

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 163** SLS 14RS 356

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 24, 2014 7:56 AM	Author: MURRAY
Dept./Agy.: Education	Analyst: Jodi Mauroner
Subject: Orleans Parish School Board legacy costs	

SCHOOLS OR NO IMPACT See Note Page 1 of 1
 Changes provisions regarding expiration of exclusions as related to Orleans Parish School Board Special Community Disaster Loans. (8/1/14)
 The proposed legislation changes the provisions for the Orleans Parish School Board (OPSB) to withhold funding for certain costs associated with Hurricane Katrina legacy costs from the RSD.

EXPENDITURES	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. OPSB is authorized to exclude certain costs from the amount of revenues otherwise transferred to the Recovery School District (RSD) to fund legacy costs associated with Hurricane Katrina, not to exceed \$6M. The exclusion expires 1) once costs are extinguished; 2) upon action of the OPSB to reduce the constitutional millage from FY09-10 levels; 3) 12 months following the settlement of the Community Disaster Loans; or 4) 20 tax years from the roll forward millage adoption, whichever occurs first.

According to the 2013 Financial Audit, OPSB legacy costs totaled \$3.8M, including retiree health insurance (\$1.9M), workers compensation claims (\$1.2M), legal expenses (\$417K), and fees (\$339K). Costs are expected to remain about the same for the next few years. The outstanding balance on the Community Disaster Loan totals \$8.3M with a projected pay-off in FY 16 -17. The proposed legislation would allow OPSB to continue the exclusions after the debt is retired.

REVENUE EXPLANATION

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

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input 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} |

Evan Brasseaux
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