

Fiscal Impact Statement
Oklahoma State Department of Education

Bill Number:	SB 609
Author:	Jolley & Loveless of the Senate and Nelson of the House
Description:	Creates the Education Empowerment Scholarship Act, which allows qualified students to utilize a percentage of the state aid calculation for qualified educational expenditures. Requires SDE enforcement, and program administration from Oklahoma State Treasurer (OST).
Explanation of Impact:	<p>1) The bill imposes specific duties on the SDE that would require the addition of two FTE:</p> <ul style="list-style-type: none"> - Receive "withdrawal" and "suspension" notifications from OST; - Receive names of approved students, and cross-check those students with other programs/enrollment records; - Calculate the amount the student is to receive; - Transfer 85% of the amount to the OST; - Distribute the remaining 15% to the district in which the qualified student would otherwise attend; <p>The Board will promulgate rules to implement the program.</p> <p>2) The bill will also require that OSDE systems (the funding formula system and the OCAS coding system) be amended to track necessary expenditures and calculate the amount to be allocated to qualified students. OMES has estimated that typical system adjustments costs approx. \$700,000.</p> <p>3) Impact to districts is estimated based on the amount held off of the top of the formula. The Department has based the estimated impact on the FY 16 Oct 1 enrollment, weighted per capita, current state aid factor and projected growth in enrollment. (See attached worksheet for calculation)</p>
Overall Fiscal Impact:	<p>Total estimated impact to SDE = \$880,000 Cost of two additional FTE = \$180,000 Cost to upgrade SDE systems = \$700,000 Total estimated impact to districts - \$14,699,677 - \$44,507,358 Year 1 - \$14,699,677 Year 2 - \$29,536,852 Year 3 - \$44,507,358 (See attached worksheet for calculation)</p>
Date of Fiscal Stmt:	2/18/15
Prepared By:	SDE
Amended:	Updated 3/1/2016 Updated 3/8/2016

Estimated Fiscal Impact to Districts
 SB 609

	FY2018	FY2019	FY2020
Enrollment (Oct. 1 Report) Proj.	705,656	712,149	718,642
FY2016 Weighted per Capita (688,274.20/1,111,063.38)	1.61	1.61	1.61
Total State Aid Factors (as of 3/4/16)	\$ 3,018.00	\$ 3,018.00	\$ 3,018.00

FY2016 Projected Eligible Students:	Count	Count	Count
FY2016 Enrollment (Oct. 1 Report)	705,656	712,149	718,642
New Students Limit [Sect. 4, Para. H]	0.5%	0.5%	0.5%
Proj. New Enrollment (Oct. 1 Report) [Sect. 3, Para. 6]	3,528.00	3,561.00	3,593.00
Growth in Proj. Eligibility (Includes prior yr Participants)		7,089.00	10,682.00
times Weighted per Capita	1.61	1.61	1.61
Estimated Weights for Eligible Students	5,680.08	11,413.29	17,198.02
times State Aid Factors (As of 3/4/16)	\$ 3,018.00	\$ 3,018.00	\$ 3,018.00
Projected Amount Generated	\$ 17,142,481.00	\$ 34,445,309.00	\$ 51,903,624.00
times 5% [Sect 5, Para. H]	5%	5%	5%
Prog. Administrative Services	\$ 857,124.00	\$ 1,722,265.00	\$ 2,595,181.00
Adjusted Amount Generated (less 5% Adm. Services)	\$ 16,285,357.00	\$ 32,723,044.00	\$ 49,308,443.00
times 85% (15% will remain part of formula)	85%	85%	85%
Projected Amount Available for ESA	\$ 13,842,553.00	\$ 27,814,587.00	\$ 41,912,177.00
Amount to be held off top of school funding formula [Sect. 11, Para. A]	\$ 14,699,677.00	\$ 29,536,852.00	\$ 44,507,358.00

(Adjusted Amount Generated plus Proj. Admin. Services)

Proj. Adjusted State Aid Factors:	\$3,004.60	\$2,990.80	\$2,977.00
Decrease State Aid Factors by:	(\$13.40)	(\$27.20)	(\$41.00)

Assumptions:

- Enrollment growth based on Three Year Average
- State Aid Factor Constant at 3/4/16 status
- Weighted per Capita held Constant per FY2016 ADM and WADM
- Assumes No Participants leave the Program