

VIRGINIA DEPARTMENT ♥ F EDUCATION

**Plan to Determine and Biennially
Rebenchmark the Allocation of Regional
Alternative Education Program Slots to
Participating School Divisions**

Presented to:

**Secretary of Education and the Chairpersons of the House
Appropriations and Senate Finance and Appropriations
Committees**

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Legislative Directive

Item 145, Paragraph C.9.f.5) of the *2021 Appropriation Act* (i.e., *Chapter 552*) requires the Virginia Department of Education (VDOE) to develop a plan to determine and biennially rebenchmark the allocation of existing regional alternative education program slots to participating school divisions. Appendix A contains the legislative requirement from the 2021 Appropriation Act.

Background Information

The 1993 General Assembly approved House Bill 2358 and Senate Bill 944 which directed the Board of Education to establish and implement no more than four (4) regional alternative education pilot projects. Each project was to involve two or more school divisions working in collaboration to establish options for those students who no longer had access to school or who were returning from youth learning centers. The General Assembly funded and approved the pilot program for \$1.2 million. Targeted in these pilot programs would be those students who: (1) have a pending violation of a school board policy; (2) have been expelled or have long-term suspensions; or (3) have been released from a youth learning center and identified by the superintendent of the Department of Correctional Education (now Department of Juvenile Justice) and the local division superintendent for the program. Section 22.1-209.1:2 of the *Code of Virginia* establishes the statutory provisions governing regional alternative education programs.

Once the program was expanded statewide by the General Assembly, the number of student slot assignments across regional programs and their participating divisions has remained relatively unchanged through the years. However, funding for the program typically increases with each biennial budget since the cost of the staffing standard that is the basis of the add-on per pupil funding amount (described below) increases as the cost of funded salaries and fringe benefits are rebenchmarked in the formula each biennium.

The General Assembly continues to provide annual funding to establish and maintain regional programs towards the goal of making regional alternative education programs available to school divisions statewide. There are no local matching funds required of participating school divisions. School divisions are required to provide in-kind support for such items as instructional materials, additional staff, pupil transportation and facilities. Each regional program is required to have a small student/staff ratio and various student support services with the goal of returning students served in the programs to the regular classroom environment. For fiscal year 2022, \$9.9 million in Lottery funding is appropriated by the General Assembly for these programs.

The adopted state formula for the regional alternative education funding is based on a per pupil add-on (PPA) to each participating school division's Basic Aid per pupil amount provided under the Standards of Quality funding formula. Students served by regional alternative education programs are still counted in the March 31 average daily membership of their resident school division and generate ADM-based state funding like other students. The add-on PPA is based on recognized staff costs to operate an alternative education program. These staff costs include a principal, teachers at a 10:1 ratio, aides, a counselor, security staff, and administrative support. The VDOE subtracts what a school division receives for its Basic Aid per pupil from the total alternative education per pupil cost to compute the final funded add-on PPA. The per pupil add-on amount is then multiplied by the number of approved student slots for the

division and adjusted for the division's composite index to compute the annual state payment for each division.

At the request of school divisions, the General Assembly previously included in the appropriation act a reallocation process in which school divisions that do not use all of their allocated student slots under the program, may have such unused slots reallocated or transferred to another school division.

Each year fiscal agent school divisions are required to submit a continuation application and a student slot survey to VDOE. The continuation application requires the fiscal agent to provide detailed information on the following:

1. Information of Participating Divisions;
2. Information on Satellite Projects/Sites;
3. Budget by Object Codes and Description of Expenses for Funds Appropriated by State;
4. Numbers of Students and Grades Served;
5. Program Objectives;
6. Program Narrative; and
7. Request and Maintain File of Assurances from Participating School Divisions.

The fiscal agent coordinator for each regional program is responsible for contacting the participating divisions in that regional program and completing a combined survey on the number of slots to be used in the regional program for the upcoming school year and submit it to VDOE. The data collected determines the number of unused student slots that will be available for reallocation in the upcoming fiscal year, and the number of unused student slots being requested by divisions. Once VDOE receives the information, the annual reallocation process is conducted to distribute unused student slots to requesting divisions, as described in the following section.

Annual Slot Reallocation Process

The following provisions are contained in the appropriation act for the reallocation of unused slots:

- If any unused slots are available, and if the requesting school division chooses to utilize any of the unused slots, the requesting school division shall receive only the state's share of tuition for the unused slot that was allocated for the originally designated school division.
- No requesting school division shall receive more tuition funding from the state for any requested unused slot than what would have been the calculated amount for the requesting school division, had the unused slot been originally allocated to the requesting school division.
- The requesting school division must pay any remaining tuition due for using a previously unused slot that it is allocated.
- The annual reallocation process is not a permanent reallocation of slots among divisions, but only a one-time action in effect for that fiscal year. In the following fiscal year, school divisions begin the fiscal year with their same number of historically established slots pending changes from the reallocation process for that year

First priority for distribution of unused slots: Distribution within Regional Programs

- Unused slots from school division(s) participating in a regional program are distributed to other qualifying divisions being served in that regional program who have requested additional slots.
- All slots that a division in the regional program has certified as unused are counted for reallocation.
- School divisions in the regional program that have certified unused slots are listed from lowest to highest by composite index.
 - School divisions in the regional program requesting additional slots are listed from lowest to highest by composite index.
 - Unused slots are assigned one at a time, in order from lowest to highest composite index to the requesting divisions in that regional program, in order of priority, based on the lowest to highest composite index ranking until no further slots remain to reallocate, or all requests have been met.
 - Remaining unused slots, if any, are placed into the state pool of unused slots.

Second priority for distribution of unused slots: Statewide Distribution

Unused slots that have not been awarded under the first priority are distributed statewide to other qualifying school divisions participating in regional programs who have requested additional slots.

Appendix B is a data table that provides a breakdown of the slot allocations and usage by regional program for fiscal years FY 2016 through FY 2020. Data is not shown for FY 2021 since school division participation in regional alternative education programs was impacted by the COVID-19 pandemic in the 2020-2021 school year and slot utilization data for that year is not indicative of typical usage by divisions.

Options for calculating slot distribution based on the number of students in a participating division requiring regional alternative education

Several options for calculating slot distribution based on the number of students in a participating division requiring regional alternative education and rebenchmarked for each state biennial budget cycle are presented in this section.

Option 1: Establish a biennial application process in which each school division, or the fiscal agent division for each regional program on their behalf, applies every two years for student slots from the statewide total number of slots funded in the state formula. Conducting an open application process every two years would ensure the allocation process is responsive to the most current local needs and demand for slots. The application process would be based on criteria from the *Code of Virginia*, the appropriation act, and best practices as established by the Board of Education. The number of slots applied for and approved would be the same for both years of the biennium. The current reallocation process set out in the appropriation act would still occur for each fiscal year of the biennium to further respond to the most current local needs and demand for slots. If initial application demand for slots exceeds the number available, the prioritization process for the existing reallocation process would be used in allocating initial application requests.

Due to actual application demand from divisions that differs from their current slot allocation and the varying impact of the composite index, this option likely would not be state cost neutral and may require additional state funding as a result of the net impact in the state formula.

Option 2: Similar to Option 1, but maintain 50 or 75 percent of divisions' current number of established slots, with the remainder of the statewide number of slots allocated each biennium based on the biennial application process described in Option 1. This allows for a partial "no loss" on current slots historically allocated to school divisions. Divisions would indicate as part of the initial application process if they would not even utilize their 50 or 75 percent partial no loss allocation so those slots could be redirected for the application component. The current reallocation process set out in the appropriation act would still occur for each fiscal year of the biennium to further respond to the most current local needs and demand for slots. Other elements of Option 1 would apply as necessary.

Option 3: Fund the same number of slots for each school division in both fiscal years in the next biennium as was funded in second fiscal year of the preceding biennium (i.e., the "base year"), reflecting the most recent adjustments from the reallocation process that occurred in the "base year," with that number of slots carried forward to the next biennium. After the "base year" slot allocation is carried forward for each school division to the next biennium, still allow the current reallocation process to occur in the next biennium to further respond to the most current local needs and demand for slots.

It should be noted that, while student disciplinary and crime/violence data submitted by school divisions to VDOE were considered as factors or indicators to rebenchmark the allocation of student slots to divisions, it was determined using such factors for slot allocation and thus state funding to divisions was not an appropriate approach since using such factors may incentivize inappropriate student disciplinary actions or data reporting practices by divisions.

Identify needs to implement a Rebenchmarking option, including reporting from local school divisions

The following are needs to implement any benchmarking option:

- Conduct state-level outreach to seek stakeholder input on options for rebenchmarking the allocation of student slots to regional alternative education programs for each biennial state budget cycle.
- Modify the continuation application and student slot survey submitted to VDOE by each regional program fiscal agent to capture data elements necessary to implement the adopted rebenchmarking option.
- Submit a proposal for rebenchmarking student slots through a budget Decision Package as part of an initial biennial budget, but also allow a period of notice and adjustment to school divisions to plan for any funding and programmatic impact from the slot allocation changes implemented.
- Adopt necessary language and funding changes in an enacted biennial appropriation act.
- Work with the Board of Education to develop and adopt new criteria and guidelines for the program on a time-line that aligns with the implementation of the enacted change in slot distribution to divisions.

Identify legislative and Appropriation Act amendments necessary for implementation

No *Code of Virginia* amendments were identified as needed in order to implement the rebenchmarking allocation options identified above. Language amendments would be required to the state appropriation act in order to establish the adopted option for student slot distribution to school divisions, and rebenchmark every two years with each biennial state budget cycle. Any net state funding impact to implement a rebenchmarking process of slot distribution to regional alternative education programs would need to be funded in the state budget.

Plan for the full implementation to Rebenchmark the slot allocation of regional alternative education programs

State-level outreach should be conducted during FY 2022 by the Secretary of Education/VDOE to seek input from school divisions and other key external stakeholders on the allocation options presented above, and to receive input on alternative options identified by stakeholders during the process. Based on the input received, the VDOE would submit proposed changes in a budget Decision Package during the executive budget process for consideration in the Governor's introduced budget to the General Assembly for the 2024-2026 biennium, with the implementation year for the proposed changes no earlier than FY 2025 in order to provide lead-time for school divisions to plan for any funding or programmatic impact to their regional alternative program participation. Sufficient time is also needed for the Board of Education to develop and adopt new criteria and guidelines for the program that align to the new allocation rebenchmarking process.

While major funding changes in the appropriation act are typically implemented with a new biennial budget cycle - as is the process for rebenchmarking the Direct Aid to Public Education funding formulas - an alternative timeline to consider is to implement the adopted change in slot allocation to regional alternative education programs in the second year of the 2022-2024 biennium, or in fiscal year 2024. This would require earlier stakeholder outreach and input and Board of Education action on program criteria and guidelines.

Appendix A

Item 145, Paragraph C.9.f.5), Chapter 552, 2021 Special Session I Acts of Assembly:

5) The Department of Education shall develop a plan to determine and biennially rebenchmark the allocation of existing regional alternative education program slots to participating school divisions. In developing a plan, the Department shall (i) identify a mechanism to calculate slot distribution based on the number of students in a participating division requiring regional alternative education, (ii) identify needs to implement such a plan, including reporting from local school divisions, (iii) identify any legislative and Appropriation Act amendments necessary for implementation, and (iv) plan for the full implementation to rebenchmark the slot allocation of regional alternative education programs. The Department shall report the recommendation to the Secretary of Education, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by August 1, 2021.

Appendix B

Appendix B - Regional Alternative Education Program Student Slot Allocations and Usage for FY 2016 - FY 2020

Regional Program Number	Regional Program Fiscal Agent School Division	Program Name	Stand Alone Sites (*Represents those that meet inside dual purpose school facility)	2019-2020 Actual Student Number	2019-2020 State Assigned Slots	Difference	2018-2019 Actual Student Number	2018-2019 State Assigned Slots	Difference	2017-2018 Actual Student Number	2017-2018 State Assigned Slots	Difference	2016-2017 Actual Student Number	2016-2017 State Assigned Slots	Difference	2015-2016 Actual Student Number	2015-2016 State Assigned Slots	Difference
401	Lynchburg City	Lynchburg Regional Alternative Program	1	231	67	164	228	67	161	229	67	162	229	67	162	247	67	180
402	Newport News City	Enterprise Academy Regional Alternative Program	1	162	212	-50	212	194	18	239	212	27	233	212	21	304	212	92
403	Norfolk City	Tidewater Regional Alternative Education Program	5	56	173	-117	199	116	83	201	201	0	210	210	0	210	210	0
404	Roanoke City	Roanoke City/Salem City/Roanoke County Regional Alternative Education Project	1	64	64	0	64	64	0	64	64	0	64	64	0	64	64	0
405	Fairfax County	Interagency Alternative Schools, TSRC Alexandria at Bryant High School	*1	44	44	0	49	44	5	50	44	6	46	44	2	41	44	-3
406	Fluvanna County	Project RETURN	1	623	57	566	597	57	540	586	60	526	82	60	22	854	64	790
407	Montgomery County	Montgomery/Pulaski Regional Alternative Education Program	2	787	61	726	557	61	496	430	61	369	284	61	223	287	61	226
408	Petersburg City	Petersburg Regional Alternative Program	1	24	28	-4	27	28	-1	30	28	2	32	28	4	35	28	7
409	Pittsylvania County	Pittsylvania County/Danville City Regional Alternative	2	125	36	89	135	36	99	103	36	67	110	36	74	80	36	44
410	Powhatan County	Project Return	3	55	55	0	55	55	0	55	55	0	55	55	0	55	55	0
411	Bristol City	Crossroads Alternative Program	1	67	26	41	67	26	41	67	26	41	67	26	41	50	26	24
412	Richmond City	Metro Richmond Alternative Education Program	1	23	41	-18	43	41	2	50	41	9	45	41	4	48	41	7
413	Stafford County	Regional Alternative Education Program	1	25	55	-30	130	55	75	118	55	63	87	55	32	106	55	51
414	Brunswick County	Southside Link	*3	157	87	70	118	87	31	130	87	43	182	87	95	156	87	69
415	King William County	Middle Peninsula Regional Alternative School Program (iMPACT)	*2	61	110	-49	84	110	-26	79	110	-31	111	110	1	125	110	15
416	Prince William County	Computer-Based Instruction Program and Independence Nontraditional Program	*2	81	64	17	110	64	46	103	64	39	130	64	66	127	64	63
417	Russell County	Project BRIDGE	*14	366	162	204	409	162	247	430	162	268	564	162	402	512	162	350
418	Wythe /Bland County	Wythe/Bland Regional Alternative Educational Program	2	50	25	25	53	25	28	53	25	28	53	25	28	27	25	2
420	Nottoway County	Piedmont Alternative School	7	99	77	22	85	77	8	105	77	28	112	81	31	114	81	33
421	Colonial Beach / Westmoreland County	Valley Academy Alternative Education Program	*1	102	44	58	65	44	21	34	44	-10	29	44	-15	27	36	-9
423	Henry County	Breaking Barriers	1	28	31	-3	29	31	-2	28	31	-3	32	31	1	30	31	-1
424	Carroll County	Galax Regional Alternative Education Program	1	28	32	-4	43	32	11	63	32	31	55	32	23	46	32	14
426	Wise County	The Regional Learning Academy	1	44	59	-15	64	59	5	69	59	10	72	59	13	81	59	22
427	Fauquier County	Regional Alternative Education Program	1	133	65	68	136	65	71	127	65	62	112	65	47	84	65	19
428	Northampton County	Regional Alternative Education Project: The TECH Center	1	32	22	10	29	31	-2	35	22	13	33	22	11	25	22	3
429	Scott County	R.E.A.C.H. Program	1	193	64	129	116	64	52	92	61	31	73	61	12	73	61	12
431	Buena Vista City	Turnaround Academy	*3	12	10	2	20	10	10	17	10	7	15	10	5	16	10	6
433	Waynesboro City / Staunton City	Valley Academy Alternative Education Program	3	45	33	12	33	33	0	90	80	10	77	81	-4	92	71	21