



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 253** HLS 21RS 554
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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| Date: April 20, 2021 | 11:02 AM | Author: MCKNIGHT |
| Dept./Agy.: Education | | |
| Subject: Special School District | | Analyst: Garrett Ordner |

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Provides relative to the governance and funding of the Special School District, which provides special education services through its schools and programs

Proposed legislation provides for the Special School District (SSD) to be an independent agency governed by a newly created board of directors. Creates a board of directors and provides for its membership powers, including: accepting donations and other forms of financial assistance; purchasing, leasing, or selling land, equipment, or other property; adopting rules, regulations and policies; awarding certificates and diplomas; and entering into contracts and agreements. Further requires the board to establish eligibility criteria for applicants; select textbooks and instructional materials; enter into agreements to participate in educational and academic programs or courses; and to select a superintendent. The SSD superintendent shall prepare an annual budget, pay salaries and expenses from funds appropriated or made available; exercise budgetary responsibility; develop and update a student handbook annually; and determine positions. Provides that SSD is to be funded as a public school through the Minimum Foundation Program (MFP) formula.

| EXPENDITURES | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |
| REVENUES | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law may create an expenditure impact for the Special School District (SSD) associated with performing administrative functions in lieu of the Department of Education (LDE) to the extent those functions cannot be absorbed within existing resources.

Under current law, the SSD is an educational service agency administered by the LDE and governed by the state superintendent of education. The SSD includes the LA Special Schools, comprised of the LA School for the Deaf and the LA School for the Visually Impaired (LSDVI), and Special School Programs, which provides services to students in state-operated facilities.

The LDE provides human resources and legal services for SSD, and payment for services is rendered through an interagency transfer (IAT) to the LDE (totaling approximately \$84,200 in FY 20). This fund transfer partially funds the salaries and related benefits of two positions, as well as operating expenses. Per LDE, these staff would not transfer to SSD as its own agency; the LDE would retain this staff and SSD would retain the IAT funds. In order to retain the staff, the LDE will need to identify an alternative means of finance in lieu of the IAT funds received from SSD or to reduce other expenditures.

SSD costs will depend on the extent to which the agency is able to fund anticipated workload increases within its existing operating budget (SSD and LSDVI). Costs will increase to the extent the SSD requires additional staff and resources beyond the estimated \$84,200 it will no longer transfer to the LDE.

Proposed legislation provides that SSD shall be considered a public school for purposes of receiving funding through the Minimum Foundation Program (MFP) and shall be eligible to receive other funding as appropriated by the legislature. However, it does not provide for the calculation of the MFP allocation, so BESE will ultimately determine the funding mechanism through its placement in the MFP formula. If BESE does not include the school in the formula, full funding would have to be provided through a direct appropriation.

Assuming SSD is funded in the same manner as other state schools such as LSMSA, Thrive, and NOCCA, the state would pay both the state and the local share as determined by the parish in which the student resides. LDE estimates the current count of 338 students would generate a projected allocation of approximately \$3.4 M (allocated to both SSD and LSDVI).

Currently both SSD and LSDVI receive direct SGF appropriations of \$4.4 M and \$23.9 M, respectively. To the extent SSD is included in the MFP, both SSD and LSDVI would still require SGF appropriations to support agency costs above-and-beyond any MFP allocations received. The LFO assumes the intent is to replace current SGF allocations with an equal amount of MFP funds, in which case there will be no additional cost to the state.

REVENUE EXPLANATION

The LDE will experience a decrease in IAT revenues from the SSD by an indeterminable amount. In FY 20, for example, the LDE received \$84,200 to conduct administrative functions on behalf of the SSD; however, amounts varied by fiscal year based on services provided.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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