

Regular Session, 2014

SENATE BILL NO. 656

BY SENATOR BUFFINGTON

FUNDS/FUNDING. To authorize public or private entities to make certain donations to various participating schools for recipients of student scholarship programs. (7/1/14)

1 AN ACT

2 To amend and reenact R.S. 17:4016(A) and (B)(2), and 4017, and to enact R.S. 17:4019,
3 relative to scholarships for certain students; to authorize public or private entities to
4 make certain donations to various participating schools for recipients of scholarships;
5 to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:4016(A) and (B)(2), and 4017 are hereby amended and reenacted
8 and R.S. 17:4019 is hereby enacted to read as follows:

9 §4016. Scholarship amounts; funding

10 A. The state board shall allocate annually from ~~the minimum foundation~~
11 ~~program~~ **funds appropriated or otherwise available for the program** an amount
12 per pupil to each participating school equal to the amount allocated per pupil **as**
13 **provided in the minimum foundation program formula** to the local school system
14 in which the scholarship recipient resides, considering all student characteristics.
15 ~~This amount shall be counted toward the equitable allocation of funds appropriated~~
16 ~~to parish and city school systems as provided in Article VIII, Section 13(B) of the~~
17 ~~Constitution of Louisiana.~~ For a participating school that charges tuition, if the

1 maximum amount of tuition plus incidental or supplementary fees that are charged
 2 to non-scholarship students enrolled in such school and any costs incurred in
 3 administering the tests required pursuant to R.S. 17:4023 is less than the amount
 4 allocated per pupil to the local school system in which the student resides, ~~any~~
 5 ~~remaining funds shall be returned to the state or to the local school system in which~~
 6 ~~the scholarship recipient attended or otherwise would be attending public school for~~
 7 ~~that year according to the pro rata share for the per pupil amount each year as~~
 8 ~~determined by the minimum foundation program for the local school system in~~
 9 ~~which the scholarship recipient attended or otherwise would be attending public~~
 10 ~~school for that year~~ **then the amount allocated per pupil to the school shall be**
 11 **equal to the sum of such maximum tuition amount, such incidental or**
 12 **supplementary fees charged to non-scholarship students, and such testing costs.**

13 B.

14 * * *

15 (2) The parent or legal guardian may make a parental placement to receive
 16 special education and related services from a participating nonpublic school that has
 17 demonstrated the capacity to offer such services. In such case, the nonpublic school
 18 may charge a higher tuition for students receiving such services, **and** the state board
 19 shall allocate annually from the ~~minimum foundation program~~ **funds appropriated**
 20 **or otherwise available to the program** an amount per pupil to each participating
 21 nonpublic school equal to a special education tuition amount based on the cost of
 22 providing special education services identified for that student to the participating
 23 nonpublic school. This amount shall be in addition to the participating nonpublic
 24 school's maximum scholarship payment as described in Subsection A of this Section
 25 but the total of the payment and the special education tuition shall not exceed the
 26 amount **that would be** allocated **pursuant to the minimum foundation program**
 27 **formula** for that student to the local school system if the student otherwise would
 28 be attending public school.

29 * * *

1 §4017. Payment of scholarships

2 A. ~~The department shall transfer scholarship payments to each participating~~
3 ~~school on behalf of the responsible city or parish school district. No locally levied~~
4 ~~school district tax revenues shall be transferred to any participating school located~~
5 ~~outside of the school district where the tax is levied or any participating nonpublic~~
6 ~~school within the district.~~

7 B. The amount to be paid for a scholarship shall be divided into four equal
8 payments to be made to each participating school in September, December,
9 February, and May of each school year. Payments shall be based on per pupil count
10 dates as determined by the department. No refunds shall be made to the department
11 or to the parent or legal guardian if the scholarship recipient withdraws from the
12 program or is otherwise not enrolled prior to the next count date. The school in
13 which the scholarship recipient is enrolled on the next count date shall receive the
14 next payment.

15 **B. Notwithstanding any other provision of this Chapter to the contrary,**
16 **any public or private entity, including any nonprofit organization, may make**
17 **a directed donation to any participating school for a student who is a recipient**
18 **of a Student Scholarship for Educational Excellence Program.**

19 **§4019. Private scholarships**

20 **A. Recognizing the success of the program and in order to maintain the**
21 **long term financial stability of the program, private businesses, industry,**
22 **foundations, charities, and other groups may request from the division of**
23 **administration that, notwithstanding any provision of law to the contrary, they**
24 **may create privately funded scholarship programs to make payments to**
25 **participating schools on behalf of individual students. If the division of**
26 **administration were to approve such a private scholarship program then any**
27 **private scholarship funds received by a participating school from such private**
28 **scholarship program on behalf of a student shall cause a reduction in the dollar**
29 **amount of the Student Scholarships for Educational Excellence scholarship to**

1 the participating school attributable to that student such that the Student
2 Scholarships for Educational Excellence scholarship associated with that
3 student shall be an amount that is equal to the dollar amount that the Student
4 Scholarships for Educational Excellence scholarship would have been if no such
5 private scholarship funds had been received less the amount of private
6 scholarship funds received by the participating school on behalf of that student.

7 B. This Section shall in no way be interpreted in such a manner that a
8 student could receive less benefits from a combination of the Student
9 Scholarships for Educational Excellence scholarship and the private scholarship
10 funded on his behalf than he would have received solely from the Student
11 Scholarships for Educational Excellence scholarship if there had been no such
12 private scholarship funded on his behalf. Therefore, to the extent any such
13 privately funded scholarship funds provided for in this Section made to a
14 participating school on behalf of a qualified student are for an amount less than
15 the amount a given student would have otherwise received as a Student
16 Scholarships for Educational Excellence scholarship if no such private
17 scholarship funds had been paid under this Section, then the participating
18 school shall receive that difference on behalf of the student as the student's
19 Student Scholarships for Educational Excellence scholarship.

20 C. As provided in this Section, when a participating school receives
21 privately funded scholarship funds on behalf of a student pursuant to this
22 Section, the annual appropriation of state funds for the Student Scholarships
23 for Educational Excellence program shall be reduced by the amount of such
24 private scholarship program funds so received. The state treasurer shall
25 deposit the amount of such reduction as specified by the commissioner of
26 administration into the Overcollections Fund created in R.S. 39:100.21 and
27 credit such deposit to an account within the fund hereby established and created
28 to be known as the "Program Participation Savings Account".

29 Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor

1 and subsequently approved by the legislature, this Act shall become effective on July 1,
 2 2014, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Jay Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Martha Hess.

DIGEST

Buffington (SB 656)

Present law provides for the establishment of the Student Scholarship for Educational Excellence Program to meet the needs of certain students.

Proposed law retains present law relative to Student Scholarships for Educational Excellence Program and also provides that any public or private entity, including any nonprofit organization, may make a directed donation to any participating school for a student who is a recipient of a Student Scholarship for Educational Excellence Program.

Proposed law 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.

Proposed law 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.

Proposed law 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".

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".