



DARYL G. PURPERA,  
CPA, CFE

## Report Highlights

# Student Scholarships for Educational Excellence Program

## Department of Education

Audit Control # 40120013

Performance Audit Services • December 2013

### Why We Conducted This Audit

We conducted this audit because the Student Scholarships for Educational Excellence Program (Scholarship Program), sometimes referred to as a voucher program, was expanded statewide in 2012. Previously, only students in the Orleans Parish school district were eligible to participate. The purpose of the audit was to determine the impact that program expansion had on student and school participation; evaluate the Louisiana Department of Education's (LDOE) implementation of the expansion; and provide information on program accountability, funding, and costs.

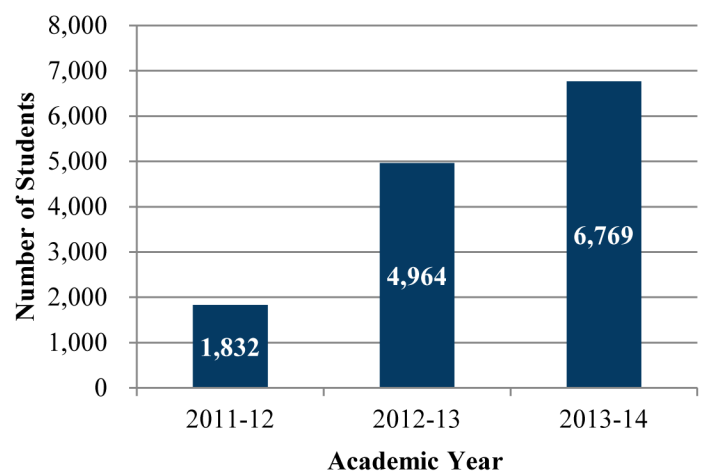
### What We Found

We found that the while the Scholarship Program is expanding, LDOE does not have adequate criteria in place to determine if participating schools are academically acceptable and have the capacity needed to serve the number of Scholarship students they request. In addition, LDOE should develop internal procedures with more specific criteria for removing a participating school from the program based on academic performance. Specifically, we found the following:

#### Program Expansion and Implementation

- Student participation increased 269% (by 4,937 students) from academic year 2011-12 to 2013-14, while school participation increased 282% (by 93 schools) during the same time frame. Funding for the program increased from \$8.9 million in fiscal year 2011-12 to a budget of \$44.6 million in fiscal year 2013-14.
- State law requires public schools that participate in the Scholarship Program to have a letter grade of "A" or "B." However, there are no legal requirements in place to ensure nonpublic schools that participate in the program are academically acceptable.
- LDOE's review process lacks formal criteria to ensure that schools have both the academic and physical capacity to serve the number of Scholarship students they requested.
- During academic year 2012-13, the number of Scholarship students in participating schools ranged from one to 336. The enrollment percentages at participating schools ranged from 0.1% to 86.8%.

Number of Students in Scholarship Program  
Academic Year 2011-12 to 2013-14



**Source:** Prepared by legislative auditor's staff using data provided by LDOE.

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## What We Found (Cont.)

### Program Accountability

- A Scholarship Cohort Index will be used to measure academic performance of participating schools. It will be calculated “substantially similar” to the school performance scores.
- Overall, the proficiency rating for schools participating in the Scholarship Program is 41%. This rating is based on the percent of students who scored basic and above on standardized tests during academic year 2012-13.
- The proficiency rating of the 33 schools that participated in the Scholarship Program for at least two years is 41.8%. LDOE restricted admission for new Scholarship students at seven (21%) of these 33 schools for academic year 2013-14 based on poor academic performance.
- LDOE has not set standards or measures in the accountability system for removing a participating school from the program for academic performance.

### Program Cost and Funding

- Independent auditors found that LDOE overpaid or underpaid 48 (41%) of the 118 participating schools in academic year 2012-13.
- Independent auditors were unable to perform all procedures related to the use of funding for 115 (97%) of the 118 schools because these schools did not separately account for the Scholarship funds.
- The source of funding for the program changed from MFP to State General Fund because of a May 2013 ruling by the Louisiana Supreme Court.