

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 13-0607.01 Julie Pelegrin x2700

**SENATE BILL 13-143**

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**SENATE SPONSORSHIP**

**Grantham,**

**HOUSE SPONSORSHIP**

**Peniston,**

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**Senate Committees**  
State, Veterans, & Military Affairs

**House Committees**  
Education

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**A BILL FOR AN ACT**

101 **CONCERNING THE INSTITUTE CHARTER SCHOOL ASSISTANCE FUND.**

**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>.)*

Under current law, in any year in which a negative factor does not apply in calculating school finance moneys, the state charter school institute (institute) withholds 1% of the moneys due to institute charter schools. The institute deposits this amount in the institute charter school assistance fund (assistance fund) and uses it to make grants and loans to institute charter schools for capital construction and emergency purposes. The bill repeals the institute's authority to withhold this money.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

HOUSE  
2nd Reading Unamended  
March 8, 2013

SENATE  
3rd Reading Unamended  
February 15, 2013

SENATE  
2nd Reading Unamended  
February 14, 2013

Under current law, the institute can retain from year-to-year in the state charter school institute fund a balance of up to 10% of the total amount allocated to institute charter schools. The bill changes the authorized balance to up to 20% of the total amount that the institute may retain for administrative purposes for the applicable budget year. But, the state charter school institute board (board) may annually adjust the percentage limit by multiplying the total pupil enrollment of institute charter schools for the applicable budget year by a per-pupil dollar amount that the board annually sets in collaboration with a council of state charter schools. Any amount that exceeds the authorized retention amount is transferred to the assistance fund at the end of the budget year.

The bill prohibits the institute from retaining a balance in the assistance fund of more than \$750,000 at the end of a budget year. The institute must allocate any amount that exceeds the limit to the institute charter schools on a per-pupil basis.

The board may annually adjust the limit on the assistance fund end-of-year balance. The board may adjust the limit by multiplying the total pupil enrollment of institute charter schools for the applicable budget year by a per-pupil dollar amount that the board annually sets in collaboration with a council of state charter schools.

Under current law, an institute charter school can apply for moneys from the assistance fund if it has a capital facility emergency or a special education funding emergency. The bill directs the board to adopt rules that define a reasonable funding emergency and allows an institute charter school to receive moneys from the assistance fund for an emergency that meets the definition.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-30.5-506, **amend**  
3 (4) as follows:

4 **22-30.5-506. State charter school institute fund - created.**

5 (4) (a) The state charter school institute shall create in the fund an  
6 account for payment of the institute's administrative overhead costs, as  
7 defined in section 22-30.5-513 (1) (h), which account consists solely of  
8 moneys retained by the institute from the institute charter schools'  
9 adjusted per pupil revenues and per-pupil on-line funding pursuant to  
10 section 22-30.5-513 (4) (a) (I.5) (E). EXCEPT AS OTHERWISE PROVIDED IN

1 PARAGRAPH (b) OF THIS SUBSECTION (4), at the end of a budget year, if the  
2 amount of unexpended and unencumbered moneys remaining in the  
3 account exceeds ~~ten~~ TWENTY percent of the ~~total adjusted per pupil~~  
4 ~~revenues and per-pupil on-line funding for institute charter schools~~  
5 AMOUNT RETAINED BY THE INSTITUTION PURSUANT TO SECTION  
6 22-30.5-513 (4) (a) (I.5) (E) for the applicable budget year, the institute  
7 shall ~~refund to the institute charter schools~~ TRANSFER the amount of the  
8 excess ~~The institute shall allocate the refund to each institute charter~~  
9 ~~school on a per-pupil basis by dividing the excess amount by the total~~  
10 ~~pupil enrollment of the institute charter schools for the applicable budget~~  
11 ~~year~~ TO THE INSTITUTE CHARTER SCHOOL ASSISTANCE FUND CREATED IN  
12 SECTION 22-30.5-515.5.

13 (b) THE INSTITUTE BOARD MAY ADOPT A FORMULA TO ANNUALLY  
14 ADJUST THE PERCENTAGE LIMIT ON THE FUND BALANCE SPECIFIED IN  
15 PARAGRAPH (a) OF THIS SUBSECTION (4) BY MULTIPLYING THE TOTAL  
16 PUPIL ENROLLMENT FOR INSTITUTE CHARTER SCHOOLS IN THE PRECEDING  
17 BUDGET YEAR BY A PER-PUPIL DOLLAR AMOUNT SET ANNUALLY BY THE  
18 INSTITUTE BOARD IN COLLABORATION WITH A COUNCIL OF INSTITUTE  
19 CHARTER SCHOOLS.

20 **SECTION 2.** In Colorado Revised Statutes, 22-30.5-513, **repeal**  
21 (4) (a) (I.5) (B) and (4) (d) as follows:

22 **22-30.5-513. Institute charter schools - definitions - funding -**  
23 **at-risk supplemental aid - legislative declaration.** (4) (a) (I.5) The  
24 institute shall forward to each institute charter school an amount equal to  
25 the institute charter school's pupil enrollment multiplied by the accounting  
26 district's adjusted per pupil revenues of the institute charter school's  
27 accounting district, minus:

1           (B) ~~An amount equal to one percent of the amount calculated for~~  
2 ~~the institute charter school pursuant to subparagraph (I) of this paragraph~~  
3 ~~(a), which amount the institute shall transfer to the state treasurer for~~  
4 ~~credit to the institute charter school assistance fund created in section~~  
5 ~~22-30.5-515.5;~~

6           (d) ~~Notwithstanding the provisions of sub-subparagraph (B) of~~  
7 ~~subparagraph (I.5) of paragraph (a) of this subsection (4), for any budget~~  
8 ~~year in which the total amount of total program funding, including~~  
9 ~~funding for institute charter schools, is reduced pursuant to section~~  
10 ~~22-54-104 (5) (g), the institute shall not withhold from an institute charter~~  
11 ~~school the amount specified in sub-subparagraph (B) of subparagraph~~  
12 ~~(I.5) of paragraph (a) of this subsection (4).~~

13           **SECTION 3.** In Colorado Revised Statutes, 22-30.5-515.5,  
14 **amend** (1), (2) introductory portion, (2) (d), and (5) as follows:

15           **22-30.5-515.5. Institute charter school assistance fund -**  
16 **created - grants - loans - rules.** (1) (a) There is hereby created in the  
17 state treasury the institute charter school assistance fund, referred to in  
18 this section as the "fund", that shall consist of one percent of the per pupil  
19 ~~funding for institute charter schools that the state charter school institute~~  
20 ~~withholds pursuant to section 22-30.5-513 (4) (a) (I.5) (B)~~ CONSISTS OF  
21 THE MONEYS TRANSFERRED TO THE FUND FROM THE STATE CHARTER  
22 SCHOOL INSTITUTE FUND PURSUANT TO SECTION 22-30.5-506 (4). The  
23 moneys in the fund shall be ARE subject to annual appropriation by the  
24 general assembly to the institute for the direct and indirect costs  
25 associated with awarding grants and interest-free loans pursuant to this  
26 section to assist institute charter schools: ~~in meeting~~

27           (I) TO MEET capital construction needs, including but not limited

1 to obtaining financial assistance for capital construction through the  
2 "Building Excellent Schools Today Act", article 43.7 of this title, or  
3 repaying bonds issued by the Colorado educational and cultural facilities  
4 authority, created in section 23-15-104, C.R.S., for construction of  
5 institute charter school buildings; or ~~in addressing other facility or special~~  
6 ~~education services~~

7 (II) TO ADDRESS REASONABLE funding emergencies, as defined by  
8 rule of the institute board.

9 (b) THE STATE TREASURER MAY INVEST, AS PROVIDED BY LAW, any  
10 moneys in the fund not expended for the purpose of this section. ~~may be~~  
11 ~~invested by the state treasurer as provided by law.~~ THE STATE TREASURER  
12 SHALL CREDIT TO THE FUND all interest and income derived from the  
13 investment and deposit of moneys in the fund. ~~shall be credited to the~~  
14 ~~fund.~~

15 (c) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (d) OF THIS  
16 SUBSECTION (1), THE BALANCE OF UNEXPENDED AND UNENCUMBERED  
17 MONEYS IN THE FUND AT THE END OF A BUDGET YEAR MUST NOT EXCEED  
18 SEVEN HUNDRED FIFTY THOUSAND DOLLARS. IF UNEXPENDED AND  
19 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A  
20 BUDGET YEAR EXCEED SEVEN HUNDRED FIFTY THOUSAND DOLLARS OR THE  
21 LIMIT SET PURSUANT TO PARAGRAPH (d) OF THIS SUBSECTION (1), THE  
22 INSTITUTE SHALL ALLOCATE THE EXCESS AMOUNT TO THE INSTITUTE  
23 CHARTER SCHOOLS ON A PER-PUPIL BASIS BY DIVIDING THE EXCESS  
24 AMOUNT BY THE TOTAL PUPIL ENROLLMENT OF THE INSTITUTE CHARTER  
25 SCHOOLS FOR THE APPLICABLE BUDGET YEAR. THE STATE TREASURER  
26 SHALL ENSURE THAT any unexpended and unencumbered moneys  
27 ~~remaining~~ THAT ARE in the fund at the end of a ~~fiscal year shall~~ BUDGET

1 YEAR UP TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS OR THE LIMIT SET  
2 PURSUANT TO PARAGRAPH (d) OF THIS SUBSECTION (1) remain in the fund  
3 and ~~shall not be~~ ARE NOT credited or transferred to the general fund or  
4 another fund.

5 (d) THE INSTITUTE BOARD MAY ADOPT A FORMULA TO ANNUALLY  
6 ADJUST THE LIMIT ON THE FUND BALANCE SPECIFIED IN PARAGRAPH (c) OF  
7 THIS SUBSECTION (1) BY MULTIPLYING THE TOTAL PUPIL ENROLLMENT FOR  
8 INSTITUTE CHARTER SCHOOLS IN THE PRECEDING BUDGET YEAR BY A  
9 PER-PUPIL DOLLAR AMOUNT SET ANNUALLY BY THE INSTITUTE BOARD IN  
10 COLLABORATION WITH A COUNCIL OF INSTITUTE CHARTER SCHOOLS.

11 (2) An institute charter school that seeks a grant or an interest-free  
12 loan pursuant to this section ~~shall~~ MUST submit to the state charter school  
13 institute, in accordance with the timelines and procedures adopted by rule  
14 of the institute board, an application that includes, at a minimum:

15 (d) For an institute charter school that seeks a grant or an  
16 interest-free loan to ~~assist in addressing a facility or special education~~  
17 ~~services~~ ADDRESS A REASONABLE funding emergency:

18 (I) A description of the institute charter school's emergency and  
19 how it ~~relates to its facility or other capital asset, if applicable~~ QUALIFIES  
20 AS A REASONABLE FUNDING EMERGENCY UNDER RULES ADOPTED BY THE  
21 INSTITUTE BOARD; AND

22 (II) ~~A description of the capital construction needed to remedy the~~  
23 ~~emergency if it is a facility emergency;~~

24 (III) ~~A description of the special education services required by~~  
25 ~~the individualized education program for the student at issue if it is a~~  
26 ~~special education funding emergency; and~~

27 (IV) A description of when the funding is needed.

1           (5) The institute board shall promulgate rules pursuant to the  
2 "State Administrative Procedure Act", article 4 of title 24, C.R.S., for the  
3 implementation of this section, including but not limited to rules  
4 ~~specifying~~ THAT DEFINE A REASONABLE FUNDING EMERGENCY AND RULES  
5 THAT SPECIFY any information to be included in an application in addition  
6 to the information specified in subsection (2) of this section.

7           **SECTION 4. Safety clause.** The general assembly hereby finds,  
8 determines, and declares that this act is necessary for the immediate  
9 preservation of the public peace, health, and safety.