

## STATEMENT OF PURPOSE

RS32171 / H0164

This legislation creates the Idaho Education Opportunity Program (IEOP) to provide families with school age students, Kindergarten to 12th Grade, a choice to utilize up to 80% of the average per student state funding. Eligible Special Education Students would qualify for 100%. The funding for an IEOP account could be used for eligible expenses, including Tuition at an accredited private school, or a Personalized Student Education Plan that would include expenditures for Textbooks, reasonable transportation, education equipment and technology, educational therapies, fees for testing, admissions, fees to manage the IEOP account, tuition for individual classes, uniforms, tutoring, and technology devices. Eligible Students from families with less than \$75,000 of Adjusted Gross Income, entering the program as a kindergarten student, or applying after having attended an Idaho Public School for 90 days in the prior school year, will have priority of appropriated funds. Students in families with an AGI's greater than \$75,000, can be eligible at reduced participation rates. The public school district or charter school of record shall receive the balance of the average distribution (20%) of the average distribution calculation. The Parents agree that IEOP funds shall only be used according to the approved uses and agree that any Qualified School shall provide the parents with the results of a nationally normed assessment. Use of funds for a Personalized Student Education Plan will include a nationally normed assessment. To renew the account the parent shall demonstrate that their student is at grade level or has shown one full year of academic growth. The bill also establishes a deduction of paid tuition and fees from a families taxable income, excluding any tuition and fees paid with IEOP funds. The effective date of this bill is January 1, 2026, and the first applications will be received by June 15, 2026, for the 2027 school year. The IEOP would likely provide 3,100 students to have the funds to choose an alternative to the Public School system.

## FISCAL NOTE

The IEOP is subject to appropriation. For fiscal year 2026, it is estimated that the State Department of Education will need to establish staffing to manage the application and approval process. The 2026 budget will require an estimated \$200,000 appropriation for an estimated 2 staff members. We estimate that if 2,000 students in grades 1-12 qualify, 50% of 1,200 Kindergarten students qualified, and 500 students qualified for a Personalized Student Education Plan the IEOP funding in 2027, using 2025 budget estimates of \$8,440, state support per student, each IEOP qualified student would be eligible for \$6,752, and the district of record would receive \$1,688. The total appropriation for the IEOP account would require a total estimated appropriation of \$21,000,000, of which \$15,800,000 is funding that would be following the student, no new dollars. It is estimated that the IEOP would create an additional \$5,200,000 of additional appropriation for IEOP students, plus staffing and administrative costs of \$933,000. It is estimated that allowing tuition to be a deduction from taxable income will reduce state income tax revenues by \$8,700,000. The total impact of the IEOP and Income tax deductions will be \$14,833,000.

### Contact:

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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).**