

**NOTICE OF INTENT**

**Board of Elementary and Secondary Education**

Bulletin 139—Louisiana Child Care and Development Fund Programs—CCAP Household Eligibility  
(LAC 28:CLXV.707)

In accordance with R.S. 17:6 and R.S. 49:950 et seq., the Administrative Procedure Act, the Board of Elementary and Secondary Education proposes to amend *Bulletin 139—Louisiana Child Care and Development Fund Programs*. The proposed amendments provide, for the 2020 calendar year only, an early learning center director or staff member shall only have to verify having worked at the same early learning center for at least 300 hours in order to meet the SRTC work requirement.

**Title 28  
EDUCATION**

**Part CLXV. Bulletin 139—Louisiana Child Care and Development Fund Programs**

**Chapter 7. Administration of School Readiness Tax Credits**

**§707. Credit for Early Learning Center Directors and Staff**

A. – B.

...

C. Each early learning center director and staff member will also have to verify that he/she has worked at the same early learning center for at least six months in the calendar year and for an average of at least 30 hours per week, unless otherwise approved by the LDE.

1. Due to the COVID-19 pandemic, for the 2020 calendar year, a center director or staff member will only have to verify that he/she has worked at the same early learning center for at least 300 hours in the calendar year in order to meet the work requirement in this Subsection.

D. – E.

...

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 17:6(10), R.S. 47:287.785, R.S. 47:295, R.S. 47:1511, and R.S. 47:6103.

**HISTORICAL NOTE:** Promulgated by the Board of Elementary and Secondary Education and the Department of Revenue, LR 41:2118 (October 2015), amended by the Board of Elementary and Secondary Education LR 43:1280 (July 2017), LR 46:..

COMPARISON DOCUMENT

Title 28

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**STATE BOARD OF ELEMENTARY AND SECONDARY EDUCATION  
FAMILY IMPACT STATEMENT  
(LA R.S. 49:953 and 972)**

**Person Preparing Statement:** Ryan Gremillion  
**Phone:** 225-342-1501  
**Division:** Policy Office  
**Rule Title:** Part CLXV. Bulletin 139—Louisiana Child Care and  
Development Fund Programs

In accordance with Section 953 and 974 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a Family Impact Statement on the rule proposed for adoption, repeal or amendment. All Family Impact Statements shall be kept on file in the State Board Office which has adopted, amended, or repealed a rule in accordance with the applicable provisions of the law relating to public records.

PLEASE RESPOND TO THE FOLLOWING:

1. WILL THE PROPOSED RULE AFFECT THE STABILITY OF THE FAMILY?  
 No  
 Yes  
 Lacks sufficient information to determine
2. WILL THE PROPOSED RULE AFFECT THE AUTHORITY AND RIGHTS OF PARENTS REGARDING THE EDUCATION AND SUPERVISION OF THEIR CHILDREN?  
 No  
 Yes  
 Lacks sufficient information to determine.
3. WILL THE PROPOSED RULE AFFECT THE FUNCTIONING OF THE FAMILY?  
 No  
 Yes  
 Lacks sufficient information to determine
4. WILL THE PROPOSED RULE AFFECT FAMILY EARNINGS AND FAMILY BUDGET?  
 No  
 Yes  
 Lacks sufficient information to determine
5. WILL THE PROPOSED RULE AFFECT THE BEHAVIOR AND PERSONAL RESPONSIBILITY OF CHILDREN?  
 No  
 Yes  
 Lacks sufficient information to determine
6. IS THE FAMILY OR A LOCAL GOVERNMENT ABLE TO PERFORM THE FUNCTION AS CONTAINED IN THE PROPOSED RULE?  
 No  
 Yes  
 Lacks sufficient information to determine

Signature of Contact Person: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

**STATE BOARD OF ELEMENTARY AND SECONDARY EDUCATION  
POVERTY IMPACT STATEMENT  
(LA R.S. 49:973)**

**Person Preparing Statement:**  Ryan Gremillion

**Phone:**  225-342-1501

**Division:**  Policy Office

**Rule Title:**  Part CLXV. Bulletin 139—Louisiana Child Care and Development Fund Programs

In accordance with Section 973 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a Poverty Impact Statement on the rule proposed for adoption, amendment, or repeal. All Poverty Impact Statements shall be in writing and kept on file in the state agency which has adopted, amended, or repealed a rule in accordance with the applicable provisions of the law relating to public records. For the purposes of this Section, the word "poverty" means living at or below one hundred percent of the federal poverty line.

PLEASE RESPOND TO THE FOLLOWING:

1. WILL THE PROPOSED RULE AFFECT THE HOUSEHOLD INCOME, ASSETS, AND FINANCIAL SECURITY?

- No  
 Yes  
 Lacks sufficient information to determine

2. WILL THE PROPOSED RULE AFFECT EARLY CHILDHOOD DEVELOPMENT AND PRESCHOOL THROUGH POSTSECONDARY EDUCATION DEVELOPMENT?

- No  
 Yes  
 Lacks sufficient information to determine

3. WILL THE PROPOSED RULE AFFECT EMPLOYMENT AND WORKFORCE DEVELOPMENT?

- No  
 Yes  
 Lacks sufficient information to determine

4. WILL THE PROPOSED RULE AFFECT TAXES AND TAX CREDITS?

- No  
 Yes  
 Lacks sufficient information to determine

5. WILL THE PROPOSED RULE AFFECT CHILD AND DEPENDENT CARE, HOUSING, HEALTH CARE, NUTRITION, TRANSPORTATION, AND UTILITIES ASSISTANCE?

- No  
 Yes  
 Lacks sufficient information to determine

Signature of Contact Person: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

### **Small Business Statement**

The impact of the proposed Rule on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed rule on small businesses.

### **Provider Impact Statement**

The proposed Rule should not have any known or foreseeable impact on providers as defined by HCR 170 of 2014 Regular Legislative Session. In particular, there should be no known or foreseeable effect on:

1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

**Public Comments**

Interested persons may submit written comments via the U.S. Mail until noon, February 9, 2021, to Shan N. Davis, Executive Director, Board of Elementary and Secondary Education, Box 94064, Capitol Station, Baton Rouge, LA 70804-9064. Written comments may also be hand delivered to Shan Davis, Executive Director, Board of Elementary and Secondary Education, Suite 5-190, 1201 North Third Street, Baton Rouge, LA 70802 and must be date stamped by the BESE office on the date received. Public comments must be dated and include the original signature of the person submitting the comments.

Shan N. Davis  
Executive Director

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person  
Preparing  
Statement: Ryan Gremillion Dept.: LA Department of Education  
Board of Elementary &  
Secondary Education

Phone: (225) 342-1501 Office: Policy

Return  
Address: P. O. Box 94064 Rule  
Baton Rouge, LA Title: Part CLXV. Bulletin 139—  
Louisiana Child Care and  
Development Fund Programs

Date Rule  
Takes Effect: Upon final promulgation

SUMMARY

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS  
(Summary)

The proposed revision will have no financial impact to state or local governmental units. The proposed revision reduces the number of hours an early learning center director or staff member needs in order to meet the School Readiness Tax Credit (SRTC) work requirement.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS  
(Summary)

There will be a reduction in the state general fund from state income tax collections as a result of the proposed revisions. Due to the uncertainty of COVID-19 on early childhood centers, the impact is indeterminable; however, it will primarily impact fiscal year 2020-21 revenues.

Current policy establishes that in order to be eligible for the School Readiness Tax Credit (SRTC), early learning center directors and staff members must verify having worked at the same early learning center for at least six months in the calendar year and for an average of at least 30 hours per week, unless otherwise approved by the LDE.

Early learning centers in Louisiana experienced both temporary and permanent closures due to the COVID-19 pandemic, resulting in reduced staff work hours and the number of individuals employed. This in itself would reduce access to the SRTC for center directors and staff during the 2020 calendar year and therefore reduce the fiscal impact to the state general fund. The proposed revision provides for a center director or staff member to verify having worked at the same early learning center for at least 300 hours in order to meet the SRTC work requirement.

Reducing the work requirements may allow both full-time and part-time child care center staff to claim the credit who otherwise would not have been eligible. It is unknown how many individuals will qualify for SRTC as a result of the proposed revision. However, there will be a reduction in state general fund collections to the extent it enables additional individuals to claim the SRTC.



For reference, in FY 2019, 4,886 teachers and directors qualified for the SRTC for a total state revenue loss of \$12.3 million.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed revision will result in an economic benefit to early learning center employees who are eligible for the SRTC. In the 2019 tax year, the average SRTC amount claimed was \$2,943.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)


The proposed policy revisions will have no effect on competition or employment.

  
\_\_\_\_\_  
Signature of Agency Head or Designee

  
\_\_\_\_\_  
Legislative Fiscal Officer or Designee

Beth Scioneaux, Deputy Superintendent for Management and Finance  
\_\_\_\_\_  
Typed Name and Title of Agency Head or Designee

  
\_\_\_\_\_  
Date of Signature

  
\_\_\_\_\_  
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

Current policy establishes that in order to be eligible for the School Readiness Tax Credit (SRTC), early learning center directors and staff members must verify having worked at the same early learning center for at least six months in the calendar year and for an average of at least 30 hours per week, unless otherwise approved by the LDE.

Many early learning centers in Louisiana experienced lengthy interruptions in operations due to the COVID-19 pandemic, thus limiting access to the SRTC for center directors and staff during the 2020 calendar year. In response, the revision provides for an adjustment to the minimum work requirements for 2020 tax year SRTC eligibility. Specifically, for the 2020 calendar year only, a center director or staff member shall only have to verify having worked at the same early learning center for at least 300 hours in order to meet the SRTC work requirement.

- B. Summarize the circumstances that require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

Many early learning centers in Louisiana experienced lengthy interruptions in operations due to the COVID-19 pandemic, thus limiting access to the SRTC for center directors and staff during the 2020 calendar year (as they would find great difficulty attaining the six-month requirement given massive discussion in staffing).

The COVID-19 pandemic is affecting the number of staff working in child care overall. While the LDE cannot measure exactly how many people have been laid off from type III sites since the start of the pandemic, there are 261 fewer classrooms across type III sites today than there were in the spring of the 2019-2020 school year. Over 70 percent of centers closed during the height of the pandemic, which means staff working at the center do not earn hours during the closures, making them less likely to qualify for the tax credit.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session.

1. Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No

2. If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b) \_\_\_\_\_ NO. If no, provide justification as to why this rule change should be published at this time.

WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

The proposed revision will have no fiscal impact to state agencies.

COSTS	FY21	FY22	FY23
PERSONAL SERVICES			
OPERATING EXPENSES			
PROFESSIONAL SERVICES			
OTHER CHARGES			
EQUIPMENT			
<u>MAJOR REPAIR &amp; CONSTR.</u>			
<u>POSITIONS (#)</u>			
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

N/A

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY21	FY22	FY23
STATE GENERAL FUND	-0-	-0-	-0-
AGENCY SELF-GENERATED	-0-	-0-	-0-
DEDICATED			
FEDERAL FUNDS			
<u>OTHER (Specify)</u>			
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There are no anticipated fiscal impacts to local governmental units as a result of the proposed revisions.

2. Indicate the sources of funding of the local governmental unit that will be affected by these costs or savings.

No sources of funding of local governmental units will be affected by the proposed revisions.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

There will be a reduction in the state general fund from state income tax collections as a result of the proposed revisions. Due to the uncertainty of COVID-19 on early childhood centers, the impact is indeterminable; however, it will primarily impact fiscal year 2020-21 revenues.

Current policy establishes that in order to be eligible for the School Readiness Tax Credit (SRTC), early learning center directors and staff members must verify having worked at the same early learning center for at least six months in the calendar year and for an average of at least 30 hours per week, unless otherwise approved by the LDE.

Early learning centers in Louisiana experienced both temporary and permanent closures due to the COVID-19 pandemic, resulting in reduced staff work hours and the number of individuals employed. This in itself would reduce access to the SRTC for center directors and staff during the 2020 calendar year and therefore reduce the fiscal impact to the state general fund. The proposed revision provides for a center director or staff member to verify having worked at the same early learning center for at least 300 hours in order to meet the SRTC work requirement.

Reducing the work requirements may allow both full-time and part-time child care center staff to claim the credit who otherwise would not have been eligible. It is unknown how many individuals will qualify for SRTC as a result of the proposed revision. However, there will be a reduction in state general fund collections to the extent it enables additional individuals to claim the SRTC.

For reference, in FY 2019, 4,886 teachers and directors qualified for the SRTC for a total state revenue loss of \$12.3 million.

REVENUE INCREASE/DECREASE	FY21	FY22	FY23
STATE GENERAL FUND	Indeterminable	Indeterminable	Indeterminable
AGENCY SELF GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS			
LOCAL FUNDS			
TOTAL	Indeterminable	Indeterminable	Indeterminable

\*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

See above.

## FISCAL AND ECONOMIC IMPACT STATEMENT

### WORKSHEET

#### III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The proposed revision will result in an economic benefit to early learning center employees that are eligible for the SRTC. In the 2019 tax year, the average SRTC amount claimed was \$2,943.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

After-tax income will increase for any teacher or director who qualifies for the SRTC due to the proposed revision.

#### IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed policy revisions will have no effect on competition or employment.