

Fiscal Impact of Succeed Scholarship Program

Projections for FY 2020

- The SSP saved Arkansas taxpayers an estimated \$370,530 in ADE spending in FY 2020.
- Succeed Scholarship Program offers private school scholarships to qualifying students who have educational needs not met by local public schools. This year there were 390 students using the program to attend schools out of 43 school districts and several charter schools. Scholarships are capped at the Foundation Funding rate for the academic year.
- Scholarship costs represent a state expenditure, but fewer students in public schools means less state funding is needed for those districts as local tax revenue covers a larger percentage of costs for remaining students.
- Estimated fiscal impact for FY 2020 is that the state saves an average of \$950 per student for each student using the SSP for an entire academic year. The savings are district specific depending on local tax revenue, district student demographics and district financial situation.
- The program is 100% voluntary, the students and their families can choose to return to public schools at any time if the private schools no longer meet their needs.
- This model was estimated using data from the Arkansas Department of Education Annual Statistical Report using actual data from 2019 and budgets for 2020 posted on January 13, 2020.
http://dese.ade.arkansas.gov/divisions/fiscal-and-administrative-services/publication-and-reports/report_categories/annual-statistical-reports I estimated the additional funding needed for each school district for one additional student enrollment with each student matching the district average as far as giftedness, special education status, or other qualities that generate additional state funding in the formula.
- Costs were categorized consistent with Scafidi's cost behavior determinations in The Fiscal Effects of School Choice Programs on Public School Districts downloaded here <https://files.eric.ed.gov/fulltext/ED529881.pdf>
- These estimates ignore funding based on changes in enrollment. If a SSP student leaves a growing district the state would save even more the first year and if the SSP student leaves a declining district the state saves less in the first year.
- In the table on the back of the page Additional State Funding per student is the additional funding the district would need from the state for each additional student. This is also the amount saved when a student opts into private schools rather than attending the district. This is frequently more than the foundation funding, generating one source of savings for the SSP.
- The Scholarships Paid column represents the full year tuition scholarships costs for the private schools chosen. Since tuition is frequently lower than foundation funding, this represents an additional source of savings for the program.
- The Difference column shows the savings to the state resulting from students using the SSP to enroll in private schools rather than the public school district.

	Number of Students	Additional State funding per student	Funding Saved	Scholarships paid	Difference
District 1	70	\$7,489	\$524,230	\$465,246	\$58,984
District 2	50	\$7,376	\$368,800	\$358,752	\$10,048
District 3	35	\$9,899	\$346,465	\$222,090	\$124,375
District 4	31	\$7,339	\$227,509	\$208,941	\$18,568
District 5	31	\$7,269	\$225,339	\$193,470	\$31,869
District 6	23	\$7,741	\$178,043	\$154,636	\$23,407
District 7	17	\$7,103	\$120,751	\$115,586	\$5,165
District 8	13	\$7,330	\$95,290	\$85,103	\$10,187
District 9	13	\$7,958	\$103,454	\$85,744	\$17,710
District 10	12	\$7,757	\$93,084	\$69,714	\$23,370
District 11	8	\$8,282	\$66,256	\$55,192	\$11,064
District 12	6	\$7,449	\$44,694	\$41,385	\$3,309
District 13	4	\$7,191	\$28,764	\$27,596	\$1,168
District 14	4	\$7,923	\$31,692	\$27,596	\$4,096
District 15	4	\$7,286	\$29,144	\$27,596	\$1,548
District 16	4	\$8,446	\$33,784	\$27,596	\$6,188
District 17	3	\$7,213	\$21,639	\$20,697	\$942
District 18	3	\$7,136	\$21,408	\$20,697	\$711
District 19	3	\$7,841	\$23,523	\$20,697	\$2,826
District 20	2	\$7,246	\$14,492	\$13,798	\$694
District 21	2	\$7,245	\$14,490	\$13,798	\$692
District 22	2	\$7,063	\$14,126	\$12,619	\$1,507
District 23	1	\$8,359	\$8,359	\$6,899	\$1,460
District 24	2	\$8,578	\$17,156	\$13,798	\$3,358
District 25	2	\$8,189	\$16,378	\$13,798	\$2,580
District 26	2	\$7,173	\$14,346	\$13,798	\$548
District 27	2	\$7,320	\$14,640	\$13,798	\$842
District 28	1	\$7,655	\$7,655	\$6,899	\$756
District 29	1	\$7,092	\$7,092	\$6,899	\$193
District 30	1	\$525	\$525	\$5,375	-\$4,850
District 31	1	\$7,252	\$7,252	\$6,899	\$353
District 32	1	\$7,320	\$7,320	\$6,899	\$421
District 33	1	\$7,198	\$7,198	\$6,899	\$299
District 34	1	\$7,314	\$7,314	\$6,899	\$415
District 35	1	\$7,144	\$7,144	\$6,899	\$245
District 36	1	\$7,079	\$7,079	\$6,899	\$180
District 37	1	\$480	\$480	\$4,830	-\$4,350
District 38	1	\$8,014	\$8,014	\$6,163	\$1,851
District 39	1	\$7,304	\$7,304	\$6,899	\$405
District 40	1	\$7,127	\$7,127	\$6,899	\$228
District 41	1	\$7,384	\$7,384	\$6,899	\$485
District 42	1	\$7,205	\$7,205	\$6,899	\$306
District 43	1	\$7,009	\$7,009	\$6,899	\$110
Charters	23	\$6,899	\$158,677	\$154,946	\$3,731
Out of State/ Unknown	2	\$7,472	\$14,944	\$12,407	\$2,537
	390			Total	\$370,530
				Savings per student	\$950