

BOARD OF EDUCATION

Attachment: Action

18

PALO ALTO UNIFIED SCHOOL DISTRICT

Date:

10.27.09

TO: Board of Education

FROM: Kevin Skelly, Superintendent

SUBJECT: Memorandum of Understanding (MOU) Among Basic Aid School Districts in San Mateo and Santa Clara Counties

BACKGROUND

In early February 2008, there was a meeting of all the Basic Aid districts in San Mateo and Santa Clara counties. About eighty percent of the superintendents attended. The goal of the meeting was to come up with a collective method for dealing with Charter Schools and how to pay for students who come from other Basic Aid districts.

Attached is a renewal of the Memorandum of Understanding (MOU) that superintendents in Basic Aid districts in Santa Clara and San Mateo counties previously signed and our Board approved on May 13, 2008. In 2008, all but one district in these two counties signed the agreement. Superintendents are asking our respective boards to approve the renewal.

The Basic Aid Districts in the two counties have an interest in having a common policy regarding how to address the financial issues associated with Charter Schools. There was agreement among the superintendents regarding the attached language and each district was asked to recommend approval of the MOU by October 27, 2009.

FISCAL IMPACT

Since our district does not have a charter school at this point, there would only be the potential costs associated with students who live in our district going to a charter school.

RECOMMENDATION

This item was discussed at the October 13, 2009, regular meeting. It is recommended the Board approve the Memorandum of Understanding at its October 27, 2009, meeting.

MEMORANDUM OF UNDERSTANDING
AMONG BASIC AID SCHOOL DISTRICTS IN
SAN MATEO AND SANTA CLARA COUNTIES

School districts are required to contribute an amount defined by Education Code section 47635 in lieu of property taxes for each student enrolled in a district-sponsored charter school. Charter schools may apply for certain categorical funding from the state. The state provides backfill funding to revenue limit districts for the amount that these districts are required to contribute to the charter school. However, under current law, basic aid districts receive specified state funding for students coming from revenue limit districts and no reimbursement for students coming from other basic aid districts. As a result, a charter school can result in a significant financial burden on a basic aid district that draws students from neighboring districts. Moreover, the financial impact cannot be used as a reason to deny a charter petition.

In an effort to share the financial burden more equitably among basic aid districts, the signatory districts agree to this Memorandum of Understanding ("Agreement").

For a student defined in Section (A), the signatory school district that is the district of that student's residence shall transfer to the sponsoring signatory school district that is responsible for funding a charter school under Education Code section 47635, an amount equal to either; (1) seventy percent (70%) of the district residence's property taxes portion per unit of ADA; or, (2) that student's General Purpose Entitlement portion of the Charter School Block Grant, as defined in Educational Code section 47633, whichever is less. This grant shall be made only for students attending grade levels at which the school of residence operates regular comprehensive educational programs. For the purposes of this agreement, a school district shall be considered a "sponsoring school district" of a charter school as that term is defined under Education Code section 47632(i).

- (A) This agreement shall apply only to a student of residence of one signatory school district who attends a charter school funded by another signatory school district according to the provisions of Education Code section 47635,
- (B) Absent any other action, the signatory parties will remain parties to this Agreement so long as each is being funded as a basic aid school district, or until provisions in Section C apply. Should a signatory school district cease to be funded as a basic aid school district, that school district shall be excepted from the provisions of this Agreement.
- (C) This Agreement will remain in place from July 1, 2009, or until statutory or regulatory changes are adopted to Part 26.8 of the Education Code changing the Charter School funding provisions relative to Basic Aid School Districts, whichever comes first. Districts may also opt out of this agreement, with thirty (30) days written notice.

DISTRICT NAME: _____

BY: _____

TITLE: _____

DATE: _____