

Department of Planning and Budget

2007 Fiscal Impact Statement

1. Bill Number SB1419

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 Stosch

3. Committee Finance

4. Title Tuition Assistance Grant Program for Students with Disabilities; established.

5. Summary/Purpose: Establishes a tuition assistance grant program for students with disabilities. The program provides grants of no more than \$10,000 a year to a Virginia nonsectarian private school of choice for students with disabilities for whom an individual education plan has been written.

6. Fiscal Impact Estimates are: See Item 8.

7. Budget amendment necessary: Yes.

8. Fiscal implications: This legislation will have an administrative impact on the Department of Education, which supports the Board of Education. This impact falls into the following areas:

- Processing Parental Grant Requests – The department would be required to receive and process all requests for grants and must act on all requests prior to the start of the school year. Processing and analyzing these requests will require additional resources, as will monitoring parental compliance with program requirements.
- Funding Calculation – Currently, funding for special education services varies according to the division in which a child resides, among other factors. Consequently, every grant request will need to be individually analyzed and calculated because the grant cannot be administered at a flat rate. This step would occur annually and will also require additional resources.
- Determination of Eligibility – Each private school that wishes to participate in the grant program will have to meet a list of eligibility requirements, and apply to the department for participation in the program. The department will need to verify the status of each school and regularly publish a list of eligible schools.
- Student Eligibility Monitoring – Once a child is enrolled in the grant program, his or her status must be continually monitored to ensure that the child is either 1) continuing in the private school and eligible for special education services or 2) no longer enrolled because he is no longer eligible or wishes to enroll in public school. Determining student eligibility would have to be determined each year and would create additional administrative work for the department.

- Payment Processing – Once a child is enrolled in the grant program and the amount of funding is calculated, the department must ensure that the eligible school receives payment on an on-going basis until such time as the student is no longer enrolled. In the event an eligible student enrolls at a different private school, the department would have to confirm the eligibility of the new school and ensure the new school begins to receive the grant. The department would have to ensure that grant refunds due to student withdrawal from the private school are calculated correctly.
- Promulgation of Regulations – The Board would need to promulgate emergency regulations, which also results in an additional administrative workload. Given the time that it takes for regulations, even in emergency form, to move through the Administrative Process Act, it is probable that regulations will not be in place at the start of the 2007-2008 school year.
- Appeals Process – Presumably, the regulations will need to include an appeals process for either students or schools applying for eligibility. The administration of this appeals process will also require department resources.

There are approximately 175,000 students in special education in Virginia at this time; it is not known how many of these students would participate in the program. In order to administer the provisions of this bill, it is estimated the department will need three additional staff (two professional and one support position), beginning July 1, 2007. The estimated state cost of these positions is **\$266,351**. This amount includes \$251,351 in personal services costs and \$15,000 in nonpersonal services costs.

The grant provided to an eligible private school on behalf of an eligible student would be made from the Direct Aid to Public Education budget. Presumably, this payment could be derived from state funds that are already appropriated for divisions to provide special education. The amount of the grant and its calculation would be further specified in the Appropriation Act.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/29/07 / SHD

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