

FISCAL IMPACT STATEMENT ON BILL NO. **S.313**

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TO:	The Honorable John E. Courson, Chairperson, Senate Education Committee		
FROM:	State Budget Division, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	February 20, 2013	SBD:	2013093

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AUTHOR:	Senator Hayes	PRIMARY CODE CITE:	59-62-10
SUBJECT:	School District Choice Programs		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:  
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:  
See Below

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**BILL SUMMARY:**

Senate Bill 313 establishes a school district choice and an open enrollment program within the public school districts of the State. The program allows parents to apply to enroll their children in schools other than those in their attendance zone. It also establishes a process through which applications are accepted and evaluated.

**EXPLANATION OF IMPACT:**

State Department of Education (SCDE)

There is a fiscal impact associated with numerous Sections of this Bill. In addition, full implementation would occur over several years based on specific dates as noted in the Bill and based on Section 59-62-70 which indicates that districts may phase-in acceptance of students at the rate of one percent of the previous year's average daily membership (ADM) not to exceed three percent. A synopsis of the impact associated with Sections of the Bill is summarized as follows.

Sections 59-62-50 and 59-62-60 establish the process by which school districts will receive and process applications for enrollment. By the time of full implementation, there will be 81 geographic local school districts. Dependent upon size, school districts may choose to designate application responsibilities to a current employee or hire a new employee. Assuming every school district hired one employee (1.0 FTE) to implement these provisions at a cost of \$50,000 per employee for annual salary and fringe benefits, the total impact to school districts would be \$4,050,000 per year.

Section 59-62-90 provides that parents or guardians of students whose family income is 185% or less of the federal poverty guidelines shall be eligible for transportation reimbursement from the district with funds appropriated by the General Assembly for that purpose. SCDE indicates that transportation costs associated with this Section will be based in large part on the findings resulting from the pilot programs. Therefore, no reliable estimate is available at this time.

Section 59-62-100 (B) states that receiving districts must be appropriated 100% of the base student costs. Section 59-62-70(B)(1) allows districts to cap their acceptance of nonresident students at 3%. Using the 45-day count for FY 2012-13, this would result in a maximum of 21,370 students participating in the program statewide. When students receive 100% of the base student cost in the EFA formula, it impacts the base student cost associated with students who are not in this open enrollment program. The EFA appropriation

is established on an annual basis and the SCDE cannot predict how many students would participate in the statewide open enrollment program. Therefore, no reliable estimate is available at this time.

Section 59-62-140 requires SCDE to conduct an annual survey of the districts to determine the number of students participating in the program and to collect other data associated with implementation. SCDE can perform this task within existing appropriations.

**Recapitulation**

SCDE estimates the related recurring costs to the school district at \$4,050,000. Additional transportation expenses are likely to be incurred but a reliable estimate is not available at this time. The impact to the base student cost for students not participating in this open enrollment program is undetermined. The General Assembly annually determines the level of appropriation for the EFA. The impact to school districts could be funded at the General Assembly's discretion with the State General Fund, Education Improvement Act funds, local funds, or a combination of these funds.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

None.

Approved by:



Brenda Hart  
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