

## Department of Planning and Budget

### 2023 Fiscal Impact Statement

1. **Bill Number:** HB2490H2

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

2. **Patron:** Davis

3. **Committee:** Education and Health

4. **Title:** Division laboratory schools; application and establishment.

5. **Summary:** Provides a framework for the application for and establishment of a division laboratory school as a public, nonreligious, or non-home-based alternative school located within a local school division that is created as a new public school or through the conversion of all or part of an existing public school and is subject to the student assessment and accountability requirements applicable to other public schools in the Commonwealth. The bill exempts division laboratory schools from certain laws that govern other public schools in the Commonwealth and permits such schools to operate free from specified school division policies and state regulations and be granted flexibility in school scheduling. Finally, the bill establishes the Laboratory School Fund to be used for the purposes of establishing or supporting college partnership laboratory schools and division laboratory schools.

6. **Budget Amendment Necessary:** Yes, Item 135 and language in 137.

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

8. **Fiscal Implications:** This bill repeals the College Partnership Laboratory School Fund and establishes the Laboratory School Fund, which may be used to support College Partnership Laboratory Schools and Division Laboratory Schools. Language in the Governor's introduced budget, HB1400/SB800, directs \$150 million to be deposited into the College Partnership Laboratory School Fund and directs uses of those funds related to College Partnership Laboratory Schools. An amendment to appropriation act language in Item 137 would be required to redirect these funds to the new Laboratory School Fund established by this bill. Additionally, in order for funds to be spent on Division Laboratory Schools per this bill, appropriation act language in Item 137 would need to be amended to allow additional uses of the \$150 million, or additional funding directed towards Division Laboratory Schools would need to be added. The House's amendments to the budget bill, HB1400/SB800, redirect the \$150 million deposit to the Laboratory School Fund and allow up to \$50 million to be awarded to support Division Laboratory Schools.

This bill would require the Department of Education (DOE) to provide technical assistance to every school board in the review and approval of applications, management of distribution of the Laboratory School Fund, and provide technical assistance to all denied applicants and awardees denied extensions. DOE does not have existing staff available to perform these duties and estimates a need for a program administrator and an administrative support position in order to comply with the provisions of the bill. Assuming a salary of \$90,000, the program administrator position would require \$145,450 in additional state support including benefits and support costs. Assuming a salary of \$55,000, the administrative support position would require \$101,638 in additional state support including benefits and support costs. In total, DOE estimates a need for \$247,088 in additional general fund appropriation and two positions annually beginning in FY 2024. The House's amendments to the Governor's introduced budget, HB1400/SB800, provide \$132,932 and one position at DOE to support innovative initiatives, including Division Laboratory Schools.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None