

Regular Session, 2013

HOUSE BILL NO. 661

BY REPRESENTATIVE WESLEY BISHOP

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

SCHOOLS/CHARTER: Provides relative to charter schools

1 AN ACT

2 To amend and reenact R.S. 17:3973(2)(a) and (b)(v)(aa), 3991(B)(1)(d) and (23) and (H),
3 3995(A)(1)(introductory paragraph), (a), and (c) and (B), and 3996(C) and (G) and
4 to enact R.S. 17:3973(2)(b)(v)(dd) and (vii) and 3995(H), (I), and (J), relative to
5 charter schools; to create a Type 3B charter school; to provide relative to charter
6 school funding including funding for Type 3B charter schools; to provide for the
7 applicability of certain provisions to Type 3B schools including student enrollment,
8 acquired assets, and budget submission; to provide that a Type 5 charter school
9 returned to the local school board from the Recovery School District shall be
10 considered the local education agency for funding purposes; to provide for rules
11 adopted by the State Board of Elementary and Secondary Education; to provide for
12 definitions; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 17: R.S. 17:3973(2)(a) and (b)(v)(aa), 3991(B)(1)(d) and (23) and
15 (H), 3995(A)(1)(introductory paragraph), (a), and (c) and (B), and 3996(C) and (G) are
16 hereby amended and reenacted and R.S. 17:3973(2)(b)(v)(dd) and (vii) and 3995(H), (I), and
17 (J) are hereby enacted to read as follows:

18 §3973. Definitions

1 As used in this Chapter, the following words, terms, and phrases shall have
2 the meanings ascribed to them in this Section except when the context clearly
3 indicates a different meaning:

4 * * *

5 (2)(a) "Charter school" means an independent public school that provides a
6 program of elementary or secondary education, or both, established pursuant to and
7 in accordance with the provisions of this Chapter to provide a learning environment
8 that will improve pupil achievement. Nothing in this Chapter shall be construed to
9 prohibit a Type 1, Type 1B, Type 2, Type 3, Type 3B, or Type 4 charter school from
10 having a residential component.

11 (b)

12 * * *

13 (v)(aa) - Type 5, which means a preexisting public school transferred to the
14 Recovery School District as a school determined to be failing pursuant to R.S.
15 17:10.5 or 10.7 and operated as the result of and pursuant to a charter between a
16 nonprofit corporation and the State Board of Elementary and Secondary Education;
17 ~~or between a nonprofit corporation and a city, parish, or other local school board or~~
18 ~~other public entity in the case of the renewal of a Type 5 charter of a school that has~~
19 ~~been transferred back to the jurisdiction of the local school board or other public~~
20 ~~entity pursuant to R.S. 17:10.5(C).~~ The chartering authority shall review each Type
21 5 charter proposal in compliance with the Principles and Standards for Quality
22 Charter School Authorizing as promulgated by the National Association of Charter
23 School Authorizers. Except as otherwise provided in R.S. 17:10.7 or 1990, and
24 notwithstanding the provisions of R.S. 17:3991(B)(1), within such Type 5 charter
25 school, only pupils who would have been eligible to enroll in or attend the
26 preexisting school under the jurisdiction of the city, parish, or other local public
27 school board or other public school entity prior to its transfer to the Recovery School
28 District may attend. However, all such pupils shall be eligible to attend
29 notwithstanding any other provision of this Chapter to the contrary.

1 * * *

2 (dd) A Type 5 charter school that is transferred from the Recovery School
3 District to the administration and management of the transferring local school system
4 pursuant to R.S. 17:10.5 or 10.7 and rules adopted by the state board shall no longer
5 be determined to be failing and shall be converted to a Type 3B charter school.

6 * * *

7 (vii) Type 3B, which means a former Type 5 charter school transferred from
8 the Recovery School District to the administration and management of the
9 transferring local school system pursuant to R.S. 17:10.5 or 10.7 and rules adopted
10 by the state board.

11 * * *

12 §3991. Charter schools; requirements; limitations; renewal; amendment; revocation

13 * * *

14 B. Each proposed charter shall contain or make provision for the following:

15 (1)

16 * * *

17 (d) The provisions of ~~R.S. 17:3991(B)(1) and (3)~~ this Paragraph and
18 Paragraph (3) of this Subsection shall not apply to Type 5 or 3B charters.

19 * * *

20 (23) Provisions regarding the security of the school. If a local school board
21 provides security services for its schools then it shall make such services available
22 to any of its type Type 1, 3, 3B, or 4 charter schools on terms as provided within the
23 charter agreement.

24 * * *

25 (H) Any assets acquired by a Type 1, 1B, 2, 3, 3B, or 5 charter school are the
26 property of that charter school for the duration of that school's charter agreement.
27 Any assets acquired by a Type 4 charter school are the property of the local school
28 board. If the charter agreement of any Type 1, 1B, 2, 3, 3B, or 5 charter school is
29 revoked or the school otherwise ceases to operate, all assets purchased with any

1 public funds become the property of the chartering authority. Assets that become the
2 property of a local charter authorizer pursuant to this Subsection shall be used solely
3 for purposes of operating charter schools. Charter schools are to maintain records
4 of any assets acquired with any private funds which remain the property of the
5 nonprofit group operating the charter school.

6 * * *

7 §3995. Charter school funding

8 A.(1) For the purpose of funding, a Type 1, Type 3, Type 3B, and Type 4
9 charter school shall be considered an approved public school of the local school
10 board entering into the charter agreement and shall receive a per pupil amount each
11 year from the local school board based on the October first membership count of the
12 charter school. Type 1B and Type 2 charter schools shall receive a per pupil amount
13 each year authorized by the state board each year as provided in the Minimum
14 Foundation Program approved formula. The per pupil amount provided to a Type
15 1, 1B, 2, 3, 3B, or 4 charter school shall be computed annually and shall be equal to
16 no less than the per pupil amount received by the school district in which the charter
17 school is located from the following sources based on the district's October first
18 membership count:

19 (a) The state-funded per pupil allocation received by the district pursuant to
20 the most recent legislatively approved minimum foundation program formula
21 resolution, including all levels. A district with one or more Type 3B charter schools
22 shall allocate minimum foundation program formula funds to each school directly
23 operated or authorized by the school district, including Type 1, 3, 3B, and 4 charter
24 schools, using the differentiated per-pupil funding formula contained in the
25 minimum foundation program formula for providing weighted funding based on
26 differing levels of student need. A district that does not have one or more Type 3B
27 charter schools may allocate minimum foundation program formula funds to each
28 school directly operated or authorized by the school district, including Type 1, 3, 3B,
29 and 4 charter schools, using such this differentiated per-pupil funding formula.

1 * * *

2 (c) The provisions of this Paragraph permitting the calculation of the per
3 pupil amount to be provided to a Type 1, 1B, 2, 3, 3B, or 4 charter school to exclude
4 any portion of local revenues specifically dedicated by the legislature or by voter
5 approval to capital outlay or debt service, shall be applicable only to a charter school
6 housed in a facility or facilities provided by the district in which the charter school
7 is located.

8 * * *

9 B. For each pupil enrolled in a charter school who is entitled to special
10 education services, any state special education funding beyond that provided in the
11 minimum foundation program and any federal funds for special education for that
12 pupil that would have been allocated for that pupil shall be allocated to the charter
13 school which the pupil attends. ~~Any Type 2 charter school shall be considered the~~
14 ~~local education agency for the purposes of any special education funding or statutory~~
15 ~~definitions, while the local school board shall remain the local education agency for~~
16 ~~any Type 1, 3, or 4 charter school.~~ A Type 5 charter school that was transferred to
17 the Recovery School District pursuant to R.S. 17:10.7(A) and returned to the
18 administration and management of the transferring local school system pursuant to
19 R.S. 17:10.7(C) shall be considered the local education agency for all funding
20 purposes.

21 * * *

22 H. Any Type 1B, 2, or 5 charter school shall be considered the local
23 education agency for funding purposes and statutory definitions pursuant to rules
24 adopted by the state board.

25 I. The local school board shall remain the local education agency for any
26 Type 1, 3 or 4 charter school.

27 J. Except as otherwise provided in this Section, a Type 5 charter school shall
28 have the option to remain its own local education agency for funding purposes and
29 statutory definitions upon conversion to a Type 3B charter school pursuant to rules

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 adopted by the state board. Pursuant to this Subsection, the state board shall adopt
2 rules for a Type 3B charter school considered its own local education agency and
3 such rules shall:

4 (1) Provide for the delineation of financial and programmatic obligations of
5 the charter school related to the receipt of funds as a local education agency.

6 (2) Authorize the state Department of Education to retain one quarter of one
7 percent of the maximum two percent annual fee provided for in this Section from the
8 charter school for administrative overhead costs incurred by the department for
9 providing financial oversight and monitoring.

10 (3) Authorize the state superintendent of education to rescind the local
11 education agency status of a charter school should the charter school fail to meet the
12 financial and programmatic obligations approved by the state board pursuant to this
13 Subsection.

14 §3996. Charter schools; exemptions; requirements

15 * * *

16 C. A charter school established and operated in accordance with the
17 provisions of this Chapter shall comply with state and federal laws and regulations
18 otherwise applicable to public schools with respect to civil rights and individuals
19 with disabilities. ~~Any Type 1B, Type 2, or Type 5 charter school shall be considered~~
20 ~~the local education agency for the purposes of any special education funding or~~
21 ~~statutory definitions, while the local school board shall remain the local education~~
22 ~~agency for any Type 1, 3, or 4 charter school.~~

23 * * *

24 G. All charter schools established and operated in accordance with the
25 provisions of this Chapter shall comply with the provisions of R.S. 39:1301 through
26 1315. Each Type 1, 3, 3B, and 4 charter school annually shall submit its budget to
27 the local school board that approved its charter, and such board shall submit the
28 charter school's budget to the state superintendent of education in accordance with
29 the provisions of R.S. 17:88. Each Type 1B charter school annually shall submit its

1 budget to its authorizer. Each Type 2 and Type 5 charter school annually shall
2 submit its budget directly to the state superintendent of education.

3 * * *

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)]

Wesley Bishop

HB No. 661

Abstract: Provides that a Type 5 charter school transferred to the Recovery School District and returned to the transferring local school system shall be converted to a Type 3B charter school and in some cases, shall be considered the local education agency for all funding purposes. Provides relative to funding for Type 3B charter schools.

Present law defines Types 1, 1B, 2, 3, 4, and 5 charter schools. Defines a Type 5 as a preexisting public school that is a failing school transferred to the Recovery School District (RSD) pursuant to present law (R.S. 17:10.5 or 10.7) and operated pursuant to a charter between a nonprofit corporation and the State Board of Elementary and Secondary Education (BESE) or between a nonprofit corporation and a city, parish, or other local school board or other public entity in the case of the renewal of a Type 5 charter of a school that has been transferred back to the jurisdiction of the local school board or other public entity. Proposed law retains present law definition except deletes provision permitting a Type 5 to be operated pursuant to charter between a nonprofit corporation and a local school board. Proposed law adds definition for a Type 3B charter school to mean a former Type 5 school transferred from the RSD to the transferring local system. Further adds that a Type 5 charter school transferred from the RSD to the transferring local school system shall no longer be determined to be failing and shall be converted to a Type 3B charter school.

Relative to exemptions and requirements for charter schools:

Present law permits charter schools (except Type 5 schools) to have a residential component. Proposed law adds that present law also applies to Types 1B and 3B schools.

Present law requires local school boards to make security services available to certain types of charter schools under certain circumstances. Provides that assets acquired by a charter school (except Type 4 schools) are the property of that charter school. Further provides for the status of assets when a charter agreement is revoked or the school ceases to operate and provides for use and records with regard to the assets. Requires certain charter schools annually to submit their budgets to the local school boards and requires local boards to submit the budgets to the state superintendent of education. Proposed law adds that present law also applies to Types 3B schools.

Present law provides certain requirements for charter schools (except Type 5 schools) relative to the enrollment of at-risk students. Proposed law additionally exempts Type 3B schools from this requirement.

Relative to charter school funding:

Present law provides that Type 1, Type 3, and Type 4 charter schools shall be considered approved public schools of the local school board entering into the charter agreement and shall receive a per pupil amount each year from the local school board based on the Oct. 1 membership count of the charter school. Provides that Type 1B and Type 2 charter schools

shall receive a per pupil amount each year from the minimum foundation program (MFP) approved formula. Provides that except for Type 5 charter schools, the per pupil amount shall be computed annually and shall be equal to no less than the per pupil amount received by the school district in which the charter school is located from state and local sources specified in present law based on the district's Oct. 1 membership count. Specifies that the state source shall be the per pupil allocation received by the district pursuant to the most recent legislatively approved MFP formula resolution, including all levels. Permits the calculation of the per pupil amount provided to charter schools (except Type 5 schools) to exclude any portion of local revenues specifically dedicated by the legislature or by voter approval to capital outlay or debt service, but specifies that this shall apply only to a charter school housed in a facility provided by the district in which the charter school is located. Proposed law adds that present law also applies to Type 3B schools. Further adds that a district with one or more Type 3B charter schools shall allocate MFP formula funds to each school directly operated or authorized by the school district using the differentiated per-pupil funding formula contained in the MFP for providing weighted funding based on differing levels of student need. Permits a district with no Type 3B charter schools to allocate MFP formula funds to each school directly operated or authorized by the school district, including Type 1, 3, 3B, and 4 charter schools, using such this differentiated per-pupil funding formula.

Present law requires that for each special education student enrolled in a charter school, any state special education funding beyond that provided in the MFP and any federal funds for special education that would have been allocated for that student shall be allocated to the charter school which the student attends. Provides that Type 1B, Type 2, and Type 5 charter schools shall be considered the local education agency for the purposes of any special education funding or statutory definitions and the local school board shall remain the local education agency for Type 1, Type 3, and Type 4 charter schools. Requires charter schools to comply with state and federal laws and regulations otherwise applicable to public schools with respect to civil rights and individuals with disabilities. Proposed law retains present law except provides that Type 1B, Type 2, and Type 5 charter schools shall be considered the local education agency for the purposes of any funding or statutory definitions and adds that a Type 5 charter school transferred to the RSD and returned to the transferring local school system pursuant to present law (R.S. 17:10.7) shall be considered the local education agency for all funding purposes. Proposed law further adds that a Type 5 charter school may choose to remain its own local education agency for funding purposes and statutory definitions upon conversion to a Type 3B charter school. Requires BESE to adopt rules for a Type 3B charter school considered its own local education agency that:

- (1) Provide for the delineation of financial and programmatic obligations of the charter school regarding the receipt of funds as a local education agency.
- (2) Authorize the state Dept. of Education to retain 0.25% of the maximum 2% annual fee from the charter school for administrative overhead costs incurred by the department for providing financial oversight and monitoring.
- (3) Authorize the state superintendent of education to rescind the local education agency status of the charter school if the charter school fails to meet the financial and programmatic obligations approved by BESE.

Present law (R.S. 17:10.5 and 10.7) provides for the transfer of a failed school to the RSD. Provides that the RSD shall retain jurisdiction over any school transferred to it for a period of not less than five school years not including the school year in which the transfer occurred if the transfer occurred during a school year. Provides that at the end of the initial transfer period, the school may be returned to the system from which it was transferred unless the school is continued in the RSD in accordance with present law.

(Amends R.S. 17:3973(2)(a) and (b)(v)(aa), 3991(B)(1)(d) and (23) and (H), 3995(A)(1)(intro. para.), (a), and (c) and (B), and 3996(C) and (G); Adds R.S. 17:3973(2)(b)(v)(dd) and (vii) and 3995(H), (I), and (J))