

Regular Session, 2011

HOUSE BILL NO. 421

BY REPRESENTATIVE CARTER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SCHOOLS/CHARTER: Provides relative to charter schools and corporate entities that make major donations to such schools

1 AN ACT

2 To enact R.S. 17:3991.1, relative to charter schools; to provide relative to corporate  
3 donations to charter schools; to provide for enrollment preferences and membership  
4 on the governing or management board of a charter school for certain major  
5 corporate donors; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:3991.1 is hereby enacted to read as follows:

8 §3991.1. Corporate partners; enrollment preferences and board membership

9 A. The legislature finds and declares that:

10 (1) The economic vitality of the state is dependent upon the education of its  
11 people, including its current and future workforce.

12 (2) The performance of Louisiana's public education system is critical in  
13 providing every Louisiana child with the ability to graduate equipped to enter college  
14 or the workplace, obtain a rewarding and self-sustaining career, and contribute to  
15 society in meaningful ways.

16 (3) High-quality educational options are essential to the academic growth of  
17 Louisiana's students and the ability of the state to attract businesses, a highly talented  
18 workforce, and expand existing businesses.

19 (4) Partnerships between businesses and the state's public education system  
20 can result in positive outcomes for children, providing much needed resources for

1 schools and rich experiences for students to help prepare them to be effective  
2 employees and productive citizens.

3 B.(1) Notwithstanding geographic or other requirements for enrollment  
4 contained in this Chapter, a charter agreement may provide, initially or by  
5 amendment, for the enrollment of and an enrollment preference for dependent  
6 children of permanent employees of a corporate partner as defined by Subsection C  
7 of this Section. Up to fifty percent of the school's maximum enrollment may be  
8 reserved for the enrollment of such children. The charter agreement shall specify  
9 both the school's maximum enrollment and the maximum proportion set aside for  
10 implementation of this enrollment preference.

11 (2) A charter agreement may provide, initially or by amendment, for a  
12 corporate partner to have representation on its governing or management board;  
13 however, such representation may not constitute a majority of the board. Such  
14 membership is subject to all other provisions of law except any contrary provision  
15 in this Chapter.

16 C. For purposes of this Section, a corporate partner is any legal entity,  
17 whether for profit or not for profit, registered with the secretary of state, except a  
18 corporation identified in R.S. 18:1505.2(L)(3), that has, acting individually or as part  
19 of a consortium of corporations, donated one or more of the following to the school:

20 (1) The land on which the school is built.

21 (2) The school building or the space the school occupies. If the corporate  
22 partner is leasing the building or space to the school, the enrollment preference or  
23 board membership may only be provided in the charter agreement if the lease  
24 provides that the building or space is made available without cost and if the term of  
25 the lease is not less than the duration of the charter agreement.

26 (3) Major renovations to the existing school building or other capital  
27 improvements including major investments in technology.

28 D.(1) An enrollment preference pursuant to Paragraph (B)(1) of this Section  
29 shall not be implemented in a way that displaces children enrolled at the school at

1        the time the charter agreement or amendment providing for the preference is  
2        authorized.

3                (2) Enrollment at the school shall otherwise be as provided by this Chapter  
4        except that the requirement of R.S. 17:3991(B)(1)(a)(i) shall apply to and be based  
5        upon only students who are not dependent children of permanent employees of a  
6        corporate partner.

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

---

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

Carter

HB No. 421

**Abstract:** Authorizes a charter school to reserve space at the school for children of employees of a corporation or other legal entity that makes a major donation to the school. Authorizes the charter school to provide for membership on its governing board for representatives of such a corporation.

Present law provides generally for charter schools, which are public schools that operate somewhat independently of the local school board but pursuant to a charter agreement. A charter agreement is entered into by a nonprofit organization that operates the school and the school board or the La. Board of Elementary and Secondary Education (BESE). Proposed law retains present law.

Present law provides various requirements regarding what students are allowed to enroll in a charter school depending on the type of charter. (Type of charter is determined in part by whether the school is created as a new school pursuant to the charter or was a preexisting school converted to a charter school and whether the chartering authority is the school board or BESE.) Generally only pupils who would be eligible to attend a public school operated by the local school board or pupils from the same area as those permitted to attend the preexisting school are eligible to attend.

Proposed law provides that a charter agreement may provide for enrollment of and an enrollment preference for dependent children of permanent employees of a corporate partner. Further provides that a charter agreement may provide for a corporate partner to have representation on its governing or management board; however, such representation may not constitute a majority of the board.

Proposed law defines corporate partner as any legal entity, whether for profit or not for profit, registered with the secretary of state, except a gaming related corporation as identified

in present law relative to campaign finance, that has, acting individually or as part of a consortium of corporations, donated one or more of the following to the school: the land on which the school is built, the school building or the space the school occupies, or major renovations to the existing school building or other capital improvements including major investments in technology. Provides that if the business is leasing the building or space to the school, the enrollment preference or board membership may only be provided if the lease provides that the building or space is made available without cost and if the term of the lease is not less than the duration of the charter agreement.

Proposed law provides that an enrollment preference pursuant to proposed law shall not be implemented in a way that displaces children enrolled at the school at the time the charter agreement or amendment providing for the preference is authorized.

Present law requires that at certain types of charter schools, the percentage of the students who are at risk shall be not less than 85% of the average percentage of pupils enrolled in the local public school district from which the charter school enrolls its students who are eligible to participate in the federal free and reduced lunch program. Proposed law provides that in a charter school with a corporate partner enrollment preference, this requirement shall apply to and be based upon only students who are not dependent children of permanent employees of a corporate partner.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3991.1)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the original bill.

1. Amends relative to entities which may be corporate sponsors to allow legal entities which are not corporations to be corporate sponsors.
2. Relative to the donations an entity can make in order to qualify as a corporate sponsor, adds capital improvements, other than "major renovations" as authorized in the original bill, including major investments in technology.