

First Extraordinary Session, 2005

HOUSE BILL NO. 93

BY REPRESENTATIVES SCALISE, ALEXANDER, BEARD, BOWLER, BRUNEAU, BURNS, CROWE, DOVE, DOWNS, ERDEY, GEYMAN, GREENE, HUTTER, JOHNS, KATZ, KENNARD, KLECKLEY, LABRUZZO, LAMBERT, LANCASTER, MARTINY, MCVEA, MORRISH, PITRE, M. POWELL, T. POWELL, SCHNEIDER, SMILEY, JANE SMITH, STRAIN, TOOMY, TRAHAN, TUCKER, WADDELL, WALSWORTH, AND WINSTON AND SENATORS BARHAM, BOASSO, CAIN, DARDENNE, HOLLIS, KOSTELKA, LENTINI, MALONE, MICHOT, QUINN, ROMERO, SCHEDLER, AND THEUNISSEN

SCHOOLS/DISTRICTS: Provides an additional means by which public schools may be transferred to the state's Recovery School District and prohibits certain persons from serving on Type 5 Recovery District Charter school governing authorities (Item #8)

1 AN ACT

2 To amend and reenact R.S. 17:1990(A), (B)(1), (2)(a), and (4), and (C)(1)(a), (2)(a), and (3),

3 3973(2)(b)(v)(aa), 3982(A)(1), and 3983(A)(2)(a) and to enact R.S. 17:10.7,

4 1990(F)(3), 3973(2)(b)(v)(cc), and 3983(A)(1)(g), to provide for the transfer of

5 certain public elementary and secondary schools to the jurisdiction of the Recovery

6 School District; to provide guidelines and conditions for such transfers; to provide

7 definitions; to require the development and approval of a plan for the operation of

8 all schools transferred and to specify the contents of such plan; to require the

9 recovery district to make certain reports relative to the recovery district; to subject

10 the administration of the recovery district to the approval of the State Board of

11 Elementary and Secondary Education; to authorize the recovery district to manage

12 and retain certain funding, including the authorization for retaining fund balances;

13 to specify that the expenditure of certain funds by the recovery district is subject to

14 the requirements of the approved Minimum Foundation Program formula; to provide

15 with regard to the authority of the recovery district to contract with for-profit

16 providers; to provide for the exercise of limited rights of ownership over property of

17 transferred schools by the recovery district; to provide for the transfer of certain

1 funding to the recovery district; to provide for the process for the transfer of such
2 funds and for a limitation on the transfer of such funds; to provide for the
3 expenditure of certain retained funds by certain city, parish, or other local public
4 school systems; to provide for the eligibility of a student to attend a school operated
5 under the jurisdiction of the recovery district; to provide for the obligations of the
6 recovery district in providing services to students; to expand the definition of a Type
7 5 charter school to include charters involving certain schools transferred to the
8 recovery district; to prohibit certain local school boards from considering or acting
9 on Type 1 charter school applications under certain circumstances; to authorize the
10 state Department of Education to enter into a charter to operate a charter school
11 under certain circumstances; to provide relative to the membership of governing or
12 management boards of certain Recovery School District charter schools; to provide
13 limitations; to provide an effective date; and to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 17:1990(A), (B)(1), (2)(a), and (4), and (C)(1)(a), (2)(a), and (3),
16 3973(2)(b)(v)(aa), 3982(A)(1), and 3983(A)(2)(a) are hereby amended and reenacted and
17 R.S. 17:10.7, 1990(F)(3), 3973(2)(b)(v)(cc), and 3983(A)(1)(g) are hereby enacted to read
18 as follows:

19 §10.7. School and district accountability; schools in districts in academic crisis;
20 transfer to Recovery School District
21 A.(1) All elementary and secondary schools operating under the jurisdiction
22 and direction of any city, parish, or other local public school board which is
23 academically in crisis shall be removed from the jurisdiction of such board and
24 transferred to the jurisdiction of the Recovery School District, referred to in this
25 Section as "the recovery district", established in R.S. 17:1990. The recovery district
26 shall provide for the supervision, management, and operation of all such schools
27 which shall be considered to be failing schools for the purposes of Article VIII,
28 Section 3(A) of the Constitution of Louisiana.

1 (2) For the purposes of this Paragraph, "academically in crisis" means any
2 city, parish, or other local public school board in any parish having a population of
3 at least four hundred seventy-five thousand persons according to the latest federal
4 decennial census with a school system in which for the 2004-2005 school year or
5 thereafter more than thirty schools are academically unacceptable under a uniform
6 statewide program of school accountability established pursuant to rules adopted by
7 the State Board of Elementary and Secondary Education, referred to in this Section
8 as "the state board", under authority of law or more than fifty percent of its students
9 attend schools that are academically unacceptable.

10 B. The recovery district shall provide all educational services required of any
11 city, parish, or other local public school system in order to meet the educational
12 needs of all students residing in the jurisdiction of the transferring local school
13 system who were attending a transferred school or who would have been eligible to
14 attend such transferred school because of the residential location of the student or as
15 the result of any other option or program available to the student.

16 C.(1) Any school transferred to the recovery district pursuant to this Section
17 shall be reorganized as necessary and operated by the recovery district, pursuant to
18 its authority, in whatever manner is determined by the administering agency of the
19 recovery district to be most likely to improve the academic performance of each
20 student in the school.

21 (2)(a) The recovery district, as directed by its administering agency, shall
22 manage the schools so transferred in a fashion that provides the best educational
23 opportunity to all students who attended or were eligible to attend such schools
24 without regard to the attendance zones related to such schools prior to the transfer.
25 The authority provided in this Paragraph includes the authority to determine and act
26 on which schools should be operated, which schools should be closed, which schools
27 should be relocated or rebuilt, and what range of grades should be operated in each
28 school.

1 (b)(i) Within six months after the transfer of a school to the recovery district
2 pursuant to this Section, the recovery district shall develop and present to the state
3 board, for its approval, a plan for the operation of all schools transferred. The plan
4 shall be annually updated and reviewed by the state board.

5 (ii) The plan required in this Subparagraph shall address each of the
6 following:

7 (aa) The educational needs of all students.

8 (bb) The number and location of schools to be operated to provide
9 appropriate educational services to all students. This plan element shall include
10 provision for changes in the student population being served.

11 (cc) A method for maintaining clear communication among interested
12 parties, including the recovery district, the Louisiana Recovery Authority, the chief
13 executive officer of the governing authority of the relevant municipality or parish,
14 the parents and guardians of children for whom the recovery district is required to
15 provide educational services, and the city, parish, or other local public school board
16 from which schools were transferred.

17 (iii) The requirements of this Subparagraph shall not preclude the operation
18 of a limited number of schools prior to completion and approval of the required plan
19 provided that such schools are operated in direct response to the present needs of
20 students and provided that the operation of such schools is approved by the state
21 board after a review by the board of the data presented by the recovery district
22 supporting the operation of the school and review and consideration by the board of
23 the efforts made by the recovery district to seek and consider input from the
24 community and its leaders and the input gained from those efforts.

25 (3) The recovery district shall make an annual report to the House and Senate
26 committees on education concerning the status, management, and operation of any
27 school transferred to the recovery district pursuant to the provisions of this Section.

28 D. The recovery district shall retain jurisdiction over any school transferred
29 to it.

1 E. At the time of the transfer of a school to the recovery district, the parent
 2 or guardian with responsibility for decisions regarding the education of any student
 3 attending a transferred school or any student who would be assigned to attend a
 4 transferred school shall be able to continue to have their child enrolled in and attend
 5 a school under the jurisdiction of the recovery district or may exercise an option, if
 6 one is made available by the city, parish, or other local public school board from
 7 which the school is being transferred to have the child enroll in or attend another
 8 school operated by the school board.

* * *

§1990. Recovery School District; creation; governance; operation

11 A.(1) The Recovery School District, referred to as the "school district" or the
 12 "district", is hereby established to provide an appropriate education for children
 13 attending any public elementary or secondary school operated under the jurisdiction
 14 and direction of any city, parish, or other local public school board or any other
 15 public entity, referred to in this Section as "the prior system", which has been
 16 transferred to its jurisdiction pursuant to R.S. 17:10.5 or 10.7.

17 (2) The school district shall be administered by the state Department of
 18 Education, subject to the approval of the State Board of Elementary and Secondary
 19 Education, referred to in this Section as "the state board".

20 B.(1)(a) The school district shall be considered an intermediate educational
 21 unit, subject to the limitations of such units which shall include no authority to levy
 22 a tax, but which ~~may~~ shall include authority to seek, ~~and~~ expend, manage, and retain
 23 federal funding and grant funding and to otherwise seek, obtain, ~~and~~ expend,
 24 manage, and retain funding with all the same authority of any city, parish, or other
 25 local public school board or other public entity operating a public school, including
 26 the right to maintain and manage fund balances.

27 (b) The expenditure of funds shall be subject to the requirements of the
 28 approved Minimum Foundation Program formula that apply to a city, parish, or other
 29 local public school system and shall be subject to audit in the same manner.

1 (2)(a) The school district may provide for the supervision, management, and
 2 operation of a school placed under its jurisdiction and receive, control, and expend
 3 the local, state, and federal funding attributable to that school, with all the same
 4 power and authority as the prior system from which it was transferred subject to the
 5 requirements of this Section, ~~and R.S. 17:10.5 or 10.7,~~ or with any other power and
 6 authority otherwise granted to the district by law. As it relates to schools transferred
 7 pursuant to R.S. 17:10.7, the authority of the school district is also subject to the
 8 approval of the state board of the plan submitted pursuant to R.S. 17:10.7(B)(2)(b).
 9 The district shall not contract with any for-profit private provider for the general
 10 operation of any school under its jurisdiction ~~or for the general provision of~~
 11 ~~instructional services in any such school.~~ The district may contract with for-profit
 12 providers for any needed services for a school operated under its jurisdiction.

13 * * *

14 (4)(a) The school district shall have the right to use any school building and
 15 all facilities and property otherwise part of the school and recognized as part of the
 16 facilities or assets of the school prior to its placement in the school district and shall
 17 have access to such additional facilities as are typically available to the school, its
 18 students, and faculty and staff prior to its placement in the school district. Such use
 19 shall be unrestricted, except that the school district shall be responsible for and
 20 obligated to provide for routine maintenance and repair such that the facilities and
 21 property are maintained in as good an order as when the right of use was acquired
 22 by the district. There shall be no requirement for the district to provide for the type
 23 of extensive repair to buildings or facilities that would be considered to be a capital
 24 expense. Such extensive repairs shall be provided by the governing authority of the
 25 city, parish, or other local public school system or other public entity which is
 26 responsible for the facility.

27 (b)(i) In the case of the transfer of schools pursuant to R.S. 17:10.7, the
 28 school district may, at the discretion of the administering agency and
 29 notwithstanding the provisions of Subparagraph (a) of this Paragraph, acquire with

1 the transfer of the schools all the rights and responsibility of ownership regarding all
2 land, buildings, facilities, and other property that is part of the school being
3 transferred, except that the school district may not transfer the ownership of the land
4 or usable buildings constructed on the land to another save returning the land and
5 such buildings to the stewardship of the prior system. The district may lease land or
6 property, dispose of property other than the land as is necessary to properly manage
7 the operation of the schools, rebuild school buildings, or renovate school buildings.

8 (ii) No building shall be destroyed pursuant to the authority of the school
9 district unless the destruction of the building has been approved by the office of
10 facility planning in the division of administration.

11 (iii) In the case that the rights and responsibilities provided for in this
12 Subparagraph are acquired by the school district, the school district, through its
13 administering agency, shall be the exclusive authority to receive, manage, and
14 expend any and all state, local, or federal funding dedicated to or available for the
15 purpose of repairing, renovating, or rebuilding, or building a school building or
16 facility and any and all insurance proceeds attributable to damage done to any
17 property, except that portion of such insurance proceeds used to pay debt owed by
18 the prior system. A portion of all revenues available to the prior system which are
19 dedicated to the repair, maintenance, or capital projects regarding a transferred
20 school whether such revenue is available from tax proceeds, was borrowed, bonded,
21 or was otherwise acquired shall be transferred by the system to the recovery district
22 in an amount equal to the proportion that the number of schools transferred from
23 such school system bears to the total number of schools operated by the school
24 system during the school year immediately proceeding the school year in which the
25 transfer occurred.

26 C.(1)(a) The state shall annually appropriate sufficient monies to fund any
27 school in the school district created in this Part in an amount equal to but not less
28 than the school's ~~October first~~ student membership count times one hundred percent
29 of the state share per student ~~from all levels~~ as provided in the Minimum Foundation

1 Program approved formula for the city, parish, or other local public school system
2 in which each school placed under the jurisdiction of the district is located as
3 contained in the Minimum Foundation Program budget letter approved by the State
4 Board of Elementary and Secondary Education. The appropriation shall be made to
5 the administering agency for the district and may be expended by the agency for the
6 provision of ~~educational~~ services to students in the district.

7 * * *

8 (2)(a)(i) In addition to the appropriation required in Paragraph (1) of this
9 Subsection, any city, parish, or other local public school board which had jurisdiction
10 of a school prior to its transfer to this district annually shall ~~either; (i) Allocate~~
11 allocate and transfer to the school district an amount of money equal to the number
12 of students enrolled in such a school times the local per pupil amount received ~~in the~~
13 ~~prior year~~ by the school system from all of the following sources as provided in the
14 Minimum Foundation Program approved formula, excluding any portion which has
15 been specifically dedicated by the legislature or by voter approval to capital outlay
16 or debt service or which was actually expended by the school board for facilities
17 acquisition and construction as reported to the state Department of Education:

18 (aa) Sales and use taxes, less any tax collection fee paid by the school
19 system;

20 (bb) Ad valorem taxes, less any tax collection fee paid by the school system;

21 (cc) Earnings from sixteenth section lands owned by the school system; ~~or;~~

22 (ii)(aa) ~~Suffer~~ Such allocation and transfer shall be accomplished by a
23 reduction in the amount of state funds otherwise to be allocated to the city, parish,
24 or other local public school system as contained in the Minimum Foundation
25 Program budget letter approved by the State Board of Elementary and Secondary
26 Education equal to the amount provided in ~~Item (i) of this Subparagraph~~ this
27 Paragraph which reduction shall be allocated to the school district.

28 (bb) In the case that there are insufficient funds available to provide the total
29 due the school district under this Paragraph if all state funds are reduced and

1 allocated to the school district, the prior system shall transfer a sufficient amount of
2 money remaining from the sources provided in Item (i) of this Subparagraph to the
3 school district. In the case that the prior system local revenues are insufficient to
4 allow for the allocation to the school district and to allow the prior system to
5 maintain a minimum balance of ten percent of state Minimum Foundation Program
6 funding and ten percent of the local revenues listed in Item (i) of this Subparagraph,
7 local revenues otherwise required to be allocated to the school district shall be
8 reduced to an amount necessary to allow the prior system to maintain such balances.
9 Such maintained minimum balances shall be applied firstly to the prior system's
10 retiree health insurance costs and secondly to the prior system's board administrative
11 costs.

* * *

13 (3)(a) Except for administrative costs, monies appropriated to the Recovery
14 School District that are attributable to the transfer of a school from a prior school
15 system and monies allocated or transferred from the prior system to the recovery
16 district shall be expended solely on the operation of schools transferred from the
17 prior system to the jurisdiction of the district.

18 (b) Notwithstanding the requirements of Subparagraph (a) of this Paragraph,
19 in the case that schools are transferred pursuant to R.S. 17:10.7 to the school district,
20 monies appropriated to the school district that are attributable to the transfer of the
21 schools from a prior system and monies allocated or transferred from the prior
22 system to the school district shall be expended on the provision of services to the
23 students who were in attendance at such schools or who would have been eligible to
24 attend such schools transferred from the prior system to the jurisdiction of the district
25 without regard to expending amounts on or in any particular school provided that
26 such services are provided in compliance with the requirements of R.S.
27 17:10.7(B)(2)(b).

* * *

1 F.

2 * * *

3 (3) In addition, in the case that schools are transferred to the district pursuant
4 to R.S. 17:10.7 and notwithstanding other requirements of this Subsection, the school
5 district may permit any student eligible to attend any school in the prior system to
6 attend a school operated by the school district in the area of the transferring system.

7 * * *

8 §3973. Definitions

9 As used in this Chapter, the following words, terms, and phrases shall have
10 the meaning ascribed to them in this Section except when the context clearly
11 indicates a different meaning:

12 * * *

13 (2)

14 * * *

15 (b) Charter schools shall be one of the following types:

16 * * *

17 (v)(aa) Type 5, which means a preexisting public school transferred to the
18 Recovery School District pursuant to R.S. 17:10.5 or 10.7 and operated as the result
19 of and pursuant to a charter between a nonprofit corporation and the State Board of
20 Elementary and Secondary Education, or between a nonprofit corporation and a city,
21 parish, or other local school board or other public entity in the case of the renewal
22 of a Type 5 charter of a school that has been transferred back to the jurisdiction of
23 the local school board or other public entity pursuant to R.S. 17:10.5(C).
24 ~~Notwithstanding~~ Except as otherwise provided in R.S. 17:10.7 or 1990, and
25 notwithstanding the provisions of R.S. 17:3991(B)(1), within such Type 5 charter
26 school, only pupils who would have been eligible to enroll in or attend the
27 preexisting school under the jurisdiction of the city, parish, or other local public
28 school board or other public school entity prior to its transfer to the Recovery School

1 District may attend. However, all such pupils shall be eligible to attend
2 notwithstanding any other provision of this Chapter to the contrary.

3 * * *

4 (cc) No member of the State Board of Elementary and Secondary Education
5 shall be a member of the governing or management body of any Type 5 charter
6 school. No member of any city, parish, or other local public school board shall be
7 a member of the governing or management board of any Type 5 charter school
8 within the jurisdictional area of such city, parish, or other local public school board.

9 * * *

10 §3982. Local school boards; duties

11 A.(1)(a) Local school boards shall comply with R.S. 17:3983 and shall
12 review and formally act upon each proposed charter within thirty days of its
13 submission and in the order in which submitted. In doing such review, the local
14 school board shall determine whether each proposed charter complies with the law
15 and rules, whether the proposal is valid, complete, financially well-structured, and
16 educationally sound, and whether it offers potential for fulfilling the purposes of this
17 Chapter.

18 (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,
19 school boards which govern a local system that has been declared to be in academic
20 crisis, as defined in R.S. 17:10.6, shall not consider, review, or act upon charter
21 applications for a Type 1 charter school and shall notify the proponents of any
22 pending Type 1 charter proposal or any newly submitted Type 1 charter proposal that
23 the board is ineligible to act on such applications and that each such application may,
24 therefore, be submitted to the state board as a Type 2 proposal pursuant to R.S.
25 17:3983(A)(2)(a)(ii).

26 * * *

1 §3983. Chartering process by type; eligibility; limitations; faculty approval; parental
2 approval

3 A.(1) Any of the following may form a nonprofit corporation for the purpose
4 of proposing a charter as provided in this Subsection, provided that the group
5 submitting the charter school proposal includes three or more persons holding valid
6 and current Louisiana teaching certificates:

7 * * *

8 (g) The state Department of Education, subject to the approval of the state
9 board.

10 (2)(a)(i) Each proposal for a ~~type~~ Type 1 or ~~type~~ Type 3 charter school shall
11 first be made to the local school board with jurisdiction where the school is to be
12 located, except in the case of a local system in academic crisis as provided for in
13 Item (ii) of this Subparagraph, involving the submission of a written proposal. If,
14 after review as required by R.S. 17:3982, the local school board denies the proposal,
15 or if conditions placed on the proposal by the local school board, as provided in
16 Paragraph (B)(2) of this Section, are not acceptable to those proposing the charter,
17 then a proposal for a ~~type~~ Type 2 charter school may be made to the State Board of
18 Elementary and Secondary Education.

19 (ii) A proposal for a Type 1 charter school that would otherwise be made to
20 a local school board except that the local system is in academic crisis shall, in the
21 discretion of the proponents of the proposal, be made to the state board as a Type 2
22 proposal.

23 * * *

24 Section 2. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Scalise

HB No. 93

Abstract: Requires that all public schools under the jurisdiction of a local school board which is academically in crisis shall be transferred to the Recovery School District. Defines "academically in crisis" for purposes of proposed law as any local school board in any parish having a population of at least 475,000 persons according to the latest federal decennial census with a school system in which for the 2004-2005 school year or thereafter more than 30 schools are academically unacceptable under the state school and district accountability program or more than 50% of its students attend schools that are academically unacceptable. Provides for the operation and management of such schools by the recovery district. Requires certain reports by the recovery school district. Authorizes the recovery district to manage and retain certain funding and to provide relative to the expenditure of certain funds by the recovery district. Expands the definition of a Type 5 charter school to include charters involving certain schools transferred to the recovery district. Prohibits certain persons from being a member of the governing authority or management board of Recovery School District Type 5 charter schools.

Present law (R.S. 17:10.5) provides for the transfer, subject to approval by the State Board of Elementary and Secondary Education (BESE), of schools that have been labeled academically unacceptable for four consecutive years or failed schools for which the school board has failed to present or implement an acceptable reconstitution plan under the school and district accountability plan established by rule by BESE from their local school board to the Recovery School District.

Present law (R.S. 17:10.6) provides for the transfer of significant school board authority from the local school board to the local superintendent when a system is academically in crisis which is defined as the local system having 30 or more schools that are academically unacceptable or more than 50% of its students attending schools that are academically unacceptable.

Proposed law retains present law.

Proposed law (R.S. 17:10.7) adds that all public schools under the jurisdiction of a local school board which is academically in crisis shall be transferred to the Recovery School District. Defines "academically in crisis" for purposes of proposed law as any local school board in any parish having a population of at least 475,000 persons according to the latest federal decennial census with a school system in which for the 2004-2005 school year or thereafter more than 30 schools are academically unacceptable under the state school and district accountability program or more than 50% of its students attend schools that are academically unacceptable. Specifies that the recovery district shall provide for the supervision, management, and operation of all such schools which shall be considered as failing schools for the purposes of Art. VIII, §3(A) of the Constitution of La. (which authorizes BESE to provide for the supervision, management, and operation of failing schools, including the power to receive, control, and expend MFP funds and other local revenue).

Requires the district to provide educational services that are required of local school systems to all students who attended the transferred school or who would have been eligible to attend the transferred school without regard to attendance zones related to such schools prior to the transfer.

Requires the recovery district to reorganize and operate such schools as determined most likely to improve student performance. Authorizes the district to determine what schools to operate, close, relocate, or rebuild and what range of grades to operate. The recovery district shall retain jurisdiction over any school transferred to it.

Requires the recovery district within six months after the transfer of a school to develop a plan for BESE approval for the operation of the schools. Requires the plan to include provisions for the educational needs of all students, the number and location of schools to be operated, and a method for communication among the parties.

Provides that proposed law requirements shall not preclude the operation of a limited number of schools prior to completion and approval of the required plan provided that such schools are operated in direct response to the present needs of students and provided that the operation of such schools is approved by BESE after certain review and consideration.

Requires the recovery district to make an annual report to the House and Senate committees on education concerning the status, management, and operation of any school transferred to the recovery district pursuant to proposed law.

Empowers student's parents or guardians to choose to continue to have their child enrolled in a school under the recovery district or to exercise any option provided by the system from which the school is transferred.

Present law (R.S. 17:1990) establishes and provides for the recovery district as an intermediate educational unit which has no authority to levy taxes, but which may otherwise generally operate with the same authority as a local public school system regarding the schools under its jurisdiction.

Proposed law makes the following changes and additions to present law provisions regarding the Recovery School District:

- (1) Adds provisions for the required transfer of all schools as described in proposed law (R.S. 17:10.7).
- (2) Adds BESE approval for the administration of the recovery district by the state Dept. of Education as the administering agency.
- (3) Adds authority for the district to manage and retain their funding, including maintaining fund balances.
- (4) Authorizes the recovery district to enter into contracts with private for-profit providers for any needed services.
- (5) In the case of the transfer of all schools as described in proposed law (R.S. 17:10.7), authorizes the recovery district to acquire with the transfer of the schools, all the rights and responsibilities of ownership regarding all land, buildings, facilities, and other property that is part of the school being transferred, except prohibits the transfer of the ownership of any land or usable buildings constructed on the land to any entity or person other than to return it to the stewardship of the local school system from which it was originally transferred.
- (6) Specifically authorizes the recovery district to lease land or property, dispose of property other than the land, including buildings unusable for any purpose necessary to the provision of educational services by the district, or as necessary to properly manage the operation of the schools, rebuild school buildings, or renovate school buildings.

- (7) Provides that when such ownership rights transfer, the recovery district is the exclusive authority to receive, manage, and expend any and all state, local, or federal funding dedicated to or available for the purpose of repairing, renovating, or rebuilding or building a school building or facility, including any and all insurance proceeds payable to the prior system as a result of damage done to the property, except for such proceeds used to pay debt owed by the prior system and money dedicated to such purpose, whether available from tax proceeds, borrowing, or otherwise. Provides that the money available to the prior system shall be transferred in a share proportional to the number of transferred schools as compared to all schools operated by the school system in the school year immediately proceeding the school year.
- (8) Reverses the order of the means for allocating local money owed to the recovery district from the local school system to the recovery district from the local system transferring the amount due directly or, if not, suffering a reduction in the allocation of state MFP funds to providing as the first means the reduction in state MFP funds followed by a transfer from the system of local funds to make up any deficit in the amount available in state MFP funds.
- (9) Provides that in case there are insufficient MFP funds available, to provide all that is due the recovery district, the prior system must transfer a sufficient amount to make up the deficit. Provides for the maintenance of a budget for the prior system that is 10% of the prior system's state MFP funding and 10% of its local funding. Requires such amount be spent first on the prior system's retiree health insurance costs and second on the prior system's board administrative cost.
- (10) Provides an exception to present law requirement that monies allocated or transferred from the prior system to the recovery district be expended solely on the operation of schools transferred by providing, in the case of schools that are designated as failed because they are below the state average and in a system academically in crisis, the recovery district may expend funds on providing educational services without regard to expending amounts on or in any particular school.
- (11) Authorizes the recovery district to permit any student eligible to attend a school anywhere in the prior system to attend a school operated for students from the prior system.

Relative to Type 5 charter schools in the recovery district, proposed law prohibits a BESE member from being a member of the governing or management body of any Type 5 charter school. Also prohibits a member of any local school board from being a member of the governing or management board of any Type 5 charter school within the jurisdictional area of such school board.

Proposed law makes the following changes to the Charter School Demonstration Programs Law to accommodate the transfer of schools to the Recovery School District and provide for the operation of such schools:

- (1) Adds the transfer of schools that are designated as failed pursuant to proposed law definition (R.S. 17:10.7) to those which may be recreated as a Type 5 charter school by the recovery district.
- (2) Excepts schools transferred to the recovery district pursuant to proposed law from present law provisions applicable to a Type 5 charter school specifying that only pupils who would have been eligible to enroll in or attend the preexisting school under the jurisdiction of the local board or other public school entity prior to its transfer to the recovery district may attend and specifying additionally, however, that all such pupils shall be eligible to attend notwithstanding any other contrary provision of present law relative to charter schools.

- (3) Authorizes the state Dept. of Education to enter into charters in the same fashion as present law authorizes for colleges and universities.
- (4) Prohibits a local school system in academic crisis that has transferred schools to the recovery district from considering or acting on Type 1 charter school applications.
- (5) Permits a Type 1 charter school application made to a local board in academic crisis that is ineligible to consider it to be made to BESE.

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

(Amends R.S. 17:1990(A), (B)(1), (2)(a), and (4), and (C)(1)(a), (2)(a), and (3), 3973(2)(b)(v)(aa), 3982(A)(1), and 3983(A)(2)(a); Adds R.S. 17:10.7, 1990(F)(3), 3973(2)(b)(v)(cc), and 3983(A)(1)(g))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the original bill.

1. Adds proposed law provision prohibiting certain persons from being a member of the governing authority or management board of Recovery School District Type 5 charter schools.
2. Relative to the definition of "academically in crisis" changes definition by removing school systems which meet the criteria after the 2004-2005 school year.

House Floor Amendments to the engrossed bill.

1. Changes the definition of "academically in crisis" for purposes of proposed law to mean any local school board in any parish having a population of at least 475,000 persons according to the latest federal decennial census with a school system in which for the 2004-2005 school year or thereafter more than 30 schools are academically unacceptable under the state school and district accountability program or more than 50% of its students attend schools that are academically unacceptable instead of any local school board with a school system in which for the 2004-2005 school year more than 30 schools are academically unacceptable under the state school and district accountability program or more than 50% of its students attend schools that are academically unacceptable.
2. Adds the following as it relates to the transfer of such schools (as specified in summary 1 above):
 - (a) Requires that the recovery district shall provide for the supervision, management, and operation of all such schools which shall be considered as failing schools for the purposes of Art. VIII, §3(A) of the Constitution of La.
 - (b) Requires the district to provide educational services that are required of local school systems to all students who attended the transferred school or who would have been eligible to attend the transferred school without regard to attendance zones related to such schools prior to the transfer.
 - (c) Requires the recovery district to reorganize and operate such schools as determined most likely to improve student performance, including the

authority to determine what schools to operate, close, relocate, or rebuild and what range of grades to operate.

- (d) Provides that the recovery district shall retain jurisdiction over any school transferred to it.
 - (e) Requires the recovery district within six months after the transfer of a school to develop a plan for BESE approval for the operation of the schools and requires the plan to include provisions for the educational needs of all students, the number and location of schools to be operated, and a method for communication among the parties.
 - (f) Specifies that proposed law requirements shall not preclude the operation of a limited number of schools prior to completion and approval of the required plan provided that such schools are operated in direct response to the present needs of students and provided that the operation of such schools is approved by BESE after certain review and consideration.
 - (g) Requires the recovery district to make an annual report to the House and Senate committees on education concerning the status, management, and operation of any school transferred to the recovery district pursuant to proposed law.
 - (h) Empowers student's parents or guardians to choose to continue to have their child enrolled in a school under the recovery district or to exercise any option provided by the system from which the school is transferred.
3. Makes the following changes and additions to present law provisions (R.S. 17:1990) regarding the Recovery School District:
- (a) Adds provisions for the required transfer of all schools as described in proposed law (R.S. 17:10.7).
 - (b) Adds BESE approval for the administration of the recovery district by the state Dept. of Education as the administering agency.
 - (c) Adds authority for the district to manage and retain their funding, including maintaining fund balances.
 - (d) Authorizes the recovery district to enter into contracts with private for-profit providers for any needed services.
 - (e) In the case of the transfer of all schools as described in proposed law (R.S. 17:10.7), authorizes the recovery district to acquire with the transfer of the schools, all the rights and responsibilities of ownership regarding all land, buildings, facilities, and other property that is part of the school being transferred, except prohibits the transfer of the ownership of any land or usable buildings constructed on the land to any entity or person other than to return it to the stewardship of the local school system from which it was originally transferred.
 - (f) Specifically authorizes the recovery district to lease land or property, dispose of property other than the land, including buildings unusable for any purpose necessary to the provision of educational services by the district, or as necessary to properly manage the operation of the schools, rebuild school buildings, or renovate school buildings.

- (g) Provides that when such ownership rights transfer, the recovery district is the exclusive authority to receive, manage, and expend any and all state, local, or federal funding dedicated to or available for the purpose of repairing, renovating, or rebuilding or building a school building or facility, including any and all insurance proceeds payable to the prior system as a result of damage done to the property, except for such proceeds used to pay debt owed by the prior system and money dedicated to such purpose, whether available from tax proceeds, borrowing, or otherwise. Provides that the money available to the prior system shall be transferred in a share proportional to the number of transferred schools as compared to all schools operated by the school system in the school year immediately proceeding the school year.
 - (h) Reverses the order of the means for allocating local money owed to the recovery district from the local school system to the recovery district from the local system transferring the amount due directly or, if not, suffering a reduction in the allocation of state MFP funds to providing as the first means the reduction in state MFP funds followed by a transfer from the system of local funds to make up any deficit in the amount available in state MFP funds.
 - (i) Provides that in case there are insufficient MFP funds available, to provide all that is due the recovery district, the prior system must transfer a sufficient amount to make up the deficit. Provides for the maintenance of a budget for the prior system that is 10% of the prior system's state MFP funding and 10% of its local funding. Requires such amount be spent first on the prior system's retiree health insurance costs and second on the prior system's board administrative cost.
 - (j) Provides an exception to present law requirement that monies allocated or transferred from the prior system to the recovery district be expended solely on the operation of schools transferred by providing, in the case of schools that are designated as failed because they are below the state average and in a system academically in crisis, the recovery district may expend funds on providing educational services without regard to expending amounts on or in any particular school.
 - (k) Authorizes the recovery district to permit any student eligible to attend a school anywhere in the prior system to attend a school operated for students from the prior system.
4. Adds proposed law provisions making certain changes to the Charter School Demonstration Programs Law to accommodate the transfer of schools to the recovery district and provide for their operation.
 5. Deletes provisions relative to exempting schools transferred pursuant to proposed law from certain present law (R.S. 17:10.5) provisions.
 6. Deletes provisions relative to schools transferred pursuant to proposed law that have not been designated as failed schools.