

STATEMENT OF PURPOSE

RS27024

The purpose of this legislation is to establish the GEM (Guided Education Management) Scholarship Act. The legislation creates GEM Scholarships to pay for qualified education expenses for (i) students from low-income families, (ii) students with special needs, (iii) students who are at-risk, or (iv) children of active duty military. Criteria for services considered qualified education expenses and entities providing those services is identified in the legislation. The legislation also sets forth criteria for a Scholarship Granting Organization to oversee funds received for GEM Scholarships and administering GEM Scholarships with individual students. The GEM Scholarship is to be funded with charitable contributions with the donor eligible for a tax credit equal to 50% of the donation. The amount of available tax credits will be capped at \$15 million annually.

FISCAL NOTE

The potential net savings to the General Fund is \$21,642,857. Though there are many variables, if it is assumed that 6,931 students receive scholarships at an average per pupil amount of \$4,112, and that 70% of the students receiving the scholarship were previously funded as full-time public school students, the state will experience a General Fund spending reduction of \$36,642,857. The net savings to the General Fund is \$21,642,857. This assumes that those students switching from the public education system were funded by the state at \$6,267 per student.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).