

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 550** HLS 16RS 702
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|-------------------------------------|-------------------------------|
| Date: April 18, 2016 5:12 PM | Author: JEFFERSON |
| Dept./Agy.: Education | Analyst: Jodi Mauroner |
| Subject: Voucher Program | |

SCHOOLS/CHOICE OR SEE FISC NOTE GF EX Page 1 of 1
 Provides relative to student eligibility requirements for participation in the voucher program

Present law provides eligibility criteria for the Student Scholarship for Educational Excellence Program (SSEEP); provides that an entering kindergarten student who has enrolled in the local school system in which the public school he would have otherwise attended is located or in a school under the jurisdiction of the Recovery School District is eligible for the voucher program. Proposed law provides that an entering kindergarten student in a school system that assigns students to schools based upon attendance zones is eligible only if the public school he would have attended received a letter grade of "D" or "F" for the most recent year pursuant to the school and district accountability system, or the student is entering kindergarten in a school or school system that does not assign students to schools based upon attendance zones. Present law provides that each local school system or the Recovery School District shall conduct its annual kindergarten enrollment process and shall report such enrollment to the department prior to the program enrollment process. Proposed law removes present law.

| EXPENDITURES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

| REVENUES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There may be a net decrease in DOE expenditures as a result of some kindergarten students' inability to participate in the SSEEP. There will be an increase in MFP expenditures for those students to attend public schools. However, the increase will be offset by a reduction in SGF expenditures for those students' participation in the voucher program since 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 a district public school. This will not necessarily reduce overall expenditures of the SSEEP as those seats may be awarded to students from "D" or "F" rated schools.

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. Of those, 899 were in Kindergarten. There were 1,210 students enrolled in kindergarten in the 2014-2015 school year.

The Department of Education 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 students 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. 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; 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 assignments. In the 2015-2016 school year there were 899 kindergartners in 28 school districts with half from East Baton Rouge (146) and Orleans (312); 7 districts had between 30 and 65 kindergartners each; 19 districts had 30 or fewer kindergartners each.

REVENUE EXPLANATION

There may be an increase in MFP distributions to local school districts associated with the increased enrollment of kindergarten students. The FY 16 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.

Senate Dual Referral Rules House

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| <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
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