

Public Education

Adopted Adjustments (\$ in millions)				
	FY 2013 Adopted		FY 2014 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Base Budget, Ch. 890	\$5,015.0	\$1,449.6	\$5,015.0	\$1,449.6
Technical Adjustments	(106.9)	0.1	(106.9)	0.1
Increases	601.0	0.3	634.2	0.0
Decreases	<u>(207.0)</u>	<u>22.4</u>	<u>(214.1)</u>	<u>27.1</u>
\$ Net Change	287.1	22.8	313.2	27.2
Chapter 3 (HB 1301, as Adopted)	\$5,302.1	\$1,472.4	\$5,328.3	\$1,476.8
% Change	5.7%	1.6%	6.3%	1.9%

- **Direct Aid to Public Education**

- *Listings, by locality, of the estimated funding for FY 2013 and FY 2014 Direct Aid to Public Education are included as Appendix A and B, respectively.*

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

	<u>FY 2013</u>	<u>FY 2014</u>	<u>Total</u>
Update SOQ Programs	\$180.7	\$197.1	\$377.8
Update Retirement Contribution Rates*	170.9	171.5	342.4
Update K-3 Class Size Reduction Program	23.5	23.6	47.1
Update/Correct Vocational Education	3.6	3.2	6.8
Update Other Incentive and Categorical Programs	64.8	77.5	142.3
Update Composite Index	42.7	45.1	87.8
Net Change for Sales Tax Forecast & Basic Aid Offset	17.6	38.1	55.7
Assistance with Retirement, Inflation, Preschool Costs	55.0	55.0	110.0
Early Intervention Reading Initiative – 3 rd Grade	4.1	4.1	8.2
Net All Other Actions	5.2	2.9	8.1
Literary Fund Transfer to GF for VRS	(1.0)	(0.7)	(1.7)
Pre-K: Use Kindergarten Count as Proxy for 4-Year-Olds	(13.0)	(13.7)	(26.7)
Update Forecast & Transfer GF Programs into Lottery	(18.2)	(22.9)	(41.0)
Capture Estimated Non-Participation in Pre-K	(27.3)	(27.6)	(54.9)
Reduce Support Cost of Competing Adjustment	(4.3)	(20.7)	(25.0)
Include Portion of ARRA SFSF in Federal Rev. Deduct	(54.0)	(54.1)	(108.1)
Eliminate Non-personal Inflation Update	(54.4)	(54.6)	(109.0)
Remove FY 2012 One-Time Spending	<u>(107.3)</u>	<u>(107.3)</u>	<u>(214.5)</u>
Total Action to FY 2012 Adopted Budget	\$288.8	\$316.5	\$605.3

*Includes VRS, Group Life, and Retiree Health Care Credit Rates.

- **State's Share of Biennial Rebenchmarking.** Preliminary rebenchmarking calculations by the Department of Education as of July 2011, totaled \$145.6 million GF in FY 2013 and \$173.1 million GF in FY 2014.

The adopted budget for FY 2012-14 includes updating the remaining rebenchmarking data steps along with a number of policy changes.

The following major updates were made to the July rebenchmarking totals: 1) an additional \$170.9 million GF the first year and \$171.5 million GF the second year for fringe benefits rate increases; 2) an additional \$42.7 million GF the first year and \$45.0 million GF the second year for the updates to the Local Composite Index; and, 3) a net increase of \$17.6 million GF the first year and \$35.7 million GF the second year due to the updated sales tax revenue projections.

- **Projected Enrollments.** Reflects student enrollment projections estimated to total 1,222,669 in the unadjusted ADM in FY 2013, and 1,229,800 students

in FY 2014, up from 1,216,321 for FY 2012 in Chapter 890 of the 2011 Acts of Assembly.

- ***Funded Instructional Salaries.*** Reflects updated funded salary levels from 2010-12 to 2012-14 due to base year (FY 2010) prevailing salaries.
- ***Health Care Premiums.*** Reflects prevailing costs associated with the health care premium rate of \$3,907 per funded position up from \$3,375 per position which was included in the last update.
- ***Base Year Expenditures.*** Reflects various adjustments including base year (FY 2010) expenditure data; updating of school-level enrollment configurations; and updated data for the federal revenue deduction.
- ***Transportation Costs.*** Reflects updated base year transportation cost data.
- ***Textbook Per Pupil Amount.*** Reflects per pupil prevailing textbook costs, reported by localities, of \$89.72, compared with the amount funded of \$40.56 for FY 2012 in Chapter 890 of the 2011 Acts of Assembly.
- ***Incentive, Categorical, and Lottery Accounts.*** Reflects various adjustments to incentive, categorical, and Lottery-funded accounts that are linked to SOQ funding factors, such as ADM enrollment or Basic Aid per pupil cost and student program participation totals.

In addition, reflects a projected increase in Lottery Proceeds of \$21.4 million NGF in FY 2013 and \$26.1 million NGF in FY 2014 for total proceeds of \$457.3 million NGF and \$462.0 million NGF, respectively. Transfers Remedial Summer School back to the SOQ service area to be funded with general funds rather than Lottery Proceeds.

Also captures savings of \$22.1 million NGF each year in the preschool initiative based on a non-participation rate of 25.4 percent, consistent with the rate included in Chapter 890 for FY 2012.

- ***Removal of FY 2012 One-time Spending.*** Reflects a total reduction of \$107.3 million GF each year from the FY 2012 base budget contained in Chapter 890. The language in Chapter 890 stipulated that the following items were funded for only one year: 1) Supplemental Support for Operating Costs of \$87.7 million; 2) Composite Index Hold Harmless supplement of \$16.6 million; and 3) Performance Pay Pilot Initiative of \$3.0 million.
- ***Funded VRS Fringe Benefit Rates.*** Adds \$151.0 million GF the first year and \$151.6 million GF the second year for the state's share of the cost from increasing the following rates above the funded rates contained in Chapter 890: 1) Professional teacher rate to 11.66 percent for the employer contribution, up from 6.33 percent; and 2) Non-professional rate to 10.23

percent, up from 7.53 percent. Further, adds \$19.9 million GF each year from increasing the rates for the Retiree Health Care Credit to 1.11 percent up from 0.60 percent and the employer's share of Group Life to 0.48 percent up from 0.28 percent.

The funded rate of 11.66 percent is based on the following actuarial assumptions: 1) an amortization period of 30 years; 2) an investment return rate of 8 percent; 3) a 2.5 percent COLA; and 4) includes 1.43 percent for the first year's payback over 10 years due to the decision of the 2010 General Assembly to defer the portion of the contribution rate attributable to the unfunded liability rate.

The related additional local cost is estimated to be about twice the state's share, or an additional \$340 million GF statewide from local sources each year. See "Additional Assistance with Retirement, Inflation, and Preschool Costs" narrative section below for related funding information.

- ***Local Composite Index (LCI).*** The elements used to calculate each school division's composite index of local ability-to-pay are updated from 2007 to 2009, which is the most current available at the time the CI updates are calculated. The composite index measures local wealth through true value of real property (50 percent), adjusted gross income (40 percent) and retail sales tax collection (10 percent). The index is weighted two-thirds by ADM and one-third by population.

The revised index went up for 86 school divisions (i.e. the locality is responsible for a larger percentage of SOQ costs); the composite index went down for 41 school divisions (decreasing the locality's share of SOQ costs), and the composite index was unchanged for the remaining nine divisions.

- ***Projected Sales Tax Revenue (December 2011 Official Forecast).*** The sales tax revenues from the one cent portion and the additional one-eighth cent sales tax from the Public Education SOQ/Real Estate Property Tax Relief Fund that are dedicated for public education and distributed based on school-aged population are projected to increase from \$1,162.3 million GF in Chapter 890 to \$1,202.5 million GF in FY 2013 and \$1,243.7 million in FY 2014. These estimates are based on the Governor's 2011 forecast.

- ***Adjust Sales Tax Revenue for Projected Impact of "Amazon Bill".*** In addition, the adopted amendments reflect additional sales tax revenues expected to be collected as a result of the passage of the "Presence in Virginia/Amazon" sales tax bill, Chapter 590 of the 2012 Acts of Assembly (SB 597). The additional sales tax revenues for public education are estimated at \$5.45 million and the SOQ Basic Aid offset is estimated at \$3.1 million for a net increase of \$2.4 million in the second year.

- ***Additional Assistance with Retirement, Inflation, and Preschool Costs.*** Adds \$55.0 million GF each year to assist with 1) the increase from 6.33 percent to 11.66 percent in the teacher retirement employer contribution rates, 2) non-personal inflation costs, and 3) any one-time costs associated with local Virginia Preschool Initiative programs. Although funding is allocated, on a pro-rata basis, weighted 20 percent retirement, 65 percent inflation, and 15 percent preschool, each school division may decide how much to allocate to each of the three purposes and no local match is required.
- ***Eliminate Non-personal Inflation Update.*** Reduces funding by \$54.4 million GF the first year and \$54.6 million GF the second year by eliminating the update of the FY 2010 base year non-personal costs up to the beginning of FY 2013. This action is consistent with the exclusion of any inflation adjustments in Chapter 890. See “Additional Assistance with Retirement, Inflation, and Preschool Costs” above.
- ***Federal Revenue Deduction.*** Reduces funding by \$54.0 million GF the first year and \$54.1 million GF the second year by including in the federal revenue deduction calculation a portion of the State Fiscal Stabilization Fund (SFSF), which is a part of the American Recovery and Reinvestment Act (ARRA) of 2009, and revenue divisions received from FY 2010, the base year for the 2012-14 biennium re-benchmarking. The portion of stimulus revenues included in the federal revenue deduct represents 59.2 percent of total SFSF revenues, the amount actually requested and spent by school divisions in FY 2010, from the portion allocated by the General Assembly to offset any Direct Aid reductions in FY 2010.
- ***Support Personnel Cost of Competing Adjustment (COCA).*** Reduces funding by \$4.4 million GF the first year and \$20.7 million GF the second year by decreasing the COCA percentage rate for support personnel costs for school divisions in Planning District Eight (PD8) and from certain adjacent school divisions.

For the PD8 divisions, the support personnel rate is adjusted from 24.63 percent to 22.70 percent in the first year and to 9.83 percent in the second year. In addition, for those certain adjacent schools, which are funded at 25 percent of the PD8 rate, the support rate is adjusted to 5.67 percent in the first year and to 2.46 percent in the second year. No change was made to the COCA rate for instructional positions which provides an additional 9.83 percent for funded salary costs.

- ***Virginia Preschool Initiative.*** Reduces funding by \$13.0 million NGF the first year and \$13.7 million NGF the second year by changing the funding calculation methodology for the estimate of four-year-olds from using an estimated from the Virginia Employment Commission to now using the projected number of kindergarten students.

As a transition, during FY 2013 and FY 2014, the number of slots funded in each school division will be the higher of either 1) the calculated slots based on projected kindergarten enrollment or 2) the lesser of either the calculated slots

using projections of four-year-olds from the Virginia Employment Commission (VEC) or the actual number of utilized slots in FY 2012. Beginning with FY 2015, the number of funded slots would be based on projected kindergarten enrollment in lieu of VEC projected number of four-year-olds. While this adjustment results in 5,483 fewer slots than the VEC estimate in FY 2013, for a revised total of 23,294, it is more in line with the actual number of 16,302 slots used in FY 2012. Likewise for FY 2014, there are 5,696 fewer total funded slots, a revised total of about 23,403 slots; the total number funded is still higher than the actual number of slots filled by divisions in FY 2012. See “Additional Assistance with Retirement, Inflation, and Preschool Costs” narrative section above for related funding information.

- ***Early Intervention Reading Initiative.*** Adds \$4.1 million GF each year to expand the Early Intervention Reading Initiative funding from 25 percent to 100 percent in both years for eligible third grade students.

- ***New Initiatives and Other Adjustments in K-12 Education.*** Adopted budget includes \$5.2 million GF in the first year and \$2.9 million GF in the second year across various initiatives as detailed below:
 - ***Communities in Schools (CIS).*** Adds \$525,000 GF each year for Communities in Schools of Virginia, a non-profit organization that assists students who are most at risk of low achievement or dropping out. The funding will be tied to supporting dropout prevention activities and will be divided between CIS and targeted localities throughout the state with underperforming schools. Localities will be required to apply for funding as well as provide a matching grant.

 - ***Preparation Pilot Initiative.*** Adds \$300,000 GF in FY 2013 and \$400,000 GF in FY 2014 to establish the Preparation Pilot Initiative, based on competitive proposals targeting Virginia higher education institutions. Institutions submitting proposals must have an elementary education pre-kindergarten through grade 6 approved program or middle/secondary approved programs in mathematics and science. The pilot will include one year of planning and student candidates will be expected to complete a baccalaureate degree and licensure requirements in four years. Preference will be given to proposals that prioritize student tuition incentives in the budget.

 - ***Math and Science Teacher Recruitment Pilot.*** Adds \$500,000 GF in FY 2013 and \$100,000 GF in FY 2014 to establish the Math and Science Teacher Recruitment Pilot Initiative. A new full-time teacher with no teaching experience with a five-year teaching license with an endorsement in mathematics, physics, or technology education assigned to a teaching position in a corresponding STEM subject area is eligible to receive a \$5,000 initial incentive award after the completion of the first year of teaching with a satisfactory performance evaluation and a signed contract for the

following school year. An additional \$1,000 incentive award may be granted for each year the eligible teacher receives a satisfactory evaluation and teaches a STEM subject for up to three years. The maximum incentive award for each eligible teacher is \$8,000. State funding will be awarded on a first-come, first-served basis with preference to teachers assigned to teach in hard-to-staff schools or schools in improvement.

- ***Virginia Workplace Readiness Skills Assessment.*** Adds \$308,655 GF each year for the Virginia Workplace Readiness Skills Assessment and other Board of Education approved industry certifications. This would cover the cost of the workplace readiness skills assessment for 40 percent of the students who graduate from Virginia public schools each year, based on the per student cost for the Virginia workplace readiness skills assessment fee of \$9.00. School divisions could choose to use these funds to cover the costs of other industry certifications that have been approved by the Board.
- ***Charter Schools.*** Adds \$100,000 GF the first year for the Superintendent of Public Instruction to award supplemental grants to assist in the development of charter schools based on criteria established by the Department of Education.
- ***Health Science Academies.*** Adds \$80,000 GF the first year to plan for Governor's Health Science Academies, based on competitive proposals from school divisions in each of the eight superintendents' planning regions for planning grants of \$5,000 each. Upon approval by the Board of Education to implement an Academy in the second half of FY 2013, the Department will award eight implementation grants of \$5,000 to each of the approved Academies. These grants are one-time only to assist in the creation of these Academies.
- ***Youth Development Summer Academy Pilot Programs.*** Adds \$203,691 GF the first year and \$543,176 GF the second year to support implementation of Youth Development Summer Academies for rising ninth- and tenth-grade students. In the first year there will be three academies across the state and by the second year, all eight Superintendent regions will have an opportunity to provide an academy. Each academy will have a total of approximately 50 slots available and will last for a minimum of two weeks in the summer of 2012 and 2013. The local applicants selected to conduct a pilot academy, in consultation with the Department of Education, will develop the curriculum and content for the pilot academy to include a focus on civics education, financial literacy, community service, preventive health, character education, and leadership skills.
- ***Summer Residential Governor's Schools.*** Adds \$60,068 GF each year for Summer Residential Governor's Schools and Foreign Language Academies to fund increased costs of existing programs offered. Funding for this

initiative has been provided from the elimination of the Mentor Teachers in Hard-to-Staff Schools.

- ***PlugGED In Virginia.*** Provides \$465,375 GF each year to expand PlugGED In VA to all eight superintendents' regions by reallocating: 1) \$300,000 in existing GED funds; 2) \$125,000 from the elimination of the adult literacy funding to the Department of Housing and Community Development; and 3) \$40,375 from the elimination of the Virginia Education Technology Alliance.

The PlugGED In VA course curriculum is designed to incorporate technical training as a means to develop both hard skills, such as the specialized technology knowledge reflected in either Microsoft or Career Readiness certifications, and soft skills, such as communication, workplace ethics, collaboration, and innovation.

- ***Project Discovery.*** Reduces funding by \$269,650 GF each year to Project Discovery, a non-profit organization that assists students in graduating from high school and successfully making the transition to post-secondary education.
- ***Race to GED Testing Costs.*** Adds \$385,138 GF the first year and \$310,138 the second year to address rising GED testing costs. The fees charged by GED testing vendors increased by \$13 (from \$45 to \$58 per test taker) in July 2011, and are expected to continue to rise substantially in the coming two years as the test content and format change. The additional funding offsets the increase in the current GED testing cost.
- ***Mentor Teachers in Hard-to-Staff Schools.*** Saves \$839,067 GF each year by eliminating the Mentor Teachers in Hard-to-Staff Schools funding portion of the Education for a Lifetime (EFAL) initiative.
- ***Virtual Virginia.*** Adds \$325,000 GF each year to support the statewide implementation of delivery via Virtual Virginia of the newly required graduation credit for an Economics and Personal Finance class. Also adds \$1.0 million GF each year to expand the number of other Virtual Virginia courses and sections available.
- ***National Board Certification.*** Adds \$215,000 GF in FY 2013, for a total amount of \$5.2 million GF each year, to address growth in the number of teachers who receive grants upon achieving National Board Certification. Adds \$215,000 GF in FY 2014 to level fund the program in the second year. Eligible teachers receive a \$5,000 bonus the first year and \$1,000 for each of the remaining years of the ten year certificate.
- ***Virginia Student Training and Refurbishment Program.*** Adds \$425,000 GF the first year for the Virginia Student Training and Refurbishment Program (VA STAR

- IT), which trains students in IT repair using surplus hardware that is then distributed to schools, families, or communities needing them.
- ***Virginia Science, Technology, Engineering and Applied Mathematics (STEAM).*** Provides \$200,000 GF the first year to study the feasibility of establishing a Virginia Science, Technology, Engineering, and Applied Mathematics Academy, as a statewide residential high school.
 - ***Governor’s Schools.*** Adds \$100,000 GF each year for planning and expansion grants for existing Governor’s Schools to expand to full-day and/or four-year grades 9 through 12 programs. Also adds \$100,000 GF the first year for planning for a regional science Governor’s School in the greater Hampton Roads area. Adds \$73,402 GF the second year to increase the funding cap on Governor’s Schools by 50 students, from 1,650 students to 1,700 students per school.
 - ***EpiPens.*** Adds \$200,000 GF the first year to support the purchase of EpiPens for each public school in Virginia. Chapters 787 (HB 1107) and 833 (SB 656) of the 2012 Acts of Assembly requires local school boards to adopt and implement policies for the possession and administration of epinephrine to students believed to be having an anaphylactic reaction.
 - ***College Readiness Center Pilot.*** Adds \$175,000 GF the first year for a pilot program at a selected school to provide an extended school calendar in grades six through eight for selected students, with the goal of increasing the number of students who ultimately attain a college degree without the need for remedial services at the college level.
 - ***Career and Technical Education Resource Center.*** Adds \$50,000 GF each year to the Career and Technical Education Resource Center, which is located in Henrico County, and provide resources and services on a statewide basis. The additional funding brings the total state grant to \$298,021 per year.
 - ***Literary Fund.*** Adds \$300,000 GF in FY 2014 to offset the reduction of \$300,000 NGF from the Literary Fund, for a total transfer of \$129.8 million, to pay a portion of school employee retirement contributions. A separate amendment reflects additional Literary Funds of \$1.0 million NGF and a general fund reduction of a like amount per year. However, based on the budget policy adopted in Item 3-6.04 that would retain one-half of all fines and fees collected at the local level pursuant to the enforcement of local ordinances, which are in excess of 50 percent of the combined total of local and state collections, the projected collected revenues from the fines and fees are estimated at \$261,972.
 - ***Performance Pay Pilots.*** Reflects funding of \$1.1 million GF the first year for the \$5,000 incentive payments for teachers in the schools participating in the 2011-12 Performance Pay Pilot. Due to the timing of the performance measures, the awards would be paid in fiscal year 2013, rather than in fiscal year 2012.

- ***Virtual Virginia and Summer Governor's Schools.*** Adds \$170,900 NGF each year for additional tuition revenue from the Virtual Virginia program and \$100,000 NGF each year to reflect anticipated growth in revenue associated with the summer residential Governor's Schools.

- ***Language Amendment Adjustments.***
 - ***New Instructional Spending Reporting Requirement.*** Requires the Department of Education to include in the annual School Performance Report Card for school divisions the percentage of each division's annual operating budget allocated to instructional costs in a manner that is consistent with the funding of the Standards of Quality.
 - ***School Divisions' Consolidations.*** Specifies that when two or more school divisions consolidate, regardless of whether or not it was the result of local government consolidation, that a fifteen-year composite index hold harmless is provided.
 - ***School Year Opening.*** Specifies that any school division that was granted a waiver regarding the opening date of the school year for the 2011-12 school year under the good cause requirements shall continue to be granted a waiver for the 2012-13 school year,
 - ***Distribution of Sales Tax Revenue.*** Clarifies that the school-age population estimate as of July 1 of the prior year will be used each year for the distribution of sales tax revenue to school divisions.
 - ***Superintendent Survey for Online Learning.*** Requests that each superintendent to submit to the Department of Education, a brief description of the range of online learning opportunities currently underway in the school division and any being planned or under consideration in the future, if applicable.

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

	<u>FY 2013</u>	<u>FY 2014</u>
Standards of Quality Programs		
Basic Aid (Excluding State Fiscal Stabilization Funds)	\$2,934.7	\$2,907.1
Sales Tax	1,202.5	1,249.2
Textbooks (Split Funded)	46.5	50.2
Vocational Education	53.9	53.9
Gifted Education	32.1	32.3
Special Education	362.7	363.8
Prevention, Intervention, and Remediation	85.2	85.3
Remedial Summer School	22.3	23.1
VRS Retirement	303.1	304.2
Social Security	181.6	182.3
Group Life	<u>11.4</u>	<u>11.5</u>
Total	\$5,236.0	\$5,262.9
Incentive Programs		
Governor's School - Academic & Summer	\$14.7	\$15.1
Governor's School - Planning & Start-up / Expansion	0.1	0.1
Governor's School - Hampton Roads Planning Site	0.1	0.0
Clinical Faculty	0.3	0.3
Career Switcher Mentoring Grants	0.3	0.3
Special Education - Endorsement Program	0.6	0.6
Special Education - Vocational Education	0.2	0.2
Virginia Workplace Readiness Skills Assessment	0.3	0.3
EpiPen Grants	0.2	0.0
Additional Assistance with Retirement, Inflation, and Preschool Costs	55.0	55.0
Performance Pay Initiative	<u>1.1</u>	<u>0.0</u>
Total	\$72.8	\$71.9
Categorical Programs		
Adult Education	\$1.1	\$1.1
Adult Literacy	2.5	2.5
Virtual Virginia	4.3	4.3
American Indian Treaty Commitment	0.1	0.1

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

	<u>FY 2013</u>	<u>FY 2014</u>
School Lunch	5.8	5.8
Special Education - Homebound	5.4	5.7
Special Education - Jails	3.8	4.1
Special Education - State Operated Programs	<u>33.2</u>	<u>35.2</u>
Total	\$56.2	\$58.7
Lottery Funded Programs		
Foster Care	\$10.0	\$10.5
At-Risk	78.8	78.7
Virginia Preschool Initiative	68.2	68.5
Early Intervention Reading	18.3	18.4
Mentor Teacher	1.0	1.0
K-3 Primary Class Size Reduction	105.1	105.1
School Breakfast Program	3.3	3.8
SOL Algebra Readiness	11.3	11.3
Regional Alternative Education	7.8	7.8
Individual Student Alternative Education Plan	2.2	2.2
Special Education - Regional Tuition	72.6	77.6
Career & Technical Education - Categorical	10.4	10.4
Project Graduation	2.8	2.8
Virginia Teacher Corps (NCLB/EFAL)	0.4	0.4
Race to GED (NCLB/EFAL)	2.5	2.5
Path to Industry Certification (NCLB/EFAL)	1.1	1.1
Supplemental Basic Aid	0.9	0.9
English as a Second Language	45.8	47.7
Textbooks (Split Funded)	<u>14.8</u>	<u>11.4</u>
Total	\$457.3	\$462.0
Technology - VPSA	\$58.3	\$58.1
Supplemental Assistance Programs	\$10.1	\$9.1
(See the following table for individual allocations.)		

Supplemental Assistance Programs

	<u>FY 2013</u>	<u>FY 2014</u>
Supplemental Assistance Programs		
Career and Technical Education Resource Center	\$298,021	\$298,021
Charter School Applicants' Assistance Grants	100,000	0
College Readiness Center Pilot	175,000	0
Communities in Schools	525,000	525,000
Governor's Health Sciences Academies	80,000	0
Greater Richmond Area Scholarship Program	212,500	212,500
Jobs for Virginia Graduates	373,776	373,776
National Board Certification Teacher Bonuses	5,185,000	5,185,000
Project Discovery	350,000	350,000
Small School Division Assistance	145,896	145,896
Southside Virginia Technology Consortium	58,905	58,905
Southwest Virginia Public Education Consortium	124,011	124,011
Teacher Recruitment & Retention: Math & Science	500,000	100,000
Teacher Recruitment: Preparation Initiative Pilot	300,000	400,000
Van Gogh Outreach Program	71,849	71,849
Virginia Career Education Foundation	31,003	31,003
Virginia STEAM Feasibility Planning Grant	200,000	0
Virginia Student Training & Refurbishment Program	425,000	0
Virginia Teacher Scholarship Loan Program	708,000	708,000
Youth Development Academies	<u>203,691</u>	<u>543,176</u>
Total	\$10,067,652	\$9,127,137

- **Department of Education**

- *Microsoft IT Academies.* Adds \$1.5 million GF each year for the Microsoft IT Academy initiative, which consists of a formal online curriculum that prepares students to pass industry certification exams.
- *Digital Content.* Adds \$500,000 GF each year for statewide digital content development, online learning, and related support services, as provided via contract.
- *Academic Reviews.* Adds \$499,777 GF the first year only for academic reviews of schools that are not fully accredited. For FY 2011-12, which required annual

objectives for raising graduation rates for the first time, 70 out of 1,838 schools, about 4 percent, are not fully accredited. A year earlier, only 36 schools were not fully accredited.

- ***Performance Evaluation Training.*** Adds \$277,000 GF the first year and \$138,500 GF the second year to support the performance evaluation training sessions in each of the eight superintendent regions for teachers, principals, division superintendents, and other personnel in support of the transition to new evaluation models.
- ***Innovative Education Technical Advisory Group.*** Provides \$100,812 GF each year to support the creation and operation of an Innovative Education Technical Advisory Group to assist new applicants seeking to establish charter, college laboratory, or virtual schools.
- ***Positions.*** Removes \$583,469 GF each year from vacant positions; saves \$271,305 GF each year by transferring GF support for 2.5 positions to nongeneral fund sources; and saves \$130,000 GF each year by eliminating the position that supported the Interstate Compact on Educational Opportunity for Military Children. Also approves an amendment in the Reconvened Session to provide \$185,000 GF the first year towards the costs of implementing the tuition tax credit scholarship program approved by the 2012 General Assembly.
- ***Virginia Career VIEW Program.*** Eliminates funding of \$296,000 GF each year under Direct Aid for Public Education for Virginia Career VIEW (Vital Information for Education and Work), a web-based career exploration and educational planning system for grades K-8 provided through Virginia Tech. Language under Virginia Tech requires Virginia Tech to use certain funds to support Virginia VIEW.
- ***Other Savings.*** Reduces funding by \$100,000 GF each year by transferring support for the Phonological Awareness Literacy Screening (PALS) and the Algebra Readiness Diagnostic Test (ARDT) to federal special education sources; \$100,000 GF the first year by delaying maintenance and enhancement of the student longitudinal data system; and \$19,358 GF each year by relocating a video recording studio to smaller existing space and using external providers for other video production needs.
- ***Statewide Longitudinal Data Systems' (SLDS) IT Services.*** DOE, in partnership with the Office of the Governor, the State Council of Higher Education for Virginia (SCHEV), the Virginia Community College System (VCCS), the Virginia Information Technologies Agency (VITA), and Virginia's workforce agencies' are expanding the development and improvements made on the SLDS. The adopted budget allocates \$2.5 million NGF in federal funds the first year in VITA's budget to pay for services provided to DOE in support of the SLDS.

- **Secretary of Education**

- ***Public Broadcasting.*** Eliminates \$2.6 million GF each year for educational telecommunications services by public broadcasting, and \$1.0 million GF each year for community service grants for public radio and public television stations. See amendment in DOE, Central Office that provides \$500,000 GF each year for statewide digital educational content.
- ***College Partnership Lab Schools Planning Grants.*** Eliminates \$600,000 GF the second year, which would be a third round of planning grants. With the adoption of Chapters 176 (HB 765) and 580 (SB 475) of the 2012 Acts of Assembly, private institutions of higher education that operate a teacher education program approved by the Board of Education are now permitted to apply for a grant to develop and operate a college partnership laboratory school in addition to the public institutions.
- ***Commission on Civics Education.*** Extends the expiration date for the Commission on Civics Education by one year to June 30, 2013.

- **Virginia School for the Deaf and Blind**

- ***O&M of New and Renovated Buildings.*** Adds \$217,488 GF each year and 1 FTE position to maintain and operate new and renovated buildings.
- ***Property Lease Revenue and VITA.*** Replaces \$336,081 GF each year with revenue generated by leasing vacant building space to private entities. New language also authorizes the agency to retain income generated by the leasing of vacant facilities.

Also captures savings of \$182,671 GF each year generated through a renegotiated information technology agreement with VITA.

The budget adds \$300,000 GF the first year towards new instructional technology for the classroom environment or the funds may be used to offset the reductions based on the assumed lease revenue if necessary.