

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2104

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Janis

3. Committee: Education and Health

4. Title: Students with Disabilities Tuition Assistance Grant Program

5. Summary: Creates the Students with Disabilities Tuition Assistance Grant Program, to provide tuition assistance for attendance at an eligible private school for any K-12 student as defined by the Board of Education in its Regulations Governing Special Education Programs for Children with Disabilities in Virginia who is diagnosed with an autism spectrum disorder. "Autism spectrum disorder" means any pervasive developmental disorder, including (i) autistic disorder, (ii) Asperger's Syndrome, (iii) Rett syndrome, (iv) childhood disintegrative disorder, or (v) Pervasive Developmental Disorder - Not Otherwise Specified, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association. The amount of the grant shall be limited to the average state share of the Standards of Quality basic aid per pupil expenditure. The Board of Education is required to promulgate regulations within 280 days of the enactment of this legislation.

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 an annual tuition assistance grant 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. However, based on the Governor's introduced budget for FY 2010, the funded statewide per pupil amount calculated based on the average state share of the Standards of Quality basic aid per pupil amount is approximately \$3,491. Further, the details of the grant award are not stipulated because the bill defers those provisions as

pursuant to the appropriation act. The House of Delegates, as part of its crossover actions, included an amendment to implement this legislation within the Appropriation Act. If this amendment is accepted by the 2008 General Assembly, provisions for the disbursement of grant awards will be outlined.

This legislation also 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: The legislation states "the grant award shall not exceed the average state share of the Standards of Quality basic aid per pupil expenditure". Since the expenditure amount is not known until end of the fiscal year, the legislation should set the grant award at the funded average state share of the Standards of Quality basic aid per pupil amount. Also, this legislation and the Appropriation Act language should include provisions for the grant award to be transferred to the private entity. Inclusion of this clarification will prevent confusion of whether the passage of this bill will result in new costs.

11. Other Comments: None.

Date: 2/12/2009 dpbsbj

Document: G:\Legislation\2009\Posted\HB2104H1.doc