



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

Fiscal Note On: **SB 321** SLS 24RS 470  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 19, 2024	5:43 PM	<b>Author:</b> EDMONDS
<b>Dept./Agy.:</b> EDUCATION		<b>Analyst:</b> Julie Silva
<b>Subject:</b> Charter School Facilities Fund		

SCHOOLS OR SEE FISC NOTE SD EX Page 1 of 2  
 Creates the Charter School Facilities Fund within the Louisiana Department of Education. (gov sig)

Proposed legislation creates the Charter School Facilities Fund within the Louisiana Department of Education, for the purpose of assisting new and existing Type 1, 2, and 3 charter schools seeking to open or expand charter school facilities in the state. Monies in the fund are subject to appropriation by the legislature to the State Board of Elementary and Secondary Education (BESE) for allocation to a non-profit fund manager to administer as low interest loans for the purposes provided or for other educational purposes as determined by the legislature. Loans are not to exceed \$100,000 and must be repaid per the terms of the loan agreement, which is limited to three years. Each loan must be a short-term loan and must reflect the affordability needs of each charter school facility project applying for funding as determined through the analysis of the fund manager. Authorizes the State Superintendent of Education as a signatory on any instrument relating to the disbursement of funds. Effective upon governor's signature.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	<b>SEE BELOW</b>	\$0	\$0	\$0	\$0	\$0
Ded./Other	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated significant material effect on governmental expenditures as a result of this measure.

Proposed legislation creates the Charter School Facilities Fund, but does not provide an initial or recurring source of deposits. Monies in the fund are subject to appropriation by the legislature to the Board of Elementary and Secondary Education (BESE). BESE may then allocate the funds to a non-profit fund manager to administer as low interest loans. Loans must be short-term and must reflect the affordability needs of each charter school facility project applying for funds as determined by the fund manager. Loan repayments are automatically deposited back into the fund from an amount reduced out of the last state payment of the year to a charter school. Annual repayment amounts are equal to one-third of the total three year loan. The Louisiana Department of Education (LDOE) states that hiring a non-profit fund manager to oversee the loan program by BESE would likely increase operating costs; however, proposed legislation permits BESE to adopt policies concerning administrative fees that may be charged to the fund. It is assumed these charges would include any costs associated with the fund manager.

BESE is also directed to adopt rules specifying that board approval of any Type 2 charter school proposal that includes a request for loan funding within its budget which also complies with the provisions of proposed legislation will constitute approval of that loan. No additional loan application will be required. A Type 1 or Type 3 charter school approved by its local school board is only required to submit its approved charter proposal and a detailed budget identifying how any loan funds will be expended and how the request complies with the provisions of proposed legislation.

*Note: BESE currently receives an annual appropriation of approximately \$218,000 from the legislature for the Louisiana Charter School Start-Up Loan Fund. New charter schools are eligible for up to \$100,000 loans to be repaid in three years with one-third of the balance due at the end of each year. The repayment is automatically deducted from the Minimum Foundation Program funding allocated to the school.*

**CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed legislation creates the Charter School Facilities Fund but does not provide an initial source of revenue for the fund. Monies deposited into the fund will be contingent upon transfers, donations, or appropriations into the fund by the legislature. Prior to issuing loans, the fund will require an initial deposit of monies. To the extent interest is charged on the loans, there may be an increase in revenues deposited to the fund as loans are repaid.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S &amp; H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S &amp; H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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**Patrice Thomas**  
**Deputy Fiscal Officer**



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**CONTINUED EXPLANATION from page one:**

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 443 special funds. When unable to absorb additional workload within existing resources, the treasury anticipates it will be required to add one T.O. position at a total personnel services cost of approximately \$95,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGR in this fiscal note.

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}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**