

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 661** HLS 13RS 1133

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 29, 2013	6:18 PM	Author: BISHOP, WESLEY
Dept./Agy.: Education		Analyst: Mary Kathryn Drago
Subject: Creation of Type 3B Charter Schools		

SCHOOLS/CHARTER

RE SEE FISC NOTE LF EX

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Creates and provides for Type 3B charter schools and provides for charter school funding

The proposed legislation requires Type 5 charter schools that are transferred from the Recovery School District to the administration of the transferring local school system (pursuant to R.S. 17:10.5 or 10.7 and rules adopted by BESE) to no longer be considered failing and to be converted to a Type 3B charter school. The local school board shall permit a Type 3B charter school to remain in the facility in which it was located at the time of the transfer or shall provide another school site. A Type 3B charter school shall be considered an approved public school of the local school board and shall receive Minimum Foundation Program funds as provided in statute. A district with 1 or more Type 3B charter schools shall distribute MFP funds to each Type 1, 3, 3B and 4 charter schools using the weighted allocations provided for in the MFP. Any school board in a parish that contains a municipality with a population of 300,000 or more persons according to the latest federal decennial census shall use the allocation method provided for in this Paragraph no earlier than the 2018-19 fiscal year for all Type 1 and Type 3 charter schools in operation prior to the 2013-14 school year. For all other Type 1, 3 and 4 charter schools in such parish, the school board may request the use of a differentiated distribution methodology to be approved by the Department of Education prior to implementation. A Type 5 charter school shall have the option to remain its own local education agency upon conversion to a Type 3B charter school. The legislation authorizes the DOE to retain 1/4 of 1% of the maximum 2% annual fee from the charter school for administrative overhead.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation could impact funding allocations to charter schools. The students in these charter schools will generate the same amount of funding through the Minimum Foundation Program formula, but the amount that each school will be allocated as a result of this legislation could be impacted. The legislation is not clear as to how the school district is required to distribute Minimum Foundation Program funds for these schools.

REVENUE EXPLANATION

The proposed legislation authorizes the Department of Education to retain 1/4 of 1% of a 2% fee (applied to the total per pupil amount) that would be collected by local school boards from Type 3B charter schools for administrative overhead costs in the event a Type 3B charter school chooses to remain a local education agency. This is not an additional fee to the charter schools. The Department of Education will retain a portion of the fee collected that would otherwise be collected by the local school board. In the event Type 3B charter schools remain a local education agency, the total fees collected by local school boards could decrease and fees collected by the Department of Education could increase by 1/4 of 1%.

Senate

Dual Referral Rules

House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux

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