

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB479

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 Potts

3. Committee Education and Health

4. Title Standards of Quality

5. Summary/Purpose: This bill reorganizes the Standards of Quality and makes substantive amendments that would (i) increase from one half-time to one full-time principal in elementary schools with fewer than 300 students; (ii) provide one full-time assistant principal for each 400 students in each school, regardless of grade level; (iii) require five elementary resource positions per 1,000 students in kindergarten through grade five for art, music, and physical education; (iv) lower the pupil-teacher ratio from 25:1 to 21:1 in middle and high schools, to ensure the provision of scheduled teacher planning time; (v) reduce the required speech pathologist caseload from 68 to 60 students; (vi) require one full-time reading specialist for each 1,000 students in average daily membership; (vii) require two technology support positions per 1,000 students in kindergarten through grade 12 division-wide; and (viii) modify the current funding mechanism for remediation.

A second enactment clause provides that the amendments requiring additional state funding (such as increasing principals or lowering pupil-teacher ratios) will not become effective unless funded in the 2004 appropriation act.

6. No Fiscal Impact: A clause exists in this bill stating that the provisions of the bill requiring state funding would not become effective unless an appropriation of general fund support effectuating its purposes is signed into law.

7. Budget amendment necessary: No

8. Fiscal implications: This bill contains a number of changes to the SOQ:

Board Approved Revisions – In the summer of 2003, the Board approved of number of changes to the Standards of Quality. These changes are incorporated into this bill.

1. *Fund one full-time principal in every elementary school* – The current elementary principal standard in the SOQ funds one-half position up to 299 students in a school and one full-time position at 300 or more students in a school. This change will provide elementary schools with the same staffing levels for principals as middle schools and high schools. The additional state cost is estimated to be \$6.4 million in FY 2005 and \$6.7 million in FY 2006.

2. *Fund one full-time assistant principal per 400 students in all schools (K-12)* – The current elementary assistant principal standard in the SOQ funds one-half position between 600 and 899 students in a school and one full-time position at 900 or more students in a school. The current middle and secondary assistant principal standard in the SOQ funds one full-time position per 600 students in a school. The additional state cost is estimated to be \$43.5 million in FY 2005 and \$45.5 million in FY 2006.
3. *Fund additional elementary resource teachers at a 24:1 pupil-teacher ratio (for grades K-5)* – This initiative funds resource teachers at three periods per week per student at a pupil-teacher ratio of 24:1. Three periods per week at a 24:1 ratio equates to a standard of five positions per 1,000 students. The additional state cost is estimated to be \$73.2 million in FY 2005 and \$75.3 million in FY 2006.
4. *Reduce the caseload for speech-language pathologists* – The current caseload standard in the SOQ model would change from 68 students to 60 students per speech-language pathologist. The additional state cost is estimated to be \$3.0 million in FY 2005 and \$3.4 million in FY 2006.
5. *Fund technology support positions at one per every 1,000 students (in K-12)* – The staffing standard for this proposal is based on one technology support position per 200 computers, which equates to one position per 1,000 students assuming a 5:1 student to computer ratio. The additional state cost is estimated to be \$4.0 million in FY 2005 and \$4.3 million in FY 2006.
6. *Fund one planning period for teachers at the secondary level at a 21:1 school-wide ratio* – This initiative reduces the secondary school standard from 25:1 to 21:1 in the SOQ model. A 21:1 ratio is needed to fund one planning period for secondary teachers. The additional state cost is estimated to be \$123.0 million in FY 2005 and \$128.0 million in FY 2006.
7. *Fund SOQ prevention, intervention, and remediation above the current FY 2004 base* – This initiative creates a new method for funding prevention, intervention, and remediation services. This methodology would replace the current practice of funding nine positions per 1,000 students estimated to be in the bottom quartile of the Virginia State Assessment Program. The additional state cost is estimated to be \$20.6 million in each year of the biennium. Note: This item was funded as part of the Governor's introduced budget, HB30.
8. *Fund one instructional technology position at one per every 1,000 students (in K-12)* – The cost for this initiative is determined by generating positions at one per 1,000 students division-wide for grades kindergarten to twelve. Salary and benefits are applied to these positions based on the related assignment of those positions to elementary and secondary

students. The additional state cost is estimated to be \$12.3 in FY 2005 and \$12.9 million in FY 2006.

9. *Fund one reading specialist per 1,000 students (in K-12)* – The cost for this initiative is determined by generating positions at one per 1,000 students division-wide for grades kindergarten to twelve. The additional state cost is estimated to be \$35.8 million in FY 2005 and \$36.9 million in FY 2006.

The total cost of implement these nine initiatives is \$321.8 million in FY 2005 and \$333.6 million in FY 2006. These costs are based upon Introduced HB30. These costs have been adjusted to reflect the re-basing of the SOQ that took place for the 2004-2006 biennium. Consequently, the estimates for these nine initiatives have changed from the figures that were presented in the summer of 2003. Costs in the out years (FY2007 and beyond) cannot be determined at this time because the SOQ is re-benchmarked every two years.

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

10. **Technical amendment necessary:** No

11. **Other comments:** HB161 is a companion bill.

Date: 01/22/04 / acd

Document: H\ bos\k12 legislation\2004 session\completed bills\SB479.doc.

cc: Secretary of Education
Secretary of Finance