

REVISED

STATEMENT OF PURPOSE

RS27582 / H0511

Public charter schools undergo a renewal review by their authorizers every five years. The reviews examine a public charter school's academic performance, operations and financial condition. The results of the review determine whether a public charter school can continue to operate for another five years.

However, if a public charter school is on a path to bankruptcy due to poor financial management and is at risk of closing its doors before its next renewal, current law is unclear about the rights and responsibilities of both the school's board and the authorizer. Not only does this create confusion for families, it also puts taxpayer dollars at risk because when a public charter school closes mid-year, the state assumes responsibility for continued payment of the school's ongoing financial obligations including year-long teacher contracts and facilities costs.

This bill provides clarity for both public charter schools and authorizers by requiring that schools end their fiscal year with at least fifteen days cash on hand, while at the same time ensuring the school has one year to cure any deficiency before the authorizer may begin closure proceedings, and establishing a timeline so the school will not close mid-year.

FISCAL NOTE

There is no cost to the general fund because authorized chartering entities already monitor public charter schools' finances through annual audits.

Contact:

Blake Youde
(208) 696-9447

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).