

Department of Planning and Budget 2012 Fiscal Impact Statement

1. **Bill Number:** HB144

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Englin

3. **Committee:** Appropriations

4. **Title:** Virginia Preschool Initiative Local Grant Program; created.

5. **Summary:** Creates a grant program to be administered by the Virginia Department of Education to improve training for preschool educators; create, outfit, or expand preschool classrooms; implement the Virginia Quality Rating and Improvement System; ensure the availability of preschool education for the children of veterans; and create innovative early childhood programs for rural communities where access to services is difficult. The grant program shall be funded by the unused moneys allocated by the General Assembly towards the Virginia Preschool Initiative, which requires a local match in order for such funds to be utilized. Grants shall be awarded pursuant to a competitive request for proposals process designed to ensure that all service providers in the Commonwealth, regardless of size or geographic location, are afforded the opportunity to apply for funds.

6. **Budget Amendment Necessary:** No.

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

8. **Fiscal Implications:** This legislation amends § 22.1-199.1, *Code of Virginia*, to create the Virginia Preschool Initiative Local Grant Program. The funding to support this program would be derived from unallocated balances at the end of each fiscal year in the Virginia Preschool Initiative (VPI) program, and any other public or private funds allocated to it. The interest on the funds deposited into the grant program shall remain with the grant program as well. The funds shall be used for training, implementation of the Virginia Quality Rating and Improvement System, and other methods used to expand access to the prekindergarten program. The Board of Education would develop guidelines to govern the awarding of grants through competitive requests for proposals.

The grant program requires any balances in the VPI program to be deposited in the grant program rather than reverting to the general fund. However, since the VPI program is funded by Lottery Proceeds, the program balances remain with the Lottery Proceeds Fund pursuant to § 58.1-4022.1 of the *Code of Virginia*. Therefore, it is unclear how the provisions of this legislation could be enacted as the current version of the bill does not address this conflict.

Furthermore, the appropriations for the VPI program in the Governor's introduced budget for the 2012-2014 biennium (HB30) already includes an assumption of non-participation savings. Therefore, it is anticipated that there will not be any significant program savings derived from the VPI program in the 2012-2014 biennium.

If enacted, this bill would have an administrative impact on the Department of Education related to the development of the guidelines required by the bill along with the awarding and managing of any grants that may be awarded from this fund. However, it is anticipated that these costs could be absorbed within current resources.

- 9. Specific Agency or Political Subdivisions Affected:** Board of Education and local school divisions.
- 10. Technical Amendment Necessary:** Yes. As written, this bill would create a conflict with existing language in the Code of Virginia regarding the use of money in the Lottery Proceeds Fund.
- 11. Other Comments:** This bill is the same as SB 261.

Date: 1/26/12

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