*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Julie Floyd. I’m a senior auditor with LLA Performance Audit Services. This episode of LLA Reports focuses on our recently released audit titled “Progress Report: Student Scholarships for Educational Excellence Program – Louisiana Department of Education.”

In Performance Audit Services, we evaluate how state agencies implement state programs to determine if they are operating in compliance with laws and rules and if they are achieving their goals. Periodically, we go back to an agency to see if it has fixed issues that we found in a previous audit. We call these follow-up audits Progress Reports.

The purpose of this progress report was to evaluate whether the Louisiana Department of Education – or LDOE – addressed issues that we identified in a report released in December 2013. In the 2013 report, we looked at LDOE’s oversight of schools participating in the Student Scholarships for Educational Excellence Program – commonly known as the scholarship program.

The scholarship program was established in 2008 as a pilot program in Orleans Parish. In 2012, the legislature voted to expand the program to the entire state. Enrollment in the program averages about 6,600 students per year at 125 schools and costs approximately $40.9 million per year.

LDOE is responsible for making sure participating schools comply with the program’s academic and financial requirements.

To make sure that participating schools promote student achievement, LDOE annually calculates an academic performance score for each school that has 10 or more scholarship students in testing grades. This score is used to determine if a school can accept new scholarship students.

In our latest report, we found LDOE made sure all participating schools that failed to meet minimum academic performance requirements did not enroll new scholarship students.

On average, about half of the schools that receive an academic performance score do not meet academic standards. Specifically, in the 2016 academic year, 45.6% of those schools failed to meet academic standards and in the 2017 academic year, 50.0% failed to meet academic standards. In both years, LDOE imposed enrollment restrictions in accordance with program requirements.

In academic year 2019, the number of schools that failed to meet the minimum scores necessary to enroll new scholarship students rose to 55.7%.

LDOE officials said that they do not calculate academic performance scores for schools with fewer than 10 participating students because of concerns that reporting the data may inadvertently reveal identifiable information about individual students. In addition, best practices state that calculating scores for small groups of students may result in statistically unreliable scores. In academic year 2019, 49 of 128 schools in the program had fewer than 10 scholarship students and did not receive an academic performance score. Collectively, these schools served 392 of the 6,691 students in the program that year.

Financial rules require that participating schools can only use scholarship funds for educational purposes and for students eligible to participate in the program. Schools that do not comply with the program’s financial requirements may incur financial sanctions, be placed on probation, or be deemed ineligible to participate.

In our 2013 audit, we found that LDOE was not always able to ensure that scholarship funds were being used as required, because many of the schools did not separately account for the scholarship funds. We recommended that LDOE mandate that participating schools separately account for their scholarship funds.

LDOE implemented this recommendation and in academic years 2016 through 2019, the Department recouped approximately $270,000 in scholarship funds from schools that did not use those funds properly. LDOE also removed two schools from the program because they did not take part in the Department’s annual scholarship audit.

In our 2013 audit, we included a matter for legislative consideration to change state law to include a requirement that non-public schools – that is, private schools – seeking to participate in the scholarship program be academically acceptable.

Considering that 99 percent of the schools participating in the program are non-public schools, we recommended in our latest report that LDOE work with the Legislature and the state Board of Elementary and Secondary Education to make sure current law and department practices are sufficient to ensure those schools are academically acceptable.

In their response to our recommendation, which is detailed in the report, LDOE officials said they believe parents will be provided with the information they need to make informed decisions about where they choose to send their children to school.

LDOE officials also said the Department is researching the development of a performance framework to be used in oversight of scholarship schools. The framework would include academic, organizational, and financial indicators and measures.

Ultimately, the goal of our audit was to see whether LDOE had addressed concerns we raised in our 2013 report so that families can have the information they need to make informed decisions about which schools they want their children to attend.

We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.

*This podcast was created as part of the report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*