

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 95** SLS 26RS 70
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 23, 2026 10:11 AM	Author: EDMONDS
Dept./Agy.: Education	Analyst: Julie Silva
Subject: Vocation and Technical Education Charter Schools	

SCHOOLS OR INCREASE GF EX See Note Page 1 of 1
 Provides for approval for charter schools that specialize in vocational and technical education to meet workforce demands for high demand and high wage jobs. (8/1/26)
 Proposed legislation expands present law to allow specialty vocational and technical education (VTE) charter schools to apply for a Type 2 charter without a corporate partner, contingent upon obtaining a resolution from the Louisiana Board of Commerce and Industry (LBCI) demonstrating a need for VTE in a designated economic sector. The bill also permits traditional public schools or charter schools to partner with VTE charter schools to meet current statutory requirements for offering vocational and technical education courses.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to result in an indeterminable, but expected to be minimal, increase in state expenditures, primarily related to administrative costs incurred by the Louisiana Department of Education (LDOE) for the third-party review of charter applications. Under present law (R.S. 17:3981), each charter application must be reviewed by a third party, who provides a recommendation to LDOE concerning approval. LDOE staff then make a final recommendation on approval to the Board of Elementary and Secondary Education (BESE).

The increase in the number of schools that may apply as a result of this legislation is unknown, and actual expenditures are indeterminable. Given that there are currently only four VTE Type2 charter schools operating with a corporate partner, the number of annual applications under the new pathway is expected to be minimal. For informational purposes, the estimated cost per component of the charter application third-party review process is provided below. Given a total standard application review cost of \$19,100, five schools would need to be reviewed before costs reach a significant level. For applications processed under expedited review at a cost of \$22,920, four applications annually would reach the significant expenditure threshold.

Third-Party Review Unit Price Per Component	Standard	Expedited
Review and Provision of Feedback on Initial Application	\$10,700	\$12,840
Due Diligence Research	\$600	\$720
Review and Provision of Feedback on Applicant 7-Page Response	\$1,500	\$1,800
Capacity Interview and Performance Tasks	\$4,300	\$5,160
Submission of Final Report and Local Analysis	<u>\$2,000</u>	<u>\$2,400</u>
Total	\$19,100	\$22,920

Minimal additional workload may result for the Louisiana Economic Development (LED) and the Louisiana Board of Commerce and Industry (LBCI) in issuing resolutions confirming qualifying economic sectors. This work is expected to be handled with existing personnel and resources.

Note: LDOE reports that current staff are expected to absorb the workload of supporting BESE in the oversight of any new charters approved under proposed legislation, with an additional position required in the future only if a significant number of new schools are added.

REVENUE EXPLANATION

To the extent students transfer from local school districts to state-authorized Type 2 charter schools, which act as their own local education agency, local school systems may experience a corresponding decrease in MFP funding. The overall revenue impact is expected to be neutral to minimal at the state level, with funding shifts occurring within the MFP formula based on student enrollment.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer