

Commission on Local Government

Estimate of Local Fiscal Impact
2006 General Assembly Session

Bill: SB 205

Patron: Sen. Edwards

Date: January 23, 2006

In accordance with the provisions of §§ 30–19.03 through 30–19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced bill:

I. Bill Summary

SB 205 requires, on and after July 1, 2010, all school divisions to provide early childhood education programs for four-year-olds and five-year-olds that are not eligible to attend kindergarten or at-risk early childhood education programs whose parents voluntarily wish to enroll them in such programs. These early childhood education programs must be consistent with the Department's guidelines for early childhood education, and meet the standards established by the Board of Education.

II. Fiscal Impact Analysis

The Commission on Local Government received fiscal impact estimates concerning SB 205 from ten localities: Cities of Danville, Richmond and Winchester and the Counties of Bath, Chesterfield, Fauquier, Gloucester, Henrico, Rappahannock, and Rockingham. The City of Danville did not provide an estimate of the fiscal impact of SB 205, but the City indicated that it plans to open a program similar to one required by the legislation in the Fall of 2006. Bath County reported net additional expenditures less than \$5,000 based upon the continued operation of its existing four-year-old program available three half days a week. The estimates of additional expenditures of \$5,000 or more are as follows:

Chesterfield County	\$50,000,000 Total First-Year Cost
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Estimated expenditures are based upon \$33 million for nonrecurring start-up costs for school building additions, and \$17 million in annual operating costs for the education of approximately 4,000 additional students, and to hire 222 additional teachers, aides, and support faculty. Estimated revenues from the State could not be determined.

Fauquier County	\$11,700,000 Total First-Year Cost
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Estimated expenditures are based upon \$4.9 million for nonrecurring start-up costs, and \$6.8 million in annual operating costs for the education of approximately 1,000 additional students in a half-day program, and to hire additional teachers and support faculty. Estimated revenues from the State could not be determined.

Gloucester County	\$261,600 Total First-Year Cost
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Estimated expenditures are based upon \$98,000 for nonrecurring start-up costs for equipment and transportation, and \$230,400 annual operating costs for additional teachers and support staff and faculty. The County estimated that it would receive approximately \$66,800 annually from the Commonwealth for the program.

Henrico County	\$123,500,000 Total First-Year Cost
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Estimated expenditures are based upon \$120 million for nonrecurring start-up costs for the construction of approximately 250 new elementary school classrooms, and \$3.5 million annual operating costs for the education of approximately 3,500 additional students, and to hire additional teachers, aides, and support faculty. Estimated revenues from the State could not be determined.

Rappahannock County	\$160,000 Total First-Year Cost
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Estimated expenditures are based upon \$50,000 for nonrecurring start-up costs, and \$150,000 annual operating costs for additional teachers and support staff. The County estimated that it would receive approximately \$40,000 annually from the Commonwealth for the program.

City of Richmond	\$666,900 Total First-Year Cost
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Estimated expenditures are based upon \$666,900 in annual operating costs to hire nine additional teachers and nine additional teacher-aides \$120 million to serve approximately 160 students not enrolled in the City's current early childhood programs. Estimated revenues from the State could not be determined.

Rockingham County	\$5,200,000 Total First-Year Cost
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Estimated expenditures are based upon \$3 million for nonrecurring start-up costs for the construction of approximately 33 new elementary school classrooms, and \$2.2 million in annual operating costs for the education of approximately 600 additional students, and to hire additional teachers, aides, and support faculty. Estimated revenues from the State could not be determined.

City of Winchester

\$2,264,000 Total First-Year Cost

Estimated expenditures are based upon \$1.5 million for nonrecurring start-up costs for additional instructional and support space, and approximately \$764,000 for ten teachers, ten teaching assistants, and supplies. Estimated revenues from the State could not be determined.

Several of the responding localities noted that current Virginia Department of Education regulations dictated the amount of required classroom space based upon the number of pupils per teacher in each classroom. The local fiscal impact estimates portrayed a marked difference between the initial capital costs for localities that must build new facilities (e.g., \$123 million in Henrico County) as compared with those localities that can accommodate the increased student population in existing facilities (e.g., \$50,000 in Rappahannock County). Further, several localities, such as Gloucester County, estimated that significant costs may be required transportation and other equipment. Finally, it was pointed out by responding local governments that annual operating costs are expected to escalate yearly in fast-growing localities.

III. Conclusion

The fiscal impact of SB 205 on local school divisions will vary depending on the need to construct new facilities, to purchase new equipment and supplies, and to employ additional staff. While the annual operating costs may be offset somewhat by revenue from the Commonwealth, SB 205 could result in substantial costs to local governments.