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## CHARTER SCHOOL INSTITUTE

Under legislation passed during the 2009 session the Charter School Institute was directed to make an annual report to the Education committees of both chambers on the findings of the annual meeting between the CSI schools boards and the Institute board of Directors. The statute requires this annual discussion to take place prior to December 1 annually and to revolve around the level of funding received by CSI to provide the administration and oversight for the schools chartered under the Institute.

During November 2009 the Institute board and Executive Director visited the major areas of the state where the CSI schools are located in order to discuss the items required under statute. These meetings were conducted in Grand Junction, Colorado Springs and at the CSI offices located in Denver. A majority of schools were represented at these meetings which were held in two different sessions one with the school administration and the other with schools board of director's representative. Holding the two diverse sessions allowed for a greater level of participation by the schools and also provided insight from two different set of leadership levels.

The Institute was established in 2004 and awarded their first two charters to two schools in 2005. During the current school year at total of 19 separate charters are held by various groups throughout the state. These schools represent approximately 6500 students in brick and mortar as well as online multi-district schools. The Institute has this year authorized two additionally schools to open in 2011, both will be online programs, bring the total of online schools to four. The institute has been experiencing a growth of approximately 10% per year in student's populations.

Under current law the Institute operates by retaining 3% of the state share funds that are allocated to the schools to provide the oversight and administrative support for the schools. In addition to this administrative fee the Colorado Department of Education retains 1% of the same state share funds in order to provide assistance to CSI and the schools.

During the discussions with the school leaders the primary concern was does the 3% more than cover the functions of the Institute and can this amount be reduced to a lower percentage. These questions are highly relevant especially this year with the required fiscal reserve fund that may be withdrawn this year by the legislature and the governor's proposed 6.2% decrease in overall k-12 funding for fiscal year 2011 based upon the shortfall in state revenues. Notwithstanding these amounts should be examined on an annual basis to ensure that the schools have sufficient funds to operate but not handicap CSI in its operations.

The outcome of this year's meetings was an agreement that CSI and the schools will look at revising their administration fee and transiting to a more fee for services basis than covering all current oversight and services under the 3% fee. The schools in their

discussion put forward the idea that certain services were neither needed nor desired and they should be the ones who make that decision. The schools believe the CSI board should make a decision to be an authorizer and a minimum service provided. This is especially true for the charter schools that have been around for several years. This makes sense in certain categories and we will examine each area currently being served. There are however, areas that the schools will be required to purchase services that provide information under the Institute's basic LEA function. For example CSI uses the Alpine system to track all facets of the testing and a repository of all CSAP data the schools will be required to pay for this system as a service fee. This will be offset by a possible reduction in the 3 % admin and a separate charge for Alpine. This is only one many areas that will be examined and discussed with the schools as to future actions.

In part these discussions have moved the schools into several distinct sectors in their growth process. We have the new schools typically in the first to third year, the schools year 2 to 5 and then the long term schools. These distinctions are important in that the amount of services that they need varies by where they fall in the grouping. The new schools require the greatest amount of oversight and assistance with services. The schools with a longer history have been able in most cases to determine what their service needs are and either do the work internally or contract for these services themselves. This makes the job of CSI a little difficult in that they need to confine their service offerings to what the schools need but also have the flexibility to aid newer or floundering schools as the case arises. As a final note on services there are some schools that express the desire that CSI provide a greater level of services than others and that they continue to do so in the future. This will require a comprehensive survey of schools to determine both their short and long term needs.

Another item that will be reviewed over the coming year is whether or not it would make sense for each school to become an independent Local Education Authority (LEA). This might facilitate the schools ability to be able to join an Administrative Unit, or BOCES, in their area. The basic aim of this review will be to determine the economic gains or losses for not only the schools but the impact on CSI and CDE. In some states the charters have been granted LEA status so there are some other groups that can be approached to see the impact on overall educational programs.

The discussions have led to the following concepts to be included in a bill for the 2010 session.

1. Exempt the Institute from the state contract approval process. This is a clean up from last year's legislation.
2. Clarify that BOCES may contract with an instate charter school and join as a member.
3. Study whether or not an institute charter school should become a Local Education Agency, (LEA).
4. Allow the creation of a separate account within the Institute for the schools to deposit money from being a school food authority.
5. Change the name from the institute charter school capital construction assistance fund to the institute charter school assistance fund. This will expand the use of

- the fund for the propose of addressing a facility or special education services funding emergency.
6. Extend from 60 to 75 days the length of time the board has to rule on an institute charter school application.

It is believed that Institute is ready for the next step of leading the state in authorizing charter schools. The lawsuit has been settled about the legality of the Institute existence, so it is time to take a comprehensive look at the expanded role the Institute can take in authorizing charter schools across the state.