION 22-32.5-110;

19 (b) THE LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS
20 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE VIOLATES
21 THE APPROVED INNOVATION PLAN OR SUPPORTING DOCUMENTS,
22 REGARDLESS OF WHETHER THE VIOLATION IS RELATED TO A WAIVER AS
23 DESCRIBED IN SECTION 22-32.5-108;

24 (c) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE
25 DISAGREE REGARDING THE FINANCIAL ARRANGEMENT BETWEEN THE
26 LOCAL SCHOOL BOARD AND THE INNOVATION SCHOOL ZONE, INCLUDING
27 BUT NOT LIMITED TO A CHANGE TO THE SERVICES OR COSTS OF SERVICES

1 THE INNOVATION SCHOOL ZONE MAY PURCHASE FROM THE LOCAL SCHOOL
2 BOARD;

3 (d) THE LOCAL SCHOOL BOARD VOTES TO REVOKE THE
4 INNOVATION STATUS OF THE INNOVATION SCHOOL ZONE OR SEEKS TO
5 REMOVE A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE FROM THE
6 ZONE; OR

7 (e) THE LOCAL SCHOOL BOARD PROPOSES TO REVISE THE
8 INNOVATION PLAN IN ACCORDANCE WITH A REVIEW PURSUANT TO SECTION
9 22-32.5-110 (1), AND THE INNOVATION SCHOOL ZONE AS A WHOLE, OR A
10 SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, DISPUTES THE REVISIONS
11 PROPOSED BY THE LOCAL SCHOOL BOARD THAT THE LOCAL SCHOOL BOARD
12 ASSERTS ARE NECESSARY TO IMPROVE OR CONTINUE TO IMPROVE
13 ACADEMIC PERFORMANCE WITHIN THE INNOVATION SCHOOL ZONE, OR A
14 SCHOOL WITHIN THE INNOVATION SCHOOL ZONE.

15 (2) A NEUTRAL THIRD PARTY MUST CONDUCT THE DISPUTE
16 RESOLUTION. THE DEPARTMENT SHALL CREATE A LIST OF NEUTRAL THIRD
17 PARTIES WHO HAVE EXPERIENCE WITH AND AN UNDERSTANDING OF THIS
18 ARTICLE 32.5. THE DEPARTMENT SHALL CREATE AND MAINTAIN THE LIST
19 OF NEUTRAL THIRD PARTIES AND MAKE THE LIST AVAILABLE ON THE
20 DEPARTMENT'S WEBSITE.

21 (3)(a) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE
22 WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE
23 INNOVATION SCHOOL ZONE, SHALL MAKE A GOOD FAITH EFFORT TO REACH
24 A RESOLUTION CONCERNING A DISAGREEMENT AS DESCRIBED IN
25 SUBSECTION (1) OF THIS SECTION.

26 (b) IF AN AGREEMENT IS NOT REACHED, THE LOCAL SCHOOL BOARD
27 OR THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS

1 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, MAY
2 INITIATE A DISPUTE RESOLUTION PROCESS AS FOLLOWS:

3 (I) THE LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS
4 A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE MAY
5 INITIATE DISPUTE RESOLUTION THROUGH A WRITTEN NOTICE TO THE OTHER
6 PARTY AND THE STATE BOARD OF AN INTENT TO INVOKE THE DISPUTE
7 RESOLUTION PROCESS PURSUANT TO THIS SECTION. WRITTEN NOTICE MUST
8 INCLUDE, AT A MINIMUM, A BRIEF DESCRIPTION OF THE MATTER IN DISPUTE
9 AND THE SCOPE OF THE DISAGREEMENT BETWEEN THE PARTIES.

10 (II) WITHIN FIFTEEN CALENDAR DAYS AFTER RECEIPT OF THE
11 WRITTEN NOTICE DESCRIBED IN SUBSECTION (3)(b)(I) OF THIS SECTION,
12 THE LOCAL SCHOOL BOARD AND THE INNOVATION SCHOOL ZONE MUST
13 AGREE TO USE A DISPUTE RESOLUTION PROCESS TO RESOLVE THE DISPUTE;
14 EXCEPT THAT ANY FORM OF DISPUTE RESOLUTION THAT THE PARTIES
15 CHOOSE MUST RESULT IN FINAL WRITTEN FINDINGS BY A NEUTRAL THIRD
16 PARTY WITHIN SIXTY CALENDAR DAYS AFTER RECEIPT OF WRITTEN NOTICE
17 PURSUANT TO SUBSECTION (3)(b)(I) OF THIS SECTION;

18 (III) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE
19 SHALL AGREE TO A NEUTRAL THIRD PARTY TO CONDUCT THE DISPUTE
20 RESOLUTION. THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE
21 MAY SELECT A NEUTRAL THIRD PARTY FROM THE LIST OF NEUTRAL THIRD
22 PARTIES CREATED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2) OF
23 THIS SECTION. IF THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL
24 ZONE ARE UNABLE TO AGREE UPON A NEUTRAL THIRD PARTY, THE STATE
25 BOARD SHALL DESIGNATE A NEUTRAL THIRD PARTY FROM THE LIST OF
26 NEUTRAL THIRD PARTIES CREATED BY THE DEPARTMENT PURSUANT TO
27 SUBSECTION (2) OF THIS SECTION.

1 (IV) THE NEUTRAL THIRD PARTY SHALL ACCEPT EVIDENCE AND
2 ORAL ARGUMENTS FROM THE PARTIES AS PART OF THE DELIBERATIVE
3 PROCESS AND SHALL REACH A WRITTEN DETERMINATION WITHIN SIXTY
4 CALENDAR DAYS AFTER RECEIPT OF THE WRITTEN NOTICE PURSUANT TO
5 SUBSECTION (3)(b)(I) OF THIS SECTION; AND

6 (V) THE NEUTRAL THIRD PARTY SHALL APPORTION BETWEEN THE
7 PARTIES ALL COSTS REASONABLY RELATED TO THE MUTUALLY AGREED
8 UPON DISPUTE RESOLUTION PROCESS.

9 (4) IF THE LOCAL SCHOOL BOARD OR THE INNOVATION SCHOOL
10 ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR THE SCHOOL
11 WITHIN THE INNOVATION SCHOOL ZONE, DOES NOT ACT IN ACCORDANCE
12 WITH THE NEUTRAL THIRD PARTY'S DECISION, THE LOCAL SCHOOL BOARD
13 OR INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A
14 WHOLE, OR THE SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, MAY
15 SUBMIT A LETTER TO THE NEUTRAL THIRD PARTY AND THE OTHER PARTY
16 THAT PROVIDES EVIDENCE OF NONCOMPLIANCE. IF THE NEUTRAL THIRD
17 PARTY FINDS THAT THE PARTY IS NOT COMPLYING, THE NEUTRAL THIRD
18 PARTY SHALL FORWARD IN WRITING THE NEUTRAL THIRD PARTY'S
19 FINDINGS TO THE STATE BOARD. THE STATE BOARD MAY ENFORCE THE
20 NEUTRAL THIRD PARTY'S DECISION BY ISSUING A WRITTEN DETERMINATION
21 TO THE PARTIES.

22 **SECTION 5.** In Colorado Revised Statutes, 22-32.5-110, **add** (4)
23 as follows:

24 **22-32.5-110. District of innovation - review of innovation**
25 **schools and innovation school zones - repeal.** (4) (a) THE LOCAL
26 SCHOOL BOARD SHALL REVIEW THE LEVEL OF PERFORMANCE OF AN
27 INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AND EACH

1 SCHOOL WITHIN THE INNOVATION SCHOOL ZONE AT THE SAME TIME.

2 (b) IF AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE
3 GOVERNANCE HAS A FINANCIAL AGREEMENT WITH A LOCAL SCHOOL
4 BOARD PURSUANT TO SECTION 22-32.5-104 (5)(f), THE AGREEMENT MUST
5 BE SUBJECT TO REVISION ONLY THROUGH THE REVIEW PROCESS SPECIFIED
6 IN SUBSECTION (1) OF THIS SECTION, AND SHALL NOT BE UNILATERALLY
7 REVISED DURING THE THREE-YEAR PERIOD BETWEEN REVIEWS.

8 **SECTION 6. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly; except
11 that, if a referendum petition is filed pursuant to section 1 (3) of article V
12 of the state constitution against this act or an item, section, or part of this
13 act within such period, then the act, item, section, or part will not take
14 effect unless approved by the people at the general election to be held in
15 November 2022 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.