

Appropriations Committee Fiscal Summary

4074

Hearing Date: 5/2/94

SB 1264 (Hart)

Amended: 4/20/94

Policy Vote: Educ 5-3

Consultant: Ellen Venturino

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**BILL SUMMARY:** AB 1264 repeals the cap on the number of charter schools that may be established, and entitles charter schools to receive lottery funds and summer school funding, as part of the state apportionment to their parent districts. The bill also makes other, less substantive, changes to the Charter Schools Act.

<u>Major Provisions</u>	<u>Fiscal Impact (in thousands)</u>			<u>Fund</u>
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	
Process petitions (mandate)	\$10 per petition; state reimbursable.			General*
School aid	Unknown costs, potentially significant.			General
Lottery & Summer school funds	Reallocation within districts.			Local

\*Counts toward the Proposition 98 minimum funding guarantee.

**STAFF COMMENTS:** This bill meets the criteria to be placed on the **Suspense file.** SB 1448 (Hart-1992) authorized the creation of charter schools (limit of 100 statewide, 10 per district) to spur innovation in public schools. Charter schools are virtually free of state education regulations, operating instead under the provisions of their charters. Current law establishes a procedure and timeline for granting charters. Generally, charter petitions must be submitted to a school district governing board which must hold a public hearing and either grant or deny the charter. If denied, the petitioners may appeal to the county board of education.

To date, 48 charters have been granted, including 10 in the Los Angeles Unified School District (LAUSD). According to LAUSD, its cost to review petitions and hold public hearings has exceeded \$10,000 per petition. To the extent that the LAUSD grants additional charters or more than 90 charters are granted throughout the remainder of the state, the bill would result in added costs for districts to process petitions, costs of perhaps \$10,000 per petition. These costs would be state reimbursable. There could be additional state reimbursable costs for appeals on denied petitions.

The bill also could result in an increase in the state's ADA -- thereby increasing the Proposition 98 guarantee under tests 2 and 3 -- to the extent that any of the additional charter schools authorized under this measure would attract students from private schools. If only 50 students currently attending private school would enroll in one of the additional charter schools, the state would incur costs in excess of \$200,000 for additional school aid.