

## Department of Planning and Budget 2008 Fiscal Impact Statement

1. **Bill Number:** SB490H2

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

2. **Patron:** Hanger

3. **Committee:** Education

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

5. **Summary:** The floor amendment in the nature of a substitute requires the Board of Education to develop a plan for the withdrawal from the federal No Child Left Behind Act, unless waivers that allow Virginia's existing educational accountability system, as set forth in the Standards of Quality, Standards of Learning, and Standards of Accreditation, to substantially meet the requirements of the Act are granted by the U.S. Department of Education. In addition, the floor amendment requires the Department of Education to include in the plan, recommendations and alternatives for retaining or returning to the Commonwealth the state's share of public tax moneys included in federal appropriations for No Child Left behind.

6. **Fiscal Impact Estimates:** Preliminary, see item 8.

| 6a. |                    |                |                  | <b>Expenditure Impact:</b> |
|-----|--------------------|----------------|------------------|----------------------------|
|     | <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i>                |
|     | 2010-2014          | Indeterminate  |                  | Federal                    |

7. **Budget Amendment Necessary:** No.

8. **Fiscal Implications:** If the Commonwealth chooses to completely withdraw from participating in the federal No Child Left Behind (NCLB) program, it would have a significant fiscal impact on both the Commonwealth and local school divisions. The U.S. Department of Education (USED) has provided guidance on the impact of nonparticipation in NCLB that indicates if a state withdraws from implementing one or more titles of the act, the funding associated with those titles would be withdrawn by USED. If the Commonwealth declines to accept the federal support offered through NCLB, local school divisions also would not receive formula funds offered through NCLB.

In FY 2007, Virginia received approximately \$351.8 million in federal NCLB funds. In FY 2008, it is estimated that Virginia will receive approximately \$363.7 million in federal NCLB funds. These figures include both the state and local distribution. Currently NCLB has not yet been reauthorized by Congress. As a result, estimates from USED on potential NCLB funds for FY 2009 and FY 2010 are not available.

**9. Specific Agency or Political Subdivisions Affected:** Board of Education, local school boards

**10. Technical Amendment Necessary:** No

**11. Other Comments:** Similar to HB1425S1.

**Date:** 2/25/2008 dpb

**Document** G:\Dape-197\2008session\Fis\Sb490H2.Doc

c: Secretary of Education