

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 97

PRINTER NO. 2187

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 10, 2017

PRIME SPONSOR

Representative Reese

DESCRIPTION

House Bill 97 amends the Public School Code of 1949 to revise and add provisions related to charter and cyber charter schools as follows:

- Prohibits paid media advertisements by public school entities from referring to tuition or transportation as free and requires any reference to tuition or transportation costs to state clearly and audibly, where applicable, the costs are paid for with taxpayer dollars.
- Provides that whenever a student transfers to another school entity, a copy of the student's attendance record must be transmitted to the school to which the student has transferred within 10 days of the receipt of a request.
- Allows for charter and cyber charter schools to enter into concurrent enrollment agreements with institutions of higher education and participate in the dual enrollment program.
- Establishes the Charter School Funding Advisory Commission to review current laws and policies which determine funding for charter and cyber charter schools and issue a report of its findings and recommendations within 18 months of the effective date of the act.
- Allows a charter or cyber charter school to utilize sectarian facilities if it covers or removes religious objects to the extent reasonable.
- Allows cyber charter schools to use in-person interaction testing or instruction for students protected by the Individuals with Disabilities Education Act for the amount of time required by the student's individualized education program.
- Provides for the Ethics Act to apply to charter and cyber charter school trustees and administrators and requires trustees to take the oath of office before taking office.
- Includes provisions prohibiting nepotism and conflicts of interest.
- Provides for dismissal of a charter or cyber charter school administrator and the removal of a charter or cyber charter school trustee upon conviction of a felony and other crimes.

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- Prohibits compensation of charter and cyber charter school trustees for the performance of their duties.
- Provides for the Secretary to withhold funds in an amount necessary to make any payment due for indebtedness or interest that a charter or cyber charter school fails to make and prohibits the department from withholding funds from the incorporating school district.
- Requires the department to develop standard charter school application forms for all new and renewal charter and cyber charter school applicants.
- Provides for an initial charter term of 5 years, followed by a 10-year renewal term for a charter school that satisfies an academic quality benchmark established by the State Board and 5-year renewal term for a charter school that does not satisfy the benchmark. Provides that beginning in the 6th year of any 10-year renewal term, the charter of a charter school that fails for two years to satisfy the benchmark shall be subject to review.
- Provides for a process for a charter or cyber charter school to request an amendment to its charter.
- Establishes a process for renewal applications that requires the local board of school directors vote to renew or not renew in 90 days and provides for the decision to be appealed to the state charter school appeal board.
- Requires the parent member of the state charter school appeal board to have a child who is enrolled in a charter school or cyber charter school and increases the membership on the board from seven to 10 members by requiring the addition of an administrator of a charter or cyber charter school, a trustee of a charter or cyber charter school, and a principal of a non-charter public school.
- Provides a charter or cyber charter school with the right of first refusal to purchase or lease, for educational purposes only, a public school building which is no longer in use.
- Provides that alcoholic beverages are not to be available for consumption, purchase or sale in any charter or cyber charter school facility and provides for penalties for violating the provision.
- Makes changes related to charter school admission and enrollment requirements.
- Clarifies the process for charter and cyber charter school payment calculation and payment dispute resolution.
- Requires a charter or cyber charter school to provide proof that the school district was billed for payment prior to the Secretary making a deduction from funds owed to the district.
- Allows a charter or cyber charter school to request that the intermediate unit or the school district in which the charter or cyber charter school is located or another charter or cyber charter school to provide services to the charter or cyber charter school and to pay the intermediate unit or school district for such services.

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- Allows a charter school that has no limit on student enrollment in its written charter to operate at more than one location in the chartering school district.
- Provides for the local school board of directors to have ongoing access to a charter school's records.
- Provides for charter and cyber charter schools to comply with the Federal Family Educational Rights and Privacy Act (FERPA).
- Requires charter and cyber charter schools to form an independent audit committee to review annually a complete, certified audit of the school's operations. Requires the certified audit and annual budgets to be made available online.
- Provides for two or more high-performing charter schools to consolidate into a Multiple Charter School Organization managed by a single board of trustees and a single administrator.
- Establishes limits on the unassigned fund balance reserve a charter or cyber charter school may accumulate and provides that any excess over the established limit must be returned to the school districts that paid tuition to the charter school entity. Prohibits use of excess funds to pay bonuses or from being transferred to a charter school foundation
- Requires the State Board of Education to create a performance matrix to measure and assess the academic performance of charter and cyber charter schools through regulations.
- Provides for Charter School Appeal Board documents to be subject to the Right-to-Know Law.
- Requires school districts, intermediate units, community colleges, and State System of Higher Education Institutions to provide cyber charter schools with access to their facilities for the administration of standardized testing.
- Provides that a parent or guardian with more than one child enrolled in the same cyber charter school may elect not to receive a separate computer, monitor and printer for each child.

FISCAL IMPACT:

House Bill 97 will have no adverse impact on Commonwealth funds.

The administrative responsibilities delegated to the Department of Education under the legislation are routine to its operations and can be accomplished within its existing operating budget.

The cost to the General Assembly and the Department of Education to assist the Charter School Funding Advisory Commission with staff, meeting space, data, research, other information and necessary travel and expenses should be minimal and can be accomplished within their existing operating budgets.

Additional responsibilities placed upon school districts, intermediate units, charter schools and cyber charter schools may have a fiscal impact on their operations on a case by case basis.