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FISCAL IMPACT STATEMENT

LS 7708

BILL NUMBER: HB 1009

NOTE PREPARED: Jan 18, 2005

BILL AMENDED:

SUBJECT: School vouchers and No Child Left Behind Act.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a student who attends a public school that is found to be in need of improvement to attend a charter school not in need of improvement if the federal Department of Education approves a competition for states to receive matching funds for charter school facility financing. The bill directs the Department of Education to pursue federal grant opportunities and to create matching state funds for low income students to attend private schools.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The bill could have an impact on the administrative expenses of the Department of Education (DOR) if federal capital or scholarship funds become available for charter schools. If the federal DOE provides matching funds, then the Indiana DOE would have additional administrative costs in administering the grants and providing state matching funds.

If federal funds do become available, there could be an impact state expenditures where current appropriations are redirected to provide the match for the federal grants. The potential grant requirements for charter school facilities are unknown but the bill directs DOE to use existing capital funds and allows the funds to follow the student from a school that needs improvement to a charter school. If the federal Department of Education receives approval to institute a pilot k-12 school scholarship program that provides low income families to have a choice to send their children to a private school, the state DOE is directed to attempt to obtain federal funding. The same per pupil funding formula as used for charter schools could be used as a basis for any required federal match. The impact would depend on the match requirement and if the revenue would be redirected from the formula to the scholarship program

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools Corporations; Charter Schools.

Information Sources:

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