

VACo Education Steering Committee

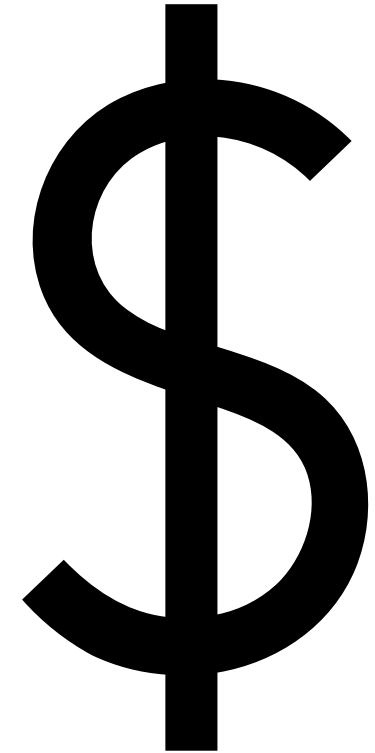
August 18, 2022

2022 General Assembly Session Review of Relevant Issues



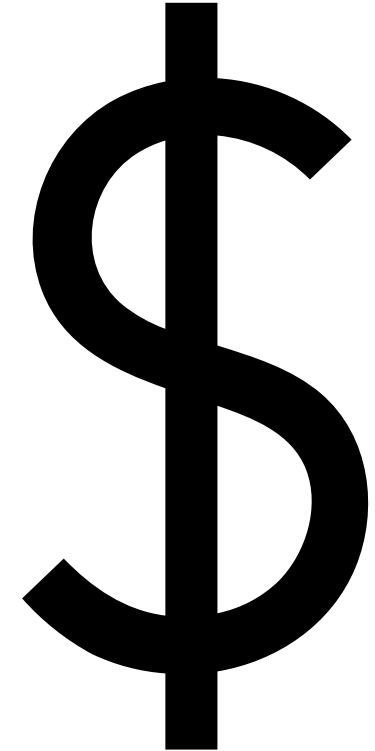
Key Provisions of the 2022-2024 Biennial Budget

- *Additional Restoration of Support Cap Funding:* A key priority for our members and strongly supported by VACo. Since FY 2010, funded support positions have been calculated as a linear weighted average of support positions to funded SOQ instructional positions as reported by divisions. This budget action would increase the funded ratio from 17.75 per 1,000 students to 21 per 1,000 by FY 2024. (\$109.3 m and \$162.3 m in each respective year the biennium)
- *School Principals:* Provides \$10 million GF in FY 2023 and \$10.3 million GF in FY 2024 for the state share of one school principal position per elementary school. Current law provides that elementary schools with fewer than 300 students are provided a half-time principal position; however, according to VDOE, all localities staff beyond the current required ratio (corresponds to SB490).
- *Hold-harmless funding for schools SOQ rebenchmarking:* A priority for our members and strongly supported by VACo; these dollars continue to ensure that base-level school funding is not jeopardized by fluctuations in enrollment due to the pandemic. (\$354 million over the biennium)
- *Paying down unfunded liability for VRS teacher plan:* Something VACo has advocated for in the past; placing VRS on a sounder financial footing should help to mitigate future increases in employer contributions. Deposits \$750 million in FY 2022 into the VRS trust fund and earmarks \$250 million of undesignated FY 2022 surplus revenues for an additional deposit to VRS. Coupled with existing employer contribution rates, estimated to yield \$500 million in savings over the next 15 years while the deposits of general funds could result in an additional estimated savings of \$2 billion over the next 20 years.



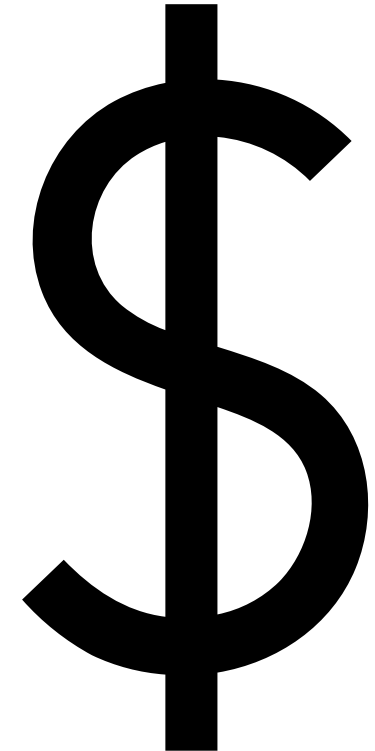
Key Provisions of the 2022-2024 Biennial Budget (cont.)

- *School Construction Assistance Program* : Long-held priority of VACo which provides \$400 million GF and \$50 million from the Literary Fund in FY 2023 to provide competitive grants for school construction and modernization, based on demonstrated poor building conditions, commitment, and need. Grants would cover 10 to 30 percent of reasonable project costs, depending on a locality's local composite index and fiscal stress score. VBOE to develop criteria.
- *School Construction Grant Program*: Long-held priority of VACo which provides \$400 GF million in FY 2023. Provides \$1 million in base funding to each school division, with the remaining funds distributed based on weighted March 2022 ADM. Language allows funds to be used for debt service payments on projects that have been completed or initiated in the last ten years. Funds unexpended at the end of FY 2023 or FY 2024 are to be carried on the locality's books in escrow.
- *Literary Fund*: Long-held priority of VACo which makes changes to the program to make it more competitive as a school financing option (lower interest rate, higher loan amounts, etc.) and frees up \$200 million in each year of the biennium that would otherwise have supported teacher retirement contributions (corresponds to SB471).
- *School Age Data Collection*: VDOE to develop a data collection tool to determine the age of school buildings and maintenance reserve funds needed.
- **BOTTOM LINE: \$1.25 billion successes that stems from multi-faceted/partnered advocacy and the work of the Commission on School Construction and Modernization – but more still needs to be done.**



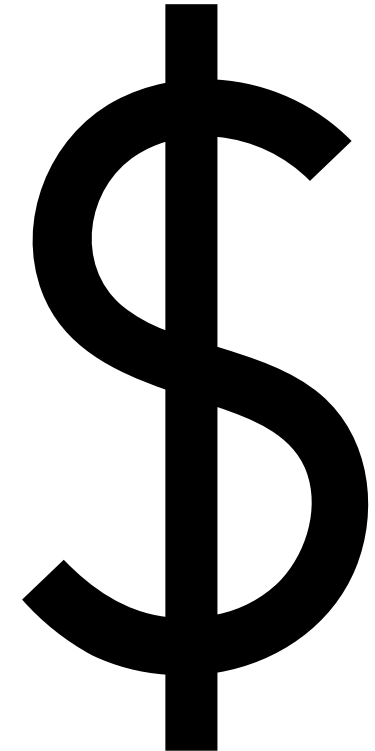
Key Provisions of the 2022-2024 Biennial Budget (cont.)

- *At-Risk Add-On*: Increases the At-Risk Add-On maximum from 26% to 36% in FY 2023. This funding allocates additional dollars to school divisions with high concentrations of students living in poverty.
- *Grocery Tax Distribution*: Backfills funding for the school-age population distribution as a result of the elimination of the state portion of the grocery tax (\$104 million GF in FY 2023 and \$257.2 million GF in FY 2024). These payments are distributed to localities based on the estimate of school age population consistent with sales tax.
- *Reading Specialists*: Provides \$30.8 million GF in FY 2023 and \$31.6 million GF in FY 2024 for the state share to provide one reading specialist for every 550 students in kindergarten through third grade, and provides flexibility for school divisions to employ other instructional staff working toward obtaining the training and licensure requirements prescribed in HB 319 (Coyner) that will become effective in the 2024-2025 school year.
- *Laboratory Schools*: Provides \$100 million GF in FY 2023 for college partnership lab schools. A “college partnership laboratory school” means a public, nonsectarian, nonreligious school in the Commonwealth established by a baccalaureate public institution of higher education; a nonprofit private institution of higher education whose primary purpose is to provide collegiate, graduate, or professional education and not to provide religious training or theological education. The amendment further requires the Board of Education to establish CPLS Fund guidelines before the release of funds and reverts any unobligated funds at the end of the 2022-24 biennium to the general fund.



Key Provisions of the 2022-2024 Biennial Budget (final)

- Provides funding for the state's share of a 5 percent salary increase in each year of the biennium for SOQ-recognized instructional and support staff. School divisions must provide salary increases of at least 2.5 percent in each year of the biennium to draw down state funds. Language in the conference report requires school divisions to certify that local matching funds for salary increases are derived from local sources. The conference report adjusts the timing of the salary increase so that it takes effect August 1, consistent with other salary actions in the budget.
 - VACo introduced several unsuccessful budget amendments to increase local flexibility (remove local minimum threshold match).
- Directs \$124.7 million in ARPA funds for a one-time bonus of \$1000 on December 1, 2022, for SOQ-recognized instructional and support positions. No local match for these funds is required.
- Provides an additional \$22.5 million GF per year for School Resource Officer incentive grants; language waives local matching requirements in the first year.



2022 Legislation Related to VA Co Education Platform/ Proposed Revisions

School Construction

- HB 531/HB 1099/SB 472 Sales and use tax, additional local; revenues to support construction or renovation of schools.
 - Would have allowed any county or city to levy a local general retail sales tax and a local use tax at a rate not to exceed 1 percent as determined by its governing body to provide revenues solely for capital projects for the construction or renovation of schools if such levy is approved in a voter referendum. Under current law, the power to levy such local sales and use taxes for the construction or renovation of schools is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville.
 - Standalone bills for Isle of Wight, Prince Edward, and City of Charlottesville.
- HB 608/SB 276 School boards; unexpended local funds for capital projects.
 - Would have permitted any school board to finance school capital projects with any funds appropriated to it by the local governing body that are unexpended by the school board in any year. Currently, local governing bodies have discretion as to whether to permit local school boards to retain these funds



Appointed School Boards

- HB 18 School boards; appointed members, salaries.
 - Amends § 22.1-32 of the Code of Virginia to permit any appointed school board to pay each of its members an annual salary that is consistent with the salary procedures and no more than the salary limits provided for local governments in relevant law or as provided by charter, with certain exceptions and conditions.
 - Current counties with appointed members under Code: Accomack, Alleghany, Amherst, Cumberland, Essex, Greensville, Hanover, Isle of Wight, Northampton, Prince Edward, Richmond, Southampton
- HB 1284 Schools; method of selection, election required.
 - Would have required election as the method of selecting the members of each school board in the Commonwealth. Current law requires such members to be appointed but permits their election under certain circumstances (voter referendum)



Charter / Laboratory Schools

- HB 344/SB 635 Public charter schools; applications, review and approval.
 - Would have permitted the Board of Education (to receive, review, and rule upon applications for public charter schools and enter into agreements for the establishment of public charter schools. Under current law, the power to grant or deny a public charter school application and enter into an agreement for the establishment of a public charter school rests solely with local school boards.
- Amendment 34: College Partnership Laboratory Schools – Funding
 - Would have added language directing students of college partnership laboratory schools to be counted in average daily membership and for state funding for Standards of Quality (SOQ), Categorical, Incentive, and Lottery programs that are calculated membership, to be distributed accordingly as well as the proportionate state share of all applicable Categorical, Incentive, and Lottery program funds, as eligible.



School Safety

- HB 873 Public elementary and secondary schools; threat assessment team membership, etc.
 - Requires, in the case of any public elementary or secondary school in which a school resource officer is employed, the threat assessment team for such school to include at least one such school resource officer. The bill also requires the chief local law-enforcement officer for any local school division in which a public elementary or secondary school does not employ a school resource officer to designate a law-enforcement officer to receive, either in-person or online, the school safety training for public school personnel conducted by the Virginia Center for School and Campus Safety.
- HB 12 Public school buildings; limits entry points, screening individuals.
 - Would have required each local school board to (i) limit to the lowest feasible number the entry points in each public school building in the local school division, (ii) ensure that each individual who seeks to enter any school building in the local school division is screened with a handheld metal detector wand by a school security officer or another appropriate school board employee who is appropriately trained in such method of screening.



K-12 Staff Shortages

- The Commonwealth has consistently incentivized teacher salary increases in every budget since at least 2019 by providing the state share of salary increases for SOQ required positions.
- This has been done in effort to bring Virginia in-line with the national average for teacher compensation, which we've gotten closer to, but still lag by about \$7,000.
- The latest statewide figures, from last October, show there are 2,563 unfilled teaching positions, according to the Virginia Department of Education. In 2019, it was 1,063.
 1. Elementary Education PreK-6
 2. Special Education
 3. Middle Education Grades 6-8
 4. Career and Technical Education
 5. Mathematics Grades 6-12 (including Algebra 1)
 6. Science (Secondary)
 7. Foreign Language PreK-12
 8. English (Secondary)
 9. History and social science (secondary)
 10. Health and physical education
- Anecdotally from VACo regional meetings, there is also a critical shortage of bus drivers.

