



Initiative 23-0026A1

November 2, 2023

RECEIVED

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Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Nov 02 2023

Attention: Ms. Anabel Renteria
Initiative Coordinator

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Bonta:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional and statutory initiative related to funding for students attending private schools (A.G. File No. 23-0026, Amendment #1).

BACKGROUND

California Has 6.4 Million Students Receiving an Elementary or High School Education. State law requires all children to receive an elementary and high school education. Most families meet this requirement by enrolling their children in their local public schools, but some families choose private schools or homeschooling instead. The state currently has 6.4 million students across all of these settings—5.8 million in public schools, 517,000 in private schools, and 126,000 being homeschooled. Most of these students are between the ages of 5 and 18. The state also has more than 400,000 four-year old children, many of whom participate in preschool. In this section, we review the structure and funding of each educational option as well as the options available for preschool.

Public Schools

Overview

State Required to Provide a Public School System. The California Constitution requires the state to organize and fund a free system of public schools. This system consists primarily of school districts and charter schools. It also includes a small number of schools operated by county offices of education and a few schools operated directly by the state.


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School Districts Are the Largest Component of the Public School System. The state has 938 school districts operating 8,600 individual schools and enrolling more than 5.1 million students. School districts are responsible for educating all students living within their attendance areas, except for students who have chosen another public or private school option. Each school district is governed by a board elected by the voters who live in its attendance area.

State Law Regulates School District Operations in Many Areas. For example, the law requires school district students to take standardized tests in several subjects, determines the courses that students must complete to earn a high school diploma, and specifies the reasons a district may suspend or expel a student. State and federal laws also require districts to provide various services to students with disabilities. (Districts sometimes arrange and pay for the education of these students at specialized types of private schools.) State law also sets requirements for school employees. For example, the law requires districts to hire teachers with state teaching credentials, establishes a number of steps districts must follow before dismissing or laying off employees, and sets forth many rules for negotiating over pay and job responsibilities. Other areas regulated by state law include construction requirements for school facilities, rules for developing budgets, school start times, and the length of the school year and school day.

Charter Schools Also Enroll a Significant Number of Students. The Charter Schools Act of 1992 authorized the creation of charter schools as an alternative to schools operated by districts. The state has 1,268 charter schools enrolling nearly 700,000 students. Charter schools are responsible for enrolling all interested students up to their maximum capacity. Charter schools operate under locally developed agreements (“charters”) that define their educational goals, services, and programs. Charter schools are monitored by the school districts in which they are located.

Charter Schools Have More Autonomy, but Subject to Some Requirements. In exchange for following the terms of their charters, the state exempts charter schools from many laws pertaining to school districts. For example, charter schools decide locally on their governance structure and have more flexibility in developing their budgets. On the other hand, charter schools remain subject to some state requirements that apply to other public schools. For example, charter school students take the same standardized tests as school district students and charter school teachers must have state credentials.

Funding

Public Schools Receive State, Federal, and Local Funding. As Figure 1 on the next page shows, revenues for public schools currently total \$127.6 billion (\$21,962 per student). The largest source of funding is an allotment of state General Fund and local property revenue set aside for schools under the Constitution. This allotment accounts for nearly 75 percent of the total funding for public schools (\$16,340 per student).

Constitutional Allotment (Proposition 98). Proposition 98 (1988) establishes a minimum funding requirement for public schools and community colleges. The state calculates this minimum requirement each year using formulas in the State Constitution. The main factors affecting the minimum requirement are General Fund revenues, growth in the state economy,

and changes in the number of students attending public schools. (The General Fund—the state’s main operating account—is estimated to receive about \$209 billion in revenues this year. The General Fund pays for most state activities, including healthcare programs, state universities, and prisons.) In most years, the state must allocate nearly 40 percent of General Fund revenue to meet this requirement. Schools pay for most of their general operating expenses (including teacher salaries, books, and supplies) using these funds.

Figure 1

Funding for California Public Schools in 2023-24
(Dollars in Millions, Except Amounts Per Student)

Proposition 98 Allotment	
General Fund	\$68,101
Local property tax	26,852
Subtotal	(\$94,953)
Other General Fund	
School facility funding	\$4,335
State pension contributions	3,644
Other	2,099
Subtotal	(\$10,077)
State Lottery	\$1,430
Federal Funds	\$8,024
Other Local Revenue	
Property taxes for local facility bonds	\$5,650
Other local revenue	7,487
Subtotal	(\$13,137)
Total	\$127,622
Public School Enrollment	5,810,993
Funding Per Student	
Proposition 98 allotment	\$16,340
All funds	21,962

School Facility Funding. The state provides grants to public schools to cover a portion of the cost to construct and renovate school facilities. The state historically has obtained funding for these grants by selling bonds to investors. The state then repays the investors, with interest, from the General Fund. The state typically pays off bonds over several decades. This year, the state will pay \$2.4 billion related to five school bonds it previously sold. Over the past few years, the state has provided additional funding directly from the General Fund (without resorting to bonds). This year, the state is providing nearly \$2 billion in funding for school facility projects in addition to bond payments.

State Pension Contributions. Public school teachers and administrators qualify for pensions when they retire. These pensions are funded by annual contributions from public schools, employees, and the state, as well as income from investing contributions in stocks and other assets. The state contribution consists of two components. The smaller component helps fund the cost of pension benefits employees earn each year they work in the public school system. This

amount is based on the number of teachers and administrators districts currently employ and the salaries of those employees. The larger component is to make up for the fact that previous contributions were not large enough to cover the pension benefits that employees earned in the past. This amount depends on the number of teachers and administrators schools employed in the previous years, past contributions and investment returns, and other factors. Similar to the state, public schools also make pension contributions that include both of these components. (Most other public school employees also qualify for pensions when they retire, but the state does not help fund these pensions directly.)

Federal Funds. Most of the funding provided by the federal government supports three main activities: (1) serving meals to low-income students (primarily through the National School Lunch Program), (2) providing academic support and other services at low-income schools, and (3) educating students with disabilities. The meals program provides reimbursements based on the number of meals served. For the other two programs, public schools receive an allocation based on several factors, including the total school-age population (including private school students) within their attendance areas and the percentage of students from low-income families. Public schools, however, must spend some of their federal funding to support private school students. This amount generally is proportional to the number of qualifying students in their attendance areas who attend private schools. Public schools also receive various smaller grants for activities such as operating after school programs, providing career technical education, and training teachers and principals.

Local Revenues. The largest source of local funding for public schools (outside of Proposition 98) consists of property taxes levied to construct or renovate school facilities. Similar to the state, districts can sell facility bonds with the approval of their local voters. Districts pay off these bonds over time with revenue increases generated by increasing their property tax rates. The other sources of local revenue include donations, parcel taxes, interest earnings, and developer fees.

Private Schools

Overview

Private Schools Educate Approximately 517,000 Students. The latest available data show that California has 3,007 private schools enrolling nearly 517,000 elementary and high school students. Most private schools are located in urban areas, but nearly all counties in the state have at least one private school. The data also show that approximately 70 percent of private school students attend religiously affiliated schools and 30 percent attend nonreligious schools. Most private school students attend schools that are incorporated as nonprofit organizations, but some schools are unincorporated or organized on a for-profit basis. Like public schools, most private schools obtain accreditation. Accreditation means that a school has developed and implemented an improvement plan with the assistance of an accrediting agency.

Private Schools Operate With Minimal State Regulation. In contrast to the public school system, the state has adopted relatively few laws governing private schools. With one exception, the state does not certify or monitor private schools. (The state does oversee private schools with

contracts to educate public school students with disabilities.) Private schools have much more autonomy than school districts or charter schools and they can generally operate as long as they can attract students willing to pay tuition. For example, private schools develop their own curriculum and goals for student learning, including graduation requirements and any required testing. Private schools also set their own admission policies, including the number of students they will admit and any entrance requirements. They develop their own rules for student conduct, including policies around suspension and expulsion. They also decide on the qualifications of their teachers and administrators.

State Has a Few Basic Requirements for Private Schools. Most notably, the law requires private schools to provide instruction in the same general areas as public schools; keep records of student attendance; and file affidavits identifying their address, contact information, and enrollment. State law also establishes a few rules related to health and safety. For example, private schools must (1) conduct background checks on employees who will interact with students, (2) meet fire and earthquake safety requirements for their buildings, and (3) ensure students are immunized against certain diseases. (The law waives some rules for smaller schools.)

Funding

Private Schools Generate Most of Their Revenue From Tuition. Available data suggest that private school tuition in California averages roughly \$15,000 per year for elementary schools and \$21,000 per year for high schools. Tuition varies widely, however, with many schools charging much less than average and a small number charging more than twice the average. Available data also suggest that roughly one in three students attending a private school receives some type of tuition discount, generally based on financial need or having a sibling enrolled at the same school. In addition to tuition, many private schools ask students to pay for books and supplies. Many private schools also supplement their tuition revenue with fundraising and donations.

State Constitution Prohibits State Funding for Private Schools. The Constitution prohibits the state from funding schools that are outside of the public school system. It also prohibits the state from funding religious organizations, including religiously affiliated schools. The state, however, does exempt nonprofit private schools from income taxes and local property taxes.

Federal Government Supports Private Schools in a Few Areas. The most notable form of support is the requirement for public schools to use some of their federal funding to provide services on behalf of private school students. A few federal programs allow private schools to participate directly. For example, nonprofit private schools can receive federal reimbursements for serving qualifying meals to their students. These programs are relatively complex, however, and private schools tend to participate in them at low rates.

Homeschool

Approximately 126,000 Students Are Educated Through Homeschooling. Homeschooling refers to an arrangement in which students receive most of their education at home under the direction of their parents or other adults (such as private tutors). The parents or other adults are responsible for arranging lessons and materials for these students. We estimate that

approximately 126,000 students are homeschooled in California. Similar to private schools, the state does not oversee or provide any funding for these students. (Some students participate in a variation of homeschooling in which they receive most of their education at home but enroll in a private school that assists with some aspects of their education. Private schools offering these arrangements are sometimes known as Private School Satellite Programs. Our estimate excludes these students because they are counted in the private school enrollment data.)

Preschool Options

Four-Year Old Children Eligible to Enroll in Transitional Kindergarten. More than 400,000 four-year old children live in California. State law does not require these children to enroll in school, but many families send their children to various types of preschool. One preschool option is transitional kindergarten. Transitional kindergarten is a free program operated by public schools to prepare four-year olds for kindergarten. For many years, the state limited transitional kindergarten to children born in certain months of the year, but it recently decided to make all four-year olds eligible by 2025-26. Children in transitional kindergarten generate state funding in the same way as other students, and the state includes transitional kindergarten students in its enrollment totals for public schools.

Some Four-Year Old Children Attend Private Preschool Programs or Receive Care at Home. As an alternative to transitional kindergarten, some families send their children to private preschool programs or, if eligible, other publicly funded preschool programs. Private preschools can operate in a center or a home and typically generate revenue from fees paid by parents. If a program meets the child care needs of working families, it may also generate some state and federal funding. Public and private preschools must meet certain health and safety standards. For example, center-based preschool programs must have at least 1 adult for every 12 children. Other families decide not to enroll their children in any formal preschool program. These children may be receiving care and supervision from a parent or relative. After accounting for the expansion of transitional kindergarten, we estimate that roughly 80,000 four-year old children will remain in private preschool programs or continue to receive care at home.

PROPOSAL

This measure establishes a program that would provide state funding for students attending eligible private schools. Below, we describe the main features of the program, explain how the state would administer it, and review the associated changes to the Constitution.

Proposed Program

Provides State Funding for Students Attending Participating Private Schools. Beginning in the 2025-26 school year, the measure would allow an eligible student to open an Education Savings Account administered by the state. After establishing this account, the student could enroll in a participating private school and submit a participation agreement to the state. For each year the student attended that school, the state would deposit \$17,000 from the General Fund into the student's account. After 2025-26, the measure requires the state to adjust the annual amount to match the average Proposition 98 spending on public school students. This adjustment means

the amount would change over time based on the Proposition 98 formulas. To participate in the program, students would have to meet the same eligibility requirements as students enrolled in public schools (including transitional kindergarten). In other words, the program generally would be open to California residents age four or older who had not yet graduated from high school. The funds deposited into a student's account would be nontaxable for state income tax purposes. Students enrolled in public schools would not receive any funding under this program, but would continue generating funding for their school district or charter school as they do under current law.

Students Could Use Funds for Private School Tuition and Other Educational Expenses.

The measure allows students to use the funds in their accounts for two basic purposes. First, they could pay for the costs of attending private school, including tuition, fees, books, and supplies. Second, they could purchase goods or services from an approved educational vendor. The list of vendors would be determined after voters approve the measure, but potential examples include companies selling tutoring services, test preparation materials, and educational equipment (such as calculators or computers). For tuition and other costs of attendance, the state would disburse funds directly from student accounts to participating private schools. For educational vendors, students could have their funds paid directly to the vendors or make purchases themselves and receive reimbursements from their accounts.

Unused Funds Would Roll Over to the Following Year. In some cases, a student would select a private school in which tuition and fees were less than the annual amount provided by the state. The measure provides that any unused funds would remain in the student's account for use in the following year. In other cases, a student might select a private school in which tuition and fees were more than the amount provided by the state. The student would be responsible for covering the difference, but could draw upon any funds built up in previous years.

After Graduation, Remaining Funds Could Be Used for College Education. Students would not receive any additional funding after they completed their elementary and high school education. They could, however, use any remaining funds in their accounts to pay for tuition and related expenses at an accredited college, university, or job training program located in California or another state. The measure requires the University of California, California State University, and California Community College systems to accept these funds as payments toward their eligible costs. For other institutions, accepting funds from student accounts would be optional. Upon reaching adulthood, a student also could transfer any unused funds to the account of a family member or spouse.

Establishes a Few Requirements for Participating Private Schools but Prohibits Additional Requirements. The measure requires participating private schools to meet four basic requirements: (1) obtain accreditation or participate in a nationally recognized test of student performance and submit the accreditation or test results to the state; (2) undergo an annual financial audit and submit the results to the state; (3) periodically certify student attendance and eligible costs; and (4) have at least ten students. The measure prohibits the state from adding any requirements for participating schools beyond these basic requirements.

Prohibits State Regulation of Private School Curriculum and Academic Decisions. Private schools currently have broad discretion over their academic programs and this measure prohibits

state regulation of these programs in the future. Specifically, it would grant participating private schools the broad authority to “teach or not teach” any “subject, content and information as they deem appropriate.” In addition, the measure prohibits the state from regulating private school decisions regarding (1) the selection of curriculum, such as the use of specific textbooks or instructional materials; (2) disciplinary policies for students or staff; or (3) requirements for teachers to have a state credential. The measure also allows participating private schools to maintain religious requirements for students and staff. For students educated at home, the measure specifically prohibits the state and local governments from imposing any licensing requirements (such as child-to-adult ratios).

Administration

Establishes New Board to Administer the Program. The board would consist of 13 members representing various types of private schools. The measure specifies that the proponents of the measure would appoint the initial members of the board to a maximum of two four-year terms, and these members would appoint their future replacements. The board would process applications from interested students, manage student accounts, verify the eligibility of participating private schools, and determine the list of approved educational vendors. The board also would conduct random audits to verify student eligibility and investigate complaints about ineligible students or schools receiving funding. To accomplish these activities, the board could adopt regulations, hire staff, and contract for services.

Authorizes Board to Deduct an Annual Fee for Administrative Costs. The measure allows the board to deduct a fee for administrative expenses from the annual amount for the program. Initially, this fee could be up to 3 percent of the annual amount for the program (meaning it could be up to \$510 per student in 2025-26). The allowable fee would decrease as the number of students participating in the program exceeded certain thresholds. In addition to paying for the ongoing administrative expenses of the board, the fee would reimburse the state for the initial start-up costs of the program.

Sets Application Deadline and Schedule for Disbursing Funds. The measure requires interested students to apply by April 1 prior to the school year in which they would attend a private school. Students applying between April 2 and October 1 would receive partial funding. Students applying after October 1 would receive funding only for the following school year. The measure requires the state to transfer funding from the General Fund to the board twice per year (in July and December). After receiving these funds, the board would credit them to individual student accounts and disburse funds to participating private schools in monthly installments.

Requires State and School Districts to Notify Students of the Program. The measure requires the state and school districts to provide information about the program to every student enrolled in public schools. Specifically, the information would have to be mailed to all eligible students, made available on district websites, and posted at every public school. School district officials also could not discourage students or parents from participating in the program.

Constitutional Changes

Allows State to Pay for Program With Revenues Currently Set Aside for Public Schools.

The measure would amend the California Constitution in two notable ways. First, it would create an exemption from the sections that otherwise would prohibit the state from funding the program, including the section that prohibits funding for private schools (including religiously affiliated schools). Second, it would allow the state to pay for the program using Proposition 98 funds that are currently reserved for public schools. As part of this change, it would modify the calculation of the Proposition 98 funding requirement to include students participating in this program (in addition to students attending public schools).

FISCAL EFFECTS

This measure would have various fiscal effects on the state and public schools. The magnitude of these effects largely depends on (1) the number of participating students, and (2) how public and private schools respond to the measure. It also depends on how the courts would resolve a potential legal challenge to the measure.

Legal Uncertainties

Fiscal Estimates Assume the State Can Implement the Measure. The California Constitution prohibits voter initiatives from giving governmental authority to a private entity. To determine whether an entity is public or private, the courts consider several factors, including the method for choosing the entity's governing board and the level of government oversight or control over the entity. A court could decide that the board created to administer this program is a private entity because its members are not elected officials (or appointees of elected officials) and the board would have a relatively high level of autonomy. If a court made this determination, it could invalidate the process for selecting the board or invalidate the measure entirely. Our fiscal estimates assume the state is able to implement the program proposed by this measure. If the courts were to invalidate the measure entirely, the fiscal effects described in our analysis would not occur.

State Fiscal Effects

Most Students Currently Attending Private Schools Would Participate. We assume most private school students and schools would participate in the program because the annual funding amount is large and the participation requirements are modest. For example, we understand that most private schools already meet the requirement for accreditation or annual testing. Participation likely would remain less than 100 percent, however, because students and schools would need to register. We also assume many students in homeschool or private preschool settings would make adjustments that would allow them to participate. For example, families homeschooling their children could join with other families to form a qualifying private school with at least ten students. Similarly, private preschool providers could register as private schools (offering transitional kindergarten). As long as they met the basic requirements of the measure, four-year old children in these settings could generate funding. Under our assumptions, participation by students currently enrolled in private schools (including students in homeschool or private preschool settings) could range from 370,000 students to 590,000 students.

(Participation levels likely would be below this range initially—potentially much lower—until the board finalized the implementing regulations and the courts resolved any legal challenges.)

Increased State Costs—Likely \$6.3 Billion to \$10 Billion Per Year—for Current Private School Students. Under the measure, each participating student would generate \$17,000 beginning in 2025-26. Under our assumptions about participation, costs for current private school students would range from \$6.3 billion to \$10 billion. Since these students do not currently generate funding, their participation is a new cost. Costs likely would be below this range initially due to lower participation during the first few years. The state generally could pay for these costs through reductions to funding for public schools (as the measure allows), community colleges (which also receive funding under Proposition 98), and/or other state programs supported by the state General Fund, depending on how the state implements the measure.

Additional Costs From Increases in Private School Enrollment, Roughly Offset by Lower Spending on Public Schools. The number of students leaving public schools for private schools would depend on several factors, including (1) the number of private schools that open or expand capacity, as well as the tuition they charge in the future; (2) the changes that school districts and charter schools make to their programs and services; and (3) how students and their parents assess the quality of the educational options available to them. Over time, state spending on the program would increase based on these shifts. For example, if 300,000 public school students (about 5 percent) moved to private schools, state spending on this program would increase by more than \$5 billion. If 1.5 million students (about 25 percent) moved to private schools, spending for this program would increase nearly \$26 billion. Reduced state spending on public schools generally would offset these costs. Some residual costs or savings, however, could still emerge. For example, the state spends more on English learners and low-income students in public schools than it spends for other students. Costs or savings could emerge to the extent these students leave public schools at a rate that is lower or higher than the rate for other students.

Reduced State Costs Related to School Facilities, Likely Emerging Slowly. If many public school students shift to private schools, school districts most likely would reduce the number of schools they operate. Districts could achieve these reductions in various ways, such as by constructing fewer new schools, closing existing schools, and selling off facilities they would otherwise renovate. The state, in turn, would experience lower costs to support school facility projects, though these savings probably would emerge slowly. Available research indicates that school districts often avoid closing schools for many years after they begin to experience declining enrollment. In addition, any reduction in school facility costs moving forward would not affect the costs for previous bonds. Within the next few decades, however, the state probably would obtain savings of a couple hundred million dollars annually relative to the amount it would spend without the measure. The exact amount would depend on several factors, including the number of students shifting to private schools, the extent to which public schools reduce their facilities, how the state finances school facilities in the future, and interest rates on state debt.

Modest Reduction in State Pension Costs. To the extent public schools enroll fewer students, they likely would reduce their teaching and administrative staff. This reduction would reduce state costs to support pension benefits earned by current employees. The reduction most

likely would be in the range of tens of millions of dollars annually, but potentially could exceed \$100 million. The exact amount would depend on several factors, including the number of students leaving public schools and how quickly districts reduce their staff. The amount the state contributes to pension benefits earned in the past—which accounts for the bulk of the state’s contribution—generally would not decrease.

Public School Fiscal Effects

Initial Effects Would Depend on State Decisions About Paying for Costs of the Program.

The effects on public schools would depend initially on how the state pays for the costs of students currently attending private schools. For example, if the state covered the initial \$6.3 billion to \$10 billion entirely with existing Proposition 98 funds, public school funding would decrease by a corresponding amount. In percentage terms, the reduction would range from 6 percent to 10 percent of total Proposition 98 funding for public schools (\$1,100 to \$1,700 per student). Adding private school students to the Proposition 98 calculation, however, could increase the minimum requirement. The extent of the increase would depend on several interacting factors, including underlying trends in public school attendance, General Fund revenues, and the specific methodology the state adopts to adjust the Proposition 98 calculation for the additional students. The state also could provide public schools with more funding than the Proposition 98 minimum requires. In either scenario, the reductions to public school funding would be smaller. Once the state determined the amount, public schools would need to reduce their operating budgets accordingly, probably through a range of actions including reductions to staffing and programs.

Reductions in State Funds and Some Federal and Local Funds to the Extent Students Leave Public Schools. In 2025-26, the reduction in state Proposition 98 funding would be approximately \$17,000 for each student leaving public schools. (This estimate assumes some growth in the Proposition 98 minimum requirement over the next few years. The actual amount per student could be higher or lower and would depend on trends in state revenue and other factors.) Most federal funds also would decline in proportion to the reduction in students. For example, schools with fewer students would serve fewer meals and therefore receive less funding under the National School Lunch Program. Other federal reductions would be indirect. For example, districts would receive the same amount of funding for low-income students, but would have to spend a larger proportion on services for students in private schools. A few federal grants—those not dependent on public school enrollment—would be unaffected. Regarding local revenues, some portion probably would decrease, though these reductions would not necessarily be proportional to the reduction in students and probably would emerge slowly. For example, a school district with fewer students probably would raise less local revenue for facilities in the future, but existing facility revenues would be unaffected. Other local revenue sources would not decrease. For example, some school districts receive funding from local taxes that are unrelated to their enrollment.

Reductions in Costs Related to Enrolling Fewer Students. With fewer students, public schools could employ fewer teachers and instructional aides. They also would be responsible for purchasing fewer textbooks, serving fewer meals, and transporting fewer students. These cost reductions, however, likely would not offset the entire reduction in funding—particularly in the

near term—because some costs do not depend directly on enrollment. For example, the costs of operating a school include salaries for the principal and office support staff, which do not decline in tandem with enrollment reductions. To cover the difference, schools likely would need to make additional reductions or draw down reserves. Over a longer period, public schools could make changes that would provide additional savings, such as reorganizing their administrative responsibilities, consolidating classes and services, and closing schools with low enrollment. Even with these actions, they would remain responsible for a few costs that would not decrease. For example, some costs for pensions would not drop for another couple of decades even with fewer staff. For both reductions in funding and reductions in costs, the magnitude would vary significantly for individual school districts and charter schools depending on the number of students leaving in particular areas.

Summary of Fiscal Effects


We estimate the measure would have the following major fiscal effects:

- Increased state costs, likely ranging from \$6.3 billion to \$10 billion per year, to provide funding for students currently enrolled in private schools. The state could pay for these costs with revenues currently reserved for public schools (or other programs in the state budget). To the extent public school students shift to private schools, the state would have additional costs—likely at least several billion dollars annually—that would be offset by lower spending on public schools. Over time, state costs for public school facilities probably would decrease by a couple hundred million dollars per year.
- Public schools would experience reductions in state funding and some federal and local funding—as well as reductions in various costs—based on decreases in their enrollment.
- All of these effects assume the state can legally implement the program to its full extent.

Sincerely,



Gabriel Petek
Legislative Analyst



for Joe Stephenshaw
Director of Finance