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FISCAL IMPACT STATEMENT

LS 6964

BILL NUMBER: HB 1189

NOTE PREPARED: Mar 12, 2012

BILL AMENDED: Mar 10, 2012

SUBJECT: School Finance.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR: Sen. Charbonneau

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Student Records:* This bill requires an accredited nonpublic school to provide sufficient verbal information to permit a requesting school to which a child transfers to make an appropriate placement decision when the parent of the child is in breach of a contract that conditions release of student records on the payment of outstanding tuition and other fees.

School Formula: The bill requires the State Board of Education to conduct a second count of students enrolled in school corporations and charter schools in February of each school year. The bill expires the school funding formula on July 1, 2013.

Tuition Support Appropriation: The bill transfers the appropriation and funding for Charter School Startup Grants to the appropriation for state tuition support. It increases the amount of the Charter School Startup Grant for charter schools that begin operation in calendar year 2012 and provides that the grant is to be paid in six installments with one installment in each of the last six months of calendar year 2012.

The bill specifies that the amount distributed as special grants to school corporations to reflect the savings resulting from the education of students under a Choice Scholarship rather than in a school corporation are limited only by the state fiscal year appropriation and not the calendar year cap that limits the amount of state tuition support payable in a calendar year.

Effective Date: January 1, 2012 (Retroactive); Upon Passage; July 1, 2012

Explanation of State Expenditures: *School Formula:* The requirement of the second ADM count in February of 2013 and the expiration of the school formula on July 1, 2013, should have minor fiscal impact.

DOE Reporting: The bill requires the Department of Education to report to the State Budget Committee:

1. The number of students who left a charter school and enrolled in a public school maintained by a school corporation during the 2011-2012 school year;
2. The number of students who left a public school maintained by a school corporation and enrolled in a charter school during the 2011-12 school year.
3. The number of students who left a public school maintained by a school corporation and enrolled in a nonpublic school that accredited nonpublic school.
4. The number of students who received a Choice Scholarship for the 2011-2012 school year and left a nonpublic school and enrolled in a public school maintained by a school corporation during the 2011-2012 school year.

The Department of Education should be able to generate the report within their current appropriations.

Tuition Support Appropriation: The bill transfers \$5 M from the Charter School Facilities Assistance Fund to the Tuition Support Appropriation in the state General Fund and pays the New Charter School Startup Grant from the Tuition Support Appropriation. It also changes the calculation of the grant from the school's basic tuition support for 2013 divided by 3 to the basic tuition support in 2013 divided by 2. The grant provides 6 months of funding for new charter schools in the last 6 months of CY 2012 instead of 4 months of funding. The increase in the grant is estimated to be about \$4 M for FY 2013. The tuition support appropriation with the \$5 M transfer should be sufficient to pay the increased grant.

Explanation of State Revenues:

Explanation of Local Expenditures: *Student Records:* The bill would make it easier for a public school to obtain a student's records from an accredited nonpublic school.

Explanation of Local Revenues: See *Explanation of State Expenditures*.

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools.

Information Sources: Department of Education Databases.

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