

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 50** SLS 14RS 253
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 10, 2014 9:54 AM	Author: NEVERS
Dept./Agy.: Education	Analyst: Jodi Mauroner
Subject: Early Childhood universal access	

EARLY CHILDHOOD ED OR +\$121,644,826 GF EX See Note Page 1 of 1
 Provides for universal access to the LA 4 Early Childhood Education Program. (gov sig)

The proposed legislation deletes provisions relative to eligibility income requirements and which provide for the phased-in universal access for children participating in the LA-4 Early Childhood Program beginning with the 2014-2015 school year. Allows for classes to be provided through the public schools or through collaborative agreements with non-school system providers approved by the LA Department of Children and Family Services (DCFS). Further requires the legislature to annually appropriate sufficient funds to fully fund access for every child eligible to participate in the program. Effective upon governor's signature.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$121,644,826	\$124,228,079	\$126,866,128	\$129,561,920	\$132,311,953	\$634,612,906
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	\$121,644,826	\$124,228,079	\$126,866,128	\$129,561,920	\$132,311,953	\$634,612,906

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

Based upon an analysis of the state's four-year -old population, state general fund expenditures will increase by a minimum of \$121.6 M in FY 14-15 and increase to \$132.3 M in FY 18-19 to provide universal LA-4 pre-K classes. The program's actual costs will ultimately depend on participation rates.

According to the 2012 Census adopted by the Education Estimating Conference, there are 64,356 four year olds in the state. Currently, 37,855 of these children are being served through multiple programs including 16,283 in the LA-4 program. The remaining 21,572 participate in Head Start, Early Head Start, and child care, which are funded with both state and federal funds. LA-4 program costs are driven primarily by the personnel costs of teachers, as the program requirements are a 10:1 ratio with no more than 20 children in a classroom. Assuming that per child expenditures remain on par with the current LA -4 allocations of \$4,580, the projected cost to include the remaining 26,501 children is \$121,374,580 (\$4,580*26,501=\$121,374,580).

However, if all parents elect to move their children out of the other programs they currently participate in and move them into the universal Pre-K program, the costs could increase by an additional \$54.1 M for a total program cost of \$175.5 M in FY 14-15, because the federal dollars used to fund Head Start and child care can not be used to fund the universal program. (\$4,580*21,572=\$98,799,760-\$44,685,002 existing SGF =\$54,114,758).

Furthermore, the Department of Education (DOE) estimates it would need an additional 3 staff persons to manage the increased number of students. The DOE projects an initial salary of \$83,616 (including related benefits) and operating expenses of \$6,466 per staff member for total administrative costs of \$270,246 per year.

REVENUE EXPLANATION

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

Senate	<u>Dual Referral Rules</u>	House	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<i>Evan Brasseaux</i> Evan Brasseaux Staff Director
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}		
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		