

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1881

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

2. Patron: Filler-Corn

3. Committee: Appropriations

4. Title: Composite index of local ability to pay.

5. Summary: Provides that a locality whose composite index exceeds 0.6750 must be considered as having an index of 0.6750 for purposes of distributing all payments based on the composite index.

6. Budget Amendment Necessary: Yes, Item 132 – HB1500/SB800.

7. Fiscal Impact Estimates: Preliminary. See item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2012	\$82.3 million	General Fund

8. Fiscal Implications: This legislation would add language to lower the composite index cap from 0.8000 to 0.6750. Based on the Governor's introduced budget, the estimated state share of cost is \$82.3 million in fiscal year 2012. This estimate is based on the assumption that the cap would be applied to the 2010-2012 composite index values for fiscal year 2012, pursuant to the methodology contained in HB1500. The following school divisions would receive additional funding due to the change in the cap: Fairfax, Arlington, Alexandria, Fairfax City, Fredericksburg, Goochland, Falls Church, Northumberland, Albemarle, Lancaster, Williamsburg, Bath, Middlesex, Rappahannock, Surry, and Highland. Additionally, the following school divisions would receive additional funding because they serve as a fiscal agent for a regional program that includes a school division impacted by the change in the cap: Fluvanna, Essex, Fauquier, Richmond City, Westmoreland, Powhatan, Alleghany, King William, Stafford, and Chesterfield.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/24/2011 dpbsbj

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