

2nd Sub. H.B. 39 TUITION TAX CREDITS

Representative **LaVar Christensen** proposes the following amendments:

1. *Page 2, Lines 31 through 33:*

31 This bill appropriates:
32 ▶ ~~{\$1,500,000}~~ \$10,000,000 from the General Fund for fiscal year 2005-06 only, to the
State Board
33 of Education.

2. *Page 2, Lines 54 through 56:*

54 (1) There is appropriated ~~{\$1,500,000}~~ \$10,000,000 from the General Fund, for fiscal year
2005-06
55 only, to the State Board of Education to be distributed to school districts that demonstrate
56 measurable financial harm that can be attributed to the enactment of the tuition tax credit under

3. *Page 3, Lines 59 through 61:*

59 (3) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
60 board shall make rules establishing criteria and procedures for the distribution of funds
61 appropriated under Subsection (1) ~~{-}~~ , including:
 (a) consideration of the following criteria in determining eligibility for the funds:
 (i) the extent to which any enrollment decline attributed to students transferring to private schools
 is offset by enrollment increases due to the growing school age population or other factors;
 (ii) the extent to which any decrease in funding attributed to students transferring to private
 schools is offset by revenue increases from state, local, or federal sources;
 (iii) the ability of a school district to reduce spending necessitated by decreased funding attributed
 to students transferring to private schools; and
 (iv) the impact of tuition tax credits on per pupil expenditures for students within a school
 district; and
 (b) procedures governing:
 (i) the application for funds by school districts; and
 (ii) the awarding of funds to school districts in accordance with the criteria established by the
 board.
 (4)(a) As prioritized by the Audit Subcommittee, the legislative auditor general shall, at the
 conclusion of the 2008-09 school year, conduct a comprehensive audit, examination, and review of:
 (i) the tuition tax credit under Section 59-10-136; and

- (ii) the appropriation for school districts affected by tuition tax credits under Subsection (1).
- (b) The audit findings shall include:
 - (i) public school enrollment trends;
 - (ii) private school enrollment trends;
 - (iii) the number of public school students that transfer to private schools annually;
 - (iv) the net fiscal impact to the state due to tuition tax credits;
 - (v) an analysis of the impacts of tuition tax credits to school districts, including impacts on school district finances and school programs;
 - (vi) a comparison of actual per pupil expenditures and an estimate what per pupil expenditures would have been without tuition tax credits;
 - (viii) a listing of to whom and for what purpose the funds available under Subsection (1) were distributed; and
 - (ix) an assessment of alternatives available to school districts if they had not received funds under Subsection (1).
- (5)(a) The Legislative Management Committee may:
 - (i) contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct a study of the tuition tax credit enacted under Section 59-10-136 using funds other than state funds; and
 - (ii) accept grants to fund the study.
 - (b) The study shall cover the number of years the tuition tax credit is in effect, not to exceed 13 years.
 - (c) The Legislative Management Committee may require periodic reports from the researchers.

=

4. Page 4, Line 107 through Page 5, Line 119:

- 107 (2) The Legislature finds:
- 108 (a) ~~{parents are best equipped to make decisions for their children, including the~~
- 109 educational setting that will best serve the interests and educational needs of their children} .
the state system of public education as established and maintained pursuant to the state Constitution is
charged with making available a free public education for all children of the state ;
- (b) there are limits to the total tax burden that the state's taxpayers may reasonably assume to fund growth in student enrollment and other demands on the state's public education system;
 - (c) a limited tax credit for private school tuition is projected to have a positive net fiscal impact, thereby maximizing the available state resources for the benefit of the state's public education system while fostering the education of all children in the state;
 - (d) enacting a tax credit for private school tuition would allow the state to assess its fiscal impact;
 - (e) if a positive net fiscal impact does not occur, a mitigation fund would help school districts deal with any potential negative impact;
- 110 ~~{(b)}~~ (f) children, parents, and families are the primary beneficiaries of the tuition tax credit

111 authorized in this section and any benefit to private schools, sectarian or otherwise, is purely
112 incidental; and
113 {(e)} (g) the tuition tax credit authorized in this section:
114 (i) is enacted for the valid secular purpose of tailoring a student's education to that
115 student's specific needs;
116 (ii) is neutral with respect to religion; and
117 (iii) provides tax relief to a broad class of persons who are then able to direct their
118 resources {to religious and secular schools} solely as a result of their genuine and independent
119 {private} individual choices.