

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2023 South Dakota Legislature

FISCAL NOTE 2023-FN1234A

HB1234, An Act to provide a voucher for students enrolled in certain grade levels at accredited nonpublic schools.

The bill would require the Department of Education (Department) to review applications and provide a voucher for students enrolled in accredited nonpublic schools. This voucher would be the lesser of the nonpublic school student tuition cost or the Per-Student-Equivalent (PSE), which is the public-school cost per student taking into account both state aid and local effort. The PSE for FY 2024 is \$6,987.29.

Fiscal Year	Grade-level	Students	Vouchers	Estimated Administration Costs	Fiscal Impact
2024	K-3	3,323	\$12,712,923	\$145,295	\$12,858,218
2025	K-7	6,296	\$24,089,398	\$145,295	\$24,234,693
2026	K-12	9,648	\$45,091,342	\$145,295	\$45,236,637

The eligible student population forecast is based on data from the 2022 fall enrollment census count of nonpublic school students, taking out enrollment for unaccredited nonpublic schools. Data suggests the average nonpublic high school student tuition cost is greater than the PSE; whereas the average nonpublic elementary school student tuition is less than the PSE.

The fiscal impact of this bill to the Department's budget would be an increase of \$45,236,637 from the general fund by FY 2026. This is calculated by taking the average nonpublic elementary school student tuition cost and the PSE times the population of eligible students for each fiscal year. The LRC estimates the Department would require an additional 2.0 FTE positions to administer the program and review applications. Funding for this bill would likely increase from \$12,858,218 in FY 2024 to \$45,236,637 by FY 2026.

The Department of Education provided the student enrollment data.

APPROVED BY: /s/ Reed Holwegner
Director, Legislative Research Council

DATE: 2/13/2023