Charting the Capitol
Another Successful Year for Colorado Charters in the Books

Lawmakers worked late into the night Wednesday to squeeze every last minute out of the 120 days they are allotted to craft legislation each year. Among the issues they waited until the absolute eleventh hour to address? PERA and a proposal to confront that program's unfunded liability. And while their ultimate deal on PERA only ended up including a small 0.25% increase to the employer contribution rate to take effect on July 1, 2019 (see below for further details on the full compromise), the larger fact remains that the overall session was still a very successful one for Colorado's charter schools. Not only did we see the largest increase in per-pupil funding in recent memory, we also secured two large pots of dollars ($5.5 million toward CSI equalization, between $4 million and $5 million toward Charter School Capital Construction) specifically earmarked for charter school needs. Additionally, we successfully staved off all attempted encroachments on charter school autonomy, and ensured the long-term independence of charter school induction and alternative licensure programs. THANK YOU, as always, to everyone who helped make this happen, and a special THANK YOU to all the lawmakers who made our school funding needs a priority.

Should you wish to thank your legislators yourself, we've created the following email to make it easy for you. Simply follow this link, insert your information, and send your elected officials a brief note of appreciation for all the hard work they did on our behalf this year.

Let's let our lawmakers know how grateful the charter school community is for their continued support!

Read on for further details related to these and other education-related priorities from the session. If you want to hear more, feel free to join us at noon today for our last "Legislative Lunch" call (1-800-977-8002, access code 9299699#) of the year. Additionally, be on the lookout in the coming weeks and months for more in-depth resources that we will be developing to help you more easily digest all the legislative changes resulting from this session.

Over 6% Increase in Per-Pupil Funding Secured
CSI Equalization Funding Makes It Officially Across the Finish Line
Additional Charter Capital Construction Funding (HB18-1070) Awaits Governor's Signature
Compromise on PERA (SB18-200) Reached in Session's Final Hours
League Protects and Extends Charter Autonomy
Other Legislation of Note + Complete List of All Education Legislation

Over 6% Increase in Per-Pupil Funding Secured
HB18-1379, this year's version of the School Finance Act, got final approval from the Senate first thing this week and now heads to the Governor to make it official. As previously reported, this bill will increase statewide average PPR from $7,662 this year to $8,137 next, or by $475 per student. This translates into a just over 6% increase, which represents one of the largest increases we've seen in school funding in recent years. For a district-by-district breakdown of what this additional revenue represents, see column T of the attached document from CDE.

Also included in this bill is a repeat allocation of $30 million to rural schools and districts. Lawmakers had first allocated $30 million to rural schools and districts for the current school year last legislative cycle, but the expectation then was that it would be a one-time allocation. However,
because there was additional tax revenue available this year, elected officials decided to extend the allocation into next school year, and League advocacy efforts helped ensure that 100% of these funds will be passed onto charter schools in rural districts on an equal per-pupil basis.

Also finalized in the session's last days was a bill (SB18-269) that creates a disbursement program through the Department of Public Safety for around $30 million that legislators had set aside in the budget for school safety and security needs. Individual charter schools will have the ability to try and tap into these resources during next school year, so keep your eye out in the coming months for details on how to apply.

**CSI Equalization Funding Makes It Officially Across the Finish Line**

With his signature on the budget on April 30, Governor Hickenlooper officially locked in $5.5 million in critical equalization funding for CSI schools and their students. Because these schools are not connected to any geographic districts, the more than 17,000 students that attend them have never had access to local mill levy override revenue in the way other public school students have. As a result, a significant funding inequity has developed. That changes now.

While $5.5 million certainly doesn't cover the full extent of the disparity, it's an important step in the right direction. We applaud forward-thinking legislators for making this commitment, and we look forward to working with them in the future to further address the funding gap that remains.

Per the provisions of HB17-1375, this $5.5 million is to be distributed to CSI schools on an equal per-pupil basis with the one caveat being that no CSI school can receive more on a per-pupil basis than the per-pupil amount their geographic district receives from mill levy override (MLO) revenue. If you are a CSI school interested in learning more about what your distribution for next year might look like, we recommend contacting CSI.

**Additional Charter School Capital Construction Funding Awaits Governor's Signature**

HB18-1070, the League-supported effort to increase the overall amount schools receive for capital construction needs, completed its journey through the legislature on May 3 and now just awaits the Governor's signature (which is anticipated) to finalize. This important legislation will result in another $4 to $5 million going into the state's Charter School Capital Construction Fund next year, raising the total amount in this fund to nearly $30 million, up from just $7 million a few short years ago. Stay tuned in the coming weeks for further information on what exactly this additional revenue translates into on a per-pupil basis, but preliminary estimates are that it could push the distribution just over $300 per student (for schools NOT located in district facilities, which receive half) heading into next school year.

**Compromise on PERA (SB18-200) Reached in Session's Final Hours**

While the process wasn't always pretty - and has certainly left any number of people grumbling in its wake - lawmakers did finalize a deal on PERA in the session's final hours that is aimed at addressing that program's unfunded liability, currently estimated at between $32 and $50 billion dollars. Because that liability has impacted the state's credit rating, elected officials felt compelled to tackle it this session, all the while realizing that whatever they came up with likely would leave a number of people upset. True to expectations, that's pretty much exactly what happened.

Completed during the session's final hour, here are some of the specifics of what legislators came up with in the final deal:

- 2% employee contribution increase to be phased in beginning July 1, 2019:
  - 0.75% increase effective each July 1 from 2019 thought 2021
- One-time 0.25% employer contribution increase to take effect on July 1, 2019
- $225M per year to go directly from state to PERA to help address unfunded liability now and into the future
- Shift from net to gross as the basis of the contribution calculation beginning with new PERA members after June 30, 2019
- COLAs for retirees frozen each of the next two years then capped at 1.5% going forward
- "Auto adjust" feature included to try and prevent issue from having to go back to the legislature in the future:
If in future years the unfunded liability falls below a certain threshold of being adequately addressed, the employer and employee contribution rates can automatically go up by no more than half a percentage point in any single year and by no more than 2% total across multiple years. The hope is that by committing $225M per year from the state into PERA into the future, that the threshold to trigger this auto adjust will not be crossed.

While we were disappointed to see lawmakers revert to including any sort of employer contribution increase, 0.25% is much better than the 2% included in the bill as originally introduced. Also better than the introduced version, which had the net to gross shift applying to all PERA members current and future, is the fact that the final compromise only has that shift applying to new PERA members brought on after June 30, 2019. For a more thorough rundown of all the final bill’s major provisions, see the far right column of the attached graphic produced by PERA.

League Protects and Extends Charter Autonomy

One of the primary tasks the League is regularly engaged in at the Capitol is protecting against infringements on core charter autonomies. Throughout this session there were several bills that, if enacted, could have negatively impacted charter flexibility in key ways. In all cases we pushed back and successfully helped kill these measures, a brief rundown of which is available here:

- **SB18-118**: Would have fundamentally altered the state’s charter school appeals process by saying that if the State Board remands a decision back to the district for reconsideration after the first appeal, that whatever the school district then decides would stand as final and not subject to any further appeal. Killed in the Senate Education Committee on 2/21.
- **SB18-008**: Attempted to add access to arts courses to the state’s school accountability framework. While arts education is certainly valuable, it may not be the central focus of every school’s mission, and so we felt like adding this one component to the state’s school performance framework could easily undermine those charter schools who have elected not to make arts programming a central tenet of their model. Killed in the Senate Education Committee on 1/25.
- **HB18-1222**: Would have required the systematic review by the state auditor of all education programs enacted by the legislature over a number of years, including the Charter Schools Act. Could have easily led to increased regulatory burdens and compliance. Killed in the House Education Committee on 3/12.

Then, of course, there was the League-backed bill (**SB18-160**) aimed at ensuring charter schools can continue to operate their own induction and alternative licensure programs, which was signed into law on April 2. Because of this legislation, charter schools will now be able to continue to seek independent approval for their own induction and alternative licensure programs as opposed to having to incorporate all such programs into those of their district.

Other Legislation of Note + Complete List of Education Legislation

What follows is a brief synopsis of several other bills with possible interest and implications for charter schools that made it across the finish line in the session’s final weeks. If interested, click the bill title for a link to further information:

- **HB18-1396 - Advanced Placement Exam Fee Grant Program**
  - Creates the advanced placement exam fee grant program in the department of education. The grant program provides funds to high schools to reduce or eliminate the advanced placement exam fee for low-income students.
- **HB18-1412 - Retaining Teachers Grant Program**
  - Creates the retaining teachers grant program to assist school districts, boards of cooperative services, and charter schools (local education providers) in implementing initiatives to improve retention of teachers. The department of education is directed to implement the grant program by reviewing applications and recommending grant recipients and grant amounts to the state board of education, which awards the grants.
- **SB18-011 - Students Excused From Taking State Assessments**
  - Under current law, a local education provider shall not punish a student whose parent excuses him or her from taking a state assessment. This bill clarifies that a local education provider also shall not prohibit the student from participating in an activity or receiving any other form of reward that recognizes participation in the state...
assessments. If the department of education or the state board of education receives a parent complaint concerning a local education provider’s implementation of the statute, the department must notify the local education provider of the nature of the complaint.

- **HB18-1269 - Parent Notice for Student Safety and Protection**
  - Requires school districts, district charter schools, institute charter schools, and boards of cooperative services (local education providers) to notify parents of students of certain criminal charges brought against an employee or former employee who has or had contact with students.

- **HB18-1355 - Public Education Accountability System**
  - Makes certain changes to the state’s accountability system to strengthen the law as it applies to chronically underperforming schools and districts.

- **HB18-1286 - School Personnel Give Medical Marijuana at School**
  - Under current law, a primary caregiver may possess and administer medical marijuana in a nonsmokeable form to a student while the student is at school. This bill allows school personnel, with proper permissions, to also possess and administer medical marijuana to a student at school.

If interested in learning more about other education-related bills from this session, check out Chalkbeat Colorado’s 2018 database [here](https://ui.constantcontact.com/visualeditor/visual_editor_preview.jsp?agent.uid=1130576888424&format=html&print=true). Please don't hesitate to email or call me at the contact information provided below should you have any questions about specific bills and their status.

Enjoy the summer!
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