

February 18, 2013

The Honorable Kasha Kelley, Chairperson
House Committee on Education
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Kelley:

SUBJECT: Fiscal Note for HB 2263 by House Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2263 is respectfully submitted to your committee.

House Bill 2263 would establish the Special Education Scholarship Program to be administered by the State Department of Education and take effect during the 2013-14 school year. Any parent of an eligible student would qualify for a special education scholarship if: (1) the student has had an individualized education program (IEP) prepared in accordance with rules and regulations of the Kansas Department of Education; (2) the student has been accepted for admission at a participating school; and (3) the parent has requested a scholarship from the state before the deadline established by the KSDE. It would be the responsibility of a parent to select their child's school, apply for admission and apply for a special needs scholarship.

The Department would notify the resident school district that a special needs student has requested a scholarship. Within three business days, the district would provide the Department with a copy of the student's most current IEP. The Department would then review the IEP and determine the amount of the scholarship and provide the student's parent with a written explanation of their determination.

The maximum scholarship amount would be an amount equivalent to the cost of the educational program provided by the resident district. Although the scholarship amount is a function of a student's IEP, the participating school is not required to abide by the IEP. The parent and participating school mutually would determine the best services and educational plan for the student. The amount of the scholarship would be the lesser of the cost of the program provided by the resident district or the amount of the participating school's estimated costs for serving the student. The costs of any assessment by the participating school of the student's special needs may be included in the amount.

Participating students would be counted in the enrollment of their resident school district. The funds needed to provide a scholarship would be subtracted from the state aid payable to the student's resident district. The special needs scholarship would remain in force until the student returns to a public school, graduates from high school or reaches the age of 21, whichever comes first. A parent would be able to remove the student from a participating school and place the student in another participating school or in a public school at any time.

The resident school district would provide transportation for an eligible student to and from the participating school in the same manner as the resident districts is required by law to provide transportation for other resident students to nonpublic schools. The resident district would qualify for state transportation aid for each student transported.

If the parent of an eligible student requests that the student take the state assessments, the resident district would provide locations and times for the student to take assessments if they are not offered at the participating school.

The Department would adopt rules and regulations concerning eligibility and participating of nonpublic schools, calculation and distribution of scholarships, and application and approval procedures. In addition, the Department would have the ability contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct a study of the program. The Department would provide the Legislature with a final copy of the program evaluation.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$135,814	\$135,814
FTE Pos.	--	--	--	1.00

According to the Kansas Department of Education, enactment of HB 2263 would have no fiscal effect on the overall amount of state aid distributed to school districts, as the bill would require the Department to subtract amounts from applicable state aid from the resident school district to the district providing the special education services. However, the Department would require additional expenditures totaling \$135,814, all from the State General Fund, as well as 1.00 FTE Education Program Consultant to administer the program. This estimate includes \$50,000 to conduct a study of the scholarship program, as well as \$85,814 for costs associated with the additional FTE position, including \$77,906 for salaries and wages, \$2,500 for travel and subsistence, and \$5,408 for other operating costs. Any fiscal effect associated with HB 2263 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget