

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB607

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 Amundson

3. Committee Appropriations

4. Title Department of Planning and Budget; school efficiency review program.

5. Summary/Purpose:

Department of Planning and Budget; school efficiency review program. Conforms relevant provisions of the Code of Virginia to language in the current Appropriations Act. The bill removes the requirement for school divisions to pay 25% of the cost of a school efficiency review in the fiscal year immediately following the final school efficiency review report. Beginning with reviews completed in fiscal year 2006, partial recovery of the cost may be made the fiscal year beginning not less than 24 months and not more than 36 months after the release of the final school efficiency review report.

6. No Fiscal Impact for the Commonwealth, but significant potential adverse impact for local school divisions if this bill does not pass and the current code provision goes into effect. The current code provision is overridden by the Appropriation Act.

7. Budget amendment necessary: no

8. Fiscal implications: none

9. Specific agency or political subdivisions affected: Because many recommendations in school efficiency reviews require local budgetary adjustments in the local budget cycle following the release of the report, many recommendations cannot be implemented within 12 months as required by language included as part of Chapter 620 § 2.2-1502.1. This provision is currently overridden by the Appropriation Act. However, if the language the code is allowed to go into effect (rather than the version in Appropriation Act) localities will be penalized unduly, up to 25% of the cost of the study. Additionally, the ambiguity of the language in the code has led to confusion as to whether there is a single 25% penalty or an additional 25% assessment. To the extent that the 50% total assessment language prevails, local school divisions will face a significant expense.

10. Technical amendment necessary: none

11. Other comments: This bill resolves the conflict between Code language and the Appropriation Act. Since the current Appropriation Act language overrides the Code, this bill conforms the language in the Code to the Appropriation Act.

Date: 01/17/06 / kms

Document: H:\BMP\SERVE\Legislation\HB607 FIS.DOC Mike Shook

cc: Secretary of Finance
Secretary of Education