

HOUSE RESEARCH

Bill Summary

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Authors: Mariani and others

Subject: Expedited Cash Flow Payments for Certain Charter Schools

Analyst: Tim Strom

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Overview

State aid payments to school districts and charter schools are made through metered, bimonthly payments based on a statutory schedule. The same cumulative aid payment percentage is used for each district or charter school regardless of that school's particular cash flow needs.

The metered payments, after unallotment, distribute 73 percent of the aid entitlement to the school districts and charter during the current fiscal year. In the following fiscal year, the remaining 27 percent of the aid entitlement is paid to schools. These final payments are often referred to as the "cleanup" payments. This bill speeds up the cash flow schedule to certain charter schools and slows down the state aid payments to all other school districts and charter schools by the same amount.

Section

- 1 Cash flow adjustment.** Authorizes a charter school with fewer than 150 students and where 100 percent of its students qualify for special education services to request an expedited cash flow payment schedule from the commissioner of education. Requires the commissioner to approve the request within 30 days of its receipt. Allows the charter school to receive 100 percent of its aid entitlement in the current school year by speeding up its cash payments. Slows down the cash flow for all other school districts and charter schools by the same total dollar amount.