



THE COMMONWEALTH EDUCATIONAL POLICY INSTITUTE

CENTER FOR PUBLIC POLICY - L. DOUGLAS WILDER SCHOOL OF GOVERNMENT AND PUBLIC AFFAIRS

2013 General Assembly Update

Week 1 Update—January 11, 2013

The 2013 General Assembly is now in session

The 2013 General Assembly session began Wednesday, January 9, 2013. The session runs 46 days and is scheduled to end on February 23, 2013. “Cross-over day,” the last day for each house to act on its own bills, is February 5. House and Senate versions of the two-year, amended budget for fiscal years 2013 and 2014 are expected to be released on February 3.

The House Education Committee is scheduled to meet on Mondays at 9:00 a.m. in House Room C and Wednesdays at 8:30 a.m. in the Appropriations Room. The Senate Education and Health Committee will meet on Thursdays at 8:30 a.m. in Senate Room B. Sub-committees will meet periodically throughout the session. Click [here](#) for the schedule of weekly meetings.

State Budget--Overview

Governor McDonnell submitted his proposed amendments to the 2012-2014 state budget to the General Assembly money committees on December 17. Legislators will craft their own amendments to the current spending plan during the upcoming 46-day legislative session, with House and Senate amendments due to be presented in early February. Approval of the budget typically is one of the final acts taken by the legislature at the end of the session.

In his speech to the committee members, Governor McDonnell noted that “the challenges brought before us this year due to the fiscal uncertainty at the federal level are greater than usual as we work together to update our budget and navigate the future. However, just as in past years, I believe that we can work together to mitigate this uncertainty, provide the balanced budget required by law, and successfully address pressing issues in transportation, K-12 education and other problems facing our Commonwealth.”

The governor’s revised revenue forecast for the budget anticipates revenue growth of 3.6% for the remainder of FY13 (up from the current 2.9% estimated growth) and 3.8% growth in FY14 (down from the current 4.5%). The amended budget contains a combination of spending reductions/agency savings/cost avoidances and funding increases to boost state spending by a net of \$211 million over FY13 and FY14. As one way to try to get ahead of coming impacts from federal funding reductions, the budget includes an advance payment of \$50 million to the so called “Rainy Day” Fund toward the required deposit for the next biennium.

State Budget--Direct Aid to Public Education

The Governor's amended budget proposes incentive funding of \$58.5 million for the state's share of a two-percent salary increase for all funded SOQ instructional positions in FY14, effective July 1, 2013. Funded Standards of Quality (SOQ) instructional positions include teachers, principals, assistant principals, guidance counselors, librarians, and instructional aides. This proposal is not a mandate to increase salaries and funding for it is contingent on passage of a legislative package, dubbed the Educator Fairness Act, being introduced by the governor. The Act will propose to reform areas such as teacher probationary status (increasing the probationary term from three to five years) and the relationship between performance evaluations and contracts, and streamline the grievance process.

The amended budget includes a decrease of \$8.3 million in FY13 and \$10.9 million in FY14 due to an estimated 2,500 fewer students projected to be enrolled. Revised sales tax estimates are higher in both years, and with corresponding decreases in basic aid, the net change in funding to school divisions is about \$8.7 million increase through FY14. Lottery proceeds for education are estimated to increase by \$35 million this year, to \$492.5 million.

The amended budget eliminates \$12.2 million in FY14 for the cost of competing adjustment (COCA) factor for funded SOQ Basic Aid support positions for school divisions in Planning District Eight and certain adjacent divisions (specified in the appropriation act) in FY14. It provides \$4.9 million in FY14 to fund the state's share of the Board of Education's (BOE) recommended staffing standard for students who are blind or visually impaired.

The amended budget also provides \$15 million in FY14 to support a Strategic Compensation Grants Initiative to award competitive grants to school divisions that design and implement compensation systems for teachers that provide incentives based on participation in division strategic goals and objectives. It proposes to increase funding to over \$800,000 in FY14 (from the current \$100,000) to provide incentive awards to attract, recruit, and retain high-quality middle and high school teachers for science, technology, engineering, or mathematics (STEM). This increase is being supported by the transfer of state funding from the existing Virginia Teaching Scholarship Loan Program and eliminating that program effective in FY14.

Following are additional provisions of the Governor's introduced budget amendments:

- The amended budget transfers an additional \$9 million from the Literary Fund in FY13 to support the state's share of teacher retirement, increasing the grab from \$131 million to \$140 million.
- It includes \$500,000 in FY14 for the Department of Education (DOE) to conduct academic reviews for schools that are not fully accredited and to assist them in developing improvement plans to progress toward being fully accredited. Additional funding for the academic review program was approved last year only for FY13; the proposed amount for FY14 is the same as provided for FY13. Budget language modifies the required local contribution for the review to be the greater of 50% of the cost to conduct the review or the local share of the cost based on the participating school division's composite index of local ability-to-pay.
- The amended budget proposes an additional \$1.4 million in FY14 for the state's share of one reading specialist per elementary school that scored below 75% on the third grade reading Standards of Learning (SOL) test. School divisions receiving these funds are required to match the funding based on their composite index of local ability to pay.
- It updates the methodology used to calculate the state's share of FY14 funding for the Early Intervention Reading Initiative, for third grade only, to be consistent with the methodology used for K-2.
- The amended budget provides \$341,040 in FY14 for the Effective Schoolwide Discipline Initiative, which provides models for schools that have significant rates of suspension or expulsion to reduce disruptive classroom behavior. Funding is provided for 58 schools with high suspension/expulsion rates to implement or expand the initiative. Also, \$277,000 is included in the DOE budget to conduct

statewide training for public school teachers and administrators on implementation of an effective schoolwide discipline system.

- It targets \$266,331 in additional funding in FY14 for the Path to Industry Certification program. The additional funding is provided to partially offset increases in costs of credentialing exams and the number of students taking the exams.
- The amended budget includes an additional \$100,000 to support supplemental grants to charter schools in FY14. The Secretary of Education's budget includes \$600,000 for the implementation of college laboratory schools. It also provides an additional \$100,000 in FY14 for the Innovative Education Technical Advisory Group. The Innovative Education Technical Advisory Group was developed to assist in the development of charter school, college laboratory school, virtual schools, and other instructional delivery or school governance models in Virginia.
- It provides \$210,000 to establish summer regional Governor's Schools for Entrepreneurship in FY14. The DOE will partner with regional collaborations of school divisions to offer two-week summer regional programs that provide Virginia middle school students with the opportunity to solve problems through product innovation and to explore entrepreneurship in a global market.
- The amended budget includes language directing the DOE to change the school nurse funding methodology. Beginning with the 2014-2016 biennium, funding for school nurses would be based on one nurse per school, plus one additional nurse for schools with at least 1,500 students reported in fall membership. The Governor's amended budget also includes language encouraging the BOE to consider adopting a staffing standard for school nurses in the SOQ consistent with this funding methodology. In addition, the Governor's proposal eliminates the requirement for school divisions to spend school nurse funds for school nurse positions with the 2014-2016 biennium.
- It proposes eliminating a portion of the annual "Certification of Adequate Funds Budgeted to Meet Required Local Effort for the Standards of Quality and Local Match Requirements for Certain State Funds" data collection. If adopted, school divisions will no longer be required to submit data indicating whether they have budgeted sufficient local funds to meet required local effort for the SOQ and required local match for any optional match programs in which the division participates.
- The amended budget provides \$220,191 in FY14 in the DOE budget to establish the Virginia Center for Excellence in Teaching, which will offer a series of residential summer professional development academies for teachers. The Center will incorporate experiential learning through exploration of case studies on educational policy and instructional leadership. Also in the DOE budget is just over \$600,000 in FY14 to support the Virginia Opportunity School District, and there is nearly \$179,000 to support implementation of the Education Improvement Scholarships Tax Credits program and expansion of the Neighborhood Assistance Tax Credits program approved by the 2012 General Assembly.
- The amended budget includes \$750,000 in FY14 for the Virginia Early Childhood Foundation. Budget language is added that requires the foundation to develop recommendations for a kindergarten readiness assessment tool and subsequent pilot project(s). The pilot assessments will be available for use, on a voluntary basis, by Smart Beginnings initiatives and local school divisions.

Click [here](#) for additional information about Governor McDonnell's proposed changes to the public education budget for FY13 and FY14.

Education Legislation

In recent weeks, Governor McDonnell has rolled out a three-part education agenda for the session. His plan includes the teacher salary increase package noted above; measures focused on innovation and accountability, including reforms to school report cards; and more public school choice options. The specific legislative proposals will be highlighted in this newsletter as the session progresses, and additional information also can be found at the [Governor's AllStudents website](#).

With the final deadline for bill introduction a week away, many education-related bills already have been introduced thus far. Though not specifically listed below, there are numerous bills that have been submitted to allow local school boards, in one fashion or another, to be responsible for setting the school calendar and determining the opening of the school year. There also have been a number of bills introduced that seek to revise the state's 14-year old charter schools law.

Below is a list of some of the key education legislation introduced so far; additional bills will be listed in next week's report.

[HB 1312](#) and [HB 1317](#) requires the BOE to adopt regulations providing for an additional testing period, before March 1 each year, for the administering Standards of Learning (SOL) tests to students.

[HB 1350](#) prohibits 7th and 8th grade students from using a calculator on any math SOL tests. The bill also stipulates that no 8th grade student who fails to receive a passing grade on the end-of-course math assessment will be placed in an Algebra I or more advanced course in the 9th grade.

[HB 1388](#) and [SB 936](#) change the date by which a school board is required to give notice of reassignment to a principal, assistant principal or supervisor under continuing contract status from April 15 to June 15 of any given year.

[HB 1442](#), [SB 792](#) and [SB 812](#) prohibit public schools from joining the Virginia High School League, which does not allow participation by qualifying home school students in interscholastic activities.

[HB 1503](#) and [SB 782](#) add high school graduation rates, the college and career readiness of graduates, the rate of student academic progress in all student subgroups and progress toward narrowing achievement gaps among all student subgroups to the list of special school division accomplishments that the BOE shall consider in its criteria for recognizing educational performance. The bill also requires the BOE to establish a range of accreditation rankings to identify achievements, progress, and gaps in school performance.

[HB 1540](#) prohibits use of handheld personal telecommunications devices by drivers of moving vehicles on school property or in reduced-speed school crossing zones.

[HB 1555](#) establishes the Virginia State Virtual School as a statewide school division to be supervised and administered by the BOE.

[HB 1556](#) changes the ratio of students in average daily membership to full-time equivalent teaching positions from a divisionwide ratio to a schoolwide ratio.

[HB 1557](#) requires each school board to designate at least one qualified person for every school in the division who, upon application with the school board, may carry a concealed handgun on school property.

[HB 1674](#) requires the BOE to grant to each elementary or secondary school the same release granted to any charter school in the same local school division, and permits the respective local school board to apply such release to any school in the school division.

[HB 1719](#) replaces the current BOE requirement regarding student athlete concussion policies on concussion in student athletes and with a more specific directive for the Board to develop and guidelines for developing a concussion education, awareness, and management plan.

[HB 1730](#) and [SB 940](#) require each local school board to establish a collaborative agreement with local law-enforcement agencies to employ one full-time uniformed school resource officer in every school in the local school division.

[HB 1871](#) and [SB 951](#) define the term "bullying" and require school boards to prohibit students and school employees from engaging in any act of bullying. The bill also requires local school boards to implement policies and procedures for reporting, investigating, and addressing acts of bullying by July 1, 2014.

[HB 1996](#) and [SB 1009](#) make several revisions to legislation approved last year that allows credits against income taxes for contributions to approved foundations that provide scholarships to needy students, including extending the program's expiration 10 years to tax year 2027.

[HB 1999](#) requires the BOE, by August, 2013, to develop a grading system in addition to the standards of accreditation for individual school performance; such grading system will be based on an A to F grading scale.

[HB 2066](#) allows flexibility to local school divisions in assigning librarians, guidance counselors and school-based clerical personnel in schools across the division.

[HB 2083](#) establishes the Strategic Compensation Grant Initiative and Fund for school divisions that include measurable and appropriate achievement goals for student academic progress and plans for the professional development of designated teachers in their compensation model.

[HB 2084](#) provides for the operation of Teach for America in Virginia beginning in the 2013-14 school year. The bill creates a two-year provisional license for participants in Teach for America, a program that recruits and trains the recent, top college graduates from various disciplines to accept full-time teaching assignments in hard-to-staff schools.

[HB 2096](#) creates a statewide school division called the Opportunity Educational Institution to be administered and supervised by the Opportunity Educational Institution Board and requires any school that has been denied accreditation for the previous two school years to be transferred to such statewide division and remain there for five years or until the school achieves accreditation.

[HB 2098](#) requires any school board that has requested a release from certain state regulations to demonstrate that such release will increase the quality of instruction and improve the student achievement in the affected school or schools.

[SB 787](#) allows local school boards, at local cost, to provide the health insurance credit currently provided to retired teachers to also be provided to all retired division employees.

[SB 889](#) allows local school boards to hold electronic communication meetings to the same extent allowed currently for state public bodies.

[SB 955](#) directs the BOE to establish criteria in its licensure regulations to exempt anyone seeking initial licensure from coursework and professional teacher's assessment requirements, if such person graduated with a degree in science, technology, engineering, or mathematics in the top 10% of his graduating class.

[SB 999](#) prohibits school boards from hiring temporarily employed or unlicensed teachers to fill vacancies at the elementary grade levels or in core subjects at the middle and high school grade levels, for more than 90 teaching days or in a manner that results in a majority of temporarily employed or unlicensed teachers comprising the teaching staff.

E-mail Response

Questions or More Information? Please [contact CEPI](#) if you have any questions or need additional information about the 2013 General Assembly.