

Colorado Charter School Institute

RULES FOR THE ADMINISTRATION OF THE INSTITUTE CHARTER SCHOOL ASSISTANCE FUND

1 CCR 302-3

1.0 Statement of Basis and Purpose.

The statutory basis for these rules is found in § 24-4-101, § 22-30.5-505, § 22-30.5-506, § 22-30.5-513, and §§ 22-30.5-515.5, *et. seq.* C.R.S.

Pursuant to these statutes, the Charter School Institute board promulgates these rules to achieve the following purposes, including but not limited to:

- (a) Describing the procedures and requirements for which Institute Charter Schools are eligible for a Loan or Grant under this Program;
- (b) Establish the priority for when, how and to whom the Grants or Loans will be awarded;
- (b) Describe the procedure and forms required to apply for a Grant or Loan under this Program; and
- (c) Describe the source of funds for this Program and manner of disbursement.

2.0 Definitions.

- 2.01 "BEST Program" means the Building Excellent Schools Today Act established in § 22-43.7-101, C.R.S.
- 2.02 "Board" means the Charter School Institute governing board created pursuant to § 22-30.5-505, C.R.S.
- 2.03 "CECFA" means the Colorado Educational and Cultural Facilities Authority created pursuant to Article 15 of Title 23, C.R.S.
- 2.03 "Institute" means the Charter School Institute created pursuant to § 22-30.5-503, C.R.S.
- 2.04 "Institute Charter School" means a school that is authorized by the Charter School Institute Board and is operating pursuant to § 22-30.5-507, C.R.S.
- 2.05 "CDE" means the Colorado Department of Education created and existing pursuant to § 24-1-115, C.R.S., and as further defined in § 22-2-103(1)(a) and (b), C.R.S..
- 2.06 "Program" means the Institute Charter School Assistance Fund Program created by § 22-30.5-515.5, C.R.S.
- 2.07 "Grant" shall mean financial assistance to an Institute Charter School, authorized and made by the Board pursuant to an application filed in accordance with the Program and these rules that does not have to be repaid by the Institute Charter School.
- 2.08 "Loan" shall mean financial assistance to an Institute Charter School, authorized and made by the Board pursuant to an application filed in accordance with the Program and these rules that must be repaid by the Institute Charter School

2.08 "Fund" shall mean the "fund" established in§ 22-30.5-515.5, C.R.S.

2.09"Reasonable funding emergency," for purposes of these rules and CRS 22-30.5-515.5(5), is defined as:

1. An unanticipated event or situation concerning the school's facility which poses a significant risk of affecting the health or safety of students and for which other funds are not available;
2. An unanticipated situation arising outside the normal IEP process which requires emergency funding to meet the special education needs of one or more students;
3. Any other event or situation which, in the discretion of the Institute board, merits emergency funding.

3.0 Establishment of Loan Grant Program and Application Requirements

3.01 **Types of Assistance.** Beginning July 1, 2009, Institute Charter Schools will be eligible for consideration and awarding of a Grant or Loan under this Program. Institute Charter Schools seeking a Grant or Loan shall submit to the Institute an application in accordance with the timelines and procedures set forth below. Institute Charter Schools may apply for any of four different types of Grants or Loans, as set forth below.

3.01.1 Matching Moneys for the BEST Program.

An Institute Charter School seeking a Grant or Loan to use matching moneys to obtain financial assistance for capital construction through the BEST Program must file an application with the Institute detailing, at a minimum:

- (i) Evidence that the Institute Charter School meets the definition of a "Charter School" in §22-43.7-103(7), C.R.S.
- (ii) A copy of the application that the Institute Charter School has submitted or is preparing to submit to the BEST Program Board pursuant to§ 22-43.7-109, C.R.S.
- (iii) An estimate of the amount of matching moneys as defined in§22-43.7-103(11), C.R.S. that the BEST Program Board will require, if known;and
- (iii) Information concerning any other sources of funding available to the Institute Charter School.

3.01.2 Financing Repayment of Moneys under CECFA or Other Loan

An Institute Charter School seeking a Grant or Loan to use in repaying bonds or notes issued on behalf of the Institute Charter School by CECFA must file an application with the Institute detailing, at a minimum:

- (i) Copies of the documents that the Institute Charter School has submitted or will submit to CECFA or other lender to request issuance of the bonds or notes.
- (ii) The amount of bonds or notes issued or to be issued and the total amount the Institute Charter School is required to repay. (iii) Information concerning any other sources of funding available to the Institute Charter School.

3.01.3 Other Capital Construction Costs.

An Institute Charter School seeking a Grant or Loan to assist in meeting other capital construction costs must file an application with the Institute detailing, at a minimum:

- (i) A description of the Institute Charter School's capital construction needs.
- (ii) A description of the capital construction project the Institute Charter School has undertaken or will undertake to meet its needs including the estimated costs to complete the project.
- (iii) Information concerning any other sources of funding available to the Institute Charter School.

3.01.4 Emergency Grants.

An Institute Charter School seeking a Grant or Loan to address a reasonable funding emergency must file an application with the Institute detailing, at a minimum:

- (i) A description of the Institute Charter School's emergency and how it qualifies as a reasonable funding emergency under these rules and policies adopted by the Institute Board;

If applicable, a description of the special education services required by the individualized education program for the student at issue;

- (ii) A description of when the funding is needed.

Grants Grant or Loan 3.02 Criteria for Awarding Loans or Grants

The Institute staff shall review each application received pursuant to Section 3.01 above and shall recommend to the Board those Institute Charter Schools that should receive moneys pursuant to this Program, including whether the moneys should be awarded in the form of Grants or Loans, and the amounts of the Grants or Loans. In making its recommendations, the Institute staff shall apply the criteria listed below:

- (a) Levels of economic need.
- (b) The viability of the capital construction project or seriousness of the funding emergency.
- (c) The merit of the capital construction project or the specific circumstances of the funding emergency.
- (d) Funding priorities for Loans or Grants are at the discretion of the Board.

3.03 Limitations and Conditions Regarding Awards of Loans or Grants.

- (a) The institute board may adopt a formula to annually adjust the percentage limit on the assistance fund balance specified in paragraph (a) of Subsection (4) of CRS 22-30.5-506, as well as the total amount limit on the assistance fund balance specified in paragraph (c) of subsection 1 of CRS 22-30.5-515.5, by multiplying the total pupil enrollment for institute charter schools in the preceding budget year by a per-pupil dollar amount set annually by the institute board in collaboration with a council of Institute charter schools.

- (b) The Institute will generally not make more than one Loan and/or Grant to any one Institute Charter School at any time. No loan term will be longer than the building lease or length of the financing, subject to annual appropriations. No Institute Charter School will be allocated more than 20 percent of the Fund balance, as calculated at the beginning of the fiscal year, whether through Grants or Loans or a combination thereof.
- (c) The assistance fund will maintain such maximum balances as are required by statutory law or policy of the CSI Board of Directors, as determined in association with the Institute Council of Schools. The Institute will strive to ensure a reasonable minimum fund balance after the award cycle to ensure sufficient funds for other emergencies before the end of any given fiscal year.

4.00 Procedures and Process for Reviewing and Approving Applications.

4.01 Submission Deadline.

Applications for non-emergency Loans or Grants will be accepted during February of each year.. Every attempt will be made to present recommendations regarding applications to the Board no later than forty five (45) days following a completed application.

Emergency applications may be submitted at any time and will be acted upon by the Board within 30 days following receipt provided the application is complete.

4.02 Approval Process and Timeline. The applications received by the Institute staff will be reviewed for completeness and establishment of priority. Once complete, applications will be reviewed and either approved or denied by the Board, every attempt will be made to present recommendations regarding applications to the Board no later than forty five (45) days following a completed application, subject however to the limitations set forth below.

- (a) Grants and Loans will be awarded on an annual basis.
- (b) The Board shall consider the Institute staff's recommendations, and shall award Grants and Loans to assist Institute Charter Schools based on the criteria established in Section 3.02 and the level of economic need demonstrated by the applicant and the viability and merit of the capital construction project proposed in the application or, for special education services funding emergencies, the seriousness of the special education services required by the Individualized Education Program for the student at issue..
- (c) Loans shall be interest free, and shall be subject to other terms and repayment schedules approved by the Board.
- (d) The Board shall not pay a Grant or a Loan awarded for use as matching moneys to obtain financial assistance for the BEST Program until the recipient Institute Charter School provides proof that the BEST Board has selected it to receive financial assistance, or alternatively such award by the Board may be contingent upon, and shall not be disbursed until receipt of the same.
- (e) The Board shall not pay a Grant or a Loan awarded for use as matching moneys to obtain financial assistance for a CECFA bond or other Loan until the recipient Institute Charter School provides proof that CECFA or another lender has finally approved issuance of the bonds or notes on the Institute Charter School's behalf.
- (f) Awards of Grants and Loans under this Program shall be at the sole discretion of the Board. Nothing in these rules shall be interpreted as creating an entitlement in an Institute Charter School for receipt of a Grant or a Loan from the fund.

5.00 Payment Options and Length of Loans (Terms and Conditions).

5.01 Payment structure will be decided once the Board has approved the Loan. The Institute will require repayment of all Loans by a direct intercept from the School's state equalization payments.

6.00 Reporting Requirements.

6.01 The Institute staff will report to the Board on a monthly basis the balance of the Fund account including any earned interest. Such report will also include the names of all applicants, status of the review process, and the outstanding balance of all prior approved Loans.

6.02 On an annual basis the Institute staff will prepare a report to the Board on the status of all revenues, Loans and Grants for the Program, as part of the budget process.