AN ACT

To amend and reenact R.S. 17:1990(A), (B)(1), (2)(a), and (4), (C)(1)(a), (2)(a), and (3), 3973(2)(b)(v)(aa), 3982(A)(1), and 3983(A)(2)(a) and to enact R.S. 17:10.7, 1990(F)(3), 3973(2)(b)(v)(cc), 3983(A)(1)(g), and 3997(A)(1)(c), relative to the Recovery School District; to provide for the transfer of certain schools to the recovery district; to provide for the operation and management of such schools; to require the development and approval of a plan for the operation of all schools transferred and to specify the contents of such plan; to provide for the duration and continuation of the transfer; to require the recovery district to make certain reports relative to the recovery district; to subject the administration of the recovery district to the approval of the State Board of Elementary and Secondary Education; to authorize the recovery district to manage and retain certain funding, including the authorization for retaining fund balances; to specify that the expenditure of certain funds by the recovery district is subject to the requirements of the approved Minimum Foundation Program formula; to provide with regard to the authority of the recovery district to contract with for-profit providers; to provide for the exercise of limited rights of ownership over property of transferred schools by the recovery district; to provide for the transfer of certain funding to the recovery district; to provide for the process for the transfer of such funds and for a limitation on the transfer of such funds; to provide for the expenditure of certain retained funds by certain city, parish, or other local public school systems; to provide for the eligibility of a student to attend a school operated under the jurisdiction of the recovery district; to provide for the obligations of the recovery district in providing services to
students; to expand the definition of a Type 5 charter school to include charters
involving certain schools transferred to the recovery district; to provide for the
review of Type 5 charter proposals in compliance with certain standards; to provide
prohibitions relative to the membership of the governing or management boards of
certain recovery district charter schools; to prohibit certain local school boards from
considering or acting on Type 1 charter school applications under certain
circumstances; to provide with regard to the authority of the governing authority of
a Type 5 charter school to bargain and enter into a collectively bargained contract;
to authorize the state Department of Education to enter into a charter to operate a
charter school under certain circumstances; to provide for effectiveness; and to
provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:1990(A), (B)(1), (2)(a), and (4), (C)(1)(a), (2)(a), and (3),
3973(2)(b)(v)(aa), 3982(A)(1), and 3983(A)(2)(a) are hereby amended and reenacted and
R.S. 17:10.7, 1990(F)(3), 3973(2)(b)(v)(cc), 3983(A)(1)(g), and 3997(A)(1)(c) are hereby
enacted to read as follows:

§10.7. School and district accountability; schools in districts in academic crisis;
transfer to Recovery School District

A.(1) Each elementary or secondary school that participates in a Spring cycle
of student testing and has a baseline school performance score below the state
average and each alternative school, established pursuant to R.S. 17:100.5, that
provides educational services to students a majority of whose test scores are reported
back to such an elementary or secondary school under a uniform statewide program
of school accountability established pursuant to rules adopted under authority of law
by the State Board of Elementary and Secondary Education, referred to in this
Section as "the state board", that is a school in or granted a charter by a city, parish,
or other local public school system that has been declared to be academically in
crisis pursuant to R.S. 17:10.6, and that has at least one school eligible to transfer to
the Recovery School District pursuant to R.S. 17:10.5, shall be designated a failing
school and shall be transferred to the jurisdiction of the Recovery School District
established in R.S. 17:1990. The Recovery School District, referred to in this
Section as "the recovery district", shall provide all educational services required of
any city, parish, or other local public school system in order to meet the educational
needs of all students residing in the jurisdiction of the transferring local school
system who were attending a transferred school or who would have been eligible to
attend such transferred school because of the residential location of the student or as
the result of any other option or program available to the student.

(2) On and after November 15, 2008, no additional schools shall be
transferred to the jurisdiction of the recovery district pursuant to this Section.

B.(1) Any school transferred to the recovery district pursuant to this Section
shall be reorganized as necessary and operated by the recovery district, pursuant to
its authority, in whatever manner is determined by the administering agency of the
recovery district to be most likely to improve the academic performance of each
student in the school.

(2)(a)(i) The recovery district, as directed by its administering agency, shall
manage the schools so transferred in a fashion that provides the best educational
opportunity to all students who attended or were eligible to attend such schools
without regard to the attendance zones related to such schools prior to the transfer.
The authority provided in this Paragraph includes the authority to determine and act
on which schools should be operated, which schools should be closed, which schools
should be relocated or rebuilt, and what range of grades should be operated in each
school.

(ii) However, the recovery district shall provide for and ensure that schools
of appropriate grade that have open enrollment policies are operating and available
for the enrollment of students in reasonable proximity to the neighborhoods where
concentrations of students reside. The recovery district shall use the best information
available to make the determinations of the location of such neighborhoods. The
requirements of this Item shall be reflected in all planning, presenting, reviewing,
and approving required by Subparagraph (b) of this Paragraph.
(b)(i) Within six months after the transfer of a school to the recovery district pursuant to this Section, the recovery district shall develop and present to the state board, for its approval, a plan for the operation of all schools transferred. The plan shall be annually updated and reviewed by the state board.

(ii) The plan required in this Subparagraph shall address each of the following:

(aa) The educational needs of all students.

(bb) The number and location of schools to be operated to provide appropriate educational services to all students. This plan element shall include provision for changes in the student population being served.

(cc) A method for maintaining clear communication among interested parties, including the recovery district, the Louisiana Recovery Authority, the chief executive officer of the governing authority of the relevant municipality or parish, the parents and guardians of children for whom the recovery district is required to provide educational services, and the city, parish, or other local public school board from which schools were transferred.

(iii) The requirements of this Subparagraph shall not preclude the operation of a limited number of schools prior to completion and approval of the required plan provided that such schools are operated in direct response to the present needs of students and provided that the operation of such schools is approved by the state board after a review by the board of the data presented by the recovery district supporting the operation of the schools and review and consideration by the board of the efforts made by the recovery district to seek and consider input from the community and its leaders and the input gained from those efforts.

(3) The recovery district shall make an annual report to the House and Senate committees on education concerning the status, management, and operation of any school transferred to the recovery district pursuant to the provisions of this Section.

C.(1) The recovery district 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.

(2)(a) No later than nine months prior to the expiration of the five-year
period, the recovery district shall make a report to the state board.

(b) The report shall include at a minimum each of the following elements:

(i) The status of each school transferred, the nature of its faculty and
administration, the demographics and size of its student body, its organizational and
management structure, whether there has been improvement in student academic
performance and, if so, how much and, if not, why not.

(ii) A recommendation as to whether the school should be:

(aa) Continued in the recovery district pursuant to its reported operational
status.

(bb) Continued in the recovery district with a change in its operational status
and the nature of the recommended change.

(cc) Closed and the reasons therefor.

(dd) Returned to the administration and management of the transferring
system with proposed stipulations and conditions for the return.

(3) No later than six months prior to the expiration of the five-year period,
the state board shall take action on the recommendations of the recovery district.
Any action that results in an affirmative agreement to maintain the school in the
recovery district shall retain the school in the recovery district for an additional five-
year period, unless a lesser time is adopted by the state board. The report and the
action required in this Paragraph shall occur no later than six months prior to each
period of continuation.

D. At the time of the transfer of a school to the recovery district, the parent
or guardian with responsibility for decisions regarding the education of any student
attending a transferred school or any student who would be assigned to attend a
transferred school shall be able to continue to have their child enrolled in and attend
a school under the jurisdiction of the recovery district or may exercise an option, if
one is made available by the city, parish, or other local public school board from
which the school is being transferred to have the child enroll in or attend another
school operated by the school board.

* * *

§1990. Recovery School District; creation; governance; operation

A.(1) The Recovery School District, referred to as the "school district" or the
"district", is hereby established to provide an appropriate education for children
attending any public elementary or secondary school operated under the jurisdiction
and direction of any city, parish, or other local public school board or any other
public entity, referred to in this Section as "the prior system", which has been
transferred to its jurisdiction pursuant to R.S. 17:10.5 or 10.7.

(2) The school district shall be administered by the state Department of
Education, subject to the approval of the State Board of Elementary and Secondary
Education, referred to in this Section as "the state board".

B.(1)(a) The school district shall be considered an intermediate educational
unit, subject to the limitations of such units which shall include no authority to levy
a tax, but which may include authority to seek, and expend, manage, and retain
federal funding and grant funding and to otherwise seek, obtain, and expend,
manage, and retain funding with all the same authority of any city, parish, or other
local public school board or other public entity operating a public school, including
the right to maintain and manage fund balances.

(b) The expenditure of funds shall be subject to the requirements of the
approved Minimum Foundation Program formula that apply to a city, parish, or other
local public school system and shall be subject to audit in the same manner.

(2)(a) The school district may provide for the supervision, management, and
operation of a school placed under its jurisdiction and receive, control, and expend
the local, state, and federal funding attributable to that school, with all the same
power and authority as the prior system from which it was transferred subject to the
requirements of this Section, and R.S. 17:10.5 or 10.7, or with any other power and
authority otherwise granted to the district by law. As it relates to schools transferred
pursuant to R.S. 17:10.7, the authority of the school district is also subject to the
approval of the state board of the plan submitted pursuant to R.S. 17:10.7(B)(2)(b).

The district shall not contract with any for-profit private provider for the general
operation of any school under its jurisdiction or for the general provision of
instructional services in any such school. The district may contract with for-profit
providers for any needed services for a school operated under its jurisdiction.

* * *

(4)(a) The school district shall have the right to use any school building and
all facilities and property otherwise part of the school and recognized as part of the
facilities or assets of the school prior to its placement in the school district and shall
have access to such additional facilities as are typically available to the school, its
students, and faculty and staff prior to its placement in the school district. Such use
shall be unrestricted, except that the school district shall be responsible for and
obligated to provide for routine maintenance and repair such that the facilities and
property are maintained in as good an order as when the right of use was acquired
by the district. There shall be no requirement for the district to provide for the type
of extensive repair to buildings or facilities that would be considered to be a capital
expense. Such extensive repairs shall be provided by the governing authority of the
city, parish, or other local public school system or other public entity which is
responsible for the facility.

(b)(i) In the case of the transfer of schools pursuant to R.S. 17:10.7, the
school district may, at the discretion of the administering agency and
notwithstanding the provisions of Subparagraph (a) of this Paragraph, acquire with
the transfer of the schools all the rights and responsibility of ownership regarding all
land, buildings, facilities, and other property that is part of the school being
transferred, except that the school district may not transfer the ownership of the land
or usable buildings constructed on the land to another save returning the land and
such buildings to the stewardship of the prior system. The district may lease land or
property, dispose of property other than the land as is necessary to properly manage
the operation of the schools, rebuild school buildings, or renovate school buildings.
(ii) No building shall be destroyed pursuant to the authority of the school district unless the destruction of the building has been approved by the office of facility planning in the division of administration.

(iii) In the case that the rights and responsibilities provided for in this Subparagraph are acquired by the school district, the school district, through its administering agency, shall be the exclusive authority to receive, manage, and expend any and all state, local, or federal funding dedicated to or available for the purpose of repairing, renovating, or rebuilding, or building a school building or facility and any and all insurance proceeds attributable to damage done to any property, except that portion of such insurance proceeds used to pay debt owed by the prior system. A portion of all revenues available to the prior system which are dedicated to the repair, maintenance, or capital projects regarding a transferred school whether such revenue is available from tax proceeds, was borrowed, bonded, or was otherwise acquired shall be transferred by the system to the recovery district in an amount equal to the proportion that the number of schools transferred from such school system bears to the total number of schools operated by the school system during the school year immediately proceeding the school year in which the transfer occurred.

C.(1)(a) The state shall annually appropriate sufficient monies to fund any school in the school district created in this Part in an amount equal to but not less than the school’s October first student membership count times one hundred percent of the state share per student from all levels as provided in the Minimum Foundation Program approved formula for the city, parish, or other local public school system in which each school placed under the jurisdiction of the district is located as contained in the Minimum Foundation Program budget letter approved by the State Board of Elementary and Secondary Education. The appropriation shall be made to the administering agency for the district and may be expended by the agency for the provision of educational services to students in the district.

*          *          *

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
(2)(a)(i) In addition to the appropriation required in Paragraph (1) of this Subsection, any city, parish, or other local public school board which had jurisdiction of a school prior to its transfer to this district annually shall either: (i) Allocate and transfer to the school district an amount of money equal to the number of students enrolled in such a school times the local per pupil amount received in the prior year by the school system from all of the following sources as provided in the Minimum Foundation Program approved formula, excluding any portion which has been specifically dedicated by the legislature or by voter approval to capital outlay or debt service or which was actually expended by the school board for facilities acquisition and construction as reported to the state Department of Education:

(aa) Sales and use taxes, less any tax collection fee paid by the school system;

(bb) Ad valorem taxes, less any tax collection fee paid by the school system;

(cc) Earnings from sixteenth section lands owned by the school system;

(ii)(aa) Suffer Such allocation and transfer shall be accomplished by a reduction in the amount of state funds otherwise to be allocated to the city, parish, or other local public school system as contained in the Minimum Foundation Program budget letter approved by the State Board of Elementary and Secondary Education equal to the amount provided in Item (i) of this Subparagraph which reduction shall be allocated to the school district.

(bb) In the case that there are insufficient funds available to provide the total due the school district under this Paragraph if all state funds are reduced and allocated to the school district, the prior system shall transfer a sufficient amount of money remaining from the sources provided in Item (i) of this Subparagraph to the school district. In the case that the prior system's local revenues are insufficient to allow for the allocation to the school district and to allow the prior system to maintain a minimum balance of ten percent of state Minimum Foundation Program funding and ten percent of the local revenues listed in Item (i) of this Subparagraph, local revenues otherwise required to be allocated to the school district shall be reduced to an amount necessary to allow the prior system to maintain such balances.
Such maintained minimum balances shall be applied firstly to the prior system's
retiree health insurance costs and secondly to the prior system's board administrative
costs.

*(3)(a)* Except for administrative costs, monies appropriated to the Recovery
School District that are attributable to the transfer of a school from a prior school
system and monies allocated or transferred from the prior system to the recovery
district shall be expended solely on the operation of schools transferred from the
prior system to the jurisdiction of the district.

(b) Notwithstanding the requirements of Subparagraph (a) of this Paragraph,
in the case that schools are transferred pursuant to R.S. 17:10.7 to the school district,
monies appropriated to the school district that are attributable to the transfer of the
schools from a prior system and monies allocated or transferred from the prior
system to the school district shall be expended on the provision of services to the
students who were in attendance at such schools or who would have been eligible to
attend such schools transferred from the prior system to the jurisdiction of the district
without regard to expending amounts on or in any particular school provided that
such services are provided in compliance with the requirements of R.S.
17:10.7(B)(2)(b).

*(3)* In addition, in the case that schools are transferred to the district pursuant
to R.S. 17:10.7 and notwithstanding other requirements of this Subsection, the school
district may permit any student eligible to attend any school in the prior system to
attend a school operated by the school district in the area of the transferring system.

*   *   *
§3973. Definitions

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

(2) Charter schools shall be one of the following types:

(v)(aa) Type 5, which means a preexisting public school transferred to the Recovery School District pursuant to R.S. 17:10.5 or 10.7 and operated as the result of and pursuant to a charter between a nonprofit corporation and the State Board of Elementary and Secondary Education, 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 pursuant to R.S. 17:10.5(C). The chartering authority shall review each Type 5 charter proposal in compliance with the Principles and Standards for Quality Charter School Authorizing as promulgated by the National Association of Charter School Authorizers. Notwithstanding as otherwise provided in R.S. 17:10.7 or 1990, and notwithstanding the provisions of R.S. 17:3991(B)(1), within such Type 5 charter school, only pupils who would have been eligible to enroll in or attend the preexisting school under the jurisdiction of the city, parish, or other local public school board or other public school entity prior to its transfer to the Recovery School District may attend. However, all such pupils shall be eligible to attend notwithstanding any other provision of this Chapter to the contrary.

(cc)(aaa) No member of the State Board of Elementary and Secondary Education shall be a member of the governing or management board of any Type 5 charter school. No member of any city, parish, or other local public school board

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
shall be a member of the governing or management board of any Type 5 charter
school within the jurisdictional area of such city, parish, or other local public school
board.

(bbb) No member of a governing or management board of any Type 5
charter school shall be an elected official as defined by R.S. 42:1102(9). No member
of such a board shall have been an elected official for a period of at least one year
prior to appointment to such board.

* * * §3982. Local school boards; duties

A.(1)(a) Local school boards shall comply with R.S. 17:3983 and shall
review and formally act upon each proposed charter within thirty days of its
submission and in the order in which submitted. In doing such review, the local
school board shall determine whether each proposed charter complies with the law
and rules, whether the proposal is valid, complete, financially well-structured, and
educationally sound, and whether it offers potential for fulfilling the purposes of this
Chapter.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,
school boards which govern a local system that has been declared to be in academic
crisis, as defined in R.S. 17:10.6, shall not consider, review, or act upon charter
applications for a Type 1 charter school and shall notify the proponents of any
pending Type 1 charter proposal or any newly submitted Type 1 charter proposal that
the board is ineligible to act on such applications and that each such application may,
therefore, be submitted to the state board as a Type 2 proposal pursuant to R.S.

* * * §3983. Chartering process by type; eligibility; limitations; faculty approval; parental
approval

A.(1) Any of the following may form a nonprofit corporation for the purpose
of proposing a charter as provided in this Subsection, provided that the group
submitting the charter school proposal includes three or more persons holding valid
and current Louisiana teaching certificates:

* * *

(g) The state Department of Education, subject to the approval of the state
board.

(2)(a)(i) Each proposal for a type Type 1 or type Type 3 charter school shall
first be made to the local school board with jurisdiction where the school is to be
located, except in the case of a local system in academic crisis as provided for in
Item (ii) of this Subparagraph, involving the submission of a written proposal. If,
after review as required by R.S. 17:3982, the local school board denies the proposal,
or if conditions placed on the proposal by the local school board, as provided in
Paragraph (B)(2) of this Section, are not acceptable to those proposing the charter,
then a proposal for a type Type 2 charter school may be made to the State Board of
Elementary and Secondary Education.

(ii) A proposal for a Type 1 charter school that would otherwise be made to
a local school board except that the local system is in academic crisis shall, in the
discretion of the proponents of the proposal, be made to the state board as a Type 2
proposal.

* * *

§3997. Charter school employees

A.(1)

* * *

(c) The governing authority of any Type 5 charter school may bargain and
enter into a collectively bargained contract on behalf of all or any group of its
employees. The provisions of this Subparagraph supersede the provisions of R.S.
17:3996(D) as it relates to Type 5 charter schools.

* * *

Section 2. This Act shall become effective upon signature by the governor or, if not
signed by the governor, upon expiration of the time for bills to become law without signature
by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

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