

VIRGINIA STATE BUDGET

2023 Special Session I

Budget Bill - HB6001 (Introduced)

Bill Order » Office of Education » Item 138.10

Direct Aid to Public Education

Item 138.10	First Year - FY2023	Second Year - FY2024
State Education Programs (17700)	\$132,813,671	\$130,279,159 \$775,607,219
Distribution of State Education Assistance (17701)	\$132,813,671	\$130,279,159 \$775,607,219
Fund Sources:		
General	\$132,703,671	\$125,816,329 \$684,973,681
Special	\$110,000	\$125,000
Trust and Agency	\$0	\$4,337,830 \$90,508,538

A. The appropriations within this agency shall be adjusted as follows:

General Fund Appropriations	First Year FY 2023	Second Year FY 2024
Update Average Daily Membership projections based on Fall Membership	\$28,389,627	\$42,826,514
Update costs of Categorical programs	\$1,233,501	\$1,241,783
Update costs of Incentive programs	(\$16,271,483)	(\$6,450,403)
Update Fall Membership data in Direct Aid program formulas	\$97,384	\$214,336
Update Lottery proceeds for public education	\$9,499,460	(\$4,337,838)
Update program participation for Remedial Summer School	\$9,139,785	\$9,139,785
Update sales tax distribution for school age population	\$0	(\$93,912)
Update sales tax revenue for public education	\$90,474,422	\$77,507,889
Update Supplemental Education accounts	(\$335,000)	\$0
Update the cost of Lottery-funded programs	(\$104,903)	\$0
Update the state cost for English as a Second Language	\$2,147,022	\$4,647,991
Update Academic Year Governor's School per pupil amounts	\$1,104,051	\$1,120,184
Use Lottery fund balances to support existing appropriation	(\$9,499,465)	\$0
General Fund Total:	\$115,874,401	\$125,816,329

Nongeneral Fund Appropriations	First Year	Second
	FY 2023	FY 2024
Increase nongeneral fund appropriation for Summer Residential Governor's World Language Academies	\$110,000	\$125,000
Update Lottery proceeds for public education	(\$9,499,462)	\$4,337,830
Use Lottery fund balances to support existing appropriation	\$9,499,462	\$0
Nongeneral Fund Total:	\$110,000	\$4,462,830

B. Out of this appropriation, \$16,829,270 the first year from the general fund is provided to ensure that the sum of basic aid and sales tax payments a school division receives in fiscal year 2023 is at least the sum of basic aid and sales tax payments that was communicated to school divisions in Superintendents Memo #133-22.

C. The appropriations within this agency shall be further adjusted as follows:

General Fund Appropriations	First Year	Second Year
	FY 2023	FY 2024
<i>Fund additional support positions</i>	\$0	\$152,282,115
<i>Provide flexible funding supplement</i>	\$0	\$418,299,937
<i>Fund an additional two-percent salary increase in FY 2024 for SOQ-recognized positions</i>	\$0	\$54,596,009
<i>Establish school security equipment grant program</i>	\$0	\$12,000,000
<i>Support Chesapeake Regional Career and Technical Education Center</i>	\$0	\$3,000,000
<i>Support improvements at Oak Street Elementary School in Falls Church</i>	\$0	\$3,000,000
<i>Provide supplemental support for Accomack and Northampton in FY 2024</i>	\$0	\$1,749,999
<i>Increase support for Power Scholars Academy - YMCA BELL</i>	\$0	\$250,000
<i>Establish Critical Security Language Grant Program</i>	\$0	\$150,000
<i>Use FY 2023 residual Lottery profits to offset FY 2024 General Fund allocation</i>	\$0	(\$86,170,708)
General Fund Total:	\$0	\$559,157,352

Nongeneral Fund Appropriations	First Year	Second Year
	FY 2023	FY 2024
<i>Transfer FY 2023 residual Lottery profits to Lottery Proceeds Fund</i>	\$0	\$86,170,708
Nongeneral Fund Total:	\$0	\$86,170,708

D. Out of this appropriation, \$152,282,115 the second year from the general fund is provided to fund additional

support positions in Basic Aid. Notwithstanding Item 137.C.5.k, in the second year the funding ratio methodology for certain support positions shall be based upon 24 support positions per 1,000 ADM. The Department of Education shall use this ratio in the second year to rebenchmark costs for the 2024-2026 biennium.

E. 1. Out of this appropriation, an additional state payment estimated at \$418,299,937 the second year from the general fund is provided to support flexible funding for the implementation of the Virginia Literacy Act, learning loss recovery, and additional operating and infrastructure support. Funding shall be disbursed to support the state share of \$1,086.44 per pupil the second year based on the estimated number of federal Free Lunch participants and the state share of \$203.63 per pupil the second year based on the unadjusted average daily membership. Each school division shall receive at least \$150,000 from this appropriation.

2. Funds shall not require a local match. Any funds provided to school divisions from this appropriation that are unexpended as of June 30, 2024, shall be carried on the books of the locality to be appropriated to the school division in the following year if the division certifies to provide the local match for the At-Risk Add-On Program in Item 137 for the 2024-2026 biennium. School divisions are permitted to use any remaining fund balance until the funds are expensed for the qualifying purpose.

3. School divisions shall report on the use of these funds and the use of school division pass-through federal Elementary and Secondary School Education Relief funds used since 2020. Such reporting shall specify amounts obligated and expensed based on reporting categories as prescribed by the Department of Education. School divisions also shall report how funds address performance gains or losses related to reading and mathematics and support preparation and implementation of the Virginia Literacy Act. The Department of Education shall compile this information and submit it to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committee no later than October 1, 2024, 2025, and 2026.

4. The locality in which the school division is located shall appropriate these funds solely for educational purposes and shall not use such funds to reduce total local operating expenditures for public education below the amount expended by the locality for such purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure data were based; provided however that no locality shall be required to maintain a per-pupil expenditure which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure data were based.

F. 1. Out of this appropriation, \$54,596,009 the second year from the general fund is provided to increase salaries of funded SOQ instructional and support positions by two percent effective January 1, 2024. Sufficient funds are appropriated in the biennium, on a statewide basis, to support the state share of a five percent salary increase effective August 1, 2022, a five percent salary increase effective July 1, 2023, and a two percent salary increase effective January 1, 2024.

2. To access the funds for the two percent increase effective January 1, 2024, school divisions (1) must have provided at least an average 2.5 percent increase in the first year and an average 2.5 percent increase in the second year as provided in Item 137.C.37 and (2) shall certify to the Department of Education that an equivalent increase will be provided to instructional and support personnel effective no later than January 1, 2024. School divisions that previously provided a total average increase in excess of the five percent increases provided in the first year or the second year to instructional and support personnel may count average increases given in excess of those five percent increases toward this certification. The state funds that the school division is eligible to receive shall be matched by the local government based on the composite index of local ability-to-pay. This local match shall be calculated for funded SOQ instructional and support positions using an effective date of January 1, 2024. Local school divisions shall certify to the Department of Education that funds used as the local match are derived solely from local revenue sources.

G. Out of this appropriation, \$1,749,999 the second year from the Lottery Proceeds Fund is provided for supplemental one-time support to Accomack and Northampton school divisions. The Department of Planning of

Budget is directed to increase the general fund and decrease the Lottery Proceeds Fund split funded At-Risk Add-On in Item 137 for this action.

H. Out of this appropriation, \$12,000,000 the second year from the general fund is designated to support school safety and security grants. The Department of Education shall administer the program and develop guidelines. Funds may be used to support equipment and planning to improve safety and security, including purposes not authorized for the existing VPSA-funded Security Equipment grant program. In determining grant awards, prioritization shall be placed on the severity of identified deficiencies and the school division's local ability to pay as identified by its local composite index. In addition to this amount, \$8,000,000 in federal State and Local Recovery Funds are provided for this purpose pursuant to Item 486.

I. Out of this appropriation, \$3,000,000 the second year from the general fund is provided to Chesapeake Public Schools to support equipment costs for a regional career and technical education facility in the Chesapeake, Portsmouth, and Norfolk region.

J. Out of this appropriation, \$3,000,000 the second year from the general fund is provided to Falls Church City Public Schools to support safety and security improvements at Oak Street Elementary School.

K. Out of this appropriation, \$250,000 the second year from the general fund is designated to the YMCA Power Scholars Academy.

L. Out of this appropriation, \$150,000 the second year from the general fund is provided for Critical National Security Language Grants. The Department of Education shall award these competitive grants to school divisions that provide one or more foreign language courses in a foreign language that is currently identified as critical by the National Security Language Initiative for Youth scholarship program. Each grant shall be limited to an annual amount sufficient to provide one or more full-time equivalent teaching position to provide one or more critical foreign language courses. The Department shall establish guidelines for administering the program, including selection criteria that considers teacher experience and qualifications, student interest, class size and student to teacher ratios, and the number of courses to be taught.

M. Community-based providers that are recipients of Virginia Preschool Initiative grants shall be exempted from all regulatory and statutory provisions related to teacher licensure requirements and qualifications when paid by public funds within the confines of the Virginia Preschool Initiative community-add-on partnerships and provided that the provider meets the expectations of the statewide measurement and improvement system.

N. This appropriation includes \$86,170,708 the second year from the Lottery Proceeds Fund and the corresponding adjustment of \$86,170,708 the second year from the general fund to adjust the split-funded At-Risk Add On in Item 137. These amounts represent the estimated residual fiscal year 2023 Lottery profit transfer.