

**Legislative
Council Staff***Nonpartisan Services for Colorado's Legislature***FINAL
FISCAL NOTE****Drafting Number:** LLS 19-0550
Prime Sponsors: Sen. Hill**Date:** July 16, 2019
Bill Status: Postponed Indefinitely
Fiscal Analyst: Josh Abram | 303-866-3561
Josh.Abram@state.co.us**Bill Topic:** AUTOMATIC LAW WAIVERS FOR SCHOOL DISTRICTS**Summary of
Fiscal Impact:** State Revenue TABOR Refund
 State Expenditure Local Government
 State Transfer School District (*conditional*)

The bill requires that the State Board of Education adopt a list of laws that may be automatically waived by rural school districts. The bill increases state expenditures in FY 2019-20, and increases state workload on an ongoing basis.

**Appropriation
Summary:** The bill requires an appropriation of \$18,653 in FY 2019-20.**Fiscal Note
Status:** This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 19-033

	FY 2019-20	FY 2020-21
Revenue	-	-
Expenditures	General Fund	\$18,653
Transfers	-	-
TABOR Refund	-	-

Summary of Legislation

Under current law, public schools and school districts may apply to the Board of Education (SBE) to waive certain state laws and board rules related to public education. This bill requires that the SBE adopt a list of the statutes and board rules for which a rural school district may invoke an automatic waiver. The bill identifies statutes that may not be included on the list, including the laws concerning the employment and evaluation of licensed personnel, or any of the laws that may not currently be waived by the SBE.

A rural school district board of education may invoke the automatic waiver by adopting a resolution at a public meeting and transmitting it to the SBE and the Colorado Department of Education (CDE). The board may invoke an automatic waiver for the entire school district, or on behalf of one or more schools of the district. The automatic waiver remains in effect until revoked by resolution adopted by the local board of education. A rural school must identify the waived laws and rules on its website, provide a standardized description of and rationale for each automatic waiver, and provide contact information for a school district employee able to explain the waiver.

The CDE, working with a statewide association representing school districts, must adopt standardized descriptions of and rationales for each of the statutes included on the list.

Background

Colorado statutes apply to all public schools, including charter schools and innovation schools, unless waived by the SBE. Waivers are currently granted in response to approved charter school applications, approved innovation plans, or via special request of a school district. Charter schools are automatically exempt from a number of state statutes, in addition to being exempt from district rules that the schools may negotiate as part of the charter agreement. State waivers automatically grant authority to charter school boards concerning:

- competitive bidding;
- employment of educational staff;
- provisions for termination, salary schedules, and reimbursement of employee expenses;
- policies relating to professional development of staff and official staff conduct;
- teacher-pupil contact hours;
- selection of educational programs;
- life, health, or accident insurance; and
- attendance policies and excused absences.

Waivers of statute or rule cannot be granted concerning school finance, special education, or school or district accountability.

State Expenditures

The bill increases both state expenditures and workload for the CDE. State expenditures in FY 2019-20 increase by \$18,653 for legal services provided by the Department of Law. This legal service is required to analyze existing statutes and SBE rules for the interaction that potential waivers may have with federal law and federal Department of Education requirements, and to help identify laws and rules that can be included on the SBE list. This legal analysis is estimated at 180 hours in FY 2019-20 only, at a blended rate of \$103.63, for a total expense of \$18,653.

CDE workload also increases to develop and interpret a survey of rural schools to help determine the waiver categories most useful or desired by rural schools and districts, to work with a statewide association to adopt standardized descriptions of and a rationale for each of the statutes included on the list, and to administer the rule making process for the SBE. This increased workload does not require additional appropriations.

School Districts

The bill potentially changes the expenditures and workload of a rural school district. Any impact is conditional, based first on actions taken by the SBE to list potential laws and rules subject to an automatic waiver, and second on choices rural school district boards make to take advantage of this permissive authority to waive laws or rules. This fiscal note does not estimate these expenditure or workload changes.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on January 16, 2019.

State Appropriations

For FY 2019-20, this bill requires a General Fund appropriation of \$18,653 to the Colorado Department of Education. This amount is reappropriated to the Department of Law.

State and Local Government Contacts

Education

Law