



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **SB 238** SLS 21RS 216  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 5, 2021 6:23 PM	<b>Author:</b> MILLIGAN
<b>Dept./Agy.:</b> Caddo Parish School Board	<b>Analyst:</b> Sarah Futch
<b>Subject:</b> Caddo Educational Excellence Fund	

SCHOOLS OR INCREASE LF RV See Note Page 1 of 1  
 Provides with respect to the Caddo Educational Excellence Fund. (gov sig)

**Purpose of Bill:** This bill allows for investment income to be withdrawn from the Caddo Educational Excellence fund during the following fiscal year instead of each January. The bill also limits the amount that may be withdrawn based on the fund's earnings during the previous fiscal year as follows: (1) if the fund earns more than five percent, the withdrawals may not exceed five percent of the fund; (2) if the fund earns between three and five percent, the withdrawals may not exceed the rate of return from the previous year; and (3) if the fund earns less than three percent, withdrawals may not exceed three percent of the fund.  
 The bill also provides that the funds be invested in the same manner as post-employment benefits trusts (R.S. 33:5162) instead of being invested in the same manner as the state general fund.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

**This bill may increase local fund revenues by an indeterminable amount.**

We spoke to an official with the Caddo Parish School Board regarding the potential impact of this bill on local government revenues. The official informed us that this measure would allow the Caddo Educational Excellence Fund to be partially invested in equities, which he expects would increase the fund's interest earnings. For example, a 2% increase in return would generate additional revenues of approximately \$460,000.

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}

*M. G. Battle*  
**Michael G. Battle**  
**Manager, Advisory Services**