

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB92

Patron: Rasoul

Bill Title: Equity in public school funding and staffing; special education students; at-risk students; English language learner students.

Bill Summary: The bill establishes (i) the At-Risk Program for the purpose of supporting programs and services for students who are educationally at-risk, including programs and services of prevention, intervention, or remediation; (ii) a state-funded, flexible per pupil Standards of Quality funding add-on to be applied for each special education student, calculated in accordance with the provisions of the bill, for the purpose of better meeting the educational needs of students with disabilities; and (iii) a state-funded, flexible per-pupil Standards of Quality funding add-on to be provided for each English language learner student, calculated in accordance with the provisions of the bill, for the purpose of better meeting the educational needs of English language learner students. The bill also establishes requirements and conditions for each school division receiving funding pursuant to the At-Risk Program or either of the per pupil Standards of Quality funding add-ons established pursuant to the bill, including a requirement that each such school division annually report to the Department of Education on the planned and actual uses of such funds. The bill directs the Department to annually compile and publish on its website a summary of the reports received from each school division on the use of such funds. Finally, the bill authorizes the Department, upon providing notice and an opportunity for corrective action, withhold, recover, or redirect funds provided pursuant to the bill from any school division found to be in noncompliance with the requirements set forth in the bill.

Budget Amendment Necessary: Yes

Items Impacted: 123, 125

Explanation: This bill makes several changes to funding provided to local school divisions through Direct Aid to Public Education by creating three new add-on programs under the Standards of Quality. One of these programs, the English Language Learner Add-On, is not currently funded and would require additional appropriation. The Department of Education (DOE) also anticipates additional costs to support the additional responsibilities in the bill.

Fiscal Summary: At this time, it is not possible to estimate the additional state cost to Direct Aid to Public Education for the English Language Learner Add-On, as any cost would depend on the add-on percentage set forth in the appropriation act. Additionally, moving the At-Risk Add-On and the Special Education Add-On programs to the Standards of Quality would require mandatory program participation and local effort (mandatory matching funds) for all school divisions; participation in these programs is currently optional. The actual fiscal impact to local school divisions is indeterminate at this time.

DOE estimates the need for one additional position at a cost of \$154,101 general fund per year beginning in FY27.

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General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
197 (Direct Aid)	\$0	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate
201 (DOE)	\$0	\$154,101	\$154,101	\$154,101	\$154,101	\$154,101
TOTAL	\$0	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
201 (DOE)	0	1	1	1	1	1
TOTAL	0	1	1	1	1	1

Fiscal Analysis:

At-Risk Add-On

The bill moves the At-Risk Add-On program from its existing code section to the Standards of Quality. This change would not impact the state funding provided for the At-Risk Add-On program in the Governor's introduced budget, HB/SB30. Moving the At-Risk Add-On program to the Standards of Quality would make the program mandatory for all local school divisions to participate and provide local effort (mandatory matching funds). Currently the program is optional and multiple school divisions did not participate in fiscal year 2026.

Special Education Add-On

The bill requires that a state-funded add-on shall be provided to support each special education student based on a student weight set forth in the appropriation act based on whether the student is served at a service level I or II. Funding for a Special Education Add-On is provided in HB/SB30. Adding the Special Education Add-On to the Standards of Quality would make the program mandatory for all local school divisions to participate and provide local effort. Currently the program is optional and multiple school divisions did not participate in fiscal year 2026.

English Language Learner Add-On

The bill requires that a state-funded add-on shall be provided to support each English language learner students based on a student weight set forth in the appropriation act. This funding would be provided in addition to existing funding provided for English Learner Teacher Payments in HB/SB30. At this time, it is not possible to estimate the additional cost to implement this requirement, as it would be dependent on the actual add-on percentage set forth in the appropriation act. As a Standards of Quality program, this program would be mandatory for all local school divisions to participate and provide local effort.

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2026 General Assembly Session
State Fiscal Impact Statement

Reporting Requirements

The bill establishes new reporting requirements for all three add-on programs. For each add-on program, local school divisions would be required to annually report to DOE on the planned and actual uses of the funds and ensure that funds are spent per the requirements for each program described in the bill. DOE would be responsible for compiling and publishing an annual summary of the reports. DOE would also have authority to withhold, recover, or redirect funds provided for each add-on program from any school division that is not in compliance with the reporting and spending requirements. DOE anticipates the need for an additional compliance officer to support these requirements. DOE estimates a cost of \$154,101 general fund per year beginning in FY27 including salary, benefits, and technology costs.

Other: This bill is identical to SB90 as introduced.