DIGEST

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Miller   HB No. 643

Abstract: Provides for calculation and distribution of certain public funds for educational programs and purposes.

Present law (R.S. 17:3995) provides generally for the funding of charter schools.

Present law provides that a charter school shall receive an amount not less than a school district's per pupil amount for each pupil enrolled in the charter school. Proposed law changes present law so that a charter school will receive an amount equal to the calculation in proposed law, as more fully explained below.

Present law provides for 2 sources of funding for charter schools: (1) the state-funded per pupil allocation the school district receives from the Minimum Foundation Program (MFP) and (2) certain local revenues generated for supporting education. Proposed law retains present law relative to local revenues. Proposed law modifies present law relative to the state-funded portion of charter school funds. Under present law a charter school is entitled to receive, per pupil enrolled, an amount not less than the full state-funded amount per pupil the district receives. Proposed law removes "employer retirement costs" from the state-funded portion the charter school is entitled to receive per pupil. Proposed law further defines "employer retirement costs" as the cost per pupil of retirement expenses paid by the school district and includes the normal cost and unfunded accrued liability costs paid by the district to the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS), as well as costs paid by the district to cover health insurance and health care for retired teachers and school employees.

Proposed law establishes a calculation for determining the "employer retirement cost". For each applicable retirement system, the following calculation is performed:

[(employer contribution rate x employees in the given retirement system) + health care costs] /(most recent student census figure)

The sum of both total calculations (one for TRSL and one for LSERS) yields the total "employer retirement cost" for the school district. This is the sum that is subtracted from the state-funded portion of the charter school monies.

Present law (R.S. 4002.6) provides relative to the funding of course providers in the "Course Choice Program", which allows students to enroll in on-line courses for credit. Present law

authorizes course providers in this program to charge an amount up to 1/6th of 90% of the per pupil amount a school system receives through the MFP each year. <u>Proposed law</u> instead provides that the course provider may charge an amount up to 1/6th of 90% of the per pupil amount that charter schools are entitled to under <u>proposed law</u> (see discussion of R.S. 17:3995, above).

<u>Present law</u> provides that if there is money left between the course provider's charge and the per pupil amount, the difference is split pro rata between the state and the school district based on their share of the total per pupil amount established in the MFP. <u>Proposed law</u> provides that the difference will be split pro rata between the state and the local school district based on their share of the per pupil amount determined as provided in <u>proposed law</u> for charter schools.

<u>Present law</u> further provides that an amount equal to 10% of the per pupil amount according to the pro rata share as determined by the MFP for the school district shall remain with the district. <u>Proposed law</u> changes this to 10% of the per pupil amount calculated pursuant to <u>proposed law</u>.

<u>Present law</u> (R.S. 17:4016) provides for funding of scholarships for students in the Student Scholarships for Educational Excellence Program. <u>Present law</u> provides that the State Board of Elementary and Secondary Education shall allocate each year from the MFP an amount per pupil equal to the per pupil amount for the local school system the child resides in. <u>Proposed law</u> changes this allocation to an amount equal to the per pupil amount for the school system as calculated in <u>proposed law</u>.

Effective July 1, 2013.

(Amends R.S. 17:3995(A)(1)(intro. para.) and (a), 4002.6(A)(2)-(4) and (C)(3), and 4016(A))