

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB411

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

**2. Patron** Hanger

**3. Committee** Education and Health

**4. Title** No Child Left Behind; withdrawal

**5. Summary/Purpose:**

Directs the Commonwealth to withdraw from participation in the federal No Child Left Behind Act (NCLB). The bill also directs the Board of Education and the Office of the Attorney General of Virginia to bring suit if Title I funds that are not related to NCLB are withheld.

**6. Fiscal Impact Estimates are:** See Item 8.

**7. Budget amendment necessary:** Yes, items 135 and 136.

**8. Fiscal implications:** If the Commonwealth chooses to completely withdraw from participating in NCLB, it would have a significant fiscal impact on the state and local school divisions. If the Commonwealth declines to accept federal support offered through NCLB, local school divisions also would not receive formula funds offered through NCLB. In FY 2005, Virginia received approximately \$335 million in federal NCLB funds, with 93 percent of this funding provided directly to local school divisions. NCLB funding in FY 2006 is estimated to be \$355.0 million.

The bill also directs the Board of Education and the Office of the Attorney General of Virginia to bring suit against the United States Department of Education if, as a result of the Commonwealth's withdrawal from the voluntary NCLB, Title I funds that are not directly related to NCLB and that help children from low-income families meet challenging academic content and achievement standards are withheld. The Department of Education has been unable to identify the portion of Title I funds that are not directly related to NCLB. The United States Department of Education (USED) has provided guidance on the impact of nonparticipation in NCLB that indicates that, should a state withdraw from implementing one or more titles of the act, the funding associated with those titles would be withdrawn by USED. Passage of this legislation could then lead to lawsuits being initiated by the Commonwealth which would involve additional costs until a final decision is made by the Courts.

**9. Specific agency or political subdivisions affected:** Direct Aid to Public Education, local school divisions.

**10. Technical amendment necessary:** No.

**11. Other comments:** This bill is the same as HB 1428.

**Date:** 1/26/06 / SHD

**Document:** G:\FIS\2006 Session\SB411.DOC