
VIRGINIA STATE BUDGET

2000 Session

Budget Bill - HB30 (Introduced)

Bill Order » Office of Education » Item 143

Direct Aid to Public Education

Item 143

First Year - FY2001 Second Year - FY2002

	First Year - FY2001	Second Year - FY2002
Financial Assistance for Public Education (Standards of Quality) (17500)	\$2,523,429,019	\$2,539,458,046
Basic Aid Payments (17502)	\$1,797,387,949	\$1,784,356,106
Education of the Gifted Payments (17505)	\$23,030,475	\$23,175,154
Occupational-Vocational Education Payments (17509)	\$40,443,738	\$40,551,793
Special Education Payments (17510)	\$219,916,573	\$221,036,166
Teacher Training for Standards of Learning (17511)	\$16,906,814	\$17,063,967
Enrollment Loss Payments (17513)	\$20,630,609	\$21,038,160
Remedial Education Payments (17514)	\$108,997,319	\$115,925,490
Maintenance Supplement (17515)	\$9,435,591	\$9,493,144
Primary Class Size Payments (17517)	\$72,681,865	\$72,345,077
Educational Technology Payments (17518)	\$47,730,760	\$47,552,247
At-Risk Four-Year-Olds Preschool Payments (17519)	\$23,084,358	\$23,139,338
Truancy/Safe Schools (17520)	\$2,138,570	\$2,138,570
Early Intervention (17521)	\$14,202,542	\$23,300,603
Standards of Learning Instructional Materials (17522)	\$12,580,789	\$12,657,522
Standards of Learning Remediation (17523)	\$16,035,137	\$15,518,839
School Health Incentive Payments (17524)	\$1,672,639	\$1,669,279
Standards of Learning Technology Payments (17525)	\$41,553,291	\$53,496,591
General Education Needs (17526)	\$55,000,000	\$55,000,000
Fund Sources:		
General	\$2,432,331,968	\$2,446,178,448
Commonwealth Transportation	\$2,173,000	\$2,173,000
Trust and Agency	\$46,783,117	\$48,965,664
Dedicated Special Revenue	\$33,456,255	\$33,456,255
Federal Trust	\$8,684,679	\$8,684,679

Authority: Basic Aid Payments (1750200): Article VIII, Section 2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; § 22.1-97, Code of Virginia; §§ 22.1-205, 46.1-357 and 46.1-380, Code of Virginia; Pupil Transportation, § 22.1-186, Code of Virginia.

Education of the Gifted (1750500): Discretionary Inclusion. Occupational-Vocational Education Payments (1750900): §§ 22.1-228 through 22.1-236, Code of Virginia.

Special Education Payments (1750100): §§ 22.1-213 through 22.1-222, Code of Virginia.

Remedial Education Payments (1751400): Article VIII, Section 2, Constitution of Virginia.

Educational Technology Payments (17518): The Goals 2000: Educate America Act, Public Law 103-227, Federal Code.

Educational Technology Payments (17518): Public Law 103-382, Federal Code.

A. Definitions

1. "Average Daily Membership," or "ADM" - The average daily membership for grades K-12 including (1) handicapped students ages 5-21 and (2) students for whom English is a second language who entered school for the first time after reaching their twelfth birthday, and who have not reached twenty-two years of age on or before August 1 of the school year, for the first seven (7) months (or equivalent period) of the school year in which state funds are distributed from this appropriation. Preschool and post-graduate students shall not be included in ADM.

a. School divisions shall take account of September 30 fall membership and report this information to the Department of Education no later than October 15 of each year.

b. Except as otherwise provided herein, by statute, or by precedent, all subprograms throughout the appropriation to the Department of Education shall be calculated using ADM unadjusted for half-day kindergarten programs, estimated at 1,131,302 the first year and 1,141,876 the second year.

c. ADM adjusted for half-day kindergarten at 85% of ADM, is estimated at 1,127,121 the first year and 1,137,598 the second year.

d. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis in any mathematics, science, English, history, social science, vocational education, health education or physical education, fine arts or foreign language course shall be counted in the ADM of the relevant school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.

e. Students enrolled in a general educational development preparatory program or other alternative program approved by the local school board pursuant to § 22.1-254D. shall be counted in the Average Daily Membership of the relevant school division. School divisions shall report these students separately in their March 31 reports of Average Daily Membership.

2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly.

3. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional personnel required by the Standards of Quality for each school division with a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number thereof, in ADM for the same fiscal year for which the costs are

computed, and including provision for driver, gifted, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, general administration, division superintendents' salaries, free textbooks (including those for free and reduced price lunch pupils), school nurses, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, fixed charges and other costs in programs not funded by other state and/or federal aid.

4. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of $\frac{2}{3}$ of the index of wealth per pupil in ADM (unadjusted for half-day kindergarten programs) reported for the first seven (7) months of the 1997-98 school year and $\frac{1}{3}$ of the index of wealth per capita (population estimates for 1997 as determined by the Center for Public Service of the University of Virginia) times the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 1997 - 50 percent; (2) adjusted gross income for the calendar year 1997 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 1997 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the state average per ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than December 15, 1999.

a. Each locality whose total Virginia Adjusted Gross Income is comprised of at least 3 percent or more which is accounted for by nonresidents of Virginia may elect at its option to exclude such nonresident income in computing the composite index of ability-to-pay. Each locality which elects this option must have certified its intention to do so to the Department of Education on or before January 1, 2000. The Department of Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.

b. In the event that two or more school divisions become one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be paid Standard of Quality payments for all pupils in the combined division on the basis of a composite index determined by the Board of Education, which shall not be less than the lowest nor higher than the highest composite index of any of the individual school divisions involved in such consolidation. In the event of a consolidation of local governments, this index shall remain in effect for a period of five years, unless a lower composite index is calculated through the process for computing an index figure for each locality as set forth above. The Governor shall approve the composite index determined by the Board of Education prior to disbursement of funds under such index. The Department shall annually report to the Chairmen of the House Appropriations and Senate Finance Committees the composite indices approved by the Governor and the Board under this provision.

c. When it is determined that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding for the current school year. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.

d. In the event that any school division consolidates two or more small schools, the division shall continue to receive Standards of Quality funding and provide for the required local expenditure for a period of five years as if the schools had not been consolidated. Small schools are defined as any elementary, middle, or high school with enrollment below 200, 300 and 400 students, respectively.

5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of the cost required by all the Standards of Quality minus its estimated revenues from the state sales and use tax (returned on the basis of school age population) in the fiscal year in which the school year begins.

6. "Planning District Eight" --The nine localities which comprise Planning District Eight are Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.

7. "State Share for the Standards of Quality" - The state share for a locality shall be equal to the cost for that locality less the locality's estimated revenues from the state sales and use tax (returned on the basis of school age population), in the fiscal year in which the school year begins and less the required local expenditure.

B. General Conditions

1. Each locality shall offer a school program for all its eligible pupils which is acceptable to the Department of Education as conforming to the Standards of Quality program requirements.

2. In the event the statewide number of pupils in ADM exceeds the number estimated as the basis for this appropriation, the locality's state share of the Basic Operation Cost and the required local share shall be reduced proportionately so that this appropriation will not be exceeded.

3. The Department of Education shall make equitable adjustments in the computation of indices of wealth and in other state-funded accounts for localities affected by annexation, unless a court of competent jurisdiction makes such adjustments. However, only the indices of wealth and other state-funded accounts of localities party to the annexation will be adjusted.

4. In the event that the actual revenues from the state sales and use tax returned (on the basis of school age population) for sales in the fiscal year in which the school year begins are different from the number estimated as the basis for this appropriation, the estimated revenues shall not be adjusted.

5. This appropriation shall be apportioned to the public schools with guidelines established by the Department of Education consistent with legislative intent as expressed in this act.

6. Appropriations of state funds in this Item include for each subprogram the number of positions required by the Standards of Quality. This Item includes for such subprograms as Basic Aid Payments, a minimum of 51 professional instructional positions and aide positions (C 1); Education of the Gifted, 1.0 professional instructional position (C 3); Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 4 and C 5) for each 1,000 pupils in ADM each year in support of the current Standards of Quality. Funding in support of an additional 9.0 professional instructional positions per 1,000 pupils who score in the bottom national quartile of the Virginia State Assessment Program tests or who fail the state's Literacy tests is included in Remedial Education Payments.

7. To determine if a school division has met its required local expenditure for the Standards of Quality, the following calculations will be made:

a. The total cost of operation less all capital outlays, debt service expenditures and refunds of revenue (prior periods), will be calculated; then

b. From this amount calculated in paragraph a will be deducted receipts from state categorical aids (other than for capital outlays), receipts from federal categorical aids other than P.L. 95-561 (formerly P.L. 81-874 and P.L. 81-815), Forest Reserve receipts, and for capital outlays, receipts for gasoline tax refunds, tuition from another county or city, other payments from another county or city, and payments from other state agencies and others, all as

stipulated by the Superintendent of Public Instruction; then

c. From this amount calculated in paragraph b will be deducted the state share of the Standards of Quality Cost and the estimated revenues from the state sales and use tax (returned on the basis of school age population) for sales in the fiscal year in which the school year begins.

d. The amount calculated in paragraph c must be equal to or greater than the required local expenditure defined in paragraph A 5.

e. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce its expenditures unless it first complies with all of the Standards of Quality.

8. a. Any sum which a locality, as of the end of a school year, has not expended, pursuant to paragraph B 7 above, for the Standards of Quality shall be paid by the locality into the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs.

b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph a, the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five percent (75%) of those funds upon his determination that:

1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs;

2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students;

3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval;

4) The local school board agrees to submit periodic reports to the Department of Education on the use of funds provided through this project award; and

5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of the second year following that in which the under expenditure occurs.

c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient, not to exceed 75% of the funds deposited in the general fund pursuant to the preceding paragraph a.

9. The Superintendent of Public Instruction shall provide a report on the status of teacher salaries, by local school division, to the Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year of the biennium.

C. Apportionment

1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality shall receive sums as listed above for subprograms within this program for the basic operation cost and payments in addition to that cost. The apportionment herein directed shall be inclusive of, and without further payment by reason of, state funds for library and other teaching materials.

2. Basic Aid Payments

a. A state share of the Basic Operation Cost, which cost per pupil in ADM is established individually for each local school division based on the number of instructional personnel required by the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District Eight for the cost of competing) for an estimated ADM (adjusted for half-day kindergarten programs).

The calculation of the statewide costs of the aggregate personnel standard does not include that portion of the costs from Retirement, Social Security and Group Insurance programs paid from state funds appropriated by other Items of this act.

b.1) The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated revenues from the state sales and use tax (returned on the basis of school age population), in the fiscal year in which the school year begins and less the required local expenditure.

2) An amount estimated at \$188,025,106 the first year and \$188,025,106 the second year of Financial Assistance for Lottery Proceeds Revenue Sharing appropriated in Item 144 of this act, together with funds appropriated in this Item for Basic Aid Payments, provide for the state share of the Basic Operations Cost as defined in paragraphs a and b 1) above.

c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax estimates are as cited in Item 144 of this act.

d.1) In accordance with the provisions of §§ 22.1-281 and 37.1-96, Code of Virginia, the Department of Education shall deduct the locality's share for the education of handicapped pupils residing in institutions within the Department of Mental Health, Mental Retardation and Substance Abuse Services from the locality's Basic Aid appropriation.

2) The amounts deducted from Basic Aid for the education of mentally retarded persons shall be transferred to the Department of Mental Health, Mental Retardation and Substance Abuse Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be transferred to the Program for Special Education (Item 141) for extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer of sums due from each local school division to the Department of Mental Health, Mental Retardation and Substance Abuse Services and the Program for Special Education (Item 141). The amount of the actual transfers will be based on data accumulated during the prior school year.

e.1) The apportionment to localities of all driver education revenues received during the school year shall be made as an undesignated component of the state share of the basic operation cost in accordance with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.

2) Local school boards may charge a per pupil fee for behind-the-wheel driver education provided, however, that the fee charged plus the per pupil basic aid reimbursement for driver education shall not exceed the actual average per pupil cost. Such fees shall not be cause for a pro rata reduction in Basic Aid payments to school divisions.

f. The one-cent state sales and use tax earmarked for education and distributed to localities on the basis of school age population shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the then current fiscal year.

g.1) The appropriations for basic aid include \$38,528,660 the first year and \$38,763,669 the second year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of \$61.25 the first year and \$61.25 the second year. The state's distributions for textbooks shall be based on adjusted ADM.

2) School divisions shall provide free textbooks to all students.

h. The appropriations for Basic Aid include the state share of an average per pupil amount estimated at \$77 the first year and \$77 the second year to pay for the costs of administration.

i. The appropriations for basic aid include the state share of approximately \$23.5 million or \$306 per instructional position for teacher training the first year and \$23.7 million or \$306 per instructional position for teacher training in the second year. School divisions are encouraged to use these funds to provide teacher training in the core content areas of the Standards of Learning, including the use of technology in instruction.

j.1) Out of this appropriation, an amount estimated at \$28,895,825 the first year and \$28,906,858 the second year from the general fund is provided for the state's share of adding approximately 1,400 elementary teachers, in addition to those funded through the Standards of Quality and K-3 Reduced Class Size payments. In order for any school division to receive its proportionate share of funding for these additional teachers, the local superintendent must certify to the Department of Education that the additional teachers are employed.

2) For the purposes of this initiative, a teacher is defined as any elementary classroom teacher, reading specialist, or technology specialist who has direct contact with students in the classroom.

3) School divisions that wish to participate in this program shall certify their intent to participate to the Department of Education no later than September 15 in each year.

3. Education of the Gifted Payments

a. An additional payment shall be disbursed by the Department of Education to local school divisions to support the state share of one full-time equivalent instructional position per 1,000 students in ADM (adjusted for half-day kindergarten).

b. Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established per pupil cost for gifted education (state and local share) on approved programs for the gifted.

4. Occupational-Vocational Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Vocational Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. An amount estimated at \$87,620,794 the first year and \$88,094,129 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

5. Special Education Payments

An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Special Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

6. Teacher Training for Standards of Learning

a. This appropriation includes \$16,906,814 the first year and \$17,063,967 the second year from the general fund to provide for the implementation and evaluation of comprehensive teacher training programs at the local level in the four core content areas of the Standards of Learning (SOL), and leadership training for principals and superintendents in implementing the SOLs, with the goal of ensuring student success on the Standards of Learning tests.

b. The funding for this program is based on full state funding of \$15 per pupil in the first year and \$15 per pupil in the second year in average daily membership, adjusted for half-day kindergarten programs.

c. The funding for this program is provided in addition to the state share of \$23.5 million, or \$306 per instructional position, provided for Standards of Quality (SOQ) staff development the first year and \$23.7 million or \$306 per instructional position for teacher training the second year in Item 143 C 2 i. This funding shall supplement, not supplant, training programs currently provided with SOQ staff development funds.

d. In order to receive these funds in the first year, no later than August 1, 2000, school divisions must submit to the Department of Education a request for the funding and have received approval from the Department by September 15, 2000, of a local plan for delivering a training program that meets the following objectives and requirements:

1) Training for teachers to support and facilitate the implementation of the Standards of Learning and, thereby, achievement of the requirements of the Standards of Accreditation; such training shall include training in instruction and remediation techniques in English, mathematics, science, and social studies, training in interpreting test data for instructional purposes, and technology applications to implement the Standards of Learning.

2) Incorporation of technology training with an emphasis on concepts for using technology as an instructional tool to meet the technology standards established in the Standards of Learning.

3) Training for division superintendents and principals which is designed to assist them in the implementation of the Standards of Learning and the Standards of Accreditation; such training shall include training in interpreting test data for instructional purposes, instructional strategies to implement the new Standards of Learning, and technology applications to implement the Standards of Learning.

e. Further, to receive training funds from this appropriation, school divisions must agree to participate in monitoring and evaluation activities to be coordinated by the Department of Education. Evaluation data must include documentation of the training process, teacher participation rates, and changes in teacher competencies as determined by the Department of Education. School divisions shall also collect and analyze formative evaluation data during the program, and may use the data to modify their training plans, with such modifications approved by the Department of Education in advance.

f. School divisions preferring to conduct all of the Teacher Training Standards of Learning program in the second year shall inform the Department of Education of their decision, no later than August 1, 2000, and may request that the first year allocation attributable to such school division be carried forward and added to the amount such school division is eligible for in the second year from the Teacher Training Standards of Learning program.

g.1) Any funds unexpended out of the appropriations for the Teacher Training Standards of Learning program as of June 30, 2001, shall not revert to the surplus of the general fund, but shall be carried on the books of the Department of Accounts, to be maintained for the potential use of school divisions which elected to carry forward first year Teacher Training Standards of Learning program funds. Such funds shall be provided, along with the second year funds allocated to such school divisions, subject to the division's satisfaction of the plan requirements set forth below.

2) Any funds provided to school divisions in the first year that are unexpended as of June 30, 2001, shall be carried on the books of the locality to be appropriated to the school division in the second year for the Teacher Training Standards of Learning program as described in paragraph C 6 d. above.

h. In order to receive these funds in the second year, no later than April 1, 2001, school divisions must submit to the Department of Education a request for the funding and have received approval from the Department by May 15, 2001, of a local plan for delivering a training program that meets the following objectives and requirements:

1) Training for teachers to support and facilitate the implementation of the Standards of Learning and, thereby, achievement of the requirements of the Standards of Accreditation; such training shall include training in instruction and remediation techniques in English, mathematics, science, and social studies, training in interpreting test data for instructional purposes, and technology applications to implement the Standards of Learning.

2) Incorporation of technology training with an emphasis on concepts for using technology as an instruction tool to meet the technology standards established in the Standards of Learning.

3) Training for division superintendents and principals which is designed to assist them in the implementation of the Standards of Learning and the Standards of Accreditation; such training shall include training in interpreting test data for instructional purposes, instructional strategies to implement the new Standards of Learning, and technology applications to implement the Standards of Learning.

i. Further, to receive training funds from this appropriation, school divisions must agree to participate in monitoring and evaluation activities to be coordinated by the Department of Education. Evaluation data must include documentation of the training process, teacher participation rates, and changes in teacher competencies as determined by the Department of Education. School divisions shall also collect and analyze formative evaluation data during the program, and may use the data to modify their training plans, with such modifications approved by the Department of Education in advance.

j. The Department of Education shall develop and disseminate to each school division a plan for assessing the success of the Teacher Training Standards of Learning program in achieving these objectives and requirements in each school division.

k. The Department of Education shall provide technical assistance to school divisions in the preparation of their plans.

l. School divisions are encouraged to develop plans which utilize collaborations with institutions of higher education and other local school divisions.

m. The Department of Education shall submit a report on the status of the Teacher Training Standards of Learning program by December 1 each year to the Chairmen of the Senate Finance and House Appropriations Committees.

7. Enrollment Loss/Small School Division Assistance/Direct Grants

a. An additional state payment in each year equal to the state share per pupil of Basic Aid for each locality, for a percentage of the enrollment loss (as determined below) in ADM from the prior year.

Composite Index Percentage

0.0000-0.1999 85%

0.2000-0.3499	70%
0.3500-0.4999	45%
0.5000 or more	30%

b. An additional state payment of \$400,000 the first year and \$400,000 the second year from the general fund is provided as equal Small School Division Assistance grants for the school divisions of Highland County and the City of Norton.

c. An additional state payment of \$14,844,685 the first year and \$14,844,685 the second year from the general fund shall be disbursed as set forth below for each year of the biennium:

Division

Albemarle	518,365
Arlington	730,207
Bath	35,378
Bedford	0
Botetourt	1,398
Chesterfield	162,918
Clarke	56,862
Culpeper	20,967
Essex	28,064
Fairfax County	6,750,221
Fauquier	380,046
Fluvanna	1,278
Frederick	26,053
Goochland	80,204
Hanover	345,984
Henrico	1,229,506
Highland	12,383
James City	307,872
King and Queen	3,565
Lancaster	66,482
Loudoun	1,310,035
Louisa	183,997
Mathews	28,561
Middlesex	51,645

Nelson	56,010
New Kent	32,074
Northumberland	65,929
Orange	31,643
Powhatan	18,260
Prince William	362,458
Rappahannock	46,936
Roanoke	127,752
Rockbridge	9,959
Shenandoah	2,166
Surry	48,676
Warren	16,833
Westmoreland	1,295
Alexandria	442,591
Charlottesville	135,085
Colonial Heights	63,591
Falls Church	65,009
Fredericksburg	92,425
Harrisonburg	121,779
Richmond City	276,476
Roanoke City	77,477
Staunton	10,339
Williamsburg	31,424
Winchester	109,586
Fairfax City	104,395
Lexington	4,088
Salem	49,585
Manassas City	108,854

These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

8. Remedial Education Payments

a. An additional state payment shall be disbursed by the Department of Education to the local school divisions to support the state share of nine professional instructional positions per 1,000 students who score in the bottom national quartile on Virginia State Assessment Program Tests or who fail the state's Literacy tests.

b. An additional state payment estimated at \$43,869,907 the first year and \$43,548,049 the second year from the general fund shall be disbursed based on the estimated number of federal Free Lunch participants, in support of programs for students who are educationally at risk. The additional payment shall be based on the state share of:

1) A minimum 2 percent add-on, as a percent of the per pupil basic aid cost, for each child who qualifies for the federal Free Lunch Program; and

2) An addition to the add-on, based on the concentration of children qualifying for the federal Free Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive between 2 and 12 percent in additional basic aid per Free Lunch participant. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

3a) Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established at-risk payment (state and local share) on approved programs for students who are educationally at risk.

b) To receive these funds, each school division shall certify to the Department of Education that the state and local shares of the at-risk payment will be used to support approved programs for students who are educationally at risk. These programs may include: Dropout Prevention, Advancement Via Individual Determination (AVID), Project Discovery, Reading Recovery, programs for students who speak English as a second language, and programs related to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training.

c.1) An additional state payment of \$5,336,015 the first year and \$5,335,668 the second year from the general fund shall be disbursed for regional alternative education programs. Such programs shall be for the purpose of educating certain expelled students and, as appropriate, students who have received suspensions from public schools and students returned to the community from the Department of Juvenile Justice.

2) Each regional program shall have a small student/staff ratio. Such staff shall include, but not be limited to education, mental health, health, and law enforcement professionals, who will collaborate to provide for the academic, psychological and social needs of the students. Each program shall be designed to ensure that students make the transition back into the "mainstream" within their local school division.

3) Regional alternative education programs are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs. This incremental per pupil payment shall be adjusted for the composite index of the school division that counts such students attending such program in its Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional programs for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the school day or school year that the student does not attend such program.

4) The Board of Education shall provide assistance for the state share of the incremental cost of regional alternative education program operations based on the composite index of local ability-to-pay.

d. An additional state payment of \$141,581 the first year and \$141,581 the second year from the general fund shall be disbursed for the state share of the Virginia Reading Recovery Program to provide intensive individualized reading instruction to first-grade students identified as at risk of reading failure. Funds shall be used for a Reading Recovery training site, program planning, and development support for local school divisions.

e. This appropriation includes \$19,531,881 the first year and \$26,741,867 the second year from the general fund for

the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session. Students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program.

9. Maintenance Supplement

An additional state payment estimated at \$9,435,591 the first year and \$9,493,144 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state share of \$15 per pupil in the first year and \$15 per pupil in the second year in adjusted daily membership for ongoing maintenance needs or debt service payments. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

10. Primary Class Size Payments

- a. An additional payment estimated at \$72,681,865 the first year and \$72,345,077 the second year from the general fund shall be disbursed by the Department of Education as an incentive payment for reducing class sizes in the primary grades.
- b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the greater of the division average per pupil cost of all divisions or the actual division per pupil cost.
- c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.
- d. By November 1 of each year school divisions must provide data to the Department of Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

Qualifying School Percentage of Students Approved Eligible for Free Lunch Grades K-3 School Ratio Individual Class Size

16% but less than 30%	20 to 1	25
30% but less than 45%	19 to 1	24
45% but less than 55%	18 to 1	23
55% but less than 65%	17 to 1	22
65% but less than 70%	16 to 1	21
70% but less than 75%	15 to 1	20
75% or more	14 to 1	19

- e. School divisions may elect to have eligible schools participate at a higher ratio, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio.
- f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in schools that have only one class in an affected grade level in a primary school.
- g. The Superintendent of Public Instruction shall provide a report on the status of the reduction in primary class sizes to the Chairmen of the House Appropriations, House Education, Senate Finance, and Senate Education and Health Committees by December 1 of each year.

11. Educational Technology Payments

a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a pro rata basis to localities. The additional funds shall be used for technology needs identified in the division's technology plan approved by the Department of Education.

b. The Board of Education shall provide \$12,703,840 the first year and \$12,697,650 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 1997 for the purpose of providing technology improvements to school infrastructure, networking, and for purchasing technology equipment.

c.1) The Board of Education shall provide amounts estimated at \$10,553,408 the first year and \$10,554,530 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 1998. Proceeds from the 1998 issuance continue the implementation of the Board of Education's Six-Year Educational Technology Plan for Virginia, including: a) retrofitting and upgrading of existing school buildings to efficiently use educational technology, b) providing network-ready multimedia microcomputers for every classroom, and c) providing a 5 to 1 ratio of pupils to network-ready microcomputers.

2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay debt service on the Virginia Public School Authority bonds authorized for this program. In developing the proposed 2002-04 biennial budget for public education, the Board of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make the debt service payments for this program in fiscal year 2003.

d.1) The Board of Education shall provide amounts estimated at \$15,788,833 the first year and \$15,615,387 the second year from the Literary Fund to provide debt service payments for the education technology grant program through the Virginia Public School Authority in 2000. The 2000 program is focused on four major components: a) retrofitting and upgrading of existing school buildings to efficiently use educational technology; b) providing network-ready multimedia microcomputers for every classroom; c) providing a 5 to 1 ratio of pupils to network-ready microcomputers; and d) replacement of administrative and student management and information systems supporting data requirements associated with the Standards of Accreditation in school divisions lacking adequate systems.

2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay debt service on the Virginia Public School Authority bonds authorized for this program. In developing the proposed 2002-04 and 2004-06 biennial budgets for public education, the Board of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make the debt service payments for this program in FYs 2003, 2004, and 2005.

e. Unspent proceeds of the notes, including investment income derived from the proceeds of the notes may be used to pay interest on, or to defease principal of the notes.

f.1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone Company for the State Government" shall be deemed to include communications lines into public schools which are used for educational technology. The rate structure for such lines shall be negotiated by the Superintendent of Public Instruction and the Director of the Department of Technology Planning. Further, the Superintendent and Director are authorized to encourage the development of "by-pass" infrastructure in localities where it fails to obtain competitive prices or prices consistent with the best rates obtained in other parts of the state.

2) The State Corporation Commission, in its consideration of the discount for services provided to elementary

schools, secondary schools, and libraries and the universal service funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the discounts for intrastate services provided to elementary schools, secondary schools, and libraries for educational purposes as large as is prudently possible and to fund such discounts through the universal fund as provided in § 254. The Commission shall proceed as expeditiously as possible in implementing these discounts and the funding mechanism for intrastate services, consistent with the rules of the Federal Communications Commission aimed at the preservation and advancement of universal service.

g. An amount estimated at \$8,684,679 the first year and \$8,684,679 the second year from federal funds is appropriated pursuant to the Goals 2000: Educate America Act.

h. An amount estimated at \$2,851,387 the first year and \$2,851,387 the second year from federal funds is appropriated from the federal Technology Literacy Challenge Fund.

12. At-Risk Four-Year-Olds Preschool Payments

a.1) It is the intent of the General Assembly that an additional state payment shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds unserved by another program.

2) These grants shall be used to provide programs for at-risk four-year-old children which include quality preschool education, health services, social services, parental involvement and transportation. Programs must provide full-day and, at least, school-year services.

3) The Department of Education, in cooperation with the Council on Child Day Care and Early Childhood Programs, shall establish guidelines for quality preschool education and criteria for the service components. Such guidelines shall be consistent with the findings of the November 1993 study by the Board of Education, the Department of Education, and the Council on Child Day Care and Early Childhood Programs.

4) Grants shall be distributed based on an allocation formula providing the state share of a \$5,400 grant for sixty percent of the unserved at-risk four-year-olds in each locality.

b.1) Any locality which desires to participate in this grants program must submit a proposal through its chief administrator (county administrator or city manager) by May 15 of each year. The chief administrator, in conjunction with the school superintendent, shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at-risk children which demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk four-year-old children.

2) The proposal must demonstrate coordination with all parties necessary for the successful delivery of comprehensive services, including the schools, child care providers, local social services agency, Head Start, local health department and other groups identified by the lead agency.

3) A local match, based on the composite index of local ability-to-pay shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs. Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for preschool programs within the locality. However, in the event a locality is prohibited from continuing the previous level of support to programs for at-risk four-year-olds from Title 1 of the Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such prohibition may occur due to amendments to the allocation formula in the reauthorization of ESEA approved as a part of the Improving America's Schools Act of 1994 or due to a percentage reduction in a locality's Title I

allocation in 2000-01 or 2001-02. Any locality so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year.

Examples of these include:

- 1) "Wraparound Services" -- methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs.
- 2) "Wrapout Services" -- methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a setting which currently provides quality preschool education.
- 3) "Expansion of Service" -- methods for using grant funds to purchase slots within existing programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.

Local plans must indicate the number of at-risk four-year-old children to be served, and the criteria by which they will be determined to be at risk.

d.1) The Department of Education and the Council on Child Day Care and Early Childhood Programs shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.

2) A pre-application session shall be provided by the Department and the Council on Child Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

e. The Department of Education is authorized to expend unobligated balances in this Item and Item 141 if participation in the At-Risk Four-Year-Olds Preschool program is greater than projected.

13. Truancy/Safe Schools Payments

a. An additional payment of \$2,138,570 the first year and \$2,138,570 the second year from the general fund shall be disbursed by the Department of Education as an incentive payment for reducing truancy and supporting safe schools in elementary and middle schools.

b. The Department shall use a four-year trend analysis of elementary and middle schools' attendance rates, as reported in the Department's School Performance Report Card, to identify those school divisions in the lowest 13.4 percent for elementary and middle school attendance.

c. Funds are to be distributed to those identified school divisions according to the following formula, with the state contributing its share, based on the composite index of local ability-to-pay, to each identified participating school division.

	Amount
Number of Schools Participating	
One school	\$20,000
	\$35,000

Two to three schools	\$50,000
Four to five schools	
Six or more schools	\$17,500 per school

d. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.

e. School divisions must notify the Department of Education of their intent to implement truancy intervention or safe school programs in all, or any portion, of the qualifying schools by August 1 of each year.

f. The Department of Education shall develop guidelines for submitting truancy intervention and safe school proposals, as well as for implementation and assessment of such programs.

g. Local truancy plans must provide clear methods for the identification of truants, the development of a plan for the local coordination of services for identified truants and their families with public and private human service agencies and local Juvenile and Domestic Relations District Courts, and the means by which they plan to evaluate the efficacy of their efforts to reduce truancy in identified elementary and middle schools.

h. Local safe school initiatives may include, but shall not be limited to, the following activities:

- 1) Provision of aggressive alcohol and drug education;
- 2) Establishment of youth violence committees comprised of local law-enforcement and social services agencies and school staff that will develop suspension-intervention programs for students who have chronic discipline problems;
- 3) Provision of conflict resolution training for students and staff members in middle and elementary schools;
- 4) Establishment of community policing programs; and
- 5) Establishment of community/parent liaison programs.

14. Early Intervention

a. An additional incentive payment of \$14,202,542 the first year and \$14,168,196 the second year from the general fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing early intervention services to students in grades Kindergarten through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests of any local school board which requests authority to use a test other than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions.

b. These incentive payments shall be based on the state's share of the cost of providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of five to one. The estimated number of students in each school division in the first year shall be determined by multiplying the projected number of students reported in each school division's fall membership by the estimated percent of students eligible for the federal free lunch program in that school division and adjust in the following manner:

Kindergarten 100%

Grade 1 50%

Grade 2 50%

Grade 3 25%

The estimated number of students in each school division in the second year shall be determined based on the percent of students who are determined to need services based on diagnostic tests administered in the first year.

c. These incentive payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Such intervention programs, at the discretion of the local school division, may include, but not be limited to, the use of: special reading teachers; trained aides; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in-class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students. Localities receiving these incentive payments are required to match these funds based on the composite index of local ability-to-pay.

15. Standards of Learning Instructional Materials

An additional incentive payment of \$12,580,789 the first year and \$12,657,522 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to assist school divisions in implementing the Standards of Learning. These funds shall be used to purchase textbooks and/or instructional materials that are related to the Standards of Learning. Payments to school division shall be based on the state share of \$20 per student in adjusted average daily membership and shall be made to any school division that certifies to the Department of Education that such funds will be used to purchase textbooks and/or instructional materials that support the implementation of the Standards of Learning. Such certification shall include a plan or description of the purpose for which the funds will be used. Localities receiving these incentive payments are required to match these funds based on the composite index of local ability-to-pay.

16. Standards of Learning Remediation

a. An additional payment of \$16,035,137 the first year and \$15,518,839 the second year from the general fund shall be disbursed by the Department of Education to local school divisions as an incentive payment for a program for students who are determined to require remediation based on their performance on the Standard of Learning assessments. School divisions may also use this funding for students who may require remediation to perform adequately on the Standards of Learning assessments.

b. These incentive payments shall be based on the state share of the cost of providing an additional two and one-half hours of instruction each week for an estimated number of students in each school division at a student to teacher ratio of ten to one. The number of students shall be based on multiplying the projected number of students in grades 4, 6, 9 and 11 by the estimated percentage of students eligible for the federal Free Lunch program for

each school division. Funding is also provided for training in remediation techniques for those teachers who will deliver the additional instruction at \$500 per teacher.

c. These incentive payments are available to any school division that certifies that a remediation program will be offered to students. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

d. Any funds provided to school divisions in the first year for the Standards of Learning Remediation Program that are unexpended as of June 30, 2001, shall be carried on the books of the locality to be appropriated to the school division in the second year for use in the same program.

17. School Health Incentive Payments

a. An additional payment of \$1,672,639 the first year and \$1,669,279 the second year from the general fund shall be disbursed by the Department of Education to local school divisions as incentive payments for the provision of nursing services in public elementary and secondary schools.

b. These incentive payments shall be based on a state share of an additional 0.523 hour of nursing services per child eligible for the Federal Free Lunch program for each school division.

c. To receive funding, each school division must submit a grant application, reviewed by its School Health Advisory Board, describing how the funds are to be used. Local school divisions are encouraged to consider collaborative, innovative, and nontraditional approaches to funding and service configuration such as public/private partnerships.

d. In order to receive the state allocation, the local school division must have utilized its funding under the Standards of Quality for the provision of nursing services in fiscal year 1999 or must have provided the equivalent level of services through some other arrangement in fiscal year 1999. If any school division does not meet this standard, then the amount of incentive funds for which it is eligible will be reduced to the same percentage of the Standards of Quality funding as was used for nursing services in fiscal year 1999.

e. Local school divisions shall provide a local match based on the composite index of local ability-to-pay.

f. If local school divisions employ licensed practical nurses or unlicensed assistive personnel using this funding, those persons must be supervised and trained by a registered nurse or someone licensed at a higher level than registered nurse.

18. Math Intervention

a. An additional incentive payment of \$9,132,407 the second year from the general fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 7 and 8 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions.

b. These incentive payments shall be based on the state's share of the cost providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of ten to one. The estimate number of students in each school division in the second year shall be determined by multiplying the projected number of students reported in each school division's fall membership by the percent of students that failed the 8th grade math SOL.

c. These incentive payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Localities receiving these incentive payments are required to match these funds based on the composite index of local ability-to-pay.

19. Standards of Learning Technology Payments

a. An additional payment of \$360,000 from the general fund and \$41,193,291 from the Literary Fund in the first year and \$9,942,240 from the general fund and \$43,554,351 from the Literary Fund in the second year shall be disbursed by the Department of Education to local school divisions to establish a computer-based instructional and testing system for the Standards of Learning (SOL), connecting high schools, Best Practice Centers and the central office of the Department of Education. For the purposes of this program, a "high school" shall be defined as any school providing instruction in grades 9 through 12, which includes regional vocational centers, regional special education centers, regular school year regional Governor's Schools, and the Schools for the Deaf and Blind. The Literary Fund distribution shall include funds each year for SOL instruction, remedial, and testing software applications.

b. The goal of the program is to improve the instructional, remedial, and testing capabilities of the Standards of Learning for local school divisions. The payments for this program shall commence in FY 2001 and shall conclude in FY 2003.

c. The general fund distribution shall be based on an amount per student adjusted for the composite index of ability-to-pay.

d. Literary Fund monies shall be distributed in the following manner:

1) a) Each high school shall receive funds to reach a goal of (1) 5 to 1 student to computer ratio, (2) Internet-ready LAN (Local Area Network) capability, and (3) Network Virginia or web-equivalent access.

b) Funds shall be allocated to eligible high schools based on paragraph a) above. 70% of such allocation shall be based on a fixed amount per high school and 30% of such allocation shall be based on a per pupil distribution based on the number of students reported in fall membership in grades 9 through 12.

c) When each high school meets the goals established in paragraph a) above only the 30% per pupil allocation shall continue.

d) Any unused portions of the Literary Fund appropriation shall be redistributed to high schools that have not met the goals established in paragraph a) above on a prorated basis.

2) Local school divisions shall maximize the use of available federal funds, including E-Rate funds, and, to the extent possible, use such funds to supplement the program and reduce the cost to the Literary Fund.

e) To receive Literary Fund grants under this program, school divisions must submit a plan for the use of funds to the Department of Education no later than August 1, 2000. The Secretaries of Education and Technology shall determine the format for the plan. As a minimum, each locality's plan shall include:

1) The intent to be capable of administering the Standards of Learning test by May 1, 2003;

2) A commitment of local funds based on the composite index to match the general fund costs of the program; and,

3) A commitment to report to the Department of Education a detailed review of any purchased SOL software

application to be shared with the Best Practices Centers and other school divisions.

4) The current use of E-Rate Funds and the extent to which E-Rate Funds can be used to reduce the cost of the locality's plan.

Prior to the release of funds, the Secretaries of Education and Technology shall approve each locality's plan.

f. The Office of the Secretary of Technology, the Department of Education, and the Board of Education shall develop criteria to determine if a high school is SOL test-ready, based on the completion of a plan submitted by the local school division. The Office of the Secretary of Technology shall be responsible for the project management of this program. The Office of the Secretary of Technology and the Department of Education shall study the feasibility and determine the cost of expanding this program to middle and elementary schools.

g. Item 133 of this act contains funds in subprogram 19107 for the administrative cost of implementing the above program.

20. General Education Needs

This appropriation includes \$55,000,000 the first year and \$55,000,000 the second year from the general fund to provide grants to school divisions for nonrecurring expenditures by the relevant school division. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, and debt service payments on school projects completed during the last ten years.