

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 912 (Senator Lawlah)
Education, Health, and Environmental Affairs and Budget and Taxation

Public Charter Schools - Funding - Amount per Pupil

This bill requires each local board of education to provide a public charter school with an amount of county, State, and federal money for each student that is equal to 90% of the per pupil amount that was provided to other public schools in the jurisdiction in the previous fiscal year.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None. The bill would not impact State aid to local boards of education.

Local Effect: Local school board expenditures for public charter schools would decrease beginning in FY 2006. However, total local school board expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: A local board of education must disburse to a public charter school an amount of county, State, and federal money that is commensurate with the amount distributed to other public schools in the jurisdiction.

Background: The Public Charter School Act of 2003 (Chapter 358) established Maryland's charter school program. When the bill was passed there was one charter school authorized in Frederick County, and several Baltimore City schools were

operating similar to charter schools. To date, no additional charter schools have begun operations, but approximately four to five charter schools are expected to open around the State for the 2005-2006 school year. Public charter schools must be nonsectarian and open to all students on a space available basis. The schools are subject to federal, State, and local laws prohibiting discrimination and must comply with all applicable health and safety laws.

Because charter schools are still relatively new in Maryland, the methodology for determining payments to approved charter schools is still evolving. Two examples of charter school payment calculations, one from Frederick County and one from Harford County, are summarized below.

- The Frederick County policies provide for a per pupil calculation based on the inclusion or exclusion of different categories of board of education spending. Mid-level management costs associated with the office of the principal, instructional costs, plant operations costs, and fixed costs are included in the calculation. Other costs, such as central administration, maintenance of plant, and food service, are not included. Some of the service categories, such as special education, pupil personnel services, and health services, are offered to charter school students at no cost to the charter school.
- In Harford County, all unrestricted funds in the local board of education budget, regardless of budget category, will be divided by the public school enrollment and allocated to charter schools on a per pupil basis. The unrestricted budget for the Harford County Board of Education represents approximately 94% of its total current expense budget.

Local Expenditures: The bill would result in a decrease in local payments to charter schools. Although the current law provides flexibility for local boards to determine the calculation of payments to charter schools, it clearly intends for local boards to provide roughly the same amount of funding to charter schools that is provided to other schools in the district. The bill would require local boards to provide charter schools with 90% of the funds provided to other public schools in the district in the previous fiscal year. The actual decrease in local school expenditures for charter schools would depend on the number of charter schools approved in each district and the methodologies established by local boards of education for determining the funding that charter schools will receive. It is assumed that funding that would be spent on charter schools under current law would be redistributed to other public schools under the bill. Total school expenditures, therefore, would not be affected.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Prince George's County Public Schools, Department of Legislative Services

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Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510