

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB327

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: Lewis

3. Committee: Education and Health

4. Title: Cost of competing adjustment; eligibility; certain school boards.

5. Summary: Declares the Accomack County School Board and the Northampton County School Board eligible to receive the cost of competing adjustment to salaries for instructional and support positions as part of the state share of basic aid pursuant to the general appropriation act.

6. Budget Amendment Necessary: Yes, Item 145.

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

8. Fiscal Implications: The cost of competing adjustment (COCA) is additional state funding provided to recognize the common labor market in the Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area. COCA affects a number of programs in Direct Aid to Public Education, but this bill specifically references basic aid. This fiscal impact estimate assumes that COCA is applied to all relevant Direct Aid programs, not just basic aid. If applied to only basic aid, the estimated costs would be less. Additionally, this fiscal impact estimate assumes that the full COCA percentages that are applied to Planning District Eight will be used for the purposes of this legislation.

Based on these assumptions, the Department of Education (DOE) estimates an additional state cost of \$2.8 million in FY 2021 and \$3.0 million FY 2022. Additional state payments to Accomack are estimated at \$2.3 million in FY 2021 and \$2.4 million in FY 2022, and additional state payments to Northampton are estimated at \$0.5 million in FY 2021 and \$0.5 million in FY 2022. These school divisions would have to provide the local share required to match any additional state funds based on each division's local composite index. Any state cost in outgoing years is indeterminate and would be based on the Direct Aid to Public Education budget as rebenchmarked for future biennia.

9. Specific Agency or Political Subdivisions Affected: Department of Education, Accomack County, Northampton County

10. Technical Amendment Necessary: None

11. Other Comments: None