

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 105** HLS 18RS 247

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 12, 2018	7:48 AM	Author: STOKES
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Charter School		

SCHOOLS/CHARTER OR SEE FISC NOTE LF EX Page 1 of 1
Allows certain Type 1 charter schools to act as their own local education agencies

Present law provides that local school boards shall remain the local education agencies for types 1, 3 and 4 charter schools, with exceptions for certain school systems transferred from the Recovery School District. **Proposed law** adds an exception for any Type 1 charter school that meets specified criteria which authorizes the school to act as its own local education agency.

Effective July 1, 2018

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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					
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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					
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated impact to the MFP allocation by the Department of Education. There may be a reduction in expenditures of the local school district which authorized the charter and potential increases to the charter school acting as its own authority.

The Kenner Discovery Health Sciences Academy (Discovery Academy) in Jefferson parish is the only charter that meets the criteria specified in the legislation. The FY 18 projected MFP allocation totals \$11 M. For this period, Discovery Academy will pay approximately \$185 K in administrative fees to the Jefferson Parish School Board (JPSB) as well as additional service fees (\$68,071) and indirect cost charges (\$18,778). To the extent Discovery continues to contract with JPSB for these services there would be no change in expenditures. Should Discovery choose to provide services directly there will be a reduction in JPSB expenses. It is unknown whether Discovery Academy could procure these services at the same cost.

REVENUE EXPLANATION

There may be reduction in administrative fees paid by the charter school to the JPSB as well as other assessments associated with the provision of services to the extent the district no longer provides services to Discovery Academy.

Type 1, 3, and 4 charter school student counts are included in the local school district enrollment totals and associated funding is allocated to the local school district; districts subsequently distribute funding to these charter schools in accordance with amounts established by the MFP and the LDE. The charter authority may annually charge each charter school it authorizes a fee of 2% of the charter's per pupil allocation for administrative overhead costs incurred by the charting authority as well as other. Under proposed legislation, administrative functions as well as the payment of other operating expenses would become the responsibility of the charter school which could continue contracting with the district for these services, or choose to provide services directly.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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