

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** HB1770

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

**2. Patron:** Freitas

**3. Committee:** Education

**4. Title:** Public education; student education accounts.

**5. Summary:** Permits any school division to establish a program to create savings accounts for students to be used for alternative educational programs. The bill requires the Department of Education to establish policies and procedures under which the parent of each student may use such funds on public or private educational programs.

**6. Budget Amendment Necessary:** Yes, Item 143.

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

**8. Fiscal Implications:** This bill imparts several new responsibilities on the Department of Education (DOE) to establish policies and procedures and to enforce the program. DOE would be required to monitor the types of expenditures to ensure they are permitted under the provisions of this legislation.

These responsibilities will generate administrative cost to DOE. The cost to establish policies could be absorbed by existing staff. The enforcement of qualified expenses would require new staff. Based on an annual salary of \$70,000, additional state funds for salary and benefits costs would be \$109,730 per year. DOE would also require an additional \$10,000 per year for technology, supply, equipment and travel costs. DOE estimates an additional general fund cost of \$119,730 perform these administrative duties.

If a local school board chooses to establish a program as described in this bill, new responsibilities would be imparted on local school divisions, which likely would increase administrative costs at the local level. Any actual fiscal impact to local school divisions is indeterminate

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None