GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0028: Clarify timelines and opening procedures for public charter schools**

Primary Sponsor: David Bedey Status: As Introduced

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
General Fund (01)	$0	$0	$0	$0
Revenues				
General Fund (01)	$0	$0	$0	$0
Net Impact	$0	$0	$0	$0
General Fund Balance				

Description of fiscal impact

HB0028 clarifies laws relating to public charter schools for approval timelines, opening procedures, and initial year funding. This bill has no state fiscal impact.

FISCAL ANALYSIS

Assumptions

1. HB0028 amends section 20-6-804, MCA, or the Board of Public Education's (BPE) responsibilities, requiring that the Board of Public Education will notify the Office of Public Instruction and the relevant county superintendent of the status of public charter schools, in a timely manner.
2. Section 20-6-805, MCA, is amended to remove an obsolete deadline reference of 2023 replacing the reference with "annually".
3. Section 20-6-806, MCA, or the terms for the charter contract, is amended to allow the BPE to approve pre-opening of charter schools, exempting the requirements of opening a school within a district under Title 20, chapter 6, part 5. It is assumed that this is in direct reference to sections, 20-6-502, 20-6-503, 20-6-504, 20-6-505, & 20-6-507, MCA.
4. Section 20-6-812, MCA, or funding for public charter schools, is amended to require charter schools operated by a local school board to return state Basic Entitlement payments if October enrollment converted to ANB does not meet the eligibility requirements for separate budget unit status. The return of over payment is described under section 20-9-344, MCA.
5. Section 20-6-812, MCA, is further clarified, stating that Per-ANB entitlements are not to be included in budget determination or payments in the inaugural year of operation.
6. Further clarification includes that estimated enrollments provided are to be converted to ANB and that in the

second and third years of operation, the current year ANB is to also be the 3-year average ANB for the budget unit(s) identified as charter schools.

7. Final amendments to section 20-6-812, MCA, are specific to separate independent charter school districts. Amendments add similar requirements for repayment of the state Basic Entitlement payment when overpayment is made and the minimum ANB levels are not met, as indicated in section 20-9-344, MCA. Clarification is also made that a charter school district is not to receive Per-ANB entitlements, and that the Basic Entitlement is to be based on the estimated enrollment converted to ANB for the budget determination of the inaugural year of operation.
8. This bill requires a retroactive applicability and will affect charter schools opening for inaugural operation under existing public school district boards and independent charter school district budgets of FY 2026.

Sponsor's Initials	Date	Budget Director's Initials	Date
D.F.B	1/7/2025		1/7/2025