



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 970** HLS 22RS 1087
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: April 26, 2022	5:06 PM	Author: WHITE, M
Dept./Agy.: Education		Analyst: Garrett Ordner
Subject: Creates program to provide books and reading materials		

EARLY CHILDHOOD OR INCREASE GF EX See Note Page 1 of 1

Creates an early childhood literacy program for the purpose of delivering an age-appropriate book monthly to eligible children under the age of five

Proposed legislation creates an early childhood literacy program for the purpose of providing books and other reading materials to eligible children. Children are eligible to participate in the program if he or she is younger than age five and belongs to a family that qualifies for participation in the Special Supplemental Nutrition Program for Women, Infants, and Children. Requires the Department of Education (LDE) to select an appropriate, Louisiana-based nonprofit organization to administer the program. This nonprofit organization will work with a national nonprofit foundation that exists for the purpose of working with local entities to identify eligible children and mailing age-appropriate books to them. Participating children will receive one book per month. Legislation subject to appropriation of funds.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>
Annual Total						
REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</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>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be increased state costs for the LDE to pay the expenses incurred by the nonprofit partner to purchase and mail books on behalf of participating children. Actual costs will vary according to program participation, costs per book, and shipping rates. These expenditures are assumed to be SGF in this fiscal note. The LDE reports that the administrative costs are indeterminable and that it may need an RFP to select a nonprofit partner.

The Department of Health (LDH) estimates that 140,824 children would be eligible for participation in the program, and the LDE assumes a cost of \$12.50 per book. Assuming it costs \$150 to purchase twelve books per child, costs for all eligible children to participate in the program would total \$21.1 M annually (\$12.50 x 12 x 140,824). Costs may be lower to the extent fewer books are purchased per child and at lower unit costs. The LFO has identified a private organization that may be able to provide books at a cost of \$2.52 per child per month. At this price, the annual cost for all eligible children to participate in the program would total \$4.3 M annually (\$2.52 x 12 x 140,824). **Therefore, the LFO estimates of program costs for all 140,824 eligible children range from a potential floor of \$4.3 M to a potential ceiling of \$21.1 M annually depending on programmatic decisions by LDE.**

REVENUE EXPLANATION

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

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}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer