

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** SB880

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

2. **Patron:** Stuart

3. **Committee:** Education and Health

4. **Title:** Local ability to pay; certain counties.

5. **Summary:** Requires that the composite index of local ability to pay for any county within which there is a school division composed of a town is calculated as if there were no such school division composed of a town within the county.

6. **Budget Amendment Necessary:** Yes, Item 136.

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

8. **Fiscal Implications:** The appropriation act outlines the calculation of the composite index of local ability-to-pay (local composite index). To make changes to the local composite index formula, a corresponding budget amendment would be necessary.

This bill requires the Department of Education (DOE) to include source data related to the town of West Point in the composite index calculation for King William County and to include source data related to the town of Colonial Beach in the composite index calculation for Westmoreland County. The source data for all other school divisions is held constant. However, because the local composite index value for each locality is the proportion of local values in the formula relative to the overall state averages, changing the source data for King William County and Westmoreland County impacts the local composite index values for all other school divisions.

DOE calculates a state savings of \$392,750 in FY 2019 and a state savings of \$426,324 in FY 2020. King William County experiences an increase in state funding of \$289,192 in FY 2019 and an increase in state funding of \$289,798 in FY 2020. Westmoreland County experiences an increase in state funding of \$566,748 in FY 2019 and an increase in state funding of \$553,923 in FY 2020. Nearly all other school divisions, including the towns of West Point and Colonial Beach, experience a decrease in state funding compared to SB30, 2018 General Assembly Session.

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

10. Technical Amendment Necessary: No

11. Other Comments: None