

State Impact

The estimated net fiscal impact for FY 2006 is a positive fund balance of \$3,413,000. For FY 2007 the estimated net balance is a negative (\$133,800).

The issuance of tuition tax credits would reduce income tax revenue to the State by an estimated \$6,433,700 in FY 2006, and \$24,210,100 in FY 2007. Provisions of the bill would only allow half of the tax credit amount in the first year for those choosing to leave public schools. Losses in revenue would be offset by reduced appropriations to the Minimum School Program for students leaving the Public Education system to go to private school. The offset amount for FY 2006 is estimated at \$11,346,700, and for FY 2007 the amount is estimated at \$24,076,300. The estimates for FY 2006 are based upon 3,734 private and public school students who are eligible under income criteria of the bill and would attend private school and apply for the tax credit. This would increase to 8,352 for FY 2007 based on the estimates.

The bill excludes existing private school students with the exception of those whose income category is equal to or under the 100% of the free and reduced lunch criteria.

The bill appropriates \$1,500,000 in non-lapsing one time monies from the general fund to the State Board of Education for use by districts that demonstrate measurable financial harm attributed to enactment of this bill.

	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2006</u> <u>Revenue</u>	<u>FY 2007</u> <u>Revenue</u>
General Fund	\$1,500,000	\$0	\$0	\$0
Uniform School Fund	(\$11,346,700)	(\$24,076,300)	\$0	\$0
Uniform School Fund	\$0	\$0	\$0	\$0
Income Tax	\$0	\$0	(\$6,433,700)	(\$24,210,100)
TOTAL	(\$9,846,700)	(\$24,076,300)	(\$6,433,700)	(\$24,210,100)

Individual and Business Impact

Local School Districts could potentially benefit by savings in school construction costs over time depending on how many students choose private schooling over Public Education. Savings in construction costs assumes that there would be comparable costs to private entities. Local School District tax revenues are not affected by this bill.
