

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB978

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 Reese

3. Committee Education

4. Title School division consolidation.

- 5. Summary/Purpose:** This bill directs the Board of Education, consistent with its authority pursuant to Article VIII, § 5 of the Constitution of Virginia to designate school divisions to promulgate regulations that provide for a process whereby school divisions may submit proposals for the consolidation of school divisions. Such regulations shall provide for, among other things, a public notice and hearing process to be conducted by the applicant school divisions. School division proposals must include, among other things, (i) evidence of the cost savings to be realized by such consolidation; (ii) a plan for the transfer of title to school board property to the resulting school board; (iii) procedures and a schedule for the proposed consolidation, including completion of current division superintendent and school board member terms; (iv) a plan for proportional school board representation of the localities comprising the new school division, including details regarding the appointment or election processes currently ensuring such representation and other information as may be necessary to evidence compliance with federal and state laws governing voting rights; and (v) evidence of local support for the proposed consolidation.

For five years following completion of such consolidation, the computation of the state and local share for an educational program meeting the standards of quality for school divisions resulting from consolidations shall be the lower composite index of local ability-to-pay of the applicant school divisions, as provided in the appropriation act.

6. Fiscal Impact: Se Item 8.

7. Budget amendment necessary: See Item 8.

8. Fiscal implications: Currently, school divisions have the ability to consolidate. In recent years, Allegheny County and Clifton Forge City as well as Halifax County and South Boston City have consolidated.

Language in Item 146 of HB30 states that, in the event that two or more schools consolidate into one division, such resulting divisions shall be paid based upon a composite index that “shall be not less than the lowest nor higher than the highest composite index of any of the individual school divisions”.

The effect that the bill would have on the Direct Aid budget is unknown and would depend on the number of school divisions that came forward with consolidation proposals.

Costs would be incurred by the state related to the staff time needed to develop regulations as well as the promulgation process, which involves public hearings. It could take up to 18 months for regulations to be promulgated.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/02/04 / acd

Document: H\ bos\k12 legislation\2004 session\completed bills\HB978.doc.

cc: Secretary of Education