

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 701** HLS 14RS 431
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 8, 2014	4:03 PM	Author: EDWARDS
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Student Scholarships for Educational Excellence Program		

SCHOOLS/CHOICE OR SEE FISC NOTE GF EX Page 1 of 1
 Provides relative to student eligibility for vouchers

The proposed legislation removes eligibility for those students attending "C" rated schools to participate in the Scholarship for Student Educational Excellence Program (SSEEP).

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

To the extent fewer students were eligible to participate in the Student Scholarships for Educational Excellence Program (SSEEP) as a result of eliminating students from "C" rated schools for participation purposes, local public school district expenditures could increase to educate any additional students entering the public school system who may have otherwise been educated through the voucher program. The FY 14 Minimum Foundation Program formula calculates the average local cost per student to be \$3,544, however, a local school district may spend more or less than that amount from local resources on any individual student. Local school systems would receive the total state per pupil funding from the Minimum Foundation Program formula for each additional student that enters the public school system to help cover the costs of educating each student. The state per pupil average for FY 14 is \$5,060.

State Minimum Foundation Program (MFP) fund expenditures could increase to provide full funding for a student enrolled in the public school rather than participating in the voucher program. Typically, the state provides a lesser amount per pupil for a student participating in the voucher program than it would for that student to attend a public school in the same district. For FY 14, however, the \$5,300 average amount the state pays to participating non public schools is higher than the state per pupil average of \$5,060 and is projected to increase in FY 15. Therefore, there could be an decrease in state general fund expenditures if the student moved from the SSEEP into the public school. The actual difference would depend upon the tuition of the voucher school the student may attend and the actual per pupil amount that would have been provided through the MFP.

There were 6,775 students enrolled in the SSEEP at the beginning of the 2013-2014 school year; 358 or 5% of the students came from a "C" rated school. If the average tuition cost for a student in the voucher program is \$5,300 and the projected state and local expenditures for a student in the public school is \$8,605, the difference in total expenditures per student is \$3,305. For illustrative purposes, if 300 students were denied participation as a result of this legislation, total state and local expenditures may increase over \$900,000 in the first year.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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

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