LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 3

Fiscal Note On: **SB 581** SLS 12RS 381
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 21, 2012 3:43 PM
Author: APPEL
Dept./Agy.: Education
Subject: Early Childhood care and education
Analyst: Mary Kathryn Drago

EARLY CHILDHOOD ED EN SEE FISC NOTE GF EX See Note
Provides for the La. Early Childhood Education Act. (gov sig)

The proposed legislation requires the Board of Elementary and Secondary Education (BESE) to create a comprehensive and integrated network to manage and oversee all programs funded through state or federal resources that provide early childhood care or educational services no later than July 1, 2013. BESE is required to 1) establish a definition of kindergarten readiness aligned with state content standards; 2) establish performance targets for children under the age of three and academic standards for kindergarten readiness for 3 and 4 year old children to be used in publicly funded early childhood education programs; 3) create an accountability system for publicly-funded early childhood education programs that has a letter grade system; 4) coordinate with the Department of Children and Family Services and the Department of Health and Hospitals to align the standards for licensing of child care facilities; and 5) establish a timeline for the creation and implementation of the early childhood care and education network that is to be fully implemented by the beginning of the 2015-2016 school year.

EXPENDITURES	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**5 -YEAR TOTAL**
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	SEE BELOW	SEE BELOW	**$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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**			**$0**

EXPENDITURE EXPLANATION

There may be indeterminable costs associated with creating a comprehensive and integrated network to manage and oversee all programs funded through state or federal resources that provide early childhood care or educational services. The following are activities that the Department of Education has indicated will occur with the implementation of the proposed legislation: purchase of assessment tools, training on administration and online reporting data system, professional development, travel, and the revision of the Quality Rating System. However, based on information from the Department of Education, they anticipate that existing state and federal funds will be used to fund the activities in the network. The Department of Education has not provided information as to what services may be eliminated or curtailed if existing funds budgeted for current programs are used to fund the above expenditures.

The Department of Children and Family Services and Department of Health and Hospitals has indicated there is no impact to their agency to implement the proposed legislation.

The proposed legislation does not provide details on how the implementation of performance targets for children under the age of three, academic standards for kindergarten readiness for 3 and 4 year old children, and the issuance of letter grades will impact publicly-funded early childhood education programs. Until the details of the network are finalized, it is not possible to determine the effects on current early childhood programs. It is possible that some programs may choose to no longer accept public funds or may choose to cease to operate.

Note: According to a 2010 School Readiness Report issued by the Department of Education and the Department of Children and Family Services, the 2010-11 Early Care and Education Budget totaled approximately $294.7 million (approximately $241 million of that total is federal funding). The FY 12 Head Start and Early Head Start funding is over $150 million of federal funds.

REVENUE EXPLANATION

It is not known if any changes to the Quality Rating System by FY 15-16 will have any impact on the School Readiness Tax Credit. In the 2010 tax year, approximately $11.1 million was claimed for the School Readiness Tax Credit. The School Readiness Tax Credit allow tax breaks to families, child care providers, child care directors and staff, and businesses that support child care in an effort to encourage child care facilities to voluntarily participate in the quality rating program administered by the Department of Children and Family Services under the name of Quality Start Child Care Rating System.

Senate Dual Referral Rules House

☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}
☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}
☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

H. Gordon Monk

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