
 DIGEST

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Buffington

SB No. 656

Present law provides for a voucher program known as the Student Scholarships for Educational Excellence Program and administered by the state Dept. of Education (DOE). Provides for scholarships to be awarded to eligible students to attend public and nonpublic schools that volunteer to participate in the program and meet certain eligibility requirements.

Relative to program funding:

- (1) Proposed law authorizes any public or private entity, including a nonprofit organization, to make a directed donation to a participating school for a voucher recipient, as follows:
 - (a) Authorizes private businesses, industry, foundations, charities, and other groups to make a request to the division of administration that they may create privately funded scholarship programs to make payments to participating schools on behalf of individual students.
 - (b) Provides that if the division approves such a program, funds a school receives from the program shall cause an equivalent reduction in the voucher amount allocated to the school that is attributable to a given student.
 - (c) Prohibits the interpretation of proposed law in a manner that would cause a voucher student to receive less benefits than he would have received.
 - (d) Requires, if a school receives private funds, a reduction in the annual appropriation of state funds for the voucher program by such funding amount.
 - (e) Requires the state treasurer to (a) deposit the reduction amount as specified by the commissioner of administration into the present law Overcollections Fund and (b) credit the deposit to an account within the fund created by proposed law and known as the "Program Participation Savings Account".
- (2) Present law requires the State Bd. of Elementary and Secondary Education (BESE) to allocate annually from the minimum foundation program (MFP) an amount per pupil to each school participating in the voucher program equal to the per pupil amount allocated to the local school system where the participating student resides.

Present case law holds that the diversion of MFP funds to nonpublic schools is unconstitutional, *Louisiana Federation of Teachers, et al v State of Louisiana, et al*, 118 So.3d 1033, 2013-0120 (La. 5/7/13).

Proposed law, instead of requiring BESE to annually allocate such amount from the MFP, requires BESE to do so from funds appropriated or otherwise available for the program.

- (3) Relative to participating schools that charge tuition, if the maximum tuition plus fees charged to non-scholarship students plus costs incurred for administering school and district accountability system tests required by the voucher program is less than the amount allocated per pupil to the local school system where the student resides:
 - (a) Present law requires that any remaining funds be returned to the state or the local system according to the pro rata share for the annual per pupil amount as determined by the MFP.

- (b) Proposed law provides instead that the amount allocated per pupil to such school shall equal the sum of such maximum tuition amount, such incidental or supplementary fees charged to non-scholarship students, and such testing costs.
- (4) Present law provides that parents of special education students receiving vouchers may make a parental placement to receive special education services from certain nonpublic schools. Allows such nonpublic schools to charge higher tuition for these students. Proposed law retains present law.

Present law requires BESE to allocate annually from the MFP a per pupil amount equal to a special education tuition amount which is in addition to the nonpublic school's maximum voucher payment.

Proposed law instead requires BESE to do so from funds appropriated or otherwise available to the program.

- (5) Present law requires DOE to transfer voucher payments to each participating school on behalf of the responsible school district and prohibits any locally levied school district tax revenues from being transferred to any participating school located outside of the district where the tax is levied or any participating nonpublic school within the district. Proposed law removes present law.

Effective July 1, 2014.

(Amends R.S. 17:4016(A) and (B)(2) and 4017; adds R.S. 17:4019)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Removes language regarding funding for the Student Scholarship for Educational Excellence Program from the minimum foundation program.
2. Removes language regarding the Department of Education transferring scholarship payments to each participating school on behalf of the responsible city or parish school district.
3. Adds a new section to the Student Scholarship for Educational Excellence Program that private businesses, industry, foundations, charities, and other groups may request the division of administration to create privately funded scholarship programs to make payments to eligible colleges and universities to participating schools on behalf of eligible students.
4. Provides that the new private scholarship program shall in no way be interpreted in such a manner that a student would receive less benefits from the private scholarship than he would have from the Student Scholarship for Educational Excellence Program had there been no private scholarship program.
5. Provides relative to the Student Scholarship for Educational Excellence Program, when an eligible college or university receives private scholarship funds on behalf of a student, the annual appropriation of state funds shall be reduced by the amount of the private scholarship funds so received. The state treasurer shall deposit the amount of the reduction as specified by the commissioner of administration into the Overcollections Fund and credit the deposit to an account in the fund known as the "Program Participation Savings Account".

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the reengrossed bill.

1. Relative to the present law requirement that BESE allocate to schools participating in the voucher program an amount equal to the per pupil amount allocated to the system in which a student resides, removes proposed law reference to such per pupil amount being provided in the MFP formula.
2. Relative to the present law prohibition against the total of the payment to nonpublic schools and special education tuition for a student exceeding the amount allocated for him if attending a public school, removes the proposed law reference to this amount being allocated pursuant to the MFP formula.