

Department of Planning and Budget 2001 Fiscal Impact Statement

1. **Bill Number** HB2540

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** Spruill

3. **Committee** Education

4. **Title** Governor's Academic Challenge Program and Fund.

5. **Summary/Purpose:** This bill creates the Governor's Academic Challenge Program and Fund to support grants to public schools Accredited with Warning or Provisionally Accredited/Needs Improvement pursuant to the Standards of Accreditation (SOA) to provide intervention or remediation. The intervention and remediation may include before- and after-school programs, Saturday school, or tutoring sessions, and shall increase the student's net instructional time in school. Programs also may include contributions of services, resources, materials, volunteer manpower and funds from community members and organizations, faith-based organizations, businesses and local governments.

6. **Fiscal Impact:** See #8.

7. **Budget amendment necessary:** No.

8. **Fiscal implications:** Funding for this program is contingent upon appropriations. The Governor has provided \$1.2 million (administratively) general fund in fiscal year 2001 and \$6 million (in SB1600) general fund in fiscal year 2002 for the Governor's Academic Challenge. Currently, any excess cash balances in these accounts revert to the general fund at the end of each fiscal year. If this bill is enacted, these balances would reside in a new "Governor's Academic Challenge Fund" as well as the interest on such funds. This could potentially have a negative impact on the state's general fund if such cash balances occurred.

9. **Specific agency or political subdivisions affected:** Department of Education, Department of Treasury, school divisions.

10. **Technical amendment necessary:** Yes. The Department of Treasury does not administer and manage funds, as proscribed in this bill. The Comptroller is normally the agent responsible for the effort of establishing the special non-reverting fund. The Department of Treasury has requested that such language be stricken.

11. **Other comments:** Neither the bill nor the appropriation language provides for any distribution mechanism for these funds to school divisions. Rather, it provides that the Board of Education will provide guidelines for the distribution of grants from the new fund. SB1138 is the companion bill.

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