Second Regular Session Sixty-eighth General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction SENATE BILL 12-067

LLS NO. 12-0252.02 Julie Pelegrin x2700

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Senate Committees Education **House Committees**

A BILL FOR AN ACT

101 CONCERNING REQUIREMENTS PERTAINING TO THE CORPORATE STATUS

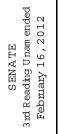
102 OF CHARTER SCHOOLS.

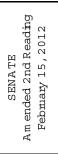
Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

The bill requires each charter school, effective July 1, 2013, to incorporate as a nonprofit corporation.

The bill prohibits a board of education of a school district or the state charter school institute board (authorizer) from approving a charter application submitted by, or entering into a charter contract with, a





for-profit entity. Beginning September 1, 2012, an authorizer may not renew a charter or charter contract with a for-profit entity.

1	Be it enacted by the General Assembly of the State of Colorado:
2	SECTION 1. In Colorado Revised Statutes, 22-30.5-103, add
3	<u>(3.5) as follows:</u>
4	22-30.5-103. Definitions. As used in this part 1, unless the
5	context otherwise requires:
6	(3.5) "EDUCATION MANAGEMENT PROVIDER" MEANS A NONPROFIT,
7	NOT-FOR-PROFIT, OR FOR-PROFIT ENTITY THAT CONTRACTS WITH A
8	CHARTER SCHOOL TO PROVIDE, MANAGE, OR OVERSEE ALL OR
9	SUBSTANTIALLY ALL OF THE EDUCATIONAL SERVICES PROVIDED BY THE
10	CHARTER SCHOOL.
11	SECTION 2. In Colorado Revised Statutes, 22-30.5-104, amend
12	(4) as follows:
13	22-30.5-104. Charter school - requirements - authority.
13	22-30.5-104. Charter school - requirements - authority.
13 14	 22-30.5-104. Charter school - requirements - authority. (4) (a) A charter school shall be administered and governed by a
13 14 15	 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
13 14 15 16	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
13 14 15 16 17	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
13 14 15 16 17 18	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
13 14 15 16 17 18 19	22-30.5-104. Charter school - requirements - authority. (4) (<u>a</u>) 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 <u>THAT WAS INITIALLY CHARTERED ON OR AFTER</u> <u>AUGUST 6, 1997, SHALL organize as a nonprofit corporation pursuant to the "Colorado Nonprofit Corporation Act", articles 121 to 137 of title 7,</u>
 13 14 15 16 17 18 19 20 	22-30.5-104. Charter school - requirements - authority. (4) (<u>a</u>) 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 <u>THAT WAS INITIALLY CHARTERED ON OR AFTER</u> <u>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</u>
 13 14 15 16 17 18 19 20 21 	22-30.5-104. Charter school - requirements - authority. (4) (<u>a</u>) 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 <u>THAT WAS INITIALLY CHARTERED ON OR AFTER</u> <u>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</u>
 13 14 15 16 17 18 19 20 21 22 	22-30.5-104. Charter school - requirements - authority. (4) (<u>a</u>) 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 <u>THAT WAS INITIALLY CHARTERED ON OR AFTER</u> <u>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</u>

25 (b) AN ENTITY THAT HOLDS A CHARTER AUTHORIZED PURSUANT

1 TO THIS PART 1 MAY CHOOSE TO CONTRACT WITH AN EDUCATION 2 MANAGEMENT PROVIDER, WHICH EDUCATION MANAGEMENT PROVIDER 3 MAY BE A FOR-PROFIT, A NONPROFIT, OR A NOT-FOR-PROFIT ENTITY, SO 4 LONG AS THE CHARTER SCHOOL MAINTAINS A GOVERNING BOARD THAT IS 5 INDEPENDENT OF THE EDUCATION MANAGEMENT PROVIDER. 6 SECTION 3. In Colorado Revised Statutes, 22-30.5-105, amend 7 (1) as follows: 8 22-30.5-105. Charter schools - contract contents - regulations. 9 (1) (a) An approved charter application shall serve as the basis for a 10 contract between a charter school and the chartering local board of 11 education. 12 (b) A LOCAL BOARD OF EDUCATION MAY APPROVE A CHARTER 13 SCHOOL APPLICATION SUBMITTED BY A NONPROFIT ENTITY AND ENTER 14 INTO A CHARTER CONTRACT DIRECTLY WITH THE NONPROFIT ENTITY TO 15 OPERATE A CHARTER SCHOOL. A LOCAL BOARD OF EDUCATION SHALL NOT 16 APPROVE A CHARTER SCHOOL APPLICATION THAT IS SUBMITTED BY A 17 FOR-PROFIT ENTITY OR THAT IDENTIFIES A FOR-PROFIT ENTITY AS ONE OF 18 THE CHARTER APPLICANTS, AND THE LOCAL BOARD OF EDUCATION SHALL 19 NOT ENTER INTO A CHARTER CONTRACT DIRECTLY WITH A FOR-PROFIT 20 ENTITY TO OPERATE A CHARTER SCHOOL. 21 SECTION 4. In Colorado Revised Statutes, 22-30.5-110, add (6) 22 as follows: 23 22-30.5-110. Charter schools - term - renewal of charter -24 grounds for nonrenewal or revocation. (6) NOTWITHSTANDING ANY 25 PROVISION OF THIS SECTION TO THE CONTRARY, ON AND AFTER 26 SEPTEMBER 1, 2012, A LOCAL BOARD OF EDUCATION SHALL NOT RENEW A

27 CHARTER THAT IS HELD BY A FOR-PROFIT ENTITY EITHER SOLELY OR IN

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067

1 COOPERATION WITH OTHER ENTITIES.

2	SECTION 5. In Colorado Revised Statutes, 22-30.5-502, add
3	<u>(4.5) as follows:</u>
4	22-30.5-502. Definitions. As used in this part 5, unless the
5	context otherwise requires:
6	(4.5) "EDUCATION MANAGEMENT PROVIDER" MEANS A NONPROFIT,
7	NOT-FOR-PROFIT, OR FOR-PROFIT ENTITY THAT CONTRACTS WITH AN

8 INSTITUTE CHARTER SCHOOL TO PROVIDE, MANAGE, OR OVERSEE ALL OR

- 9 <u>SUBSTANTIALLY ALL OF THE EDUCATIONAL SERVICES PROVIDED BY THE</u>
- 10 INSTITUTE CHARTER SCHOOL.

SECTION <u>6.</u> In Colorado Revised Statutes, 22-30.5-507, amend
(4) as follows:

13 Institute charter school - requirements -22-30.5-507. 14 authority. (4) (a) An institute charter school shall be administered and 15 governed by a governing body in a manner agreed to and set forth in the 16 charter contract. An EFFECTIVE JULY 1, 2013, EACH institute charter 17 school may SHALL organize as a nonprofit corporation pursuant to the 18 "Colorado Revised Nonprofit Corporation Act", articles 121 to 137 of 19 title 7, C.R.S., which shall not affect its status as a public school for any 20 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
- 27 <u>PROVIDER.</u>

SECTION <u>7.</u> 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.

7 (b) THE INSTITUTE BOARD MAY APPROVE AN INSTITUTE CHARTER 8 SCHOOL APPLICATION SUBMITTED BY A NONPROFIT ENTITY, AND THE 9 INSTITUTE MAY ENTER INTO A CHARTER CONTRACT DIRECTLY WITH THE 10 NONPROFIT ENTITY TO OPERATE AN INSTITUTE CHARTER SCHOOL. THE 11 INSTITUTE BOARD SHALL NOT APPROVE A CHARTER SCHOOL APPLICATION 12 THAT IS SUBMITTED BY A FOR-PROFIT ENTITY OR THAT IDENTIFIES A 13 FOR-PROFIT ENTITY AS ONE OF THE CHARTER APPLICANTS, AND THE 14 INSTITUTE SHALL NOT ENTER INTO A CHARTER CONTRACT DIRECTLY WITH 15 A FOR-PROFIT ENTITY TO OPERATE AN INSTITUTE CHARTER SCHOOL.

SECTION <u>8.</u> In Colorado Revised Statutes, 22-30.5-511, add (6)
as follows:

18 22-30.5-511. Institute charter schools - term - renewal of
19 contract - grounds for nonrenewal or revocation - appeal.
20 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
21 CONTRARY, ON AND AFTER SEPTEMBER 1, 2012, THE INSTITUTE SHALL NOT
22 RENEW A CHARTER CONTRACT TO WHICH A FOR-PROFIT ENTITY IS A PARTY.

SECTION <u>9.</u> 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
7, 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.