

**Department of Planning and Budget
2011 Fiscal Impact Statement**

1. Bill Number: SB1031

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

2. Patron: Barker

3. Committee: Education and Health

4. Title: Public schools; unexpended funds.

5. Summary: Allows local school divisions to keep any unexpended funds from local sources for use the next year.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: This legislation provides that any funds appropriated by the locality to a local school board not expended in any fiscal year must not revert to the locality but shall be reappropriated to the local school board. There is no immediate fiscal impact on the Commonwealth; however, if balances are used for on-going programs and reported in the Annual School Report Financial Section (ASRFIN) in certain categories, they could impact future Standards of Quality rebenchmarking calculations.

In addition, it is unclear how this legislation would impact local school divisions. If a school division has a year-end balance that is required to remain with the local school board in a given year, it is possible the local governing body will reduce the local appropriation in the following year (s) by a similar amount to recoup the funds. At this time, it is not possible to reliably estimate the number of divisions that would be subject to such action.

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

10. Technical Amendment Necessary: No.

11. Other Comments: Similar to HB1786.

Date: 1/26/2011 dpbsbj

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