
DIGEST

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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 may be considered the local education agency for funding purposes. Provides relative to funding for charter schools including Type 3B 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. Provides that the local school board shall permit a Type 3B charter school to remain in the facility in which it was located at the time of transfer or shall provide the Type 3B charter school with another facility for use. Authorizes BESE to require a Type 3B charter school to participate in unified processes common to other public schools located in the same parish or school district boundaries that are critical to providing equity and access to students and families, such as processes for student enrollment, expulsion, and transportation. Further provides 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 provides that present law also applies to Type 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 based on the district's Oct. 1 membership count. 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 provides that present law also applies to Type 3B schools. Further provides that a district with one or more Type 3B charter schools shall distribute MFP funds to each Type 1, 3, 3B, and 4 charter school using the weighted allocations provided for in the most recently adopted MFP formula, except that any school board in a parish that contains a municipality of 300,000 or more persons shall use the allocation method provided for in proposed law no earlier than the 2018-2019 fiscal year for Type 1 and 3 charter schools in operation prior to the 2013-2014 school year. Specifies that until that time, those schools shall be funded as provided in present law. Further specifies that for all other Type 1, 3, and 4 charter schools in such a parish, the school board may request the use of a differentiated distribution methodology to be approved by the state Dept. of Education prior to implementation.

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. Proposed law further provides 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.) and (c) and (B), and 3996(C) and (G); Adds R.S. 17:3973(2)(b)(v)(dd) and (vii) and 3995(A)(3), (H), (I), and (J))

Summary of Amendments Adopted by House

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

1. Adds to proposed law definition of a Type 3B charter school provisions relative to the facilities provided to such schools and provisions relative to participation in unified processes.
2. Deletes proposed law that requires a district with one or more Type 3B charter schools to allocate MFP formula funds to each school directly operated or authorized by the school district using a differentiated per-pupil funding formula and instead requires such a district to distribute MFP funds to each Type 1, 3, 3B, and 4 charter school using the weighted allocations provided for in the most recently adopted MFP formula.
3. Adds a requirement that the Orleans Parish School Board use the allocation method provided for in proposed law no earlier than the 2018-2019 fiscal year for all Type 1 and 3 charter schools in operation prior to the 2013-2014 school year and specifies that until that time, those schools shall be funded as provided in

present law.

4. Adds that for all other Type 1, 3, and 4 charter schools in Orleans Parish, the school board may request the use of a differentiated distribution methodology to be approved by the state Dept. of Education prior to implementation.
5. Deletes proposed law requirement 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 - applies to Orleans only) shall be considered the local education agency for all funding purposes.

House Floor Amendments to the engrossed bill.

1. Relative to methods and time lines for the distribution of MFP funds to certain types of charter schools, deletes references to Orleans Parish and the Orleans Parish School Board and refers instead to any school board in a parish containing a municipality of 300,000 or more persons.