

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **SB 98** SLS 051ES 459  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Sub. Bill For.:  
 Proposed Amd.:

<b>Date:</b> November 16, 2005 5:36 PM	<b>Author:</b> MARIONNEAUX
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> Salaries	

FUNDS/FUNDING EG SEE FISC NOTE LF EX Page 1 of 1  
 Provides with regard to required distribution by school boards of increased amounts in the MFP. (gov sig)

The proposed legislation allows school boards to hold any salary increases due employees as a result of increased Minimum Foundation Program (MFP) formula allocations until the final budget letter is provided the school board informing them of their final allocations through the MFP. The proposed legislation also allows a district to discontinue to pay any salary increase required by the MFP formula for the remainder of FY 05-06 only when the district's preliminary MFP allocation is reduced when the final determination is made or because of a court order.

<b>EXPENDITURES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></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	SEE BELOW	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></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**

The proposed legislation may allow any district that receives a reduced allocation in the final budget letter of the MFP as compared to their preliminary allocation in the current fiscal year to discontinue to pay salary increases for the remainder of the fiscal year that were required by the MFP formula. The Board of Elementary and Secondary Education is proposing some changes to the MFP in the current fiscal year to allow for differences in student counts in each district resulting from the hurricanes. Several districts may receive a reduced allocation as compared to their preliminary allocation, and therefore, may be able to reduce employee salaries for the remainder of the fiscal year. If the districts were to reduce employee salaries, their expenditures from their state share of the MFP and local revenues would decrease.

**Note:** The Pointe Coupee Parish School Board had their FY 02-03 state allocation in the MFP decreased due to assessed properties making the district appear more wealthy, while in the subsequent year a court order decreased the value of the assessed properties making the district appear less wealthy and thereby increasing their state allocation in the MFP. The district is required to use 50% of their increase in any year to provide salary increases. It is unclear whether the language in the legislation would allow the Pointe Coupee School Board to discontinue to pay any salary increases for the remainder of the current fiscal year due to the above issue. If the district were allowed to discontinue to pay any salary increases, their expenditures could decrease from their state share of the MFP and local revenues.

**REVENUE EXPLANATION**

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

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

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**Legislative Fiscal Officer**