

REVISED

STATEMENT OF PURPOSE

RS29383 / H0545

Charter schools are public schools supported by taxpayer dollars, but too many of those dollars flow out of the classroom to make payments on high-interest facility loans. Unlike traditional public schools, public charter schools do not issue taxpayer-backed bonds, and have limited, expensive options for facility financing. This bill would create a revolving loan fund to help new public charter schools obtain lower interest rates on loans so more taxpayer money will stay in the schools.

FISCAL NOTE

This bill will have an impact on the general fund, ~~though the specific amount will be determined by the legislature~~. A qualifying school may borrow up to \$2.5 million. Approximately four new charter schools open each year. If all four schools qualify for the full amount, that would total \$10 million; over two years that would be \$20 million. Most loans would be paid back incrementally over a period of five years, meaning the fund would continually regenerate. Thus, \$50 million in one-time funds is requested.

Contact:

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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).