

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 1347 by Representative Austin Badon

STUDENT/LOANS-SCHOLARSHIP: Establishes the Student Scholarships for Educational Excellence Program to provide funds for eligible students to attend participating public and nonpublic schools

Synopsis of Senate Amendments

1. In definition of "covered district", adds that it includes the RSD to the extent that RSD schools are located within the geographic boundaries of a covered district.
2. In definition of "eligible student": (a) deletes requirement that a student be eligible for free and reduced cost lunch; and (b) changes criteria that required previous enrollment in a failing school to require instead previous enrollment in an academically unacceptable school or a school that has a school performance score or an assessment index of 60 or less.
3. Adds definition of "scholarship recipient."
4. Deletes requirement that the Dept. of Education award scholarships to parents or guardians of eligible students. Requires instead that the department accept applications and award scholarships up to the number of available seats at all participating schools.
5. Adds requirement that the department determine the number of available seats, by grade, in each participating school.
6. Adds requirement that the department use a random selection process if more eligible students apply than there are available scholarships.
7. Adds requirement that the department notify parents or guardians whether an eligible student has been awarded a scholarship and advise them of the process to be followed for the student to enroll in a participating school.
8. Deletes requirement that the department determine the actual cost incurred by a participating school to provide educational services to a student.
9. Adds requirement that the department establish a timeline for a random selection process at participating schools if more scholarship recipients apply than the school has available seats and notify parents or guardians of the procedures to be followed should such a random selection process be required.
10. Adds requirement that the department place a participating school on probation if it fails to comply with proposed law financial audit requirements; specifies circumstances under which such schools may be determined ineligible for program participation; and requires the department to assist scholarship recipients in transferring from ineligible schools.
11. Changes the date by which the department must verify a student's continuing eligibility and notify the parent or guardian of such status from June 30<sup>th</sup> to April 30<sup>th</sup> or a date the department determines would allow an ineligible student sufficient time to apply/enroll in another school.

**Synopsis of Senate Amendments (continued)**

12. Revises how scholarship amount is calculated.
13. Adds that the total amount of state funds expended to implement the scholarship program for FY 2008-2009 shall not exceed \$10 million.
14. Relative to notification that participating schools are required to provide to the department, adds that such notice shall include the number of seats available for scholarship recipients at each grade level and the maximum amount of tuition attributable to each available seat.
15. Deletes requirement that participating nonpublic schools shall have been in existence for at least three years prior to program implementation, but adds a limit on the enrollment of scholarship recipients in a participating school that has been in operation for less than two years; that limit is 20% of such school's total student enrollment.
16. Relative to financial audit requirements, adds that the accompanying statement include that the report fairly presents the participating school's maximum tuition or actual cost of educating a student pursuant to proposed law, rather than including such actual cost only.
17. Adds that the cost of the financial audits shall be paid by the department from funds appropriated for the program.
18. Adds that if funding is discontinued, a scholarship recipient shall be allowed to remain enrolled in the school if he meets requirements for continued enrollment and his parent or guardian assumes responsibility for paying the student's tuition and fees.
19. Relative to testing requirements for participating nonpublic schools, includes the integrated La. Educational Assessment Program (iLEAP) tests in such requirements.
20. Adds requirement that the department include aggregate tests result data for scholarship recipients in the annual report submitted to the legislature.

**Digest of Bill as Finally Passed by Senate**

Proposed law creates the Student Scholarships for Educational Excellence Program for a student who resides within the geographic boundaries of a covered district, is a member of a family with a total income that does not exceed 250% of the current federal poverty guidelines, and who meets any one of the following criteria:

- (1) Is entering kindergarten.
- (2) Was enrolled in a public school located within a covered district during the previous school year in a program eligible grade and such school has been identified as academically unacceptable or has a school performance score or an assessment index of 60 or less as defined by the State Board of Elementary and Secondary Education (BESE) pursuant to school and district accountability system policies.
- (3) Received a scholarship pursuant to proposed law in the previous school year and remains otherwise eligible.

Provides that for the 2008-2009 school year, students shall be eligible to receive their initial scholarships when entering kindergarten or when entering the first, second, or third grade if they attended public school in a covered district during the previous school year. Provides that students in grades four through 12 are eligible for scholarships as additional grade levels are added to the program.

Provides that scholarship recipients shall remain eligible to receive scholarships in each succeeding year that they remain enrolled in a participating school through grade 12. Provides that as the 2008-2009 cohort of scholarship recipients advances in grade level, one additional grade level of eligibility shall be added to the program, beginning in 2009-2010. Further provides that student eligibility continues if a student transfers from one participating school to another participating school.

Provides for legislative findings and provides for definitions, including the following:

- (1) "Covered district" means a local public school system which meets all of the following criteria:
  - (a) Has been found to be academically in crisis pursuant to present law, R.S. 17:10.6.
  - (b) Has had schools transferred to the jurisdiction of the Recovery School District (RSD) pursuant to present law, R.S. 17:10.7.
  - (c) Is located in a parish with a population of at least 475,000 persons according to the latest federal decennial census and includes the RSD to the extent that RSD schools are located within the geographic boundaries of a covered district.
- (2) "Participating school" means a nonpublic school that meets program requirements and seeks to enroll scholarship recipients pursuant to proposed law or a public school located within the geographic boundaries of a covered district that meets program requirements and seeks to enroll scholarship recipients pursuant to proposed law.
- (3) "Scholarship" means the funds awarded to a parent or other legal guardian on behalf of an eligible student to attend a participating school pursuant to proposed law.
- (4) "Scholarship recipient" means an eligible student who is awarded a scholarship pursuant to proposed law.

Provides that to be eligible to participate in the program, a nonpublic school shall meet all of the following criteria:

- (1) Be approved, provisionally approved, or probationally approved by the State Board of Elementary and Secondary Education pursuant to present law, R. S. 17:11.
- (2) Comply with the criteria set forth in *Brumfield, et al. v. Dodd, et al.* 425 F. Supp. 528.
- (3) Enrollment of scholarship recipients in a participating school that has been in operation for less than two years shall not exceed 20% of such school's total student enrollment.

The Dept. of Education shall assist any scholarship recipient attending a school that is no longer eligible to participate in the program to transfer to another participating school provided such school has sufficient capacity at the appropriate grade level.

Provides that to be eligible to participate in the program, a public school shall be determined

to be academically acceptable pursuant to the La. School and District Accountability Program.

Provides that scholarship recipients enrolled in a participating school that fails to meet proposed law eligibility criteria may transfer to another participating school for the succeeding school year without loss of eligibility and shall be given preference for enrollment at other participating schools.

Requires each participating school to:

- (1) Within 60 days after the scholarship program admissions period, notify the applicant in writing whether the applicant has been accepted.
- (2) Use an open admissions process in enrolling scholarship recipients and shall not require additional criteria other than those specified in proposed law. In the event that there are more scholarship recipients applying for enrollment in a participating school than there are available seats, select scholarship recipients for admission utilizing a random selection process that provides each scholarship recipient with equal opportunity for selection. Authorizes a participating school to give preference to siblings of a student already enrolled in the participating school and provides that for purposes of the random selection process, twins, triplets, quadruplets, and other such multiple births shall constitute one individual. Requires participating schools to notify the department of any scholarship recipients not selected by random selection so that the Dept. of Education may notify those students of other participating schools with an available seat. Provides that in the event that the student not selected does not wish to enroll in another participating school, the school shall add the student to a waiting list so that he may be enrolled when a seat becomes available. Provides that students may remain on more than one participating school's waiting list; however, upon enrolling in a participating school, their names shall be removed from waiting lists maintained by other participating schools.
- (3) Notify the Dept. of Education of scholarship recipients enrolled.
- (4) Submit to the Dept. of Education an independent financial audit of the school conducted by a certified public accountant who has been approved by the legislative auditor. Requires that such audit be accompanied by the auditor's statement that the report is free of material misstatements and fairly presents the participating school's maximum tuition or actual cost of educating a student pursuant to proposed law. Limits such audit to those records necessary for the department to make scholarship payments to the participating school. Requires that the audit be submitted to the legislative auditor for review and investigation of any irregularities or audit findings and requires the participating school to return to the state any funds that the legislative auditor determines were expended in a manner inconsistent with state law or program regulations. Provides that the cost of such audit shall be paid by the department from funds appropriated by the legislature to implement the program.
- (5) Accept the scholarship amounts provided to scholarship recipients as full payment of all educational costs, including incidental or supplementary fees, that are charged to all enrolled students, including but not limited to meals, field trips, and before- or after-school care.
- (6) Upon enrolling scholarship recipients pursuant to proposed law, allow such students to remain enrolled in the school if the school voluntarily withdraws from the program provided that continued funding is appropriated by the legislature. Permits students to be expelled from the school according to the school's discipline policy or disqualified from enrollment in subsequent years if the student is no longer eligible for the program as determined by the Dept. of Education. Provides that if funding is not available to continue the program, requires the participating school to allow a

scholarship recipient to remain enrolled at the school, if the student meets the school's requirements for continued enrollment and the student's parent or legal guardian assumes responsibility for paying the tuition and fees charged by the school.

- (7) Prior to enrollment, inform the parent or other legal guardian of a scholarship recipient of any and all rules, policies, and procedures of such school, including but not limited to academic policies, disciplinary rules, and procedures of the school. Provides that enrollment of a scholarship recipient in a participating school constitutes acceptance of any such rules, policies, and procedures of such school.

Requires any school that wishes to participate in the program and enroll scholarship recipients annually to notify the Dept. of Education of its intent to participate in the program by Feb. 1 of the previous school year; except that for the 2008-2009 school year, a school that seeks to participate in the program shall notify the department not later than July 30, 2008. Requires that the notice specify the number of seats available for scholarship recipients at each grade level and the maximum amount of tuition attributable to each available seat.

Requires a participating nonpublic school to ensure that scholarship recipients are administered all examinations required pursuant to the La. School and District Accountability System at the prescribed grade levels including the Louisiana Educational Assessment Program, integrated Louisiana Educational Assessment Program, and graduation exit examinations.

Provides that participation in the program by a school is voluntary and provides that proposed law shall not authorize any additional regulation of participating schools beyond that specifically authorized by proposed law.

Provides that a covered district that is eligible for inclusion in the program on the effective date of proposed law shall be considered a covered district for the duration of the program.

Provides for program administration by the state Dept. of Education and requires the department, in administering the program to:

- (1) Determine student eligibility for scholarships.
- (2) Receive the notice of intent from schools seeking to participate in the program, qualify such schools for participation, and determine the number of available seats, by grade, at participating schools.
- (3)(a) Accept applications from parents and guardians of eligible students and award scholarships up to the number of available seats in each grade at all participating schools.
- (b) If there are more eligible students who submit applications than available seats, the department shall use a random selection process to award scholarships that provides each eligible student an equal opportunity for selection.
- (4) Notify parents and guardians of eligible students whether they have been awarded a scholarship and of the process for enrolling in a participating school.
- (5) Remit scholarship payments to participating schools on behalf of a scholarship recipient.
- (6) Receive independent financial audits from participating nonpublic schools as required by proposed law.
- (7) If there are more scholarship recipients applying for enrollment in a participating

- school than there are available seats, ensure that the school selects scholarship recipients for admission utilizing a random selection process that provides each scholarship recipient with an equal opportunity for selection. Requires the department to establish a timeline that coordinates a random selection process at all participating schools and to ensure that each participating school adopts procedures for conducting such selection process and notifies parents and guardians of the procedures to be followed if a random selection process is required.
- (8) Annually verify the eligibility status of each student and notify his parent or other legal guardian of his status by April 30<sup>th</sup> or a date determined by the department that would provide a student no longer eligible for a scholarship sufficient time to apply to another school.
  - (9) Provide each scholarship recipient and his parent or guardian with a list of schools participating in the program each year.
  - (10) Place any school that fails to comply with the audit provisions pursuant to proposed law on probation for one year during which time such school shall not be permitted to enroll additional scholarship recipients. Provides that if such school has not fully complied by the end of the probationary period, the school shall be ineligible to participate in the program until the school is in full compliance. Requires the department to assist scholarship recipients attending an ineligible school to transfer to another participating school if such school has capacity at the appropriate grade level.

Provides that the amount of the scholarship provided to a scholarship recipient shall be an amount equivalent to 90% of the per pupil amount the covered district receives from combined state and local sources or the maximum amount of tuition plus incidental or supplementary fees that are charged to non-scholarship students and any costs incurred in administering the tests required pursuant to proposed law, whichever is less. Provides that the amount of the scholarship for a student enrolling in a participating school that does not charge tuition shall be an amount equivalent to 90% of the per pupil amount the covered district receives from combined state and local sources or the participating school's actual cost of educating a student plus any costs incurred in administering the tests required pursuant to proposed law, whichever is less.

Provides that for a scholarship recipient who is entitled to receive special education services, there shall be added to the amount of the scholarship an amount equivalent to special education funding provided to a covered district for such a student from federal sources. Provides that a participating public school receiving a scholarship payment for a scholarship recipient pursuant to proposed law shall not receive any funds through the Minimum Foundation Program for such student.

Provides that the Dept. of Education shall remit scholarship payments directly to each participating school on behalf of the parent or guardian of a scholarship recipient and requires the parent or guardian to assign the full value of the scholarship to the participating school.

Provides that the amount to be paid for a scholarship shall be divided into four equal payments to be made to each participating school. Provides that payments shall be based on per pupil count dates as determined by the Dept. of Education. Prohibits refunds to the department or to the parent or guardian if the eligible student withdraws from the program or is otherwise not enrolled prior to the next count date.

Provides that funding for scholarships awarded to eligible students pursuant to proposed law shall be provided by an appropriation from the legislature from the state general fund and provides that the total amount of state funds expended to implement the scholarship program for FY 2008-2009 shall not exceed \$10 million.

Further requires the department to report annually to the Senate and House education committees and the Joint Legislative Committee on the Budget regarding the implementation of the program, including the number of eligible students receiving scholarships, a list of participating schools and the number of scholarship recipients each such school has enrolled, and aggregate test result data for the scholarship recipients enrolled in each participating school.

Requires BESE to adopt and promulgate rules and regulations in accordance with the Administrative Procedure Act to implement proposed law.

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

(Adds R.S. 17:4011-4025)