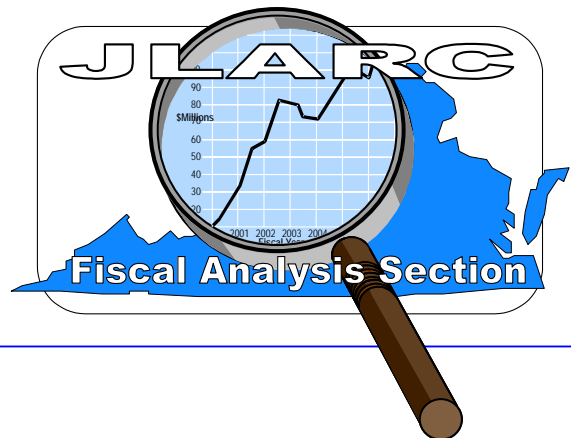


## Special Report: State Spending on Standards of Quality (SOQ) Costs



### Summary

Article VIII of the *Constitution of Virginia* requires that Standards of Quality (SOQ) for the school divisions “shall be determined and prescribed from time to time by the Board of Education, subject to revision only by the General Assembly.” The standards, which apply to elementary and secondary schools, address various educational matters, including the availability of different types of staff and resources. The costs of the SOQ are to be determined and apportioned by the General Assembly between the State and local units of government.

After determining SOQ costs, the State currently contributes to the costs in two ways. First, it provides State-appropriated sales tax dollars. Second, it pays an average of 55 percent of the remaining SOQ costs (the actual percentage varies from locality to locality, based on local ability to pay). With regard to local government SOQ contributions, the *Code of Virginia* (§22.1-97) states that school divisions must provide education funding levels that are sufficient to meet the “required” expenditure for the SOQ (a locality match for State SOQ expenditures). Appropriation Act language over the years has addressed the question of how required local expenditures are to be calculated. Most localities have consistently provided local funding for education that is well above their SOQ-required expenditure level. However, a few localities have had some difficulties in paying their share of the SOQ cost.

Section 22.1-97 of the *Code of Virginia* was amended by the 2003 General Assembly to require a more formal annual reporting process comparing required SOQ and actual local expenditures by local governments. Reports on local SOQ spending are to be annually prepared by the Virginia Department of Education. In addition, JLARC is required to annually prepare a report on State expenditures for SOQ purposes. With the completion of the first fiscal year begun under the new mandate, FY 2004, this JLARC report provides data on State SOQ spending in that fiscal year.

Based on data reviewed for this report, in FY 2004 the State expended \$3.66 billion for SOQ purposes. The major accounts constituting the bulk of these funds were basic aid (\$2.20 billion) and State sales tax (\$0.85 billion). The amount of State SOQ spending equated to an average of about \$3,145 per pupil. The range in State SOQ spending in individual divisions was from \$1,647 to \$4,825 per pupil. An important factor in the size of State SOQ spending levels for school divisions is the State’s use of a local ability-to-pay index in determining State and local shares of SOQ costs.

2004  
December



## BACKGROUND

Since 1971, the *Constitution of Virginia* has required the State Board of Education to determine and prescribe standards of educational quality for local school divisions. These standards are known as the Standards of Quality (the SOQ). Under Article VIII of the *Constitution*, which specifically addresses education, these standards “shall be determined and prescribed from time to time by the Board of Education, subject to revision only by the General Assembly.”

The standards, which apply at the elementary and secondary school level, address various educational matters, including the availability of different types of staff and other education resources. The costs of these standards are to be determined and apportioned by the General Assembly between the State and local units of government. The *Commentaries on the Constitution of Virginia* note that the General Assembly “must, by whatever means, see that sufficient funds, state and local, are available to maintain a quality program in every school division in the Commonwealth.”

There has been substantial interest over the years in how SOQ costs are calculated, and the extent of funding for the SOQ that is provided by the State and localities. Since the beginning of the SOQ, the State determination of SOQ costs has had two main components: an instructional position component, which determines the number of instructional staff that are required to meet the standards based on quantified personnel ratios, and salary and support cost determinations, which are based on actual support staffing and expenditure data. In the 1970s and early 1980s, the State’s SOQ methodology determined SOQ salary levels and support costs per pupil based on statewide average costs per pupil. However, the General Assembly funded lesser amounts. Starting in the 1986-88 biennium, the State changed the statistic used to estimate SOQ salary levels and support costs from a statewide average to a “weighted” division average, to better represent the salaries and support costs typically paid by most school divisions in meeting the SOQ. While the new approach reduced the size of the estimated SOQ costs, the focus of the new approach upon typical or “prevailing” school division salaries and support expenditures was considered by the State to be compatible with constitutional expectations. This was a key concern, because Attorney General opinions during the first decade of the SOQ (in 1973, and in 1983) indicated that under the Constitutional requirements, the legislative determination of SOQ costs “may not be based upon arbitrary estimates with no reasonable relationship to the actual expense”, and the cost estimates should have a relationship to “the actual expense of education prevailing [emphasis added] in the Commonwealth.”

For about a decade, the State’s share of SOQ costs has consisted of: (1) payment of a one cent sales tax that is obtained and appropriated by the State for public education, and (2) the payment of an overall average 55 percent share of the remaining SOQ costs. The particular percentage share of the

remaining SOQ costs that is local versus State varies from locality to locality depending on the locality's measured ability to pay.

With regard to local funding responsibilities for the SOQ, localities are basically responsible for the portion of SOQ costs for their school division that is not paid by the State share. The *Code of Virginia* (§22.1-97) indicates that localities must provide education funding levels that are sufficient to meet their "required" expenditure for the SOQ (basically, the balance of SOQ costs not paid by State SOQ expenditures). State Appropriation Act language over the years have addressed the details of how required local expenditure amounts are to be calculated. Most localities have consistently provided local funding for education over the years that is well above their SOQ required expenditure level. However, a few localities have had some difficulties in paying their share of the cost.

At the 2003 Session, the General Assembly amended Section 22.1-97 of the *Code of Virginia* to require the development of annual reports that address local and State spending for the SOQ. (Appendix A to this report provides the statutory language from §22.1-97 that relates to these annual reports). The statute as amended requires that the Virginia Department of Education (DOE) report locality-level data on required local expenditures for the SOQ, as well as locality dollars budgeted and spent for education operating costs that can be compared against the required expenditures.

In addition, JLARC is required by the section to "report annually to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health the State expenditure provided each locality for an educational program meeting the Standards of Quality." The work by JLARC staff is to be coordinated with DOE.

### **JLARC REPORT**

This report addresses the charge to JLARC to develop a report on State expenditures for the SOQ. The report provides data for FY 2004, the first fiscal year that began and was completed following the passage of the amendment. The report addresses: total State spending for SOQ cost purposes, factors impacting the amount of State SOQ spending, and SOQ spending amounts at the school division level. This report is the first in what is expected to be a series of reports that will be developed annually to meet the requirements of §22.1-97.

### TOTAL STATE SPENDING FOR SOQ COST PURPOSES

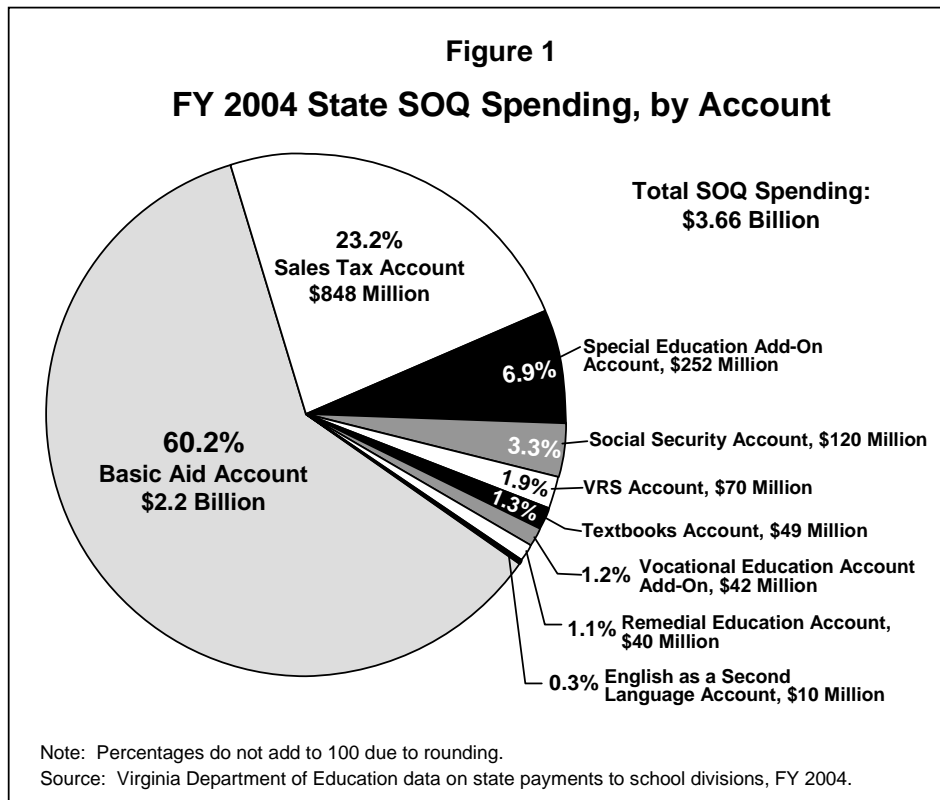
This section of the report addresses the dollar amounts expended by the State for SOQ purposes. Total spending across SOQ funding accounts is identified, as well as State spending within individual SOQ funding accounts.

#### State SOQ Spending, Total for All Accounts

According to data from DOE’s accounting system, total SOQ spending by the State in FY 2004 was \$3.66 billion. State spending in this context means the funds that the State paid out for school divisions to use in making educational purchases and meeting their costs. The amount the State paid equates to an average of about \$3,127 per pupil in fall membership, and about \$3,145 per pupil in average daily membership. (The fall membership figure used here is based on the number of students enrolled in Virginia public schools on September 30, 2003. Average daily membership used here is based on a March 2004 count of pupils, adjusted for half-day kindergarten programs).

#### State SOQ Spending, by Account

Figure 1 shows the various funding accounts that constitute the \$3.66 billion in State SOQ spending. Two accounts constitute about four-fifths of the spending: basic aid, and State sales tax. Basic aid, which is spent to assist school divisions in offering a basic education program, constitutes the largest single account, at about 60 percent of total State SOQ spending.



A point that should be noted is that the \$3.66 billion dollar SOQ cost figure (and similarly, SOQ spending tables 7 and 8 toward the end of this report, and Appendix B of the report) do not include dollars spent by the State on a FY 2004 salary compensation supplement. This supplement, which provided State funds for a local-option half-year 2.25 percent salary increase for State-recognized school division positions, was not part of the minimum required expenditure levels for the SOQ in FY 2004. Localities were not required to provide a salary increase, and local matching costs for the program were not to be included in State calculations of SOQ costs. The State did spend \$27,237,179 from this account for salary increases, however, so the supplement's impact on the salaries paid by the State for SOQ positions is referenced in several places in the report, and locality-by-locality data on the amounts spent from this State account are provided in Appendix C of the report.

### **FACTORS IMPACTING THE SIZE OF TOTAL STATE SOQ SPENDING**

DOE is responsible for calculating the costs associated with supporting the SOQ. DOE currently calculates most of the SOQ cost components using an Oracle-based cost model. The "model" that is used to estimate total SOQ costs, and then in turn, State SOQ costs, has numerous inputs that impact the magnitude of the total cost and the State cost. This section of the report bundles some of the detailed inputs into several categories (or factors) that impact the size of total State SOQ costs. These factors include: the number of pupils, the number of instructional positions, instructional salary levels, support staff levels and salary levels, fringe benefit levels, non-personnel support cost determinations, deductions from SOQ costs, and State versus local shares of SOQ costs.

#### **Number of Pupils**

SOQ costs are mostly estimated by multiplying various unit costs times the number of "units" that need to be funded. For example, the salary costs for SOQ instructional personnel are based on the typical ("prevailing") salary amount that is paid for each type of position (the unit cost) times the number of personnel that are required by the standards (the number of units to be funded).

The number of pupils that are in Virginia's public schools has an impact upon SOQ costs, because for some SOQ costs (for example, personnel costs), the number of pupils impacts the number of units that must be provided. In other instances, the number of pupils is directly used in the calculation of costs as the number of units that must be funded.

For example, school divisions are funded for SOQ costs based on the number of instructors that are needed to at least satisfy various minimum staffing ratios set by the SOQ. If, under the SOQ, at least one teacher must be available on average for every 25 pupils, then the number of teachers that must be provided at a minimum is driven by the number of pupils that are in the system.

SOQ support personnel costs are similarly estimated by determining what the “prevailing” ratios are for support staff to pupils, and then those prevailing ratios are multiplied times the number of pupils in the system to determine the number of support staff to be funded. Most non-personnel support costs are estimated by determining the prevailing cost per pupil, and then multiplying that unit cost times the number of pupils in the system.

Thus, calculations of State and local costs for the SOQ take into account the number of pupils that are being served by the public school system. SOQ cost calculations take into account the number of pupils that are projected to be served in the fiscal year that is being funded. Final allocations by the Department of Education (DOE) are based on an average of the number of pupils that are members of public schools from the start of the school year through to March 31 of each year.

Table 1 shows the number of pupils in 2003-04 that was used in setting DOE’s final allocations of State funds. Two numbers are shown – unadjusted and adjusted pupil membership. The largest portion of State SOQ funds are provided on the basis of what is called “adjusted” pupil membership – a figure that adjusts for the use of half-day kindergarten programs in some school divisions. Some of the smaller State SOQ cost accounts are funded using unadjusted pupil membership. (State sales tax funds are distributed based on school-age population).

<b>Table 1 Number of Pupils Used in DOE Final SOQ Allocations, FY 2004</b>	
<b>Unadjusted Number of Pupils</b>	<b>Adjusted Number of Pupils</b>
1,165,899	1,163,697
Source: DOE Superintendent’s Memo No. 21 from May 28, 2004.	

### **Number of Instructional Positions**

Under the SOQ framework, instructional positions include principals, assistant principals, teachers, kindergarten and special education aides, guidance counselors, and librarians. The number of instructional positions included in State SOQ cost calculations is determined by applying various pupil-to-instructor ratios and class size maximums against pupil counts at the grade, school, and division level.

***Standards Used to Calculate SOQ Teacher Positions.*** Table 2 shows the standards for the maximum number of pupils per teacher that are set

by the SOQ, and that were used in estimating FY 2004 State and local SOQ costs. About 90 percent of SOQ instructional personnel are teachers.

In addition to the standards shown in the table, pupil-teacher ratios are also applied to determine SOQ costs for the additional teachers that are needed to provide education programs other than the basic education program – for example, special education, remedial, vocational, and gifted and talented instruction. Whereas the ratios for the SOQ basic education program typically require about one teacher per 24 or 25 students, classes that operate most or all of the day with special education students typically have one teacher for every six to eight pupils without an aide, or one teacher for every eight to ten pupils with an aide. Therefore, the need for additional teachers to meet the more demanding ratios are also calculated as part of SOQ cost determinations.

<b>Table 2</b> <b>Maximum Number of Pupils Per Teacher in 2003-04,</b> <b>Standards Used to Estimate SOQ Costs for the Basic Education Program</b>			
<b>Grade Level of Students</b>	<b>Class Size Standards</b>	<b>School Standards</b>	<b>Division Standards *</b>
Kindergarten	29 with aide, else 24		24
First Grade	30		24
Second Grade	30		24
Third Grade	30		24
Fourth Grade	35		25
Fifth Grade	35	25	25
Sixth Grade	35	25	25
Seventh Grade	35	25	25
Eighth Grade		25	
Ninth Grade		25	
Tenth Grade		25	
Eleventh Grade		25	
Twelfth Grade		25	

\* For grades six to twelve, the ratio of pupils to English teachers in a school division must not exceed 24 to one.

Source: DOE SOQ model cost scenario run (# 182) for the 2002-04 biennium.

**Standards Used to Calculate the Number of Other SOQ Instructional Positions.** Table 3 shows the staffing standards for principals, assistant principals, and librarians that are determinative of SOQ costs, and therefore State SOQ spending. In each of these categories, the number of staff that must be available, at a minimum, is determined based on the size of the school. For example, elementary schools with less than 600 pupils are not required to have an assistant principal, and so the State does not include costs for these positions in determining how much the State and localities must spend

for the SOQ. However, elementary schools with 600 or more pupils are to have at least a half-time assistant principal, and the costs associated with a half-time assistant principal are included in the cost calculations that determine the size of State SOQ spending. In addition to the positions addressed in Table 3, the State also has standards for guidance counselors that are included in SOQ instructional personnel costs. SOQ costs for guidance counselors are calculated on the basis of 0.2 counselors per 100 pupils enrolled at the elementary school level, 0.2 counselors per 80 pupils enrolled in middle schools, and 0.2 counselors per 70 pupils enrolled in secondary schools.

<b>Table 3 Principal, Assistant Principal, and Librarian Positions: Number of Positions Required and Funded Under the SOQ in FY 2004</b>								
<b>Type of Position</b>	<b>Range, Number of Pupils in School</b>							
	<b>0 - 299</b>	<b>300- 599</b>	<b>600- 899</b>	<b>900- 999</b>	<b>1,000- 1,199</b>	<b>1,200- 1,799</b>	<b>1,800- 2,399</b>	<b>2,400+</b>
<b>Elementary</b>								
Principals	0.5	1	1	1	1	1	1	1
Assistant Principals	0	0	0.5	1	1	1	1	1
Librarians	0.5	1	1	1	1	1	1	1
<b>Middle</b>								
Principals	1	1	1	1	1	1	1	1
Assistant Principals	0	0	1	1	1	2	3	4
Librarians	0.5	1	1	1	2	2	2	2
<b>Secondary</b>								
Principals	1	1	1	1	1	1	1	1
Assistant Principals	0	0	1	1	1	2	3	4
Librarians	0.5	1	1	1	2	2	2	2
Source: DOE documentation of SOQ cost model run for 2002-04 biennium.								

***Appropriation Act Minimum Requirements for the Number of Instructional Positions Per 1,000 Pupils.*** Each Appropriation Act, pursuant to the *Code of Virginia*, specifies that each school division shall employ, and is funded for SOQ purposes, on the basis of at least 57 positions per 1,000 pupils for basic, special, and vocational education purposes. Any school division credited through the use of class, school, and division personnel standards with fewer than 57 instructional positions per 1,000 pupils for basic, special, and vocational education receives credit for 57 positions per 1,000 pupils under this minimum requirement.

### Instructional Salaries

Table 4 shows the salary figures for elementary and secondary teachers that were used in determining SOQ costs in FY 2004. The table also provides an estimate of the overall “combined” salary for elementary and secondary teachers that was therefore paid. The table compares the combined salary figure to the linear weighted average salary for FY 2004, based on actual salary from the school divisions. The table thus provides an indication of how the State-funded salary level, which drove SOQ spending, compares to the average salary levels that are “prevailing” (typical) in Virginia school divisions.

<b>Table 4 FY 2004 Teacher Salaries Used in SOQ Cost Calculations and State Funding, and Estimated Prevailing Salaries for These Positions</b>			
<b>Category of Teachers</b>	<b>State Budget, FY 2004 Salary for SOQ Spending</b>	<b>State Budget, FY 2004 Salary With Compensation Supplement</b>	<b>FY 2004 Linear Weighted Average Salary</b>
Elementary Level	\$35,384	\$35,782	
Secondary Level	\$37,337	\$37,757	
Combined *	\$36,175	\$36,582	\$39,187
<p>* The combined salary figures in this row for the State budget were calculated using the approximate proportion of SOQ positions that are elementary and secondary teachers. The linear weighted average salary for FY 2004 was calculated by applying the linear weighted average to division-level average salary data in FY 2004. (The linear weighted average salary as computed gives varying weights to division-level average salaries, based on the proximity of these salaries to the median division salary. The median division salary receives a weight of five, while the most extreme high and low division salaries receive a weight of one).</p> <p>Source: JLARC staff analysis of data from the Appropriation Act and the DOE 2004-05 Teacher Salary Survey Results (December 1, 2004). State budget salaries are shown without and with the non-mandated half-year compensation supplement (0.50 x 2.25 percent increase funds a 1.125 percent increase).</p>			

In addition to teacher salaries, the following salary figures were used in calculating FY 2004 SOQ costs for other instructional personnel:

- Elementary principals, \$60,330 (\$61,009 with FY 2004 compensation supplement)
- Secondary principals, \$66,520 (\$67,268 with supplement)
- Elementary assistant principals, \$48,811 (\$49,360 with supplement)
- Secondary assistant principals, \$53,352 (\$53,952 with supplement)
- Classroom aides, \$12,296 (\$12,434 with supplement).

It should be noted that for all salary costs -- instructional and support personnel -- the State includes a cost-of-competing adjustment to SOQ costs for divisions in the Northern Virginia planning district commission. This adjustment is provided to recognize the higher salaries that have long been a part of the competitive market in that part of Virginia. The State also provides a salary adjustment for its own employees who work in this region.

### **Number of Support Staff and Support Staff Salaries**

Table 5 shows the ratio of support staff positions per 1,000 pupils that was applied in the SOQ cost model in calculating FY 2004 SOQ costs, as well as the salary figures that were used. Separate staffing ratios and salary figures are developed and applied in SOQ cost calculations for professional and non-professional support staff. (Some support positions – school board members, pupil transportation personnel, and school nurses – are recognized as SOQ costs separately from the SOQ model, so the number of positions and salaries for these positions are not included in the table). SOQ-funded salary costs are equal to FY 2000 prevailing salary levels increased by a State-recognized 2.4 percent salary increase in FY 2001. No salary increases were recognized in FY 2002 and FY 2003. The table shows the salary figures without and with the 1.125 percent compensation supplement that was provided in FY 2004.

<b>Table 5 Support Staffing Ratios and Salary Levels Used in the SOQ Model for Determining Costs, FY 2004</b>			
<b>Category</b>	<b>Prevailing Positions Per 1,000 ADM in the Base Year</b>	<b>SOQ-Funded Salary</b>	
		<b>(without supplement)</b>	<b>(with supplement)</b>
Professional Support	12.605	\$31,253	\$31,605
Non-Professional Support	10.685	\$20,438	\$20,668

Source: JLARC staff analysis and DOE SOQ cost model scenario run (# 182) for the 2002-04 biennium.

### **Fringe Benefit Costs**

Table 6 shows the fringe benefit rates that were used to determine SOQ costs in FY 2004. Group life insurance rates were zero percent due to the State's use of a "premium holiday" with regard to these costs.

The health insurance premium amount of \$2,734 was determined in the following manner. DOE staff identified the prevailing school division health insurance premium in FY 2000. That cost, \$2,533, was based on a linear weighted average of the school division health insurance premium amounts that are provided to DOE on the Annual School Report. Medical inflation factors were

then applied to this cost to account for inflation up to FY 2002. The resulting cost was the \$2,734 amount. No increase in the premium rate cost was assumed for FY 2003 and FY 2004.

<b>Table 6</b>	
<b>Fringe Benefit Rates Used to Determine SOQ Costs in FY 2004</b>	
<b>Fringe Benefit</b>	<b>FY 2004 Rate</b>
Social Security	.0765 of salary
Instructional VRS Rate	.0444 of salary
Support Staff VRS Rate	.0307 of salary
Group Life	Not funded – “premium holiday”
Health Care Annual Premium	\$2,734
Source: DOE SOQ cost scenario run (#182) for the 2002-04 biennium.	

### **Non-Personnel Support Costs**

To determine FY 2004 SOQ non-personnel support costs, prevailing per-pupil costs from the FY 2000 base year were inflated to FY 2002 costs. The resulting costs are included in SOQ costs in FY 2003 and FY 2004, by multiplying the per-pupil amount times the number of pupils in those years.

### **Deductions from SOQ Costs**

In FY 2004, no deductions were made from SOQ costs for either locally-generated revenues or for federal funds. In this regard, the FY 2004 cost calculation differed from preceding years, and from the budget practice in FY 2005. The practice of deducting locally-generated revenues from SOQ costs was ended in FY 2004; and the practice of deducting some federal funds from SOQ costs began in FY 2005.

***Locally-Generated Revenues Were Not Deducted From SOQ Costs in FY 2004.*** Prior to FY 2003, SOQ costs were calculated for each school division, and then a deduction was made for “locally-generated revenues,” before determining State and local shares. Locally-generated revenues are revenues raised by schools and school divisions through activities such as charges for the rental of school space during hours outside of the school day. Prevailing school division revenues per pupil were deducted from each division’s SOQ costs.

At the 2003 Session, the General Assembly acted to decrease the size of the locally-generated revenue deduction by half in FY 2003. The General Assembly eliminated the use of the deduction completely in FY 2004.

***FY 2004 SOQ Cost Calculations Did Not Apply a Federal Funds Deduction.*** The Governor’s Budget Bill for the 2004-06 biennium proposed that

dollars available from certain federal fund accounts could be subtracted from SOQ costs before determining State and local shares. The General Assembly did not concur with deducting 100 percent of the identified federal funds, but did approve of a deduct, beginning in FY 2005, for a portion of these funds, based on the estimated portion of the dollars that are used to pay for support costs. The point for the purposes of this report regarding FY 2004 SOQ costs is that this deduction was not considered and did not apply to FY 2004 cost calculations.

### **State and Local Shares of SOQ Costs**

In FY 2004, the State's contribution to SOQ costs consisted of: (1) the payment of the one cent sales tax that is collected and appropriated by the State for education purposes, and (2) the payment of an aggregate statewide 55 percent share of the remaining costs for the SOQ, after the one cent sales tax has been taken into account. While the aggregate State share after sales tax is 55 percent, the actual percentage varies from locality to locality, based on local ability to pay. For example, in a locality with a low ability to pay, the State may pay 80 percent or more of the cost. In a locality with a high ability to pay, the State may pay as little as 20 percent of the SOQ cost.

The State's residual responsibility for SOQ costs after the State sales tax is taken into account has been at 55 percent since FY 1993. Prior to FY 1993, the State had paid 100 percent of certain SOQ costs (fringe benefits and categorical pupil transportation), but only 50 percent of other SOQ costs that are left after taking State sales tax dollars into account. Between FY 1988 and FY 1993, the State share for fringe benefits and categorical pupil transportation was reduced from 100 to 55 percent, while the State's share for other SOQ costs was gradually raised by one percentage point per year, from 50 to 55 percent.

The State, then, pays the majority of costs that it recognizes as SOQ costs. However, not all education costs are considered to be part of the SOQ cost framework, and local governments pay the majority of costs that are not recognized as SOQ costs. The JLARC study, Review of Elementary and Secondary School Funding, found that in FY 2000, the State paid 63 percent of SOQ costs (State sales tax plus the 55 percent share), while local governments paid 67 percent of non-SOQ operating costs (and the great majority of capital costs).

### **STATE SOQ SPENDING BY SCHOOL DIVISION**

Table 7 shows the ten school divisions that received the largest SOQ fund amounts from the State in FY 2004. In total, these ten divisions accounted for 44 percent of State SOQ spending, and 48 percent of the pupils in the elementary and secondary school system.

Table 8 provides information on State SOQ spending on a per-pupil basis. The table shows the ten school divisions that received the highest per-pupil payments from the State in FY 2004, and the ten school divisions that received the least. The table also shows the composite index values for these localities.

<b>Table 7</b>		
<b>Ten School Divisions Receiving Largest <u>State</u> SOQ Fund Amounts, FY 2004</b>		
<b>Division</b>	<b>State SOQ Spending</b>	<b>Number of Pupils</b>
1. Fairfax County	\$296,906,121	157,812
2. Virginia Beach	\$254,394,277	74,573
3. Prince William	\$207,714,004	61,089
4. Chesterfield	\$172,937,351	54,850
5. Chesapeake	\$138,202,306	39,135
6. Norfolk	\$131,339,908	34,030
7. Henrico	\$125,526,360	44,778
8. Newport News	\$118,025,207	31,357
9. Hampton	\$89,934,608	22,774
10. Loudoun	\$83,955,660	39,738
Total, Top Ten	\$1,618,935,802	560,136

Source: JLARC staff analysis of data provided by the Department of Education from its accounting system.

<b>Table 8</b>					
<b>School Divisions With the Most and Least <u>State</u> SOQ Funds Per Pupil, FY 2004</b>					
<b>Ten School Divisions With the Most State SOQ Funds Per Pupil</b>			<b>Ten School Divisions With the Least State SOQ Funds Per Pupil</b>		
<b>Division</b>	<b>State SOQ Funds Per Pupil</b>	<b>Composite Index</b>	<b>Division</b>	<b>State SOQ Funds Per Pupil</b>	<b>Composite Index</b>
Lee	\$4,825	.1859	Goochland	\$1,647	.8000
Bland	\$4,687	.3019	Falls Church	\$1,661	.8000
Halifax	\$4,530	.2380	Bath	\$1,661	.8000
Lunenburg	\$4,499	.2481	Fairfax City	\$1,672	.8000
Buckingham	\$4,414	.2709	Surry	\$1,678	.8000
Greensville	\$4,370	.2196	Arlington	\$1,713	.8000
Scott	\$4,305	.2286	Alexandria	\$1,726	.8000
Grayson	\$4,284	.2912	Williamsburg	\$1,783	.8000
Buchanan	\$4,259	.2452	Fairfax Co.	\$1,881	.7518
Charlotte	\$4,259	.2392	Fredericksburg	\$2,087	.7011

Source: JLARC staff analysis of data provided by the Department of Education accounting system; DOE Superintendent's Memo No. 21 from May 28, 2004; and DOE composite index data.

The composite index, which is a measure of local ability to pay, has a major impact on the size of State per-pupil dollars for the SOQ that are received by a school division (although other factors, such as cost factors and sales tax allocations, do have some impact). A higher composite index value indicates a higher measured ability to pay. In general, divisions that benefit from relatively large State SOQ payments on a per-pupil basis are localities with low composite indices and low ability to pay. Divisions that receive lesser SOQ payments per pupil tend to be divisions where the locality has a high composite index and high ability to pay. No locality has a higher composite index than 0.8000, which is the cap for the composite index under the Appropriation Act. As can be seen in the table, school divisions receiving the most SOQ funds per pupil tend to have composite index values of around 0.3000 or less, while the least SOQ funds are received by divisions serving localities with a capped composite index, or by divisions serving localities with a composite index figure below the cap but greater than 0.7000.

Appendix B to this report shows State SOQ spending in FY 2004 in all school divisions. The appendix shows State SOQ spending from the basic aid, sales tax, and "other SOQ" accounts, as well as total State SOQ spending. The table also shows the State SOQ spending in per-pupil terms, and the local composite index value. The data in this appendix do not include FY 2004 compensation supplement payments.

Appendix C shows the additional State spending in school divisions from the FY 2004 supplemental compensation account. As previously noted, this account was set up to pay the State share of a half-year 2.25 percent salary increase for State-recognized school division positions, provided that localities chose to fund their share of such a program. The salary increase was not mandated, and the costs were not included in State calculations of required SOQ costs.

## Appendix A

### Section 22.1-97 of the *Code of Virginia*

**§ 22.1-97. Calculation and reporting of required local expenditures; procedure if locality fails to appropriate sufficient educational funds.**

-- A. The Department of Education shall collect annually the data necessary to make calculations and reports required by this subsection.

At the beginning of each school year, the Department shall make calculations to ensure that each school division has appropriated sufficient funds to support its estimated required local expenditure for providing an educational program meeting the prescribed Standards of Quality, required by Article VIII of the Constitution of Virginia and Chapter 13.2 (§ 22.1-253.13:1 et seq.) of this title. At the conclusion of the school year, the Department shall make calculations to verify whether the locality has provided the required expenditure, based on average daily membership as of March 31 of the relevant school year.

The Department shall report annually to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health the results of such calculations and the degree to which each school division has met, failed to meet, or surpassed its required expenditure.

The Joint Legislative Audit and Review Commission shall report annually to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health the state expenditure provided each locality for an educational program meeting the Standards of Quality.

The Department and the Joint Legislative Audit and Review Commission shall coordinate to ensure that their respective reports are based upon comparable data and are delivered together, or as closely following one another as practicable, to the appropriate standing committees...

*[Note: This is the end of the portion of the statutory section that relates to the DOE and JLARC annual reporting responsibilities.]*

## Appendix B

<b>FY 2004 State SOQ Spending, by School Division</b>						
<b>Division</b>	<b>Basic Aid Account</b>	<b>Sales Tax Account</b>	<b>Other SOQ Accounts</b>	<b>Total Spending *</b>	<b>Spending Per Pupil</b>	<b>Composite Index</b>
Accomack	\$12,283,303	\$4,552,427	\$4,388,090	\$21,223,820	\$4,105	.2929
Albemarle	\$15,367,941	\$8,947,065	\$4,938,074	\$29,253,080	\$2,412	.6220
Alleghany	\$7,084,176	\$1,933,359	\$1,803,144	\$10,820,679	\$3,760	.2975
Amelia	\$3,955,090	\$1,248,823	\$1,302,340	\$6,506,253	\$3,744	.3360
Amherst	\$11,061,737	\$3,410,361	\$2,805,768	\$17,277,866	\$3,839	.3034
Appomattox	\$5,805,133	\$1,583,759	\$1,718,966	\$9,107,858	\$3,996	.2899
Arlington	\$12,787,208	\$13,222,628	\$5,070,297	\$31,080,133	\$1,713	.8000
Augusta	\$22,913,839	\$7,775,670	\$6,342,862	\$37,032,371	\$3,486	.3532
Bath	\$589,882	\$537,892	\$179,766	\$1,307,539	\$1,661	.8000
Bedford	\$19,803,757	\$6,623,046	\$4,913,361	\$31,340,164	\$3,194	.3943
Bland	\$2,628,341	\$608,867	\$1,051,449	\$4,288,658	\$4,687	.3019
Botetourt	\$9,385,947	\$3,535,889	\$3,055,362	\$15,977,197	\$3,374	.4256
Brunswick	\$5,976,903	\$1,800,793	\$2,149,177	\$9,926,873	\$4,255	.2702
Buchanan	\$9,641,170	\$2,351,002	\$3,432,942	\$15,425,114	\$4,259	.2452
Buckingham	\$5,633,960	\$1,621,300	\$2,335,850	\$9,591,110	\$4,414	.2709
Campbell	\$20,641,450	\$6,083,981	\$4,842,926	\$31,568,357	\$3,667	.2837
Caroline	\$8,705,319	\$2,457,759	\$2,165,978	\$13,329,056	\$3,640	.3104
Carroll	\$9,462,301	\$2,902,385	\$3,012,578	\$15,377,264	\$3,821	.3123
Charles City	\$1,874,056	\$662,832	\$551,495	\$3,088,383	\$3,447	.4370
Charlotte	\$6,075,840	\$1,423,037	\$1,854,711	\$9,353,587	\$4,259	.2392
Chesterfield	\$112,445,649	\$35,726,671	\$24,765,031	\$172,937,351	\$3,153	.3882
Clarke	\$3,377,637	\$1,421,277	\$839,996	\$5,638,910	\$2,774	.5297
Craig	\$1,628,645	\$572,500	\$544,634	\$2,745,779	\$3,911	.3410
Culpeper	\$12,919,940	\$4,339,500	\$3,063,801	\$20,323,241	\$3,299	.3849
Cumberland	\$3,155,155	\$1,205,417	\$1,085,795	\$5,446,367	\$4,067	.3203
Dickenson	\$6,836,981	\$1,752,693	\$2,160,288	\$10,749,962	\$4,159	.2624
Dinwiddie	\$11,092,285	\$2,780,964	\$2,974,018	\$16,847,267	\$3,779	.2877
Essex	\$3,208,739	\$1,206,590	\$1,171,083	\$5,586,412	\$3,485	.4122
Fairfax	\$139,990,236	\$119,814,890	\$37,100,995	\$296,906,121	\$1,881	.7518
Fauquier	\$14,285,249	\$7,562,743	\$4,364,572	\$26,212,564	\$2,552	.5848
Floyd	\$4,916,796	\$1,430,076	\$1,551,806	\$7,898,678	\$3,779	.3470
Fluvanna	\$7,554,331	\$1,998,469	\$1,769,079	\$11,321,879	\$3,328	.3721
Franklin	\$14,811,159	\$5,026,969	\$4,187,376	\$24,025,504	\$3,372	.3874
Frederick	\$23,131,976	\$7,387,356	\$6,472,964	\$36,992,296	\$3,320	.3756
Giles	\$5,743,487	\$1,854,758	\$2,018,753	\$9,616,998	\$3,803	.3140
Gloucester	\$14,768,586	\$4,508,434	\$3,541,844	\$22,818,864	\$3,712	.3132
Goochland	\$1,542,766	\$1,467,617	\$445,818	\$3,456,201	\$1,647	.8000
Grayson	\$6,328,022	\$1,558,536	\$1,697,586	\$9,584,144	\$4,284	.2912
Greene	\$6,325,306	\$1,839,507	\$1,798,014	\$9,962,827	\$3,830	.3183
Greensville	\$4,560,959	\$1,112,151	\$1,489,599	\$7,162,709	\$4,370	.2196
Halifax	\$15,720,195	\$4,252,686	\$6,697,677	\$26,670,559	\$4,530	.2380
Hanover	\$31,831,632	\$11,651,187	\$6,770,807	\$50,253,626	\$2,810	.4756
Henrico	\$74,375,348	\$31,304,464	\$19,846,548	\$125,526,360	\$2,803	.5113
Henry	\$19,035,439	\$6,296,909	\$6,269,031	\$31,601,379	\$3,897	.2930
Highland	\$462,160	\$229,352	\$168,065	\$859,577	\$2,924	.6224
Isle of Wight	\$10,514,720	\$3,914,818	\$2,690,822	\$17,120,360	\$3,437	.3632
James City	\$10,463,823	\$5,931,471	\$2,089,359	\$18,484,653	\$2,231	.6228

\* Total State SOQ spending. State spending in the table is from the basic aid account, State-appropriated sales tax account, and other accounts used to help pay for SOQ minimum requirements / costs (it does not include State spending from the compensation supplement account).

## Appendix B (continued)

FY 2004 State SOQ Spending, by School Division						
Division	Basic Aid Account	Sales Tax Account	Other SOQ Accounts	Total Spending *	Spending Per Pupil	Composite Index
King George	\$7,086,043	\$2,053,608	\$1,648,035	\$10,787,685	\$3,428	.3514
King & Queen	\$2,007,700	\$645,235	\$863,883	\$3,516,818	\$4,177	.3658
King William	\$4,256,943	\$1,275,219	\$1,453,908	\$6,986,070	\$3,758	.3459
Lancaster	\$1,750,484	\$1,021,818	\$481,094	\$3,253,396	\$2,366	.6258
Lee	\$10,551,745	\$2,725,239	\$4,516,470	\$17,793,454	\$4,825	.1859
Loudoun	\$45,266,667	\$26,926,250	\$11,762,743	\$83,955,660	\$2,113	.6851
Louisa	\$5,542,226	\$3,237,321	\$1,572,824	\$10,352,371	\$2,443	.6086
Lunenburg	\$4,476,758	\$1,352,061	\$1,823,505	\$7,652,324	\$4,499	.2481
Madison	\$3,978,572	\$1,415,998	\$1,334,263	\$6,728,833	\$3,618	.4150
Mathews	\$2,458,865	\$905,676	\$812,813	\$4,177,354	\$3,238	.4786
Mecklenburg	\$11,082,546	\$3,205,059	\$3,837,234	\$18,124,839	\$3,800	.3346
Middlesex	\$2,133,413	\$978,998	\$819,593	\$3,932,004	\$2,959	.5572
Montgomery	\$19,053,813	\$7,318,140	\$6,440,706	\$32,812,659	\$3,524	.3875
Nelson	\$3,672,186	\$1,577,893	\$983,295	\$6,233,374	\$3,134	.4831
New Kent	\$5,197,271	\$1,832,468	\$1,599,789	\$8,629,528	\$3,437	.4219
Northampton	\$4,716,858	\$1,566,748	\$1,570,429	\$7,854,035	\$3,923	.3407
Northumberland	\$2,064,240	\$1,028,270	\$391,857	\$3,484,367	\$2,428	.5972
Nottoway	\$6,224,966	\$1,794,927	\$1,817,837	\$9,837,730	\$4,242	.2451
Orange	\$8,110,417	\$2,986,852	\$2,222,679	\$13,319,948	\$3,267	.4221
Page	\$8,556,317	\$2,368,600	\$2,533,446	\$13,458,363	\$3,847	.2959
Patrick	\$6,576,050	\$1,765,011	\$1,751,920	\$10,092,981	\$3,930	.2813
Pittsylvania	\$22,068,666	\$6,705,753	\$7,513,784	\$36,288,203	\$4,004	.2793
Powhatan	\$8,466,637	\$2,741,076	\$2,085,569	\$13,293,282	\$3,340	.3956
Prince Edward	\$6,514,285	\$2,123,410	\$1,917,526	\$10,555,221	\$3,847	.3108
Prince George	\$15,951,711	\$4,001,631	\$3,386,961	\$23,340,303	\$3,871	.2596
Prince William	\$136,549,042	\$41,398,288	\$29,766,674	\$207,714,004	\$3,400	.3895
Pulaski	\$11,088,302	\$3,627,395	\$3,314,561	\$18,030,258	\$3,695	.3263
Rappahannock	\$1,030,549	\$875,173	\$347,396	\$2,253,118	\$2,192	.7170
Richmond	\$2,855,523	\$787,773	\$562,593	\$4,205,889	\$3,445	.3455
Roanoke	\$27,554,752	\$10,479,792	\$8,069,944	\$46,104,488	\$3,229	.4177
Rockbridge	\$5,499,418	\$2,017,826	\$1,918,801	\$9,436,045	\$3,416	.4271
Rockingham	\$22,394,731	\$8,636,766	\$6,123,490	\$37,154,987	\$3,446	.3516
Russell	\$10,251,395	\$3,101,821	\$2,836,610	\$16,189,826	\$3,969	.2548
Scott	\$10,418,375	\$2,519,350	\$3,095,060	\$16,032,785	\$4,305	.2286
Shenandoah	\$12,189,070	\$4,015,122	\$3,050,797	\$19,254,989	\$3,362	.3825
Smyth	\$12,710,233	\$3,684,879	\$3,787,580	\$20,182,692	\$4,095	.2498
Southampton	\$7,285,629	\$2,324,606	\$2,160,522	\$11,770,757	\$4,234	.2919
Spotsylvania	\$47,852,111	\$15,252,186	\$12,307,910	\$75,412,207	\$3,445	.3548
Stafford	\$54,951,340	\$16,222,972	\$11,782,105	\$82,956,417	\$3,367	.3296
Surry	\$824,695	\$683,949	\$306,674	\$1,815,318	\$1,678	.8000
Sussex	\$3,463,239	\$869,308	\$1,025,242	\$5,357,789	\$3,960	.3003
Tazewell	\$17,573,172	\$4,897,921	\$5,539,983	\$28,011,076	\$4,027	.2678
Warren	\$10,430,383	\$3,638,540	\$2,997,386	\$17,066,309	\$3,363	.3781
Washington	\$16,291,047	\$4,409,889	\$3,741,486	\$24,442,422	\$3,409	.3484
Westmoreland	\$4,280,192	\$1,495,773	\$887,171	\$6,663,135	\$3,490	.3719
Wise	\$17,591,415	\$4,675,022	\$4,992,419	\$27,258,856	\$4,108	.2146
Wythe	\$9,945,102	\$3,046,683	\$2,980,402	\$15,972,187	\$3,753	.3125
York	\$26,228,615	\$7,875,388	\$5,996,652	\$40,100,656	\$3,244	.3792

\* Total State SOQ spending. Spending shown in the table is from the basic aid account, the State-appropriated sales tax account, and other accounts used to help pay for SOQ minimum requirements / costs (it does not include State spending from the compensation supplement account).

## Appendix B (continued)

FY 2004 <u>State</u> SOQ Spending, By School Division						
Division	Basic Aid Account	Sales Tax Account	Other SOQ Accounts	Total Spending *	Spending Per Pupil	Composite Index
Alexandria	\$7,628,725	\$8,190,967	\$2,702,298	\$18,521,990	\$1,726	.8000
Bedford	\$2,267,932	\$655,207	\$670,295	\$3,593,434	\$3,839	.3446
Bristol	\$4,874,052	\$1,649,456	\$1,964,442	\$8,487,950	\$3,652	.3748
Buena Vista	\$2,883,889	\$753,752	\$1,012,724	\$4,650,365	\$4,220	.2373
Charlottesville	\$5,769,447	\$3,923,616	\$1,953,411	\$11,646,474	\$2,781	.5710
Chesapeake	\$84,874,590	\$29,317,139	\$24,010,577	\$138,202,306	\$3,531	.3344
Col. Heights	\$4,751,975	\$1,944,504	\$1,356,151	\$8,052,630	\$2,880	.4755
Covington	\$1,935,812	\$588,924	\$849,510	\$3,374,245	\$3,856	.3407
Danville	\$15,289,456	\$6,017,698	\$4,878,840	\$26,185,994	\$3,680	.2927
Emporia	\$2,252,254	\$685,709	\$784,381	\$3,722,344	\$4,104	.2889
Fairfax	\$1,968,890	\$2,093,495	\$481,144	\$4,543,529	\$1,672	.8000
Falls Church	\$1,341,835	\$1,314,520	\$419,059	\$3,075,414	\$1,661	.8000
Franklin	\$3,206,703	\$916,820	\$1,328,533	\$5,452,057	\$3,939	.3173
Fredericksburg	\$2,388,159	\$1,706,354	\$887,379	\$4,981,892	\$2,087	.7011
Galax	\$3,028,075	\$719,144	\$757,036	\$4,504,255	\$3,387	.3378
Hampton	\$55,895,209	\$18,274,819	\$15,764,580	\$89,934,608	\$3,949	.2613
Harrisonburg	\$6,487,097	\$2,796,215	\$2,049,471	\$11,332,783	\$2,798	.5286
Hopewell	\$9,797,880	\$2,735,210	\$2,951,568	\$15,484,659	\$4,019	.2496
Lexington	\$1,212,376	\$336,109	\$350,510	\$1,898,995	\$2,991	.4544
Lynchburg	\$16,817,102	\$7,727,571	\$5,750,248	\$30,294,921	\$3,485	.3833
Manassas	\$13,649,887	\$4,836,917	\$3,638,020	\$22,124,824	\$3,348	.4109
Manassas Park	\$5,544,292	\$1,454,712	\$1,488,568	\$8,487,572	\$3,847	.3200
Martinsville	\$5,760,773	\$2,045,395	\$2,049,356	\$9,855,524	\$3,801	.2990
Newport News	\$73,586,080	\$26,161,939	\$18,277,188	\$118,025,207	\$3,764	.2675
Norfolk	\$79,272,578	\$26,963,204	\$25,104,126	\$131,339,908	\$3,860	.2655
Norton	\$1,521,463	\$496,831	\$457,218	\$2,475,512	\$3,593	.3435
Petersburg	\$13,684,503	\$3,321,201	\$4,033,493	\$21,039,197	\$4,054	.2196
Poquoson	\$5,465,855	\$1,597,837	\$1,292,086	\$8,355,778	\$3,367	.3294
Portsmouth	\$40,804,172	\$10,608,253	\$11,815,666	\$63,228,091	\$4,045	.2164
Radford	\$3,369,216	\$944,976	\$1,078,909	\$5,393,101	\$3,574	.3232
Richmond	\$41,650,088	\$20,673,921	\$16,005,918	\$78,329,927	\$3,281	.4456
Roanoke	\$25,926,922	\$9,365,295	\$8,893,096	\$44,185,313	\$3,435	.3949
Salem	\$7,305,332	\$2,708,815	\$1,619,722	\$11,633,869	\$2,988	.4166
Staunton	\$5,134,423	\$2,334,578	\$1,745,247	\$9,214,248	\$3,471	.3959
Suffolk	\$30,119,712	\$9,782,938	\$9,185,628	\$49,088,278	\$3,786	.3018
Virginia Beach	\$162,367,121	\$54,887,222	\$37,139,934	\$254,394,277	\$3,411	.3394
Waynesboro	\$6,135,728	\$2,120,477	\$1,393,180	\$9,649,385	\$3,279	.3651
Williamsburg	\$521,676	\$550,210	\$165,495	\$1,237,381	\$1,783	.8000
Winchester	\$5,248,414	\$2,477,116	\$1,818,072	\$9,543,603	\$2,676	.5587
Col. Beach	\$1,462,914	\$333,762	\$475,755	\$2,272,431	\$3,959	.2921
West Point	\$1,984,458	\$414,124	\$558,965	\$2,957,546	\$3,831	.2823
<b>STATEWIDE TOTALS</b>	<b>\$2,204,915,348</b>	<b>\$847,947,518</b>	<b>\$607,381,916</b>	<b>\$3,660,244,781</b>		

\* Total State SOQ spending. State SOQ spending in the table is from the basic aid account, the State-appropriated sales tax account, and other accounts that are used to help pay for SOQ minimum requirements / costs (it does not include State spending from the compensation supplement account, which was \$27,237,179 statewide).

### Appendix C

<b>FY 2004 State Spending on a Compensation Supplement for School Division Personnel</b>			
<b>Division</b>	<b>State Spending</b>	<b>Division</b>	<b>State Spending</b>
Accomack	\$164,522	Isle of Wight	\$130,046
Albemarle	\$197,134	James City	\$118,768
Alleghany	\$84,907	King George	\$83,686
Amelia	\$50,777	King & Queen	\$28,302
Amherst	\$134,822	King William	\$54,707
Appomattox	\$71,196	Lancaster	\$21,614
Arlington	\$170,527	Lee	\$147,118
Augusta	\$281,724	Loudoun	\$550,592
Bath	\$7,244	Louisa	\$69,664
Bedford	\$237,696	Lunenburg	\$62,681
Bland	\$35,132	Madison	\$51,144
Botetourt	\$119,684	Mathews	\$30,940
Brunswick	\$78,320	Mecklenburg	\$142,828
Buchanan	\$125,759	Middlesex	\$28,838
Buckingham	\$77,626	Montgomery	\$250,919
Campbell	\$246,644	Nelson	\$45,228
Caroline	\$103,545	New Kent	\$65,403
Carroll	\$121,749	Northampton	\$60,726
Charles City	\$23,201	Northumberland	\$23,366
Charlotte	\$75,190	Nottoway	\$77,027
Chesterfield	\$1,275,171	Orange	\$98,963
Clarke	\$40,152	Page	\$105,919
Craig	\$21,280	Patrick	\$79,356
Culpeper	\$155,373	Pittsylvania	\$287,438
Cumberland	\$41,865	Powhatan	\$101,033
Dickenson	\$85,786	Prince Edward	\$81,306
Dinwiddie	\$133,370	Prince George	\$183,011
Essex	\$42,408	Prince William	\$1,603,670
Fairfax	\$1,723,435	Pulaski	\$141,348
Fauquier	\$179,114	Rappahannock	\$13,671
Floyd	\$61,413	Richmond Co.	\$32,774
Fluvanna	\$87,104	Roanoke Co.	\$349,220
Franklin Co.	\$183,321	Rockbridge	\$71,200
Frederick	\$285,228	Rockingham	\$279,635
Giles	\$76,329	Russell	\$127,663
Gloucester	\$177,314	Scott	\$129,256
Goochland	\$18,891	Shenandoah	\$144,992
Grayson	\$ 77,686	Smyth	\$159,003
Greene	\$78,016	Southampton	\$90,560
Greensville	\$57,558	Spotsylvania	\$579,013
Halifax	\$219,811	Stafford	\$627,694
Hanover	\$356,368	Surry	\$10,825
Henrico	\$897,203	Sussex	\$42,596
Henry	\$246,522	Tazewell	\$224,097
Highland	\$6,337	Warren	\$129,369

(Appendix C table continues on the next page)

**Appendix C (continued)**

<b>FY 2004 State Spending on Compensation Supplements for School Division Personnel</b>			
<b>Division</b>	<b>State Spending</b>	<b>Division</b>	<b>State Spending</b>
Washington	\$191,529	Lexington	\$14,892
Westmoreland	\$50,359	Lynchburg	\$230,522
Wise	\$218,894	Manassas	\$167,382
Wythe	\$125,818	Manassas Park	\$65,998
York	\$307,007	Martinsville	\$78,161
Alexandria	\$98,752	Newport News	\$918,750
Bedford	\$28,222	Norfolk	\$1,024,796
Bristol	\$66,845	Norton	\$19,450
Buena Vista	\$37,815	Petersburg	\$170,115
Charlottesville	\$77,255	Poquoson	\$63,244
Chesapeake	\$1,067,980	Portsmouth	\$502,543
Col. Heights	\$60,127	Radford	\$42,897
Covington	\$27,111	Richmond City	\$582,448
Danville	\$206,371	Roanoke City	\$334,702
Emporia	\$29,669	Salem	\$86,337
Fairfax City	\$23,912	Staunton	\$68,967
Falls Church	\$17,025	Suffolk	\$380,222
Franklin City	\$43,454	Virginia Beach	\$1,970,527
Fredericksburg	\$31,392	Waynesboro	\$70,995
Galax	\$35,216	Williamsburg	\$6,524
Hampton	\$706,586	Winchester	\$67,683
Harrisonburg	\$80,185	Col. Beach	\$18,691
Hopewell	\$124,321	West Point	\$23,825

Note: Statewide, total State spending from the compensation supplement account was \$27,237,179.

Source: DOE accounting system.

