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HOUSE BILL NO. 1003

Offered January 8, 2014

Prefiled January 8, 2014

A *BILL to amend and reenact § 22.1-27.5 of the Code of Virginia, relating to the Opportunity Educational Institution; funding.*

Patron—Greason

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 22.1-27.5 of the Code of Virginia is amended and reenacted, as follows:

§ 22.1-27.5. (For applicability, see Editor's note) Funding.

A. Effective with the 2014-2015 school year, any student enrolled in a school under the supervision of the Institution shall have the per pupil funding of his school division of residence transferred to the Institution. The per pupil funding transferred shall consist of the total operational expenditures for the most recent fiscal year available, as reported by the resident division in the Annual School Report Financial Section (ASRFIN), divided by actual March 31 Average Daily Membership for the corresponding fiscal year.

B. Students enrolled in a school under the supervision of the Institution shall not be counted in the March 31 average daily membership or fall membership of their local school division of residence. Such students shall not be counted in the required local effort of the local school division of residence.

C. The per pupil funding transferred from the local school division of residence shall be provided for eligible students based on their March 31 average daily membership in the school under the supervision of the Institution. The Department of Education shall pay the state share per pupil funding directly to the Institution semimonthly. Payments will initiate based on projected Fall Membership for any school under the supervision of the Institution and shall be adjusted accordingly following submission of actual March 31 Average Daily Membership.

The Board shall certify on a monthly basis each school year the number of students enrolled in each school in the Institution. Based upon such monthly certification, the Board shall invoice the affected local school divisions of residence on a monthly basis in order for a one-month portion of the local share per pupil amount and applicable federal share per pupil amount to be transferred from the local school division of residence to the Institution. The local school division of residence shall transfer the certified monthly local and federal share per pupil payments to the Institution within 30 calendar days of the receipt of the monthly invoice from the Institution.

A. Federal, state, and required local matching funds provided to school divisions pursuant to the general appropriation act shall be transferred to the Institution as prescribed in this subsection and in the general appropriation act if students in a school under the supervision of the Board would otherwise be eligible for the funding if they remained in a school under the supervision of the local school division of residence.

B. Each student enrolled in a school under the supervision of the Board shall have his proportionate federal, state, and local shares of per pupil funding transferred from the local school division of residence to the Institution. The proportionate share of such per pupil funding transferred shall consist of (i) any state-funded accounts paid on the basis of student enrollment, including fall membership, March 31 average daily membership, and school-aged population; (ii) the proportionate share of any applicable federal aid programs allocated for students and teachers in the Institution, including, but not limited to the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. § 1400 et seq.), Title I of the No Child Left Behind Act of 2001 (20 U.S.C. § 6301 et seq.), and the Teacher Training Grant Program pursuant to part A of Title II of the No Child Left Behind Act of 2001 (20 U.S.C. § 6301 et seq.); (iii) the proportionate share of state moneys that are allocated under other applicable Direct Aid to Public Education programs and that are not included in clause (i); (iv) the per pupil required local effort for the Standards of Quality programs; (v) the per pupil required local match for any optional direct aid programs in which the local school division of residence participates that are applicable to the enrollment of the Institution; and (vi) any other proportionate share of local funding not included in clauses (iv) and (v) that would otherwise be provided for such students enrolled in the school if the school had remained under the supervision of the local school board. Except for a reasonable portion that may be necessary for the administration of the Institution, subject to the limits contained in this paragraph, local funds specified in clauses (iv), (v), and (vi) shall only be used for schools under the supervision of the Board that were formerly under the supervision of the local school division from

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59 *which such funds were derived or expended by the Board in a manner that such schools receive a*
60 *proportionate benefit when such local funds are expended to benefit multiple schools under the*
61 *supervision of the Board.*

62 *The annual operating budget for the Institution shall be proportioned in a manner that dedicates no*
63 *less than 65 percent of total funding for instructional costs and no more than 35 percent for*
64 *noninstructional costs, including administration of the Institution. The methodology for allocating each*
65 *school division's expenditures to instructional and noninstructional costs shall be consistent with the*
66 *funding of the Standards of Quality as approved by the General Assembly. If, for any reason, the*
67 *Institution desires to exceed 35 percent funding for noninstructional costs, it must be granted approval*
68 *by the Governor. The Board and the Chairmen of the House Appropriations and Senate Finance*
69 *Committees shall be notified promptly of such approval by the Governor.*

70 *C. In addition to the funds authorized in subsection B and any funds otherwise appropriated in the*
71 *general appropriation act for the operation of the Institution or the schools under the Board's*
72 *supervision, the Board is authorized to receive and expend any gifts, grants, bequests, or donations,*
73 *including interest thereon, from private sources solely for the purpose of operating the Institution or the*
74 *schools under the Board's supervision subject to written guidelines issued by the Governor in*
75 *accordance with the appropriation act.*

76 *D. The Board and the local school division of residence shall take all actions necessary to facilitate*
77 *transfer of funding as prescribed in subsections A and B on a schedule that is sufficient for the*
78 *operation of the Institution. For any school under the supervision of the Board, the Board shall certify*
79 *to the applicable local school division of residence the enrollment of any such school on a schedule that*
80 *is sufficient for the timely transfer of such payments. The Board shall also be responsible for submitting*
81 *to the resident school division any data necessary to meet any local, state, and federal reporting*
82 *requirements.*

83 *E. Students enrolled in a school under the supervision of the Board shall be included in all*
84 *applicable enrollment counts of the local school division of residence. Such students shall be counted in*
85 *the required local effort of Standards of Quality programs and any required local match for optional*
86 *programs applicable to the local school division of residence.*

87 *F. The Auditor of Public Accounts, or his legally authorized representative, shall annually audit the*
88 *accounts of the Board.*