

STATEMENT OF PURPOSE

RS26879

This legislation establishes an "education savings account" (ESA) in K-12 education, which is a government-authorized savings account with restricted, but multiple uses for educational purposes. Parents can use these funds to pay for: school tuition, tutoring, online education programs, therapies for students with special needs, textbooks or other instructional materials, or future college expenses.

FISCAL NOTE

The fiscal impact to the state of Idaho from this ESA program is dependent on the percentage of ESA students who switch from attending public schools to participating in the ESA program. Because the ESA program is funded for each student by an amount equal to 90 percent of the statewide average general fund moneys that are allocated for an individual student, the state would save 10 percent of that amount for each student who switched from public school to an ESA. Since no enrollment is allowed for students attending private school until 2021, there would be not be a negative general fund impact because 90 percent of the money would be re-directed to an ESA account and the state commitment to fund that student in the public system would be offset by the disenrollment of that student. Likewise school districts would not receive the funding for that student but would also not provide the services for that student. The estimated net savings to the system for a student attending public school is \$980 per school year. This is the result of the average scholarship costing less than the average variable cost to educate each student. However this savings is reduced when students attending private schools participate because there is no savings offset. In school year, 2020-2021, if 3,211 students participated then the overall savings to the state and local units of government would be approximately \$1.1 million.

Contact:

Representative Ron Mendive
(208) 332-1000

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).