

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 1200 (Delegate Ivey)
 Ways and Means

Education - Maryland Charter School Advisory Council - Establishment

This bill establishes the Maryland Charter School Advisory Council in the Maryland State Department of Education (MSDE). The mission of the council is to facilitate the establishment and application of transparent and rigorous guidelines and procedures for the evaluation of charter school applications, charter schools, and charter school renewals throughout the State. The council must review the public charter school policy of each local board of education and make recommendations to, and provide guidance to, local boards regarding evaluation guidelines and procedures and provide guidance on each specified evaluation of a charter school or charter school application. The council must provide guidance to MSDE regarding waiver requests from charter schools and by December 1 of each year, report on its activities and recommendations to the State Superintendent of Schools; the Senate Education, Health, and Environmental Affairs Committee; and the House Ways and Means Committee. MSDE must provide staff support for the council.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: General fund expenditures increase by \$138,500 in FY 2014 and by \$114,500 in FY 2018 to cover salary and related expenses associated with the work of the council. Revenues are not affected.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	138,500	100,600	105,000	109,700	114,500
Net Effect	(\$138,500)	(\$100,600)	(\$105,000)	(\$109,700)	(\$114,500)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Administrative costs may increase marginally for local school systems with several charter schools and that receive several charter school applications.

Small Business Effect: None.

Analysis

Bill Summary: The council must also make recommendations to each local board regarding the transparency and rigor of the guidelines and procedures for evaluation of a charter school, a charter school application, and the renewal of a charter. Also, the council must provide guidance to each local board regarding the evaluation of each charter application, charter school, renewal of a school charter, and revocation of a school charter. In its annual report, the council must make recommendations on how to improve the charter school application and renewal process statewide, to ensure the quality of charter schools in the State.

In making appointments to the council, the Governor and MSDE must ensure that the council is representative of all geographic areas of the State and that individuals selected have an understanding of, and commitment to charter schooling. Collectively, council members must possess a high level of knowledge, experience, and expertise in public and nonprofit sector governance; management and finance; specified areas of public school management; and public education law.

Members of the council serve three-year terms and the initial terms are staggered. From among the members a council chair is elected for a three-year term. The council must meet at least four times during each academic year.

Current Law: The general purpose of the Maryland Public Charter School Program is to establish an alternative means within the existing public school system in order to provide innovative learning opportunities and creative educational approaches to improve the education of students. A local board of education must disburse to a public charter school an amount of county, State, and federal money for elementary, middle, and high school students that is commensurate with the amount disbursed to other public schools in the local jurisdiction.

Chartering Authority and Establishing a Public Charter School

The local board of education is the primary public chartering authority for charter schools; the State Board of Education is a secondary public chartering authority when acting in its appeal review capacity or as the public chartering authority for a restructured school. An application to establish a public charter school in a county must be submitted

to the local board of education. If the local board of education denies the application, the applicant can appeal the decision to the State Board of Education. Public school staff, parents or guardians of public school students, nonsectarian nonprofit entities, or nonsectarian institutions of higher education in the State can apply to establish a public charter school. Private, parochial, or home schools are not eligible to become a public charter school.

Public Charter School Rules and Local Board of Education Charter School Policy

In general, a public charter school must comply with all the provisions of law and regulation governing other public schools. A public charter school must comply with all applicable health and safety laws. A public charter school may seek a waiver of these requirements through an appeal to the State board. A waiver may not be granted relating to audit requirements; student assessments; or health, safety, and civil rights.

A public chartering authority may not grant a charter to a public charter school whose operation would be inconsistent with any public policy initiative, court order, or federal improvement plan governing special education that is applicable to the State. The State board must provide technical assistance to the operators of a public charter school to help the school meet the requirements of federal and State laws.

Each local board of education must develop a public charter school policy and submit it to the State Board of Education. The policy must include guidelines and procedures regarding (1) evaluation of public charter schools; (2) revocation of a charter; (3) reporting requirements; and (4) financial, programmatic, or compliance audits of public charter schools.

Background: Currently there are 52 public charter schools, serving over 16,000 students, operating in seven local school systems: Baltimore City (38), and Anne Arundel (2), Baltimore (1), Frederick (2), Montgomery (1), Prince George's (7), and St. Mary's (1) counties. Four additional public charter schools are scheduled to begin operations in Maryland by August of 2014. MSDE provides technical assistance to charter school developers and to local boards in carrying out their role as charter school authorities. MSDE advises that its guidance publications and associated training are consistent with national best practices for charter school programs.

State Fiscal Effect: MSDE advises that the Office of Innovative Programs will need to hire one education program specialist and employ one contractual specialist beginning in fiscal 2014 with salaries and benefits totaling \$90,100 and \$33,324 respectively in fiscal 2014. However, the Department of Legislative Services advises that a contractual specialist is needed to further develop State model guidelines and procedures for local school systems in the first year of implementation only. Therefore, general fund

expenditures, which also cover one-time equipment costs and other personnel expenses, total \$138,500 in fiscal 2014. Expenditures total \$100,600 in fiscal 2015, after accounting for one-time costs and inflation, and increase due to inflation to \$114,500 by fiscal 2018. Revenues are not affected.

Local Fiscal Effect: Depending upon the degree of guidance that the council provides to each local board regarding the evaluation of each charter application, charter school, renewal of a school charter, and revocation of a school charter, administrative costs associated with these evaluations will be increased. The impact is difficult to estimate and may be marginal, but local school systems with several charter schools (including Baltimore City and Prince George's County) and that receive a high volume of charter applications will be most affected.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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