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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/10

SPONSOR   Nava   LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE   Study Charter School Capital Improvements   SJM   59  

ANALYST   Hoffmann  

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 59 requests that the Public School Capital Outlay Oversight Task Force (PSCOOTF) conduct a study to determine the capital needs of local and state-chartered charter schools that are consistent with the planning process of the school district in which they reside. The memorial also requests a study of the processes involved in distributing receipts from property taxes imposed pursuant to the Public School Capital Improvements Act and the Public School Buildings Act in a manner that is consistent with these acts and that is fair and equitable to the charter schools, as well as other public schools within the school district.

The memorial directs the PED to report its findings and recommendations to the governor and the legislature by December 15, 2010.

## **FISCAL IMPLICATIONS**

Senate Joint Memorial 52 makes no appropriation.

The PED states there are no fiscal implications to the department, the charter schools or the school districts at this time. Results from the study may possibly assist charter schools to have easier access to capital outlay funds and be incorporated into the facility master plans (FMPs) of local school districts to be prioritized for funding on a needs basis. This will assist charter schools in getting into public buildings before the 2015 deadline.

## **SIGNIFICANT ISSUES**

The PED provides the following information on the issue of charter schools and access to capital outlay funds.

In the past, school districts have either refused or failed to include charters schools not only in the district's facilities master plan, but have also excluded them in the capital needs planning process altogether. In order to distribute funds by an equitable means to charter schools and other public schools within the districts, the facility and capital needs of charter schools should be measured in a similar manner as other public schools.

The issue of where lies the responsibility to distribute the state match portion to all the charter schools needs to be addressed. Currently, it is the school districts' responsibility to distribute the charter schools' percentage to each charter school.

## **ADMINISTRATIVE IMPLICATIONS**

The PED notes that the department will need to assist the PSCOOTF in this study by providing pertinent information needed for the analysis of the above-referenced issues. PED is currently responsible for notifying the local county treasurers of the percentage of local funds to be distributed to the district and each charter school. PED is also responsible for administering the state match portion of funds based on a reimbursement basis. The study would help determine if the charter schools' proportionate state match funds will flow through the district or if PED will distribute the funds directly to the charter schools.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Joint Memorial is related to Senate Bill 270, which would bring the process for capital outlay funding for charter schools into closer alignment with the process for other public schools.

The LFC notes that the PED concerns stated under "SIGNIFICANT ISSUES" are addressed in part by Senate Bill 270.

CH/mew