

Commission on Local Government

Estimate of Local Fiscal Impact

2017 General Assembly Session

Bill: HB 1498

Patron: LeMunyon

Date: 1/20/2017

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Reduces from 29 to 28 the maximum class size in kindergarten; from 30 to 28 the maximum class size in grades one, two, and three; and from 35 to 29 the maximum class size in grades four, five, and six.

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**Executive Summary:**

The provisions of HB1498 reduces the maximum class size for kindergarten to grade six. Localities have evaluated a negative fiscal impact ranging from \$0.01 - \$10.00. Many localities noted that their class sizes are below these thresholds, so there would be no fiscal impact. Other localities did not provide a fiscal impact but noted such an increase could directly or indirectly increase their costs. For instance, one locality noted that they are unable to determine a fiscal impact but anticipate an increase in local costs from the additional hiring of teachers, teacher aides, and the reconfiguration of school facilities. Additionally, one locality also noted that lowering the cap would provide increased revenue to the school system, but would limit the flexibility.

Please note that one locality provided a negative fiscal impact of \$20,000,000.00 for the state but didn't provide any details, so there is no way to verify the accuracy of their estimate.

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**Local Analysis:**

**Locality:** Chesapeake Public Schools

**Estimated Fiscal Impact:**  
\$20,000,000.00

Our class sizes are below those shown above, but the cost for the state would be significant.

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Locality: City of Harrisonburg

Estimated Fiscal Impact: \$0.01

There would currently be no local fiscal impact as all of our class sizes are currently under what is recommended in this bill. However, there may be future fiscal implications if our class sizes increase. The locality on the other hand would welcome additional state aid if this bill turned into law.

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**Locality:** City of Manassas

**Estimated Fiscal Impact:** \$0.01

Our class sizes are already below these thresholds so there would be no fiscal impact.

**Locality:** City of Norfolk

**Estimated Fiscal Impact:** \$1.00

Exact local financial impact is currently unknown; however, it is likely this bill will lead to an increase in local expenditures. Potential costs include: additional hiring of teachers and teacher aides, reconfiguration of school facilities to accommodate new class sizes, and reconfiguration of bus routes if certain schools are at capacity as described by the proposed class sizes.

**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$10.00

No real effect, already comply

**Locality:** Fairfax County.

**Estimated Fiscal Impact:** \$1.00

Lowering the cap would provide increased revenue to FCPS, but would limit flexibility.

**Locality:** Henrico County

**Estimated Fiscal Impact:** \$0.01

Henrico maintains class sizes less than the recommended changes in this bill.

**Locality:** Town of Boones Mill

**Estimated Fiscal Impact:** \$1.00

No direct fiscal impact on the Town of Boones Mill.

Reducing class size limits would force some school systems to hire more staff and possibly add classrooms, increasing both operational and capital costs. I'm not sure if Franklin County Public Schools would be in this situation. In any case, small towns do not fund school systems, so there would be no direct fiscal impact.