

FISCAL NOTE

H.B. 123 1st Sub. (Buff)

SHORT TITLE: Education Savings Accounts

SPONSOR: Sumsion, K.

2012 GENERAL SESSION

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

This bill allocates \$6,400 for up to 500 11th and 12th graders to participate in newly created education savings accounts at a cost of \$3,200,000. It shifts \$1,689,600 in state funding - 120% of the value of the Weighted Pupil Unit for high school students in the Minimum School Program - from existing expenditures to the new accounts. Because the scope of the pilot program is limited to 500 students, USOE's ongoing costs for invoice processing are estimated at \$38,000 beginning in FY2014 and one-time costs for program initialization of \$15,000 in FY 2013.

STATE BUDGET DETAIL TABLE

	FY 2012	FY 2013	FY 2014
Revenue	\$0	\$0	\$0
Expenditure:			
Education Fund	\$0	\$0	(\$1,689,600)
Education Fund	\$0	\$0	\$3,200,000
Education Fund	\$0	\$0	\$38,000
Education Fund, One-Time	\$0	\$15,000	\$0
Total Expenditure	\$0	\$15,000	\$1,548,400
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$15,000)	(\$1,548,400)
Net Impact, General/Education Funds	\$0	(\$15,000)	(\$1,548,400)

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; education providers may also see ongoing costs related to processing invoices of around \$38,000. Because students enrolling in the pilot program 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.