

FISCAL NOTE

H.B. 123

SHORT TITLE: Education Savings Accounts

SPONSOR: Dougall, J.

2012 GENERAL SESSION

STATE GOVERNMENT (UCA 36-12-13(2)(b))

This bill allocates \$6,400 per high school student to newly created education savings accounts at an estimated cost of \$1,072,636,400. It shifts \$1,059,350,000 in state funding - 120% of the value of the Weighted Pupil Unit for high school students in the Minimum School Program plus specific amounts in other categorical programs - from existing expenditures to the new accounts. It presumes that \$276,500,000 in local property tax revenue will be reallocated from high school students to students in Kindergarten through eighth grade. The net impact is an ongoing cost increase from the Education Fund of \$13,295,800. The bill requires purchasing and operation of a financial account management system costing an estimated \$2,116,000 one-time and \$2,000,000 ongoing from the Education Fund beginning in FY 2013.

STATE BUDGET DETAIL TABLE

	FY 2012	FY 2013	FY 2014
Revenue	\$0	\$0	\$0
Expenditure:			
Education Fund	\$0	\$1,072,646,400	\$1,072,646,400
Education Fund	\$0	(\$1,059,350,800)	(\$1,059,350,800)
Education Fund	\$0	\$2,000,000	\$2,000,000
Education Fund, One-Time	\$0	\$2,116,000	\$0
Total Expenditure	\$0	\$17,411,600	\$15,295,600
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$17,411,600)	(\$15,295,600)
Net Impact, General/Education Funds	\$0	(\$17,411,600)	(\$15,295,600)

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

School districts and charter schools may experience one-time costs related to setting fees for courses and adjusting course offerings to meet demand. Because students would be responsible for course choice, some school districts may see a decrease in enrollment, and thereby funding, whereas other school districts may see an increase in enrollment, and thereby funding through the fees students pay for courses.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Unused balances in education savings accounts may be used by individuals for future education costs including college.