

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1367

(Delegate Marriott)

(By Request – Baltimore City Administration)

Ways and Means

Charter Schools - Disbursement of Funds by County Boards of Education

This bill authorizes a local board of education to provide a public charter school with an amount of county, State, and federal money that is more than the amount provided to other public schools in the jurisdiction.

Fiscal Summary

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

Local Effect: Local school expenditures would increase for school systems that choose to provide more to public charter schools than they provide for regular public schools.

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 give local boards of education the option to provide a public charter school with more funding than other public schools receive. Local school expenditures would increase to the extent that this authorization is used by local boards. The bill is enabling in nature and would not require additional expenditures.

Additional Information

Prior Introductions: None.

Cross File: SB 850 (Senator McFadden) (By Request – Baltimore City Administration) – Education, Health, and Environmental Affairs and Budget and Taxation.

Information Source(s): Maryland State Department of Education, Department of Legislative Services

Fiscal Note History: First Reader - March 18, 2005
mp/rhh

Analysis by: Mark W. Collins

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