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## FISCAL IMPACT REPORT

SPONSOR HEC DATE TYPED 3-11-05 HB 510/HEC/aHAFC  
SHORT TITLE Charter School Standards SB \_\_\_\_\_  
ANALYST Segura

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Public Education Department (PED)

### SUMMARY

#### Synopsis of Amendment

House Appropriations and Finance Committee amended House Bill 510. The amendment strikes the appropriation and Section 7 of the bill that relates to the appropriation.

#### Synopsis of Original Bill

House Bill 510 was substituted in House Education Committee. The committee substitute amends the 1999 Charter Schools Act to address several aspects of the facilities of charter schools. The bill clarifies that the 1999 Charter School Act consists of chapter 22, Article 8B of the Public School Code.

#### Significant Issues

According to Legislative Education Study Committee (LESC), the CS/HB510 focuses on the facilities issues that were endorsed by the LESL and Public School Capital Outlay Task Force.

The 2004 Legislature enacted a measure that included funding support for lease payments, start-up charter schools have had to rely almost completely on their operational funds to pay for their respective leased facilities. Committee Substitute for House Bill 510 covers a wide range of policy issues from the establishment of mediation policies and procedures to governance issues to facilities issues and includes those points of agreement that the LESL and PSCOTF endorsed. LESL indicates that specific provisions of the bill include:

- School districts will be required to provide facilities to a charter school and prohibits the district from charging the charter school more than the actual direct cost of providing the

facilities.

- Requires charter school facilities in existence before July 1, 2005 to meet the statewide adequacy standards during the same time frame as other public schools are being brought up to standards, supported by grants from the Public School Capital Outlay Council. Charter schools in leased facilities may also use these grants as additional lease payments for leasehold improvements.
- The charter for a charter school will not be renewed after July 1, 2010 unless the school is housed in a public building that meets the adequacy standards. NOTE: there are two exceptions, (1) if a suitable public building is not available, CS/HB510 allows the school to be in a nonpublic facility if the owner is contractually obligated to maintain adequacy standards at no additional cost to the charter school or the state; or (2) CS/HB510 allows a charter school to be housed in a facility owned by a nonprofit entity specifically organized to provide the facility for the charter school if the owner maintains the facility to adequacy standards at no additional cost to the charter school or the state.
- The bill allows a conversion charter school to continue using the facilities and equipment prior to conversion.
- CS/HB510 makes charter school facilities eligible for state and local capital outlay funds and requires that those facilities be included in the five-year facilities plan developed by the school district in which the charter school is located.
- CS/HB510 addresses facilities-related aspects of charter school applications, approval, operation, and governance.
- The bill allows a charter school to contract with the state, another political subdivision of the state, the federal government or agency, or tribal government for facilities, services or activities.

## **PERFORMANCE IMPLICATIONS**

According to PED, the legislation includes one of the PED core performance measures of implementation of education reform initiatives, “charter school expanded services”.

## **FISCAL IMPLICATIONS**

CS/HB510 includes an appropriation from the Public School Capital Outlay Fund of \$4,000.0 to make lease payments for classroom facilities, including facilities leased by charter schools. The appropriation is recurring.

## **ADMINISTRATIVE IMPLICATIONS**

PED would continue to monitor charter school operations.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

CS/HB510 relates to; SB-808, SB-1007, HB-910, SB-455 and SJR-7

RMS/sb:rs