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FISCAL IMPACT STATEMENT

LS 7461

BILL NUMBER: SB 569

NOTE PREPARED: Jan 19, 2013

BILL AMENDED:

SUBJECT: Approval and Funding of Charter Schools.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State&Local

Summary of Legislation: This bill provides that the State Board of Education (State Board) may approve or deny the request of the Indiana Charter School Board (Charter Board) to serve as the sponsor of a charter school that is a recovery school or an accelerated learning center that serves students who are at least 20 years of age and have dropped out of high school.

The bill sets forth additional requirements to be included in the charter for a recovery school or an accelerated learning center. It provides that the Charter Board may sponsor a recovery school or an accelerated learning center only if funding has been provided for the school through a state appropriation that is not tuition support.

The bill requires the State Board of Education to adopt rules establishing an alternative accountability system to assess the performance of a recovery school or an accelerated learning center.

The bill provides that for a recovery school or an accelerated learning center the tuition support formula base amount for determining such a charter school's foundation amount is the 2013 foundation amount in all determination years.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Recovery Charter School Establishment and Funding:* The bill specifies that after June 30, 2013, only the Charter Board, with State Board of Education approval, may sponsor a charter school designated as a recovery school or accelerated learning center (also called a recovery charter schools) that serves students who: (1) are at least 20 years of age; and (2) have dropped out of high school

before receiving a diploma. In addition, the bill specifies other limits relating to recover charter schools.

(1) The bill specifies that the State Board can only approve a recovery charter school if funding is available through a state appropriation separate from tuition support. As a result, the bill may limit the establishment of new recovery charter schools.

(2) The bill specifies that existing recovery charter schools are eligible to receive tuition support through the school formula, but their foundation amount will remain at the 2013 funding level of \$4,405 for 2014 and 2015. This change could reduce state tuition support expenditures depending on the school formula. The saving would depend on what the foundation amount is for 2014 and 2015 for other school corporations and charter schools.

There currently seven recovery charter schools that have been approved. One opened in the 2010–2011 school year, three opened in the 2012-2013 school year, and three are scheduled to open with the 2013-2014 school year. For the 2012-2013 school year, the four recovery charter schools in operation have an ADM of 1,931 students.

Alternative Accountability System: The alternative accountability system required by the bill to assess the performance of recovery charter schools would probably have minor impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

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

State Agencies Affected: Department of Education.

Local Agencies Affected: Recovery Charter Schools.

Information Sources: Department of Education databases.

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