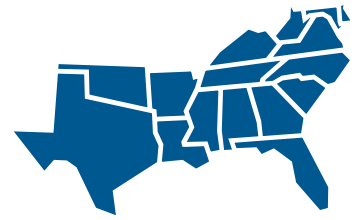


Legislative Report #4 | August 2016

Final actions in Alabama, Arkansas, Delaware, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina and Tennessee

Notes from other SREB states



SREB

Legislative Report

Final legislative and budget actions

Alabama (<http://www.legislature.state.al.us/>)

The Alabama Legislature adjourned its regular session in early May after debating several topics, including a statewide lottery, Medicaid and prison reform. In April, legislators passed a \$6.3 billion Education Trust Fund budget for 2016-17 (up 5.6 percent over 2015-16), which provides state funds to all levels of education and other programs. The State General Fund budget, which funds all other state activities, increases 5.2 percent to \$1.8 billion.

Elementary and secondary education receive \$4.4 billion (up 4.8 percent), with \$4 billion devoted to the K-12 Foundation Program (up 5 percent). State funds to the state Department of Education increase 4.3 percent to \$205.1 million. Funding to the department includes \$16.4 million for statewide student assessment, up 32.3 percent, \$2.8 million for the English Language Learners Program, up 37.4 percent, and \$1.3 million for arts education, up 62.5 percent. Funding to Advanced Placement under the department increases 19 percent to \$6.3 million.

Support for higher education totals \$1.6 billion, a 4.5 percent increase from 2015-16. Four-year institutions receive \$1.1 billion, up 3 percent. Funds to the two-year college system increase 5.6 percent to \$362.2 million.

To help shore up state revenues, the governor in July announced a special legislative session to begin August 15 for the purpose of establishing a statewide lottery. The creation of a lottery requires a constitutional amendment, which first must be approved by at least three-fifths of the members of both the House and Senate, and then by a majority of voters in the November election. According to the governor, a statewide lottery would generate approximately \$225 million annually.

In 2012, the Legislature passed the Alabama Ahead Act to support the installation of wireless internet connections in local school systems and facilitate the transition to electronic instructional materials. Legislators in 2016 approved House Bill 41, which delays the date of implementation to the 2016-17 school

year and removes the requirement for school districts that participate in Alabama Ahead to provide electronic textbooks to students in grades nine through 12. If funding is available, districts may provide: wireless internet for students; upgrades to wireless internet infrastructure; and electronic devices, digital content and other electronic services and support.

House Bill 41 also creates the Alabama Ahead Oversight Committee. The committee evaluates applications submitted to the department by school districts for participation in Alabama Ahead and oversees and administers implementation of the act.

Senate Bill 11 establishes the Jason Flatt Act to combat student suicide. School districts will adopt a policy on student suicide prevention and provide annual training to all certified school employees on suicide awareness and prevention. The state Department of Education will create an advisory committee with stakeholders in mental health and suicide prevention to assist in developing rules regarding school employee training and a list of approved materials. The committee and the department will develop a model policy on suicide prevention for school districts.

Other legislation

HB 121 provides a 4 percent salary increase to teachers, community college employees and other education employees who make less than \$75,000 annually, beginning in 2016-17. Employees who make \$75,000 or more will receive a 2 percent pay raise.

HB 168 allows a child who turns six on or before December 31 (previously September 1), to enroll in first grade at a public school.

HB 218 requires schools to teach cursive writing to students by the end of third grade.

SB 90 enacts the Apprenticeship Tax Credit Act of 2016. The act allows an eligible employer from 2017 to 2021 to claim a nonrefundable income tax credit of \$1,000 for each apprentice who is employed for at least seven months. An employer may not exceed five claims a year. The bill caps the credit at \$3 million per year.

SB 215 establishes the Alabama School Bus Safety Act to allow school districts to operate automated school bus violation enforcement programs with assistance from law enforcement agencies.

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

Arkansas adjourned its fiscal session in early May following the passage of the Revenue Stabilization Act, which sets financial priorities based on expected revenue. The \$5.3 billion 2016-17 budget, up 2.8 percent over the original 2015-16 budget, provides flat funding to most agencies with small increases to elementary and secondary education, human services and economic development. The rainy day fund will receive \$13.8 million, nearly triple the 2015-16 amount.

General funds to the Public School Fund increase 1.1 percent to \$2.2 billion; the increase in funding goes to elementary and secondary schools. Funds to the State Library and the Department of Career Education, administered through the Public School Fund, remain at the 2015-16 levels.

The budget funds postsecondary educational institutions at the 2015-16 level. Four-year institutions receive \$588.1 million in general funds, two-year institutions receive \$111.9 million and technical colleges receive \$33.5 million. The budget also devotes \$40 million, the same amount as in 2015-16, toward higher education grants that provide financial aid to students.

Delaware (<http://legis.delaware.gov/>)

The Legislature concluded its 2016 session with the approval of an overall 2016-17 general fund budget totaling nearly \$4.1 billion, up 4.5 percent over 2015-16. Higher education funding is up 1.9 percent to \$234.4 million, which includes \$120.6 million (up 1.7 percent) for the University of Delaware, \$35.1 million (up 1.6 percent) for Delaware State University and \$78.7 million (up 2.8 percent) for Delaware Technical and Community College.

Funding for elementary and secondary education through the state Department of Education totals nearly \$1.4 billion, a 5.7 percent increase. This includes over \$1.1 billion for school district operations, also up 5.7 percent. Block grants and other pass-through programs receive \$103.9 million, up 9.6 percent, while funding for student transportation is up 3.3 percent to \$91.4 million. The merit-based SEED Scholarship program for students at the University of Delaware and Delaware Technical and Community College (administered through the Department of Education) receives nearly \$5.7 million, a 23.1 percent increase. The merit-based Inspire program for Delaware State University students remains funded at \$1.6 million.

Senate Bill 199 creates a four-tier state teacher licensure system by adding a provisional teacher license tier to the existing three tiers. The one-year provisional license is for teachers in their first year of teaching who have not yet received a passing score on the required performance assessment. A provisional license holder must complete required professional development and mentoring prior to applying for an initial license. The bill requires the state Department of Education to provide, by early 2022, a report to the General Assembly on the impact of the teacher performance assessment on student performance and educator retention over the 2016-17 to 2020-21 school years.

Legislators passed House Bill 234 to require all public secondary schools, including vocational-technical schools but excluding charter schools, to have health clinics that meet state requirements for school-based health centers. The bill requires the state to fund start-up costs for the centers at schools that do not have them.

Following heightened nationwide attention to sexual assaults on college campuses, the Legislature passed House Bill 1, which establishes a statewide sexual assault policy for institutions of higher education. The bill requires any college or university employee who has regular interaction with students in a teaching, mentoring, advising or supervisory capacity to offer assistance in reporting to law enforcement an alleged sexual assault perpetrated against or by a student of that institution within 24 hours of being informed by the victim of the assault. The employee also is required to inform the victim of his or her rights under the law and of available and confidential medical, counseling and advocacy services. The legislation holds institutions accountable for the compliance of their employees with these requirements. It also requires institutions to train employees about the prevalence and nature of sexual assaults on college campuses and the reporting requirements under this bill and federal law.

Other legislation

HB 61 requires the boards of all public school districts, vocational-technical school districts and charter schools to digitally record their public meetings and make the recordings available on the districts' and schools' websites within seven business days.

HB 292 requires schools to post the child abuse and neglect telephone reporting hotline number where it can be viewed by students.

HB 307 waives the \$100 fee for an educator to obtain his or her first educator's license if the applicant graduated from a high school or from a teacher preparation program in Delaware.

SB 180 requires the state Department of Education to assure that an individual with disabilities who has reached 18 years of age has an identified decision-maker to exercise the individual's educational rights under state law. Depending on the individual's capacity, he or she may act as his or her own decision-maker, may appoint an agent, or the individual's individualized education plan team may appoint a representative.

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

The Legislature adjourned on the last possible legislative day after approving House Bill 303, the 2016-18 biennial budget. General funds total \$10.6 billion in 2016-17, up 2.7 percent over the original 2015-16 budget, and rise 2.3 percent in 2017-18 to nearly \$10.9 billion. However, as a result of large general fund increases for state-supported retirement systems, most programs receive reduced or level funding. The Kentucky Retirement Systems, which did not receive general funding in the 2014-16 biennium, receives general funds totaling \$98.2 million in 2016-17 and \$87.6 million in 2017-18. General funds for the Kentucky Teachers' Retirement System increase 160.3 percent to \$779.2 million in 2016-17 and decline 4.4 percent to \$744.8 million in 2017-18.

Statewide general funds for K-12 education rise 0.9 percent to \$4.1 billion in 2016-17, including \$3 billion for SEEK formula funding to schools, also up 0.9 percent. Funding to each decline in 2017-18 by 0.2 percent and 0.4 percent, respectively.

General funds to state-supported postsecondary institutions decline 4 percent to \$879.4 million in 2016-17. While general funds provided directly to those institutions decline another 4 percent to \$844 million in 2017-18, the budget provides \$42.9 million to establish the Postsecondary Education Performance Fund, which will distribute the funds to institutions based on their achievement of legislatively approved performance goals and metrics.

The Kentucky Higher Education Assistance Authority, which administers statewide student financial aid programs, receives \$240.2 million in 2016-17, up 17 percent, and \$245.2 million in 2017-18, up 2.1 percent. This includes \$15.9 million in 2017-18 for the Work Ready Kentucky Scholarship that will provide last-dollar financial aid to permit students to attend Kentucky Community and Technical College System institutions at no cost.

To promote proper postsecondary institutional board stewardship statewide, the Legislature passed House Bill 15, which requires new appointees to the Kentucky Council on Postsecondary Education to complete an orientation and education program. The bill further requires the council, in cooperation with each public university and the Kentucky Community and Technical College System, to develop continuing education programs for the council and for public college and university governing board members.

State law requires schools to provide students with 1,062 hours of instruction during a minimum of 170 school days per school year. For the 2015-16 academic year, House Bill 111 (approved before the year ended) allowed school districts to add time to instructional days to reach the hourly requirement. Instructional days could not exceed seven hours unless the district received approval from the commissioner of education for an innovative alternative calendar. The bill allowed the commissioner to waive the remaining instructional hours required if, after the commissioner provided scheduling assistance to the school district, he determined the district had maximized instructional time but would be unable to complete the required hours.

Other legislation

HB 158 provides to students with intellectual disabilities, who enroll in courses as a part of a comprehensive transition and postsecondary program in 2016-17 and beyond, \$500 in financial aid for enrollment in six or more credit hours in an academic term (previously, \$250) and \$250 in financial aid for enrollment in less than six hours in an academic term (previously, \$125).

SB 33 requires each high school to provide CPR training as a part of the health or physical education course required for graduation.

SB 140 authorizes Kentucky's participation in the State Authorization Reciprocity Agreement (SARA), which establishes national standards for interstate online education course and program offerings.

SB 228 defines bullying as it relates to the education process and requires each local board of education, in its code of acceptable behavior and discipline, to prohibit bullying.

SB 296 establishes as a statewide program the Governor's School for Entrepreneurs, a learning program for high school students to develop innovative products and services. Legislators appropriated \$200,200 in each year of the budget for the program.

Louisiana (<http://www.legis.la.gov/>)

Facing the largest budget shortfall in Louisiana history, the governor called two special sessions, one before the regular session and one after, to close estimated budget gaps through revenue measures and spending reductions — the estimated gaps were \$940 million for the fiscal year that ended June 30 and \$2.2 billion for 2016-17. In the first special session and into the regular session, legislators addressed the 2015-16 shortfall and the majority of the 2016-17 budget gap. The remaining shortfall for 2016-17 was addressed during the second special session.

To help balance the 2015-16 budget, two sets of reductions were taken — one in November of 2015 (\$23 million) and one in March of 2016 (\$90 million). During the first special session, the Legislature raised an estimated \$1.2 billion in new revenues, the largest parts of which were a temporary increase in the state sales tax, the suspension of a number of sales tax exemptions, and increases in cigarette and alcohol taxes. In the second special session, legislators passed several additional measures, which then allowed them to make some supplemental budget allocations following the adoption of the 2016-17 budget in the regular session.

The state-funded operating budget (general funds and statutory dedications) in the general appropriations bill totals \$11.7 billion, an increase percent of 5.3 percent over the 2015-16 budget as of December, which included the November reductions but not those taken in March. K-12 education receives nearly 3.9 billion in state funds for 2016-17, down 0.5 percent from the 2015-16 budget as of December. Funding for the Minimum Foundation Program formula, from general and statutory dedicated funds, totals \$3.6 billion, a decrease of 0.8 percent. The budget supports the Student Scholarships for Educational Excellence Program with \$40.1 million, down 4.5 percent. These scholarships provide financial assistance to allow low-income students in low-performing public schools to attend a school of their choice by covering either the amount of tuition charged by the private school or 90 percent of the total state and local funding per student in his or her home district, whichever is less.

General funds and statutory dedications for postsecondary education decrease 7.5 percent to \$1.1 billion. House Bill 842 consolidates, under the Louisiana Board of Regents, the boards of the Louisiana Office of Student Financial Assistance and the Louisiana Universities Marine Consortium for Research and Education. Funds budgeted to those institutions will transfer to the Board of Regents budget.

While the budget provides merit-based TOPS scholarships with \$209.4 million in state funds, the current anticipated need to fully cover scholarships in 2016-17 is \$297 million. This amount compares to the \$265.2 million in state funds available in 2015-16; in addition, postsecondary institutions covered about \$28 million of the cost to fully fund the awards.

The Legislature passed several bills making changes to the state TOPS program. Senate Bill 174 freezes all TOPS award amounts at the 2016-17 level, unless the Legislature specifically approves an increase. Senate Bill 329 increases the GPA requirement from 3.0 to 3.25 for TOPS Performance Awards and from 3.0 to 3.5 for Honors Awards for students graduating in the 2020-21 year or after. Senate Bill 470 requires the Louisiana Office of Student Financial Assistance to equally prorate award amounts to qualifying recipients in the event of insufficient funds.

Senate Bill 432 requires that the state-controlled Recovery School District return every school under its control to its local school system by July 1, 2018. Schools may, under certain circumstances, postpone their return until July 1, 2019 at the latest. Local school superintendents and the superintendent of the Recovery School District will form an advisory committee to develop a plan for the transfer of schools from the Recovery School District schools to local school districts.

After the transfer, each charter school will continue to operate as its own local education agency and will retain control over personnel, curriculum and other decisions. The term of a charter school's contract, following its transfer to local school board oversight, will be equal to the time remaining on its contract with the Recovery School District.

Each local school board is required to establish a district-level funding process to provide Minimum Foundation Program formula funds to charter schools and a common enrollment system in which all schools will participate. House Bill 562 permits certain school districts (those where more than 50 percent of public schools are charter schools and where the district uses a single application and enrollment process) to assign students to particular charter schools based on the mission of the school, parental preference and other factors.

Also related to charter schools, Senate Bill 260 removes the authority of local charter authorizers — groups certified by the state Board of Elementary and Secondary Education (BESE) to enter into charters — so that only local school boards and BESE have the authority to authorize charter schools.

Senate Bill 80 proposes a constitutional amendment that would give the management boards of the four state public postsecondary education systems the authority to establish tuition and mandatory fee amounts charged to students without legislative approval. The proposed amendment will appear on the ballot in 2016. House Bill 989 removes specific language for all institutions relative to how tuition and fees for out-of-state students are set. Previously, all state colleges and universities (except for historically black colleges and universities) had to charge tuition and fees to nonresident students at least equal to the average charged to non-residents in other member SREB states.

In 2010, the Legislature passed Act 54 to establish the framework for a new educator and administrator evaluation system, which the state implemented in 2012-13. Senate Bill 477 reduces the weight of the value-

added portion of the evaluations from 50 to 35 percent, with the remaining 15 percent of evaluations based on other measures of growth in student achievement.

Other legislation

HB 217 allows BESE to certify each educational leader who is eligible for employment as a supervisor, director or coordinator of special education in a public school system.

HB 361 permits the state Department of Education to fine in an amount of no more than \$1,000 per day (previously at least \$1,000 per day) an early learning center for knowingly operating without a valid license.

HB 887 establishes a pilot residential public school with an independent board of directors to serve at-risk students in grades six through 12.

HB 899 lowers the maximum amount of local revenues the Orleans Parish School Board may withhold from transfer to the Recovery School District from \$6 million to \$3 million.

HB 940 requires the state university system management boards to ensure that student identification cards comply with voter identification requirements and that the cards have an expiration date of four years after issuance or the student's anticipated graduation date, whichever comes first.

SB 262 requires BESE to collect statewide assessment data in 2016-17. However, BESE will not require use of assessment results in educator evaluations or in student grade placement decisions for fourth- and eighth-grade students. The bill also continues the freeze on changes to school and district letter grades, which remain at the 2012-13 level except for schools or districts that improve their performance.

SB 275 requires each public school to introduce cursive instruction by the third grade and to incorporate cursive writing into the curriculum in grades four through 12.

Mississippi (<http://www.legislature.ms.gov/>)

Legislators completed the regular session in April after approving appropriations for 2016-17 and measures to lower taxes in coming years, including a 10-year phase out of the corporate franchise tax and a five-year phase out of state taxes on the first \$5,000 of an individual's income. While state funds are up 1.5 percent to less than \$6.4 billion, including general funds of nearly \$5.8 billion (up 1.4 percent), Senate Bill 2362 moved funding for several state agencies from special funds to the state general fund, which absorbed the increased statewide funding levels.

Legislators appropriated \$2.5 billion in state funds for K-12 education in 2016-17, down 1.2 percent. These funds include general funds totaling nearly \$2.3 billion, a decrease of roughly \$1 million. State funds include more than \$2.2 billion (no increase) for Mississippi Adequate Education Program formula funding; though general funds are up 0.5 percent to just over \$2 billion, other state funds are down. Statewide programs through the state Department of Education receive \$161.9 million in state funds, down 5.8 percent, including nearly \$112 million in general funds, down 9.5 percent. State funds for vocational and technical education decline 0.1 percent to \$81 million, including \$76.1 million in general funds, down 0.2 percent.

State support to universities totals \$405.7 million, down 3 percent, including general funds totaling \$338.4 million, down 3.9 percent. State funds for financial aid to university students, comprised entirely of general funds, total \$38.8 million, up 2.4 percent. Community colleges receive \$264.7 million in state funds, down 1.7 percent, including a 1.1 percent decrease to general funds, to \$218.6 million.

In April, the governor announced expenditure reductions and allocated stabilization funds to cover a general fund revenue shortfall for 2015-16. The 0.43 percent budget reduction did not apply to vocational and technical education or to student financial aid. The \$10 million allocated by the governor from the stabilization fund was the second such allocation of the fiscal year; he previously ordered the transfer of \$35.2 million from the stabilization fund to the general fund in January.

With the passage of House Bill 989, the Legislature created the statewide Mississippi Achievement School District, which is intended to transform persistently low-performing public schools and school districts into quality educational institutions. Schools or districts that receive an F rating in two consecutive school years or during two out of three consecutive years may be transferred to the achievement district. The state Board of Education (BOE) will determine which schools and districts are transferred to the district. In determining which schools and districts are eligible for transfer, the BOE may not consider school ratings from prior to the 2015-16 academic year. The BOE may revert a transferred school or district back to local governance once it has attained an accountability rating of C or better for five consecutive years. It also will select an individual to serve as superintendent of the Mississippi Achievement School District.

Teachers who obtain National Board Certification are provided with a \$6,000 annual salary supplement. House Bill 207 provides, subject to the availability of funds, an additional \$4,000 salary supplement to National Board Certified teachers who provide instruction in certain counties.

Legislators passed Senate Bill 2064 to establish the Distance Learning Collaborative Act, which establishes a grant program at the state Department of Education to improve distance learning services, primarily in rural areas. The department will award grants for distance learning collaborative organizations to acquire equipment, instructional programming, technical assistance and instruction or to cover the cost of tuition and fees for participating students. The program will begin with the 2016-17 school year, subject to appropriation by the Legislature, which may choose to implement the program in phases.

In 2013, legislators established the Mississippi Charter Schools Act. Previously, only students assigned to the school district where a charter school is established were eligible to attend that school. With the passage of Senate Bill 2161, any student who resides in a school district that has received a C, D or F rating under the state educational accountability system may enroll in a charter school established under the act. The bill also specifies that each charter school that serves grades nine through 12 must ensure that its graduation requirements meet or exceed those set by the state Department of Education for a regular high school diploma.

Currently, some school district superintendents are elected. With the passage of Senate Bill 2438, all district superintendents must be appointed by the respective local school board by the beginning of 2019.

Other legislation

HB 928 requires the state superintendent of public education to annually prepare a report on the number of students arrested for unlawful activity that occurred on school property or during a school-related activity.

SB 2157 specifies that the intensive instruction and intervention provided to K-3 students who exhibit substantial deficiency in reading must be documented in an individual reading plan. Beginning in 2018-19, the bill prohibits a school from promoting to grade four a student whose reading deficiency is not remedied by the end of grade three.

SB 2160 permits the state Department of Education to award a high school diploma to an individual who withdrew from high school prior to graduation if he or she completed all requisite graduation coursework and obtains a passing score on an assessment reasonably comparable to the assessments that would have

qualified him or her for graduation at the time he or she completed the coursework. The state Department of Education is authorized to determine or develop a comparable assessment for this purpose.

SB 2388 specifies that schools and districts that participate in the reading intervention program for low-performing districts and schools must agree to involve the school or district leadership team as directed by the department, and that the department may include preschool programs in such intervention programs. Participating schools are selected by the state Department of Education.

North Carolina (<http://www.ncleg.net/>)

Meeting in their mid-biennium legislative session, the General Assembly amended the second year of the 2015-17 biennial budget, providing an additional \$402 million in general funds for 2016-17. The \$22.3 billion total is up 1.8 percent from the originally approved amount and up 2.8 percent from 2015-16.

General funds for K-12 education to the Department of Public Instruction total \$8.7 billion, up 3.7 from the originally approved amount and up 2.5 percent from 2015-16. The budget provides \$190.9 million for teacher salary increases of 4.7 percent on average, \$29.4 million for administrator and school district employee salary increases of 1.5 percent, and \$25.8 million for one-time bonuses to administrators and district employees.

Legislators established, through proviso language in the budget (House Bill 1030), a \$10 million, two-year pilot program to provide bonuses to the top 25 percent of reading teachers in grade three, as determined by teachers' student growth index scores on the Education Value-Added Assessment System. Proviso language also establishes a three-year pilot program for local school districts to allow teachers to assume advanced teaching roles and earn salary increases based on teacher performance and professional growth; the budget provides \$1.1 million for the first year of the program. The budget provides an additional \$10 million in non-recurring funds for schools to purchase textbooks and digital materials (bringing funds available to \$71.5 million), and \$4.7 million in new funding to help implement the North Carolina Digital Learning Plan, which will help guide K-12 schools through the transition to digital learning.

Other K-12 education provisions in the budget include: a two-year pilot program that provides a \$50 bonus to Advance Placement or International Baccalaureate teachers for each of their students who pass the respective exams, up to \$2,000 per teacher per school year; an extension of the modified school performance grade scale currently in effect through 2018-19; and a five-year pilot program for up to five local school districts or groups of districts to establish alternative teacher preparation models in which lateral-entry teachers obtain full licensure.

General funds to universities in 2016-17 total \$2.9 billion, up 6.3 from the originally approved amount and up 3.8 percent over 2015-16. This includes nearly \$42 million for 1.5 percent salary increases to faculty and staff and another \$13.9 million for a one-time bonus of 0.5 percent of each employee's salary. Language in the budget requires the University of North Carolina (UNC) system to adopt a plan to improve baccalaureate degree completion rates that includes specific target rates for each institution. The plan will take effect in 2017-18. Budget language also directs the Board of Governors to require eight UNC institutions with educator preparation programs to establish laboratory schools. These schools will serve kindergarten through grade eight students in school districts where 25 percent or more of schools have been designated as low-performing.

Community colleges receive just under \$1.1 billion, a 2.8 percent increase from the original amount and up 2.5 percent over 2015-16. Legislators provided \$17 million for salary increases and another \$17 million for a one-time bonus for community college employees.

Reflecting a nationwide concern over the privacy of students' online data, legislators approved House Bill 632. The bill prohibits an individual or organization that provides an online educational service or application from using information about students obtained through the service or application to engage in advertising or to create profiles of those students for non-educational purposes. Providers may not disclose any student information to third parties, except for certain legal and educational purposes. A provider is only permitted to rent or sell student information to national assessment providers who have received written parental consent for the purpose of providing access to financial aid and postsecondary education opportunities. The bill requires all application and service providers to implement security procedures and practices and to protect student information from unauthorized access or use.

With the passage of House Bill 1080, the General Assembly approved the creation of a statewide Achievement School District (ASD) under the administration of the state Board of Education. The Board is permitted to select, on the recommendation of the ASD superintendent, up to five elementary schools for transfer to the school district, which will supervise, manage and operate the five schools. Schools eligible for transfer to ASD are elementary schools that received school performance scores in the bottom 5 percent of all schools in the prior year, have been designated for consideration by their local boards of education and did not meet their student performance growth targets in at least one of the last three years. Schools transferred to the ASD will remain under its supervision for at least five years.

Other legislation

HB 242 requires a charter school authorizer to review each charter school's operations once prior to the expiration of the school's charter; previously, state law required this review at least once every five years.

HB 561 requires the Program Evaluation Division of the General Assembly to study the process of resolving education funding disputes between local boards of education and boards of county commissioners, and to provide findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee by May 1, 2017.

Oklahoma (<http://www.oklegislature.gov/>)

Prior to the 2016 regular legislative session, the director of the Office of Management and Enterprise Services declared two revenue failures for 2015-16, which occur when collections to the state general revenue fund fall below 95 percent of the revenue projections previously certified by the State Board of Equalization. A revenue failure requires cuts to state-appropriated agencies in equal proportion, resulting in an approximate 7 percent cut to all agencies in 2015-16. Supplemental funding to K-12 education and prisons provided a combined \$78 million from the state rainy day fund to provide some relief against the cuts.

The Legislature adjourned its regular session on the last possible day after passing a \$6.8 billion spending plan for 2016-17, a 5.3 percent decrease from the original 2015-16 budget. Legislators closed a \$1.3 billion budget deficit through a combination of spending cuts to agencies, fee increases, tax credit reductions and one-time revenues, including the issuance of \$200 million in transportation bonds.

Funding to elementary and secondary education decreases 2.4 percent in 2016-17 to \$2.4 billion. The Department of Career and Technology Education receives \$118.2 million (down 11.6 percent), and the Arts Council receives \$2.9 million (down 17.5 percent). The budget funds the Office of Educational Quality and Accountability with \$1.7 million, down 8.9 percent. Postsecondary education funding in 2016-17 decreases 16.9 percent from the original 2015-16 budget to \$810 million.

House Bill 2957 makes changes to the Teacher and Leader Effectiveness Evaluation system, including allowing school districts to discontinue using the quantitative portion of evaluations — though they may continue their use with approval from the state Board of Education and at the expense of the local district. The state Department of Education will work with districts in 2016-17 to develop individualized professional development programs for the evaluation system. Districts will implement the system by 2017-18 and use it for evaluations of teachers and administrators in 2018-19.

House Bill 3218 repeals the state-mandated assessment system and end-of-course instruction tests, directing the state Board of Education to adopt a new system of statewide, standards-aligned student assessments by December 31, 2016, to take effect in 2017-18. At minimum, the new assessments must include: assessments in English language arts and math in grades three through eight and at least once in grades nine through 12; assessments in science at least once in grades three through five, six through nine and 10 through 12; and an assessment in U.S. history at least once during high school.

The bill also authorizes the state Board of Education to develop new graduation requirements, subject to legislative approval. Schools will include the highest-achieved score on each assessment on student transcripts. The bill requires the state Board of Education to continue to administer assessments by non-electronic means, should it implement an electronic assessment delivery system, and to provide school districts choice in their method of assessment delivery.

House Bill 2720 makes several changes and clarifications about how districts may convert an existing school into a conversion school — a previously traditional public school granted any or all of the flexibilities and accountability measures of a charter school. Unlike charter schools, however, funding and student enrollment occur in the same manner as a traditional public school, and conversion schools remain under the management of the school district. District boards of education, the only entities able to approve or disapprove the creation of a conversion school, must prepare a conversion plan complying with relevant statutes and with the Oklahoma Open Records Act. The district may revert a conversion school to a traditional public school but only during summer breaks between school years.

House Bill 3114 creates the Empowering Teachers to Lead Act. The act establishes a framework with teacher career pathways and leadership roles, each with its own requirements, through which teachers will progress in the following order: initial teacher, career teacher, model teacher, mentor teacher and leader teacher. The bill also sets compensation requirements for each role. Districts may apply to the state Department of Education to implement the framework or a comparable system. Districts may also apply for a planning grant to design and implement a framework, subject to the availability of funds.

In addition to provisions in House Bill 3218 mentioned above, the Legislature passed several bills to alter high school graduation requirements and recognize graduates with special achievements. Senate Bill 1380 lowers the number of required arts credits from two credits to one and modifies the description of laboratory sciences. In lieu of the college preparatory work ready curriculum competencies required of high school students, statute permits students who receive written approval from a parent or legal guardian to enroll in the state's alternate core curriculum. Students under the alternate curriculum must take a computer science course. Senate Bill 1105 allows students who failed to meet graduation requirements to re-enroll in the school district to complete the requirements. It exempts such students from hourly instructional requirements and the requirement that students enroll in six periods. Senate Bill 1269 directs the state Board of Education to develop, with stakeholders, college and career endorsements that will provide distinction to high school graduates who satisfy curriculum requirements as determined by the state Board of Education and in categories determined by the Board, including STEM (science, technology, engineering, math) and public services.

Other legislation

HB 2404 directs the state Board of Education to develop exceptions to the maximum age that a child may attend early childhood education programs.

HB 2535 allows public (including, magnet, charter and virtual schools) and private schools to enter into agreements with private or public organizations beginning in 2017-18 to create apprenticeship, internship, or mentorship programs for high school juniors and seniors.

HB 2544 permits a school district to enact an extended-day schedule without state Board of Education approval and removes restrictions on which grades may use an extended day schedule.

HB 2614 allows a public school to refuse to provide educational services in a regular school setting to a student removed from another school for using electronic communications with the intent of harassing, intimidating, threatening or bullying faculty or students.

HB 2946 allows the state Board of Education to certify individuals who hold an out-of-country teaching certificate and who meet the other requirements set by the state Board of Education, or those who successfully complete a competency exam.

HB 2967 permits a school district to enter into a contract with a student teacher for the coming fiscal year as long as the student teacher obtains a valid teaching certificate by the first day of school. The district may also provide a stipend or signing bonus to the student teacher, conditional upon the completion of the first year of the contract.

HB 3025 expands eligibility for individuals pursuing a standard teaching certificate through an alternative placement program to include individuals who successfully complete a terminal degree from a postsecondary institution or have a bachelor's degree and qualified work experience.

HB 3102 raises the yearly limit on classroom teaching hours for adjunct teachers from 90 to 270 hours.

SB 1038 creates the Teaching Certification Scholarship Program under the Office of Educational Quality and Accountability to provide scholarships toward the costs of competency exams to qualifying teacher candidates. Recipients must teach at an accredited Oklahoma school for a minimum of one year.

SB 1431 allows persistently low-performing schools to implement a locally developed, evidence-based intervention model. If a school continues to need improvement after four years, the local school board must seek assistance from the state Department of Education to create a state support plan. After two years of implementing the state support plan, should the school make insufficient gains, the state Board of Education may take control of the school.

South Carolina (<http://www.scstatehouse.gov/>)

Legislators adjourned the regular session in early June after approving a \$7.6 billion general fund budget, up 9.9 percent from the adopted 2015-16 budget. K-12 education funding is up 10.5 percent to nearly \$2.9 billion, of which nearly \$2.7 billion (up 10.1 percent) is provided as aid to school districts. Included in the aid to school districts is \$1.7 billion in basic Education Finance Act formula funding, up 11.6 percent, with level funding for reading coaches (\$29.5 million) and summer reading camps (\$6 million).

Education Improvement Act (EIA) funding, derived from an earmarked 1 percent sales tax, is projected to rise 10.1 percent to \$751.6 million. The projected increase will permit legislators to direct \$81.1 million, a 16.6 percent increase, to the statewide Public Charter School District and to double EIA funding for reading coaches to \$9.9 million. In 2016-17, the rural teacher recruitment initiative receives \$9.7 million from the EIA, up from \$1.5 million in 2015-16. EIA teacher salary support increases 18.2 percent to \$150.8 million.

General funds to state universities increase 6.3 percent to \$388.7 million, while comprehensive and technical education receives \$140.5 million, up 6 percent. While the budget discontinues general fund support for the statewide merit-based LIFE, Palmetto Fellows and HOPE scholarship programs, available lottery funding in 2016-17 is projected to rise 32.5 percent over the originally estimated 2015-16 amount to \$418.7 million. As such, lottery funds in 2016-17 for LIFE Scholarships rise 1.8 percent over combined general and lottery funds in 2015-16 to \$199.8 million. Lottery funds during the same period for Palmetto Fellows Scholarships rise 4.5 percent over combined funds to \$49.3 million, and HOPE Scholarships lottery funds rise 8.6 percent over combined funds to \$9.6 million.

Other lottery-funded programs include the state Department of Education's K-12 Technology Initiative (up 26.2 percent to \$23.8 million), need-based student financial aid (up 27.3 percent to \$49.3 million) and tuition assistance to students at two-year institutions (up 7.8 percent to \$51.1 million).

To assist school districts with low annual accountability ratings or with low percentages of students meeting state standards, the Legislature approved House Bill 4939, which requires the state Department of Education to develop a system to provide technical assistance to school districts, including assistance with academics and finances. The bill requires the state superintendent of education to report, beginning in 2017, on the system's progress in improving student academic achievement and high school graduation rates. In addition, the state Department of Education must monitor and recommend changes and improvements to the professional development of teachers, staff and administrators in under-performing districts as well as changes to improve the operational efficiency and effectiveness of the boards of those districts. House Bill 4940 directs the state Department of Education to provide technical assistance to under-performing schools and districts through its Office of Transformation.

Other legislation

HB 3265 requires each high school to provide each student with instruction in cardiopulmonary resuscitation at least once during grades nine through 12.

HB 3560 moves from April 15th to the first of May the date by which each school district must notify a teacher concerning his or her continued employment for the following school year. The bill also allows a school district's board of trustees, when a teacher they have dismissed exercises his or her right to an evidentiary hearing, to hire a licensed attorney to conduct the hearing.

HB 3848 requires the state Board of Education and the Education Oversight Committee to include in the required study of the United States Constitution under the South Carolina Social Studies Standards, at a minimum, the Federalist Papers and instruction on the structure of government, federal separation of powers and the freedoms guaranteed under the Bill of Rights.

HJR 4632, passed early in the session, required all public high schools to offer a state-funded college entrance assessment to each student entering the 11th grade for the first time in the 2015-16 school year, in both paper and electronic format.

HJR 5024 requires the state Department of Education to provide to all K-3 literacy coaches and teachers training on dyslexia and related reading disorders, the use of screening tools to detect these disorders, and instructional methods and interventions designed for students with these disorders.

SB 933 removes the December 31, 2015 deadline by which a person who failed to receive a high school diploma — solely for failing to meet the graduation exam requirements — must file his or her petition to a local school board to receive a diploma.

Tennessee (<http://www.capitol.tn.gov>)

The Tennessee General Assembly adjourned in late April, legalizing fantasy sports gambling and allowing grocery stores to sell wine. The Legislature passed a \$14.6 billion general fund budget for 2016-17, up 4.6 percent over 2015-16.

Elementary and secondary education receive \$4.8 billion in 2016-17, a 5.7 percent increase. Funding to the Basic Education Program formula increases 5.7 percent to \$4.8 billion. The amount includes \$104.6 million devoted to increasing teacher salaries and \$15 million for technology, double the amount devoted in 2015-16. Early childhood education receives \$92.2 million, up 1.1 percent. The budget devotes \$6.9 million to the Division of College, Career and Technical Education, a 14.3 percent decrease in funding.

Funding to postsecondary education totals \$1.7 billion, a 6.9 percent increase. The Tennessee Higher Education Commission, which coordinates postsecondary education, receives nearly \$4 million, a 23.3 percent increase. The approved budget increases funding to the University of Tennessee System by 4.9 percent to \$532.2 million. The Tennessee Board of Regents system, encompassing the state's community colleges, technical schools, and six four-year universities, receives \$746.7 million, a 9 percent increase.

Currently, the Tennessee Board of Regents exercises governance and control over the six universities within the state university and community college system. The passage of House Bill 2578, the Focus on College and University Success Act, transfers the governance and management of those universities to newly created boards of trustees at each institution. Each board will approve an operating budget and will set fiscal policy for its respective institution, but the Board of Regents will have final authority over each university's operating budget. The bill sets a transition period from July 1, 2016, to November 30, 2017, and requires the Board of Regents and six new institutional boards to cooperate to ensure a successful and aligned postsecondary system.

House Bill 1879 enacts the Course Access Program Act, which allows a K-12 student to enroll in courses provided by other public schools or entities authorized by the state Department of Education beginning in 2017-18 if their school does not offer the particular curriculum. The act requires the state Department of Education to maintain an online course catalog. Students may enroll in two courses per year at no cost, but must pay for additional courses. Courses available through the program must be rigorous and aligned to the state academic standards and must include an assessment for determining student growth and achievement.

House Bill 1905 directs the state Board of Education to revise the social studies standards adopted in 2013. The revised standards may not promote religion. The use of religion in textbooks or any other student materials or standards must be for educational purposes only. Each local education agency will establish a policy on the use of religion in educational materials. Additionally, teacher training institutions will provide candidates with instruction on what is constitutionally permissible when teaching religious content and how to handle the material in a neutral and objective manner.

Other legislation

HB 1755 allows high school students to satisfy the fine arts graduation requirement by completing a computer science course beginning in 2016-17.

HB 2117 makes changes to the Community College Reconnect Grant program, which provides scholarships to adults returning to community college to complete an associate degree in applied science. Changes include removing the requirement that the degree be in applied science and altering how Tennessee Student Assistance Corporation distributes the grants.

HB 2573 renames the Postsecondary Education Act of 1974 the Tennessee Higher Education Authorization Act of 2016 and makes various changes to the act, including an expedited avenue to institutional authorization. It also directs the executive director of Tennessee Higher Education Commission to examine the commission's regulatory function, after which THEC must adopt policies reflecting the results.

HB 2635 requires the state Department of Education to provide a screening process to identify characteristics of dyslexia and to create a dyslexia advisory council to advise the Department. Students in kindergarten through grade two must be screened annually and a student's parent or guardian, teacher, counselor or school psychologist may request a screening at any time.

SB 299 authorizes state participation in the State Authorization Reciprocity Agreement (SARA), which establishes national standards for interstate online education courses and programs.

SB 300 requires the state Board of Education to develop an A-F school grading system to be implemented by the 2017-18 academic year. The state Department of Education will include each grade on the school's state report card.

SB 1144 requires the state Department of Education to list schools on the state priority lists by county and within each county from most to least successful. The state Department of Education may not place a school in the state achievement school district until it places all schools in the county ranked below it in the district.

SB 1735 allows certain disabled students who attend a Tennessee school for the first time (previously limited to a Tennessee public school) to be eligible for an individualized education account, which provides state funding to parents so they may select the most appropriate educational services for their children. The bill also amends to at least quarterly (from quarterly) the remittance of funds to the account.

SB 1899 makes changes to the Voluntary Pre-K for Tennessee Act to ensure high-quality programs. Revisions include requiring that applications include a plan to coordinate with elementary education, to involve students' families in their education, and to provide professional development to teachers. Programs must meet the criteria the state Department of Education sets for highly qualified prekindergarten programs.

Notes from other SREB states

The Virginia budget funds postsecondary educational institutions with \$1.5 billion in 2016-17, an increase of 9.9 percent over 2015-16. Four-year institutions will receive \$1.1 billion (up 8.8 percent), and two-year institutions will receive \$388.4 million (up 7.2 percent). In 2017-18, funding to postsecondary education will increase another 1.3 percent over 2016-17 levels, with four-year institutions funded with \$1.1 billion (up 1.5 percent) and two-year institutions with \$391.3 million (up 0.8 percent). This funding

includes \$16.2 million in 2016-17 and \$27.8 million in 2017-18 for faculty salary increases and \$4 million per year from interest earnings from non-general revenue funds for financial incentives to meet statewide goals.

Legislators in West Virginia concluded their special session in June and approved a 2016-17 budget and a 65-cents-per-pack increase in the cigarette tax, which is expected to generate approximately \$100 million in additional state revenues in the coming year. Statewide general funds for 2016-17 total less than \$4.2 billion, a 2.7 percent decrease. While state aid to schools is up 0.8 percent to nearly \$1.8 billion, funding for other statewide K-12 education programs is down 3.5 percent to \$154 million. General funds for community and technical colleges decline 2 percent to \$64.2 million, while the college and university system receives \$264.2 million, down 3.4 percent.

The Texas Legislature did not have a regularly scheduled legislative session in 2016. In 2015, the Legislature approved a statewide biennial general fund budget for 2016-17 that totals \$114.1 billion, up 12.5 percent from the original 2014-15 biennial budget. General funds for K-12 education (9.9 percent to \$41.2 billion) and higher education (10.4 percent to \$17.4 billion) are up. The budget provides \$35.5 billion for Foundation School Program formula funding, up 12.3 percent; the increase offsets \$3.8 billion in local tax relief, including a \$1.2 billion reduction in school district property taxes and \$2.6 billion in franchise tax reductions.

Information on final actions in the above states will be included in the final 2016 edition of *Legislative Report*.

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