



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 79** HLS 24RS 328
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 11, 2024 3:32 PM	Author: BACALA
Dept./Agy.: EDUCATION	Analyst: Julie Silva
Subject: Compliance letter grades for schools and districts	

EDUCATION OR +\$1,525,177 GF EX See Note Page 1 of 1
 Requires the State Bd. of Elementary and Secondary Education (BESE) to measure the compliance of public schools and school districts with state laws and BESE policies and to assign and publish letter grades indicative of such compliance
 Proposed legislation requires the Board of Elementary and Secondary Education (BESE) to develop a statewide system of measuring schools', including charter schools, and districts' compliance with state laws and BESE policies, including the assignment and publication of letter grades indicative of such compliance. Requires BESE to adopt rules for proposed law implementation.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$1,525,177	\$3,462,994	\$2,403,415	\$2,190,298	\$2,261,256	\$11,843,140
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$1,525,177	\$3,462,994	\$2,403,415	\$2,190,298	\$2,261,256	\$11,843,140
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed legislation will result in an increase of SGF expenditures. Beginning in FY 25, the Louisiana Department of Education (LDOE) estimates the five-year cost to implement a system as defined in proposed legislation to be, at a minimum, \$11.8 M. To initiate the system, they will require an additional twelve (12) authorized T.O. positions at an estimated cost of \$1.5 M (\$926,974 salaries, \$417,138 related benefits, and \$181,065 operating expenses). LDOE assumes an annual 4% increase in salaries and related benefits and an annual 5% increase in operating costs. The positions will consist of the following: Two (2) Attorney 4 positions, responsible for reviewing indicators and documents and advising school systems on compliance; Four (4) Education Research Analysts to support necessary analytics from the data system and who will be responsible for producing accountability scores for new indicators; and Six (6) Education Program Consultant 3 positions as existing program teams would need additional capacity to check documents, communicate with the field, and ensure compliance in order for the department to successfully run a new accountability program. LDOE reports these positions are needed to develop the dynamics of the compliance accountability system and to determine how to incorporate it alongside the existing school accountability system. The staff would also consult with experts who support the current system and the U.S. Department of Education, to determine if amendments to the state's Every Student Succeeds Act plan are necessary. This process takes a minimum of 120 days.

LDOE reports they will need to develop, or procure, a new system to collect data on school-level compliance with state laws and policies. In order to reduce costs in the out-years, LDOE recommends working with a contractor to develop and build a new system for collection of this data. This analysis was prepared contemplating this recommendation. The estimate uses costs as provided by LDOE, based on a similar, less comprehensive system currently under development. LDOE reports the referenced system does not have as many requirements, fields, or the technology needed for the proposed compliance accountability system. The LFO is unable to corroborate the need for a new system, or the costs associated with its development.


Assuming LDOE maintains funding to continue working with its current Task Order Request for Response development team, EdLink Operations, it will cost an estimated \$1.9 M in FY 26 to develop a system capable of meeting the requirements in proposed law. This cost is dependent on the specific requirements selected, the number of submissions received, and the level of technology needed to operate the system. LDOE anticipates \$281,250 will be expended in FY 27 to complete development, conduct testing, and fix any bugs prior to system implementation, and is based on previous experience in building data systems. Beginning in FY 28, LDOE will require an estimated \$468,750 for annual system operating costs. Working with a contractor to develop a system ensures LDOE will have ownership of the software, and the ability to maintain and operate it with minimal outside intervention or the annual fees associated with procured systems.

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}


Patrice Thomas
Deputy Fiscal Officer