



The bill creates the Model Authorizer Cash Fund. Moneys in the fund are subject to annual appropriations and are used for the direct and indirect costs of the CDE to administer the program.

## **Background**

Charter schools in Colorado are authorized by school districts or the state Charter School Institute (CSI). Referred to as charter school authorizers, districts and the CSI have the ability to accept, review, evaluate, and approve charter applications. The SBE may also rule on decisions made by an authorizer with respect to a charter school application or charter renewal. A model charter school authorizer engages in best practices in authorizing procedures and adopts stringent criteria for the review and evaluation of charter contracts.

## **State Revenue**

*In FY 2013-14, this bill increases state revenue from fees by \$42,000.* The bill allows the CDE to create and implement the program during FY 2012-13, in time to accept applications for model authorizer status beginning in FY 2013-14.

**Fee impact on model authorizers.** Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Based on conversations with the Colorado League of Charter Schools, it is estimated that four charter authorizers will apply in FY 2013-14. Fees are calculated to cover both the direct costs identified in the State Expenditures section, and indirect costs identified in the Expenditures Not Included section of this fiscal note. Table 1 identifies the fee impact of the bill.

| <b>Type of Fee</b>           | <b>Proposed Fee</b> | <b>Number Affected</b> | <b>Total Fee Impact</b> |
|------------------------------|---------------------|------------------------|-------------------------|
| Model Authorizer Designation | \$10,500            | 4                      | \$42,000                |

## **State Expenditures**

*In FY 2012-13, this bill increases costs by \$15,096 and 0.2 FTE in the CDE. New costs in FY 2013-14 are \$19,448 and 0.3 FTE.* The CDE must develop evaluative criteria and a scoring rubric, then review applications and make recommendations to the SBE. The SBE must consider recommendations and decide on applications at a regularly scheduled meeting allowing public testimony. The CDE requires a 0.3 FTE consultant to implement and coordinate the new program, assist the board in adopting rules, develop a scoring rubric, and provide technical assistance to charter authorizers seeking model authorizer designation. Total costs are displayed in Table 2.

| <b>Table 2. Expenditures Under HB 12-1225</b> |                    |                   |
|---|--------------------|-------------------|
| <b>Cost Components</b>                        | <b>FY 2012-13*</b> | <b>FY 2013-14</b> |
| Personal Services                             | \$13,056           | \$17,408          |
| FTE   | 0.2                | 0.3               |
| Travel, Outreach, and Printing                | 2,040              | 2,040             |
| <b>TOTAL</b>                                  | <b>\$15,096</b>    | <b>\$19,448</b>   |

*\* Due to the bill's effective date of May 8, 2012, FTE in FY 2012-13 is calculated at 75% of annual FTE*

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 3.

| <b>Table 3. Expenditures Not Included Under HB12-1225*</b>           |                   |                   |
|--|-------------------|-------------------|
| <b>Cost Components</b>   | <b>FY 2012-13</b> | <b>FY 2013-14</b> |
| Employee Insurance (Health, Life, Dental, and Short-term Disability) | \$1,382           | \$1,843           |
| Supplemental Employee Retirement Payments                            | 696               | 1,069             |
| Leased Space   | 1,200             | 1,200             |
| <b>TOTAL</b>   | <b>\$3,278</b>    | <b>\$4,112</b>    |

*\*More information is available at: <http://colorado.gov/fiscalnotes>*

**State Appropriations**

In FY 2012-13, the Colorado Department of Education requires a cash fund appropriation of \$15,096 and 0.2 FTE from the Model Authorizer Cash Fund.

**Technical Issues**

The bill creates a cash-funded program in the CDE. The department has fixed costs in FY 2012-13 to implement the program in time to begin designating model authorizers by July 15, 2013 (i.e., in FY 2013-14); however, there are no cash funds available during FY 2012-13 to pay for these expenses. The CDE requires a cash fund appropriation in FY 2012-13 from a fund that does not currently contain a cash balance. In FY 2013-14, it is anticipated that the department will collect sufficient fees to pay for expenses in both fiscal years.

**Departments Contacted**

Education                      Law