

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 230** HLS 13RS 750
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 23, 2013 2:46 PM **Author:** POPE
Dept./Agy.: Education **Analyst:** Mary Kathryn Drago
Subject: Student Scholarships for Educational Excellence Program

SCHOOLS/CHOICE OR SEE FISC NOTE EX Page 1 of 1
 Provides relative to the definition of "eligible student" for participation in the Student Scholarships for Educational Excellence (voucher) Program

Present law creates the Student Scholarships for Educational Excellence Program which provides funds for eligible students to attend nonpublic schools. An eligible student is a Louisiana student who is a member of a family with a total income that does not exceed 250% of the federal poverty guidelines and who meets any of the following criteria: 1) is entering kindergarten and has enrolled in the local school system in which the public school he would have otherwise attended is located or has enrolled in a school under the jurisdiction of the Recovery School District, 2) was enrolled in a public school in Louisiana the previous year and such school received a letter grade of "C", "D", or "F" or any variation thereof, for the most recent year pursuant to the school and district accountability system, or 3) received a scholarship the previous year.

Proposed law retains present law except specifies that for a student entering kindergarten, the public school he would have attended or the RSD school he enrolled in shall have received a letter grade of "C", "D" or "F" for the most recent year.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	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	SEE BELOW					
Annual Total						

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	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 (voucher program) as a result of redefining the eligible kindergarten student for participation purposes, 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 the voucher program. The FY 13 Minimum Foundation Program formula calculates the average local cost per student to be \$3,506, 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 Minimum Foundation Program formula 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 13 is \$5,031.

State Minimum Foundation Program (MFP) fund expenditures could increase to provide full funding for a student entering a local school district rather than the voucher program. The amount the state would provide to a public school system on behalf of any additional kindergarten students could be more than what they would have provided for that student to attend a nonpublic school. The difference would depend upon the tuition of the school the student may have otherwise attended. Currently, the state typically provides a lesser amount per pupil through the MFP for a student participating in the voucher program than they would for that student to attend a public school in the same school district.

For the current school year, there are 1,133 kindergarten students participating in the voucher program, which accounts for approximately 24% of the total students participating. The Department of Education does not have data at this time to determine if any of those students would have attended an "A" or "B" school. Therefore, it is not possible to determine if any current students would have been affected by the proposed legislation to then project a similar number that may be affected in the future. However, if the average tuition cost for a student in the voucher program is \$5,100 and the projected state and local expenditures for a student in the public school is \$8,500, the difference in total expenditures per student is \$3,400. 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. The costs would be compounded each year as additional kindergarten students enter the school system as a result of the proposed legislation.

REVENUE EXPLANATION

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

Senate Dual Referral Rules House
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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