

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB1427 E

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Landes

3. Committee Communicated to Senate

4. Title No Child Left Behind; elimination plan.

5. Summary/Purpose:

Directs the Board of Education to develop a plan to eliminate initiatives or conditions that are currently being funded by No Child Left Behind (NCLB), unless such initiatives or conditions are an integral and necessary component of the Commonwealth's own Standards of Quality, Standards of Accreditation, or Standards of Learning. The Board of Education shall report its plan to the Senate Committee on Education and Health, the House Committee on Education, the Senate Committee on Finance, and the House Committee on Appropriations by October 1, 2006.

6. Fiscal Impact Estimates are: See Item 8.

7. Budget amendment necessary: Unknown. It is unclear when such a plan would be implemented. The legislation calls for the Board of Education to report its plan on October 1, 2006 so it is assumed that the plan would not be implemented for FY 2007. However, a budget amendment may be needed in the 2007 General Assembly Session if the plan will be implemented for FY 2008.

8. Fiscal implications: The fiscal impact of this bill cannot be determined. It is difficult to isolate initiatives or conditions of the NCLB Act that are not an integral and necessary component of the Standards of Quality (SOQ), Standards of Accreditation (SOA), or Standards of Learning (SOL) that would be eliminated under this bill and the associated federal funding impacts.

If the Board of Education was able to identify NCLB initiatives or conditions that are not an integral or necessary component of state efforts, and withdraw from participating in one or more NCLB titles, this action could result in a significant fiscal impact on the state and local school divisions. The United States Department of Education (USED) has provided guidance on the impact of nonparticipation in NCLB that indicates if a state withdraws from implementing one or more titles of the act, the funding associated with those titles would be withdrawn by USED. The attached table provides a summary of the federal grants related to the NCLB. This table provides an estimate of the amount of NCLB grant funding from state fiscal year 2005 which would potentially be withheld should the Commonwealth withdraw from specific titles of the act.

If the Commonwealth declines to accept federal support offered through NCLB, local school divisions also would not receive formula funds offered through NCLB. In FY 2005, Virginia received approximately \$335 million in federal NCLB funds, with 93 percent of this funding provided directly to local school divisions. NCLB funding in FY 2006 is estimated to be \$355.0 million. Federal funds related to Title I of the NCLB Act represent the largest portion of NCLB funds received.

Virginia Department of Education Summary of Federal Grant Awards to Virginia - State Fiscal Year 2005		
	Amount	Percent of NCLB Total
Federal Grants Directly Related to NCLB		
Title I Part A - Academic Achievement of the Disadvantaged	\$195,588,567	58.25%
Title I Part B - Reading First	\$16,928,231	5.04%
Title I Part B - Even Start	\$3,483,029	1.04%
Title I Part C - Migrant Education	\$ 815,713	0.24%
Title I Part D - Neglected or Delinquent Children	\$951,488	0.28%
Title I Part F - Comprehensive School Reform	\$ 5,508,205	1.64%
Subtotal, Title I Grants	\$223,275,233	66.49%
Other NCLB Awards		
Title II Part A - Improving Teacher Quality	\$52,577,308	15.66%
Title III, Part B - Mathematics and Science Partnerships	\$2,388,059	0.71%
Title II Part D - Enhancing Education Through Technology	\$10,334,465	3.08%
Title IV Part B – 21st Century Community Learning Centers	\$15,100,777	4.50%
Title V Part A - Innovative Programs	\$ 6,927,544	2.06%
Title VI Part A - State Assessments, Improving Academic Achievement	\$8,565,602	2.55%
Title VI, Part B - Rural & Low-Income Schools	\$1,165,973	0.35%
Title IV Part A – Safe & Drug-Free Schools & Communities	\$8,174,905	2.43%
Title III, Part A - English Language Acquisition	\$ 7,273,394	2.17%
Subtotal, Other NCLB Awards	\$112,508,027	33.51%
TOTAL NCLB DIRECTLY-RELATED FEDERAL GRANTS	\$ 335,783,260	

Source: Virginia Department of Education

9. Specific agency or political subdivisions affected: Direct Aid to Public Education, local school divisions.

10. Technical amendment necessary: No.

11. Other comments: This bill is identical to SB 410.

Date: 1/26/06 / SHD

Document: G:\FIS\2006 Session\HB1427E.DOC