

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB1324

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: McDougale

3. Committee: Education and Health

4. Title: Opportunity Educational Institution and Board established.

5. Summary: Creates the Opportunity Educational Institution to be administered and supervised by the Opportunity Educational Institution Board and requires any school that has been denied accreditation to be transferred to the Institution and remain in the Institution for five years or until the school achieves full accreditation. The bill also sets forth requirements for student attendance, staffing, and funding for the Institution.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The legislation stipulates that each student enrolled in a school in the Institution will have his state and local share of Standards of Quality (SOQ) per pupil funding transferred from the previous local school division of residence to the Institution. The per pupil funding transferred will consist of (i) the Standards of Quality per pupil amounts of the previous local school division of residence that are distributed on the basis of March 31 average daily membership, (ii) all federal funds as set forth in § 22.1-88 directly associated with any student enrolled in a school in the Institution and apportioned to the previous local school division of residence, and (iii) all funds sufficient for the reasonable special expenses directly related to the individual educational plan of any special education student, which may be assessed from the previous local school division of residence and transferred to the Institution. No other state funds or local share of funds from the local school division of residence will be provided to the Institution.

Since this legislation omits other state funding for public education, such as Incentive, Categorical, and Lottery-funded programs, from the transfer to the Institution, it is anticipated that the state could realize a savings as a result of this legislation. However, any such savings would depend on the number of students enrolled in the schools transferred to the Institution and the divisions in which the schools reside; therefore, no reliable estimate of potential state savings can be determined at this time.

Additionally, the Governor's proposed amendments to the 2012-2014 biennial budget (HB 1500/SB 800) include \$600,926 from the general fund in fiscal year 2014 for the Department of Education to support implementation of the Opportunity Educational Institution.

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

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** This bill is similar to HB2096; however, it only requires that a school be denied accreditation one year before being transferred to the Opportunity Educational Institution rather than being unaccredited for the previous two school years under HB 2096. As a result, it is conceivable that this legislation could result in a larger savings to the state because more schools would be eligible to be transferred to the Institution; thereby reducing the state share of cost for programs excluded from the transfer to the Institution.

Date: 1/23/13

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