

**LEGISLATIVE FISCAL OFFICE**  
Fiscal Note



Fiscal Note On: **SB 657** SLS 14RS 1613  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ HSE COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 29, 2014	2:47 PM	<b>Author:</b> BUFFINGTON
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> LA 4 donations		

FUNDS/FUNDING RE1 DECREASE GF EX See Note Page 1 of 1

Authorizes public or private entities to make certain donations to participating school systems for children enrolled in the Cecil J. Picard LA 4 Early Childhood Program classes. (7/1/14)

Proposed legislation authorizes any public or private entity, including any non-profit organization to make a directed donation to any participating school district for a student who is enrolled in the Cecil J. Picard LA 4 Early Childhood Program. Private businesses, industry, foundations charities and other groups may request from the Division of Administration that they create scholarship programs to make payments to participating school systems on behalf of individual students. Subject to DOA approval of the scholarship program any funds received by participating schools on behalf of the students would be credited against the dollar amount of any allocation to the school system. To the extent such payments are for an amount less than what the student would have received from the state, the school system shall receive the difference from the state. Further provides that the annual appropriation for the LA 4 program shall be reduced by the amount of scholarship funds actually received by participating schools. The amount of the reduction shall be deposited to the Program Participation Savings Account in the Overcollections Fund. Effective July 1, 2014.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There will be an indeterminable reduction in state general fund expenditures in an amount equal to directed donations for participants in the LA 4 program. For FY 14, there are 16,283 4 year olds enrolled in the LA 4 program. Total funding is \$74.6 M (\$35.1 M SGF and \$39.5 M TANF) with an allocation of \$4,580 per student. As an example, if an organization donated the full allocation amount for 300 students there would be a reduction of \$1.4 M in state general funds (\$4,580 x 300= \$1,374,000). However, if the organization only donated \$2,000 per student for 300 students, the state would transfer \$774,000 to the schools for the difference (\$4,580- \$2,000 = \$2,580 x 300= \$774,000); with a resulting SGF reduction of only \$626,000. The actual reduction amounts will depend upon the number of participating students and the amount of the scholarship donations received.

There will be an increase in expenditures from statutory dedications to the extent there is an act of the legislature appropriating funds out of the Program Participation Savings Account in the Overcollections Fund.

**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} |

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