# Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

#### **Part I: Measure Information**

Bill Request #: 237	7					
Bill #: HB 174						
Bill Subject/Title: An ACT relating to charter schools and making an appropriation therefor						
Sponsor: _ Representative Brad Montell						
Unit of Government:	XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment					
Office(s) Impacted:						
Requirement: X	Mandatory Optional					
Effect on Powers & Duties:	Modifies Existing Adds New Eliminates Existing					

#### Part II: Purpose and Mechanics

HB 174 creates new sections of Kentucky Revised Statutes (KRS) Chapters 157, 159, 160 and 161 and amends KRS chapters 78.510 and 161.220 to permit the establishment of up to 15 charter schools. Kentucky is one of eight states without authorizing legislation for charter schools.

Charter schools are semi-autonomous public schools founded by educators, parents, community residents, public organization, private organization or a combination of these through waivers from some procedural requirements of public schools. There are 6,004 charter schools serving 2.3 million students nationwide.

HB 174 provides the authority for creating a charter school to local school boards, The Kentucky Public Charter School Commission (an independent state agency with statewide chartering jurisdiction and authority), and the commissioner of education.

Any entity wishing to establish a charter school would be required to apply for sponsorship. Charters would be for five years and would be renewable for additional five year periods. Charter schools are part of the state system but are exempt from statutes

and regulations applicable to the state board unless they voluntarily choose to comply. Charter schools cannot charge tuition but must adhere to the academic standards and other related requirements of the state board. HB 174 establishes teacher qualifications and would require state and criminal background checks.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

### The fiscal impact of HB 174 on local government is minimal.

The subject of the local government mandate is limited to local government's contribution to the County Employees Retirement System (CERS). *The larger concern of the distribution of funds to public and semi-autonomous public schools is not within the jurisdiction of the L.M. as these are considered special taxing districts and these districts are not covered by our review.* 

The bill requires charter school employees in classified positions, including secretaries, bus drivers, instructional aides, cafeteria works, and custodians, to participate in the County Employees Retirement System (CERS). (Qualified teachers are required to participate in the Kentucky Teachers Retirement System, not CERS). Both the employer and employees will make the required contributions to the retirement system; therefore, the impact is minimal.

Data Source(s):	LRC staff; Actuarial Analysis letter dated January 16, 2014, Kentucky		
	Retirement Systems; Local Mandate for 2014 RS HB 85.		

Preparer: Wendell F. Butler Reviewer:	MCY	Date:	12/30/14
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