

**Department of Planning and Budget  
2017 Fiscal Impact Statement**

**1. Bill Number:** HB1966

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Massie

**3. Committee:** Finance

**4. Title:** Education improvement scholarships tax credit; eligibility and benefits for certain students.

**5. Summary:** Expands the education improvement scholarships tax credit program by modifying the definition of an eligible student with a disability so that more children with a disability would be eligible to receive tax-credit-derived scholarships from a scholarship foundation. The bill reduces the penalty for failure to fully disburse all donations received from 200 percent to 100 percent of unused donations. The bill increases the scholarship amount available for an eligible child with a disability from 100 percent to 400 percent of the per-pupil amount distributed to the local school division as the state's share of the standards of quality costs.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Indeterminate. See Item 8.

**8. Fiscal Implications:** Under this proposal, scholarship foundations may be able to solicit additional donations that would qualify for the tax credit due to their ability to offer scholarships to more students and in larger amounts. Given the history to-date of this program, it is likely that enough additional tax credits will be generated to negatively impact the estimated general fund revenues for FY 2018. Such amount is indeterminate. Any additional students funded through this program, though, could reduce the general fund state cost required to support students in average daily membership in FY 2018. Any dollar implications cannot be determined.

The Department of Taxation and the Department of Education consider implementation of this bill as routine and can absorb any resulting costs.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The Department of Education issued \$5.5 million in tax credits for FY 2017 (as of January 12, 2017), \$6.8 million in tax credits for FY 2016, \$3.7 million in tax credits for FY 2015, and \$1.5 million in tax credits for FY 2014. The total amount of tax credits available in any given fiscal year is capped at \$25 million.

This bill is identical to SB 1428.