

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 149** SLS 16RS 372
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 16, 2016 11:12 AM	Author: GATTI
Dept./Agy.: Education	Analyst: Jodi Mauroner
Subject: MFP Funding	

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 Provides relative to the funding of virtual charter schools. (gov sig)

Current law provides for the distribution of MFP funds to charter schools in an amount equal to the per pupil amount provided in the MFP. Proposed legislation would reduce the per pupil amount provided to a virtual charter school to be equal to 50% of the state and 50% of the local portion of the MFP amount for the district in which the student resides or the virtual school is located, whichever is lower. The remaining 50% shall be provided to the school district in which the student resides.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The amount of the overall MFP distribution will not change. However, there will be a change in the amount received by selected school districts associated with the redistribution of funding for the three virtual charter schools in the state.

REVENUE EXPLANATION

There will be an increase in MFP funding to local school districts as a result of the redistribution of 50% of the per pupil funding for students enrolled in virtual charter schools.

The Virtual Academy of Lafourche (VAL) is a Type 1 charter authorized by the Lafourche Parish School Board (LPSB). Funds for these students are distributed to LPSB and allocated per the MFP formula for Charter schools. However, LPSB has the discretion to allocate funding to the VAL if it chooses. According to the LPSB, the VAL provides necessary instruction to students in the district and as such, the current funding level would be maintained, thus the proposed legislation will have no impact on either the charter or the school district.

The LA Connections Academy (LCA) and the LA Virtual Charter Academy (LVCA) are both located in E. Baton Rouge parish. These are Type 2 charters authorized by BESE and are funded directly through the MFP. The FY 16 MFP allocates funding for 3,713 students from 69 school districts to LCA (1,798 students) for a total of \$15.6 M (\$8.1 M state and \$7.5 M local share) and to LVCA (1,915 students) for a total of \$16.6 M (\$8.9 M state and \$7.7 M local share). As a result of this bill, a 50% reduction to the two virtual schools would equate to \$16.1 M and a like amount would be redistributed to 69 local school districts.

Note: under the current MFP allocation, virtual schools are only funded at 90% of costs.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & 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} | |

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