

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1985

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|-----------------|--------------|--------------|-------------|------------|-------------|-----------|
| House of Origin | <u> X </u> | Introduced | <u> </u> | Substitute | <u> </u> | Engrossed |
| Second House | <u> </u> | In Committee | <u> </u> | Substitute | <u> </u> | Enrolled |

2. Patron: O'Bannon

3. Committee: Appropriations

4. Title: Autism Tuition Assistance Grant Program; established.

5. Summary: Establishes a tuition assistance grant program for students with autism. The program provides grants of no more than \$20,000 a year per student to a Virginia nonsectarian private school of choice for students identified as autistic and for whom individual education plans have been written.

6. Fiscal Impact Estimates: Indeterminate. See item 8.

7. Budget Amendment Necessary: Yes, Item 131 and possibly, Item 140.

8. Fiscal Implications: This legislation provides for a tuition assistance grant of up to \$20,000 per year, with a lifetime maximum of \$80,000, for eligible students diagnosed with autism to attend eligible private schools. As of the December 1, 2007, special education child count, there were approximately 7,576 students with autism being served statewide.

According to the data submitted by school divisions in the 2007 - 2008 Annual School Report, the Department of Education (DOE) estimates the average annual cost to educate an autistic child in Virginia is approximately \$32,000. This amount represents all fund sources: state, local and federal. If the child is moved to a private setting, it is unclear what would happen to the local or federal funding sources that are currently received for a child in a local school division.

The fiscal impact of this bill cannot be determined, because it is unknown how many children will be eligible for the grant. Further, the details of the grant award are not stipulated because the bill defers those provisions as pursuant to the appropriation act. Therefore, it is assumed the grant amount required to support a child in a private setting would be new costs, since the bill does not provide for the child to be included in the Average Daily Membership (ADM) of a school division for public school funding.

In addition, this legislation provides flexibility for parents to enroll their child in a public school in an adjacent division and shall not incur charges for tuition by the receiving division. In these instances, the child would remain in the ADM and state funding would follow the child to the receiving division. However, if parents place their child in a division that has a lower composite index value than that of the division of residence, it would increase the cost borne by the state for the student.

Furthermore, DOE anticipates this legislation would generate a substantial increase in administrative workload. The Board of Education is required to establish regulations that: 1. govern the contractual relationships with private schools that enroll in the grant program; 2. create a process for verifying a student's initial admission and continued enrollment and attendance at a private school; and 3. create a process for determining a student's eligibility and approving grants in order to ensure that each participant meets the statutory and regulatory requirements. The process of making the grant payments to private schools and tracking students who are placed in adjacent divisions and adjusting payments accordingly would also require a significant amount of work for the accounting and finance staff of DOE. Given the recent personnel reductions to address the budget shortfall, DOE does not anticipate being able to absorb the additional administrative requirements. For these reasons, DOE has indicated it will need two additional full-time professional positions at an estimated cost of \$206,908 to implement the provisions of this bill.

9. Specific Agency or Political Subdivisions Affected: Board of Education, local school divisions, and private schools.

10. Technical Amendment Necessary: None.

11. Other Comments: Similar to HB2104 and SB956.

Date: 1/29/2009 dpbsbj

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cc: Secretary of Education