

**Department of Planning and Budget
2003 Fiscal Impact Statement**

1. Bill Number HB2435

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Dillard

3. Committee Appropriations

4. Title Standards of Quality; apportionment of state and local share.

5. Summary/Purpose: This bill directs the General Assembly, in apportioning the state and local share for the costs of meeting the Standards of Quality, beginning July 1, 2004, to annually increase the state share by five percent of the total costs, so that, by July 1, 2006, the local share shall not exceed 70 percent and the state share shall be equal to at least 30 percent of the total costs for those school divisions whose local share is greater than or equal to 70 percent of the total costs in any fiscal biennium.

6. Fiscal Impact (See Comments 8.)

7. Budget amendment necessary: No. This bill would not have a fiscal impact until FY2005.

8. Fiscal implications: In FY2005, the composite index cap (currently at 8000) would be reduced to 7500. In FY2004 dollars, this change would result in state costs of \$10,545,218. In FY2006, the cap would be reduced by another 5 percent, to meet the 70 percent standard in the bill. In FY2004 dollars, this change would result in additional state costs of \$56,909,532.

This bill affects only those school divisions whose composite index is currently above 7000.

9. Specific agency or political subdivisions affected: certain local school divisions,
Department of Education

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/20/03/acd

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cc: Secretary of Education
Secretary of Finance