



Report of the Subcommittee on  
Education

Senate Finance Committee  
Virginia General Assembly

February 3, 2019



SENATE OF VIRGINIA

## Senate Finance Committee

### 2019 Report of the Education Subcommittee

The Honorable Stephen D. Newman, Chair for K-12 Education

The Honorable Thomas K. Norment, Jr., Chair for Higher Education

February 3, 2019

Members of the Committee:

Your Subcommittee has reviewed the Governor's proposed budget amendments for Education.

As you will recall, the 2018 adopted budget had already included a biennial increase of \$664 million for Direct Aid to Public Education, largely due to fully funded re-benchmarking and planned second year teacher salary funding. Then, the introduced budget that came to us reflected some savings, notably due to slowing enrollment growth, as well as some proposed new actions. The Subcommittee recommends \$87.6 million to raise the teacher salary increase, which will include some local flexibility, up to 5.0 percent. The amendments also retain \$70 million for Literary Fund school construction support, utilizing an interest rate subsidy approach to reach more school divisions faster. Other amendments include \$10 million for more school counselors and other actions related to K-12 that you will see on the attached spreadsheet.

Turning to Higher Education, on top of increased funding of over \$120 million for Higher Education in the previously adopted budget, our recommendations include an additional \$15.5 million in financial aid support to address 35 percent of need, other funding for targeted support for workforce credentials as well as computer science degrees, and other actions. The members of the Joint Subcommittee on the Future Competitiveness of Higher Education in Virginia will continue working to address the priorities of affordability, access, and economic development that the institutions collectively contribute to the overall success of the Commonwealth. To that end, we embrace an innovative performance pilot approach related to these goals.

We hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

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The Honorable Thomas K. Norment, Jr. Co-Chairman

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The Honorable Stephen D. Newman, Co-Chairman

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The Honorable Janet D. Howell

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The Honorable Richard L. Saslaw

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The Honorable Emmett W. Hanger, Jr.

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The Honorable Frank M. Ruff, Jr.

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The Honorable Siobhan S. Dunnavant

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The Honorable Richard H. Stuart

**Report of the Subcommittee on Education**  
**(Recommended Amendments to SB 1100, As Introduced)**

**SB 1100, General Fund**

Amendment		SB 1100, General Fund		
		FY 2019	FY 2020	Biennium
1	<b>EDUCATION</b>			
2	<b>Department Of Education, Central Office Operations</b>			
3	17th Career Cluster (Energy)	\$ -	\$ 80,000	\$ 80,000
4	IEP Transition Pilot (SB1576)		\$ 20,000	\$ 20,000
5	Standards of Learning Assessments		Language	
6	Modernize Teacher Licensure Application Process		\$ (97,500)	\$ (97,500)
7	Grants Management System		\$ (150,000)	\$ (150,000)
8	New Early Childhood Position		\$ (137,733)	\$ (137,733)
9	<b>Direct Aid to Public Education</b>			
10	Grow Your Own Teacher Initiative		\$ (200,000)	\$ (200,000)
11	Garden of Tomorrow	\$ (2,000,000)		\$ (2,000,000)
12	Virginia Arts Festival		\$ (400,000)	\$ (400,000)
13	Transfer CodeVA from VCCS	\$ 550,000	\$ 550,000	\$ 1,100,000
14	Teacher Residency Partnerships		\$ 500,000	\$ 500,000
15	5% Teacher Salary Increase, With Flexibility		Language	
16	Increase School Counselor Ratio		\$ (25,978,056)	\$ (25,978,056)
17	VPI-Plus Program		\$ (2,416,506)	\$ (2,416,506)
18	Increase At-Risk Add-On	\$ (10,676,622)	\$ (3,564,906)	\$ (14,241,528)
19	Virtual Virginia Language		Language	
20	VPI Curriculum and CLASS Observations		\$ (1,700,000)	\$ (1,700,000)
21	Composite Index Adjusted for Land Use (2020-22 Biennium)		Language	
22	H.S. Apprenticeship Pilot Program		\$ 125,000	\$ 125,000
23	State Operated Programs		\$ 480,000	\$ 480,000
24	Lottery Per Pupil Allocation	\$ (18,515,608)	\$ (16,175,901)	\$ (34,691,509)
25	Literary Fund School Construction Interest Rate Subsidy	\$ (10,000,000)		\$ (10,000,000)
26	<b>State Council for Higher Education in Virginia</b>			
27	New Economy Workforce Credential Grants		Language	
28	Correction to Tuition Assistance Grant "Double-Count" Amount		\$ (1,700,000)	\$ (1,700,000)
29	Graduate Survey		\$ 750,000	\$ 750,000
30	Lumina Study Reporting		Language	
31	Innovative Internship Program		\$ 500,000	\$ 500,000
32	Legislative Education Meetings		\$ 75,000	\$ 75,000
33	Data Exchange for Wage Outcomes		Language	
34	Amend New Six-Year Plan Language		Language	

**Report of the Subcommittee on Education**  
**(Recommended Amendments to SB 1100, As Introduced)**

		<b>SB 1100, General Fund</b>		
<b>Amendment</b>		<b>FY 2019</b>	<b>FY 2020</b>	<b>Biennium</b>
35	<b>Institutions</b>			
36	CWM - Expand Data Science Program	\$ -	\$ 570,000	\$ 570,000
37	VIMS - Chincoteague Inlet Study	\$ 300,000		\$ 300,000
38	GMU - Fund Accessible Pathways - Advance Program		\$ 300,000	\$ 300,000
39	ODU - Institute for Spaceflight and Autonomy		\$ 370,000	\$ 370,000
40	UVA - Focused Ultrasound Center		\$ (1,000,000)	\$ (1,000,000)
41	UVA-Wise - Enrollment Retention and Recruitment		\$ (1,300,000)	\$ (1,300,000)
42	VCU - Wilder School Public Policy Programs		\$ 160,000	\$ 160,000
43	VCCS - Transfer CodeVA to K-12	\$ (550,000)	\$ (550,000)	\$ (1,100,000)
44	VCCS - Phase Advising Funding		\$ (3,200,000)	\$ (3,200,000)
45	VMI - Math Strategy, Operations		\$ 610,548	\$ 610,548
46	VSU - Agriculture Faculty		\$ 234,000	\$ 234,000
47	<b>Southeastern Universities Research Association</b>			
48	Jefferson Lab		\$ (500,000)	\$ (500,000)
49	<b>Higher Education Research Initiative</b>			
50	Phase Commonwealth Cyber Initiative		\$ (10,000,000)	\$ (10,000,000)
51	<b>Other Education Agencies</b>			
52	FCM - Security Services and Equipment		\$ 250,000	\$ 250,000
53	FCM - Employee Retention		\$ 125,000	\$ 125,000
54	JYF - Workforce Stabilization		\$ 243,626	\$ 243,626
55	JYF - Site Security Improvements		\$ 280,832	\$ 280,832
56	LOV - State Aid for Public Libraries - Summer Reading and STEAM Materials		\$ 500,000	\$ 500,000
57	VCA - Grants to Arts Organizations		\$ (125,000)	\$ (125,000)
58	VMFA - Evans 360 On-line Education		\$ (188,700)	\$ (188,700)
59	<b>CENTRAL APPROPRIATIONS</b>			
60	Computer Science Degrees - SCHEV Internship Program		\$ (300,000)	
61	<b>Compensation and Benefits Adjustments</b>			
62	Reverse Faculty One Percent Salary Bonus		\$ (12,550,325)	\$ (12,550,325)
63	UVA Health Insurance Premiums		\$ (808,692)	
64	ORPHE Surcharge Adjustment		Language	
66	<b>PART 4 - Nongeneral Fund Revenues</b>			
67	UMW - Auxiliary Fees		Language	
68	<b>PART 4 - Positions and Employment</b>			
69	Employment Waiting Period Requirement for Board of Visitors		Language	
70	Various Language Amendments		Language	

<b>Education</b>	<b>FY18-19</b>	<b>FY19-20</b>	
Direct Aid to Public Education	\$0	\$125,000	GF

**Language:**

Page 134, line 3, strike "\$32,373,459" and insert "\$32,498,459".

Page 142, after line 53, insert:

"MM. 1. Out of this appropriation, \$250,000 to be divided over two fiscal years beginning in FY 2020 from the general fund is provided for a pilot program for Richmond City Public Schools for a maximum of 25 high school juniors or seniors, in a high school, technical center, or specialty school, as apprentices in certain fields. A business shall apply to the Superintendent of Richmond City Schools to host an apprentice and be eligible to receive a grant of up to \$2,500 per student, based upon procedures and forms developed by the Superintendent. The Superintendent shall receive nominations of students to serve as apprentices during their junior and senior year of high school from principals and guidance counselors at qualified schools. The Superintendent shall select a maximum of 25 students to participate in the program, the selection of whom shall be based on the needs of the businesses that have applied to participate in the program. Each student shall be eligible to participate in the program for two academic semesters. If more than 25 businesses apply to participate in the program, the Superintendent shall select the businesses that most closely align with the interests and fields of study of the nominated students. If fewer than 25 businesses apply to participate in the program, a business may elect to host more than one apprentice under the program. In order to be eligible to receive a grant pursuant to this section, a business shall provide the apprentice with a stipend that is no less than the amount of the grant to be received by the business.

2. The Superintendent shall report annually, no later than January 1, to the Governor and the Chairmen of the House Committee on Appropriations, the House Committee on Finance, and the Senate Committee on Finance. The report shall, at a minimum, identify the businesses that participated in the apprenticeship program, the number of students who participated in the apprenticeship program, the qualified fields in which the apprenticeships were focused, the general experience of the businesses and students who participated, and whether any student who participated in the program pursued a workforce credential or gained employment in the field of the apprenticeship after the apprenticeship concluded."

**Explanation:**

(This amendment provides \$125,000 GF in the second year for the first of a two-year pilot for a grant program in lieu of tax credits as proposed in Senate Bill 1532.)

Item 136 #5s

**Education**

Direct Aid to Public Education

Language

**Language:**

Page 173, strike lines 24 and 25.

Page 173, after line 23, insert:

"d. The Department of Education shall establish a per-student, per-course fee schedule for local school divisions to participate in Virtual Virginia coursework. Such fee schedule shall provide (i) an allotment of slots, determined by the Department, per course to a school division free of charge, and (ii) for any slots a school division wishes to use beyond the free slots, a per-course, per-student fee that may include discounts for school divisions based upon the composite index of local ability to pay."

**Explanation:**

(This amendment updates language for Virtual Virginia, consistent with Senate Bill 1590.)

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Item 136 #7s

**Education**

Direct Aid to Public Education

Language

**Language:**

Page 147, after line 5, insert:

"Beginning July 1, 2020, the true value of property indicator shall incorporate the land-use assessment value for those properties within a land-use plan pursuant to Article 4 (§ 58.1-3229 et seq.) of Chapter 32 of Title 58.1 Code of Virginia."

**Explanation:**

(This amendment modifies, beginning with FY 2021, concurrent with the next re-benchmarking of the Standards of Quality costs, the current calculation of composite index of local ability to pay to incorporate within the real estate indicator of local wealth the land-use assessment value for those properties located within a land-use plan.)

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Item 143 #5s

**Education**

State Council of Higher Education for Virginia

Language

**Language:**

*See LIS State Budget Website for Complete Set of Adopted Amendments When Posted*

Page 190, after line 6, insert "Q. In addition to the exceptions pursuant to § 2.2-3815, the provisions of the section shall not be construed to prevent the release of a social security number to the U.S. Census, U.S. Education Department, or other agency of the federal government, by the State Council of Higher Education for the purposes of data-matching to improve knowledge of the outcomes of education programs of the Commonwealth, including, but not limited, to earnings and education-related debt."

**Explanation:**

(This amendment specifies certain needed data exchange with the U.S. Census in order to get wage outcomes for graduates working outside the Commonwealth.)

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Item 474 #1s

**Central Appropriations**

Language

**Language:**

Page 494, strike lines 1 through 12, and insert:

"O.1.a. In order to address the potential for stranded liability in the Virginia Retirement System, notwithstanding any other contrary provisions of the Appropriation Act or of § 51.1-145, institutions of higher education that have established their own optional retirement plan under § 51.1-126(B) shall pay, effective July 1, 2019, contributions to the employer's retirement allowance account in an amount equal to that portion of the state employer contribution rate designated to pay down the total unfunded accrued liability, for any positions existing as of December 31, 2013 that are subsequently converted from non-Optional Retirement Plan for Higher Education (ORPHE) eligible positions to ORPHE-eligible positions on or after January 1, 2014 and that are filled by an employee who elects to participate in the ORPHE. In meeting this obligation, each institution shall provide to the Virginia Retirement System by April 1 of each year a list of all positions converted from non-ORPHE eligible positions to ORPHE-eligible positions since January 1, 2014, and whether current employees in such positions have elected ORPHE participation.

b. Such contributions shall not be required for any new position established by the institution after January 1, 2014, that may be eligible for participation in the Optional Retirement Plan for Higher Education."

**Explanation:**

(This amendment requires a surcharge, which is currently 8.04 percent, beginning in FY 2020



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for institutions of higher education, based on converting positions that were previously enrolled in a defined benefit or hybrid retirement program to a defined contribution program, to avoid stranding the existing unfunded liability for the Commonwealth's Virginia Retirement System.)

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Item 4-2.01 #1s

**Revenues**

Nongeneral Fund Revenues

Language

**Language:**

Page 579, line 50, after "three percent" insert ", subject to annual approval by the University's Board of Visitors,"

Page 579, at the end of line 51, insert "This exemption shall apply to the period beginning in fiscal year 2020 and extending through the end of fiscal year 2024.".

**Explanation:**

(This amendment limits authority for Mary Washington University to exceed three percent adjustments to mandatory fees in auxiliary programs to FY 2020 through FY 2024.)

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