



THE COMMONWEALTH EDUCATIONAL POLICY INSTITUTE

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2015 General Assembly K-12 Education Update

The 2015 General Assembly session began Wednesday, January 14, 2015. The session, scheduled to end on February 28, concluded early on February 27. The last day for Committee action was Monday, February 23.

Specific information about the General Assembly session, action on bills and resolutions, committee and subcommittee meetings, and information about legislators can be found at [2015 session](#).

February 27, 2015 – Review of Education Legislation

State Budget Issues

For the first time in about 15 years, the General Assembly concluded its work early, adjourning late Friday, one day ahead of schedule. This was made possible by expedited work on the State's biennial budget for the remainder of FY15 and for FY16. Senior lawmakers crafting changes to the current, two-year state budget reached a compromise last weekend and the amendments were released on Tuesday, thus setting the stage for floor votes on the spending plan amendments on Thursday. Both the House and Senate voted overwhelmingly to approve over 430 changes to the plan that Governor McAuliffe introduced in December. With no discussion in the Senate, the plan was approved 38 to 1. After about 30 minutes of discussion in the House, the plan was passed on a 94 to 5 vote.

The compromise spending package includes additional projected revenues, balances and transfers totaling over \$530 million. It contains \$1.9 million in new fees, reduced from the nearly \$13 million in higher fees contained in the introduced budget. On the expenditure side, and of particular note for public education, the budget provides a \$153.5 million package that includes raises for state and local employees, school teachers and college faculty, and is contingent on revenues meeting expectations. Nearly \$53 million of that is targeted for public school instructional and support personnel to receive the state share of a 1.5 percent pay raise, effective August 16, with flexibility for school divisions to receive all the state funding if raises are provided by January 1. The compromise budget also eliminates the nearly \$30 million reduction in aid to localities planned for FY16, which is good news for local education budgets.

The budget also provides nearly \$193 million from the sale of unclaimed property stock to pay down part of the unfunded teacher retirement liability. The remaining pension balance is re-amortized, thus reducing the retirement contribution rate for teachers from the 14.50 percent planned for FY16, to 14.06 percent, which produces savings for localities and the State as well.

The budget also provides an additional \$32.3 million to accelerate funding to 90% of Virginia Retirement System (VRS) certified rates for the state employee retirement plan.

Following are highlights of additional provisions related to public education that are contained in the budget conference report:

The budget includes \$52.9 million for school construction loans, a slight bump up from the \$50 million proposed in the introduced budget. It also re-purposes \$25 million in the introduced budget for subsidizing construction loans, with the largest amount (\$19.2 million) targeted to teacher retirement cost and unfunded liability (\$2.9 million). The remaining \$2.9 million is added to the \$50 million mentioned above.

The spending plan provides \$75,000 to the Board of Education (BOE) in FY16 to redesign, in consultation with the Standards of Learning Innovation Committee, the School Performance Report Card so that it is easier for parents and the public to understand the accreditation status and academic achievements of schools and school divisions, pursuant to [HB 1672](#) and [SB 727](#).

The plan adds \$4.75 million (for a total of \$7.15 million in FY16) for continued establishment of targeted extended school year efforts; grants of up to \$300,000 (\$400,000 for schools that have been denied accreditation) are included. Participating schools, except those denied accreditation, would provide a 20% local match. After the third consecutive year of successful participation, an eligible school's grant amount would be based on the local composite index.

The budget provides flexibility to school divisions to participate in a new pilot 'Breakfast After the Bell' model for their elementary schools where student eligibility for free or reduced lunch is greater than 45 percent; or the schools can continue to expand the existing traditional school breakfast program to receive additional reimbursement for meals to all grade level students. The introduced budget also included \$537,000 for this program.

It changes the definition of “at-risk” as used in the Virginia Preschool Initiative (VPI) to one that includes 1) family income less than 200% of poverty, 2) homelessness, and 3) parents who are high school dropouts. Language also establishes a new joint subcommittee to review the state’s role in, and to make recommendations for reforming, the VPI. The goals and objectives of that panel will be to consider increasing accountability, flexibility, innovation, clarification of the state's role and policy relating to providing a preschool for economically disadvantaged children, and to further develop the facilitation of partnerships between school divisions and private providers for the VPI. A preliminary report is due by November 1.

The plan provides \$250,000 in FY16 for the Virtual Virginia program, to be used by the Department of Education (DOE) for hiring additional teachers as well as providing additional seats for student enrollment; \$250,000 in FY16 for five competitive grants, not to exceed \$50,000 each, for planning implementation of the systemic High School Program Innovation Program.

The budget funds Project Discovery at the FY14 level of \$275,000 (reduction of \$275,000 from introduced budget) and adds \$250,000 in FY16 to the Virginia Early Childhood Foundation.

The spending plan provides \$1 million in FY16 to support the costs associated with the Virginia Kindergarten Readiness Program (VKRP), to be administered by the University of Virginia. The program will focus on assessing kindergarteners in the fall to determine their social skills and

self-regulation as well as math and literacy skills currently assessed using the existing Phonological Awareness Literacy Screening (PALS) test.

The following provisions are included in the DOE portion of the budget:

- \$366,000 in FY16 for DOE to assist local school divisions in establishing criteria for professional development of teachers and principals on the subject of high-needs students.
- \$713,000 to establish a program of professional development to increase the capacity of principals in under-performing schools.
- \$732,000 to transition the grade seven and eight Standards of Learning (SOL) mathematics tests to a computer adaptive testing (CAT) format; currently, only the grade six math assessment is available in a CAT format.
- \$200,000 to enable students who have failed an SOL test in grades three through eight by a narrow margin, to take the test again during the same testing window; currently, such expedited retakes are only allowed for end-of- course SOL tests required for graduation.
- Nearly \$573,000 is provided for additional positions at the DOE to hire school improvement and curriculum specialists to assist struggling school divisions.
- \$23,000 for DOE to study the feasibility of tracking teacher turnover by developing exit questionnaires or other means, as well as options for analyzing the costs of teacher turnover, pursuant to [SJR 218](#).

Budget language amendments in the education area include the following:

- Directing the Commission on Local Government, by December 1, to develop a process to determine an appropriate calculation for additional state funds for future school division consolidations, which should be based primarily on the projected cost of consolidation.
- Requesting the Department of Planning and Budgeting to develop a matrix of best practices and previous recommendations from School Efficiency Reviews, so that school divisions may use the model as a guide for self-directed improvements toward better financial management and use of school division resources.
- Directing the Virginia Community College System develop a plan to expand the number of workforce training credentials and certifications to a level needed to meet the demands of Virginia's workforce.
- Directing DOE to survey local interest in using education technology grants for lease expenditures, if allowable sources of funding were available for such expenditures, and language expanding the type of equipment that school divisions can purchase with their supplemental educational technology funds to include laptops as well as the existing tablets.

Additional information on the adopted budget is available [here](#).

Education Legislation

In action on bills from this past week, a tie vote broken by the Lieutenant Governor resulted in the defeat of [HB 2238](#) on the Senate floor. The bill would have allowed parents of disabled students to establish an educational savings account for use at a private school, with the fund consisting of the student's state per pupil funds and certain special education funds.

The Senate General Laws Committee turned back, on a close 8 to 7 vote, [HB 1437](#), which would have permitted “deliberative” public bodies in state or local government, including local governing bodies and school boards, by ordinance, resolution or written policy statement, to adopt a policy to permit a public invocation before each meeting of the public body, for the benefit of the public body.

The Senate rejected the House version ([HJ 577](#)) of a proposed Constitutional amendment that would authorize the BOE to approve applications to establish charter schools. The proposal failed on a 20 to 20 vote, but needs 21 votes by sitting members to apply. However, the Senate counterpart, [SJ 256](#), was adopted. The proposal will be back before the legislature next year, as it must pass two sessions of the General Assembly, with an election in between, and in the same form before being put to the voters.

The House Appropriations Committee took no action on [SB 866](#), which would have allowed local school boards and local governing bodies to elect to have all their employees and retirees, as well as the dependents of employees and retirees, eligible to participate in the state employee health insurance plan.

On the session's final day, a conference committee resolved House and Senate differences over [HB 1674](#). The original bill would have allowed the BOE to review the accreditation status of schools every one to three years, taking into consideration each school's accreditation history, most recent accreditation status, and School Performance Report Card metrics. The compromise allows a review of each school once every three years, if the school has been fully accredited for three consecutive years. If the Board finds that the school would have been accredited every year during the three-year period, it may accredit the school for another three years.

A conference committee also resolved minor differences over [HB 2114](#). The bill will require the BOE to establish regulations setting nutritional guidelines for competitive foods to permit schools to have 30 fundraisers per year during which food other than competitive food may be sold to students. Under federal law, unless a state board of education adopts rules governing their sale, schools are prohibited from selling foods such as doughnuts, pizza or cookies during school hours, because they are not compliant with the federal school lunch and breakfast programs.

E-mail Response

Questions or seeking more information? Please [contact CEPI](#) if you have any questions or need additional information about the 2015 General Assembly.