



If the local board of education chooses to include a charter school's operating revenue needs in a ballot question, the board and the charter school must agree to the process by which the district will distribute the additional local revenue. The district and the charter school must share the cost of submitting the ballot question in proportion to the respective portion of the additional local revenues the district and charter school will receive; however, the board and the charter school may agree to a different cost-sharing agreement.

A local board of education may also choose to submit a ballot question exclusively on behalf of a charter school or group of charter schools in the district. The board has the discretion to combine the ballot question with another tax question that the school district is submitting, or to submit the ballot question as a separate question. If a charter school or group of charter schools request that a local board of education submit a ballot question exclusive to the charter school(s), the school(s) must pay the entire cost of submitting the ballot question; however, the school(s) and the district may agree to a different cost-sharing agreement.

Finally, the bill requires that districts and charter schools enter into a contract that specifies that the ownership of any items purchased by the charter school using the additional local revenue from the mill levy override automatically reverts to the school district if the school's charter is revoked or not renewed, or if the school becomes insolvent or can no longer operate.

## **Background**

Under current law, a school district may seek voter approval to impose a property tax override to pay for operational expenses. The ballot question would authorize an additional levy separate from a district's total program mill levy that is used to determine state and local shares under the School Finance Act.

## **School District Impact**

The bill sets out a process by which a school district and the charter schools authorized by the district may participate in ballot questions to authorize mill levy overrides. The bill does not change existing property tax rates in any school district.

In the future, conversations and negotiated agreements to include charter schools in ballot questions, to share the cost of submitting a ballot question, and to distribute increased operating revenue among district and charter schools, will have some impact on locally derived funding for school districts; however, any change in school district funding as a result of the bill is conditional, dependant on the decisions of local electors to approve a proposed ballot measure that increases property taxes in support of schools.

## **Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Education