



THE COMMONWEALTH EDUCATIONAL POLICY INSTITUTE
CENTER FOR PUBLIC POLICY - L. DOUGLAS WILDER SCHOOL OF GOVERNMENT AND PUBLIC AFFAIRS

2014 General Assembly
K-12 Education Update

February 21, 2014

The 2014 General Assembly session began Wednesday, January 8, 2014. The session runs 60 days and is scheduled to end on March 8. The last day for committee action is March 3.

The House Education Committee is scheduled to meet on Mondays and Wednesdays at 8:30 a.m. in House Room D. 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 Issues

It was a busy week for budget development at the General Assembly. The House and Senate money committees on Sunday approved changes to the Governor McDonnell-introduced budget for FY15/FY16, as well as amendments to the current, FY14 budget. The plans were debated on the respective House and Senate floors on Thursday. The House overwhelmingly approved its version by a count of 74 to 25. However, the Senate budget passed 23 to 17, with three Republicans joining all 20 Democrats to approve the plan. The biggest issue of contention in the Thursday debates, and as legislators seek to reconcile differences in the plans, is the issue of funding for health care. The House proposes to restore \$81 million in inflation adjustments to hospital reimbursements that Governor McDonnell eliminated in the first year of his proposed budget. The House plan also adds \$6 million for free clinics and community health centers that serve people who would be covered by an expanded Medicaid program. The Senate's plan, called "Marketplace Virginia," is a private option, health insurance model that proposes to recover \$1.7 billion annually from the federal government under the Affordable Care Act.

Following is a review of the major education-related provisions of the budgets approved by the House and Senate:

Overview:

The House touts that its plan provides a net increase of \$531 million over the two years for K-12 education, increasing state per pupil funding to about \$5,037. The House largely recognizes re-benchmarking of education costs proposed in the introduced budget, as well as the savings from excluding non-personnel inflation updates (savings of \$95 million over the two years) and recognizing the pre-K nonparticipation rate (savings of \$48.5 million) contained in the introduced plan.

The highlight of the Senate plan is its restoration of a portion of state funding for non-personnel support costs (utilities, insurance, rent, etc.) that was excluded from the re-benchmarking in the introduced budget. This 75% restoration, along with a “cost of competing” adjustment, increased sales tax projections, and some technical corrections provide an additional \$57.7 million above the re-benchmarking amount.

Both budgets recognize savings (the House \$3 million per year and the Senate nearly \$900,000 per year) from reducing the number of Standards of Learning tests. Both plans also reduce funding for the Opportunity Educational Institution (OEI), the House level funding the OEI at \$150,000 per year and the Senate eliminating the funding. The introduced budget had proposed increasing funding to the OEI to \$600,000 per year. The House reduces funding by \$250,000 over the two years (from \$325K to \$200K) for school efficiency reviews conducted by the Department of Planning and Budget.

Both plans propose restoring some funding for cost of competing allowances for support personnel in 18 primarily Northern Virginia school divisions. The House proposes \$5.4 million in FY15 (no local match required), while the Senate earmarks just over \$5 million in the first year. Both also address strategic compensation grants by scaling back additional funding proposed in the introduced budget. The House level funds the grants at \$7.5 million in FY15 and \$6 million in FY16, while the Senate reduces the first year amount to \$4.5 million and removes second year funding.

Both the House and Senate recognize an executive amendment (submitted by Governor McAuliffe) that projects an additional \$25 million in FY15 to be deposited into the Literary Fund as a result of selling unclaimed stock property. Of this amount, \$15 million would increase the amount provided in the introduced budget for school construction loans by \$15 million, to a total of \$35 million. The House designates \$20 million of the additional revenue to offset VRS payments and the remaining \$5 million for school construction loans. The Senate directs allocations toward the general fund, leaving a total of \$7.5 million in FY15 available for school construction loans.

The House accepted the introduced budget provision to provide over \$600,000 for extended day/year-round schools and to provide assistance to charter, college laboratory or virtual schools. The Senate plan focuses all the money on pursuing year-round school programs. Both plans eliminate the remaining \$600,000 in FY15 funding for college partnership laboratory schools; the introduced budget included no funding for FY16.

The Senate plan provides an additional \$1 million each year for Project Discovery, which helps at-risk students stay in high school and enter college. The House eliminates funding of \$425,000 each year for the program and funnels it to an Achievable Dream program.

It does not appear that either the House or the Senate included language that would result in the state sharing a portion of the unfunded liability for the teacher retirement plan.

Additional education budget proposals:

House:

- House budget language requires school divisions participating in the Reading and Math Specialist initiatives to submit an annual report to the Department of Education (DOE) concerning the academic progress of those students who received services.

- A technical amendment provides \$2.3 million the first year and \$2.2 million the second year to increase K-3 Class Size Reduction initiative allocations to reflect updating the VRS benefit rates for instructional positions.
- Budget language directs the Joint Legislative Audit and Review Commission to include virtual instruction in its ongoing review of the efficiency and effectiveness of public education funding.
- Budget language directs the Secretary of Education to review and report on the formula used to determine governor's school payments.

Senate:

- The Senate proposal restores \$8.6 million over the two years for the Virginia Preschool Initiative for at-risk four-year-olds (state savings of \$48.5 million accepted).
- It includes planning funds for development of a comprehensive data system compliant with federal Individual Education Plan (IEP) requirements for special education, in order to strengthen case management strategies for IEP students and enhance the state's ability to draw down additional Medicaid and other federal dollars.
- The plan adds \$292,000 each year to bring the total to \$1 million per year for scholarships to attract top students into the teaching profession.
- The proposal includes additional funding of \$200,000 each year for course development for the Virtual Virginia on-line program in the DOE, which offers Advanced Placement, world language, core academic and elective courses.

A conference committee of senior legislators from each chamber, to be officially named next week, is tasked with trying to reach a compromise spending plan in the final weeks of the session.

Education Legislation

The Senate Education and Health Committee, on a 9 to 6 party line vote, defeated the perennial bill to allow homeschool students to participate in public school interscholastic activities. This year's measure, [HB 63](#), would have prohibited public schools from joining the Virginia High School League if the organization does not allow participation by qualifying home school students in interscholastic activities. It had passed the House 60 to 39.

The House and Senate remain at odds over how long to delay implementation of the A to F grading system for reporting individual school performance, slated to be in place this October. The House wants a simple one-year delay of the current law, while the Senate would delay the assignment of letter grades to schools for three years, to October 2017. It also would have school performance graded by taking into account a variety of factors, a process that would need several years in which to gather data. The relevant bills are [HB 1229](#) and [SB 324](#) and they will be considered in committee next week.

Next week also will be an important week for considering some other hot button issues. Committees will take up similar, yet competing, approaches to reducing the number of required SOL tests at the elementary school level that were approved by the opposite chamber. The Senate also has a trio of bills that revise or repeal the post-Labor Day school opening law that have been assigned to a Senate Education and Health subcommittee. Also to be considered is [HB 324](#), which creates a statewide virtual school, establishes a Board to oversee the school's

programs and services as well as being a policy agency in the executive branch. The bill also directs that the school receive the state and local SOQ per pupil funding amount, not to exceed \$6,500 per student.

In other action from this past week:

- A House Education subcommittee shot down [SB 499](#), which would have delayed the initial transfer of supervision of certain schools from local school boards to the OEI by one year. Also defeated for the year is [SB 155](#), which would have required at least 30 minutes of physical activity per day for students in grades kindergarten through eight, effective with the 2016-2017 school year.
- The Senate Education and Health Committee unanimously approved [HB 720](#) requiring a local school board policy that designates an area in which any mother employed by the school division may take breaks to express milk to feed her child, until the child reaches the age of one.
- The Committee has amended and approved [HB 1054](#), which requires school boards to consider all computer science course credits earned by students to be science course credits, mathematics course credits, or career and technical education credits. The amendment directs the Board of Education to develop guidelines addressing how such courses can satisfy graduation requirements.
- [HB 752](#) gives school boards flexibility in determining whether to expel a student for a violation of certain provisions of the federal Gun Free Schools Act. It has been approved by Senate Education and Health.

E-mail Response

Questions or seeking more information? Please [contact CEPI](#) if you have any questions or need additional information about the 2014 General Assembly.