

An Act

SENATE BILL 12-067

BY SENATOR(S) Hudak, Bacon, Johnston, King K., Spence, King S.;
also REPRESENTATIVE(S) Holbert, Acree, Beezley, Bradford, Casso,
Conti, DelGrosso, Fields, Kerr A., Labuda, Massey, Murray, Nikkel, Priola,
Singer, Stephens, Summers, Todd, Young.

CONCERNING REQUIREMENTS PERTAINING TO THE CORPORATE STATUS OF
CHARTER SCHOOLS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 22-30.5-103, **add** (3.5)
as follows:

22-30.5-103. Definitions. As used in this part 1, unless the context
otherwise requires:

(3.5) "EDUCATION MANAGEMENT PROVIDER" MEANS A NONPROFIT,
NOT-FOR-PROFIT, OR FOR-PROFIT ENTITY THAT CONTRACTS WITH A CHARTER
SCHOOL TO PROVIDE, MANAGE, OR OVERSEE ALL OR SUBSTANTIALLY ALL OF
THE EDUCATIONAL SERVICES PROVIDED BY THE CHARTER SCHOOL.

SECTION 2. In Colorado Revised Statutes, 22-30.5-104, **amend**
(4) as follows:

22-30.5-104. Charter school - requirements - authority. (4) (a) A charter school shall be administered and governed by a governing body in a manner agreed to by the charter school applicant and the chartering local board of education. ~~A~~ EFFECTIVE JULY 1, 2013, EACH charter school ~~may~~ THAT WAS INITIALLY CHARTERED ON OR AFTER AUGUST 6, 1997, SHALL organize as a nonprofit corporation pursuant to the "Colorado Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., which shall not affect its status as a public school for any purposes under Colorado law. Notwithstanding organization as a nonprofit corporation, a charter school shall annually complete a governmental audit that complies with the requirements of the department of education.

(b) AN ENTITY THAT HOLDS A CHARTER AUTHORIZED PURSUANT TO THIS PART 1 MAY CHOOSE TO CONTRACT WITH AN EDUCATION MANAGEMENT PROVIDER, WHICH EDUCATION MANAGEMENT PROVIDER MAY BE A FOR-PROFIT, A NONPROFIT, OR A NOT-FOR-PROFIT ENTITY, SO LONG AS THE CHARTER SCHOOL MAINTAINS A GOVERNING BOARD THAT IS INDEPENDENT OF THE EDUCATION MANAGEMENT PROVIDER.

SECTION 3. In Colorado Revised Statutes, 22-30.5-105, **amend** (1) as follows:

22-30.5-105. Charter schools - contract contents - regulations.

(1) (a) An approved charter application shall serve as the basis for a contract between a charter school and the chartering local board of education.

(b) A LOCAL BOARD OF EDUCATION MAY APPROVE A CHARTER SCHOOL APPLICATION SUBMITTED BY A NONPROFIT ENTITY AND ENTER INTO A CHARTER CONTRACT DIRECTLY WITH THE NONPROFIT ENTITY TO OPERATE A CHARTER SCHOOL. A LOCAL BOARD OF EDUCATION SHALL NOT APPROVE A CHARTER SCHOOL APPLICATION THAT IS SUBMITTED BY A FOR-PROFIT ENTITY OR THAT IDENTIFIES A FOR-PROFIT ENTITY AS ONE OF THE CHARTER APPLICANTS, AND THE LOCAL BOARD OF EDUCATION SHALL NOT ENTER INTO A CHARTER CONTRACT DIRECTLY WITH A FOR-PROFIT ENTITY TO OPERATE A CHARTER SCHOOL.

SECTION 4. In Colorado Revised Statutes, 22-30.5-110, **add** (7) as follows:

22-30.5-110. Charter schools - term - renewal of charter - grounds for nonrenewal or revocation. (7) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, ON AND AFTER SEPTEMBER 1, 2012, A LOCAL BOARD OF EDUCATION SHALL NOT RENEW A CHARTER THAT IS HELD BY A FOR-PROFIT ENTITY EITHER SOLELY OR IN COOPERATION WITH OTHER ENTITIES.

SECTION 5. In Colorado Revised Statutes, 22-30.5-502, **add** (4.5) as follows:

22-30.5-502. Definitions. As used in this part 5, unless the context otherwise requires:

(4.5) "EDUCATION MANAGEMENT PROVIDER" MEANS A NONPROFIT, NOT-FOR-PROFIT, OR FOR-PROFIT ENTITY THAT CONTRACTS WITH AN INSTITUTE CHARTER SCHOOL TO PROVIDE, MANAGE, OR OVERSEE ALL OR SUBSTANTIALLY ALL OF THE EDUCATIONAL SERVICES PROVIDED BY THE INSTITUTE CHARTER SCHOOL.

SECTION 6. In Colorado Revised Statutes, 22-30.5-507, **amend** (4) as follows:

22-30.5-507. Institute charter school - requirements - authority.

(4) (a) An institute charter school shall be administered and governed by a governing body in a manner agreed to and set forth in the charter contract. ~~An~~ EFFECTIVE JULY 1, 2013, EACH institute charter school ~~may~~ SHALL organize as a nonprofit corporation pursuant to the "Colorado Revised Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., which shall not affect its status as a public school for any purposes under Colorado law.

(b) AN ENTITY THAT HOLDS A CHARTER AUTHORIZED PURSUANT TO THIS PART 5 MAY CHOOSE TO CONTRACT WITH AN EDUCATION MANAGEMENT PROVIDER, WHICH EDUCATION MANAGEMENT PROVIDER MAY BE A FOR-PROFIT, A NONPROFIT, OR A NOT-FOR-PROFIT ENTITY, SO LONG AS THE INSTITUTE CHARTER SCHOOL MAINTAINS A GOVERNING BOARD THAT IS INDEPENDENT OF THE EDUCATION MANAGEMENT PROVIDER.

SECTION 7. In Colorado Revised Statutes, 22-30.5-508, **amend** (1) as follows:

22-30.5-508. Institute charter schools - contract contents - regulations. (1) (a) An approved institute charter school application shall serve as the basis for a charter contract between the institute charter school and the institute.

(b) THE INSTITUTE BOARD MAY APPROVE AN INSTITUTE CHARTER SCHOOL APPLICATION SUBMITTED BY A NONPROFIT ENTITY, AND THE INSTITUTE MAY ENTER INTO A CHARTER CONTRACT DIRECTLY WITH THE NONPROFIT ENTITY TO OPERATE AN INSTITUTE CHARTER SCHOOL. THE INSTITUTE BOARD SHALL NOT APPROVE A CHARTER SCHOOL APPLICATION THAT IS SUBMITTED BY A FOR-PROFIT ENTITY OR THAT IDENTIFIES A FOR-PROFIT ENTITY AS ONE OF THE CHARTER APPLICANTS, AND THE INSTITUTE SHALL NOT ENTER INTO A CHARTER CONTRACT DIRECTLY WITH A FOR-PROFIT ENTITY TO OPERATE AN INSTITUTE CHARTER SCHOOL.

SECTION 8. In Colorado Revised Statutes, 22-30.5-511, **add** (8) as follows:

22-30.5-511. Institute charter schools - term - renewal of contract - grounds for nonrenewal or revocation - appeal. (8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, ON AND AFTER SEPTEMBER 1, 2012, THE INSTITUTE SHALL NOT RENEW A CHARTER CONTRACT TO WHICH A FOR-PROFIT ENTITY IS A PARTY.

SECTION 9. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2012 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Frank McNulty
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO