

## Public Education

<b>Adopted Adjustments to Direct Aid to Public Education</b>				
(\$ in millions)				
	<b>FY 2019 Adopted</b>		<b>FY 2020 Adopted</b>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
<b>2016-18 Base Budget, Ch. 836</b>	<b>\$6,030.0</b>	<b>\$1,618.6</b>	<b>\$6,030.0</b>	<b>\$1,618.6</b>
Adopted Increases	338.7	225.5	516.1	231.4
Adopted Decreases	<u>(95.6)</u>	<u>(35.3)</u>	<u>(94.8)</u>	<u>(45.3)</u>
\$ Net Change	243.1	190.2	421.3	186.1
<b>Ch. 2 (HB 5002, as Adopted)</b>	<b>\$6,273.1</b>	<b>\$1,808.8</b>	<b>\$6,451.3</b>	<b>\$1,804.7</b>
% Change	4.0%	11.8%	7.0%	11.5

- **Direct Aid to Public Education**

- *A listing by locality of the estimated funding for FY 2019 and FY 2020 Direct Aid to Public Education is included as Appendix A and B, respectively.*
- *In addition, a separate Supplemental Table for FY 2019 and FY 2020, that reflects significant key rebenchmarking details, is also included as Appendix C and D, respectively.*

**Summary of Adopted Actions for Direct Aid to Public Education**  
(GF \$ in millions)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>Total</u>
<b><u>Rebenchmarking Updates:</u></b>			
Update Prevailing Salaries & Other Personal-Related Data	\$95.7	\$95.9	\$191.6
Update Non-personal (Textbooks, Transp., Inflation)	73.0	75.6	148.6
Update Student Enrollment Projections	27.6	37.8	65.4
Update Health Care Premium Cost	29.0	29.0	58.0
Update Incentive, Categorical, and Lottery Accounts	18.8	27.6	46.4
Reset SOQ Model Base Data	3.3	3.3	6.6
Update Federal Revenue Deduct Per Pupil Amount	(1.1)	(1.2)	(2.3)
Update SOL Failure Rates, Student Free Lunch Eligibility	(1.7)	(1.8)	(3.5)
Update Support Position Ratio	<u>(9.5)</u>	<u>(9.4)</u>	<u>(18.9)</u>
<b>Subtotal (as of September 2017)</b>	<b>\$235.1</b>	<b>\$256.8</b>	<b>\$491.9</b>
Update Projected Sales Tax Revenue and School-aged Pop.	\$17.1	\$30.8	\$47.9
Update Local Composite Index	(0.8)	(0.9)	(1.7)
Update ADM Based on Fall Membership, and Other Updates	(7.1)	(4.4)	(11.5)
Update VRS, RHCC, GL Rates	(22.5)	(22.6)	(45.1)
Update Lottery Forecast & Offset GF by Equal Amount	(40.2)	(40.2)	(80.4)
Update Literary Fund and Backfill with GF	<u>35.0</u>	<u>45.0</u>	<u>80.0</u>
<b>Subtotal (Other Updates as of December 2017)</b>	<b>(18.5)</b>	<b>\$7.7</b>	<b>(\$10.8)</b>
<b>Total for All Rebenchmarking Updates</b>	<b>\$216.6</b>	<b>\$264.5</b>	<b>\$481.1</b>
Addl. Technical Updates (Regional Special Education Tuition)	(\$1.9)	(\$2.5)	(\$4.4)
Addl. Technical Update: National Board Certified Teacher Bonuses	<u>0.2</u>	<u>0.4</u>	<u>0.6</u>
<b>Total for Additional Technical Updates as of May 2018</b>	<b>(\$1.7)</b>	<b>(\$2.1)</b>	<b>(\$3.8)</b>
<b><u>Policy Changes:</u></b>			
State's Share of 3% Compensation Incentive	\$0.0	\$131.5	\$131.5
Increase Supplemental Lottery PPA (plus \$17.6 million addl. NGF Lottery) from \$274 to \$336 & \$342	37.5	36.4	73.9
Expand At-Risk Add-On Range Maximum from 13% to 14%	0.0	7.1	7.1
Small School Division Enrollment Loss	6.1	0.0	6.1
Increase Virginia Preschool Initiative PPA from \$6,125 to \$6,326	2.3	2.3	4.6
Virginia Preschool Initiative Provisionally-Licensed Teacher Incentive Grants	2.3	2.3	4.6
Virginia Preschool Initiative Prof. Dev. & CASTL CLASS Training	0.3	0.7	1.0
Virginia Preschool Initiative Dev Plan & Classroom Observations	0.4	0.4	0.8
Early Childhood – Early STEM / Arts Wolf Trap Model	0.1	0.1	0.3
Expand Teacher Residency Program Partnerships	1.0	0.5	1.5
Career & Technical Educ. Regional Centers (\$60K/Ctr.)	0.7	0.7	1.4

**Summary of Adopted Actions for Direct Aid to Public Education**  
(GF \$ in millions)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>Total</u>
Career & Technical Educ. Emil & Grace Shihadeh Innovation Ctr.	0.3	0.3	0.5
Increase Positive Behavior Intervention and Support (PBIS)	0.5	0.5	1.0
Vision Screening Grants	0.4	0.4	0.8
Expand STEM Teacher Incentive Program	0.2	0.0	0.2
Power Scholar Summer Academy – YMCA BELL Model	0.3	0.3	0.5
Increase Virginia Reading Corps	0.3	0.3	0.6
Increase Project Discovery	0.3	0.3	0.6
Provisionally-Licensed Minority Teachers Test Prep Assist.	0.1	0.1	0.1
Elementary Schools w/ Less Than 300 ADM – Net Diff	0.0	(0.1)	(0.1)
Modify Funding Methodology of the Free Lunch Percentage for CEP Participation	(0.2)	(0.2)	(0.3)
Transfer Computer Science Teachers Training to VCCS	(0.6)	(0.6)	(1.1)
Virginia Preschool Initiative Apply Nonparticipation of 25.69%	<u>(24.2)</u>	<u>(24.2)</u>	<u>(48.4)</u>
<b>Total for Policy Changes</b>	<b>\$28.1</b>	<b>\$159.0</b>	<b>\$187.1</b>
<b>Grand Total</b>	<b>\$243.1</b>	<b>\$421.3</b>	<b>\$664.4</b>

**Summary of Adopted Revenues for  
Direct Aid to Education**

(\$ in millions)

	Ch. 836	Ch. 2 (HB 5002)	
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
General Fund	\$6,030.0	\$6,273.1	\$6,451.3
Special Fund	0.9	0.9	0.9
Commonwealth Transportation	2.4	2.1	2.1
Trust & Agency			
Lottery Proceeds Fund	546.5	592.5	598.4
Literary Fund	181.3	146.4	136.3
Local Tuition – Virtual VA	0.4	0.4	0.4
Federal Trust	<u>887.1</u>	<u>1,066.5</u>	<u>1,066.5</u>
<b>Grand Total for all Revenue Sources</b>	<b>\$7,648.6</b>	<b>\$8,081.9</b>	<b>\$8,256.0</b>

- **State’s Share of Biennial Rebenchmarking.** Preliminary rebenchmarking calculations by the Department of Education as of September 2017 were \$235.1 million GF in FY 2019 and \$256.8 million GF in FY 2020, which totaled \$491.9 million GF for the biennium.

The 2018 Special Session I introduced budget for FY 2018-20 included updating the remaining rebenchmarking data steps, which resulted in a net rebenchmarking amount of \$481.1 million GF for the biennium.

- **Projected Enrollments.** Reflects student enrollment projections estimated to total 1,252,434 in the unadjusted ADM in FY 2019, and 1,257,773 students in FY 2020, up from 1,248,936 for FY 2018 in Chapter 836 of the 2017 Acts of Assembly (the updated projection for FY 2018 in the caboose bill, Chapter 1 of the 2018 Special Session I Acts of Assembly (HB 5001,) is now 1,247,837).
- **Funded Instructional Salaries.** Reflects updated funded salary levels from 2016-18 to 2018-20 due to base year (FY 2016) prevailing salaries adjustments and reflects the statewide prevailing average salaries and the state’s 2 percent salary incentive supplement for FY 2018.

<b>Instructional Positions</b>	<b>2016-18</b>	<b>2018-20</b>	<b>Percent Change</b>
<b>Elementary Level:</b>			
Teachers	\$47,185	\$48,298	2.4%
Assistant Principals	67,119	68,545	2.1%
Principals	82,846	85,115	2.7%
<b>Secondary Level:</b>			
Teachers	\$49,744	\$51,167	2.9%
Assistant Principals	72,057	74,535	3.4%
Principals	92,041	93,695	1.8%
Instructional Aides	17,108	17,738	3.7%

- **Health Care Premiums.** Reflects prevailing costs associated with the health care premium rate of \$5,086 per funded position (adjusted for actual participation and inflation), up from \$4,604 per funded position in the current FY 2018 amount.
- **Funded VRS Fringe Benefit Rates.** The employer rates changed for teacher retirement from 16.32 percent to 15.68 percent, retiree health care credit from 1.23 percent to 1.20 percent, and no change to the group life rate of 0.52 percent. The rate adjustment also reflects a reduction in the funded employer rate for retirement contributions paid on behalf of non-professional support positions from 7.11 percent to 6.28 percent (actual rates vary by school division).
- **Base Year Expenditures.** Reflects various adjustments including base year (FY 2016) expenditure data; updating of school-level enrollment configurations; and updated data for the federal revenue deduction.
- **Transportation Costs.** Reflects updated base year transportation cost data.
- **Textbook Per Pupil Amount.** Reflects per pupil prevailing textbook costs, as reported by localities, is calculated at \$100.69, compared with the previously reported and funded amount of \$109.78 for FY 2018 in Chapter 836.
- **Incentive, Categorical, and Lottery Accounts.** Reflects various adjustments to incentive, categorical, and Lottery-funded accounts that are linked to SOQ funding factors, such as ADM enrollment or Basic Aid per pupil cost and student program participation totals.

In addition, a projected increase in Lottery Proceeds of \$40.2 million NGF each year for total proceeds of \$586.7 million NGF each year is reflected in the budget: the additional lottery revenues are budgeted to offset and save a like amount of general fund expenditures each year.

- ***Update Local Composite Index of Ability to Pay (LCI).*** The elements used to calculate each school division's local composite index of ability-to-pay are updated from 2013 to 2015, which are the most current available at the time the LCI updates are calculated. The composite index measures local wealth through true value of real property (50 percent), adjusted gross income (40 percent) and retail sales tax collection (10 percent). The index is weighted two-thirds by ADM and one-third by total population for each locality.

Beginning in FY 2020, the 15-year period for the Local Composite Index for Allegheny due to its consolidation with Clifton Forge in FY 2005 will be complete, resulting in resuming the use of the routine calculation for the Local Composite Index, rather than the more favorable of the two. For FY 2019, Allegheny's consolidated LCI is 0.2423, and then for FY 2020, its routine calculated LCI will be 0.2899.

- ***Projected Sales Tax Revenue.*** The sales tax revenues from the one cent portion along with the additional one-eighth cent sales tax from the Public Education SOQ / Real Estate Property Tax Relief Fund that are dedicated for public education and distributed based on school-aged population are projected to increase from \$1,377.9 million GF in Chapter 836 for FY 2018 to \$1,410.8 million GF in FY 2019 and \$1,441.8 million GF in FY 2020. The sales tax revenue increases generate offsetting savings in the state's share of SOQ Basic Aid funding of \$18.3 million GF FY 2019 and \$35.7 million GF in FY 2020. When combined, the net impact of the updated sales tax revenue estimates and the SOQ Basic Aid offsets, the total funding to school divisions increases by \$14.5 million GF in FY 2019 and \$28.2 million GF in FY 2020.
- ***Update Sales Tax Distribution for School Age Population.*** Adds \$2.6 million GF in both years to reflect the updates to the sales tax distribution to local school divisions that are now based on the July 1, 2016, estimate of school age population.
- ***GF Supplant of Literary Fund Support for School Employee Retirement Contributions.*** Adds \$35.0 million GF in FY 2019 and \$45.0 million GF in FY 2020 to backfill Literary Fund revenues that previously had been used to pay for teacher retirement costs. According to the Department of Treasury, total receipts are forecasted to decline, primarily due to a reduction in transfers from Unclaimed Property, which has completed its catch-up on stock

liquidation, and a diminishing revenue stream from school construction loan repayments.

<b>Adopted Revisions to Literary Fund Sources and Uses</b>			
(\$ in millions)			
	<b>Chap. 836</b>	<b>Chapter 2</b>	
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
<b>Revenue Sources:</b>			
Fines, Fees and Forfeitures	\$57.4	\$61.7	\$61.9
Interest Less Fees	1.3	1.6	1.3
Unclaimed Property	165.0	115.0	95.0
Interest on UCP	0.5	0.6	0.7
Unclaimed Lottery Prizes	10.1	8.0	10.1
Loan Payments to the Literary Fund and Interest	22.5	17.5	14.8
VPSA Reserve	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>\$256.9</b>	<b>\$204.5</b>	<b>\$183.8</b>
<b>Expenditure Allocations:</b>			
Teacher Retirement/Social Security	\$181.3	\$146.3	\$136.3
Technology Equipment & "Backpack" Debt Serv.	66.9	67.4	66.8
School Security Grants Debt Service	6.2	6.3	6.3
Interest Rate Subsidy	1.1	0.0	0.0
School Construction Loans	<u>21.3</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>\$276.8</b>	<b>\$220.1</b>	<b>\$209.6</b>

- ***GF Supplants Driver's Education Funding.*** Adds \$285,000 GF each year to backfill the same amount of revenue decline projected from the Department of Motor Vehicles for driver's education cost reimbursements in high schools that offer driver education course.
- ***Special Education Regional Tuition Reimbursement - Technical Update.*** Saves \$1.9 million GF the first year and \$2.5 million GF the second year for a data correction to the Special Education - Regional Tuition Reimbursement initiative that occurred after the routine rebenchmarking updates were finalized.

– ***Policy Changes and Program / Initiative Changes***

- ***State Share of 3 Percent Salary Incentive Increase.*** Adds \$131.5 million GF in FY 2020 for the state's share of a 3 percent salary incentive increase for all

instructional and support positions recognized and funded by the Standards of Quality (SOQ) funding model. The funding is calculated based on an effective date of July 1, 2019, but school divisions have the flexibility to provide the total of 3 percent salary increase over the biennium.

This allocation includes \$568,499 GF in FY 2020 for a 3 percent compensation incentive, also with an effective date of July 1, 2019, for the Academic Year Governor's Schools. The adopted Governor's Schools' budget equals \$17.8 million GF in FY 2019 and \$18.6 million GF in FY 2020. The Governor's Schools allocations are in addition to the state's Direct Aid money provided to the 'home residence' school divisions for these same students.

Further, new budget language in Item 474, S.2. (Compensation and Benefit Adjustments) reflects a revenue contingency provision for the salary incentive funding allocated for school and state employees.

- ***Supplemental Lottery Per Pupil Allocation.*** Provides \$37.5 million GF in FY 2019 and \$36.4 million GF in FY 2020 to pay for several programs' cost that were moved out of Lottery-funded program account and funded with general fund dollars to free-up Lottery revenues that are now allocated to the Supplemental Lottery Allocation initiative. In addition, adjustments reflect an increase of \$5.8 million NGF in FY 2019 and \$11.7 million NGF in FY 2020 from projected increases in the Lottery Proceeds Fund revenue collections.

The net total amounts of \$43.4 million NGF the first year and \$48.1 million BGF the second year in available Lottery revenues are added into the Supplemental Lottery Per Pupil Allocation (PPA) account. The additional funds increase the percentage of total lottery revenues allocated directed to the school divisions from 32.6 percent to 40 percent in the second year. The revised total amount of the Supplemental Lottery PPA account equals \$234.7 million NGF the first year and \$239.4 million NGF the second year. The per pupil amount increased from \$274.29 in FY 2018 (Chapter 836) to \$336.08 in FY 2019 and \$341.96 in FY 2020.

- ***Expand At-Risk Add-On Supplemental Funding.*** Provides additional funding of \$7.1 million GF in FY 2020 for the At-Risk Add-on initiative, which provides extra funding as an add-on percentage that is based on the SOQ Basic Aid amount to support any additional costs of educating economically disadvantaged at-risk students. The top-end of the range for the add-on increases from 13 percent to 14 percent. The add-on percentage is based on the percentage of students eligible for free lunch in each school division. The revised amounts budgeted for this initiative are \$100.3 million GF in FY 2019 and \$107.1 million GF in FY 2020.



In addition, new language adds flexibility by expanding the available options for school divisions to spend the funding from the At-Risk Add-On supplement to include now teacher recruitment programs and incentives, and hiring of additional school guidance counselors. The new language also requires school divisions to report on how all of the funds are spend each year and requires DOE to report that information to the Chairmen of the House Appropriations and Senate Finance Committees no later than the first day of each Regular General Assembly Session.

- ***Small School Division Enrollment Loss.*** Provides a one-time supplement of \$6.1 million GF in FY 2019 to those eligible small school divisions with than less 10,000 students in membership that have realized at least a 5 percent or more decline in their average daily membership from 2013 to 2018. The enrollment loss funding provides about 15 percent of what these divisions would have received in the SOQ Basic Aid account if there had been no decline in student membership.
- ***Virginia Preschool Initiative (VPI) Per Pupil Amount.*** Provides \$2.3 million GF each year to increase the formula allocation for the VPI program's per pupil amount from \$6,125 to \$6,326 for full-day programs and from \$3,062 to \$3,163 for half-day programs. The revised VPI budget equals \$72.3 million NGF each year.
- ***Virginia Preschool Initiative (VPI) Provisionally Licensed VPI Teachers.*** Adds \$2.3 million GF each year for the Department of Education to provide grants of up to \$30,000 each to school divisions that have applied for the purpose of providing financial incentives to provisionally licensed VPI teachers who are actively engaged in coursework and professional development, toward achieving the required degree and license that satisfy the licensure requirements reflected in § 22.1-299, *Code of Virginia*. Priority for awarding grants must be given to hard-to-staff schools and schools with the highest number of provisionally licensed teachers teaching students enrolled in the Virginia Preschool Initiative. The Department of Education shall develop the application process to be provided to school divisions.
- ***Virginia Preschool Initiative (VPI) Plan for Classroom Observation, Professional Development, and Curriculum.*** Provides \$75,000 GF the first year and directs the Department of Education to develop a detailed plan to ensure that high quality instruction is provided in the Virginia Preschool Initiative program's individual preschool classrooms by November 1, 2018. The plan must detail how the Department will (i) monitor and assess the quality of teacher-child interactions within each preschool classroom at least once every two years, (ii) ensure the use of evidence-based curricula is

implemented in each preschool classroom and take necessary corrective action if evidence-based curriculum is not used or effective by the following school year, (iii) facilitate and provide individualized professional development for Virginia Preschool Initiative classroom teachers to ensure the necessary teaching skills are aligned for the pedagogy of high quality preschool classroom experiences, and (iv) provide informative and complete information about how Virginia Preschool Initiative funding, from all sources, supports quality preschool experiences for children enrolled in the local public school divisions in Virginia.

- ***Virginia Preschool Initiative (VPI) Classroom Observation Instrument.*** Provides \$350,000 GF each year through DOE to the University of Virginia (UVA) to ensure that all Virginia Preschool Initiative classroom programs have the quality of their teacher-child interactions assessed at least once every two years using the CLASS observational instrument. All classrooms must be observed no later than June 30, 2020. UVA, with input from the Department of Education and the use of its detailed plan for such assessments, shall establish a statewide minimum acceptable threshold for the quality of teacher-child interactions for Virginia Preschool Initiative classroom programs, and classrooms that are assessed below the threshold will receive additional technical assistance from the Department of Education and UVA. The threshold should be established with the assistance of UVA's Center for Advanced Study of Teaching and Learning (CASTL), using a rigorous and research-based classroom observational instrument. The threshold shall be established no later than the beginning of the 2018-2019 school year and the classroom assessments shall begin no later than spring 2019. CASTL shall submit a progress report on such classroom observations to the Chairmen of House Appropriations and Senate Finance Committees no later than June 30, 2019, and annually thereafter.
- ***Virginia Preschool Initiative (VPI) Professional Development and CASTL CLASS Training.*** Provides \$300,000 GF in FY 2019 and \$700,000 GF in FY 2020 through DOE to the University of Virginia's Center for Advanced Study of Teaching and Learning (CASTL) to provide individualized professional development training to VPI classroom teachers. On-going assistance and training would be prioritized to support those teachers with Classroom Assessment Scoring System (CLASS) observation scores that did not meet the statewide minimum standard.
- ***Virginia Preschool Initiative (VPI) Nonparticipation.*** Captures savings of \$24.2 million NGF in FY 2019 and \$24.2 million NGF in FY 2020 in the Virginia Preschool Initiative based on a nonparticipation rate of 25.69 percent and saves a like amount of general fund revenue each year.

- ***Teacher Residency Program.*** Provides an additional \$1.0 million GF in FY 2019 and \$500,000 GF in FY 2020 to increase the number of grant opportunities for teacher residency partnerships between university teacher preparation programs to include the existing school divisions of Petersburg, Norfolk, and Richmond City school divisions, as well as expands the Teacher Residency Partnership opportunity to other school divisions and Virginia colleges and universities that credential teachers. In total, the revised budget equals \$2.0 million GF in FY 2019 and \$1.5 million GF in FY 2020.
- ***Career and Technical Education Regional Centers.*** Adds \$720,000 GF each year to provide \$60,000 to each of the existing ten regional career and technical education (CTE) centers, as well as to the proposed new CTE school in Winchester, the Emil and Grace Shihadeh Innovation Center and to the existing Technical Center in Norfolk. The funds are provided to expand the workforce readiness education and industry-based skills offered to the students.
- ***Career and Technical Emil and Grace Shihadeh Innovation Center.*** Provides \$250,000 GF each year to match private donations for the renovation of Winchester's former John Kerr Elementary School, to become the Emil and Grace Shihadeh Innovation Center. Once the old elementary school is renovated and opens at some point in the future, the center would offer career and technical education in the skilled trades and STEM-H fields.
- ***Positive Behavioral Interventions and Supports (PBIS).*** Increases the Positive Behavioral Interventions and Supports Program by \$500,000 GF each year to expand the number of schools implementing the Positive Behavioral Interventions and Supports program, which provides research-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. In FY 2018, 44 school divisions received PBIS funding.
- ***Vision Screening Grants.*** Adds \$391,000 GF each year to provide grants to school divisions to pay for a portion of the vision screening of students in kindergarten, grade two or three and grades seven and ten, pursuant to Chapter 312 of the 2017 Acts of Assembly. Eligible school divisions may receive the state's share of \$7.00 for each student in kindergarten, grades three, seven and ten and who has received such vision screening test.
- ***Virginia Reading Corps Program.*** Increases funding for the Virginia Reading Corps program by \$300,000 GF each year, from \$300,000 GF to \$600,000 GF, and new language directs that the implementation partner shall determine

and select partner school divisions. New language requires an annual report to the school divisions and the Department of Education on the outcomes of the program.

- ***Power Scholar Summer Academy.*** Provides \$250,000 GF each year for the YMCA's Power Scholar Summer Academy to expand the number of sites and students served by the program during the summer months. This program helps to prevent the 'summer learning losses' that some students experience while they are not actively engaged in the classroom over an extended period of time.
- ***Project Discovery.*** Increases funding for Project Discovery initiative by \$300,000 GF each year of the biennium, from \$662,500 GF to \$962,500 GF.
- ***National Board Certification Bonuses.*** Increases funding for National Board Certification for eligible teachers by \$191,787 GF in FY 2019 and by \$397,358 GF in FY 2020, for revised totals of \$5.3 million GF and \$5.5 million GF respectively.
- ***Early Learning STEM Teacher Training.*** Provides \$125,000 GF each year for the early STEM/Arts model teacher training program delivered by Wolf Trap. The new language adds three school divisions (Albemarle, Henrico and Suffolk) to the nine school divisions (Accomack, Arlington, Chesterfield, Fairfax County, Loudoun, Norfolk, Petersburg, Richmond City, and Wythe) that currently participate in the STEM model program for kindergarten and preschool students.
- ***STEM Teacher Incentives.*** Adds \$192,000 GF in FY 2019 to increase the amount of funding available in the Department of Education's STEM Program to attract, recruit, and retain high quality diverse individuals to teach science, technology, engineering, or mathematics in Virginia's middle and high schools experiencing difficulty in recruiting qualified teachers. Currently, \$808,000 GF is appropriated for this program. Eligible teachers can receive a \$5,000 incentive award for up to 3 years, and must continue to teach at the same school for the following fourth year. The additional funding allow expansion of the program into more hard-to-staff schools.
- ***Praxis Assistance for Provisionally Licensed Minority Teachers.*** Adds \$50,000 GF each year to provide Praxis assistance for provisionally licensed minority teachers. This new funding will support test fees and tutoring for provisionally licensed minority teachers seeking full licensure in Virginia. Through a request for proposal process, grants of up to \$10,000 will be

awarded to school divisions, teacher preparation programs, or nonprofit institutions in Northern Virginia, Central Virginia, and Hampton Roads.

- ***Free Lunch Percentage Calculation Methodology for Community Eligible Program (CEP) Schools and Divisions.*** Saves \$167,303 GF the first year and \$178,147 GF the second year from changing the funding methodology related to school divisions that participate in the federal CEP program. The new language indicates that for schools that participate in the Community Eligibility Program, most recent data will be used for those programs that include Free Lunch as a component of its funding formula. Prior to school divisions electing to participate in this federal program, the rebenchmarking process used an average of the three most current years of free lunch percentages reported by the school divisions for a number of funding formula calculations. (Upon participation in CEP, schools and divisions are prohibited from directly collecting income eligibility data from families of students attending one of the participating schools. The federal CEP program provides 100 percent reimbursement for the cost of breakfast and lunch meals served to the percentage of eligible students.)

New language indicates that the free lunch rate for schools that participate in the Community Eligibility Provision (CEP) program will be based upon the most recent data available prior to that school's enrollment in the program, for the purpose of funding entitlements that are based on school level or division-level free lunch eligibility percentages.

Three-year average division-level free lunch rates used in the Prevention, Intervention, and Remediation Program and school-level free lunch rates used in the K-3 Primary Class Size Reduction Program vary depending on when the division or individual school entered the CEP program.

- ***Transfer Funding for Teacher Computer Science Training to VCCS.*** To align to legislation passed at the 2017 General Assembly Session, transfers the \$550,000 GF each year in funding to the Virginia Community College System (VCCS) to administer this program. The legislation directs VCCS to work with CodeVA to provide the teacher training in computer science related skills needed to teach students computer coding skills.
- ***Transfer Funding for Summer Food Service and After School At-Risk Programs from DSS.*** Adds \$14.3 million NGF each year for two federal grant award programs that were transferred from the Department of Health to the Direct Aid budget.

In addition, the Department of Education budget also reflects five transferred positions and \$749,176 NGF each year from the Department of Health to administer these two food programs.

- *New Federal Grant Awards.* Adds \$165.2 million NGF each year to reflect adjustments to 18 existing federal grant awards and the addition of eight new federal program awards. The following tables reflects the federal awards in more detail:

## Adopted Revisions to Federal Grant Awards

(\$ in millions)

Item Details of Federal Education Assistance <u>Program Awards (17900)</u>	Chap. 836 <u>FY 2018</u>	Chapter 2	
		<u>FY 2019</u>	<u>FY 2020</u>
Project AWARE and YMHFA – (VTSS)	\$3,897,018	\$1,948,697	\$0
Schl Nutrition - Breakfast, Lunch, Special Milk	316,900,900	348,354,872	369,078,569
Fresh Fruit and Vegetables	6,689,276	4,714,061	4,714,061
School Nutrition - Summer Food Service			
Program and After School At-Risk Program	0	14,250,000	14,250,000
Child Nutrition Programs Team Nutrition	0	498,010	498,010
Special Education - Program Improvement	6,096,000	1,524,000	1,524,000
Special Education - IDEA - Part B Section 611	289,091,848	291,082,767	291,082,767
Spec Educ - IDEA - Part B Sect 619 - Preschool	8,863,495	8,863,495	8,863,495
Federal Preschool Expansion Grant (VPI )	36,553,065	18,775,000	0
Migrant Educ - Consortium Incentive Grants	133,333	133,333	133,333
Migration Education - Basic Grant	0	945,262	945,262
Title I - Neglected & Delinquent Children	1,528,103	1,263,459	1,263,459
Title I Part A - Improving Basic Programs	116,593,486	254,532,699	254,532,699
Title II Part A - Improving Teacher Quality	38,878,041	36,500,579	36,500,579
Title III Part A - Lang Acquisition State Grant	12,253,779	12,743,264	12,743,264
Title VI - Rural and Low-Income Schools	2,242,591	2,242,591	2,242,591
Title IV Part A - Student Support and Academic Enrichment Grant	0	6,969,326	6,969,326
Title IV Part B - 21st Century Community Learning Centers	0	20,507,430	20,507,430
Adult Literacy	13,097,115	12,880,748	12,880,748
Vocational Education - Basic Grant	23,892,611	24,254,182	24,254,182
School Climate Transformation - (VTSS)	0	707,941	707,941
Education for Homeless Children and Youth	0	1,309,517	1,309,517
Empowering Educators thru a Sys Approach	0	1,524,000	1,524,000
1003 G - State Set Aside	7,517,560	0	0
Title II Part B - Math and Science Partnerships	2,590,217	0	0
Advanced Placement Test Fees	<u>248,459</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$887,066,897</b>	<b>\$1,066,525,233</b>	<b>\$1,066,525,233</b>

– *Language Changes*

- *Virginia Preschool Initiative (VPI).* New language allows available previous year-end balances for the Virginia Preschool Initiative to be carried forward into the next fiscal year and may be available for those eligible school divisions that have reported using 100 percent of their calculated slots for the previous and current school years and have also reported having a waiting list of at-risk four-year-olds for the previous and current school years. These school divisions may request one-time waiting list slots and offer them to eligible at-risk four-year-old children that (i) family income at or below 200 percent of federal poverty guidelines, (ii) family income is above 200 percent but at or below 350 percent of federal poverty guidelines in the case of students with special needs or disabilities, (iii) homelessness, or (iv) student's parents or guardians are school dropouts.
- *Virginia Preschool Initiative (VPI) Local Match Requirement.* New language clarifies that local philanthropy, non-profit, or corporate support can satisfy the required local match rather than the school division.
- *Joint Subcommittee for the Virginia Preschool Initiative (VPI).* New language (in Item 1, under Legislative Department) directs the Joint Subcommittee on the Virginia Preschool Initiative to study further enhancements to the Quality Ratings System; other recommendations and options included in the 2017 JLARC report on Improving Virginia's Early Childhood Development Programs; opportunities for the state to leverage improvements in federal Head Start programs; an integrated early childhood fund to pool and leverage funds for maximum performance and efficiency; and mandating a minimum percentage of VPI slots be in private settings. In addition, a report of any findings and recommendations must be submitted by October 1, 2018.
- *Early Childhood Public-Private Mixed Delivery Preschool Grant Award for Richmond City.* Language directs the Virginia Early Childhood Foundation to offer an award to a private-provider that has submitted application applicable to a partnership with Richmond City for a mixed delivery pre-kindergarten program, provided that the application is of high quality and is competitive with other submitted applications received.
- *Breakfast After the Bell Reimbursements.* Includes new language that expands the program eligibility by allowing middle and high schools to participate without a minimum of 45 percent student eligibility for free lunch as is the current requirement for elementary schools, and changes the date



for the required annual report on the educational impact of the program from school divisions to DOE to August 31st instead of June 30th.

Other language changes clarify the types of data that school divisions must submit in the annual report to DOE and that divisions may not be eligible for funding in the following year if the August 31st reporting deadline is missed.

The elementary reimbursement rate is held at \$0.05 per meal, but the established rate for middle and high schools is \$0.10. State funding for the program remains unchanged at \$1.1 million GF each year – fewer elementary schools will be able to serve students due to the inclusion of all middle and high school students.

Lastly, DOE is required to establish criteria for funding priority if the number of applications from eligible schools exceeds the available funding.

- ***Expands Models for the Targeted Extended School Year Grants.*** Includes adjustments to the “Targeted Extended School Year” program to specifically include “Enriched School Year and Year-round School” models. Also changes the reporting date for the Department of Education to submit the annual progress reports from the participating school divisions and its executive summary of the program’s overall status and levels of measured success to two of the money committee chairmen from October to November.
- ***Early Reading Specialists Initiative.*** Includes changes to the eligibility criteria for the Early Reading Specialist Initiative. Schools with a third grade that rank lowest on the reading Standards of Learning assessments will be given priority for the state share of funding for a reading specialist in such schools.

Schools receiving state funds in FY 2018 under this initiative are no longer automatically eligible to receive funding in FY 2019 or FY 2020. The proposed language also allows DOE to award any unallocated funds from this initiative to schools eligible for funding under the Math/Reading Instructional Specialists Initiative. This action distributes state funds to school divisions in a different manner in the 2018-20 biennium than in fiscal year 2018, but total state funding for the program remains constant at \$1.5 million GF each year.

- ***Math/Reading Instructional Specialists Initiative.*** Includes changes to the eligibility criteria for the Math/Reading Specialist Initiative. The Chapter 836 language used accreditation as the mechanism for determining program eligibility. The newly adopted revised language assigns eligibility based on the schools that rank lowest on the Spring 2017 SOL math or reading

assessment. The state share of funding for a reading or math specialist is available to eligible schools for both years of the biennium.

The new language also allows DOE to award any unallocated funds from this initiative to schools eligible for funding under the Early Reading Specialists Initiative. This action distributes state funds to school divisions in a different manner in the 2018-20 biennium than in fiscal year 2018, but total state funding for the program remains constant at \$1.8 million GF each year.

- ***Virginia Teacher Scholarship Loan Program.*** Adopted language changes the Virginia Teacher Scholarship Loan Program intended to incentivize students in teacher education programs to fill vacancies in high-need schools. Students with an undergraduate grade point average of at least 2.7 will now be eligible for up to the annual scholarship of \$10,000 if they teach for two years in a top five critical shortage subject and in a school with a free and reduced lunch population of 50 percent or greater. Minority students may be enrolled in any content area for teacher preparation. Recipients who only complete one year of the two-year teaching obligation will be forgiven for one-half of the scholarship loan amount.
- ***STEM Teacher Recruitment and Retention Incentive.*** Includes changes to the STEM recruitment and retention program to attract qualified teachers to middle and high schools experiencing difficulty in recruitment and retention. Teachers employed full-time in a STEM subject area in a hard-to-staff school are eligible for a \$5,000 incentive per year for up to three years. The criterion limiting teacher eligibility to those with up to three years of teaching experience is eliminated. Eligibility for incentive payments will be based on an application process managed by the Department of Education. Language directs DOE to prioritize distributions based on school divisions experiencing the most acute difficulties in recruiting qualified teachers.
- ***Communities in Schools.*** Language directs Communities in Schools to assist the Community School organization with the developing opportunities to establish a Community School program in interested school divisions.
- ***CodeRVA Regional High School.*** Language authorizes the CodeRVA Regional High School to receive an annual \$26,000 NGF technology grant allocation through the Virginia Public School Authority Technology Grant Fund as is the current allocation for other high schools.
- ***Joint Subcommittee on Local Fiscal Stress.*** New language (in Item 1, under Legislative Department) directs the Joint Subcommittee Local Fiscal Stress to

include reviewing savings opportunities from increased regional cooperation and consolidation of services, including by jointly operating or merging small school divisions.

- **Department of Education**

- ***Social Studies Assessments.*** Provides \$300,000 GF each year for a verified credit in high school in history and social science. New language directs the State Board of Education, in establishing graduation requirements, to require students to earn one verified credit in history and social science. Such verified credit shall be earned only by (i) the successful completion of a Board-developed end-of-course Standards of Learning assessment which is not a performance-based assessment; (ii) achievement of a passing score on a Board-approved standardized test administered on a statewide, multistate, or international basis that measures content that incorporates or exceeds the Standards of Learning content in the course for which the verified credit is given; or (iii) achievement of criteria for the receipt of a locally awarded verified credit from the local school board in accordance with criteria established in Board guidelines.
- ***Multisensory Structured Literacy Teacher Training.*** Provides \$290,000 GF each year to provide funding in order to triple from 90 teachers to 270 teachers that can be served annually by the 30-hour literacy teacher professional development in the Orton-Gillingham instructional method, which is a direct systematic approach to teaching language structure for reading remediation. This method is designed to address the needs of struggling readers who have difficulty with reading, spelling, and writing, including those with a specific learning disability such as dyslexia.
- ***Virginia Kindergarten Readiness Assessment Program (VKRP).*** Adds \$275,000 GF each year for the Department of Education to coordinate with UVA's Center for Advanced Study of Teaching and Learning (CASTL) to implement a statewide rollout for assessment of all kindergarten students using the VKRP assessment model by the end of the 2019-20 school year and to provide appropriate annual training and professional development to kindergarten teachers. New language requires all school divisions to have all kindergartners participate in the assessments. New language also directs the Department of Education to report annually, beginning October 1, 2019, on the results of the assessments and the impact of the Virginia Preschool Initiative on promoting readiness in the four developmental domains (literacy, math, social-emotional and self-regulation) to the Chairmen of House Appropriations and Senate Finance Committees.
- ***Virginia Kindergarten Readiness Post-K Assessment.*** Includes an additional \$275,000 GF each year for the Virginia Kindergarten Readiness Program to develop and implement a post-kindergarten assessment that will measure student growth

at the conclusion of kindergarten for those schools that are currently participating in the program.

- ***Virginia's Tiered Systems of Support.*** Adds \$250,000 GF each year to Virginia's Tiered Systems of Support (VTSS) for teachers, administrators, and Specialized Instructional Support Personnel. The current appropriation enables the Department of Education to provide training, technical assistance, and on-site coaching to public school teachers and administrators on implementation of a positive behavioral interventions and supports program. This programming addresses both the academic and behavioral needs of students; including students impacted by trauma, improves school climate; and reduces disruptive behavior in the classroom. The additional funding will be focused on supporting Title I and Accreditation Denied Schools. The VTSS initiative is designed to complement the Positive Behavioral Interventions and Supports initiative that is currently in the Department and implemented in a number of school divisions.
- ***Enhance eMediaVA Funding.*** Adds \$200,000 GF each year for statewide digital content development, online learning, and related support services through eMediaVA.
- ***Educator Misconduct Research Database Membership Fees.*** Adds \$93,084 GF each year for the state's membership fees into the National Association of State Directors of Teacher Education and Certification (NASDTEC) Clearinghouse to research teacher misconduct.
- ***Virginia Preschool Initiative Site Visits.*** Adds \$50,000 GF each year for DOE to resume site visits to Virginia Preschool Initiative (VPI) programs. Site visits will help ensure compliance with state guidelines and provide technical assistance to localities for best practices for implementing high-quality preschool programs. These funds will provide increased technical assistance and professional development opportunities for VPI local coordinators through regional annual VPI coordinator meetings.
- ***Integrated Early Childhood Fund.*** Language directs DOE, in cooperation with the Departments of Health, Social Services, and Planning & Budget, to convene a workgroup facilitated by the Virginia Early Childhood Foundation, to examine opportunities including, but not limited to, leveraging existing funds targeted to early childhood development with the goal of identifying strategies and mechanisms for developing an Integrated Early Childhood Fund. The findings of the workgroup shall be provided by October 15, 2018, to the Joint Subcommittee on the Virginia Preschool Initiative, and shall articulate the potential for existing but underutilized appropriations including, but not limited to, unused Virginia Preschool Initiative funds and Temporary Assistance for Needy Families (TANF),

and other funds to support administrative costs that would assist with more fully drawing down federal Child and Adult Care Food Program (CACFP) funds.

- ***Student Growth Model Development.*** Reflects language modifications that directs the Department to develop a growth scale for the existing Standards of Learning mathematics and reading assessments, which facilitate data-driven school improvement efforts and support the state’s accountability and accreditation systems. In Chapter 836, the \$500,000 GF in funding was directed toward a pilot program to provide personalized instructional and academic planning.
  - ***School Personnel Survey.*** Directs the Department to develop and administer a school personnel survey to evaluate school-level teaching conditions and the impact such conditions have on teacher retention and student achievement.
  - ***Transfer of Summer Food Service Program & At-Risk Afterschool Meals.*** Reflects the transfer of the Summer Food Service Program and the At-Risk Afterschool Meals component of the Child and Adult Care Food Program (CACFP) from the Department of Health to the Department of Education to administer. The transfer includes five full-time positions and \$749,176 NGF each year. There is also a companion amendment in the Direct Aid to Public Education budget that reflects the transfer of \$14.3 million NGF each year in pass-through funding to school divisions participating in these programs.
  - ***New Federal Grant Awards.*** Adds \$432,203 NGF each year to reflect adjustments to federal grant awards received by the Department.
  - ***Reduce Funding for Computer Adaptive Test Revisions.*** Captures \$780,584 GF each year, which represents a portion of the funding provided to DOE in the 2016-18 biennium to transition Standards of Learning tests to a computer adaptive test format. The remaining appropriation will support revisions to the current computer adaptive tests to incorporate the Board of Education’s revisions to the mathematics and English Standards of Learning.
  - ***Technical Adjustments.*** Reflects technical adjustments distributing dollars to the agency for items that were centrally funded in Chapter 836.
- **Virginia School for the Deaf and Blind**
    - ***Technical Adjustments.*** Reflects technical adjustments distributing dollars to the agency for items that were centrally funded in Chapter 836.

**Appropriation Summary for the Education Assistance Programs**  
(\$ in millions)

	<u>FY 2019</u>	<u>FY 2020</u>
<b>Standards of Quality Programs</b>		
Basic Aid	\$3,343.8	\$3,336.2
Sales Tax	1,410.8	1,441.8
Textbooks	70.3	70.5
Vocational Education	58.4	58.3
Gifted Education	35.4	35.5
Special Education	397.7	398.5
Prevention, Intervention, and Remediation	113.1	113.0
English as a Second Language	62.2	65.5
Remedial Summer School	24.9	25.5
VRS Retirement ( <i>includes RHCC</i> )	443.0	444.0
Social Security	200.8	201.2
Group Life	<u>13.6</u>	<u>13.7</u>
<b>Total</b>	<b>\$6,174.1</b>	<b>\$6,203.6</b>
<b>Incentive Programs</b>		
Compensation Supplement	\$0.0	\$130.3
Governor's School - Academic & Summer	17.8	18.6
At-Risk Add-On Supplement	100.3	107.1
Clinical Faculty	0.3	0.3
Career Switcher Mentoring Grants	0.3	0.3
Special Education - Endorsement Program	0.4	0.4
Special Education - Vocational Education	0.2	0.2
Special Education – Regional Tuition ( <i>split funded</i> )	28.0	35.1
Virginia Workplace Readiness Skills Assessment	0.3	0.3
Math/Reading Instructional Specialists	1.8	1.8
Early Reading Specialists Initiative	1.5	1.5
“Breakfast After the Bell” Incentive	1.1	1.1
Small School Division Enrollment Loss	<u>6.1</u>	<u>0.0</u>
<b>Total</b>	<b>\$158.1</b>	<b>\$297.1</b>
<b>Categorical Programs</b>		
Adult Education	\$1.1	\$1.1
Adult Literacy	2.5	2.5
Virtual Virginia	5.4	5.4
American Indian Treaty Commitment	0.1	0.1
School Lunch	5.8	5.8

**Appropriation Summary for the Education Assistance Programs**  
(\$ in millions)

	<u>FY 2019</u>	<u>FY 2020</u>
Special Education – Homebound	5.1	5.1
Special Education – Jails	3.5	3.6
Special Education – State Operated Programs	<u>35.6</u>	<u>35.6</u>
<b>Total</b>	<b>\$58.9</b>	<b>\$59.1</b>
<b>Lottery Funded Programs</b>		
Foster Care	\$11.0	\$12.0
Virginia Preschool Initiative - Per Pupil Amount	72.3	72.3
Virginia Preschool Initiative – Provisional Teacher Licensure	2.3	2.3
Virginia Preschool Initiative – Teacher Professional Dev.	0.3	0.7
Virginia Preschool Initiative – Classroom Observations	0.4	0.4
Virginia Preschool Initiative – Develop Assessment Plan	0.1	0.0
Early Intervention Reading	22.6	22.7
Mentor Teacher	1.0	1.0
K-3 Primary Class Size Reduction	130.6	130.4
School Breakfast Program	6.7	8.0
SOL Algebra Readiness	13.0	13.0
Supplemental Lottery Per Pupil Allocation	234.7	239.4
Regional Alternative Education	8.8	9.2
Individual Student Alternative Education Plan (ISAEP)	2.2	2.2
Special Education – Regional Tuition ( <i>split funded</i> )	67.6	65.9
Career & Technical Education – Categorical	12.4	12.4
Project Graduation	1.4	1.4
Race to GED (NCLB/EFAL)	2.4	2.4
Path to Industry Certification (NCLB/EFAL)	1.8	1.8
Supplemental Basic Aid	<u>0.9</u>	<u>0.9</u>
<b>Total</b>	<b>\$592.5</b>	<b>\$598.4</b>
<b>Technology - VPSA</b>	<b>\$58.8</b>	<b>\$60.3</b>
<b>Security Equipment - VPSA</b>	<b>6.0</b>	<b>6.0</b>
<b>Supplemental Assistance Programs</b>		
(See the following table for individual allocations.)	<b>\$31.7</b>	<b>\$31.2</b>

## Supplemental Assistance Programs

	<u>FY 2019</u>	<u>FY 2020</u>
<b>Supplemental Assistance Programs</b>		
Achievable Dream	\$500,000	\$500,000
Career and Technical Education Regional Centers	720,000	720,000
Career and Technical Education – Emil and Grace Shihaden Innovation Center	250,000	250,000
Career and Technical Education Resource Center	298,021	298,021
Career Council at Northern Neck CT Center	60,300	60,300
Charter School Grants	100,000	100,000
College Partnership Laboratory School	50,000	50,000
Communities in Schools	1,244,400	1,244,400
Great Aspirations Scholarship Program (GRASP)	400,000	400,000
High School Program Innovation	500,000	500,000
Jobs for Virginia Graduates	573,776	573,776
National Board Certification Teacher Bonuses	5,291,787	5,497,358
Newport News Aviation Academy – STEM Prog.	100,000	100,000
Petersburg Exec. Leadership Recruitment Init.	350,000	350,000
Positive Behavior Interventions & Support (PBIS)	1,598,000	1,598,000
Praxis Assistance for Provisionally Licensed Minority Teachers	50,000	50,000
Project Discovery	962,500	962,500
Small School Division Assistance	145,896	145,896
Southside Virginia Technology Consortium	108,905	108,905
Southwest Virginia Public Education Consortium	124,011	124,011
STEM Program/Research Study (VA Air & Space Ctr)	681,975	681,975
STEM Competition Team Grants	200,000	200,000
Targeted Extended School Year Grants	7,763,312	7,763,312
Teach for America	500,000	500,000
Teacher Improvement Funding Initiative	15,000	15,000
Teacher Recruitment & Retention Grant Programs	2,123,000	1,931,000
Teacher Residency Program	2,000,000	1,500,000
Van Gogh Outreach Program	71,849	71,849
Virginia Early Childhood Foundation (VECF)	2,750,000	2,750,000
Virginia Reading Corps Pilot	600,000	600,000
VA STAR Computer Program	300,000	300,000
Vision Screening Grants	391,000	391,000
Vocational Lab Pilot	175,000	175,000
Wolf Trap Model Early Childhood STEM Program	<u>725,000</u>	<u>725,000</u>
<b>Total</b>	<b>\$31,723,732</b>	<b>\$31,237,303</b>