

Department of Planning and Budget

2011 Fiscal Impact Statement

1. Bill Number: HB2204

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

2. Patron: Comstock

3. Committee: Appropriations

4. Title: School divisions, local; use any unexpended state funds to provide a one-time bonus to all teachers.

5. Summary: Provides that local school divisions may elect to use any unexpended state funds to provide a one-time bonus to all teachers of up to three percent of the annual base salary.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This legislation would prohibit the reversion of unexpended state funds for public education in any year in any school division back to the Commonwealth if a school division elects to provide a one-time bonus to all teachers of up to three percent of the annual base salary.

Pursuant to Item 132, paragraph B.24. of Chapter 874, 2010 Acts of Assembly, school divisions are permitted to carry over into FY 2012 any remaining state Direct Aid to Public Education fund balances available in FY 2011, providing that the locality has met its required local effort for the Standards of Quality (SOQ) accounts for FY 2011 and the required local match for any incentive or Lottery-funded programs in which the locality elected to participate in FY 2011. Therefore, this legislation will not have a fiscal impact in FY 2011; however, similar language does not exist for FY 2012 so school divisions will not be able to carry forward any remaining FY 2012 balances into FY 2013 based on the current budget.

It is assumed that bonuses awarded to teachers as a result of this legislation will not be included in the SOQ rebenchmarking calculations for future biennia so there would be no impact on prevailing salaries.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/31/2011 dpbsbj

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