
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Mary Frances Aucoin.

SB 321 Engrossed

DIGEST
2024 Regular Session

Edmonds

Proposed law creates the Charter School Facilities Fund within the Louisiana Department of Education.

Proposed law provides that all monies appropriated to the fund, including grants, other donations, or other sources of financial assistance must be deposited into the fund which is subject to appropriation by the legislature and must be appropriated to BESE for allocation by the board to a non-profit fund manager to administer as low interest loans.

Proposed law provides that all unexpended and unencumbered monies remaining in the fund at the end of each fiscal year must remain in the fund and will be invested by the state treasurer in accordance with state law. Interest earned on the investment will be credited to the fund.

Proposed law requires the state board to select a non-profit fund manager with proven experience managing a similar charter school facility fund in the State and who has a proven track record of raising private, philanthropic dollars to support charter school growth.

Proposed law provides that the manager will be responsible for administering the use of monies appropriated from the fund and raising additional private donations.

Proposed law provides that the state board or its fund manager may reject any request which does not comply with the terms of proposed law.

Proposed law provides nothing can restrict the borrower from purchasing tangible items such as equipment, technology, instructional materials, and facility acquisition, upgrade, and repairs. These items will become the property of the state if the loan is not fully repaid by virtue of the school ceasing to operate during the three years of automatic loan repayment.

Proposed law provides that loan distributions from the fund must be made only to Louisiana Type 1, Type 2, and Type 3 charter schools that have undergone a diligence process by the manager and cannot exceed \$100,000 to pay for charter school start-up and early operating expenses.

Proposed law provides that no money lent can be used to:

- (1) Pay prior debts of any of the natural persons principally involved in forming the charter school.
- (2) Any former or current business or nonprofit venture of any natural persons.

- (3) Any purchase or contract not related to charter school facility or the creation of the charter school, predevelopment and development costs.
- (4) Members of the immediate family of any such natural persons.
- (5) Make investments.

Proposed law provides that loans to qualifying charter schools must be repaid per the terms in the loan agreement and may be made by the authority for terms up to three years. Terms of each loan must be short-term loans and must reflect the affordability needs of each charter school facility project applying for such funds as determined through the analysis of the manager.

Proposed law requires the state board to authorize the State Superintendent of Education as signatory on any such legal instruments relating to the disbursement of funds.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:4001.1)