

**Summary of Budget Actions Affecting K-12 Education in the
Governor's Introduced Budget (House Bill/Senate Bill 30)
for the 2016-2018 Biennium**

This document summarizes the budget proposals introduced by Governor McAuliffe for the 2016-2018 biennium affecting the Direct Aid to Public Education and Department of Education Central Office budgets. The fiscal year 2016 base budget against which the Governor's recommended funding changes are made for the 2016-2018 biennium is Chapter 665, which was adopted at the 2015 Session of the General Assembly.

Information related to the Governor's proposals for the Direct Aid to Public Education and the Department of Education Central Office budgets for 2016-2018 are organized into the following sections:

Section A. 2016-2018 Direct Aid to Public Education Budget

1. Technical Updates to Existing Direct Aid Programs
2. Direct Aid Budget Policy Changes
3. Language-Only Amendments for Direct Aid Programs Included in HB 30/SB 30

Section B. 2016-2018 Department of Education Central Office Budget

1. Central Office Policy Changes Impacting School Divisions
2. Language-Only Amendments to Central Office Included in HB 30/SB 30

Section C. 2016-2018 Secretary of Education Budget

1. Secretary of Education Policy Changes Impacting School Divisions

A. 2016-2018 DIRECT AID TO PUBLIC EDUCATION BUDGET

1. Technical Updates to Existing Direct Aid Programs

- **Rebenchmark Direct Aid Costs for 2016-2018 (as presented to the Board of Education in September 2015)**

The Governor's introduced budget includes the state share of routine rebenchmarking of costs for all of the Standards of Quality and other Direct Aid programs. These technical adjustments include updates for factors such as funded salaries, Annual School Report data used to calculate prevailing costs, inflation factors, Standards of Learning test score updates, enrollment updates, and projected caseloads for incentive and categorical programs. The 2016-2018 Board of Education rebenchmarking presentation dated September 10, 2015,

provided as Attachment C to this memorandum, provides additional information about the details and source of the data used to make these technical updates. These adjustments reflect the cost of continuing current programs with the required biennial data updates used in the funding formulas, and do not reflect any changes in policy. For fiscal year 2017, routine rebasing of costs for the Standards of Quality and other Direct Aid programs results in an increase in state cost of \$178.7 million. For fiscal year 2018, the increase in state cost is \$209.1 million.

- **Technical Updates to Direct Aid Accounts for 2016-2018 Subsequent to the Rebenchmarking Budget Presented to the Board of Education in September 2015**

The Governor's introduced budget includes the state share of cost for additional technical updates related to the rebenchmarking process that occurred after the Board of Education presentation in September 2015, due to the timing of data availability. These technical adjustments include updates to factors such as enrollment projections, inflation factors, Standards of Learning test failure rate data, updates for the most recent free lunch eligibility percentages, and caseloads for incentive and categorical programs. These adjustments reflect the cost of continuing current programs with the required data updates used in the funding formulas, and do not reflect any changes in policy. These updates decrease the state share of cost by \$16.8 million in fiscal year 2017 and increase the state share of cost by \$20,047 in fiscal year 2018.

- **Updates for Recalculation of Composite Index for 2016-2018**

The 2016-2018 composite index of local ability-to-pay was calculated using 2013 base-year data provided by the Department of Taxation for adjusted gross income, taxable retail sales, and true value of real property. The estimates of local population for 2013 are provided by the Weldon Cooper Center for Public Service at the University of Virginia, and the March 31, 2014, average daily membership is based on data reported by school divisions to the Department of Education. Updating Direct Aid accounts based on the recalculated 2016-2018 composite index increases the state share of Direct Aid funding by \$25.2 million in fiscal year 2017 and \$25.3 million in fiscal year 2018.

- **Update Sales Tax Projections**

The Governor's introduced budget reflects the most recent estimates of sales tax revenue dedicated to public education for fiscal years 2017 and 2018, as computed by the Department of Taxation. The revised sales tax estimates include both the one percent portion and the one-eighth percent portion that are appropriated for distribution to school divisions based on school-age population. The projected sales tax entitlement contained in Attachment B and in the Excel calculation file reflects the revised estimates for these two sales tax sources combined as a single revenue line item.

The Department of Taxation's latest estimate of the one percent and one-eighth percent sales tax revenue is \$1,393,300,000 for fiscal year 2017 and \$1,443,300,000 for fiscal year 2018. These revised sales tax estimates are approximately \$71.0 million higher in fiscal year 2017

and \$121.0 million higher in fiscal year 2018 than the fiscal year 2016 estimate contained in Chapter 665. As required by the Basic Aid funding formula, estimated state Basic Aid payments have been adjusted to reflect the decreased state share of cost resulting from the projected increase in sales tax revenues.

The amount of the Basic Aid offset depends on each division's composite index of local ability-to-pay. The state share of Basic Aid decreases approximately \$39.7 million in fiscal year 2017 and \$67.7 million in fiscal year 2018 due to the revised sales tax estimates. The net change in state funding to school divisions (due to both the estimated sales tax revenue increase and the Basic Aid offset) is an increase of \$31.3 million in fiscal year 2017 and an increase of \$53.3 million in fiscal year 2018.

- **Update Lottery Proceeds**

Total Lottery proceeds are projected to increase by \$9.6 million to \$541.2 million in fiscal years 2017 and 2018, compared to the fiscal year 2016 Lottery estimate contained in Chapter 665. The total projected Lottery amounts in fiscal years 2017 and 2018 are being used to fund the state share of cost of various programs, such as the Virginia Preschool Initiative, Early Reading Intervention, K-3 Primary Class Size Reduction, and SOL Algebra Readiness. Please see the section labeled "Textbook Funding" below for updates to the Textbooks account.

2. Direct Aid Budget Policy Changes

- **Update Fringe Benefit Employer Contribution Rates for Virginia Retirement System (VRS) Fringe Benefits**

The Governor's introduced budget adopts higher employer contribution rates for instructional retirement benefits in 2016-2018 than was funded in Chapter 665 for fiscal year 2016 (14.06 percent to 14.66 percent) for fiscal year 2017 and (14.06 percent to 16.32 percent) for fiscal year 2018. The rates recommended by the Governor are based on 90 percent of the 2016-2018 rates recommended by the VRS Board of Trustees in fiscal year 2017, and 100 percent of the rates recommended by VRS in fiscal year 2018. The prevailing non-professional VRS rate has been updated and is funded at 7.11 percent for both years of the biennium. This prevailing rate is used for state funding purposes only; the actual non-professional rate charged by VRS will vary by school division. For the retiree health care credit, the rates proposed for 2016-2018 reflect a rate change from fiscal year 2016 (1.06 percent to 1.11 percent) for fiscal year 2017 and (1.06 percent to 1.23 percent) for fiscal year 2018. For the group life contribution, the rates proposed for 2016-2018 reflect a rate change from fiscal year 2016 (0.48 percent to 0.47 percent) in fiscal year 2017 and (0.48 percent to 0.52 percent) in fiscal year 2018. These rate changes increase state funding by \$15.9 million in fiscal year 2017 and \$71.0 million in fiscal year 2018 (compared to costs based on the fiscal year 2016 rates used in the Chapter 665 budget).

FUNDED FRINGE BENEFIT RATES:	FY 2016	FY 2017	FY 2018
Instructional & Professional Support VRS (<u>Employer Share</u>) (Does not include RHCC - see below)	14.06%	14.66%	16.32%
Instructional & Professional Support VRS (<u>Employee Share</u>)	5.00%	5.00%	5.00%
Total Instructional & Professional Support VRS Rate	19.06%	19.66%	21.32%
Group Life (<u>Employer Share</u>)	0.48%	0.47%	0.52%
Group Life (<u>Employee Share</u>)	0.71%	0.71%	0.71%
Total Group Life Rate	1.19%	1.18%	1.23%
Retiree Health Care Credit (<i>Paid as part of the VRS Instructional retirement per pupil amount</i>)	1.06%	1.11%	1.23%
Non-professional Support VRS	9.40%	7.11%	7.11%
Social Security	7.65%	7.65%	7.65%
Health Care Premium	\$4,188	\$4,604	\$4,604
Total Instructional Benefit Percent (<u>Employer Share</u>)	23.25%	23.89%	25.72%
Total Non-professional Support Benefit Percent (<u>Employer Share</u>)	17.53%	15.23%	15.28%

- **Fund the State’s Share of a Salary Increase for Funded SOQ Instructional and Support Positions**

The Governor’s introduced budget provides a 2.0 percent salary increase in fiscal year 2018 with an effective date of July 10, 2017, for funded SOQ instructional and support positions (as well as funded positions in Academic Year Governor’s Schools as discussed below). Funding will be provided to school divisions which certify to the Department of Education by June 15, 2017, that salary increases of a minimum average of 2.0 percent have been provided in the second year by January 1, 2018, to instruction and support personnel. The state funds for which the division is eligible to receive must be matched by the local government, based on the composite index of local ability-to-pay. The required local match amount is calculated based on an effective date of January 1, 2018. This action results in an increase in state funding of \$83.3 million in fiscal year 2018. Funding is contingent on a stable revenue forecast for fiscal year 2018.

- **Include Cost of Competing Adjustment (COCA) for Funded SOQ Support Positions in Certain School Divisions**

The Governor’s introduced budget includes the cost of competing adjustment (COCA) factor for funded SOQ Basic Aid support positions for school divisions in Planning District Eight and certain adjacent divisions (specified in the appropriation act) in fiscal year 2018. The Governor’s introduced budget provides the state share of funding for both the full (24.61 percent) and partial (25 percent of full rate, or 6.15 percent) COCA rates for SOQ funded support positions for the nine Planning District Eight school divisions (full rate) and for nine adjacent divisions (partial rate). This action results in an increase in state funding of \$40.6 million in fiscal year 2018.

- **Fund the State's Share of Additional Instructional Positions**

The Governor's introduced budget provides the state share of funding over the biennium to increase the number of instructional personnel by approximately 2,500 positions statewide. \$42.7 million in state funding is provided in fiscal year 2017 and \$96.4 million in state funding is provided in fiscal year 2018 for this initiative. The funds will be distributed based on a formula of one position for each elementary school in fiscal years 2017 and 2018, and two positions for each middle school, high school, and combined school in fiscal year 2018. Please note that the number of funded positions per school is the basis of the funding formula for this initiative, and is not intended to be a fixed staffing requirement for each school. School divisions have flexibility as to how they use the funding under this initiative to hire the necessary number of qualifying instructional positions and at which schools they are assigned. For the purposes of this initiative, instructional positions include any position defined as an instructional position under the Standards of Quality (i.e., teacher, guidance counselor, librarian, instructional aide, principal, or assistant principal). The state share of funding provided to each school division is based on the composite index of each division, as well as the SOQ funded salary amounts for teachers, the instructional cost of competing adjustment where applicable, and funded fringe benefit rates. School divisions are not required to provide a local match in order to receive these state funds.

The Department of Education is required to inform each school division of its eligible funding and the number of instructional personnel that funding supports each year. For a division to receive its state share of funding, the division superintendent must certify to the Department of Education that the appropriate number of additional instructional personnel are employed based on the amount of eligible funding requested. A division may elect to receive a portion of its eligible funding each year according to the number of additional instructional personnel employed and certified. These funds must be used to hire additional instructional personnel and cannot be used to support existing instructional positions. Funds must support instructional personnel at the school level and may not support district-wide positions.

- **Decrease Literary Fund Transfer for VRS Retirement (Replace with General Funds)**

The Governor's introduced budget decreases the transfer from the Literary Fund to support the state's share of cost for teacher retirement by \$30.0 million, from \$165.2 million to \$135.2 million, in fiscal year 2018. This action does not affect division per pupil amounts or projected entitlements for VRS retirement in fiscal year 2018.

- **Virginia Preschool Initiative (VPI) Non-participation Rate and Hold Harmless**

In addition to the technical updates to the Virginia Preschool Initiative (VPI) funding formula, the Governor's introduced budget also maintains the projected VPI non-participation rate in fiscal year 2017 and fiscal year 2018 at the same 25.43 percent rate contained in Chapter 665 for fiscal year 2016. As a result, state funding for VPI is reduced

by \$24.3 million in fiscal year 2017 and \$24.4 million in fiscal year 2018. This estimate of non-participation affects the state appropriation for the program but does not change the division-level allocation of student slots or entitlement amounts.

Where the actual fiscal year 2016 number of VPI student slots utilized by divisions is greater than the fiscal year 2017 and fiscal year 2018 formula slots provided, hold harmless funding is provided in both years. Affected divisions receive funding based on the actual number of fiscal year 2016 slots utilized in lieu of funding based on the number of slots generated by the fiscal year 2017 and fiscal year 2018 formula.

- **Textbooks Funding**

The Governor's introduced budget proposes 100 percent of Textbooks payments be incurred by the general fund in fiscal years 2017 and 2018. This results in an increase in the general fund payments portion of \$54.7 million in fiscal year 2017 and \$55.0 million in fiscal year 2018, compared to the portion of Textbooks payments funded by the general fund in Chapter 665. The portion of Textbooks payments that will be funded by Lottery proceeds decreases by \$44.9 million in both fiscal year 2017 and 2018, compared to the portion of Textbooks payments funded by Lottery proceeds in Chapter 665. This funding source change does not impact the total per pupil funding amount for Textbooks or the projected payment amounts to divisions for Textbooks in fiscal years 2017 and 2018.

- **Academic Year Governor's School (AYGS) Funding Formula Change**

The Governor's introduced budget proposes a change to the Academic Year Governor's School funding formula. Funds will be provided on an instructional and support cost per pupil amount for each AYGS program. The instructional per pupil amount will be based on funding teacher positions in each program using the SOQ school-wide ratio of 21:1 for middle and high school. It will also fund Principal, Assistant Principal, Librarian, and Guidance Counselor positions according to the SOQ staffing standards for high schools. However, AYGS are not mandated to staff instructional personnel according to these SOQ instructional staffing standards. The support per pupil amount will be based on the linear weighted average per pupil cost of all recognized SOQ support costs; excluding the division superintendent, local school board and pupil transportation which are funded in the SOQ Basic Aid per pupil amount for each school division.

Under this new formula, fiscal year 2017 state funding is increased by \$1.9 million (50 percent of the formula is phased-in for fiscal year 2017). Fiscal year 2018 funding is increased by \$3.7 million (100 percent of the new formula is funded).

2.0 Percent Salary Increase – an increase of \$348,906 in fiscal year 2018 based on per pupil add-on (projected at \$118.53) for a 2.0 percent compensation incentive, effective July 10, 2017. In order to receive this state funding, AYGS must meet the same requirements as school divisions as outlined in the section above titled "Fund the State's Share of a Salary Increase for Funded SOQ Instructional and Support Positions."

- **Summer Residential Governor's Schools**

The Governor's introduced budget proposes an increase of \$100,000 in both years of the biennium to support increased operating costs of existing summer residential programs.

- **Summer Residential Governor's School for Career and Technical Education**

The Governor's introduced budget proposes an increase of \$93,000 in fiscal year 2017 and \$41,000 in fiscal year 2018 to support implementation of a summer residential CTE Governor's School model established under previous legislation.

- **Eliminate Governor's School Planning and Startup/Expansion Grants**

The Governor's introduced budget proposes to eliminate these grants. This action results in a decrease of \$100,000 in both years of biennium.

- **Increase Alternative School Breakfast Payment (Breakfast After the Bell)**

The Governor's introduced budget proposes to increase funding for Breakfast After the Bell by \$536,703 in both years of the biennium to support state reimbursement of qualifying breakfast meals in additional schools implementing the program.

- **Increase Funding for Career and Technical Education Equipment**

The Governor's introduced budget proposes an additional \$2.0 million in both years of the biennium to update career and technical education equipment to industry standards providing students with classroom experience that translates to the workforce. \$1.4 million of the funding each year is provided for equipment in high-demand, high-skill, and fast-growth industry sectors as identified by the Virginia Board of Workforce Development. \$600,000 of the funding each year will be awarded based on competitive grants for high-demand and fast-growth industry sectors with priority given to state-identified challenged schools and Governor's STEM and Health Sciences Academies.

- **Path to Industry Certification**

The Governor's introduced budget proposes an additional \$500,000 in both years of the biennium to support credentialing testing materials for students and professional development for instructors in STEM career and technical education programs.

- **Expand Virtual Virginia Program**

The Governor's introduced budget proposes an additional \$758,000 in fiscal year 2017 (\$498,000 to expand the full-time Virtual Virginia High School pilot from 90 to 200 students and \$260,000 to expand the virtual mathematics outreach pilot program to offer additional mathematics courses). In fiscal year 2018, the proposed additional funding is \$828,000 (\$498,000 to expand the full-time Virtual Virginia High School pilot from 90 to 200 students and \$330,000 to expand the virtual mathematics outreach pilot program).

- **Special Education-State Operated Programs**

The Governor's introduced budget proposes an additional \$340,000 in fiscal year 2017 and fiscal year 2018 to support five additional special education teachers in local and regional detention homes' education programs where an increase in special education student enrollment is projected.

- **Provide Additional Funding for At-Risk Add-on**

The Governor's introduced budget proposes an additional \$24.8 million in fiscal year 2017 and \$24.9 million in fiscal year 2018 based on increasing the Basic Aid per pupil add-on range from a minimum of one percent to 2.5 percent and the maximum of the range from 12.0 percent to 14.0 percent.

- **No Loss Funding**

The Governor's introduced budget proposes an increase of \$3.8 million in fiscal year 2017 to ensure that no division incurs a reduction in state funding in the first year of the new biennium, as compared to the fiscal year 2016 state funding received under the Chapter 665 budget.

- **Regional Alternative Education**

The Governor's introduced budget eliminates the assigned regional alternative education program slots for the City of Bedford (16) and the City of Harrisonburg (8) for both years of the biennium for a decrease of \$116,803 in fiscal year 2017 and \$120,486 in fiscal year 2018. These divisions will not participate in a regional alternative education program in the 2016-2018 biennium.

CHANGES IN FUNDING FOR VARIOUS SUPPLEMENTAL EDUCATION ASSISTANCE PROGRAMS

The Governor's introduced budget includes changes in funding for the following programs for fiscal year 2017 and fiscal year 2018

- **Computer Science Training for Teachers**

The Governor's introduced budget includes \$550,000 in each year of the biennium to provide computer science training for new teachers and to develop an in-state infrastructure for training existing teachers to teach computer science curricula.

- **JASON Learning STEM Program**

The Governor's introduced budget includes \$100,000 in each year of the biennium to provide funding to support this online platform for students in Richmond, Petersburg and Norfolk; and provide training for 125 teachers in these divisions. JASON Learning links students to science and scientists through technology intensive inquiry-based curricula in science, technology, engineering and mathematics.

- **Newport News Aviation Academy STEM Program**

The Governor's introduced budget includes \$100,000 in each year of the biennium to provide funding to support a four-year high school science, technology, engineering and mathematics program in cooperation with Denbigh High School that focuses on piloting, aircraft maintenance, engineering, computers and electronics.

- **Expand the Positive Behavioral Interventions and Supports Program**

The Governor's introduced budget provides an additional \$500,000 in each year of the biennium to expand the number of schools implementing the Positive Behavioral Interventions and Supports program, which provides researched-based models for schools that have significant rates of suspension or expulsion to improve school climate and reduce disruptive classroom behavior in support of the Classrooms Not Courtrooms initiative.

- **Expand Virginia Early Childhood Foundation Grants**

The Governor's introduced budget includes an additional \$1.5 million in each year of the biennium to pilot public-private partnerships for the delivery of pre-kindergarten services to high-risk children and communities. In addition, the Governor also includes an additional \$1.6 million in fiscal year 2017 and \$2.3 million in fiscal year 2018 to operate a scholarship program to increase the skills of Virginia's early education workforce.

- **Expand Project Discovery** – an increase of \$250,000 in each year of the biennium.
- **Expand Communities in Schools (CIS)** – an increase of \$450,000 in each year of the biennium for the expansion of the program in Richmond and Petersburg.
- **Expand High School Innovation Grants** – an increase of \$250,000 in each year of the biennium for planning and start-up/implementation.
- **Expand Wolf Trap Institute STEM program** – an increase of \$275,000 in each year of the biennium to support expansion of the STEM model program for kindergarten and preschool students in certain school divisions by enhancing children’s learning experiences through the arts.
- **Reduce Funding for the Great Aspirations Scholarship Program (GRASP)** – a decrease of \$187,500 in each year of the biennium.
- **Reduce Funding for Southside Virginia Regional Technology Consortium** – a decrease of \$50,000 in each year of the biennium.
- **Reduce Funding for Jobs for Virginia Graduates Program** – a decrease of \$200,000 in each year of the biennium.
- **Eliminate Funding for STEAM Academy** – eliminates \$100,000 in each year of the biennium.
- **Eliminate Funding for Youth Development Academies** – eliminates \$543,176 in each year of the biennium.
- **Eliminate Funding for Virginia Career Education Foundation** – eliminates \$31,003 in each year of the biennium.

3. Language-Only Amendments for Direct Aid Programs Included in HB 30/SB 30

- **Combine Existing Programs for Teacher Recruitment and Retention**

The Governor’s introduced budget proposes combining the following grant, scholarship, and incentive payments to attract, recruit and retain high-quality teachers and fill critical teacher shortage disciplines into one program; however, there is no change in total state funding across these programs or in the program requirements specific to each program component.

The total for the new combined program is \$2,331,000 for fiscal year 2017 and fiscal year 2018 as follows:

- 1) Virginia Teaching Scholarship Loan Program - \$708,000 each year.
- 2) Teacher Recruitment and Retention: Math & Science Teacher Recruitment Initiative - \$808,000 each year.

- 3) Teacher Recruitment: Preparation Initiative - \$400,000 each year.
- 4) Virginia Teacher Corps (NCLB/EFAL) - \$415,000 (from Lottery to general fund) each year.

- **Virginia Preschool Initiative**

New language is proposed allowing up to 15 percent of a division's VPI slots to be filled based on locally established eligibility criteria, in addition to the required VPI eligibility criteria established at the 2015 General Assembly Session.

- **Reading Specialists Initiative / Math/Reading Instructional Specialist Initiative**

The Governor's introduced budget proposes allowing funding to be used for this tuition for currently employed instructional school personnel to earn the credentials necessary to meet licensure requirements to be endorsed as a reading or instructional specialist.

- **Early Reading Intervention**

New language is proposed allowing divisions to use this funding for full-time early literacy tutors.

- **Conditions Under Which At-Risk Add-on Funds May Be Withheld from a School Division**

"If the Board of Education has required a local school board to submit a corrective action plan pursuant to § 22.1-253.13:3, Code of Virginia, either for the school division pursuant to a division level review, or for any schools within its division that have been designated as not meeting the standards as approved by the Board of Education, the Superintendent of Public Instruction shall determine and report to the Board of Education whether each such local school board has met its obligation to develop and submit such corrective action plan(s) and is making adequate and timely progress in implementing the plan(s). Additionally, if an academic review process undertaken pursuant to § 22.1-253.13:3, Code of Virginia, has identified actions for a local school board to implement, the Superintendent of Public Instruction shall determine and report to the Board of Education whether the local school board has implemented required actions. If the Superintendent certifies that a local school board has failed or refused to meet any of those obligations, the Board of Education may, in its discretion, withhold payment of some or all At-Risk Add-On funds otherwise allocated to the affected division pursuant to this allocation for the pending fiscal year. In determining the amount of At-Risk Add-On funds to be withheld, the Board of Education shall take into consideration the extent to which such funds have already been expended or contractually obligated. The local school board shall be given an opportunity to correct its failure and, if successful in a timely manner, may have some or all of its At-Risk Add-On funds restored at the Board of Education's discretion."

- **Broadband Capability Reporting Requirement**

“By November 1 each year, school divisions shall report to the Department of Education the status of broadband connectivity capability of schools in the division on a form to be provided by the Department. Such report shall include school-level information on the method of Internet service delivery, the level of bandwidth capacity and the degree such capacity is sufficient for delivery of school wide digital resources and instruction, degree of internet connectivity via Wi-Fi, cost information related to Internet connectivity, data security, and such other pertinent information as determined by the Department of Education. The Department shall provide a summary of the division responses in a report to be made available on its agency Web site.”

B. 2016-2018 DEPARTMENT OF EDUCATION CENTRAL OFFICE BUDGET

1. Central Office Policy Changes Impacting School Divisions

- **Expand Computer Adaptive Testing (CAT) to Additional Grades**

The Governor’s introduced budget provides an additional \$3.4 million in fiscal year 2017 and \$1.6 million in fiscal year 2018 to support one-time costs to expand computer adaptive testing to additional grades; specifically, grades 3-5 for mathematics and grades 3-8 for reading. Objectives in converting to the CAT format include shortening SOL testing duration in these subject areas/grades and providing data that can be used for the development of student growth measures.

- **Redesign of School Performance Report Card**

The Governor’s introduced budget provides an additional \$30,000 in fiscal year 2017 and \$225,000 in fiscal year 2018 to continue the redesign of the school performance report card.

- **Increase Virginia Department of Education Staffing Capacity**

The Governor’s introduced budget provides \$1.0 million in additional funding each year of the biennium to fund eight additional positions to meet critical agency staffing needs as follows:

1. Early Childhood Specialist (1 position)
2. Professional Development (2 positions) – Mathematics and Science Specialist and English and History and Social Science Specialist
3. School Improvement (2 positions) – School Improvement Coordinator and School Improvement Specialist
4. E-Rate Coordinator (1 position)
5. Efficiency (1 position) – Facilities and Pupil Transportation (per JLARC study), and
6. State Operated Programs Specialist (1 position)

- **Restore Funding for Statewide Digital Content Online Learning Development**

The Governor's introduced budget provides an additional \$400,000 in each year of the biennium to restore funding for this purpose to the fiscal year 2015 level. This funding supports the development of digital content for online learning to be made available for use by school divisions.

- **Fund Phonological Awareness Literacy Screening (PALS) Pre-K Contract**

The Governor's introduced budget provides an additional \$197,000 in each year of the biennium to fund a contract with the University of Virginia to collect data, provide analysis, and report scores for the Pre-K PALS diagnostic.

- **Fund Support Education Data Initiative**

The Governor's introduced budget provides an additional \$150,000 in fiscal year 2017 for a pilot program to deliver personalized instructional and academic planning for students, facilitate data driven school improvement efforts, and support the state's accountability and accreditation systems.