

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **SB 656** SLS 14RS 1565  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ HSE COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> May 30, 2014	10:34 AM	<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 RE1 SEE FISC NOTE GF EX 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). Private businesses, industry, foundations charities and other groups may 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. The amount of the reduction shall be deposited to the Program Participation Savings Account in the Overcollections Fund.

<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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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 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.

However, there could be an increase in state general fund expenditures to the extent there is an increase in the tuition amounts paid for scholarship students. Currently, the maximum amount of tuition that can be paid cannot exceed the amount that otherwise would have been allocated for the student through the MFP. The bill was amended to remove the reference to the MFP and simply refers to the amount allocated per pupil. If it is assumed the per pupil amount is the MFP amount there would be no change in payments. However, since there is no clear definition or limitation of what the per pupil amount is, it could result in increased tuition payments.

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.

Senate	<u>Dual Referral Rules</u>	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<i>Evan Brasseaux</i> Evan Brasseaux Staff Director
<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}		