Department of Planning and Budget
2009 Fiscal Impact Statement

1. **Bill Number:** SB1040

    House of Origin <u>X</u> Introduced   ___ Substitute   ___ Engrossed

    Second House   ___ In Committee   ___ Substitute   ___ Enrolled

2. **Patron:** Hanger

3. **Committee:** Education and Health

4. **Title:** **No Child Left Behind; compliance**

5. **Summary:** Prohibits the Board of Education from complying with any provisions of the federal No Child Left Behind Act that are unfunded and are not an integral or necessary component of the Commonwealth's own Standards of Quality, Standards of Accreditation, or Standards of Learning. Also states that the Board of Education shall not require any localities to comply with such provisions.

6. **Fiscal Impact Estimates:** Indeterminate. See item 8.

7. **Budget Amendment Necessary:** Yes, withdrawal would require an amendment to Item 141 to reduce federal funding.

8. **Fiscal Implications:** If the Commonwealth chooses to completely withdraw from participating in the federal No Child Left Behind (NCLB) program, it would have a significant fiscal impact on both the state and local school divisions. The U.S. 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if a state withdraws from implementing one or more titles of the act, the funding associated with those titles would be withdrawn by USED. 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 2008, Virginia received approximately $343.9 million in federal NCLB funds. In FY 2009, it is estimated that Virginia will receive approximately $348.1 million under NCLB. These figures include both the state and local distribution.

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

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.

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