

## Public Education

<b>Adopted Amendments</b>				
(\$ in millions)				
	FY 2017 Adopted		FY 2018 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
<b>2016-18 Current Budget</b> (Chapter 780, 2016 Session)	<b>\$5,838.9</b>	<b>\$1,617.0</b>	<b>\$6,131.9</b>	<b>\$1,586.7</b>
Increases	7.4	81.6	72.2	31.8
Decreases	<u>(171.0)</u>	<u>0.0</u>	<u>(174.0)</u>	<u>0.0</u>
\$ Net Change	(163.6)	81.6	(101.8)	31.8
<b>Chapter 836 (HB 1500, as Adopted)</b>	<b>\$5,675.3</b>	<b>\$1,698.6</b>	<b>\$6,030.0</b>	<b>\$1,618.5</b>
% Change	(2.8%)	5.0%	(1.7%)	2.0%

*Note: This table reflects Direct Aid to Public Education only. See Appendix C for Office of the Secretary of Education, DOE Central Office, and the Virginia School for the Deaf and Blind.*

- **Direct Aid to Public Education**

- *Listings by locality of the estimated funding for FY 2017 and FY 2018 Direct Aid to Public Education are included as Appendix A and B, respectively.*

## Summary of Amendments for Direct Aid to Public Education

(GF \$ in millions)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>Total</u>
<b><u>Technical Updates and Forecast Changes:</u></b>			
Reverse 2% December 1, 2016 Salary Increase	(\$49.3)	(\$86.0)	(\$135.3)
Supplant GF for Additional Lottery Revenue & Reforecast Estimate	(47.1)	(5.3)	(52.3)
Update Net Sales Tax Revenue Reforecast Estimate	(15.5)	(24.5)	(40.0)
Update Student Enrollment Projections	(14.7)	(19.9)	(34.6)
Update for Participation in Remedial Summer School and ESL	(2.8)	(3.5)	(6.3)
Update GF for Changes in Lottery-funded Programs	(4.9)	(0.2)	(5.1)
Supplant GF with Increased DMV Revenues for Driver Education	(1.5)	(1.6)	(3.1)
Update National Board Certification Levels	(0.9)	(0.8)	(1.7)
Update Categorical Programs	(0.4)	(0.1)	(0.5)
Update Incentive Programs	(0.3)	(0.0)	(0.3)
Update Governor's School Course Incentive & SW VA Gov School	(0.1)	(0.1)	(0.2)
Sales Tax Revenues – Cigarettes for Resale (HB1913/SB1390)	0.0	0.4	0.4
Correct Data Submission Error (VPI, K-3 Class Size Reduction)	0.1	0.1	0.2
Update Net Sales Tax Revenue Re-distributions from Census	<u>0.0</u>	<u>1.9</u>	<u>1.9</u>
<b>Subtotal for All Technical Updates and Forecast Changes</b>	<b>(\$137.4)</b>	<b>(\$139.6)</b>	<b>(\$276.9)</b>
<b><u>Policy Changes:</u></b>			
Increase Supplemental Lottery Per Pupil Amount	0.0	34.1	34.1
State Share of 2% Salary Increase During the Biennium	0.0	32.0	32.0
Small School Division Enrollment Loss	7.3	0.0	7.3
Increase Teacher Residency Program	0.0	0.5	0.5
Voc Lab Pilot, College Lab School, and Project Discovery	0.0	0.3	0.3
Algebra Readiness Diagnostic Cost	0.0	(0.2)	(0.2)
Special Education Endorsement	(0.1)	(0.2)	(0.2)
Eliminate Math & Science Initiative	(0.4)	(0.4)	(0.8)
Project Graduation	0.0	(1.4)	(1.4)
Defer New Teacher Improvement Compensation Initiative	0.0	(2.0)	(2.0)
Literary Fund	(8.0)	0.0	(8.0)
Increase Unclaimed Property Transfer to Literary Fund	<u>(25.0)</u>	<u>(25.0)</u>	<u>(50.0)</u>
<b>Subtotal for All Policy Changes</b>	<b>(\$26.2)</b>	<b>\$37.7</b>	<b>\$11.6</b>
<b>Total for All Changes</b>	<b>(\$163.6)</b>	<b>(\$101.9)</b>	<b>(\$265.3)</b>

**Summary of Fund Sources for Direct Aid to Education**  
(\$ in millions)

	<u>FY 2017</u>	<u>FY 2018</u>
General Fund	\$5,675.3	\$6,030.0
Special Fund	0.9	0.9
Commonwealth Transportation	2.3	2.4
Trust & Agency (Lottery & Literary)	808.3	728.2
Lottery Fund	608.6	546.5
Literary Fund	199.7	181.7
Federal Trust	<u>887.1</u>	<u>887.1</u>
<b>Grand Total for all Revenue Sources</b>	<b>\$7,373.9</b>	<b>\$7,648.6</b>

Direct Aid to Public Education was exempted from the Governor’s 5 percent and 7.5 percent budget savings targets necessitated by the revenue reforecast. However, additional Lottery Proceeds and Literary Fund revenues result in \$47.1 million GF and \$25.0 million GF savings respectively in FY 2017, as well as the cancellation of the two-year compensation action that totaled \$135.3 million. These actions were included in the October 2016 Budget Savings Plan and are reflected in the adopted budget.

***Technical Updates and Forecast Changes***

- ***Reverse Funding for December 1, 2016, 2 Percent Salary Increase.*** Removes \$49.3 million GF in FY 2017 (as reflected in the October 2016 Governor’s Budget Savings Plan) and \$86.0 million GF in FY 2018 that had been provided for the state’s share of a 2 percent salary increase for funded instructional and support positions recognized by the Standards of Quality (SOQ), which would have been effective December 1, 2016. Pursuant to Item 475 P.2., Chapter 780 of the 2016 Acts of Assembly, these amounts were to be unallotted if a revenue reforecast was required. *See below for a separate action that provides funding for a 2 percent salary increase with local flexibility for a start date within the biennium.*
  
- ***Recognize Increases in Lottery Proceeds NGF Forecast.*** Adjusts funding to reflect an increase in the estimate of Lottery proceeds by \$47.1 million NGF in FY 2017 (as reflected in the October 2016 Governor’s Budget Savings Plan) and \$5.3 million NGF in 2018, offset by a like amount decrease from the general fund. The FY 2017 total increase reflects 1) \$33.2 million from additional Lottery revenues collected in FY 2016 that were above the amount reflected in the adopted budget, 2) \$8.6 million shown as cash on the balance sheet for the Lottery Proceeds Fund, and 3) \$5.3

million has been projected as additional Lottery revenues. The FY 2018 Lottery revenue is also projected to increase by \$5.3 million. The adopted budget reflects a new total lottery revenue of \$608.6 million in FY 2017 and \$546.5 million in FY 2018.

- **Update Sales Tax.** Reduces funding by a net \$15.5 million GF in FY 2017 (as updated from the October 2016 Governor’s Budget Savings Plan that reflected a net savings of \$12.0 million GF in FY 2017) and \$24.5 million GF in FY 2018 due to the cumulative impact of May and October reductions to the forecast that were slightly offset by a December forecast improvement from October. *See below for a table that reflects the details of the sales tax revenue estimates and basic aid impact.*

The sales tax revenue from the one cent portion and the additional one-eighth cent from the Public Education SOQ/Real Estate Property Tax Relief Fund that are dedicated for public education is distributed to school divisions based on school - aged population and is allocated to total SOQ cost prior to apportioning the remaining SOQ cost between the state and local shares based on Composite Index of local ability-to-pay. These amounts represent the net change in state funding, as required by the Basic Aid funding formula. The revised estimates for the education component of sales tax equal \$1,347.4 million in FY 2017 and \$1,377.9 million in FY 2018, which reflect decreases of \$35.5 million and \$55.8 million respectively, compared to Chapter 780. Consequently, the decreased sales tax revenues have to be backfilled with additional general fund revenues for the state’s share of the SOQ Basic Aid payments. *See below for a separate action that updates the sales tax distribution based on the latest estimate of school aged population.*

<b>Sales Tax Revenue Projected Estimates</b>			
(\$ in millions)			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>Biennium</u>
<b>Chapter 780 Sales Tax Total</b>	<b>\$1,382.9</b>	<b>\$1,432.9</b>	<b>\$2,815.9</b>
Net Total Forecast Changes from Ch. 780	(\$35.5)	(\$55.8)	(\$91.4)
Basic Aid Offset Adjustment	<u>20.0</u>	<u>31.4</u>	<u>51.3</u>
<b>Net Total Funding Impact</b>	<b>(\$15.5)</b>	<b>(\$24.5)</b>	<b>(\$40.0)</b>
<b>Chapter 836 Sales Tax Estimates</b>	<b>\$1,347.4</b>	<b>\$1,377.1</b>	<b>\$2,724.5</b>
Projected Impact of HB1913/SB1390		0.8	0.8
Basic Aid Offset Adjustment		<u>(0.4)</u>	<u>(0.4)</u>
<b>Net Total Funding Impact</b>		<b>0.4</b>	<b>0.4</b>
<b>Total Revised Sales Tax Estimate</b>	<b>\$1,347.4</b>	<b>\$1,377.9</b>	<b>\$2,725.3</b>

- **Update Enrollments, Lottery-Funded, Categorical, and Incentive Programs.** Captures \$14.7 million GF in FY 2017 and \$19.9 million GF in FY 2018 due to the update of Standards of Quality accounts based on slower than projected growth in fall membership and March 31<sup>st</sup> average daily membership. On a statewide basis, the revised ADM projections are 2,610 students lower the first year and 3,691 lower the second year, compared to the projections included in Chapter 780, for revised totals of 1,243,100 students the first year and 1,248,936 the second year. Compared to the final FY 2016 count of 1,239,816 students, this represents an expected statewide increase in enrollment of 0.26 percent in FY 2017 and 0.47 percent increase in FY 2018.

In addition, the amended budget reflects net savings of \$2.8 million GF in FY 2017 and \$3.5 million GF in FY 2018 from updated actual enrollment data for Remedial Summer School and English as a Second Language. The Remedial Summer School Program costs are estimated to decrease by \$3.6 million in FY 2017 and by \$4.2 million in FY 2018. The ESL program account is estimated to increase by \$768,279 in FY 2017 and by \$690,144 in FY 2018. These two programs' funding updates are offset by Textbooks allocations that are adjusted between general fund and lottery revenues.

The biennial costs for Lottery-Funded, Categorical, and Incentive program accounts reflect net savings due to technical updates for student participation or other data:

- **Lottery-Funded Programs.** Early Intervention Reading (increase of \$3.8 million); Foster Care (increase of \$2.9 million); School Breakfast (increase of \$2.2 million); Supplemental Basic Aid (increase of \$147,226); SOL Algebra Readiness (increase of \$67,036); Virginia Preschool Initiative (decrease of \$1.2 million); Regional Alternative Education (decrease of \$377,892); Regional Special Education (decrease of \$6.0 million); and K-3 Primary Class Size Reduction (decrease of \$9.7 million). Net savings in Lottery-funded programs are used to fund an additional \$437,274 in SOQ textbook costs in FY 2017; a net additional \$6.8 million in At-Risk Add-on costs; and to fund the \$53.3 million in English-as-a-Second Language costs in FY 2017.
- **Categorical Programs.** Special Education State Operated Programs (increase of \$402,439), Special Education Homebound (decrease of \$723,842) based on the state's actual share of local program costs in FY 2017, and Special Education Jails (decrease of \$201,322) based on actual payments from FY 2016 and estimated for FY 2017, and American Indian Treaty Commitment (decrease of \$21,038). Although the introduced budget did not reflect a change in the allocation for the School Lunch Program, the total estimated distribution to the school divisions has decreased by \$500,883 GF over the biennium.

- **Incentive Programs.** Governor's Schools (decrease of \$1.1 million) based on actual and updated projections for enrollments, updated course loads and Southwest Virginia Governor's School reverting back to 5/6 from full-day in FY 2017.
- ***Supplant GF for Drivers' Education Revenue from DMV Registrations.*** Adds \$1.5 million NGF in FY 2017 and \$1.6 million NGF in FY 2018 as a result of completing the rollout of the Department of Motor Vehicles policy change that extended the driver license renewal period from five to eight years. A portion of the fee (\$1.50 per license) from either new or renewed driver's licenses is earmarked to support a portion of the Basic Aid cost of driver education programs for those divisions that offer it, and is used to offset a like amount of general fund revenue.
- ***National Board Certification.*** Captures \$870,000 GF in FY 2017 and \$785,000 GF in FY 2018 from updates to the cost of bonus payments under the National Board Certification Program based on the actual number of classroom teachers in Virginia's public schools who hold certification from the National Board of Professional Teaching Standards.
- ***Correct Data Submission Error.*** Adds \$55,678 GF in FY 2017 and \$37,572 GF in FY 2018 to correct for erroneous Head Start data that had been submitted for the VPI calculations for the City of Buena Vista (submitted total child count that reflected both three and four-year olds instead of just four-year olds). Also adds \$62,645 GF the first year and \$61,826 GF the second year in the K-3 Class Size Reduction program to correct a data error submission from one school division and a rounding correction within the Virginia Preschool Initiative that saves \$153.00 in the first year.
- ***Update Sales Tax Distribution Based on Latest School Age Population Estimate.*** Adds \$1.9 million GF in FY 2018 due to the updates based on the latest yearly estimate of school-age population, July 1, 2015, provided by the Weldon Cooper Center for Public Service at the University of Virginia. These changes in sales tax revenue distributions, in turn, impact the remaining balance of the SOQ costs that are split between the state and divisions.
- ***Virginia Public School Authority (VPSA) Grants.*** Captures \$5.5 million NGF in FY 2017 and \$5.7 million NGF in FY 2018 based on updates for schools reporting fall 2016 membership and for the FY 2017 accreditation status used for calculating grants under the e-Learning Backpack Initiative.

## *Policy Changes*

- ***Increase Supplemental Lottery Per Pupil Amount.*** Adds \$34.1 million GF in FY 2018 to increase the Lottery Per Pupil Allocation, bringing the total to \$191.3 million in FY 2018, which is 35 percent of the total Lottery Proceeds amount for the year.
- ***Funding for the State’s Share of a 2 Percent Salary Increase.*** Adds \$32.0 million GF in FY 2018 based on the state’s share of a 2 percent salary increase for instructional and support positions’ base pay recognized by the Standards of Quality (SOQ) funding model and for the Academic Year Governor’s Schools. Funding is calculated based on February 15, 2018, but localities have the flexibility as to their locally selected start date during the 2016-18 biennium.
- ***Small School Division Enrollment Loss.*** Adds \$7.3 million GF the first year to provide partial funding assistance to eligible school divisions that have had a 5 percent or more decline in their average daily membership from 2011 to 2016. Of the 135 school divisions, 42 are affected.
- ***Project Graduation Distribution Funding Formula Change.*** Reduces funding by 50 percent to begin phasing out the program by \$1.4 million for Project Graduation, while also changing the funding methodology from application-based to a formula-based allocation using the number of failures on SOL end-of-course assessments in a division and comparing that figure to the statewide total number of failures. The amounts are adjusted based on the composite index.
- ***Computer Science Teacher Training.*** Adds new language to funding approved in Chapter 780 that directs Northern Virginia Community College, in consultation with the Department of Education, to contract with a partner organization to develop, market, and implement high-quality and effective computer science training and professional development activities for public school teachers pursuant to Chapters 779 and 823 of the 2017 Acts of Assembly (HB 1663/SB 1493).  
  
Also directs Northern Virginia Community College to establish an advisory committee for the purpose of advising the college and its partner organization on the development, marketing, and implementation of training and professional development activities.
- ***Teacher Residency.*** Adds \$500,000 GF in FY 2018 for additional funding to support the effort of attracting, training, paying and retaining quality teachers in hard-to-staff schools. The funding is earmarked for teacher residency partnerships between university teacher preparation programs and Petersburg, Norfolk and Richmond City school divisions.

- ***Power Scholars Academy.*** Provides \$300,000 the second year from the Remedial Summer School assistance program funding to support a pilot public-private partnership between school divisions and the Virginia Alliance of YMCAs. The funding will enable Richmond City, Amherst and Lynchburg schools to enhance summer school learning and retention by expanding their programs with the YMCA.
- ***Vocational Lab Pilot.*** Adds \$175,000 GF the second year to be used to develop a new Vocational Laboratory pilot within the Virginia Aviation Academy located in the Newport News School Division. The lab will be focused on advanced, augmented and virtual reality related education experience.
- ***College Partnership Lab Schools.*** Adds \$50,000 GF the second year for Chesterfield County Public Schools to plan with Virginia State University for the continued development of a college partnership laboratory school in support of Ettrick Elementary School.
- ***Project Discovery.*** Adds \$50,000 GF to existing second year funding for Project Discovery for an annual funding level of \$662,500 GF to provide support to existing Partner Agencies.
- ***Special Education Personnel Traineeship.*** Captures \$50,000 GF in FY 2017 and \$162,814 GF in FY 2018 in expected balances. Also, adds language increasing the grant awards to \$600 with a minimum of three semester hours, overriding the \$450 amount and six semester hour minimum that is currently set out in statute, §22.1-290.02, *Code of Virginia*. In recent years, there have been unspent balances in this program: FY 2016 \$162,814; FY 2015 \$60,926; and FY 2014 \$33,610.
- ***Remove Math and Science Teacher Recruitment Initiative Pilot.*** Eliminates the program and the \$400,000 GF each year from the Math and Science Teacher Recruitment Initiative.
- ***Reduces Teacher Improvement Compensation Initiative.*** Captures \$2.0 million GF the second year from the new teacher improvement initiative appropriation for the first of five annual competitive grants to school divisions. Three \$5,000 planning grants had been awarded in FY 2017 to explore alternative teacher compensation approaches that move away from tenure-based step increases towards compensation systems based on teacher performance and student progress. A total of \$15,000 remains for additional planning grants to be awarded in FY 2018.
- ***Use Increases of Literary Fund to Supplant GF.*** Captures \$25.0 million GF savings in FY 2017 (as reflected in the October 2016 Governor’s Budget Savings Plan) and \$25.0 million GF in FY 2018 which is offset by a like amount increase in nongeneral funds each year, based on Treasury Department’s latest estimates, primarily related



to sale of old unclaimed property stocks that can be made available for the use of the Literary Fund, along with its other routine revenue sources. An additional \$8.0 million NGF is reflected in FY 2017 only. These additional revenues, \$199.3 million in FY 2017 and \$181.3 million in FY 2018, are allocated to support a portion of the state’s share of public school employee retirement contribution costs.

See below for a summary table of the estimated Literary Fund revenues and expenditures.

<b>Revisions to Literary Fund Sources and Uses</b>				
(\$ in millions)				
	<b>Chapter 780</b>		<b>Department of Treasury Estimates</b>	
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>
<b>Revenue Sources:</b>				
Fines, Fees and Forfeitures	\$70.2	\$70.8	\$54.8	\$61.8
Interest Less Fees	0.8	0.8	0.4	0.9
Unclaimed Property	117.0	110.0	142.0	154.0
Interest on UCP	0.6	0.7	0.4	0.5
Unclaimed Lottery Prizes	10.0	10.5	7.8	8.7
School Division Loan Payments and Interest	20.2	19.2	21.2	20.7
VPSA Reserve	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>\$218.9</b>	<b>\$212.0</b>	<b>\$226.6</b>	<b>\$246.6</b>
<b>Expenditure Allocations:</b>			<b>HB1500, as Adopted</b>	
Teacher Retirement/Social Security	\$165.2	\$155.2	\$199.3	\$181.3
Technology Equip. & “Backpack” Debt Service	64.7	68.1	67.1	69.2
School Security Grants Debt Service	4.9	6.2	4.9	6.2
Interest Rate Subsidy	0.0	0.0	0.0	0.0
School Construction Loans*	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>\$234.8</b>	<b>\$229.5</b>	<b>\$271.3</b>	<b>\$256.7</b>
<i>*DOE has budget authority to issues loans from any available balances.</i>				

## Language Changes

- ***PreK Mixed Delivery Exemption.*** Provides additional flexibility that may be needed in order to implement a successful high-quality mixed delivery preschool program to the recipients of a Mixed-Delivery Preschool grant. In addition, the language specifies that new pilot grants awarded beginning in the second year shall be awarded to recipients that offer high quality preschool experience to participating enrolled at-risk four-year-old children.
- ***Teaching Scholarship Program.*** Allows college freshmen to be eligible for the existing Virginia Teaching Scholarship Program. Previously, the program was open to students at or above the sophomore level.
- ***Targeted Extended School Year.*** Exempts a school division from providing a local match after a successful transition from a Denied Accreditation status during the three years of the extended school year grant period. Initial grant awards may be up to \$300,000 per school for up to two years after the initial implementation period, or \$400,000 in the case of schools that have a Denied Accreditation status.
- ***Use Uncommitted Teach for America Appropriation for Teacher Residency Program.*** Allows any unobligated balance in the Teach for America (TFA) appropriation to be redirected to the Teacher Residency program in anticipation that TFA will not expand into Virginia during the 2016-18 biennium appropriation timeframe. Additional action strikes current language that permits fifty percent of any carry-forward balance to be spent by the Teacher Residency program.
- ***Federal Program Grant Funds.*** For informational purposes, adds a table of the pass-thru federal grant awards to school divisions that are reflected in the introduced budget for public education.
- ***eLearning Backpack Initiative.*** Specifies that supplemental grants allocated to school divisions for participation in the Virginia e-Learning Backpack Initiative prior to fiscal year 2017 shall be used in eligible schools for 1) the purchase of a laptop or tablet for a student reported in ninth grade fall membership, as well as 2) the purchase of two content creation packages for teachers per grant. This will ensure that laptops or tablets are included as allowable purchases, consistent with future year issuances. The amounts for such grants shall remain unchanged.
- ***Technical Language Amendment to COCA Rates.*** Modifies language to properly reflect that the Cost of Competing Adjustment (COCA) for support positions is funded in both years of the 2016-18 biennium.

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

	<u>FY 2017</u>	<u>FY 2018</u>
<b>Standards of Quality Programs</b>		
Basic Aid	\$3,186.1	\$3,187.6
Sales Tax	1,347.4	1,377.9
Textbooks <i>(split funded)</i>	12.2	76.6
Vocational Education	52.3	52.2
Gifted Education	34.3	34.4
Special Education	382.1	382.9
Prevention, Intervention, and Remediation	113.8	113.8
English as a Second Language <i>(split funded)</i>	0.0	55.6
Remedial Summer School	24.7	25.8
VRS Retirement	401.2	447.6
Social Security	194.6	195.0
Group Life	<u>13.3</u>	<u>13.2</u>
<b>Total</b>	<b>\$5,761.9</b>	<b>\$5,962.7</b>
<b>Incentive Programs</b>		
Compensation Supplement	\$0.0	\$31.8
Governor's School - Academic & Summer	17.9	18.4
Governor's School - Planning - CTE	0.1	0.0
At-Risk Add-On <i>(split funded)</i>	0.0	76.1
Clinical Faculty	0.3	0.3
Career Switcher Mentoring Grants	0.3	0.3
Special Education - Endorsement Program	0.6	0.4
Special Education - Vocational Education	0.2	0.2
Special Education – Regional Tuition (split funded)	0.0	32.7
Virginia Workplace Readiness Skills Assessment	0.3	0.3
Math/Reading Instructional Specialists	1.8	1.8
Early Reading Specialists Initiative	1.5	1.5
“Breakfast After the Bell” Incentive	1.1	1.1
Small School Division Enrollment Loss	<u>7.3</u>	<u>0.0</u>
<b>Total</b>	<b>\$31.3</b>	<b>\$165.0</b>
<b>Categorical Programs</b>		
Adult Education	\$1.1	\$1.1
Adult Literacy	2.5	2.5

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

	<u>FY 2017</u>	<u>FY 2018</u>
Virtual Virginia	5.4	5.4
American Indian Treaty Commitment	0.1	0.1
School Lunch	5.8	5.8
Special Education – Homebound	5.1	5.2
Special Education – Jails	3.4	3.5
Special Education – State Operated Programs	<u>34.9</u>	<u>35.6</u>
<b>Total</b>	<b>\$58.2</b>	<b>\$59.1</b>
<b>Lottery Funded Programs</b>		
Foster Care	\$9.2	\$9.6
At-Risk Add-On ( <i>split funded</i> )	98.0	22.0
Virginia Preschool Initiative	69.4	71.0
Early Intervention Reading	20.1	20.1
Mentor Teacher	1.0	1.0
K-3 Primary Class Size Reduction	123.3	128.6
School Breakfast Program	4.9	5.5
SOL Algebra Readiness	13.0	12.8
Supplemental Lottery Per Pupil Allocation	36.6	191.3
Regional Alternative Education	8.5	8.6
Individual Student Alternative Education Plan	2.2	2.2
Special Education – Regional Tuition	84.7	54.9
Career & Technical Education – Categorical	12.4	12.4
Project Graduation	2.8	1.4
Race to GED (NCLB/EFAL)	2.4	2.4
Path to Industry Certification (NCLB/EFAL)	1.8	1.8
Supplemental Basic Aid	0.8	0.9
Textbooks ( <i>split funded</i> )	64.3	0.0
English as a Second Language	<u>53.3</u>	<u>0.0</u>
<b>Total</b>	<b>\$608.6</b>	<b>\$546.5</b>
<b>Technology - VPSA</b>	<b>\$67.1</b>	<b>\$69.2</b>
<b>Security Equipment - VPSA</b>	<b>6.0</b>	<b>6.0</b>
<b>Supplemental Assistance Programs</b>		
(See the following table for individual allocations.)	<b>\$26.9</b>	<b>\$28.3</b>

## Supplemental Assistance Programs

	<u>FY 2017</u>	<u>FY 2018</u>
<b>Supplemental Assistance Programs</b>		
Achievable Dream	\$500,000	\$500,000
Career and Technical Education Resource	298,021	298,021
Career Council at Northern Neck CT Center	60,300	60,300
Charter School Grants	100,000	100,000
College Partnership Lab School	0	50,000
Communities in Schools	1,244,400	1,244,400
Computer Science Training for Teachers	550,000	550,000
Great Aspirations Scholarship Program	400,000	400,000
High School Program Innovation	500,000	500,000
Jobs for Virginia Graduates	573,776	573,776
National Bd. Certification Teacher Bonuses	5,015,000	5,100,000
Newport News Aviation Academy – STEM	100,000	100,000
Petersburg Exec. Leadership Recruitment	350,000	350,000
Positive Behavior Intervention	1,098,000	1,098,000
Project Discovery	425,000	662,500
Small School Division Assistance	145,896	145,896
Southside Virginia Technology Consortium	108,905	108,905
Southwest Virginia Public Education	124,011	124,011
STEM Program/Research Study (VA Air & Space Center)	870,625	681,975
STEM Competition Team Grants	100,000	200,000
Targeted Extended School Year Grants	7,763,312	7,763,312
Teach for America	500,000	500,000
Teacher Improvement Funding Initiative	15,000	15,000
Teacher Recruitment & Retention	1,931,000	1,931,000
Teacher Residency Program	500,000	1,000,000
Van Gogh Outreach Program	71,849	71,849
Virginia Early Childhood Foundation	2,350,000	2,750,000
Virginia Reading Corps Pilot	300,000	300,000
VA STAR Computer Program	300,000	300,000
Vocational Lab Pilot	0	175,000
Wolf Trap Model Early Childhood STEM	<u>600,000</u>	<u>600,000</u>
<b>Total</b>	<b>\$26,895,095</b>	<b>\$28,253,945</b>

- **Department of Education**

*Spending*

- ***Instructional Improvement System.*** Adds \$300,000 GF the second year to increase funding for Instructional Improvement System (formerly Educational Information Management System) to provide additional funding to support statewide access to the Department of Education's Instructional Improvement System at no cost to local school divisions.
- ***Student Growth Model.*** Adds \$120,000 GF in FY 2018 for a second year of funding to continue a student growth model pilot program that provides personalized instructional and academic planning for students, facilitates data-driven school improvement efforts, and supports the state's accountability and accreditation systems. The initiative will also receive \$380,000 GF since the Parent Choice Education Savings Accounts bill (HB 1605) was vetoed.
- ***Algebra Readiness Diagnostic Test.*** Adds \$400,000 GF the second year to fund increased contract costs of the Algebra Readiness Diagnostic Test (ARDT), which will allow the state to continue offering a required algebra diagnostic test to school divisions (\$200,000 of the increased cost is allocated proportionately to school divisions from the SOL Algebra Readiness Payments in Direct Aid).
- ***Teacher Licensure Review.*** Adds \$50,000 GF the second year for a one-time file review of teachers who have been convicted of child abuse to make certain that their teacher's license has been revoked.

*Savings*

- ***October 2016 Governor's Budget Savings.*** Reflects reductions totaling \$763,125 GF in FY 2017 by reducing: (1) \$300,000 for principal training in under-performing schools and the one position responsible for the training; (2) supplanting \$128,500 with federal funds for new dyslexia training (this one GF reduction was not continued in FY 2018); (3) \$100,000 from Information Technology Academy funding; (4) \$100,000 from eMedia funding; (5) \$100,000 from kindergarten readiness assessment funding; and (6) \$34,625, from the performance evaluation training of teachers, principals, superintendents and other affected school divisions personnel in support of the transition from continuing employment contracts to annual contracts for teachers and principals.
- ***Principal Professional Development in Under-Performing Schools.*** Reduces funding by \$300,000 GF in FY 2018 given fewer principals left to train in under performing schools. This is centralized, Department of Education-coordinated training, with assistance from higher education providers.

- ***Reduce Information Technology Academy.*** Saves \$200,000 GF in FY 2018 by reducing the Information Technology Academy appropriation to \$1.3 million GF, reducing the professional development component for teachers and certain instructional materials for students, but retaining full credentialing services to students. DOE will offset the reduction where possible with existing agency resources.
- ***Reduce eMediaVA Funding.*** Saves \$100,000 GF in FY 2018 by reducing funding to \$800,000 GF for eMediaVA. The Department is to modify its contract with WHRO to reduce deliverables commensurate with the reduction. The eMedia initiative was created to be a repository of audio, video, and interactive multimedia learning resources and is free to all public, private and homeschool educators and students. eMedia also provides the digital content development and online learning portal for Virtual Virginia.
- ***Reduce New Kindergarten Readiness Assessment Tool.*** Saves \$100,000 GF in FY 2018 by reducing funding to \$900,000 GF for the new kindergarten readiness assessment tool. The Department of Education is to modify its agreement with the University of Virginia to reduce the scope of services commensurate with the reduction in funding.
- ***Eliminate Two New But Not Yet Filled Positions.*** Saves \$121,182 GF the second year by eliminating one of two professional development FTEs funded in Chapter 780. Also saves \$121,181 GF by eliminating one of two school improvement FTEs funded in Chapter 780. These positions are not yet filled.
- ***Eliminate New Facilities and Pupil Transportation Efficiency Position.*** Saves \$63,710 GF the second year by eliminating 1.0 FTE and retaining the remaining half of the funding to use for a wage pupil transportation efficiency position.
- ***Eliminate Technology Position.*** Saves \$148,000 GF and 1.0 FTE the second year by combining the responsibilities of Technology Innovation and Information Technology Management into one position by eliminating a vacant position.
- ***Supplant GF for Two Positions.*** Saves \$73,908 GF the second year by changing the support for a finance position from general fund to nongeneral funds. Also saves \$121,182 GF by changing the support of a State Operated Programs position from general fund to nongeneral funds.
- ***School Quality Performance Report Card.*** Saves \$150,000 GF the second year by reducing the school performance report card appropriation from \$250,000 to \$100,000. DOE's development of the school quality profile, an enhancement of the school performance report card, will occur over several years at a slower rate or with a more limited scope.

- *Reduce Teacher Evaluation Training Funding.* Saves \$34,625 GF the second year, by removing half of the Department of Education's appropriation to provide performance evaluation training to teachers, principals, division superintendents, and other affected school division personnel in support of the transition from continuing employment contracts to annual employment contracts for teachers and principals. This program has been in effect for several years, and funding for the program has declined over the years given a reduced need for services.

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

- *Transfer Federal Funds Between Programs.* Shifts \$133,493 NGF each year from Residential Services to the following programs: Classroom Instruction (\$70,000), Food and Dietary Services (\$33,493), and General Management and Direction (\$30,000).
- *Capital Outlay Project Pool.* Includes funding reflected in the Capital Project Expenses section (Part 2, Item C-48.10) that provides a portion of \$17.0 million in the second year to be designated for construction authorization for repairs to the exterior of Main Hall. New language requires VSDB to submit a formal plan to the Secretary of Education to address the school's declining enrollment and the current and future uses of Main Hall. Further, the plan must be approved by the Governor before any funding for the Main Hall project is released.