

SB

235

<target><bill>SB 235</bill><subject>SB
235</subject><comm>HFIN26</comm></target>

SENATE EDUCATION COMMITTEE

CO-CHAIRMEN:
SENATOR KEVIN MEYER
SENATOR JOE THOMAS



MEMBERS:
SENATOR BETTYE DAVIS
SENATOR CHARLIE HUGGINS
SENATOR GARY STEVENS
SENATOR DONALD OLSON

Sponsor Statement Senate Bill 235

"An Act relating to charter school approval and funding."

Senate Bill 235 amends existing state statute to allow the Department of Education & Early Development to compete on behalf of Alaska charter schools for facility maintenance & start-up grant funds nationally available through the U.S. Department of Education. Alaska and its charter schools are currently ineligible.

Senate Bill 235 addresses this inequity in two ways:

First, Senate Bill 235 removes the statutory cap which limits the number of charter schools, on a statewide basis to sixty. As the only authorizer of charter schools, local school boards thoroughly examine and evaluate charter applications prior to agreeing to accept a charter for their district. In this way, local school boards act as a check on charter school over-proliferation and growth - today, there are only 26 charter schools in existence across Alaska - making a state mandated cap unnecessary.

Second, Senate Bill 235 creates in statute the programmatically required state funding mechanism necessary to comply under the federal grant program. It amends current law to establish in Alaska the per-pupil facilities aid program required under the U.S. Department of Education's applicant eligibility requirements. Senate Bill 235 then seeds the in-state aid program with a nominal \$1 dollar per pupil per year. However, it is communities and school districts which must arrange for themselves the means to provide the 10% local contribution necessary to achieve the initial 90% federal match and subsequent, escalating match proportions.

With minimal State involvement, but maximized local initiative & control, Senate Bill 235:

- Improves the State of Alaska's ability to secure the Federal Start Up Funds for Alaskan Charter Schools.
- Makes charter schools eligible to compete for federal grants for facilities.
- Is strongly supported statewide by school boards, school districts, and charter schools.
- Reduces a major barrier to the development of charter schools.
- Benefits Alaska's children.
- Will increase educational choices for parents & opportunities for students.

Jomo Stewart, Committee Aide
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Murray Richmond, Committee Aide
(907) 465 - 6443

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SECTIONAL ANALYSIS
Senate Bill 235

SECTION 1:

Deletes cap (60) on number of charter schools the State Board of Education may approve for operation within Alaska.

SECTION 2:

Creates new Article 2 under AS 14.11 - CONSTRUCTION, REHABILITATION, AND IMPROVEMENT OF SCHOOLS AND EDUCATION- RELATED FACILITIES

New sections include:

Sec. 14.11.121 - Supplemental charter school facilities construction, lease, and major maintenance grant program – creating, subject to legislative appropriation a five-year mechanism for state support in supplement of local contribution & federal aid, and describing administration of the program; and

Sec. 14.11.126 - State aid for costs of charter school construction, lease, and major maintenance – directing state to allocate not less than one dollar per charter school pupil per year to school districts or regional attendance areas receiving grants under the program.

SECTION 3:

Repeal of Sec. 14.11.121 and Sec. 14.11.126 on July 1, 2015.

26-LS1256\R

2/4/10

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HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 9, 2010

FURTHER REFERRALS:

Date of Committee Action: 4/14/10

The FINANCE Committee considered:

SENATE BILL NO. 235

"An Act relating to charter school approval and funding."

SB 235-CHARTER/ALTERNATIVE SCHOOL FUNDING

Recommends it be replaced with HCS or CS for SB 235 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- DHS
- LWF
- LAW
- LEG
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HFIN/EED				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Dougan	✓			
	Foster	✓			
	FAIRCLOUGH	✓			
	Garcia	✓			
	Austerman	X			
	Joule	✓			
	Salmon	X			
	KELLY	✓			
	Thomas	✓			
Chair:	Stoltz	✗			
Chair:	Hawken	✗			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CS SB 235 (FIN)
 () Publish Date: _____

Identifier (file name): HCSCSSB235(FIN)-EED-ESS-04-15-10
 Title: An Act relating to charter school approval and funding
 Sponsor: Senate Education Committee
 Requester: House Finance Committee
 Dept. Affected: DEED
 RDU: Education Support Services
 Component: School Finance & Facilities
 Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other-AHFC Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Co-Chair Rep. Hawker
House Finance Committee

Phone 465-4958
 Date/Time 4/15/2010 12:00PM
 Date 4/15/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 235
(S) Publish Date: 2/8/10

Identifier (file name): SB235-EED-ESS-2-05-10 Dept. Affected: Education and Early Development
Title: An Act relating to charter school approval and funding RDU: Education Support Services
Component: School Finance & Facilities
Sponsor: Senate Education Committee
Requester: Senate Education Committee Component Number: 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services	300.0		150.0	154.5	159.1	163.9	168.8	
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	300.0	0.0	150.0	154.5	159.1	163.9	168.8	

CAPITAL EXPENDITURES	1.0		1.0	1.0	1.0	1.0	
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts							
1003 GF Match							
1004 GF	301.0		151.0	155.5	160.1	164.9	168.8
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	301.0	0.0	151.0	155.5	160.1	164.9	168.8

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time	0.5		0.5	0.5	0.5	0.5	0.5
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Sec. 1, removes limit on number of charter schools that can operate in the state. As there are only 25 operating charter schools in the state currently, there is no anticipated fiscal impact resulting from this provision.

Sec. 2, Establishes charter school construction program based on charter school enrollment. Establishing regulations will require an estimated \$150,000. Management of the program will require 1.5 FTE, one full-time grant administrator (Range 17), and a half-time administrative assistant (Range 14), to assist with the required reporting paperwork. The personnel costs are escalated at 3% per year to approximate cost of living increases. While it is difficult to say how much state funding might be required, the department has estimated that the program will impact 40% of the Charter schools in each year of the program. The bill requires the legislature to appropriate at least a dollar for each pupil enrolled in the charter school receiving funding which amounts to approximately \$1,000 per year.

Sec. 3, Sunsets the charter school construction grant program on July 1, 2015, however, the department's financial reporting and project oversight obligations will continue beyond sunset of the program.

Prepared by: Sam Kito III, P. E., School Facilities Engineer
Division: School Finance/Facilities Section
Approved by: Larry LeDoux, Commissioner

Phone (907) 465-6906
Date/Time 2.5.2010
Date 2/5/2010

FISCAL NOTE

CHANGING
FISCAL
NOTE!!

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 235
(S) Publish Date: 4/7/10

Identifier (file name): SB235-EED-ESS-4-01-10 Dept. Affected: Education and Early Development
Title: An Act relating to charter school approval and funding RDU: Education Support Services
Sponsor: Senate Education Committee Component: School Finance & Facilities
Requester: Senate Finance Committee Component Number: 2737

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services	150.0		150.0	154.5	159.1	163.9	168.8	
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	150.0	0.0	150.0	154.5	159.1	163.9	168.8	

CAPITAL EXPENDITURES			1.0	1.0	1.0	1.0		
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts							
1003 GF Match							
1004 GF	150.0		151.0	155.5	160.1	164.9	168.8
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	150.0	0.0	151.0	155.5	160.1	164.9	168.8

Estimate of any current year (FY2010) cost: _____

POSITIONS

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Full-time	0.0		1.0	1.0	1.0	1.0	1.0
Part-time	0.0		0.5	0.5	0.5	0.5	0.5
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Sec. 1, removes limit on number of charter schools that can operate in the state. As there are only 25 operating charter schools in the state currently, there is no anticipated fiscal impact resulting from this provision.

Sec. 2, Establishes charter school construction program based on charter school enrollment. Establishing regulations will require an estimated \$150,000. Management of the program will require 1.5 FTE, one full-time grant administrator (Range 17), and a half-time administrative assistant (Range 14), to assist with the required reporting paperwork. The personnel costs are escalated at 3% per year to approximate cost of living increases. While it is difficult to say how much state funding might be required, the department has estimated that the program will impact 40% of the Charter schools in each year of the program. The bill requires the legislature to appropriate at least a dollar for each pupil enrolled in the charter school receiving funding which amounts to approximately \$1,000 per year. Personnel costs are not expected until after the first year, when regulations have been adopted and the department begins applying for any available federal grant opportunities.

Sec. 3, Sunsets the charter school construction grant program on July 1, 2015, however, the department's financial reporting and project oversight obligations will continue beyond sunset of the program.

Prepared by: Sam Kito III, P. E., School Facilities Engineer
Division: School Finance/Facilities Section
Approved by: Larry LeDoux, Commissioner

Phone (907) 465-6906
Date/Time 4.1.2010
Date 4/1/2010

Adopted 4/14/10

26-LS1256E
Mischel
4/14/10

HOUSE CS FOR SENATE BILL NO. 235(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to charter school approval and funding."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1.** AS 14.03.250(a) is amended to read:

4 (a) A charter school may be established as provided under AS 14.03.250 -
5 14.03.290 upon the approval of the local school board and the state Board of
6 Education and Early Development of an application for a charter school. [THE
7 STATE BOARD OF EDUCATION AND EARLY DEVELOPMENT MAY NOT
8 APPROVE MORE THAN 60 CHARTER SCHOOLS TO OPERATE IN THE
9 STATE AT ANY ONE TIME.]

10 *** Sec. 2.** AS 14.11 is amended by adding new sections to read:

11 **Article 2. Charter School Facilities.**

12 **Sec. 14.11.121. Supplemental charter school facilities construction, lease,**
13 **and major maintenance grant program.** (a) The department shall establish a charter
14 school facilities construction, lease, and major maintenance grant program that
15 supplements grant aid otherwise available under this chapter and that is based on a per

1 pupil funding formula.

2 (b) The department shall apply for available federal funding and award federal
3 funding made available under the grant program established under (a) of this section
4 for not more than five years for approved projects for charter school facilities
5 construction, lease, or major maintenance as follows:

6 (1) 90 percent of the allowable costs for the first fiscal year for the
7 approved project;

8 (2) 80 percent of the allowable costs for the second fiscal year for the
9 approved project;

10 (3) 60 percent of the allowable costs for the third fiscal year for the
11 approved project;

12 (4) 40 percent of the allowable costs for the fourth fiscal year for the
13 approved project; and

14 (5) 20 percent of the allowable costs for the fifth fiscal year for the
15 approved project.

16 (c) The grant program established in this section is subject to legislative
17 appropriation and available funding and must be consistent with applicable federal and
18 state requirements.

19 (d) A school district or regional educational attendance area that submits an
20 application for a proposed project under AS 14.11.011 for funding under this section
21 that is approved for funding by the department shall provide a participating share that
22 is equal to the difference between the allowable costs of a project and the combined
23 available federal funding and the state aid provided under AS 14.11.126. Allowable
24 costs for a project approved under this section shall be based on the adjusted student
25 count for a charter school calculated under AS 14.17.450(a) and (c), as determined by
26 the commissioner.

27 **Sec. 14.11.126. State aid for costs of charter school construction, lease, and**
28 **major maintenance.** During each fiscal year, the state shall allocate to a school
29 district and regional educational attendance area that is approved for a charter school
30 facilities construction, lease, or major maintenance grant under AS 14.11.121 an
31 amount that is not less than one dollar for each pupil enrolled in the charter school.

1 * **Sec. 3.** AS 14.11.121 and 14.11.126, added by sec. 2 of this Act, are repealed July 1,
2 2015.