# Description of Budget Amendments Adopted by the Virginia Senate and by the House of Delegates Affecting K-12 and Early Education in the Introduced Budget for the 2024-2026 Biennium (House Bill 30/Senate Bill 30)

This document describes the changes by the Senate and House of Delegates to the introduced 2024-2026 biennial budget (House Bill (HB) 30/Senate Bill (SB) 30) that were adopted separately by the Senate and by the House of Delegates on February 22, 2024. The respective amendments proposed by the Senate and by the House of Delegates change the Governor’s proposed budget introduced in HB 30/SB 30. The proposed changes affect fiscal years 2025 and 2026.

The budget actions proposed in HB 30/SB 30 were communicated in the [Virginia Education Update Newsletter](https://content.govdelivery.com/accounts/VADOE/bulletins/3831ebb#budget), dated January 4, 2024. The original text of that attachment is repeated in this document for reference purposes. The subsequent budget actions proposed by the Senate and House of Delegates are summarized in this document and are reflected in italicized text.

Information related to the Governor’s introduced budget, and the Senate and House of Delegates proposals for the Direct Aid to Public Education and the Virginia Department of Education (VDOE) Central Office budgets for 2024-2026 is organized in the following sections:

[**Section A: Amendments to the Direct Aid to Public Education Budget**](#bookmark=id.1fob9te)

[[Technical Updates to Existing Direct Aid Programs Included in HB 30/SB 30](#bookmark=id.3znysh7)](#_2._Direct_Aid)

[[Direct Aid Budget Policy Changes Included in HB 30/SB 30](#bookmark=id.2et92p0)](#_2._Direct_Aid)

[[Direct Aid Budget Policy Changes Not Included in HB 30/SB 30](#_3._Direct_Aid)](#bookmark=id.2et92p0)

[Direct Aid Budget Language Changes Included in HB 30/SB 30](#bookmark=id.tyjcwt)

[Direct Aid Budget Language Changes Not Included in HB 30/SB 30](#_5._Language-Only_Amendments)

[**Section B: Amendments to the VDOE Central Office Budget**](#_B._2024-2026_VDOE)

[Amendments to VDOE Central Office Budget Included in HB 30/SB 30](#bookmark=id.4d34og8)

[Amendments to VDOE Central Office Budget Not Included in HB 30/SB 30](#_2._Amendments_to)

[VDOE Central Office Budget Language Changes Included in HB 30/SB 30](#_2._Language-Only_Amendments)

[VDOE Central Office Budget Language Changes Not Included in HB 30/SB 30](#_4._Language-Only_Amendments)

## A. 2024-2026 DIRECT AID TO PUBLIC EDUCATION BUDGET

### 1. Technical Updates to Existing Direct Aid Programs Included in HB 30/SB 30

#### Rebenchmark Direct Aid Costs for 2024-2026 (as presented to the Board of Education in December 2023)

**Introduced**- The introduced budget includes the state’s share of routine rebenchmarking of costs for all Standards of Quality (SOQ) and other Direct Aid programs. These technical adjustments include updates for factors such as funded salaries, Annual School Report data used to calculate prevailing costs, inflation factors, Standards of Learning (SOL) test score updates, enrollment updates, free lunch data updates, and projected caseloads for Lottery, incentive and categorical programs. For FY 2025, routine rebasing of costs for the SOQ and other Direct Aid programs results in an increase in state cost of $72.6 million. For FY 2026, the increase in state cost is $87.9 million.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Updates to Enrollment Projections Subsequent to the Rebenchmarking Budget Presented to the Board of Education in December 2023

**Introduced**- The introduced budget includes updates to enrollment projections based on actual September 30, 2023, fall membership, as reported by school divisions on the Fall Student Records Collection. The updated statewide projections of March 31 average daily membership (ADM) are 1,212,152 in FY 2025 and 1,209,773 in FY 2026, representing 0.40 percent and 0.59 percent reductions in the ADM projections, respectively. These updates reduce state payments to school divisions by $36.0 million in FY 2025 and by $54.7 million in FY 2026.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Other Technical Updates to Direct Aid Accounts for 2024-2026 Subsequent to the Rebenchmarking Budget Presented to the Board of Education in December 2023

**Introduced-** The introduced budget includes the state’s share of cost for additional technical updates related to the rebenchmarking process that were completed subsequent to the presentation to the Board of Education in December 2023. These technical adjustments include updates to factors such as, but not limited to, inflation adjustments, CTE enrollment data, SOL test failure rate data, and caseloads for Lottery, incentive and categorical programs. These adjustments reflect the cost of continuing current programs with the required data updates used in the funding formulas, and do not reflect any changes in policy. These updates decrease the state’s share of cost by $19.7 million in FY 2025 and by $20.7 million in FY 2026.

***Senate*** *– Proposes technical amendments related to SOL Algebra Readiness, Alternative Education, Bonus Payments, and pupil transportation costs funded in Basic Aid. The state impact is a $1.8 million decrease in FY 2025 and a $2.0 million decrease in FY 2026.*

***House*** *– Proposes technical amendments related to SOL Algebra Readiness, Alternative Education, Bonus Payments, and pupil transportation costs funded in Basic Aid. The state impact is a $6.7 million decrease in FY 2025 and a $6.6 million decrease in FY 2026.*

#### Updates for the Recalculation of the Local Composite Index (LCI) for 2024-2026

**Introduced**- The [2024-2026 Composite Index of Local Ability-to-Pay](https://www.doe.virginia.gov/home/showpublisheddocument/51057/638359776428800000) was recalculated using 2021 base-year data provided by the Department of Taxation for adjusted gross income, taxable retail sales, and the true value of real property. The estimates of local population for 2021 are provided by the Weldon Cooper Center for Public Service at the University of Virginia, and the March 31, 2022, Average Daily Membership (ADM) is based on data reported by school divisions to VDOE. These adjustments reflect required data updates used in the composite index formula, and do not reflect any changes in policy. Updating Direct Aid accounts based on the recalculated 2024-2026 LCI decreases the state’s share of Direct Aid funding by $30.8 million in FY 2025 and by $30.5 million in FY 2026. The funding impact on school divisions varies depending on whether a school division’s LCI increased or decreased compared to its 2022-2024 LCI.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Update Sales Tax Projections

**Introduced**- The introduced budget reflects the most recent estimates of sales tax revenue dedicated to public education for FY 2025 and FY 2026, as computed by the Department of Taxation. These updates are technical in nature and reflect the latest economic forecast with no changes in policy regarding the sales tax base itself. The revised sales tax estimates include both the one percent portion and the one-eighth percent portion that are appropriated for distribution to school divisions based on school-age population. The projected sales tax entitlement contained in the December planning tool reflects the revised estimates for these two sales tax sources combined as a single revenue line item.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Update Lottery Revenue Estimate

**Introduced**- In line with the broader economic forecast, total Lottery proceeds are projected to decrease by $2.3 million to $852.9 million in FY 2025 and by $2.3 million to $852.9 million in FY 2026, compared to the FY 2024 Lottery estimate in Chapter 1. The total projected Lottery amounts in FY 2025 and 2026 are being used to fund the state share of the cost of various programs, such as the Infrastructure and Operations Per Pupil Fund, Early Reading Intervention, K-3 Primary Class Size Reduction, Special Education Regional Tuition, and SOL Algebra Readiness.

***Senate*** *– Proposes to increase the FY 2025 Lottery proceeds estimate by $25.0 million. This proposal would decrease general funds for Direct Aid by $25.0 million in FY 2025. This proposal has no impact on state distributions to school divisions.*

***House*** *– Same as the introduced budget.*

### 2. Direct Aid Budget Policy Changes Included in HB 30/SB 30

#### Update Employer Contribution Rates for Virginia Retirement System (VRS) Fringe Benefits

**Introduced**- The introduced budget proposes:

|  |  |  |  |
| --- | --- | --- | --- |
| **FUNDED EMPLOYER CONTRIBUTION RATES FOR BENEFITS** | **FY 2024** | **Proposed FY 2025** | **Proposed FY 2026** |
| Instructional & Professional Support VRS (Employer Share) (Does not include RHCC - see below) | 16.62% | 15.23% | 15.23% |
| Instructional & Professional Support VRS (Employee Share) | 5.00% | 5.00% | 5.00% |
| **Total Instructional & Professional Support VRS Rate** | 21.62% | 20.23% | 20.23% |
| Group Life (Employer Share) | 0.54% | 0.54% | 0.54% |
| Retiree Health Care Credit (*Paid as part of the VRS Instructional retirement per pupil amount)* | 1.21% | 1.21% | 1.21% |
| Non-professional Support VRS | 7.00% | 7.93% | 7.93% |
| Social Security | 7.65% | 7.65% | 7.65% |
| Health Care Premium | $6,171 | $6,425 | $6,425 |
| Total Instructional Benefit Percent (Employer Share) | 26.02% | 24.63% | 24.63% |
| Total Non-professional Support Benefit Percent (Employer Share) | 15.19% | 16.12% | 16.12% |

The prevailing non-professional VRS rate has been updated and is funded at 7.93 percent for both years of the biennium. This prevailing rate is used for state funding purposes only; the actual non-professional rate charged to school divisions by VRS will vary by school division.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Fund the State Share of a Compensation Supplement for Funded SOQ Instructional and Support Positions in FY 2026

**Introduced**- The introduced budget provides a 2.0 percent salary increase in FY 2026 with an effective date ofJuly 1, 2025. The state funding is calculated with an effective date of July 1, 2025, for funded SOQ instructional and support positions, Academic Year Governor’s Schools, and Regional Alternative Education Programs. Funded SOQ instructional positions include teacher, school counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division. School divisions must certify to VDOE that they will provide an average 2.0 percent increase in FY 2026 to be eligible for full state funding. School divisions that provide at least an average 1.0 percent salary increase would be eligible for prorated state funding in FY 2026.

The introduced budget provides $122.8 million in FY 2026 for the state share of the compensation supplements described above, to school divisions which certify to VDOE that the minimum salary increases described above will be provided to instructional and support personnel in FY 2026. A required local match based on the division LCI is required in FY 2026.

***Senate*** *– Proposes a 3.0 percent compensation supplement effective October 1, 2024, and another 3.0 percent compensation supplement effective July 1, 2025, for SOQ-funded instructional and support positions, Academic Year Governor’s Schools, and regional alternative education programs. School divisions must certify that at least an average 1.5 percent local salary increase will be provided for their instructional and support personnel to receive state funding in each year. This proposal increases state funding to school divisions by $142.7 million in FY 2025 and by $259.2 million in FY 2026. State funding will be prorated for eligible average local salary increases less than 3.0 percent in both years.*

***House*** *– Proposes a 3.375 percent compensation supplement effective July 1, 2024, and another 3.375 percent compensation supplement effective July 1, 2025, for SOQ-funded instructional and support positions, Academic Year Governor’s Schools, and regional alternative education programs. To access state funding in FY 2025, school divisions must provide at least an average 2.0 percent local salary increase. To access state funding in FY 2026, school divisions must provide at least an average 2.0 percent local salary increase in FY 2025 and at least an average 2.0 percent local salary increase in FY 2026 for their instructional and support personnel. State funding will be prorated for eligible average local salary increases less than 3.375 percent in both years.*

#### Expand State Funding for Reading Specialists to K-8

**Introduced**- The introduced budget increases state funding to expand reading specialists funded in Basic Aid to eighth grade. This proposal matches the reading specialist staffing standard in Chapter 646, which was adopted during the 2023 General Assembly. This proposal provides an additional $30.5 million in state funding to school divisions in FY 2025 and $30.7 million in FY 2026.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Remove Funding Cap for Supplemental Basic Aid

**Introduced**- The introduced budget removes the cap on funding for Supplemental Basic Aid, which was originally enacted by Chapter 589, 2008 General Assembly. At the present time, this proposal only affects Rappahannock County. This proposal increases state payments to Rappahannock County by $1.8 million in FY 2025 and by $1.7 million in FY 2026.

***Senate*** *– Proposes to restore the cap on funding for Supplemental Basic Aid. This proposal only affects Rappahannock County. This proposal would reduce state funding to Rappahannock County by $1.8 million in FY 2025 and by $1.7 million in FY 2026.*

***House*** *– Same as the Senate amendment.*

#### Remove LCI Cap for Virginia Preschool Initiative State Payments

**Introduced-** State payments to school divisions for the Virginia Preschool Initiative (VPI) have been calculated using a cap on the local composite index of 0.5000. The LCI cap has resulted in the state paying a minimum of 50.0 percent share of costs for VPI slots. The introduced budget removes the cap on LCI in the calculation of state payments for VPI. This proposal reduces state payments by $11.6 million in FY 2025 and $11.7 million in FY 2026. These funds are redirected to the Central Office budget for the Child Care Subsidy Program.

***Senate*** *– Proposes to restore the cap on the local composite index for the VPI program. This proposal would increase state funding for VPI by $7.9 million in FY 2025 and by $7.8 million in FY 2026. The proposal would increase estimated VPI payments to school divisions by $11.7 million in FY 2025 and FY 2026.*

***House*** *– Same as the Senate amendment.*

#### Non-Participation Rate for Virginia Preschool Initiative Slots

**Introduced**- The introduced budget assumes a non-participation rate of 32.5 percent in FY 2025 for Virginia Preschool Initiative slots and a non-participation rate of 33.0 percent in FY 2026, consistent with the actual non-participation rate from fiscal year 2023. This proposal removes $56.1 million in FY 2025 and $56.8 million in FY 2026 in state funding from the VPI program. School divisions will be paid based on actual slots filled during FY 2025 and FY 2026 and based on the availability of state funding. The removed funds are redirected to the VDOE Central Office budget for the Child Care Subsidy Program.

Additionally, a language amendment discussed further below specifies that any unexpended VPI funds each year are redirected to the Central Office budget for the Child Care Subsidy Program if there is unmet parental demand.

***Senate*** *– Proposes to restore the 20.0 percent VPI non-participation rate used for state budgeting purposes during the 2022-2024 biennium. This proposal increases state funding appropriated for VPI by $23.1 million in FY 2025 and by $23,9 million in FY 2026. This proposal has no impact on projected VPI distributions to school divisions.*

***House*** *– Same as the introduced budget.*

#### Reduce State Funding for Specific Virginia Preschool Initiative Slot Categories

**Introduced**- The introduced budget reduces the amounts funded for specific VPI slot categories, such as three-year-olds, expanded class sizes, and service of children on wait lists, based on actual participation levels in previous years. This proposal reduces state funding for these types of VPI slots by $12.0 million in FY 2025 and FY 2026. School divisions that serve children in these categories will receive state funds based on actual students served in FY 2025 and FY 2026 and availability of state funding. These funds are redirected to the Central Office budget for the Child Care Subsidy Program.

***Senate*** *– Proposes to restore the funding for VPI expansion programs to the amounts funded in FY 2024. This proposal increases state funding for preschool programs by $12.0 million in FY 2025 and FY 2026.*

***House*** *– Same as the introduced budget.*

#### School Construction Assistance Program

**Introduced**- The introduced budget recognizes $80.0 million in FY 2025 and FY 2026 to be transferred from casino gaming proceeds to the School Construction Fund. These funds will be reserved for the School Construction Assistance Program, which is a competitive grant program supporting school construction and renovation. No changes are proposed to the budget language governing the program.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Literary Fund Transfer for VRS Retirement

**Introduced**- The introduced budget provides a transfer from the Literary Fund to support the state’s share of cost for teacher retirement payments to school divisions. These updates decrease general fund support for teacher retirement by $150.0 million in FY 2025 and FY 2026. This action does not affect division per pupil amounts or projected entitlements for VRS retirement in FY 2025 or 2026 and is only a change in the source of funding.

***Senate*** *– Proposes to remove the Literary Fund support for teacher retirement. This proposal would increase general fund support for Direct Aid by $150.0 million in FY 2025 and FY 2026 and reverse usage of Literary Funds for VRS payments. This proposal would not affect state distributions to school divisions.*

***House*** *– Proposes to increase the Literary Fund support for teacher retirement by $117.5 million in FY 2025 and FY 2026. This proposal would reduce general fund support for teacher retirement by the same amounts in each year. This proposal would not affect state distributions to school divisions.*

#### One-Time Funds to Virginia Retirement System for Teacher Retirement

**Introduced**- The introduced budget provides $115.0 million from the general fund and $235.0 million from the Literary Fund in FY 2025 to make a one-time payment to the Virginia Retirement System for unfunded liabilities in the teacher retirement plan.

***Senate*** *– Proposes to remove $115.0 million general fund and $235.0 million nongeneral fund (Literary Funds) in FY 2025 for the one-time payment to the Virginia Retirement System for teacher retirement.*

***House*** *– Proposes to remove $115.0 million general fund and $235.0 million nongeneral fund (Literary Funds) in FY 2025 for the one-time payment to the Virginia Retirement System for teacher retirement. The Literary Funds would be redirected to school divisions for teacher retirement.*

#### College Partnership Laboratory School Fund

**Introduced**- The introduced budget proposes an additional $30.0 million in FY 2025 and FY 2026 from the general fund to be deposited into the College Partnership Laboratory School Fund. These additional funds would support operational per pupil grant funds for programs that have signed a contract with the Board of Education.

***Senate*** *– Proposes to remove general fund transfers to the College Partnership Laboratory School Fund. This proposal would decrease state funding to the Fund by $30.0 million in FY 2025 and FY 2026.*

***House*** *– Same as the Senate amendment.*

#### Provide Supplemental Funding to Accomack County and Northampton County

**Introduced**- The introduced budget provides supplemental state funding to Accomack and Northampton Counties for teacher recruitment and retentions, including adjustments to salary scales to minimize the misalignment of salary scales of adjacent counties. This proposal provides $0.8 million in FY 2025 and FY 2026.

***Senate*** *– Proposes to remove the supplemental funding for Accomack County and Northampton County. This proposal would decrease state funding to the two counties by $0.8 million in FY 2025 and FY 2026.*

***House*** *– Proposes to increase the state payments to Accomack County and Northampton County by $950,000 in FY 2025 and FY 2026. This proposal restores the appropriated amount in FY 2024.*

#### Fund the State’s Share of a One-Time Bonus Payment for Funded SOQ Instructional and Support Positions in FY 2025

**Introduced**- The introduced budget provides a 1.0 percent one-time bonus payment in FY 2025. The state funding is calculated for funded SOQ instructional and support positions, Academic Year Governor’s Schools, and Regional Alternative Education Programs. Funded SOQ instructional positions include teacher, school counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division. This action requires a local match by school divisions based on the composite index of local ability-to-pay. State funding is provided to school divisions that certify to VDOE that a minimum average 1.0 percent bonus or equivalent action will be provided in FY 2025, by July 1, 2024, to all instructional and support employees in the division. A 1.0 percent base pay increase provided by a school division would meet this requirement. This proposal increases state funding to school divisions in FY 2025 by $53.0 million.

***Senate*** *– Proposes to remove state funding for the bonus payment in FY 2025. This proposal would reduce state funding to school divisions by $53.0 million in FY 2025.*

***House*** *– Same as the Senate amendment.*

#### Diploma Plus Program

**Introduced**- The introduced budget provides $20.0 million in FY 2025 and FY 2026 for the Diploma Plus program. This program provides grants to high school students to support attainment of high-demand industry recognized credentials, as defined by the Top Jobs List as approved by the Virginia Board of Workforce Development and aligned to the fields selected from the Virginia Office of Education Economics. Funds may be used for tuition, fees, materials, transportation, or other associated costs at an eligible public school, private school, postsecondary education institution, or a virtual program by an approved private online provider. Eligible students must enroll during grades 9 through 12 in Virginia and must not have previously received a Diploma Plus award. Eligible students and their parent or guardian must sign an agreement with VDOE to complete an entire industry recognized credential pathway. Prioritization will be given to high school students in their junior year or earlier that can complete the entire program prior to graduation. At least 25.0 percent of grants shall be provided to students eligible for free or reduced-price lunch. Up to $200,000 per year may be reserved for VDOE’s start-up and operating costs.

***Senate*** *– Proposes to remove state funding for the Diploma Plus program. This amendment would reduce state funding in Direct Aid by $20.0 million in FY 2025 and FY 2026.*

***House*** *– Same as the Senate amendment.*

#### Base Increase for State Sales Tax Distributions

**Introduced -** The introduced budget provides an increase to sales tax distributions in FY 2025 and FY 2026 from the implementation of a tax policy change to increase the taxable base beginning in FY 2025. This action increases the technical adjustment to sales tax distributions (described earlier in this document) by $53.6 million in FY 2025 and by $138.9 million in FY 2026. The corresponding reductions to general funds for state Basic Aid are $29.7 million in FY 2025 and $77.0 million in FY 2026. The net increase in state funding to school divisions from this proposal is $23.9 million in FY 2025 and $61.8 million in FY 2026.

***Senate*** *– Proposes to remove state funding for the base increase to sales tax as provided in the introduced 2024-2026 biennial budget. This proposal would decrease sales tax distributions to school divisions by $53.6 million in FY 2025 and by $138.9 million in FY 2026. The corresponding increase in general funds to school divisions would be $29.7 million in FY 2025 and $77.0 million in FY 2026. The net decrease in state funding to school divisions would be $23.9 million in FY 2025 and $61.8 million in FY 2026.*

***House*** *– Same as the introduced budget.*

#### Supplemental General Fund Distribution for Grocery and Personal Hygiene Taxes

**Introduced-** The introduced budget removes the supplemental general fund payment to school divisions for the elimination of grocery and personal hygiene taxes, which is distributed using estimated school-age population and deducted from Basic Aid like existing sales taxes dedicated to public education. This action decreases the supplemental general fund payment by $257.2 million in FY 2025 and FY 2026. The corresponding increases to general funds for state Basic Aid are $142.7 million in FY 2025 and FY 2026. The net decrease in state funding to school divisions from this proposal is $114.5 million in FY 2025 and FY 2026.

***Senate*** *– Proposes to reinstate the supplemental general fund payment to school divisions in lieu of grocery and personal hygiene taxes. This proposal provides a supplemental payment of $272.5 million in FY 2025 and $273.6 million in FY 2026. The corresponding reduction in general funds for Basic Aid from the offset in the Basic Aid formula would be $151.1 million in FY 2025 and $151.7 million in FY 2026. The net increase in state funding to school divisions would be $121.3 million in FY 2025 and $121.8 million in FY 2026.*

***House*** *– Same as the introduced budget.*

#### Supplemental Education Assistance Programs

**Introduced**- The introduced budget includes new Supplemental Education Assistance Programs in FY 2025 and 2026 and amendments to existing programs.

##### Virginia Early Childhood Foundation

The introduced budget increases state funding to the Virginia Early Childhood Foundation (VECF) by $26.8 million in FY 2025 and FY 2026. The increased funding is intended to support public-private delivery of early learning services that address the needs of working families.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

##### REACH Virginia

The introduced budget provides $630,000 in FY 2025 to REACH Virginia to provide teacher retention services to Virginia public school divisions.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

##### Virginia Holocaust Museum

The introduced budget provides $250,000 in FY 2025 and $125,000 in FY 2026 to the Virginia Holocaust Museum to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support high-quality, off-site learning experiences, educational content, and exhibitions for students to engage in educational content, aligned to Virginia's Standards of Learning, related to the history of the Holocaust and other genocides.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget. Also, adds language specifying various purposes for which the state funding is intended to be used during the biennium.*

##### Vision Screening Grants

The introduced budget provides an additional $200,000 in FY 2025 and FY 2026 to pay a portion of the vision screening of students in kindergarten, second or third grade, seventh grade, and tenth grade.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

##### Dual Enrollment Grants

The introduced budget provides an additional $100,000 in FY 2025 and FY 2026 for tuition scholarships for public high school teachers seeking credentials to qualify to teach dual enrollment courses in their local school division. This existing funding is transferred from the State Council for Higher Education in Virginia’s budget. The lifetime maximum scholarship award to an individual under this program is $12,000.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

##### Grow-Your-Own Teacher Grants

The introduced budget provides $240,000 in FY 2025 and FY 2026 for grants to low-income high school graduates who attended a public institution of higher education in Virginia and teach in high-need public schools. Grant awards to a school division will be $7,500 per academic year for up to four years. This grant program was previously budgeted under the State Council for Higher Education.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

##### Communities In Schools

The introduced budget provides an additional $500,000 in FY 2025 and FY 2026 to strengthen and sustain the Communities in Schools program at new schools.

***Senate*** *– Same as the introduced budget.*

***House*** *– Proposes to remove the $500,000 in additional state funding for this program.*

### 3. Direct Aid Budget Policy Changes Not Included in HB 30/SB 30

#### ARPA Ventilation Grants

***Senate*** *– No action.*

***House*** *– Proposes to advance the obligation deadline for the ARPA School Ventilation Grants from December 31, 2024, to July 1, 2024, and assumes $25.0 million in school division grants not obligated by the earlier deadline is reverted and repurposed to the Child Care Subsidy Program.*

#### English as a Second Language

***Senate*** *– Proposes to increase the staffing standard from 20 positions per 1,000 students receiving English as a second language services to 22 positions per 1,000 students. This proposal would increase state funding for the English as a Second Language program by $12.8 million in FY 2025 and by $13.9 million in FY 2026.*

***House*** *– Proposes to amend the methodology for calculating state funding for English language learners to a calculation based on proficiency level of students receiving English as a Second Language services. Students at proficiency levels one and two will be funded with a teacher per 20 students. Students at proficiency levels three and four will be funded with a teacher per 40 students. All other proficiency levels will be funded with one teacher per 100 students. This proposal would increase state funding to school divisions by $51.3 million in FY 2025 and by $43.7 million in FY 2025.*

#### School Breakfast Program

***Senate*** *– Proposes to increase the funded reimbursement rate for the School Breakfast program from $0.22 per meal to $0.30 per meal served above the established baseline. This amendment increases estimated state funding to school divisions by $3.2 million in FY 2025 and by $3.6 million in FY 2026.*

***House*** *– No action.*

#### State Funding for Support Positions in Basic Aid

***Senate*** *– Proposes that support services positions funded in Basic Aid will be recognized on a prevailing cost basis and removing the staffing standard cap. The introduced 2024-2026 biennial budget sets a support staffing standard of 24 positions per 1,000 students in enrollment. This proposal increases state funding to school divisions by $198.6 million in FY 2025 and by $202.0 million in FY 2026.*

***House*** *– No action.*

#### At-Risk Add-on

***Senate*** *– Proposes to increase the maximum At-Risk Add-on rate from 36.0 percent to 45.2 percent in both years of the biennium. This proposal increases state funding to school divisions by $113.0 million in FY 2025 and by $112.6 million in FY 2026.*

***House*** *– Proposes to eliminate the existing Prevention, Intervention, and Remediation program and add the At-Risk Add-on to the Standards of Quality. All school divisions would receive a flat 6.0 percent add-on to Basic Aid based on their estimated at-risk population. The at-risk population metric has been changed from the federal free lunch rate to a three-year average of the Identified Student Percentage (ISP). Additional at-risk funding is provided on a sliding scale between a 0.0 percent and 42.5 percent add-on to Basic Aid using a concentration of poverty factor, which is also based on the three-year ISP data. This amendment would increase state funding to school divisions by $196.4 million in FY 2025 and by $188.2 million in FY 2026.*

#### The House is proposing a redesign of the At-Risk Add-on formula. While amendment increases funding overall, division-level funding may increase or decrease depending on division. [Please see accompanying spreadsheets to see individual division impacts from the House and Senate proposals.](https://www.doe.virginia.gov/home/showdocument?id=52959)

#### Supplemental At-Risk Funding

***Senate*** *– Proposes additional state funding to support at-risk PK-12 students. The at-risk K-12 population is based on projected March 31 Average Daily Membership and a blended student poverty rate which combines the one-year ISP rate (weighted one-third) and the one-year federal free lunch rate (weighted two-thirds). The at-risk pre-kindergarten population is based on the number of slots calculated in the VPI program. The per-pupil add-on in FY 2025 is $232.47 and the per-pupil add-on rate in FY 2026 is $353.46. The state funding requires a local match based on the local composite index. This proposal would increase state funding to school divisions by $67.5 million in FY 2025 and by $102.3 million in FY 2026.*

***House*** *– No action.*

#### The Senate has created an additional At-Risk Add-on formula outside of the existing formula. [Please see accompanying spreadsheets for individual division impacts from Senate proposal.](https://www.doe.virginia.gov/home/showdocument?id=52959)

#### New Sales Tax Base Expansion

***Senate*** *– Proposes an alternate version of a base sales tax expansion. This amendment increases state funding to school divisions for sales taxes by $139.8 million in FY 2025 and by $350.1 million in FY 2026. There is a corresponding reduction in general funds for Basic Aid of $77.5 million in FY 2025 and $194.2 million in FY 2026. The net increase in state funding to school divisions is $62.3 million in FY 2025 and $155.9 million in FY 2026.*

***House*** *– No action.*

#### Early Childhood Care and Education

***Senate*** *– No action.*

***House*** *– Proposes to transfer funding for the Child Care Subsidy Program, the Mixed Delivery Program, and the Virginia Preschool Initiative to a new Early Childhood Care and Education (ECCE) budget item in the Direct Aid budget. This transfer includes $173.3 million in FY 2025 and $237.8 in FY 2026 from the general fund and $168.9 million in FY 2025 and $131.5 million in FY 2026 from nongeneral funds from the VDOE Central Office budget. $186.2 million in FY 2025 and $185.0 million in FY 2026 in general funds for the Mixed Delivery and VPI programs would be relocated to the new budget item within Direct Aid. The funding would be relocated to a new Item 125.10 in the Direct Aid budget.*

*The proposal also provides $21.6 million in FY 2025 and $28.7 million in FY 2026 to maintain Child Care Subsidy Program copay rates at the amounts funded in FY 2024, and to expand service to another 519 slots in FY 2025 and 1,094 slots in FY 2026. $2.3 million per year is provided to support applying copay rates used for the Child Care Subsidy Program to the Mixed Delivery program. This proposal also establishes an Employee Child Care Assistance Pilot Program of $2.0 million in FY 2025 and FY 2026 pursuant to the passage of HB 1216.*

#### Supplemental Education Assistance Programs

* **National Board for Professional Teaching Standards**

***Senate*** *– Proposes $500,000 in FY 2025 and FY 2026 for incentive grants to teachers who are pursuing or have obtained national certification from the National Board for Professional Teaching Standards and work in the Title I school or a school eligible for participation in the Community Eligibility Provision.*

***House*** *– No action.*

* **Career and Technical Education Initiatives**

***Senate*** *– Proposes $8.0 million in FY 2025 to support equipment purchases for public school career and technical education purposes. The proposal provides $2.0 million each to Portsmouth City, Chesapeake City, and Stafford County. The remaining amount will be distributed to school divisions as a competitive grant program to school divisions that want to restore high school programs that teach students skilled trades or create or restore middle school programs that encourage and recruit students to participate in high school programs that teach skilled trades. VDOE is required to weight criteria based on the number of job openings in its geographical area for which the desired industry-recognized credential would make an individual a competitive candidate, the number of students who will be eligible to enroll in the restored or new program, the socioeconomic status of eligible students, and the extent to which such programs are made available to students from multiple schools within the local school division or other local school divisions.*

***House*** *– No action.*

* **EduTutorVA**

***Senate*** *– Provides an additional $150,000 in FY 2025 to support the work of EduTutorVA.*

***House*** *– No action.*

* **Reck League**

***Senate*** *– Proposes $150,000 in FY 2025 and FY 2026 to Reck League to support students in underperforming schools in the Hampton Roads region.*

***House*** *– No action.*

* **AP, IB, and Cambridge Assessment Exam Fee Reduction**

***Senate*** *– No action*

***House*** *– Proposes $750,000 in FY 2025 and FY 2026 for VDOE to administer a fee reduction program for any student eligible for free- or reduced-price lunch to take an AP, IB, or Cambridge examination. VDOE is responsible for establishing policies and procedures of the program.*

* **Teacher Residency Program**

***Senate*** *– No action.*

***House*** *– Proposes $600,000 in FY 2025 and FY 2026 for a teacher residency program in Richmond at Virginia Commonwealth University.*

* **Career and Technical Education Resource Center**

***Senate*** *– No action.*

***House*** *– Proposes $400,000 in FY 2025 and FY 2026 for Virginia’s Career and Technical Education Resource Center.*

* **PBS Blue Ridge**

***Senate*** *– No action.*

***House*** *– Proposes an additional $650,000 in FY 2025 and FY 2026 to support educational content through PBS Blue Ridge.*

* **Community Builders Pilot Program**

***Senate*** *– Proposes $200,000 in FY 2025 and FY 2026 to establish a Community Builders Pilot Program to reduce youth involvement in behaviors that lead to gun violence by increasing community engagement among public school students in Roanoke City and Petersburg City.*

***House*** *– Proposes $500,000 in FY 2025 and $300,000 in FY 2026 for the Community Builders Pilot Program in Roanoke City and Petersburg City.*

* **Soundscapes in Newport News**

***Senate*** *–* *Proposes $90,000 in FY 2025 to support the Soundscapes after-school music study program in Newport News for students in Newport News and Hampton.*

***House*** *- Proposes $90,000 in FY 2025 and FY 2026 to support the Soundscapes after-school music study program in Newport News Public Schools.*

* **Public Safety Training Center – Prince William County**

***Senate*** *– No action.*

***House*** *– Proposes $50,000 in FY 2025 and FY 2026 to Prince William County Public Schools to support a Public Safety Training Center, which prepares students for careers in firefighting.*

* **PBS Appalachia**

***Senate*** *– No action.*

***House*** *– Proposes $500,000 in FY 2025 and FY 2026 to PBS Appalachia for educational outreach programming.*

* **Community Schools Grants**

***Senate*** *– Proposes $1.0 million in FY 2025 as grants to school divisions to support the development and implementation of community schools initiatives. VDOE is responsible for awarding grants in consultation with a stakeholder workgroup that includes representation from school divisions and community school providers. Grants would be prioritized based on serving schools with significant needs, such as schools eligible for Title I funds. Unobligated funds can be reappropriated to FY 2026.*

***House*** *– Proposes $5.0 million in FY 2025 and FY 2026 to support Community Schools Development and Implementation Planning Grants.*

* **eMediaVA**

***Senate*** *– Proposes an additional $200,000 in FY 2025 to support the development of digital educational content by eMediaVA to be used statewide.*

***House*** *– No action.*

* **Cardiac Emergency Response Plan Grants**

***Senate*** *– Proposes that VDOE administer a grant program to assist school divisions with the development of cardiac emergency response plans. Grants will be prioritized based on the highest need and require local matching funds.*

***House*** *– No action.*

* **21st Century Community Learning Centers Program**

***Senate*** *– Proposes $3.0 million in FY 2025 and $2.0 million in FY 2026 for VDOE to administer a grant program for community-based organizations to partner with school divisions outside of regular school hours to provide additional instructional opportunities to combat learning loss in high-need schools. The state funding is intended to supplement the existing federal program. The amendment allows VDOE to contract with the Virginia Partnership for Out-of-School Time to assist applicants with obtaining the required licensure and to provide best practices to grantees.*

***House*** *– No action.*

* **Early Childhood Educator Grants (Recognize B5)**

***Senate*** *– No action.*

***House*** *– Proposes to shift $10.0 million in funding from FY 2026 to FY 2025 to provide payments to early childhood educators to assist with retention and recruitment challenges following the pandemic.*

* **Loudoun County Recovery High School**

***Senate*** *– Proposes $500,000 in nongeneral funds from the Opioid Abatement and Remediation Fund in FY 2025 and FY 2026 to Loudoun County for the establishment of a recovery high school.*

***House*** *– Proposes $1.0 million in FY 2025 and $500,000 in FY 2026 from the general fund to Loudoun County to establish a recover high school for students in Superintendent’s Region 4 in the early stages of recovery from substance abuse. Loudoun County is required to report to the General Assembly on its progress each year by December 1.*

* **Fredericksburg Career and Technical Center**

***Senate*** *– No action.*

***House*** *– Proposes $1.0 million in FY 2025 to Fredericksburg City Schools to support development of a regional career and technical education center.*

* **Literacy Lab – VPI Minority Educator Fellowship**

***Senate*** *– No action.*

***House*** *– Proposes an additional $400,000 in FY 2025 and FY 2026 for the Literacy Lab – VPI Minority Educator Fellowship.*

* **YMCA Power Scholars**

***Senate*** *– No action.*

***House*** *– Proposes to increase state funding for the YMCA Power Scholars program by $200,000 in FY 2025 and FY 2026.*

* **Critical National Security Language Grant**

***Senate*** *– No action.*

***House*** *– Proposes $250,000 in FY 2025 and FY 2026 for the Critical National Security Language Grant program. VDOE is required to establish an application process for local school divisions to apply by October 1, 2024.*

### 4. Language-Only Amendments for Direct Aid Programs Included in HB 30/SB 30

#### Literary Fund Loans

**Introduced**- The introduced budget includes language that would allow VDOE to offer Literary Fund loans from uncommitted balances of the Literary Fund after meeting the obligations of teacher retirement payments, interest rate subsidy payments, and amounts set aside for Virginia Public School Authority program debt service payments.

***Senate*** *– Authorizes the Board of Education to offer up to $200.0 million in Literary Fund loans per year. Proposes a technical amendment to budget language that removes a reference to teacher retirement payments.*

***House*** *– Same as the introduced budget.*

#### Virginia Preschool Initiative – Local Plan

**Introduced**- The introduced budget includes language requiring school divisions that apply for participation in VPI to include a mechanism for annually measuring and reporting unmet parental demand and preference in its local plan.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Virginia Preschool Initiative – Unawarded Funds

**Introduced**- The introduced budget includes language requiring funds appropriated for VPI but not awarded to be transferred to the VDOE Central Office budget to support direct services under the Child Care Subsidy Program, provided there is unmet parental demand.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Alternative Education Slots

**Introduced**- The introduced budget includes language directing VDOE to prorate the applications for regional alternative education slots during the biennial rebenchmarking process to ensure that the statewide total does not exceed 1,798 student slots.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

### 5. Language-Only Amendments for Direct Aid Programs Not Included in HB 30/SB 30

#### STEM Competition Team Grants

***Senate*** *– Proposes a language amendment that requires at least half of the STEM Competition Team Grants appropriation should be provided to public schools in which at least 60.0 percent of students qualify for free or reduced lunch.*

***House*** *– No action.*

## B. 2024-2026 VDOE CENTRAL OFFICE BUDGET

### 1. Amendments to VDOE Central Office Budget Included in HB 30/SB 30

#### Child Care Subsidy Program

**Introduced-** The introduced budget provides state funding to ensure that low-income, working families that receive support through the Child Care Subsidy Program will continue to have access to high-quality preschool services. These services are currently funded through one-time federal pandemic relief funds. This funding also supports the establishment of a digital wallet platform to host early learning and child care accounts for participating families. This proposal increases state support for this program by $213.3 million in FY 2025 and by $237.8 million in FY 2026.

***Senate*** *– Proposes to remove $1.0 million from the introduced budget for the digital wallet platform. Also reduces the additional general funds for the Child Care Subsidy Program by $17.2 million in FY 2026 to maintain the same level of slot support as in FY 2025. The amendment also limits copayments to no more than 7.0 percent of a family’s income.*

***House*** *– Proposes to remove $1.0 million from the introduced budget for the digital wallet platform.*

#### Non-General Fund Support for Virtual Virginia

**Introduced-** The introduced budget reduces non-general fund appropriations for the Virtual Virginia program by $21.8 million in FY 2025 and FY 2026 to match estimated tuition revenues during the 2024-2026 biennium. Participation in the tuition portion of the Virtual Virginia program has reduced since the pandemic.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### New State Assessment System

**Introduced**- The introduced budget provides general funds for VDOE to enter into a contract to develop a new state assessment system with constructed response items. This proposal increases state support to VDOE by $25.0 million in FY 2025 and by $15.0 million in FY 2026. One-time funds in FY 2025 will be utilized to support the transition from the current assessment system.

***Senate*** *–* *Proposes to remove state funding for the new state assessment system. This amendment would reduce state funding to the VDOE Central Office by $25.0 million in FY 2025 and by $15.0 million in FY 2026. Also requires the Superintendent of Public Instruction to report on the plan to implement a new state assessment system, a revised timeframe, and estimated short and long-term costs and staffing needs.*

***House*** *– Proposes to remove state funding for the new state assessment system. Authorizes VDOE to extend its current contract by one year so that VDOE can initiate a procurement process to select the next vendor. VDOE must request funding needed to implement the new contract with the selected vendor for inclusion in the introduced budget bill for the 2025 Regular Session and submit a summary of key milestones, project deliverables and costs for the transition to the new contract no later than November 1, 2024.*

#### Student Access to Mental Health Services

**Introduced**- The introduced budget provides funds for VDOE to contract with a telehealth provider for high-quality mental health services to school divisions in grades six through twelve. This proposal increases state funding to VDOE by $7.2 million in FY 2025 and FY 2026.

***Senate*** *– Proposes to eliminate state funding for VDOE to contract with a telehealth provider for mental health care services.*

***House*** *– Proposes to eliminate state funding for VDOE to contract with a telehealth provider for mental health care services.*

#### Office of School Quality

**Introduced**- The introduced budget reduces funding in VDOE’s Office of School Quality in accordance with actual staffing needs. This action reduces state funding to VDOE by $1.9 million in FY 2025 and FY 2026.

***Senate*** *– Proposes to restore $1.0 million in state support for the Office of School Quality in FY 2025 and $1.9 million in FY 2026. Requires VDOE to submit a report that contains the level of staffing and funding of the Office for FY 2023 and FY 2024, a five-year plan for organizational structure and resources, goals and expected outcomes of the Office, and a plan to evaluate the effectiveness of the Office. The first report is due to the General Assembly by July 1, 2024, and a subsequent plan by June 1, 2025. The Department of Planning and Budget shall transfer funding to VDOE upon submission of the reports.*

***House*** *– Proposes to restore the $1.9 million in FY 2025 and FY 2026 to fund the Office of School Quality.*

#### Teacher Licensure System

**Introduced**- The introduced budget provides state funding to VDOE for increasing costs to maintain its automated teacher licensure system. This proposal increases state funding to VDOE by $389,000 in FY 2025 and FY 2026.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

#### Chief School Mental Health Officer

**Introduced-** The introduced budget provides state funding for a full-time Chief Mental Health School Officer position at VDOE to lead mental health and wellness initiatives for K-12 students. This proposal increases state funding to VDOE by $200,000 in FY 2025 and FY 2026.

***Senate*** *– Proposes to remove new state funding for the Chief Mental Health School Officer position.*

***House*** *– Proposes to remove new state funding for the Chief Mental Health School Officer position.*

### 2. Amendments to VDOE Central Office Budget Not Included in HB 30/SB 30

#### Support for Joint Subcommittee on Elementary and Secondary Education Funding

***Senate*** *– Proposes $300,000 in FY 2025 and FY 2026 for two positions to support activities related to the Joint Subcommittee on Elementary and Secondary Education Funding.*

***House*** *– No action.*

#### Child Care Subsidy Program

***Senate*** *– No action.*

***House*** *– Proposes to transfer $173.3 million in FY 2025 and $237.8 in FY 2026 from the general fund and $168.9 million in FY 2025 and $131.5 million in FY 2026 from nongeneral funds for the Child Care Subsidy Program from the VDOE Central Office budget to a new Early Childhood Care and Education budget item created in the Direct Aid budget.*

#### Certified School Library Specialist

***Senate*** *– No action.*

***House*** *– Proposes $140,000 in state support in FY 2025 and FY 2026 to fund a certified school library specialist position at VDOE.*

#### Asian American and Pacific Islander History Month

***Senate*** *– No action.*

***House*** *– Proposes $100,000 in FY 2025 for VDOE to develop curriculum, tools, and resources to support local school divisions in teaching Asian American history as part of the History and Social Sciences Standards of Learning.*

#### Virginia Literacy Act

***Senate*** *– No action.*

***House*** *– Proposes state funding increases of $5.7 million in FY 2025 and $3.7 million in FY 2026 to support the implementation of the Virginia Literacy Act.*

#### Opioid Instruction

***Senate*** *– No action.*

***House*** *– Proposes $200,000 in FY 2025 for VDOE to develop opioid instructional resources pursuant to the passage of HB 134.*

#### Support for Special Education Services

***Senate*** *– Proposes $100,000 in FY 2025 to support the review of special education staffing standards.*

***House*** *– Proposes $2.2 million in FY 2025 and FY 2026 for VDOE to develop professional development materials to support specially designed instruction in inclusive settings and to establish eight regional special education support centers.*

#### Office of Community Schools

***Senate*** *– Proposes $250,000 in FY 2025 and FY 2026 for two positions to support the Office of Community Schools. Requires the Office of Community Schools to provide an annual report that includes the number of schools that have adopted the Community School framework, the state of the implementation and evaluation of the framework, an update and outcome of awarded state grants, and an assessment of services provided by the Office.*

***House*** *– Proposes $140,000 in FY 2025 and FY 2026 for VDOE to establish a position within the Office of Community Schools.*

### 3. Language-Only Amendments to VDOE Central Office Included in HB 30/SB 30

#### Child Care Staff-to-Children Ratios

**Introduced**- The introduced budget includes language that continues the flexibility afforded the Superintendent of Public Instruction to alter child-to-staff ratios and group sizes for licensed child day centers and centers that participate in the Child Care Subsidy Program.

***Senate*** *– Same as the introduced budget.*

***House*** *– Same as the introduced budget.*

### 4. Language-Only Amendments to VDOE Central Office Not Included in HB 30/SB 30

#### Mental Health Funds

***Senate*** *– No action.*

***House*** *– Proposes VDOE to collaborate with the Department of Behavioral Health and Developmental Services (DBHDS) and the Department of Medical Assistance Services (DMAS) to create a new plan to deliver flexible mental health services. The plan should include a proposed vision and goals, proposed outcome measures, funding recommendations, a proposed sustainable funding mechanism, and a structure for providing technical assistance and evaluation capabilities. VDOE is required to provide the plan to the General Assembly by December 1, 2024.*