

Department of Planning and Budget 2005 Fiscal Impact Statement - Final

1. Bill Number SB1136

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

2. Patron Hanger

3. Committee Passed Both Houses

4. Title No Child Left Behind Act; Board of Education to seek waiver.

5. Summary/Purpose: This bill directs the Board of Education to seek waivers from compliance with provisions of the No Child Left Behind Act that (i) are in conflict with Title IX, Section 9527 (a) of the federal Code, which prohibits federal authorities from mandating, directing, or controlling state or local allocation of resources and from mandating state or local expenditure of funds or incursion of any costs not paid for under the Act; (ii) are duplicative of the Standards of Quality, Standards of Learning, and Standards of Accreditation; or (iii) are lacking in effectiveness. Further, the Board must examine the fiscal and other implications for the Commonwealth and its local governments in the event that Virginia continues its compliance with, or withdraws from participation in, the federal No Child Left Behind Act. The Board must convey its findings from such examination to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance no later than October 1, 2005.

6. Fiscal Impact Estimates are: (Final) See Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: If a waiver of certain requirements pursuant to § 9401 of No Child Left Behind (NCLB) is not sought or is not granted by U.S. Department of Education, the Commonwealth has the option to continue to participate in receiving federal funds pursuant to NCLB while implementing all provisions of the act, or to withdraw from receiving NCLB funds. Should the Commonwealth withdraw from participating in NCLB a significant fiscal impact on the state and local school divisions would result. Virginia receives approximately \$334 million annually in NCLB federal funds, with \$313 million going to school divisions in 2004-2005 and \$21 million to the Department of Education.

The department is currently directing a study of the state and local cost of implementing NCLB in Virginia. The cost of this study is being funded with federal grant monies that would have been used for other program services if the study were not being undertaken. Consequently, this bill does not add to this administrative impact. Additional administrative effort may be needed to assess other implications of withdrawal from NCLB, but this depends on information received from the federal government. It is expected that the department could absorb this administrative impact.

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

10. Technical amendment necessary: No.

11. Other comments: None

Date: 03/14/05 / ACD

Document: H\ BOS\K-12 Legislation\2005 Session\Completed Bills\SB1136ER.DOC

cc: Secretary of Education