

SENATE BILL NO. 260

BY SENATOR MORRISH AND REPRESENTATIVE SMITH

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AN ACT

To amend and reenact R.S. 17:3973(2)(a) and (3), 3982(B)(1) and (2)(a), 3983(A)(4)(a) and (d) and (B)(2), 3991(H), the introductory paragraph of 3995(A)(1) and (c), (3)(b), and (4)(a)(i) and (H), 3996(G), and 4001(A) and (C)(1) and (2) and to repeal R.S. 17:3973(2)(b)(vi) and (4), 3974(A), 3981.1, 3981.2, and 3983(A)(2)(d), (D)(2), and (E)(3), relative to charter schools; to revise the definition of a chartering authority; to remove the authority of the State Board of Elementary and Secondary Education to certify certain entities as local charter authorizers; to remove the authority of local charter authorizers to approve charter proposals and to enter into charters; to eliminate certain types of charter schools; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:3973(2)(a) and (3), 3982(B)(1) and (2)(a), 3983(A)(4)(a) and (d) and (B)(2), 3991(H), the introductory paragraph of 3995(A)(1) and (c), (3)(b), and (4)(a)(i) and (H), 3996(G), and 4001(A) and (C)(1) and (2) are hereby amended and reenacted to read as follows:

§3973. Definitions

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

* * *

(2)(a) "Charter school" means an independent public school that provides a program of elementary or secondary education, or both, established pursuant to and in accordance with the provisions of this Chapter to provide a learning environment that will improve pupil achievement. Nothing in this Chapter shall be construed to prohibit a Type 1, ~~Type 1B~~, Type 2, Type 3, Type 3B, or Type 4 charter school from having a residential component.

* * *

1 (3) "Chartering authority" means either a local school board, ~~a local charter~~
2 ~~authorizer~~, or the State Board of Elementary and Secondary Education.

3 * * *

4 §3982. Local school boards; duties; Orleans Parish School Board; immovable
5 property; sale or lease

6 * * *

7 B.(1) Local school boards shall make available to chartering groups any
8 vacant school facilities or any facility slated to be vacant for lease or purchase up to
9 fair market value. In the case of a ~~Type 1B~~ or a Type 2 charter school created as a
10 result of a conversion, the facility and all property within the existing school shall
11 be made available to that chartering group. In return for the use of the facility and its
12 contents, the chartering group shall pay a proportionate share of the local school
13 board's bonded indebtedness to be calculated in the same manner as set forth in R.S.
14 17:1990(C)(2)(a)(i). If such facilities were constructed at no cost to the local school
15 board, then such facilities including all equipment, books, instructional materials,
16 and furniture within such facilities shall be provided to the charter school at no cost.

17 (2)(a) The Orleans Parish School Board shall make available to chartering
18 groups, for lease or purchase up to fair market value, any school facility or other
19 immovable property, whether improved or unimproved, that is owned by the school
20 board and that is vacant or slated to be vacant. In the case of a ~~Type 1B~~ or a Type 2
21 charter school created as a result of a conversion, the immovable property, including
22 any unimproved property, and all other school board property within the existing
23 school shall be made available to that chartering group. In return for the use of the
24 facility and its contents, the chartering group shall pay a proportionate share of the
25 local school board's bonded indebtedness to be calculated in the same manner as set
26 forth in R.S. 17:1990(C)(2)(a)(i). If such facilities were constructed at no cost to the
27 local school board, then such facilities including all equipment, books, instructional
28 materials, and furniture within such facilities shall be provided to the charter school
29 at no cost.

30 * * *

1 §3983. Chartering process by type; eligibility; limitations; faculty approval; parental
2 approval

3 A.

4 * * *

5 (4)(a) A local school board ~~and a local charter authorizer~~ may enter into any
6 charter it finds valid, complete, financially well-structured, and educationally sound
7 after meeting the requirements of this Chapter. Each such charter entered into shall
8 be reported by the local school board ~~or local charter authorizer~~ to the state board not
9 less than two business days following the event.

10 * * *

11 (d) Prior to the consideration of a charter school proposal by any local school
12 board, ~~a local charter authorizer~~, or the state board, each charter applicant shall be
13 afforded the opportunity to provide a written response to the independent evaluation
14 conducted in accordance with R.S. 17:3981(4), ~~3981.2(A)(1)(a)~~, or 3982(A)(1)(a)(i),
15 as applicable. Such response shall be available to the independent reviewers for
16 consideration prior to issuing a final recommendation to the chartering authority.
17 However, if a proposal is not approved by the local school board ~~or local charter~~
18 ~~authorizer~~ and then also not approved by the state board within the same approval
19 cycle, then the proposal shall be submitted to the local school board ~~or a local charter~~
20 ~~authorizer~~ for its consideration during the next approval cycle prior to being
21 submitted to the state board.

22 * * *

23 B.

24 * * *

25 (2) Additionally, each approved charter may be approved subject to whatever
26 other resolatory or suspensive conditions the chartering authority requires provided
27 those entering into the charter agree with the conditions. If the local board ~~or local~~
28 ~~charter authorizer~~ seeks to amend the charter agreement in a manner that is
29 unacceptable to the charter school or if the charter school finds requested terms for
30 charter renewal to be unacceptable, the charter school may petition the state board

1 to convert to a Type 2 charter school. Upon receipt of such request, the state board
2 shall notify the local board ~~or local charter authorizer~~ of the request and shall permit
3 the local board ~~or local charter authorizer~~ to provide a response prior to any action
4 on such request.

5 * * *

6 §3991. Charter schools; requirements; limitations; renewal; amendment; revocation

7 * * *

8 H. Any assets acquired by a Type 1, ~~1B~~, 2, 3, 3B, or 5 charter school are the
9 property of that charter school for the duration of that school's charter agreement.
10 Any assets acquired by a Type 4 charter school are the property of the local school
11 board. If the charter agreement of any Type 1, ~~1B~~, 2, 3, 3B, or 5 charter school is
12 revoked or the school otherwise ceases to operate, all assets purchased with any
13 public funds become the property of the chartering authority. ~~Assets that become the~~
14 ~~property of a local charter authorizer pursuant to this Subsection shall be used solely~~
15 ~~for purposes of operating charter schools.~~ Charter schools are to maintain records of
16 any assets acquired with any private funds which remain the property of the
17 nonprofit group operating the charter school.

18 * * *

19 §3995. Charter school funding

20 A.(1) For the purpose of funding, a Type 1, Type 3, Type 3B not acting as its
21 own local education agency, and Type 4 charter school shall be considered an
22 approved public school of the local school board entering into the charter agreement.
23 ~~Type 1B~~ and Type 2 charter schools and a Type 3B charter school acting as its own
24 local education agency shall receive a per pupil amount each year authorized by the
25 state board each year as provided in the approved minimum foundation program
26 formula. The per pupil amount provided to a Type 1, ~~1B~~, 2, 3, 3B, or 4 charter school
27 shall be computed annually and shall be equal to the per pupil amount provided
28 through the minimum foundation program formula, determined by the allocation
29 weights in the formula based upon student characteristics or needs, received by the
30 school district in which the student resides from the following sources based on the

1 district's membership count used in the minimum foundation program formula:

2 * * *

3 (c) The provisions of this Paragraph permitting the calculation of the per
4 pupil amount to be provided to a Type 1, ~~HB~~ 2, 3, 3B, or 4 charter school to exclude
5 any portion of local revenues specifically dedicated by the legislature or by voter
6 approval to capital outlay or debt service, shall be applicable only to a charter school
7 housed in a facility or facilities provided by the district in which the charter school
8 is located.

9 * * *

10 (3) Notwithstanding Paragraph (1) of this Subsection and unless otherwise
11 provided for in the approved minimum foundation program formula:

12 * * *

13 (b) Beginning July 1, 2016, for a district with one or more Type 3B charter
14 schools in a parish that contains a municipality with a population of three hundred
15 thousand or more persons according to the latest federal decennial census, the total
16 amount of minimum foundation program formula funds allocated to the local school
17 board and to Type 1, ~~HB~~ 3, 3B, 4, and 5 charter schools that are located within the
18 district shall be allocated using a district-level computation based on student
19 characteristics or needs as determined by the state board. The state Department of
20 Education shall facilitate a collaborative process that includes representatives from
21 the Recovery School District, the Louisiana Association of Public Charter Schools,
22 any affected local school board and any organization representing its authorized
23 charter schools, and advocates for students with disabilities in the development of
24 the district-level allocation policy that shall take effect on July 1, 2016.

25 (4)(a)(i) The state board; **and** a local school board, ~~and a local charter~~
26 ~~authorizer~~ may annually charge each charter school they authorize a fee in an amount
27 equal to two percent of the total per pupil amount as defined by this Subsection that
28 is received by a charter school for administrative overhead costs incurred by the
29 chartering authority for considering the charter application and any amendment
30 thereto, providing monitoring and oversight of the school, collecting and analyzing

1 data of the school, and for reporting on school performance. Such fee amount shall
 2 be withheld from the per pupil amount in monthly increments and shall not be
 3 applicable to any federal money or grants received by the charter school.
 4 Administrative overhead costs shall not include any cost incurred by the chartering
 5 authority to provide purchased services to the charter school. As provided by
 6 Subparagraph (b) of this Paragraph, a chartering authority or the Recovery School
 7 District, if applicable, may provide other services for a charter school and charge the
 8 actual cost of providing such services, but no such arrangement shall be required as
 9 a condition for authorizing the charter school.

10 * * *

11 H. Any Type ~~1B~~, 2, or 5 charter school shall be considered the local
 12 education agency for funding purposes and statutory definitions pursuant to rules
 13 adopted by the state board.

14 * * *

15 §3996. Charter schools; exemptions; requirements

16 * * *

17 G. All charter schools established and operated in accordance with the
 18 provisions of this Chapter shall comply with the provisions of R.S. 39:1301 through
 19 1315. Each Type 1, 3, 3B, and 4 charter school annually shall submit its budget to
 20 the local school board that approved its charter, and such board shall submit the
 21 charter school's budget to the state superintendent of education in accordance with
 22 the provisions of R.S. 17:88. ~~Each Type 1B charter school annually shall submit its~~
 23 ~~budget to its authorizer.~~ Each Type 2 and Type 5 charter school annually shall
 24 submit its budget directly to the state superintendent of education.

25 * * *

26 §4001. Louisiana Charter School Start-Up Loan Fund; creation; purpose;
 27 distribution

28 A. The Louisiana Charter School Start-Up Loan Fund, hereafter referred to
 29 as the "fund", is hereby created within the state treasury for the purposes of
 30 providing a source for funding no-interest loans to assist both existing and new Type

1 1, ~~Type 1B~~, Type 2, or Type 3 charter schools with initial start-up funding and for
 2 funding the administrative and legal cost associated with the charter school program.

3 * * *

4 C.(1) The state board shall administer the use of the monies appropriated
 5 from the fund and shall adopt rules in accordance with the Administrative Procedure
 6 Act. The adopted rules shall specify that state board approval of any Type 2 charter
 7 school proposal that includes within its budget a request for loan funding which
 8 complies with the provisions of this Section and details regarding how those loan
 9 funds are to be expended, shall constitute the approval of that loan amount. No
 10 additional loan application paperwork shall be required. ~~Any~~ No Type 1 or Type 3
 11 charter school approved by ~~their~~ its local school board and a ~~Type 1B charter school~~
 12 ~~approved by a certified local charter authorizer~~ shall be required to submit ~~no~~ more
 13 than ~~their~~ its approved charter proposal and a detailed budget identifying how any
 14 loan funds are to be expended and how such request complies with the provisions of
 15 this Section. The state board may reject any such request which does not comply
 16 with terms of this Section. Such rules shall also note that any loan funding may be
 17 used only to purchase tangible items such as equipment, technology, instructional
 18 materials, and facility acquisition, upgrade, and repairs. Such equipment or other
 19 items shall become the property of the state if the loan is not fully repaid by virtue
 20 of the school ceasing to operate during the three years of automatic loan repayment
 21 as noted in Paragraph (3) of this Subsection.

22 (2) Loans shall be made only to Type 1, ~~Type 1B~~, Type 2, and Type 3 charter
 23 schools and shall not exceed one hundred thousand dollars to pay for charter school
 24 start-up and early operating expenses. No money lent as provided in this Section may
 25 be used to pay prior debts of the nonprofit corporation which formed the charter
 26 school, any of the natural persons principally involved in forming the charter school,
 27 or any former or current business or nonprofit venture of any such natural persons
 28 for any purchase not related to the creation of the charter school, or to pay to
 29 members of the immediate family of any such natural persons, or to make any
 30 investments.

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Section 2. R.S. 17:3973(2)(b)(vi) and (4), 3974(A), 3981.1, 3981.2, and 3983(A)(2)(d), (D)(2), and (E)(3) are hereby repealed in their entirety.

Section 3. The certification of any local charter authorizer by the State Board of Elementary and Secondary Education is null and void.

Section 4. 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.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____