

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 656** SLS 14RS 1565

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP SEN COMM AMD**

Sub. Bill For.:

<b>Date:</b> May 9, 2014	3:19 PM	<b>Author:</b> BUFFINGTON
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Student Scholarship for Educational Excellence Program		

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

To authorize public or private entities to make certain donations to various participating schools for recipients of student scholarship programs. (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 for a student who is a recipient of a scholarship from the Student Scholarship for Educational Excellence Program (SSEP). Proposed amendments allow private businesses, industry, foundations charities and other groups to request from the Division of Administration that they create privately funded scholarship programs to make payments to participating schools on behalf of individual students. Subject to DOA approval of these scholarship programs any funds received by participating schools on behalf of the students would be credited against the dollar amount of any award otherwise made to the participating school. To the extent such payments are for an amount less than what the student would have received from the state, the school shall receive the difference from the state. Further provides that the annual appropriation for the SSEP program shall be reduced by the amount of scholarship funds actually received by participating schools. 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	\$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>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 amount equal to directed donations for participants in the SSEEP. For FY 14 there are 6,775 students enrolled in the program with an average tuition of \$5,311. The program is funded at \$43.1 M. For FY 15, there are a projected 8,130 students with an average tuition amount of \$5,577; recommended funding is \$46.1 M. As an example, if an organization donated the full tuition amount for 300 students there would be a reduction of \$1.6 M in state general funds (\$5,577 x 300= \$1,673,100). However, if the organization only donated \$2,500 per student for 300 students, the state would transfer \$917,100 to the schools for the difference (\$5,557- \$2,500 = \$3,057 x 300= \$917,100); with a resulting SGF reduction of only \$756,000.

The actual reduction amounts would depend upon the number of participating students receiving a donation and the actual tuition charged at the school the student attends.

**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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