

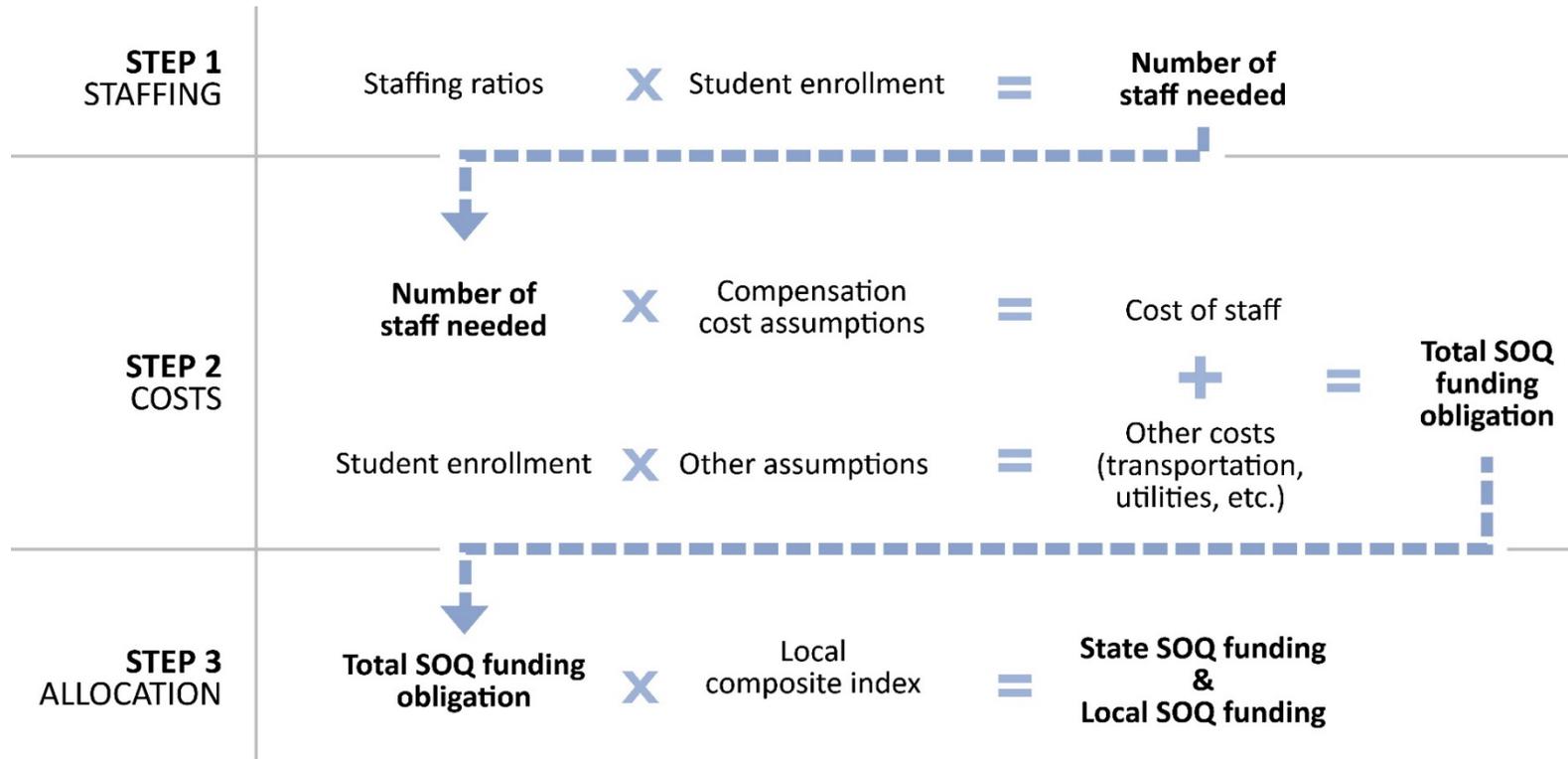
State Spending on the K-12 Standards of Quality: 2023 Update

Background

- Statute directs JLARC to report annually on state spending on the K-12 Standards of Quality (SOQ)*
- Several major factors drive K-12 SOQ spending
 - Number of state-funded instructional & support positions
 - Salaries & benefit cost estimates
 - Number of enrolled students
 - Policy decisions

*§ 22.1-97 of the Code of Virginia. DOE directed to report local spending separately.

SOQ formula is primary way state determines amount of K-12 education funding



See *Virginia's K-12 Funding Formula*, JLARC, 2023, for more detail on formula and state K-12 funding policy. <https://jlarc.virginia.gov/landing-2023-virginias-k-12-funding-formula.asp>

School divisions spent \$7.5B in state K-12 SOQ funds (FY23)

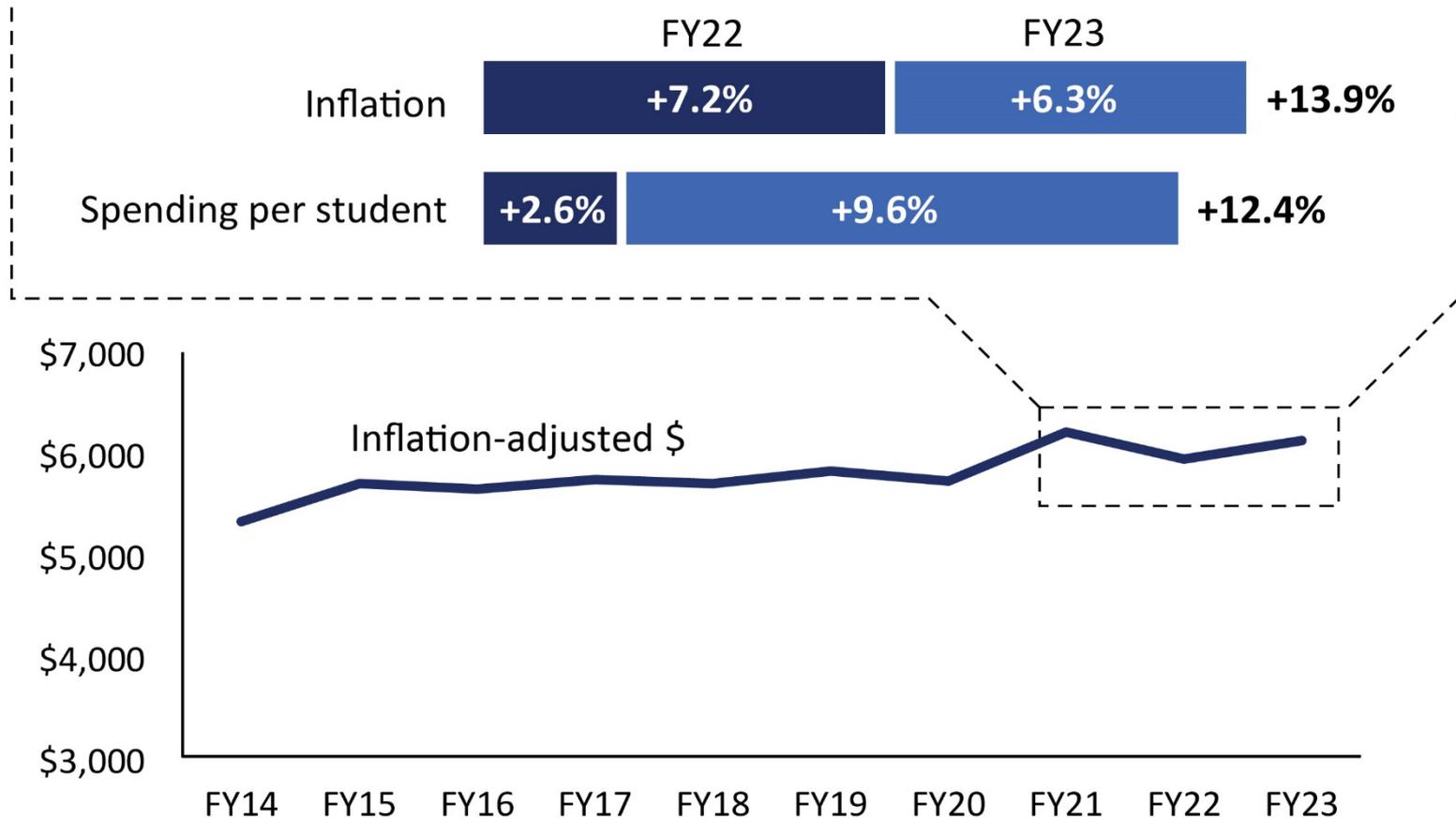
- Basic aid and sales tax accounts continue to comprise about three-fourths of SOQ spending
- Equated to \$6,163 per student (1.2M elementary and secondary school students)

State SOQ spending increased 10% (FY22–FY23)

- Increased by \$693M from FY22

Major drivers of increase in FY23	Increase	
	\$	% of total
Basic Aid	\$282M	41%
Pandemic hold harmless <i>(set to expire in FY24)</i>	\$177M	26%
Supplement for lost sales tax <i>(due to elimination of grocery & personal hygiene taxes)</i>	\$104M	15%

Inflation has more than offset recent SOQ spending increases



JLARC staff for this report

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