

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



Fiscal Note On: **HB 386** HLS 26RS 494

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 25, 2026 9:05 AM	<b>Author:</b> CHENEVERT
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Julie Silva
<b>Subject:</b> Charter school funding and oversight	

SCHOOLS/CHARTER

EG NO IMPACT See Note

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Provides relative to charter school funding

Present law provides that a Type 1 charter school, Type 3 charter school, Type 3B charter school not acting as its own local education agency (LEA), and Type 4 charter school are considered an approved public school of the local school board for funding purposes. Type 2 charter schools and a Type 3B charter school acting as its own LEA receive a per-pupil amount each year as authorized by the State Board of Elementary and Secondary Education (BESE) under the Minimum Foundation Program (MFP) formula.

Proposed legislation authorizes, with the approval of the local school board, a Type 1 charter school, Type 3 charter school, or Type 3B charter school not already acting as its own LEA to be considered its own LEA for funding purposes. Schools acting as their own LEA will receive a per-pupil funding amount through the MFP formula equal to the allocation based on student characteristics and needs in the district where the student resides, consistent with other charters operating as their own LEA.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
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	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
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	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. For Type 3 and Type 3B charter schools that opt to operate as their own local education agency (LEA), total Minimum Foundation Program (MFP) allocations will not be increased but rather redirected from the governing school district to the individual school. For all charter schools operating as their own LEA would receive federal funding directly and assume responsibility for compliance, reporting, and audits. While this represents a new administrative responsibility, it is not expected to result in an increase in federal revenue to the state or to local governments, as total funding remains unchanged.

Note: The MFP formula currently in effect is not structured to allocate funds to Type 1 charters outside of the local school district. If HB 386 passes as written, the formula would need to be revised by BESE and adopted by the Legislature to account for direct funding to these schools.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. Total state and local funding for a school opting to act as its own LEA remains unchanged; the measure redirects appropriations from the governing school district directly to the individual school. Similarly such a school would receive any federal funding directly and assume responsibility for compliance, reporting, and audits. While this represents a new administrative responsibility, it is not expected to result in an increase in federal revenues.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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