

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB936

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Gilbert

3. Committee: Education

4. Title: **Local composite index; number of students.**

5. Summary: Local composite index; number of students. Increases from 350 to 1,200 the maximum number of students allowed for a school division to qualify to have its state share of aid adjusted, based on a cost-sharing agreement with a neighboring school division.

6. Fiscal Impact Estimates: Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	\$8,000,000		GF
2010	\$8,200,000		GF
2011-2014	Indeterminate		

7. Budget Amendment Necessary: Yes, Item 140.

8. Fiscal Implications: This legislation would allow localities with fewer than 1,200 students in average daily membership, upon entering into certain cost-saving agreements with contiguous school divisions, to receive the state share for basic aid computed on the basis of the composite index of local ability-to-pay of the contiguous school division. In addition to Highland County (currently funded), the following localities would be eligible to receive the state share for basic aid computed on the basis of the composite index of local ability-to-pay of a contiguous school division: Bath, Bland, Charles City, Craig, King and Queen, Rappahannock, Richmond County, Surry, Buena Vista, Covington, Norton, Williamsburg, Lexington, Emporia, Bedford City, Colonial Beach, and West Point. The estimated state share of cost for HB 936 is approximately \$8.0 million for FY 2009 and \$8.2 million for FY 2010 based on HB/SB 30 (assuming the lowest composite index of the contiguous divisions).

The Standards of Quality (SOQ) are rebased each biennium, the rebasing takes into consideration changes to average daily membership, changes to the composite index as-well-as revisions to the lottery proceeds, sales tax distributions and other factors which help determine the recalculation of the state share of the SOQ. At this time the Department of Education is unable to provide an estimate of impact of these changes over the next two biennia but additional costs are likely as a result of this legislation.

9. Specific Agency or Political Subdivisions Affected: Board of Education , local school divisions.

10. Technical Amendment Necessary: No.

11. Other Comments: Similar to SB559.

Date: 1/21/2008 dpb

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c: Secretary of Education