LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On:	**HB** **541** HLS 17RS 731
Bill Text Version:	**ENGROSSED**
Opp. Chamb. Action:	
Proposed Amd.:	
Sub. Bill For.:	

Date: May 8, 2017	4:40 PM	**Author:** CARTER, S.
Dept./Agy.: Education		
Subject: Early Graduation Incentives		**Analyst:** Jodi Mauroner

STUDENTS   EG +$5,664,314 GF EX See Note

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

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5-YEAR TOTAL
State Gen. Fd.	$5,664,314	$5,664,314	$5,664,314	$5,664,314	$5,664,314	**$28,321,570**
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	**$5,664,314**	**$5,664,314**	**$5,664,314**	**$5,664,314**	**$5,664,314**	**$28,321,570**

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	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

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 = <u>$2,775,514 for the Child Care Assistance Program</u>; $2,475 * 49% = $1,262 * 2,200 students = <u>$2,775,514 for the Early College Scholarship Program</u> (one time award limited to $1,262 per student); and $2,475 * 2% = $52 * 2,200 students= <u>$113,286 for the Office of Student Financial Assistance</u>. 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	House	
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}	*Evan Brasseaux*
[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	**Evan Brasseaux** **Staff Director**