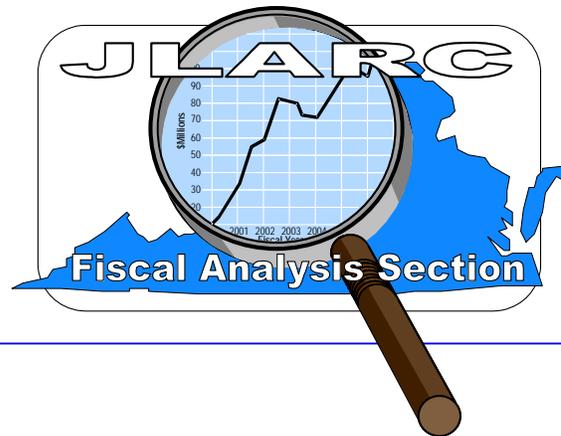


Special Report:

State Spending on Standards of Quality (SOQ) Costs, FY 2008



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 matters, including the availability of 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 funding must be provided that is 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. This JLARC special report on State SOQ spending in FY 2008 is the fifth annual report.

Based on data reviewed for this report, in FY 2008 the State expended \$5.09 billion from SOQ accounts. The major accounts constituting the bulk of these funds were basic aid (\$2.95 billion) and State sales tax (\$1.15 billion). The amount of State SOQ spending equated to an average of about \$4,269 per pupil. The range in State SOQ spending in individual divisions was from \$2,065 to \$6,913 per pupil. An important factor in the varying size of State SOQ per-pupil spending levels in school divisions is the State’s use of a local ability-to-pay index in determining State and local shares of SOQ costs.

2008
December

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BACKGROUND

Since 1971, the *Constitution of Virginia* has required the State Board of Education to determine and prescribe standards of educational quality for school divisions. These standards are known as the Standards of Quality (SOQ). Under Article VIII of the *Constitution*, which specifically addresses education, the standards are to 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 educational 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.

The State's share of SOQ costs has consisted of (1) payment of certain sales tax funds that are obtained and appropriated by the State for public education, and (2) payment of a share of remaining SOQ costs after the sales tax funds and any other applicable deductions are made (since FY 1993, the State's aggregate share has been 55 percent). 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, 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 has addressed the details of how required local expenditure amounts 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 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 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.”

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 2008, and 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 fifth in a series of annual reports to meet the requirements of §22.1-97.

TOTAL STATE SPENDING FROM SOQ ACCOUNTS

This section of the report addresses the dollar amounts expended by the State for the SOQ. 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

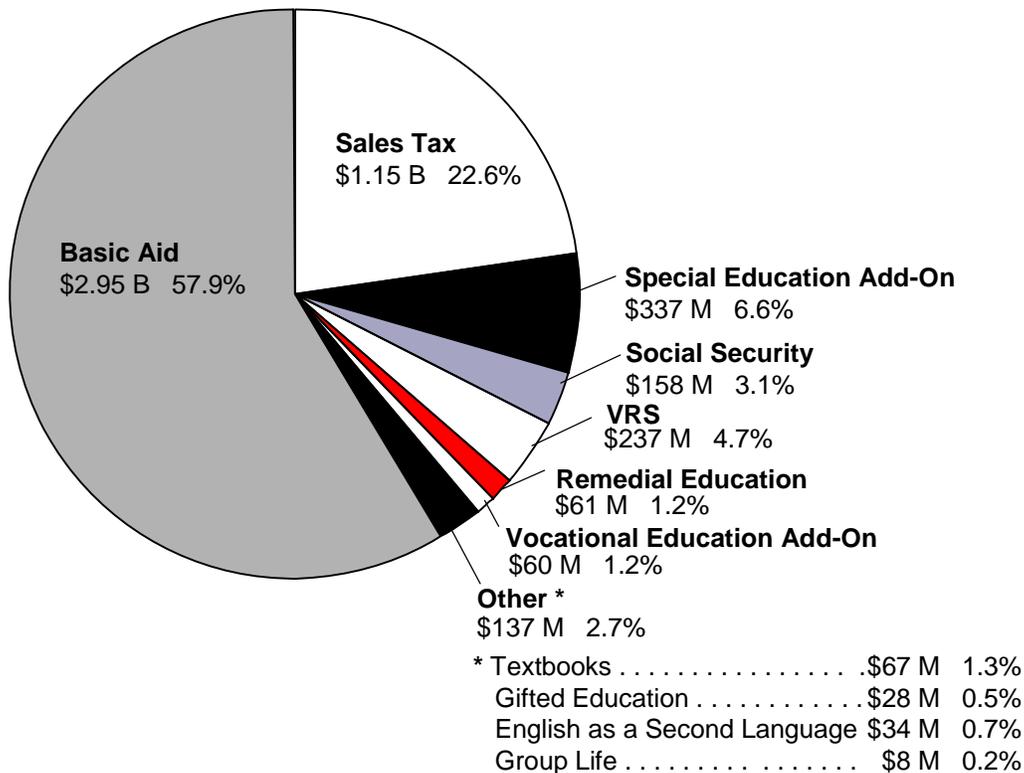
According to data from DOE’s accounting system, total SOQ spending by the State in FY 2008 was \$5.09 billion. State spending in this context means the funds that the State paid out for school divisions to use in making educational purchases and meeting their costs. The amount the State paid equates to an average of about \$4,229 per pupil in fall membership, and about \$4,269 per pupil in average daily membership. (Fall membership used to calculate per-pupil costs is based on the number of K-12 students enrolled in Virginia public schools on September 30, 2007, and the daily membership used is the average from the start of school through the end of March, adjusted for half-day kindergarten programs.)

State SOQ Spending, by Account

Figure 1 shows the various funding accounts that constitute the \$5.09 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, almost 58 percent of total State SOQ spending.

It should be noted that the SOQ costs shown in the figure (and in Tables 7 and 8 on page 11 of this report, and Appendix B) do not include State dollars that were spent to provide a compensation supplement. At local option, this supplement provided the State share of salary increases effective as of December 1, 2007. These costs were not part of the minimum required expenditure for the SOQ in FY 2008. State spending on this supplement did impact the salary amounts directly paid by the State for SOQ personnel, however. State spending for the compensation supplement was \$192.8 million. The supplement is referenced in the instructional salary discussion of this document, and locality-by-locality data on the amounts expended by the State for the supplement are shown in Appendix C of this report.

Figure 1: FY 2008 State SOQ Spending by Account



Source: Virginia Department of Education data on State payments to school divisions, FY 2008.

FACTORS IMPACTING SIZE OF 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 by 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. For example, the SOQ includes staffing ratios indicating how many staff are needed relative to the number of pupils. 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 by 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 by 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 DOE are based on an average of the number of pupils that are members of public schools from the start of the school year to March 31 of each year.

Table 1 shows the number of pupils in 2007-08 that was used in DOE’s final allocations of State funds. Two numbers are shown—unadjusted and adjusted pupil membership. The largest portion of State SOQ funds is provided on the basis of what is

Table 1: Number of Pupils Used in DOE Final SOQ Allocations, FY 2008

Unadjusted Number of Pupils	Adjusted Number of Pupils
1,192,377	1,191,836

Source: DOE budget office information on final March 31, 2008 average daily membership.

called “adjusted” pupil membership—a figure that adjusts for the use of a half-day kindergarten program, applicable in FY 2008 only in Loudoun County. 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.)

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 SOQ cost calculations is determined by applying 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 were used in estimating FY 2008 State and local SOQ costs. In addition to the standards shown in the table, two points should be noted. First, beginning in FY 2005, the State has appropriated funds for the State’s share of five elementary resource teachers per 1,000 students (to help pay for teachers specializing in art, music, and physical education).

Second, besides the pupil-teacher standards for the basic education program that are reflected 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 are to 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 is also calculated as part of SOQ costs.

Standards Used to Calculate the Number of Other SOQ Instructional Positions. Table 3 shows the staffing standards for principals, as-

sistant principals, and librarians that are determinative of SOQ costs, and therefore State SOQ spending, for these positions.

Table 2: Maximum Number of Pupils Per Teacher in 2007-08, Standards to Estimate SOQ Basic Education Program Costs

Grade Level of Students	Class Size Standards	School Standards	Division Standards
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	21	25
Sixth Grade	35	21	25
Seventh Grade	35	21	25
Eighth Grade		21	
Ninth Grade		21	
Tenth Grade		21	
Eleventh Grade		21	
Twelfth Grade		21	

Note: For grades six to 12, the ratio of pupils to English teachers in a school division must not exceed 24 to one.

Source: DOE SOQ model cost scenario run (# 802) for the 2006-08 biennium.

Table 3: SOQ Principal, Assistant Principal, and Librarian Positions Funded in FY 2008

Type of Position	Range, Number of Pupils in School							
	0 - 299	300- 599	600- 899	900- 999	1,000- 1,199	1,200- 1,799	1,800- 2,399	2,400+
Elementary								
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
Middle								
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
Secondary								
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 SOQ model cost scenario run (# 802) for the 2006-08 biennium.

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.

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 teachers used in funding SOQ personnel in FY 2008. There is a difference in the funded salary level depending on whether the teacher teaches elementary or secondary school.

Table 4: FY 2008 State-Funded Teacher Salaries
(Base salaries applicable to all divisions, excluding the cost of competing)

Category of Teachers	State Budget, Salary Level Funded in FY 2007	State Budget, Salary Level Funded in FY 2008
Elementary Level	\$40,606	\$41,990
Secondary Level	\$42,585	\$44,037

Note: The salaries shown for FY 2007 include the prorated dollar value of granting a four percent salary increase in December of the year (2.33 percent). The salary level for FY 2008 recognizes the full four percent salary increase for FY 2007, plus the prorated dollar value of granting a three percent salary in December of the year (1.75 percent).

Source: JLARC staff analysis.

FY 2008 salary figures were first of all rooted in the linear weighted salary amount from FY 2004. (The linear weighted average is a measure that is useful for capturing the central tendency of data distributions which are somewhat skewed in nature. It gives greatest weight to data points toward the middle of the distribution, and the least weight to the highest and lowest data points.) FY 2004 salaries were increased by three percent to take into account a salary increase granted in the State budget for FY 2006, and by four percent for a FY 2007 salary increase. Finally, the FY 2007 amount was increased by 2.33 percent, to take into account the dollar value of a three percent salary increase that was effective December 1, 2007. The State share of the cost for the salary increase was funded through a compensation supplement account.

In addition to teachers, salary costs of other instructional personnel were increased from the FY 2004 amounts. Funding supported the State share of the following FY 2008 salaries:

- Elementary principals, \$72,827
- Secondary principals, \$79,649
- Elementary assistant principals, \$59,076
- Secondary assistant principals, \$63,263
- Classroom aides, \$14,633

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 (PDC), which includes the counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park. 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 adjustment factor used for SOQ instructional personnel in the Northern Virginia PDC is 9.83 percent. In addition, the following localities receive a partial cost-of-competing adjustment: the counties of Clarke, Culpeper, Fauquier, Frederick, Stafford, Spotsylvania, and Warren, and the cities of Fredericksburg and Winchester.

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 2008 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.) The FY 2008 SOQ salary costs for these positions are based on FY 2004 prevailing salary levels increased by State-recognized three percent salary increases in FY 2006 and FY 2007, and also increased by 1.75 percent in FY 2008 to take into account the dollar value of a three percent salary increase that is effective part of the fiscal year (starting December 1).

Table 5: SOQ Support Staffing and Salary Levels, FY 2008

Category	Prevailing Positions Per 1,000 Average Daily Membership	Base Salary Before FY 2008 Increase	FY 2008 Funded Salary
Professional Support	13.138	\$41,274	\$41,996
Non-Professional Support	11.614	\$23,361	\$23,770

Source: JLARC staff analysis, and DOE budget office documentation for scenario #802 for the 2006-08 biennium.

Fringe Benefit Costs

Table 6 shows the fringe benefit rates that were used to determine SOQ costs in FY 2008.

The health insurance premium amount of \$4,274 was determined in the following manner: DOE staff identified the prevailing school division health insurance premium in FY 2004. That cost of \$4,057 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 used by DOE increased that FY 2004 cost by 5.35 percent for FY 2006. The resulting cost was the \$4,274 amount. No increase in the premium rate cost was assumed for FY 2007 and FY 2008.

Table 6: Fringe Benefit Rates Used to Determine SOQ Costs in FY 2008

Fringe Benefit	FY 2008 Rates
Social Security	.0765 of salary
Instructional VRS Rate	.1030 of salary *
Support Staff VRS Rate	.0748 of salary
Group Life	.0045 of salary
Health Care Annual Premium	\$4,274

Note: In addition to the 10.30 percent retirement rate for instructional personnel, a VRS health care credit was provided at 1.16 percent of salary.

Source: DOE SOQ cost scenario run (#802) for the 2006-08 biennium and DOE budget office.

Non-Personnel Support Costs

To determine FY 2008 SOQ non-personnel support costs, prevailing per-pupil costs from FY 2004 were inflated to FY 2006. Inflation rates up to a five percent threshold were fully recognized. For inflation rates greater than five percent, 35 percent of the amount above five percent was also recognized. The resulting per-pupil costs were multiplied by the number of pupils in membership in 2007-08.

Deductions From SOQ Costs

In FY 2008, as has been the case since FY 2004, no deductions were made from SOQ costs for locally-generated revenues. (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).

However, a portion of federal funds were deducted, based on the estimated proportion of the federal dollars that are used to pay for support costs. The proportion of the dollars from these accounts that was deducted from the SOQ cost was about 29 percent.

State and Local Shares of SOQ Costs

Once deductions are made from SOQ costs for federal funds and State sales tax funding, the State pays an aggregate statewide 55 percent share of the remaining costs for the SOQ. While the aggregate State share 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 cost.

STATE SOQ SPENDING BY SCHOOL DIVISION

Table 7 shows the ten divisions that received the largest SOQ fund amounts from the State in FY 2008. In total, these ten divisions accounted for 45 percent of State SOQ spending and 49 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 2008 and the ten school divisions that received the least. The table also shows the composite index values for these localities

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 less than 0.3000, 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.

Table 7: Ten School Divisions Receiving Largest State SOQ Fund Amounts, FY 2008

Division	State SOQ Spending (\$ millions)	Number of Pupils
1. Fairfax County	\$ 413.5	159,768
2. Virginia Beach	\$ 327.0	70,473
3. Prince William	\$ 315.6	70,611
4. Chesterfield	\$ 258.7	58,266
5. Henrico	\$ 197.6	47,800
6. Chesapeake	\$ 189.8	39,002
7. Norfolk	\$ 164.0	32,213
8. Newport News	\$ 154.8	29,441
9. Loudoun	\$ 148.0	52,776
10. Stafford	\$ 119.5	26,114
Total, Top Ten	\$2,288.5	586,464

Source: JLARC staff analysis of data provided by DOE from its accounting system.

Table 8: School Divisions With the Most and Least Expenditures Per Pupil From State SOQ Funds, FY 2008

Ten School Divisions With the Most Expenditures Per Pupil From State SOQ Funds			Ten School Divisions With the Least Expenditures Per Pupil From State SOQ Funds		
Division	Funds Per Pupil	Composite Index	Division	Funds Per Pupil	Composite Index
Lee	\$6,913	.1769	Goochland	\$2,065	.8000
Scott	\$5,992	.1962	Williamsburg	\$2,118	.8000
Lunenburg	\$5,948	.2399	Falls Church	\$2,217	.8000
Buckingham	\$5,939	.2591	Fairfax City	\$2,280	.8000
Greensville	\$5,861	.2199	Arlington	\$2,285	.8000
Brunswick	\$5,846	.2540	Bath	\$2,349	.8000
Halifax	\$5,845	.2380	Alexandria	\$2,353	.8000
Nottoway	\$5,843	.2429	Surry	\$2,431	.7842
Smyth	\$5,803	.2184	Fredericksburg	\$2,454	.7538
Petersburg	\$5,803	.2188	Fairfax County	\$2,588	.7456

Source: JLARC staff analysis of data provided by DOE from its accounting system.

Appendix B to this report shows State SOQ spending in FY 2008 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. Appendix C shows FY 2008 State spending for the compensation supplement. This spending addresses the State’s share of a non-mandated salary increase in FY 2008 for instructional and support personnel that was available for use in funding SOQ personnel.

Study Mandate

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**

FY 2008 State SOQ Spending, by Division

Division	Basic Aid Account	Sales Tax Account	Other SOQ Accounts	Total Spending	Spending Per Pupil	Composite Index
Accomack	\$15,063,111	\$5,000,666	\$6,113,881	\$26,177,658	\$5,266	.3255
Albemarle	\$21,602,965	\$11,839,936	\$6,933,310	\$40,376,211	\$3,269	.6095
Alleghany	\$10,387,571	\$2,401,712	\$3,289,668	\$16,078,951	\$5,592	.2423
Amelia	\$5,538,627	\$1,602,688	\$1,911,119	\$9,052,434	\$4,895	.3431
Amherst	\$14,877,534	\$4,273,577	\$4,681,365	\$23,832,476	\$5,196	.2870
Appomattox	\$7,277,551	\$2,015,736	\$2,431,047	\$11,724,334	\$5,258	.2696
Arlington	\$16,415,956	\$16,906,349	\$7,390,205	\$40,712,510	\$2,285	.8000
Augusta	\$31,233,803	\$10,856,820	\$9,688,477	\$51,779,100	\$4,832	.3320
Bath	\$704,135	\$727,088	\$250,773	\$1,681,996	\$2,349	.8000
Bedford	\$27,059,514	\$9,019,762	\$7,656,484	\$43,735,760	\$4,436	.3632
Bland	\$3,123,073	\$778,139	\$991,463	\$4,892,675	\$5,406	.3059
Botetourt	\$13,305,367	\$4,814,253	\$4,589,088	\$22,708,708	\$4,614	.3957
Brunswick	\$7,301,486	\$2,283,367	\$2,890,319	\$12,475,172	\$5,846	.2540
Buchanan	\$10,215,001	\$3,016,643	\$4,782,244	\$18,013,888	\$5,389	.3205
Buckingham	\$6,767,515	\$2,197,508	\$2,867,756	\$11,832,779	\$5,939	.2591
Campbell	\$27,510,473	\$8,343,725	\$7,710,257	\$43,564,455	\$5,115	.2612
Caroline	\$11,108,702	\$4,528,832	\$4,033,322	\$19,670,856	\$4,867	.3495
Carroll	\$12,567,765	\$3,837,324	\$4,158,972	\$20,564,061	\$5,193	.2842
Charles City	\$2,570,309	\$789,742	\$1,003,359	\$4,363,410	\$5,062	.4128
Charlotte	\$7,524,689	\$1,846,340	\$2,741,536	\$12,112,565	\$5,778	.2234
Chesterfield	\$159,578,859	\$49,974,170	\$49,122,507	\$258,675,536	\$4,443	.3616
Clarke	\$4,525,972	\$1,992,531	\$1,186,241	\$7,704,744	\$3,597	.5580
Craig	\$2,362,910	\$736,370	\$787,980	\$3,887,260	\$5,314	.3184
Culpeper	\$19,607,612	\$6,078,922	\$5,976,568	\$31,663,102	\$4,361	.4062
Cumberland	\$4,841,070	\$1,409,314	\$1,455,052	\$7,705,436	\$5,324	.2859
Dickenson	\$9,121,905	\$1,993,305	\$3,026,763	\$14,141,973	\$5,742	.2344
Dinwiddie	\$15,888,188	\$3,809,478	\$5,052,213	\$24,749,879	\$5,291	.2669
Essex	\$4,348,563	\$1,519,924	\$1,616,502	\$7,484,989	\$4,654	.4019
Fairfax	\$192,076,157	\$155,397,329	\$66,069,760	\$413,543,246	\$2,588	.7456
Fauquier	\$17,594,592	\$11,242,796	\$5,698,518	\$34,535,906	\$3,102	.6443
Floyd	\$6,414,905	\$1,973,967	\$2,161,538	\$10,550,410	\$5,176	.3212
Fluvanna	\$10,084,544	\$3,035,980	\$2,954,335	\$16,074,859	\$3,652	.3749
Franklin	\$19,288,412	\$7,222,152	\$7,016,356	\$33,526,920	\$4,610	.3950
Frederick	\$34,949,274	\$10,770,962	\$11,521,495	\$57,241,731	\$4,483	.3925
Giles	\$8,036,023	\$2,393,203	\$3,114,469	\$13,543,695	\$5,350	.2755
Gloucester	\$17,605,193	\$5,996,931	\$4,846,398	\$28,448,522	\$4,814	.3323
Goochland	\$2,134,446	\$2,090,766	\$660,456	\$4,885,668	\$2,065	.8000
Grayson	\$7,337,525	\$2,160,380	\$2,297,064	\$11,794,969	\$5,728	.2780
Greene	\$8,275,871	\$2,493,758	\$2,913,068	\$13,682,697	\$5,059	.3334
Greensville	\$5,732,017	\$1,425,557	\$2,131,411	\$9,288,985	\$5,861	.2199
Halifax	\$19,551,619	\$5,675,930	\$8,382,755	\$33,610,304	\$5,845	.2380
Hanover	\$45,636,218	\$17,112,100	\$13,688,464	\$76,436,782	\$4,086	.4352
Henrico	\$114,501,318	\$45,269,754	\$37,796,725	\$197,567,797	\$4,133	.4604
Henry	\$23,204,292	\$8,193,666	\$8,701,198	\$40,099,156	\$5,449	.2553
Highland	\$572,394	\$284,647	\$274,983	\$1,132,024	\$4,177	.6380
Isle of Wight	\$14,366,144	\$5,463,991	\$4,522,505	\$24,352,640	\$4,607	.3753
James City	\$18,342,913	\$8,623,731	\$5,607,343	\$32,573,987	\$3,483	.5499
King George	\$10,809,327	\$2,958,630	\$2,922,293	\$16,690,250	\$4,299	.4034
King & Queen	\$2,302,128	\$870,185	\$968,700	\$4,141,013	\$5,224	.4073

Division	Basic Aid Account	Sales Tax Account	Other SOQ Accounts	Total Spending	Spending Per Pupil	Composite Index
King William	\$6,468,806	\$2,414,861	\$2,368,881	\$11,252,548	\$5,310	.3267
Lancaster	\$1,873,400	\$1,325,776	\$594,074	\$3,793,250	\$2,842	.6844
Lee	\$13,650,605	\$3,625,386	\$6,620,238	\$23,896,229	\$6,913	.1769
Loudoun	\$78,875,569	\$46,074,192	\$23,010,120	\$147,959,881	\$2,804	.6895
Louisa	\$8,823,203	\$4,375,679	\$2,961,604	\$16,160,486	\$3,561	.5542
Lunenburg	\$5,438,099	\$1,738,824	\$2,420,313	\$9,597,236	\$5,948	.2399
Madison	\$4,884,601	\$1,857,169	\$1,738,537	\$8,480,307	\$4,601	.4362
Mathews	\$3,205,860	\$1,091,406	\$1,068,739	\$5,366,005	\$4,194	.4701
Mecklenburg	\$14,704,710	\$3,956,443	\$5,627,972	\$24,289,125	\$5,188	.3056
Middlesex	\$2,307,406	\$1,236,824	\$870,420	\$4,414,650	\$3,528	.5923
Montgomery	\$25,358,258	\$10,050,062	\$9,635,283	\$45,043,603	\$4,711	.3737
Nelson	\$4,798,555	\$2,128,667	\$1,760,102	\$8,687,324	\$4,262	.4874
New Kent	\$7,140,779	\$2,587,351	\$2,370,853	\$12,098,983	\$4,473	.4044
Northampton	\$5,329,749	\$1,787,554	\$2,218,573	\$9,335,876	\$5,153	.3925
Northumberland	\$2,305,026	\$1,427,104	\$840,790	\$4,572,920	\$3,197	.6517
Nottoway	\$7,663,689	\$2,200,602	\$3,124,267	\$12,988,558	\$5,843	.2429
Orange	\$13,327,970	\$4,275,124	\$4,130,021	\$21,733,115	\$4,309	.4323
Page	\$11,201,548	\$3,091,672	\$3,586,182	\$17,879,402	\$5,070	.2882
Patrick	\$8,577,253	\$2,404,032	\$3,245,497	\$14,226,782	\$5,545	.2592
Pittsylvania	\$29,186,593	\$8,655,444	\$10,538,912	\$48,380,949	\$5,360	.2573
Powhatan	\$12,482,274	\$3,848,927	\$3,582,199	\$19,913,400	\$4,594	.3722
Prince Edward	\$7,771,943	\$2,964,045	\$3,124,401	\$13,860,389	\$5,501	.2776
Prince George	\$21,465,096	\$5,584,657	\$6,295,908	\$33,345,661	\$5,415	.2304
Prince William	\$194,126,991	\$62,926,396	\$58,563,271	\$315,616,658	\$4,470	.4287
Pulaski	\$14,517,287	\$4,586,071	\$5,090,186	\$24,193,544	\$5,096	.2995
Rappahannock	\$1,060,731	\$1,104,555	\$413,449	\$2,578,735	\$2,735	.7463
Richmond	\$3,570,236	\$1,033,394	\$1,238,887	\$5,842,517	\$4,852	.3593
Roanoke	\$39,413,465	\$14,362,314	\$13,202,139	\$66,977,918	\$4,525	.3757
Rockbridge	\$6,465,019	\$2,711,885	\$2,123,859	\$11,300,763	\$4,238	.4546
Rockingham	\$31,811,605	\$11,567,665	\$10,127,922	\$53,507,192	\$4,718	.3299
Russell	\$14,119,270	\$3,904,619	\$4,811,702	\$22,835,591	\$5,526	.2292
Scott	\$14,733,170	\$3,302,837	\$4,926,515	\$22,962,522	\$5,992	.1962
Shenandoah	\$17,655,183	\$5,497,251	\$5,239,469	\$28,391,903	\$4,679	.3419
Smyth	\$17,342,617	\$4,158,326	\$6,821,321	\$28,322,264	\$5,803	.2184
Southampton	\$8,868,216	\$3,172,116	\$3,145,770	\$15,186,102	\$5,443	.2671
Spotsylvania	\$70,159,316	\$21,951,104	\$20,342,328	\$112,452,748	\$4,698	.3455
Stafford	\$74,386,507	\$24,440,995	\$20,711,529	\$119,539,031	\$4,578	.3503
Surry	\$992,921	\$1,021,791	\$378,724	\$2,393,436	\$2,431	.7842
Sussex	\$4,209,068	\$1,305,665	\$1,572,551	\$7,087,284	\$5,577	.2912
Tazewell	\$21,285,499	\$6,513,628	\$7,587,074	\$35,386,201	\$5,299	.2500
Warren	\$13,795,278	\$5,211,057	\$4,655,987	\$23,662,322	\$4,506	.3956
Washington	\$20,788,476	\$6,630,426	\$6,403,713	\$33,822,615	\$4,635	.3351
Westmoreland	\$4,991,191	\$2,107,783	\$1,697,152	\$8,796,125	\$5,131	.4076
Wise	\$22,413,723	\$6,017,816	\$7,389,456	\$35,820,995	\$5,451	.2036
Wythe	\$12,882,477	\$3,920,089	\$4,296,683	\$21,099,249	\$4,948	.3086
York	\$35,605,465	\$10,951,961	\$8,881,815	\$55,439,241	\$4,350	.3749
Alexandria	\$9,523,783	\$10,729,193	\$4,290,180	\$24,543,156	\$2,353	.8000
Bedford	\$2,780,678	\$697,695	\$755,236	\$4,233,609	\$4,839	.2889
Bristol	\$6,496,728	\$2,253,974	\$2,750,860	\$11,501,562	\$5,061	.3366
Buena Vista	\$4,180,532	\$940,574	\$1,523,628	\$6,644,734	\$5,775	.2172
Charlottesville	\$5,943,665	\$4,924,089	\$2,854,206	\$13,721,960	\$3,537	.6061
Chesapeake	\$111,066,812	\$40,688,324	\$38,022,526	\$189,777,662	\$4,866	.3186
Col. Heights	\$6,677,731	\$2,632,214	\$2,282,363	\$11,592,308	\$4,015	.4565
Covington	\$2,859,060	\$585,538	\$1,284,434	\$4,729,032	\$5,532	.2918
Danville	\$19,244,615	\$6,767,335	\$7,629,843	\$33,641,793	\$5,199	.2655
Emporia	\$3,165,178	\$906,540	\$1,186,049	\$5,257,767	\$5,526	.2836
Fairfax	\$2,711,921	\$2,694,868	\$927,798	\$6,334,587	\$2,280	.8000

Division	Basic Aid Account	Sales Tax Account	Other SOQ Accounts	Total Spending	Spending Per Pupil	Composite Index
Falls Church	\$1,834,193	\$1,782,913	\$619,741	\$4,236,847	\$2,217	.8000
Franklin	\$3,931,489	\$1,163,341	\$1,891,294	\$6,986,124	\$5,559	.2728
Fredericksburg	\$2,746,946	\$2,403,259	\$1,168,802	\$6,319,007	\$2,454	.7538
Galax	\$4,015,346	\$1,006,321	\$1,297,595	\$6,319,262	\$4,804	.2944
Hampton	\$68,650,354	\$22,855,324	\$24,137,847	\$115,643,525	\$5,425	.2410
Harrisonburg	\$10,677,622	\$3,630,027	\$4,485,655	\$18,793,304	\$4,350	.4361
Hopewell	\$12,706,524	\$3,319,081	\$4,658,908	\$20,684,513	\$5,367	.2515
Lexington	\$1,560,083	\$512,829	\$445,529	\$2,518,441	\$4,133	.3982
Lynchburg	\$22,163,746	\$8,896,002	\$8,416,273	\$39,476,021	\$4,756	.3500
Manassas	\$15,786,109	\$6,704,682	\$5,688,641	\$28,179,432	\$4,579	.4335
Manassas Park	\$7,279,690	\$1,956,950	\$2,469,486	\$11,706,126	\$4,936	.3650
Martinsville	\$7,385,492	\$2,598,954	\$3,071,727	\$13,056,173	\$5,387	.2470
Newport News	\$90,423,514	\$32,436,646	\$31,937,143	\$154,797,303	\$5,258	.2577
Norfolk	\$96,419,051	\$32,255,647	\$35,311,630	\$163,986,328	\$5,091	.2693
Norton	\$2,319,003	\$652,059	\$672,060	\$3,643,122	\$4,673	.3299
Petersburg	\$16,003,776	\$4,139,762	\$6,472,645	\$26,616,183	\$5,803	.2188
Poquoson	\$7,000,144	\$2,188,226	\$1,771,896	\$10,960,266	\$4,467	.3299
Portsmouth	\$47,984,697	\$12,350,445	\$17,358,848	\$77,693,990	\$5,438	.2185
Radford	\$4,595,429	\$1,184,999	\$1,610,607	\$7,391,035	\$4,837	.2947
Richmond	\$51,417,723	\$26,801,711	\$25,117,793	\$103,337,227	\$4,690	.4329
Roanoke	\$35,598,251	\$12,196,519	\$12,619,348	\$60,414,118	\$4,920	.3763
Salem	\$10,257,257	\$3,262,615	\$3,044,692	\$16,564,564	\$4,223	.3768
Staunton	\$6,146,681	\$3,589,805	\$2,368,656	\$12,105,142	\$4,654	.3925
Suffolk	\$39,711,093	\$14,278,776	\$12,970,274	\$66,960,143	\$4,955	.3014
Virginia Beach	\$193,474,314	\$73,004,304	\$60,496,797	\$326,975,415	\$4,640	.3492
Waynesboro	\$8,558,689	\$3,107,142	\$2,715,346	\$14,381,177	\$4,803	.3160
Williamsburg	\$675,079	\$717,033	\$214,537	\$1,606,649	\$2,118	.8000
Winchester	\$6,858,747	\$3,436,652	\$2,481,552	\$12,776,951	\$3,499	.5602
Col. Beach	\$1,977,371	\$0	\$737,442	\$2,714,813	\$4,621	.3131
West Point	\$2,768,558	\$0	\$877,382	\$3,645,940	\$4,550	.2683
STATEWIDE	\$2,948,857,915	\$1,148,604,557	\$990,580,961	\$5,088,043,433	\$4,269	

Note: Total State SOQ spending from the basic aid account, the State-appropriated sales tax account, and other SOQ accounts that are used to help pay for SOQ minimum requirements / costs. Does not include State spending for the compensation supplement.

Source: Data from the DOE accounting system.

FY 2008 Compensation Supplement

Division	State Spending
Accomack	\$1,042,787
Albemarle	\$1,379,239
Alleghany	\$ 657,938
Amelia	\$ 360,771
Amherst	\$ 951,605
Appomattox	\$ 473,905
Arlington	\$1,154,607
Augusta	\$2,011,513
Bath	\$ 47,123
Bedford	\$1,689,029
Bland	\$ 199,765
Botetourt	\$ 877,297
Brunswick	\$ 509,436
Buchanan	\$ 742,796
Buckingham	\$ 482,713
Campbell	\$1,724,221
Caroline	\$ 765,130
Carroll	\$ 822,090
Charles City	\$ 173,611
Charlotte	\$ 499,840
Chesterfield	\$9,999,172
Clarke	\$ 275,483
Craig	\$ 156,072
Culpeper	\$1,215,768
Cumberland	\$ 306,981
Dickenson	\$ 582,621
Dinwiddie	\$1,001,384
Essex	\$ 293,355
Fairfax	\$12,356,086
Fauquier	\$1,144,353
Floyd	\$ 419,267
Fluvanna	\$ 623,284
Franklin	\$1,298,103
Frederick	\$2,233,916
Giles	\$ 552,113
Gloucester	\$1,100,903
Goochland	\$ 134,888
Grayson	\$ 484,684
Greene	\$ 542,649
Greensville	\$ 385,777
Halifax	\$1,388,956
Hanover	\$2,873,903
Henrico	\$7,325,169
Henry	\$1,611,252
Highland	\$ 42,777
Isle of Wight	\$ 934,483
James City	\$1,157,664

Division	State Spending
King George	\$ 639,229
King & Queen	\$ 163,039
King William	\$ 428,056
Lancaster	\$ 121,722
Lee	\$1,015,771
Loudoun	\$4,883,330
Louisa	\$ 580,640
Lunenburg	\$ 395,707
Madison	\$ 325,245
Mathews	\$ 207,472
Mecklenburg	\$ 988,289
Middlesex	\$ 158,149
Montgomery	\$1,754,666
Nelson	\$ 322,832
New Kent	\$ 463,946
Northampton	\$ 365,394
Northumberland	\$ 154,444
Nottoway	\$ 530,163
Orange	\$ 827,506
Page	\$ 717,889
Patrick	\$ 577,847
Pittsylvania	\$1,957,426
Powhatan	\$ 764,617
Prince Edward	\$ 556,959
Prince George	\$1,331,676
Prince William	\$11,940,603
Pulaski	\$ 967,745
Rappahannock	\$ 74,880
Richmond	\$ 233,016
Roanoke	\$2,596,685
Rockbridge	\$ 427,574
Rockingham	\$2,074,526
Russell	\$ 936,507
Scott	\$ 948,665
Shenandoah	\$1,102,117
Smyth	\$1,174,920
Southampton	\$ 607,363
Spotsylvania	\$4,370,805
Stafford	\$4,597,842
Surry	\$ 68,423
Sussex	\$ 286,434
Tazewell	\$1,447,434
Warren	\$ 917,339
Washington	\$1,339,102
Westmoreland	\$ 318,878
Wise	\$1,475,895
Wythe	\$ 849,019
York	\$2,119,236
Alexandria	\$ 682,123
Bedford	\$ 167,358
Bristol	\$ 465,831
Buena Vista	\$ 278,295
Charlottesville	\$ 458,467
Chesapeake	\$7,441,246
Colonial Heights	\$ 439,364
Covington	\$ 200,381
Danville	\$1,368,820

Division	State Spending
Emporia	\$ 212,662
Fairfax	\$ 173,926
Falls Church	\$ 120,389
Franklin City	\$ 292,436
Fredericksburg	\$ 192,686
Galax	\$ 251,526
Hampton	\$4,643,656
Harrisonburg	\$ 691,859
Hopewell	\$ 845,170
Lexington	\$ 99,003
Lynchburg	\$1,559,345
Manassas	\$1,028,481
Manassas Park	\$ 453,267
Martinsville	\$ 531,055
Newport News	\$6,206,517
Norfolk	\$6,614,143
Norton	\$ 146,802
Petersburg	\$1,107,118
Poquoson	\$ 424,179
Portsmouth	\$3,204,531
Radford	\$ 303,933
Richmond	\$3,973,456
Roanoke	\$2,335,893
Salem	\$ 647,732
Staunton	\$ 456,627
Suffolk	\$2,643,201
Virginia Beach	\$12,612,565
Waynesboro	\$ 565,293
Williamsburg	\$ 42,775
Winchester	\$ 456,146
Colonial Beach	\$ 130,350
West Point	\$ 174,716
TOTAL	\$192,756,824

Source: Data from the DOE accounting system.

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