Attachment B

Superintendent’s Memo #117-22

June 6, 2022

**Summary of Budget Amendments Adopted by the General Assembly to the 2022-2024 Biennial Budget as Introduced (HB/SB 30) Affecting the Direct Aid to Public Education and Department of Education Central Office Budgets**

This document provides a summary of amendments to the introduced 2022-2024 biennial budget (House Bill (HB) 30/Senate Bill (SB) 30) that were adopted by the 2022 Special Session I General Assembly on June 1, 2022. The amendments adopted by the 2022 Special Session I General Assembly change the budget introduced in HB 30/SB 30. The adopted changes affect fiscal years 2023 and 2024. FY 2023 will begin on July 1, 2022, and end on June 30, 2023. FY 2024 will begin on July 1, 2023, and end on June 30, 2024.

The budget actions proposed in HB 30/SB 30 were communicated in Attachment A of [Superintendent’s Memo 326-21](https://www.doe.virginia.gov/administrators/superintendents_memos/2021/326-21.pdf), dated December 17, 2021. The budget amendments adopted separately by the House of Delegates and by the Senate were communicated in Attachment B of [Superintendent’s Memo 050-22](https://www.doe.virginia.gov/administrators/superintendents_memos/2022/050-22.pdf), dated March 2, 2022. The original text of those attachments is repeated in this document for reference purposes. The subsequent budget actions adopted by the 2022 Special Session I General Assembly are summarized in this document and are reflected in italicized text.

Information related to the Governor’s introduced, Senate proposed, House proposed, and the Special Session I General Assembly adopted amendments to Direct Aid to Public Education and the Virginia Department of Education (VDOE) Central Office budgets for 2022-2024 is organized in the following sections:

[**Section A: Amendments to the Direct Aid to Public Education Budget**](#bookmark=id.1fob9te)

[Technical Updates to Existing Direct Aid Programs Included in HB 30/SB 30](#bookmark=id.3znysh7)

[Direct Aid Budget Policy Changes Included in HB 30/SB 30](#bookmark=id.2et92p0)

[Direct Aid Budget Policy Changes Not Included in HB 30/SB 30](#_heading=h.1fob9te)

[Direct Aid Budget Language Changes Included in HB 30/SB 30](#bookmark=id.tyjcwt)

[Direct Aid Budget Language Changes Not Included in HB 30/SB 30](#_heading=h.3znysh7)

[**Section B: Amendments to the VDOE Central Office Budget**](#_heading=h.2et92p0)

[Amendments to VDOE Central Office Budget Included in HB 30/SB 30](#bookmark=id.4d34og8)

[Amendments to VDOE Central Office Budget Not Included in HB 30/SB 30](#_heading=h.tyjcwt)

[VDOE Central Office Language Changes Included in HB 30/SB 30](#_heading=h.1t3h5sf)

[VDOE Central Office Language Changes Not Included in HB 30/SB 30](#_heading=h.4d34og8)

## A. 2022-2024 DIRECT AID TO PUBLIC EDUCATION BUDGET

### 1. Technical Updates to Existing Direct Aid Programs Included in HB 30/SB 30

#### Rebenchmark Direct Aid Costs for 2022-2024 (as presented to the Board of Education in October 2021)

**Governor** - The introduced budget includes the state’s share of routine rebenchmarking of costs for all Standards of Quality (SOQ) and other Direct Aid programs. These technical adjustments include updates for factors such as funded salaries, Annual School Report data used to calculate prevailing costs, inflation factors, Standards of Learning (SOL) test score updates, enrollment updates, and projected caseloads for Lottery, incentive and categorical programs. The [2022-2024 Board of Education rebenchmarking presentation](https://www.doe.virginia.gov/boe/meetings/2021/10-oct/work-session/2022-2024-rebenchmarking-presentation-final.pptx), dated October 20, 2021, provides additional information used to make these technical updates. These adjustments reflect the cost of continuing current programs with the required biennial data updates used in the funding formulas, and do not reflect any changes in policy. For FY 2023, routine rebasing of costs for the SOQ and other Direct Aid programs results in an increase in state cost of $153.8 million. For FY 2024, the increase in state cost is $177.2 million.

**Senate** – Same as the Governor’s introduced budget. The Senate also funds a technical update to ensure that SOQ per pupil amounts for Basic Aid and Vocational Education are based on the 2020 end-of-year Master Schedule Collection. This amendment provides an additional $6.7 million in FY 2023 and $6.9 million in FY 2024.

**House** – Same as the Governor’s introduced budget and the Senate amendment.

***General Assembly*** *– Same as the House and Senate amendments. The Special Session I General Assembly also updates Head Start counts for certain school divisions, which impacts the calculation of the Virginia Preschool Initiative slots. This update reduces state payments to school divisions by $1.2 million in both years of the biennium.*

#### Technical Updates to Direct Aid Accounts for 2022-2024 Subsequent to the Rebenchmarking Budget Presented to the Board of Education in October 2021

**Governor –** The introduced budget includes the state’s share of cost for additional technical updates related to the rebenchmarking process that occurred after the Board of Education presentation in October 2021. These technical adjustments include updates to factors such as enrollment projections, inflation factors, SOL test failure rate data, and caseloads for Lottery, incentive and categorical programs. These adjustments reflect the cost of continuing current programs with the required data updates used in the funding formulas, and are not reflective of any changes in policy. These updates decrease the state’s share of cost by $6.8 million in FY 2023 and increase state costs by $7.6 million in FY 2024.

**Senate** – Same as the Governor’s introduced budget. The Senate also makes technical updates to the SOL Algebra Readiness in FY 2023 program, the K-3 Class Size Reduction Program in both years, and to Mentor Teacher distributions in both years. These technical edits reduce state payments to school divisions by $0.2 million in FY 2023 and FY 2024.

**House** – Same as the Governor’s introduced budget and the Senate amendment.

***General Assembly*** *– Same as the House and Senate amendments. The Special Session I General Assembly makes a further technical update to the K-3 Class Size Reduction Program related to Edgemont Primary in Covington. This update increases state payments by $0.2 million in both years of the biennium.*

#### Updates for the Recalculation of the Local Composite Index (LCI) for 2022-2024

**Governor** - The [2022-2024 Composite Index of Local Ability-to-Pay](https://www.doe.virginia.gov/school_finance/budget/compositeindex_local_abilitypay/2022-2024/composite-index-2024.xlsx) was recalculated using 2019 base-year data provided by the Department of Taxation for adjusted gross income, taxable retail sales, and the true value of real property. The estimates of local population for 2019 are provided by the Weldon Cooper Center for Public Service at the University of Virginia, and the March 31, 2020, Average Daily Membership (ADM) is based on data reported by school divisions to VDOE. Updating Direct Aid accounts based on the recalculated 2022-2024 LCI increases the state’s share of Direct Aid funding by $3.9 million in FY 2023 and $4.2 million in FY 2024. The funding impact on school divisions varies depending on whether a school division’s LCI increased or decreased compared to its 2020-2022 LCI.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Update Sales Tax Projections

**Governor** - The introduced budget reflects the most recent estimates of sales tax revenue dedicated to public education for FY 2023 and FY 2024, as computed by the Department of Taxation. The revised sales tax estimates include both the one percent portion and the one-eighth percent portion that are appropriated for distribution to school divisions based on school-age population. The projected sales tax entitlement contained in the Excel template reflects the revised estimates for these two sales tax sources combined as a single revenue line item.

The Department of Taxation’s latest estimate of the one percent and one-eighth percent sales tax revenue is $1,707.5 million for FY 2023 and $1,645.2 million for FY 2024. These revised sales tax estimates are approximately $178.5 million higher in FY 2023 and $82.2 million higher in FY 2024 than the FY 2022 estimate in Chapter 552. As required by the Basic Aid funding formula, estimated payments have been adjusted to reflect the decrease in the state’s share of cost resulting from the projected increase in sales tax revenues.

The amount of the Basic Aid offset depends on each division’s LCI. The state’s share of Basic Aid decreases approximately $99.6 million in FY 2023 and $45.8 million in FY 2024 due to the revised sales tax estimates. The net change in state funding to school divisions (due to both the estimated sales tax revenue increase and the Basic Aid offset) is an increase of $78.9 million in FY 2023 and an increase of $36.3 million in FY 2024.

**Senate** – The Senate provides an additional reduction to sales tax in both years for personal hygiene products, and an exemption for veterinarians pursuant to Senate Bill 516. The total reductions to sales tax distributions are $2.4 million in FY 2023 and $4.4 million in FY 2024. These adjustments generate a $1.3 million increase in general fund support for Basic Aid in FY 2023 and a 2.5 million increase in FY 2024. The net effect is the decrease in sales tax distributions is a decrease of $1.1 million in FY 2023 and $1.9 million in FY 2024.

**House** – The House provides an additional reduction to sales tax in both years for groceries and personal hygiene products. The total reductions to sales tax distributions are $129.8 million in FY 2023 and $2.8 million in FY 2024. These reductions generate a $72.4 million increase in general fund support for Basic Aid in FY 2023, and a $1.6 million increase in FY 2024. The net effect is a decrease of $57.4 million in FY 2023 and $1.2 million in FY 2024.

***General Assembly*** *– Provides an additional reduction to sales tax in both years for personal hygiene products, and an exemption for veterinarians. The total reductions to sales tax distributions are $2.5 million in FY 2023 and $4.3 million in FY 2024. These reductions generate a $1.4 million increase in general fund support for Basic Aid in FY 2023 and a $2.4 million increase in FY 2024. The net effect in state funding is a $1.1 million decrease in FY 2023 and a $1.9 million decrease in FY 2024.*

#### Update Driver’s Education Funding in Basic Aid

**Governor** - The introduced budget decreases non-general fund revenues received from the Department of Motor Vehicles for driver’s education costs by $110,700 in FY 2023, and increases the revenue projection by $25,230 in FY 2024. This change does not impact the funded per pupil amounts for Basic Aid or projected payments for Basic Aid in FY 2023 and FY 2024, but is only a fund source change within the Basic Aid formula.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Update Lottery Revenue Estimate

**Governor** - Total Lottery proceeds are projected to increase by $73.8 million to $764.7 million in FY 2023 and by $73.8 million to $764.7 million in FY 2024, compared to the FY 2022 Lottery estimate in Chapter 552. The total projected Lottery amounts in FY 2023 and 2024 are being used to fund the state share of the cost of various programs, such as the Infrastructure & Operations Per Pupil Fund, Early Reading Intervention, K-3 Primary Class Size Reduction, Special Education Regional Tuition, and SOL Algebra Readiness.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget. The Special Session I General Assembly also increases the Lottery proceeds estimate an additional $20.0 million in FY 2023. This action does not affect distributions to school divisions.*

### 2. Direct Aid Budget Policy Changes Included in HB 30/SB 30

#### Update Employer Contribution Rates for Virginia Retirement System (VRS) Fringe Benefits

**Governor** - The introduced budget proposes the same employer contribution rates for instructional retirement benefits in 2022-2024 (16.62 percent for FY 2023 and 2024) as was funded for FY 2022. The prevailing non-professional VRS rate has been updated and is funded at 7.00 percent for both years of the biennium. This prevailing rate is used for state funding purposes only; the actual non-professional rate charged to school divisions by VRS will vary by school division. For the retiree health care credit, the rates proposed for 2022-2024 reflect the same rate from FY 2022 for FY 2023 and 2024 (1.21 percent). These rate changes decrease state funding by $169,438 in FY 2023 and $302,412 in FY 2024 compared to costs based on the FY 2022 rates used in the Chapter 552 budget.

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| --- | --- | --- | --- |
| **FUNDED FRINGE BENEFIT RATES** | **FY 2022** | **Proposed FY 2023** | **Proposed FY 2024** |
| Instructional & Professional Support VRS (Employer Share) (Does not include RHCC - see below) | 16.62% | 16.62% | 16.62% |
| Instructional & Professional Support VRS (Employee Share) | 5.00% | 5.00% | 5.00% |
| **Total Instructional & Professional Support VRS Rate** | 21.62% | 21.62% | 21.62% |
| Group Life (Employer Share) | 0.54% | 0.54% | 0.54% |
| Retiree Health Care Credit (Paid as part of the VRS Instructional retirement per pupil amount) | 1.21% | 1.21% | 1.21% |
| Non-professional Support VRS | 7.10% | 7.00% | 7.00% |
| Social Security | 7.65% | 7.65% | 7.65% |
| Health Care Premium | $5,504 | $6,171 | $6,171 |
| Total Instructional Benefit Percent (Employer Share) | 26.02% | 26.02% | 26.02% |
| Total Non-professional Support Benefit Percent (Employer Share) | 15.29% | 15.19% | 15.19% |

#### Senate – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Fund the State Share of a Compensation Supplement for Funded SOQ Instructional and Support Positions in FY 2023 and FY 2024

**Governor** - The introduced budget provides a 5.0 percent salary increase in FY 2023 with an effective date ofJuly 1, 2022, for funded SOQ instructional and support positions. The state funding is calculated with an effective date of July 1, 2022, for funded SOQ instructional and support positions, for Academic Year Governor’s Schools, and for Regional Alternative Education Programs. Funded SOQ instructional positions include teacher, school counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division. School divisions must certify to VDOE that they will provide a minimum average 2.5 percent increase in FY 2023 in order to access state funding through this program. School divisions eligible for state funding that provide an average salary increase of less than 5.0 percent will receive a prorated state payment.

The introduced budget provides a second 5.0 percent salary increase in FY 2024 with an effective date of July 1, 2023. The parameters of the compensation supplement in FY 2024 are similar to those stated above for FY 2023. School divisions must provide a minimum 2.5 percent salary increase in FY 2023 and FY 2024 in order to access additional state funds through this program in FY 2024.

The introduced budget provides $248.9 million in FY 2023 and $512.8 million in FY 2024 for the state share of the compensation supplements described above, to school divisions which certify to VDOE that the minimum salary increases described above percent will be provided to instructional and support personnel in each year of the biennium. A required local match based on the division LCI is required in FY 2023 and FY 2024.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to reduce the compensation supplement to 4.0 percent in FY 2023 and 4.0 percent in FY 2024. School divisions that provide a minimum average compensation supplement of 2.5 percent in FY 2023 can access a prorated state payment. School divisions that provide greater than a 5.0 percent compensation supplement in FY 2023 can get credit towards the House’s proposed bonus payment, and/or state funding for the compensation supplement in FY 2024. This proposal would decrease state payments to school divisions by $50.0 million in FY 2023 and by $105.1 million in FY 2024.

***General Assembly*** *– Provides a 5.0 percent compensation supplement effective August 1, 2022 in FY 2023, and another 5.0 percent compensation supplement effective July 1, 2023 in FY 2024. This action provides state funding for salary increases for SOQ funded instructional and support positions, Academic Year Governor’s Schools, and Regional Alternative Education programs. Other provisions are similar to those communicated in the Governor’s introduced budget. This action reduces distributions to school divisions by $21.4 million in FY 2023.*

#### Expand Early Reading Initiative to K-5

**Governor** - The introduced budget increases state funding to expand the Early Reading Initiative to fourth and fifth grades in FY 2023 and FY 2024. The basis for determining the amount of all eligible students in kindergarten through fifth grade is the third grade reading diagnostic score. This amendment provides an additional $31.5 million in state funding to school divisions in FY 2023 and $31.6 million in FY 2024.

**Senate** – Proposes to remove state funding for this initiative. This proposal reduces state funding by $31.5 million in FY 2023 and by $31.6 million in FY 2024.

**House** – Same as the Senate amendment.

***General Assembly*** *– Same as the Senate amendment.*

#### Remove State Funding for No Loss

**Governor** – The introduced budget decreases state funding for the No Loss program by $164.3 million in FY 2023 and FY 2024. This funding was maintained in the budget during the biennial rebenchmarking process due to uncertainty related to 2021 fall membership. This action does not affect distributions to school divisions.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Rebenchmarking Hold Harmless

**Governor** – The introduced budget provides hold harmless state funding of $177.1 million in FY 2023 and $177.4 million in FY 2024. This action is necessary due to data elements within special education, pupil transportation, and non-personal support costs that were affected by the pandemic in FY 2020 during the biennial rebenchmarking process. These distributions to school divisions are not subject to amendment. These funds shall be matched by local school divisions based on the LCI. State funds distributed under this initiative can be used on any eligible costs within Basic Aid and Special Education.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Sales Tax Hold Harmless

**Governor** – The introduced budget provides $45.5 million in FY 2023 and $112.5 million in FY 2024 as a hold harmless related to reduced sales tax revenues due to the elimination of the grocery tax. The effective date for the elimination of the grocery tax is January 1, 2023. The distributions estimated in the Governor’s 2022-2024 biennial budget as introduced are not subject to amendment. School divisions may use these funds for any eligible cost within the Standards of Quality.

**Senate** – The Senate amends the calculation of the hold harmless payment to be based on school-age population. The sales tax hold harmless payment also accounts for the reductions related to personal hygiene products. The net effect of these changes is a $0.5 million increase in FY 2023 and a $1.2 million increase in FY 2024.

**House** – The House amendment accelerates the effective date of the elimination of the grocery tax to July 1, 2022, and eliminates the sales tax for personal hygiene products. The reductions in state sales tax distributions are offset by a corresponding increase to the sales tax hold harmless payments. This proposal increases state payments for the sales tax hold harmless by $57.4 million in FY 2023 and by $1.2 million in FY 2024.

***General Assembly*** *– The Special Session I General Assembly amends the calculation of the hold harmless payment based on school-age population. The sales tax hold harmless also accounts for reductions related to personal hygiene products. The net effect of these changes is a $0.5 million increase in FY 2023 and a $1.2 million increase in FY 2024.*

#### Increase Staffing Ratios for English as a Second Language Program

**Governor** - The introduced budget increases the staffing ratio for the English as a Second Language program in FY 2023 and 2024. This action increases the number of funded positions from 20 per 1,000 students in FY 2022 to 22 per 1,000 students in FY 2023 and 2024. This change increases state funding for the English as a Second Language program by $9.7 million in FY 2023 and by $10.5 million in FY 2024.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to restore the state funding to 20 positions per 1,000 students in FY 2023 and FY 2024. This proposal would reduce state payments to school divisions by $10.3 million in FY 2023 and by $11.7 million in FY 2024.

***General Assembly*** *– Same as the House amendment.*

#### School Construction Grants Program

**Governor** – The introduced budget includes $500.0 million in FY 2023 for school construction grants. All school divisions receive a base $1.0 million allocation in the funding formula, with remaining funds distributed to school divisions on the basis of weighted ADM (a combination of projected ADM and the local composite index). Actual March 31, 2022 (FY 2022) is the enrollment metric used in the calculation. Eligible expenditures under this program shall be nonrecurring in nature and may include school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, school safety equipment or school safety renovations, and debt service payments on school projects completed within the last ten years. Unspent funds awarded to school divisions shall be carried-forward to FY 2024 and FY 2025 and appropriated to school divisions by the local governing body.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to reduce general fund support for the program by $208.3 million in FY 2023, but to increase Literary Fund support for the program by $250.0 million. The program is amended as the School Construction Loan Rebate Program. Funding for this program provides competitive loan rebate grants for school construction and modernization. The Board of Education is authorized to award loans out of this program using a two-tiered approach. The first tier loans would be the equivalent of 30 percent of the principal and interest costs if the Virginia Public School Authority (VPSA) financed the project. Second tier projects would be for interest costs if the project were financed by VPSA. Scoring criteria for grant awards will be based upon local commitment, need, and building conditions.

***General Assembly*** *– Maintains the $1.0 million minimum distribution established in the Governor’s introduced budget, but reduces total distributions in FY 2023 by $100.0 million. The provisions of the program are the same as communicated in the Governor’s introduced budget, but clarifies that funds may be used for debt service payments on school projects that have been completed or initiated during the last ten years, that funds shall not be used for repair or replacement of parking lots or for facilities that are predominantly used for extracurricular athletic activities, and that any unexpended funds shall be carried on the books of the locality in local escrow accounts pursuant to § 22.1-175.5 for appropriation to the school division for use for the same program purposes..*

#### Update Literary Fund Transfer for VRS Retirement

**Governor** - The introduced budget updates the transfer from the Literary Fund to support the state’s share of cost for teacher retirement. These updates increase general fund support for teacher retirement by $83.0 million in FY 2023 and FY 2024. This action does not affect division per pupil amounts or projected entitlements for VRS retirement in FY 2023 or 2024, but is only a change in the source of funding.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to increase Literary Fund support for teacher retirement in FY 2024 by $55.0 million. This action does not affect division per pupil amounts or projected entitlements for VRS retirement in FY 2023 or FY 2024, but is only a change in the source of funding.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Provide Additional Funding for At-Risk Add-on

**Governor** - The introduced budget proposes an additional $194.2 million in FY 2023 and $74.2 million in FY 2024. This action is based on increasing the Basic Aid per pupil add-on range from a maximum of the range of 26.0 percent in FY 2022 to 49.5 percent in FY 2023 and to 36.0 percent in FY 2024.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to decrease the maximum add-on rate to 31.0 percent in both years of the biennium. This action would decrease state payments for the At Risk Add-on to school divisions by $165.4 million in FY 2023 and by $44.7 million in FY 2024.

***General Assembly*** *– Reduces the maximum add-on rate to 36.0 percent in FY 2023. This action reduces state distributions to school divisions by $123.2 million in FY 2023.*

**Add Accomack County and Northampton County as Full Cost-of-Competing Adjustment School Divisions**

**Governor** – The introduced budget adds Accomack and Northampton Counties as full cost-of-competing adjustment (COCA) school divisions in FY 2023. This action will increase their funded salaries by 18.0 percent for SOQ-funded support positions and 9.83 percent for SOQ-funded instructional positions in FY 2023 and FY 2024. This proposal increases state payments to Accomack and Northampton Counties by $3.5 million in FY 2023 and by $3.7 million in FY 2024.

This proposal eliminates the $2.0 million entitlement to Accomack and Northampton Counties that was funded in FY 2022 in Chapter 552.

**Senate** – Proposes to eliminate Accomack and Northampton Counties from COCA eligibility. This action reduces state Direct Aid payments by $3.7 million in both FY 2023 and FY 2024. The Senate also restores the $2.0 entitlement program for Accomack and Northampton Counties in FY 2023 only.

**House** - Proposes to eliminate Accomack and Northampton Counties from COCA eligibility. This action reduces state Direct Aid payments by $3.7 million in both FY 2023 and FY 2024.

***General Assembly*** *- Eliminates Accomack and Northampton Counties from COCA eligibility. This action reduces state Direct Aid payments by $3.7 million in both FY 2023 and FY 2024. The Special Session I General Assembly also restores the entitlement program for Accomack and Northampton Counties in FY 2023 only for $1.7 million.*

#### Increase State Funding for State Operated Programs

**Governor** - The introduced budget proposes an increase of $1.4 million in FY 2023 and FY 2024 to State Operated Programs. The increase is intended to provide adequate state funding for an expanded program at the Medical College of Virginia and a new program at the Children’s Hospital of the King’s Daughters.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Funding Actions Related to the Virginia Preschool Initiative

**Governor** - The introduced budget includes several proposed initiatives related to the Virginia Preschool Initiative (VPI). These actions are listed below.

##### VPI Non-participation Rate

In addition to the technical updates to the VPI funding formula, the introduced budget also assumes a projected VPI non-participation rate in FY 2023 and 2024 at 20.0 percent, which is the same rate assumed for FY 2022. As a result, state funding for VPI decreases by $26.3 million in FY 2023 and $26.4 million in FY 2024 by applying the projected non-participation factor to the total funding. This estimate of VPI non-participation impacts the total state appropriation for the program, but does not change the division-level allocation of student slots or projected entitlement amounts.

##### Rebenchmark the VPI Per Pupil Amount

In addition to technical updates to the VPI funding formula, the introduced budget increases the per pupil amount in FY 2023 and 2024 based on a methodology tied to the biennial rebenchmarking process. This change increases the base per pupil amount from $7,655 in FY 2022 to $8,359 in FY 2023 and FY 2024. School divisions eligible for a full cost-of-compete adjustment (COCA) will receive $8,989 per pupil, and school divisions eligible for partial COCA will receive $8,516 per pupil. These amounts are adjusted for the local composite index, which is still capped at 0.5000. The rebenchmarked VPI rate applies to any other program that uses the VPI per pupil amount as a basis for funding. This action increases state payments to school divisions by $13.7 million in FY 2023 and by $13.7 million in FY 2024.

##### Mixed-Delivery Add-on Grant

The introduced budget increases state funding by $3.5 million in FY 2024 for mixed-delivery services for pre-kindergarten students. VDOE will conduct a study to estimate the actual cost of providing high-quality early childhood education services in community-based settings. The increased cost in FY 2024 will provide state funding for mixed-delivery grants based on the VDOE study.

##### At-Risk Three-Year Old Program Expansion

The introduced budget increases state funding by $6.0 million in FY 2023 and by $13.4 million in FY 2024 to provide early childhood services to more at-risk three-year-olds. Grants will be prioritized based on the following characteristics: 1) communities with limited child care options; 2) programs serving children in private, mixed-delivery settings; or 3) communities that demonstrate full support of public and private providers.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to eliminate the expansion of the three-year-old program, to remove the flexible funding amounts from FY 2024, and to remove COCA as a factor in the rebenchmarked VPI rate. These proposals reduce state funding in by $8.0 million in FY 2023 and by $20.8 million in FY 2024.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Supplemental Education Assistance Programs

**Governor** - The introduced budget includes new Supplemental Education Assistance Programs in FY 2023 and 2024 and amendments to existing programs.

##### Advancing Computer Science Education

The introduced budget transfers state funding from Central Appropriations for Advancing Computer Science Education and doubles the state funding. Beginning in FY 2023, $2.7 million will be provided for this program within Supplemental Education. These funds are intended to provide high quality professional development to current and future teachers; create, curate, and disseminate high quality computer science curriculum, instructional resources, and assessments; support summer and after-school computer science related programming for students; and facilitate meaningful career exposure and work-based learning opportunities in computer science fields for high school students.

**Senate** – Proposes to reduce the FY 2024 general fund support by $1.4 million.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Senate amendment.*

##### K-8 STEM Pipeline

The introduced budget provides $250,000 in FY 2023 and FY 2024 to establish programs and resources to increase exposure to computer science principles, robotics, and coding for students in kindergarten through eighth grade. VDOE will develop the process to award the funds.

**Senate** – Proposes to remove the state funding for this program in FY 2024.

**House** – Proposes to eliminate state funding for this program. This action generates a state savings of $250,000 in both years of the biennium.

***General Assembly*** *– Same as the House amendment.*

##### Community Schools Fund

The introduced budget provides $10.0 million in FY 2023 for grants to school divisions and other appropriate entities to support the development and implementation of community schools initiatives that provide a framework for integrated student supports, expanded and enriched learning time and opportunities, active family and community engagement, and collaborative leadership and practices. Grant awards will prioritize eligible programs serving schools that demonstrate significant need, including Title I-eligible schools. Awards will be made by VDOE in partnership with a workgroup comprised of representatives from local school divisions, existing Virginia providers of community schools models, and other relevant stakeholders. Grants may be awarded for planning, including conducting a needs-assessment, and for the purposes of implementation.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Computer Science Teacher Recruitment

The introduced budget provides $1.5 million in FY 2023 and FY 2024 to establish programs that will increase the number of qualified minority computer science teachers and provide resources for microcredentials, professional development, dual major certification pathways, and Praxis support. VDOE will develop the process to award the funds.

**Senate** – Repurposes funding for this initiative as Teacher Workforce Incentives and removes $1.5 million in general fund support in FY 2024. These funds are used to support: (i) provisionally-licensed educators and other school staff to earn or renew full state teaching licensure; (ii) teacher mentoring for early career teachers; (iii) recruitment and retention efforts for critical vacancies and shortages; (iv) and professional development opportunities to educators.

**House** – Proposes to remove the funding for this initiative. This action provides a state savings of $1.5 million in both years of the biennium.

***General Assembly*** *– Same as the House amendment.*

##### Computer Science Advanced Placement (AP) Enrollment

The introduced budget provides $0.5 million in FY 2023 and FY 2024 to establish programs that will support increased enrollment and student success in AP computer science programs. VDOE will develop the process to award the funds.

**Senate** – Proposes to reduce state funding for this initiative in FY 2023 to $250,000, and to eliminate state funding in FY 2024.

**House** – Proposes to increase funding for this initiative by $1.5 million in both years of the biennium.

***General Assembly*** *– Eliminates the state funding for this program in both years of the biennium. This action reduces general fund distributions by $0.5 million in FY 2023 and FY 2024.*

##### Early Childhood Grow-Your-Own Teacher Grants

The introduced budget provides $1.1 million in FY 2023 and FY 2024 to support grow-your-own teacher preparation programs to create well-prepared early childhood educators. VDOE will provide the grants on a competitive basis to partnerships between school divisions and institutions of higher education. VDOE shall prioritize grant partnerships involving historically black colleges and universities. VDOE shall prioritize applications that build pathways to licensure for early childhood educators with at least one of the following priority areas: 1) paraprofessionals with meaningful early childhood experience, 2) bilingual educators who are willing to provide bilingual instruction, or 3) individuals who have completed or are currently enrolled in any of the state’s apprenticeship or 2+2 early childhood programs.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to eliminate funding for this program. This action generates a state savings of $1.1 million in both years of the biennium.

***General Assembly*** *– Same as the House amendment.*

##### Pre-Kindergarten Mixed Delivery Expansion

The introduced budget increases payments to the Virginia Early Childhood Foundation by $2.0 million in FY 2023 and $4.7 million in FY 2024. The increase in funding is intended to support public-private delivery of pre-kindergarten services for at-risk three- and four-year-old children, as well as pilot a program to serve 200 infants and toddlers.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to eliminate the funding for the program expansion. This action generates a state savings of $2.0 million in FY 2023 and $4.7 million in FY 2024.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Virginia Public Media

The introduced budget provides $0.5 million in FY 2023 and FY 2024 to Virginia Public Media to support curriculum development and the creation of learning assets.

**Senate** – Proposes to change the name of the program to “VPM Media Corporation” and eliminates the $0.5 million appropriation in FY 2024.

**House** – Proposes to transfer the FY 2024 in the Governor’s introduced budget to FY 2023. This action would increase state funding in FY 2023 by $0.5 million, but reduce funding in FY 2024 by the same amount.

***General Assembly*** *– Same as the Senate amendment.*

##### Youth Entrepreneurship Pilot Program

The introduced budget provides $1.5 million in FY 2023 to Portsmouth City Public Schools to establish a Youth Entrepreneurship Pilot Program in partnership with institutions of higher education and community partners within the Hampton Roads region.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to eliminate state funding for this program. This action generates a state savings of $1.5 million in FY 2023.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Early Childhood Educator Incentive

The introduced budget increases the state payments for the Early Childhood Educator Incentive grants by $5.0 million in FY 2023 and FY 2024. Grants are intended to attract new educators and reduce turnover in hard-to-serve preschool classrooms. The guidelines for the distribution of funds will be set by VDOE.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Project Ready

The introduced budget provides $2.0 million in FY 2023 to the Urban League of Hampton Roads to support the Project Ready – Career Beginnings program to increase high school retention and college access.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to eliminate state funding for this program. This action generates a state savings of $2.0 million in FY 2023.

***General Assembly*** *– Same as the House amendment.*

##### Increase Funding for Communities in Schools

The introduced budget provides additional state funding for the Communities in Schools (CIS) program of $0.8 million in both FY 2023 and 2024. The additional funding is intended to strengthen and sustain existing programming in Hampton Roads, Northern Virginia, Petersburg, Richmond, and Southwest Virginia, and expand programming to new schools.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Increase Funding for eMediaVA

The introduced budget provides additional state funding of $0.5 million in both FY 2023 and 2024 for eMediaVA. eMediaVA provides statewide digital content development, online learning, and related support services.

**Senate** – Proposes to remove the $0.5 million program increase in FY 2024. The budget amendment also requires the Hampton Roads Educational Telecommunications Association, in partnership with Blue Ridge PBS, VPM Media Corporation, and PBS Appalachia to report to the Secretary of Education, Department of Education and the General Assembly on a plan to share educational resources and content.

**House** - Proposes to transfer the FY 2024 in the Governor’s introduced budget to FY 2023. This action would increase state funding in FY 2023 by $0.5 million, but reduce funding in FY 2024 by the same amount.

***General Assembly*** *– Same as the Senate amendment.*

##### Increase Funding for Teacher Residency

The introduced budget provides additional state funding of $0.5 million in FY 2023 for the Teacher Residency program. The additional state funds support a pilot program at Virginia Commonwealth University (VCU) to support 20 special education residents and 20 elementary school residents in partnership with the Richmond Teacher Residency program.

**Senate** – Proposes an additional $0.5 million in general fund support in FY 2024 for the teacher residency program at VCU.

**House** – Proposes to eliminate the state funding to expand the program. This action generates a state savings of $0.5 million in FY 2023.

***General Assembly*** *– Same as the Senate amendment.*

##### Increase Funding for Project Discovery

The introduced budget provides additional state funding of $25,000 in both FY 2023 and 2024 for Project Discovery. The additional funding supports a program in Madison and Orange Counties.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Increase Funding for Blue Ridge PBS

The introduced budget provides additional state funding of $0.5 million in both FY 2023 and 2024 for Blue Ridge PBS for educational outreach programming.

**Senate** – Proposes to eliminate the $0.5 million in additional funding in FY 2024.

**House** - Proposes to transfer the FY 2024 in the Governor’s introduced budget to FY 2023. This action would increase state funding in FY 2023 by $0.5 million, but reduce funding in FY 2024 by the same amount.

***General Assembly*** *– Same as the Senate amendment.*

##### Increase Funding for Power Scholars Academy

The introduced budget provides additional state funding of $0.5 million in both FY 2023 and 2024 for the Power Scholars Academy. These funds support pilot public-private partnerships between local school divisions and the Greater Richmond and Central Virginia affiliates of the Virginia Alliance of YMCAs to expand student participation opportunities in summer programs.

**Senate** – Proposes to remove $0.5 million in general fund support in FY 2024. The budget amendment also expands the partnerships to the Virginia Alliance of YMCAs, rather than limiting eligibility to Central Virginia.

**House** – Proposes to remove state funding for the program expansion. This action generates a state savings of $0.5 million in both years of the biennium.

***General Assembly*** *– Same as the House amendment.*

##### Increase Funding for Wolf Trap Model STEM

The introduced budget provides additional state funding of $0.3 million in FY 2023 and $0.6 million in FY 2024 for the Wolf Trap Model STEM program. The additional funds support the phase-in of services into currently unserved divisions in an equitable manner, with a special focus on capacity building and establishing new services in Superintendents Regions 3, 6, or 8.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Increase Funding for Virginia Air & Space Center

The introduced budget provides additional state funding of $0.5 million in FY 2023 and FY 2024 for the Virginia Air & Space Center. This program supports a multi-platform STEM education and engagement program.

**Senate** – Proposes to remove the $0.5 million in additional state funding in FY 2024.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Eliminate Funding for College Laboratory School Grants

Elimination of the College Laboratory School Grants program generates a state savings of $50,000 in both years of the biennium.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

##### Eliminate Funding for Alternative Teacher Compensation Grants

Elimination of the Alternative Teacher Compensation Grants program generates a state savings of $15,000 in both years of the biennium.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

### 3. Direct Aid Policy Changes Not Included in HB 30/SB 30

#### Reading Specialists

**Senate** – Provides state funding for reading specialists within Basic Aid. The funded staffing standard in the proposal is one reading specialist per 550 students in grades kindergarten through three. This proposal increases state funding to school divisions by $31.0 million in FY 2023 and by $31.6 million in FY 2024.

**House** – Same as the Senate amendment.

***General Assembly*** *– Same as the Senate amendment.*

#### SOQ-Funded Support Positions

**Senate** – Provides additional state support for funded SOQ support positions within Basic Aid that are subject to the support positions ratio cap. In FY 2023, this proposal provides 20 support positions per 1,000 students in base ADM. In FY 2024, this proposal provides 21 support positions per 1,000 students in base ADM. This proposal increases state payments to school divisions by $109.1 million in FY 2023 and by $162.0 million in FY 2024.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment. This action increases state payments to school divisions by $109.3 million in FY 2023 and by $162.3 million in FY 2024.*

#### Elementary School Principals

**Senate** – No action.

**House** – Proposes state funding for a full-time principal in all elementary schools. The current standard funds 0.5 FTE for schools with enrollment below 300 students. This proposal increases state funding to school divisions by $10.0 million in FY 2023 and by $10.2 million in FY 2024.

***General Assembly*** *– Same as the House amendment. This action increases state payments to school divisions by $10.0 million in FY 2023 and by $10.3 million in FY 2024.*

#### Bonus Payment for SOQ-Funded Instructional and Support Positions

**Senate** – No action.

**House** – Proposes the state share of a 1.0 percent bonus payment in FY 2023 and FY 2024 for SOQ-funded instructional and support positions. School divisions must certify to VDOE that sufficient funds have been budgeted for an equivalent bonus or compensation supplement to receive state funding. This proposal increases state funding to school divisions by $43.1 million in FY 2023 and by $43.5 million in FY 2024.

***General Assembly*** *– Provides funding for a $1,000 bonus payment in FY 2023 for each SOQ-funded instructional and support position. These funds are provided using federal ARPA pandemic relief funds, and will be paid by December 1, 2022. School divisions are encouraged to use additional available funds to provide pandemic bonuses to all other eligible instructional and support positions. School divisions have discretion to determine the amount of a bonus to pay per employee to maximize the use of funds and to promote retention among instructional and support staff. Please note that, since these funds are appropriated in the Central Appropriations section of the state budget, these payments are not a part of Direct Aid and are not shown on the calculation template file. The distributions to school divisions are provided in Attachment D of Superintendent’s Memo #XXX-22.*

#### School Construction Assistance Program

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Provides $400.0 million in general funds and $50.0 million from the Literary Fund in FY 2023 for the Board of Education to award competitive grants to local school boards that demonstrate poor building conditions, commitment, and need in order to fund the construction, expansion, or modernization of public school buildings. The Board of Education shall develop the guidelines for administration of the program. At a minimum, the guidelines shall require that (1) projects conform to the “Guidelines for School Facilities in Virginia’s Public Schools;” (2) grant awards will be based on project costs (including planning, design, site acquisition, and construction), the composite index of local ability-to-pay, and the fiscal stress index, as designated by the Commission on Local Government; and (3) a minimum qualifying score shall be met for a grant award meeting a Board-developed scoring criteria. Grant awards will be 30.0 percent of project costs for school divisions with a composite index value below 0.3000, or within a locality designated with high fiscal stress. Grant awards will be 20.0 percent of project costs for school divisions with a composite index value at or above 0.3000, but below 0.4000, or within a locality designated with above average fiscal stress. All other grants would be awarded at 10.0 percent of project costs. The Board of Education’s scoring criteria may factor (1) local commitment, which may be demonstrated by factors such as in increase in local funding for public education, or the extent to which the project was completed prior to the submission of the grant application; (2) need, which can include a number of factors including free and reduced lunch rates, percentage of residents below federal poverty levels, composite index of local ability-to-pay, debt capacity, or fiscal stress; and (3) poor school building conditions, which may include the condition of the facility to be replaced or upgraded, the school division maintenance reserve tool, and condition of other facilities within the school division. The release of funds to school divisions shall be reasonably aligned to anticipated expenses. Grants shall be awarded based on ranking score, and grants will not be prorated if requests exceed the amounts appropriated. Eligible projects for grant awards shall not exceed $100.0 million in project costs. The Board of Education shall report to the General Assembly the details of the projects funded each year by December 1.*

#### Lottery Infrastructure & Operations Per Pupil Fund

**Senate** – No action.

**House** – Proposes to increase the per pupil amount for the Infrastructure & Operations Per Pupil Fund to $450.91 in FY 2023 and to $449.39 in FY 2024. This proposal increases state funding to school divisions by $29.5 million in FY 2023 and FY 2024.

***General Assembly*** *– No action.*

#### Assistant Principals

**Senate** – No action.

**House** – Proposes to fund an assistant principal per 500 students in enrollment per school for all schools within Basic Aid. This proposal increases state funding to school divisions by $40.9 million in FY 2023 and by $42.5 million in FY 2024.

***General Assembly*** *– No action.*

#### College Laboratory Schools Fund

**Senate** – No action.

**House** – Proposes $150.0 million in state funds for grants to establish college partnership laboratory schools. This funding is intended to support the local share of funds for students enrolled in these schools. Per pupil shares of funds would be determined based upon a student’s school division of residence.

***General Assembly*** *– Provides $100.0 million in general funds in FY 2023 to establish college partnership laboratory schools. The Board of Education is authorized to provide planning grants of up to $5.0 million towards the creation of new college partnership laboratory schools. The Board is also authorized to provide up to $20.0 million for start-up grants to approved schools. The remaining $75.0 million may be distributed by the Board to support per-pupil costs of college partnership laboratory schools. The Board shall establish guidelines for the distribution of funds and submit to the General Assembly by December 1, 2022. Any funds remaining at the end of the biennium revert to the general fund.*

#### Supplemental Education Initiatives

##### EduTutorVA

**Senate** – Provides $0.1 million in each year of the biennium to EduTutorVA to support targeted tutoring to help students recover from COVID-19 learning loss.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### Soundscapes – Newport News

**Senate** – Provides $0.1 million in FY 2023 for social intervention programs in Newport News. Soundscapes is an educational development organization teaching transformational life skills to socio-economically disadvantaged youth in Virginia through a rigorous, daily, after-school curriculum, starting in first grade and extending through high school.

**House** – No action.

***General Assembly*** *– No action.*

##### Virginia Boys State of The American Legion

**Senate** – Proposes $50,000 in general fund support in FY 2023 to support civic education programming to Virginia Boys State of The American Legion.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### Western Virginia Public Education Consortium

**Senate** – Provides $50,000 in FY 2023 in general fund support for the Western Virginia Public Education Consortium to work collaboratively with Radford University, Virginia Tech, and New River Community College to address teacher vacancies in the region.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### Virginia Museum of History and Culture

**Senate** – Provides $0.3 million in FY 2023 for the Virginia Museum of History and Culture and Virginia public institutions of higher education to collaborate on a permanent exhibit and traveling exhibition opportunities for K-12 students, related to the history of free Blacks in Virginia prior to the Civil War.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### Milk and Cookies Children’s Program

**Senate** – Provides $0.3 million in general fund support in each year of the biennium to support the Milk and Cookies Children’s Program, which is a socio-emotional learning program developed specifically for the children of incarcerated parents.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### PBS Appalachia

**Senate** – Proposes $0.5 million in FY 2023 to PBS Appalachia to support curriculum development and the development of learning assets.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### Virginia Holocaust Museum

**Senate** – Proposes $50,000 in each year of the biennium to the Virginia Holocaust Museum in support of the Alexander Lebenstein Teacher Education Institute, to support experiential learning.

**House** – No action.

***General Assembly*** *– Provides $50,000 in FY 2023 to the Virginia Holocaust Museum in support of the Alexander Lebenstein Teacher Education Institute, to support experiential learning.*

##### Virginia Girls State of The American Legion Auxiliary

**Senate** – Provides $50,000 in FY 2023 to support civic education programming for the Virginia Girls State of The American Legion Auxiliary.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

##### RISE Foundation of Waynesboro

**Senate** – No action.

**House** – Provides $0.3 million in FY 2023 to serve at-risk youth in Waynesboro.

***General Assembly*** *– Same as the House amendment.*

##### Dolly Parton’s Imagination Library for Kids

##### Senate – No action.

##### House – Provides $0.5 million in FY 2023 and $1.2 million in FY 2024 for 50 percent of costs associated with establishing Dolly Parton’s Imagination Library for Kids in Virginia. The program is a book-gifting program for eligible children birth to five years old.

***General Assembly*** *– Same as the House amendment.*

##### Vision Screening Grants

#### Senate – No action.

#### House – Increases annual funding for vision screening grants by $0.4 million in each year of the biennium.

***General Assembly*** *– Provides an additional $0.4 million for vision screening grants in FY 2023.*

##### Attendance Recovery

**Senate** – No action.

**House** – Provides $3.5 million in FY 2023 to contract with a provider to assist public school divisions with disengaged, chronically absent, or struggling students in response to the COVID-19 pandemic. VDOE would contract with a provider with experience in providing statewide attendance recovery to at-risk students.

***General Assembly*** *– Same as the House amendment, but funded using ARPA federal pandemic relief funds.*

##### Denbigh Aviation Academy

**Senate** – No action.

**House** – Provides $0.3 million in FY 2023 to support the Denbigh Aviation Academy, which is an innovative STEM program in which at least 60 percent of students are eligible for free and reduced lunch.

***General Assembly*** *– Same as the House amendment.*

##### American Civil War Museum

**Senate** – No action.

**House** – Provides $1.0 million in state funding in FY 2023 to support the advancement of experiential learning opportunities at the American Civil War Museum.

***General Assembly*** *– Provides $0.5 million in state funding in FY 2023 to support the advancement of experiential learning opportunities at the American Civil War Museum.*

##### Public Schools Trades Incentive Fund and Program

**Senate** – No action.

**House** – Provides $3.0 million in both years of the biennium for the Public Schools Trades Incentive Fund and Program for competitive grants to school divisions to restore programs that teach skill trades that lead to industry-recognized certifications and credentials.

***General Assembly*** *– No action.*

##### Achievable Dream – Virginia Beach

**Senate** – Provides $0.3 million in FY 2023 for the Achievable Dream program to form a partnership with Virginia Beach City Public Schools. This program assists students to obtain college scholarships and provides guidance and opportunities for students to bridge the price gap between university and college scholarships and the total cost of attendance.

**House** – Provides $0.5 million in each year of the biennium to cover the per student cost to attend the Achievable Dream program in Virginia Beach.

***General Assembly*** *– Same as the House amendment.*

##### Special Olympics Unified Champion Schools

**Senate** – No action.

**House** – Provides $0.2 million in each year of the biennium to support Unified Champion Schools for the Special Olympics.

***General Assembly*** *– No action.*

##### Chesterfield County Recovery High School

**Senate** – Proposes $0.6 million in FY 2023 to assist Chesterfield County with the establishment of a recovery high school as a year-round high school program, which will serve students in Superintendent’s Region 1 in the early stages of recovery from substance abuse disorder or dependency.

**House** – Proposes $0.9 million in FY 2023 and $0.9 million in FY 2024 to assist Chesterfield County with the establishment of a recovery high school as a year-round high school program, which will serve students in Superintendent’s Region 1 in the early stages of recovery from substance abuse disorder or dependency.

***General Assembly*** *- Provides $0.9 million in FY 2023 and $0.5 million in FY 2024 to assist Chesterfield County with the establishment of a recovery high school as a year-round high school program, which will serve students in Superintendent’s Region 1 in the early stages of recovery from substance abuse disorder or dependency.*

##### Get Schooled Center

##### Senate – No action.

##### House – Provides $0.2 million in each year of the biennium for the Get Schooled Center in Roanoke for science, math, and agriculture for public school students.

***General Assembly*** *– Same as the House amendment.*

##### Educator Workforce Initiatives

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Provides $1.5 million in FY 2023 to increase the supply of qualified educators and support recruitment and retention efforts. The funds may also be used to support provisionally-licensed teachers to receive full licensure, and for professional development.*

##### Teacher Recruitment Incentives

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Provides $10.0 million in FY 2023 out of federal ARPA pandemic relief funds to support teacher recruitment incentive payments to fill vacant instructional positions. Incentives are based on $2,500 per position, or $5,000 in hard-to-staff schools and hard-to-fill positions. This is a continuation of the RIPE program offered initially in FY 2022.*

##### 21st Century Community Learning Centers

##### Senate – No action.

##### House – No action.

##### *General Assembly – Provides $4.0 million in FY 2023 out of federal ARPA pandemic relief funds to supplement 21st Century Community Learning Centers. Grants from this appropriation can be awarded to community-based organizations for after-school, before-school, and summer learning programs for school-age children attending high-poverty, low-performing schools.*

##### United Way Southwest Virginia Childcare

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Provides $3.5 million in FY 2023 out of federal ARPA pandemic relief funds to increase childcare capacity at the United Way of Southwest Virginia.*

### 4. Language-Only Amendments for Direct Aid Programs Included in HB 30/SB 30

#### Literary Funds for School Construction Loans

**Governor** – The introduced budget amends for Literary Funds are used for school construction loans. First, the proposal eliminates the First and Second Priority Waiting Lists and introduces an annual application process. The annual list will be prioritized based on the LCI. The proposed language increases the maximum loan from $7.5 million to $25.0 million. It also requires loan interest rates to be benchmarked against market rates, but to not exceed 2.0 percent for school divisions with an LCI less than 0.3000. The proposed language offers an add-on loan for projects that will result in school consolidation and the net reduction of an existing school, not to exceed $5.0 million. The proposed language also provides $25,000 incentive grants for loan closing costs, not to exceed $250,000 statewide per year. The language allows the Board of Education to award up to $200,000,000 in each year of the biennium for school construction loans or subsidy grants, subject to available funds. The proposed language also requires VDOE, in partnership with the Department of the Treasury, to report annually on Literary Fund loan issuance beginning on October 1, 2023.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to strike the amendments included in the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduce budget, with a few additional amendments. Removes the $25,000 incentive grants for closing costs. The language also clarifies that the Board of Education may award up to $200.0 million annually in school construction loans out of the Literary Fund, but not also subsidy grants.*

#### Virginia Preschool Initiative – Eligibility for Five-Year-Olds

**Governor** – The introduced budget adds language that allows localities to work with families and VPI program leaders to determine if a five-year-old can be better served in a VPI program. For a five-year-old to be eligible, the child must not have already had access to sufficient preschool experiences.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Virginia Preschool Initiative – Enrollment after September 30

**Governor** – The introduced budget adds language that allows VDOE to fund VPI slots filled after September 30, but no later than December 31, on a prorated basis. For students enrolled after September 30, grants shall be prorated for the portion of the school year that the child is served. VDOE is required to project the number of slots that may be filled between October 1 and December 31 in its estimates for the Governor’s budget each year.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Virginia Preschool Initiative – Special Education Eligibility

**Governor** – The introduced budget adds language that allows for any student eligible for services under the Individuals with Disabilities Education Act to be served by VPI programs, regardless of household income.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Virginia Preschool Initiative – Remove Startup Grants

**Governor** – The introduced budget removes language for startup grants that had been previously made available using available balances. This program has not been accessed in recent years due to unavailability of balances. The reporting requirement related to startup grants is also removed in the language.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

### 5. Language-Only Amendments for Direct Aid Programs Not Included in HB 30/SB 30

#### Compensation Supplement

**Senate** – Proposes clarifying language that indicates that the local match for the Compensation Supplements in FY 2023 and FY 2024 should not come from federal pandemic relief funds and only from local revenue sources.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

#### School Construction Grants Program

**Senate** – Proposes language that indicates funds can be used for debt service on school projects that have been completed or initiated within the last ten years. The amended language also clarifies that funds cannot be used for parking lot repairs or facilities predominantly used for extracurricular athletic activities.

**House** – No action.

***General Assembly*** *- Clarifies that funds can be used for debt service on school projects that have been completed or initiated within the last ten years, that funds shall not be used for the repair or replacement of parking lots or the replacement or modernization of facilities used predominantly for extracurricular athletics, and that any unexpended funds shall be carried on the books of the locality in local escrow accounts pursuant to § 22.1-175.5 for appropriation to the school division for use for the same program purposes.*

#### Regional Alternative Education

#### Senate – Directs VDOE to conduct a biennial slot application process in FY 2024 to determine participation for the 2024-2026 biennium.

#### House – No action.

***General Assembly*** *– Same as the Senate amendment.*

#### Virginia Teaching Scholarship Loan Program

**Senate** – No action.

**House** – Adds language stating that Virginia Teaching Scholarship Loan recipients may satisfy the teaching requirements to forgive the loan by teaching in a Virginia public school “program” where at least 50 percent of students are eligible for free or reduced lunch, in addition to those teaching in traditional public schools.

***General Assembly*** *– Same as the House amendment.*

#### Uses of Federal Pandemic Relief Funds

#### Senate – No action.

#### House – Requires school divisions to report the planned uses of federal pandemic relief funds. VDOE is responsible for prescribing the format and timeline for reporting such information. Information is required to be submitted to the Senate Finance and Appropriations and House Appropriations Committees by November 1 in each year of the biennium.

***General Assembly*** *– Same as the House amendment, but changes the annual reporting requirement date to September 1 of each year.*

#### Infrastructure & Operations Per Pupil Fund

**Senate** – No action.

**House** – Clarifies that Infrastructure & Operations Per Pupil Funds may be used to pay the debt service on projects that have begun but not yet completed.

***General Assembly*** *- Clarifies that school divisions should receive credit towards the required local match calculation for nonrecurring expenses paid from the Infrastructure & Operations Per Pupil Fund.*

#### At Risk Add-on

**Senate** – No action.

**House** – Eliminates Reading Recovery as an eligible use of funds under the At-Risk Add-on program.

***General Assembly*** *– Same as the House amendment.*

#### VRS Retirees

#### Senate – No action.

#### House – Permits VRS retirees hired by local school divisions as instructional or administrative employees, or as a school bus driver, may continue to collect a retirement allowance provided that (a) the individual has been retired for at least six months, (b) is not receiving an early retirement benefit through a local school division, and (c) is employed in a hard-to-staff position.

***General Assembly*** *– No action.*

#### Standards of Quality Preliminary Forecast

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Requires the Department of Planning and Budget and VDOE to complete their preliminary forecast of SOQ costs by November 1 of each year instead of the current deadline of November 15.*

## B. 2022-2024 VDOE CENTRAL OFFICE BUDGET

### 1. Amendments to VDOE Central Office Budget Included in HB 30/SB 30

#### Virginia Kindergarten Readiness Program Expansion

**Governor** – The introduced budget provides an additional $1.0 million in state funding in FY 2023 and FY 2024 to fully implement the Virginia Kindergarten Readiness Program to all four-year-old students in publicly-funded preschool classrooms. The additional funds will also allow VDOE to pilot a program for three-year-old students.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Expansion of Early Childhood Classroom Observations

**Governor** – The introduced budget provides an additional $0.5 million in state funding in FY 2023 and $0.7 million in FY 2024 to expand classroom observations in publicly-funded preschool programs to verify the accuracy and maintain the reliability of the measurements required within the Unified Measurement and Improvement System.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Office of School Quality Expansion

**Governor** – The introduced budget provides $3.3 million in state funding in FY 2023 and $6.6 million in FY 2024 to establish a regional continuous improvement model within the Office of School Quality. The model is intended to provide support to schools that do not meet federal accountability standards or state accreditation standards. The state funding provides 25 FTEs in the first year, and an additional 25 FTEs in the second year to staff the initiative.

**Senate** – Proposes to reduce state funding for this initiative by $2.6 million in FY 2023 and by $4.1 million in FY 2024. The amendment allows for state funding for 5 new FTEs in FY 2023 and an additional 18 FTEs in FY 2024.

**House** – Proposes to reduce state funding for this initiative by $1.7 million in FY 2023 and by $3.3 million in FY 2024. The amendment allows for state funding for 12 new FTEs in FY 2023 and an additional 13 FTEs in FY 2024.

***General Assembly*** *– Same as the Senate amendment.*

#### Statewide Learning Management System

**Governor** – The introduced budget provides $5.1 million in state funding in FY 2024 to support a statewide Learning Management System (LMS). This initiative will be supported with federal pandemic relief funds in FY 2023. The statewide LMS provides a platform that allows teachers and learners throughout Virginia to have equitable access to various types of digital multimedia content, and virtual and blended learning opportunities through a single platform.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to use federal ARPA pandemic relief funds to support this initiative in FY 2024. This action reduces general fund support to VDOE Central Office by $5.1 million in FY 2024.

***General Assembly*** *– Same as the House amendment.*

#### Student Growth Assessments

**Governor** – The introduced budget provides $5.0 million in state funding in FY 2024 to support administration for through-year growth assessments for students in grades three through eight. This effort is supported by federal pandemic relief funds in FY 2023.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to fund the FY 2024 support using federal ARPA pandemic relief funds. This action reduces general fund support to VDOE Central Office by $5.0 million.

***General Assembly*** *– Same as the House amendment.*

#### Virginia School Survey of Climate and Working Conditions

**Governor** – The introduced budget provides $0.2 million in state funding in FY 2023 and FY 2024 to support VDOE’s administration of the School Survey of Climate and Working Conditions, which is required by law. The initiative supports funding for two FTEs at VDOE to administer the survey.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Additional Support for Early Childhood Education Programs

**Governor** – The introduced budget provides $0.3 million in state funding in FY 2023 and FY 2024 for VDOE to support the expansion of the Virginia Preschool Initiative and the Mixed Delivery Grant program. This initiative provides an additional two FTEs to VDOE in FY 2023.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to eliminate the state funding for these positions. This action reduces state support to the VDOE Central Office by $0.3 million in each year of the biennium.

***General assembly*** *– Same as the House amendment.*

#### STEM Governor’s School

#### Governor – The introduced budget provides $0.5 million in state funding in FY 2023 for VDOE to study the feasibility of a Science, Technology, Engineering, and Mathematics (STEM) Governor’s School on the Eastern Shore of Virginia.

**Senate** – Amends the use of funds to study options to establish or expand Academic Year Governor’s Schools to access distance-learning courses. VDOE shall develop a plan and submit it to the Governor and the General Assembly by August 1, 2023.

**House** – Proposes to reduce funding by $0.3 million in FY 2023 and expand the effort to a statewide study for additional Academic Year Governor’s School programs.

***General Assembly*** *– Same as the House amendment, but delays the reporting requirement from December 1, 2022, to August 1, 2023. This action also requires VDOE to study whether virtual options could be better leveraged to expand access to Governor’s Schools courses.*

#### Support for Social Emotional Learning

**Governor** – The introduced budget provides $0.2 million in state funding in FY 2023 and FY 2024 to develop and provide resources to support local school divisions with the implementation of a statewide social-emotional learning program. The state support includes funding for an additional FTE at VDOE to provide statewide training and technical assistance.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to remove state funding for this initiative and the staffing support.

***General Assembly*** *– Same as the House amendment.*

#### Marijuana Use Education

**Governor** – The introduced budget provides $0.3 million in state funding in FY 2023 to support professional development and educational resources related to the use of marijuana.

**Senate** – Same as the Governor’s introduced budget.

**House** – Proposes to reduce funding for this initiative by $160,000 in FY 2023.

***General Assembly*** *– Removes the new state funding for this initiative. Requires VDOE to collaborate with the Virginia Foundation for Healthy Youth to implement educational requirements related to the harms of marijuana and substance use.*

#### Removal of One-Time Funding Initiatives

**Governor** – The introduced budget removes one-time funding initiatives as follows:

* CTE Resource Center Database Replacement - $0.2 million
* Individualized Education Program (IEP) Training Module - $0.1 million
* School Division Monitoring Plan - $0.1 million
* Special Education Training Module - $0.2 million
* Teacher Licensure Automation - $0.1 million
* Federal Pandemic Relief Funding - $68.2 million

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

### 2. Amendments to VDOE Central Office Budget Not Included in HB 30/SB 30

#### Staff Support for Public School Building Data

**Senate** – Provides state funding for a new FTE in VDOE Central Office to collect data from school divisions on the maintenance reserve needs of every public school building in each school division. This funding is pursuant to Senate Bill 238.

**House** – No action.

***General Assembly*** *– Provides the same funding as the Senate amendment, but removes the FTE. The funding should be used to develop and maintain a data collection tool to assist school divisions to determine the relative age of each public school building and the amount of maintenance reserve funds that are necessary to restore each building. These funds can be transferred to the Department of General Services (DGS) if it is determined that DGS should perform some of the development or maintenance responsibilities.*

#### PALS+ in Grades One Through Three

**Senate** – No action.

**House** – Proposes $0.7 million in FY 2023 and $0.9 million in FY 2024 to pilot an expansion of the Virginia Kindergarten Readiness Program assessment to grades one through three, known as PALS+. The PALS+ pilot assessments would be administered in the 2023-2024 school year. A status report to the House Appropriation and Senate Finance and Appropriations Committees is required by October 1, 2023.

***General Assembly*** *– Same as the House amendment, but the development requirement is for an assessment tool in literacy, math, social skills, and self-regulation. The state funding will be provided to the University of Virginia.*

#### Virginia Literacy Act

**Senate** – No action.

**House** – Provides $6.8 million in FY 2023 and $6.6 million in FY 2024 to support the implementation of the Virginia Literacy Act, pursuant to House Bill 319. This action also provides a new FTE to VDOE Central Office to support the implementation of science-based literacy instruction beginning in FY 2025. Of this appropriation, $0.6 million in FY 2023 and $1.2 million in FY 2024 is provided to the University of Virginia’s Center for Advanced Study of Teaching and Learning to create a technical support center.

***General Assembly*** *– Provides $4.8 million in FY 2023 and $4.6 million in FY 2023 in state funds to support the implementation of the Virginia Literacy Act. This action also provides a new FTE for VDOE Central Office to support the implementation of science-based literacy instruction beginning in FY 2025. Of this appropriation, $0.6 million in FY 2023 and $1.2 million in FY 2024 is provided to the University of Virginia’s Center for Advanced Study of Teaching and Learning to create a technical support center.*

#### Seclusion and Restraint Training

**Senate** – No action.

**House** – Provides $0.4 million from general funds in each year of the biennium to increase support for statewide training programs so that school divisions can implement the use of seclusion and restraint in public schools.

***General Assembly*** *- Provides $0.1 million from general funds in each year of the biennium to increase support for statewide training programs so that school divisions can implement the use of seclusion and restraint in public schools.*

#### Support for Children Who Are Deaf or Hard-of-Hearing

#### Senate – Provides $0.2 million in FY 2023 and $0.1 million in FY2024 to support language development resources for families and educators working with children who are deaf or hard-of-hearing. This funding is pursuant to Senate Bill 265.

#### House – Provides $0.2 million in FY 2023 and $0.1 million in FY2024 to support language development resources for families and educators working with children who are deaf or hard-of-hearing. This funding is pursuant to House Bill 649.

***General Assembly*** *– Same as the Senate and House amendments, but reduces the FY 2024 appropriation to $48,760.*

#### School Construction Grant Administration

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Provides $0.1 million in both years of the biennium to VDOE for a FTE to assist school divisions with the administration of the school construction grant programs.*

### 3. Language-Only Amendments to VDOE Central Office Included in HB 30/SB 30

#### Early Childhood Educator Professional Development

**Governor** – The introduced budget adds language that aligns early childhood educator professional development to the Unified measurement and Improvement system.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Child Care Subsidy Program – Time Limit

**Governor** – The introduced budget adds language that prohibits VDOE from setting a limit on the duration of time that families may participate in the Child Care Subsidy Program, subject to available funds.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Child Care Subsidy Program – Temporary Extension

**Governor** – The introduced budget adds language that provides temporary authorization for VDOE to expand allowances under the Child Care Subsidy Program in an effort to increase participation in the program among families and child care providers.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Teacher Recruitment and Retention

**Governor** – The introduced budget adds language to expand the focus of funding and positions previously provided for teacher recruitment and retention to support all critical shortage areas.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Child Care Estimation Report

**Governor** – The introduced budget adds language that directs VDOE to develop a methodology for estimating the true cost of operating a high-quality early childhood care and education program in community-based settings. The results of the report will be distributed to the Governor, the Senate Finance and Appropriations Committee, and the House Appropriations Committee by December 31, 2022.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

#### Child Care Development Fund Reporting Requirements

**Governor** – The introduced budget provides language to strengthen the annual Child Care Development Fund (CCDF) reporting requirements to provide increased public accountability, which would include a requirement to maximize the uses of federal funds.

**Senate** – Same as the Governor’s introduced budget.

**House** – Same as the Governor’s introduced budget.

***General Assembly*** *– Same as the Governor’s introduced budget.*

### 4. Language-Only Amendments to VDOE Central Office Not Included in HB 30/SB 30

#### ESSER Funds for Student Growth System

**Senate** – Permits VDOE to use agency ESSER funds to establish a system to assess student growth with a focus on learning loss due to the COVID-19 pandemic. Each school division shall implement the system and make reports from the system available to educators.

**House** – No action.

***General Assembly*** *– Same as the Senate amendment.*

**Provisional Child Care Staff**

**Senate** – No action.

**House** – This proposal permits employment of provisional child care staff provided that the applicant has received qualifying results on a fingerprint-based background check and that the applicant is supervised by someone who has received a qualifying result on a background check within the past five years.

***General Assembly*** *– No action.*

#### Maximization of Federal Child Care Development Funds

**Senate** – No action.

**House** – This proposal directs VDOE to maximize the use of federal Child Care Development Funds to eliminate the waitlist for child care subsidy assistance and to maintain the expanded family income eligibility requirements for child care subsidies for the 2022-2024 biennium.

***General Assembly*** *– Same as the House amendment.*

#### Virginia Supplemental Course Access Program

**Senate** – No action.

**House** – Proposes to change the name of Virtual Virginia to the Virginia Supplemental Course Access Program to avoid confusion with a similarly named private provider.

***General Assembly*** *– No action.*

#### Non-Profit Organization Support

**Senate** – No action.

**House** – Permits statewide non-profit organizations that are affiliated with established national professional associations to apply for state funds to support teacher training for educators.

***General Assembly*** *– Same as the House amendment.*

#### Parental Choice Savings Accounts

**Senate** – No action.

**House** – Provides $0.4 million in FY 2023 and $0.4 million in FY 2024 to support three new FTEs in the VDOE Central Office to support implementation of Parental Choice Savings Accounts, pursuant to House Bill 1024.

***General Assembly*** *– No action.*

#### Accreditation Waived Status

#### Senate – No action.

#### House – Clarifies that the “accreditation waived” status provided to schools in the 2019-2020 and 2020-2021 school years do not apply toward the three years of “accredited” status required for a school to become eligible for triennial accreditation.

***General Assembly*** *– Same as the House amendment.*

#### Neighborhood Assistance Tax Credit Program

**Senate** – No action.

**House** – No action.

***General Assembly*** *– Amends the allowable tax credit for educational purposes to $12.0 million in each year of the biennium. The Superintendent of Public Instruction shall consider the portion of a neighborhood organization’s revenues and expenses that are used to serve low-income persons in order to drive an equitable allocation of credits.*