

STATEMENT OF PURPOSE

RS22079

This legislation includes the financial components of the recommendations made by a group of stakeholders that met and examined Idaho's charter school laws from June 2012 through February 2013. The two recommendations with fiscal impact include a new requirement that charter schools pay an authorizer fee to the entity that authorized their charter and oversees their performance. The purpose of this fee is to help defray the authorizer's cost of providing oversight, and in defraying such costs, to encourage more school districts to act as authorizers for charter schools.

The second recommendation with a fiscal impact involves the creation of a state facilities funding stream for charter schools. Currently, charter schools have no discrete, identified source of revenue to pay for their facility costs. School districts pay for facilities through voter authorization of bond and plant facility levies. In addition, school districts have received state subsidies for bond levy repayment costs since FY04. Charter schools, lacking these sources of revenue, must divert state funds intended for employee salaries and operating costs to pay for facilities.

The state facilities funding created for charter schools by this legislation is pegged to a percentage of the average amount of facility levy funds being raised by school districts, on a per student basis. For FY14, the distribution would be equal 20% this amount. For FY15, this percentage would increase to 30%. After this, the percentage would increase or decrease in 10% increments, based on triggers built around the level of increase or decrease in the public schools appropriation. The percentage is limited to a low of 20% and a high of 50%.

FISCAL NOTE

Net fiscal impact of approximately \$1.4 million in FY14 and \$2.1 million in FY15, and subject to adjustments up or down thereafter, depending on overall public school budget increases and decreases. As this legislation is part of a reform of charter school education laws, this could be paid from the money identified for education reform. The dedicated authorizer funds received by the state could also allow for up to \$135,000 in additional oversight capacity for the Commission and State Department of Education.

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