

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



Fiscal Note On: **SB 361** SLS 16RS 583  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 13, 2016 4:57 PM	<b>Author:</b> MORRISH
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Voucher Program	

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 Provides relative to student eligibility to participate in the Student Scholarships for Educational Excellence Program. (gov sig)

Current law establishes the Student Scholarship for Educational Excellence Program (SSEEP) which awards vouchers based on defined eligibility criteria including family income and attendance at public schools with a school letter grade of "C", "D" or "F" and further provides for a selection process to award vouchers in the event applications exceed available seats. Proposed law removes eligibility for students who would otherwise attend a "C" rated school.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</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>						
<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There may be a net decrease in expenditures for the Department of Education (DOE) as a result of students' inability to participate in the voucher program. There will be an increase in MFP expenditures for these students. However, these increases will be offset by a reduction in SGF expenditures in the voucher program for those students due to the fact that the majority of voucher schools receive tuition payments in excess of the state per pupil amount that would otherwise be paid to the local school district through the MFP. The exact impact will be determined by the number of students who are not eligible to participate, whether they choose to attend the private school at their own expense, choose to be home schooled, or enroll in the public school of the district in which the student resides. However, this will not necessarily reduce the overall cost of the SSEEP as those seats may continue to be filled with students from "D" and "F" schools. Furthermore, tuition increases for remaining voucher participants may increase up to 5% annually which would reduce the amount of the net savings.

SSEEP tuition is reimbursed at a rate that shall not exceed the combined state and local per pupil amount of the district in which the student resides. For the 1st quarter of the 2015-2016 school year (student count as of 9/21/2015) there were 7,110 students enrolled in 120 participating schools across 32 school districts. The DOE paid a lower per pupil amount for 1,109 students (16%), however, DOE paid higher per pupil amounts for 6,001 participants (84%), which in total represents a net additional cost to the state of \$8.3 M.

SSEEP kindergarten student enrollment totaled 1,210 in 2014-2015 and 899 in 2015-2016. The DOE reports that it cannot ascertain whether a kindergarten student would enroll in a private school, choose to be home schooled, or which public school a kindergarten student would otherwise attend, and therefore cannot determine how many kindergartners would no longer be eligible for participation in the program. DOE indicates that it is unable to match student addresses to local school district attendance zones for kindergarten students not currently enrolled in public schools.

**Continued on Page Two**

**REVENUE EXPLANATION**

There will be an increase in MFP funds to local school districts and charter schools as a result of students who otherwise would have been eligible to enroll in a voucher school instead attend public schools. The proposed FY 17 MFP formula calculates the average state per pupil amount to be \$5,280, but this amount may be more or less depending upon the level of local resources at each district.

- |   |  |              |
|---|--|--------------|
| <u>Senate</u>   | <u>Dual Referral Rules</u>   | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |              |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |              |

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**

**Expenditure Explanation Continued from Page One**

In order to implement the provisions of this Act, the department indicated it would have to develop and implement a system to make such determinations for approximately 1,000 students each year; costs would depend upon the type of system established and cannot be determined at this time. However, verification could likely be achieved through a manual system by providing an address to the districts to ascertain school assignment. In the 2015-2016 school year there were 899 kindergartners in 28 school districts with half from East Baton Rouge (146) and Orleans (312). Of the remaining districts: 7 had between 30 and 65 kindergartners each; 19 had 30 or fewer kindergartners each.

For students previously enrolled in public schools: in 2014-2015 there were 626 new participants (excluding kindergarten students) with 229 (37%) previously enrolled in a "C" school and 27 (4%) from a school in transition or which did not receive a letter grade for a total 256 students (41%) who would no longer be eligible to participate in the SSEE program. In 2015-2016 of the 589 new students (excluding kindergartners), 189 (32%) were previously enrolled in a "C" rated public school and 32 (5%) were from a school with no grade; a total of 221 students (37%). However, to the extent these vacancies continue to be filled with new students from "D" or "F" schools, and annual tuition increases under the authority granted in BESE Bulletin 133, the overall cost of the program will continue to grow up to the appropriated level of funding.

Senate      Dual Referral Rules      House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

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

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

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

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