

## **Department of Planning and Budget**

### **2017 Fiscal Impact Statement**

**1. Bill Number:** HB1981

<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:** Greason

**3. Committee:** Passed both houses

**4. Title:** School Divisions of Innovation.

**5. Summary:** Requires the Board of Education to promulgate regulations for the designation of School Divisions of Innovation in which the local school board in the local school division so designated shall, pursuant to a plan of innovation, be exempted from certain regulatory provisions and be permitted to adopt alternative policies for school administrators, teachers, and staff to meet the diverse needs of students and to improve student learning; educational performance; and college, career, and citizenship readiness skills in each school in the local school division.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Final. See Item 8.

**8. Fiscal Implications:** HB 1981 does not alter the funding mechanisms for School Divisions of Innovation relative to current Direct Aid to Public Education funding, so this bill should not impact the state share of payments to local school divisions. Any assistance provided by the Department of Education (DOE) to meet the various Board of Education requirements established by this bill will have an indeterminate staffing impact on DOE. It is anticipated, though, that the agency can absorb such impact with existing resources.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** HB 1981 would allow School Divisions of Innovation to request waivers from regulatory provisions. DOE notes that any local school division obligations related to data submissions to DOE for the purposes of calculating state funding for education (Annual School Report, Student Records Collections, Required Local Effort and Required Local Match certifications, and others) could not be waived, as DOE requires this information to develop the Direct Aid to Public Education budget.

The 2015 Virginia General Assembly, in its efforts to promote innovation in the Commonwealth's public high schools, provided \$250,000 in FY 2016 for High School Program Innovation Planning Grants, to be awarded to up to five pilot high school programs to explore new approaches to engage and motivate students and to increase readiness for postsecondary education and training. The Department of Education awarded grants of \$50,000 each to Fairfax County, Newport News, Salem, Williamsburg-James City County, and a Chesterfield-led consortium of 10 Richmond-area school divisions (Chesterfield, Charles City, Colonial Heights, Dinwiddie, Goochland, Hanover, Henrico, New Kent, Powhatan, and Richmond City). Petersburg, Sussex, and Hopewell school divisions have since joined the Chesterfield-led consortium. Item 138.U. of the current appropriation act includes \$500,000 general fund each year for continued support of grants to local school divisions for both the planning and implementation of systemic High School Program Innovation.