



Fiscal Note On: **HB 51** HLS 25RS 409

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 4, 2025 1:34 PM

Author: YOUNG

Dept./Agy.: Education/ BESE

Subject: Ownership of assets of certain charter schools

Analyst: Julie Silva

SCHOOLS/CHARTER

EN SEE FISC NOTE LF EX

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Provides relative to the assets of certain charter schools

Proposed legislation provides that all assets acquired by a Type 1, 3, or 3B charter school that are purchased with public funds prior to converting to a Type 2 charter school under present law (R.S. 17:3983(B)(2)) remain the property of that school for the duration of the charter agreement with the State Board of Elementary and Secondary Education (BESE). Provides that any property owned by the local school board and used by a charter taken over by BESE remains the property of the local school board upon revocation of the charter by BESE or the end of operations of the charter.

EXPENDITURE EXPLANATION

Proposed legislation may result in an impact to local fund expenditures. For informational purposes, Type 1, 3, and 3B charters are those under the authority of a local school board. Converted Type 2 charter schools are classified as former Type 1, 3, or 3B schools whose charter agreement is transferred to the Board of Elementary and Secondary Education (BESE). Under existing law, all assets revert back to the chartering authority upon termination of a charter agreement. Proposed legislation clarifies that when an existing charter school is transferred from the authority of a local school board to BESE, any assets purchased with public funds transfer along with it; however, if the charter agreement of a Type 2 school that was previously any other type of charter school is revoked or the school ceases operation, any property owned by the local school board used by the charter prior to revocation or end of operation remains the property of the local school board.

Local school boards that are replaced by BESE as the chartering authority of a conversion school may realize an increase in expenditures to replace any assets no longer available to them. Alternatively, they realize savings as responsibility for maintenance and upkeep of any immovable facilities will not be the responsibility of the system, for the length of time BESE manages the charter. Any impacts are expected to be situational and dependent on a variety of factors, including: (1) whether the local school board needs to acquire replacements for any assets transferred; (2) the number of schools converted within a specific school board's jurisdiction; and (3) the quantity and type of assets involved. Due to this, the LFO is unable to determine any specific impacts to local fund expenditures that may result due to proposed legislation.

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

☐ 13.5.1 \geq \$100,000 Annual Fiscal Cost {S & H}

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

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

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

Patrice Thomas

Patrice Thomas
Deputy Fiscal Officer