

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB1508

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: Adams, L.R.

3. Committee: Appropriations

4. Title: School boards; qualified instructional positions and support services positions; additional funding.

5. Summary: Declares it to be the policy of the Commonwealth that school boards that are unable to fund the total amount required by the locality's composite index of local ability to pay to reach the prevailing funded salary for (i) qualified instructional positions funded under the Standards of Quality, as set out in Direct Aid to Public Education in the general appropriation act, and (ii) support services positions shall receive, to the extent practicable, state funds for qualified instructional positions and support services positions in addition to those state funds that the school board receives for public school purposes.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: The “state funds that the local school board receives for public school purposes” through Direct Aid to Public Education include the state share of funding for Standards of Quality (SOQ) funded instructional and support positions. The SOQs are established in the Virginia Constitution as the minimum educational program that school divisions must provide, and the specific requirements of the SOQs are set out in the Code of Virginia and the appropriation act. Localities must match state funding for the SOQs based on each school division’s composite index of local-ability-to pay; this amount is called required local effort. Localities may spend more than their required amount, and they may employ staff beyond what is required in the SOQs. The cost of the SOQs accounts for prevailing salaries, but the state does not establish minimum salaries that each local school division must pay its employees. If a school division meets its required local effort, the locality has provided sufficient funding to support the SOQs, regardless of employee salaries.

If the intent of this bill is to ensure that sufficient funding is provided to each local school division based on the prevailing salaries used in SOQ calculations, current requirements for state funding and required local effort already accomplish this, as all localities currently meet required local effort. If the intent of this bill is to ensure that each school division pays a minimum salary to each instructional and support employee, additional legislation or budget

language creating this requirement would be necessary. Local school divisions may not be able to meet minimum salary requirements depending on current allocation of funds. Any additional state cost would be dependent on a policy decision to support a minimum teacher salary requirement, which cannot be determined 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