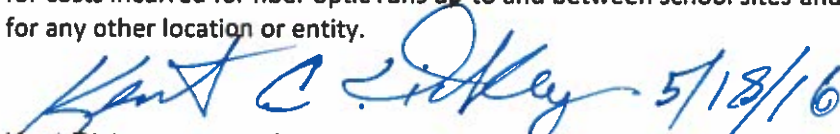


Virginia State Matching Fund Authorizing Language

This document details the authorizing legislation that establishes and describes the rule making for Educational Technology Payments, which is intended, among other purposes, to enable school divisions to develop the capability for high speed Internet connectivity. School divisions may use funds from the Virginia Public School Authority (VPSA) Education Technology Notes grant program to pay for costs associated with deploying fiber optic cable directly to schools under the E-rate program. The costs for fiber optic cable to be reimbursed from VPSA funds must be for costs incurred for fiber optic runs up-to and between school sites and not pay for connection costs for any other location or entity.

 5/18/16
Kent Dickey, Deputy Superintendent, Finance and Operations

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Reenrolled <http://budget.lis.virginia.gov/item/2016/1/HB30/Reenrolled/1/139/>

12. Educational Technology Payments

- a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a pro rata basis to localities. The additional funds shall be used for technology needs identified in the division's technology plan approved by the Department of Education.
- b. The Department of Education shall authorize amounts estimated at \$11,618,250 the first year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2012.
- c. The Department of Education shall authorize amounts estimated at \$12,127,750 the first year and \$12,132,750 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2013.
- d. 1) The Department of Education shall authorize amounts estimated at \$13,248,500 the first year and \$13,246,250 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2014.

2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2018-2020 biennial budget for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in fiscal year 2019.

e. 1) The Department of Education shall authorize amounts estimated at \$13,808,000 the first year and \$13,805,000 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2015.

2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2018-2020 biennial budget for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in fiscal years 2019 and 2020.

f. 1) The Department of Education shall authorize amounts estimated at \$14,988,495 the first year and \$14,988,495 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2016.

2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2018-2020 and 2020-2022 biennial budget for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in fiscal years 2019, 2020, and 2021.

g. 1) An education technology grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at \$72,660,000 in fiscal year 2017 and \$74,830,800 in fiscal year 2018. Proceeds of the notes will be used to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools. School divisions shall use these funds first to develop and maintain the capability to support the administration of online SOL testing for all students with the exception of students with a documented need for a paper SOL test.

2) The Department of Education shall authorize amounts estimated at \$14,988,495 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2017.

3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for education technology grant programs in fiscal year 2017 and in fiscal year 2018. In developing the proposed 2018-2020, 2020-2022, and 2022-2024 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2019, 2020, 2021, 2022, and 2023.

4) Grant funds from the issuance of \$72,660,000 in fiscal year 2017 and \$74,830,800 in fiscal year 2018 in equipment notes are based on a grant of \$26,000 per school and \$50,000 per school division. For purposes of this grant program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2016, for the fiscal year 2017 issuance, and September 30, 2017, for the fiscal year 2018 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the School for the Deaf and the Blind. Schools that serve only pre-kindergarten students shall not be eligible for this grant.

5) Supplemental grants shall be allocated to eligible divisions to support schools that are not fully accredited in accordance with this paragraph. Schools that include a ninth grade that administer SOL tests in Spring 2016 and that are not fully accredited for the second consecutive year, based on school accreditation ratings in effect for fiscal year 2016 and fiscal year 2017 will qualify to participate in the Virginia e-Learning Backpack Initiative in fiscal year 2017 and receive: (1) a supplemental grant of \$400 per student reported in ninth grade fall membership in a qualifying school for the purchase of a laptop or tablet for that student and (2) a supplemental grant of \$2,400 per qualifying school to purchase two content creation packages for teachers. Schools eligible to receive this supplemental grant in fiscal year 2017 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Schools that administer SOL tests in Spring 2017 and that are not fully accredited for the second consecutive year based on school accreditation ratings in effect for fiscal year 2017 and fiscal year 2018 will qualify to participate in the initiative in fiscal year 2018. Schools eligible for the supplemental grants in previous fiscal years shall continue to be eligible for the remaining years of their grant award. Schools eligible to receive this supplemental grant in fiscal year 2018 shall continue to receive the grant for the

number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may transition with the students to the primary receiving school for all years subsequent to grade 9. Schools are eligible to receive these grants for a period of up to four years beginning in fiscal year 2014 and shall not be eligible to receive a separate award in the future once the original award period has concluded. Schools that are fully accredited or that are new schools with conditional accreditation in their first year shall not be eligible to receive this supplemental grant.

6) Required local match:

a) Localities are required to provide a match for these funds equal to 20 percent of the grant amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25 percent of the local match, including the match for supplemental grants, shall be used for teacher training in the use of instructional technology, with the remainder spent on other required uses. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) School divisions that administer 100 percent of SOL tests online in all elementary, middle, and high schools may use up to 75 percent of their required local match to purchase targeted technology-based interventions. Such interventions may include the necessary technology and software to support online learning, technology-based content systems, content management systems, technology equipment systems, information and data management systems, and other appropriate technologies that support the individual needs of learners. School divisions that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in qualifying schools to purchase laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers.

7) The goal of the education technology grant program is to improve the instructional, remedial, and testing capabilities of the Standards of Learning for local school divisions and to increase the number of schools achieving full accreditation.

8) Funds shall be used in the following manner:

a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed

access to the Internet. School connectivity (computers, LANs and network access) shall include sufficient download/upload capability to ensure that each student will have adequate access to Internet-based instructional, remedial and assessment programs.

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

c) For purposes of establishing or enhancing a computer-based instructional program supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds may be used to purchase handheld multifunctional computing devices that support a broad range of applications and that are controlled by operating systems providing full multimedia support and mobile Internet connectivity. School divisions that elect to use these grant funds to purchase such qualifying handheld devices must continue to meet the on-line testing requirements stated in paragraph g. 1) above.

d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph g.5) above. These supplemental grants shall be used in qualifying schools for the purchase of laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers. Participating school divisions will be required to select a core set of electronic textbooks, applications and online services for productivity, learning management, collaboration, practice, and assessment to be included on all devices. In addition, participating school divisions will assume recurring costs for electronic textbook purchases and maintenance.

e) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed prior to September 30, 2000.

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

h. The Department of Education shall maintain criteria to determine if high schools, middle schools, or elementary schools have the capacity to meet the goals of this initiative. The Department of Education shall be responsible for the project management of this program.

i. 1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes of the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a sum equal to such deficiency.

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

j. Unobligated proceeds of the notes, including investment income derived from the proceeds of the notes may be used to pay interest on, or to decrease principal of the notes or to fund a portion of such other educational technology grants as authorized by the General Assembly.

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

2) The State Corporation Commission, in its consideration of the discount for services provided to elementary schools, secondary schools, and libraries and the universal service funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the discounts for intrastate services provided to elementary schools, secondary schools, and libraries for educational purposes as large as is prudently possible and to fund such discounts through the universal fund as provided in § 254 of the Telecommunications Act of 1996. The commission shall proceed as expeditiously as possible in implementing these discounts and the funding mechanism for intrastate services, consistent

with the rules of the Federal Communications Commission aimed at the preservation and advancement of universal service.