



Legislative Report

A summary of final legislative actions in the 16 SREB states based on the 2007 SREB Legislative Reports

2007 Final Report
September 2007

SREB

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

The Legislature approved an education budget for 2007-2008 of nearly \$6.7 billion, a 7.3 percent increase, while the general fund budget for non-education state operations will increase almost 14 percent to over \$1.8 billion. Funding for elementary and secondary schools through the finance formula will increase 8.9 percent to \$4.1 billion. This amount includes funding for a teacher pay raise of 7 percent. Funds for student transportation will increase 8.8 percent to \$344.6 million, and funding for school nurses will increase nearly 27 percent to \$33.8 million.

The Alabama Math, Science and Technology Initiative will receive \$35.8 million (up 62.6 percent), allowing it to expand into 225 additional schools, while the Alabama Reading Initiative will receive \$64.4 million (up 14.9 percent), allowing it to expand into middle grades and high schools. Funding for the ACCESS distance learning initiative, which uses technology to provide courses to high school students that are otherwise unavailable, will almost double to \$20.3 million, expanding the program into 100 additional schools. Funding for performance-based rewards for schools demonstrating significant improvement also will nearly double, to \$5 million.

Other programs seeing significant funding increases are teacher and student testing (\$8.5 million, up 185 percent); assistance for at-risk schools and school systems (\$26.2 million, up 42 percent); prekindergarten (\$3.8 million, up 66 percent); and the High Hopes program, which provides financial assistance to school districts with many students failing part of the high school graduation exam (\$16.3 million, up 177 percent). The budget also provides \$4.9 million for a new teacher-mentoring program.

The state budget for universities will increase 15 percent to nearly \$1.4 billion, while two-year colleges will see an increase of 11.8 percent to \$426.5 million. Faculty at community colleges will receive pay raises of 7 percent. At four-year colleges and universities, salary increases are determined by institution boards. In-state undergraduate tuition increases, also determined by institution boards, will range from 3.9 percent to 12.5 percent at four-year institutions in the coming academic year. Jacksonville State University will not increase tuition. Tuition at two-year colleges will also not increase.

House Bill 21 authorizes the issuance of \$1 billion in bonds to finance education construction projects. For K-12 education, \$590 million will be provided for capital improvements at schools, \$13.4 million is designated to cover "catastrophic losses," and \$11 million is designated for technology improvements. Two-year colleges will receive \$48 million in capital funding, while universities will receive \$178.2 million. In addition, the Legislature, through House Bill 141, authorized a one-time appropriation of \$32 million to rebuild Enterprise High School, which was destroyed by a tornado.

Southern
Regional
Education
Board

592 Tenth St., N.W.
Atlanta, GA 30318
(404) 875-9211
www.sreb.org

House Bill 520 provides all state retirees, including former teachers, with a one-time bonus. The amount of the bonus is \$24 per year of service, at a total cost of \$32.4 million.

Other legislation

HB 423 permits self-administration of certain medications by K-12 students.

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

The General Assembly placed considerable focus on education-related issues and adopted several of the governor's legislative proposals, including halving the food tax to 3 percent (Senate Bill 185), increasing the homeowners' property tax credit by \$50 to \$350 (House Bill 1030), boosting funding for the Arkansas Better Chance prekindergarten program by \$40 million to \$111 million annually (Senate Bill 261), and providing state employees with eight hours annually to participate in their children's educational activities (House Bill 1796). Several approved education measures address the ongoing school finance lawsuit, which resulted in a 2003 court ruling deeming the state's school financing system unconstitutional. State general funds for K-12 education will increase 4 percent to a maximum of \$1.8 billion in 2007-2008. State support for colleges and universities will increase 10.2 percent to \$727.5 million.

The Legislature approved increases to the teacher salary schedule (House Bill 1632) of 1 percent in 2007-2008 and another 1.2 percent in 2008-2009. The bill also provides a 1 percent increase in per student funding in 2007-2008 to \$5,719 and an increase of another 1.2 percent to \$5,789 in 2008-2009. House Bill 1633 adds another \$51 to per student funding in 2007-2008 and another \$87 in 2008-2009, if sufficient revenues are available. In addition, House Bill 2086 provides \$3 million for one-time bonuses to teachers defined as "highly qualified" under *No Child Left Behind*, while House Bill 2260 provides one-time bonuses of either \$500 or \$1,000 to "highly qualified" paraprofessional school employees.

Senate Bill 54 permits teachers to opt in to an alternative pay program on a by-school or by-district basis, with 10 percent or more of their salaries dependent on measured increases in student achievement. At least half of the achievement measures must be based on factors other than increases in test scores.

House Bill 2614 establishes a state-level pilot alternative pay program known as the Rewarding Excellence in Achievement Program. The bill permits up to 12 pilot sites (public schools, public school districts or charter schools), subject to approval by teachers at each site. Under the program, from 40 percent to 60 percent of a teacher's pay would be based on gains in student performance while 40 percent to 60 percent of pay would be based on a teacher's knowledge and skill base. A pilot site's plan under the program must reform the teacher salary schedule and prevent a teacher's pay from being reduced in the initial implementation of the program.

Requirements for substitute teachers were tightened. House Bill 1032 requires substitute teachers to hold at least a high school diploma, while House Bill 1071 requires substitute teachers to hold a bachelor's degree if they will be teaching for 30 days or more. In addition, House Bill 2380 requires

applicants to successfully pass a criminal background check before being eligible to work as substitute teachers.

Several measures affect school facility construction, one of the major issues in the school finance lawsuit. Senate Bill 226 provides \$531.3 million in funding for academic facilities, including \$456 million for the School Facilities Partnership as well as funds for immediate repairs, academic equipment, transitional facilities and catastrophic facilities programs. House Bill 2425 authorizes the Academic Facilities High-Growth School District Loan Program. The interest-free loans are available for school districts to make debt payments for academic facilities when the payments are expected to exceed the amount the district can raise through taxation.

Two bills make funds available for charter school facilities construction. Senate Bill 456 provides \$5 million for charter school facilities statewide, while Senate Bill 458 provides \$7 million for charter schools in high-poverty areas with demonstrated student success.

Tuition increases are determined by institution boards. In-state undergraduate tuition increases at four-year universities will range from 1 percent to 21.6 percent. Of the state's 22 two-year institutions, 13 are raising tuition from 2 percent to 8 percent, eight are not increasing tuition, and Rich Mountain Community College is reducing tuition by 17 percent.

The rapidly rising cost of college textbooks has become a contentious subject, spurring several pieces of legislation this year. Senate Bill 31 prohibits colleges and universities from linking to out-of-state Internet textbook retailers on their Web sites or the Web sites of their bookstores, while Senate Bill 29 requires colleges and universities to provide equal access for local textbook retailers to advertise in orientation packets or electronic media. Senate Bill 27 prohibits colleges and universities from accepting publisher inducements that require the use of certain textbooks. Senate Bill 24 requires state colleges and universities to post lists of course-required textbooks by certain dates. Additionally, all colleges and universities are required by Senate Bill 30 to develop guidelines for the use of royalties received by a faculty member for textbooks used in that faculty member's courses.

Other legislation

HB 1028 provides compensation to college students whose attendance is disrupted due to their spouses being called into active military service.

HB 1039 limits the physical activity requirements established in prior legislation for K-12 students in order to increase instructional time.

HB 1487 requires recipients of the need-based Academic Challenge Scholarship to serve as literacy tutors for children in kindergarten through grade six for at least 20 hours per year.

HB 1504 removes restrictions on the number of charter schools that may be established by non-profit groups in any one of Arkansas's six congressional districts.

HB 1562 establishes the Voluntary Universal ACT Assessment Program to provide every 11th-grade student with the opportunity to take the ACT free of charge, beginning in 2008-2009.

HB 2299 establishes the Higher Education Opportunities Grant Program to provide grants of up to \$1,000 per year to help low-income students attend college.

HB 2325 establishes incentive funding for institutions of higher education based on retention and graduation rates, beginning in 2009.

HB 2426 requires the state Department of Education to audit each school district every two years to ensure that districts are adequately maintaining and constructing facilities according to their master facilities plans.

HB 2792 establishes the Professional Licensure Standards Board and requires the board to develop minimum college-level preparatory and grade-point average requirements for all persons seeking initial or additional teacher licensure beginning in July of this year. The board is also required to conduct audits of teacher preparation programs at Arkansas colleges and universities.

SB 839 raises the maximum family income level for student eligibility for the need-based Academic Challenge Scholarship.

SB 843 establishes the Arkansas Traveling Teacher Program to assist rural school districts in delivering all required courses in grades nine through 12.

Delaware (<http://www.legis.state.de.us/>)

The Legislature approved a general fund budget of nearly \$3.2 billion for 2007-2008, an increase of 5.9 percent. State revenues will be supplemented by a 60-cent increase in cigarette taxes (House Bill 249) to \$1.15 per pack. Included in the budget are pay increases of 2 percent for teachers and for college and university faculty. Also funded are raises of \$1,500 for instructional aides and \$1,275 for service aides such as monitors or cafeteria personnel. Funds for K-12 education will increase 5.9 percent to \$1.1 billion, while higher education funding will increase 2.6 percent to \$241.7 million.

Continuing the phase-in of full-day kindergarten statewide, the Legislature appropriated nearly \$9.5 million (up 24.6 percent), sufficient to fund full-day kindergarten programs in nine school districts, nine charter schools and one pilot classroom each in two school districts. Funding of \$2.7 million (up 37.7 percent) will complete the initiative of placing a math specialist in each of the 42 schools statewide that contain seventh and eighth grades. Salary supplements for teachers who gain knowledge and skills leading to more effective instruction or who obtain National Board Certification will be funded at \$6.3 million, an increase of 77 percent.

The merit-based SEED scholarship program, which provides tuition to associate's degree program students, will receive a 72 percent funding increase to nearly \$2.4 million. Need-based aid at Delaware State University and Delaware Technical and Community College will increase 27.7 percent to \$2.9 million, and funding for scholarships at the University of Delaware will increase 5.7 percent to \$9.7 million.

The University of Delaware has announced that its tuition rates will increase 5.1 percent for the 2007-2008 academic year. Delaware Technical and Community college tuition will increase 4.9 percent. Students at Delaware State University will not see a tuition increase.

In 2005, the Legislature elected to phase out the current, three-tiered high school diploma system in favor of a single diploma awarded to all high school graduates, beginning in 2008. This change was to coincide with improvements to the Delaware Student Testing Program (DSTP) and the implementation of new proficiency-based graduation requirements. Due to delays in implementing the revised DSTP, the Legislature approved House Bill 18, which pushes back implementation of the new graduation requirements to students graduating in 2011. The first administration of the revised DSTP will occur in 2009.

Other legislation

HB 7, the School Bullying Prevention Act, requires all school districts and charter schools to prohibit bullying and to provide their employees with one hour of training each year in the identification and reporting of criminal youth gang activity.

HB 21 requires the state Department of Education to determine a standard format for district and charter school financial reports, and it requires districts and charter schools to post the financial reports monthly on their respective Web sites.

Florida (<http://www.leg.state.fl.us>)

The Legislature passed a budget of nearly \$72 billion for 2007-2008, with the general fund portion of the budget increasing 4.9 percent to \$29.2 billion. With the governor's vetoes, the budget totals \$71.5 billion. Since passage of the budget, however, the state has projected a deficit of more than \$1 billion in the 2007-2008 fiscal year. Legislators are expected to meet in a special session to address the budget shortfall, and the governor has asked state agencies, K-12 schools, colleges and universities to plan for budget reductions of 4 percent to 10 percent. Funding for elementary and secondary schools through the finance formula will total \$19.3 billion (up 6.8 percent), including general revenue funding of \$9.7 billion, a 3 percent increase. The allocation includes \$2.7 billion for class size reductions, a 28 percent increase, as well as \$48 million to provide a payment to each teacher for classroom materials and supplies through the Teachers Lead Program, up 6.7 percent. Salary increases for teachers and the amount of Teachers Lead payments will be determined by school districts. Funding for the state's voluntary prekindergarten program will decrease by 4.2 percent to \$372.5 million, although the base per-student allocation will increase by 4.6 percent to \$2,677.

Senate Bill 1226 replaces the Special Teachers Are Rewarded performance pay plan adopted in 2006 with the Merit Award Program, funded at \$147.5 million. The new program provides pay supplements to high-performing teachers and administrators in the amount of 5 percent to 10 percent of the average teacher salary within the school district. In determining awards, at least 60 percent of an employee's assessment must be based on student academic proficiency and gains in student learning as measured through standardized tests, while the remaining portion of the assessment must be based on an employee's professional knowledge and abilities.

The budget approved by the Legislature provides 4.6 percent more general revenue funding for community colleges, almost \$1.1 billion, while universities will receive nearly \$2.5 billion in general revenue funding, a 15 percent increase. However, the governor vetoed the 5 percent tuition increase that would have raised \$19 million for university operations. The Legislature did approve Senate Bill

1710, which allows three universities to raise tuition up to 40 percent and others to raise their tuition by up to 30 percent over the next three years. Universities may raise tuition by only 15 percent from one year to the next, however. Faculty raises are determined through collective bargaining at individual institutions.

Lottery funds for universities will increase about 2 percent to \$245.7 million. Community colleges will receive 18.6 percent more lottery funds at \$166.1 million. The lottery funded merit scholarship program, Florida Bright Futures, will receive 15 percent more funds at \$398.4 million. Overall lottery funding for financial aid, including Bright Futures, will increase 19 percent to \$437.8 million. General funds for financial aid will actually decrease about 2 percent to \$104.5 million. Lottery funding for K-12 education will increase 7.6 percent to \$356.2 million.

In 2000 the Legislature abolished the Board of Regents, the State Board of Community Colleges and the Postsecondary Education Planning Commission, transferring certain duties and responsibilities to the state Board of Education. However, in 2002 voters approved a constitutional amendment creating the Board of Governors, which oversees state colleges and universities. Senate Bill 1270 modifies relevant statutes so that they conform to the constitution regarding the authority of the Board of Governors. In addition, the measure transfers from the state Board of Education to the Board of Governors certain higher education duties and responsibilities that previously resided with the abolished agencies.

Addressing the need for teachers across the state, the Legislature adopted House Bill 7147, which permits community colleges to develop proposals for bachelor's degree programs in mathematics and science that would prepare graduates to enter into teaching positions in those areas. Four-year colleges and universities near a community college proposing such a program would be able to submit alternative proposals to deliver the program on the community college's campus.

The Legislature met in a three-day special session in mid-June to address the state property tax system, resulting in the "largest tax cut in Florida history." The legislation immediately rolls property taxes back to the 2006 level (HB 1B) and provides further property tax relief if voters approve a constitutional amendment (HB 5B).

Other legislation

HB 343 creates the Florida Public Postsecondary Career Education Student Assistance Grant Program to provide need-based financial aid to postsecondary career certificate students.

HB 967 requires public schools to provide students in kindergarten through grade five with 150 minutes of physical education each week.

SB 108 requires the Florida Partnership for Minority and Underrepresented Student Achievement to help minority and underrepresented students take Advanced Placement and other advanced courses.

SB 450 extends to prekindergarten, public charter school and "job share" teachers eligibility for the Teachers Lead Program, which provides stipends for the purchase of classroom materials.

SB 461 requires the Florida High School Athletic Association to establish a program to randomly test certain athletes for steroid use; the program will be automatically repealed in October 2008 if the Legislature does not renew it.

SB 1232 creates the Florida Career and Professional Education Act, providing a statewide planning partnership between the business and education communities to improve academic performance among students and to provide a rigorous, career-themed curriculum.

SB 1456 provides a 10-day sales tax holiday in August for purchases of clothing, books and school supplies.

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

The end of the legislative session saw the governor vetoing the supplemental budget for fiscal year 2007 passed by the General Assembly. However, before the governor issued his call for a special session, he retracted his veto and instead issued a line-item veto of a \$142 million property tax rebate, approving the rest of the budget and eliminating the need for a special session.

The budget for 2007-2008 will increase state funds by 8.4 percent, bringing the total amount to \$20.2 billion. K-12 education funding will increase 8.1 percent to \$7.8 billion. Nearly \$6.5 billion of this amount will support local schools through the finance formula, including funding for teacher salary increases, rewards for increased levels of training and experience among teachers, enrollment growth of 2.65 percent, and restoration of some funding cut in recent years.

Teachers, college faculty and staff, and state employees will receive a 3 percent salary increase, and the budget provides funds to cover increases in health insurance premiums. In addition, teachers who have obtained National Board Certification are eligible for a stipend equal to 10 percent of their salary. Teachers who obtained their certification after June 2006 must serve in a high-needs school to be eligible for the stipend.

Teachers and other public school employees are now included as employees protected under the state's whistleblower statute. House Bill 16 protects teachers and school employees from retaliation for reporting fraud, waste or abuse in local school systems. (The bill extends protection to employees in any state-funded programs.) In addition, Senate Bill 9 establishes that teachers may not be required, coerced, intimidated or disciplined by the local board of education, superintendent or school administrator to change the grade of a student.

Senate Bill 123 permits local school boards to increase to 32 (from the current 23) the number of students in mathematics, science, social studies and language arts classes in grades nine through 12.

Senate Bill 10, the Georgia Special Needs Scholarship Act, entitles the parent of a disabled student either to transfer the student to another public school or to receive a scholarship for the student to attend a private school in Georgia. To be eligible, the student must have spent the previous year in a Georgia public school and have an Individualized Education Program. Scholarship awards will be equivalent to the cost of the student's educational program at the student's local public school.

A great deal of action in the General Assembly surrounded the topic of charter schools. Senate Bill 39, the Charter Systems Act, permits public school systems to petition the state Board of Education to convert the entire system to charter school status. Up to five petitions can be approved in the coming fiscal year, and each approved charter system will receive an implementation grant of \$125,000. The implementation grants are funded out of the \$3.2 million allocated for charter schools in 2007-2008 (an increase of 160 percent), which also includes funds for planning grants, equipment and facilities construction.

Funding for dropout prevention efforts will increase to over \$45 million from \$15.8 million. Much of the increase is to expand the high school graduation coaches program into middle grade schools, at a cost of \$18 million. Another \$8 million of the increase is allocated to provide coaches for 12 newly opened high schools and the three state schools, and to provide increased pay to coaches who have increased their levels of training and experience.

Lottery funds to support the prekindergarten program will increase 7.6 percent to nearly \$325 million. The increase includes \$11.8 million to expand enrollment by 3,000 to 78,000. Lottery funding for the HOPE scholarship program will decrease 4.4 percent to \$503 million, although the decrease is in response to an expected reduction in the number of awards and will not reduce the dollar amount of individual awards.

State funding for colleges and universities, including institutes and extension services, will increase 10.4 percent to \$2.1 billion. This amount includes \$75.6 million for increases in enrollment and operating costs, funding for the 3 percent faculty and staff salary increase, a one-time allocation of \$10 million for newly established Georgia Gwinnett College, and \$2.8 million in special item funding for the Medical College of Georgia to expand its operations to Athens. The General Assembly also approved \$276.5 million in capital funding for projects at colleges and universities. Technical colleges will operate with \$330.8 million, an increase of nearly 9.4 percent.

The Board of Regents of the University System of Georgia has approved continuing the “Fixed for Four” guaranteed tuition rate program, which provides a set tuition rate over four years for each entering freshman class. The fixed-rate tuition for incoming freshmen will be an average of 13 percent more than the tuition paid by returning sophomores. Students who entered a college or university prior to the guaranteed tuition program will see a tuition increase averaging 6 percent for 2007-2008.

Other legislation

HB 128 establishes a sales tax holiday on certain school supplies, clothing, footwear, computers and computer-related accessories for three days in August 2007.

SB 72 allows school systems to employ school administrative managers in lieu of or in addition to assistant principals, requires that a majority of a school council’s membership be parents, and permits school systems to provide alternative teacher certification for teachers who possess a master’s or doctoral degree in the subject area they will be teaching.

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

The Kentucky Legislature concluded its session having passed measures to raise the state's minimum wage, hire more social workers, and improve workplace safety for social workers and coal miners. Legislators discussed but did not agree on several education-related issues, including reforming the teachers' and state employees' retirement systems, expanding financial aid programs and restoring funding for more than \$300 million in education-related capital construction projects vetoed by the governor during the last legislative session. The governor has convened a task force to study options for reforming the retirement systems and has indicated that he may call a special session for the Legislature to reconsider the issue.

No changes were made to the biennial budget, approved during the previous legislative session. Overall general funds for 2007-2008 will total \$9.6 billion, a 12.9 percent increase. Elementary and secondary education will receive \$3.8 billion, an increase of 9.1 percent. This increase includes a \$3,000 raise for teachers and funds an additional two instructional days during the academic year (up to 177). Postsecondary education funding will increase 7.5 percent to nearly \$1.4 billion, including a 7.1 percent increase in college and university operating funds.

The Legislature expanded the terms of eligibility for the children of deceased veterans to enroll in state colleges and universities without paying tuition. House Bill 128 increases the maximum age at which children of deceased veterans may attend college tuition-free from 22 to 25. The bill also increases the length of time for which children or spouses of deceased veterans may attend without paying tuition from 36 months to 45 months.

House Bill 145 establishes that a student's attendance record is cumulative for the entire academic year and that if a student transfers to a new school, the cumulative attendance record is to be used in determining truancy. The bill also requires the state Department of Education to forward a student's attendance record to the new school upon the student's transfer.

The Council on Postsecondary Education has approved in-state undergraduate tuition increases for 2007-2008 ranging from 7.5 percent to 9.9 percent at four-year institutions. Community and technical college tuition will increase 5.5 percent.

Other legislation

HB 230 prohibits school bus drivers from operating cell phones while driving.

HB 380 permits 19-year-old special education students to participate in high school athletics.

SB 22 allows state employees eligible for the federal Department of Defense's TRICARE health insurance to select such coverage in place of the coverage offered through the public employee health insurance program at state expense.

SB 130 permits college and university governing boards to adopt policies and procedures governing the approval of a contract with an outside business in which an employee of the institution has a financial interest.

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

With hurricane recovery ongoing and the state continuing its economic revival, the general fund budget for 2007-2008 will grow by 18.4 percent to nearly \$7.9 billion, the first large increase in state general funds since Hurricane Katrina. The overall state budget of \$29.7 billion, up 3.1 percent, includes \$8.4 billion in federal hurricane recovery funding. State funds for K-12 schools will increase by 16.5 percent to over \$3.1 billion. Universities will receive nearly \$1.2 billion (a 21 percent increase), and community and technical colleges will receive \$177.6 million (a 15.8 percent increase).

The budget includes funding for raises of \$2,375 for teachers, \$1,000 for school support staff, and a 5 percent pay increase for college faculty. LA4, the state-funded early childhood education program for 4-year-olds, will see a budget increase of nearly 50 percent to \$83.4 million. The additional funding is expected to provide spaces for approximately 5,000 more children, enough to cover all at-risk 4-year-old children in the state.

The K-12 budget includes \$13 million in new funding for high school redesign initiatives, including a revised curriculum, initiatives to aid students in earning credit for courses that they have previously failed, and additional support for the Louisiana Virtual School. The School Accountability and Improvement program, which includes testing, high stakes remediation, the K-3 math and reading initiative, rewards to schools that exceed student performance targets and the Distinguished Educators program, will receive \$111.8 million, a 15.4 percent increase.

Tuition and required fees will increase at most four-year universities, with increases ranging from 0.3 percent to 13.7 percent. One two-year institution is raising tuition by 2.7 percent, while three are reducing tuition between 2.7 and 4.4 percent. The remaining two-year institutions will not increase tuition.

Funding for the merit-based TOPS scholarship program will decline slightly to \$119.1 million, but that amount will fund approximately 43,000 awards. The Legislature also appropriated \$15 million to establish the need-based GO Grant program, which, as proposed, would provide awards to approximately 10,000 undergraduate Pell Grant recipients with unmet financial need.

The TOPS program currently requires that high school graduates have a 3.5 grade-point average (on a 4.0 scale) to be eligible for upper-level TOPS awards. Furthermore, home-schooled graduates are required to obtain a minimum score on the ACT college admission test that is 2 points higher than that of public and private high school graduates. House Bill 634 reduces the required minimum high school grade-point average for Performance or Honors level TOPS awards to 3.0 (beginning with the 2008-2009 school year), and it reduces the required minimum ACT score for home-schooled students by 1 point. In addition, Senate Bill 94 extends TOPS eligibility to students displaced by the hurricanes two years ago who graduate from an out-of-state high school and receive a Louisiana Distance Diploma, provided that the student was a Louisiana resident during the 10th-grade year of high school and that the student was residing in Louisiana for one year prior to August or September of 2005.

Other legislation

HB 188 allows teachers with valid out-of-state teaching certificates to obtain in-state certification without taking the certification exam, if they have completed one year of employment as a teacher in a Louisiana nonpublic school.

HB 775 requires that, in the event a school closes due to a natural disaster, money placed in the relevant school fund is under the control of the school board or other local entity with jurisdiction over the school prior to its closing.

SB 160 creates a pilot program to screen all students in kindergarten through third grade for dyslexia and related disorders.

SB 299 requires the State Board of Elementary and Secondary Education to adopt a visual and performing arts curriculum.

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

Despite the expectation that state revenues in coming years may not be sufficient to meet state budgetary needs, the General Assembly approved a budget that provides nearly \$14.3 billion in general funds, an increase of 8.2 percent. When reserve funds are included, the General Assembly approved general fund spending of \$14.5 billion in 2007-2008, 2.6 percent more than the appropriation for 2006-2007.

The governor has since announced \$213 million in general fund reductions, achieved through cuts in spending and the use of previously unspent funds.

State funding for public education will reach nearly \$5.2 billion, an increase of 15 percent. This funding represents the final year of the 2002 Bridge to Excellence in Public Schools Act, which increased funding provided through the state's school financing system.

No funds are included for pay raises, as compensation for teachers is determined through collective bargaining at the district level. However, the budget does include \$6.6 million for teachers who obtain National Board Certification and for signing bonuses to certain new teachers. The Teacher Excellence Award Program, which began last year and awards teachers for outstanding performance, will continue with \$100,000, along with \$320,000 for teacher quality grants. Funds for teacher professional development will actually decrease 9 percent to \$6.9 million.

House Bill 275 and Senate Bill 57 renew the program that pays for two-thirds of the certification fee charged to teachers seeking certification from the National Board for Professional Teaching Standards. The bills expand program participation from 750 to 1,000 teachers annually and allow a teacher to participate a second time if the first attempt at certification is not successful.

The Bridge to Excellence in Public Schools Act included an accountability component, requiring each local school district to establish a comprehensive master plan for improving student performance. Senate Bill 907 continues the requirement for annual updates to these master plans, and it requires all school systems to establish new master plans in 2010. However, the bill strips the state Board of

Education of the power to withhold funds from districts that do not demonstrate improvement in student performance and that fail to submit adequate master plans.

The School Capital Funding Program will see its largest appropriation since it began in 1971. House Bill 51 provides \$401.8 million to support school construction initiatives. In addition, Senate Bill 986 provides \$5.5 million in bond funds for construction and renovation projects under the Aging Schools Program.

Two approved measures concern student discipline. Senate Bill 132 requires the state Department of Education to review the discipline, suspension and expulsion policies of all local school boards, and to report the findings to the General Assembly before the end of the year. House Bill 1325 establishes a Truancy Reduction Pilot Program in two county juvenile courts, while continuing existing pilot programs in four other counties.

Overall state general funds for higher education will increase 6.8 percent to over \$1.3 billion, including a 2 percent cost-of-living salary increase for faculty and staff. Community colleges will receive \$243.7 million in funding (up 18.4 percent), while universities and the state-administered Baltimore City Community College will receive nearly \$1.1 billion (up 4.6 percent). The university funds include \$56.1 million in support for private colleges and universities, a 12.4 percent increase.

With another sizable increase in higher education funds, the state was able to extend the tuition freeze at colleges and universities by another year. House Bill 134 established the Tuition Affordability Act of 2007, prohibiting four-year colleges and universities from approving an increase in tuition for the 2007-2008 academic year.

The Workforce Shortage Student Assistance Grant program provides financial aid to students who pledge to work in fields of critical shortage within Maryland upon graduation. House Bill 279 specifies that part-time students must earn at least 12 undergraduate or nine graduate credit-hours in an academic year to maintain eligibility for the grant. The bill also specifies the amount of the awards based on a student's enrollment status and whether the student is attending a two-year or four-year college or university.

Other legislation

HB 204 requires the Department of Legislative Services to study the cost of college textbooks and to evaluate proposals that would post textbook information online and require that tuition charges cover the cost of textbooks.

HB 538 and SB 525 require the Maryland Higher Education Commission to establish a dual enrollment grant program for students with financial need who are enrolled in both high school and college.

HB 957 requires the Department of Education and the Department of Health and Mental Hygiene to jointly develop guidelines for providing emergency medical care to students with special health needs.

SB 604 revises the Senatorial Scholarships program to alter the calculation of the maximum award amount and eliminate the cumulative award cap of \$8,000.

SB 834 reorganizes the Educational Excellence Awards program and renames it after Delegate Howard P. Rawlings. The legislation applies minimum academic standards for eligibility and specifies criteria in determining family income eligibility.

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

Mississippi's state-funded budget for 2007-2008 totals more than \$5.5 billion, an increase of 14 percent. Education funding will increase 11.1 percent to more than \$3.5 billion.

House Bill 238, the appropriations bill for K-12 education, increases spending by 9.3 percent to \$2.5 billion, fully funding the school finance formula. The bill provides a 3 percent pay raise for all teachers and increases assistant teacher salaries by \$500 to \$12,500. Also, in a compromise regarding funding for at-risk student programs, the bill creates an 11-member task force to study dyslexia and other learning disabilities, early childhood education and mentoring programs.

The Legislature approved the Mississippi Healthy Students Act (Senate Bill 2369), which takes effect with the 2008-2009 academic year. The bill requires a minimum of 150 minutes of physical activity instruction per week for children in kindergarten through eighth grade, along with at least 45 minutes of health education. High school students must complete one-half credit of physical education for graduation. In addition, schools must adopt a school wellness plan that promotes increased physical activity, healthy eating habits and avoiding tobacco and illegal drugs.

House Bill 1132 also focuses on student health, creating the Mary Kirkpatrick Haskell-Mary Sprayberry Public School Nurse Program within the state Department of Education. Through the program, the department will provide nurses with health education resources, develop criteria for measuring school nurse effectiveness and recommend a school nurse salary structure for use by school districts.

Beginning with the 2008-2009 academic year, the Department of Education will identify early literacy and numeracy screening instruments for use by local school districts (House Bill 1058). The bill requires the department to gather data from those screening instruments to determine their effectiveness. Districts are specifically prohibited from using the instruments to determine student promotion.

The Early Learning Collaborative Act of 2007 (Senate Bill 2667) requires the Department of Human Services to implement a grant program for early child care and education. If funds are available, the program will provide matching grants to entities for the purpose of improving the quality of education offered to 4-year-olds in early care and education programs.

Funding for four-year colleges and universities will increase 13.9 percent to almost \$698 million. This includes a 9.6 percent increase in student financial aid funding and a 23 percent funding increase for the University Medical Center. No pay raises for faculty or staff were stipulated in the appropriations legislation, but the Board of Trustees of State Institutions of Higher Learning used the increased funding to provide a 5 percent pay increase. In-state undergraduate tuition and fees at four-year colleges and universities will increase from 4 percent to 8.3 percent.

Community and junior colleges will see a 20.6 percent funding increase to \$936.3 million. Two institutions will increase tuition and mandatory fees by 3.7 percent, with one other institution realizing a 1.1 percent increase.

In order to address a shortage of doctors in rural areas, the Legislature passed House Bill 1465, creating the Rural Physicians Scholarship Program. The legislation creates the Rural Physicians Scholarship Commission to develop rules for and administer the program. Beginning with the 2008-2009 academic year, the commission will select up to 15 scholarship recipients annually. For every year of financial aid received through the program, recipients will be required to serve for a year as a physician in a rural or underserved area within the state.

Other legislation

HB 554 reauthorizes the procedures for local public schools to petition the state Board of Education for conversion to charter school status.

HB 833 grants an automatic waiver from public school fees to any family who qualifies for the National School Lunch Program.

HB 1208 places conditions on the leasing of land by institutions of higher education to private entities for the purpose of building auxiliary facilities.

SB 2338 requires the state Board of Education to create guidelines that provide broad authority for local school districts to create alternative school programs that suit their specific needs.

SB 2345 requires the state Board of Education to implement a pilot program to redesign at least 15 secondary schools to serve a dual function as educational entities and work force development centers.

SB 2364 requires future community and junior college appropriations to be made utilizing a specified “mid-level” funding formula.

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

Meeting in the “long session,” the General Assembly approved a 2007-2009 biennium general fund budget of \$20.4 billion in 2007-2008 (up 9.5 percent), increasing to \$20.6 billion for 2008-2009 (up 1.3 percent). The budget includes funds for a 5 percent salary increase for teachers and university and community college faculty in 2007-2008. Non-instructional personnel at schools, universities and community colleges will receive a 4 percent salary increase.

In each of the two coming fiscal years, public schools will receive \$7.7 billion in general funds (an 8.7 percent increase over 2006-2007), while universities will receive more than \$2.6 billion (an 11 percent increase over 2006-2007). General funds for community colleges will increase 5 percent to \$938 million in 2007-2008 but will decline to \$899 million (down 4.1 percent) in 2008-2009.

In February, the University of North Carolina System Board of Governors voted permit institutions to raise tuition and general fees for in-state undergraduate students by 6.5 percent. Community college tuition is up 6.3 percent.

The K-12 education budget includes \$7 million for a new competitive grant program to fund local dropout prevention initiatives, \$5.7 million for 100 literacy coaches placed in schools with an eighth grade (up nearly 20 percent), and \$5 million in supplemental funding to support special education services in school districts. The new Learn & Earn Online program, which will provide online college credit courses to high school students, will receive \$6.5 million in 2007-2008 and \$10.1 million in 2008-2009. Another \$5 million in reserve funding is provided for 2007-2008. The budget provides \$70 million to reward teachers and certified staff at schools showing greater than expected improvement in student performance. This amount is down from \$90 million in 2006-2007.

Lottery funds for education will total \$350 million in 2007-2008 (down from \$425 million the preceding year). Lottery funding for the More at Four prekindergarten program will remain unchanged at \$84.6 million. However, the General Assembly provided an additional \$56 million in general funds, enough for 10,000 more participants. The \$90.4 million in lottery funds allocated for class-size reduction represents a nearly 30 percent decrease, but \$37.5 million in general funds were appropriated to offset this reduction. The Public School Building Capital Fund and scholarships for needy students will see 17.6 percent reductions in lottery funds, to \$140 million and \$35 million, respectively.

Through the budget, the General Assembly established the EARN (Education Access Rewards North Carolina) scholarship program, with general funds of \$27.6 million in 2007-2008, and \$60 million in 2008-2009. Another \$40 million will be provided in 2008-2009 from the state's unclaimed properties fund. EARN will provide need-based grants of up to \$4,000 per year for the first two years of a student's education at a state college or university.

Senate Bill 1030 establishes the ROPE (Reaching One's Potential for Excellence) Scholars pilot program to strengthen middle grades education, with the goals of reducing dropout rates and increasing both high school and college graduation rates. The program is designed to reduce class sizes to one teacher for every 17 students, provide salary incentives of up to \$5,000 per year for certified teachers in high-need subject-matter areas, encourage participating students to meet certain standards, and provide students who successfully participate with college scholarships. The ROPE Scholars pilot will be implemented at three schools, beginning in the 2009-2010 academic year.

The General Assembly approved several pieces of legislation involving services for students with disabilities. House Bill 14 requires schools to provide homebound instruction for students with disabilities when it is the least restrictive alternative, while House Bill 20 establishes standards for homebound instruction. In addition, House Bill 17 requires the Department of Public Instruction to study the delivery of instruction and services to students with disabilities, and House Bill 26 requires the University of North Carolina System to study whether the state's teacher preparation programs adequately prepare teachers to instruct students with disabilities.

North Carolina joins several other states investigating the use of alternative teacher pay programs to reward teachers for improved student performance. House Bill 966 requires the state Board of Education to establish a pilot teacher performance pay program at up to five schools. Senate Bill 1115 requires the state Board of Education to establish a pilot lateral entry teachers program. Such programs, which have been established through several institutions of higher education in the state, allow professionals with non-teaching college degrees to obtain the teacher training and licensure required to enter the teaching profession.

Other legislation affecting teachers include Senate Bill 1292, which requires teachers to take credits in their academic subject area as a part of licensure renewal, and House Bill 956, which permits certain retired teachers to serve as classroom teachers without a loss of retirement benefits.

Other legislation

HB 349 repeals the law allowing the state Board of Education to remove local school board members who are not capable of performing their duties or who are guilty of “immoral or disreputable conduct.”

HB 536 requires the state Board of Education to adopt new standards for school administrator preparation programs.

HB 1471 permits charter school teachers to participate in the state medical and retirement benefit programs available to other public school teachers.

SB 1065 permits a community college to charge a 33.3 percent tuition surcharge for a new academic program designed to attract industry to the local area. In certain cases, a college may use the proceeds of an endowed scholarship to offset the tuition surcharge.

SB 1241 authorizes over \$275 million in capital projects at University of North Carolina System institutions without providing specific appropriations for those projects.

Oklahoma (<http://www.lsb.state.ok.us>)

The governor vetoed the original 2007-2008 state budget approved by the Legislature. The Legislature and governor ultimately agreed on a nearly \$7.1 billion general fund budget (a decline of nearly 1 percent), as well as a tax reduction package that speeds up implementation of the income tax cuts enacted last year.

Expediting the tax cut in Senate Bill 861 is expected to save Oklahoma taxpayers \$12.5 million in 2007-2008 and \$75 million in 2008-2009. The measure also provides a three-day sales tax holiday in August for clothing purchases.

Total education spending in 2007-2008 will be more than \$3.7 billion, an increase of 5.5 percent. Funds for elementary and secondary education are nearly \$2.5 billion, a 5.6 percent increase, including just under \$2 billion for elementary and secondary school operations. This amount also includes \$54.2 million for an average teacher salary increase of \$1,000 (the fourth part of a five-year plan to raise teacher pay and benefits); increases will be weighted toward veteran teachers and teachers with advanced degrees. In addition, House Bill 1134 increases the minimum salary schedule for teachers with 10 or more years of experience.

The budget provides \$3 million for bonuses of \$5,000 each to National Board Certified teachers and school personnel, while \$2.6 million is provided for Academic Achievement Awards for employees at schools that attain the highest overall student achievement. House Bill 1593 specifies that Academic Achievement Awards are to be awarded to the top four schools in each of five groups that are defined by enrollment, and it specifies award amounts for teachers at schools identified as award recipients.

Higher education will operate with more than \$1 billion in funding, an increase of 8 percent. Pay raises for faculty are determined by institutional boards. Career and technical education funding will increase 5.2 percent to \$154.9 million, including funds for a \$600 across-the-board raise.

Tuition increases, determined by institutional boards but approved by the state regents, will be 6.5 percent to 10 percent for in-state undergraduate students at four-year institutions and 3.6 percent to 9.4 percent at two-year institutions.

The Oklahoma Higher Learning Access Program, a merit-based scholarship that provides up to five years of tuition at state colleges and universities, will operate with \$48.1 million, up almost 30 percent. Senate Bill 820 makes several changes to the program, including the establishment of a permanent general revenue funding source for the program, beginning in 2008-2009. The bill modifies eligibility requirements for students entering in fall 2009. In addition to the current requirement that their parents' income be less than \$50,000 when the student becomes initially eligible between eighth and 10th grades, a student will only be eligible to receive the scholarship if their parents' income is less than \$100,000 at the time the student enrolls in college. The bill also adds minimum academic requirements that a college student must meet in order to maintain eligibility.

With the passage of House Bill 2103, Oklahoma joins Georgia in offering a guaranteed tuition plan for undergraduate students. Students entering college in fall 2008 and beyond will be given the option to participate in a program that charges tuition at a set rate for four years at four-year colleges and universities, and for two years at community and junior colleges. For a student's freshman year, the guaranteed tuition rate may not exceed 115 percent of the tuition rate charged to other entering freshmen who chose not to participate in the program.

House Bill 1137 authorizes the issuance of \$100 million in bonds to fund the Regents' Endowment Program, which matches private donations with state funds on a one-on-one basis to establish endowed chairs at colleges and universities. The bond funds will allow the program to utilize \$55.3 million in currently unmatched private donations.

Other legislation

HB 1390 permits the Oklahoma Commission for Teacher Preparation to award one-year grants, renewable for up to two additional years, to help reform reading instruction in kindergarten through grade three.

HB 1477 establishes certification requirements for public school superintendents.

HB 1589 permits state colleges and universities to sponsor charter schools in counties with populations of 500,000 or more, but it specifies that only three charter schools may be established per fiscal year in those counties.

SB 496 prohibits public institutions of higher education from selling student data to creditors for purposes of marketing consumer credit to students.

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

Meeting in a brief special session to complete the budget, the Legislature approved a general fund budget of more than \$6.7 billion for 2007-2008, a 10 percent increase. The budget includes a 3 percent salary increase for all state employees, including teachers and college faculty. The longtime goal of the Legislature is for the average South Carolina teacher's salary to be \$300 above the average teacher salary in Southeastern states. General funds for K-12 education will increase 8.5 percent to \$2.3 billion, while colleges and universities also will receive an 8.5 percent increase to \$549 million. Technical colleges will receive \$117.6 million in general funds, a 2.8 percent increase.

Most of the general funds for K-12 education, almost \$2.1 billion, will go to school districts, an increase of nearly 8 percent. Dedicated funding of \$690 million, earmarked from a 1 percent sales tax, will go towards education, an increase of 5.6 percent. This amount includes \$29 million for early childhood education that is essentially unchanged from 2006-2007.

House Bill 3124, known as the open-enrollment bill, would have permitted students to apply for attendance at any public school in the state. However, the governor vetoed the bill because it lacked options for students to attend private schools, would have allowed school trustees to limit the number of transfers between schools, and would have phased in the provisions over three years, which the governor considered too long.

The governor also vetoed House Bill 3161, requiring the state to purchase enough school buses to replace the entire fleet every 15 years, but that veto was overturned by the Legislature. In addition to the fleet replacement schedule, the bill requires annual inspections of all school buses and that rides to or from school by bus be 90 minutes or less.

With the approval of House Bill 3097, South Carolina becomes the latest SREB state to establish a virtual school program. The state Department of Education will administer the virtual school program and establish a pilot program to determine whether the virtual school can be used to provide adult education services as well.

In response to the shortage of registered nurses affecting many states, the Legislature approved Senate Bill 657, the Critical Needs Nursing Initiative Act. The act directs the Commission on Higher Education to provide salary enhancements to attract and retain nursing faculty and provide financial aid for nursing students. The bill also establishes the Office for Health Care Workforce Research to predict the need for registered nurses and encourages the use of technology to expand nursing education offerings in the state.

Lottery and general funds available for state-funded financial aid programs will total \$243 million, a decrease of 5.6 percent. Lottery funds also are provided for endowed chairs at colleges and universities (\$30 million) and the K-5 Reading, Math, Science and Social Studies Program (\$47.6 million), which enhances teachers' skills and improves student performance in those subject areas. A total of \$12 million is provided from lottery revenues and unclaimed prizes for technology expenditures at colleges and universities.

Senate Bill 656 modifies the merit-based LIFE and Palmetto Fellows scholarship programs to provide certain students majoring in math or science (at the sophomore level or above) with an additional annual stipend of up to \$2,500 and \$3,300, respectively. Palmetto Fellows recipients at the sophomore level and above who are not math or science majors may be eligible to receive a stipend of up to \$800. The bill also doubles the book award for HOPE recipients to \$300.

Tuition increases at four-year universities are determined by the institutions' governing boards. Increases for the coming academic year range from 1.3 percent to 9.2 percent. South Carolina State University will not be raising tuition rates for the coming year.

Other legislation

HB 3254 requires schools that receive unsatisfactory ratings on the state's school report card to offer an orientation class for parents.

HB 3476 permits school districts to hire as teachers individuals who are certified through the American Board for the Certification of Teacher Excellence.

SB 322 phases out the National Guard Tuition Assistance Act and establishes the National Guard College Assistance Program.

SB 451 increases from \$60 million to \$200 million the amount of bond debt that Clemson University may use to finance athletic facilities.

SB 726 permits schools to provide history and literature courses on the Bible.

Tennessee (<http://www.legislature.state.tn.us/>)

The Legislature approved a budget of \$27.8 billion from all funds, an increase of 6.6 percent. The budget includes funds for a 3 percent cost-of-living pay increase for all state employees, including teachers and college faculty.

Overall funds for K-12 education will total \$3.8 billion, an 11.7 percent increase. This includes an additional \$25 million in lottery funds for early childhood education, allowing the program to expand by 200 classrooms. Public schools will receive over \$3.4 billion in funding, a 9.3 percent increase.

Nearly \$230 million in education funding will come from increased cigarette taxes, which will more than triple from 20 cents to 62 cents per pack (Senate Bill 2326). The Legislature also approved a reduction in the food tax from 6 percent to 5.5 percent (Senate Bill 568), which will go into effect on January 1, 2008.

House Bill 2293 reforms the state's education funding formula and utilizes increased cigarette tax revenues to cover the entire cost of programs for at-risk students (up from the 38.5 percent the state previously covered) and the cost of growing student enrollments. The cigarette tax increase also will fund increased teacher salaries, and the state will fund a larger portion of teacher salary costs.

House Bill 472 establishes new accountability measures for schools that do not make adequate yearly progress in improving student academic performance, as required by *No Child Left Behind*. The bill requires the commissioner of education to impose certain corrective actions on a school in its first year of probation for not meeting annual yearly progress requirements, and it allows the commissioner to assume governance of a school that is on probation for two consecutive years. The bill also requires districts to adopt differentiated pay plans to attract and retain highly qualified teachers, and it requires all teachers to be formally evaluated at least once every five years.

To expand opportunities for high school students, the Legislature approved House Bill 99, permitting school districts to pair with colleges or universities to jointly establish innovative programs that target students at risk of dropping out or students who would benefit from accelerated instruction. A program under this legislation would have to be approved by the state board of education and the governing board of the college or university seeking to establish such a program.

Funding for higher education, including the University of Tennessee system and Tennessee Board of Regents institutions, will total nearly \$1.6 billion, a 5.6 percent increase. Tuition increases at state colleges and universities, which are determined by the schools' governing boards, will be between 5.4 percent and 10.7 percent at universities and between 5.3 percent and 6.6 percent at two-year colleges.

The Tennessee Student Assistance Awards program, a need-based grant program for undergraduates, will increase 8.8 percent to \$47.1 million. Lottery funding for postsecondary scholarships will increase 8 percent to \$259.8 million, allowing merit-based HOPE Scholarship awards to increase from \$3,800 to \$4,000 at four-year schools and from \$1,900 to \$2,000 at two-year schools.

Joining other states concerned about the rising cost of college textbooks, the Legislature passed House Bill 1257, which requires the University of Tennessee system and the Tennessee Board of Regents to develop policies to minimize the cost of textbooks. The policies must require that copies of textbooks be available at no cost to students through academic departments or institutional libraries and must provide options for students to purchase textbooks without purchasing additional study materials packaged with those books, if possible.

Other legislation

HB 1531 requires the state Department of Education to annually report on and post to the Internet high school graduation rates for individual schools and school systems.

SB 99 expands the state employee tuition waiver program to include online courses offered by the Tennessee Board of Regents.

SB 2054, the Local Education Support Group Financial Accountability Act, requires a school district to adopt a policy (including certain minimum requirements) prior to recognizing any local school support groups.

SB 2175 replaces the current high school exit examination with a series of three mandatory assessment exams administered in grades eight, 10 and 11.

Texas (<http://www.capitol.state.tx.us>)

The Legislature approved a general fund budget of nearly \$86.3 billion for the 2008-2009 biennium (a 17.2 percent increase) to continue implementing the revised K-12 education finance system (the result of a 2005 Texas Supreme Court ruling rejecting the prior system as unconstitutional). Taxpayers will see property tax relief estimated at \$14.2 billion, including \$6.1 billion in general funds.

General fund expenditures for K-12 education will increase 7.9 percent to almost \$28.9 billion for the biennium. This amount provides \$280 million for teacher pay increases, though the amount of individual pay increases is left to the discretion of local school districts. Another \$342.8 million is provided for the Educator Excellence Awards incentive program, established in 2006, which provides bonuses of \$3,000 to \$10,000 per teacher through locally designed incentive programs.

Elementary and secondary schools will operate with \$25.7 billion, an increase of 10 percent. This amount includes \$1.7 billion to supplement local tax collections in lower-wealth school districts — an increase of more than 200 percent — and \$1.6 billion for school facilities. A total of \$165 million will support early childhood education through the Early Childhood and Pre-Kindergarten Initiative, which provides grant funds for school districts and private providers to establish and operate early childhood education programs.

Senate Bill 1031 will dismantle the current high school graduation testing system, the Texas Assessment of Knowledge and Skills (TAKS), phasing the exams out in favor of end-of-course exams in algebra, biology, chemistry, English, geometry, physics, U.S. history, world history and world geography. The new end-of-course exams will apply to students entering high school in fall 2009 or later. TAKS will continue to be used in the lower grades.

The Legislature created a state virtual school network with Senate Bill 1788 to provide students with courses online that are not available through their local schools. House Bill 2864 establishes a pilot grant program for rural school districts to provide technology-based instruction in core subject areas to students in grades six through 12. Nearly all SREB states now operate state virtual schools.

To improve secondary school curriculum and instruction and to increase graduation rates, the Legislature passed House Bill 2237. The Legislature has provided funding to increase student achievement and success through a number of programs, including the Student Success Initiative, in the 2006-2007 and 2008-2009 biennial budgets (at \$823 million and just over \$1 billion, respectively). The High School Completion and Success Initiative utilizes a portion of this funding to bolster the existing programs. The initiative will provide grants to secondary schools throughout the state to implement a number of curriculum and instruction improvement and technical assistance programs specified in the bill.

Senate Bill 530 will require greater levels of physical activity by students. Students in kindergarten through fifth grade are required to participate in 30 minutes of physical activity daily, while students must take at least four semesters of physical education in grades six through eight. Students in grades three through 12 also will receive an annual physical fitness assessment.

Higher education will see a funding increase of 11.9 percent to \$14.8 billion for the biennium. This amount includes \$100 million for the Higher Education Performance Incentive Initiative, which is intended to improve teaching and educational excellence at public colleges and universities and can be used to provide scholarships to students who graduate in the top 10 percent of their high school classes.

Nearly \$750 million is provided for financial aid in the coming biennium. The need-based TEXAS Grant program will operate with \$427.8 million, a 29 percent increase, while the B-On-Time Loan Program, which provides loans to undergraduate students that can be forgiven based on good grades and timely graduation, will operate with \$77 million, an increase more than 270 percent.

The budget provides \$93.2 million for each institution's Texas Competitive Knowledge strategy to support faculty in improving educational instruction and research. The budget also establishes a Professional Nursing Shortage Reduction Program, funded at \$14.7 million for the biennium, to fund additional nurse faculty positions and provide salary supplements to current nurse faculty.

The existing law that provides automatic admission to public colleges and universities for students who graduate in the top 10 percent of their high school class has been controversial. Addressing concerns of fairness, the Legislature passed House Bill 3851 to require the Texas Higher Education Coordinating Board to establish a uniform high school grade-point average calculation method for use in computing the top 10 percent of a high school class and for college admissions generally.

Other legislation

HB 120 establishes a pilot program to charge reduced tuition for courses at off-peak hours at three universities.

HB 973 requires public schools to allow resigning teachers to keep their health insurance through the summer if their resignation was effective after the last day of the school year.

HB 1250 makes college students who attended home school eligible for the B-On-Time Loan Program.

HB 2532 permits a public school to remove a student who commits certain felony offenses (regardless of where the offense occurred) and to place that student in an alternative education setting.

SB 8 requires random testing for steroid use by student athletes.

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

The amended general fund budget for the second year of the biennium totals over \$17.3 billion, more than \$400 million above the originally budgeted amount and an increase of 1.7 percent over 2006-2007. However, the governor has since announced that the state is expecting a \$400 million revenue shortfall for the 2007-2008 fiscal year. The governor has asked agencies to curtail discretionary spending, directed them to obtain secretarial-level review and approval before hiring new employees, and asked all state agencies to explore reducing their operating budgets by 5 percent. The governor also indicated that he is considering a withdrawal from the state's Rainy Day Fund through the fiscal year 2007-2008 supplemental budget bill.

Total general funds for education in 2007-2008 will increase by 3.5 percent to over \$7.8 billion. Direct aid to public schools will increase by 2.3 percent to \$5.8 billion, while funding for colleges and universities will increase by 4.7 percent to over \$1.6 billion. Community college funding will increase by 5 percent to \$688 million.

The revised budget includes a teacher pay raise of 3 percent. Faculty at state colleges and universities will receive 4 percent raises, while nursing faculty will receive an additional 10 percent raise.

The General Assembly continues to explore options for implementing *No Child Left Behind*. House Bill 2542 directs the state Board of Education to continue seeking waivers from “duplicative provisions” of the act. If waiver provisions subsequently denied at the federal level are not incorporated into the federal law, the board will make recommendations as to whether or not the state should continue implementation.

House Bill 2039 and Senate Bill 1147 require the state Board of Education to establish requirements for a technical high school diploma that meets or exceeds the requirements of a standard diploma and includes a concentration in career/technical education. House Bill 1978 further requires local school boards to report the number of career/technical education graduates in their annual reports to the state Board of Education.

General funds for student financial assistance in 2007-2008 will increase 21 percent. Funding for the merit-based Tuition Assistance Grant program will rise to \$59.5 million, 20 percent more than 2006-2007, with the maximum undergraduate grant increasing \$100 to \$3,200 annually.

House Bill 1681 creates the Community College Transfer Grant Program to help more two-year college graduates obtain four-year degrees. The grant will provide \$1,000 per year to graduates from two-year colleges in Virginia who go on to attend one of the state’s four-year institutions. Students in engineering, mathematics, nursing, teaching and science programs will be eligible for an additional \$1,000 per year.

Two bills expand eligibility for in-state tuition. House Bill 1822 entitles military members (including active duty, reserve and National Guard soldiers) who are on a military assignment of six months or more in Virginia and who are residing in the state to attend college at in-state tuition rates. House Bill 2114 requires a community college to grant in-state tuition to an out-of-state student who lives within a 30-mile radius of the school, provided the student’s home state provides the same arrangement for Virginia residents.

Several university governing boards have approved tuition increases for the coming academic year. Tuition increases for in-state undergraduates include 8.3 percent at the University of Virginia, 6 percent at Virginia Tech and Virginia Commonwealth University, and 5.4 percent at Virginia State University. Tuition at Virginia’s community colleges will rise by 5.7 percent.

The General Assembly authorized the issuance of more than \$103 million for capital projects at colleges and universities. House Bill 1711, the Commonwealth of Virginia Higher Educational Institutions Bond Act of 2007, will provide capital funding for 12 projects at seven institutions.

Other legislation

HB 1862 requires a school board to publicly announce severance benefits provided to an official appointed by the board, prior to that official's departure.

HB 1913 reauthorizes the Virginia Teaching Scholarship Loan Program and refocuses the program on producing teachers in critical shortage areas and increasing diversity within the teaching ranks. The bill also eliminates the Diversity in Teaching Initiative (which was never funded) and removes eligibility for paraprofessionals.

HB 2179 establishes the Virginia Military Survivors and Dependents Education Fund to cover college expenses other than tuition and fees for children and surviving spouses of soldiers killed or permanently disabled in the line of duty.

HB 2214 requires the Superintendent of Public Instruction and the State Health Commissioner to work together to combat childhood obesity and other chronic health conditions that affect school-age children.

HB 2271 requires school boards to annually review their school crisis, emergency management and medical emergency response plans.

HB 2408 requires the State Council of Higher Education for Virginia to annually report the total number of community college transfer students each state university has admitted, enrolled and graduated.

SB 795 modifies the state's history curriculum, requires that school boards make professional development courses on effective classroom management available to teachers and principals, and requires local schools to post current policies to their Web sites.

SB 1187 expands eligibility for waived tuition and fees at public colleges and universities to spouses (in addition to children) of law enforcement officers and Virginia National Guard soldiers killed in the line of duty.

Senate Joint Resolution 329 requests the state Board of Education to study dropout and graduation rates within the state.

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

The general fund budget for 2007-2008 will be more than \$3.7 billion, an increase of 7.8 percent. Direct aid to public schools will increase by 3.7 percent to nearly \$1.7 billion, including funds sufficient for a 3.5 percent teacher pay raise. In addition to the pay raise and continuing expansion of the teacher salary schedule, House Bill 2777 increases the annual stipend for Nationally Board Certified educators by \$1,000 to \$3,500 per year.

Senate Bill 541 reduces the percentage of local funds incorporated into the public school financing formula, with the net effect of providing more state funds for public schools. The formula change will be phased in over a two-year period. Additionally, the bill provides extra funding for high-growth school districts.

Funding for programs and services through the Department of Education will increase by 68 percent to \$53.2 million. However, \$10 million of the increase is a one-time appropriation for the School Access Safety Act. (See below.) Another \$4.5 million of the increase is for a new 21st Century Assessment and Professional Development program, designed to complement the 21st Century Learners initiative, which began last year and emphasizes the skills and technologies students need to succeed in the new millennium. Lottery funding of \$35.2 million is available for K-12 education, with nearly \$23 million going towards educational technology in support of 21st Century Learners.

The Legislature established the 21st Century Schools Technology Initiative in Senate Bill 603, replacing several other school technology programs. The bill requires plans to provide technology equipment and services to schools, students and teachers to be aligned with the 21st Century Strategic Learning Plan. Senate Bill 657 establishes a comprehensive statewide student assessment program for grades three through 12 and requires the state Board of Education to incorporate the 21st Century Skills Initiative into the state's education standards. In addition, the legislation requires the board to assess and weigh annual performance measures in considering school accreditation.

Senate Bill 67, the School Access Safety Act, empowers the School Building Authority to fund projects specifically related to maintaining safe and controlled access to and from public school buildings. School districts are required to finance at least 15 percent of such projects and are required to develop a school safety plan for all schools that will be utilizing the funding.

The Legislature streamlined the grievance process for teachers and state employees with Senate Bill 442. The legislation eliminates a step in the grievance process (making it a three-step process) and creates a consolidated Public Employees Grievance Board.

Long-term substitute teachers are now eligible for the benefits provided to regular teachers. Under Senate Bill 129, substitutes who are expected to serve in the same position for at least 90 consecutive days are eligible for coverage under the Public Employees Insurance Agency. If the employment lasts more than 133 days, the substitute teacher is eligible to retain those benefits until the following September 1.

General funds for four-year colleges and universities will increase 7.8 percent to \$257.7 million, while community and technical college funding will increase 11.8 percent to 56.8 million. In-state undergraduate tuition increases approved at colleges and universities for 2007-2008 range from 4 percent to 9.5 percent.

Lottery funds for health sciences and financial aid programs will total \$19.3 million, a decline of 50 percent. However, much of the decline is offset by a large increase in general funds for the Higher Education Grant Program; total funding for the program actually will increase 32 percent to \$33 million.

Additional lottery funds of \$10 million will support higher education improvement, while \$27 million in additional lottery funds will support the PROMISE Scholarships. (Both amounts are unchanged.) Combined with general funds, overall funding for PROMISE Scholarships will increase 2 percent to \$40.8 million.

West Virginia National Guard members who are enrolled in bachelor's degree programs within the state are currently eligible for free tuition and fees. House Bill 2931 extends that eligibility for free tuition to members who are in master's degree programs. In addition, the bill extends to spouses of deceased armed services personnel higher education benefits previously only available to the children of deceased armed services personnel.

Other legislation

HB 2585 permits the state superintendent of education to designate up to 25 National Board Certified teachers as 21st Century Learner Fellows. Each fellow will undertake a project at an institution of higher education or a private research corporation, with his or her salary paid by the state Department of Education.

HB 2588 revises the tuition and fee reimbursement program for continuing teacher education so that, if funding is constrained, priority is given to teachers serving in shortage areas.

HB 2940 expands insurance eligibility for dependents of Public Employees Insurance Agency members to all dependents below the age of 25, regardless of whether they are college students or not.

SB 667 waives tuition and fees at institutions of higher education for Medal of Honor and Purple Heart recipients for a maximum of eight semesters.

For more information, contact Jeffrey Grove, SREB research associate, at (404) 875-9211 or jeffrey.grove@sreb.org. Or contact Gale F. Gaines, vice president, State Services, at (404) 875-9211 or gale.gaines@sreb.org.