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SENATE BILL NO. 637**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Education
on February 27, 1998)

(Patron Prior to Substitute—Senator Hanger)

A *BILL* to amend the Code of Virginia by adding a section numbered 22.1-96.1, relating to computation of the composite index of local ability to pay.

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 22.1-96.1 as follows:**

§ 22.1-96.1. *Computation of the composite index of local ability to pay.*

Any locality or localities comprising a school division that has a population of less than 5,000 and less than 1,000 students in average daily membership may elect, at its option, to use the average composite index of local ability to pay of contiguous localities comprising all or part of a school division. In calculating this average composite index of local ability to pay, the Department of Education shall use the composite indices of those localities comprising all or part of school divisions contiguous to the locality whose composite index is being adjusted, but shall exclude from such average calculation the composite index of any locality that is capped at .8000. Each locality electing this option shall notify the Department of Education of its intention to do so on or before July 1 of each year. The Department of Education shall compute the composite index for these localities by using such average, but shall not adjust the composite index of any other localities.