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## DIGEST

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HB 556 Reengrossed

2021 Regular Session

DeVillier

**Abstract:** Creates and provides for the administration of a program for the purpose of providing state funding for qualified education expenses for students 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 in the event of the misuse of account funds and to refer cases of misuse of account funds to the attorney general for investigation.
  - (b) Contract with a nonprofit organization for the administration of the program or parts of the program.

### **Funds**

Proposed law requires DOE to:

- (1) Allocate to each account annually, from funds appropriated or otherwise available for the program, an amount equal to the state's per-pupil allocation as provided in the minimum foundation program (MFP) formula, considering all student characteristics.
- (2) Develop a system for parents to direct account funds to participating schools and service providers by electronic funds transfer, automated clearing house transfer, the use of a debit card, 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 an amount not greater than 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 shall 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 meets at least one of these criteria:
  - (a) He has a parent or legal guardian who is an active duty military service member.
  - (b) His parent or legal guardian submitted an enrollment request for a transfer pursuant to present law (R.S. 17:4035.1) during the most recent transfer request period and the request was denied.
  - (c) Pursuant to foster care placement through the Dept. of Children and Family Services, he is residing with a prospective permanent placement or has achieved permanency through adoption or permanent guardianship.
- (2) The student's parent submits an application for an ESA in accordance with program timelines.
- (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 his account is closed.
- (2) Is prohibited from participating concurrently in the ESA program and the Course Choice Program, the Student Scholarships for Excellence Program, the School Choice Program for Certain Students with Exceptionalities, or the Tuition Donation Credit Program.

### **Students with exceptionalities**

Proposed law requires, if a student would have been entitled to special education services in his resident school system, his parent to acknowledge in writing that he agrees to accept only such services as are available to all students enrolled in the participating school. Requires participating schools to meet certain criteria to be eligible to offer such services.

### **Eligibility; schools and service providers**

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

- (1) Be approved, provisionally approved, or probationally 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 service providers and 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) Participating schools to ensure that participating students are administered all examinations required pursuant to present law at the prescribed grade levels and that the results of such examinations are provided to parents.
- (2) DOE to develop a process for the annual administration of a nationally norm-referenced test or a statewide assessment and the collection of results for participating students not enrolled full time in a participating school.

### **Reporting**

Proposed law requires DOE, by April 30th annually, to submit to the House and Senate education committees and the Jt. Legislative Committee on the Budget regarding program implementation.

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

(Adds R.S. 17:4036.1 - 4036.8)

Summary of Amendments Adopted by House

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

1. Prohibit account funds from being claimed as a credit, deduction, exemption, or rebate.
2. Revise student eligibility criteria.