

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2015 REGULAR SESSION
CORRECTED 2/12/15**

MEASURE

2015 BR NUMBER **0973**

SENATE BILL NUMBER **115**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to books for preschool children and making an appropriation therefor.**

SPONSOR **Senator Stan Humphries**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Kentucky Department of Libraries and Archives/General Operations**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

| FISCAL ESTIMATES | 2014-2015 | 2015-2016 | ANNUAL IMPACT AT FULL IMPLEMENTATION |
|-------------------------|------------------|---------------------|---|
| REVENUES | | | |
| EXPENDITURES | | \$56,000-\$68,000 | \$56,000-\$68,000 |
| NET EFFECT | | (\$56,000-\$68,000) | (\$56,000-\$68,000) |

() indicates a decrease/negative

MEASURE'S PURPOSE: The bill creates the Books for Brains Program to provide books to children ages 5 and under, along with a board and trust fund to administer the program through the Department for Libraries and Archives.

PROVISIONS/MECHANICS: Section 1 establishes the program, describes its purpose to provide books to children up to age 5, and creates the board to oversee the program.

Section 2 creates the trust fund and sets rules for its use.

Section 3 directs the Department for Libraries and Archives to promulgate administrative regulations related to the program.

FISCAL EXPLANATION: The bill creates the Books for Brains Program, which would allow children ages 5 and under to register to have one book per month mailed to them. The bill also

creates a board to oversee the program and a trust fund to receive appropriations, gifts, grants, etc., to cover the program's costs. KDLA is directed to administer the fund, promulgate administrative regulations for the program, and to provide staff to the board.

The program would include nonprofit sponsoring organizations in each county, which would select and mail the books. The program's board would provide half the funds needed for those operations, when available from the program's trust fund.

KDLA estimates that of the approximately 277,000 children ages 5 and under, one-fifth would register, resulting in 55,400 children in the program. KDLA projects the total cost of each book and mailing it to be around \$2.10 per child, per month, for a total cost of around \$1.4 million annually. Of this amount, half, or \$700,000, would be the state's responsibility, which would be paid from the program's trust fund.

As with similar programs and trust funds, it is assumed that if the trust fund does not have sufficient moneys, the general operations of the program would remain inactive. There is no General Fund appropriation in the bill, so it is expected that until grants and gifts sufficient to begin the program are received, those general operations would remain inactive.

Until that time, however, the board would be constituted and is authorized to meet, and KDLA would absorb the costs of staffing the board and promulgating administrative regulations for the program.

KDLA projects expenses for board meetings to be \$1,500 each and the cost of one-half FTE to staff the board to be \$50,000. The bill does not specify the number of times the board must meet. Quarterly meetings would result in costs of \$6,000 annually, while monthly meetings would result in costs of \$18,000 annually, which would be absorbed by KDLA until such time as the trust fund has sufficient moneys to cover those costs.

DATA SOURCE(S): Kentucky Department for Libraries and Archives, LRC Staff

PREPARER: Chuck Truesdell NOTE NUMBER: 13 REVIEW: GMR DATE: 2/11/2015