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# VIRGINIA STATE BUDGET

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2006 Special Session I

## Budget Bill - HB5012 (Chapter 2)

Bill Order » Office of Education » Item 145

Direct Aid to Public Education

Item 145	First Year - FY2005	Second Year - FY2006
<b>Financial Assistance for Public School Employee Benefits (17200)</b>	<b>\$239,231,241</b>	<b><del>\$288,220,569</del> \$287,798,528</b>
Financial Assistance for School Employee Retirement Contributions (17201)	\$109,149,216	<del>\$139,000,765</del> \$138,796,911
Financial Assistance for School Employee Social Security Contributions (17202)	\$130,082,025	<del>\$149,219,804</del> \$149,001,617
Fund Sources:		
General	\$107,376,541	<del>\$162,365,869</del> \$161,943,828
Trust and Agency	\$131,854,700	\$125,854,700

Authority: Title 51.1, Chapters 1, 5, 7 and 14, Code of Virginia.

Payments out of the above amounts shall be subject to the following conditions:

1. General Conditions

a. The Standards of Quality cost for each of the three subprograms in this Item shall be limited for instructional staff members to the employer's cost for a number not exceeding the number of instructional positions required by the Standards of Quality for each school division and for their salaries at the statewide prevailing salary levels as printed below.

Instructional Position	First Year Salary	Second Year Salary
Elementary Teachers	\$37,534	\$37,534
Elementary Assistant Principals	\$52,546	\$52,546
Elementary Principals	\$64,562	\$64,562
Secondary Teachers	\$39,641	\$39,641
Secondary Assistant Principals	\$57,365	\$57,365
Secondary Principals	\$70,945	\$70,945
Aides	\$12,802	\$12,802

b.1) Payment by the state to a local school division shall be based on the state share of fringe benefit costs of 55 percent of the employer's cost distributed on the basis of the composite index.

2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing fringe benefit funds under this provision.

3) The state payment to each school division for retirement, social security, and group life insurance costs for noninstructional personnel is included in and distributed through Basic Aid.

c. Payments to school divisions from these subprograms shall be calculated using Average Daily Membership adjusted for half-day kindergarten programs.

d. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.

## 2. School Employee Retirement Contributions

a. This subprogram provides funds to each local school board for the state share of the employer's retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to the retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.

b. Notwithstanding § 51.1-1401 of the Code of Virginia, the Commonwealth shall provide payments for only the state share of the Standards of Quality fringe benefit cost of the retiree health care credit. This item includes payments in both years based on the state share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of Quality instructional positions, distributed based on the composite index of the local ability-to-pay.

c. As a part of the review of the Virginia Retirement System pursuant to House Joint Resolution No. 34 the joint subcommittee shall review: 1) the Commonwealth's responsibilities for funding the teacher retirement system beyond the actuarial normal rate and 2) the Commonwealth's appropriate share for retirement payments by school divisions. In making this review, the joint subcommittee shall review the impact of the blended retirement rates on the retirement system, school divisions, and the Commonwealth.

## 3. School Employee Social Security Contributions

This subprogram provides funds to each local school board for the state share of the employer's Social Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.

## 4. School Employee Insurance Contributions

This subprogram provides funds to each local school board for the state share of the employer's Group Life Insurance cost incurred by it on behalf of instructional personnel who participate in group insurance under the provisions of Title 51.1, Chapter 5, Code of Virginia.

## 5. Literary Fund Payments

Appropriations for contributions in Paragraphs 2 and 3 above include payments from funds derived from the principal of the Literary Fund in accordance with Article VIII, Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund for these purposes are approximately \$131,854,700 the first year and \$125,854,700 the second year.