Department of Planning and Budget
2021 Fiscal Impact Statement

1. **Bill Number:** HB2090

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

2. **Patron:** Cox

3. **Committee:** Education

4. **Title:** School boards; establishment of the READ Fund and READ programs.

5. **Summary:** Establishes the Reimbursement for Education Access Decisions (READ) Fund (the Fund); permits any school board to establish a READ program to provide, during the state of emergency declared by the Governor in response to the COVID-19 pandemic, funds to any parent or legal guardian who meets compulsory attendance requirements by having his child taught by a tutor or teacher of qualifications prescribed by the Board of Education and approved by the division superintendent in lieu of enrollment in the local school division to cover certain costs of such education; and permits any such school board to apply to the Department of Education for an award from the Fund to reimburse the school board for half of the cost of making reimbursements to parents pursuant to its READ program. The bill provides that the school board is responsible for covering the remaining half of the cost of its READ program with such federal and local funds as may be available for such purpose. The bill permits the Department of Education to establish such rules and procedures as it deems necessary for receiving applications for reimbursement and making awards from the Fund. The bill also provides that if federal funding is provided pursuant to an Act of Congress with regard to relief from the COVID-19 pandemic and such Act does not preclude such federal funding from being used to make awards from the Fund, the Governor shall reserve a reasonable amount of such federal funding to be credited to the Fund to fully support reimbursement requests from such school boards.

6. **Budget Amendment Necessary**: No

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

8. **Fiscal Implications:** The state cost of the Reimbursement for Education Access Decisions (READ) program is indeterminate and contingent on funds appropriated by the General Assembly and the duration of the COVID-19 pandemic emergency.

   Participation in the READ program is in lieu of enrollment in the local school division, so school divisions will not claim Average Daily Membership (ADM) for any student participating in the program. A reduction in ADM will decrease state funds provided to the school division through Direct Aid to Public Education. Any actual fiscal impact is indeterminate at this time.

The bill appears to give the Department of Education the authority to establish the amount of reimbursement to parents or legal guardians from the READ program fund, and provides that the local school division may be reimbursed for half of such costs. Local school divisions are responsible for the remaining half of the READ program reimbursement for participating students.

Consequently, the state share for READ program reimbursements may exceed the state share to support a student funded in ADM through Direct Aid to Public Education, which is based on the local composite index. Conversely, if the fifty percent local share of costs exceeds the required local effort and required local match obligations for such students through the normal ADM-based payments in Direct Aid to Public Education, local per pupil costs could increase and localities may not have sufficient local funds budgeted to support program reimbursements.

The legislation provides that federal funding for COVID-19 relief may be used to make awards supporting the READ program unless it is prohibited. If it is not prohibited by federal rules, the bill provides that the Governor shall reserve a reasonable amount of such federal funding to be credited to the program to fully support reimbursement requests from local school boards.

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

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None