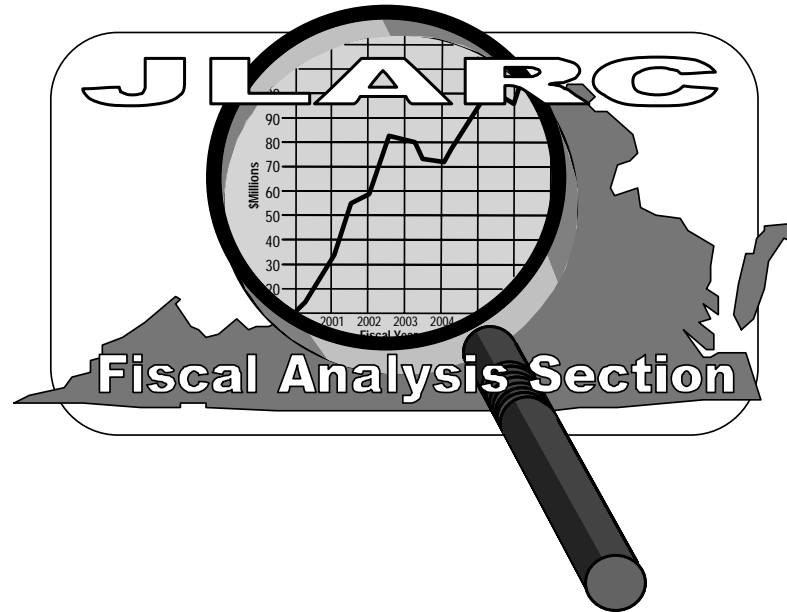


**Joint Legislative Audit and Review Commission  
of the Virginia General Assembly**



**State SOQ Spending in FY 2005**

**Staff Briefing  
Robert B. Rotz  
December 12, 2005**

# Presentation Outline

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- Background**
- Total State Spending for SOQ Cost Purposes**
- Factors Impacting the Size of SOQ Costs**
- State SOQ Spending, by School Division**

# State and Local SOQ Spending

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- **Constitution of Virginia requires State Board of Education to determine and prescribe Standards of Quality (SOQ)**
- **Standards are subject to revision by the General Assembly**
- **The General Assembly determines the costs of the standards, and apportions the costs between the State and local governments**
- **The State spending on the SOQ is done through its allocation of State funds to school divisions**
- **Required SOQ costs that are not paid by the State are paid by local governments. The required amount that is paid by the local government is the “required local expenditure.”**

# Section 22.1-97 of the *Code of Virginia* Requires Annual Reports on SOQ Spending

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## ■ DOE is required to:

- Report annually on whether school divisions have sufficient budgeted funds to meet their required local expenditure
- Make and report calculations that verify whether or not localities have in fact provided their required local expenditure for the SOQ
- Report the information to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health

## ■ JLARC is required to:

- Report annually on the State expenditure provided each locality for an educational program meeting the SOQ
- Provide the report to the same committees as the DOE report

# JLARC Report on State SOQ Spending

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- **Addresses the statutory mandate**
- **Provides information and data for FY 2005:**
  - **Total State spending for SOQ cost purposes**
  - **Factors impacting the amount of State SOQ spending**
  - **SOQ spending amounts at the school division level**
- **Is the second in this series of annual JLARC reports to meet the requirements of §22.1-97**

# Presentation Outline

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- Background
- Total State Spending for SOQ Cost Purposes
- Factors Impacting the Size of SOQ Costs
- State SOQ Spending, by School Division

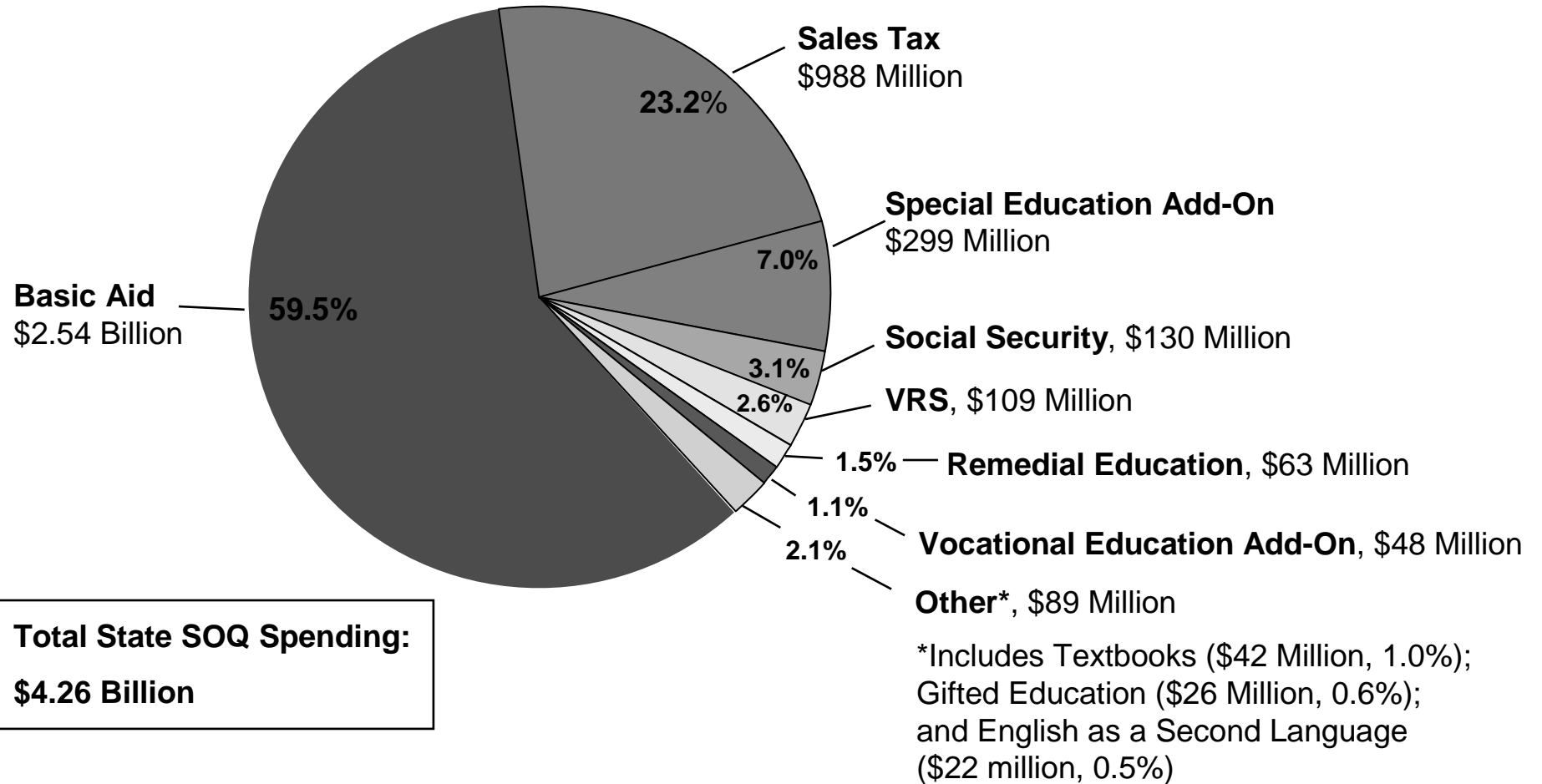
# State SOQ Spending, Total for All Accounts

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- According to data from DOE's accounting system, total SOQ spending by the State in FY 2005 was \$4.26 billion
- This spending equates to about \$3,629 per pupil
- The number of pupils used to compute this cost per pupil is an average of pupils in public school membership from the start of the school year to March 31, 2005, adjusted for half-day kindergarten programs

# FY 2005 State SOQ Spending by Account



Source: Virginia Dept. of Education data on State payments to school divisions, FY 2005.

# Presentation Outline

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- Background
- Total State Spending for SOQ Cost Purposes
- Factors Impacting the Size of SOQ Costs
- State SOQ Spending, by School Division

# Factors Impacting the Size of Total State SOQ Spending

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- Number of pupils
- Number of instructional positions required by SOQ
- Instructional salary levels
- Prevailing support staff levels and salaries
- Fringe benefit costs
- Non-personnel support costs
- Deductions from SOQ costs (no deduction in FY 2005 for locally-generated revenues, but there is a deduction for a portion of certain federal funds)
- State and local shares of SOQ costs

# Presentation Outline

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- Background
- Total State Spending for SOQ Cost Purposes
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- State SOQ Spending, by School Division

# Ten Divisions With the Largest Expenditures from State SOQ Fund Accounts, FY 2005

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<b>Division</b>	<b>State SOQ Spending (millions)</b>	<b>Number of Pupils</b>
<b>Fairfax County</b>	<b>\$ 347.4</b>	<b>158,428</b>
<b>Virginia Beach</b>	<b>\$ 291.0</b>	<b>74,091</b>
<b>Prince William</b>	<b>\$ 249.0</b>	<b>64,323</b>
<b>Chesterfield</b>	<b>\$ 204.2</b>	<b>55,570</b>
<b>Chesapeake</b>	<b>\$ 160.6</b>	<b>39,705</b>
<b>Henrico</b>	<b>\$ 154.3</b>	<b>46,013</b>
<b>Norfolk</b>	<b>\$ 150.2</b>	<b>33,708</b>
<b>Newport News</b>	<b>\$ 135.4</b>	<b>30,827</b>
<b>Hampton</b>	<b>\$ 101.8</b>	<b>22,563</b>
<b>Stafford</b>	<b>\$ 96.9</b>	<b>25,419</b>
<b>Total, Top Ten</b>	<b>\$1,890.9</b>	<b>550,647</b>

# School Divisions with the Most and Least State SOQ Spending Per Pupil, FY 2005

Ten Divisions With <u>MOST</u> Per Pupil			Ten Divisions With <u>LEAST</u> Per Pupil		
Division	State SOQ Per Pupil	Composite Index	Division	State SOQ Per Pupil	Composite Index
Lee	\$5,846	.1859	Williamsburg	\$1,857	.8000
Buena Vista	\$5,203	.3019	Goochland	\$1,865	.8000
King & Queen	\$5,178	.2380	Bath	\$1,898	.8000
Brunswick	\$5,110	.2481	Falls Church	\$1,910	.8000
Greensville	\$5,080	.2709	Fairfax City	\$1,961	.8000
Halifax	\$5,079	.2196	Surry	\$1,987	.8000
Petersburg	\$5,062	.2286	Arlington	\$2,001	.8000
Bland	\$5,051	.2912	Alexandria	\$2,003	.8000
Nottoway	\$5,046	.2452	Loudoun	\$2,185	.7220
Russell	\$5,046	.2392	Fairfax County	\$2,193	.7489

# Report Appendixes

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- **Appendix A – the statutory mandate for this series of reports**
  
- **Appendix B -- shows FY 2005 State SOQ spending by school division, providing the following information:**
  - **Basic aid dollars spent**
  - **Sales tax dollars spent**
  - **“Other” SOQ dollars spent**
  - **Total dollars spent**
  - **Dollars per pupil**
  - **Local ability to pay (Composite Index value)**