

**THE COMMONWEALTH EDUCATIONAL POLICY INSTITUTE**

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**2016 General Assembly**  
**K-12 Education Update****February 26, 2016**

*The 2016 General Assembly session gaveled to order on Wednesday, January 13. The session runs 60 days and is scheduled to end on March 12. During the session, legislators will consider more than 2,500 bills and hundreds of resolutions. A two-year state budget for fiscal years 2017 and 2018 also will be developed.*

*The House Education Committee is scheduled to meet on Mondays and Wednesdays during the session 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.*

*During the course of the session, legislative updates will be available weekly on the CEPI website at [General Assembly Updates](#). Specific information about the General Assembly session, action on bills and resolutions, committee and subcommittee meetings, and information about legislators can be found at [2016 Session](#). If you have a question about a legislative issue during the session, contact David Blount, CEPI Policy Associate, at [dcblount2@vcu.edu](mailto:dcblount2@vcu.edu).*

**Overview/Budget Issues**

This past week at the General Assembly saw a big focus on the state budget. The House and Senate money committees on Sunday approved changes to the budget for FY17/FY18 (as well as amendments to the current, FY16 budget) that had been introduced by Governor McAuliffe. The plans were debated on the respective House and Senate floors on Thursday. Absent any big issues of contention, each chamber overwhelmingly approved its version of the budget for the next biennium, the House by a count of 98 to 2, and the Senate on a 38 to 1 vote.

The competing spending plans now go to a conference committee of budget writers to iron out differences. The House budget conferees are Delegates Chris Jones (Suffolk), Kirk Cox (Colonial Heights), Steve Landes (Augusta), John O'Bannon (Henrico), Tag Greason (Loudoun) and Luke Torian (Prince William). Senate budget conferees will be Senators Tommy Norment (James City), Emmett Hanger (Augusta), Steve Newman (Lynchburg), Frank Ruff

(Mecklenburg), Frank Wagner (Virginia Beach), Janet Howell (Fairfax) and Dick Saslaw (Fairfax).

### **State Budget Changes for K-12 Education**

The House budget plan provides a total of \$6.6 billion in FY17 and \$6.89 billion in FY18 for K-12 education; the Senate budget targets \$6.58 billion in FY17 and \$6.84 billion in FY18 to public education. Both plans largely fund the biennial re-benchmarking of state costs for K-12 education.

Following are highlights of key changes to the introduced budget that are proposed by the House and Senate:

- Concerning teacher salaries, the House proposes funding for the state share of a 2% salary increase for SOQ-funded instructional and support positions, effective July 10, 2017, with an allowance for school divisions to count local salary increases given in FY17 toward FY18 state match requirements. The Senate plan proposes the state share of a 2% increase for teachers, effective December 1, 2016. The increases are contingent on sufficient state revenues being available.
- The House plan re-establishes a previous General Assembly policy from the last decade of distributing part of the Lottery Proceeds on a per pupil amount. Under this plan, \$272.7 million will flow back to school divisions over the biennium from the Lottery Proceeds Fund, requiring maintenance of effort but not a local match. This amount comes largely from repurposing proposed funding for hiring additional teachers, increasing the at-risk add on range and changing the Governor's school formula. Up to one-half of the allocation can be used on any recurring expenses and at least half must be used on non-recurring expenses (capital, equipment, and maintenance). Meanwhile, the Senate provides a total of \$120.6 million in FY18 for flexible "Additional Support for Classroom Needs," without any mandate to hire new, on-going positions or to provide a local match. First, \$96.4 million is provided for use at the school level as flexible, additional support for classroom needs; no less than half of this amount shall be used for non-recurring expenses. Second, an additional \$24.2 million is provided as one-time funding for similar needs.
- Both plans go along with the governor's proposal to use \$55 million to advance the Virginia Retirement System (VRS) scheduled contribution rates to 100% of the VRS Board-approved rates for teacher retirement. Employer contribution rates under the plans would be 14.66% in FY17 and 16.32% in FY18.
- Both budgets retain the proposed reduction in Virginia Preschool Initiative (VPI) funding of \$48.8 million over the biennium to recover unclaimed funds from nonparticipating divisions; however, the Senate adds back \$2.9 million per year to increase the per pupil amount from \$6,000 to \$6,250. The House includes \$3 million for a new pilot program to incentivize additional public-private partnerships in preschool services, while \$1.6 million would be used to develop and operate a scholarship grant program at community colleges to increase skills of the early education workforce. The House also would allow up to 15% of VPI slots to be filled based on locally-defined eligibility criteria for at-risk four-old-years.
- The House also eliminates a \$49.7 million proposed increase for at-risk programs, while the Senate plan retains just about \$13 million of the proposed hike.

- The House plan backs the introduced budget’s proposal to target \$40.6 million in FY18 for the Cost of Competing Adjustment for support positions in primarily Northern Virginia localities, while the Senate endorses \$16 million each year for cost of competing.
- Both plans include \$5 million for specialized equipment for career and technical education and industry credentials.
- The House proposes \$1.6 million for Virtual Virginia to 1) expand the full-time Virtual Virginia pilot initiative from 90 to 200 students, and 2) fund a Virtual Virginia Math Outreach Algebra I pilot program. It also includes \$275,000 in the first year to provide start-up funding for implementation costs of the new Virginia Virtual School.
- The Senate-proposes language directing the Department of Education (DOE) to do the following: 1) convene an interagency workgroup to assess the barriers to serving students with disabilities in their local schools; and 2) develop a model exit questionnaire or survey that school divisions could administer to their exiting teachers, so as to understand teaching work force trends, teacher turnover rates, and the market for teachers.

A Virginia DOE memo detailing the education-related budget changes will be released soon. In the meantime, for additional information on House and Senate amendments to the introduced budget, please click [here](#).

### **Education Legislation**

This past week, the General Assembly put the final stamp on the defeat of a charter school referendum for this year. On Tuesday, the Senate Privileges and Elections Committee, without debate, defeated [HJ 1](#) and [HB 3](#). Recall that the referendum would have asked voters to decide whether the Board of Education (BOE) should have the authority to establish charter schools, a right presently reserved for local school boards. Previously, the Senate defeated its version of the referenda on a narrow, nearly party-line vote.

Both versions of the so-called “Tebow bill” have now cleared the opposite chamber and are before the governor for his consideration. He must take action this week on the bills which allow homeschoolers to participate in public school activities under the Virginia High School League. This past week, the patrons of [HB 131](#) and [SB 612](#) urged the governor to reconsider his stance on the bills. Similar legislation was vetoed last year.

The latter days of the session will see consideration of two significant issues in the Senate Finance Committee (SFC). One is [HB 389](#), which permits the parents of certain disabled students to apply to their resident school division for a “Parental Choice Education Savings Account,” to consist of state education funds that could be used for certain private school expenses. Further, the House includes language in its budget amendments to implement the bill, directing the school division to deposit the appropriate state share of Standards of Quality (SOQ), sales tax and any applicable special education funding received from the DOE for a qualifying student, into such an account. The bill was referred from the Senate Education and Health Committee to the SFC on an 8 to 7 party-line vote.

Similarly, Education and Health referred [HB 8](#) to the SFC. The bill would establish the Virginia Virtual School program to provide full-time online educational programs and services. Beginning with the 2017-18 school year, the average state share of SOQ per pupil funding for each enrolled student would be sent to the school.

Also awaiting action from the governor this coming week are identical bills to require kindergartners to have at least 20 minutes of physical activity per day. The bills are [HB 357](#) and [SB 211](#).

Senate Education and Health had a lengthy discussion about [HB 516](#), which directs the BOE to establish a policy on school obligations and parent options concerning the use of instructional materials that include sexually explicit content. The bill grew out of a case involving a summer reading assignment in which the student was exposed to explicit content. The bill ultimately was approved on a 9 to 6 vote.

Finally, the House Education Committee defeated [SB 660](#) on Monday. The bill would have prohibited school boards from appointing as hearing officers in a grievance cases certain individuals who may be related to board members or the school superintendent.

### **E-mail Response**

Questions or seeking more information? Please [contact CEPI](#) if you have any questions or need additional information about the 2016 General Assembly.