

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number SB1136 S1

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

2. Patron Hanger

3. Committee Education (House)

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

- 5. Summary/Purpose:** This bill would require the Board of Education to seek a waiver from compliance with provisions of the federal No Child Left Behind Act of 2001. Specifically, the bill would require the Board of Education, pursuant to § 9401 of the NCLB, to seek a waiver from compliance with those provisions that are (i) in conflict with Title IX, Section 9527 (a), 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; or (ii) duplicative of the Commonwealth's existing educational accountability system as set forth in the Standards of Quality, Standards of Learning, and Standards of Accreditation, or (iii) lacking in effectiveness, including, but not necessarily limited to, those addressing (a) testing of students with disabilities or limited English proficiency; (b) additional or excessive testing; (c) exclusion of passing scores on expedited retakes of Standards of Learning assessments from calculations of adequate yearly progress; (d) measurement of adequate yearly progress based on, among other things, individual grade levels rather than longitudinal data and individual subgroup failures; (e) the over inclusion of certain students in several subgroups; and (f) components of the Commonwealth's educational accountability system and teacher licensure and employment requirements that, in the discretion of the Board, already substantially comply with the spirit and intent of the federal act.

The bill also requires the Board of Education to report the fiscal and other implications of the Commonwealth's withdrawal from participation in the federal No Child Left Behind Act to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance. This report must be made no later than July 1, 2005.

6. Fiscal Impact Estimates are: (preliminary) 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: 02/15/05 / SHD

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cc: Secretary of Education