

LOUISIANA

Overall Market Rating: **Growth Possible—Some Challenges Persist**

Louisiana should be considered a market for school replication and new school development. Recent legislative changes have made the market more accessible, but schools should be prepared to work with regulators to understand requirements and deadlines in real time.

Market Overview:

Louisiana is a market that allows for both the replication of existing private schools and the launch of new schools. The political climate in Louisiana has been hospitable to school choice and education reform, which has resulted in a regulatory and oversight structure that is manageable, although not ideal.

Louisiana is more accessible to schools expanding existing programs, but new schools can finally open and participate in all programs in their first year. A recent legislative change clarifies that new schools participating in the Louisiana Scholarship Program do not need to be fully accredited to accept publicly funded students. However, until it is clear how that provision will be implemented, it is difficult to determine if it will be easily navigable for all new schools.

Student eligibility, which remains tied to public school performance, requires operators to think strategically about student recruitment and where they open schools. All programs are income-limited, and additional restrictions related to public school performance, switcher status and special needs exist in each program. Private schools that participate in publicly funded programs do not enjoy complete regulatory freedom, as they do in Florida and Arizona. There are instructional, operational, and public accountability mandates that apply.

In particular, new schools must thoroughly understand the measures and sanctions of Louisiana's statewide school accountability system. The accountability system has recently been made more forgiving, with student growth over time weighted much more heavily than in previous years. This change also has a consequence for student eligibility, however, as more public schools will likely receive acceptable performance scores as a result of the shift.

Louisiana, especially in Baton Rouge, continues to offer coordinated ecosystem supports and community and funder alignment to support the growth of private schools. There are well-developed organizations that support all forms of parent choice, and New Schools for Baton Rouge has demonstrated a willingness to include private schools in its portfolio of quality education options. While this coordination continues, there remain gaps and

challenges for new charter and private operators, including limited facilities access and philanthropic challenges.

Demographic Analysis:

ENROLLMENT FIGURES BY SECTOR

Louisiana (2019-20)	
Total Public School Enrollment (including Charter Schools)	693,150
K-12 Private School Enrollment	117,465
Charter School Enrollment	87,806

ELIGIBILITY BY PROGRAM (NUMBERS MAY BE DUPLICATIVE)

Program	% Eligible Students	Current Enrollment (2019-20)	Eligibility Requirements
Louisiana Scholarship Program	32% of students eligible statewide	6,405 participating students 131 participating schools	<ul style="list-style-type: none"> Must be at or below 250% of Federal Poverty Line (FPL) and any one of the following: <ul style="list-style-type: none"> Entering Kindergarten Attend a C, D, F or T school Attend a school in the Recovery School District
Students with Exceptionalities	6% of students eligible in the applicable parishes	463 participating students 24 participating schools	<ul style="list-style-type: none"> Students with an IEP for one of six specific exceptionalities, but not Gifted and Talented Eligible to attend public schools

			<ul style="list-style-type: none"> Reside in a parish with more than 190,000 residents
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Program	% Eligible Students	Current Enrollment (2019-20)	Eligibility Requirements
Tuition Donation Credit Scholarship	46% of families with children eligible statewide	2,215 participating students 156 participating schools	<ul style="list-style-type: none"> Income at or below 250% of FPL Entering Kindergarten Attended a public school the previous year Received a Scholarship or Choice Scholarship the previous year
Tuition Deduction	14% of students eligible statewide	71, 468 participating students	<ul style="list-style-type: none"> All K–12 Louisiana private school students are eligible—any taxpayer that has private school educational expenses may claim the deduction

Funding:

Assessment: Acceptable; may fluctuate in the short term

Assets:

- Funding in the Louisiana Scholarship Program is adequate to cover the cost of education.
- Funding levels are tied to public school funding and therefore will increase as it does.
- Payments are made directly to the schools in clear, quarterly installments.
- Special education funds follow the student in the Scholarship Program.
- There is also a general tuition tax deduction for all parents who pay private school tuition. While it does not impact schools directly, it may increase tuition-paying parent interest in new private schools.

Challenges:

- Funding has been consistent, but the local politics are changing and more attention and energy is being paid to keeping local school districts whole.

LOUISIANA SCHOLARSHIP PROGRAM

Maximum	Average (2019-20)	Program Cap	Disbursement
90% of state and local per-pupil funding SPED funds follow the student	\$6,325	\$41.9M	- State Department of Education confirms eligibility and makes payments to schools - Payments are made in four installments over the course of the academic year

Trend: Funding should be as stable as per-pupil funding in traditional schools; however, political and budget challenges in Louisiana have stagnated funding, and the program cap has not been significantly increased in years. Without an expansion of the cap, schools are likely to see inhibiting effects on enrollment and voucher amounts.

STUDENTS WITH EXCEPTIONALITIES

Maximum	Average (2020-2021)	Program Cap	Disbursement
Lesser of 50% of the per-pupil amount available to the student in their traditional district or the full amount of private school tuition	\$2,491	None	-

Trend: Appropriation and funding levels remain constant over time. Student enrollment continues to grow.

TUITION DONATION CREDIT SCHOLARSHIP

Maximum	Average (2020-2021)	Program Cap	Disbursement
\$4,436 (K-8) \$4,990 (9-12) <u>K-8 Students:</u> up to 80% of the per-pupil average from the previous year <u>9-12 Students:</u> up to 90% of the per-pupil average from the previous year	\$4,209	None	Scholarship Organizations (3) receive funds and disburse to schools on behalf of students. Quarterly payments

Trend: The recent conversion to a more traditional scholarship program and IRS guidance clarifying that donations are fully tax deductible should make this more appealing to donors, creating a larger pool of resources to meet demand.

TUITION DEDUCTION

Maximum	Average (2018-19)	Program Cap	Disbursement
\$5,000 per student	\$5,069 per tax return	None	Deduction taken on family tax returns.

Trend: Funding is consistent.

Policy & Regulatory Environment:

Assessment: Manageable for some operators

Assets:

- Board of Elementary and Secondary Education (BESE), the regulator and approver of non-public school options, is currently friendly to parental choice.
- The private school approval document is straightforward and relatively simple; for existing Louisiana schools, it must be submitted by October of the prior school year and is approved by BESE in December.
- The creation of a provisional accreditation pathway for new school entry, if implemented well, should allow new schools to efficiently enter the market and serve publicly funded students immediately.

Considerations:

- Schools must offer a 180-day instructional calendar.
- Schools must participate in the state accountability system, but recent changes to weight growth of students over time has made that significantly more navigable for new schools.
- There are minimum teacher qualification requirements that include certification, content expertise, semester hours, and/or PRAXIS scores.
- School in the Scholarship Program must account for all program funds separately in separate accounts and will be audited for compliance with program requirements. The DOE can ask the school to return funds if it determines they were spent outside program guidelines.
- Schools that receive tuition deduction scholarship funds in excess of \$50,000 are also subject to expanded financial reporting requirements and, in some cases, must offer a surety bond equal to the sum of the funds.
- In New Orleans, private schools accepting publicly funded scholarships are expected to enroll students via OneApp, a citywide unified-enrollment application

administered online that can be challenging for new schools to navigate. As most OneApp applicants apply to multiple schools, projecting first-year enrollment can be tricky.

Summary: The statutes and regulations that guide private school operation in Louisiana’s choice programs are significant and need to be carefully considered. There are significant entry requirements; schools need to submit their intent-to-participate materials a minimum of 10 months in advance of participation. Schools have to credential their teachers and pay attention to particular curricular and school operations content. The accountability system is also a consideration. Schools can be barred from accepting new scholarship students or have their scholarship funds withheld as early as their fourth year.

Human Capital:

Assessment: Acceptable

Assets:

- There is an active conversation around talent development and recruitment in New Orleans and South Louisiana.
- Teach for America has hundreds of alumni in the state. Some are actively engaged with schools of all sectors.
- Organizations like New Schools for Baton Rouge regularly engage private schools in the partnership work to expand the talent pipelines in their regions.

Considerations:

- Educators must acquire the appropriate full or provisional credential to teach in choice-participating schools.

Summary: While every state will list human capital as a significant challenge, there are many comprehensive conversations around talent cultivation in Louisiana, and unlike in most other markets, private schools are included in some of those discussions. There is a significant TFA corps and alumni presence, and at least one of the local “harbormaster” organizations includes private school development in its work. However, the credentialing requirement must be noted by operators seeking regulatory freedom in the private sector.

Local Champions & Climate:

Assessment: Declining and unpredictable

Assets:

- There is coordinated advocacy, including civic, political, and grassroots leadership.
- Multiple regional and state organizations (American Federation for Children, New Schools for Baton Rouge) are focused on shared objectives, with clear roles and responsibilities.

Considerations:

- The political climate around parental choice has shifted dramatically in recent years, with the re-election of a Democratic governor and several new members of the BESE. While BESE remains favorable to private school choice, the future is less clear than it was.

Summary: While there is still a strong constellation of advocacy, civic, and political support for private school choice options, the changing politics of Louisiana make it difficult to assess the future. There is a chance the environment could become more challenging for private school operators, but specific threats have yet to emerge.

Facilities:

Assessment: Needs improvement

Assets:

- Financial and philanthropic interest in funding school growth exists.
- Private school facility needs are understood and anticipated in some regions (i.e., Baton Rouge).

Considerations:

- There is no provision to make surplus facilities available to private schools.
- There is not adequate capital support for facilities in either the charter or private school market at this time.
- Private facilities initiatives are progressing slowly and with little demonstrable success.

Summary: There is a more deliberate conversation happening around school facilities in Louisiana than in some other markets, but there is still not a clear path forward to respond to private school facility needs. Local philanthropic initiatives are being contemplated to address these challenges, but as of now, none has provided a viable private school facilities option.