

Department of Planning and Budget
2003 Fiscal Impact Statement

1. Bill Number SB1050

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

2. Patron Hanger

3. Committee House: Education

4. Title Smaller school divisions; adjusted state share.

5. Summary/Purpose: This bill creates a mechanism whereby any school board of a school division in which fewer than 350 students (Highland County) were included in an averaged daily membership for the preceding school year, upon entering into certain cost-sharing agreements with a contiguous school division for the consolidation or sharing of educational, administrative, or support services, shall receive the state share for basic aid computed on the basis of the composite index of local ability-to-pay of the contiguous school division, calculated annually, for a period of 15 years. The effective date is January 1, 2005.

6. Fiscal Impact (See Comments 8.)

7. Budget amendment necessary: No.

8. Fiscal implications: The engrossed version of the bill would not have a fiscal impact this biennium, as the effective date is January 1, 2005. In addition, the fiscal impact in future biennia is unknown as it is contingent on the rebasing of the Standards of Quality model. It is, however, noteworthy that the original bill did have a fiscal impact of \$300,827 in FY2004. This impact assumed that the provisions of this bill would affect Highland County, which is a division with 350 students or fewer in an averaged daily membership. Moreover, it assumed that Highland County would enter into a service-sharing agreement with a contiguous division like Augusta County (whose composite index is .3532). As a result, Highland County would receive a basic aid entitlement using Augusta County's composite index.

9. Specific agency or political subdivisions affected: Highland County, Department of Education

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/06/03/acd

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cc: Secretary of Education