



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 16, 2013

LOUISIANA DEPARTMENT OF EDUCATION STUDENT SCHOLARSHIPS FOR EDUCATIONAL EXCELLENCE PROGRAM

The state Department of Education does not have adequate criteria in place to determine if the growing number of nonpublic schools that admit state “Scholarship Program” students are “academically acceptable” and have the capacity to serve the ones they request, according to an audit released Monday by Legislative Auditor Daryl Purpera.

The performance audit examined the department’s ability to keep pace with the growth in the Student Scholarship for Educational Excellence Program, sometimes referred to as the voucher program. The audit examined the impact the program’s growth has had during the last three years on student and school participation; evaluated the education department’s implementation of the expansion; and reviewed the program’s accountability, funding and costs.

The audit said while the number of students in the program has grown from 1,832 students in 33 participating schools in Orleans and Jefferson school districts in the 2011-12 school year to 6,769 students in 126 schools in 31 districts around the state this fall, the cost of the Scholarship Program has increased from \$8.9 million in 2011-12 to a projected \$44.6 million this school year.

The state auditor’s report said that the education department should also develop “internal procedures with more specific criteria for removing a participating school from the program based on academic performance.” The department has a policy that says schools demonstrating “gross or persistent lack of basic academic competence” can be barred from the Scholarship Program or prohibited from accepting more students; however, the policy does not define that term.

Although state law requires public schools participating in the program to have a letter grade of “A” or “B” based on school performance scores, the audit said, there are “no legal requirements in place to ensure nonpublic schools that participate in the program are academically acceptable.” State law requires that the private schools be approved by the Board of Elementary and Secondary Education and comply with federal court desegregation rulings.



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The audit said that the Legislature may want to look at “revising state law to include the requirement that nonpublic schools seeking to participate in the Scholarship Program are academically acceptable.”

The education department also lacks formal criteria for reviewing the academic and physical capacity of the Scholarship schools, the audit said. Without specific guidelines for evaluating a school’s capacity, the education department “cannot determine whether participating schools can effectively serve the number of Scholarship students they request,” according to the audit. “Such criteria will become even more important in the future should the program continue to expand.”

During the 2012-13 school year, the audit said, there were 18 schools where Scholarship students exceeded half of the institutions’ enrollment. The highest scholarship enrollment percentage was at Good Shepherd Nativity Mission School in New Orleans where almost 87 percent of the student body was on scholarships.

The overall proficiency rating for 95 of the 118 schools in the Scholarship Program in the 2012-13 school year was 41 percent, based on the percent of students who scored basic and above on LEAP and iLEAP tests in third through eighth grades, and “good” or “excellent” on end-of-course tests in ninth through 12th grades.

Twenty-three of the 118 schools did not have test data available, auditors said, because their students were in kindergarten through second grade, and state standardized testing does not start until the third grade.

For the 33 schools that have been in the program for at least two years, mainly those in Orleans and Jefferson parishes, the overall proficiency rating was slightly higher, 41.8 percent.

The audit said that education department officials decided that any school in the program for at least two years with a proficiency rating less than 25 percent in the latest year would not be able to accept new Scholarship students or would be restricted in the number of new Scholarship students who could be admitted. Five of the 33 schools were not allowed to accept new Scholarship students for the present school year “because their proficiency ratings were below 25 percent.”

Two others were restricted in the numbers of students admitted this year. The seven schools had a total enrollment of 354 students in the 2012-13 school year, according to the audit.

The worst proficiency rating for these seven schools was 12 percent at Conquering Word Christian Academy Eastbank, the audit said.



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The most money paid out for scholarships was more than \$1.7 million for 318 students at St. Mary's Academy in New Orleans, followed by Resurrection of Our Lord School in New Orleans which received almost \$1.5 million for 336 Scholarship students.

The audit also said:

- Independent auditors who reviewed the finances of the 118 participating schools reported that for 48 of them, or about 41 percent, LDOE either overpaid or underpaid these schools in the 2012-13 school year. The audit said that 35 of the 118 overcharged tuition from \$5 to \$5,566 per student.
- Five of the 118 were "paid tuition for ineligible Scholarship students whose family's income exceeded the limits" allowed for participation in the Scholarship Program or "were paid tuition for students not attending the school." Ten other schools either could not provide residency data or had incorrect residency-enrollment data for Scholarship students, resulting in "seven schools potentially being overpaid and three schools being underpaid tuition."
- The independent auditors were unable to perform all procedures related to use of the scholarship funds for 97 percent of the 118 schools "because these schools did not separately account for the scholarship funds."

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On Twitter: DOE unsure if schools are "academically acceptable" or have capacity to serve "Scholarship Program" students.