

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** HB294

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Freitas

**3. Committee:** Education and Health

**4. Title:** Education improvement scholarship tax credit; eligible students in need of safer school environment.

**5. Summary:** Declares eligible for a scholarship from a scholarship foundation that receives an education improvement scholarship tax credit, on the same basis as any other eligible student, eligible students in need of a safer school environment, defined in the bill as any student who, while enrolled in a public elementary or secondary school in kindergarten through grade 12, was the victim of assault, battery, bullying, harassment, hazing, kidnapping, or robbery on school property, on a school bus, or at a school-sponsored activity, as substantiated by an investigation and written report by the school principal. The bill provides that (i) eligible students in need of a safer school environment are permitted to use such scholarships to cover the expenses associated with attending another public school within or outside of his school division of residence and (ii) there are no family income restrictions on scholarships for eligible students in need of a safer school environment.

**6. Budget Amendment Necessary:** Yes, Item 135.

**7. Fiscal Impact Estimates:** Preliminary, see Item 8.

**8. Fiscal Implications:** This bill could negatively impact general fund revenues. Any actual impact is indeterminate. Such impact would exist to the extent that scholarship foundations are able to solicit additional donations that would qualify for the Education Improvement Scholarships tax credit due to their ability to offer scholarships to eligible students in need of a safer school environment. Additionally, such impact would reflect the reduction to any penalty amounts paid by scholarship foundations; however, actual penalties paid-to-date by scholarship foundations are minimal.

The Department of Education would be required to manage requests for tax credits and general program administration. According to DOE, \$40,000 in additional wage support would be necessary annually beginning in fiscal year 2023.

The Department of Taxation considers implementation of this bill as routine and does not require additional funding.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, Department of Taxation

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None