



**Impact on Resources:** N/A

**Timetable for Further Review/Action:** N/A

## **Amended 2010-2012 Budget Adopted by the 2011 General Assembly K-12 Public Education Highlights**

- The 2011 General Assembly acted on amendments to the 2010-2012 budget introduced by Governor McDonnell (HB1500/SB800) in December. Budget changes adopted by the General Assembly will go to the Governor for action, and the General Assembly will reconvene on April 6<sup>th</sup> to consider any amendments or vetoes proposed by the Governor. The final amended budget will replace the current 2010-2012 budget adopted at the 2010 Session (Chapter 874).
- The General Assembly budget actions impacting public education focused on the Virginia Retirement System (VRS), additional funding for divisions through a one-time Supplement Support account in FY12, and restoring the Composite Index Hold Harmless funding in FY12.
- The current (Chapter 874) VRS employer rate for teachers in FY12 is 5.16%, and the Governor's proposed FY12 rate was 7.16%. The General Assembly adopted an employer rate of 6.33% for FY12, which reduces the state share of funding for VRS contributions by \$22.3 million compared to the rate proposed in the introduced budget. The General Assembly budget also removes proposed language allowing divisions to charge the 5% employee share to employees if a 3% pay increase is provided, as well as language mandating school employees hired after July 1, 2011, to pay the 5% employee share.
- Provides \$87.7 million in FY12 for a one-time Supplemental Support for School Operating Costs account. This funding is provided based on the state share of approx. \$130 per pupil. A local match is required. This is one-time funding in FY12 only and must be used by divisions for operational costs such as salaries (no capital costs). This funding will not continue into the 2012-2014 budget.
- Combined with the above funding, provides \$16.6 million for the remaining amounts needed to restore the Composite Index Hold Harmless funding to affected divisions in FY12. This is one-time funding to the affected divisions in FY12 only and will not continue into the 2012-2014 budget.
- Reduces GF support for Textbooks by \$5.9 million in FY12. Textbook funding will be rebenchmarked for 2012-2014 according to the per pupil prevailing cost formula.
- Adopts the Governor's recommended \$3.0 million in FY12 for the Performance Pay Incentives pilot in hard-to-staff schools. Division applications to participate in the program are due to DOE by June 15.
- Provides approx. \$66,000 in FY12 for increasing the enrollment cap in an academic year Governor's School by 50 students (to 1,650). Reduces funding for Project Discovery by 10% (approx. 69,000) in FY12.

- Did not adopt any reductions to SOQ funding.
- The net state funding impact to divisions in FY12, compared to the introduced budget, is an increase of \$76.1 million. Projected FY12 state appropriations by account are shown in the attached table.
- To help mitigate reduced state and local funding and recognize depleting federal stimulus funds, allows divisions to carry over state fund balances from FY11 to FY12 and from FY12 to FY13, if divisions have met required local effort on the SOQ.
- Adopted language governing funding for virtual school programs that:
  - 1) for FY11 only, provides state funding for out-of-division students enrolled full-time in the Carroll County virtual school program based on the Carroll County composite index;
  - 2) requires – in FY12 – state funding to be provided for out-of-division students enrolled full-time in virtual school programs based on the composite index of the students' resident division, and that funding will be provided for SOQ accounts only (not Lottery and other accounts). Required local effort for out-of-division virtual students will be based on the composite index of the enrolling/operating division.
- Did not approve a legislative study be conducted of virtual school funding issues.

**Attachment A - Appropriation Detail of Direct Aid to Public Education Accounts  
2011 General Assembly Adopted Amended Budget for 2010-2012**

	Amended FY11 & FY12 GA Appropriations	
	FY 2011	FY 2012
<b>Standards of Quality (17801)</b>		
Basic Aid (Excluding federal SFSF)	\$2,746,726,975	\$2,868,000,323
Basic Aid (federal SFSF)	\$122,941,314	\$0
Subtotal - Basic Aid	\$2,869,668,289	\$2,868,000,323
Sales Tax	\$1,123,100,000	\$1,162,300,000
Textbooks (from General funds)	\$10,610,395	\$547,995
Vocational Education	\$65,975,053	\$65,987,613
Gifted Education	\$30,944,324	\$31,060,898
Special Education	\$361,744,703	\$362,561,667
Prevention, Intervention, and Remediation	\$69,458,001	\$69,431,627
VRS Retirement	\$104,031,534	\$159,588,656
Social Security	\$175,616,146	\$176,117,112
Group Life	\$6,458,766	\$6,478,763
<b>Total including SFSF</b>	<b>\$4,817,607,211</b>	<b>\$4,902,074,654</b>
<b>Total - 17801 (excludes SFSF)</b>	<b>\$4,694,665,897</b>	<b>\$4,902,074,654</b>
<b>Incentive Programs (17802)</b>		
Governor's Schools	\$13,753,589	\$14,711,914
Clinical Faculty	\$318,750	\$318,750
Career Switcher Mentoring Grants	\$279,983	\$279,983
Special Education - Endorsement Program	\$600,000	\$600,000
Special Education - Vocational Education	\$200,089	\$200,089
Composite Index Hold Harmless	\$88,349,513	\$14,560,612
Performance Pay Initiative	\$0	\$3,000,000
Supplemental Support for School Operating Costs	\$0	\$87,693,820
<b>Total</b>	<b>\$103,501,924</b>	<b>\$121,365,168</b>
<b>Categorical Programs (17803)</b>		
Adult Education	\$1,051,800	\$1,051,800
Adult Literacy	\$2,645,375	\$2,645,375
Virtual Virginia	\$2,356,908	\$2,356,908
American Indian Treaty Commitment	\$62,012	\$66,136
School Lunch	\$5,801,932	\$5,801,932
Special Education - Homebound	\$5,028,591	\$5,311,790
Special Education - Jails	\$3,698,491	\$4,065,031
Special Education - State Operated Programs	\$29,959,061	\$32,784,982
<b>Total</b>	<b>\$50,604,170</b>	<b>\$54,083,954</b>
<b>Lottery (17805)</b>		
Foster Care	\$10,379,960	\$11,280,189
Composite Index Hold Harmless (Lottery)	\$19,772,510	\$2,000,000
At-Risk	\$63,963,698	\$63,942,399
Virginia Preschool Initiative	\$60,482,416	\$65,104,439
Early Reading Intervention	\$13,375,413	\$13,409,571
Mentor Teacher	\$1,000,000	\$1,000,000
K-3 Primary Class Size Reduction	\$72,710,288	\$74,777,373
School Breakfast	\$2,497,421	\$2,935,937
SOL Algebra Readiness	\$9,074,317	\$9,062,788
Alternative Education	\$6,715,412	\$6,953,940
ISAEF	\$2,247,581	\$2,247,581
Special Education - Regional Tuition	\$70,989,340	\$76,011,161
Vocational Education - Categorical	\$10,400,829	\$10,400,829
NCLB/EFAL	\$4,749,675	\$4,749,675
Project Graduation	\$2,774,478	\$2,774,478
Supplemental Basic Aid	\$906,692	\$869,466
English as a Second Language	\$37,514,278	\$39,960,785
Remedial Summer School	\$20,823,833	\$21,496,705
Textbooks (Lottery)	\$24,821,855	\$26,892,683
<b>Total</b>	<b>\$435,199,996</b>	<b>\$435,869,999</b>

## K-12 Legislation Passed by the 2011 General Assembly

<b>Standards of Quality</b>	
<a href="#">HB 1792</a> (Tata) <a href="#">SB 1270</a> (Houck)	<b>Standards of Quality.</b> Codifies in the Standards of Quality the flexibility to use funds provided in the appropriation act for data coordinators, reading specialists, mathematics specialists, instructional staff serving English language learners, and assistant principals. The bill also amends the definition of "support services positions" and specifies the positions that would be considered in this category.
<b>Standards of Accreditation</b>	
<a href="#">HB1435</a> (Bell, D.)	<b>American Sign Language.</b> Provides that if a local school board offers an elective course in American Sign Language, it must grant academic credit for course completion on the same basis as the successful completion of a foreign language course and count course completion in American Sign Language toward the fulfillment of any foreign language requirement for graduation. It also requires public institutions of higher education to count academic credit received for successful completion of American Sign Language courses in a secondary school or higher education institution toward satisfaction of the foreign language entrance requirements.
<a href="#">HB 1554</a> (Wilt) <a href="#">SB 910</a> (Obenshain)	<b>Delayed implementation of the new graduation requirements.</b> Delays until July 1, 2011, the implementation of the regulations for the accreditation of schools that were not already in effect on June 30, 2008, with the exception of the Graduation and Completion Index (effective 2010-2011 for accreditation ratings awarded for the 2011-2012 school year), and the new graduation requirements for the Standard and Advanced Studies Diplomas, including the requirement for a standard credit in economics and personal finance (effective with the ninth-grade class of 2011-2012).
<a href="#">HB 1793</a> (Tata)	<b>Diploma seals.</b> Allows local school boards to award diploma seals for all Board of Education-approved diplomas.
<a href="#">HB 2494</a> (Scott, E.)	<b>Alternative Accreditation Plan.</b> Provides that any school board, on behalf of one or more of its schools, may request from the Board of Education releases from state regulations and approval of an Individual School Accreditation Plan.
<b>CTE and STEM</b>	
<a href="#">HB 1493</a> (Greason)	<b>Career and technical education industry certifications.</b> Provides that where there is a national industry certification for career and technical education instructional personnel or programs for automotive technology, the Board of Education must make such certification a mandatory part of the career and technical education program. This would become effective July 1, 2012.

<a href="#">HB 2172</a> (Phillips) <a href="#">SB 953</a> (Wagner)	<b>Virginia's Index of Performance Guidelines.</b> Requires the Board of Education to take into account in its guidelines for the Virginia Index of Performance program a school division's increase in enrollments and elective course offerings in science, technology, engineering, and mathematics.
<b>Family Life Education</b>	
<a href="#">SB 906</a> (Deeds)	<b>Dating violence.</b> Provides that any family life education curriculum offered by a local school division shall require the Standards of Learning objectives related to dating violence and the characteristics of abusive relationships to be taught at least once during middle school and at least twice during high school.
<b>Home Schooling</b>	
<a href="#">HB 2439</a> (Sickles)	<b>Driver education in Planning District 8.</b> Requires school boards in Planning District 8 to make the 90-minute parent/student driver education component available to all students and their parents or guardians who are in compliance with the compulsory school attendance statute.
<b>Labor Day</b>	
<a href="#">HB 1483</a> (Cleaveland)	<b>Opening school prior to Labor Day.</b> Adds to the "good cause" circumstances for which school divisions may be granted a waiver from the post-Labor Day school opening schedule a school division that is entirely surrounded by a school division that has an opening date prior to Labor Day in the school year for which the waiver is sought.
<b>Local School Divisions</b>	
<a href="#">HB 2243</a> (Torian)	<b>Electronic records and signatures.</b> Authorizes local school boards to adopt and implement policies to permit electronic records and electronic signatures to be accepted from any parent, guardian, or other person having control or charge of a child enrolled in the relevant school division.
<a href="#">SB 1038</a> (Barker)	<b>School placement for a child in foster care.</b> Allows a child placed in foster care to remain at his original school, if it is determined to be in his best interests. It requires the determination to be made in writing by the placing social services agency and the local school division together, and adds the school placement to the foster care plan.
<b>Physical Education and Health</b>	
<a href="#">SB 966</a> (Northam)	<b>Physical Education.</b> Requires at least 150 minutes of physical education per week on average during the regular school year for grades K-8, with a similar goal for high school students. This requirement would not apply to any half-day kindergarten. This would become effective in the 2014-2015 school year.

<a href="#">SB 1094</a> (Hanger)	<b>Youth health risk survey.</b> Requires the Department of Health to develop and administer a random survey of students in public middle and high schools to facilitate planning and implementation of effective programs for substance abuse prevention through collection of information identifying trends in alcohol, tobacco, and other drug use and the assessment of risk and protective factors among youth of the Commonwealth.
<b>Pupil Transportation</b>	
<a href="#">HB 1911</a> (Miller, J.) <a href="#">SB 946</a> (Howell)	<b>Video-monitoring system.</b> Authorizes localities to adopt ordinances to allow local school divisions to install and operate video-monitoring systems on school buses in order to detect drivers passing stopped school buses.
<a href="#">HB 2043</a> (Anderson) <a href="#">SB 769</a> (Marsden)	<b>Failing to stop for a school bus.</b> Provides that a person driving a motor vehicle shall stop his vehicle when approaching, from any direction, any school bus that is stopped on any highway, private road, or school driveway for the purpose of taking on or discharging children, and remain stopped until all the persons are clear of the highway, private road, or school driveway and the bus is put in motion. Failure to do so is reckless driving.
<b>Teachers and Administrators</b>	
<a href="#">HB 2077</a> (Landes)	<b>Exclusion of students from mandatory testing.</b> Adds the act of excluding students from testing who are required to be assessed to the conditions under which the Board of Education may: (i) Bring a cause of action, (ii) Suspend or revoke an administrative or teaching license, (iii) Initiate or cause to be initiated a review or investigation of any alleged break in security, unauthorized alteration, or improper administration of tests.
<b>Administrative/Regulatory</b>	
<a href="#">HB 1885</a> (Bell, D.)	<b>Repeals outdated sections of the Code.</b> Deletes references to educational programs that have not been funded and do not exist, and updates language in other sections to conform to current practice.
<a href="#">HB 1939</a> (Pollard)	<b>Regulations mandated by statute.</b> When a statutory change necessitates a regulatory change, the regulation must be filed with the Registrar of Regulations within 90 days of the law's effective date (for an exempt action) or the Notice of Intended Regulatory Action (NOIRA) must be filed within 120 days of a law's effective date (for a non-exempt action).
<a href="#">HB 2319</a> (Byron) <a href="#">SB 1382</a> (Stanley)	<b>State mandates on localities.</b> Requires that the assessment of mandates imposed on local governments currently required of state agencies (in coordination with the Commission on Local Governments) include an estimate of the fiscal impact of such mandates.
<b>Commissions and Studies</b>	
<a href="#">HB 1976</a> (Greason)	<b>Virginia Council on the Interstate Compact on Educational Opportunity for Military Children.</b> Adds a fifth citizen member to the council, who must be a representative from a military installation.

<a href="#">SB 1054</a> (Petersen)	<b>Commission on Civics Education.</b> Clarifies that the Commission on Civics Education will continue until July 1, 2012, if the Commission is funded by a separate appropriation in the general appropriation act or funded with nongeneral funds or donations to sustain its work.
<a href="#">SB 1269</a> (Houck)	<b>Autism Advisory Council.</b> Creates an advisory council in the legislative branch of state government to promote coordination of services and resources among agencies involved in the delivery of services to Virginians with autism spectrum disorders and to increase public awareness of such services and resources. The Council will expire July 1, 2014.
<a href="#">HJ 625</a> (Bell, R.)	<b>Study of local school divisions' antibullying policies.</b> Requests the Department of Education to: (i) Review and compare antibullying measures in the student codes of conduct from each school division, (ii) Compare existing policies with the Department's model policy for codes of student conduct, (iii) Determine if improvements to existing policies are warranted to combat bullying more effectively in Virginia's public schools.
<a href="#">HJ 646</a> (Landes)	<b>Study of year-round schools.</b> Requests JLARC to: (i) Review the Board of Education's procedure for approving year-round schools; (ii) Evaluate school divisions' experience with this alternative; (iii) Conduct a comprehensive analysis of each year-round school, including scheduling format, offerings of instructional and extracurricular programs, and the enrollment in the year-round school; (iv) Consider the minimum number of required teaching days or hours that should constitute the length of a school term; (v) Identify and review year-round schools in other states and countries, noting advantages and disadvantages; (vi) Ascertain the essential factors that must be considered before implementing year-round schools statewide, including, but not limited to, instructional costs, transportation and special education services, and the need for additional classroom teachers, staff, and support services; (vii) Evaluate the impact of changing the scheduling format on school functions, length of terms, and school breaks; (viii) Consider other issues and matters related to year-round schools as may be deemed necessary to provide feasible and appropriate recommendations.
<a href="#">SJ 308</a> (Wagner)	<b>Engineering program of study.</b> Requests the Department of Education to establish shared goals for an engineering program of study, and assign a shared responsibility for this program between the existing science, mathematics, and technology disciplines.

