



FISCAL NOTE

House Bill 334

Committee: Finance and Taxation Education Sponsor: Representative Danny Garrett

Analyst: John Friedenreich

Date: 05/31/2023

House Bill 334 as passed the House of Representatives would create the Students with Unique Needs (SUN) Education Scholarship Account (ESA) Program which could increase the obligations of the Education Trust Fund (ETF) by an estimated maximum of \$3 million in fiscal year 2025, and up to an additional similar amount each fiscal year thereafter, by depositing funds into ESAs of participating eligible students, which may be used for certain educational services, pursuant to the provisions of this bill. This bill would provide that 95% of the gross state Foundation Program cost-per-student would be deposited into each ESA during the applicable tax year, subject to appropriations from the ETF. This amount is approximately \$5,600 for Fiscal Year 2023. This bill would cap enrollment in the program at 500 students for the initial 2024-2025 school year and would provide that this cap would increase by 500 each year thereafter.

Additionally, this bill would increase the obligations of the Alabama State Department of Education (SDE) by an undetermined amount to administer the ESAs, adopt rules and policies for the program, conduct regular audits to prevent fraud, determine eligibility for ESAs, maintain the list of approved education service providers, and collect and disseminate test results and graduation rates of participants. These obligations would be offset by the retention of 5% of the gross state Foundation Program cost-per-student by SDE for the administration of this program, as provided by this bill. This amount for Fiscal Year 2023 is approximately \$300.