

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 105** HLS 18RS 247

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 17, 2018	6:05 PM	<b>Author:</b> STOKES
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Charter School		

SCHOOLS/CHARTER EG SEE FISC NOTE LF EX See Note Page 1 of 1  
Allows certain Type 1 charter schools to act as their own local education agencies

**Present law** provides that local school boards shall remain the local education agencies for types 1, 3 and 4 charter schools, with exceptions for certain school systems transferred from the Recovery School District. **Proposed law** adds an exception for any Type 1 charter school that meets specified criteria which authorizes the school to act as its own local education agency.

Effective July 1, 2018

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated impact to the MFP allocation by the Department of Education. There may be a reduction in expenditures of the local school district which authorized the charter and potential increases to the charter school acting as its own authority.

The Kenner Discovery Health Sciences Academy (Discovery Academy) in Jefferson parish is the only charter that meets the criteria specified in the legislation. The FY 18 projected MFP allocation totals \$11 M. For this period, Discovery Academy will pay approximately \$185 K in administrative fees to the Jefferson Parish School Board (JPSB) as well as additional service fees (\$68,071) and indirect cost charges (\$18,778). To the extent Discovery continues to contract with JPSB for these services there would be no change in expenditures. Should Discovery choose to provide services directly there will be a reduction in JPSB expenses. It is unknown whether Discovery Academy could procure these services at the same cost.

**REVENUE EXPLANATION**

There may be reduction in administrative fees paid by the charter school to the JPSB as well as other assessments associated with the provision of services to the extent the district no longer provides services to Discovery Academy. There may be an increase in federal funds for the charter school as a result of directly applying for such funds rather than receiving an allocation from the school board.

Type 1, 3, and 4 charter school student counts are included in the local school district enrollment totals and associated funding is allocated to the local school district; districts subsequently distribute funding to these charter schools in accordance with amounts established by the MFP and the LDE. The charter authority may annually charge each charter school it authorizes a fee of 2% of the charter's per pupil allocation for administrative overhead costs incurred by the charting authority as well as other. Under proposed legislation, administrative functions as well as the payment of other operating expenses would become the responsibility of the charter school which could continue contracting with the district for these services, or choose to provide services directly.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**