

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 269** HLS 14RS 418  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 15, 2014 2:52 PM	<b>Author:</b> REYNOLDS
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Student Scholarships for Educational Excellence Program	

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 Requires schools participating in the voucher program to separately account for funds received as tuition payments

The proposed legislation requires all schools participating in the Student Scholarships for Educational Excellence Program (SSEEP) to submit independent financial audits to the Department of Education (DOE) relative to the funds received from voucher payments. Further requires participating schools to account for scholarship funds separately from other funds in order to allow for the required audits of receipt and expenditure of scholarship funds.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is an indeterminable impact on DOE expenditures as a result of the possible movement of students from public schools to non public schools participating in the SSEEP program. The SSEEP program is funded with state general fund. In FY 14 the average tuition for students participating in this program is \$5,300. The tuition amount is projected to increase in FY 15. The FY 14 MFP calculates the average state cost per student to be \$5,060. State general fund expenditures may increase and MFP expenditures could decrease if participating schools are found to be compliant and eligible to enroll additional students who would otherwise enroll in public schools. However, state general fund expenditures may decrease and MFP expenditures could increase if participating schools are found to be out of compliance with program guidelines and restricted from enrolling additional students who could instead enroll in public schools. The actual difference would depend upon the tuition of the non public school the student may attend and the actual per pupil amount that would have been provided through the MFP.

The law currently requires the DOE to place any participating school that fails to comply with the audit provisions from enrolling additional students. A performance audit conducted by the Legislative Auditor and issued December 2013, found that the independent auditors were unable to perform all procedures related to the use of funding for 97% of the participating schools (115 out of 118 schools) which managed 99% (\$23.9 M) of scholarship payments because the schools did not separately account for the voucher funds. Therefore, it is unknown whether, and to what extent, any of the participating schools were out of compliance and otherwise would not have been able to enroll additional students.

Additionally, there is an indeterminable impact on local school system expenditures due to the potential movement of students from public schools to the non public schools participating in the SSEEP program. The FY 14 MFP calculates the average local cost per student to be \$3,544 although schools may spend more or less than that amount from local resources on any individual student.

**REVENUE EXPLANATION**

To the extent a school may be found to be out of compliance with the expenditure guidelines, there could be a repayment of tuition funds to the state; however, such repayment amount is indeterminable. The law requires schools to return to the state any funds that the legislative auditor determines were expended in a manner inconsistent with state law or program guidelines. Independent auditors have been unable to make this determination because schools have not separately accounted for voucher funds.

Senate <u>Dual Referral Rules</u> <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	House <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<i>Evan Brasseaux</i> <b>Evan Brasseaux</b> <b>Staff Director</b>
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