



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-223: MILL LEVY EQUALIZATION & INSTITUTE CHARTER SCHS

Prime Sponsors:

Sen. Kirkmeyer; Amabile
Rep. Sirota; Bird

Fiscal Analyst:

Anna Gerstle, 303-866-4375
anna.gerstle@coleg.gov

Bill Outcome: Signed into Law
Drafting number: LLS 25-1011

Version: Final Fiscal Note
Date: May 14, 2025

Fiscal note status: This fiscal note reflects the enacted bill. The bill was recommended by the Joint Budget Committee as part of the FY 2025-26 Long Bill budget package

Summary Information

Overview. The bill makes changes to state mill levy equalization funding that is distributed to state Charter School Institute schools.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures

Appropriations. For FY 2025-26, the bill requires and includes an appropriation reduction of \$1,008,494 to the Colorado Department of Education.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures (State Education Fund)	-\$1,008,494	-\$1,008,494
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes changes to state mill levy equalization funding that is distributed to state Charter School Institute (CSI) schools. Specifically, the bill excludes multidistrict online schools from receiving mill levy equalization distributions, and requires that any school district mill levy override (MLO) revenue that is shared with CSI schools be deducted from the calculation of mill levy equalization funding.

Background

Under current law, state CSI mill levy equalization funding is distributed to CSI schools that are geographically located in school districts that have passed MLOs. The General Assembly is required to appropriate the amount necessary for full mill levy equalization for CSI schools; this amount was \$48.4 million statewide in FY 2024-25. Funding is distributed on a per pupil basis to CSI schools, based on MLO revenue per pupil collected by the district in which the school is located.

State Expenditures

Beginning in FY 2025-26, the bill decreases state expenditures in CDE by an estimated \$1,008,494 per year from the State Education Fund. There is currently one multidistrict online school authorized by CSI. By excluding CSI multidistrict online schools from MLO equalization distributions, the bill reduces the cost of the program.

There is no change in expenditures as a result of deducting district MLO revenue currently shared with CSI schools from the calculation, as this provision codifies current practice into law. There is currently one district, Durango, that shares district MLO revenue with CSI schools in their geographic boundaries.

Effective Date

This bill was signed into law by the Governor and took effect on April 28, 2025.

State Appropriations

For FY 2025-26, the bill requires and includes an appropriation reduction of \$1,008,494 from the State Education Fund to the Colorado Department of Education.

State and Local Government Contacts

Education

Joint Budget Committee Staff

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](#).