

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 13-0607  
**Prime Sponsor(s):** Sen. Grantham  
 Rep. Peniston

**Date:** June 25, 2013  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE INSTITUTE CHARTER SCHOOL ASSISTANCE FUND.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Transfers</b> Transfer from the State Charter School Institute Fund to the Institute Charter School Assistance Fund	See State Transfers section.	
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed into law by the Governor and took effect on March 22, 2013.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>School District Impact:</b> None		

**Summary of Legislation**

This bill changes the way in which money is transferred to the Institute Charter School Assistance Fund (assistance fund), increases the discretion of the Charter School Institute (CSI) when allocating grant money from the assistance fund, and changes the conditions for refunding excess money retained by the CSI to institute charter schools. The bill impacts three separate provisions that ultimately change the amount of funding available for the assistance fund, and the amount of excess money refunded to individual schools.

**Provision one.** Under current law, CSI is permitted to retain a portion of institute charter schools' funding in an account in the State Charter School Institute Fund (CSI fund) to cover a portion of CSI administrative costs. At the end of each budget year, if the remaining balance in the account exceeds 10 percent of total adjusted per-pupil funding, the CSI must refund the excess to institute charter schools on a per-pupil basis. Under this bill, if the remaining balance exceeds 20 percent of the amount retained for administrative purposes in the current budget year, the excess is transferred from the CSI fund to the assistance fund. The CSI board may annually set a formula adjusting this percentage limit and transferring the excess using a per-pupil amount determined in collaboration with institute charter schools.

***Provision two.*** Under current law, in any year in which state funding for public schools is not reduced by the negative factor, the CSI retains a separate portion of institute charter schools' per-pupil funding and transfers that portion to the assistance fund. This bill repeals that provision and limits the annual fund balance in the assistance fund to \$750,000. When the year-end fund balance exceeds this amount, the excess is allocated to institute charter schools on a proportional per-pupil basis. The CSI board may annually adjust the limit and allocation formula using a per-pupil amount determined in collaboration with institute charter schools.

***Provision three.*** Under current law, an institute charter school may apply for grant funding or interest free loans from the assistance fund to address a facility need or to assist with special education services. This bill permits institute charter schools to apply for grants from the fund to address a reasonable funding emergency, and authorizes the CSI board to adopt rules defining what constitutes a reasonable funding emergency.

### **State Transfers**

Under various circumstances, this bill changes the amount of funding transferred from the CSI fund to the assistance fund; however, no changes are anticipated in the next fiscal year. The bill repeals the immediate transfer of a portion of per-pupil-funding to the assistance fund in years without the negative factor, and changes the amount of excess administrative funding that may be transferred to the assistance fund, subject to annual negotiations between the CSI board and the schools. The bill does not change the amount of funding provided to institute charter schools under the School Finance Act.

### **Departments Contacted**

Education      Law