

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SJM 59

49th Legislature, 2nd Session, 2010

Tracking Number: .181644.1

Short Title: Study Charter School Capital Improvements

Sponsor(s): Senator Cynthia Nava

Analyst: Peter B. van Moorsel

Date: February 13, 2010

Bill Summary:

SJM 59 requests that the Public School Capital Outlay Oversight Task Force (PSCOOTF) study:

- the capital improvement needs of charter schools in a manner that is consistent with the school district planning processes; and
- the issues involved in distributing receipts from property taxes imposed pursuant to the *Public School Capital Improvements Act* (SB-9) and the *Public School Buildings Act* (HB-33) in a manner that is consistent with those acts and equitable to charter schools and other schools in the school district.

The memorial further requests:

- that the PSCOOTF report its findings and recommendations to the Governor and the Legislature no later than December 15, 2010; and
- that copies of the memorial be transmitted to:
 - the Public School Capital Outlay Council (PSCOC);
 - the Governor;
 - the Public Education Department (PED);
 - the Legislative Council Service (LCS);
 - the Legislative Finance Committee (LFC); and
 - the Legislative Education Study Committee (LESC).

Fiscal Impact:

According to the PED analysis of SJM 59, 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.

Memorials requesting that state agencies conduct studies are likely to have a fiscal impact in terms of staff time, travel, office supplies, and other items. This impact could be especially pronounced if the agencies are experiencing budget reductions or staff furloughs.

Background:

During the 2007 and 2009 legislative sessions, the Legislature amended the *Public School Capital Improvements Act* and the *Public School Buildings Act* to require charter schools to be included in resolutions for taxes to be imposed under those acts.

Public School Capital Improvements Act (SB-9)

Commonly referred to as SB-9 or the “two-mill levy,” the *Public School Capital Improvements Act* authorized school districts to ask local voters to approve a property tax of up to two mills for a maximum of six years. Funds generated through the imposition of the two-mill levy must be used for:

- erecting, remodeling, making additions to, providing equipment for, or furnishing public school buildings;
- purchasing or improving public school grounds;
- maintaining public school buildings or grounds, including purchasing or repairing maintenance equipment; participating in the Facility Information Management System (FIMS) as required by the *Public School Capital Outlay Act*; and making payments under contract with Regional Education Cooperatives for maintenance support services and expenditures for technical training and certification for maintenance and facilities management personnel, but excluding salary expenses of school district employees;
- purchasing activity vehicles for transporting students to extracurricular activities; and
- purchasing computer software and hardware for student use in public school classrooms.

The act provides school districts with a minimum level of funding, or “program guarantee,” which is calculated by multiplying a school district’s 40th day total program units by the state match dollar amount (\$74.69 through FY 09) per mill.

If the local revenue generated by the two-mill levy is less than the program guarantee, the state match will fund the difference. If the tax is projected to generate funds above the program guarantee, the state still provides a minimum program guarantee, calculated at \$5.80 per program unit per mill.

Public School Buildings Act (HB-33)

Commonly referred to as HB-33, the *Public School Buildings Act* authorizes school districts to ask local voters to authorize the imposition of a tax not to exceed 10 mills for a maximum of six years. These funds may be used for:

- erecting, remodeling, making additions to, providing equipment for, or furnishing public school buildings;
- payments made pursuant to a financing agreement entered into by a local school district or a charter school to lease a building or other real property with an option to purchase for a price that is reduced according to payments made;
- purchasing or improving public school grounds;
- purchasing activity vehicles for transporting students to extracurricular activities (excluding districts with a student MEM greater than 60,000);

- administering projects, including expenditures for facility maintenance software, project management software, project oversight, and district personnel specifically related to administration of projects funded by HB-33 funds, provided that expenditures for administration may not exceed 5.0 percent of total project costs.

Related Bill(s):

SB 270 *Distributions to Charter Schools*