



DEPARTMENT OF AUDITS AND ACCOUNTS

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March 5, 2020

Honorable P.K. Martin IV
Chairman, Senate Education and Youth Committee
324-B Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
Senate Bill 386 (LC 49 0125)

Dear Chairman Martin:

This bill would expand the Georgia Special Needs Scholarship Act to include students eligible for accommodations under Section 504 of the federal Rehabilitation Act of 1972. Students with a 504 Plan must have an impairment which causes a substantial limitation of a major life activity or has a prior history of such an impairment or is regarded as having such impairment. The scholarship amount is equal to the quality basic education costs associated with that student. The bill also expands eligibility for all special needs and 504 Plan students to include students having attended preschool in Georgia or students who were recently adopted or placed in foster care.

Georgia Department of Education Costs

The bill is expected to increase the number of scholarships administered by the Georgia Department of Education (GaDOE). GaDOE currently employs one analyst to manage approximately 5,000 scholarships, ensuring that quarterly payments are made to respective parents or private schools at the appropriate rate per student. Assuming current staffing level for administrative oversight of these scholarships, GaDOE would need one additional analyst at a cost of approximately \$100,000 in salary and benefits per 5,000 scholarship participants.

Additional special needs scholarships will not require an increase in other educational funds, because the scholarships are a redirection of Quality Basic Education (QBE) funds that would be provided to school systems in the absence of the bill.

While an increase in state funds is not required, a portion will need to be redirected from QBE to the Special Needs Scholarship Program. The amount of the redirection is difficult to determine due to uncertainty regarding the number of students with a 504 Plan or the percentage that might

take advantage of the scholarship. GaDOE will not begin collecting data on the number of 504 Plan students until the close of school year 2019-20; however, the U.S. Department of Education's Office of Civil Rights (OCR) provided a self-reported survey of all schools in 2015 which estimated Georgia's 504 Plan student population at 28,640. (The same survey showed 21,451 the prior year, so the number could be significantly different in the 2020-21 school year.) Just over 4 percent of the currently eligible population receives a special needs scholarship, but the percentage utilizing the scholarship is expected to be higher for this population.

Exhibit 1 shows a range of scholarship cost estimates. The estimates use the most recent population of 504 Plan students and the FY 2019 funding per student (\$3,324). Unlike special needs students who receive larger QBE amounts than most general population students, 504 Plan students would likely receive QBE funds at a portion comparable to general education students.

Exhibit 1

Assumption Rates of 504 Plan Student Population Utilizing the Scholarship

| | Number of Students | Scholarship Amount |
|-----|---------------------------|---------------------------|
| 10% | 2,864 | \$9,520,394 |
| 20% | 5,728 | \$19,040,789 |
| 30% | 8,592 | \$28,561,183 |

Sincerely,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget