

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3185-01  
BILL NO.: HB 1753  
SUBJECT: Education, Elementary and Secondary: Charter Schools  
TYPE: Original  
DATE: March 31, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$154,612 TO \$179,612)	(\$137,785)	(\$141,301)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$154,612 TO \$179,612)</b>	<b>(\$137,785)</b>	<b>(\$141,301)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume they would need additional staff to handle the additional applications that could occur with expanding charter school eligibility statewide. An additional Director (\$64,733), Supervisor (\$47,611) and Program Specialist 2 (\$30,060) would be necessary. The **Oversight Division** assumes DESE could accomplish the provisions of the proposal with three Program Specialists and has included them in the fiscal impact at \$30,060 each.

The additional cost of accrediting existing charter schools is estimated by DESE to be \$2,500 per school; however, this process probably will not begin until FY 2004. Consistent with SB 698, a cost of \$25,000 to \$50,000 was included in FY 2001, assuming an initial review would be done of the charter schools upon passage of the proposal.

DESE officials assume charter schools will begin to receive similar results reports as other school districts receive beginning in FY 2001. It is believed the impact of this additional reporting will be less than \$100,000 for FY 2001, 2002 and possibly 2003. As the number of additional reports grows, the additional costs are anticipated to exceed \$100,000. The **Oversight Division** assumes these additional costs could be absorbed by DESE, assuming this would not be a significant increase in DESE's workload.

DESE officials assume there would be some administrative impact to local public school districts electing to become a waiver district. The **Oversight Division** assumes the waiver districts could use existing school district resources in becoming a waiver district.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
<b>GENERAL REVENUE</b>			
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Personal Services (3 FTE)	(\$76,998)	(\$94,746)	(\$97,116)
Fringe Benefits	(\$23,677)	(\$29,134)	(\$29,863)
Expense and Equipment	(\$28,937)	(\$13,905)	(\$14,322)
MSIP Reviews	(\$25,000 to \$50,000)	\$0	\$0
Total <u>Cost-DESE</u>	<b>(\$154,612 TO <u>\$179,612</u>)</b>	<b><u>(\$137,785)</u></b>	<b><u>(\$141,301)</u></b>

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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Charter schools could be operated in any school district in the state.

The proposal would require charter schools to meet the same accreditation standards as any other public school.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



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Director  
March 31, 2000