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TO: Members of the State Board of Education

FROM: Karen B. Salmon, Ph.D.

DATE: June 28, 2016

SUBJECT: Reporting Requirements – Charter School Funding Study

PURPOSE:

To authorize the State Superintendent to withhold funds from local school systems that are not in compliance with the provisions of The Public Charter School Program, §§9-101 et seq. (Improvement Act of 2015 (Ch. 311, Acts of 2015)).

BACKGROUND:

Senate Bill 595, the Public Charter School Improvement Act of 2015, Ch. 311, Acts of 2015 (the Act) requires local school systems and public charter schools or charter organizations to provide fiscal data to complete the Charter School Funding Study and strengthens the authority of the State Superintendent of Schools, with the approval of the State Board of Education to ensure compliance with the requirements of the study through the withholding of funds.

Chapter 311 of Acts 2015 states:

“If a local school system fails to comply with the requirements of paragraph (1) of this subsection, the State Superintendent, with the approval of the State Board of Education, may notify the Comptroller to withhold 10% of the next installment and each subsequent installment due the local school system from the State until the State Superintendent notifies the Comptroller that the local school system is in full compliance with the requirements of this section.”

The requirements of this Act include the following:

- The operating expenditures made at the central office level by each county board of education;
- The aggregate expenditures made on behalf of individual schools by each county board of education;

- The amount of funding being provided to public charter schools and other public schools by the local school system; and
- The value of services being provided to public charter schools and other public schools by local school systems, including central office expenditures.

DISCUSSION:

American Institutes for Research (AIR), the firm awarded the contract for this study has issued requests for data to each local school system and charter organization, and has begun the process of analyzing the data. As of June 15, 2016, 22 school systems have fulfilled the request and 2 are still outstanding.

ACTION:

The State Board of Education is requested to authorize the State Superintendent to notify the Comptroller to withhold 10% of the July State aid payment and each subsequent installment for any system that is not in full compliance with the Act.