

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB1428 H1

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<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; withdrawal.

**5. Summary/Purpose:**

Directs the President of the Board of Education to request from the U.S. Department of Education (USED) certain waivers and exemptions of the statutory and regulatory requirements of the federal No Child Left Behind Act (NCLB). The President shall report on the status of such requests to the Governor, Chairmen of the Senate Education and Health and House Education Committees, and the Chairmen of the Senate Finance and House Appropriations Committees by the first day of the 2007 General Assembly. If the status of such requests is unsatisfactory, then the President shall make recommendations to the Governor and the General Assembly regarding further actions. Such actions shall not preclude legal action by the Office of the Attorney General of Virginia.

**6. Fiscal Impact Estimates are:** See Item 8.

**7. Budget amendment necessary:** Cannot be determined.

**8. Fiscal Implications:** The fiscal impact of this bill cannot be determined. 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if a state withdraws from implementing one or more titles of the act, the funding associated with those titles would be withdrawn by USED. It is unknown which requests, if any, would be approved 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 all 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.

<b>Summary of Federal Grant Awards to Virginia - State Fiscal Year 2005</b>		
	<b>Amount</b>	<b>Percent of NCLB Total</b>
<b>Federal Grants Directly Related to NCLB</b>		
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%
<b>Subtotal, Title I Grants</b>	<b>\$223,275,233</b>	<b>66.49%</b>
<b>Other NCLB Awards</b>		
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%
<b>Subtotal, Other NCLB Awards</b>	<b>\$112,508,027</b>	<b>33.51%</b>
<b>TOTAL NCLB DIRECTLY-RELATED FEDERAL GRANTS</b>	<b>\$ 335,783,260</b>	

Source: Virginia Department of Education

This legislation also provides for the Office of the Attorney General to take legal action against USED to reach a resolution on the requests. At this time, it is not possible to provide an estimate of such costs because there is no way of knowing the full extent of such legal challenges until the federal government has made a decision regarding any requests submitted by the Board of Education.

**9. Specific agency or political subdivisions affected:** Board of Education, local school divisions.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 2/14/06 / SHD

**Document:** G:\FIS\2006 Session\HB1428H1.DOC