
DIGEST

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HB 194 Engrossed

2022 Regular Session

Butler

Abstract: Creates and provides for the administration of a program for the purpose of providing state funding for qualified education expenses for students with exceptionalities in grades kindergarten through 12 who are not enrolled in a public school.

Education Savings Account (ESA) Program; creation and administration

Proposed law creates the Education Savings Account (ESA) Program and provides for program administration by the state Dept. of Education (DOE) in accordance with State Board of Elementary and Secondary Education (BESE) rules which shall, at minimum, provide for:

- (1) Determination of eligibility of students, participating schools, and service providers.
- (2) Audits of the program and accounts.
- (3) DOE's authority to:
 - (a) Deem any participating student ineligible for the program and to refer cases of misuse of account funds to the attorney general for investigation.
 - (b) Contract with a vendor or provider for the administration of the program or parts of the program.
- (4) A requirement that the program begin enrolling students by the beginning of the 2023-2024 school year.

Funds

Proposed law requires DOE to:

- (1) Allocate to each account annually, from funds appropriated or otherwise made available for the program, an amount equal to the state's base per-pupil allocation as provided in the minimum foundation program (MFP) formula, plus any applicable weighted funds based on student characteristics. Authorizes DOE to withhold up to 5% of funds allocated for each account annually for program administration.
- (2) Develop a system for parents to direct account funds to participating schools and service

providers by electronic funds transfer, automated clearing house transfer, or another system.

Proposed law further provides as follows:

- (1) Limits authorized use of funds to qualified education expenses.
- (2) Unused funds in an account, up to 50% of the total funds deposited into the account for the current school year, shall remain in the account for the following school year.
- (3) The account shall be closed and the funds in the account shall be returned to the state general fund if a student is no longer eligible, if an account has been inactive for two consecutive years, or if a parent fails to comply with program requirements.
- (4) Account funds do not constitute taxable income and shall not be claimed as a credit, deduction, exemption, or rebate.

Eligibility; students

Proposed law provides that a student shall be initially eligible for an account if he is eligible to enroll in kindergarten or was enrolled in a La. public school during the previous school year and meets all of the following criteria:

- (1) He is a student with an exceptionality as defined in present law – mental disability, hearing loss (including deafness), multiple disabilities, deaf-blindness, speech or language impairment, visual impairment (including blindness), emotional disturbance, orthopedic impairment, other health impairment, specific learning disability, traumatic brain injury, autism, or is deemed to be gifted or talented, and as a result requires special education and related services; a student with an exceptionality may include a student aged three through eight experiencing developmental delay. Proposed law provides that a student who is solely deemed to be gifted and talent is not eligible.
- (2) The student's parent submits a timely application.
- (3) The student's parent signs an agreement promising all of the following:
 - (a) To provide an education for the participating student in at least the subjects of English language arts, math, social studies, and science.
 - (b) Not to enroll the student in a public school while participating in the program.
 - (c) To use account funds only for qualified education expenses of the participating student.
 - (d) To comply with all program requirements.

Proposed law further provides that a participating student:

- (1) Is eligible until he enrolls in a public school; he receives a high school diploma or its equivalent or reaches the age of 21, whichever occurs first; or his account is closed.
- (2) Is prohibited from participating concurrently in the ESA program and the Course Choice Program, the Student Scholarships for Educational Excellence Program, the School Choice Program for Certain Students with Exceptionalities, or the Tuition Donation Credit Program.
- (3) Shall be considered in attendance at a day school for purposes of compulsory attendance.

Eligibility; schools and service providers

Proposed law provides that a school shall meet all of the following criteria to be eligible to participate:

- (1) Be approved by BESE.
- (2) Comply with criteria set forth in federal nondiscrimination requirements.
- (3) Any other criteria set by BESE.

Proposed law requires BESE to set eligibility criteria for schools and service providers in a way that maximizes school and provider participation. Provides that to be eligible to participate in the program, both schools and service providers shall apply to DOE and, if determined to be eligible, accept ESA funds for providing services covered as qualified education expenses.

Testing

Proposed law requires:

- (1) DOE to develop a process for the annual administration of either of the following to participating students:
 - (a) Any examination required pursuant to the school and district accountability system at the prescribed grade level.
 - (b) A nationally norm-referenced test or a statewide assessment.
- (2) DOE to develop a process for the collection and aggregate reporting of results and ensure results are provided to parents.

Reporting

Proposed law requires DOE, by April 30th annually, to submit a report to the House and Senate

education committees and the Jt. Legislative Committee on the Budget regarding program implementation. Provides for required report content, including the results of a parental satisfaction survey.

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

(Amends R.S. 17:236(A); Adds R.S. 17:4037.1-4037.7)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. Add that an eligible student shall be considered in attendance at a day school for purposes of compulsory attendance.
2. Remove requirement that the entity contracted with for program administration and for management of the payment system be a nonprofit organization.
3. Add that BESE rules shall include a requirement that the program begin enrolling participating students by the beginning of the 2023-2024 school year.
4. Change funding amount from the state's per pupil amount allocated to the student's resident school system, considering all student characteristics, to the state's base per-pupil allocation, plus any applicable weighted funds based on student characteristics.
5. Add that DOE may withhold funds allocated for program administration.
6. Delete use of a debit card from list of examples of funds transfer methods.
7. Relative to school eligibility:
 - (a) Remove requirement that a school must have existed and been providing educational services to students with exceptionalities in an established program with appropriately certified teachers for at least two years prior to participation.
 - (b) Retain requirement that school be BESE-approved but remove requirement for approval for at least the prior school year.
8. Relative to eligibility criteria for schools and service providers, require BESE to set these in a way that maximizes school and provider participation.
9. Revise testing requirements.
10. Add results of parental satisfaction survey to content required in annual DOE report.