

Fiscal Note

BILL # SB 1553

TITLE: education; Arizona empowerment accounts

SPONSOR: Murphy

STATUS: As Introduced

PREPARED BY: Steve Schimpp

Description

SB 1553 establishes and prescribes rules and requirements for the Arizona Empowerment Accounts program for special education students.

Estimated Impact

The bill would reduce state K-12 formula costs by an unknown amount over the long term. It potentially could have a first-year cost, however, because students who transferred out of public schools with declining enrollments under the bill would remain in those districts' funded counts for 1 year after their transfer (so would be funded under both programs for one year). Under current law, districts with declining enrollments receive state funding based on their prior year rather than current year enrollment counts.

Analysis

SB 1553 requires the state to deposit into an Arizona Empowerment Account "an amount that is equivalent to ninety percent of the amount of state aid that otherwise would be computed for the student." Only students who attended a public school for at least the first 100 days of the prior school and continuing program participants would be eligible for the program. As a result, funding deposited into an Arizona Empowerment Account for a particular student under the bill would be offset by the Basic State Aid savings associated with the student leaving public school. The offset would be delayed for 1 year, however, for students who transferred out of public schools with declining enrollments under the bill, as noted above.

The total amount of state savings that would occur under the bill is unknown, as it would depend largely on the number of special education pupils who would leave public schools under the bill, which cannot be predicted with certainty. (Currently about 17,000 special education pupils attend Arizona public schools.) It also would depend on the types of pupils transferring out of public schools under the bill, as pupils qualifying for the highest "Group B" weights in A.R.S. §15-943 currently can cost the state \$30,000 per year, whereas special education pupils with "mild" disabilities can cost the state \$5,000 annually.

Local Government Impact

Public schools would receive less Basic State Aid funding under the bill if it resulted in lower enrollment counts for them for pupils with disabilities.

2/15/11