

Regular Session, 2011

HOUSE BILL NO. 421

BY REPRESENTATIVE CARTER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SCHOOLS/CHARTER: Provides relative to charter schools and corporate entities that make major donations to such schools

1 AN ACT

2 To enact R.S. 17:3991.1, relative to charter schools; to provide relative to corporate
3 donations to charter schools; to provide for enrollment preferences and membership
4 on the governing or management board of a charter school for certain major
5 corporate donors; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:3991.1 is hereby enacted to read as follows:

8 §3991.1. Corporate partners; enrollment preferences and board membership

9 A. The legislature finds and declares that:

10 (1) The economic vitality of the state is dependent upon the education of its
11 people, including its current and future workforce.

12 (2) The performance of Louisiana's public education system is critical in
13 providing every Louisiana child with the ability to graduate equipped to enter college
14 or the workplace, obtain a rewarding and self-sustaining career, and contribute to
15 society in meaningful ways.

16 (3) High-quality educational options are essential to the academic growth of
17 Louisiana's students and the ability of the state to attract businesses, a highly talented
18 workforce, and expand existing businesses.

19 (4) Partnerships between businesses and the state's public education system
20 can result in positive outcomes for children, providing much needed resources for

1 schools and rich experiences for students to help prepare them to be effective
2 employees and productive citizens.

3 B.(1) Notwithstanding geographic or other requirements for enrollment
4 contained in this Chapter, a charter agreement may provide, initially or by
5 amendment, for the enrollment of and an enrollment preference for dependent
6 children of permanent employees of a corporate partner as defined by Subsection C
7 of this Section. Up to fifty percent of the school's maximum enrollment may be
8 reserved for the enrollment of such children. The charter agreement shall specify
9 both the school's maximum enrollment and the maximum proportion set aside for
10 implementation of this enrollment preference.

11 (2) A charter agreement may provide, initially or by amendment, for a
12 corporate partner to have representation on its governing or management board;
13 however, such representation may not constitute a majority of the board. Such
14 membership is subject to all other provisions of law except any contrary provision
15 in this Chapter.

16 C. For purposes of this Section, a corporate partner is any legal entity,
17 whether for profit or not for profit, registered with the secretary of state, except a
18 corporation identified in R.S. 18:1505.2(L)(3), that has, acting individually or as part
19 of a consortium of corporations, donated one or more of the following to the school:

20 (1) The land on which the school is built.

21 (2) The school building or the space the school occupies. If the corporate
22 partner is leasing the building or space to the school, the enrollment preference or
23 board membership may only be provided in the charter agreement if the lease
24 provides that the building or space is made available without cost and if the term of
25 the lease is not less than the duration of the charter agreement.

26 (3) Major renovations to the existing school building or other capital
27 improvements including major investments in technology. For purposes of this
28 Paragraph, a major renovation to the existing school building means changes that
29 provide significant opportunities for substantial improvement including but not

1 limited to a structural change to the foundation, roof, floor, or interior or exterior
2 walls or extension of an existing facility to increase its floor area; or an extensive
3 alternation of an existing facility, such as a change in its function or purpose, even
4 if such renovation does not include any structural change to the facility. A major
5 investment in technology includes but is not limited to a donation of hardware,
6 software, Internet access, Internet hardware, enterprise systems, software licenses,
7 smart board technology, or audiovisual equipment. The value of a major renovation
8 or of an investment of technology shall be equal to at least fifty percent of the per
9 pupil allocation of state funds by the minimum foundation program formula for that
10 year for the parish in which the school is located multiplied by the school's
11 enrollment as defined in the charter agreement.

12 D. For the duration of the enrollment preference specified in Paragraph
13 (B)(1) of this Section, the corporate partner shall enter annually into a memorandum
14 of understanding with the charter school with which it has entered into a partnership
15 which memorandum shall specify the methods by which the corporate partner shall
16 support the charter school, including but not limited to internships for students,
17 career counseling, academic tutoring, or enrichment activities.

18 E.(1) An enrollment preference pursuant to Paragraph (B)(1) of this Section
19 shall not be implemented in a way that displaces children enrolled at the school at
20 the time the charter agreement or amendment providing for the preference is
21 authorized.

22 (2) Enrollment at the school shall otherwise be as provided by this Chapter
23 except that the requirement of R.S. 17:3991(B)(1)(a)(i) shall apply to and be based
24 upon only students who are not dependent children of permanent employees of a
25 corporate partner.

26 Section 2. This Act shall become effective upon signature by the governor or, if not
27 signed by the governor, upon expiration of the time for bills to become law without signature
28 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 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. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Carter

HB No. 421

Abstract: Authorizes a charter school to reserve space at the school for children of employees of a corporation or other legal entity that makes a major donation to the school. Authorizes the charter school to provide for membership on its governing board for representatives of such a corporation.

Present law provides generally for charter schools, which are public schools that operate somewhat independently of the local school board but pursuant to a charter agreement. A charter agreement is entered into by a nonprofit organization that operates the school and the school board or the state Board of Elementary and Secondary Education (BESE). Proposed law retains present law.

Present law provides various requirements regarding what students are allowed to enroll in a charter school depending on the type of charter. (Type of charter is determined in part by whether the school is created as a new school pursuant to the charter or was a preexisting school converted to a charter school and whether the chartering authority is the school board or BESE.) Generally only pupils who would be eligible to attend a public school operated by the local school board or pupils from the same area as those permitted to attend the preexisting school are eligible to attend.

Proposed law provides that a charter agreement may provide for enrollment of and an enrollment preference for dependent children of permanent employees of a corporate partner. Further provides that a charter agreement may provide for a corporate partner to have representation on its governing or management board; however, such representation may not constitute a majority of the board.

Proposed law defines corporate partner as any legal entity, whether for profit or not for profit, registered with the secretary of state, except a gaming related corporation as identified in present law relative to campaign finance, that has, acting individually or as part of a consortium of corporations, donated one or more of the following to the school: the land on which the school is built, the school building or the space the school occupies, or major renovations to the existing school building or other capital improvements including major investments in technology. Provides that if the business is leasing the building or space to the school, the enrollment preference or board membership may only be provided if the lease provides that the building or space is made available without cost and if the term of the lease is not less than the duration of the charter agreement. Defines major renovation and major investment in technology and provides that the value of such shall be equal to at least 50% of the per pupil allocation of state funds from the minimum foundation program formula for that year for the parish where the school is located multiplied by the school's enrollment as defined in the charter agreement.

Proposed law provides that an enrollment preference pursuant to proposed law shall not be implemented in a way that displaces children enrolled at the school at the time the charter agreement or amendment providing for the preference is authorized. Requires, during the

enrollment preference period, the corporate partner and the charter school annually to enter into a memorandum of understanding that specifies the support methods to be provided to the charter school, including student internships, career counseling, academic tutoring, or enrichment activities.

Present law requires that at certain types of charter schools, the percentage of the students who are at risk shall be not less than 85% of the average percentage of pupils enrolled in the local public school district from which the charter school enrolls its students who are eligible to participate in the federal free and reduced lunch program. Proposed law provides that in a charter school with a corporate partner enrollment preference, this requirement shall apply to and be based upon only students who are not dependent children of permanent employees of a corporate partner.

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

(Adds R.S. 17:3991.1)

Summary of Amendments Adopted by House

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

1. Amends relative to entities which may be corporate sponsors to allow legal entities which are not corporations to be corporate sponsors.
2. Relative to the donations an entity can make in order to qualify as a corporate sponsor, adds capital improvements, other than "major renovations" as authorized in the original bill, including major investments in technology.

House Floor Amendments to the engrossed bill.

1. Defines major renovation and major investment in technology and provides for the minimum value of such.
2. Requires annual memorandums of understanding between corporate partners and charter schools that specify the support methods to be provided to the charter school.