

MANUAL
OF
PROCEDURES FOR
SCHOOL DISTRICT
ORGANIZATION ACT OF
1992 AS AMENDED



DIVISION OF FIELD SERVICES
COLORADO DEPARTMENT OF EDUCATION
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November 2022
(Revised)

FOREWORD

Colorado's Constitution requires the General Assembly to provide for the establishment and maintenance of a thorough and uniform system of free public schools throughout the state. The School District Organization Act of 1992 was enacted and subsequently amended:

- for the general improvement of the public schools in the state of Colorado;
- for the equalization of the benefits of education throughout the state;
- for the organization of public school districts in the state and the alteration of the boundaries of established school districts, in order to provide for the maintenance of a thorough and uniform system of free public schools throughout the state;
- and for a more responsible expenditure of public funds for the support of the public school system of the state.

The School District Organization Act of 1992, § 22-30-101, et seq., C.R.S., permits:

- multiple school districts to be created from a single school district;
- multiple school districts to reorganize into fewer districts (**consolidation**);
- the alteration of school district borders (**detachment and annexation**);
- and the discontinuance of a school district and the annexation of its territory by existing school districts (**dissolution and annexation**).

The Act was amended by House Bill 96-1012 during the 1996 legislative session and again by Senate Bill 19-183 during the 2019 legislative session. The 1992 Act and its amendments outline the procedures for school districts to follow for any organizational change.

This manual sets forth the steps and procedures for implementing the School District Organization Act. It is designed to assist school organization planning committees, boards of education, school district administrators, and other Colorado citizens in addressing school district organization change. This manual sets forth only an outline of the steps and timelines. It is not legal advice. The full text of the law should be consulted, and the assistance of a local attorney in school organization matters is advised.

The Colorado Department of Education will provide guidance and consultation to school organization planning committees and other citizens. The Division of Field Services is assigned responsibility for administering the School District Organization Act. Members of the Field Services Division will provide information about the school organization process upon request. For questions, please contact Christina Monaco, Executive Director of Field Services (monaco_c@cde.state.co.us or 303-981-6513).

The Unit of School and District Transformation is assigned responsibility for administering the section of the Act explicitly addressing directed action under the state accountability system (which was amended by S.B. 19-183). Members of the School and District Transformation Unit will provide information upon request and will serve in a consultant role with the involved boards of education. For questions pertaining specifically to the process detailed under S.B. 19-183, please contact Nate Goss, School and District Accountability Manager (Goss_N@cde.state.co.us).

**STEP BY STEP PROCEDURES
of the**

School District Organization Act Of 1992, as amended by S.B. 19-183, § 22-30-129, C.R.S.

The School District Organization Act provides two different processes for reorganization.

Newer, alternate process: As a result of S.B. 19-183, a school district pursuing *only dissolution and annexation* in one of three circumstances may use a newer, alternative process outlined in § 22-30-129, C.R.S. This alternative process is available for dissolution and annexation if one of the following three circumstances is present: (1) acting under the state accountability system, the State Board of Education declares that a school district is no longer accredited or directs the district to organize under the alternative process; (2) the school district does not provide a full education program with 12 grades; or (3) the school district enrolls fewer than 50 students. This alternative process is described on page 7 of this manual.

Original process: In all other circumstances, the school district(s) must use the original process, outlined at § 22-30-101 to -127, C.R.S. The original process may be used for *any* type of district reorganization. The State Board of Education may also order the original process when, acting under the state accountability system, it declares that a school district is no longer accredited or directs the district to organize. This original process is described next.

**STEP BY STEP PROCEDURES
of the**

**School District Organization Act Of 1992, § 22-30-101 to -127, C.R.S.
ORIGINAL PROCESS**

1. The creation of a school organization planning committee is triggered by:
 - one or more local school board(s) requests the appointment of a school organization planning committee. Each school district which would be affected by the actions of such a planning committee must submit a separate resolution;
 - OR
 - a petition committee presents a petition to the Commissioner of Education and to the county clerk and recorder of each county in which an affected school district is located, requesting the appointment of a school organization committee. The petition must meet the following applicable requirement:
 - If only one school district is involved, a petition must be signed by 15% of that school district's eligible electors;
 - If multiple school districts are involved, a petition must be signed by 15% of the eligible electors in each involved school district;
 - If the petition requests only consideration of detachment and annexation, a petition must be signed by 25% of the electors residing in the area to be detached and annexed; or
 - If multiple school districts are involved, detachment and annexation are not at issue, and the pupil enrollment of an affected school district is greater than 30,000 students, a petition must be signed by 5% of the eligible electors in that school district.
- Only one petition may be presented to the Commissioner and the county clerk and recorder in the county of each involved school district in any three consecutive calendar years;
- OR
- the State Board declares the district is no longer accredited or directs the district to reorganize under this original process.

2. When the Commissioner is notified that one of these conditions exists, the Commissioner will notify the boards of education and accountability committees responsible for appointing members and call for the appointment of a school organization planning committee.
3. The membership of the school organization planning committee must be appointed as follows within 30 days of notification by the Commissioner:
 - If multiple school districts are involved, two members are appointed by the local board of education and one parent member is appointed by the district advisory accountability committee of each school district affected;
 - If a single school district is involved, four members are appointed by the local board of education and three parent members are appointed by the district accountability committee. The parent members appointed by the school district advisory accountability committee must be members of school accountability committees;
 - If the process was activated by a petition, two additional members are appointed by the petition committee;
 - In cases of detachment and annexation involving territory where five or fewer eligible electors reside, the school boards of the affected districts must serve as the committee.
4. The school organization planning committee, once appointed, must hold its first meeting within 30 days of the Commissioner's notification.
5. The planning committee must:
 - appoint a chair, vice-chair, and secretary;
 - establish the parameters for the school district organization study;
 - make a careful study of public schools within the parameters established by the committee;
 - develop a plan of organization that meets the requirements of the law, as detailed below and identified in § 22-30-114, C.R.S.;
 - cooperate with the school district boards of education, the State Board, and the Commissioner;
 - file with the Commissioner and the county clerk and recorder of each county affected the proposed plan of organization and the legal name, a map, and the legal description of any proposed reorganized school district;
 - call for and make arrangements for elections on the final approved plan of organization;
 - If a majority approves a final approved plan of organization that results in the creation of a new school district; call for an election to elect a new board of education and, if necessary, an election to address financial matters;
 - disseminate information about the purpose and benefits of the proposed plan of organization and the final approved plan of organization; and
 - make all certifications and otherwise perform acts required by the School District Organization Act.
6. In cases of reorganization in which the only major change is in school district boundaries, the planning committee may simplify the plan by indicating those educational programs or other areas that will not be changed by the proposed action.
7. All meetings of the planning committee will be open to the public and held only after full and timely public notice.

8. The secretary to the school organization planning committee will provide the Commissioner with the names and addresses of all committee members and will indicate the committee members elected chairperson and vice chairperson. See Appendix A.
9. Members of the planning committee will not receive compensation. Participating school districts may compensate members for actual expenses.
10. The Department of Education will assist the planning committee in the development and submission of the plan of organization.
11. The plan of organization must consider:
 - the educational needs of pupils in the affected school districts, including the convenience and welfare of pupils;
 - the provision of diverse educational opportunities for students;
 - equalization of the educational opportunities provided to students in the affected school districts;
 - implementation of the State Board-directed actions under the Educational Accountability Act of 2009, § 22-11-209(3), C.R.S., if applicable;
 - the reasons why the school district was unable to improve its performance enough to avoid the State Board's intervention under the Accountability Act, if applicable;
 - facility utilization;
 - establishment of boundaries for all existing or new school districts, with legal descriptions;
 - equitable adjustment and distribution of all or any part of the properties and cash assets of the school districts whose boundaries may be affected by the creation or dissolution of a school district or by the detachment and annexation of territory;
 - provision of a specific plan of representation for the members of the board of education of any proposed new school district, in accordance with § 22-30-114(1)(h), C.R.S.;
 - dates for one or more special school district elections to address the following:
 - adoption of the final approved plan of organization;
 - election of a board of directors if the plan of organization results in the creation of a new school district, except that such plan must not interfere with the regular biennial election schedule;
 - financial issues, if necessary, including but not limited to an increase in the mill levy, in accordance with the Taxpayer's Bill of Rights (TABOR), Colo. Const. art. 10, § 20;
 - if the plan of organization results in the creation of a new school district, the estimated maximum increase in the mill levy to be imposed on property included within the new district considering the factors enumerated in § 22-54-106(2)(c) or -106(2.1)(e), C.R.S. If the plan of organization results in the detachment and annexation of territory between existing school districts, the plan of organization must include the mill levy of the annexing district that will be imposed on the affected territory;

- if the plan of organization results in the creation of a new school district, a source of operating funds to be used by the new school district prior to receiving the state share of the total district program on July 1 of the new school district's first budget year;
 - if the reorganization results in the creation of one or more additional school districts within the boundaries of an existing school district, the plan of organization *may* include:
 - authorization for the existing school district and the new school district or districts to enter into a revenue sharing agreement. The plan of organization must specify the period of time during which revenue sharing may occur.
 - provisions for creation of a joint taxation district;
 - if the plan of organization results in the creation of at least one new school district or alterations to existing districts' boundaries, school district boundaries must be set to ensure that each school district is one continuous area.
12. When the planning committee tentatively agrees upon a plan of organization, it must file the plan, map, and legal descriptions of each affected school district with the Commissioner and each affected local board of education.
 13. Within 15 days after the filing of the proposed plan of organization, the planning committee will post notice of the plan's filing and of the public hearing dates in all affected schools and in newspapers of general circulation in the area.
 14. Public hearings must be held within 30 days of the date the proposed plan is filed with the Commissioner. The planning committee must hold enough hearings to enable residents to receive adequate information. Anyone can make comments on the proposed plan at the public hearings.
 15. After the public hearings, the planning committee may make changes to the proposed plan.
 16. The planning committee must formally approve the proposed plan within 60 days of the last public hearing.
 17. Within 10 days of its formal approval, the planning committee will forward to the Commissioner a copy of the proposed plan of organization.
 18. The Commissioner will either approve the plan or return it to the committee with suggestions. In the latter case, the Commissioner and the planning committee will then work to develop a mutually acceptable final plan.
 19. The Commissioner and planning committee must approve the final approved plan within 120 days of the last public hearing.
 20. The planning committee will then call for and establish a date for a special school district organization election on the plan. In the election, voters in each affected school district will vote to adopt or reject the final approved plan. The election will be held on the date set in the final approved plan. The planning committee will name a designated election official to conduct the election.

21. Prior to the election, the planning committee will meet with the voters affected and explain the final approved plan.
22. If a majority vote in each affected school district is in favor of the final approved plan:
 - on the date specified in the final approved plan of organization, the school district(s) will become body corporate;
 - the chair of the planning committee will call for a special election for the selection of a board of education for each new school district, to be held on the day specified in the final approved plan;
 - the county clerk(s) and recorder(s) will furnish the Commissioner a map, legal description, and name and number of the new or reorganized district(s);
 - for purposes of determining funding under the Public School Finance Act, the final approved plan will take effect on the next July 1 following certification of the election results.

Financial Considerations

The Act's requirements for financial aspects of district reorganization are prescriptive. To comply with these requirements, it is advisable for planning committees and local boards to consult the district's lawyer and accountant. The Department's School Finance Unit also provides technical assistance. This section highlights a few of the key financial considerations.

1. Voter approval is required for a district to assume bonded indebtedness or increase a mill levy. Approval of a final plan of organization and financial matters may be addressed in the same election.
2. The Act contains detailed provisions about equitable adjustment and distribution of district assets. §§ 22-30-123 & 22-30-114(1)(g), C.R.S.
3. If electors do not vote to assume existing bonded indebtedness, the existing bonded indebtedness of any district to be reorganized must be paid by a tax on the same taxable property that was part of the district which originally issued the bonds.
4. After a new district is formed, the local board may levy a special tax to retire outstanding liabilities, other than bonded indebtedness, against the taxable property of the old district. The special mill, not to exceed one mill in any tax year, is allowable only if the total dollar amount to be retired exceeds the equivalent of one-half mill against the taxable property of the old district. The board certifies the special mill to the appropriate board(s) of county commissioners of the old district. The new district must use the revenue generated from the special mill to retire the outstanding liabilities. When the total amount is retired, the new district discontinues the levy. (The School Finance Unit will assist the district in complying with the necessary procedures, which are the same as the procedures used to retire bonds.)
5. New districts created as a result of a deconsolidation shall retain the cost of living factor of the district from which they were separated until the cost of living factor for the new district is certified by the staff of the legislative council. § 22-54-104(5)(c)(IV)(C), C.R.S.
6. For purposes of determining funding under the Public School Finance Act of 1994, any approved plan of organization takes effect on the next July 1 following certification of the election results.

**STEP-BY-STEP PROCEDURES FOR REORGANIZATION
ALTERNATE PROCESS UNDER § 22-30-129, C.R.S.**

1. The procedures outlined below are a voluntary alternate process that a school district may use only for dissolution and annexation and only if at least one of the following conditions exists:
 - the State Board declares the district is no longer accredited or directs the district to reorganize under this alternate process; or
 - the district does not provide within the schools of the district a full twelve- grade educational program; or
 - the district enrolls fewer than 50 students.
2. The local board of the dissolving district must form an organization planning committee consisting of representation from the local board of the dissolving district and the local boards of each district that is contiguous to the dissolving district.
3. The local board of the dissolving district must notify the commissioner when an organization planning committee is created.
4. Within 60 days of convening, the committee must adopt a proposed plan of organization that dissolves the district and annexes the territory to one or more of the contiguous districts.
5. At a minimum, a plan of organization adopted pursuant to this section must address the following issues:
 - the educational needs of students in the affected districts, including the convenience and welfare of students;
 - the provision of diverse educational opportunities for students;
 - facility use;
 - establishment of boundaries by legal description for the districts that annex portions of the dissolving district;
 - equitable distribution of the properties and cash assets of the dissolving district to the annexing district(s);
 - the plan of representation for the members of the local board(s) of the annexing district(s); and
 - if the dissolving district has bonded indebtedness, designation of each annexing district as a successor for the purpose of administering payment of the bonded indebtedness obligations of the dissolving district.
6. After the committee adopts a proposed plan, it must file with the Commissioner and each

affected district a copy of the plan, with a map and legal description.¹

7. Within 15 days of filing of the proposed plan, the committee will post notice in all affected schools and in newspapers of general circulation. The notice must give the time and place of any public meeting on the plan.
8. Hearings must be held within 30 days of posting notice. The committee must hold a sufficient number of hearings to enable the residents of the affected area to receive adequate information about the plan.
9. After the public hearings, the committee may make changes to the proposed plan.
10. The committee must formally approve the proposed plan within 60 days of the last public hearing.
11. Within 10 days of such formal approval, the planning committee must forward to the Commissioner a copy of the proposed plan with a map of proposed district boundaries.
12. The Commissioner and committee will then work to develop a mutually acceptable final plan.
13. The Commissioner and committee must adopt a plan within 60 days of the last public hearing and designate the plan as the final plan of organization.
14. Within 60 days of designation of the final plan by the Commissioner and committee, the local boards of the affected districts must each adopt the final plan by written resolution.
15. If a local board does not adopt the final plan:
 - the committee is dissolved, if the final plan involves only two existing districts or is not approved by the local boards of at least two of the affected districts; or
 - the committee may continue and prepare and submit to the commissioner a new plan involving only those districts that approve the final plan if the final plan involves three or more existing districts and is approved by the local boards of at least two of the affected districts.
16. After approval of the plan by all of the local boards of the affected districts, the county clerk and recorder in each county in which an affected district is located must submit to the commissioner a map and legal description of the annexing districts.

Financial Considerations

Some of the Act's financial requirements apply under both the regular and alternate reorganization processes. Consultation with the district's lawyer and accountant is recommended. The School Finance Unit also provides technical assistance. This section highlights a few key financial considerations under the alternate process.

1. Although an election is not required to approve the plan, voter approval is required for an annexing district to increase a mill levy or assume bonded indebtedness.

¹ The statute providing the alternate process requires districts to follow parts of the regular reorganization process, specifically, those in §§ 22-30-115 & 22-30-116, C.R.S. See § 22-30-129(4), C.R.S.

2. If a dissolving district has bonded indebtedness, and the annexing district(s) does not vote to assume the bonded indebtedness, the bonded indebtedness continues to be paid by the existing levy against the property of the dissolved district, collected by the annexing district(s). § 22-30-129(3)(g), C.R.S.
3. If a dissolving district has outstanding liabilities, other than bonded indebtedness, in excess of the equivalent of one-half mill on the total valuation for assessment of the dissolving district, the local board of the annexing district may levy a special tax, subject to voter approval, not to exceed one mill, against the taxable property of the dissolving district. The revenue must be applied to the retirement of the outstanding liabilities of the dissolving district. When the total amount is retired, the annexing district discontinues the levy. (The CDE School Finance Unit will assist the district in complying with the necessary procedures, which are the same as the procedures used to retire bonds.) § 22-30-129(8), C.R.S.
4. The Act contains detailed provisions about equitable distribution of district assets. § 22-30-129(3)(e)(I) – (VI), C.R.S.

Sample Form

Please consult your school district attorney for advice on your district's specific legal situation.

CERTIFICATION TO THE COMMISSIONER OF EDUCATION

To: The Commissioner of Education, State of Colorado:

I, _____, Secretary of the School Organization Planning Committee of _____ County, do hereby certify that the following have filed acceptances in accordance with the provisions of the School District Organization Act of 1992, Section 22-30-106(2), C.R.S., and that they, therefore, constitute the membership of the School Organization Planning Committee of _____ County, Colorado, and that they do live, respectively at the following addresses:

<u>Name</u>	<u>Address</u>	<u>City</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		

I further certify that the Chairperson is _____

and that the Vice-Chairperson is _____

Secretary of the School Organization Planning Committee

County, Colorado

Date