

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB468

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Obenshain

3. **Committee:** Education and Health

4. **Title:** Certain school divisions; cost-savings agreements; requirements.

5. **Summary:** Removes the limitation on any school board that enters into certain cost-savings agreements with a school board that governs a contiguous school division for the consolidation or sharing of educational, administrative, or support services and thus qualifies for adjustment of state share of basic aid computed annually on the basis of the composite index of local ability-to-pay of such contiguous school division that caps such adjusted basic aid payment at an amount equal to the basic aid payment appropriated to such locality by the 2007 Session of the General Assembly. The bill also permits, notwithstanding the requirement set forth in relevant law that a school division has 65 percent or more of its local taxes coming from real estate taxes in order for the school board that governs such school division to be eligible to enter into such cost-savings agreements with a contiguous school division, the Bath County School Board to enter into such cost-savings agreements with the Augusta County School Board, provided that all other conditions and limitations set forth in relevant law apply to any such agreement.

6. **Budget Amendment Necessary:** Yes, Item 125.

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

8. **Fiscal Implications:** This bill removes the cap on supplemental basic aid payments at an amount equal to the basic aid payment appropriated to such locality by the 2007 Session of the General Assembly. The Governor's introduced budget, HB/SB 30, 2024 General Assembly Session includes budget language that enacts this change to the calculations of supplemental basic aid payments and appropriation to support the calculation in Item 125. The calculated cost as appropriated in HB/SB 30 is \$1,779,201 in FY25 and \$1,740,790 in FY26.

The bill also permits Bath County to enter into a cost-savings agreement with Augusta County. The Department of Education estimates that if Bath County were to enter into such an agreement the additional state cost would be \$1.7 million general fund in FY25 and \$1.7 million general fund in FY26.

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

10. Technical Amendment Necessary: No

11. Other Comments: This bill is identical to HB1029 and similar to HB702.