

Summary of estimated fiscal impacts of Montana's Academic Prosperity Program for Scholars (MAPPS)

	90% switcher rate	70% switcher rate	50% switcher rate
Total K-12 students in Montana (public, private, homeschool)	165,693	165,693	165,693
Total number of students in Montana eligible for the MAPPS	165,693	165,693	165,693
Eligibility rate	100%	100%	100%
<i>Program participation</i>			
Total tax credit disbursements (cap reached)	\$8,000,000	\$8,000,000	\$8,000,000
Funds available for ESAs (net allowance for administrative costs)	\$7,600,000	\$7,600,000	\$7,600,000
Average EAA amount	\$7,296	\$7,296	\$7,296
Est. number of students who receive EAAs	1,041	1,041	1,041
Percent of all K-12 students who participate in MAPPS	0.63%	0.63%	0.63%
Switcher rate (% of students who would enroll in public schools without the EAA program)	90%	70%	50%
Number of switchers	937	729	521
Total cost per student in public schools	\$14,775	\$14,775	\$14,775
Estimated average EAA cost	\$7,296	\$7,296	\$7,296
EAA cost as percent of total per-pupil K-12 public school cost	49%	49%	49%
<i>State fiscal impact</i>			
Total tax credit disbursements for MAPPS	(\$8,000,000)	(\$8,000,000)	(\$8,000,000)
State savings from switchers	\$5,532,048	\$4,304,016	\$3,075,984
Allowance for administrative costs (10% of total donations under Section 8)	(\$400,000)	(\$400,000)	(\$400,000)
Net State Impact	(\$2,463,295)	(\$3,691,327)	(\$4,919,359)
Net state impact per public school student	(\$17)	(\$25)	(\$33)
Total K-12 expenditures for public school system	\$2,195,300,285	\$2,195,300,285	\$2,195,300,285
Net state impact as % of total K-12 expenditures	0.11%	0.17%	0.22%
<i>Fiscal impact on local property taxes</i>			
Local share of funding per pupil, statewide average	\$2,640	\$2,640	\$2,640
Total reduction in local property taxes	\$2,473,680	\$1,924,560	\$1,375,440
<i>Short run and long run fiscal impacts on local school districts</i>			
Estimated reduction in state and local revenue to school districts for switchers	(\$8,005,728)	(\$6,228,576)	(\$4,451,424)
Est. average short-run variable educational cost per student	\$8,759	\$8,759	\$8,759
Total short-run cost burden relief to school districts for switchers	\$8,207,475	\$6,385,539	\$4,563,602
Net short-run local school district impact	\$201,747	\$156,963	\$112,178
Net short-run local school district impact per public school student	\$1	\$1	\$1
Average long-run variable educational cost per student	\$14,775	\$14,775	\$14,775
Total long-run cost burden relief to school districts for switchers	\$13,843,903	\$10,770,764	\$7,697,624
Net long-run local school district impact	\$5,838,175	\$4,542,188	\$3,246,200
Net long-run local school district impact per public school student	\$40	\$31	\$22

Sources: Montana Office of Public Instruction; U.S. Dept. of Education, National Center for Education Statistics; U.S. Census Bureau

Notes: () denotes a decrease/negative value

Key assumptions for the analysis:

- MAPPS reaches the \$8M tax credit cap
- Maximum scholarship amount, or the “annual education assistance maximum” amount, is equal to the statewide total of BASE budgets for all districts divided by enrollment, or \$7,296
- Each student participating in MAPPS receives the annual education assistance maximum amount (\$7,296)
- Admin costs withheld are 10% of donations under Section 8 (\$400,000), leaving \$7.6 million available for EAA funds
- When students leave public schools, the average revenue reduction for districts is \$8,544 per student, on average.
 - The state/local split is \$5,904 state per-pupil and \$2,640 local per-pupil
 - This means that state savings is \$5,904 per student switching from public schools, on average
 - Local property taxes are reduced by \$2,640 per student leaving public schools, on average
- Short-run average variable costs for districts are 59.3% of total per-pupil expenditures
- Long-run average variable costs equal total costs per pupil (\$14,775)