

Joint Legislative Audit and Review Commission



**State Spending on Standards of Quality  
(SOQ) Costs, FY 2009**

Commission Briefing

December 14, 2009

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# Study Mandate

- Section 22.1-97 of the *Code of Virginia* requires annual reports on SOQ spending
- Virginia Department of Education (DOE) is required to
  - Report on whether school divisions have sufficient budgeted funds to meet their required local expenditure
  - Verify localities have expended the required amount
  - Report to standing education and money committees
- JLARC is required to
  - Report annually on the State expenditure in each locality for an educational program meeting the SOQ
  - Report to the same committees as DOE

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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”)

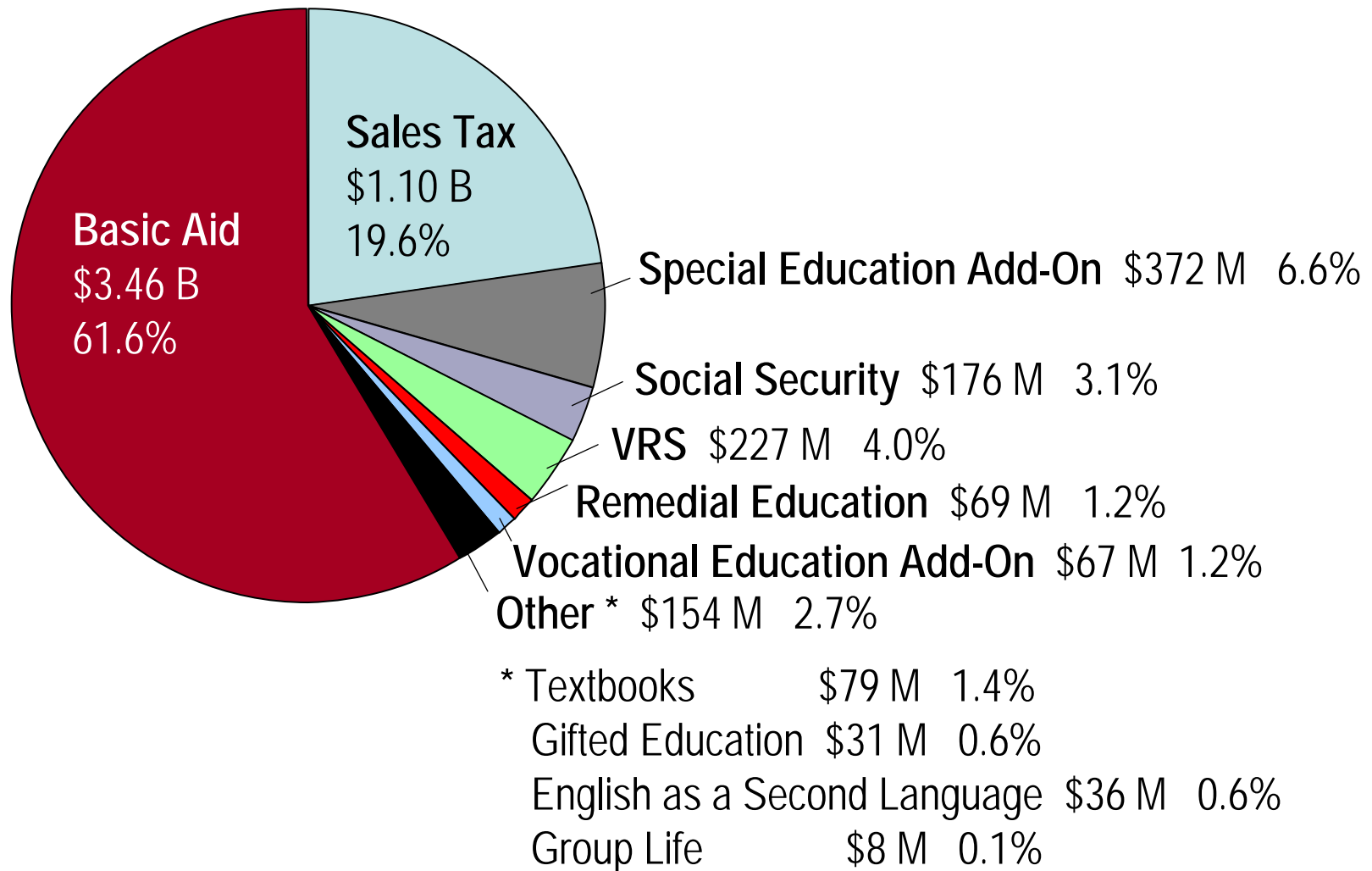
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# State SOQ Spending, Total for All Accounts

- According to data from DOE, total State spending from SOQ accounts in FY 2009 was **\$5.62 billion**
- Equates to about **\$4,700 per pupil**

(Based on average number of pupils in public schools from start of the school year to March 31, 2009, adjusted for half-day K programs)

# State SOQ Spending Totaled \$5.62 Billion



Source: DOE data on State payments to school divisions, FY 2009.

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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
- Support staffing levels and salaries
- Fringe benefit costs
- Non-personnel support costs
- Deductions from SOQ costs
- State and local shares of SOQ costs

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# State and Local Shares of SOQ Costs

- After sales tax funds are deducted from SOQ costs, the State pays an aggregate 55% share of SOQ costs. The State share
  - varies by locality based on the composite index
  - applies to salary, fringe benefit, and non-personnel costs
- Up until FY 1988, the State paid 100% of SOQ fringe benefit costs and a 50% share of most other SOQ costs
- From FY 1988 to FY 1993, the State gradually moved to funding a 55% share of SOQ costs, including fringe benefits such as VRS and Social Security:
  - the share of fringe benefit costs was gradually decreased from 100 to 55 percent, while
  - the share of most other SOQ costs was increased by one percent per year, from 50 to 55 percent

## Ten Divisions With the Largest Expenditures From State SOQ Fund Accounts, FY 2009

Division	State SOQ Spending (\$ millions)	Number of Pupils
Fairfax County	\$ 433.2	162,923
Virginia Beach	\$ 349.1	69,335
Prince William	\$ 347.3	71,962
Chesterfield	\$ 293.8	58,273
Henrico	\$ 228.7	48,077
Chesapeake	\$ 216.2	38,851
Norfolk	\$ 181.0	31,639
Loudoun	\$ 174.3	55,690
Newport News	\$ 169.7	29,023
Stafford	\$ 130.7	26,350
<b>Total, Top Ten</b>	<b>\$2,524.0</b>	<b>592,123</b>

## Ten School Divisions With the Most and Least State SOQ Spending Per Pupil, FY 2009

<u>MOST</u> Per Pupil			<u>LEAST</u> Per Pupil		
Division	State SOQ Per Pupil	Composite Index	Division	State SOQ Per Pupil	Composite Index
Lee	\$7,978	.1552	Goochland	\$2,235	.8000
Charlotte	\$6,811	.2017	Williamsburg	\$2,257	.8000
Scott	\$6,749	.1849	Fredericksburg	\$2,324	.7943
Grayson	\$6,743	.2607	Falls Church	\$2,359	.8000
Dickenson	\$6,728	.1957	Arlington	\$2,408	.8000
Buckingham	\$6,687	.2414	Lancaster	\$2,415	.7824
Lunenburg	\$6,665	.2132	Fairfax City	\$2,421	.8000
Sussex	\$6,643	.2799	Alexandria	\$2,481	.8000
Petersburg	\$6,504	.2008	Rappahannock	\$2,506	.8000
Nottoway	\$6,503	.2221	Bath	\$2,588	.8000

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## For More Information

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