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Final Fiscal Note

Drafting Number:	LLS 24-0212	Date:	June 12, 2024
Prime Sponsors:	Sen. Lundeen; Coleman	Bill Status:	Postponed Indefinitely
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Bill Topic: ENTITY AUTHORIZES CHARTER SCHOOLS TRANSPARENCY

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input checked="" type="checkbox"/> School Districts

The bill would have required that the Colorado Department of Education include additional information in their annual report and evaluation of charter schools. The bill would have increased state expenditures and school district workload on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill would have required an appropriation of \$179,225 to the Colorado Department of Education.

Fiscal Note Status: The final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the Senate Education Committee on March 13, 2024; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 24-088

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$179,225	\$31,315
	Centrally Appropriated	\$10,247	\$6,175
	Total Expenditures	\$189,472	\$37,489
	Total FTE	0.5 FTE	0.3 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$26,884	\$4,697

Summary of Legislation

Beginning in FY 2024-25, the bill requires that the Colorado Department of Education (CDE) include additional information in their annual report and evaluation of charter schools. School districts, charter schools, and the state Charter School Institute (CSI) must provide any information requested by CDE in order to comply.

The information added to the report includes detailed data and comparisons for school districts and charter schools related to:

- district-authorized and CSI-authorized charter schools and traditional schools within the district;
- resident and nonresident students and the types of schools they're enrolled in, within or outside their home district;
- performance indicators and accreditation categories;
- certain expenditures related to facilities, transportation, special education services, and English language supports, including federal funds, mill levies, and per student expenditures;
- administrative services and costs associated with overseeing charter schools;
- the use of centralized enrollment systems; and
- certain information on charter school applications received, the status of those applications, school choice options, and funds withheld from or supports given to charter schools by districts.

Background

Under current law, CDE is required to prepare an annual report that evaluates the success or failure of district-authorized and CSI charter schools, their relationship to other school reform efforts, and suggested changes in state law to strengthen or change the charter school program. The report must also compare performance of charter school students with the performance of ethnically and economically comparable groups in other public schools who are enrolled in similar courses.

The report was released on a triennial basis through FY 2020-21, and is required to be released annually beginning in the current FY 2023-24. The most recent report is available on [CDE's website](#).

State Expenditures

The bill increases state expenditures in CDE by about \$190,000 in FY 2024-25 and \$40,000 annually beginning in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 24-088

	FY 2024-25	FY 2025-26
Department of Education		
Personal Services	\$51,085	\$30,931
Operating Expenses	\$640	\$384
Data Collection System	\$127,500	-
Centrally Appropriated Costs ¹	\$10,247	\$6,175
Total Cost	\$189,472	\$37,489
Total FTE	0.5 FTE	0.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Department of Education. CDE will incur staff costs to collect the required data and conduct the necessary analyses, as well as one-time data system costs. Of the specific data points that the bill requires, some are currently available, some may be compiled by conducting new analysis of existing data sources, and others require the collection of new data from school districts, charter schools, and the state CSI.

- **Staff.** CDE requires 0.5 FTE in FY 2024-25, and 0.3 FTE in subsequent years to compile, analyze, and report the required data. Costs are higher in the first year to establish the new analyses and collections. The staff time is spread across five units within the department, including the Schools of Choice, School Finance, Exceptional Student Services, Accountability, and Evaluation Units. First-year costs are prorated for a September start date.
- **Data collection system.** In FY 2024-25 only, CDE requires \$127,500 to modify the data collection system to capture the required new data. The fiscal note estimates 1,020 hours at a cost of \$125 per hour. Timing of new data collection and reporting must first be approved by the Education Data Advisory Committee by April preceding the school year in which the changes will occur.
- **CSI.** The bill also increases workload for CSI staff to submit data on CSI-authorized charter schools and support schools in compiling the data. No change in appropriations is required.

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. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

The bill increases workload and potentially costs for school districts to compile and submit the additional information required by the bill, including staff time, data system changes, and coordinating with district-authorized charter schools to collect data. Exact impacts will vary by district.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$179,225 to the Colorado Department of Education, and 0.5 FTE.

State and Local Government Contacts

Education

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).