

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 267** SLS 15RS 271

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 18, 2015	8:47 AM	Author: CLAITOR
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Charter School funding		

STUDENTS EN SEE FISC NOTE LF EX See Note
Provides relative to charter school funding.

Current law provides for charter school enrollment of at-risk students who are eligible to participate in the federal free and reduced lunch program at levels no less than 85% of the percentage of pupils enrolled in the local public school districts from which the charter enrolls its students. Proposed legislation adds the 85% enrollment requirement for students with exceptionalities (not including gifted and talented). Requires BESE to develop and administer a process for determining if a charter school is meeting student enrollment requirements. Provides for an investigation of a charter school that fails to meet the requirements to determine the reason. The process shall include a clear identification of the responsibilities of the charter school, the local school board and the state board. Requires BESE to promulgate rules for the implementation of the process. Additionally, current law provides for the distribution of MFP funds to charter schools. Proposed law provides that Type 1B, 2 and 3B charter school acting as its own local education authority shall receive the amount provided in the approved MFP formula. Per pupil amounts for all charters shall be equal to the amount provided in the MFP based on the weighted student membership count received by the district pursuant to the most recent MFP formula including all levels and allocation weights based on student characteristics or needs as provided in the formula. **Continued on Page Two**

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated impact to the Minimum Foundation Program funding formula as a result of this legislation. However, there will be an impact in the distribution of funds to charter schools which currently do not receive a weighted funding allocation as provided in the MFP. Further, funding may be reallocated across schools due to changes in enrollment of special education students. Enrollment shall be equal to not less than 85% who are at-risk based on participation in the free and reduced lunch program **and** who have been identified as a student with an exceptionality.

Conversion schools which have transferred back to the originating school district are labeled Type 3B charters. The law allows for these charters to opt to retain their status as a Local Educational Authority and as such would receive funding using the MFP weighted allocation. Beginning July 1, 2016, the Orleans Parish School Board shall use a district level allocation based on student characteristics as determined by BESE which will likely change the allocation of funds to charter schools in that district, resulting in some schools receiving an increase and some schools receiving a decrease in funding.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

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Summary Continued from Page One

Provides that supplementary allocations for specific purposes shall be provided to charter schools based solely on the funds generated by the school for each specific allocation. Through June 30, 2016, Type 3B charters shall receive funding according to the district level allocation used for Type 5 charter schools within the district. Revises current law providing for the delayed implementation of a weighted allocation method in Orleans Parish beginning July 1, 2016 for schools in operation on August 1, 2015. The allocation of formula funds shall use a district-level allocation as determined by BESE, developed using a collaborative process including representatives from the RSD, the LA Association of Public Charter Schools, the district school board, charter school representatives and advocates for students with disabilities. Effective upon governor's signature.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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