

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB825

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

2. Patron: Cousins

3. Committee: Education and Health

4. Title: Public school funding; At-Risk Program established.

5. Summary: Establishes the At-Risk Program for the purpose of supporting programs and services for students who are educationally at risk, including prevention, intervention, or remediation activities required pursuant to Standard 1 (§ 22.1-253.13:1); teacher recruitment programs and incentives; Dropout Prevention; community and school-based truancy officer programs; Advancement Via Individual Determination (AVID); Project Discovery; programs for English language learners; the hiring of additional school counselors, testing coordinators, and licensed behavior analysts; and programs relating to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training and requires a portion of the state funding provided for such At-Risk Program to be allocated to school divisions on a flat per-student percentage rate set out in the general appropriation act and a portion of such funding to be allocated to school divisions on a variable rate set out in the general appropriation act based on the concentration of poverty in the school division.

6. Budget Amendment Necessary: Yes, Item 125.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: The bill removes the existing At-Risk Add-on and Prevention, Intervention, and Remediation programs and replaces them with a new At-Risk program and formula. The Governor's Introduced Budget, HB/SB 30, 2024 General Assembly Session, includes \$150.0 million general fund in FY25 and \$149.4 million general fund in FY26 for Prevention, Intervention, and Remediation. The introduced budget also includes \$237.8 million general fund and \$202.1 million lottery fund in FY25 and \$243.1 million general fund and \$195.0 million lottery fund in FY26 for the At-Risk Add-on. At this time DOE is not able to estimate the impact of replacing the existing programs with the new At-Risk Program for the 2024-2026 biennium. The bill directs how funding for the At-Risk Program shall be distributed but does not require a specific funding amount, so an additional impact above the current amounts provided in HB/SB30 is unknown. DOE would require additional direction on funding levels and methodology from the appropriation act, including the flat per-student percentage rate and the variable rate to be used to distribute funding. Any

significant changes to methodology or the creation of a new program require time to be programed into the SOQ model and for data and calculation verification. Any actual impact is indeterminate.

The bill directs that the Board of Education may withhold At-Risk funding from local school divisions that are not meeting obligations to the Board. It is not possible to estimate any impact that may result from this provision, as any savings would depend on the actions of local school boards and the Board.

Budget language amendments would be needed in Item 125 to remove the existing programs and to describe the methodology and rates that DOE shall use for the new program.

Local school divisions would be required to meet the required local effort for any additional state funds received based on local composite index. The actual fiscal impact to local school divisions is indeterminate at this time.

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

10. Technical Amendment Necessary: No

11. Other Comments: None