

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 541** HLS 17RS 731

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 24, 2017	6:27 AM	<b>Author:</b> CARTER, S.
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Early Graduation Incentives		

STUDENTS RE +\$5,664,314 GF EX See Note Page 1 of 1  
Provides relative to early graduation from high school including incentives for students and savings redirected for certain other educational purposes

Proposed legislation provides incentives for students who graduate from a public high school in three years and reallocates the savings from the Minimum Foundation Program (MFP) funding to provides funding to the Child Care Assistance Program (CCAP) (49%) for the administration of the program; Early College Scholarships (49%) for onetime scholarships to students completing graduation requirements and receiving a diploma by the end of grade eleven; and the Louisiana Office of Student Financial Assistance (OSFA) (2%) to defray the cost of administering the scholarship program. Requires a report be submitted to the Governor, Commissioner of Administration and the legislature by March 15 each year. Implementation shall be subject to appropriation of funds by the legislature.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$5,664,314	\$5,664,314	\$5,664,314	\$5,664,314	\$5,664,314	<b>\$28,321,570</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$5,664,314</b>	<b>\$5,664,314</b>	<b>\$5,664,314</b>	<b>\$5,664,314</b>	<b>\$5,664,314</b>	<b>\$28,321,570</b>

  

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There will be an increase in SGF expenditures for the initiatives defined in the proposed legislation, however, to the extent there is continued enrollment growth in public schools, a corresponding reduction in MFP funding is unlikely. Funding for the MFP is based on actual student enrollment counts each year with mid-year adjustments to account for the movement of students in and out of the public school system during the school year. Any reduction in student enrollment due to a student's early graduation will be captured in these counts and MFP funding will be adjusted accordingly. Historically such adjustments have required that additional funding be provided in a supplemental appropriation bill. Thus reallocation of any projected savings accrued by early graduates will require a separate SGF appropriation.

The Louisiana Department of Education indicates that there were 2,221 high school students who graduated early in 2015-2016. The legislation proposes that the allocations shall be calculated using the state Level 1 per pupil amount contained in the MFP. For FY 17 the state Level 1 per pupil amount is \$2,475. Assuming the number of graduates cited above, the proposed allocations would be as follows:  $\$2,475 * 49\% = \$1,262 * 2,200$  students = \$2,775,514 for the Child Care Assistance Program;  $\$2,475 * 49\% = \$1,262 * 2,200$  students = \$2,775,514 for the Early College Scholarship Program (one time award limited to \$1,262 per student); and  $\$2,475 * 2\% = \$52 * 2,200$  students = \$113,286 for the Office of Student Financial Assistance. Future costs assume a flat state Level 1 per pupil amount and 2,200 early graduates annually.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 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}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**