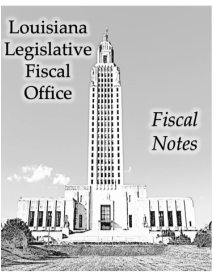


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 522** SLS 26RS 864
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: SB 95

Date: April 15, 2026	8:54 AM	Author: EDMONDS
Dept./Agy.: Education		
Subject: Vocation and Technical Education Charter Schools		Analyst: Julie Silva

SCHOOLS EG INCREASE GF EX See Note Page 1 of 1
 Provides for approval for charter schools that specialize in vocational and technical education to meet workforce demands for high demand and high wage jobs. (8/1/26)
 Proposed legislation creates a new pathway for the authorization of vocational and technical charter schools designed to align directly with workforce needs in high-demand, high-wage industries. Authorizes the State Board of Elementary and Secondary Education (BESE) to approve such schools, contingent upon support from the State Board of Commerce and Industry. Requires that these schools be organized around defined "economic sectors," with academic and training programs aligned to specific workforce demands within those sectors. Provides for formal partnerships between schools and private sector entities to support workforce development activities, including internships and career-oriented instruction. Establishes enrollment preferences for students connected to the identified economic sector and permits industry representation on governing boards, subject to certain limitations.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	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						

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to result in an indeterminable, but expected to be minimal, increase in state expenditures, primarily related to administrative costs incurred by the Louisiana Department of Education (LDOE) for the third-party review of charter applications. Under present law (R.S. 17:3981), each charter application must be reviewed by a third party, who provides a recommendation to LDOE concerning approval. LDOE staff then make a final recommendation on approval to the Board of Elementary and Secondary Education (BESE).

The increase in the number of schools that may apply as a result of this legislation is unknown, and actual expenditures are indeterminable. While the removal of the corporate partner requirement may expand the pool of potential applicants, the number of annual applications that may result due to proposed legislation is unknown. Additionally, application review may require consideration of additional statutory components related to economic sector alignment and workforce demand. For informational purposes, the estimated cost per component of the charter application third-party review process is provided below. Given a total standard application review cost of \$19,100, five schools would need to be reviewed before costs reach a significant level. For applications processed under expedited review at a cost of \$22,920, four applications annually would reach the significant expenditure threshold.


Third-Party Review Unit Price Per Component	Standard	Expedited
Review and Provision of Feedback on Initial Application	\$10,700	\$12,840
Due Diligence Research	\$600	\$720
Review and Provision of Feedback on Applicant 7-Page Response	\$1,500	\$1,800
Capacity Interview and Performance Tasks	\$4,300	\$5,160
Submission of Final Report and Local Analysis	<u>\$2,000</u>	<u>\$2,400</u>
Total	\$19,100	\$22,920

Minimal additional workload may result for the Louisiana Economic Development (LED) and the Louisiana Board of Commerce and Industry (LBCI) in evaluating and issuing resolutions of support identifying qualifying economic sectors. This work is expected to be handled with existing personnel and resources. LDOE reports that current staff are expected to absorb the workload of supporting BESE in the oversight of any new charters approved under proposed legislation, with an additional position required in the future only if a significant number of new schools are approved. The removal of the corporate partner requirement and creation of an alternative approval pathway through LBCI may expand the pool of potential applicants; however, the number of additional schools that may be approved is indeterminable.

REVENUE EXPLANATION

To the extent students transfer from local school districts to state-authorized Type 2 charter schools, which act as their own local education agency, local school systems may experience a corresponding decrease in MFP funding. The overall revenue impact is expected to be neutral to minimal at the state level, with funding shifts occurring within the MFP formula based on student enrollment.

<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}


Patrice Thomas
Deputy Fiscal Officer