

STATEMENT OF PURPOSE

RS25327

High-quality education comes in many forms. From traditional public schools to public charter schools to private schools or a blend of multiple methods, no single model works best for all children. When a private school is the best fit for a child, those from families without means are often left out. This bill would make another tool available by creating a K-12 scholarship, funded through tax-credit eligible donations, for low-income and at-risk children as well as those with special needs or whose parents are active military or were killed in the line of duty.

FISCAL NOTE

This could create a net gain of up to \$11,789,888 to the general fund, if fully utilized. However, this number depends on many unknown variables, so it cannot be quantified with certainty.

First, donors to the scholarship would get a tax credit for 80% of their contribution. However, there will never be more than \$15 million of tax credit available in any single year. If donations to the scholarship reach \$18.75 million in a year, \$15 million in tax credits would be available. Donations would not be eligible for the credit (in which case, savings to the state would be greater). Donations to the scholarship (\$18.75 million) minus the total available credit (\$15 million) would result in a remaining \$3.75 million to the general fund.

Second, individual scholarship for children may not exceed 70% of the annual statewide average per pupil expenditure. If the annual statewide average per pupil expenditure is approximately \$6,711, 70% would be \$4,697. The other 30% (or roughly \$2,014) would remain in the general fund. Each child who accesses this scholarship will be one less child who would be allotted to attend a public school, the difference would be \$8,039,888, which would remain in the general fund. Combined with the \$3.75 million net from the tax credit portion, the state general fund would experience an estimated gain of \$11,789,888.

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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).