



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 494** HLS 21RS 879  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> May 3, 2021	2:32 PM	<b>Author:</b> MINCEY
<b>Dept./Agy.:</b> Education		
<b>Subject:</b> Public School Choice		<b>Analyst:</b> Garrett Ordner

SCHOOLS/CHOICE OR SEE FISC NOTE See Note Page 1 of 1  
 Provides relative to public school choice

Proposed legislation provides that a parent or legal guardian may enroll their child in any public school if the public school governing authorities of the jurisdiction where the student resides and the jurisdiction where the student seeks to enroll reach a written agreement addressing: (1) transportation arrangements for the student; (2) the transfer of sufficient local funds to support the student's transfer, including a payment schedule; (3) the conditions under which the transfer agreement and transfer of funds may be terminated prior to the end of its stated term; and (4) acknowledgment that the transfer does not create entitlement to future enrollment beyond the term of the agreement. Provides that entry into such an agreement is discretionary by both affected public school governing authorities.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Public school districts that choose to enter into transfer agreements will experience increased costs to the extent that enrollment increases as a result. Costs will vary based on the number of families that pursue the enrollment option and the number of districts that enter into agreements. The net impact to districts is indeterminable.

Proposed legislation requires the written transfer agreements to address: (1) transportation arrangements for the student; (2) the transfer of sufficient local funds to support the student's transfer, including a payment schedule; (3) the conditions under which the transfer agreement and transfer of funds may be terminated prior to the end of its stated term; and (4) acknowledgment that the transfer does not create entitlement to future enrollment beyond the term of the agreement. However, the terms of the arrangements regarding these issues are at the districts' discretion.

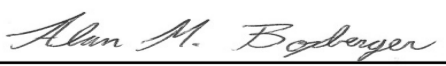
To the extent districts that currently enroll students transferring from other districts under current law choose not to enter into transfer agreements, those districts may experience cost savings, however this is indeterminable.

The proposed law will have an indeterminable impact on state expenditures through the Minimum Foundation Program (MFP). The Department of Education (LDE) reports that school districts now have the authority to receive students from other systems. Under present law, the sending school district first excludes the transfer student from their MFP student membership count, and the receiving school district then includes the transfer student within their MFP student membership count. Students are counted by the school system in which they are enrolled for purposes of MFP funding. Because the MFP state cost per pupil varies by school system, any student transfer associated with the proposed measure will result in a marginal, though indeterminable, change in state expenditures. The net impact to the state is indeterminable.

**REVENUE EXPLANATION**

Proposed law provides for the transfer of sufficient local funds between districts to account for the student's transfer. This will result in an increase in local revenues for the school district receiving transfer students. It is unknown how districts that enter into agreements will determine the appropriate amount of local revenues to transfer; therefore, the amount of revenue that will be gained by any individual district will vary.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Alan M. Boxberger**  
 Staff Director