



## 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 runs 46 days and is scheduled to end on February 28. The last day for Committee action is Monday, February 23.*

*The House Education Committee meets on Mondays and Wednesdays at 8:30 a.m. in House Room D. The Senate Education and Health Committee meets 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 [2015 session](#).*

#### **February 13, 2015 – Review of Education Legislation**

##### **State Budget Issues**

###### **Overview**

The House Appropriations and Senate Finance Committees on 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 an 81 to 18 vote, while the Senate plan passed 22 to 15. 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 28.

The House plan anticipates about \$378 million more in revenue than projected by the budget introduced by Governor McAuliffe; the Senate estimates \$430 million more. Both plans eliminate or scale back new fees proposed in the McAuliffe budget. The governor announced yesterday that January revenue declined by 1.1 percent, attributable in part to one less deposit day and tax refunds being greater during the month. On a fiscal year-to-date basis, total revenue collections are up 5.3 percent, ahead of the forecast of 3.1 percent growth.

###### **Highlights**

Both plans propose funds for the state share of a 1.5 percent pay increase for school employees (instructional and support), effective August 1 in the House plan and September 1 in the Senate proposal, and contingent on FY15 revenues being met or exceeded. The Senate

includes language that additional money for salaries may be available should FY16 revenue estimates be increased further.

The introduced budget included additional state funding from the sale of unclaimed property stocks to offset a portion of the unfunded teacher liability. Both the Senate and House budgets would pay down more of the unfunded liability balances. The House budget provides a total of \$190 million, while the Senate budget provides \$187.2 million. This additional infusion would lower the anticipated teacher retirement contribution rate from the 14.15 percent contained in the introduced plan to 14.07 percent (the budget adopted last year contained a 14.50 percent contribution rate for FY16). This action also results in local savings as well.

From remaining funds generated by the sale of unclaimed stock (above those targeted for the unfunded teacher liability), the introduced budget provided \$75 million for school construction, with \$50 million of that to go toward direct loans and \$25 million for an interest rate subsidy for 39 projects on the Literary Fund first priority waiting list. The final \$25 million would go to paying state costs for teacher retirement. The House proposes to eliminate the interest subsidy program and direct those funds to teacher retirement in FY16.

Finally, the Senate budget eliminates the nearly \$30 million reduction in “aid to localities” in FY16, while the House does not address the issue. Restoring aid to localities stands to help local funding for public schools.

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

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

- The House plan includes the following in FY16: \$100,000 to implement [HB 1962](#) (professional development and training for school board members); \$200,000 for competitive grants for planning the implementation of systemic High School Program Innovation; and \$75,000 for redesign of the School Performance Report Card, pursuant to [HB 1672](#).
- The House proposes \$300,000 in FY16 to support the Virtual Virginia program, which offers pre-Advanced Placement (AP), honors and AP courses.
- The House 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 House targets \$200,000 in FY16 for five competitive grants, not to exceed \$40,000 each, for planning the implementation of the systemic High School Program Innovation Program.
- The House proposes \$366,000 in FY16 for the Department of Education (DOE) to assist local school divisions in establishing criteria for professional development of teachers and principals on the subject of high-needs students.

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

- The Senate partially restores \$150,000 for school efficiency reviews conducted by the Department of Planning and Budget.

- The Senate plan adds \$1 million toward innovative teacher residency preparation programs and restores over \$220,000 to the new Virginia Center for Excellence in Teaching.
- The Senate proposes language to establish a panel to review the Virginia Preschool Initiative and to provide recommendations for revisions and reform to increase accountability, flexibility and innovation.
- The Senate targets \$7.7 million for continued establishment of targeted extended school year efforts; grants of \$300,000 to \$400,000 would be available for schools that extend the school year by at least 20 days.
- The Senate directs the DOE to survey local school divisions to assess interest in leasing technology equipment with Virginia Public School Authority grants instead of purchasing the equipment, if such an option was available.
- The Senate proposes eliminating current references to additional state funding for future school division consolidations based on the composite index, pending further analysis. The Commission on Local Government also is directed to develop a process to determine an appropriate calculation for additional state funds for local school division consolidations going forward, noting that the amount of additional funding for local consolidation should be based primarily on the projected cost of consolidation.

Finally, the Senate calls for limiting to only elementary schools with free or reduced-price lunch participation exceeding 45 percent the “Breakfast After the Bell” initiative, proposed in the introduced budget. The House proposes additional flexibility in the program, in allowing schools to continue to expand the existing breakfast program to offer additional meals to all students. Also, the Senate plan would eliminate funding for the Teach for America program in FY15, as no applications were submitted for funding, while the House proposes that unspent balances be carried over to FY16.

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

### **Education Legislation**

The Senate Education and Health Committee continues to be the graveyard for bills that propose to relax the post-Labor Day school opening requirement. The Committee, on identical 9 to 5 votes this past week, dispatched [HB 1550](#) and [HB 1838](#). The bills would have made local school boards responsible for setting the school calendar and determining the opening date of the school year. It also defeated, on an 8 to 6 vote, [HB 1585](#), which would have allowed a different opening day for certain struggling schools not fully accredited, or for year-round schools.

[HB 1626](#), the so-called “Tebow bill” passed Education and Health Committee on Thursday on an 8 to 6 party-line vote, the first time the bill has been approved by the Senate Committee after numerous attempts in recent years. The bill, whose provisions would expire in 2020, 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.

The Education and Health Committee also approved several other bills of interest, including [HB 1490](#) (approved unanimously), which provides for expedited retakes of SOL tests under certain conditions. The Senate counterpart, [SB 874](#) has passed the full House. The Committee also reported [HB 1484](#) to conform the county budget preparation and approval process to that of municipalities, specifically providing for approval by May 15 rather than May 1. The House Counties, Cities and Towns Committee today endorsed the Senate version, [SB 842](#). The House and Senate both are advancing bills to require Board of Education (BOE) regulations on seclusion and restraint in public schools. Education and Health approved [HB 1443](#) on a 13 to 1 vote, while the Senate version, [SB 782](#) unanimously was approved by the House.

Among the bills awaiting action in the Committee are [HB 1361](#), which would establish the Virginia Virtual School for the purpose of providing online instructional programs and services. It requires school divisions to forward to the virtual school the per-pupil state Standards of Quality (SOQ) funding and up to three-quarters of local per-pupil funding for each of their students enrolled in the online school; and [HB 2238](#), which would allow parents of disabled students to establish an educational savings account for use at a private school. The fund would consist of the student's state per pupil funds and certain special education funds.

The House also has passed [SB 1320](#) to direct the BOE to establish additional accreditation ratings for individual schools, specifically to recognize the progress of schools that do not meet accreditation benchmarks, but that have significantly improved their pass rates, are within specified ranges of benchmarks, or have demonstrated significant achievement growth. The new regulations would be effective for the 2016-17 school year. The House version, [HB 1873](#) is in the Senate Education and Health Committee.

The House approved [SB 724](#) to prohibit the BOE from adopting revisions to the Standards of Learning that implement the Common Core State Standards, unless there is prior approval of the General Assembly. The House version, [HB 1752](#), also awaits consideration in the Senate Education and Health Committee.

### **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.