

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 836** HLS 14RS 1247
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 8, 2014	4:01 PM	Author: HARRISON
Dept./Agy.: Education		
Subject: Student Scholarships for Educational Excellence Program		Analyst: Jodi Mauroner

SCHOOLS/CHOICE OR SEE FISC NOTE GF EX Page 1 of 1

Requires the state Dept. of Education to develop an accountability system for nonpublic schools participating in the voucher program and requires compliance with the system by such schools

The proposed legislation requires the Department of Education (DOE) to develop and implement an accountability system for non-public schools that participate in the Student Scholarship for Educational Excellence Program (SSEEP). Further requires the accountability system to include the same components, requirements and criteria used for the public school and district accountability system, including high stakes testing, letter grades and publishing accountability reports. Participating schools must be deemed effective pursuant to these criteria in order to participate in the program.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

If fewer students were eligible to participate in the Student Scholarships for Educational Excellence Program as a result of participating schools failing to meet accountability standards, then local public school district expenditures could increase to educate any additional students entering the public school system who may have otherwise been educated through SSEEP.

Pursuant to BESE Bulletin 133, accountability criteria for SSEEP participating schools shall vary depending upon the number of scholarship students enrolled in the school. Only schools with more than 10 students per grade or more than 40 students enrolled in tested grades (3-12) receive a Scholarship Cohort Index which is calculated "substantially similar" to the school performance scores. A December 2013 performance audit by the Legislative Auditor determined that the proficiency rating of the program was 41% during the 2012-2013 academic year. However, because of the grade level configurations, only 95 of the 118 schools had test data available and an additional 37 did not have the proficiency rating published because there were fewer than 10 students.

The FY 14 Minimum Foundation Program (MFP) formula calculates the average local cost per student to be \$3,544, however, a local school district may spend more or less than that amount from local resources on any individual student. Local school systems would receive the total state per pupil funding from the MFP for each additional student that enters the public school system to help cover the costs of educating each student. The state per pupil average for FY 14 is \$5,060.

State Minimum Foundation Program (MFP) fund expenditures could increase to provide full funding for a student enrolled in the public school rather than participating in the voucher program. Typically, the state provides a lesser amount per pupil for a student participating in the voucher program than it would for that student to attend a public school in the same district. For FY 14, however, the \$5,300 average amount the state pays to participating non public schools is higher than the state per pupil average of \$5,060 and is projected to increase in FY 15. Therefore, there could be an decrease in state general fund expenditures if the student moved from the SSEEP into the public school. The actual difference would depend upon the tuition of the voucher school the student may attend and the actual per pupil amount that would have been provided through the MFP.

If the average tuition cost for a student in the voucher program is \$5,300 and the projected state and local expenditures for a student in the public school is \$8,605, the difference in total expenditures per student is \$3,305. For illustrative purposes, if 30 students were denied participation as a result of this legislation, total state and local expenditures may increase over \$100,000 in the first year.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	<u>Dual Referral Rules</u>	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 Evan Brasseaux Staff Director
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}			<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {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}	