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Joint Legislative Audit and Review Commission



**State Spending on Standards of Quality  
(SOQ) Costs, FY 2006**

Commission Briefing

December 11, 2006



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# Study Mandate

- Section 22.1-97 of the *Code of Virginia* requires annual reports on SOQ spending
  
- DOE is required to
  - Report annually on whether school divisions have sufficient budgeted funds to meet their required local expenditure
  - Verify that localities have provided their required local expenditure for the SOQ
  - Report 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
  - Report to the same committees as the DOE report

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# State and Local SOQ Spending

- *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
- General Assembly determines costs of the standards and apportions costs between State and local governments
- State spending on SOQ is done through its allocation of State funds to school divisions
- Required SOQ costs not paid by the State are paid by local governments (the “required local expenditure”)

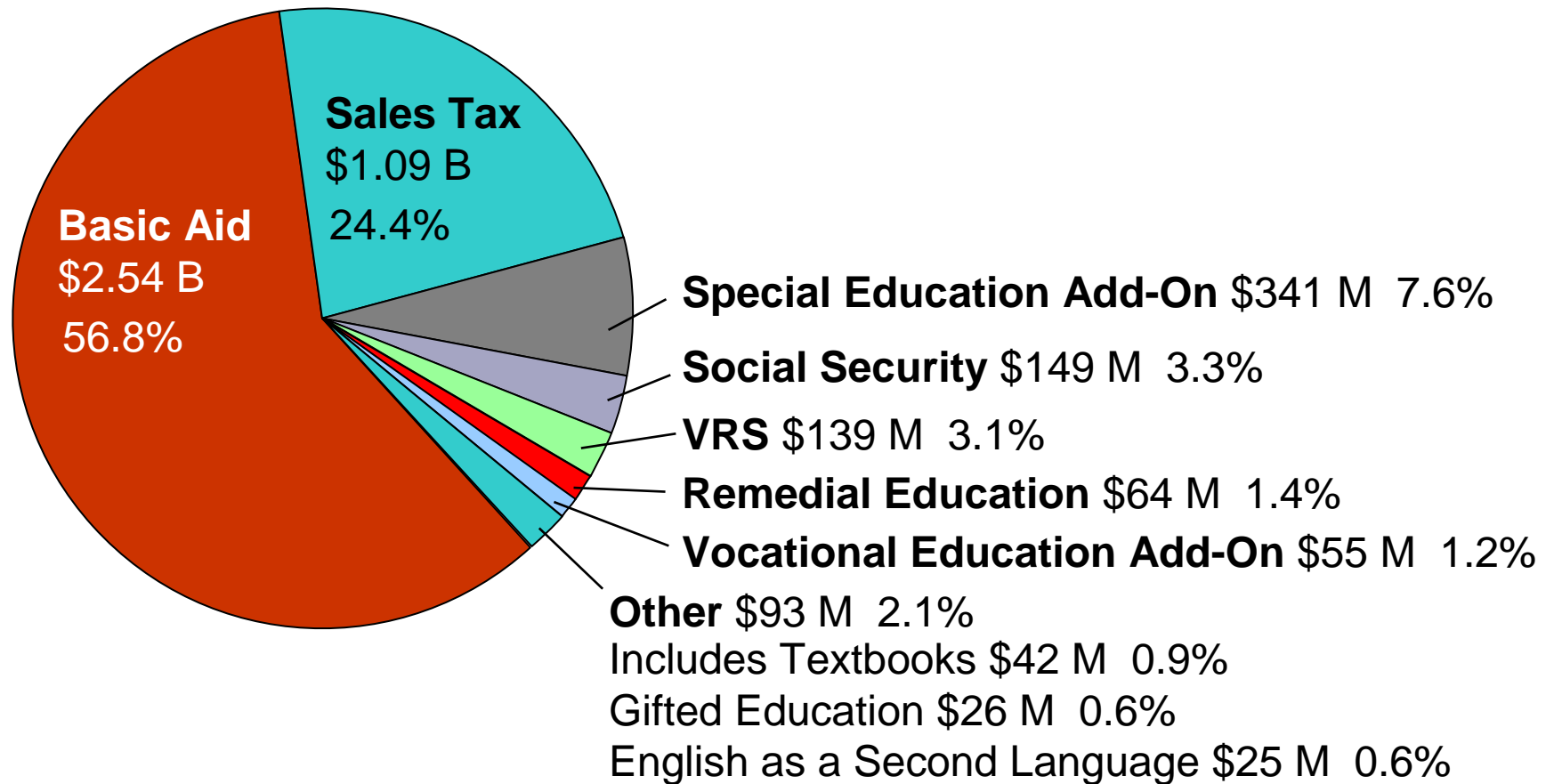
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## State SOQ Spending, Total for All Accounts

- According to data from DOE's accounting system, total SOQ spending in FY 2006 was **\$4.47 billion**
- Equates to about **\$3,776 per pupil**

(Based on average number of pupils in public schools from start of the school year to March 31, 2006, adjusted for half-day K programs)

# FY 2006 State SOQ Spending by Account (Total \$4.47 Billion)



Source: Virginia Dept. of Education data on State payments to school divisions, FY 2006.

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# Factors Impacting the Size of Total State SOQ Spending

- 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 2006 for locally-generated revenues, but a deduction for portion of federal funds)
- State and local shares of SOQ costs

## Ten Divisions with the Largest Expenditures from State SOQ Fund Accounts, FY 2006

Division	State SOQ Spending (\$ millions)	Number of Pupils
Fairfax County	\$ 361.9	157,832
Virginia Beach	\$ 298.3	72,953
Prince William	\$ 270.0	66,687
Chesterfield	\$ 217.1	56,673
Chesapeake	\$ 167.0	39,622
Henrico	\$ 164.1	46,910
Norfolk	\$ 154.1	33,472
Newport News	\$ 139.3	30,635
Loudoun	\$ 107.5	46,174
Hampton	\$ 104.6	22,378
<b>Total, Top Ten</b>	<b>\$1,983.8</b>	<b>573,336</b>

## Ten School Divisions with the Most and Least State SOQ Spending Per Pupil, FY 2006

<u><b>MOST</b></u> Per Pupil			<u><b>LEAST</b></u> Per Pupil		
<b>Division</b>	<b>State SOQ Per Pupil</b>	<b>Composite Index</b>	<b>Division</b>	<b>State SOQ Per Pupil</b>	<b>Composite Index</b>
Lee	\$6,069	.1845	Goochland	\$1,961	.8000
Buena Vista	\$5,424	.2322	Williamsburg	\$1,982	.8000
King & Queen	\$5,422	.3376	Bath	\$2,014	.8000
Brunswick	\$5,277	.2568	Falls Church	\$2,029	.8000
Petersburg	\$5,272	.2197	Fairfax City	\$2,063	.8000
Halifax	\$5,240	.2380	Arlington	\$2,108	.8000
Greensville	\$5,224	.2203	Alexandria	\$2,121	.8000
Buckingham	\$5,197	.2527	Surry	\$2,160	.8000
Scott	\$5,195	.2115	Fairfax County	\$2,293	.7489
Nottoway	\$5,193	.2431	Loudoun	\$2,328	.7220

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# JLARC Staff for This Report

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## For More Information

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