

STATEMENT OF PURPOSE

RS27013C1

Charter schools are public schools supported by taxpayer dollars, but too many of those dollars flow right out of the classroom to make interest payments on bonds. Traditional public schools have access to credit enhancements and other financing tools that help lower interest rates on bonds. This bill would create a credit enhancement to help seasoned, stable public charter schools obtain lower interest rates on bonds so more taxpayer money can stay in the schools. It would not create any legal obligation for the state, but would create a moral obligation.

FISCAL NOTE

There is no required expenditure from the general fund. However, this bill calls for creating a separate fund in the state treasury to give lenders comfort that if no other money is available, there is a backstop to cover a potential missed payment. The legislature may appropriate new money or transfer from existing funds for this purpose, and no minimum or specific amount is required. Additionally, participating schools are required to pay into the fund.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).