



Colorado
Legislative
Council
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MEMORANDUM

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January 14, 2010

TO: Senator Keith King

FROM: Lauren Sisneros, Senior Research Assistant, 303-866-3028

SUBJECT: Charter School Funding from Mill Levy Overrides

This memorandum responds to your request for information about charter school funding. Specifically, you asked how much funding was provided to charter schools by school districts that received mill levy overrides. This memorandum includes background information on mill levy overrides and charter school funding, as well as the results of a staff survey to provide charter school funding data.

Background.

Overview. School districts impose a property tax to finance their local share of school funding. State law allows districts to raise additional local revenue beyond the amount funded through the School Finance Act. For example, districts may raise additional property taxes for operating purposes, called overrides. Districts may also raise property taxes for capital improvements or to pay for transportation costs not reimbursed by the state; however, Article X, Section 20 of the Colorado Constitution (known as the Taxpayers's Bill of Rights (TABOR)), prohibits establishing or increasing mill levies without voter approval.

Charter school financing and school districts. Colorado law specifies certain funding requirements for Colorado's charter schools and requires funding to be negotiated under contracts between the chartering school district and the school. Each charter school receives 100 percent of the district per pupil revenue for each pupil enrolled in the charter school who is not an on-line pupil. The chartering school district may choose to retain up

to 5 percent of the district per pupil revenues for each pupil enrolled in the charter school to cover district administrative costs provided to the charter school. In addition, the amount of funding must reflect the required 1 percent increase in the statewide base per pupil funding for state fiscal years 2001-02 through 2010-11.¹

State law also specifies that a charter school must comply with all of the state financial and budget rules, regulations, and financial reporting requirements with which its chartering school district must comply, including annual completion of a governmental audit.²

School District Survey

You asked specifically for data on the amount of funds school districts provide to charter schools from mill levy overrides. In order to respond to your request, staff surveyed 16 school districts that had 87 percent of all charter school pupils. Table 1 provides charter school funding information for seven school districts — Brighton 27J, Boulder Valley, St. Vrain, Denver, Douglas, Academy 20, and Jefferson. Please note the sample reflects those districts who responded to staff. The table summarizes the revenue raised by each district through voter approved mill levy overrides, provided by the Colorado Department of Education. The table also provides the revenue allocated to charter schools in each district, as reported by the responding districts.

For example, in 2008-09, the Brighton 27J school district collected \$750,153 in mill levy overrides. Four charter schools in the district received \$109,500, or 14.6 percent of the override revenue. Of the seven districts that provided information, charter schools received an average of 3.0 percent of override revenue.

¹ Section 22-30.5-112 (2)(a)(III)(B), C.R.S.

² Section 22-30.5-112 (7), C.R.S.