

Department of Planning and Budget 2017 Fiscal Impact Statement

1. **Bill Number:** HB2342

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Landes

3. **Committee:** Education

4. **Title:** Public schools; regional charter school divisions.

5. **Summary:** Authorizes the Board of Education (Board) to establish regional charter school divisions consisting of two or more existing school divisions in regions in which one or more of the underlying school divisions have an enrollment of more than 3,000 students and one or more schools that have accreditation denied status for two out of the past three years. The bill requires such regional charter school divisions to be supervised by a school board that consists of eight members appointed by the Board and one member appointed by the localities of each of the underlying divisions.

6. **Budget Amendment Necessary:** No

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

8. **Fiscal Implications:** This bill authorizes the Board of Education to establish regional charter school divisions in regions in which one or more of the underlying school divisions have an enrollment of more than 3,000 students and one or more schools have accreditation denied status for two out of the past three years. The state share of funding for students enrolled in these regional charter schools would be based on the division in which the school is physically located. Student enrollment in the regional charter schools could create an indeterminate state fiscal impact to Direct Aid to Public Education funding. For students whose division of residence is different from the division in which the charter school is located, state funding could increase or decrease depending on whether the student's division of residence has a higher per pupil amount and composite index or lower per pupil amount and composite index than the division in which the regional charter school is located. Any actual fiscal impact resulting from such students is indeterminate at this time.

The bill also includes a provision that a public charter school located in a regional charter school division may receive state funding to replace, in whole or in part, the local share of the Standards of Quality per pupil funding of the underlying school division in which the public charter school is physically located. Any such funding would be subject to appropriation, and any state and local fiscal impact is indeterminate at this time.

It is anticipated that the Board of Education can absorb any additional costs resulting from the provisions of this bill.

9. Specific Agency or Political Subdivisions Affected: Board of Education, Department of Education, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: This bill requires the Department of Education to pay state funds directly to any public charter school located in a regional charter school division. At present, all state public school funding is paid to local governments to distribute, and a school division acting as a fiscal agent on behalf of a regional program is responsible for transferring state funds to that regional program.

This bill is identical to SB 1283.