

2001 SPECIAL SESSION I

INTRODUCED

012985238

HOUSE BILL NO. 12

Offered April 30, 2001

A BILL to amend and reenact Items 141, 142, 143, 144, 155, 256, and 562 of Chapter 1073 of the Acts of Assembly of 2000, and to amend Chapter 1073 of the Acts of Assembly of 2000 by adding an item numbered 547.10, all relating to providing revenues and appropriating funds for public education, public colleges and universities, and the Library of Virginia.

Patrons—Dillard, Callahan, Griffith, Hamilton and Wardrup

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That Items 141, 142, 143, 144, 155, 256, and 562 of Chapter 1073 of the Acts of Assembly of 2000 are amended and reenacted, and that Chapter 1073 of the Acts of Assembly of 2000 is amended by adding an item numbered 547.10, as follows:

Office of Education

131 through 140. Not set out.

Direct Aid to Public Education (197)

141.	Financial Assistance for Public Education (Categorical) (17100)	328,487,728	331,096,417
		335,478,714	386,853,883
	Financial Assistance for Instruction (17101)	128,562,400	128,562,400
			145,625,331
	Financial Assistance for Special Education Instruction (17102)	107,058,364	111,167,265
			142,897,814
	Financial Assistance for Vocational Education Instruction (17103)	44,275,637	43,059,887
	Financial Assistance for Adult Education Instruction (17104)	3,299,381	3,299,381
	Financial Assistance for General Education Instruction (17105)	12,953,934	12,698,587
		20,078,934	19,823,587
	Financial Assistance for Cultural Transition (17106)	6,491,990	6,510,151
	Financial Assistance for Educational Telecommunications (17111)	2,611,658	2,611,658
	Financial Assistance From Federal Land Use (17113)	1,200,000	1,200,000
	Financial Assistance for Dropout Prevention (17114)	13,026,726	12,979,450
		12,892,712	12,845,436
	Financial Assistance for Foster Children Educational Payments (17115)	9,007,638	9,007,638
Fund Sources:	General	106,364,711	108,989,150
		106,230,697	108,855,136
	Trust and Agency	129,100	129,100
	Federal Trust	221,993,917	221,978,167
		229,118,917	277,896,647

Authority: Financial Assistance for Instruction (1710100):
Discretionary Inclusion; P.L. 97-35, P.L. 98-211 and P.L. 100-297, Federal Code.
Financial Assistance for Special Education (1710200): §§ 22.1-213 through 22.1-222, Code of
Virginia; P.L. 91-230, P.L. 98-199, P.L. 99-457, P.L. 101-476 and P.L. 102-119, Federal Code.
Financial Assistance for Vocational Education (1710300): § 22.1-227, Code of Virginia; P.L. 98-524,
Federal Code.
Financial Assistance for Adult Education (1710400): §§ 22.1-223 through 22.1-226, Code of Virginia;
P.L. 95-561 and P.L. 100-297, Federal Code.

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57 Financial Assistance for General Education (1710500): Discretionary Inclusion; and P.L. 99-570,
58 Federal Code.

59 Financial Assistance for Cultural Transition (1710600): Treaty of 1677 between Virginia and the
60 Indians; P.L. 100-297, Federal Code.

61 Financial Assistance for Research and Testing (1710700): Discretionary Inclusion.

62 Financial Assistance for Educational Telecommunications (1711100): Discretionary Inclusion.

63 Financial Assistance from Federal Land Use (1711300): § 22.1-108, Code of Virginia; P.L. 94-588,
64 Federal Code.

65 Financial Assistance for Dropout Prevention (1711400): Discretionary Inclusion.

66 Financial Assistance for Foster Children Education Payments (1711500): § 22.1-101, Code of
67 Virginia.

68 A. Instruction Payments

69 1. Aid to localities provided by the Federal Block Grant for Education is appropriated in this
70 subprogram.

71 2. This appropriation includes \$300,000 in each year for Migrant Education.

72 B. Special Education Instruction Payments

73 1. The Department of Education shall establish rates for all elements in this subprogram.

74 2. Out of the amounts for special education payments, the Department of Education shall make
75 available, subject to implementation by the Superintendent of Public Instruction, an amount estimated at
76 \$32,809,525 the first year and \$36,024,033 the second year from the general fund for the purpose of the
77 state's share of the tuition rates for approved public school regional programs. Notwithstanding any
78 contrary provision of law, the state's share of the tuition rates shall be based on the composite index of
79 local ability-to-pay.

80 3. Out of the amounts for Financial Assistance for Special Education, \$17,983,003 the first year and
81 \$18,532,003 the second year from the general fund is appropriated to permit the Department of
82 Education to contract with selected local school boards for the provision of educational services to
83 children residing in certain hospitals, clinics, and detention homes by employees of the local school
84 boards. The selection and employment of instructional and administrative personnel under such contracts
85 will be the responsibility of the local school board in accordance with procedures as prescribed by the
86 local school board.

87 C. Vocational Education Instruction Payments

88 1. It is the intention of the General Assembly that the Department of Education explore initiatives
89 that will encourage greater cooperation between jurisdictions and the Virginia Community College
90 System in meeting the needs of public school systems.

91 2. This appropriation includes \$75,000 the first year and \$75,000 the second year from the general
92 fund for the School-To-Work Transition Grants Program.

93 3. An amount estimated at \$11,401,817 the first year and \$11,386,067 the second year from
94 nongeneral funds is appropriated pursuant to the School-to-Work Opportunities Act of 1994.

95 4. This appropriation includes \$1,900,000 the first year and \$700,000 the second year from the
96 general fund for secondary vocational-technical equipment. A base allocation of \$2,000 the first year and
97 \$1,000 the second year shall be available for all divisions, with the remainder of the funding distributed
98 on the basis of student enrollment in secondary vocational-technical courses. State funds received for
99 secondary vocational-technical equipment must be used to supplement, not supplant, any funds currently
100 provided for secondary vocational-technical equipment within the locality. *Any unexpended balance for*
101 *vocational-technical equipment at the close of business on June 30, 2001, shall not revert to the general*
102 *fund, but shall be carried forward and reappropriated for the same purpose in the second year.*

103 D. Adult Education Payments

104 State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or
105 cost per class basis. No state funds shall be used to support vocational noncredit courses.

106 E. General Education Payments

107 1.a. Out of the amounts for Financial Assistance for General Education shall be paid \$1,085,754 the
108 first year and \$1,085,754 the second year from the general fund for Project Discovery. These funds are
109 to fund approximately one-half of the cost of the program in Abingdon, Accomack/Northampton,
110 Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland,
111 Danville/Pittsylvania, Fairfax, Franklin/Patrick, Goochland/Powhatan, Lynchburg, Newport News,
112 Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, and
113 Wythe and the salary of a fiscal officer for Project Discovery.

114 b. The Board of Education shall determine the Project Discovery funding distributions to each
115 community action agency. The contract with Project Discovery, Inc. should specify the allocations to
116 each local Project Discovery program. Allocations shall be on a per pupil basis for students enrolled in
117 the program.

118 2.a. The Department of Education and the Department of Medical Assistance Services shall jointly

issue a request for proposals for the planning and implementation of pilot school/community health centers. This appropriation includes \$1,500,000 the first year and \$1,500,000 the second year from the general fund for pilot projects.

b. A school division which desires to participate in a pilot program must be, or agree to become, a Medicaid provider approved by the Department of Medical Assistance Services. Any Medicaid reimbursements received from services provided through the school/community health center must be retained by the center for the continuation of its operation.

c. Pilots are encouraged to develop different models of service delivery, including but not limited to, individual school-based programs, districtwide efforts through the use of mobile approaches, or regional efforts. Centers should provide a variety of services such as health screening, outreach programs, health counseling, control and management of communicable diseases, and the management of medically fragile students.

3. Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$50,000 the first year and \$50,000 the second year from the general fund for the Blue Ridge Regional Education and Training Council.

4. Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$677,000 the first year and \$477,000 the second year from the general fund for the Southwest Virginia Public Education Consortium at the University of Virginia College at Wise. The Consortium shall provide \$315,000 the first year and \$115,000 the second year from the general fund to continue the Van Gogh Outreach program with Lee and Wise County Public Schools and expand the program to the twelve school divisions in Southwest Virginia.

5. The appropriation for Financial Assistance for General Education includes \$215,000 the first year and \$215,000 the second year from the general fund for the Southside Virginia Regional Technology Consortium to expand the research and development phase of a technology linkage.

6. The appropriation for Financial Assistance for General Education includes \$10,000 the first year and \$10,000 the second year from the general fund for student exchanges between Virginia's school divisions.

7. Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$55,000 the first year and \$55,000 the second year from the general fund for the Hampton Roads Public Education Regional Cooperative.

8. The amounts for Financial Assistance for General Education include \$50,000 the first year and \$50,000 the second year from the general fund for Project ECOLE (Electronic Community of Learning and Education). The funds shall be used to develop the curriculum and learning system for replication to other schools in the Commonwealth. The Department of Education shall assist in the dissemination of information regarding Project ECOLE to school divisions statewide and in the provision of technical assistance to school divisions replicating this program.

9. Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$125,000 the first year and \$125,000 the second year from the general fund for the Western Virginia Public Education Consortium.

10. Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$60,000 the first year and \$60,000 the second year from the general fund for grants to three alternative school pilots. Funding shall be provided for one pilot each for alternative programs for disruptive elementary students in the Newport News and Norfolk school divisions. The third pilot shall be for Victory Academy, an alternative school operated by the Gloucester County school division.

11. Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$55,000 the first year from the general fund *to be used within the biennium* for the Northern Neck-Middle Peninsula Public Education Consortium.

12. *The appropriation for Financial Assistance for General Education includes an amount estimated at \$7,125,000 the first year and \$7,125,000 the second year from federal funds for subgrants to school divisions pursuant to the Reading Excellence Act grant.*

F. Cultural Transition Payments

A payment of \$5,103,185 the first year and \$5,121,346 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state share of ten professional instructional positions per 1,000 students for whom English is a second language.

G. Educational Telecommunications Payments

1. Out of the amounts for Financial Assistance for Educational Telecommunications, the Board of Education shall provide assistance for electronic classrooms.

2. The local share of costs associated with operation of electronic classrooms shall be computed using the local composite index.

H. Dropout Prevention Payments

1. Out of the amounts for Financial Assistance for Dropout Prevention shall be paid \$10,970,997 the

180 first year and \$10,970,997 the second year from the general fund to support a statewide dropout
 181 prevention program. Such program shall include elements which are consistent with the following:

- 182 a. An application process for localities that wish to participate in the program;
 183 b. Provisions for a local resource commitment of 40 percent, to match state grants of 60 percent; and
 184 c. Local program plans which include systematic identification of potential dropouts, assessment of
 185 individual student needs, and provision of coordinated alternative programs to meet such needs.

186 2.a. This appropriation includes \$1,230,000 the first year and \$1,230,000 the second year from the
 187 general fund to provide at least three pilot programs related to increasing the success of disadvantaged
 188 students in completing a high school degree and providing opportunities to encourage further education
 189 and training. Of this appropriation, \$450,000 the first year and \$450,000 the second year from the
 190 general fund shall be provided for An Achievable Dream, Inc. to operate an extended-school-day and
 191 summer tennis and educational enhancement program in Newport News. Out of this appropriation,
 192 \$95,000 the first year and \$95,000 the second year from the general fund shall be provided for a
 193 Virginia Guaranteed Assistance Program in the City of Fredericksburg Public Schools. Out of this
 194 appropriation, \$30,000 the first year and \$30,000 the second year from the general fund shall be
 195 provided for an Achievable Dream Program for Hampton Public Schools.

196 b. Pilot programs must contain the following:

- 197 1) A focus on early intervention, dropout prevention, and college preparation;
 198 2) Evidence of cooperation among local schools, colleges, universities, and community groups;
 199 3) Evidence of coordination of programs and funding available through Project Discovery, Dropout
 200 Prevention, the Virginia Plan for Equal Opportunity in State-Supported Institutions of Higher Education,
 201 or similar sources;
 202 4) Evidence of private sector cooperation and support.

203 c. The Department of Education shall develop guidelines for submitting pilot program proposals, as
 204 well as for implementation and assessment of these programs. Such guidelines shall ensure that school
 205 boards are allowed broad flexibility to design and implement program components which best serve the
 206 needs of the students enrolled in the program.

207 3.a. Out of this appropriation, \$780,729 the first year and \$733,453 the second year from the general
 208 fund is designated to establish pilot Advancement Via Individual Determination (AVID) programs to
 209 prepare middle and high school at-risk students for college eligibility and success in college once they
 210 are enrolled. These pilots shall be in the Cities of Newport News, Norfolk, Richmond, Hampton,
 211 Petersburg, Staunton, Virginia Beach, and Culpeper and Fairfax Counties. In order to participate,
 212 localities are required to provide a match for these funds based on the composite index of local
 213 ability-to-pay.

214 b. Out of this appropriation, \$45,000 the first year and \$45,000 the second year from the general
 215 fund is designated for the Center for Excellence in Urban Education, an AVID center in Newport News.

216 4. Out of this appropriation, ~~\$2,247,581~~ \$2,158,567 the first year and ~~\$2,247,581~~ \$2,158,567 in the
 217 second year from the general fund shall be provided for the secondary schools' general educational
 218 development test and preparatory program, pursuant to Chapter 488 and Chapter 552 of the 1999
 219 Session of the General Assembly. The Department of Education shall report the status of this program
 220 along with any recommendations for determining the cost of this program to the Governor and the
 221 Chairmen of the Senate Finance, Senate Education and Health, House Appropriations, and House
 222 Education Committees no later than September 1 of each year.

223 I. Foster Children Education Payments

224 1. An additional state payment for the prior year's local operations costs, as determined by the
 225 Department of Education, for each pupil not a resident of the school division providing his education (a)
 226 who has been placed in foster care or other custodial care within the geographical boundaries of such
 227 school division by a Virginia agency, whether state or local, which is authorized under the laws of this
 228 Commonwealth to place children; (b) who has been placed in an orphanage or children's home which
 229 exercises legal guardianship rights; or (c) who is a resident of Virginia and has been placed, not solely
 230 for school purposes, in a child-caring institution or group home.

231 2. This appropriation also provides for funding levels of \$3,503,049 the first year and \$3,503,049 the
 232 second year from the general fund to support handicapped children attending public school who have
 233 been placed in foster care or other such custodial care across jurisdictional lines, as provided by
 234 subsection B of § 22.1-101.1, Code of Virginia. To the extent these funds are not adequate to cover the
 235 full costs specified therein, the Department is authorized to expend unobligated balances in this Item and
 236 Item 143 for this support.

237	142.	Financial Assistance for Public School	270,771,900	278,389,789
238		Employee Benefits (17200)		
239		Financial Assistance for School Employee	148,716,109	154,412,987
240		Retirement Contributions (17201)		

241		Financial Assistance for School Employee	117,507,594	118,991,078
242		Social Security Contributions (17202)		
243		Financial Assistance for School Employee	4,548,197	4,985,724
244		Insurance Contributions (17203)		
245	Fund Sources:	General	270,771,900	278,389,789
246			256,329,984	219,789,789
247		Special	14,441,916	58,600,000

248 Authority: Title 51, Chapters 3.1 and 3.2, Code of Virginia.

249 Payments out of the above amounts shall be subject to the following conditions:

250 1. General Conditions

251 a. The Standards of Quality cost for each of the three subprograms in this Item shall be limited for
 252 instructional staff members to the employer's cost for a number not exceeding the number of
 253 instructional positions required by the Standards of Quality for each school division and for their salaries
 254 at the statewide prevailing salary levels as printed below. Fringe benefit payments related to salary
 255 increases above these prevailing salary levels are included in the appropriations for basic aid:

256	Instructional Position	First Year Salary	Second Year Salary
257	Elementary Teachers	\$34,902	\$34,902
258	Elementary Assistant Principals	\$50,051	\$50,051
259	Elementary Principals	\$59,737	\$59,737
260	Secondary Teachers	\$37,362	\$37,362
261	Secondary Assistant Principals	\$53,380	\$53,380
262	Secondary Principals	\$65,428	\$65,428
263	Aides	\$12,604	\$12,604

264 b.1) Payment by the state to a local school division shall be based on the state share of fringe benefit
 265 costs of 55 percent of the employer's cost distributed on the basis of the composite index.

266 2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of
 267 0.8000 for purposes of distributing fringe benefit funds under this provision.

268 3) The state payment to each school division in this Item for noninstructional staff members shall
 269 equal the state share of 55 percent of the division's entitlement for such staff members for the school
 270 year 1981-82. The recognized cost for noninstructional staff, above the 1981-82 entitlement, is included
 271 in and distributed through Basic Aid.

272 c. Payments to school divisions from these subprograms shall be calculated using Average Daily
 273 Membership adjusted for half-day kindergarten programs.

274 d. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.

275 2. School Employee Retirement Contributions

276 a. This subprogram provides funds to each local school board for the state share of the employer's
 277 retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to the
 278 retirement allowance account as provided by Title 51, Chapter 3.2, Code of Virginia.

279 b. This Item includes payments for the full cost of the retiree health care credit required by Chapter
 280 764, 1996 Acts of Assembly. The Department of Education is authorized to pay the Virginia Retirement
 281 System directly. These funds shall be considered payments to local school divisions for public education.

282 c. *The amounts for School Employee Retirement Contributions include sums estimated at \$14,441,916*
 283 *the first year and \$58,600,000 the second year from the principal of the Literary Fund.*

284 3. School Employee Social Security Contributions

285 This subprogram provides funds to each local school board for the state share of the employer's
 286 Social Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the
 287 Contribution Fund pursuant to Title 51, Chapter 3.1, Code of Virginia.

288 4. School Employee Insurance Contributions

289 This subprogram provides funds to each local school board for the state share of the employer's
 290 Group Life Insurance cost incurred by it on behalf of instructional personnel who participate in group
 291 insurance under the provisions of Title 51, Chapter 3.2, Code of Virginia.

292	143.	Financial Assistance for Public Education (Standards	2,505,765,296	2,540,742,939
293		of Quality) (17500)		
294			2,501,643,203	2,612,383,857
295		Basic Aid Payments (17502)	1,822,635,064	1,832,072,412
296			1,826,310,917	1,890,134,242
297		Education of the Gifted Payments (17505)	23,030,475	23,175,154

298		Occupational-Vocational Education Payments	40,443,738	40,551,793
299		(17509)		
300		Special Education Payments (17510)	220,573,054	221,627,127
301		Teacher Training for Standards of Learning (17511)	16,906,814	17,063,967
302				18,150,749
303		Enrollment Loss Payments (17513)	23,481,515	21,018,850
304			21,256,467	20,149,666
305		Remedial Education Payments (17514)	109,518,884	111,768,808
306		Maintenance Supplement (17515)	9,435,591	9,493,144
307		Primary Class Size Payments (17517)	70,881,192	70,600,283
308		Educational Technology Payments (17518)	51,717,492	64,172,191
309		At-Risk Four-Year-Olds Preschool Payments (17519)	21,584,358	20,639,338
310			18,648,068	19,439,338
311		Truancy/Safe Schools (17520)	2,138,570	2,138,570
312		Early Intervention (17521)	14,052,542	14,018,196
313			11,415,934	12,318,196
314		Standards of Learning Instructional Materials (17522)	6,290,394	6,328,763
315		Standards of Learning Remediation (17523)	16,035,137	15,518,839
316		School Health Incentive Payments (17524)	2,040,476	2,036,455
317		Standards of Learning Algebra Readiness (17525)	0	8,675,787
318		Technology Support Payments (17526)	0	4,843,262
319		School Construction Grants Program (17527)	55,000,000	55,000,000
320				71,261,490
321	Fund Sources:	General	2,453,010,149	2,474,397,748
322			2,448,888,056	2,527,690,394
323		Commonwealth Transportation	2,173,000	2,173,000
324		Trust and Agency	5,589,826	19,179,870
325		Dedicated Special Revenue	33,456,255	33,456,255
326		Federal Trust	11,536,066	11,536,066
327				29,884,338

328 Authority: Basic Aid Payments (1750200): Article VIII, Section 2, Constitution of Virginia; Chapter
 329 667, Acts of Assembly, 1980; § 22.1-97, Code of Virginia; §§ 22.1-205, 46.1-357 and 46.1-380, Code of
 330 Virginia; Pupil Transportation, § 22.1-186, Code of Virginia.

331 Education of the Gifted (1750500): Discretionary Inclusion. Occupational-Vocational Education
 332 Payments (1750900): §§ 22.1-228 through 22.1-236, Code of Virginia.

333 Special Education Payments (1750100): §§ 22.1-213 through 22.1-222, Code of Virginia.

334 Remedial Education Payments (1751400): Article VIII, Section 2, Constitution of Virginia.

335 Educational Technology Payments (17518): The Goals 2000: Educate America Act, Public Law
 336 103-227, Federal Code.

337 Educational Technology Payments (17518): Public Law 103-382, Federal Code.

338 A. Definitions

339 1. "Average Daily Membership," or "ADM" - The average daily membership for grades K-12
 340 including (1) handicapped students ages 5-21 and (2) students for whom English is a second language
 341 who entered school for the first time after reaching their twelfth birthday, and who have not reached
 342 twenty-two years of age on or before August 1 of the school year, for the first seven (7) months (or
 343 equivalent period) of the school year in which state funds are distributed from this appropriation.
 344 Preschool and postgraduate students shall not be included in ADM.

345 a. School divisions shall take account of September 30 fall membership and report this information
 346 to the Department of Education no later than October 15 of each year.

347 b. Except as otherwise provided herein, by statute, or by precedent, all subprograms throughout the
 348 appropriation to the Department of Education shall be calculated using ADM unadjusted for half-day
 349 kindergarten programs, estimated at 1,131,302 the first year and 1,141,876 the second year.

350 c. ADM adjusted for half-day kindergarten at 85 percent of ADM, is estimated at 1,127,121 the first
 351 year and 1,137,598 the second year.

352 d. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction
 353 pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis in any
 354 mathematics, science, English, history, social science, vocational education, health education or physical
 355 education, fine arts or foreign language course shall be counted in the ADM of the relevant school
 356 division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.

357 e. Students enrolled in a general educational development preparatory program or other alternative
 358 program approved by the local school board pursuant to § 22.1-254D. shall be counted in the Average
 359 Daily Membership of the relevant school division. School divisions shall report these students separately
 360 in their March 31 reports of Average Daily Membership.

2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly.

3. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional personnel required by the Standards of Quality for each school division with a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number thereof, in ADM for the same fiscal year for which the costs are computed, and including provision for driver, gifted, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, general administration, division superintendents' salaries, free textbooks (including those for free and reduced price lunch pupils), school nurses, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, fixed charges and other costs in programs not funded by other state and/or federal aid.

4. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in ADM (unadjusted for half-day kindergarten programs) reported for the first seven (7) months of the 1997-98 school year and 1/3 of the index of wealth per capita (population estimates for 1997 as determined by the Center for Public Service of the University of Virginia) times the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 1997 - 50 percent; (2) adjusted gross income for the calendar year 1997 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 1997 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the state average per ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than December 15, 1999.

a. Each locality whose total Virginia Adjusted Gross Income is comprised of at least 3 percent or more which is accounted for by nonresidents of Virginia may elect at its option to exclude such nonresident income in computing the composite index of ability-to-pay. Each locality which elects this option must have certified its intention to do so to the Department of Education on or before January 1, 2000. The Department of Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.

b. In the event that two or more school divisions become one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be paid Standard of Quality payments for all pupils in the combined division on the basis of a composite index determined by the Board of Education, which shall not be less than the lowest nor higher than the highest composite index of any of the individual school divisions involved in such consolidation. In the event of a consolidation of local governments, this index shall remain in effect for a period of five years, unless a lower composite index is calculated through the process for computing an index figure for each locality as set forth above. The Governor shall approve the composite index determined by the Board of Education prior to disbursement of funds under such index. The Department shall annually report to the Chairmen of the House Appropriations and Senate Finance Committees the composite indices approved by the Governor and the Board under this provision.

c. When it is determined that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding for the current school year. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.

d. In the event that any school division consolidates two or more small schools, the division shall continue to receive Standards of Quality funding and provide for the required local expenditure for a period of five years as if the schools had not been consolidated. Small schools are defined as any elementary, middle, or high school with enrollment below 200, 300 and 400 students, respectively.

e. In the event that two or more local governments enter into agreements for joint or regional economic development programs that result in disproportionate increases in the true value of real property for one or more of the participating local governments, the Board of Education shall make adjustments to the assignment of those affected property values when computing the composite index of local ability-to-pay. These adjustments shall be based upon a written request from the affected localities signed by the chief administrative officer for each locality, the superintendent for each affected school division, and witnessed and sealed by the clerks for each locality. The request shall establish the total

422 *real property value of the program or project and the amounts that should be allocated to each locality*
423 *to provide for a proportional distribution of the real property value to each locality for the base year*
424 *that is being used to compute the composite index. This request must be submitted to the Board of*
425 *Education prior to July 1 of each odd-numbered year in which the composite index is approved for the*
426 *computation of education funding in the next biennium.*

427 5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the
428 composite index of the cost required by all the Standards of Quality minus its estimated revenues from
429 the state sales and use tax (returned on the basis of school age population) in the fiscal year in which
430 the school year begins.

431 6. "Planning District Eight"—The nine localities which comprise Planning District Eight are
432 Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax
433 City, Falls Church City, Manassas City, and Manassas Park City.

434 7. "State Share for the Standards of Quality" - The state share for a locality shall be equal to the cost
435 for that locality less the locality's estimated revenues from the state sales and use tax (returned on the
436 basis of school age population), in the fiscal year in which the school year begins and less the required
437 local expenditure.

438 B. General Conditions

439 1. Each locality shall offer a school program for all its eligible pupils which is acceptable to the
440 Department of Education as conforming to the Standards of Quality program requirements.

441 2. In the event the statewide number of pupils in ADM exceeds the number estimated as the basis
442 for this appropriation, the locality's state share of the Basic Operation Cost and the required local share
443 shall be reduced proportionately so that this appropriation will not be exceeded.

444 3. The Department of Education shall make equitable adjustments in the computation of indices of
445 wealth and in other state-funded accounts for localities affected by annexation, unless a court of
446 competent jurisdiction makes such adjustments. However, only the indices of wealth and other
447 state-funded accounts of localities party to the annexation will be adjusted.

448 4. In the event that the actual revenues from the state sales and use tax returned (on the basis of
449 school age population) for sales in the fiscal year in which the school year begins are different from the
450 number estimated as the basis for this appropriation, the estimated revenues shall not be adjusted.

451 5. This appropriation shall be apportioned to the public schools with guidelines established by the
452 Department of Education consistent with legislative intent as expressed in this act.

453 6. Appropriations of state funds in this Item include for each subprogram the number of positions
454 required by the Standards of Quality. This Item includes for such subprograms as Basic Aid Payments, a
455 minimum of 51 professional instructional positions and aide positions (C 1); Education of the Gifted, 1.0
456 professional instructional position (C 3); Occupational-Vocational Education Payments and Special
457 Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 4 and
458 C 5) for each 1,000 pupils in ADM each year in support of the current Standards of Quality. Funding in
459 support of an additional 9.0 professional instructional positions per 1,000 pupils who score in the bottom
460 national quartile of the Virginia State Assessment Program tests or who fail the state's Literacy tests is
461 included in Remedial Education Payments.

462 7. To determine if a school division has met its required local expenditure for the Standards of
463 Quality, the following calculations will be made:

464 a. The total cost of operation less all capital outlays, debt service expenditures and refunds of
465 revenue (prior periods), will be calculated; then

466 b. From this amount calculated in paragraph a will be deducted receipts from state categorical aids
467 (other than for capital outlays), receipts from federal categorical aids other than P.L. 95-561 (formerly
468 P.L. 81-874 and P.L. 81-815), Forest Reserve receipts, and for capital outlays, receipts for gasoline tax
469 refunds, tuition from another county or city, other payments from another county or city, and payments
470 from other state agencies and others, all as stipulated by the Superintendent of Public Instruction; then

471 c. From this amount calculated in paragraph b will be deducted the state share of the Standards of
472 Quality Cost and the estimated revenues from the state sales and use tax (returned on the basis of school
473 age population) for sales in the fiscal year in which the school year begins.

474 d. The amount calculated in paragraph c must be equal to or greater than the required local
475 expenditure defined in paragraph A 5.

476 e. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce
477 its expenditures unless it first complies with all of the Standards of Quality.

478 8.a. Any sum which a locality, as of the end of a school year, has not expended, pursuant to
479 paragraph B 7 above, for the Standards of Quality shall be paid by the locality into the general fund of
480 the state treasury. Such payments shall be made not later than the end of the school year following that
481 in which the under expenditure occurs.

482 b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph
483 a, the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five

percent (75%) of those funds upon his determination that:

1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs;

2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students;

3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval;

4) The local school board agrees to submit periodic reports to the Department of Education on the use of funds provided through this project award; and

5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of the second year following that in which the under expenditure occurs.

c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to the preceding paragraph a.

9. The Superintendent of Public Instruction shall provide a report on the status of teacher salaries, by local school division, to the Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year of the biennium.

10. School divisions may choose to use state payments provided for Standards of Quality remediation, Standards of Learning remediation, and summer school remediation as a block grant for remediation purposes, without restrictions or reporting requirements, other than reporting necessary as a basis for determining funding for the programs.

C. Apportionment

1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality shall receive sums as listed above for subprograms within this program for the basic operation cost and payments in addition to that cost. The apportionment herein directed shall be inclusive of, and without further payment by reason of, state funds for library and other teaching materials.

2. Basic Aid Payments

a. A state share of the Basic Operation Cost, which cost per pupil in ADM is established individually for each local school division based on the number of instructional personnel required by the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District Eight for the cost of competing) for an estimated ADM (adjusted for half-day kindergarten programs).

The calculation of the statewide costs of the aggregate personnel standard does not include that portion of the costs from Retirement, Social Security and Group Insurance programs paid from state funds appropriated by other Items of this act.

b.1) The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated revenues from the state sales and use tax (returned on the basis of school age population), in the fiscal year in which the school year begins and less the required local expenditure.

2) An amount estimated at ~~\$188,025,106~~ \$198,318,041 the first year and ~~\$188,025,106~~ \$191,561,947 the second year of Financial Assistance for Lottery Proceeds Revenue Sharing from the Lottery Proceeds Fund appropriated in Item 144 of this act, together with funds appropriated in this Item for Basic Aid Payments, provide for the state share of the Basic Operations Cost as defined in paragraphs a and b1) above.

c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax estimates are as cited in Item 144 of this act.

d.1) In accordance with the provisions of §§ 22.1-281 and 37.1-96, Code of Virginia, the Department of Education shall deduct the locality's share for the education of handicapped pupils residing in institutions within the Department of Mental Health, Mental Retardation and Substance Abuse Services from the locality's Basic Aid appropriation.

2) The amounts deducted from Basic Aid for the education of mentally retarded persons shall be transferred to the Department of Mental Health, Mental Retardation and Substance Abuse Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be transferred to the Program for Special Education (Item 141) for extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer of sums due from each local school division to the Department of Mental Health, Mental Retardation and Substance Abuse Services and the Program for Special Education (Item 141). The amount of the actual transfers will be based on data accumulated during the prior school year.

e.1) The apportionment to localities of all driver education revenues received during the school year

545 shall be made as an undesignated component of the state share of the basic operation cost in accordance
546 with the provisions of this Item. Only school divisions complying with the standardized program
547 established by the Board of Education shall be entitled to participate in the distribution of state funds
548 appropriated for driver education. The Department of Education will deduct a designated amount per
549 pupil from a school division's Basic Aid payment when the school division is not in compliance with
550 § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for
551 the Driver Education Fund by actual March 31 ADM.

552 2) Local school boards may charge a per pupil fee for behind-the-wheel driver education provided,
553 however, that the fee charged plus the per pupil basic aid reimbursement for driver education shall not
554 exceed the actual average per pupil cost. Such fees shall not be cause for a pro rata reduction in Basic
555 Aid payments to school divisions.

556 f. The one-cent state sales and use tax earmarked for education and distributed to localities on the
557 basis of school age population shall be reflected in each locality's annual budget for educational
558 purposes as a separate revenue source for the then current fiscal year.

559 g.1) The appropriations for basic aid include \$38,528,660 the first year and \$38,763,669 the second
560 year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of
561 \$61.25 the first year and \$61.25 the second year. The state's distributions for textbooks shall be based
562 on adjusted ADM.

563 2) School divisions shall provide free textbooks to all students.

564 3) School divisions may use a portion of this funding to purchase Standards of Learning instructional
565 materials.

566 h. The appropriations for Basic Aid include the state share of an average per pupil amount estimated
567 at \$77 the first year and \$77 the second year to pay for the costs of administration.

568 i. The appropriations for basic aid include the state share of approximately \$23.5 million or \$306 per
569 instructional position for teacher training the first year and \$23.7 million or \$306 per instructional
570 position for teacher training in the second year. School divisions are encouraged to use these funds to
571 provide teacher training in the core content areas of the Standards of Learning, including the use of
572 technology in instruction.

573 j.1) Out of this appropriation, an amount estimated at \$28,506,252 the first year and \$28,517,127 the
574 second year from the general fund is provided for the state's share of adding approximately 1,400
575 elementary teachers, in addition to those funded through the Standards of Quality and K-3 Reduced
576 Class Size payments. In order for any school division to receive its proportionate share of funding for
577 these additional teachers, the local superintendent must certify to the Department of Education that the
578 additional teachers are employed.

579 2) For the purposes of this initiative, a teacher is defined as any elementary classroom teacher,
580 reading specialist, or technology specialist who has direct contact with students in the classroom.

581 3) School divisions that wish to participate in this program shall certify their intent to participate to
582 the Department of Education no later than September 15 in each year.

583 k.1) The appropriations for Basic Aid include an equivalent payment for the following salary increase
584 and related fringe benefit costs for public school employees, including instructional and support staff:

585 a) For the first year, the state share of a payment equivalent to a 2.4 percent salary increase effective
586 December 1, 2000.

587 b) For the second year, the state share of a payment equivalent to a 3.5 percent salary increase
588 effective December 1, 2001, and the continuation of the 2.4 percent salary increase effective December
589 1, 2000.

590 c) The intent of the General Assembly is that the average classroom teacher salary be improved
591 throughout the state by at least 2.4 percent the first year and 3.5 percent the second year. Sufficient
592 funds are appropriated in the act to finance, on a statewide basis, the state share of such salary increases
593 to school divisions which certify to the state Department of Education, no later than March 1, that
594 increases have been granted in the fiscal year in which such payments are provided. *The state payment*
595 *includes the state share of salary increases for public school employees required by the Standards of*
596 *Quality, including instructional and support positions.*

597 l. *Out of this appropriation, \$5,100,000 the first year and \$5,100,000 the second year from the*
598 *general fund is provided for projected increases in ADM and changes in program participation. The*
599 *Department of Education shall adjust state payments to the affected direct aid accounts.*

600 m. *Out of this appropriation, \$8,868,788 the first year and \$6,457,128 the second year from the*
601 *general fund is provided to partially offset the reduction in sales tax included in Item 144.*

602 n. *Included in this appropriation is \$365,000 the second year from the general fund to provide*
603 *bonuses to the Virginia teachers who have now received initial certification from the National Board of*
604 *Professional Teaching Standards.*

605 2) These funds shall be matched by the local government, based on the composite index of local
606 ability-to-pay.

3) This funding is not intended as a mandate to increase salaries.

3. Education of the Gifted Payments

a. An additional payment shall be disbursed by the Department of Education to local school divisions to support the state share of one full-time equivalent instructional position per 1,000 students in ADM (adjusted for half-day kindergarten).

b. Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established per pupil cost for gifted education (state and local share) on approved programs for the gifted.

4. Occupational-Vocational Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Vocational Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. An amount estimated at \$87,620,794 the first year and \$88,094,129 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

5. Special Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Special Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. Out of the amounts for special education payments, \$656,481 the first year and \$590,961 the second year from the general fund is provided to reduce the caseload standards for speech-language pathologists from 70 students to 68 students the first year and from 70 to 68 students the second year.

6. Teacher Training for Standards of Learning

a. This appropriation includes \$16,906,814 the first year and ~~\$17,063,967~~ \$16,063,967 the second year from the general fund *and \$1,000,000 the second year from federal funds* to provide for the implementation and evaluation of comprehensive teacher training programs at the local level in the four core content areas of the Standards of Learning (SOL), and leadership training for principals and superintendents in implementing the SOLs, with the goal of ensuring student success on the Standards of Learning tests.

b. The funding for this program is based on full state funding of \$15 per pupil in the first year and \$15 per pupil in the second year in average daily membership, adjusted for half-day kindergarten programs.

c. The funding for this program is provided in addition to the state share of \$23.5 million, or \$306 per instructional position, provided for Standards of Quality (SOQ) staff development the first year and \$23.7 million or \$306 per instructional position for teacher training the second year in Item 143 C 2 i. This funding shall supplement, not supplant, training programs currently provided with SOQ staff development funds.

d. In order to receive these funds in the first year, no later than August 1, 2000, school divisions must submit to the Department of Education a request for the funding and have received approval from the Department by September 15, 2000, of a local plan for delivering a training program that meets the following objectives and requirements:

1) Training for teachers to support and facilitate the implementation of the Standards of Learning and, thereby, achievement of the requirements of the Standards of Accreditation; such training shall include training in instruction and remediation techniques in English, mathematics, science, and social studies, training in interpreting test data for instructional purposes, and technology applications to implement the Standards of Learning.

2) Incorporation of technology training with an emphasis on concepts for using technology as an instructional tool to meet the technology standards established in the Standards of Learning.

3) Training for division superintendents and principals which is designed to assist them in the implementation of the Standards of Learning and the Standards of Accreditation; such training shall include training in interpreting test data for instructional purposes, instructional strategies to implement the new Standards of Learning, and technology applications to implement the Standards of Learning.

e. Further, to receive training funds from this appropriation, school divisions must agree to participate in monitoring and evaluation activities to be coordinated by the Department of Education. Evaluation data must include documentation of the training process, teacher participation rates, and changes in teacher competencies as determined by the Department of Education. School divisions shall also collect and analyze formative evaluation data during the program, and may use the data to modify their training plans, with such modifications approved by the Department of Education in advance.

f. School divisions preferring to conduct all of the Teacher Training Standards of Learning program in the second year shall inform the Department of Education of their decision, no later than August 1, 2000, and may request that the first year allocation attributable to such school division be carried

forward and added to the amount such school division is eligible for in the second year from the Teacher Training Standards of Learning program.

g.1) Any funds unexpended out of the appropriations for the Teacher Training Standards of Learning program as of June 30, 2001, shall not revert to the surplus of the general fund, but shall be carried on the books of the Department of Accounts, to be maintained for the potential use of school divisions which elected to carry forward first year Teacher Training Standards of Learning program funds. Such funds shall be provided, along with the second year funds allocated to such school divisions, subject to the division's satisfaction of the plan requirements set forth below.

2) Any funds provided to school divisions in the first year that are unexpended as of June 30, 2001, shall be carried on the books of the locality to be appropriated to the school division in the second year for the Teacher Training Standards of Learning program as described in paragraph C 6 d above.

h. In order to receive these funds in the second year, no later than April 1, 2001, school divisions must submit to the Department of Education a request for the funding and have received approval from the Department by May 15, 2001, of a local plan for delivering a training program that meets the following objectives and requirements:

1) Training for teachers to support and facilitate the implementation of the Standards of Learning and, thereby, achievement of the requirements of the Standards of Accreditation; such training shall include training in instruction and remediation techniques in English, mathematics, science, and social studies, training in interpreting test data for instructional purposes, and technology applications to implement the Standards of Learning.

2) Incorporation of technology training with an emphasis on concepts for using technology as an instruction tool to meet the technology standards established in the Standards of Learning.

3) Training for division superintendents and principals which is designed to assist them in the implementation of the Standards of Learning and the Standards of Accreditation; such training shall include training in interpreting test data for instructional purposes, instructional strategies to implement the new Standards of Learning, and technology applications to implement the Standards of Learning.

i. Further, to receive training funds from this appropriation, school divisions must agree to participate in monitoring and evaluation activities to be coordinated by the Department of Education. Evaluation data must include documentation of the training process, teacher participation rates, and changes in teacher competencies as determined by the Department of Education. School divisions shall also collect and analyze formative evaluation data during the program, and may use the data to modify their training plans, with such modifications approved by the Department of Education in advance.

j. The Department of Education shall develop and disseminate to each school division a plan for assessing the success of the Teacher Training Standards of Learning program in achieving these objectives and requirements in each school division.

k. The Department of Education shall provide technical assistance to school divisions in the preparation of their plans.

l. School divisions are encouraged to develop plans which utilize collaborations with institutions of higher education and other local school divisions.

m. The Department of Education shall submit a report on the status of the Teacher Training Standards of Learning program by December 1 each year to the Chairmen of the Senate Finance and House Appropriations Committees.

7. Enrollment Loss/Small School Division Assistance/Direct Grants/Composite Index Transition Payments

a. An additional state payment in each year equal to the state share per pupil of Basic Aid for each locality, for a percentage of the enrollment loss (as determined below) in ADM from the prior year.

Composite Index	Percentage
0.0000-0.1999	85%
0.2000-0.3499	70%
0.3500-0.4999	45%
0.5000 or more	30%

b. An additional state payment of \$400,000 the first year and \$400,000 the second year from the general fund is provided as equal Small School Division Assistance grants for the school divisions of Highland County and the City of Norton.

c. An additional state payment of \$14,844,685 \$12,619,637 the first year and \$14,844,685 \$13,975,501 the second year from the general fund shall be disbursed as set forth below for each year of the biennium:

Division	FY 2000 - 2001	FY 2001 - 2002
Albemarle	518,365	502,270

727	Arlington	730,207	692,425	717,196
728	Bath	35,378	33,680	34,812
729	Bedford	0	0	0
730	Botetourt	1,398	0	0
731	Chesterfield	162,918	0	53,489
732	Clarke	56,862	46,843	53,419
733	Culpeper	20,967	0	8,871
734	Essex	28,064	18,782	24,867
735	Fairfax County	6,750,221	6,300,917	6,592,688
736	Fauquier	380,046	341,612	366,766
737	Fluvanna	1,278	0	0
738	Frederick	26,053	0	2,912
739	Goochland	80,204	76,063	78,780
740	Hanover	345,984	254,034	313,939
741	Henrico	1,229,506	1,021,708	1,156,884
742	Highland	12,383	10,815	11,856
743	James City	307,872	279,865	298,164
744	King and Queen	3,565	0	1,412
745	Lancaster	66,482	60,874	64,599
746	Loudoun	1,310,035	1,199,144	1,268,306
747	Louisa	183,997	169,314	178,952
748	Mathews	28,561	21,669	26,234
749	Middlesex	51,645	45,516	49,571
750	Nelson	56,010	45,370	52,414
751	New Kent	32,074	18,020	27,239
752	Northumberland	65,929	60,157	63,984
753	Orange	31,643	8,142	23,381
754	Powhatan	18,260	0	10,389
755	Prince William	362,458	27,016	244,227
756	Rappahannock	46,936	43,895	45,912
757	Roanoke	127,752	44,843	99,479
758	Rockbridge	9,959	0	4,158
759	Shenandoah	2,166	0	
760	Surry	48,676	46,189	47,831
761	Warren	16,833	0	5,995
762	Westmoreland	1,295	0	
763	Alexandria	442,591	419,322	434,525
764	Charlottesville	135,085	115,304	128,374
765	Colonial Heights	63,591	48,990	58,600
766	Falls Church	65,009	61,361	63,722
767	Fredericksburg	92,425	85,207	89,890
768	Harrisonburg	121,779	104,172	115,657
769	Richmond City	276,476	124,739	224,394
770	Roanoke City	77,477	0	49,796
771	Staunton	10,339	0	4,676
772	Williamsburg	31,424	30,017	30,963
773	Winchester	109,586	94,343	104,352
774	Fairfax City	104,395	98,869	102,474
775	Lexington	4,088	273	2,702
776	Salem	49,585	26,544	41,734
777	Manassas City	108,854	71,560	95,824

778 These funds shall be matched by the local government, based on the composite index of local
779 ability-to-pay.

780 d. An additional payment of \$2,868,340 the first year from the general fund shall be disbursed by the
781 Department of Education to provide a transitional payment to school divisions experiencing a negative
782 state funding impact due to the recalculation of the components of the composite index of local
783 ability-to-pay for the 2000-2002 biennium. The additional payment shall be made to local school
784 divisions requesting such payment, in an amount equal to a percentage (as determined below) of the
785 difference between the funding the division would have received in House Bill 30, as introduced, in
786 Direct Aid to Public Education payments in each year using their 2000-2002 composite index and the
787 amount they would have received in House Bill 30, as introduced, using their 1998-2000 composite
788 index.

789	Composite Index	Percentage	Year
790	0.0000-0.1999	70%	2001

791	0.2000-0.3499	40%	2001
792	0.3500 or more	10%	2001

793 For purposes of the calculation, state allocations shall include payment from Basic Aid, Textbooks,
 794 Vocational Education (SOQ), Special Education (SOQ), Gifted, Remedial, Public School Employee
 795 Benefits (Retirement, Social Security), Enrollment Loss, At-Risk, Maintenance Supplement, and Sales
 796 Tax.

797 8. Remedial Education Payments

798 a. An additional state payment shall be disbursed by the Department of Education to the local school
 799 divisions to support the state share of nine professional instructional positions per 1,000 students who
 800 score in the bottom national quartile on Virginia State Assessment Program Tests or who fail the state's
 801 Literacy tests.

802 b. An additional state payment estimated at \$43,783,591 the first year and \$43,461,445 the second
 803 year from the general fund shall be disbursed based on the estimated number of federal Free Lunch
 804 participants, in support of programs for students who are educationally at risk. The additional payment
 805 shall be based on the state share of:

806 1) A minimum 2 percent add-on, as a percent of the per pupil basic aid cost, for each child who
 807 qualifies for the federal Free Lunch Program; and

808 2) An addition to the add-on, based on the concentration of children qualifying for the federal Free
 809 Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive
 810 between 2 and 12 percent in additional basic aid per Free Lunch participant. These funds shall be
 811 matched by the local government, based on the composite index of local ability-to-pay.

812 3a) Local school divisions are required to spend, as part of the required local expenditure for the
 813 Standards of Quality the established at-risk payment (state and local share) on approved programs for
 814 students who are educationally at risk.

815 b) To receive these funds, each school division shall certify to the Department of Education that the
 816 state and local shares of the at-risk payment will be used to support approved programs for students who
 817 are educationally at risk. These programs may include: Dropout Prevention, Advancement Via Individual
 818 Determination (AVID), Project Discovery, Reading Recovery, programs for students who speak English
 819 as a second language, and programs related to increasing the success of disadvantaged students in
 820 completing a high school degree and providing opportunities to encourage further education and training.

821 c.1) An additional state payment of \$5,766,626 the first year and \$5,766,190 the second year from
 822 the general fund shall be disbursed for regional alternative education programs. Such programs shall be
 823 for the purpose of educating certain expelled students and, as appropriate, students who have received
 824 suspensions from public schools and students returned to the community from the Department of
 825 Juvenile Justice.

826 2) Each regional program shall have a small student/staff ratio. Such staff shall include, but not be
 827 limited to education, mental health, health, and law enforcement professionals, who will collaborate to
 828 provide for the academic, psychological and social needs of the students. Each program shall be
 829 designed to ensure that students make the transition back into the "mainstream" within their local school
 830 division.

831 3) Regional alternative education programs are funded through this Item based on the state's share of
 832 the incremental per pupil cost for providing such programs. This incremental per pupil payment shall be
 833 adjusted for the composite index of the school division that counts such students attending such program
 834 in its Average Daily Membership. It is the intent of the General Assembly that this incremental per
 835 pupil amount be in addition to the basic aid per pupil funding provided to the affected school division
 836 for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of
 837 the basic aid per pupil funding to the regional programs for students attending these programs, adjusted
 838 for costs incurred by the school division for transportation, administration, and any portion of the school
 839 day or school year that the student does not attend such program.

840 4) The Board of Education shall provide assistance for the state share of the incremental cost of
 841 regional alternative education program operations based on the composite index of local ability-to-pay.

842 d. An additional state payment of \$400,000 the first year from the general fund is provided to the
 843 Board of Education for alternative education programs specifically targeted to elementary students. The
 844 Superintendent of Public Instruction shall issue program guidelines and request proposals from local
 845 school divisions interested in serving elementary school students. Localities with schools selected for the
 846 programs shall match the state funding based on the composite index of local ability-to-pay.

847 e. An additional state payment of \$141,581 the first year and \$141,581 the second year from the
 848 general fund shall be disbursed for the state share of the Virginia Reading Recovery Program to provide
 849 intensive individualized reading instruction to first-grade students identified as at risk of reading failure.
 850 Funds shall be used for a Reading Recovery training site, program planning, and development support
 851 for local school divisions.

f.1. This appropriation includes \$19,531,881 the first year and \$22,858,867 the second year from the general fund for the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session. *Students or during an intercession in the case of year-round schools. These funds may be used in conjunction with other sources of state funding for remediation or intervention. School divisions shall have maximum flexibility with respect to the use of these funds and the types of remediation programs offered; however, in exercising this flexibility, students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program. After actual enrollment in Remedial Summer School in fiscal year 2000 has been calculated, the Department of Education shall recalculate the amounts needed to fully fund the state share of Remedial Summer School obligations in fiscal year 2001 and fiscal year 2002.*

Beginning with fiscal year 2001, the Department of Education is directed to collect data from school divisions in a manner that ensures that no school division receive a state payment for students who were charged tuition to attend these programs or who earned a high school credit for attending these programs. School divisions receiving these payments must certify that no tuition was charged and that no high school credit was given to students attending these programs.

2. For school divisions charging students tuition for summer high school credit courses, consideration shall be given to students from households with extenuating financial circumstances who are repeating a class in order to graduate.

g. This appropriation includes an amount estimated at \$400,000 the first year from the general fund for the state's share of \$5.50 per pupil day for ~~intersession~~ *intercession* days provided to students in schools at high risk of educational failure. The payments shall be provided to school divisions which certify that they are providing schools with year-round calendars which include ~~intersessions~~ *intercessions* with instructional days beyond the required 180 days in accordance with procedures to be established by the Department of Education consistent with the provisions of ~~Senate Bill 545 Chapter 858, Acts of Assembly of 2000~~. The Department of Education is authorized to prorate these amounts to the extent these funds are not adequate to cover the full costs specified therein. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

9. Maintenance Supplement

An additional state payment estimated at \$9,435,591 the first year and \$9,493,144 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state share of \$15 per pupil in the first year and \$15 per pupil in the second year in adjusted daily membership for ongoing maintenance needs or debt service payments. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

10. Primary Class Size Payments

a. An additional payment estimated at \$70,881,192 the first year and \$70,600,283 the second year from the general fund shall be disbursed by the Department of Education as an incentive payment for reducing class sizes in the primary grades.

b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the greater of the division average per pupil cost of all divisions or the actual division per pupil cost.

c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.

d. By November 1 of each year school divisions must provide data to the Department of Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

Qualifying School Percentage of Students Approved Eligible for Free Lunch	Grades K-3 School Ratio	Individual Class Size
16% but less than 30%	20 to 1	25
30% but less than 45%	19 to 1	24
45% but less than 55%	18 to 1	23
55% but less than 65%	17 to 1	22
65% but less than 70%	16 to 1	21
70% but less than 75%	15 to 1	20
75% or more	14 to 1	19

e. School divisions may elect to have eligible schools participate at a higher ratio, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio.

f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size

912 requirement in schools that have only one class in an affected grade level in a primary school.

913 g. The Superintendent of Public Instruction shall provide a report on the status of the reduction in
914 primary class sizes to the Chairmen of the House Appropriations, House Education, Senate Finance, and
915 Senate Education and Health Committees by December 1 of each year.

916 11. Educational Technology Payments

917 a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a
918 pro rata basis to localities. The additional funds shall be used for technology needs identified in the
919 division's technology plan approved by the Department of Education.

920 b. The Board of Education shall provide \$12,703,840 the first year and \$12,697,650 the second year
921 from the Literary Fund to provide debt service payments for the education technology grant program
922 conducted through the Virginia Public School Authority in 1997 for the purpose of providing technology
923 improvements to school infrastructure, networking, and for purchasing technology equipment.

924 c.1) The Board of Education shall provide amounts estimated at \$10,553,408 the first year and
925 \$10,554,530 the second year from the Literary Fund to provide debt service payments for the education
926 technology grant program conducted through the Virginia Public School Authority in 1998. Proceeds
927 from the 1998 issuance continue the implementation of the Board of Education's Six-Year Educational
928 Technology Plan for Virginia, including: a) retrofitting and upgrading of existing school buildings to
929 efficiently use educational technology, b) providing network-ready multimedia microcomputers for every
930 classroom, and c) providing a 5-to-1 ratio of pupils to network-ready microcomputers.

931 2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
932 debt service on the Virginia Public School Authority bonds authorized for this program. In developing
933 the proposed 2002-04 biennial budget for public education, the Board of Education shall include a
934 recommendation to the Governor to appropriate Literary Fund revenues sufficient to make the debt
935 service payments for this program in fiscal year 2003.

936 d.1) The Board of Education shall provide amounts estimated at \$15,788,833 the first year and
937 \$15,615,387 the second year from the Literary Fund to provide debt service payments for the education
938 technology grant program through the Virginia Public School Authority in 2000. The 2000 program is
939 focused on four major components: a) retrofitting and upgrading of existing school buildings to
940 efficiently use educational technology; b) providing network-ready multimedia microcomputers for every
941 classroom; c) providing a 5 to 1 ratio of pupils to network-ready microcomputers; and d) replacement of
942 administrative and student management and information systems supporting data requirements associated
943 with the Standards of Accreditation in school divisions lacking adequate systems.

944 2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
945 debt service on the Virginia Public School Authority bonds authorized for this program. In developing
946 the proposed 2002-04 and 2004-06 biennial budgets for public education, the Board of Education shall
947 include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make the
948 debt service payments for this program in FYs 2003, 2004, and 2005.

949 e.1) The Board of Education shall provide an amount estimated at \$13,768,557 the second year from
950 the Literary Fund to provide debt service payments for the education technology grant program
951 conducted through the Virginia Public School Authority in 2001.

952 2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
953 debt service on the Virginia Public School Authority bonds or notes authorized for this program. In
954 developing the proposed 2002-04, 2004-06 and 2006-08 biennial budgets for public education, the Board
955 of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues
956 sufficient to make debt service payments for this program in fiscal years 2003, 2004, 2005, 2006, and
957 2007.

958 3) An education technology grant program shall be conducted through the Virginia Public School
959 Authority, through the issuance of equipment notes in an amount estimated at \$56,910,000 in the spring
960 of 2001 and \$56,910,000 in the spring of 2002. Proceeds of the notes will be used to establish a
961 computer-based instructional and testing system for the Standards of Learning (SOL) and connecting
962 high schools (and middle and elementary schools as appropriate), Best Practice Centers and the central
963 office of the Department of Education.

964 4) Grant funds from the issuance of ~~\$56,910,000~~ \$57,500,000 in equipment notes in each year are
965 based on a grant of \$26,000 per school and \$50,000 per school division. For purposes of this grant
966 program, eligible schools shall include those reporting membership as of September 30, 2000 and 2001,
967 respectively, as well as division and regional vocational centers, regional special education centers,
968 regular school year regional Governor's Schools, ~~and~~ the Schools for the Deaf and the Blind, ~~and~~
969 *mathematics and science centers operating under the direct supervision of a local school board or a*
970 *joint school board established pursuant to § 22.1-26, Code of Virginia.*

971 5) Localities are required to provide a match for these funds equal to 20 percent of the grant amount.
972 At least 25 percent of the local match shall be used for teacher training in the use of technology. The
973 Superintendent of Public Instruction is authorized to reduce the required local match for school divisions

with a composite index of local ability-to-pay below 0.2000. The Schools for the Deaf and the Blind are exempt from the match requirement.

6) The goal of the program is to improve the instructional, remedial and testing capabilities of the Standards of Learning for local school divisions.

7) Funds shall be used in the following manner:

a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) Network Virginia or Web-equivalent access to the Internet. School connectivity (computers, LANs and network access) shall include sufficient download/upload capability to ensure that each student will have adequate access to Internet-based instructional, remedial and assessment programs.

b) When each high school in a division meets the goals established in paragraph a) above, the remaining funds shall be used to develop similar capability in first the middle schools and then the elementary schools.

c) For purposes of this program, a high school shall be defined as any school providing instruction in grades 9 through 12, which includes regional vocational centers, regional special education centers, regular school year regional Governor's Schools, and the Schools for the Deaf and the Blind.

8) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

9) To receive funds under this program, school divisions must submit to the Department of Education an "Intent to Participate" statement by August 1, 2000, and a "Plan for the Use of the Funds" no later than November 1, 2000. The Department of Education, with the assistance of the Department of Technology Planning, shall determine the format for the "Intent to Participate" and the "Plan" and furnish those formats to each school division by July 1, 2000. At a minimum, each locality's Plan shall include: a) A commitment to be capable of administering the Standards of Learning tests in each high school by May 1, 2003; b) A commitment to appropriate the local match; c) A commitment to provide to the Department of Education a detailed review of any purchased SOL software application to be shared with the Best Practice Centers and other school divisions; d) A commitment to use E-Rate Funds and a projection of the extent to which E-Rate Funds can be used to meet the goals of this initiative; e) The submission to the Department of Education of a status report of each high school's current technological capacity to meet the goals of this program based upon criteria developed by the Department of Education; f) Plans to create technological capacity if the capacity at each high school is not adequate; and g) A commitment to use funds to build capacity, using established criteria, at first the middle schools and then the elementary schools in the division if the capacity is considered adequate at each high school.

f. The Department of Education, with the assistance of the Department of Technology Planning, shall develop criteria to determine if high schools have the capacity to meet the goals of this initiative. The Department of Education shall be responsible for the project management of this program. The Department of Education, with the assistance of the Department of Technology Planning, shall report on the implementation of this program to the Chairmen of the Senate Finance and House Appropriations Committees by September 1 of each year.

g.1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority (VPSA) authorized under the provisions of a resolution adopted subsequent to June 30, 2000, for the purpose described in § 22.1-166.2, Code of Virginia, issued subsequent to June 30, 2000, and not benefitting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the appropriations for debt service due on such bonds or notes of the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a sum equal to such deficiency. For purposes of this paragraph g., "available moneys in the Literary Fund" shall mean moneys remaining after the payment, or provision for payment, of debt service on bonds or notes issued prior to July 1, 2000, and payable from the Literary Fund.

2) The Chairman of the Board of Commissioners of the VPSA shall, on or before December 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

h.1) Out of this appropriation an amount estimated at \$1,135,345 the first year from the general fund shall be disbursed by the Department of Education to school divisions that participated in the administrative and student management and information systems purchase program during the 1998-2000 biennium.

1035 2) These payments are available to any school division that participated in the program during the
1036 1998-2000 biennium and certifies to the Department of Education that necessary upgrades and
1037 maintenance will be completed with the funds provided.

1038 3) Localities receiving these payments are required to match these funds based on the composite
1039 index of local ability-to-pay.

1040 i. Unspent proceeds of the notes, including investment income derived from the proceeds of the notes
1041 may be used to pay interest on, or to defease principal of the notes.

1042 j.1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State
1043 Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone
1044 Company for the State Government" shall be deemed to include communications lines into public
1045 schools which are used for educational technology. The rate structure for such lines shall be negotiated
1046 by the Superintendent of Public Instruction and the Director of the Department of Technology Planning.
1047 Further, the Superintendent and Director are authorized to encourage the development of "by-pass"
1048 infrastructure in localities where it fails to obtain competitive prices or prices consistent with the best
1049 rates obtained in other parts of the state.

1050 2) The State Corporation Commission, in its consideration of the discount for services provided to
1051 elementary schools, secondary schools, and libraries and the universal service funding mechanisms as
1052 provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the
1053 discounts for intrastate services provided to elementary schools, secondary schools, and libraries for
1054 educational purposes as large as is prudently possible and to fund such discounts through the universal
1055 fund as provided in § 254. The Commission shall proceed as expeditiously as possible in implementing
1056 these discounts and the funding mechanism for intrastate services, consistent with the rules of the
1057 Federal Communications Commission aimed at the preservation and advancement of universal service.

1058 k. An amount estimated at \$8,684,679 the first year and \$8,684,679 the second year from federal
1059 funds is appropriated pursuant to the Goals 2000: Educate America Act.

1060 l. An amount estimated at \$2,851,387 the first year and \$2,851,387 the second year from federal
1061 funds is appropriated from the federal Technology Literacy Challenge Fund.

1062 12. At-Risk Four-Year-Olds Preschool Payments

1063 a.1) It is the intent of the General Assembly that an additional state payment shall be disbursed by
1064 the Department of Education to schools and community-based organizations to provide quality preschool
1065 programs for at-risk four-year-olds unserved by another program.

1066 2) These grants shall be used to provide programs for at-risk four-year-old children which include
1067 quality preschool education, health services, social services, parental involvement and transportation.
1068 Programs must provide full-day and, at least, school-year services.

1069 3) The Department of Education, in cooperation with the Council on Child Day Care and Early
1070 Childhood Programs, shall establish guidelines for quality preschool education and criteria for the
1071 service components. Such guidelines shall be consistent with the findings of the November 1993 study
1072 by the Board of Education, the Department of Education, and the Council on Child Day Care and Early
1073 Childhood Programs.

1074 4) Grants shall be distributed based on an allocation formula providing the state share of a \$5,400
1075 grant for sixty percent of the unserved at-risk four-year-olds in each locality.

1076 b.1) Any locality which desires to participate in this grants program must submit a proposal through
1077 its chief administrator (county administrator or city manager) by May 15 of each year. The chief
1078 administrator, in conjunction with the school superintendent, shall identify a lead agency for this
1079 program within the locality. The lead agency shall be responsible for developing a local plan for the
1080 delivery of quality preschool services to at-risk children which demonstrates the coordination of
1081 resources and the combination of funding streams in an effort to serve the greatest number of at-risk
1082 four-year-old children.

1083 2) The proposal must demonstrate coordination with all parties necessary for the successful delivery
1084 of comprehensive services, including the schools, child care providers, local social services agency, Head
1085 Start, local health department and other groups identified by the lead agency.

1086 3) A local match, based on the composite index of local ability-to-pay shall be required. For
1087 purposes of meeting the local match, localities may use local expenditures for existing qualifying
1088 programs. Localities shall also continue to pursue and coordinate other funding sources, including child
1089 care subsidies. Funds received through this program must be used to supplement, not supplant, any
1090 funds currently provided for preschool programs within the locality. However, in the event a locality is
1091 prohibited from continuing the previous level of support to programs for at-risk four-year-olds from Title
1092 1 of the Elementary and Secondary Education Act (ESEA), the state and local funds provided in this
1093 grants program may be used to continue services to these Title I students. Such prohibition may occur
1094 due to amendments to the allocation formula in the reauthorization of ESEA approved as a part of the
1095 Improving America's Schools Act of 1994 or due to a percentage reduction in a locality's Title I
1096 allocation in 2000-01 or 2001-02. Any locality so affected shall provide written evidence to the

Superintendent of Public Instruction and request his approval to continue the services to Title I students. c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year. Examples of these include:

1) "Wraparound Services" — methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs.

2) "Wrapout Services" — methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a setting which currently provides quality preschool education.

3) "Expansion of Service" — methods for using grant funds to purchase slots within existing programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.

Local plans must indicate the number of at-risk four-year-old children to be served, and the criteria by which they will be determined to be at risk.

d.1) The Department of Education and the Council on Child Day Care and Early Childhood Programs shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.

2) A pre-application session shall be provided by the Department and the Council on Child Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

e. The Department of Education is authorized to expend unobligated balances in this Item and Item 141 if participation in the At-Risk Four-Year-Olds Preschool program is greater than projected.

13. Truancy/Safe Schools Payments

a. An additional payment of \$2,138,570 the first year and \$2,138,570 the second year from the general fund shall be disbursed by the Department of Education as an incentive payment for reducing truancy and supporting safe schools in elementary and middle schools.

b. The Department shall use a four-year trend analysis of elementary and middle schools' attendance rates, as reported in the Department's School Performance Report Card, to identify those school divisions in the lowest 13.4 percent for elementary and middle school attendance.

c. Funds are to be distributed to those identified school divisions according to the following formula, with the state contributing its share, based on the composite index of local ability-to-pay, to each identified participating school division.

Number of Schools Participating

Amount

One school

\$20,000

Two to three schools

\$35,000

Four to five schools

\$50,000

Six or more schools

\$17,500 per school

d. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.

e. School divisions must notify the Department of Education of their intent to implement truancy intervention or safe school programs in all, or any portion, of the qualifying schools by August 1 of each year.

f. The Department of Education shall develop guidelines for submitting truancy intervention and safe school proposals, as well as for implementation and assessment of such programs.

g. Local truancy plans must provide clear methods for the identification of truants, the development of a plan for the local coordination of services for identified truants and their families with public and private human service agencies and local Juvenile and Domestic Relations District Courts, and the means by which they plan to evaluate the efficacy of their efforts to reduce truancy in identified elementary and middle schools.

h. Local safe school initiatives may include, but shall not be limited to, the following activities:

1) Provision of aggressive alcohol and drug education;

2) Establishment of youth violence committees comprised of local law-enforcement and social services agencies and school staff that will develop suspension-intervention programs for students who have chronic discipline problems;

3) Provision of conflict resolution training for students and staff members in middle and elementary schools;

- 1157 4) Establishment of community policing programs; and
 1158 5) Establishment of community/parent liaison programs.

1159 14. Early Intervention

1160 a. An additional incentive payment of ~~\$14,052,542~~ *\$11,415,934* the first year and ~~\$14,018,196~~
 1161 *\$12,318,196* the second year from the general fund shall be disbursed by the Department of Education
 1162 to local school divisions for the purposes of providing early intervention services to students in grades
 1163 Kindergarten through 3 who demonstrate deficiencies based on their individual performance on
 1164 diagnostic tests which have been approved by the Department of Education. The Department of
 1165 Education shall review the tests of any local school board which requests authority to use a test other
 1166 than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading
 1167 deficiencies which are similar to those criteria used in the state-provided test. The Department of
 1168 Education shall make the state-provided diagnostic test used in this program available to local school
 1169 divisions. School divisions shall report the results of the diagnostic tests to the Department of Education
 1170 on an annual basis at a time to be determined by the Superintendent of Public Instruction.

1171 b. These incentive payments shall be based on the state's share of the cost of providing two and
 1172 one-half hours of additional instruction each week for an estimated number of students in each school
 1173 division at a student to teacher ratio of five to one. The estimated number of students in each school
 1174 division in the first year shall be determined by multiplying the projected number of students reported in
 1175 each school division's fall membership by the estimated percent of students eligible for the federal free
 1176 lunch program in that school division and adjust in the following manner:

1177 Kindergarten	100%
1178 Grade 1	50%
1179 Grade 2	50%
1180 Grade 3	25%

1181 The estimated number of students in each school division in the second year shall be determined
 1182 based on the percent of students who are determined to need services based on diagnostic tests
 1183 administered in the first year.

1184 c. These incentive payments are available to any school division that certifies to the Department of
 1185 Education that an intervention program will be offered to such students and that each student who
 1186 receives an intervention will be assessed again at the end of that school year. Such intervention
 1187 programs, at the discretion of the local school division, may include, but not be limited to, the use of:
 1188 special reading teachers; trained aides; volunteer tutors under the supervision of a certified teacher;
 1189 computer-based reading tutorial programs; aides to instruct in-class groups while the teacher provides
 1190 direct instruction to the students who need extra assistance; or extended instructional time in the school
 1191 day or year for these students. Localities receiving these incentive payments are required to match these
 1192 funds based on the composite index of local ability-to-pay.

1193 d. *School divisions participating in the initiative may implement the provisions of the initiative in one*
 1194 *of the following sequences:*

- 1195 1) *kindergarten; or*
 1196 2) *kindergarten and first grade; or*
 1197 3) *kindergarten, first, and second grades; or*
 1198 4) *kindergarten, first, second, and third grades.*

1199 *School divisions that choose sequence 1, 2, or 3 will only receive state funding for the grades in that*
 1200 *sequence.*

1201 15. Standards of Learning Instructional Materials

1202 An additional incentive payment of \$6,290,394 the first year and \$6,328,763 the second year from
 1203 the general fund shall be disbursed by the Department of Education to local school divisions to assist
 1204 school divisions in implementing the Standards of Learning. These funds shall be used to purchase
 1205 textbooks and/or instructional materials that are related to the Standards of Learning. Payments to school
 1206 division shall be based on the state share of \$10 per student in adjusted average daily membership and
 1207 shall be made to any school division that certifies to the Department of Education that such funds will
 1208 be used to purchase textbooks and/or instructional materials that support the implementation of the
 1209 Standards of Learning. Such certification shall include a plan or description of the purpose for which the
 1210 funds will be used. Localities receiving these incentive payments are required to match these funds
 1211 based on the composite index of local ability-to-pay.

1212 16. Standards of Learning Remediation

1213 a. An additional payment of \$16,035,137 the first year and \$15,518,839 the second year from the
 1214 general fund shall be disbursed by the Department of Education to local school divisions as an incentive
 1215 payment for a program for students who are determined to require remediation based on their
 1216 performance on the Standard of Learning assessments. School divisions may also use this funding for

students who may require remediation to perform adequately on the Standards of Learning assessments.

b. These incentive payments shall be based on the state share of the cost of providing an additional two and one-half hours of instruction each week for an estimated number of students in each school division at a student to teacher ratio of ten to one. The number of students shall be based on multiplying the projected number of students in grades 4, 6, 9 and 11 by the estimated percentage of students eligible for the federal Free Lunch program for each school division. Funding is also provided for training in remediation techniques for those teachers who will deliver the additional instruction at \$500 per teacher.

c. These incentive payments are available to any school division that certifies that a remediation program will be offered to students. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

d. Any funds provided to school divisions in the first year for the Standards of Learning Remediation Program that are unexpended as of June 30, 2001, shall be carried on the books of the locality to be appropriated to the school division in the second year for use in the same program.

17. School Health Incentive Payments

a. An additional payment of \$2,040,476 the first year and \$2,036,455 the second year from the general fund shall be disbursed by the Department of Education to local school divisions as incentive payments for the provision of nursing services in public elementary and secondary schools.

b. These incentive payments shall be based on a state share of an additional 0.637 hour of nursing services per child eligible for the Federal Free Lunch program for each school division.

c. To receive funding, each school division must submit a grant application, reviewed by its School Health Advisory Board, describing how the funds are to be used. Local school divisions are encouraged to consider collaborative, innovative, and nontraditional approaches to funding and service configuration such as public/private partnerships.

d. In order to receive the state allocation, the local school division must have utilized its funding under the Standards of Quality for the provision of nursing services in fiscal year 1999 or must have provided the equivalent level of services through some other arrangement in fiscal year 1999. If any school division does not meet this standard, then the amount of incentive funds for which it is eligible will be reduced to the same percentage of the Standards of Quality funding as was used for nursing services in fiscal year 1999.

e. Local school divisions shall provide a local match based on the composite index of local ability-to-pay.

f. If local school divisions employ licensed practical nurses or unlicensed assistive personnel using this funding, those persons must be supervised and trained by a registered nurse or someone licensed at a higher level than registered nurse.

18. Standards of Learning Algebra Readiness

a. An additional incentive payment of \$8,675,787 the second year from the general fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra 1 end-of-course test, as demonstrated by their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

b. These incentive payments shall be based on the state's share of the cost providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of ten to one. The estimate number of students in each school division in the second year shall be determined by multiplying the projected number of students reported in each school division's fall membership by the percent of students that failed the 8th grade math SOL.

c. These incentive payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Localities receiving these incentive payments are required to match these funds based on the composite index of local ability-to-pay.

19. Technology Support Payments

a. An additional incentive payment of \$4,843,262 the second year from the general fund shall be disbursed by the Department of Education to local school divisions for the purpose of providing on-site support for the Standards of Learning Technology initiative. School divisions may directly employ technology resource assistants to provide this support or contract for on-site technology support services.

1278 b. These incentive payments shall be based on the state share of a grant of \$26,000 for every high
1279 school.

1280 c. These incentive payments are available to any school division that certifies to the Department of
1281 Education that on-site support will be available in each of the schools receiving funds. Localities
1282 receiving these incentive payments are required to match these funds based on the composite index of
1283 local ability-to-pay.

1284 20. School Construction Grants Program

1285 a. This appropriation includes \$55,000,000 the first year and \$55,000,000 the second year from the
1286 general fund to provide grants to school divisions for nonrecurring expenditures by the relevant school
1287 division. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition,
1288 renovations, technology, and other expenditures related to modernizing classroom equipment, payments
1289 to escrow accounts pursuant to Chapter 391, 1999 Acts of Assembly, school safety equipment or school
1290 safety renovations, and debt service payments on school projects completed during the last ten years.

1291 b. School divisions are encouraged to utilize value engineering in school construction projects funded
1292 with these grant proceeds.

1293 c. Any funds provided to school divisions the first year for school construction that are unexpended
1294 as of June 30, 2001, shall be carried on the books of the locality to be appropriated to the school
1295 division the second year for use for the same purpose.

1296 d. *This appropriation includes an amount estimated at \$16,261,490 from federal funds in the second*
1297 *year for the federal School Renovation Grants program.*

1298	144.	Financial Assistance for Special State Revenue	1,093,984,538	1,144,754,385
1299		Sharing (17700)		
1300			1,094,975,009	1,139,000,004
1301		Financial Assistance for Sales Tax Revenue Sharing,	783,674,206	834,457,579
1302		A Sum Sufficient, Estimated at (17701)		
1303			767,800,000	822,900,000
1304		Financial Assistance for Lottery Proceeds Revenue	310,310,332	310,296,806
1305		Sharing (17702)		
1306		Financial Assistance for Lottery Proceeds Payment	327,175,009	316,100,004
1307		(17702)		
1308	Fund Sources:	General	1,093,984,538	1,144,754,385
1309			1,094,975,009	1,139,000,004

1310 Authority: §§ 58.1-638, 58.1-4023, Code of Virginia.

1311 A.1. This appropriation is for distribution to counties, cities and towns a portion of net revenue from
1312 the state sales and use tax, in support of the Standards of Quality (Title 22.1, Chapter 13.2, Code of
1313 Virginia) (See the Attorney General's opinion of August 3, 1982).

1314 2. Certification of payments and distribution of this appropriation shall be made by the State
1315 Comptroller.

1316 3. The distribution of the Special State Revenue Sharing (Sales Tax) funds shall be made in equal
1317 bimonthly payments at the middle and end of each month.

1318 B.1. ~~This appropriation includes~~ Pursuant to §3-1.01 G of this act and Article X, Section 7-A of the
1319 Constitution of Virginia, there is hereby created the Lottery Proceeds Fund from which ~~\$310,310,332~~
1320 ~~\$327,175,009~~ the first year and ~~\$310,296,806~~ \$316,100,000 the second year ~~from the general fund as the~~
1321 ~~state payment for the lottery profits, to be deposited into the general fund pursuant to § 3-1.01 G of this~~
1322 ~~act is appropriated for the purposes of public education.~~

1323 2. Out of this appropriation, ~~\$188,025,106~~ \$198,318,041 the first year and ~~\$188,025,106~~
1324 ~~\$191,561,947~~ the second year shall be used, ~~together with funds transferred and~~ appropriated in Item
1325 143, to fund the state's share of Basic Aid Payments as determined in Item 143 C 2.

1326 3. a. Out of this appropriation, an amount estimated at ~~\$122,285,226~~ \$122,285,394 the first year and
1327 ~~\$122,271,700~~ \$122,266,910 the second year shall be disbursed by the Department of Education to local
1328 school divisions to support the state share of an estimated ~~\$194.40~~ \$194.27 per pupil the first year and
1329 ~~\$193.20~~ \$192.90 per pupil the second year in adjusted average daily membership. These funds shall be
1330 matched by the local government, based on the composite index of local ability-to-pay. Further, in order
1331 to receive this funding, the locality in which the school division is located shall appropriate these funds
1332 solely for educational purposes and shall not use such funds to reduce total local operating expenditures
1333 for public education below the amount expended by the locality for such purposes in the year upon
1334 which the 2000-02 biennial Standards of Quality expenditure data were based; provided however, that
1335 no locality shall be required to maintain a per pupil expenditure which is greater than the per pupil
1336 amount expended by the locality for such purposes in the year upon which the 2000-02 biennial
1337 Standards of Quality expenditure data were based.

1338 b. 1) *Out of this appropriation, an amount estimated at \$6,571,742 the first year and \$2,266,357 the*

second year in additional proceeds shall be disbursed by the Department of Education to local school divisions to support the state share of an estimated \$10.44 per pupil the first year and \$3.58 per pupil the second year in adjusted daily membership. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

2) Further, in order to receive this funding, the locality in which the school division is located shall appropriate these funds solely for educational purposes and shall not use such funds to reduce total local operating expenditures for public education below the amount expended by the locality for purposes in the year upon the 2000-2002 biennial Standards of Quality expenditure data were based; provided however, that no locality shall be required to maintain a per pupil expenditure which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2000-2002 biennial Standards of Quality expenditure data were based.

4. Of the amounts listed in B 3 a. above, no more than 50 percent shall be used for recurring costs and at least 50 percent shall be spent on nonrecurring expenditures by the relevant school divisions. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, and debt service payments on school projects completed during the last 10 years.

5. Any funds provided to school divisions in the first year from this Item that are unexpended as of June 30, 2001, shall be carried on the books of the locality to be appropriated to the school division in the second year.

145 through 154. Not set out.

155. A. The Board of Education and the Virginia Public School Authority (VPSA) shall provide a program of funding for school construction and renovation through the Literary Fund and through VPSA bond sales. The program shall be used to provide funds, through Literary Fund loans and subsidies, and through VPSA bond sales, to fund a portion of the projects on the Literary Fund waiting list, or other critical projects which may receive priority placement on the waiting list by the Board of Education. Interest rate subsidies will provide school divisions with the present value difference in debt service between a Literary Fund loan and a borrowing through the VPSA. To qualify for an interest rate subsidy, the school division's project must be eligible for a Literary Fund loan and shall be subject to the same restrictions. The VPSA shall work with the Board of Education in selecting those projects to be funded through the interest rate subsidy/bond financing program, so as to ensure the maximum leverage of Literary Fund moneys and a minimum impact on the VPSA Bond Pool.

B. The Virginia Public School Authority shall provide an interest rate subsidy program in the fall of 2000 and the fall of in 2001 for projects that are on the Board of Education's First Priority Waiting List. However, the cost of the subsidy shall not exceed ~~\$30,000,000~~ \$19,000,000 in the first year and ~~\$20,000,000~~ \$39,000,000 in the second year including the subsidy payments and related issuance costs.

C. The Board of Education may offer Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales and the amounts set aside from the Literary Fund for Debt Service Payments for Education Technology in Item 143.

D.1.a. In the event that on any scheduled payment date of bonds of the Virginia Public School Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of either § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the sum of (i) the payments on general obligation school bonds of cities, counties, and towns (localities) paid to the VPSA and (ii) the proceeds derived from the application of the provisions of § 15.2-2659, Code of Virginia, to such bonds of localities, is less than the debt service due on such bonds of the VPSA on such date, there is hereby appropriated to the VPSA, first, from available moneys of the Literary Fund and, second, from the general fund a sum equal to such deficiency.

b. The Commonwealth shall be subrogated to the VPSA to the extent of any such appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with respect to the defaulting locality and to full recovery of the amount of such deficiency, together with interest at the rate of the defaulting locality's bonds.

2. The chairman of the Board of Commissioners of the VPSA shall, on or before December 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds of the VPSA issued and projected to be issued during such biennium pursuant to the bond resolution referred to in paragraph 1a above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1 above.

1397			<i>4,360,629,114</i>	<i>4,586,106,321</i>
1398	Fund Sources:	General	<i>3,942,411,254</i>	<i>4,025,317,111</i>
1399			<i>3,924,714,034</i>	<i>4,014,118,164</i>
1400		Special	<i>545,000</i>	<i>545,000</i>
1401			<i>14,986,916</i>	<i>59,145,000</i>
1402		Commonwealth Transportation	<i>2,173,000</i>	<i>2,173,000</i>
1403		Trust and Agency	<i>5,718,926</i>	<i>19,308,970</i>
1404		Dedicated Special Revenue	<i>34,256,255</i>	<i>34,256,255</i>
1405		Federal Trust	<i>372,454,983</i>	<i>372,439,233</i>
1406			<i>379,579,983</i>	<i>446,705,985</i>

1407 156 through 252. Not set out.

1408 The Library of Virginia (202)

1409 253 through 255. Not set out.

1410	256.	Financial Assistance for Cultural and Artistic Affairs	<i>21,240,201</i>	<i>21,240,201</i>
1411		(14300)		
1412				<i>21,235,543</i>
1413		Financial Assistance to Public Libraries - Formula	<i>21,240,201</i>	<i>21,240,201</i>
1414		Aid (14301)		
1415				<i>21,235,543</i>
1416	Fund Sources:	General	<i>20,485,543</i>	<i>20,485,543</i>
1417				<i>21,235,543</i>
1418		Federal Trust	<i>754,658</i>	<i>754,658</i>

1419 Authority: Title 42.1, Chapter 3, Code of Virginia.

1420 A. Funds provided in this Item are sufficient to meet the Commonwealth's objective to fully fund the

1421 state formula for state aid to local libraries.

1422 B. It is the objective of the Commonwealth that all local public libraries receiving state aid provide

1423 access to their patrons to worldwide electronic information on the Internet. It is the intent of the General

1424 Assembly that local public libraries receiving state aid invest in the technology necessary to provide or

1425 enhance this service.

1426		Total for the Library of Virginia	<i>42,149,638</i>	<i>44,110,086</i>
1427				<i>44,860,086</i>
1428		General Fund Positions	<i>171.00</i>	<i>171.00</i>
1429		Nongeneral Fund Positions	<i>45.00</i>	<i>45.00</i>
1430		Position Level	<i>216.00</i>	<i>216.00</i>
1431	Fund Sources:	General	<i>36,193,845</i>	<i>38,137,567</i>
1432				<i>38,887,567</i>
1433		Special	<i>2,359,257</i>	<i>2,375,145</i>
1434		Federal Trust	<i>3,596,536</i>	<i>3,597,374</i>

1435 257 through 265. Not set out.

1436		Total For Office of Education	<i>8,779,585,055</i>	<i>8,975,484,483</i>
1437			<i>8,783,454,751</i>	<i>9,097,877,288</i>
1438		General Fund Positions	<i>19,402.17</i>	<i>19,514.67</i>
1439		Nongeneral Fund Positions	<i>26,066.97</i>	<i>26,190.21</i>
1440		Position Level	<i>45,469.14</i>	<i>45,704.88</i>
1441	Fund Sources:	General	<i>5,629,109,176</i>	<i>5,741,568,268</i>
1442			<i>5,611,411,956</i>	<i>5,731,094,321</i>
1443		Special	<i>21,340,038</i>	<i>21,433,438</i>
1444			<i>35,781,954</i>	<i>80,033,438</i>
1445		Higher Education Operating	<i>2,613,969,649</i>	<i>2,682,826,670</i>
1446		Trust and Agency	<i>6,343,926</i>	<i>19,933,970</i>
1447		Debt Service	<i>71,890,538</i>	<i>72,772,760</i>
1448		Dedicated Special Revenue	<i>34,256,255</i>	<i>34,256,255</i>
1449		Federal Trust	<i>400,344,604</i>	<i>400,362,154</i>
1450			<i>407,469,604</i>	<i>474,628,906</i>

1451 CENTRAL APPROPRIATIONS

1452 540 through 547. Not set out.

1453	547.10	Funding Supplements (11600)	0	26,410,500
1454	Fund Sources:	General	0	26,410,500

1455 Authority: Title 23, Chapter 5.2, Code of Virginia; Discretionary Inclusion.

1456 A. This appropriation includes \$24,093,920 the second year from the general fund for salary and
 1457 related benefit increases effective November 25, 2001, for full-time teaching and research faculty,
 1458 administrative faculty, part-time faculty, and graduate assistants. The Director, Department of Planning
 1459 and Budget, shall provide the additional funding to the Education and General programs of the
 1460 following institutions of higher education.

1461	Institution	Amount
1462	College of William and Mary	\$1,114,500
1463	University of Virginia	\$4,279,170
1464	Virginia Polytechnic Institute and State University	\$3,857,570
1465	Virginia Military Institute	\$244,910
1466	Virginia State University	\$268,930
1467	Norfolk State University	\$490,030
1468	Longwood College	\$235,080
1469	Mary Washington College	\$346,270
1470	James Madison University	\$1,139,350
1471	Radford University	\$553,340
1472	Old Dominion University	\$1,270,440
1473	Virginia Tech - Cooperative Extension	\$929,090
1474	Virginia Commonwealth University	\$3,107,840
1475	Richard Bland College	\$54,540
1476	Christopher Newport University	\$332,050
1477	University of Virginia's College at Wise	\$104,040
1478	George Mason University	\$1,823,220
1479	Virginia Community College System	\$3,799,090
1480	Virginia Institute of Marine Science	\$139,730
1481	Virginia State University - Cooperative Extension	\$4,730
1482	Total	\$24,093,920

1483 B. This appropriation includes \$2,316,580 the second year from the general fund for student
 1484 scholarships. The Director, Department of Planning and Budget, shall provide the additional funding to
 1485 the Higher Education Student Financial Assistance programs at the following colleges and universities.

1486	Institution	Amount
1487	College of William and Mary	\$68,580
1488	University of Virginia	\$15,860
1489	Virginia Polytechnic Institute and State University	\$782,750
1490	Virginia Military Institute	\$46,210
1491	Virginia State University	\$11,180
1492	Norfolk State University	\$184,280
1493	Longwood College	\$46,920
1494	Mary Washington College	\$4,260
1495	James Madison University	\$170,980
1496	Radford University	\$117,640
1497	Old Dominion University	\$228,040
1498	Virginia Commonwealth University	\$283,980
1499	Richard Bland College	\$960
1500	Christopher Newport University	\$58,850
1501	University of Virginia's College at Wise	\$3,380
1502	George Mason University	\$244,190
1503	Virginia Community College System	\$48,520
1504	Total	\$2,316,580

1505 548 through 550. Not set out.

1506	Total For Central Appropriations	798,902,101	1,028,578,042
1507			1,054,988,542
1508	General Fund Positions	5.00	5.00
1509	Position Level	5.00	5.00

1510	Fund Sources:	General	656,566,134	847,233,296
1511				873,643,796
1512		Higher Education Operating	0	8,496,841
1513		Enterprise	65,000,000	65,000,000
1514		Trust and Agency	77,335,967	107,847,905

1515 INDEPENDENT AGENCIES

1516 551 through 561. Not set out.

1517		State Lottery Department (172)		
1518	562.	State Lottery Operations (81100)	73,115,348	72,924,863
1519				70,924,863
1520		State Lottery Management Services (81101)	73,115,348	72,924,863
1521				70,924,863
1522	Fund Sources:	Enterprise	73,115,348	72,924,863
1523				70,924,863

1524 Authority: Title 58.1, Chapter 40, Code of Virginia.

1525 A. The amounts for the State Lottery Management Services are estimated at \$73,115,348 the first
1526 year and ~~\$72,924,863~~ \$70,924,863 the second year.

1527 B. Appropriations for the Lottery Department may be transferred to this Item from any unexpended
1528 amounts in Item C-206 of this act for the purpose of leasing equipment.

1529 C. Out of the amounts for State Lottery Management Services shall be paid:

1530 1. Reimbursement for compensation and reasonable expenses of the members of the State Lottery
1531 Board in the performance of their duties, as provided in § 2.1-20.3, Code of Virginia.

1532 2. The total costs for the operation and administration of the state lottery, pursuant to § 58.1-4022,
1533 Code of Virginia.

1534 563. Not set out.

1535		Total For State Lottery Department	73,115,348	72,924,863
1536				70,924,863
1537		Nongeneral Fund Positions	309.00	309.00
1538		Position Level	309.00	309.00
1539	Fund Sources:	Enterprise	73,115,348	72,924,863
1540				70,924,863

1541		Total For Independent Agencies	188,034,859	189,001,115
1542				187,001,115
1543		General Fund Positions	6.88	6.88
1544		Nongeneral Fund Positions	5,115.50	1,398.12
1545		Position Level	5,122.38	1,405.00
1546	Fund Sources:	General	437,357	437,755
1547		Special	68,793,963	70,209,060
1548		Enterprise	73,115,348	72,924,863
1549				70,924,863
1550		Trust and Agency	29,291,140	29,024,844
1551		Dedicated Special Revenue	14,607,377	14,614,336
1552		Federal Trust	1,789,674	1,790,257

1553 **2. That no provision of this act shall alter the effect of any and all budget actions that have been**
1554 **taken, or will be taken, pursuant to the Governor's Executive Order Seventy-four (01) issued on**
1555 **February 24, 2001.**

1556 **3. That this act is effective on its passage, as provided in subsection C of § 1-12 of the Code of**
1557 **Virginia.**