

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7254

BILL NUMBER: HB 1342

NOTE PREPARED: Feb 20, 2013

BILL AMENDED: Feb 19, 2013

SUBJECT: Choice Scholarship Program Administration

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that the Office of Management and Budget (OMB) administers the Choice Scholarship program. (Under current law, the program is administered by the Department of Education (DOE)).

Effective Date: (Amended) Upon passage; July 1, 2013.

Explanation of State Expenditures: (Revised) OMB would assume management of the Choice Scholarship program from DOE after June 30, 2013. The bill's requirements would represent an additional workload and expenditure for the OMB outside of its routine administrative functions. Existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend on legislative and administrative actions.

The DOE and OMB would coordinate to resolve any issues (e.g. student eligibility for a scholarship) that might arise.

Background - Choice Scholarship: This program, which was started for the 2011-2012 school year, gives families the opportunity to send their children to a school of their choice. The scholarship is a state payment that qualifying families can use to offset tuition costs at participating schools. Students qualify based on total household income. If the eligible student is enrolled in grade 1 through 8, the maximum choice scholarship that

the eligible individual may receive for a school year is \$4,500.

The maximum number of scholarships appropriated for the 2011-2012 school year was 7,500 of which 3,911 were actually awarded at a total cost of \$15.6 M. For the 2012-13 school year the maximum number of scholarships is 15,000 of which approximately 9,130 were awarded at a total cost of \$35.9 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Office of Management and Budget

Local Agencies Affected:

Information Sources:

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