

## Department of Planning and Budget 2017 Fiscal Impact Statement

1. **Bill Number:** HB2173

<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:** Murphy

3. **Committee:** Education

4. **Title:** Class size limits; grades six through 12; science laboratory classes.

5. **Summary:** Establishes a maximum class size of 24 students in science laboratory classes in grades six through 12.

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

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

8. **Fiscal Implications:** This bill establishes a maximum class size of 24 students in science laboratory classes in grades six through 12. The current Standards of Quality (SOQ) funding model does not include a mechanism to calculate the fiscal impact of these changes. Therefore, to estimate a state fiscal impact, the Department of Education (DOE) made the assumptions below using 2016 Fall Membership data and the existing SOQ standard for a maximum class size of 24 students in grades six through 12 English classes as a proxy.

Based on 2016 Fall Membership data, DOE identified 672,933 students in grades six through 12 statewide for the 2016-2017 school year. Furthermore, for the 2016-2017 school year, DOE identified 652,709 instances of students enrolled in science classes in grades six through 12, which accounts for individual students enrolled in one or multiple science classes. Based on these enrollment figures, DOE estimates 97 percent enrollment in science classes for grades six through 12 statewide.

Using the SOQ funding model to isolate the cost of the existing grades six through 12 English class size maximum of 24 students, DOE identified an estimated state cost of \$9.0 million in FY 2018 to implement the English class size standard. DOE assumed that this cost reflects 100 percent student enrollment in English classes. Based on the 2016 Fall Membership data above, which reflects an estimated enrollment of 97 percent in grades six through 12 science classes, DOE calculated 97 percent of \$9.0 million, producing an estimated state cost of \$8.73 million for a maximum class size of 24 students in grades six through 12 science classes. However, this figure assumes that all science classes in grades six through 12 include a laboratory component, which is not the case. To estimate a cost for only science classes including a laboratory component, DOE assumed that only science classes in

four of the seven impacted grades – grades nine through 12 – include a laboratory component, applying a multiplier of 4/7 or 57 percent. Accounting for 57 percent of \$8.73 million, DOE estimates an additional state cost of \$5.0 million in FY 2018 to establish a maximum class size of 24 students in science laboratory classes in grades six through 12. The actual state cost for outgoing fiscal years is indeterminate at this time because future costs will be impacted by the rebenchmarking process and future enrollment changes.

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 already may be meeting these maximum class sizes and, therefore, would have no additional costs. Furthermore, there could be a cost to localities to construct additional classroom space to accommodate additional teachers and smaller class sizes, including additional science laboratory equipment. In divisions where additional classrooms or 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