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**HOUSE BILL NO. 576****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations  
on February 13, 2004)

(Patron Prior to Substitute—Delegate Hamilton)

*A BILL to amend and reenact § 22.1-199.1 of the Code of Virginia and to amend the Code of Virginia by adding in Title 51.1 a chapter numbered 6.2, consisting of sections numbered 51.1-617 and 51.1-618, relating to employment and retirement benefits for certain employees of local public school boards.*

**Be it enacted by the General Assembly of Virginia:**

**1. That § 22.1-199.1 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 51.1 a chapter numbered 6.2, consisting of sections numbered 51.1-617 and 51.1-618, as follows:**

§ 22.1-199.1. Programs designed to promote educational opportunities.

A. The General Assembly finds that Virginia educational research supports the conclusion that poor children are more at risk of educational failure than children from more affluent homes and that reduced pupil/teacher ratios and class sizes result in improved academic performance among young children; to this end, the General Assembly establishes a long-term goal of reducing pupil/teacher ratios and class sizes for grades K through 3 in those schools in the Commonwealth with high or moderate concentrations of at-risk students.

With such funds as are provided in the appropriation act for this purpose, there is hereby established the statewide voluntary pupil/teacher ratio and class size reduction program for the purpose of reaching the long-term goal of statewide voluntary pupil/teacher ratio and class size reductions for grades K through 3 in schools with high or moderate concentrations of at-risk students, consistent with the provisions provided in the appropriation act.

In order to facilitate these primary grade ratio and class size reductions, the Department of Education shall calculate the state funding of these voluntary ratio and class size reductions based on the incremental cost of providing the lower class sizes according to the greater of the division average per-pupil cost of all divisions or the actual division per-pupil cost. Localities shall provide matching funds for these voluntary ratio and class size reductions based on the composite index of local ability to pay. School divisions shall notify the Department of Education of their intention to implement the reduced ratios and class sizes in one or more of their qualifying schools by August 1 of each year. By March 31 of each year, school divisions shall forward data substantiating that each participating school has a complying pupil/teacher ratio.

In developing each proposed biennium budget for public education, the Board of Education shall include funding for these ratios and class sizes. These ratios and class sizes shall be included in the annual budget for public education.

B. The General Assembly finds that educational technology is one of the most important components, along with highly skilled teachers, in ensuring the delivery of quality public school education throughout the Commonwealth. Therefore, the Board of Education shall strive to incorporate technological studies within the teaching of all disciplines. Further, the General Assembly notes that educational technology can only be successful if teachers and administrators are provided adequate training and assistance. To this end, the following program is established.

With such funds as are appropriated for this purpose, the Board of Education shall award to the several school divisions grants for expanded access to educational technology. Funding for educational technology training for instructional personnel shall be provided as set forth in the appropriation act.

Funds for improving the quality and capacity of educational technology shall also be provided as set forth in the appropriation act, including, but not limited to, (i) funds for providing a technology resource assistant to serve every elementary school in this Commonwealth beginning on July 1, 1998, (ii) funds for implementing the Family Involvement in Technology program as established in § 22.1-212.2:3, and (iii) funds to maintain the currency of career and technical education programs. Any local school board accepting funds to hire technology resource assistants, implement the Family Involvement in Technology program or maintain currency of career and technical education programs shall commit to providing the required matching funds, based on the composite index of local ability to pay.

Each qualifying school board shall establish an individualized technology plan, which shall be approved by the Superintendent of Public Instruction, for integrating technology into the classroom and into schoolwide instructional programs, including career and technical education programs. The grants shall be prioritized as follows:

1. In the 1994 biennium, the first priority for these funds shall be to automate the library media

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60 centers and provide network capabilities in Virginia's elementary, middle and high schools, or  
61 combination thereof, in order to ensure access to the statewide library and other information networks. If  
62 any elementary, middle or high school has already met this priority, the 1994 biennium grant shall be  
63 used to provide other educational technologies identified in the relevant division's approved technology  
64 plan, such as multimedia and telecomputing packages, integrated learning systems, laptop computer loan  
65 programs, career and technical education laboratories or other electronic techniques designed to enhance  
66 public education and to facilitate teacher training in and implementation of effective instructional  
67 technology. The Board shall also distribute, as provided in the appropriation act, funds to support the  
68 purchase of electronic reference materials for use in the statewide automated reference system.

69 2. In the 1996 biennium and thereafter, the first priority for funding shall be consistent with those  
70 components of the Board of Education's revised six-year technology plan which focus on (i) retrofitting  
71 and upgrading existing school buildings to efficiently use educational technology; (ii) providing (a) one  
72 network-ready multimedia microcomputer for each classroom, (b) a five-to-one ratio of pupils to  
73 network-ready microcomputers, (c) graphing calculators and relevant scientific probes/sensors as required  
74 by the Standards of Learning, and (d) training and professional development on available technologies  
75 and software to all levels and positions, including professional development for personnel delivering  
76 career and technical education at all levels and positions; and (iii) assisting school divisions in  
77 developing integrated voice-, video-, and data-connectivity to local, national and international resources.

78 This funding may be used to implement a local school division's long-range technology plan, at the  
79 discretion of the relevant school board, if the local plan meets or exceeds the goals and standards of the  
80 Board's revised six-year technology plan and has been approved by the Superintendent of Public  
81 Instruction.

82 3. The Departments of Education, Information Technology, and General Services shall coordinate  
83 master contracts for the purchase by local school boards of the aforementioned educational technologies  
84 and reference materials.

85 4. Beginning on July 1, 1998, a technology replacement program shall be, with such funds as may be  
86 appropriated for this purpose, implemented to replace obsolete educational hardware and software. As  
87 provided in § 22.1-129 D, school boards may donate obsolete educational technology hardware and  
88 software which are being replaced. Any such donations shall be offered to other school divisions and to  
89 preschool programs in the Commonwealth, or to public school students as provided in guidelines to be  
90 promulgated by the Board of Education. Such guidelines shall include criteria for determining student  
91 eligibility and need; a reporting system for the compilation of information concerning the number and  
92 socioeconomic characteristics of recipient students; and notification of parents of the availability of such  
93 donations of obsolete educational hardware and software.

94 5. In fiscal year 2000, the Board of Education shall, with such funds as are appropriated for this  
95 purpose, contract for the development or purchase of interactive educational software and other  
96 instructional materials designed as tutorials to improve achievement on the Standards of Learning  
97 assessments. Such interactive educational software and other instructional materials may be used in  
98 media centers, computer laboratories, libraries, after-school or before-school programs or remedial  
99 programs by teachers and other instructional personnel or provided to parents and students to be used in  
100 the home. This interactive educational software and other instructional materials shall only be used as  
101 supplemental tools for instruction, remediation, and acceleration of the learning required by the K  
102 through 12 Standards of Learning objectives.

103 Consistent with school board policies designed to improve school-community communications and  
104 guidelines for providing instructional assistance in the home, each school division shall strive to  
105 establish a voice mail communication system after regular school hours for parents, families, and  
106 teachers by the year 2000.

107 C. The General Assembly finds that effective prevention programs designed to assist children at risk  
108 of school failure and dropout are practical mechanisms for reducing violent and criminal activity and for  
109 ensuring that Virginia's children will reach adulthood with the skills necessary to succeed in the  
110 twenty-first century; to this end, the following program is hereby established. With such funds as are  
111 appropriated for this purpose, the General Assembly hereby establishes a grant program to be disbursed  
112 by the Department of Education to schools and community-based organizations to provide quality  
113 preschool programs for at-risk four-year-olds who are unserved by Head Start programs and for at-risk  
114 five-year-olds who are not eligible to attend kindergarten.

115 The grants shall be used to provide at least half-day services for the length of the school year for  
116 at-risk four-year-old children who are unserved by Head Start programs and for at-risk five-year-olds  
117 who are not eligible to attend kindergarten. The services shall include quality preschool education, health  
118 services, social services, parental involvement including activities to promote family literacy, and  
119 transportation.

120 The Department of Education, in cooperation with such other state agencies that may coordinate  
121 child day care and early childhood programs, shall establish guidelines for quality preschool education

and criteria for the service components, consistent with the findings of the November 1993 study by the Board of Education, the Department of Education, and the Council on Child Day Care and Early Childhood Programs.

The guidelines for quality preschool education and criteria for preschool education services may be differentiated according to the agency providing the services in order to comply with various relevant federal or state requirements. However, the guidelines for quality preschool education and the criteria for preschool education services shall require when such services are being provided by the public schools of the Commonwealth, and may require for other service providers, that (i) one teacher shall be employed for any class of nine students or less, (ii) if the average daily membership in any class exceeds nine students but does not exceed ~~eighteen~~18, a full-time teacher's aide shall be assigned to the class, and (iii) the maximum class size shall be ~~eighteen~~18 students.

School divisions may apply for and be granted waivers from these guidelines by the Department of Education.

During the 1995-1996 fiscal year, the Board of Education shall, with such funds as are appropriated for this purpose, distribute grants, based on an allocation formula providing the state share of the grant per child, as specified in the appropriation act, for ~~thirty~~30 percent of the unserved at-risk four-year-olds in the Commonwealth pursuant to the funding provided in the appropriation act.

During the 1996-1997 fiscal year and thereafter, grants shall be distributed, with such funds as are appropriated for this purpose, based on an allocation formula providing the state share of the grant per child, as specified in the appropriation act, for at least ~~sixty~~60 percent of the unserved at-risk four-year-olds and five-year-olds who are not eligible to attend kindergarten in the Commonwealth, such ~~sixty~~60 percent to be calculated by adding services for ~~thirty~~30 percent more of the unserved at-risk children to the ~~thirty~~30 percent of unserved at-risk children in each locality provided funding in the appropriation act.

Local school boards may elect to serve more than ~~sixty~~60 percent of the at-risk four-year-olds and may use federal funds or local funds for this expansion or may seek funding through this grant program for such purposes. Grants may be awarded, if funds are available in excess of the funding for the ~~sixty~~60 percent allocation, to expand services to at-risk four-year-olds beyond the ~~sixty~~60 percent goal.

In order for a locality to qualify for these grants, the local governing body shall commit to providing the required matching funds, based on the composite index of local ability to pay. Localities may use, for the purposes of meeting the local match, local or other nonstate expenditures for existing qualifying programs and shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program shall be used to supplement, not supplant, any local funds currently provided for preschool programs within the locality.

D. The General Assembly finds that local autonomy in making decisions on local educational needs and priorities results in effective grass-roots efforts to improve education in the Commonwealth's public schools only when coupled with sufficient state funding; to this end, the following block grant program is hereby established. With such funds as are provided in the appropriation act, the Department of Education shall distribute block grants to localities to enable compliance with the Commonwealth's requirements for school divisions in effect on January 1, 1995. Therefore, for the purpose of such compliance, the block grant herein established shall consist of a sum equal to the amount appropriated in the appropriation act for the covered programs, including the at-risk add-on program; dropout prevention, specifically Project YES; Project Discovery; English as a second language programs, including programs for overage, nonschooled students; Advancement Via Individual Determination (AVID); the Homework Assistance Program; programs initiated under the Virginia Guaranteed Assistance Program, except that such funds shall not be used to pay any college expenses of participating students; Reading Recovery; and school/community health centers. Each school board may use any funds received through the block grant to implement the covered programs and other programs designed to save the Commonwealth's children from educational failure.

E. In order to reduce pupil/teacher ratios and class sizes in elementary schools, from such funds as may be appropriated for this purpose, each school board may employ additional classroom teachers, remedial teachers, and reading specialists for each of its elementary schools over the requirements of the Standards of Quality. State and local funding for such additional classroom teachers, remedial teachers, and reading specialists shall be apportioned as provided in the appropriation act.

F. Pursuant to a turnaround specialist program administered by the Department of Education, local school boards may enter into agreements with individuals to be employed as turnaround specialists to address those conditions at the school that may impede educational progress and effectiveness and academic success. Local school boards may offer such turnaround specialists or other administrative personnel incentives such as increased compensation, improved retirement benefits in accordance with Chapter 6.2 (§ 51.1-617 et seq.) of Title 51.1, increased deferred compensation in accordance with § 51.1-603, relocation expenses, bonuses, and other incentives as may be determined by the board.

*G. The General Assembly finds that certain schools have particular difficulty hiring teachers for certain subject areas and that the need for such teachers in these schools is particularly strong. Accordingly in an effort to attract and retain high quality teachers, local school boards may offer instructional personnel serving in such schools as a member of a middle school teacher corps administered by the Department of Education incentives such as increased compensation, improved retirement benefits in accordance with Chapter 6.2 (§ 51.1-617 et seq.) of Title 51.1, increased deferred compensation in accordance with § 51.1-603, relocation expenses, bonuses, and other incentives as may be determined by the board.*

*For purposes of this subsection, "middle school teacher corps" means licensed instructional personnel who are assigned to a local school division to teach in a subject matter in grades six, seven, or eight where there is a critical need, as determined by the Department of Education. The contract between such persons and the relevant local school board shall specify that the contract is for service in the middle school teacher corps.*

#### CHAPTER 6.2.

##### PUBLIC SCHOOL TEACHER SUPPLEMENTAL RETIREMENT.

###### § 51.1-617. Definitions.

*As used in this chapter, unless the context requires a different meaning:*

*"Board" means the Board of Trustees of the Virginia Retirement System.*

*"Plan" means the defined contribution plan established pursuant to this chapter and the provisions of § 401 (a) of the Internal Revenue Code of 1986, as amended.*

*"Eligible employee" means any turnaround specialist or member of the middle school teacher corps providing services for a participating public school division pursuant to subsections F and G of § 22.1-199.1.*

*"Participating employer" means any local public school board that offers and pays the costs of improved retirement benefits as described in subsections F and G of § 22.1-199.1.*

*"Qualified participant" means an eligible employee of a participating employer.*

*§ 51.1-618. Defined contribution plan for eligible employees of local public school boards; administered by the Board.*

*A. The Board shall establish and administer a defined contribution plan for eligible employees. The Director of the Virginia Retirement System shall be the chief administrative officer of the plan. The Board may contract with private corporations or institutions subject to the standards set forth in § 51.1-124.30 to provide investment products as well as any other goods and services related to the administration of the plan. The Virginia Retirement System is hereby authorized to perform related services including, but not limited to, providing consolidated billing, individual and collective recordkeeping and accountings, and asset purchase, control, and safekeeping.*

*B. If it deems it advisable, the Board may create a trust or other special fund for the segregation of the funds or assets resulting from contributions made on behalf of qualified participants.*

*C. Participating employers shall be responsible for setting the contribution rate for their eligible employees and timely transferring contributions to the private corporation or institution designated by the Board pursuant to subsection A.*

*D. The Commonwealth, the Board of trustees of the Virginia Retirement System, the employees of the System, the Investment Advisory Committee of the System and the participating employer shall not incur any liability for any losses suffered by a plan established or administered under the authority of this chapter.*