



Report of the Subcommittee on  
Education

(Amendments to SB 850,  
as Introduced

Senate Finance Committee  
Virginia General Assembly

February 8, 2009

**2009 REPORT OF THE EDUCATION SUBCOMMITTEE  
CHARLES J. COLGAN, CHAIRMAN**

Members of the Committee:

I am pleased to present to you the Education Subcommittee's budget recommendations.

During these trying economic times, there is fear regarding the future and the uncertainty that we will face. People look to us to develop solutions. Education is an area where we know there are future solutions.

Education touches so many aspects of our lives and provides advances in medicine and research, as well as bringing jobs to the Commonwealth.

For these reasons, our funding commitment to education remains paramount. Although we cannot preserve the funding we anticipated in this area for this biennium, we have preserved funding to the extent possible and provided flexibility and discretion where we could.

It is our intent to return to higher levels of funding for education when times improve. We appreciate the cooperation and understanding that we have had from the localities and our higher education institutions as we developed this budget. There is a mutual trust between us and I know that this trust will continue in the future. This Subcommittee will continue to work to maintain our past commitments.

## Public Education

Consistent with our long-standing track record, aid to localities for Public Education remains among our highest budget priorities. I'm proud to say that this Subcommittee has engaged local governments, school boards, administrators, teachers, and parents to come up with options to lessen the sting of funding reductions, where possible, and give local decision-makers more discretion.

Providing additional discretion and flexibility to local school divisions was critically important as we were mindful that our localities are also struggling with diminished resources. The introduced budget incorporated several policy actions, including a support staff cap, which produced reductions of \$368.4 million GF. Although this Subcommittee will embrace the amount of these reductions, we are not embracing the proposed change in methodology behind these reductions. It is our intent that these reductions will be temporary and local school divisions will have flexibility in achieving these reductions.

Similarly, we will give school divisions the opportunity to choose whether their school construction grants funding will be spent on non-recurring or on operating expenses. It is our hope to be able to further address this issue if Virginia receives federal stimulus money for this purpose.

Another area where the Subcommittee felt it was necessary to provide some additional flexibility is textbooks. Due to the loss of certain revenues assumed in the Governor's budget, this Subcommittee had even less

revenue to provide to K-12 than the introduced budget. Therefore, the Subcommittee recommends that 50 percent of the funding for textbooks in FY 2010 be deferred, with this deferral ultimately being left up to the local school division.

On a more positive note, the Subcommittee was able to provide \$1.1 million to account for expected growth in the number of teachers eligible for bonuses due to certification from the National Board for Professional Teaching Standards. This will ensure that the teachers eligible for these bonuses will receive them, improving the quality of instruction for our children.

The Subcommittee also set out to accomplish something that may have a long-term impact on cost savings for our local schools and their teachers. For many years our local school divisions have expressed concerns about the rising cost of health insurance. For all but the very largest of these, they are often unable to effectively achieve the cost efficiencies that come with large group self-insurance pools. While no one has yet found the answer to rising health care costs, I am pleased to report that we have developed what we consider to be a solution to the problem of cost efficiencies.

Working with the General Government subcommittee and the technical experts who manage the Commonwealth's own health insurance program, we are able to recommend a program of health insurance for employees of local school divisions that will provide the same benefits at the same costs as provided under the State's health insurance program. Those localities that do not wish to participate in

this cost saving initiative will be able to opt out before the program begins on July 1, 2010.

I have said it before, and it still holds true today, Public Education is THE best long term investment we can make to improve the lives of Virginians – collectively and individually. Although we were not able to hold public education completely harmless during these trying economic times, the Subcommittee has listened to local stakeholders and given them the flexibility they have requested, along with an additional tool to reduce their health care costs in the future.

### **Higher Education**

In order to minimize the negative impact on higher education, the Subcommittee chose to raise additional revenue through increasing the capital fee for out-of-state students, redirect a portion of the new funding included in the Governor's introduced budget, and reduce some research funding in FY 2010. Through these actions, the Subcommittee was able to provide additional funding to areas where it would have a meaningful impact.

During 2008, the General Assembly passed a bond package that authorized \$1.5 billion worth of projects, mostly for higher education. The out-of-state students attending college in Virginia directly benefit from these projects. For this reason, the Subcommittee chose to raise the capital fee for out-of-state students from \$2 per credit hour to \$6 per credit hour. This maintains a more appropriate contribution level to be dedicated to the debt

service of these projects. This also allows the Subcommittee to redirect funding to several key areas.

The first of these areas is financial aid. I am pleased to report that the Subcommittee was able to provide an additional \$4.0 million for student financial assistance above the \$25.9 million that was included in the introduced budget. In addition, the Subcommittee allocated funding of \$351,000 for SB 1214 to allow more flexibility in eligibility for the two-year transfer grant and maintained the \$1.3 million in additional funding for an increase in the award amounts for the grant that was included in the introduced budget and SB 1240.

These actions were taken because financial aid is a critical area for directing resources during this period of economic upheaval. Many parents are faced with declining resources from lost jobs, declining home values, and reduced value of other traditional means of funding a college education. Therefore, providing additional aid to our students so that they can achieve a college degree is of highest importance. This is especially true when tuition costs are likely to rise.

As I stated just last year, we acknowledge that our institutions of higher education will certainly have to raise tuition when they experience large reductions to their general fund support. It is expected. But again, we feel confident that the boards, with advice from their presidents and staff, will make prudent decisions that continue to promote access to higher education for Virginia residents. This is the trust that I spoke of in the beginning of this

report. Because of this trust, we have found it again unnecessary to artificially limit our institutions of higher education's authority to set their own tuition rates. We know that they will act responsibly to raise the resources they need while working to protect affordability for Virginia's students. And, they know that this Subcommittee will work diligently in the future to restore the progress that has been made to our long-standing funding goals.

The second area where the Subcommittee chose to provide funding was for the Eminent Scholar's program. The program was established in 1964 and designed to match endowment earnings on a dollar-for-dollar basis with funds used to supplement faculty salaries and attract eminent faculty. Although this program has not been adequately funded over the years, it has been a long-standing tool for the institutions to leverage private dollars. The introduced budget completely eliminated the program. The Subcommittee was able to restore \$4.0 million or two-thirds of the funding originally provided in FY 2010.

In conclusion, the Subcommittee strived to protect our investments in both public and higher education to the extent possible. Protecting funding in these areas and mitigating negative impacts felt by our students and localities due to Virginia's declining revenues were key objectives. Again, we have provided flexibility in areas where we thought it would be beneficial. The education of our citizenry is critical to our future. And, although the economy is difficult at this moment, I know that Virginia has a bright future because we will continue to work together to improve the lives of all Virginians.

For details on these and other recommendations of the Subcommittee, summary tables and selected language amendments in Public Education, Other Education, and Higher Education are attached. We offer them to the Committee for its consideration.



**PUBLIC EDUCATION AND OTHER EDUCATION - Education Subcommittee Report, Sunday February 8, 2009**

	GF		NGF	
	FY 2009	FY 2010	FY 2009	FY 2010
<b>Summary of Recommended Amendments to SB 850 As Introduced</b>				
<b><u>Direct Aid to Public Education</u></b>				
Technical: Revise sales tax estimate - restore dealer discount		\$	(9,391,155)	
Reduce textbook funding by 50 percent	\$	-	\$	(39,657,117)
Partially restore funding for state operated programs	\$	-	\$	1,231,143
Fund current est. for FY10 National Board Certification	\$	-	\$	1,176,750
<b>Subtotal</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(46,640,379)</b>
 <b><u>Science Musuem of Virginia</u></b>				
Belmont Bay Science Center - Transfer to GMU	\$	(25,000)	\$	(50,000)
<b>TOTAL</b>	<b>\$</b>	<b>(25,000)</b>	<b>\$</b>	<b>(46,690,379)</b>
			\$	-
			\$	-

**FY2010 Direct Aid to Public Education Estimated Distribution Based on SFC Education Subcommittee's Recommendations, February 8, 2009**

School Division	Key Data			Est. Distribution for FY2010: <i>CH. 879, 2008 SESSION</i>	Technical Updates and Policy Changes Proposed in SB 850 As Introduced	Est. Distribution for FY2010: <i>SB 850 AS INTRODUCED, DEC. 17, 2008</i>	Additional Actions Recommended By the SFC Education Subcommittee			Est. Distribution for FY2010: <i>SFC EDUCATION SUBCOMMITTEE'S RECOMMENATION, FEB. 8, 2009</i>
	2008-2010 Composite Index	Projected Unadj. ADM Enrollment (Ch. 879, 2008 Session)	UPDATED Projected Unadj. ADM Enrollment (SB 850 As Introduced)				Reduce FY2010 Textbook Per Pupil Amount By Half	Revise Sales Tax Estimate Based on Restoring the Dealer Discount	Restore Funding for Educational Services at Two MH Facilities to Remain Open	
ACCOMACK	0.3756	4,842	4,887	\$31,773,549	(2,258,753)	\$29,514,796	(\$180,961)	(\$39,253)	\$0	\$29,294,582
ALBEMARLE	0.6237	12,417	12,423	48,886,426	(3,297,590)	45,588,836	(277,398)	(154,847)	0	45,156,591
ALLEGHANY	0.2211	2,847	2,736	20,252,686	(2,185,236)	18,067,450	(126,311)	(9,964)	0	17,931,175
AMELIA	0.3209	1,888	1,813	11,774,161	(1,517,249)	10,256,912	(72,985)	(9,235)	0	10,174,692
AMHERST	0.2644	4,597	4,461	31,523,276	(2,924,421)	28,598,854	(194,508)	(22,850)	0	28,381,496
APPOMATTOX	0.2438	2,251	2,109	15,796,629	(1,929,539)	13,867,090	(94,532)	(8,306)	0	13,764,252
ARLINGTON	0.8000	17,951	19,192	51,563,422	(2,128,573)	49,434,848	(227,469)	(261,056)	0	48,946,323
AUGUSTA	0.3303	10,765	10,636	65,429,675	(6,417,903)	59,011,771	(422,357)	(65,879)	0	58,523,535
BATH	0.8000	684	668	2,170,799	(389,082)	1,781,717	(7,917)	(8,712)	0	1,765,088
BEDFORD	0.3497	9,856	9,791	55,014,704	(5,722,327)	49,292,377	(377,491)	(56,105)	0	48,858,780
BLAND	0.2611	906	949	6,452,049	(250,354)	6,201,695	(41,587)	(3,728)	0	6,156,380
BOTETOURT	0.3610	5,008	4,833	28,640,687	(3,282,206)	25,358,480	(183,139)	(33,743)	0	25,141,598
BRUNSWICK	0.2619	2,162	1,985	16,925,280	(2,284,972)	14,640,308	(86,859)	(9,557)	0	14,543,892
BUCHANAN	0.2827	3,198	3,206	23,620,064	(1,770,825)	21,849,239	(136,325)	(14,741)	0	21,698,173
BUCKINGHAM	0.2417	1,910	1,927	14,956,579	(1,089,596)	13,866,984	(86,617)	(8,434)	0	13,771,933
CAMPBELL	0.2341	8,430	8,391	56,946,375	(5,125,920)	51,820,455	(380,901)	(35,035)	0	51,404,518
CAROLINE	0.3821	4,101	4,147	24,089,705	(1,978,730)	22,110,975	(151,940)	(31,427)	0	21,927,608
CARROLL	0.2473	3,889	3,922	26,662,781	(1,978,769)	24,684,012	(175,015)	(15,210)	0	24,493,787
CHARLES CITY	0.4165	875	851	5,830,383	(571,467)	5,258,915	(29,436)	(6,179)	0	5,223,301
CHARLOTTE	0.2019	2,065	2,028	16,572,950	(1,351,611)	15,221,339	(95,929)	(6,246)	0	15,119,164
CHESTERFIELD	0.3449	59,983	58,724	332,520,029	(37,872,570)	294,647,459	(2,280,437)	(316,580)	0	292,050,442
CLARKE	0.6118	2,201	2,137	8,636,652	(1,130,103)	7,506,549	(49,232)	(21,531)	0	7,435,786
CRAIG	0.2793	770	679	5,472,229	(970,307)	4,501,922	(28,992)	(3,553)	0	4,469,377
CULPEPER	0.4343	7,811	7,231	39,778,962	(6,272,188)	33,506,774	(242,540)	(55,294)	0	33,208,939
CUMBERLAND	0.2604	1,437	1,461	10,777,943	(646,972)	10,130,971	(64,056)	(6,936)	0	10,059,979
DICKENSON	0.1959	2,448	2,442	18,667,638	(1,332,909)	17,334,729	(116,402)	(7,387)	0	17,210,939
DINWIDDIE	0.2464	4,793	4,676	32,657,548	(2,880,367)	29,777,182	(208,885)	(24,917)	0	29,543,380
ESSEX	0.4074	1,598	1,582	10,154,012	(1,019,681)	9,134,331	(55,588)	(10,333)	0	9,068,410
FAIRFAX	0.7657	161,180	167,329	486,822,104	(35,207,507)	451,614,597	(2,330,246)	(2,207,189)	0	447,077,162
FAUQUIER	0.6718	11,469	11,142	40,343,724	(4,261,487)	36,082,238	(217,171)	(146,600)	0	35,718,467
FLOYD	0.3237	2,029	2,046	13,227,848	(1,082,964)	12,144,884	(82,035)	(11,286)	0	12,051,563
FLUVANNA	0.3689	3,852	3,657	22,639,311	(2,789,141)	19,850,170	(136,863)	(21,388)	0	19,691,919
FRANKLIN	0.3889	7,368	7,080	44,033,341	(5,368,569)	38,664,772	(256,556)	(51,788)	0	38,356,427
FREDERICK	0.4122	13,588	12,825	71,970,805	(9,347,466)	62,623,339	(442,170)	(94,631)	0	62,086,538
GILES	0.2573	2,525	2,584	17,193,731	(1,051,504)	16,142,227	(113,763)	(11,350)	0	16,017,114
GLOUCESTER	0.3459	5,848	5,779	34,236,158	(3,373,753)	30,862,405	(224,120)	(36,555)	0	30,601,729
GOOCHLAND	0.8000	2,517	2,463	6,491,450	(302,360)	6,189,090	(29,189)	(38,863)	0	6,121,038
GRAYSON	0.2610	2,008	1,963	15,503,329	(1,365,903)	14,137,426	(85,992)	(9,283)	0	14,042,151
GREENE	0.3227	2,800	2,783	18,339,656	(899,617)	17,440,039	(111,730)	(26,322)	0	17,301,988
GREENSVILLE	0.1897	1,604	1,597	12,528,874	(864,087)	11,664,787	(76,718)	(4,605)	0	11,583,463
HALIFAX	0.2380	5,652	5,609	42,112,096	(3,491,582)	38,620,514	(253,276)	(23,833)	0	38,343,405

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	2008-2010 Composite Index	Projected Unadj. ADM Enrollment (Ch. 879, 2008 Session)	UPDATED Projected Unadj. ADM Enrollment (SB 850 As Introduced)				Reduce FY2010 Textbook Per Pupil Amount By Half	Revise Sales Tax Estimate Based on Restoring the Dealer Discount	Restore Funding for Educational Services at Two MH Facilities to Remain Open	
HANOVER	0.4121	19,134	18,540	96,956,143	(12,308,061)	84,648,083	(646,231)	(131,708)	0	83,870,144
HENRICO	0.4322	48,839	48,512	260,525,425	(26,479,953)	234,045,472	(1,633,176)	(364,797)	0	232,047,500
HENRY	0.2306	7,097	7,082	52,837,322	(4,371,468)	48,465,854	(322,967)	(29,511)	0	48,113,376
HIGHLAND	0.6782	249	249	1,973,953	(132,124)	1,841,829	(4,751)	(1,690)	0	1,835,388
ISLE OF WIGHT	0.3700	5,353	5,435	31,341,327	(2,355,364)	28,985,963	(202,997)	(39,718)	0	28,743,248
JAMES CITY	0.5291	9,695	9,491	42,121,718	(4,711,513)	37,410,205	(265,125)	(91,139)	0	37,053,941
KING GEORGE	0.4079	4,291	4,131	22,520,863	(2,622,416)	19,898,447	(145,036)	(27,635)	0	19,725,777
KING & QUEEN	0.3872	838	747	6,018,036	(976,777)	5,041,258	(27,149)	(6,169)	0	5,007,940
KING WILLIAM	0.2921	2,305	2,154	15,166,286	(1,954,157)	13,212,129	(90,384)	(11,186)	0	13,110,559
LANCASTER	0.7832	1,325	1,268	4,029,160	(560,139)	3,469,022	(16,349)	(19,133)	0	3,433,540
LEE	0.1553	3,296	3,420	30,150,816	(1,029,000)	29,121,817	(171,218)	(9,388)	0	28,941,211
LOUDOUN	0.6714	61,474	60,114	205,345,725	(18,959,139)	186,386,586	(1,160,645)	(677,214)	0	184,548,727
LOUISA	0.5402	4,846	4,634	21,899,156	(2,751,147)	19,148,009	(126,441)	(45,147)	0	18,976,421
LUNENBURG	0.2134	1,564	1,596	12,191,967	(715,533)	11,476,434	(74,392)	(6,173)	0	11,395,869
MADISON	0.4883	1,856	1,793	9,712,140	(1,221,633)	8,490,507	(54,409)	(16,788)	0	8,419,310
MATHEWS	0.5343	1,313	1,245	6,157,165	(837,443)	5,319,722	(34,416)	(11,883)	0	5,273,423
MECKLENBURG	0.2850	4,646	4,526	32,005,800	(3,111,411)	28,894,390	(191,830)	(20,625)	0	28,681,934
MIDDLESEX	0.6785	1,221	1,202	4,647,305	(580,660)	4,066,645	(22,965)	(14,658)	0	4,029,022
MONTGOMERY	0.3498	9,604	9,536	58,898,302	(5,311,548)	53,586,754	(367,543)	(67,893)	0	53,151,318
NELSON	0.5714	2,158	1,839	10,289,833	(2,135,286)	8,154,547	(46,782)	(21,417)	0	8,086,347
NEW KENT	0.4069	2,815	2,720	15,148,056	(1,885,545)	13,262,511	(95,639)	(20,058)	0	13,146,814
NORTHAMPTON	0.5488	1,666	1,665	9,120,648	(945,613)	8,175,035	(44,578)	(17,329)	0	8,113,128
NORTHUMBERLAND	0.7314	1,342	1,383	4,758,888	(425,740)	4,333,148	(22,080)	(18,803)	0	4,292,266
NOTTOWAY	0.2223	2,287	2,208	17,533,681	(1,713,036)	15,820,645	(101,806)	(8,861)	0	15,709,978
ORANGE	0.4399	5,506	5,358	28,525,211	(3,410,060)	25,115,151	(177,974)	(36,424)	0	24,900,753
PAGE	0.3265	3,525	3,460	22,426,899	(2,187,154)	20,239,745	(138,143)	(17,742)	0	20,083,860
PATRICK	0.2394	2,564	2,560	18,087,572	(1,433,874)	16,653,697	(115,438)	(11,010)	0	16,527,250
PITTSYLVANIA	0.2246	8,993	8,806	63,593,075	(6,008,202)	57,584,873	(404,701)	(34,934)	0	57,145,238
POWHATAN	0.3794	4,493	4,420	24,196,078	(2,545,233)	21,650,845	(162,674)	(29,253)	0	21,458,918
PRINCE EDWARD DOE	DOE	2,402	2,402	17,793,002	(1,222,170)	16,570,832	(103,453)	(13,285)	0	16,454,094
PRINCE GEORGE	0.2175	6,319	6,128	43,009,269	(4,553,066)	38,456,202	(284,253)	(22,431)	0	38,149,518
PRINCE WILLIAM	0.4441	75,928	73,454	418,574,138	(51,262,793)	367,311,344	(2,421,503)	(527,484)	0	364,362,358
PULASKI	0.2732	4,711	4,623	31,322,916	(3,155,693)	28,167,223	(199,177)	(20,997)	0	27,947,050
RAPPAHANNOCK	0.8000	869	902	2,767,360	(419,673)	2,347,687	(10,694)	(14,196)	0	2,322,797
RICHMOND	0.3388	1,165	1,215	7,561,332	(353,887)	7,207,445	(47,647)	(6,711)	0	7,153,088
ROANOKE	0.3351	15,015	14,499	87,018,733	(10,063,938)	76,954,795	(571,442)	(94,339)	0	76,289,014
ROCKBRIDGE	0.4732	2,557	2,561	13,236,709	(1,343,650)	11,893,059	(80,025)	(23,497)	0	11,789,537
ROCKINGHAM	0.3206	11,710	11,448	70,788,666	(7,780,587)	63,008,079	(461,061)	(68,345)	0	62,478,673
RUSSELL	0.2080	4,224	4,047	31,975,570	(3,635,762)	28,339,808	(189,947)	(12,293)	0	28,137,569
SCOTT	0.1850	3,939	3,728	30,556,546	(3,482,016)	27,074,530	(180,090)	(10,987)	0	26,883,453
SHENANDOAH	0.4060	6,209	6,178	34,373,127	(3,428,558)	30,944,569	(217,600)	(40,624)	0	30,686,346

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SMYTH	0.2024	4,802	4,824	36,770,748	(3,361,599)	33,409,149	(228,015)	(15,887)	391,000	33,556,247
SOUTHAMPTON	0.2580	2,808	2,711	20,496,519	(2,242,322)	18,254,197	(119,233)	(12,041)	0	18,122,923
SPOTSYLVANIA	0.3698	24,702	23,801	140,429,233	(16,969,291)	123,459,941	(889,287)	(157,397)	0	122,413,257
STAFFORD	0.3632	26,356	26,527	142,561,014	(13,981,285)	128,579,729	(1,001,499)	(154,974)	0	127,423,256
SURRY	0.6649	907	958	4,089,557	(359,166)	3,730,391	(19,068)	(11,507)	0	3,699,816
SUSSEX	0.2802	1,242	1,125	9,867,964	(1,315,544)	8,552,420	(48,025)	(5,413)	0	8,498,981
TAZEWELL	0.2320	6,622	6,565	45,588,296	(4,232,044)	41,356,252	(298,866)	(21,879)	0	41,035,507
WARREN	0.4289	5,288	5,325	27,416,724	(2,566,535)	24,850,189	(180,343)	(42,171)	0	24,627,675
WASHINGTON	0.3342	7,382	7,255	44,396,667	(4,516,419)	39,880,248	(286,338)	(40,974)	0	39,552,937
WESTMORELAND	0.5173	1,671	1,692	9,430,275	(920,453)	8,509,822	(48,461)	(13,237)	0	8,448,124
WISE	0.1799	6,517	6,484	47,619,218	(3,784,115)	43,835,103	(315,134)	(19,593)	0	43,500,376
WYTHE	0.2930	4,289	4,288	27,476,296	(2,310,341)	25,165,955	(179,698)	(21,020)	0	24,965,237
YORK	0.3634	12,970	12,778	69,291,848	(7,268,237)	62,023,611	(482,210)	(81,684)	0	61,459,716
ALEXANDRIA	0.8000	10,338	11,590	34,112,678	(1,597,699)	32,514,978	(137,361)	(148,329)	0	32,229,288
BRISTOL	0.3666	2,251	2,320	14,800,713	(644,881)	14,155,832	(87,115)	(15,020)	0	14,053,697
BUENA VISTA	0.1926	1,164	1,148	8,365,600	(727,202)	7,638,398	(54,918)	(2,887)	0	7,580,593
CHARLOTTESVILLE	0.6096	3,701	3,780	21,689,313	(2,180,454)	19,508,859	(87,564)	(46,480)	0	19,374,815
COLONIAL HEIGHTS	0.4292	2,978	2,839	15,406,542	(2,101,741)	13,304,800	(96,085)	(20,666)	0	13,188,049
COVINGTON	0.3053	908	832	6,138,935	(865,293)	5,273,642	(34,252)	(3,538)	0	5,235,852
DANVILLE	0.2395	6,323	5,975	48,842,404	(5,541,572)	43,300,832	(269,289)	(26,571)	0	43,004,973
FALLS CHURCH	0.8000	1,966	1,986	5,357,144	(311,728)	5,045,416	(23,537)	(30,812)	0	4,991,067
FREDERICKSBURG	0.7948	2,754	2,752	7,718,337	(609,272)	7,109,065	(33,551)	(38,361)	0	7,037,152
GALAX	0.2619	1,358	1,286	9,029,815	(1,158,886)	7,870,929	(56,239)	(4,764)	0	7,809,926
HAMPTON	0.2165	20,612	20,329	147,354,752	(14,218,533)	133,136,220	(920,636)	(83,433)	0	132,132,151
HARRISONBURG	0.4102	4,410	4,240	26,077,731	(3,073,299)	23,004,433	(148,263)	(32,410)	0	22,823,760
HOPEWELL	0.2237	3,993	3,830	28,655,059	(3,348,985)	25,306,074	(176,204)	(12,530)	0	25,117,339
LYNCHBURG	0.3330	8,129	8,130	53,912,204	(4,569,341)	49,342,863	(321,512)	(53,996)	0	48,967,356
MARTINSVILLE	0.2250	2,375	2,447	17,151,405	(990,184)	16,161,220	(112,392)	(11,113)	0	16,037,716
NEWPORT NEWS	0.2533	28,056	28,750	198,599,608	(13,044,487)	185,555,121	(1,272,508)	(139,405)	0	184,143,208
NORFOLK	0.2589	31,138	30,995	226,722,937	(20,513,985)	206,208,952	(1,361,410)	(136,674)	0	204,710,869
NORTON	0.3096	847	789	5,165,750	(755,457)	4,410,293	(32,296)	(4,215)	0	4,373,782
PETERSBURG	0.2009	4,251	4,231	33,628,964	(2,646,447)	30,982,518	(200,363)	(13,018)	0	30,769,137
PORTSMOUTH	0.2114	13,723	14,102	104,165,188	(5,290,675)	98,874,513	(659,178)	(52,672)	0	98,162,663
RADFORD	0.2839	1,589	1,425	9,930,881	(1,588,084)	8,342,797	(60,475)	(5,840)	0	8,276,482
RICHMOND CITY	0.4275	20,999	20,860	146,773,421	(10,925,868)	135,847,553	(708,066)	(207,112)	0	134,932,374
ROANOKE CITY	0.3422	11,716	12,491	79,048,683	(3,062,719)	75,985,965	(487,047)	(76,017)	0	75,422,901
STAUNTON	0.3852	2,555	2,555	18,746,253	(3,328,499)	15,417,754	(93,113)	(18,649)	840,143	16,146,135
SUFFOLK	0.2985	13,585	13,462	88,785,726	(7,686,675)	81,099,051	(559,787)	(79,105)	0	80,460,159
VIRGINIA BEACH	0.3708	68,223	68,996	393,444,184	(35,212,984)	358,231,200	(2,574,263)	(489,260)	0	355,167,677
WAYNESBORO	0.3332	2,979	3,010	17,676,145	(1,577,074)	16,099,071	(118,964)	(18,171)	0	15,961,936
WILLIAMSBURG	0.8000	722	817	3,549,570	(70,311)	3,479,259	(9,677)	(12,581)	0	3,457,002

**FY2010 Direct Aid to Public Education Estimated Distribution Based on SFC Education Subcommittee's Recommendations, February 8, 2009**

School Division	Key Data			Est. Distribution for FY2010: <i>CH. 879, 2008 SESSION</i>	Technical Updates and Policy Changes Proposed in SB 850 As Introduced	Est. Distribution for FY2010: <i>SB 850 AS INTRODUCED, DEC. 17, 2008</i>	Additional Actions Recommended By the SFC Education Subcommittee			Est. Distribution for FY2010: <i>SFC EDUCATION SUBCOMMITTEE'S RECOMMENATION, FEB. 8, 2009</i>
	2008-2010 Composite Index	Projected Unadj. ADM Enrollment (Ch. 879, 2008 Session)	UPDATED Projected Unadj. ADM Enrollment (SB 850 As Introduced)				Reduce FY2010 Textbook Per Pupil Amount By Half	Revise Sales Tax Estimate Based on Restoring the Dealer Discount	Restore Funding for Educational Services at Two MH Facilities to Remain Open	
WINCHESTER	0.5386	3,617	3,779	17,325,930	(1,052,722)	16,273,208	(103,413)	(35,888)	0	16,133,907
FAIRFAX CITY	0.8000	2,894	2,888	7,717,882	(778,975)	6,938,907	(34,230)	(40,120)	0	6,864,558
FRANKLIN CITY	0.2687	1,208	1,162	9,699,160	(1,133,188)	8,565,972	(50,355)	(5,829)	0	8,509,788
CHESAPEAKE CITY	0.3027	38,520	38,676	246,158,587	(21,615,378)	224,543,209	(1,598,612)	(217,552)	0	222,727,045
LEXINGTON	0.4042	623	590	3,377,745	(510,103)	2,867,642	(20,833)	(3,261)	0	2,843,548
EMPORIA	0.2575	955	1,009	6,850,722	(197,177)	6,653,546	(44,418)	(4,501)	0	6,604,626
SALEM	0.3520	3,949	3,909	21,428,813	(2,380,520)	19,048,293	(150,164)	(21,700)	0	18,876,429
BEDFORD CITY	0.2804	914	815	5,538,835	(917,075)	4,621,760	(34,784)	(3,431)	0	4,583,545
POQUOSON	0.3192	2,400	2,416	13,573,289	(1,308,448)	12,264,842	(97,517)	(11,888)	0	12,155,437
MANASSAS CITY	0.4622	6,098	6,301	34,733,640	(2,560,469)	32,173,170	(200,951)	(50,802)	0	31,921,417
MANASSAS PARK	0.3843	2,465	2,356	15,773,701	(1,925,833)	13,847,868	(86,004)	(14,894)	0	13,746,971
COLONIAL BEACH	0.4158	575	572	3,615,859	(323,146)	3,292,713	(19,812)	(3,284)	0	3,269,617
WEST POINT	0.2421	810	744	5,594,613	(750,249)	4,844,364	(33,413)	(2,393)	0	4,808,558
<b>TOTAL:</b>		1,207,692	1,203,538	<b>\$6,543,818,612</b>	<b>(\$621,290,149)</b>	<b>\$5,922,528,463</b>	<b>(\$39,657,117)</b>	<b>(\$9,391,155)</b>	\$1,231,143	<b>\$5,874,711,334</b>

Note: This analysis includes state funds for the Standards of Quality, Incentive, Categorical, School Facilities, and Lottery service areas. Federal funds are not included in this analysis.

## HIGHER EDUCATION - Education Subcommittee Report, Sunday February 8, 2009

### Summary of Recommended Amendments to SB 850 As Introduced

	FY 09 GF \$	FY 09 NGF \$	FY 10 GF \$	FY 10 NGF \$	Biennial GF \$	Biennial NGF \$
SCHEV - Eminent Scholars	-	-	4,017,644	-	4,017,644	-
SCHEV - Technical NGF Amendment	-	400,699	-	150,000	-	550,699
SCHEV - Technical NGF Amendment (Gear-Up)	-	376,365	-	376,365	-	752,730
CNU - Increase Student Financial Assistance	-	-	226,439	-	226,439	-
CWM - Increase Student Financial Assistance	-	-	164,003	-	164,003	-
RBC - Increase Student Financial Assistance	-	-	8,539	-	8,539	-
GMU - Belmont Bay	25,000	-	50,000	-	75,000	-
GMU - Increase Student Financial Assistance	-	-	371,629	-	371,629	-
JMU - Increase Student Financial Assistance	-	-	172,368	-	172,368	-
LU - Increase Student Financial Assistance	-	-	101,275	-	101,275	-
NSU - PhD in Materials Science	-	-	500,000	-	500,000	-
NSU - Increase Student Financial Assistance	-	-	517,131	-	517,131	-
ODU - Increase Student Financial Assistance	-	-	390,111	-	390,111	-
ODU - Modeling and Simulation Funding	-	-	(599,838)	-	(599,838)	-
RU - Increase Student Financial Assistance	-	-	171,368	-	171,368	-
UMW - Increase Student Financial Assistance	-	-	45,726	-	45,726	-
UVA - Increase Student Financial Assistance	-	-	294,141	-	294,141	-
UVA-Wise - Increase Student Financial Assistance	-	-	82,410	-	82,410	-
VCU - Increase Student Financial Assistance	-	-	516,847	-	516,847	-
VCCS - Increase Student Financial Assistance	-	-	25,000	-	25,000	-
VMI - Increase Student Financial Assistance	-	-	43,306	-	43,306	-
VT- Increase Student Financial Assistance	-	-	765,440	-	765,440	-
VSU - Manufacturing and Logistics Program	-	-	(1,000,000)	-	(1,000,000)	-
VSU- Increase Student Financial Assistance	-	-	120,166	-	120,166	-

## HIGHER EDUCATION - Education Subcommittee Report, Sunday February 8, 2009

### Summary of Recommended Amendments to SB 850 As Introduced

	FY 09 GF \$	FY 09 NGF \$	FY 10 GF \$	FY 10 NGF \$	Biennial GF \$	Biennial NGF \$
HERI- Reduce Funding for Jefferson Lab	-	-	(900,000)	-	(900,000)	-
HERI- Reduce Funding for HU Foundation	-	-	(75,000)	-	(75,000)	-
HERI- Reduce Funding for CTRF	-	-	(500,000)	-	(500,000)	-
Two Year College Transfer Grant	-	-	351,000	-	351,000	-
<b>Total</b>	<b>25,000</b>	<b>777,064</b>	<b>5,859,705</b>	<b>526,365</b>	<b>5,884,705</b>	<b>1,303,429</b>

**Education: Elementary &  
Secondary****FY 08-09****FY 09-10**

Direct Aid To Public Education

\$0

\$1,176,750 GF

**Language:**

Page 132, line 43, strike "\$6,204,120" and insert "\$7,380,870".

Page 134, line 7, strike "\$3,457,500" and insert "\$4,634,250".

**Explanation:**

(This amendment provides almost \$1.2 million GF the second year to account for expected growth in the number of teachers eligible for bonuses due to certification from the National Board for Professional Teaching Standards.)

**Education: Elementary &  
Secondary**

Direct Aid To Public Education

Language

**Language:**

Page 136, line 23, strike "\$3,098,031,157" and insert "\$3,070,531,163"

Page 137, line 40, strike "\$0" and insert "\$27,499,994".

Page 137, line 42, strike "\$0" and insert "\$27,499,994".

Page 153, after line 12, insert:

"1. For the second year only, Basic Aid payments shall be adjusted by each school division's school construction grants payment."

Page 167, line 53, after "first year" insert "and \$27,499,994 the second year".

Page 168, line 12, before "shall" insert "and June 30, 2010".

Page 168, after line 6, insert:

"For FY 2010 only, school divisions may use the school construction grants funding to pay for recurring operational expenses incurred by the school division."

**Explanation:**



(This amendment restores \$27.5 million GF in the second year for school construction grants funding. A reduction of an equal amount appears under Basic Aid.)

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Education Subcommittee

Item 140 #2s

**Education: Elementary &  
Secondary**

Direct Aid To Public Education

Language

**Language:**

Page 152, strike lines 51 through 60.

Page 153, strike lines 1-12 and insert:

“k. The Board of Education shall review the current Standards of Quality to evaluate the appropriateness of the existing staffing standards for instructional positions and the appropriateness of establishing standards for support positions, with the objective of maximizing resources devoted to the instructional program. The findings from this review shall be submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2009.

l. The Department of Education shall review state laws, regulations, and procedures that could be modified, reduced, or eliminated in an effort to minimize the administrative burden on local school divisions and the Department of Education. The findings from this review shall be submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2009.

m. The Department of Education shall not calculate the cost of technical rebenchmarking for the 2010-2012 biennium using the "support position funding cap" methodology change proposed in SB 850 as introduced. For the purpose of making required spending reductions in the second year only, the appropriation and distribution of Basic Aid reflect the proposed methodology. Local school divisions shall have discretion as to where the reductions may be made, consistent with the Standards of Quality funded in this act."

Page 176, line 5, after "from" strike the remainder of the line.

Page 176 line 5, after "from" insert "the reductions from policy decisions originally contained in the introduced budget".

Page 176, strike lines 6-8.

Page 176, line 9 strike "Construction Grants Program funding".

**Explanation:**

(This amendment eliminates in the second year the proposed mandate of a cap on certain support positions included in Basic Aid. Local school divisions will have discretion on where the funding reduction may be taken. The amendment further calls for the Board of Education to review reporting requirements, evaluate current staffing standards for instructional positions, and review the appropriateness of establishing staffing standards for support positions.)

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Education Subcommittee

Item 140 #3s

**Education: Elementary &  
Secondary**

**FY 08-09**

**FY 09-10**

Direct Aid To Public Education

\$0

\$840,143 GF

**Language:**

Page 135, line 25, strike "\$5,896,909,251" and insert "\$5,897,749,394".

**Explanation:**

(This amendment partially restores savings that would have resulted from the proposed closure of Commonwealth Center for Children and Adolescents in Staunton. Instead, this amendment reflects net savings of \$400,000 in FY 2010 for closing 50 percent of the beds at the facility and is a companion amendment to one for the Department of Mental Health, Mental Retardation and Substance Abuse Services.)

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Education Subcommittee

Item 140 #4s

**Education: Elementary &  
Secondary**

**FY 08-09**

**FY 09-10**

Direct Aid To Public Education

\$0

\$391,000 GF

**Language:**

Page 135, line 25, strike "\$5,896,909,251" and insert "\$5,897,300,251".

**Explanation:**

(This amendment partially restores savings that would have resulted from the proposed closure of Southwestern Virginia Mental Health Institute's Adolescent Unit in Smyth County. Instead, this amendment reflects net savings of \$288,000 in FY 2010 for closing 50 percent of the beds at the facility and is a companion amendment to one for the Department of Mental Health, Mental Retardation and Substance Abuse Services.)

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Education Subcommittee

Item 140 #5s

**Education: Elementary & Secondary**

Direct Aid To Public Education

Language

**Language:**

Page 155, line 44, unstrike "and local".

**Explanation:**

(This amendment removes an incorrect strike-through included in the introduced budget for a required local match for the Remedial Education Payments.)

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Education Subcommittee

Item 140 #6s

**Education: Elementary & Secondary**

**FY 08-09**

**FY 09-10**

Direct Aid To Public Education

\$0

(\$39,657,117)

GF

**Language:**

Page 135, line 25, strike "\$5,896,909,251" and insert "\$5,857,252,134".

Page 135, line 28, strike "\$5,384,873,208" and insert "\$5,345,216,091".

Page 136, line 27, strike "\$79,314,230" and insert "\$39,657,113".

Page 151, line 41, strike "79,314,230" and insert "\$39,657,113".

Page 151, line 44, after "and" strike "\$118.52" and insert "\$59.26".

Page 151, line 45, after "year." insert:

"The locality in which the school division is located shall appropriate these funds solely for textbooks or any other public education expenditure by the school division in the second year. No local match is required to receive these state funds in the second year and such local match shall be excluded from the determination of required local effort in the second year pursuant to Item 140 B.8a. through h. and Section 22.1-97, Code of Virginia."

Page 151, after line 56 insert:

"5). The Department of Education shall calculate textbook funding based on 100 percent of the statewide prevailing per pupil cost for rebenchmarking the cost of the Standards of Quality for the 2010-2012 biennium.

6) For purposes of calculating rebenchmarking costs for textbooks for the 2012-2014 biennium, the Department of Education shall include the higher of the fiscal year 2009 or fiscal year 2010 division-level textbook per pupil amount in calculating the base year statewide prevailing per pupil amount. For this calculation, the Department of Education shall adjust, with one additional year of inflation, any fiscal year 2009 division-level per pupil textbook expenditure data used in calculating the base year statewide prevailing per pupil amount."

**Explanation:**

(This amendment reduces funding for textbooks in FY 2010 by 50 percent. In addition, localities are not required to provide a local required match. This reduction was required to offset the loss of revenues assumed in the budget as introduced. This is a one-time action and will not be continued in the 2010-12 biennium rebenchmarking nor will it adversely affect funding for the 2012-14 biennium.)

Education Subcommittee

Item 140 #7s

**Education: Elementary & Secondary**

**FY 08-09**

**FY 09-10**

Direct Aid To Public Education

\$0

(\$9,391,155)

GF

**Language:**

Page 135, line 25, strike "\$5,896,909,251" and insert "\$5,887,518,096".

Page 135, line 28, strike "\$5,384,873,208" and insert "5,375,482,053".

**Explanation:**

(This amendment reflects the net effect to Direct Aid to Public Education of revising the sales tax estimate due to reversing the proposed elimination of the "dealer discount". This elimination was assumed in the budget as introduced, which would have provided additional sales tax for public education.)

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Education Subcommittee

Item 4-8.01 #1s

**Reporting Requirements**

Governor

Language

**Language:**

Page 684, after line 48 insert:

"3. It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be reduced or consolidated where appropriate. State institutions of higher education, working with the Secretary of Education, Secretary of Finance, and the Director, Department of Planning and Budget, shall identify a list of reporting requirements that the Governor may consider suspending. The findings from this review shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2009."

**Explanation:**

(This amendment requires a review of reporting requirements for higher education institutions.)

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Education Subcommittee

Item 4-9.02 #1s

**Higher Education Restructuring**

Assessment of Institutional Performance

Language

**Language:**

Page 691, after line 14 insert:

"F. The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education governed under Management Agreements, shall develop uniform reporting requirements and formats for

revenue and expenditure data."

**Explanation:**

(This amendment refers to the submittal of uniform expenditure data for Level III institutions of higher education.)

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General Government Subcommittee

Item 86 #1s

**Administration**

Administration Of Health Insurance

Language

**Language:**

Page 82, following line 46, insert:

“E.1. The Department of Human Resource Management, with the assistance of the Department of Education, shall develop, implement, and administer a statewide health insurance program for employees of Virginia public school divisions that shall be similar in plan design, premium structure, and administration to the state employee health insurance program. Coverage under the Public Schools Health Insurance Program shall be effective beginning July 1, 2010. Except as provided for in paragraph, I.3 of this item, the Public Schools Health Insurance Program administered by the Department of Human Resource Management shall be the sole health insurance plan for public school divisions.

2. Notwithstanding any contrary provision of law, each public school division within the Commonwealth shall be required to enroll in the Public Schools Health Insurance Program created in paragraph I.1, unless such school division elects to exercise its rights as provided in paragraph I.3 of this Item.

3. Subject to policies, procedures and schedules to be promulgated by the Department of Human Resource Management, public school divisions may make an irrevocable election to opt-out of participation in the Public Schools Health Insurance Program authorized in this paragraph.

4. The Department of Human Resource Management shall develop policies and procedures for the enrollment of school divisions and their employees in the Public Schools Health Insurance Program authorized in this paragraph and the one-time

election to opt-out of the program authorized in paragraph I.3.”

**Explanation:**

(This amendment authorizes the Department of Human Resource Management to create a statewide health insurance program for employees of Virginia public school divisions.)

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