

2006 SPECIAL SESSION I

LEGISLATION NOT PREPARED BY DLS
INTRODUCED

069879260

HOUSE BILL NO. 5032

Offered August 28, 2006

A *BILL to amend Chapter 3 of the 2006 Acts of Assembly, Special Session I, relating to the appropriation of funds for the two years ending respectively on the thirtieth day of June 2007 and the thirtieth day of June 2008.*

Patron—Callahan

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. §1. That Item 135 and § 4-13.00 of Chapter 3 of the 2006 Acts of Assembly, Special Session I, be hereby amended and reenacted.

A. The balances of appropriations made by previous acts of the General Assembly which are recorded as unexpended, as of the close of business on the last day of the previous biennium, on the final records of the State Comptroller; and

B. The public taxes and arrears of taxes, as well as moneys derived from all other sources, which shall come into the state treasury prior to the close of business on the last day of the current biennium. The term "moneys" means nontax revenues of all kinds, including but not limited to fees, licenses, services and contract charges, gifts, grants, and donations, and projected revenues derived from proposed legislation contingent upon General Assembly passage.

§ 2. Such balances, public taxes, arrears of taxes, and monies derived from all other sources as are not segregated by law to other funds, which funds are defined by the State Comptroller, pursuant to § 2.2-803, Code of Virginia, shall establish and constitute the general fund of the state treasury.

§ 3. The appropriations made in this act from the general fund are based upon the following:

| | First Year | Second Year | Total |
|----------------------------|------------------|------------------|------------------|
| Unreserved Balance, | | | |
| June 30, 2006 | \$1,406,018,468 | \$0 | \$1,406,018,468 |
| Additions to Balance | \$134,002,852 | \$47,000 | \$134,049,852 |
| Official Revenue Estimates | \$15,453,255,934 | \$16,234,694,890 | \$31,687,950,824 |
| Lottery Proceeds Fund | \$426,100,000 | \$426,100,000 | \$852,200,000 |
| Transfers | \$372,445,281 | \$360,111,243 | \$732,556,524 |

Total General Fund Resources

Available for Appropriation \$17,791,822,535 \$17,020,953,133 \$34,812,775,668

The appropriations made in this act from nongeneral fund revenues are based upon the following:

| | First Year | Second Year | Total |
|--------------------------------|------------------|------------------|------------------|
| Balance, June 30, 2006 | \$2,538,258,284 | \$0 | \$2,538,258,284 |
| Official Revenue Estimates | \$18,153,574,015 | \$18,594,216,663 | \$36,747,790,678 |
| Bond Proceeds | \$809,454,000 | \$0 | \$809,454,000 |
| Total Nongeneral Fund Revenues | | | |
| Available for Appropriation | \$21,501,286,299 | \$18,594,216,663 | \$40,095,502,962 |
| TOTAL PROJECTED REVENUES | \$39,293,108,834 | \$35,615,169,796 | \$74,908,278,630 |

§ 4. Nongeneral fund revenues which are not otherwise segregated pursuant to this act shall be segregated in accordance with the acts respectively establishing them.

§ 5. The sums herein appropriated are appropriated from the fund sources designated in the respective items of this act.

§ 6. When used in this act the term:

INTRODUCED

HB5032

- 47 A. "Current biennium" means the period from the first day of July two thousand six, through the
48 thirtieth day of June two thousand eight, inclusive.
- 49 B. "Previous biennium" means the period from the first day of July two thousand four, through the
50 thirtieth day of June two thousand six, inclusive.
- 51 C. "Next biennium" means the period from the first day of July two thousand eight, through the
52 thirtieth day of June two thousand ten, inclusive.
- 53 D. "State agency" means a court, department, institution, office, board, council or other unit of state
54 government located in the legislative, judicial, or executive departments or group of independent
55 agencies, or central appropriations, as shown in this act, and which is designated in this act by title
56 and a three-digit agency code.
- 57 E. "Nonstate agency" means an organization or entity as defined in § 2.2-1505 C, Code of Virginia.
- 58 F. "Authority" sets forth the general enabling statute, either state or federal, for the operation of the
59 program for which appropriations are shown.
- 60 G. "Discretionary" means there is no continuing statutory authority which infers or requires state
61 funding for programs for which the appropriations are shown.
- 62 H. "Appropriation" shall include both the funds authorized for expenditure and the corresponding
63 level of full-time equivalent employment.
- 64 I. "Sum sufficient" identifies an appropriation for which the Governor is authorized to exceed the
65 amount shown in the Appropriation Act if required to carry out the purpose for which the
66 appropriation is made.
- 67 J. "Item Details" indicates that, except as provided in § 6 H above, the numbers shown under the
68 columns labeled Item Details are for information reference only.
- 69 K. Unless otherwise defined, terms used in this act dealing with budgeting, planning and related
70 management actions are defined in the instructions for preparation of the Executive Budget.

71 § 7. The total appropriations from all sources in this act have been allocated as follows:

| 72 BIENNIUM 2006-08 | | | |
|----------------------|-----------------------------|------------------|-----------------------------|
| 73 | General Fund | Nongeneral Fund | Total |
| 74 OPERATING | | | |
| 75 EXPENSES | \$33,761,544,114 | \$36,893,215,804 | \$70,654,759,918 |
| 76 | \$33,695,469,760 | | \$70,588,685,564 |
| 77 LEGISLATIVE | | | |
| 78 DEPARTMENT | \$119,250,065 | \$6,617,524 | \$125,867,589 |
| 79 JUDICIAL | | | |
| 80 DEPARTMENT | \$696,499,354 | \$46,852,214 | \$743,371,568 |
| 81 | | | \$743,351,568 |
| 82 EXECUTIVE | | | |
| 83 DEPARTMENT | \$32,908,466,355 | \$36,175,799,547 | \$69,084,265,902 |
| 84 | \$32,842,392,001 | | \$69,018,191,548 |
| 85 INDEPENDENT | | | |
| 86 AGENCIES | \$613,570 | \$663,946,519 | \$664,560,089 |
| 87 STATE GRANTS TO | | | |
| 88 NONSTATE AGENCIES | \$36,714,770 | \$0 | \$36,714,770 |
| 89 CAPITAL OUTLAY | | | |
| 90 EXPENSES | \$1,020,708,398 | \$1,329,086,000 | \$2,349,794,398 |
| 91 TOTAL | \$34,782,252,512 | \$38,222,301,804 | \$73,004,554,316 |
| 92 | \$34,716,178,158 | | \$72,938,479,962 |

§ 8. This chapter shall be known and may be cited as the "2006 Appropriation Act."

PART 1: OPERATING EXPENSES

Items 1 through 133: Not Set Out

Direct Aid to Public Education (197)

134. Not Set Out

| | | Appropriations (\$) | |
|----------------------------------|----------------------------|----------------------------|----------------------------|
| | | First Year | Second Year |
| | | FY2007 | FY2008 |
| 135. State Education Assistance | | | |
| Programs (17800)..... | | \$5,874,587,186 | \$6,040,403,642 |
| | | | \$5,974,329,288 |
| | | Item Details (\$) | |
| | | First Year | Second Year |
| | | FY2007 | FY2008 |
| Standards of Quality for | | | |
| Public Education (SOQ) (17801).. | \$4,874,555,768 | \$4,988,881,662 | |
| | \$4,814,718,647 | \$4,922,538,469 | |
| Financial Incentive Programs | | | |
| for Public Education (17802).... | \$394,871,386 | \$458,507,392 | |
| | \$454,708,507 | \$458,776,231 | |
| Financial Assistance for | | | |
| Categorical Programs (17803).... | \$135,060,037 | \$139,414,584 | |
| Financial Assistance for | | | |
| School Facilities (17804)..... | \$470,099,995 | \$453,600,004 | |
| Fund | | | |
| Sources: General..... | \$5,692,872,032 | \$5,857,392,925 | |
| | | \$5,791,318,571 | |
| Special..... | \$795,000 | \$795,000 | |
| Commonwealth | | | |
| Transportation..... | \$2,173,000 | \$2,173,000 | |
| Trust and Agency..... | \$178,747,154 | \$180,042,717 | |

Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section 2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ 22.1-176 through 22.1-198, 22.1-199.1, 22.1-199.2, 22.1-213 through 22.1-221, 22.1-227 through 22.1-237, 22.1-253.13:1 through 22.1-253.13:8, 22.1-254.01, Code of Virginia; Title 51.1, Chapters 1, 5, 6.2, 7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 98-524, as amended, Federal Code.

Financial Incentive Programs for Public Education (17802): §§ 22.1-24, 22.1-289.1 through 22.1-318, Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended; P.L. 89-642, as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended, Federal Code.

Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of 1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-101, 22.1-108, 22.1-199 through 22.1-212.2:3, 22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of Virginia; P.L. 89-10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as amended, Federal Code.

Financial Assistance for School Facilities (17804): §§ 58.1-638, 58.1-638.1, and 58.1-4022, Code of Virginia.

141 **FY 2007 FY 2008**142 Appropriation Detail of
143 Education Assistance Programs

144

145 Standards of Quality

146 Basic Aid \$2,640,297,191 \$2,647,385,004

147 \$2,717,389,649 \$2,732,531,811

148 Sales Tax \$1,266,460,000 \$1,336,490,000

149 \$1,129,300,000 \$1,185,000,000

150 Textbooks \$67,593,217 \$68,134,752

151 Vocational Education \$60,840,443 \$61,254,506

152 Gifted Education \$27,849,475 \$28,076,756

153 Special Education \$339,870,343 \$342,288,447

154 Prevention, Intervention, and

155 Remediation \$42,247,088 \$42,269,828

156 VRS Retirement \$201,587,759 \$226,274,179

157 Social Security \$159,166,915 \$160,460,601

158 Group Life \$9,375,082 \$9,448,789

159 English as a Second Language \$31,781,077 \$38,469,856

160 Remedial Summer School \$24,659,975 \$25,496,999

161 Total \$4,871,728,565 \$4,986,049,717

162 \$4,811,661,023 \$4,919,706,524

163 Incentive Programs

164 Alternative Education \$6,221,723 \$6,504,714

165 At-Risk \$63,194,052 \$63,097,129

166 At-Risk Four Year Olds \$49,576,541 \$50,533,199

167 Compensation Supplements \$74,944,039 \$129,855,748

168 Early Reading Intervention \$11,863,527 \$11,965,287

169 Enrollment Loss \$7,757,404 \$7,945,316

170 \$7,977,424 \$8,202,666

171 Governor's School \$12,344,132 \$12,639,912

172 ISAEF \$2,247,581 \$2,247,581

173 Mentor Teacher \$1,475,000 \$1,475,000

174 No Child Left Behind/

175 Education for a Lifetime \$8,155,889 \$7,853,362

176 K-3 Class Size Reduction \$83,617,596 \$84,407,590

177 Project Graduation \$2,774,478 \$2,774,478

178 School Breakfast \$892,020 \$892,020

179 SOL Algebra Readiness \$8,444,986 \$8,476,044

180 Special Education - Inservice \$600,000 \$600,000

181 Special Education -

182 Regional Tuition \$59,989,862 \$66,397,321

183 Special Education - Voc Ed \$200,089 \$200,089

184 Supplemental Basic Aid \$530,783 \$528,746

185 \$541,184 \$540,235

186 Supplemental Sales Tax \$59,837,121 \$0

187 Total \$394,829,702 \$458,393,536

188 \$454,897,244 \$458,662,375

189

190

191 Categorical Programs

192 Adult Education \$1,051,800 \$1,051,800

193 Adult Literacy \$2,655,000 \$2,655,000

194 Electronic Classroom \$2,256,908 \$2,256,908

195 Foster Care \$11,109,888 \$12,047,112

196 American Indian

197 Treaty Commitment \$53,805 \$53,805

5 of 31

| | | | |
|-----|-------------------------------|---------------|---------------|
| 198 | School Lunch | \$5,801,932 | \$5,801,932 |
| 199 | Special Education - Homebound | \$6,504,072 | \$7,171,223 |
| 200 | Special Education - Jails | \$2,868,499 | \$2,954,553 |
| 201 | Special Education - | | |
| 202 | State Operated Programs | \$29,593,951 | \$30,962,505 |
| 203 | Vocational Education - | | |
| 204 | Categorical | \$10,400,829 | \$10,400,829 |
| 205 | Debt Service on VPSA | | |
| 206 | Equipment Notes | \$62,763,354 | \$64,058,916 |
| 207 | Total | \$135,060,036 | \$139,414,583 |
| 208 | | | |
| 209 | | | |
| 210 | School Facilities | | |
| 211 | Lottery | \$442,600,000 | \$426,100,000 |
| 212 | School Construction | \$27,499,995 | \$27,500,004 |
| 213 | Total | \$470,099,995 | \$453,600,004 |
| 214 | | | |
| 215 | | | |

216 Note: The above distributions do not include projected VPSA Technology Grants.

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

218 A. Definitions

219 1. "March 31 Average Daily Membership," or "March 31 ADM" - The responsible school division's
 220 average daily membership for grades K-12 including (1) handicapped students ages 5-21 and (2)
 221 students for whom English is a second language who entered school for the first time after reaching
 222 their twelfth birthday, and who have not reached twenty-two years of age on or before August 1 of
 223 the school year, for the first seven (7) months (or equivalent period) of the school year through
 224 March 31 in which state funds are distributed from this appropriation. Preschool and postgraduate
 225 students shall not be included in March 31 ADM.

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

228 b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to the
 229 Department of Education shall be calculated using March 31 ADM unadjusted for half-day
 230 kindergarten programs, estimated at 1,196,914 the first year and 1,208,149 the second year.

231 c. March 31 ADM adjusted for half-day kindergarten at 85 percent of March 31 ADM, is estimated
 232 at 1,196,176 the first year and 1,207,361 the second year.

233 d. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction
 234 pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis in any
 235 mathematics, science, English, history, social science, vocational education, health education or
 236 physical education, fine arts or foreign language course shall be counted in the funded fall
 237 membership and March 31 ADM of the relevant school division. Each course shall be counted as
 238 0.25, up to a cap of 0.5 of a student.

239 e. Students enrolled in an Individualized Student Alternative Education Program (ISAEP) pursuant to
 240 § 22.1-254D. shall be counted in the March 31 Average Daily Membership of the relevant school
 241 division. School divisions shall report these students separately in their March 31 reports of Average
 242 Daily Membership.

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

245 3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional
 246 personnel required by the Standards of Quality for each school division with a minimum ratio of 51
 247 professional personnel for each 1,000 pupils or proportionate number thereof, in March 31 ADM for

248 the same fiscal year for which the costs are computed, and including provision for driver, gifted,
249 occupational-vocational, and special education, library materials and other teaching materials, teacher
250 sick leave, general administration, division superintendents' salaries, free textbooks (including those
251 for free and reduced price lunch pupils), school nurses, operation and maintenance of school plant,
252 transportation of pupils, instructional television, professional and staff improvement, remedial work,
253 fixed charges and other costs in programs not funded by other state and/or federal aid.

254 b. The amount resulting from the support cost calculation for school nurses shall be specifically
255 identified as such and reported to school divisions annually. School divisions will allocate these
256 funds for school nurse positions or for contracted services of health professionals providing health
257 services.

258 4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The
259 composite index is the sum of 2/3 of the index of wealth per pupil in unadjusted March 31 ADM
260 reported for the first seven (7) months of the 2003-2004 school year and 1/3 of the index of wealth
261 per capita (population estimates for 2003 as determined by the Center for Public Service of the
262 University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality
263 of 0.45 in each year. The indices of wealth are determined by combining the following constituent
264 index elements with the indicated weighting: (1) true values of real estate and public service
265 corporations as reported by the State Department of Taxation for the calendar year 2003 - 50 percent;
266 (2) adjusted gross income for the calendar year 2003 as reported by the State Department of Taxation
267 - 40 percent; (3) the sales for the calendar year 2003 which are subject to the state general sales and
268 use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index
269 element for a locality is its sum per March 31 ADM, or per capita, expressed as a percentage of the
270 state average per March 31 ADM, or per capita, for the same element. A locality whose composite
271 index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing
272 all payments based on the composite index of local ability-to-pay. Each constituent index element for
273 a locality used to determine the composite index of local ability-to-pay for the current biennium shall
274 be the latest available data for the specified official base year provided to the Department of
275 Education by the responsible source agencies no later than November 15, 2005.

276 b. Each locality whose total Virginia Adjusted Gross Income is comprised of at least 3 percent or
277 more which is accounted for by nonresidents of Virginia may elect at its option to exclude such
278 nonresident income in computing the composite index of ability-to-pay. Each locality which elects
279 this option must have certified its intention to do so to the Department of Education on or before
280 January 1, 2006. The Department of Education shall compute the composite index for such localities
281 by using adjusted gross income data which exclude nonresident income, but shall not adjust the
282 composite index of any other localities. The Department of Taxation shall furnish to the Department
283 of Education such data as are necessary to implement this provision.

284 c.1) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions
285 become one school division, whether by consolidation of only the school divisions or by
286 consolidation of the local governments, such resulting division shall be paid Standard of Quality
287 payments for all pupils in the combined division on the basis of a composite index determined by the
288 Board of Education, which shall not be less than the lowest nor higher than the highest composite
289 index of any of the individual school divisions involved in such consolidation. In the event of a
290 consolidation of local governments, this index shall remain in effect for a period of fifteen years,
291 unless a lower composite index is calculated for the combined division through the process for
292 computing an index figure as set forth above. The Governor shall approve the composite index
293 determined by the Board of Education prior to disbursement of funds under such index. The
294 Department shall annually report to the Chairmen of the House Appropriations and Senate Finance
295 Committees the composite indices approved by the Governor and the Board under this provision.

296 2) In the case of the consolidation of Clifton Forge and Alleghany County school divisions, the
297 fifteen year period for the application of a new composite index pursuant to paragraph b.1) above
298 shall apply beginning with the fiscal year that starts on July 1, 2004.

299 3) Pursuant to paragraph c.1) above, if the composite index of a consolidated school division is
300 reduced during the course of the fifteen year period to a level that would entitle the school division
301 to a lower interest rate for a Literary Fund loan than it received when the loan was originally
302 released, the Board of Education shall reduce the interest rate of such loan for the remainder of the
303 period of the loan. Such reduction shall be based on the interest rate that would apply at the time of

such adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to those years remaining to be paid.

d. 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 only in the division where the error occurred. The composite index of any other locality shall not be changed as a result of the adjustment. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.

e. 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.

5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of local ability-to-pay of the cost required by all the Standards of Quality minus its estimated revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item, both of which are returned on the basis of the triennial census of school age population, as specified in this item, collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins.

6. "Required Local Match" - The locality's required share of program cost based on the composite index of local ability-to-pay for all School Facilities and Incentive programs, where required, in which the school division has elected to participate in a fiscal year.

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

8. "State Share for the Standards of Quality" - The state share for a locality shall be equal to the cost for that locality less the locality's estimated revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item, both of which are returned on the basis of the triennial census of school age population, as specified in this item, collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins and less the required local expenditure.

9. In the event that the appropriations in Item 134 and Item 135 are not sufficient to meet the entitlements payable to school divisions pursuant to the provisions of each item, the Department of Education is authorized to transfer any available funds between these items to address such insufficiencies. If the total appropriations after such transfers remain insufficient to meet the entitlements of any program, the Department of Education is authorized to prorate such shortfall proportionately across all of the school divisions participating in the program where such shortfall occurred.

B. General Conditions

1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for instructional staff members to the employer's cost for a number not exceeding the number of instructional positions required by the Standards of Quality for each school division and for their salaries at the statewide prevailing salary levels as printed below.

| Instructional Position | First Year Salary | Second Year Salary |
|---------------------------------|-------------------|--------------------|
| Elementary Teachers | \$39,681 | \$39,681 |
| Elementary Assistant Principals | \$55,827 | \$55,827 |
| Elementary Principals | \$68,822 | \$68,822 |
| Secondary Teachers | \$41,615 | \$41,615 |
| Secondary Assistant Principals | \$59,784 | \$59,784 |

| | | | |
|-----|---|----------|----------|
| 355 | Secondary Principals | \$75,268 | \$75,268 |
| 356 | Aides | \$13,828 | \$13,828 |
| 357 | | | |
| 358 | | | |
| 359 | a.1) Payment by the state to a local school division shall be based on the state share of fringe benefit | | |
| 360 | costs of 55 percent of the employer's cost distributed on the basis of the composite index. | | |
| 361 | 2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of | | |
| 362 | 0.8000 for purposes of distributing fringe benefit funds under this provision. | | |
| 363 | 3) The state payment to each school division for retirement, social security, and group life insurance | | |
| 364 | costs for noninstructional personnel is included in and distributed through Basic Aid. | | |
| 365 | b. Payments to school divisions from this item shall be calculated using March 31 Average Daily | | |
| 366 | Membership adjusted for half-day kindergarten programs. | | |
| 367 | c. Payments for health insurance fringe benefits are included in and distributed through Basic Aid. | | |
| 368 | 2. Each locality shall offer a school program for all its eligible pupils which is acceptable to the | | |
| 369 | Department of Education as conforming to the Standards of Quality program requirements. | | |
| 370 | 3. In the event the statewide number of pupils in March 31 ADM exceeds the number estimated as | | |
| 371 | the basis for this appropriation, the locality's state share of the Basic Operation Cost and the required | | |
| 372 | local share shall be reduced proportionately so that this appropriation will not be exceeded. | | |
| 373 | 4. The Department of Education shall make equitable adjustments in the computation of indices of | | |
| 374 | wealth and in other state-funded accounts for localities affected by annexation, unless a court of | | |
| 375 | competent jurisdiction makes such adjustments. However, only the indices of wealth and other | | |
| 376 | state-funded accounts of localities party to the annexation will be adjusted. | | |
| 377 | 5. In the event that the actual revenues from the state sales and use tax dedicated to public education | | |
| 378 | and those sales tax revenues transferred to the general fund from the Public Education Standards of | | |
| 379 | Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item (both of which are | | |
| 380 | returned on the basis of the 2005 triennial census of school age population) for sales in the fiscal | | |
| 381 | year in which the school year begins are different from the number estimated as the basis for this | | |
| 382 | appropriation, the estimated revenues shall not be adjusted. | | |
| 383 | 6. This appropriation shall be apportioned to the public schools with guidelines established by the | | |
| 384 | Department of Education consistent with legislative intent as expressed in this act. | | |
| 385 | 7.a. Appropriations of state funds in this Item include the number of positions required by the | | |
| 386 | Standards of Quality. This Item includes a minimum of 51 professional instructional positions and | | |
| 387 | aide positions (C 2); Education of the Gifted, 1.0 professional instructional position (C 3); | | |
| 388 | Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 | | |
| 389 | professional instructional positions and aide positions (C 4 and C 5) for each 1,000 pupils in March | | |
| 390 | 31 ADM each year in support of the current Standards of Quality. Funding in support of one hour of | | |
| 391 | additional instruction per day based on the percent of students eligible for the federal free lunch | | |
| 392 | program with a pupil-teacher ratio range of 18:1 to 10:1, depending upon a school division's | | |
| 393 | combined failure rate on the English and Math Standards of Learning, is included in Remedial | | |
| 394 | Education Payments (C8). | | |
| 395 | b. No actions provided in this section signify any intent of the General Assembly to mandate an | | |
| 396 | increase in the number of instructional personnel per 1,000 students above the numbers explicitly | | |
| 397 | stated in the preceding paragraph. | | |
| 398 | c. Appropriations in this item include programs supported in part by transfers to the general fund | | |
| 399 | from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant | | |
| 400 | to Part 3 of this Act. These transfers combined together with other appropriations from the general | | |
| 401 | fund in this item funds the state's share of the following revisions to the Standards of Quality | | |
| 402 | pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers | | |
| 403 | per 1,000 students; one support technology position per 1,000 students; one instructional technology | | |

position per 1,000 students; and a full daily planning period for teachers at the middle and high school levels in order to relieve the financial pressure these education programs place on local real estate taxes.

8.a. The Department of Education shall make calculations at the start of the school year to ensure that school divisions have appropriated adequate funds to support their estimated required local expenditure. The Department of Education shall also make calculations after the close of the school year to verify that the required local effort level, based on actual March 31 Average Daily Membership, was met. The Department of Education shall specify the calculations to determine if a school division has appropriated and expended its required local expenditure for the Standards of Quality. This calculation may include but is not limited to the following calculations:

b. The total expenditures for operation, defined as total expenditures less all capital outlays, expenditures for debt service, facilities, non-regular day school programs (such as adult education, preschool, and non-local education programs), and any transfers to regional programs or escrow accounts will be calculated.

c. The following state funds will be deducted from the amount calculated in paragraph a. above: revenues from the state sales and use tax (returned on the basis of the 2005 triennial census of school age population as specified in this item) for sales in the fiscal year in which the school year begins; total receipts from state funds (except state funds for non-regular day school programs and state funds used for capital or debt service purposes); and the state share of any balances carried forward from the previous fiscal year. Any qualifying state funds that remain unspent at the end of the fiscal year will be added to the amount calculated in paragraph a. above.

d. The following federal funds will also be deducted from the amount calculated in paragraph a. above: total receipts from federal funds (except federal funds for non-regular school programs, Impact Aid funds CFDA 84.040 and 84.041 and Forest Reserve,) and any federal funds carried forward from the previous fiscal year. Any federal funds that remain unspent at the end of the fiscal year and any capital expenditures paid from federal funds will be added to the amount calculated in paragraph a. above.

e. Tuition receipts and receipts from payments from other cities or counties will also be deducted from the amount calculated in paragraph a., then

f. The final amount calculated as described above must be equal to or greater than the required local expenditure defined in paragraph A. 5.

g. The Department of Education shall collect the data necessary to perform the calculations of required local expenditure as required by this section.

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

9.a. Any sum which a locality, as of the end of a school year, has not expended, pursuant to this Item, for the Standards of Quality shall be paid by the locality into the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs.

b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph 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.
10. The Department of Education shall specify the manner for collecting the required information and the method for determining if a school division has appropriated and expended the local funds required to support the actual local match based on all School Facilities and Incentive programs in which the school division has elected to participate. Unless specifically stated otherwise in this Item, school divisions electing to participate in any School Facilities or Incentive program that requires a local funding match in order to receive state funding, shall certify to the Department of Education its intent to participate in each program by ~~September~~ *October* 1 of each fiscal year in a manner prescribed by the Department of Education. Upon receipt of the certifications, the Department of Education shall make calculations to ensure that school divisions have appropriated adequate local funds, above the required local effort for the Standards of Quality, to support the projected required local match based on the School Facilities and Incentive programs in which the school division has elected to participate. If the Department of Education's calculations indicate that insufficient local funds are appropriated to meet the required local funding match for one or more programs, state funding for such program(s) shall not be made until such time that the school division can certify that sufficient local funding has been appropriated to meet required local match. The Department of Education shall also make calculations after the close of the fiscal year to verify that the required local match was met based on the state funds that were received.
11. Beginning in fiscal year 2008, any sum which a locality has not expended as of the end of a fiscal year in support of the required local match pursuant to this Item shall be paid by the locality into the general fund of the state treasury unless the carryover of those unspent funds is specifically permitted by other provisions of this act. Such payments shall be made no later than the end of the school year following that in which the under expenditure occurred.
12. The Superintendent of Public Instruction shall provide a report on the status of teacher salaries, by local school division, to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year of the biennium.
13. All local matching funds required by the programs in this Item shall be appropriated to the budget of the local school board.
14. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Education, shall prepare and submit a preliminary forecast of Standards of Quality expenditures, based upon the most current data available, to the Chairmen of the House Appropriations and Senate Finance Committees. In odd-numbered years, the forecast for the current and subsequent two fiscal years shall be provided. In even-numbered years, the forecast for the current and subsequent fiscal year shall be provided. The forecast shall detail the projected March 31 Average Daily Membership and the resulting impact on the education budget.
15. School divisions may choose to use state payments provided for Standards of Quality prevention, intervention, and remediation in both years as a block grant for remediation purposes, without restrictions or reporting requirements, other than reporting necessary as a basis for determining funding for the program.
16. Except as otherwise provided in this act, the Superintendent of Public Instruction shall provide guidelines for the distribution and expenditure of general fund appropriations and such additional federal, private and other funds as may be made available to aid in the establishment and maintenance of the public schools.

- 504 17. At the Department of Education's option, fees for audio-visual services may be deducted from
505 state aid payments for individual local school divisions.
- 506 18. For distributions not otherwise specified, the Department of Education, at its option, may use
507 prior year data to calculate actual disbursements to individual localities.
- 508 19. Payments for accounts related to the Standards of Quality made to localities for public education
509 from the general fund, as provided herein, shall be payable in twenty-four approximately equal
510 bimonthly installments at the middle and end of each month.
- 511 20. The Department of Education shall, for purposes of calculating the state and local shares of the
512 Standards of Quality, apportion state sales and use tax dedicated to public education and those sales
513 tax revenues transferred to the general fund from the Public Education Standards of Quality/Local
514 Real Estate Property Tax Relief Fund based on the 2005 triennial census of school age population in
515 each year of the biennium.
- 516 The State Comptroller shall distribute the state sales and use tax revenues dedicated to public
517 education and those sales tax revenues transferred to the general fund from the Public Education
518 Standards of Quality/Local Real Estate Property Tax Relief Fund based on the 2005 triennial census
519 of school age population in each year of the biennium.
- 520 21. The Department of Education shall convene a technical work group to include appropriate staff
521 of the Department of Planning and Budget, the Senate Finance and House Appropriations
522 Committees, and the Joint Legislative and Audit Review Commission. The group shall: 1) study
523 re-benchmarking cost trends and drivers; 2) review existing Standards of Quality (SOQ), incentive,
524 categorical, and school facilities funding streams within Direct Aid to Public Education, as well as
525 the Literary Fund, and identify options for efficiencies and cost savings and for greater funding
526 flexibility, especially to better prepare the state and localities for future economic downturns; 3)
527 consider alternatives to across-the-board compensation supplements to better target state funds; 4)
528 review funding streams for programs for students at-risk of academic failure, and assess whether such
529 programs should be incorporated into the SOQ; and 5) examine special education funding issues.
- 530 The technical work group shall provide to the Governor and the Chairmen of the House
531 Appropriations and Senate Finance Committees: a) a detailed project workplan no later than August
532 1, 2006, and b) a summary of their work by September 15, 2007.
- 533 C. Apportionment
- 534 1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality
535 shall receive sums as listed above within this program for the basic operation cost and payments in
536 addition to that cost. The apportionment herein directed shall be inclusive of, and without further
537 payment by reason of, state funds for library and other teaching materials.
- 538 2. School Employee Retirement Contributions
- 539 a. This Item provides funds to each local school board for the state share of the employer's
540 retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to the
541 retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.
- 542 b. Notwithstanding § 51.1-1401 of the Code of Virginia, the Commonwealth shall provide payments
543 for only the state share of the Standards of Quality fringe benefit cost of the retiree health care
544 credit. This item includes payments in both years based on the state share of fringe benefit costs of
545 55 percent of the employer's cost on funded Standards of Quality instructional positions, distributed
546 based on the composite index of the local ability-to-pay.
- 547 c. As a part of the review of the Virginia Retirement System pursuant to House Joint Resolution No.
548 34 the joint subcommittee shall review: 1) the Commonwealth's responsibilities for funding the
549 teacher retirement system beyond the actuarial normal rate and 2) the Commonwealth's appropriate
550 share for retirement payments by school divisions. In making this review, the joint subcommittee
551 shall review the impact of the blended retirement rates on the retirement system, school divisions,
552 and the Commonwealth.

553 d. Appropriations for contributions in Paragraphs 2 and 3 include payments from funds derived from
554 the principal of the Literary Fund in accordance with Article VIII, Section 8, of the Constitution of
555 Virginia. The amounts set aside from the Literary Fund for these purposes are approximately
556 \$115,854,700 the first year and \$115,854,700 the second year.

557 3. School Employee Social Security Contributions

558 This Item provides funds to each local school board for the state share of the employer's Social
559 Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the
560 Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.

561 4. School Employee Insurance Contributions

562 This Item provides funds to each local school board for the state share of the employer's Group Life
563 Insurance cost incurred by it on behalf of instructional personnel who participate in group insurance
564 under the provisions of Title 51.1, Chapter 5, Code of Virginia.

565 5. Basic Aid Payments

566 a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is established
567 individually for each local school division based on the number of instructional personnel required by
568 the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District
569 Eight for the cost of competing) as well as recognized support costs calculated on a prevailing basis
570 for an estimated March 31 ADM (adjusted for half-day kindergarten programs).

571 2) This appropriation includes funding to recognize the common labor market in the Washington DC
572 Metropolitan Statistical Area. Standards of Quality salary payments for instructional and support
573 positions in school divisions of the localities set out below have been adjusted for the equivalent
574 portion of the Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in
575 Planning District 8. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, and Warren and the
576 City of Fredericksburg the SOQ payments have been increased by 10 percent the first year and 25
577 percent the second year of the COCA rates paid to school divisions in Planning District 8.

578 b.1) The state share for a locality shall be equal to the Basic Operation Cost for that locality less the
579 locality's estimated revenues from the state sales and use tax (returned on the basis of the 2005
580 triennial census of school age population as specified in this item), in the fiscal year in which the
581 school year begins and less the required local expenditure.

582 2) In addition to this appropriation, \$249,641,656 the first year and \$249,641,656 the second year are
583 transferred from Lottery Funds appropriated in this Item pursuant to paragraph 28.b.1) to Basic Aid
584 Payments to provide for the state share of the Basic Operations Cost as defined in paragraphs a. and
585 b.1) above.

586 3) In addition, \$10,131,000 the first year is transferred from Lottery Funds to Basic Aid Payments
587 from the fiscal year 2006 Lottery profits that are appropriated in this Item pursuant to paragraph
588 28.b.2).

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

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

595 2) The amounts deducted from Basic Aid for the education of mentally retarded persons shall be
596 transferred to the Department of Mental Health, Mental Retardation and Substance Abuse Services in
597 support of the cost of educating such persons; the amount deducted from Basic Aid for the education
598 of emotionally disturbed persons shall be used to cover extraordinary expenses incurred in the
599 education of such persons. The Department of Education shall establish guidelines to implement
600 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 for Special Education categorical payments. 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 shall be made as an undesignated component of the state share of the basic operation cost in accordance with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.

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

f. Textbooks

1) The appropriations for basic aid include \$ 67,593,217 the first year and \$ 68,134,752 the second year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of \$100.28 the first year and \$100.28 the second year. The state's distributions for textbooks shall be based on adjusted March 31 ADM.

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

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

4) Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2007, or June 30, 2008, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose.

g. The one-cent state sales and use tax earmarked for education and the sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this item which are distributed to localities on the basis of the 2005 triennial census of school age population as specified in this item shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the then current fiscal year.

h. The appropriation for the Standards of Quality for Public Education (SOQ) includes amounts estimated at ~~\$254,800,000~~ \$226,500,000 the first year and ~~\$269,100,000~~ \$237,650,000 the second year from the amounts transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act which are derived from the 1/4 cent increase in the state sales and use tax levied pursuant to Chapter 3, 2004 Special Session I. These additional funds are provided to local school divisions and local governments in order to relieve the financial pressure education programs place on local real estate taxes.

i. From the total amounts in paragraph h. above, an amount estimated at ~~\$127,400,000~~ \$114,300,000 the first year and ~~\$134,500,000~~ \$119,950,000 the second year (approximately 1/8 cent of sales and use tax) is appropriated to support a portion of the cost of the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support and one instructional technology position per 1,000 students; a full daily planning period for teachers at the middle and high school levels in order to relieve the pressure on local real estate taxes and shall be taken into account by the governing body of the county, city, or town in setting real estate tax rates.

j. From the total amounts in paragraph h. above, an amount estimated at ~~\$127,400,000~~ \$112,200,000 the first year and ~~\$134,500,000~~ \$117,700,000 the second year (approximately 1/8 cent of sales and use tax) is appropriated in this Item to distribute the remainder of the revenues collected and deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund

651 on the basis of the 2005 triennial census of school age population as specified in this item.

652 6. Compensation Supplements

653 a. The appropriation in this item includes \$74,944,039 the first year and \$129,855,748 the second
654 year from the general fund for an equivalent payment for the following salary increase and related
655 fringe benefit costs for funded SOQ instructional and support positions and other funded incentive
656 program positions:

657 1) For the first year, the state share of a payment equivalent to a 3.0 percent salary increase effective
658 December 1, 2006, for all funded positions.

659 2) For the first year, the state share of a payment equivalent to an additional 1.0 percent salary
660 increase effective December 1, 2006, for funded SOQ instructional positions only. Funded SOQ
661 instructional positions shall include the teacher, guidance counselor, librarian, instructional aide,
662 principal, and assistant principal positions funded through the SOQ staffing standards for each school
663 division in both years of the biennium.

664 3) It is the intent of the General Assembly that the average instructional position salaries be
665 improved throughout the state by at least 4.0 percent the first year. Sufficient funds are appropriated
666 in this act to finance, on a statewide basis, the state share of a 3.0 percent salary increase for all
667 funded positions and an additional 1.0 percent for funded SOQ instructional positions effective
668 December 1, 2006, to school divisions which certify to the state Department of Education, no later
669 than March 1, 2007, that equivalent increases have been granted in the first year.

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

672 c. This funding is not intended as a mandate to increase salaries.

673 7. Education of the Gifted Payments

674 a. An additional payment shall be disbursed by the Department of Education to local school divisions
675 to support the state share of one full-time equivalent instructional position per 1,000 students in
676 adjusted March 31 ADM.

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

680 8. Occupational-Vocational Education Payments

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

684 b. An amount estimated at \$97,297,766 the first year and \$98,162,242 the second year from the
685 general fund included in Basic Aid Payments relates to vocational education programs in support of
686 the Standards of Quality.

687 9. Special Education Payments

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

691 b. Out of the amounts for special education payments, general fund support is provided to fund the
692 caseload standards for speech pathologists at 68 students for each year of the biennium.

693 c. In recalculating the cost of the Standards of Quality effective with the 2006-2008 biennium, the
694 Department of Education shall calculate the cost of instructional positions for special education based
695 on the aggregate sum of students by disability category by school for the disability categories listed

696 in the special education caseloads adopted by the Board of Education.

697 10. Enrollment Loss

698 An additional state payment in each year equal to the state share per pupil of Basic Aid for each
699 locality, for a percentage of the enrollment loss (as determined below) in March 31 ADM from the
700 prior year.

| 701 | Composite Index | Percentage |
|-----|-----------------|------------|
| 702 | 0.0000-0.1999 | 85% |
| 703 | 0.2000-0.3499 | 70% |
| 704 | 0.3500-0.4999 | 45% |
| 705 | 0.5000 or more | 30% |

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708 11. Remedial Education Payments

709 a. An additional payment estimated at \$ 61,744,796 the first year and \$ 61,744,937 the second year
710 from the general fund shall be disbursed by the Department of Education to support the Board of
711 Education's Standards of Quality prevention, intervention, and remediation program adopted in June
712 2003.

713 b. The payment shall be calculated based on one hour of additional instruction per day for identified
714 students, using the three year average percent of students eligible for the federal Free Lunch program
715 as a proxy for students needing such services. Fall membership shall be multiplied by the three year
716 average division-level Free Lunch eligibility percentage to determine the estimated number of
717 students eligible for services. Pupil-teacher ratios shall be applied to the estimated number of eligible
718 students to determine the number of instructional positions needed for each school division. The
719 pupil-teacher ratio applied for each school division shall range from 10:1 for those divisions with the
720 most severe combined three year average failure rates for English and math Standards of Learning
721 test scores to 18:1 for those divisions with the lowest combined three year average failure rates for
722 English and math Standards of Learning test scores.

723 c. Funding shall be matched by the local government based on the composite index of local
724 ability-to-pay.

725 d. An amount estimated at \$19,517,499 the first year and \$19,517,499 the second year for Lottery
726 Proceeds Revenue Sharing appropriated in this act shall be added to general funds appropriated in
727 this Item, to provide for the state share of the Standards of Quality prevention, intervention, and
728 remediation program.

729 e. An additional state payment estimated at \$63,194,052 the first year and \$63,097,129 the second
730 year from the general fund shall be disbursed based on the estimated number of federal Free Lunch
731 participants, in support of programs for students who are educationally at risk. The additional
732 payment shall be based on the state share of:

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

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

739 3a) Local school divisions are required to spend the established at-risk payment (state and local
740 share) on approved programs for students who are educationally at risk.

741 b) To receive these funds, each school division shall certify to the Department of Education that the
742 state and local shares of the at-risk payment will be used to support approved programs for students
743 who are educationally at risk. These programs may include: Dropout Prevention, community and
744 school-based truancy officer programs, Advancement Via Individual Determination (AVID), Project

745 Discovery, Reading Recovery, programs for students who speak English as a second language, and
746 programs related to increasing the success of disadvantaged students in completing a high school
747 degree and providing opportunities to encourage further education and training.

748 f. Regional Alternative Education Programs

749 1) An additional state payment of \$6,156,107 the first year and \$6,301,359 the second year from the
750 general fund shall be disbursed for regional alternative education programs. Such programs shall be
751 for the purpose of educating certain expelled students and, as appropriate, students who have received
752 suspensions from public schools and students returned to the community from the Department of
753 Juvenile Justice.

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

759 3)a) Regional alternative education programs are funded through this Item based on the state's share
760 of the incremental per pupil cost for providing such programs. This incremental per pupil payment
761 shall be adjusted for the composite index of local ability-to-pay of the school division that counts
762 such students attending such program in its March 31 Average Daily Membership. It is the intent of
763 the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil
764 funding provided to the affected school division for such students. Therefore, local school divisions
765 are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional
766 programs for students attending these programs, adjusted for costs incurred by the school division for
767 transportation, administration, and any portion of the school day or school year that the student does
768 not attend such program.

769 b) In the event a school division does not use all of the student slots it is allocated under this
770 program, the unused slots may be reallocated or transferred to another school division.

771 1. A school division must request from the Department of Education the availability and possible use
772 of any unused student slots. If any unused slots are available and if the requesting school division
773 chooses to utilize any of the unused slots, the requesting school division shall only receive the state's
774 share of tuition for the unused slot that was allocated in this Item for the originally designated school
775 division.

776 2. However, no requesting school division shall receive more tuition funding from the state for any
777 requested unused slot than what would have been the calculated amount for the requesting school
778 division had the unused slot been allocated to the requesting school division in the original budget.
779 Furthermore, the requesting school division shall pay for any remaining tuition payment necessary for
780 using a previously unused slot.

781 3. The Department of Education shall report by June 30 each year, to the Chairmen of the House
782 Appropriations and Senate Finance Committees, the number of available student slots, students
783 placed, the request of unused slots, and the number of unused slots subsequently used by each school
784 division for each Regional Alternative Education program.

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

788 g. Remedial Summer School

789 1) This appropriation includes \$24,659,975 the first year and \$25,496,999 the second year from the
790 general fund for the state's share of Remedial Summer School Programs. These funds are available to
791 school divisions for the operation of programs designed to remediate students who are required to
792 attend such programs during a summer school session or during an intersession in the case of
793 year-round schools. These funds may be used in conjunction with other sources of state funding for
794 remediation or intervention. School divisions shall have maximum flexibility with respect to the use
795 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 2006 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 2007 and fiscal year 2008.

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.

12. Primary Class Size Payments

a. An additional payment estimated at \$83,617,596 the first year and \$84,407,590 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 lower 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 October 15 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 | Maximum 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, or only in a portion of grades kindergarten through three, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio and/or maximum individual class size. Special education teachers shall not be counted towards meeting these required pupil/teacher ratios in grades kindergarten through three.

f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in eligible schools that have only one class in an affected grade level in the school.

13. Literary Fund Subsidy Program

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

844 be subject to the same restrictions. The VPSA shall work with the Board of Education in selecting
845 those projects to be funded through the interest rate subsidy/bond financing program, so as to ensure
846 the maximum leverage of Literary Fund moneys and a minimum impact on the VPSA Bond Pool.

847 b. The Virginia Public School Authority shall provide an interest rate subsidy program in the fall of
848 2006 and the fall of 2007 for projects that are on the Board of Education's First Priority Waiting
849 List. However, the cost of the subsidy shall not exceed \$15,000,000 in the first year and \$20,000,000
850 in the second year including the subsidy payments and related issuance costs.

851 c. The Board of Education may offer Literary Fund loans from the uncommitted balances of the
852 Literary Fund after meeting the obligations of the interest rate subsidy sales and the amounts set
853 aside from the Literary Fund for Debt Service Payments for Education Technology in this item.

854 d.1) In the event that on any scheduled payment date of bonds of the Virginia Public School
855 Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to June
856 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of either
857 § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the sum of (i) the
858 payments on general obligation school bonds of cities, counties, and towns (localities) paid to the
859 VPSA and (ii) the proceeds derived from the application of the provisions of § 15.2-2659, Code of
860 Virginia, to such bonds of localities, is less than the debt service due on such bonds of the VPSA on
861 such date, there is hereby appropriated to the VPSA, first, from available moneys of the Literary
862 Fund and, second, from the general fund a sum equal to such deficiency.

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

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

873 14. Educational Technology Payments

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

877 b. The Board of Education shall provide amounts estimated at \$12,090,750 the first year from the
878 Literary Fund to provide debt service payments for the education technology grant program
879 conducted through the Virginia Public School Authority in 2002.

880 c. The Board of Education shall provide amounts estimated at \$11,949,600 the first year and
881 \$11,949,600 the second year from the Literary Fund to provide debt service payments for the
882 education technology grant program conducted through the Virginia Public School Authority in 2003.

883 d.1) The Board of Education shall provide amounts estimated at \$12,657,050 the first year and
884 \$12,654,800 the second year from the Literary Fund to provide debt service payments for the
885 education technology grant program conducted through the Virginia Public School Authority in 2004.

886 2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
887 debt service on the Virginia Public School Authority bonds or notes authorized for this program. In
888 developing the proposed 2008-10 biennial budgets for public education, the Board of Education shall
889 include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make
890 debt service payments for this program in fiscal year 2009.

891 e.1) The Board of Education shall provide amounts estimated at \$12,635,250 the first year and
892 \$12,635,500 the second year from the Literary Fund to provide debt service payments for the
893 education technology grant program conducted through the Virginia Public School Authority in 2005.

- 894 2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
 895 debt service on the Virginia Public School Authority bonds or notes authorized for this program. In
 896 developing the proposed 2008-10 biennial budget for public education, the Board of Education shall
 897 include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make
 898 debt service payments for this program in fiscal year 2009 and fiscal year 2010.
- 899 f.1) The Board of Education shall provide amounts estimated at \$13,430,704 the first year and
 900 \$13,228,104 the second year from the Literary Fund to provide debt service payments for the
 901 education technology grant program conducted through the Virginia Public School Authority in 2006.
- 902 2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
 903 debt service on the Virginia Public School Authority bonds or notes authorized for this program. In
 904 developing the proposed 2008-10 and 2010-12 biennial budgets for public education, the Board of
 905 Education shall include a recommendation to the Governor to appropriate Literary Fund revenues
 906 sufficient to make debt service payments for this program in fiscal years 2009, 2010, and 2011.
- 907 g.1) An education technology grant program shall be conducted through the Virginia Public School
 908 Authority, through the issuance of equipment notes in an amount estimated at \$58,936,000 the spring
 909 of 2007 and \$59,248,000 in the Spring of 2008. Proceeds of the notes will be used to establish a
 910 computer-based instructional and testing system for the Standards of Learning (SOL) and to develop
 911 the capability for high speed Internet connectivity at high schools followed by middle schools
 912 followed by elementary schools.
- 913 2) The Board of Education shall provide amounts estimated at \$13,590,913 the second year from the
 914 Literary Fund to provide debt service payments for the education technology grant program
 915 conducted through the Virginia Public School Authority in the Spring of 2007.
- 916 3) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay
 917 debt service on the Virginia Public School Authority bonds or notes authorized for education
 918 technology grant programs in the spring of 2007 and in the spring of 2008. In developing the
 919 proposed 2008-10, 2010-2012, and 2012-2014 biennial budgets for public education, the Board of
 920 Education shall include a recommendation to the Governor to appropriate Literary Fund revenues
 921 sufficient to make debt service payments for these programs in fiscal years 2009, 2010, 2011, 2012,
 922 and 2013.
- 923 4) Grant funds from the issuance of \$58,936,000 in fiscal year 2007 and \$59,248,000 in fiscal year
 924 2008 in equipment notes are based on a grant of \$26,000 per school and \$50,000 per school division.
 925 For purposes of this grant program, eligible schools shall include those reporting membership in
 926 grades K through 12 as of September 30, 2006, for the Spring 2007 issuance, and September 30,
 927 2007, for the Spring 2008 issuance as well as district and regional centers including vocational
 928 centers, special education centers, alternative education centers, regular school year Governor's
 929 Schools, and the Schools for the Deaf and the Blind. Schools and district centers that serve only
 930 pre-kindergarten students shall not be eligible for this grant.
- 931 5) Localities are required to provide a match for these funds equal to 20 percent of the grant amount.
 932 At least 25 percent of the local match shall be used for teacher training in the use of technology. The
 933 Superintendent of Public Instruction is authorized to reduce the required local match for school
 934 divisions with a composite index of local ability-to-pay below 0.2000. The Schools for the Deaf and
 935 the Blind are exempt from the match requirement.
- 936 6) The goal of the program is to improve the instructional, remedial and testing capabilities of the
 937 Standards of Learning for local school divisions.
- 938 7) Funds shall be used in the following manner:
- 939 a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to
 940 computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed access
 941 to the Internet. School connectivity (computers, LANs and network access) shall include sufficient
 942 download/upload capability to ensure that each student will have adequate access to Internet-based
 943 instructional, remedial and assessment programs.

- 944 b) When each high school in a division meets the goals established in paragraph a) above, the
945 remaining funds shall be used to develop similar capability in first the middle schools and then the
946 elementary schools.
- 947 c) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions
948 became one school division, whether by consolidation of only the school divisions or by
949 consolidation of the local governments, such resulting division shall be provided funding through this
950 program on the basis of having the same number of school divisions as existed prior to September
951 30, 2000.
- 952 8) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds,
953 and to the extent possible, use such funds to supplement the program and meet the goals of this
954 program.
- 955 h. The Department of Education shall maintain criteria to determine if high schools, middle schools,
956 or elementary schools have the capacity to meet the goals of this initiative. The Department of
957 Education shall be responsible for the project management of this program. The Department of
958 Education shall report on the implementation of this program to the Chairmen of the Senate Finance
959 and House Appropriations Committees by September 1 of each year.
- 960 i.1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School
961 Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, and not
962 benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or
963 § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the
964 appropriations for debt service due on such bonds or notes of the VPSA on such date, there is
965 hereby appropriated to the VPSA from the general fund a sum equal to such deficiency.
- 966 2) The Chairman of the Board of Commissioners of the VPSA shall, on or before December 1 of
967 each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth
968 his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the
969 VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to
970 in paragraph 1) above. The Governor's budget submission each year shall include provisions for the
971 payment of debt service pursuant to paragraph 1) above.
- 972 j. Unspent proceeds of the notes, including investment income derived from the proceeds of the notes
973 may be used to pay interest on, or to decrease principal of the notes.
- 974 k.1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State
975 Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone
976 Company for the State Government" shall be deemed to include communications lines into public
977 schools which are used for educational technology. The rate structure for such lines shall be
978 negotiated by the Superintendent of Public Instruction and the Chief Information Officer of the
979 Virginia Information Technologies Agency. Further, the Superintendent and Director are authorized to
980 encourage the development of "by-pass" infrastructure in localities where it fails to obtain
981 competitive prices or prices consistent with the best rates obtained in other parts of the state.
- 982 2) The State Corporation Commission, in its consideration of the discount for services provided to
983 elementary schools, secondary schools, and libraries and the universal service funding mechanisms as
984 provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the
985 discounts for intrastate services provided to elementary schools, secondary schools, and libraries for
986 educational purposes as large as is prudently possible and to fund such discounts through the
987 universal fund as provided in § 254. The Commission shall proceed as expeditiously as possible in
988 implementing these discounts and the funding mechanism for intrastate services, consistent with the
989 rules of the Federal Communications Commission aimed at the preservation and advancement of
990 universal service.
- 991 15. At-Risk Four-Year-Olds Preschool Payments
- 992 a.1) It is the intent of the General Assembly that an additional state payment shall be disbursed by
993 the Department of Education to schools and community-based organizations to provide quality
994 preschool programs for at-risk four-year-olds unserved by Head Start program funding.

- 995 2) These grants shall be used to provide programs for at-risk four-year-old children which include
 996 quality preschool education, health services, social services, parental involvement and transportation.
 997 Programs must provide full-day or half-day and, at least, school-year services.
- 998 3) The Department of Education, in cooperation with the Council on Child Day Care and Early
 999 Childhood Programs, shall establish academic standards that are in accordance with appropriate
 1000 preparation for students to be ready to successfully enter into kindergarten. These standards shall be
 1001 established in such a manner as to be measurable for student achievement and success. Students shall
 1002 be required to be evaluated at specified times as determined appropriate by the Department of
 1003 Education. Superintendents, or their designee, of each participating school division must certify that
 1004 the At-Risk Four-Year-Old program follows the established standards in order to receive the funding
 1005 for quality preschool education and criteria for the service components. Such guidelines shall be
 1006 consistent with the findings of the November 1993 study by the Board of Education, the Department
 1007 of Education, and the Council on Child Day Care and Early Childhood Programs.
- 1008 4a) Grants shall be distributed based on an allocation formula providing the state share of a \$5,700
 1009 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program.
 1010 Programs operating half-day shall receive state funds based on a fractional basis determined by the
 1011 pro-rata portion of a full-day, school year program provided.
- 1012 b) For new programs in the first year of implementation only, programs operating less than a full
 1013 school year shall receive state funds on a fractional basis determined by the pro-rata portion of a
 1014 school year program provided. In determining the prorated state funds to be received, a school year
 1015 shall be 180 days.
- 1016 b.1) Any locality which desires to participate in this grants program must submit a proposal through
 1017 its chief administrator (county administrator or city manager) by May 15 of each year. The chief
 1018 administrator, in conjunction with the school superintendent, shall identify a lead agency for this
 1019 program within the locality. The lead agency shall be responsible for developing a local plan for the
 1020 delivery of quality preschool services to at-risk children which demonstrates the coordination of
 1021 resources and the combination of funding streams in an effort to serve the greatest number of at-risk
 1022 four-year-old children.
- 1023 2) The proposal must demonstrate coordination with all parties necessary for the successful delivery
 1024 of comprehensive services, including the schools, child care providers, local social services agency,
 1025 Head Start, local health department and other groups identified by the lead agency.
- 1026 3) A local match, based on the composite index of local ability-to-pay shall be required. For
 1027 purposes of meeting the local match, localities may use local expenditures for existing qualifying
 1028 programs. Localities shall also continue to pursue and coordinate other funding sources, including
 1029 child care subsidies. Funds received through this program must be used to supplement, not supplant,
 1030 any funds currently provided for programs within the locality. However, in the event a locality is
 1031 prohibited from continuing the previous level of support to programs for at-risk four-year-olds from
 1032 Title 1 of the Elementary and Secondary Education Act (ESEA), the state and local funds provided
 1033 in this grants program may be used to continue services to these Title I students. Such prohibition
 1034 may occur due to amendments to the allocation formula in the reauthorization of ESEA as the No
 1035 Child Left Behind Act of 2001 or due to a percentage reduction in a locality's Title I allocation in
 1036 2006-2007 or 2007-2008. Any locality so affected shall provide written evidence to the
 1037 Superintendent of Public Instruction and request his approval to continue the services to Title I
 1038 students.
- 1039 c. Local plans must provide clear methods of service coordination for the purpose of reducing the per
 1040 child cost for the service, increasing the number of at-risk children served and/or extending services
 1041 for the entire year. Examples of these include:
- 1042 1) "Wraparound Services" — methods for combining funds such as child care subsidy dollars
 1043 administered by local social service agencies with dollars for quality preschool education programs.
- 1044 2) "Wrapout Services" — methods for using grant funds to purchase quality preschool services to
 1045 at-risk four-year-old children through an existing child care setting by purchasing comprehensive

- 1046 services within a setting which currently provides quality preschool education.
- 1047 3) "Expansion of Service" — methods for using grant funds to purchase slots within existing
1048 programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.
- 1049 Local plans must indicate the number of at-risk four-year-old children to be served, and the criteria
1050 by which they will be determined to be at risk.
- 1051 d.1) The Department of Education and the Council on Child Day Care and Early Childhood
1052 Programs shall provide technical assistance for the administration of this grant program to provide
1053 assistance to localities in developing a comprehensive, coordinated, quality preschool program for
1054 serving at-risk four-year-old children.
- 1055 2) A pre-application session shall be provided by the Department and the Council on Child Day Care
1056 and Early Childhood Programs prior to the proposal deadline. The Department shall provide
1057 interested localities with information on models for service delivery, methods of coordinating funding
1058 streams, such as funds to match federal IV-A child care dollars, to maximize funding without
1059 supplanting existing sources of funding for the provision of services to at-risk four-year-old children.
1060 A priority for technical assistance in the design of programs shall be given to localities where the
1061 majority of the at-risk four-year-old population is currently unserved.
- 1062 e. The Department of Education is authorized to expend unobligated balances in this item if
1063 participation in the At-Risk Four-Year-Olds Preschool program is greater than projected. The
1064 Department is also authorized to expend unobligated balances in this program for grants to qualifying
1065 schools and community-based groups for one-time expenses, other than capital, related to start-up or
1066 expansion of programs.
- 1067 16. Early Reading Intervention
- 1068 a. An additional incentive payment of \$11,863,527 the first year and \$11,965,287 the second year
1069 from the general fund shall be disbursed by the Department of Education to local school divisions
1070 for the purposes of providing early reading intervention services to students in grades kindergarten
1071 through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests
1072 which have been approved by the Department of Education. The Department of Education shall
1073 review the tests of any local school board which requests authority to use a test other than the
1074 state-provided test to ensure that such local test uses criteria for the early diagnosis of reading
1075 deficiencies which are similar to those criteria used in the state-provided test. The Department of
1076 Education shall make the state-provided diagnostic test used in this program available to local school
1077 divisions. School divisions shall report the results of the diagnostic tests to the Department of
1078 Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.
- 1079 b. These incentive payments shall be based on the state's share of the cost of providing two and
1080 one-half hours of additional instruction each week for an estimated number of students in each
1081 school division at a student to teacher ratio of five to one. The estimated number of students in each
1082 school division in each year shall be determined by multiplying the projected number of students
1083 reported in each school division's fall membership in grades kindergarten, 1, 2, and 3 by the percent
1084 of students who are determined to need services based on diagnostic tests administered in the
1085 previous year in that school division and adjusted in the following manner:
- | | | |
|------|--------------|------|
| 1086 | Kindergarten | 100% |
| 1087 | Grade 1 | 50% |
| 1088 | Grade 2 | 50% |
| 1089 | Grade 3 | 25% |
- 1090 c. These incentive payments are available to any school division that certifies to the Department of
1091 Education that an intervention program will be offered to such students and that each student who
1092 receives an intervention will be assessed again at the end of that school year. Such intervention
1093 programs, at the discretion of the local school division, may include, but not be limited to, the use
1094 of: special reading teachers; trained aides; volunteer tutors under the supervision of a certified
1095 teacher; computer-based reading tutorial programs; aides to instruct in-class groups while the teacher
1096 provides direct instruction to the students who need extra assistance; or extended instructional time in
1097 the school day or year for these students. Localities receiving these incentive payments are required

- 1098 to match these funds based on the composite index of local ability-to-pay.
- 1099 17. Standards of Learning Algebra Readiness
- 1100 a. An additional incentive payment of \$8,444,986 the first year and \$8,476,044 the second year from
 1101 the general fund shall be disbursed by the Department of Education to local school divisions for the
 1102 purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk
 1103 of failing the Algebra 1 end-of-course test, as demonstrated by their individual performance on
 1104 diagnostic tests which have been approved by the Department of Education. The Department of
 1105 Education shall review the tests to ensure that such local test uses state-provided criteria for
 1106 diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The
 1107 Department of Education shall make the state-provided diagnostic test used in this program available
 1108 to local school divisions. School divisions shall report the results of the diagnostic tests to the
 1109 Department of Education on an annual basis at a time to be determined by the Superintendent of
 1110 Public Instruction.
- 1111 b. These incentive payments shall be based on the state's share of the cost of providing two and
 1112 one-half hours of additional instruction each week for an estimated number of students in each
 1113 school division at a student to teacher ratio of ten to one. The estimate number of students in each
 1114 school division shall be determined by multiplying the projected number of students reported in each
 1115 school division's fall membership by the percent of students that qualify for the federal Free Lunch
 1116 Program.
- 1117 c. These incentive payments are available to any school division that certifies to the Department of
 1118 Education that an intervention program will be offered to such students and that each student who
 1119 receives an intervention will be assessed again at the end of that school year. Localities receiving
 1120 these incentive payments are required to match these funds based on the composite index of local
 1121 ability-to-pay.
- 1122 d. Any funds provided to school divisions for the Standards of Learning Algebra Readiness Program
 1123 that are unexpended as of June 30, 2007, and June 30, 2008, shall be carried on the books of the
 1124 locality to be appropriated to the school division in the following year for use in the same program.
- 1125 18. School Construction Grants Program
- 1126 a. This appropriation includes an amount estimated at \$27,499,995 the first year and \$27,500,004 the
 1127 second year from the general fund to provide grants to school divisions for nonrecurring expenditures
 1128 by the relevant school division. Nonrecurring costs shall include school construction, additions,
 1129 infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing
 1130 classroom equipment, payments to escrow accounts pursuant to Chapter 391, Acts of Assembly of
 1131 1999, school safety equipment or school safety renovations, and debt service payments on school
 1132 projects completed during the last ten years.
- 1133 b. School divisions are encouraged to utilize value engineering in school construction projects funded
 1134 with these grant proceeds.
- 1135 c. Any funds provided to school divisions for school construction that are unexpended as of June 30,
 1136 2007, and June 30, 2008, shall be carried on the books of the locality to be appropriated to the
 1137 school division the following year for use for the same purpose.
- 1138 d. Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions
 1139 became one school division, whether by consolidation of only the school divisions or by
 1140 consolidation of the local governments, such resulting division shall be paid School Construction
 1141 Grant payments on the basis of having the same number of school divisions as existed prior to
 1142 September 30, 2000.
- 1143 19. English as a Second Language Payments
- 1144 A payment of \$31,781,077 the first year and \$38,469,856 the second year from the general fund
 1145 shall be disbursed by the Department of Education to local school divisions to support the state share
 1146 of 17 professional instructional positions per 1,000 students for whom English is a second language.

1147 Local school divisions shall provide a local match based on the composite index of local
1148 ability-to-pay.

1149 20. Special Education Instruction Payments

1150 a. The Department of Education shall establish rates for all elements of Special Education Instruction
1151 Payments.

1152 b. Out of the amounts for special education payments, the Department of Education shall make
1153 available, subject to implementation by the Superintendent of Public Instruction, an amount estimated
1154 at \$59,989,862 the first year and \$66,397,321 the second year from the general fund for the purpose
1155 of the state's share of the tuition rates for approved public school regional programs. Notwithstanding
1156 any contrary provision of law, the state's share of the tuition rates shall be based on the composite
1157 index of local ability-to-pay.

1158 c. Out of the amounts for Financial Assistance for Categorical Programs, \$29,593,951 the first year
1159 and \$30,962,505 the second year from the general fund is appropriated to permit the Department of
1160 Education to contract with selected local school boards for the provision of educational services to
1161 children residing in certain hospitals, clinics, and detention homes by employees of the local school
1162 boards. The selection and employment of instructional and administrative personnel under such
1163 contracts will be the responsibility of the local school board in accordance with procedures as
1164 prescribed by the local school board.

1165 21. Vocational Education Instruction Payments

1166 a. It is the intention of the General Assembly that the Department of Education explore initiatives
1167 that will encourage greater cooperation between jurisdictions and the Virginia Community College
1168 System in meeting the needs of public school systems.

1169 b. This appropriation includes \$1,800,000 the first year and \$1,800,000 the second year from the
1170 general fund for secondary vocational-technical equipment. A base allocation of \$2,000 the first year
1171 and \$2,000 the second year shall be available for all divisions, with the remainder of the funding
1172 distributed on the basis of student enrollment in secondary vocational-technical courses. State funds
1173 received for secondary vocational-technical equipment must be used to supplement, not supplant, any
1174 funds currently provided for secondary vocational-technical equipment within the locality.

1175 22. Adult Education Payments

1176 State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or
1177 cost per class basis. No state funds shall be used to support vocational noncredit courses.

1178 23. General Education Payments

1179 a.1) This appropriation includes \$8,155,889 the first year and \$7,853,362 the second year from the
1180 general fund for targeted education initiatives to improve student achievement and teacher quality,
1181 including a mentoring program for teachers with no experience working in schools that are at-risk of
1182 not meeting adequate yearly progress, a middle school math teacher initiative in at-risk schools,
1183 turnaround specialists to enhance the leadership in schools that have consistently failed to show
1184 improvement in student progress, virtual Advanced Placement courses, and GED tests as required by
1185 the No Child Left Behind Act.

1186 2) In the event that existing funds are not available, additional nongeneral funds do not become
1187 available, and/or the contracts are not renegotiated to lower amounts, the Department of Education is
1188 authorized to transfer up to \$150,890 the first year and up to \$150,890 the second year from the
1189 general fund appropriation for this Item in C. 23. a. to Item 127 for the contract with the University
1190 of Virginia Partnership for Leaders in Education - The Darden School Foundation for the turnaround
1191 specialists program. In the event that existing funds are not available, additional nongeneral funds do
1192 not become available, and/or the contracts are not re-negotiated to lower amounts, the Department is
1193 also authorized to transfer up to \$487,200 the first year and up to \$487,200 the second year from the
1194 general fund appropriation for this Item in C. 23. a. to Item 127 for the contract for the on-line
1195 student career planning program.

1196 b.1) In addition, the appropriation includes \$500,000 the first year and \$500,000 the second year
 1197 from the general fund for competitive grants of \$100,000 each to be awarded to school divisions
 1198 which demonstrate a partnership agreement with a Virginia institution of higher learning and/or other
 1199 entity for a defined leadership development training program that addresses the leadership standards
 1200 established for such training as defined by the Board of Education. Such competitive grants may be
 1201 awarded to the existing leadership development training programs. The Department of Education
 1202 shall establish the guidelines for school divisions to apply for these grants. These grants shall be
 1203 allocated over the biennium.

1204 2) School divisions that are awarded a competitive leadership grant in either fiscal year shall be
 1205 allowed to retain any unspent balances at the end of that fiscal year in which the grant was awarded
 1206 and shall be permitted to spend any remaining balances for the intended purposes during the ensuing
 1207 two fiscal years.

1208 c. This appropriation includes \$2,774,478 the first year and \$2,774,478 the second year from the
 1209 general fund to support Project Graduation.

1210 d. The Department of Education shall develop a report specific to the first cohort of the three school
 1211 divisions participating in the Hard-to-Staff School pilot program. The report shall address, but not be
 1212 limited to, any measurable improvements in student achievement that can be linked to the recruitment
 1213 and retention of highly qualified teachers; fewer teachers with provisional or conditional licenses;
 1214 demonstrated improvements in the general teaching environment within the participating schools; any
 1215 other comparable retention statistics relative to pre- and post- participation in the Hard-to-Staff
 1216 Schools pilot program. The Department of Education shall submit, upon completion of the
 1217 participation cycle of the first cohort of school divisions, but not later than September 1, 2007, the
 1218 comprehensive report to the Chairmen of the House Appropriations and Senate Finance Committees.
 1219 The report will be used as an evaluation tool to determine the pilot program's merits and whether it
 1220 should be implemented in other school divisions.

1221 24. Educational Telecommunications Payments

1222 a. Out of the amounts for Financial Assistance for Categorical Programs, the Board of Education
 1223 shall provide assistance for electronic classrooms.

1224 b. The local share of costs associated with operation of electronic classrooms shall be computed
 1225 using the local composite index of ability-to-pay.

1226 25. Individual Student Alternative Education Program

1227 Out of this appropriation, \$2,247,581 the first year and \$2,247,581 in the second year from the
 1228 general fund shall be provided for the secondary schools' Individual Student Alternative Education
 1229 Program (ISAE), pursuant to Chapter 488 and Chapter 552 of the 1999 Session of the General
 1230 Assembly. The Department of Education shall report the status of this program along with any
 1231 recommendations for determining the cost of this program to the Governor and the Chairmen of the
 1232 Senate Finance, Senate Education and Health, House Appropriations, and House Education
 1233 Committees and the Department of Planning and Budget no later than October 15 of each year.

1234 26. Foster Children Education Payments

1235 a. An additional state payment is provided from the general fund for the prior year's local operations
 1236 costs, as determined by the Department of Education, for each pupil not a resident of the school
 1237 division providing his education (a) who has been placed in foster care or other custodial care within
 1238 the geographical boundaries of such school division by a Virginia agency, whether state or local,
 1239 which is authorized under the laws of this Commonwealth to place children; (b) who has been placed
 1240 in an orphanage or children's home which exercises legal guardianship rights; or (c) who is a resident
 1241 of Virginia and has been placed, not solely for school purposes, in a child-caring institution or group
 1242 home.

1243 b. This appropriation provides \$11,109,888 the first year and \$12,047,112 the second year from the
 1244 general fund to support children attending public school who have been placed in foster care or other
 1245 such custodial care across jurisdictional lines, as provided by subsections A and B of § 22.1-101.1,

- 1246 Code of Virginia. To the extent these funds are not adequate to cover the full costs specified therein,
1247 the Department is authorized to expend unobligated balances in this Item and Item 134 for this
1248 support.
- 1249 27. Sales Tax
- 1250 a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a portion of net
1251 revenue from the state sales and use tax, in support of the Standards of Quality (Title 22.1, Chapter
1252 13.2, Code of Virginia) (See the Attorney General's opinion of August 3, 1982).
- 1253 b. Certification of payments and distribution of this appropriation shall be made by the State
1254 Comptroller.
- 1255 c. The distribution of state sales tax funds shall be made in equal bimonthly payments at the middle
1256 and end of each month.
- 1257 *d. 1) This Item includes an appropriation estimated at \$59,837,121 from the general fund in the first*
1258 *year to be paid to local school divisions as a supplemental sales tax payment dedicated to public*
1259 *education. As such, local governing bodies shall appropriate these funds to the local school division.*
- 1260 *2) The supplemental sales tax payment is in addition to the one and 1/8 cents sales tax estimated by*
1261 *the Department of Taxation and included in this Item.*
- 1262 *3) For the purposes of calculating Required Local Expenditure as defined in this Item, this*
1263 *supplemental sales tax payment will be counted as a credit toward the local share of the costs of the*
1264 *Standards of Quality in the first year. Further, additional payments from Enrollment Loss and*
1265 *Supplemental Basic Aid, as identified by the Department of Education, resulting from the Department*
1266 *of Taxation's correction of the sales tax estimates and resulting in this supplemental sales tax*
1267 *payment may also be counted as a credit toward the local share of the costs of the Standards of*
1268 *Quality in the first year.*
- 1269 *4) The Department of Education is authorized to distribute the supplemental sales tax payment to*
1270 *school divisions in quarterly installments. The Department is further authorized to make adjustments*
1271 *in these quarterly supplemental payments to reflect the difference between the actual sales tax*
1272 *payments distributed to school divisions to date and an estimate of the payment that would have*
1273 *been paid to date based on the percentage of the total distribution paid in the prior fiscal year to*
1274 *date multiplied by the total amount of sales tax distribution included in this Item. The amount paid*
1275 *as supplemental sales tax payments shall not exceed the amounts listed in paragraph d.1) above.*
- 1276 *5) It is the intent of the General Assembly to update this supplemental sales tax payment based on*
1277 *any subsequent increases to the Sales Tax estimates approved by the General Assembly and included*
1278 *in this Item.*
- 1279 28. Lottery
- 1280 a.1) This appropriation includes \$426,100,000 the first year and \$426,100,000 the second year from
1281 the general fund as the state payment for the lottery profits, to be deposited into the general fund
1282 pursuant to § 3-1.01 G of this act.
- 1283 2) This appropriation includes \$16,500,000 in the first year as an additional appropriation of Lottery
1284 profits that were earned in fiscal year 2006 as excess revenue that was not appropriated for public
1285 education.
- 1286 b.1) Out of this appropriation, \$249,641,656 the first year and \$249,641,656 the second year shall be
1287 transferred and used to fund the state's share of Basic Aid Payments as defined in paragraph 5.b.2)
1288 above.
- 1289 2) Out of this appropriation, \$10,131,000 the first year shall be transferred from the additional
1290 appropriation in paragraph 28.a.2) above and used to fund the state's share of Basic Aid Payments as
1291 defined in paragraph 5.b.3) above.
- 1292 c. \$19,517,499 the first year and \$19,517,499 the second year in Lottery proceeds appropriated in

1293 this Item shall be added to general funds appropriated in this Item, to provide for the state share of
1294 cost of the Standards of Quality prevention, intervention, and remediation program.

1295 d.1) Out of this appropriation, an amount estimated at \$156,940,845 the first year and \$156,940,845
1296 the second year shall be disbursed by the Department of Education to local school divisions to
1297 support the state share of an estimated \$232.83 per pupil the first year and \$230.98 per pupil the
1298 second year in adjusted March 31 average daily membership. These per pupil amounts are subject to
1299 change for the purpose of payment to school divisions based on the actual March 31 ADM collected
1300 each year. These funds shall be matched by the local government, based on the composite index of
1301 local ability-to-pay. Further, in order to receive this funding, the locality in which the school division
1302 is located shall appropriate these funds solely for educational purposes and shall not use such funds
1303 to reduce total local operating expenditures for public education below the amount expended by the
1304 locality for such purposes in the year upon which the 2006-08 biennial Standards of Quality
1305 expenditure data were based; provided however, that no locality shall be required to maintain a per
1306 pupil expenditure which is greater than the per pupil amount expended by the locality for such
1307 purposes in the year upon which the 2006-08 biennial Standards of Quality expenditure data were
1308 based.

1309 2) Out of this appropriation, an amount estimated at \$6,369,000 the first year in additional Lottery
1310 proceeds shall be disbursed by the Department of Education to local school divisions to support the
1311 state share of an estimated \$9.45 per pupil the first year in adjusted daily membership. These per
1312 pupil amounts are subject to change for the purpose of payment to school divisions based on the
1313 actual March 31 ADM collected. These funds shall be matched by the local government, based on
1314 the composite index of local ability-to-pay, and shall be subject to the same terms and conditions as
1315 other Lottery proceeds appropriated in this Item.

1316 e. Of the amounts listed above, no more than 50 percent shall be used for recurring costs and at least
1317 50 percent shall be spent on nonrecurring expenditures by the relevant school divisions. Nonrecurring
1318 costs shall include school construction, additions, infrastructure, site acquisition, renovations,
1319 technology, and other expenditures related to modernizing classroom equipment, and debt service
1320 payments on school projects completed during the last 10 years.

1321 f. Any lottery funds provided to school divisions from this Item that are unexpended as of June 30,
1322 2007, and June 30, 2008, shall be carried on the books of the locality to be appropriated to the
1323 school division in the following year.

1324 29. Adult Literacy

1325 a. The appropriation for Financial Assistance for Categorical Programs includes \$125,000 the first
1326 year and \$125,000 the second year from the general fund for the ongoing literacy programs
1327 conducted by Mountain Empire Community College, and \$125,000 the first year and \$125,000 the
1328 second year from the general fund will be transferred to the Department of Housing and Community
1329 Development to support workforce literacy and training.

1330 b. Out of this appropriation, the Board of Education shall provide \$100,000 the first year and
1331 \$100,000 the second year from the general fund for the Virginia Literacy Foundation grants to
1332 support programs for adult literacy including those delivered by community-based organizations and
1333 school divisions providing services for adults with 0-9th grade reading skills.

1334 c. Out of this appropriation, the Board of Education shall provide \$50,000 the first year and \$50,000
1335 the second year from the general fund to the Virginia Educational Technology Alliance to provide
1336 teacher training opportunities in the effective use of educational technologies to full-time, part-time
1337 and volunteer teachers involved in adult education and literacy programs in the Commonwealth.

1338 30. Governor's School Payments

1339 a. Out of the amounts for Governor's School Payments, the Board of Education shall provide
1340 assistance for the state share of the incremental cost of regular school year Governor's Schools based
1341 on each participating locality's composite index of local ability-to-pay. Participating school divisions
1342 must certify that no tuition is assessed students for participation in this program.

- 1343 b. Out of the amounts for Governor's School Payments, the Board of Education shall provide
1344 assistance for the state share of the incremental cost of summer residential Governor's Schools and
1345 Foreign Language Academies to be based on the greater of the state's share of the composite index
1346 of local ability-to-pay or 50 percent. Participating school divisions must certify that no tuition is
1347 assessed students for participation in this program if they are enrolled in a public school.
- 1348 c. It shall be the policy of the Commonwealth that state general fund appropriations not be used for
1349 capital outlay, structural improvements, renovations, or fixed equipment costs associated with
1350 initiation of existing or proposed Governor's schools. State general fund appropriations may be used
1351 for the purchase of instructional equipment for such schools, subject to certification by the
1352 Superintendent of Public Instruction that at least an equal amount of funds has been committed by
1353 participating school divisions to such purchases.
- 1354 d. The Board of Education shall not take any action that would increase the state's share of costs
1355 associated with the Governor's Schools as set forth in paragraph C. 26. of this Item. This provision
1356 shall not prohibit the Board of Education from submitting requests for the increased costs of existing
1357 programs resulting from updates to September 30 fall membership for school divisions currently
1358 participating in existing programs or for school divisions that begin participation in existing
1359 programs.
- 1360 e.1) Regular school year Governor's Schools are funded through this Item based on the state's share
1361 of the incremental per pupil cost for providing such programs for each student attending a Governor's
1362 School up to a cap of 1,500 students per Governor's School. This incremental per pupil payment
1363 shall be adjusted for the composite index of the school division that counts such students attending
1364 an academic year Governor's School in their March 31 Average Daily Membership. It is the intent of
1365 the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil
1366 funding provided to the affected school division for such students. Therefore, local school divisions
1367 are encouraged to provide the appropriate portion of the basic aid per pupil funding to the Governor's
1368 Schools for students attending these programs, adjusted for costs incurred by the school division for
1369 transportation, administration, and any portion of the day that the student does not attend a
1370 Governor's School.
- 1371 2) Funding for the Academic Year Governor's Schools will be adjusted based upon actual September
1372 30, 2006, and September 30, 2007, fall membership data or equivalent enrollment for students that
1373 attend these programs during the year based on alternative course schedules such as semester block
1374 schedules.
- 1375 3) Fairfax County Public Schools shall not reduce local per pupil funding for the Thomas Jefferson
1376 Governor's School below the amounts appropriated for the 2003-2004 school year.
- 1377 31. School Nutrition
- 1378 It is provided that, subject to implementation by the Superintendent of Public Instruction, no
1379 disbursement shall be made out of the appropriation for school nutrition to any locality in which the
1380 schools permit the sale of competitive foods in food service facilities or areas during the time of
1381 service of food funded pursuant to this Item.
- 1382 32. Clinical Faculty and Mentor Teacher Programs
- 1383 This appropriation includes \$1,375,000 the first year and \$1,375,000 the second year from the
1384 general fund for statewide Clinical Faculty and Mentor Teacher Programs to assist preservice
1385 teachers and beginning teachers to make a successful transition into full-time teaching. Such
1386 programs shall include elements which are consistent with the following:
- 1387 a. An application process for localities and school/higher education partnerships that wish to
1388 participate in the programs;
- 1389 b. Provisions for a local funding or institutional commitment of 50 percent, to match state grants of
1390 50 percent;
- 1391 c. Program plans which include a description of the criteria for selection of clinical faculty and
1392 mentor teachers, training, support, and compensation for clinical faculty and mentor teachers,

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| 1393 | collaboration between the school division and institutions of higher education, the clinical faculty and | | |
| 1394 | mentor teacher assignment process, and a process for evaluation of the programs; | | |
| 1395 | d. The Department of Education shall allow flexibility to local school divisions and higher education | | |
| 1396 | institutions regarding compensation for clinical faculty and mentor teachers consistent with these | | |
| 1397 | elements of the programs; and | | |
| 1398 | e. It is the intent of the General Assembly that no preference between preservice or beginning | | |
| 1399 | teacher programs be construed by the language in this Item. School divisions operating beginning | | |
| 1400 | teacher mentor programs shall receive equal consideration for funding. | | |
| 1401 | 33. This appropriation includes \$100,000 the first year and \$100,000 the second year from the | | |
| 1402 | general fund to provide grants to school divisions that employ mentor teachers for new teachers | | |
| 1403 | entering the profession through the alternative route to licensure as prescribed by the Board of | | |
| 1404 | Education. | | |
| 1405 | 136. Not Set Out | | |
| 1406 | Total for Direct Aid to | | |
| 1407 | Public Education | | |
| 1408 | | \$6,611,427,036 | \$6,776,943,492 |
| 1409 | Fund Sources: | | |
| 1410 | General | \$5,695,619,782 | \$5,859,840,675 |
| 1411 | | | \$5,793,766,321 |
| 1412 | Special | \$795,000 | \$795,000 |
| 1413 | Commonwealth | | |
| 1414 | Transportation | \$2,173,000 | \$2,173,000 |
| 1415 | Trust and Agency | \$178,747,154 | \$180,042,717 |
| 1416 | Federal Trust | \$734,092,100 | \$734,092,100 |
| 1417 | Items 137 through 142: Not Set Out | | |
| 1418 | Grand Total for | | |
| 1419 | Department of Education, | | |
| 1420 | Central Office Operations | | |
| 1421 | | \$6,749,479,949 | \$6,913,943,931 |
| 1422 | General Fund Positions | 439.50 | 441.50 |
| 1423 | Nongeneral Fund Positions | 168.50 | 168.50 |
| 1424 | Position Level | 608.00 | 610.00 |
| 1425 | Fund Sources: | | |
| 1426 | General | \$5,770,433,215 | \$5,933,601,634 |
| 1427 | | | \$5,867,527,280 |
| 1428 | Special | \$7,227,051 | \$7,227,051 |
| 1429 | Commonwealth | | |
| 1430 | Transportation | \$2,399,983 | \$2,399,983 |
| 1431 | Trust and Agency | \$179,026,817 | \$180,322,380 |
| 1432 | Federal Trust | \$790,392,883 | \$790,392,883 |
| 1433 | Items 143 through 251: Not Set Out | | |
| 1434 | TOTAL FOR | | |
| 1435 | OFFICE OF EDUCATION | | |
| 1436 | | \$13,683,664,968 | \$14,104,353,715 |
| 1437 | General Fund | | \$14,038,279,361 |
| 1438 | Positions | 18,871.30 | 18,888.90 |
| 1439 | Nongeneral Fund | | |
| 1440 | Positions | 32,721.50 | 33,053.52 |
| 1441 | Position Level | 51,592.80 | 51,942.32 |

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| 1442 | Fund Sources: | | |
| 1443 | General | \$7,635,423,686 | \$7,830,163,853 |
| 1444 | | | \$7,764,089,499 |
| 1445 | Special | \$73,114,351 | \$76,903,093 |
| 1446 | Higher Education | | |
| 1447 | Operating | \$4,826,813,350 | \$5,045,323,246 |
| 1448 | Commonwealth | | |
| 1449 | Transportation | \$2,399,983 | \$2,399,983 |
| 1450 | Trust and Agency | \$179,326,817 | \$180,622,380 |
| 1451 | Debt Service | \$152,094,141 | \$154,440,844 |
| 1452 | Dedicated Special | | |
| 1453 | Revenue | \$12,630,885 | \$12,630,885 |
| 1454 | Federal Trust | \$801,861,755 | \$801,869,431 |
| 1455 | Items 252 through 463: Not Set Out | | |
| 1456 | TOTAL FOR | | |
| 1457 | EXECUTIVE DEPARTMENT | \$34,110,180,671 | \$34,974,085,231 |
| 1458 | | | \$34,908,010,877 |
| 1459 | General Fund Positions | 52,207.39 | 52,219.69 |
| 1460 | Nongeneral Fund | | |
| 1461 | Positions | 59,306.84 | 59,690.06 |
| 1462 | Position Level | 111,514.23 | 111,909.75 |
| 1463 | Fund Sources: | | |
| 1464 | General | \$16,334,550,917 | \$16,573,915,438 |
| 1465 | | | \$16,507,841,084 |
| 1466 | Special | \$1,483,763,434 | \$1,621,624,211 |
| 1467 | Higher Education | | |
| 1468 | Operating | \$4,833,655,952 | \$5,052,165,848 |
| 1469 | Commonwealth | | |
| 1470 | Transportation | \$4,065,286,028 | \$4,120,333,115 |
| 1471 | Enterprise | \$654,307,800 | \$653,674,588 |
| 1472 | Trust and Agency | \$1,047,785,366 | \$1,062,109,450 |
| 1473 | Debt Service | \$204,399,236 | \$206,745,939 |
| 1474 | Dedicated Special | | |
| 1475 | Revenue | \$625,504,579 | \$631,750,197 |
| 1476 | Federal Trust | \$4,860,927,359 | \$5,051,766,445 |
| 1477 | Items 464 through 481: Not Set Out | | |
| 1478 | TOTAL FOR PART 1: | | |
| 1479 | OPERATING EXPENSES | \$34,904,269,286 | \$35,750,490,632 |
| 1480 | | | \$35,684,416,278 |
| 1481 | General Fund | | |
| 1482 | Positions | 55,904.48 | 55,916.78 |
| 1483 | Nongeneral Fund | | |
| 1484 | Positions | 60,967.46 | 64,350.68 |
| 1485 | Position Level | 116,871.94 | 117,267.46 |
| 1486 | Fund Sources: | | |
| 1487 | General | \$16,779,048,401 | \$16,982,495,713 |
| 1488 | | | \$16,916,421,359 |
| 1489 | Special | \$1,582,139,532 | \$1,722,709,724 |
| 1490 | Higher Education | | |
| 1491 | Operating | \$4,833,655,952 | \$5,052,165,848 |
| 1492 | Commonwealth | | |
| 1493 | Transportation | \$4,065,286,028 | \$4,120,333,115 |
| 1494 | Enterprise | \$822,233,996 | \$837,099,712 |

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|-------------|-------------------|-----------------|-----------------|
| 1495 | Trust and Agency | \$1,091,584,780 | \$1,105,769,295 |
| 1496 | Debt Service | \$204,399,236 | \$206,745,939 |
| 1497 | Dedicated Special | | |
| 1498 | Revenue | \$660,473,168 | \$666,884,007 |
| 1499 | Federal Trust | \$4,865,448,193 | \$5,056,287,279 |

1500 PART 2: CAPITAL PROJECT EXPENSES

1501 § 2-0 General Conditions: Not Set Out

1502 Items C-1 through C-328: Not Set Out

1503 PART 3: MISCELLANEOUS

1504 § 3-1.01 through § 3-6.02: Not Set Out

1505 PART 4: GENERAL PROVISIONS

1506 § 4-0.01 through § 4-12.00: Not Set Out

1507 § 4-13.00 EFFECTIVE DATE

1508 ~~This act is effective on July 1, 2006.~~ This act is effective on its passage as provided in §1-12c, Code of
1509 Virginia.

1510 PART 5: ENACTMENT NUMBERS 2 THROUGH 5

1511 Enactment 2: Not Set Out