

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB1173-ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Lingamfelter

**3. Committee:** Passed both houses

**4. Title:** Public charter schools.

**5. Summary:** Provides that: (i) as negotiated by a contract, local school boards may allow a public charter school to use vacant or unused properties or real estate owned by the school board; (ii) all purchases made by a public charter school shall be exempt from the Virginia Public Procurement Act (§ 2.2-4300 et seq.), unless otherwise negotiated by contract; (iii) at the discretion of the local school board, charter schools personnel may be either employees of the charter school or the school board; and (iv) per pupil funding provided to the charter school by the local school board shall be negotiated in the charter agreement and shall be commensurate with the average school-based costs of educating the students in the existing schools in the division or divisions unless the cost of operating the charter school is less than that average school-based cost.

In addition, following a local school board decision to deny a public charter school application or to revoke or fail to renew a charter agreement, the local school board shall submit documentation to the Board of Education as to the rationale for the local school board's denial or revocation of the charter school application. The Board of Education shall have no authority to grant or deny a public charter school application or to revoke or fail to renew a charter agreement.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Indeterminate. See item 8.

**8. Fiscal Implications:** This legislation amends the *Code of Virginia* sections that govern the establishment and operation of public charter schools in Virginia. It is anticipated that this legislation will not have a state fiscal impact; however, the bill will likely have a local fiscal impact.

The bill requires a local school division to provide a per pupil amount to the charter school for any of its students that enroll in the school. The per pupil amount must be commensurate with the average school-based costs of educating the students in the existing schools in the division unless the cost of operating the charter school is less than the average school-based

cost. These payments to charter schools would reduce the amount of funding available to the school divisions to support the students that remain in the public schools. However, school divisions should also realize a savings by not having to educate the students that enroll in a charter school. At this time, it cannot be determined whether any payment made to a charter school would be completely offset by the resulting savings realized by the school division. Therefore, no reliable estimate of local fiscal impact can be determined at this time.

**9. Specific Agency or Political Subdivisions Affected:** Board of Education, charter schools, and local school divisions.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** Identical to SB440.

**Date:** 3/13/2012

**Document:** H:\EDUCATION\K-12\General Assembly\2012\FIS\HB1173ER.doc

c: Emily Webb