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An Act

SENATE BILL 22-197

BY SENATOR(S) Coleman and Hansen, Bridges, Cooke, Gardner, Hisey, Holbert, Kirkmeyer, Liston, Lundeen, Priola, Rankin, Smallwood, Sonnenberg, Woodward;
also REPRESENTATIVE(S) Bacon, Garnett.

CONCERNING AUTHORIZING ALTERNATIVE GOVERNANCE FOR INNOVATION
SCHOOL ZONES.

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

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

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

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

(b) THE CORNERSTONE OF INNOVATION WORK IS EMPOWERING

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

EDUCATORS AND FAMILIES TO BE PART OF THE DESIGN PROCESS, HELPING TO DEVELOP AN INNOVATION PLAN AND VOTING TO APPROVE THE SCHOOL'S PLAN AND ANY REVISIONS TO THE INNOVATION PLAN;

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

(d) LOCAL SCHOOL BOARDS AND INNOVATION SCHOOL ZONES HAVE IMPLEMENTED ALTERNATIVE GOVERNANCE MODELS FOR INNOVATION SCHOOL ZONES AND SCHOOLS WITHIN THE INNOVATION SCHOOL ZONES, INCLUDING DELEGATION OF SOME MANAGEMENT ACTIVITIES FROM A LOCAL SCHOOL BOARD TO A NONPROFIT ORGANIZATION AFFILIATED WITH AN INNOVATION SCHOOL ZONE;

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

(f) IF DISPUTES ARISE BETWEEN AN INNOVATION SCHOOL ZONE AS A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, AND THE LOCAL SCHOOL BOARD THAT OVERSEES THE INNOVATION SCHOOL ZONE REGARDING THE ADMINISTRATION OF AN INNOVATION PLAN, A FAIR AND CONSISTENT RESOLUTION PROCESS IS NEEDED TO ADDRESS THE DISPUTE; AND

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

SECTION 2. In Colorado Revised Statutes, 22-32.5-103, **add** (1.7), (4.5), and (5.5) as follows:

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

(1.7) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION

CREATED IN SECTION 24-1-115.

(4.5) "INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE" MEANS AN INNOVATION SCHOOL ZONE THAT EITHER OPERATES AS AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (4.5) OR SUBMITS TO ITS LOCAL SCHOOL BOARD AN INNOVATION PLAN, WHICH THE LOCAL SCHOOL BOARD APPROVES, THAT AUTHORIZES ALTERNATIVE GOVERNANCE AND DELEGATES MANAGEMENT ACTIVITIES TO ANOTHER ORGANIZATION PURSUANT TO SECTION 22-32.5-104 (5), INCLUDING BUT NOT LIMITED TO A NONPROFIT ORGANIZATION. AN ORGANIZATION DOES NOT INCLUDE A FOR-PROFIT ORGANIZATION.

(5.5) "NEUTRAL THIRD PARTY" MEANS A TRAINED INDIVIDUAL WHO ASSISTS DISPUTANTS IN REACHING A MUTUALLY ACCEPTABLE RESOLUTION OF THEIR DISPUTES BY IDENTIFYING AND EVALUATING ALTERNATIVES, AND IS ON AN APPROVED LIST BY THE OFFICE OF DISPUTE RESOLUTION ESTABLISHED IN SECTION 13-22-303 OR THE AMERICAN ARBITRATION ASSOCIATION, OR ITS SUCCESSOR.

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

22-32.5-104. Innovation plans - submission - contents. (5) A GROUP OF SCHOOLS THAT SUBMITS A PLAN TO CREATE AN INNOVATION SCHOOL ZONE AS PROVIDED IN THIS SECTION AND SEEKS TO HAVE MANAGEMENT ACTIVITIES DELEGATED BY THE LOCAL BOARD TO AN ORGANIZATION THAT FORMS A PARTNERSHIP WITH THE LOCAL SCHOOL BOARD MUST, IN ADDITION TO THE PROVISIONS SPECIFIED IN SUBSECTION (4) OF THIS SECTION, INCLUDE THE FOLLOWING INFORMATION IN THE INNOVATION PLAN:

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

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

(c) A DESCRIPTION OF THE ROLES AND DUTIES OF THE

ORGANIZATION'S GOVERNING BOARD, WHICH DUTIES MUST INCLUDE, AT A MINIMUM, OVERSEEING THE IMPLEMENTATION OF THE INNOVATION PLAN AND SUPPORTING ACADEMIC PROGRESS;

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

(e) A DESCRIPTION OF HOW FUNDS WILL BE USED TO ACHIEVE THE MISSION AND ACADEMIC PERFORMANCE OF THE INNOVATION PLAN;

(f) A DESCRIPTION OF WHERE AN EASILY ACCESSIBLE LINK TO THE FEDERAL FORM 990, 990-EZ, OR 990-PF, AS REQUIRED BY SECTION 22-44-304, OR OTHER RELEVANT FINANCIAL INFORMATION IF THE ORGANIZATION DOES NOT RECEIVE A FEDERAL FORM 990, IS LOCATED ON THE ZONE WEBSITE;

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

(h) A DESCRIPTION OF THE METHOD THE SCHOOL DISTRICT WILL USE FOR DETERMINING THE COST OF SERVICES AND A CORRESPONDING FINANCIAL AGREEMENT WITH THE INNOVATION SCHOOL ZONE.

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

22-32.5-110.5. Dispute resolution - innovation school zones with alternative governance. (1) THE LOCAL SCHOOL BOARD AND AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, SHALL USE A DISPUTE RESOLUTION PROCESS TO RESOLVE DISAGREEMENTS REGARDING THE ADMINISTRATION OF THE INNOVATION PLAN. IN THE EVENT OF A DISPUTE, THE PARTIES OF THE DISPUTE SHALL MAKE EVERY EFFORT TO REACH A RESOLUTION, AND THE INNOVATION SCHOOL ZONE SHALL CONTINUE TO OPERATE UNDER THE INNOVATION PLAN UNTIL THE CONCLUSION OF THE DISPUTE RESOLUTION PROCESS, REGARDLESS OF THE REVISION TIMELINE DESCRIBED IN SECTION 22-32.5-110. THE DISPUTE RESOLUTION PROCESS MAY BE USED IF THE LOCAL SCHOOL BOARD, THE INNOVATION SCHOOL ZONE AS A WHOLE, OR A SCHOOL WITHIN THE

INNOVATION SCHOOL ZONE VIOLATES THE TERMS OF THE APPROVED INNOVATION SCHOOL PLAN OR INNOVATION SCHOOL ZONE PLAN OR A MUTUALLY AGREED UPON WRITTEN AGREEMENT, INCLUDING, BUT NOT LIMITED TO, A WRITTEN FINANCIAL AGREEMENT.

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

(3) (a) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, SHALL SUBMIT CONCERNS REGARDING DISAGREEMENTS IN WRITING TO THE SUPERINTENDENT, OR THE SUPERINTENDENT'S DESIGNEE, AND SHALL MAKE A GOOD FAITH EFFORT TO REACH A RESOLUTION CONCERNING A DISAGREEMENT AS DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

(b) IF AN AGREEMENT IS NOT REACHED, THE LOCAL SCHOOL BOARD OR THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE, MAY INITIATE A DISPUTE RESOLUTION PROCESS AS FOLLOWS:

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

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

(3)(b)(I) OF THIS SECTION;

(III) THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE SHALL AGREE TO A NEUTRAL THIRD PARTY TO CONDUCT THE DISPUTE RESOLUTION. THE LOCAL SCHOOL BOARD AND INNOVATION SCHOOL ZONE SHALL SELECT A NEUTRAL THIRD PARTY FROM THE LIST OF NEUTRAL THIRD PARTIES CREATED BY THE DEPARTMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION.

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

(V) TO ARRIVE AT THE WRITTEN FINDINGS AND DETERMINATION, THE NEUTRAL THIRD PARTY SHALL CONSIDER, AT A MINIMUM:

(A) THE ACADEMIC INTERESTS OF THE STUDENTS;

(B) THE FULFILLMENT OF THE PURPOSES OF THIS ARTICLE 32.5; AND

(C) STIPULATIONS BETWEEN THE PARTIES;

(VI) THE NEUTRAL THIRD PARTY SHALL APPORTION BETWEEN THE LOCAL SCHOOL BOARD AND THE ORGANIZATION THAT MANAGES THE INNOVATION SCHOOL ZONE ALL COSTS REASONABLY RELATED TO THE MUTUALLY AGREED UPON DISPUTE RESOLUTION PROCESS. THE NEUTRAL THIRD PARTY SHALL NOT APPORTION ANY COST TO A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE.

(VII) UPON COMPLETION OF THE DISPUTE RESOLUTION PROCESS, THE WRITTEN FINDINGS AND DETERMINATION OF THE NEUTRAL THIRD PARTY MUST BE SUBMITTED TO THE PARTIES AS A RECOMMENDATION.

(4) RESOLUTION OF A DISPUTE ARISING PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST NOT INCLUDE CHANGES TO THE TERMS OF THE INNOVATION PLAN THAT ARE NOT DIRECTLY IMPACTED BY THE ISSUE THAT IS THE SUBJECT OF THE DISPUTE.

SECTION 5. In Colorado Revised Statutes, 22-32.5-110, **amend** (1); and **add** (2)(c) and (4) as follows:

22-32.5-110. District of innovation - review of innovation schools and innovation school zones - repeal. (1) (a) Three years after the local school board of a district of innovation approves an innovation plan or a plan for creating an innovation school zone, and every three years thereafter, the local school board shall review the level of performance of the innovation school and each public school included in the innovation school zone and determine whether the innovation school or innovation school zone is achieving or making adequate progress toward achieving the academic performance results identified in the school's or zone's innovation plan. The local school board, in collaboration with the innovation school or the innovation school zone, may revise the innovation plan, including but not limited to revising the identification of the provisions of the collective bargaining agreement that need to be waived to implement the innovations, as necessary to improve or continue to improve academic performance at the innovation school or innovation school zone. Any revisions to the innovation plan shall require the consent of a majority of the teachers and a majority of the administrators employed at and a majority of the school accountability committee for each affected public school.

(b) WHEN A VOTE IS REQUIRED AS DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION AND CONCERNS CONSENT FOR AN INNOVATION PLAN REVISION IN AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AS A WHOLE, OR A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, THE VOTE MUST OCCUR WITHIN THIRTY DAYS. WITHIN THE THIRTY DAY TIME FRAME OR IF APPROVAL IS NOT SECURED, THE INITIAL INNOVATION PLAN MUST REMAIN IN EFFECT.

(2) (c) CONSISTENT WITH SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION, IF A LOCAL SCHOOL BOARD VOTES EITHER TO REVOKE THE INNOVATION STATUS OF AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, OR OF A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, OR TO REMOVE A SCHOOL WITHIN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE FROM THE INNOVATION SCHOOL ZONE BASED ON THE INSUFFICIENT ACADEMIC PROGRESS OF THE STUDENTS ENROLLED IN THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE, THE INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE MAY SUBMIT A WRITTEN REQUEST TO THE STATE

BOARD AND COMMISSIONER OF EDUCATION TO REVIEW AND COMMENT ON THE LOCAL SCHOOL BOARD'S DETERMINATION. WITHIN SIXTY DAYS AFTER THE WRITTEN REQUEST IS SUBMITTED, THE STATE BOARD SHALL HOLD A PUBLIC HEARING TO RECEIVE PRESENTATIONS FROM THE PARTIES AND SHALL ISSUE COMMENTS AND RECOMMENDATIONS FOR THE CONSIDERATION OF THE LOCAL SCHOOL BOARD REGARDING THE LOCAL SCHOOL BOARD'S DETERMINATION. THE LOCAL SCHOOL BOARD SHALL INCLUDE A DISCUSSION OF THE STATE BOARD'S COMMENTS AND RECOMMENDATIONS ON THE AGENDA FOR THE LOCAL SCHOOL BOARD'S REGULAR VOTING MEETING AFTER THE COMMENTS AND RECOMMENDATIONS ARE RECEIVED OR ON THE AGENDA FOR THE SECOND REGULAR VOTING MEETING AFTER THE COMMENTS AND RECOMMENDATIONS ARE RECEIVED IF THE LOCAL SCHOOL BOARD RECEIVES THE COMMENTS AND RECOMMENDATIONS LESS THAN FIFTEEN DAYS BEFORE THE NEXT REGULAR VOTING MEETING.

(4) THE LOCAL SCHOOL BOARD SHALL REVIEW THE LEVEL OF PERFORMANCE OF AN INNOVATION SCHOOL ZONE WITH ALTERNATIVE GOVERNANCE AND EACH SCHOOL WITHIN THE INNOVATION SCHOOL ZONE AT THE SAME TIME.

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in

November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Steve Fenberg
PRESIDENT OF
THE SENATE

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO