

1 SB387
2 213058-1
3 By Senator Smitherman
4 RFD: Finance and Taxation Education
5 First Read: 08-APR-21

SYNOPSIS: Under existing law, the Alabama School Choice and Student Opportunity Act provides for the establishment of public charter schools in the state.

This bill would revise the methods of providing operational funding to public charter schools.

A BILL
TO BE ENTITLED
AN ACT

To amend Section 16-6F-10, Code of Alabama 1975, relating to the Alabama School Choice and Student Opportunity Act; to revise the methods of providing operational funding to public charter schools.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 16-6F-10 of the Code of Alabama 1975, is amended to read as follows:

"§16-6F-10.

1 "(a) Enrollment. Students enrolled in and attending
2 public charter schools shall be included in all enrollment and
3 attendance counts of students of the local school system in
4 which the students reside. The public charter school shall
5 report all such data to the local school systems of residence
6 in a timely manner. Each local school system shall report such
7 enrollment, attendance, and other counts of students to the
8 department in the manner required by the department.

9 "(b) Operational funding.

10 "(1) The following provisions govern operational
11 funding:

12 ~~"a. In their initial year, and in subsequent years~~
13 ~~to accommodate growth as articulated in their application,~~
14 ~~funding for public charter schools shall be provided from the~~
15 ~~Education Trust Fund in the Foundation Program appropriation~~
16 ~~for current units. Subsequent year funding for public charter~~
17 ~~schools shall be based on the Foundation Program allocation~~
18 ~~and other public school Education Trust Fund appropriations. A~~
19 start-up public charter school shall be funded for basic
20 student needs, during startup and planned structured growth
21 years, in the same manner as a newly formed non-charter public
22 school. Foundation Program funding during the developmental
23 years for a start-up public charter school shall be provided
24 by inclusion of anticipated enrollment for the upcoming school
25 year as provided in the approved charter application. During
26 the fiscal year, the resulting Foundation Program allocation
27 shall be adjusted to reconcile the variance between

1 anticipated and actual funded enrollment. In addition to
2 Foundation Program allocations, a public charter school shall
3 participate in other Education Trust Fund and Public School
4 Fund appropriations in the same manner as any other
5 non-charter public school.

6 "b. For each of its students, a public charter
7 school shall receive the same amount of state funds, including
8 funds earmarked for the Foundation Program transportation,
9 school nurses, technology coordinators, and other line items
10 that may be included in the appropriation for the Foundation
11 Program Fund, that, for the then-current fiscal year, would
12 have otherwise been allocated on behalf of each public charter
13 school student to the local school system where the student
14 resides. This amount shall reflect the status of each student
15 according to grade level, economic disadvantage, limited
16 English proficiency, and special education needs.

17 ~~"c.1. For each of its students, a public charter~~
18 ~~school shall receive the same amount of local tax revenue,~~
19 ~~that, for the then-current fiscal year, would have otherwise~~
20 ~~been allocated on behalf of each public charter school student~~
21 ~~to the local non-charter public school of each student's~~
22 ~~residence, excluding those funds already earmarked through a~~
23 ~~vote of the local school board for debt service, capital~~
24 ~~expenditures, or transportation. As necessary, the department~~
25 ~~shall promulgate processes and procedures to determine the~~
26 ~~specific local revenue allocations according to the Foundation~~
27 ~~Program for each public charter school. A start-up public~~

1 charter school shall participate in the apportionment and
2 distribution of county-wide taxes on the same basis as
3 non-charter local school boards as determined in Section
4 16-13-31. The start-up public charter school shall be
5 considered within the county and therefore eligible to receive
6 proportionate funding in accordance with Section 16-13-31,
7 based on the boundaries of the non-charter local school system
8 where the start-up public charter school is located.

9 "2. For each student who resides within the
10 boundaries of the non-charter local school system where the
11 public charter school is located, a start-up public charter
12 school shall receive, from the non-charter local school system
13 of residence, a per student share of the net local tax revenue
14 realized for the then-current fiscal year. Allocable net local
15 tax revenue shall be determined as the gross local tax
16 revenues realized, less county-wide taxes received under
17 Section 16-13-31. The amount of net local tax revenue
18 forwarded to the start-up public charter school shall not
19 exceed, on a per student basis, the non-charter local school
20 system's per student 10 mill match rate.

21 "d. The state funds described in ~~paragraph~~
22 ~~paragraphs a. and b.~~ shall be forwarded on a ~~quarterly~~ monthly
23 basis to the public charter school by the department. The
24 local funds described in subparagraph 2. of paragraph b. c.
25 shall be forwarded on a ~~quarterly~~ monthly basis to the public
26 charter school by the ~~local educational agency of the~~
27 ~~student's~~ non-charter local school system of residence,

1 notwithstanding the oversight fee reductions pursuant to
2 Section 16-6F-6. ~~Additionally, any local revenues restricted,~~
3 ~~earmarked, or committed by statutory provision, constitutional~~
4 ~~provision, or board covenant pledged or imposed by formal~~
5 ~~action of the local board of education or other authorizing~~
6 ~~body of government, shall be excluded by the local educational~~
7 ~~agency of the student's residence when determining the amount~~
8 ~~of funds to be forwarded by the agency to the public charter~~
9 ~~school.~~

10 "e. ~~The maximum annual local tax allocation~~
11 ~~forwarded to a start-up public charter school from a local~~
12 ~~school system shall, for each student, not exceed the per~~
13 ~~student portion of the state required 10 mill ad valorem~~
14 ~~match.~~ The department shall adopt processes and procedures to
15 annually determine estimated local revenue allocations for
16 each public charter school before the deadline for the
17 submission of applications to the commission or registered
18 local authorizer.

19 "f. The maximum annual local tax allocation
20 forwarded to a conversion public charter school from a local
21 school system ~~shall~~, for each student, shall equal the amount
22 that would have been received by the local ~~education agency~~
23 school system of the student's residence for each student who
24 now attends a conversion public charter school, minus any
25 amounts otherwise excluded pursuant to this section.

26 "g. If necessary, the department shall adopt rules
27 governing how to calculate and distribute these per-student

1 allocations, as well as any rules governing cost-sharing for
2 students participating in specialized gifted, talented,
3 vocational, technical, or career education programs.

4 "(2) Categorical funding. The department shall
5 direct the proportionate share of ~~moneys~~ monies generated
6 under federal and state categorical aid programs to public
7 charter schools serving students eligible for ~~such~~ the aid.
8 The state shall ensure that public charter schools with
9 rapidly expanding enrollments are treated equitably in the
10 calculation and disbursement of all federal and state
11 categorical aid program dollars. Each public charter school
12 that serves students who may be eligible to receive services
13 provided through ~~such~~ those programs shall comply with all
14 reporting requirements to receive the aid.

15 "(3) Special education funding.

16 "a. The state shall pay directly to a public charter
17 school any federal or state aid attributable to a student with
18 a disability attending the school.

19 "b. At either party's request, a public charter
20 school and its authorizer may negotiate and include in the
21 charter contract alternate arrangements for the provision of
22 and payment for special education services.

23 "(4) Generally accepted accounting principles;
24 independent audit.

25 "a. A public charter school shall adhere to
26 generally accepted accounting principles.

1 "b. A public charter school shall annually engage an
2 independent certified public accountant to do an independent
3 audit of the school's finances. A public charter school shall
4 file a copy of each audit report and accompanying management
5 letter to its authorizer by June 1. This audit shall include
6 the same requirements as those required of local school system
7 pursuant to Section 16-13A-7.

8 "(5) Transportation funding.

9 "a. The department shall disburse state
10 transportation funding to a public charter school on the same
11 basis and in the same manner as it is paid to public local
12 school systems.

13 "b. A public charter school may enter into a
14 contract with a local school system or private provider to
15 provide transportation to the school's students.

16 "c. Public charter schools that do not provide
17 transportation services shall not be allocated any federal,
18 state, or local funds otherwise earmarked for
19 transportation-related expenses."

20 Section 2. This act shall become effective on the
21 first day of the third month following its passage and
22 approval by the Governor, or its otherwise becoming law.