

## **Department of Planning and Budget**

### **2016 Fiscal Impact Statement**

**1. Bill Number:** HB1498

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

**2. Patron:** LeMunyon

**3. Committee:** Education

**4. Title:** School boards; assignment of teachers; class size limits.

**5. Summary:** Reduces from 29 to 28 the maximum class size for kindergarten with an aide; from 30 to 28 the maximum class size in grades one, two, and three; and from 35 to 29 the maximum class size in grades four, five, and six.

**6. Budget Amendment Necessary:** Yes, Item 139.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal Implications:** To reduce from 29 to 28 the maximum class size for kindergarten with an aide, reduce from 30 to 28 the maximum class size in grades one, two, and three, and reduce from 35 to 29 the maximum class size in grades, four, five, and six, the Department of Education (DOE) estimates an additional state cost of \$3.7 million in FY 2018. This estimate reflects the net impact of an increase in state funding for Standards of Quality (SOQ) programs and a decrease in state funding for the K-3 Primary Class Size Reduction Program. The state fiscal impact in outgoing fiscal years is indeterminate at this time.

Local school divisions would be required to provide the local share of any additional state funds based on each division's local composite index; however, some divisions may be meeting these maximum class sizes already. Furthermore, there could be a cost to localities to construct additional classroom space to accommodate additional teachers and smaller class sizes. In divisions where additional classrooms and teachers are needed to comply with the provisions of this bill, the reductions in maximum class sizes may create capital costs if classroom space is not available. Any actual cost to localities is indeterminate at this time.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None