

Appropriation Fiscal Summary

Author: Hart Amended: 4/21/92 Bill #: SB 1448
Hearing Date: 5/4/92 Policy Committee Vote: Educ 6-5
Summary Prepared By: Ellen Venturino

Bill Summary: SB 1448, an urgency measure, establishes a procedure for teachers to petition school district governing boards for approval to establish up to 100 charter schools and an unspecified number of charter school districts.

Fiscal Impact by Fiscal Year
(Dollars in thousands)

Department	1992-93	1993-94	1994-95	Fund
SDE*	Unknown potential costs in the millions of dollars			General
Mandated program	Potentially significant costs			General

STAFF COMMENTS:

This bill meets the criteria to be placed on the Suspense file. Most of the costs of this bill would count towards meeting the minimum funding guarantee requirements of Proposition 98.

The bill could result in an increase in the state's ADA (thereby increasing the Prop 98 guarantee under tests 3 and 2) from (1) private schools obtaining a charter and (2) charter schools attracting students from private schools. The resulting state cost could be at least several millions of dollars annually if only one private school obtained a charter or if only several hundred students returned to public schools.

The bill provides that a charter school would receive basic per-pupil funding equal to the average revenue limit for the school district to which the charter petition was presented. This could have a redistribution effect within a district since not all schools receive the average amount per pupil i.g. high schools usually receive more than elementary schools.

The bill allows charter schools to receive special education (SE) funding at a rate equal to the statewide average expenditure of state and federal funds, for SE services, in unified school districts. Since SE funding rates vary significantly among districts, this provision could provide an incentive for schools to obtain a charter and "level up" their SE funding. The cost of this could be in the millions of dollars annually. **Author's amendment.** It is our understanding that the author will offer amendments to eliminate this cost.

The bill could result in unknown General Fund (non-Prop 98) costs for SDE to (1) review charter requests from petitioners who were denied a charter by their local boards and (2) modify its apportionment system. The bill also creates a state-mandated local program by requiring school boards to hold hearings and to review and respond to charter proposals within a specified time frame. DOF shows costs of \$500 per hearing. We believe there could be additional significant costs associated with reviewing and responding to the petitions, depending upon the thoroughness of school boards' reviews.