



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

March 31, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 62-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 62-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 62-37 (COR)**

AN ACT TO AMEND §§ 12104, 12106 AND 12108(B) AND TO REPEAL §12107(R) AND (T) ALL OF CHAPTER 12, TITLE 17 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE PROCESS FOR CHARTER SCHOOL PETITIONS.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Academy Charter Schools Council (GACSC)	Dept./Agency Head: Evangeline Cepeda, Chairwoman
Department's General Fund (GF) appropriation(s) to date: Operations (\$13,475,000); Per Pupil Cost Increase (\$962,500)	14,437,500
Department's Other Fund (Specify) appropriation(s) to date:	-
	<u>14,437,500</u>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107 thru _____)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	1/	\$0	\$0	\$0	\$0
Special Fund	\$0	1/	\$0	\$0	\$0	\$0
Total	\$0	1/	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes / X / No
If Yes, see attachment 1/
- Is amount appropriated adequate to fund the intent of the appropriation? / X / N/A / / Yes / / No
If no, what is the additional amount required? \$ _____ / X / N/A
- Does the Bill establish a new program/agency? / / Yes / X / No
If yes, will the program duplicate existing programs/agencies? / / N/A / / Yes / X / No
Is there a federal mandate to establish the program/agency? / / Yes / X / No
- Will the enactment of this Bill require new physical facilities? / / Yes / X / No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / X / Yes / / No
/ X / Requested agency comments not received by due date / / Other:

Analyst: William T. Tandanglong Date: 3/10/23 Director: Lester L. Carlson, Jr., Director Date: MAR 31 2023

Footnotes:
1/ See attached comments on Bill 62-37 (COR).

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 62-37 (COR)

The proposed Bill 62-37 (COR) is an act to add a new §§ 12104, 12106, and 12108(B) and to repeal §12107(R) and (T) all of Chapter 12, Title 17 of Guam Code Annotated, relative to the process for charter school petitions.

The legislative intent of Bill 62-37 (COR) is to remove any discrimination or distinction between private sectarian or non-sectarian applicants for converting existing schools or for new charter schools. It provides that all applicants be considered on their records and applications. Section 2 of the Bill amends § 12104. Process for Filing Charter Petitions. The amendments will add private, religious schools to be eligible as well as an existing private school as an eligible applicant seeking to convert into an Academy Charter School.

Section 3 of the Bill amends § 12106. Process for Approving or Denying Charter School Petitions. An amendment will set a deadline of June 15, 2023 for an eligible applicant seeking to establish an existing, accredited, non-converted private school in an Academy Charter School or convert a private Pre-Kindergarten-Three (PreK-3) through at least 8th grade school into an Academy Charter School for the School Year 2023-2024.

Section 4 of the Bill repeals subitems (r) and (t) under § 12107. Duties and Powers, and other Requirements, of Charter Schools. The current subitem (r) prevents an Academy Charter School to be nonsectarian or be affiliated with a sectarian school or religious institution, and the current subitem (t) prevents an Academy Charter School to be converted from an existing private or parochial school.

The Bureau does anticipate that Bill 62-37 (COR) poses a financial impact to the Guam Academy Charter School Council should there be petitions submitted and filed by the June 15, 2023 deadline from any eligible applicants seeking to become an Academy Charter School. The Bureau is unable to provide an estimated cost impact at this time as such costs are dependent on the number of petitions submitted and filed by the deadline, whether the petitions are for a new or an existing school, and information on its current or proposed student population.

However, such cost impact could be estimated as low as \$525,000 and as much as \$5,737,000 based on FY2023 appropriations to certain existing Academy Charter Schools. (Career Tech High Academy School with a school population of 70 students and the Guahan Academy Charter School with a school population of 765 students @ \$7,500 per pupil costs receives an appropriation of \$535,000 and \$5,737,000, respectively for FY2023)

It should be noted that the Bureau had sought input on the proposed Bill No. 62-37 (COR) from the Guam Academy Charter Schools Council (GACSC) on March 8, 2023 and again on March 15, 2023. The Bureau had received the GACSC's comments on Bill No. 62-37 (COR) on March 17, 2023.

The comments provided by the GACSC are from 3 of the 4 existing Academy Charter Schools regarding Bill 62-37 (COR) and are appended to this the fiscal note for additional information.

Dear Chairwoman Cepeda,

We have reviewed the bill and I see positive outlook and support of Senator Barnett for the charter schools which is what we always hope for. An increase of charter schools advocates. I also see that the amendment in the bill broadens the opportunity for all types of school to be chartered may it be a public, private or sectarian which provides parents more choices.

The only concern I need clarification or answers to is the \$7500 budget allocated and approved per pupil.

The PL in section 3 states that DOA authorized the remittance to the Charter Fund only \$7000 per pupil and in another section an extra \$500, thus a total of \$7500 for FY 23. As far as I know all the charter schools did not request an increase for FY 24 last December. I hope the legislature would anticipate to increase the budget reserved for the charter in anticipation of an additional charter school for the FY 24 so the \$7500 per pupil for the existing charter schools are secured. It has been two years for GACS that the excess funds were not recovered which I hope we as charter schools can share with each other instead of reverting back to DOA.

I am very eager to collaborate with all the charter schools and the council to discuss this further. We fully support to grow the charter schools in Guam and even looking forward to the possibility of amending the PL to extend the limit of 7 charter schools to more.

Ann Santiago

Guahan Academy Charter School

Hafa Adai Madam Chairperson Evangeline Cepeda;

I am in support for more charter schools. We have seen charter schools work. I am not concern that more charter schools may impact our enrollment. The quality of our product speaks for itself.

I am concerned, however, on whether or not converting private schools to charter schools will shrink the growing problem in the GDOE schools. If the cost of GDOE does not shrink, would this become a negative impact to Guam's budget as a whole? This amendment would make sense if it would mean that enough public school students move to these converted private schools or existing charter schools; and that the move would provide enough reduction in population in some GDOE schools to consolidate, close down, and reduce GDOE's overall cost. More charter schools will allow GDOE to completely close down facilities that are falling apart and not have to worry about allocating funds to rebuild or refurbish.

However, I think there should be an amendment added to make sure that a child in a lower economic status community is able to have access to that converted private school or other existing charter schools by providing proper transportation. As it is, many of our charter school kids go through a huge obstacle just to get to school. This means kids who don't have alternative transportation still do not have a choice in school.

I am interested in more conversation regarding this amendment and I am not adverse to the idea.

Sincerely,

Helen Nishihira
iLearn Academy Charter School

Hafa Adai,

Thank you for the opportunity to comment on Bill 62-37 as introduced. As the OIC for SiFA LACS, I would like to provide some of our opinions upon review of this bill.

Charter Schools are meant to provide an alternative educational experience for the island students (whether private or public). The charter school law allows for individuals or organizations to submit to the Charter council the proposal and idea that may represent a curriculum that has been vetted by the organization and then reviewed by the Charter council. The ability to review curriculum that is an alternative than traditional is one of the tenets of Charter schools. Upon the Charter application, it is the Charter council's responsibility to decide if the Application is worthy of support and thus charter approval. This bill if passed will/shall:

1. Although I appreciate the intent, this bill will designate a specific requirement for a type of charter school (ARTS, Chamorro, etc.) to be allowed by the Charter Council.
2. The preferential approval of this specific charter school is then given an opportunity to have both elementary and middle school, whereas, some of the existing charter schools were only allowed to have one existing grade level (elementary, middle school or highschool). Can the bill allow for existing charter schools to expand their curriculum.
3. The intent of the bill is admirable in promoting cultural preservation and training as well as ARTS integration, however, I believe that existing charter schools do implement project based curriculum, include ARTS, and fulfill the intent of the bill as introduced. The need to create preference in a Charter school limits the flexibility of choice and curriculum design that may be relevant for today's children.
4. I believe that the Charter council should have the flexibility to decide what should be acceptable as a charter on Guam, rather than to codify a specific thematic curriculum.
5. A suggestion for change in the Charter school law could be to allow for more charter schools to be allowed and not limited to grade levels.

I believe that the intent is admirable and I would love to be a part of the conversation to truly understand what the author intends with the bill, that the charter council can not already decide upon.

Thank you for your consideration

Dr. Anthony Jay Sunga
SIFA Academy Charter School