



Legislative Report

*Final actions in Arkansas, Georgia,
Kentucky, Maryland, Mississippi,
Virginia and West Virginia
Notes from other SREB states*

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SREB

Final legislative and budget actions

Arkansas (<http://www.arkleg.state.ar.us/>)

Arkansas has weathered the economic downturn better than most states, and the Legislature approved a nearly \$4.6 billion general fund budget for 2011-2012, up 2.6 percent over the approved 2010-2011 budget. Higher education funding will increase 1.1 percent to \$733.5 million, while funding for K-12 education will rise 2.9 percent to more than \$2 billion (including \$1.9 billion in formula funding for schools, up 3 percent). The end of federal recovery funding will have a negligible effect on Arkansas's budget, as the state previously directed agencies to use stimulus funds only for one-time expenses and not for ongoing operating expenses.

Legislation will reduce the grocery tax one-half percent to 1.5 percent (Senate Bill 276) — the food tax was halved to 3 percent in 2007 and reduced by another penny during the 2009 session. Another bill (House Bill 1369) creates an annual, two-day sales tax holiday for clothing and school supplies.

Echoing the nationwide push to strengthen teacher evaluations, the Legislature approved House Bill 2178, establishing the Teacher Excellence and Support System. Under the system, which becomes effective in the 2014-2015 school year, state-level student assessments constitute one-half of the evidence used to evaluate classroom teachers. For teachers in content areas not tested by state-level student assessments, one-half of the evidence used for evaluation is either from external assessments or another measure determined by the state Department of Education. Other evidence for the evaluation may include professional development participation; classroom assessments (including samples of student work); and district, state or national-level assessments.

Evaluators will rate teachers according to four performance levels (Distinguished, Proficient, Basic and Unsatisfactory) and will use four evaluation categories — planning and preparation, classroom environment, instruction and professional responsibilities. The evaluation system applies to all classroom teachers, as well as to guidance counselors, library media specialists and special education teachers. In addition, the state Department of Education is required to help school districts develop and implement evaluations for administrative staff.

In 2005, the Legislature adopted a comprehensive statewide credit transfer policy for post-secondary students at state colleges and universities. To strengthen the course credit transfer system, this year the Legislature approved House Bill 1772. The legislation establishes a state minimum core curriculum (which consists of 60 hours of lower-division college course work,

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including 35 hours of general education core courses) and requires public four-year institutions to accept all credits earned under that core curriculum for students transferring into a baccalaureate degree program from a two-year institution.

The Arkansas Higher Education Coordinating Board, in conjunction with state colleges, universities and their faculties, will identify general education core courses, as well as other lower-division courses, that are acceptable for credit toward a degree at all state colleges and universities. Full implementation of the state minimum core curriculum will occur by July 1, 2012. The legislation limits the credit-hours required for degree programs to 60 for associate's degrees and 120 hours for bachelor's (except for degree programs exempted by the state or those with conflicting licensing or accrediting requirements). The bill also establishes a statewide common course numbering system for state colleges and universities.

Currently, the number of open-enrollment charter schools (schools newly started as charter schools, rather than those converted from traditional public schools) is limited to 24 statewide. With concerns over the negative effect that such a limitation may have, the Legislature approved Senate Bill 346. Under the bill, if the number of open-enrollment charter schools is within two schools of the maximum, the limit will automatically increase by five.

Another charter school bill (Senate Bill 436) includes charter school teachers, teachers' aides and student teachers in the state's school worker defense program, which protects school employees from civil liability as a result of the performance of their duties. The bill establishes new reporting requirements for charter schools and requires a charter school to maintain a waiting list if it has more applicants for admission than spaces available. It also requires the state Department of Education to perform two end-of-semester reviews of the financial and student enrollment condition of each open-enrollment charter school during its first year of operation.

The Arkansas Opportunity Public School Choice Act of 2004 allows children attending schools rated for two or more consecutive years by the state as "in need of immediate improvement" to transfer to another public school. Previously, transportation costs for these students were the responsibility of the state. However, with the passage of Senate Bill 788, districts and charter schools receiving these transfer students may transport them to and from school. The cost of that transportation (up to a maximum of \$400 per student per year) is the responsibility of the school from which the student transferred. The bill also prohibits receiving school districts from denying these student transfers unless the school in question has reached its maximum student-to-teacher ratio under any federal or state law or regulation.

House Bill 1620 requires the state's Department of Career Education, Department of Education and Department of Higher Education to collaboratively develop college- and career-readiness program standards for career and technical education programs. The Department of Career Education also is required to provide technical skills assessments that determine whether a student is attaining the knowledge and skills needed for postsecondary education or for that student's chosen career education program.

The Legislature approved 19 bills intended to “strengthen the integrity” of the Arkansas Teachers Retirement System; several of the bills dealt with loopholes, technical corrections and minor cost-saving issues. One of two bills identified as “most important” by the retirement system is House Bill 1147, which limits the time period in which a plan participant may seek adjustments, additional payments or additional credits for up to five years from the date of an error. The second, House Bill 1212, requires plan participants who purchase credits for additional service to pay for the real value of that purchased service. (Previously, participants paid 55 percent of the value.) House Bill 1140 changes the method of calculating the final average salary of a system participant (used to determine the recipient’s benefit level) to prevent manipulation of that average through the provision of bonuses or large salary increases in an employee’s last years, a practice known as “spiking.”

Other legislation

HB 1099 provides greater flexibility to schools in determining the start date of the academic year.

HB 1427 incorporates digital resources into the definition of instructional materials (such as textbooks) that local school districts provide.

HB 1617 requires the state Department of Education to issue rules under which a school district, college or university, or both institutions in partnership with one another may establish a postsecondary preparatory program for students in grades eight through 11 who are below college-readiness benchmarks in mathematics, English or reading.

HB 1893 modifies the teacher licensing process so that a teacher with a valid license in another state who moves to Arkansas is issued a standard five-year teaching license. The bill also provides a streamlined licensure process for professionals from other fields to obtain a provisional three-year teaching license, and it establishes a licensure process for teachers who have completed the Teach for America program.

HB 1937 mandates a study of the fairness of the distribution of lottery-funded Academic Challenge Scholarships as measured by numerous demographic factors.

SB 81 establishes new provisions governing alternative learning environments; each school district is required to provide one or more such environments, which are designed to eliminate barriers to academic and social progress that are affected by a student's personal characteristics or situation.

SB 344 requires the state Department of Education to establish a mentoring program for first-year school superintendents.

SB 711 requires a joint interim legislative study on the issues of adopting of an extended school year policy.

SB 788 defines under what conditions students may put on hold their lottery-funded scholarships, such as active military duty, medical conditions, family emergency or participation in a nonprofit humanitarian project.

Georgia (<http://www.legis.ga.gov/>)

The General Assembly slightly increased the current year's budget to \$18.1 billion (up 1 percent) in total state funds, compared with the 2010-2011 original appropriation. Lottery proceeds are projected to increase 2.8 percent to \$1.2 billion, which includes \$355 million in funds to the state's prekindergarten program (no change from the current-year's original appropriation). Lottery funds for student financial aid total \$803.7 million, up 4 percent.

Total state general funds remain steady at \$15.4 billion for the remainder of the 2010-2011 fiscal year. The amended budget for K-12 education decreases slightly to \$6.9 billion in state general funds (down 1.1 percent), including \$6.2 billion in school formula funds (up 1.6 percent). The higher education budget decreases 5.3 percent to \$2.1 billion in state general funds. This includes a reduced state fund budget for colleges and universities (down 5.8 percent to \$1.8 billion). The amended budget reduces funding for technical colleges to \$311.5 million (down 2.6 percent).

The General Assembly passed an \$18.3 billion overall state-funded budget for the 2011-2012 budget year (up 2.3 percent compared with the 2010-2011 original appropriation). The budget includes state general funds of \$16 billion (up 3.8 percent). Next year's budget will raise the amount of state funds to public safety and health agencies to offset the loss of federal recovery funds. However, the state Legislature did not appropriate additional state funds to K-12 and higher education budgets to counterbalance the elimination of federal recovery funds to those agencies.

The state's lottery program funding is projected to decline 19 percent to \$913.4 million. Lottery funds directed specifically to student financial aid will remain steady at \$772.6 million. The state prekindergarten program will operate with \$300.6 million in lottery funds (down 15.3 percent). Programmatic changes to the pre-K program will occur next year due to declining lottery funds. Beginning in 2011-2012, the school year will shorten to 160 days from 180 days, class sizes will increase by two students to 22 (from 20), and operating funds for pre-K providers will decrease to 94 percent of this year's current level of funding. However, the program will increase the number of seats available by 2,000, bringing next year's enrollment total to 86,000 students.

For the 2011-2012 budget year, state general fund appropriations to elementary and secondary education will decrease less than one-half percent to about \$7 billion. School formula funds will remain level at \$6.2 billion. Overall, state funding for K-12 programs will remain flat during the 2011-2012 budget year.

House Bill 192 authorizes a comprehensive study of the state's K-12 funding formula and other methods of funding for education. The 20-member Education Finance Commission will provide the Legislature with final recommendations and proposed legislation by 2012. The bill also extends to 2014-2015 (from 2012-2013) a provision that allows flexibility to districts in class-size calculations and pushes back the date by which districts must offer teachers contracts for the next year to May 15 (from April 15).

Recent issues relating to the term lengths of local school board members and accreditation troubles for local school systems spurred the passage of Senate Bill 79. Beginning on January 1, 2012, all local school board members will serve terms of not less than four years, without exception, though starting

on January 1, 2015, local law may shorten the four-year term requirement for local boards. In counties with both a homestead option sales/use tax and a county sales/use tax (where the local school board is composed of more than seven members), beginning on January 1, 2013, the county school board must consist of seven members elected from single-member districts of approximately equal population. These county board members will serve staggered, four-year terms of office. Local law may reduce county board membership to fewer than seven members, but the members must come from single-member districts of approximately equal population. Lastly, if a school or district is placed on accreditation probation for governance reasons and has not regained full accreditation by July 1, 2011, the state Board may recommend suspension of all local school board members by the governor, who may then appoint temporary replacement members.

House Bill 186 addresses college and career readiness, as well as coordination between the state Board of Education, the Board of Regents and the Board of Technical and Adult Education, to ensure that high school students completing courses demonstrate the competencies required for advanced training leading to a postsecondary certificate, or two- or four-year college degree. To strengthen the academic preparation of students, the bill calls for stronger coordination between high schools and institutions of higher education to reduce the need for postsecondary remediation. It requires the state Board of Education (in cooperation with the Board of Regents and the Board of Technical and Adult Education) to establish college- and career-readiness standards in reading, writing and mathematics. It also requires the Board of Regents and the Board of Technical and Adult Education to establish the conditions under which students may earn dual credit while still in high school and to ensure that dual credit courses reflect college-level work.

The bill expands the career pathways program, which provides high school students with academically rigorous course choices and opportunities that lead to high-demand, high-skill, high-wage career fields and to advanced credentials or degrees. The legislation adds 16 more pathway options (that are nationally recognized) to the 59 pathways currently offered in career and technical areas. School districts will select pathways that best fit their students' and their regional labor needs. By July 1, 2012, the state Department of Education must develop state models and a curriculum framework for the specified career pathway programs of study. The bill requires the Office of Workforce Development to develop a certification system that measures "soft" skills — which may include skills relating to punctuality, ability to learn and ability to work in a team — as a component of the state's current work-readiness assessment system.

The 2011-2012 budget for higher education will decline 8.1 percent (to \$2.1 billion in state general funds) compared with this year's original appropriation. State general funds will decrease for both colleges and universities (down 9.1 percent to \$1.7 billion) and technical colleges (down 2.1 percent to \$313.3 million).

Due to continued state funding reductions to higher education, the University System of Georgia approved an across-the-board 3 percent tuition increase for in-state undergraduate students beginning with the 2011-2012 school year. A special per semester institutional fee, implemented two years ago for both undergraduate and graduate students, will more than double at four-year research institutions (from the current \$200 rate to \$450) and at the Georgia Institute of Technology (from \$200 to \$550). The special fee will rise at other four-year institutions from the current \$150 rate to \$250, and it will

double to \$200 at most two-year institutions. Combined tuition and institutional fee changes amount to a weighted average increase of 9 percent for all university system students.

House Bill 326 modifies the state's merit-based HOPE scholarship program due to a projected \$300 million shortfall for the upcoming budget year. The legislation decreases the amount of tuition covered by the program. HOPE scholarships are capped at 90 percent of 2010-2011 tuition costs for the 2011-2012 academic year and no longer will cover books, institutional fees and remedial courses.

Currently, a student may receive a HOPE scholarship until the student earns a baccalaureate or first-professional degree, or the student attempts a total of 127 semester hours. With the passage of House Bill 326, beginning with the 2011-2012 school year, a student is limited to receiving a HOPE scholarship for up to seven years after graduating from high school. (Any time spent in active duty military service served by a student will not count against the seven-year limit.) Additionally, after losing the HOPE scholarship, a student may regain or requalify for the scholarship only once. Currently, a student may regain HOPE after attempting 30, 60 or 90 semester hours with a 3.0 cumulative GPA.

Also, House Bill 326 creates a new Zell Miller HOPE Scholarship, which will pay 100 percent of tuition expenses at eligible public institutions. For students attending private institutions, the Miller scholarship award will cover the full private HOPE award (which currently totals \$2,000 per semester). To be eligible as an incoming freshman, a student must meet all HOPE scholarship conditions as well as one of three other qualifications: have at least a 3.7 GPA and score no lower than 1,200 on the SAT, graduate as a valedictorian or salutatorian, or complete a home study program and score no lower than 1,200 on the SAT. To maintain the scholarship, students must keep a 3.3 GPA. If a Miller scholar's GPA falls below the minimum requirement but remains above a 3.0, the student may qualify for a standard HOPE scholarship.

As a result of 2011-2012 tuition and fee increases and policy changes to the HOPE scholarship program, for the first time the HOPE scholarship will not cover full tuition costs at public institutions. The program will pay about 87.4 percent of tuition during the 2011-2012 school year. For students at public institutions utilizing the Fixed for Four guaranteed tuition plan, which provides a set tuition rate over four years (the program was discontinued for new students in 2009), tuition costs will not change and HOPE will continue to cover full tuition costs. For students attending private institutions, the HOPE scholarship award will decrease to \$1,800 per semester from the current \$2,000 award.

High school course requirements for HOPE scholarship eligibility will change for students graduating after May 1, 2015. Prior to graduation, these students must earn course credit in at least two of the following courses: advanced or higher math or science courses, Advanced Placement courses, International Baccalaureate courses, advanced foreign language courses or courses taken at an institution of higher education. Students graduating after May 1, 2016, must earn credit in at least three of the courses, and those graduating after May 1, 2017, must earn credit in at least four of the courses.

Other legislation

SB 38 provides the state superintendent with expanded authority to hire and fire employees and to approve contracts up to \$250,000 (as opposed to \$50,000) without state Board of Education approval. However, the state Board may override the state superintendent's contract decision with a supermajority

vote. The state superintendent may set the state Board of Education meeting agenda. Currently, the chair of the Board sets the meeting agenda.

SB 161 creates the Office of College and Career Transitions, within the state Technical College System, to coordinate efforts in various education agencies to ensure increased high school graduation rates and readiness for success in college and the workplace, as well as to provide oversight and make recommendations relative to career academy petitions and charters in cooperation with one or more postsecondary institutions.

Kentucky (<http://www.lrc.ky.gov/>)

The governor called legislators back for a special session in March to resolve a shortfall in the state Medicaid budget and address other funding matters, as well as to readdress House Bill 225 — which would raise the high school dropout age from 16 to 18 over a five-year period and create alternative education programs for students. The bill to raise the dropout age did not pass during the special session, but House Bill 1 did, moving \$166.6 million in state funds from the 2011-2012 budget to the current year's budget to bridge the gap in the state Medicaid budget.

The amended 2010-2011 budget increases 2.1 percent to \$8.5 billion in total general funds, compared with the 2010-2011 original appropriation. General funds for K-12 education remain level in the amended budget (at \$3.7 billion), including \$2.7 billion in level funding for the school formula. Federal recovery funds for K-12 education also remain level at \$182.5 million. Higher education funding increases slightly to \$1.2 billion (up 1.6 percent), while the budget for two-year colleges increases 2 percent (to \$199.2 million). For four-year universities, it increases 1.9 percent (to \$785.3 million).

In comparison to the 2010-2011 original general fund appropriations, next year's budget will rise 9.4 percent for a total of \$9.1 billion in general funding. The budget for K-12 education will increase to \$3.8 billion (up 4.7 percent). To offset the elimination of federal recovery funds to K-12 education, the Legislature appropriated \$2.9 billion in general funds to the school formula budget next year. State school formula funds will rise 6.4 percent when compared with the original 2010-2011 general fund appropriation and decrease 0.3 percent when general funds and federal recovery funds are considered.

During the regular session, lawmakers passed Senate Bill 12, which authorizes local superintendents to appoint school principals approved by a majority vote of the school-based decision-making council — composed of five members and the school principal or an administrator. However, when the council is selecting a principal, the local superintendent will occupy the principal's position on the council, chair the council and have a vote.

House Bill 425 directs the state Department of Education to adopt a salary schedule for administrators of the Kentucky School for the Deaf and the Kentucky School for the Blind that is comparable with salaries of local school district administrators who have similar duties. Universities may establish tuition rates for non-state residents who are military veterans enrolling in postsecondary institutions. The tuition rates must not exceed the maximum tuition reimbursement for a state resident student who is a military veteran and qualifies for the Post-9/11 GI Bill.

If a school district missed an average of 20 or more days in the previous three years and used alternative methods of instruction on days when the district was closed, the commissioner of education may waive up to 10 instructional days for each of the 2011 and 2012 school years, as stated in House Bill 427. The legislation also requires that if any instructional days are remaining on or after June 21, the commissioner must grant a local school board's request to waive the remaining days. For the 2010-2011 school calendar, a local board may add no less than 30 minutes to any remaining instructional days to make up time missed due to weather or illness. Lastly, the legislation requires a certified or classified staff member, at least 21 years of age, to accompany students on non-athletic trips sponsored or endorsed by the school.

Higher education's general fund budget will increase to a little over \$1.2 billion (up 1.7 percent). The state Council on Postsecondary Education set maximum tuition and fee increases for in-state undergraduate students attending public institutions during the 2011-2012 school year. Tuition will increase no more than 4 percent at community and technical colleges, 5 percent at comprehensive universities (public four-year postsecondary institutions that are not research universities), and 6 percent at research universities. At community and technical colleges, returning students will see no increase.

Senate Bill 130 allows each comprehensive university to offer, with the approval of the Council on Postsecondary Education, up to three advanced practice doctoral programs, including doctoral programs in nursing and education. Also related to advanced practice doctoral programs in nursing, current law requires the governing boards of the state's public colleges and universities to collaborate with the Kentucky Board of Nursing in ensuring that each program complies with national accreditation standards. House Bill 278 adds private colleges located in Kentucky, as well as public and private colleges located outside of Kentucky but operating within the state, as entities that also must collaborate with the Kentucky Board of Nursing in offering advanced practice doctoral degrees in nursing.

Other legislation

HB 192 requires secondary schools to provide students in grade 12 with information on how to register to vote, use a ballot and use an absentee ballot.

HB 428 requires the state Department of Education to provide a funding allocation to a school district for a structurally unsound school that is closed.

SB 64 creates the Center for African-American Heritage to educate the public and to preserve and research the cultural heritage of African-Americans in Kentucky.

Maryland (<http://mlis.state.md.us/>)

The Maryland General Assembly approved a \$14.7 billion general fund budget for 2011-2012. While this is an increase of 12.2 percent, much of this increase is due to the appropriation of general funds to offset the loss of federal recovery funds provided in recent years. State general funds to support local K-12 education will increase 12.3 percent to nearly \$5.5 billion; the large increase is also the result of the end of federal recovery funding, as the overall funding level declined slightly to \$6.5 billion. While state funding for four-year colleges and universities declined slightly to \$1.1 billion, com-

munity college funding increased 5.7 percent to \$314 million. State funding for independent colleges and universities remained level at \$38.4 million. Language in the budget requires the University System of Maryland Board of Regents to report on the advantages and disadvantages of merging the University of Maryland's Baltimore campus with its main College Park campus. Resident undergraduate tuition will increase 3 percent at most state colleges and universities, 2 percent at Morgan State University, and 6 percent at Salisbury State University and St. Mary's College.

House Bill 72, the Budget Reconciliation and Financing Act (or BFRA, which accompanies the budget and typically adjusts budgetary formulas), included provisions to reduce state pension costs over the long term. For members of the state employees' and teachers' pension systems, cost-of-living benefit increases based on service earned after June 30, 2011, will have a lower cap. After that date, those employees also are required to make larger retirement contributions (7 percent of "earnable compensation," up from 5 percent).

Beginning on July 1, 2011, newly hired teachers and state employees will vest in the pension system after 10 years of service, instead of the current five years. New pension system members from that date forward will receive lower retirement benefit payments than current system members. The bill modified requirements to qualify for retirement benefits. While current members qualify for retirement benefits when they are 62 years old and have at least five years of service (or have 30 years of service regardless of age), members hired July 1, 2011, and after must attain 65 years and have 10 years of service to qualify for benefits. (Alternately, they may qualify when the sum of their years of service and their age is 90 or greater.)

In addition to the pension reform measures, BFRA also contains provisions reforming retiree health care. The bill increases retiree prescription drug premiums and requires the discontinuation of prescription drug coverage for Medicare-eligible retirees by 2020. In addition, the bill increases the amount of service required to qualify for retiree health care coverage for employees hired beginning July 1, 2011.

State law requires school systems to maintain certain levels of local funding, a provision known as Maintenance of Effort (MOE); school systems that do not satisfy MOE requirements are subject to a penalty, which is applied to state-provided education funds in the same fiscal year. With the passage of House Bill 869, a penalty against state funds provided to a school system is applied in the fiscal year after the school system fails to meet MOE requirements.

One of the largest struggles for many charter schools is obtaining adequate facilities to house the school. To assist charter schools, the General Assembly approved Senate Bill 609, which requires a local board of education to notify charter schools within its jurisdiction when a school facility is no longer needed by the local district for school purposes and is available for charter school use.

Senate Bill 167 addresses tuition rates for the children of undocumented immigrants. The legislation exempts students from paying out-of-county tuition rates at Maryland community colleges if they attended (for at least three years) and graduated from a high school in the county (or received an equivalent diploma). In addition, they must document that they or their parents or guardians paid Maryland state income taxes during that time, and they must enroll in community college within four years of graduating from high school. For these students to qualify for in-state tuition at four-year colleges and universities under the legislation, they must attain their associate's degrees or earn 60 credit hours at a

community college and register at a four-year state college or university within four years of completing their community college education.

Nationwide, there is rising concern over the rapidly expanding for-profit sector of higher education, particularly regarding student recruitment procedures and the heavy use of government financial aid by students enrolled at these institutions. The General Assembly responded with the passage of Senate Bill 695, which makes specific distinctions between public, private nonprofit and private for-profit institutions of higher education. The bill also expands the Maryland Consumer Protection Act to protect students against unfair or deceptive practices regarding offers for the sale of course credit or other educational services.

The legislation creates a fund (financed with fees levied on for-profit institutions) under the control of the Maryland Higher Education Commission to reimburse students at for-profit institutions that have failed to perform any agreement or contracts with those students. The legislation also prohibits institutions of higher education from paying commissions or bonuses to recruiters based on successfully enrolling students or on securing financial aid for those students, and after July 1, 2016, prohibits students at for-profit institutions from receiving state financial aid (except for legislative scholarships and the Jack F. Tolbert Private Career School Grant Program).

Other legislation

HB 38 and SB 489 require each nonpublic school that participates in state-funded education programs to adopt a policy prohibiting bullying, harassment and intimidation by March 31, 2012.

HB 79 and SB 772 establish a task force to study the creation of a Maryland Center for School Safety, which would serve as a statewide school safety information clearinghouse and provide schools with research, training and technical assistance to reduce youth violence and promote safety.

HB 364 requires the state Board of Education to consult with local boards of education and report to the Legislature on the minimum academic performance standards that high school students should meet in order to participate in athletics.

HB 858 and SB 771 require the Maryland State Department of Education to implement a concussion awareness program for coaches, personnel and athletes at public schools.

HB 1208 changes, from 21 years old to 25 years old, the age before which former foster care recipients must enroll in a state college or university to qualify for a waiver of tuition and mandatory fees.

SB 679 allows law enforcement agencies, in agreement with local boards of education, to place cameras on school buses to monitor and issue citations to motorists who fail to stop for buses that have stopped and display flashing red lights.

Mississippi (<http://billstatus.ls.state.ms.us>)

The Mississippi Legislature approved state fund budget appropriations for 2011-2012 at levels very close to the current year's budget levels. For the 2011-2012 budget year, total state funds will remain close to the 2010-2011 level at \$5.5 billion (down 0.1 percent). The elimination of federal recovery

funds will have a minor impact on K-12 and higher education funding next year. The budget for K-12 education will decrease 0.6 percent to \$2.3 billion in state funds. School formula funds will total \$2 billion, a slight decrease of 0.3 percent. Overall state funding to higher education institutions will increase slightly to \$934.8 million during the 2011-2012 budget year. State fund appropriations to four-year institutions will decrease to \$701.5 million (down 1 percent), while state funds to two-year colleges will rise 4.4 percent to \$233.3 million.

In continuing with the tide of education policy reform in the nation, the Legislature passed and the governor approved Senate Bill 2371, creating a state longitudinal data system that will provide education data on state residents from birth to the work force. By 2013, the system will include data from multiple state agencies and provide decision-makers with tools to develop numerous policies, including monitoring information to improve high school and college graduation rates and identifying teachers, teaching methods and programs that produce positive student outcomes.

To make dual enrollment “easier and more common,” Senate Bill 2869 clarifies dual enrollment and dual enrollment credit requirements and policies. The bill requires that a high school student taking a college-level course meet the same prerequisites as a college student taking the course. In addition, dual credit instructors must meet qualification requirements set forth by the regional accreditation association.

House Bill 1177 creates the Joint Legislative and Paraprofessional Education and Mental Health Study Committee to examine, make recommendations and assist in shaping public policy to improve student outcomes and educational opportunities for students with serious emotional and behavioral disorders in regular and special K-12 education. The legislation also expands the composition of the Task Force to Study Strategies for Solving the Current Teacher Shortage in Mississippi by adding the commissioner of higher education and the executive director of the state Board of Community and Junior Colleges. It also extends the final reporting date to 2013 (from 2011).

House Bill 1163 requires the preparation of two comprehensive reports for the state Legislature by January 2, 2012. The legislation requires the state superintendent of public education, the commissioner of higher education, and the executive director of the state Board for Community and Junior Colleges to collaborate in developing a report and presenting recommendations on the implementation, costs and operations of “early college high schools” (which let students complete a diploma and the first two years of college more quickly). The bill also requires the state superintendent (in conjunction with the state Board of Trustees of State Institutions of Higher Learning and the state Board for Community and Junior Colleges) to study and develop a report on the implementation, expansion and costs of establishing an adult high school diploma.

Other legislation

HB 637 eliminates the 2011 repeal date for provisions that: prohibit schools and local boards of education from separating multiple-birth siblings into different classrooms solely due to these children being multiple-birth siblings; and provide free textbooks to elementary and high school students.

HB 1125 creates the 29-member Mississippi Autism Advisory Committee to develop a strategic plan on how best to educate and train students with autism or Autism Spectrum Disorders to maximize their potential productivity within the work force.

HB 1156 authorizes the state Board of Education to consider, on a case-by-case basis, local school board requests to alter the minimum 180-day school calendar in any instance in which a state of emergency was not declared but a school or school district was closed.

HB 1178 creates an individual assessment and evaluation timeline for children who are placed in alternative schools after returning from out-of-home placements in mental health, juvenile justice or foster care systems.

SB 2625 creates the 10-member Commission on School Payroll, Business and Procurement Efficiency to develop an implementation plan for the consolidation and online functioning of payroll, business and procurement services for all school districts by 2012.

Virginia (<http://www.legis.state.va.us/>)

The state approved an amended 2010-2012 biennium budget totaling \$32 billion (a 2 percent increase from the original appropriation). The amended 2010-2011 budget slightly increases to \$15.5 billion (up 0.5 percent), including total K-12 and higher education funding of \$6.5 billion (down 0.4 percent). For the 2010-2011 year, any local school districts that meet local maintenance of effort (wherein local school districts sustain certain levels of local funding for K-12 education) and local funding match requirements for state-funded accounts, incentive programs and lottery-funded programs may elect to carry forward, to the 2011-2012 budget, any remaining state funds for education to spend during that budget year.

Elementary and secondary schools are operating in 2010-2011 with 0.5 percent less in state funds (totaling about \$4.8 billion) when compared with the current year's original appropriation. Federal recovery funds for K-12 education total \$122.9 million. School formula funding is reduced to \$4.7 billion (down 0.5 percent). State funds to Virginia's Preschool Initiative — which provides preschool programs for at-risk 4-year olds — decline to \$60.5 million (down 10.5 percent). Split between two funds, state fund appropriations for textbooks decrease 0.5 percent (to \$10.6 million), while lottery proceeds also decrease 0.4 percent (to \$24.8 million) for the amended budget year.

The 2011-2012 budget will total \$16.6 billion in state funds, up 0.5 percent, which includes \$6.6 billion in total K-12 and higher education funding (up 2.2 percent). To counterbalance the elimination of federal recovery funds, total state funds to K-12 education will rise 4.4 percent to just over \$5 billion. The school formula will operate with 4.5 percent more in state funds (totaling \$4.9 billion).

State funds for National Board Certification will remain level at \$5 million compared with the original 2010-2011 appropriation. Appropriations for textbooks are split between state funding and lottery funding — state funding will fall by 94.9 percent (to \$548,000), while lottery proceeds will increase 7.9 percent (to \$26.9 million) next year. The state's preschool program will operate with 3.7 percent less state funding (at \$65.1 million). Also during the 2011-2012 budget year, local school districts that meet local maintenance of effort and local match requirements for state-funded accounts, incentive programs and lottery-funded programs again may carry forward any remaining state funds to the 2012-2013 budget.

With the governor's support, the General Assembly approved \$3 million in state funding next year to create the Virginia Performance-Pay Incentives program, which awards teachers in schools deemed as "hard to staff" with up to \$5,000 in performance pay. The governor invited 56 school districts (with 168 eligible schools) that "may have difficulty attracting, retaining and rewarding experienced, fully licensed teachers" to apply by June 15.

A school must meet at least four of eight eligibility requirements to participate in the program. These requirements are related to specific factors, including accreditation, average attendance, number of first-year teachers in a critical-shortage area, and the percentage of teachers with provisional licenses. In addition, schools must implement a comprehensive teacher evaluation system, approved by the state Board of Education, in which at least 40 percent of a teacher's evaluation is based on student academic growth, which may include student scores on the state's Standards of Learning standardized testing system. The program begins in the 2011-2012 school year.

As a result of vetoes to the 2010-2012 biennium budget, a complete higher education budget summary will appear in a future *SREB Legislative Report*.

Based on recommendations of the Governor's Higher Education Reform Commission, the General Assembly passed the Virginia Higher Education Opportunity Act of 2011, established by House Bill 2510 and Senate Bill 1459, to fuel strong economic growth and prepare students for top job opportunities in the knowledge-driven economy. The goal of the legislation is to increase by 100,000 the number of college undergraduate degrees earned by 2025 through "the use of greater technology, year-round facilities usage, and innovative and economical degree paths."

Among its many provisions, including clarifying policies for transferring general studies and dual enrollment course credits from two-year to four-year colleges, the Act requires the development of a new higher education funding policy. The funding policy will include a per student appropriation that will follow each undergraduate student to any eligible public, two-year or four-year higher education institution in which the student enrolls. In addition, the funding policy may contain targeted economic and innovation incentives based on certain institutional achievements, such as increased enrollment and degree completion, and improved retention and graduation rates.

The bills create a new, 10-member Higher Education Advisory Committee to clarify key issues, provide advice and make recommendations to the State Council of Higher Education for Virginia. At least every five years, the advisory committee will review the methodology of the per student appropriation, the criteria for determining which families qualify as "low income" and "middle income," and the performance criteria for measuring targeted economic and innovation incentives, among other topics.

In addition, each institution's governing board must biennially adopt a six-year plan that addresses the institution's academic, financial and enrollment plans. The plan must include: specific information concerning an institution's anticipated level of annual general fund, tuition and other non-general fund support; plans for providing financial aid to help mitigate the impact of tuition and fee increases on students from both low-income and middle-income families; and undergraduate degree targets for state-resident undergraduate students. The State Council of Higher Education for Virginia will review the six-year plans annually to determine the degree to which each institution has satisfied any goals or criteria developed by the advisory committee.

To increase the number of students completing degrees in science, technology, engineering and mathematics (STEM) and other high-demand fields with anticipated employee shortages, the bills establish a public-private partnership between educational experts, administration officials, legislators, business leaders and representatives from the scientific community to advise and develop strategies that address certain priority issues. These priority issues include: determining the need for additional high-demand degree enrollment, capacity and resources at public and private postsecondary institutions; promoting through the use of incentives greater coordination, innovation and private collaboration in kindergarten through secondary school STEM and other high-demand degree initiatives; determining and refining best practices in STEM instruction and leveraging those practices to promote STEM education in postsecondary institutions and K-12 schools; and providing financial incentives to increase STEM enrollment and degree production at public and private higher education institutions.

House Bill 1960 and Senate Bill 1439 amend the eligibility requirements for postsecondary institutions to receive tuition assistance grants — which provide aid to Virginia students who attend private colleges and universities. Any institution not admitted to the tuition assistance program prior to January 1, 2011, now must meet the following criteria: have been formed, chartered, established or incorporated within the Commonwealth; have its principal place of business within the Commonwealth; conduct its primary educational activity within the Commonwealth; and be accredited by a nationally recognized regional accrediting agency.

The governor and Legislature worked closely during the session to pass a number of initiatives to move the state forward, including passage of House Bill 2467 and Senate Bill 1062. The bills require health insurance plans in the state, beginning in 2012, to cover Autism Spectrum Disorders for children ages 2-6, up to an annual maximum benefit of at least \$35,000.

Other legislation

HB 1483 expands the list of conditions in which a local school system may secure a waiver to begin school prior to Labor Day. The new condition allows a school system, entirely surrounded by another school system that begins school before Labor Day, to begin school on the same opening date as the surrounding school system.

HB 1493 requires mandatory state certification where there is an accepted national industry certification for career and technical education for automotive technology, effective July 1, 2012.

HB 1792 and SB 1270 provide local school systems with increased flexibility to use state and local funds for certain staffing standards concerning assistant principals and instructional staff in specific mathematics, English, technology and reading programs.

HB 1861 and SB 824 allow certain military veterans to become immediate state residents for in-state tuition eligibility, as opposed to waiting for one year.

HB 2494 allows any local school board, on behalf of one or more of its schools, to request approval for an Individual School Accreditation Plan (an alternative accreditation plan that will allow a school to operate free from state regulations and state Board policies) from the state Board of Education.

West Virginia (<http://www.legis.state.wv.us/>)

Having already fared better than most states through the economic downturn, the Legislature approved a general fund budget of just over \$4 billion for 2011-2012, up 7.3 percent from the prior-year appropriation. General funds for K-12 education increased 9.7 percent to nearly \$2 billion; most of the increase was for school formula funding, totaling nearly \$1.9 billion (up 10.2 percent). The college and university system received \$309.8 million (up 12 percent), while community colleges received \$69.5 million (up 11.3 percent). Because of the state's relatively strong fiscal position, the end of federal stimulus funds is expected to have a relatively minimal effect on state finances.

Rather than providing a one-time bonus of \$800 to state employees as initially proposed by the governor, the Legislature's passage of House Bill 2879 provided a one-time salary increase to all public employees. Teachers will receive an across-the-board pay raise of \$1,488 while other non-classroom staff will receive a salary increase of 2 percent. The increases will take effect at the start of the 2011-2012 academic year.

Responding to ongoing concern over the issue of high school dropouts and their negative effect on the economy, the Legislature approved Senate Bill 228, the Local Solution Dropout Prevention and Recovery Innovation Zone Act. The legislation permits "innovation zone" pilot projects to establish innovative methods for reducing dropout rates, increasing high school graduation rates and returning student dropouts to school. A single school, group of schools or a school district may apply to form an innovation zone.

In 2010, the Legislature approved legislation allowing curriculum teams at schools meeting the state's adequate yearly progress requirements to select non-required instructional programs and assessment tools and to apply for a waiver to use non-required assessments in place of other certain required assessments. To help implement this change, this year the Legislature approved House Bill 3116, which clarifies the statute, giving curriculum teams the discretion to use the assessments and implement the instructional strategies and programs that they determine will best promote student achievement in a manner consistent with the approved curriculum.

The Legislature passed several pieces of higher education legislation during the session. Senate Bill 330 makes several technical and clarifying changes to higher education statutes. In addition, the bill allows colleges and universities to increase tuition up to 5 percent without the approval of the West Virginia Higher Education Policy Commission and requires each state higher education institution to attain, by July 1, 2015, a graduation rate that equals or exceeds the graduation rate of peer institutions.

Senate Bill 375 requires each state institution of higher education to annually report to the West Virginia Higher Education Policy Commission information necessary to determine whether those institutions are meeting minimum standards for conferring degrees. Under the legislation, the commission may revoke an institution's authority to confer degrees if the institution fails to meet minimum standards or does not provide the required information.

Other legislation

HB 2550 establishes West Virginia as a member of the Interstate Compact on Educational Opportunity for Military Children.

HB 2648 raises the classroom material allotment for teachers and librarians to \$100 (from \$50).

HB 3145 provides a one-time bonus of \$1,200 to retirees in the state employees' and teachers' retirement systems.

HB 3225 expands the definition of "harassment, intimidation or bullying" to include acts that disrupt or interfere with the orderly operation of the school, to include electronic communications, transmissions or threats, and to require school board policies prohibiting harassment, intimidation or bullying to include school buses and school bus stops.

SB 484 establishes provisions for the West Virginia Higher Education Policy Commission to manage and operate the newly established West Virginia Education, Research and Technology Park.

SB 486 establishes a project for creating and implementing a revitalization plan at the West Virginia University Institute of Technology.

SB 538 establishes the Learn and Earn Cooperative Education Program to allow students in technical programs at technical and community colleges to receive paid work experience in their field while remaining enrolled full-time.

SB 592 requires every school to develop a crisis response plan.

Notes from other SREB states

Most SREB states are still in session. In Delaware, the governor unveiled his "Building Delaware's Future Now" jobs plan, which proposes "responsible investments of new state revenues to address Delaware's most important needs: creating jobs and expanding economic opportunity." The plan calls for establishing the Building Delaware's Future Fund (primarily funded with abandoned property revenues and intended for strategic investments in economic growth and job creation), providing targeted tax cuts for businesses and individuals and incentives for the financial services sector, and making new investments in higher education and early childhood education. The Delaware Legislature is scheduled to conclude its regular session at the end of June.

Florida finished its session early in May and passed bills on education topics including teacher tenure and evaluation, class size, pension system reform, school choice, charter schools and virtual schools.

After completing a redistricting special session, the Louisiana Legislature reconvened for its regular legislative session at the end of April. This year's session primarily will address fiscal issues, and legislators must pass a 2011-2012 budget that alleviates a projected \$1.6 billion budget shortfall.

Look for summaries of actions in these and other states in future *SREB Legislative Reports*.

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