

## **Department of Planning and Budget 2016 Fiscal Impact Statement**

**1. Bill Number:** HB557

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Orrock

**3. Committee:** Passed Both Houses

**4. Title:** School efficiency reviews; scope and costs.

**5. Summary:** Eliminates the state share required when local school divisions request an efficiency review from the Department of Planning and Budget. This provision was in conflict with the current appropriation act, which requires the school division to pay the entire cost of the review. The bill also revises the operational areas examined by the efficiency review and provides that an efficiency review does not constitute an academic review that may be required by the Standards of Quality.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Final, No fiscal impact

**8. Fiscal Implications:** None

**9. Specific Agency or Political Subdivisions Affected:** Department of Planning and Budget, Department of Education, and local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The bill is technical in nature because the language in the Appropriation Act supersedes the Code and the proposed language is consistent with the Act. The method of funding a review with a combined local and state share was eliminated in the 2015 Appropriation Act so that localities participating in the school efficiency review program are now required to pay 100 percent of the cost of the review through a locally funded review. This legislation updates the Code of Virginia to reflect the language in the Act. This legislation also revises the review subject areas to be in line with program protocols. These protocols have been revised based on lessons learned throughout the history of the program but the Code language has not been updated.