

**LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 11-0528  
**Prime Sponsor(s):** Rep. Conti  
 Sen. King K.

**Date:** January 20, 2011  
**Bill Status:** House Education  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE AUTHORITY OF THE STATE CHARTER SCHOOL INSTITUTE TO ACT AS A LOCAL EDUCATION AGENCY FOR CHARTER SCHOOLS THAT APPLY FOR GRANT PROGRAMS.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill takes effect upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> None required.		
<b>School District Impact:</b> See School District Impact Section.		

**Summary of Legislation**

In 2010, the General Assembly passed SB10-161, which authorized the Charter School Institute (CSI), in the Colorado Department of Education (CDE), to act as the local education agency (LEA) and fiscal agent for district charter schools or institute charter schools that apply for a non-formulaic, competitive federal grant. However, that bill did not authorize grant applications for funding under either the Individuals with Disabilities in Education Act (IDEA), or the Elementary and Secondary Education Act of 1965 (ESEA; reauthorized in 2002 as No Child Left Behind).

This bill removes the exception for ESEA but maintains the exception for IDEA. In addition to federal programs, the bill allows district and institute charter schools to apply for competitive grant programs created in state law.

**State Revenue and State Expenditures**

*This bill will have no fiscal impact on state revenue or state expenses.* The bill permits the CSI to assist charter schools with grant applications and the fiscal management of grants awarded under the ESEA, or under competitive state grant programs. Under existing law, the CSI can use a portion of grant funds for administrative overhead whenever they act as an LEA or as fiscal agent. The CSI may also collect fees from participating charter schools to provide technical assistance in applying for and managing grants.

This bill does not change the way the CSI assists charter schools, or its ability to fund those expenses. It merely expands the federal and state grant programs to which charter schools may apply. If grant applications result in increased funding from federal or state sources provided to the schools, current law allows the CSI to use portions of those grant awards to cover direct and indirect costs; however, nothing in this bill will directly change state expenditures or revenue.

### **School District Impact**

The bill expands the sources of grant money that charter schools may potentially seek in collaboration with the CSI, and increases the number of competitors for federal and state grant money. To the extent that additional applications for federal funding result in grant awards, new federal funding may flow into the state. Similarly, more applications for state funding may impact the distribution of these limited funds among schools and districts.

### **Departments Contacted**

Education