

# Fiscal Analysis

## REVISIONS TO PUBLIC SCHOOL ACADEMY LAW



**Bill/Sponsor** HOUSE BILL 4148 As Introduced, Rep. Brian Palmer

**House Committee** Education

### Analysis

#### Summary

##### ASSUMPTIONS

HB 4148 would eliminate the limit on the number of public school academies (PSAs) that state universities are allowed to authorize, currently set at 150 schools. The average size of a new public school academy is estimated to be 250 students (the same as for new schools in FY 2002), and it is assumed that schools will open in the fall of 2003 or beyond, meaning that the cost would be realized in FY 2004. It is assumed that approximately 30 new schools will open each fiscal year beginning in FY 2004 and that 25% of the students enrolling in them would transfer from a non-public or home school, or, in the case of kindergarten students, would have otherwise enrolled in a nonpublic school. (To the extent that smaller or larger percentages transfer from nonpublic schools, the estimate of state costs will be higher or lower.) It is assumed that the remaining 75% of students in new PSA would transfer from existing public schools, creating no additional cost to the state, but creating a local fiscal impact to the school districts.

##### FISCAL IMPACT

If these assumptions hold true, there would be approximately 7,500 pupils in new PSAs in FY 2004, approximately 1,875 of whom would be new to public schools. Multiplying these new enrollments by the FY 2003 pupil-weighted average PSA foundation allowance of \$6,931 gives an additional state cost of approximately \$13 million. There would also be a subsequent revenue loss of \$39 million to the local school districts from which the remaining approximately 75% of public school students transferred. The costs of the schools opened in FY 2004 would continue into FY 2005 and the costs of additional new schools opening in FY 2005 (estimated to be the same amount as the FY 2004 costs) would be added to this ongoing cost.

### Analyst(s)

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