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SENATE BILL NO. 598

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Education and Health
on February 9, 2012)

(Patron Prior to Substitute—Senator Newman)

A BILL to amend the Code of Virginia by adding a section numbered 22.1-212.25:1, relating to public schools; virtual education.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-212.25:1 as follows:

§ 22.1-212.25:1. Funding; calculation of state and local share for enrollment in virtual school programs.

A. Effective with the 2013-2014 school year, any student who enrolls full time in a virtual school program served by a multidivision online provider outside his school division of residence shall have the state and local share of Standards of Quality per pupil funding of his school division of residence provided to the enrolling school division. The per pupil funding provided shall consist only of the Standards of Quality per pupil amounts of the resident school division that are distributed on the basis of March 31 average daily membership. No other state funds, or local share of funds from the resident division, shall be provided to the enrolling division for such students. The state share per pupil funding provided shall be based on the resident division composite index and shall include the resident division's per child share of state sales tax funding in basic aid. The local share per pupil funding transferred from the resident division to the enrolling division shall be based on the resident division composite index and shall be further adjusted at 76 percent of the local share per pupil value. In no case shall the total state and local share per pupil funding provided to the enrolling division exceed the lesser of a maximum per pupil price established pursuant to subsection G or \$6,500. If the total state and local share per pupil funding provided to the enrolling division would exceed the lesser of the aforementioned amounts, the local share per pupil amount shall be reduced first, and the state share per pupil amount reduced second, so that the total state and local share per pupil funding does not exceed the lesser of the aforementioned amounts.

B. Students residing in a division who enroll on a full-time basis in a virtual school program served by a multidivision online provider outside the division shall not be counted in the March 31 average daily membership or fall membership of the resident division. Such students shall not be counted in the required local effort of the resident division but shall be counted in the required local effort of the enrolling division based on March 31 average daily membership.

C. The state and local share Standards of Quality per pupil funding of the resident school division shall be provided for eligible students based on their March 31 average daily membership counted in the enrolling division. The Department of Education shall pay the state share per pupil funding directly to the enrolling division on a semimonthly basis. Such state share per pupil funding shall be based on the Standards of Quality per pupil funding enacted in the current appropriation act. The division superintendent of the enrolling division shall certify on a quarterly basis each school year the number of students enrolled from outside the division in its multidivision online provider virtual school program and the legal residence of such enrolled students. Based upon such quarterly certification, the enrolling division shall invoice the affected resident school divisions on a quarterly basis in order for a one-quarter portion of the local share per pupil amount to be transferred from the resident division to the enrolling division. The resident school division shall transfer the certified quarterly local share per pupil payment to the enrolling division within 30 calendar days of the receipt of the quarterly invoice from the enrolling division. Such quarterly local share per pupil funding shall be based on the Standards of Quality per pupil funding enacted in the current appropriation act. The quarterly local share per pupil amount transferred shall be prorated for the portion of the quarter that a student was not enrolled in the virtual school program served by a multidivision online provider outside his school division of residence.

D. Any student who intends to enroll full time in a virtual school program served by a multidivision online provider outside his school division of residence for the next school year must notify the school division of residence of his intent to do so by August 15 each year, in order to be eligible to have the state and local share of Standards of Quality per pupil funding of the school division of residence provided to the enrolling school division in the next school year. For any student who enrolls full time in a virtual school program served by a multidivision online provider within his school division of residence, the resident school division shall receive state funding for such student on the same basis as other students in the school division, and such student shall be included in the required local effort of the division based on March 31 average daily membership.

60 E. Students who are enrolled on a full-time basis in a virtual school program served by a
61 multidivision online provider shall be excluded from the calculation of instructional position costs of the
62 Standards of Quality in budgeting for each state biennial budget. Any student who enrolls full time in a
63 virtual school program served by a multidivision online provider outside his school division of residence
64 shall be enrolled in a school in the enrolling division and such school shall be responsible for any
65 federal and state accountability requirements applicable to such students.

66 F. The Department of Education, with the assistance of the Department of General Services, shall
67 establish statewide pricing schedules for full-time virtual school programs offered by multidivision online
68 providers approved by the Board of Education. Such pricing schedules shall establish a maximum per
69 pupil price that multidivision online providers may charge a local school board for a full-time virtual
70 school program but shall not include any other terms or conditions affecting a local school board's
71 contract with a multidivision online provider, shall be exempt from the Virginia Public Procurement Act
72 (§ 2.2-4300 et seq.), and shall be updated periodically to reflect changes in program offerings and costs
73 or as new multidivision online providers are approved by the Board of Education. In contracting with
74 multidivision online providers for full-time virtual school programs pursuant to subsection C of
75 § 22.1-212.24, local school boards may use such pricing schedules or they may negotiate their own
76 pricing with multidivision online providers.

77 G. The \$6,500 amount established in subsection A may be adjusted pursuant to language enacted in
78 the appropriation act.