



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 from our annual Commonwealth Education Poll on public support for the concept.

This week's spotlight is on proposals to mitigate funding shortfalls for school systems that have seen enrollment drop recently (see spotlight, page 4).

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 17, 2017

State Budget Issues

A conference committee of senior legislators is working to reach a compromise spending plan for the remainder of the current biennium. The members of the budget conference committee are meeting now and through the middle of next week to resolve differences between their respective spending plans. Budget negotiators include Delegates Chris Jones (Suffolk), Kirk Cox (Colonial Heights), Steve Landes (Augusta), John O'Bannon (Henrico), Tag Greason (Loudoun) and Luke Torian (Prince William); and Senators Tommy Norment (James City), Emmett Hanger (Augusta), Janet Howell (Fairfax), Dick Saslaw (Fairfax), Frank Ruff (Mecklenburg), Steve Newman (Lynchburg) and Frank Wagner (Virginia Beach).

The Secretary of Finance announced earlier this week that state revenues for January jumped 7.4% over the same month last year, attributable, in part, to one additional deposit day for payroll withholding. All major revenue sources posted positive growth. On a fiscal year-to-date basis (through January), total revenue collections have risen 4.6%, which is ahead of the annual forecast of 2.9% growth.

Recall that the House and Senate budget proposals differ on provision of a state teacher salary supplement. The Senate proposes \$83.1 million for the state share of a 2% pay raise for Standards of Quality (SOQ)-funded teachers and support personnel, while the House plan does

not propose a teacher pay hike. The House redirects funds included in the introduced budget for a teacher bonus to the Lottery Per Pupil Allocation, to be sent back to school divisions on a per pupil basis for use at their discretion and without a local match requirement. The Senate reduces the Per Pupil funding to help pay for its teacher salary increase. Both plans provide dollars to school divisions experiencing enrollment loss. The House proposes \$9 million in FY18 for divisions with fewer than 10,000 students which have had a 10% drop in enrollment over the last 10 years. The Senate includes \$7 million in FY18 to help divisions that experienced a 1.5% or greater enrollment loss since last year (see the **SPOTLIGHT**, page 4).

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

Bills that limit suspensions of school students had a rough ride this past week, as legislators appear to be closely divided over if and how to proceed with enacting such limits. The House rejected the Senate substitute for [HB 1534](#) which limited suspensions to 60 days, with provisions to extend longer in cases involving criminal activity. [HB 1536](#) is in a conference committee to resolve differences; in its current form, it prohibits preK-3 students from being suspended long-term or expelled unless their conduct involves weapons, drugs, inappropriate sexual behavior, or serious bodily injury. Meanwhile, the Senate versions of these bills, [SB 995](#) and [SB 997](#), are being held up on the House floor after having been acted on in the House Education Committee this past Monday.

The General Assembly appears to be on its way to approving bills to authorize the creation of regional charter school divisions, which could consist of two or more existing school divisions, one of which must have over 3,000 students and with one or more schools having been denied accreditation for two of the past three years. [SB 1283](#) awaits action on the House floor, while [HB 2342](#) has been reported from the Senate Finance Committee. The school board of such a division is to be composed of appointees of the Board of Education (BOE) and local governing bodies. Charter applicants would submit their application to the BOE, which would review and forward it to the regional school board.

Virtual schools legislation is advancing through the process as well. [HB 1400](#) and [SB 1240](#) have been approved by the money committee in the opposite chamber and will face floor votes next week.

While the Senate defeated its version of the Parental Choice Education Savings Account legislation ([SB 1243](#)), with the Lieutenant Governor breaking a tie vote on the floor, the House version of the bill, [HB 1605](#), remains alive in the Senate, having been approved late in the week by the Senate Finance Committee. The bill enables parents of public school students, in certain cases, to apply to the relevant local school division for a one-year, renewable account, to consist of a percentage of applicable state per pupil and sales tax funds applicable to the student, for use at a private or religious school or for various other education expenses.

The Senate Education and Health Committee has moved [HB 2191](#) forward. The bill calls for local school board procedures for notifying parents of materials with sexually explicit content (defined as any criminal sexual assault or crime against nature), and for providing replacement materials to students of parents who so request. It awaits action on the Senate floor after having been reported from committee on a 9 to 6 vote.

The Committee also unanimously approved [HB 1981](#) directing the development of regulations for "School Divisions of Innovation." This bill would apply to school divisions that have developed a plan of innovation to improve student learning, giving them the opportunity to be exempt from selected regulatory and statutory provisions.

The patron of [HB 2142](#) struck the bill in the Senate Education and Health Committee this past week. It would have delayed the implementation of the redesigned high school graduation requirements by one year.

The House Education Committee is poised to approve [SB 1359](#) next week. The bill would require local school boards to develop and implement a plan to test and remediate potable water from sources identified by the U.S. Environmental Protection Agency as high priority for testing. A subcommittee has recommended approval of the legislation. A House version of the bill was defeated earlier in the session.

A House subcommittee scuttled [SB 795](#), which would have required localities and school divisions to post certain, detailed financial information on their website. Panel members expressed support for the bill's focus on transparency, but were reluctant to push the mandate onto localities and school divisions.

Finally, the House and Senate have endorsed [HJ 762](#), which designates the first weekend in August, in 2017 and in each succeeding year, as the Weekend of Prayer over Students in Virginia. The resolution cites challenges facing students, such as peer pressure to abuse drugs and alcohol, negative media influences, school violence and gang activities, and low self-esteem, and encourages prayer for protection, guidance, and peace, and for opportunities and blessings on the students.

Session Schedule and General Links

The 2017 General Assembly session gavelled 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.

LEGISLATION SPOTLIGHT

Support for Systems Facing Enrollment Loss Challenges

Background: Legislators representing Virginia’s smaller school divisions have been successful thus far this session in making the case for additional state support for divisions with declining student enrollments. They pleaded that these localities and school divisions are doing all they can to help themselves, but that a boost in support from the state is needed. The House of Delegates’ budget proposal, recognizing the impact of longer term enrollment losses, responded with a “10-10-10” plan that includes just over \$9 million in small school division maintenance funding in FY18. It would be available for school divisions having fewer than 10,000 students that have realized a 10% or more decline in March enrollments over the last 10 years. School divisions meeting such criteria would receive a minimum of a \$75,000 distribution. Funding is to be calculated and distributed as 15% of the product of:

- 1) the division’s SOQ-funded per pupil amount, adjusted by the local composite index, and
- 2) the net difference between March 31, 2006 and March 31, 2016 average daily membership numbers.

Forty school divisions, including 34 county and six city divisions, would benefit from these dollars. Ten would receive the minimum of \$75,000 of support, while two at the higher end would receive over \$500,000. In all, 29 of the 40 divisions would be eligible for \$300,000 or less.

The Senate takes a different track on this issue, offering up enrollment loss funding largely as seen in years past. Its budget plan proposes \$7 million for enrollment loss relief in FY17. To be eligible for funding, a school division would need to have seen just a one-and-one-half percent enrollment drop over the last year. Distributions are calculated as 50% of the product of:

- 1) the division’s SOQ-funded per pupil amount, adjusted by the local composite index, and
- 2) the net difference between the March 31, 2016 and March 31, 2017 average daily membership.

This plan also would require divisions to report to the Department of Education on how it is managing on-going declining enrollment, including via mid-year budget flexibility, shared services arrangements with other school divisions and any other efficiency measures. Forty-five divisions (33 county, 11 city and 1 town) would benefit from the Senate initiative. Minimum amounts are under \$10,000 of support. Nearly three quarters of the divisions would receive under \$200,000. The four divisions receiving the most dollars would get over \$1.8 million of the funding pie.

What the public thinks: No question in our recently released annual education poll speaks directly to this issue. However, we always ask whether respondents think funding for public schools is enough to meet needs. Sixty-six percent (66%) this year said schools do not have enough funding, while 26% thought schools did have enough. Given strong enrollment growth in areas of Northern Virginia (see our [Tableau visualization](#)), few if any systems there would be eligible for the 10-10-10 funding and that region also shows the highest percentage of respondents (34%) who think schools have enough funding already.

Likely outcome in 2017: It’s unclear which exact formula will end up being utilized but the GA appears likely to recognize the challenges of enrollment loss in the final budget.

