



## THE COMMONWEALTH EDUCATIONAL POLICY INSTITUTE

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### 2017 General Assembly K-12 Education Update

#### Reminders

*During the course of the session, legislative updates will be available weekly on the CEPI website at [General Assembly Updates](#). Each week we'll spotlight one bill with added background and information on public support for the concept from our annual Commonwealth Education Poll.*

*This week's spotlight is on differences in teacher pay between House and Senate versions of the budget (see spotlight, page 5).*

*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 plans to meet on Thursdays at 8:00 a.m. in Senate Room B. Sub-committees will meet periodically throughout the session. Click [here](#) for the schedule of weekly meetings.*

#### February 10, 2017

#### Budget Update

##### **Overview**

The House Appropriations and Senate Finance Committees this past Sunday unanimously approved amendments to the biennial budget plan introduced by Governor McAuliffe in December. The plans then were debated on the respective House and Senate floors on Thursday. The House approved its plan on 98 to 2 vote, while the Senate passed its plan unanimously. A committee of senior legislators will be working over the next two weeks to reach a compromise on the competing plans by the scheduled end of the legislative session on February 25.

##### **Budget Highlights**

The House and Senate are taking different approaches to providing pay raises in FY18 than proposed by the governor. His introduced budget included funding for a one-time, 1.5% bonus, effective December 1, 2017, for Standards of Quality (SOQ)-funded instructional and support positions. Both plans seize the bonus funding for different uses. The Senate proposes using this and other dollars to provide the state share of a 2% salary increase for such positions, effective July 10. The House defers the funding of additional pay hikes to local governments and school divisions, sending the money back to local school divisions via a flexible, per pupil allocation (see the **SPOTLIGHT**, page 5).

Neither plan pulls back on the commitment made last year to fund 100% of the VRS actuarial rates in FY18 for the teacher retirement plan, despite urging from some local governments and school boards for a one-year delay.

The House also provides just over \$9 million in FY18 to assist smaller school divisions that have realized a significant decline in membership; divisions eligible for the special formula-driven funding must have less than 10,000 students and have realized a 10% or more decline in March enrollment over the last 10 years (2006 to 2016). Meanwhile, the Senate includes almost \$7 million in FY18 as transitional assistance/enrollment loss funding for divisions that experience 1.5% or greater enrollment loss compared to last year.

The Senate plan would increase Project Discovery dollars in FY18 by \$237,500, for a total allocation of \$850,000. The House plan reduces a planned increased back to the currently-funded \$425,000 amount.

The introduced budget proposed an additional \$480,000 for summer cyber camps; the Senate plan seizes half that amount for other uses, while the House redirects the entire amount. The governor's proposal also increased FY18 funding from \$500,000 to \$1.5 million for teacher residency partnerships in several urban school divisions; the House plan would eliminate that increase. Further, the introduced plan called for a \$1.6 million increase in FY18 to support statewide access to the DOE's Instructional Improvement System; the Senate plan seizes half of that funding, while the House would eliminate the increase.

The House includes language directing the Office of Children's Services to submit an implementation plan or transferring funding for disabled/special education children and youth served through the Children's Services Act (CSA) to the Department of Education (DOE). The Senate includes language that calls for a workgroup to assess and determine the actions necessary to implement options related to the growth in private educational placements.

### ***Additional Budget Proposals***

#### ***House amendments:***

- The House proposes \$300,000 in funding in FY18 for five school divisions to pilot optional vision screenings, pursuant to [HB 1408](#).
- House language would allow school divisions and two-year colleges to negotiate credit hour rates for dual enrollment courses.
- The House would remove all of the additional \$500,000 proposed in FY18 to continue a student growth model pilot program begun this year.
- The House proposes just over \$23,000 in FY18 for the DOE to develop a long-range, statewide Inclusion Implementation Plan for children with developmental disabilities to ensure they have access to the curriculum and opportunities offered to their non-disabled peers.
- It also provides three positions at the DOE to manage the Parental Choice Education Savings Account program ([HB 1605](#)).

#### ***Senate amendments:***

- The Senate plan swipes another \$8 million in Literary Fund dollars to help pay for teacher retirement.

- The Senate also proposes to reduce funding for Project Gradation by \$1.4 million in FY18, which would cut the state allocations to school divisions by 50%.
- It would repurpose \$400,000 from the SOL Algebra Readiness program (thus reducing funding to school divisions in FY18) to fund the increased cost of the Algebra Readiness Diagnostic Test.
- The Senate removes current language that requires Extended School Year Grant awards to be adjusted by the composite index in the fourth year of implementation.
- Language proposes that the DOE, along with the Virginia Community College System and State Council for Higher Education, recommend changes to the structure of dual enrollment.

Click [here](#) for a State Superintendent’s memo that contains additional details on the proposed House and Senate amendments to the current state budget.

### **Education Legislation**

Following this week’s crossover of bills, the Senate Education and Health Committee took up a number of education-related bills on Thursday.

The Committee held true to form as the killing field for school calendar legislation. The Committee voted 9 to 6 this past week to defeat [HB 1983](#), which would have made local school boards responsible for setting the school calendar and determining the opening date of the school year. This was the lone school calendar bill to pass the House and be sent to the Senate, so the Committee action defeats this effort for yet another year. (For background on this bill, see Legislative spotlight in [January 20, 2017 Update](#).)

[HB 1578](#), the “Tebow bill” passed the Education and Health Committee on Thursday on a nearly party-line 9 to 6 vote. The bill, whose provisions would expire in 2022, would allow homeschool students to play public school interscholastic sports. Tim Tebow was a homeschool student who went on to play college and professional football. The bill will be debated on the Senate floor next week. This legislation has been vetoed by the governor the previous two years. (For background on this bill, see Legislative spotlight in [January 13, 2017 Update](#).)

[HB 1534](#) and [HB 1536](#) have handily cleared the Committee after close votes on final approval in the House. The bills cut down on the number of days that students can be suspended from school. The Senate counterparts will be heard next week in the House Education Committee. The Senate Committee also approved [HB 1924](#) calling on the Board of Education (BOE) to establish guidelines for alternatives to short-term and long-term suspension for consideration by local school boards. The Senate counterpart is [SB 829](#).

The Committee approved [HB 2141](#) to expand a current requirement that the BOE include in its annual report, a listing of each report required to be submitted by school divisions, and explanations/recommendations about the need to retain the report or reduce/eliminate it. Pending in the Committee is [HB 2191](#) that would require school divisions to notify parents annually of “sexually explicit” material that may be taught in their kids’ classrooms. If parents request it, teachers must provide replacement, non-explicit assignments. The bill will be taken up next week in both subcommittee and full Committee.

Both chambers are advancing bills to allow local school divisions to waive teacher licensure requirements for career and technical education teachers. The House has now passed [SB 1583](#), while [HB 1770](#) was reported from the Senate Education and Health Committee.

Finally, [SB 795](#) has been assigned to the House Counties, Cities and Towns Committee after passing the Senate 24 to 16. The bill would require localities and school divisions to post certain, detailed financial information on their website. While numerous local governments already post some or all of the information called for by this bill, for those that do not or that would have to upgrade software to do so, this would require additional resources.

### **Session Schedule and General Links**

*The 2017 General Assembly session gaveled to order on Wednesday, January 11. The session runs 46 days and is scheduled to end on February 25. During the course of the session, legislators likely will consider more than 1,500 bills and hundreds of resolutions. Amendments to the current two-year state budget also will be crafted. House and Senate amendments to the budget for fiscal years 2017 and 2018 were released on February 5. Specific information about the General Assembly session, action on bills and resolutions and information about legislators can be found [here](#).*

### **E-mail Response**

*If you have a question about a legislative issue during the session, please contact David Blount, CEPI Policy Associate, at [dcbblount2@vcu.edu](mailto:dcbblount2@vcu.edu).*

**LEGISLATION SPOTLIGHT**

**Teacher Compensation in the House and Senate Budgets**

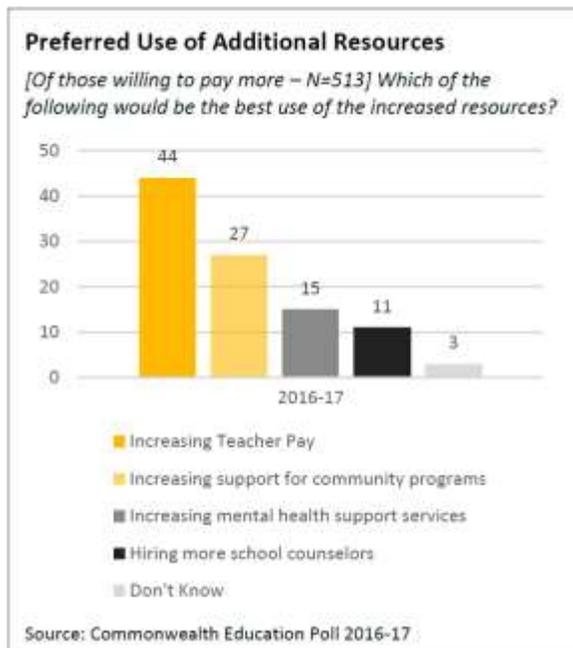
**Background:** The issue of a compensation supplement for K-12 teachers and support personnel recognized by the Standards of Quality (SOQ) will be an area of contention between House and Senate budget negotiators as they work toward compromise on changes to the current state biennial budget. In late January, these budget leaders indicated they would opt for salary increases for certain workers, rather than the one-time bonus proposed in the introduced budget. A pay raise for teachers was left off their list at that time. In the competing budget plans released this week, however, the Senate uses the one-time teacher bonus money of \$55.5 million, along with another \$27.8 million from the Lottery Per Pupil Allocation, to fund the state share of a 2% pay raise for SOQ-recognized teachers and support personnel. While an average 2% pay hike must be provided by school divisions to receive the state funds, a required local match based on the local composite index is not specifically required. With these actions proposed by the Senate, the lottery per pupil amount would drop from \$224.43 to \$185.58 in FY18.

The House plan redirects the teacher bonus dollars and adds \$6.1 million in other general funds to the Lottery Per Pupil Allocation, so that the State would be sending 40% of all lottery proceeds (for a total of nearly \$218 million) to school divisions on a per pupil basis, without a local match (the budget adopted last year sent 30% of lottery proceeds to school divisions in this manner). School divisions would have discretion to allocate the funding as they see fit for both recurring and nonrecurring expenses. With these actions, the lottery per pupil amount would increase from \$224.43 to \$313.50 in FY18.

These actions are occurring against a backdrop of the following:

1. A report by budget staff that all but a dozen school divisions gave teachers a pay hike for the current year, when it was anticipated that a state supplement was going to be provided (the supplement did not materialize due to sluggish state revenues).
2. The January release of the [2016-17 Teacher Salary Survey Results](#) from the Department of Education, which shows the average, budgeted classroom teacher salary for FY17 to be \$56,148, a 2.29% increase from FY16. The report also includes information from the National Education Association showing the average classroom teacher salary for 2014-15 in Virginia to be \$50,620, which ranked 30th among the states and trailed the national average of \$57,420.
3. General Assembly consideration of [HB 2332](#), which defines a competitive teacher salary for meeting the State’s teacher compensation goals, as one that is at or above the national average teacher compensation. The bill passed the House and awaits action in the Senate.

**What the public thinks:** We recently released results of our annual education poll – while no question was asked directly about whether the public think teachers deserve a raise, we asked what the best use of extra money would be if it was given to low-performing, high poverty schools. Forty-four percent (44%) said “increasing teacher pay” while 27% choose increasing support “increasing support for community programs that share strategies with parents about improving student achievement” and 15 percent felt “increasing mental health support services for students” was the best use. Only 11 percent opted for “hiring more school counselors to provide support to students” as the best option.



**Likely outcome in 2017:** Unclear. Local administrators welcome flexibility, creating a balance of vested interests between teachers (who like the Senate version) and local leadership (who may prefer the House).