

Rebenchmarking of the Direct Aid to Public Education Budget for the 2020-2022 Biennium

**Presented to the
Board of Education**

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Presentation Topics

- **Overview of 2020-2022 Rebenchmarking Process**
- **2020-2022 Rebenchmarking Incremental Cost Detail**
- **Graphs/Tables of Key Data Inputs Impacting 2020-2022 Rebenchmarking Cost**
- **Appendix A: State Cost of 2020-2022 Rebenchmarking by Direct Aid Account**

2020-2022 Rebenchmarking – State Cost

The state cost of rebenchmarking for the 2020-2022 biennium is \$595.7 million.

- **FY21 - \$289.6 million**
- **FY22 - \$306.1 million**

Rebenchmarking Process

- **State and federal funding to school divisions for public education is provided through the Direct Aid to Public Education budget. The General Assembly appropriates the funding.**

- **Direct Aid funding is appropriated in six budgetary categories:**
 1. **Standards of Quality (SOQ)**
 2. **Incentive Programs**
 3. **Categorical Programs**
 4. **Lottery Proceeds Fund Programs**
 5. **Supplemental Education Programs**
 6. **Federal Funds**

- **In each odd-numbered year, the state cost of the Direct Aid budget is “rebenchmarked” for the next biennium, beginning the biennial budget development process. The process impacts 30 or more state Direct Aid programs in categories 1-4 above.**

Rebenchmarking Process

- **The rebenchmarked budget represents the state cost of continuing the current Direct Aid programs into the next biennium, with updates to the input data used in the funding formulas that determine the cost of the programs.**
 - **Input data used in the Direct Aid formulas are updated every two years to recognize changes in costs that have occurred over the preceding biennium.**
 - **The state cost of SOQ and other Direct Aid accounts are recalculated step-by-step using the latest input data available, isolating the cost of each data update in incremental fashion. About 25 separate steps are involved, each of which can increase or decrease state cost.**
- **The rebenchmarked budget is built off of the base Direct Aid budget from the previous biennium; the current FY20 Direct Aid budget (Chapter 854) is the starting point against which the rebenchmarking cost for each year of the 2020-2021 biennium (FY21 & FY22) is calculated. The FY20 base budget totals \$7.29 billion - all state funds).**

Rebenchmarking Process

- Rebenchmarking is technical in nature and does not involve changes in funding policy or methodology or funding for new programs, other than those already approved and directed by the General Assembly.
- Costs are projected forward for changes in enrollment, salaries, support costs, inflation, and other factors – costs can increase or decrease depending on the direction of each data update. (The FY21/FY22 state cost impact of the standard data updates is shown below.)
- Because rebenchmarking impacts the total cost of the Direct Aid formulas, it impacts both state cost and the required local share that localities must fund for the SOQ and other Direct Aid programs with a local match.

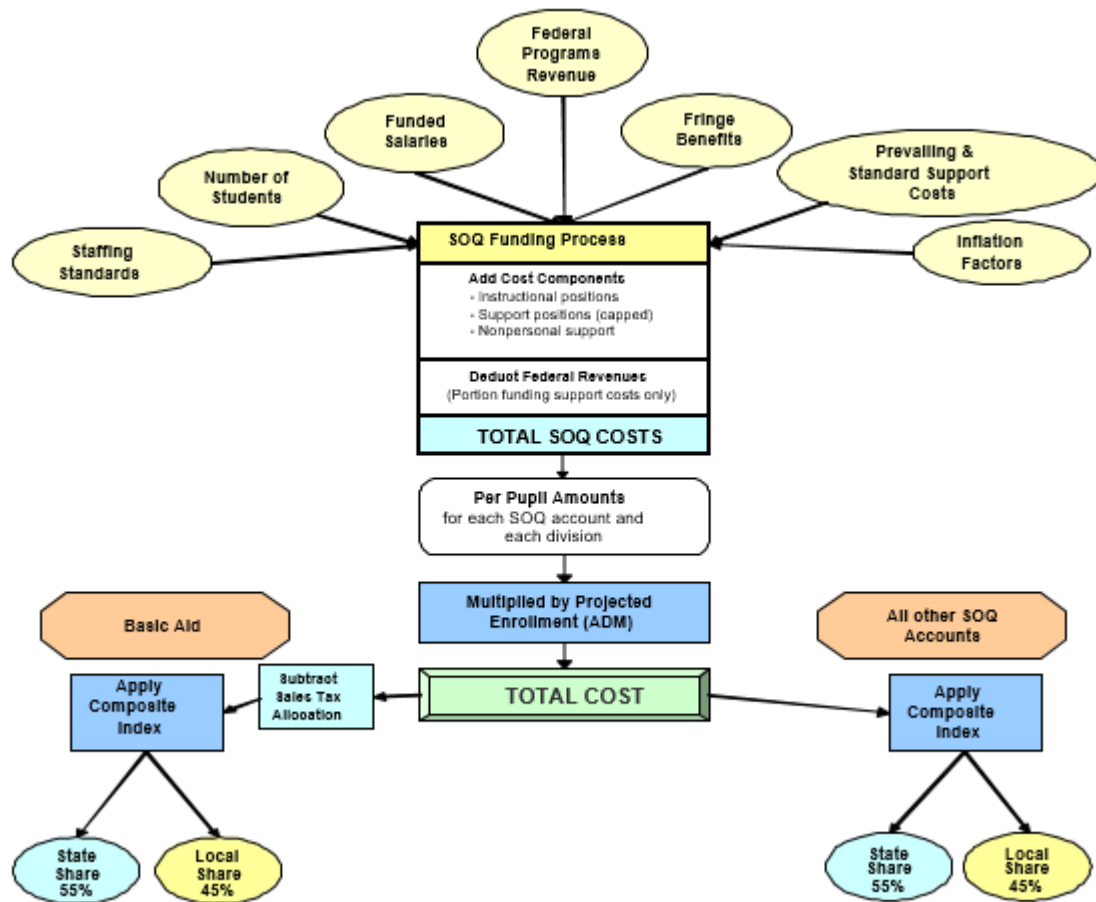
Rebenchmarking Process - SOQ

- **SOQ funding is driven primarily by the instructional staffing standards in the *Code* and the salary/benefits costs for the required instructional positions. It also includes funding for support costs based on “prevailing costs.”**
- **Some components of the SOQ funding process are policy-driven (e.g., standards) but others are technical and must be updated through rebenchmarking.**
- **Since 90% of state Direct Aid funding is for SOQ programs, SOQ funding is most impacted by the rebenchmarking process; however, state Lottery, incentive, and categorical funding in Direct Aid is also impacted.**

Rebenchmarking Process - SOQ

- **Key components of the SOQ funding formula include:**
 - 1) Student enrollment;**
 - 2) Staffing standards for instructional positions;**
 - 3) Salaries of instructional positions;**
 - 4) Fringe benefit rates;**
 - 5) Support costs (salary and non-salary);**
 - 6) Inflation factors;**
 - 7) Support costs adjusted for deducted federal revenues;
and**
 - 8) Sales tax funding and division composite indices.**

SOQ Funding Process



Rebenchmarking Data Inputs

- **Key data inputs used in 2020-2022 rebenchmarking calculations (most are specific to SOQ formulas; data is from FY18 & FY19):**
 - Funded instructional and support salaries
 - Fall Membership and Average Daily membership projections
 - Special education child count
 - Career & technical education course enrollment
 - SOL failure rates and free lunch eligibility rates for SOQ remedial education and other at-risk accounts
 - Base-year expenditure data from 2017-2018 Annual School Report (for salaries & support costs)
 - Health care premium expenditures

Rebenchmarking Data Inputs

- **Key data inputs used in 2020-2022 rebenchmarking calculations, continued:**
 - Non-personal cost inflation factors
 - Federal programs revenue (for the revenue deduction from funded support costs)
 - Prevailing textbooks costs used for funded Textbooks per-pupil amount
 - Enrollment projections for remedial summer school and English as a Second Language programs
 - Updates to support costs, including division superintendent, school board, nurses, and pupil transportation
 - Support positions ratio cap

Rebenchmarking Data Inputs

Major Data Inputs that are Fixed for the Biennium:

- Funded Salaries
- Special Education Child Counts
- Initial Fall Membership & ADM Projections used in SOQ Model
- CTE Course Enrollment
- Composite Index
- Head Start Enrollment (for VPI)
- Free Lunch Eligibility Percentages
- SOL Test Scores (for SOQ Prevention, Intervention, and Remediation)
- Support Positions Caps
- Inflation Factors (subject to General Assembly action)

Major Data Inputs that are Updated Annually:

- Enrollment Projections – Fall Membership, ADM, ESL, RSS
- Reimbursement Account Projections
- Lottery Revenue Estimates
- VRS Fringe Benefit Rates (subject to General Assembly Action)

Rebenchmarking Data Inputs

2020-2022 Direct Aid to Public Education Budget Summary of Major Data Elements Used in 2020-2022 Rebenchmarking Calculations

	FY 2020 Base	FY 2021 & FY 2022 Rebenchmarking
A. Student Enrollment Data		
Fall Membership	2016-2017	2018-2019
Special Education Child Count	December 1, 2016	December 1, 2018
Career & Technical Education Course Enrollment	2016-2017	2018-2019
SOL English & Math Tests % Score Failures (for SOQ Prevention, Intervention and Remediation)	Three-year average (2014-15; 2015-16; 2016-17*) * 2016-17 available Fall 2017	Three-year average (2016-17; 2017-18; 2018-19*) * 2018-19 available Fall 2019
Free Lunch Eligibility Data (for SOQ Prevention, Intervention and Remediation & other accounts)	Three-year average (October 2014, 2015, 2016*) *Oct. 2016 for other accounts	Three-year average (October 2016, 2017, 2018*) *Oct. 2018 for other accounts
B. Base-year Expenditure & Revenue Data (funded salaries, support costs, federal revenues for support deduct)	2015-2016 Annual School Report	2017-2018 Annual School Report
C. Fringe Benefit Rates		
Instructional VRS Retirement (Including Retiree Health Care Credit)	16.88%	16.88%
Non-instructional VRS Retirement	6.28%	6.28%
Social Security/Medicare	7.65%	7.65%
Group Life Insurance	0.52%	0.52%
Health Care Premium (Funded per <u>position</u> amount with Inflation)	\$5,086	\$5,502
D. Composite Index (Base-Year Data)	2015	2017
E. Funded Non-Personal Support Inflation Factors (Unweighted average)	3.92%	4.44%
F. Textbooks (Funded Per Pupil Amount with Inflation)	\$100.69	\$107.70
G. Average Daily Membership Projections (Initial Projections)	1,248,166	1,250,863 (FY21), 1,254,513 (FY22)

Pending Inputs

- **The following updates will be completed this fall and included in the Governor's 2020-2022 introduced budget released in December:**
 - Revised composite index for the 2020-2022 biennium (update input data from 2015 to 2017)
 - Additional revisions to enrollment projections (Fall Membership and March 31 ADM)
 - Revised Sales Tax and Lottery revenue projections
 - Revised VRS fringe benefit rates

State Cost to Date

- **The final amount of state funding for Direct Aid each biennium reflects 1) the final rebenchmarking costs funded and 2) any funding policy changes/new programs adopted by the General Assembly and the Governor.**
- **The state cost (above the FY20 base) of the rebenchmarking updates completed to date is \$289.6 million in FY21 and \$306.1 million in FY22, for a 2020-2022 biennial total of \$595.7 million. (The state cost of the 2018-2020 rebenchmarking at this stage was \$491.8 million.)**

State Cost to Date

- **The following four slides show the incremental state cost starting from the FY20 base budget of the 26 rebenchmarking steps completed to date.**

State Cost of Each Rebenchmarking Update

(incremental cost above FY20 base)

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total State Cost
1	Remove 25.69% Non-Participation Estimate for the Virginia Preschool Initiative (fully funds the formula assuming 100% slot usage; reinstating non-participation est. is policy decision)	25,012,766	25,012,766	50,025,532
2	Remove any FY20 One-Time Spending (N/A – none identified)	(1,150,763)	(1,150,763)	(2,301,526)
3	Reset Non-personal Support Costs Inflation Factors to 0% in SOQ Model (linked with Step 19)	(55,685,606)	(55,685,606)	(111,371,212)
4	Reset Personal Support Costs Inflation Factors to 0% from 5.00% in SOQ Model and Remove FY20 Compensation Supplement Funding (linked with Step 20)	(214,843,974)	(214,843,974)	(429,687,948)
5	Update Fall Membership and Average Daily Membership Base-Year and Projected Enrollment Counts	15,471,803	23,107,352	38,579,155

State Cost of Each Rebenchmarking Update

(incremental cost above FY20 base)

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total State Cost
6	Update Special Education Child Count to December 1, 2018	10,100,747	10,305,258	20,406,005
7	Update Career & Technical Education Enrollment to School-Year 2018-2019	661,552	645,382	1,306,934
8	Update SOL Tests Failure Rate Data to School-Year 2017-2018 and Free Lunch Percentages to School-Year 2018-2019	3,554,453	3,581,285	7,135,738
9	Update SOQ Gifted, Support Technology, and Instructional Technology Positions for Enrollment	(715,552)	(506,293)	(1,221,845)
10	Update Base-Year Prevailing SOQ Instructional Salaries to FY18	26,556,957	26,529,777	53,086,734
11	Update Base-Year Expenditures from Annual School Report to FY18 for Support Positions Costs (Prevailing Base-Year Positions Per Pupil and Salaries)	24,388,460	24,590,810	48,979,270
12	Update Base-Year Expenditures from Annual School Report to FY18 for Non-personal Support Costs Per Pupil	68,975,611	68,674,395	137,650,006

State Cost of Each Rebenchmarking Update

(incremental cost above FY20 base)

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total State Cost
13	Update Federal Revenue Deduct Per Pupil Amount (from FY18 revenues)	(11,094,689)	(11,122,438)	(22,217,127)
14	Update Support Positions Ratio Cap (Ratio of Instructional to Support Positions from 4.27 to 1 to 4.30 to 1)	(1,904,221)	(1,437,227)	(3,341,448)
15	Update Costs for Division Superintendents, School Boards, and School Nurses (without inflation)	4,652,618	4,625,750	9,278,368
16	Update Health Care Premium (without inflation)	24,816,902	24,887,383	49,704,285
17	Update Textbooks Per Pupil Amount (without inflation)	4,191,324	4,198,258	8,389,582
18	Update Pupil Transportation Costs	33,793,666	33,982,491	67,776,157
19	Update Non-personal Support Cost Inflation Factors (linked with Step 3)	66,317,602	66,391,716	132,709,318
20	Update Salary Inflation Factors (Instructional and Support) - recognize continuation cost of FY20 5.0% Compensation Supplement into 20-22 biennium (linked with Step 4)	215,635,208	215,994,350	431,629,558

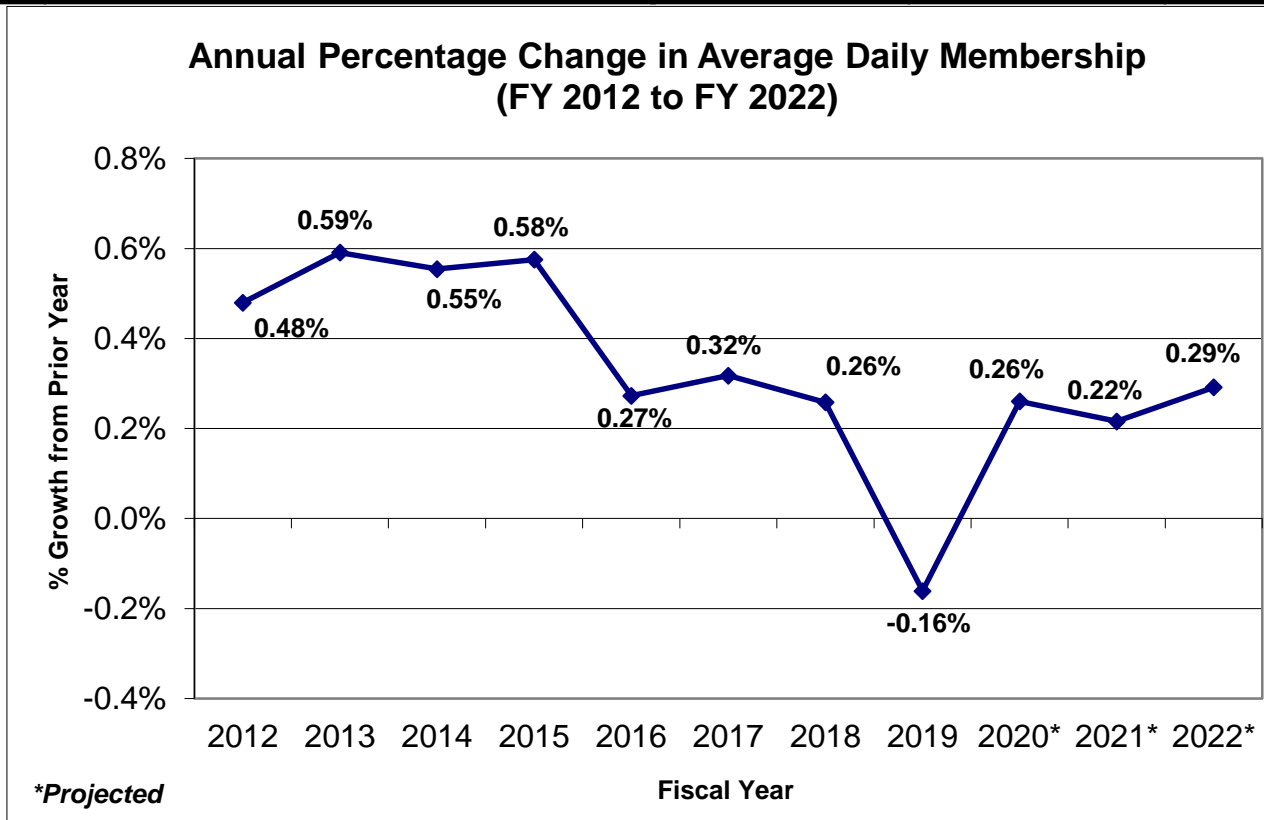
State Cost of Each Rebenchmarking Update

(incremental cost above FY20 base)

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total State Cost
21	Update English as a Second Language Enrollment Projections	2,387,255	5,006,294	7,393,549
22	Update Remedial Summer School Per Pupil Amount and Enrollment Projections	2,894,613	4,564,796	7,459,409
23	Update Incentive Accounts	5,876,195	5,902,547	11,778,742
24	Update Categorical Accounts (Special Education - Homebound, Jails, and State Operated Programs)	101,332	1,379,475	1,480,807
25	Update Lottery Accounts (VPI, Algebra Readiness, Foster Care, K-3 Class Size Reduction, School Breakfast)	39,618,030	41,479,290	81,097,320
Total State Rebenchmarking Cost for 2020-2022 (above FY20 Base) =		289,612,289	306,113,074	595,725,363

Student Enrollment

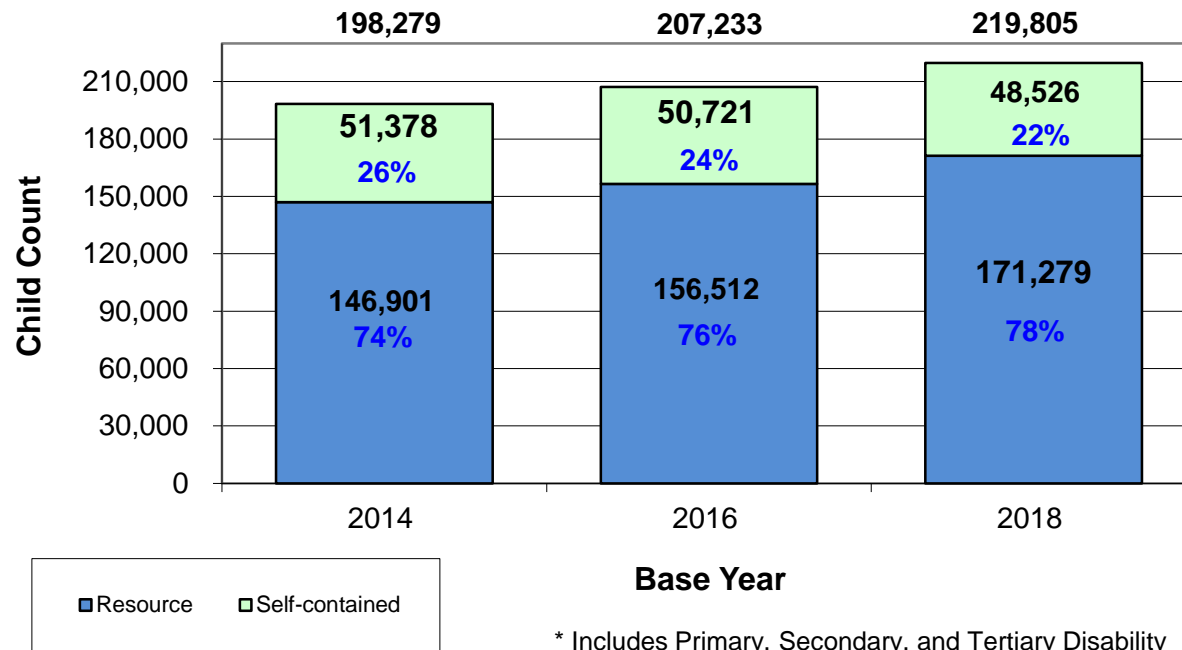
Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
5	Update Fall Membership and Average Daily Membership Base Year and Projected Enrollment Counts	15,471,803	23,107,352	38,579,155



Special Education Child Count

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
6	Update Special Education Child Count to December 1, 2018	10,100,747	10,305,258	20,406,005

Base Year December 1 Special Education Child Count (Duplicated*) for Rebenchmarking (2014, 2016, 2018)



CTE Course Enrollment

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
7	Update Career & Technical Education Enrollment to 2018-2019	661,552	645,382	1,306,934

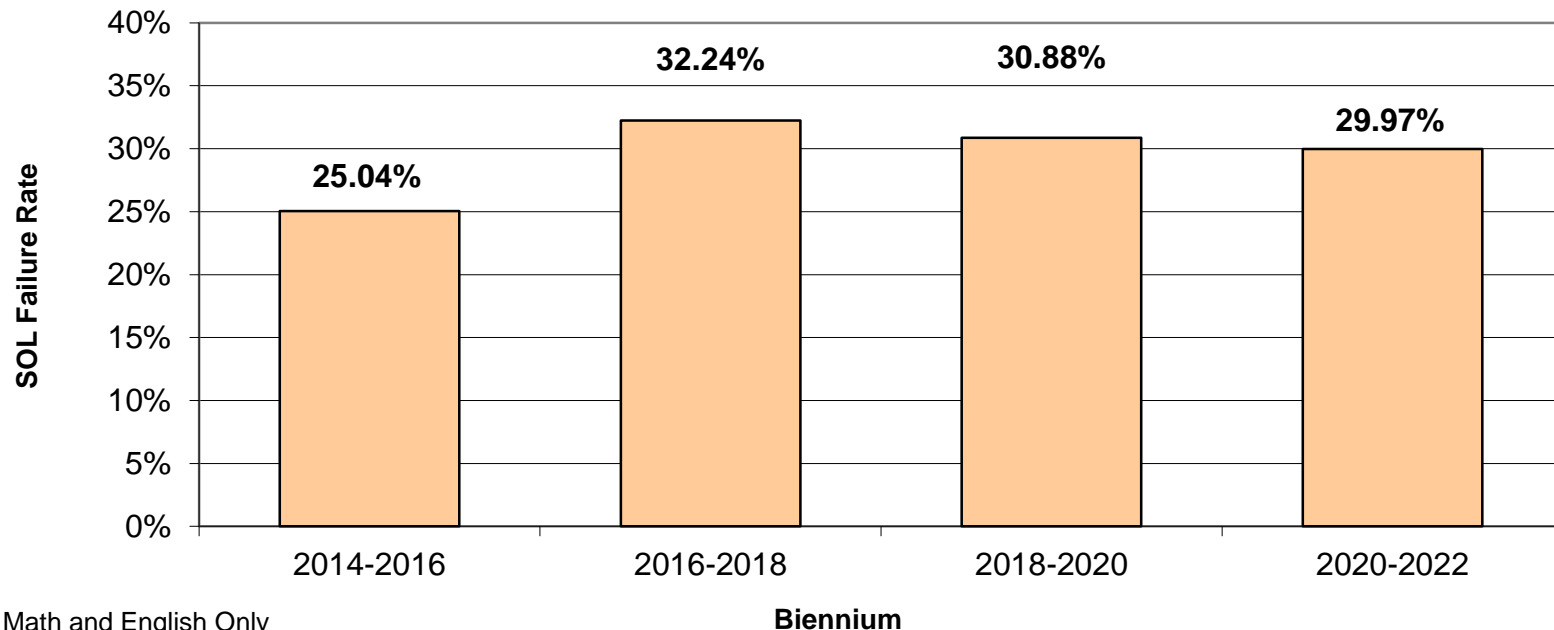
Comparison of Career and Technical Education Enrollment, Number of Courses, and Total Sections Across Base Years

	Base Year 2016 (2018-2020 Biennium)	Base Year 2018 (2020-2022 Biennium)	Percent Variance
Career and Technical Education Enrollment (Duplicated Enrollment)	635,603	646,649	1.7%
Number of Distinct Courses	6,181	6,119	(1.0%)
Total Course Sections	35,288	35,945	1.9%

SOL Test Failure Rates

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
8	Update SOL Tests Failure Rate Data to School Year 2017-2018 and Free Lunch Percentages to School Year 2018-2019	3,554,453	3,581,285	7,135,738

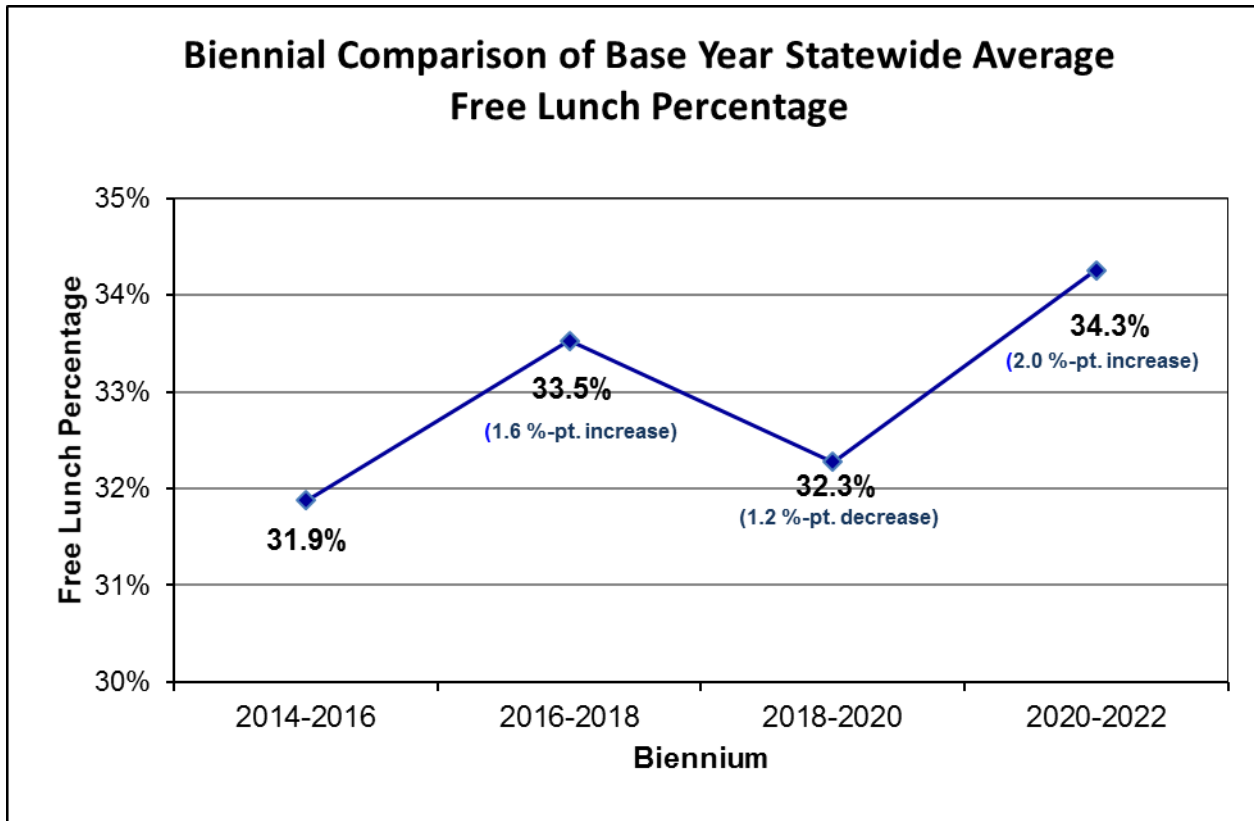
Statewide Average SOL Failure Rates* Across Biennia
2014-2016 to 2020-2022



* Math and English Only

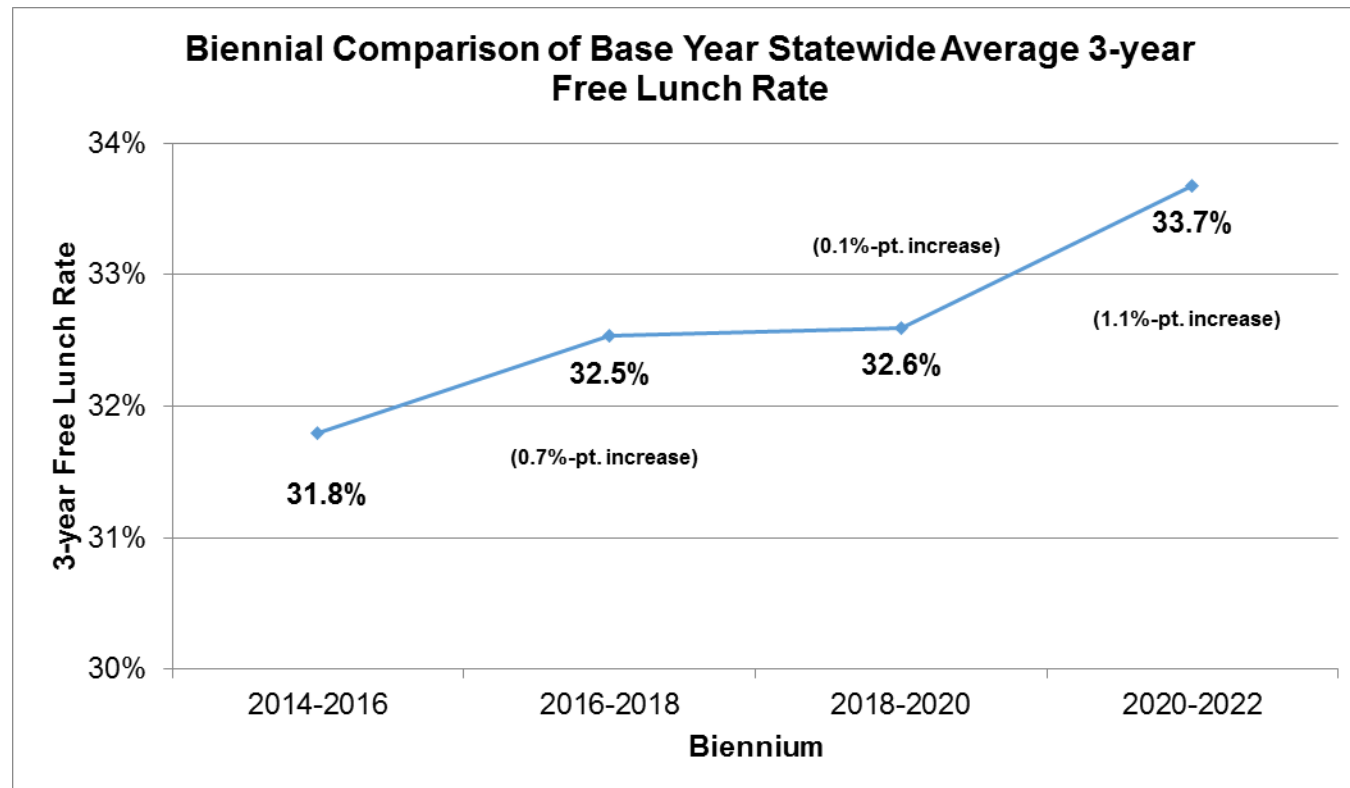
Free Lunch Eligibility

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
8	Update SOL Tests Failure Rate Data to School Year 2017-2018 and Free Lunch Percentages to School Year 2018-2019	3,554,453	3,581,285	7,135,738



Three-Year Average Free Lunch Rates

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
8	Update SOL Tests Failure Rate Data to School Year 2017-2018 and Free Lunch Percentages to School Year 2018-2019	3,554,453	3,581,285	7,135,738



Base-Year Instructional Salaries

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
10	Update Base Year Prevailing SOQ Instructional Salaries to FY18	26,556,957	26,529,777	53,086,734

**Comparison of Base Year Prevailing SOQ Instructional Salaries Across Biennia
2016-2018 to 2020-2022 (No Adjustment for State Funded Increases)**

Instructional Position	2016-2018 Prevailing Salary (2013-14 Data)	2018-2020 Prevailing Salary (2015-16 Data)	Percent Variance	2018-2020 Prevailing Salary (2015-16 Data)	2020-2022 Prevailing Salary (2017-18 Data)	Percent Variance
Elementary Teachers	\$46,488	\$47,351	1.9%	\$47,351	\$48,925	3.3%
Elementary Asst. Principals	\$66,128	\$67,201	1.6%	\$67,201	\$68,125	1.4%
Elementary Principals	\$81,622	\$83,446	2.2%	\$83,446	\$85,122	2.0%
Secondary Teachers	\$49,008	\$50,164	2.4%	\$50,164	\$51,216	2.1%
Secondary Asst. Principals	\$70,992	\$73,074	2.9%	\$73,074	\$73,506	0.6%
Secondary Principals	\$90,681	\$91,858	1.3%	\$91,858	\$94,490	2.9%
Instructional Aides	\$16,855	\$17,390	3.2%	\$17,390	\$18,090	4.0%

Base-Year Support Salaries and Positions

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
11	Update Base-Year Expenditures from Annual School Report to FY18 for Personal Support Costs (both Base-Year Prevailing Positions and Salaries)	24,388,460	24,590,810	48,979,270

Comparison of Base Year Prevailing SOQ Support Salaries Across Biennia 2016-2018 to 2020-2022 (No Adjustment for State Funded Increases)

Support Position	2016-2018 Prevailing Salary	2018-2020 Prevailing Salary	Percent Increase	2018-2020 Prevailing Salary	2020-2022 Prevailing Salary	Percent Increase
Superintendent	\$145,417	\$149,710	2.95%	\$149,710	\$154,287	3.06%
Assistant Superintendent	\$117,924	\$118,375	0.38%	\$118,375	\$122,862	3.79%
School Nurse	\$35,687	\$36,508	2.30%	\$36,508	\$37,581	2.94%
Instructional Professional	\$69,116	\$70,569	2.10%	\$70,569	\$71,492	1.31%
Instructional Technical/Clerical	\$30,468	\$31,428	3.15%	\$31,428	\$32,701	4.05%
Attendance & Health Administrative	\$59,034	\$60,093	1.79%	\$60,093	\$62,061	3.28%
Attendance & Health Technical//Clerical	\$27,396	\$29,499	7.68%	\$29,499	\$31,043	5.24%
Operations & Maintenance Professional	\$74,857	\$77,097	2.99%	\$77,097	\$77,590	0.64%
Operations & Maintenance Technical/Clerical	\$28,803	\$29,920	3.88%	\$29,920	\$30,942	3.42%
School Board Member	\$5,057	\$5,235	3.53%	\$5,235	\$5,405	3.25%
Administration Administrative	\$77,182	\$79,136	2.53%	\$79,136	\$81,176	2.58%
Administration Technical/Clerical	\$40,531	\$41,875	3.32%	\$41,875	\$43,740	4.45%
Technology Professional	\$76,590	\$77,688	1.43%	\$77,688	\$78,624	1.20%
Technology Technical/Clerical	\$34,969	\$36,699	4.95%	\$36,699	\$37,375	1.84%
Technology Support Standard	\$46,324	\$47,360	2.24%	\$47,360	\$49,145	3.77%
School Based Clerical	\$29,262	\$30,016	2.57%	\$30,016	\$30,723	2.36%

Non-personal Support Costs

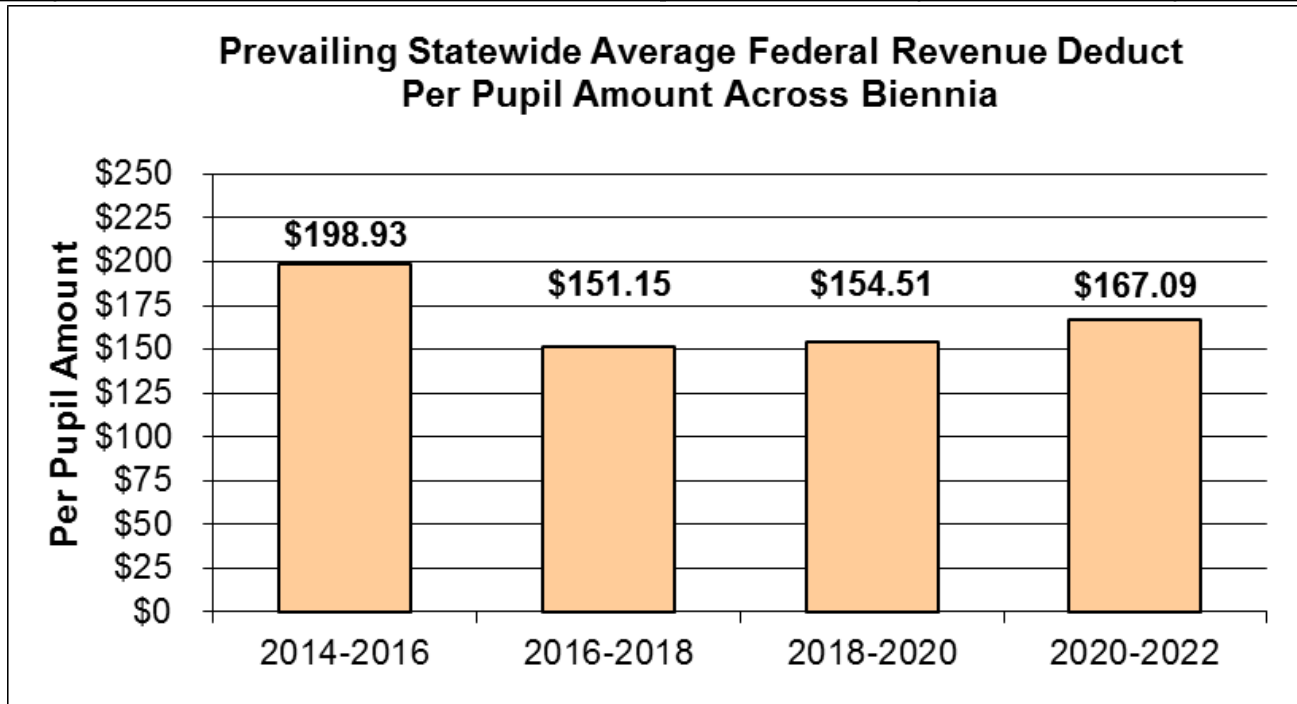
Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
12	Update Base-Year Expenditures from Annual School Report to FY18 for Nonpersonal Support Costs Per Pupil	68,975,611	68,674,395	137,650,006

Comparison of *Prevailing* Nonpersonal Support (No Inflation) Per Pupil Amounts Across Biennia: 2018-2020 to 2020-2022

Nonpersonal Support Category	2018-2020 Per Pupil Amount	2020-2022 Per Pupil Amount	Percent Variance	Nonpersonal Support Category	2018-2020 Per Pupil Amount	2020-2022 Per Pupil Amount	Percent Variance
Instructional Classroom	\$274.76	\$310.93	13.2%	Facilities	\$1.43	\$1.10	(23.0%)
Instructional Support	\$15.17	\$15.66	3.2%	Unemployment Insurance	\$2.97	\$2.49	(16.5%)
Principal's Office	\$7.81	\$8.27	6.0%	Worker's Compensation	\$24.64	\$28.48	15.6%
Administration	\$48.68	\$49.67	2.0%	Disability Insurance	\$2.88	\$4.76	65.2%
Attendance & Health	\$19.34	\$17.84	(7.8%)	Substitute Teachers	\$1,158.05	\$1,204.55	4.0%
Utilities	\$276.06	\$296.39	7.4%	Improvement	\$407.47	\$424.58	4.2%
Communication	\$28.50	\$30.55	7.2%	Technology	\$229.45	\$226.26	(1.4%)
Other Operations & Maintenance	\$254.53	\$285.32	12.1%	Insurance	\$30.71	\$32.14	4.6%
				Contingency Reserve	\$0.00	\$0.01	189.6%

Federal Revenue Deduct

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
13	Update Federal Revenue Deduct Per Pupil – deducted from Support Costs (from FY18 revenues)	(11,094,689)	(11,122,438)	(22,217,127)



NOTE: Federal revenues include Title I, Part A, Title II, Part A, IDEA, IDEA Part B, and Perkins grants.

Support Positions Ratio Cap

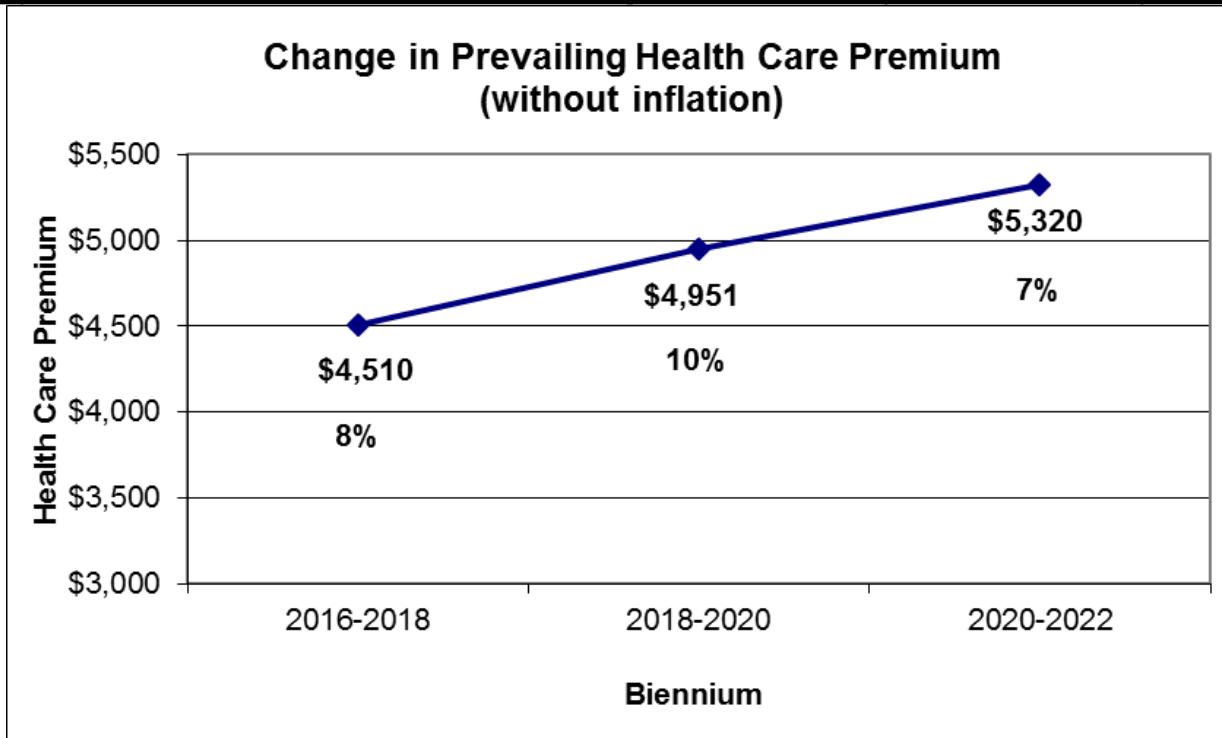
Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
14	Update Support Positions Cap Based on Divisions' Ratios of Instructional to Support Positions from 4.27 to 1 to 4.30 to 1	(1,904,221)	(1,437,227)	(3,341,448)

	Funded Support Positions FY 2020 @ 4.27 to 1	Funded Support Positions FY 2021 @ 4.30 to 1	Funded Support Positions FY 2022 @ 4.30 to 1
Funded SOQ Support Positions			
Assistant Superintendent	180	169	169
Instructional Professional	2,168	2,265	2,271
Instructional Technical/Clerical	1,757	1,727	1,732
Attendance & Health Administrative	856	897	899
Attendance & Health Technical/Clerical	415	343	344
Operation & Maintenance Professional	268	272	273
Operation & Maintenance Technical/Clerical	8,232	8,063	8,086
Administration	723	748	750
Administration Technical/Clerical	1,453	1,489	1,493
Technology Professional	458	478	480
Technology Technical/Clerical	201	156	157
Technology Support Standard	1,256	1,248	1,251
School Based Clerical	3,864	3,788	3,799
Total Funded SOQ Support Positions	21,829	21,644	21,707

Note: The instructional to support position ratio used for the support position funding cap was rebenchmarking for the 2020-2022 biennium. The ratio changed from 4.27 to 1 for FY 2020 to 4.30 to 1 for the 2020-2022 biennium. The ratio is calculated by taking a three-year average of divisions' ASR instructional positions divided by ASR support positions and then calculating a statewide linear weighted average (LWA) ratio from the division ratios. The LWA ratio is then applied to the generated number of support positions to cap them at the instructional to support ratio. This represents the rebenchmarking cost update and not a permanent change in policy.

Health Care Premium

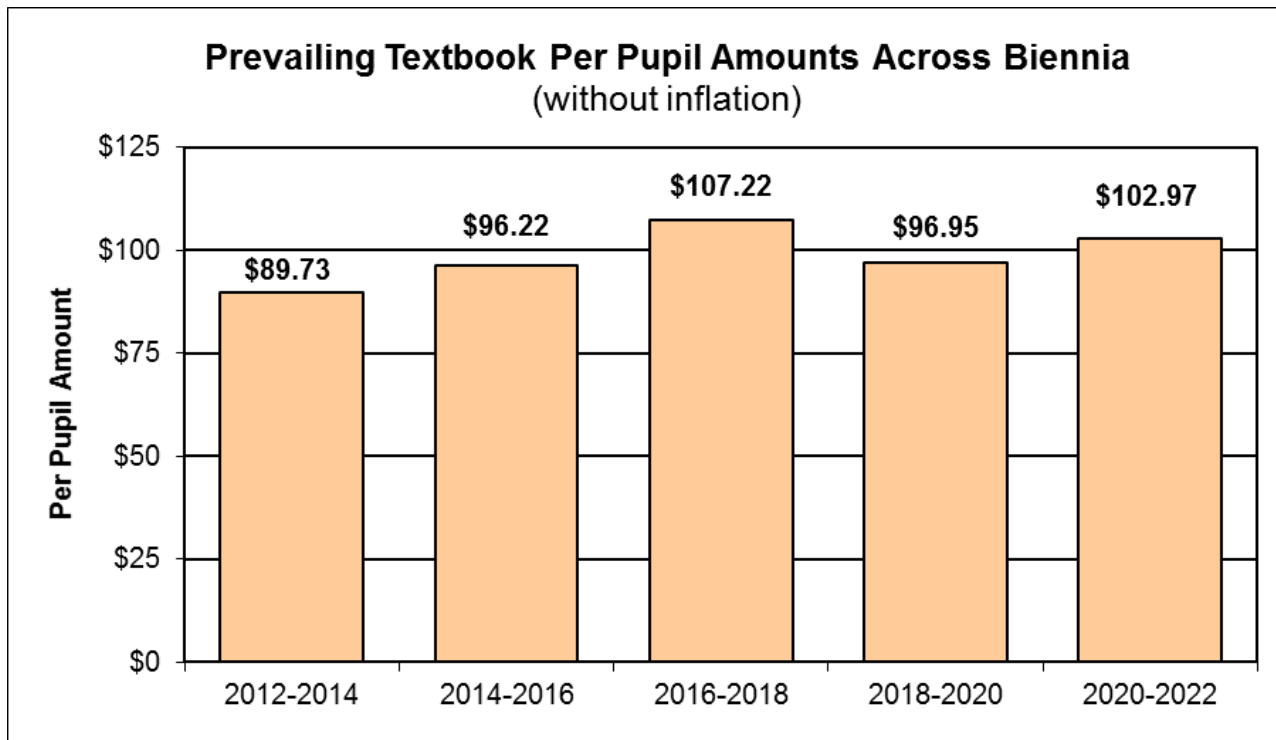
Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
16	Update Prevailing Health Care Premium Per Position (without inflation)	24,816,902	24,887,383	49,704,285



Note: The 2009 General Assembly changed the methodology for calculating the funded health care premium, beginning with the 2010-2012 biennium, by weighting each division's annual employer-share health care premium used in the prevailing cost calculation according to the actual percentage of employees participating in each of the three general plan categories (employee, employee plus one, and family) and for actual overall employee participation.

Textbooks Per Pupil

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
17	Update Prevailing Textbook Per Pupil Amount (without inflation)	4,191,324	4,198,258	8,389,582



Non-personal Inflation Factors

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
19	Update Non-personal Support Cost Inflation Factors	66,317,602	66,391,716	132,709,318

2020-2022 Inflation Factors

Applied to Nonpersonal Support Costs in SOQ Model for the 2020-2022 Biennium

Inflation Factor	2018-2020 Rates	2020-2022 Rates	Percentage Point Variance
Instructional:			
Classroom Instruction	3.86%	4.49%	0.63%
Instructional Support	3.86%	4.40%	0.54%
Improvement	3.86%	4.21%	0.35%
Principal's Office	3.86%	4.39%	0.53%
Miscellaneous:			
Administration	3.86%	4.36%	0.50%
Attendance & Health	3.86%	4.45%	0.59%
Facilities	3.85%	4.68%	0.83%
Textbooks	3.86%	4.59%	0.73%
Pupil Transportation	3.85%	4.12%	0.27%

Inflation Factor	2018-2020 Rates	2020-2022 Rates	Percentage Point Variance
Operation & Maintenance:			
Utilities	4.75%	3.76%	(0.99%)
Communications	4.01%	4.15%	0.14%
Insurance	3.86%	4.59%	0.73%
Other	3.86%	4.59%	0.73%
Fixed Charges:			
Unemployment	3.86%	4.59%	0.73%
Workers Comp.	3.86%	4.59%	0.73%
Disability Insurance	3.86%	4.59%	0.73%
Other Benefits	3.86%	4.59%	0.73%
Health Care Premium	2.72%	3.42%	0.70%
Contingency Reserve	3.86%	4.59%	0.73%

Funded Instructional Salaries

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
20	Update Salary Inflation Factors (Instructional & Support) - recognize continuation cost of FY20 5.0% Compensation Supplement into 20-22 biennium	215,635,208	215,994,350	431,629,558

**Comparison of Funded SOQ Instructional Salaries Across Biennia
2014-2016 to 2020-2022 (Adjusted for Applicable State Funded Increases)**

Instructional Position	2014-2016 Funded Salary	2016-2018 Funded Salary	Percent Variance	2016-2018 Funded Salary	2018-2020 Funded Salary	Percent Variance	2018-2020 Funded Salary	2020-2022 Funded Salary	Percent Variance
Elementary Teachers	\$45,822	\$47,185	3.0%	\$47,185	\$48,298	2.4%	\$48,298	\$51,371	6.4%
Elementary Asst. Principals	\$65,037	\$67,119	3.2%	\$67,119	\$68,545	2.1%	\$68,545	\$71,532	4.4%
Elementary Principals	\$79,796	\$82,846	3.8%	\$82,846	\$85,115	2.7%	\$85,115	\$89,378	5.0%
Secondary Teachers	\$48,125	\$49,744	3.4%	\$49,744	\$51,167	2.9%	\$51,167	\$53,777	5.1%
Secondary Asst. Principals	\$68,863	\$72,057	4.6%	\$72,057	\$74,535	3.4%	\$74,535	\$77,181	3.6%
Secondary Principals	\$87,954	\$92,041	4.6%	\$92,041	\$93,695	1.8%	\$93,695	\$99,215	5.9%
Instructional Aides	\$16,613	\$17,108	3.0%	\$17,108	\$17,738	3.7%	\$17,738	\$18,995	7.1%

Funded Support Salaries

Update #	Rebenchmarking Update	FY 2021 State Cost	FY 2022 State Cost	2020-2022 Total
20	Update Salary Inflation Factors (Instructional & Support) - recognize continuation cost of FY20 5.0% Compensation Supplement into 20-22 biennium	215,635,208	215,994,350	431,629,558

Comparison of **Funded** SOQ Support Salaries Across Biennia 2016-2018 to 2020-2022 (Adjusted for Applicable State Funded Increases)

Support Position	2016-2018 Funded Salary	2018-2020 Funded Salary	Percent Variance	2018-2020 Funded Salary	2020-2022 Funded Salary	Percent Variance
Superintendent	\$148,078	\$151,671	2.43%	\$151,671	\$161,492	6.48%
Assistant Superintendent	\$120,082	\$119,925	(0.13%)	\$119,925	\$128,599	7.23%
School Nurse	\$36,340	\$36,986	1.78%	\$36,986	\$39,336	6.35%
Instructional Professional	\$70,381	\$71,494	1.58%	\$71,494	\$74,831	4.67%
Instructional Technical/Clerical	\$31,025	\$31,840	2.63%	\$31,840	\$34,229	7.50%
Attendance & Health Administrative	\$60,114	\$60,880	1.27%	\$60,880	\$64,960	6.70%
Attendance & Health Technical//Clerical	\$27,897	\$29,885	7.13%	\$29,885	\$32,493	8.73%
Operations & Maintenance Professional	\$76,227	\$78,107	2.47%	\$78,107	\$81,213	3.98%
Operations & Maintenance Technical/Clerical	\$29,330	\$30,311	3.35%	\$30,311	\$32,387	6.85%
School Board Member	\$5,149	\$5,304	3.00%	\$5,304	\$5,658	6.68%
Administration Administrative	\$78,594	\$80,173	2.01%	\$80,173	\$84,967	5.98%
Administration Technical/Clerical	\$41,273	\$42,423	2.79%	\$42,423	\$45,783	7.92%
Technology Professional	\$77,992	\$78,706	0.92%	\$78,706	\$82,295	4.56%
Technology Technical/Clerical	\$35,609	\$37,180	4.41%	\$37,180	\$39,120	5.22%
Technology Support Standard	\$47,172	\$47,981	1.72%	\$47,981	\$51,441	7.21%
School Based Clerical	\$29,798	\$30,409	2.05%	\$30,409	\$32,158	5.75%

Standards of Quality Accounts

Standards of Quality Accounts	FY 2020 Base State Cost (Chapter 854)	FY 2021 Updated State Cost	Variance	FY 2020 Base State Cost (Chapter 854)	FY 2022 Updated State Cost	Variance	2020-2022 Biennium Variance
Basic Aid	\$3,295,069,550	\$3,602,324,544	(\$307,254,994)	\$3,295,069,550	\$3,610,195,467	(\$315,125,917)	(\$622,380,911)
Sales Tax	\$1,486,302,403	\$1,486,302,403	\$0	\$1,486,302,403	\$1,486,302,403	\$0	\$0
Textbooks (General Fund)	\$70,023,715	\$74,984,307	(\$4,960,592)	\$70,023,715	\$75,108,216	(\$5,084,501)	(\$10,045,093)
Vocational Education	\$57,930,204	\$61,942,624	(\$4,012,420)	\$57,930,204	\$61,772,805	(\$3,842,601)	(\$7,855,021)
Gifted Education	\$35,314,827	\$37,365,383	(\$2,050,556)	\$35,314,827	\$37,437,197	(\$2,122,370)	(\$4,172,926)
Special Education	\$396,092,863	\$428,265,613	(\$32,172,750)	\$396,092,863	\$428,775,580	(\$32,682,717)	(\$64,855,467)
Prevention, Intervention and Remediation	\$112,320,130	\$122,491,274	(\$10,171,144)	\$112,320,130	\$122,390,690	(\$10,070,560)	(\$20,241,704)
VRS Retirement	\$442,260,022	\$471,109,261	(\$28,849,239)	\$442,260,022	\$471,809,810	(\$29,549,788)	(\$58,399,027)
Social Security	\$200,465,243	\$213,422,556	(\$12,957,313)	\$200,465,243	\$213,706,533	(\$13,241,290)	(\$26,198,603)
Group Life	\$13,596,751	\$14,529,554	(\$932,803)	\$13,596,751	\$14,552,607	(\$955,856)	(\$1,888,659)
English as a Second Language	\$62,519,408	\$68,589,222	(\$6,069,814)	\$62,519,408	\$71,208,261	(\$8,688,853)	(\$14,758,667)
Remedial Summer School	\$24,976,867	\$27,871,480	(\$2,894,613)	\$24,976,867	\$29,541,663	(\$4,564,796)	(\$7,459,409)
Standards of Quality SUB-TOTAL:	\$6,196,871,983	\$6,609,198,221	(\$412,326,238)	\$6,196,871,983	\$6,622,801,232	(\$425,929,249)	(\$838,255,487)

Note: a negative value in the variance columns indicates a cost increase in FY21 or FY22 compared to the Chapter 854 FY20 base, a positive value indicates a cost decrease in FY21 or FY22 compared to the FY20 base.

Incentive Accounts

Incentive Accounts	FY 2020 Base State Cost (Chapter 854)	FY 2021 Updated State Cost	Variance	FY 2020 Base State Cost (Chapter 854)	FY 2022 Updated State Cost	Variance	2020-2022 Biennium Variance
Compensation Supplement	\$201,975,291	\$0	\$201,975,291	\$201,975,291	\$0	\$201,975,291	\$403,950,582
Governor's School	\$18,560,517	\$19,017,847	(\$457,330)	\$18,560,517	\$19,044,199	(\$483,682)	(\$941,012)
VPI+	\$6,139,559	\$5,921,659	\$217,900	\$6,139,559	\$5,921,659	\$217,900	\$435,800
Clinical Faculty	\$318,750	\$318,750	\$0	\$318,750	\$318,750	\$0	\$0
Career Switcher Mentoring Grants	\$279,983	\$279,983	\$0	\$279,983	\$279,983	\$0	\$0
Special Education Endorsement Program	\$437,186	\$437,186	\$0	\$437,186	\$437,186	\$0	\$0
Math/Reading Instructional Specialists	\$1,834,538	\$1,834,538	\$0	\$1,834,538	\$1,834,538	\$0	\$0
Special Education - Voc Ed	\$200,089	\$200,089	\$0	\$200,089	\$200,089	\$0	\$0
VA Workplace Readiness Skills Assessment	\$308,655	\$308,655	\$0	\$308,655	\$308,655	\$0	\$0
Special Education - Regional Tuition	\$100,397,909	\$105,167,804	(\$4,769,895)	\$100,397,909	\$105,167,804	(\$4,769,895)	(\$9,539,790)
Early Reading Specialists Initiative	\$1,476,790	\$1,476,790	\$0	\$1,476,790	\$1,476,790	\$0	\$0
At-Risk (General Fund)	\$34,468,409	\$70,151,827	(\$35,683,418)	\$34,468,409	\$69,883,846	(\$35,415,437)	(\$71,098,855)
Breakfast After the Bell Incentive	\$1,074,000	\$1,074,000	\$0	\$1,074,000	\$1,074,000	\$0	\$0
Security Equipment Grants Distribution	\$12,000,000	\$12,000,000	\$0	\$12,000,000	\$12,000,000	\$0	\$0
VPSA Technology Distribution	\$58,612,800	\$58,612,800	\$0	\$58,612,800	\$58,612,800	\$0	\$0
Incentive Accounts SUB-TOTAL:	\$367,471,676	\$206,189,128	\$161,282,548	\$367,471,676	\$205,947,499	\$161,524,177	\$322,806,725

Note: a negative value in the variance columns indicates a cost increase in FY21 or FY22 compared to the Chapter 854 FY20 base, a positive value indicates a cost decrease in FY21 or FY22 compared to the FY20 base.

Categorical Accounts

Categorical Accounts	FY 2020 Base State Cost (Chapter 854)	FY 2021 Updated State Cost	Variance	FY 2020 Base State Cost (Chapter 854)	FY 2022 Updated State Cost	Variance	2020-2022 Biennium Variance
Adult Education	\$1,051,800	\$1,051,800	\$0	\$1,051,800	\$1,051,800	\$0	\$0
Adult Literacy	\$2,480,000	\$2,480,000	\$0	\$2,480,000	\$2,480,000	\$0	\$0
Virtual Virginia	\$5,175,808	\$5,175,808	\$0	\$5,175,808	\$5,175,808	\$0	\$0
Indian Children (King William County)	\$38,954	\$39,178	(\$224)	\$38,954	\$38,450	\$504	\$280
School Lunch	\$5,801,932	\$5,801,932	\$0	\$5,801,932	\$5,801,932	\$0	\$0
Special Education - Homebound	\$4,867,702	\$4,940,843	(\$73,141)	\$4,867,702	\$4,990,242	(\$122,540)	(\$195,681)
Special Education - Jails	\$3,507,385	\$3,530,221	(\$22,836)	\$3,507,385	\$3,850,787	(\$343,402)	(\$366,238)
Special Education - State Operated Programs	\$35,660,182	\$35,665,313	(\$5,131)	\$35,660,182	\$36,574,219	(\$914,037)	(\$919,168)
Categorical SUB-TOTAL:	\$58,583,763	\$58,685,095	(\$101,332)	\$58,583,763	\$59,963,238	(\$1,379,475)	(\$1,480,807)

Note: a negative value in the variance columns indicates a cost increase in FY21 or FY22 compared to the Chapter 854 FY20 base, a positive value indicates a cost decrease in FY21 or FY22 compared to the FY20 base.

Lottery Accounts

Lottery Accounts	FY 2020 Base State Cost (Chapter 854)	FY 2021 Updated State Cost	Variance	FY 2020 Base State Cost (Chapter 854)	FY 2022 Updated State Cost	Variance	2020-2022 Biennium Variance
Foster Care	\$10,387,961	\$10,773,956	(\$385,995)	\$10,387,961	\$11,647,608	(\$1,259,647)	(\$1,645,642)
At-Risk Add-On	\$86,481,946	\$36,405,106	\$50,076,840	\$86,481,946	\$34,483,432	\$51,998,514	\$102,075,354
Virginia Preschool Initiative	\$72,351,058	\$106,671,909	(\$34,320,851)	\$72,351,058	\$106,641,278	(\$34,290,220)	(\$68,611,071)
Early Reading Intervention	\$23,571,284	\$25,102,062	(\$1,530,778)	\$23,571,284	\$25,118,623	(\$1,547,339)	(\$3,078,117)
Mentor Teacher	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0
K-3 Primary Class Size	\$128,005,970	\$139,315,062	(\$11,309,092)	\$128,005,970	\$139,087,138	(\$11,081,168)	(\$22,390,260)
School Breakfast	\$7,439,888	\$8,526,149	(\$1,086,261)	\$7,439,888	\$9,778,091	(\$2,338,203)	(\$3,424,464)
SOL Algebra Readiness	\$13,061,697	\$14,759,941	(\$1,698,244)	\$13,061,697	\$14,755,995	(\$1,694,298)	(\$3,392,542)
Supplemental Lottery Payments	\$255,531,948	\$255,531,483	\$465	\$255,531,948	\$255,535,299	(\$3,351)	(\$2,886)
Alternative Education	\$9,434,794	\$9,147,051	\$287,743	\$9,434,794	\$9,146,308	\$288,486	\$576,229
Individual Student Alternative Ed Program (ISAEF)	\$2,247,581	\$2,247,581	\$0	\$2,247,581	\$2,247,581	\$0	\$0
VPI - Teacher Professional Development	\$306,100	\$306,100	\$0	\$306,100	\$306,100	\$0	\$0
Career & Tech Education (Voc Ed)	\$12,400,829	\$12,400,829	\$0	\$12,400,829	\$12,400,829	\$0	\$0
Project Graduation	\$1,387,240	\$1,387,240	\$0	\$1,387,240	\$1,387,240	\$0	\$0
Supplemental Basic Aid	\$979,630	\$1,013,433	(\$33,803)	\$979,630	\$1,052,380	(\$72,750)	(\$106,553)
Race to GED (NCLB/EFAL)	\$2,410,988	\$2,410,988	\$0	\$2,410,988	\$2,410,988	\$0	\$0
Path to Industry Certification (NCLB/EFAL)	\$1,831,464	\$1,831,464	\$0	\$1,831,464	\$1,831,464	\$0	\$0
Unfunded Lottery Funded Programs to be funded by General Funds	\$123	\$147	(\$24)	\$123	\$147	(\$24)	(\$48)
Lottery Accounts SUB-TOTAL:	\$628,830,501	\$628,830,501	\$0	\$628,830,501	\$628,830,501	\$0	\$0

Note: a negative value in the variance columns indicates a cost increase in FY21 or FY22 compared to the Chapter 854 FY20 base, a positive value indicates a cost decrease in FY21 or FY22 compared to the FY20 base.

Summary – by Direct Aid Account Category

State Direct Aid Account Category	FY 2020 Base State Cost (Chapter 854)	FY 2021 Updated State Cost	Variance	FY 2020 Base State Cost (Chapter 854)	FY 2022 Updated State Cost	Variance	2020-2022 Biennium Variance
Standards of Quality	\$6,196,871,983	\$6,609,198,221	(\$412,326,238)	\$6,196,871,983	\$6,622,801,232	(\$425,929,249)	(\$838,255,487)
Incentive	\$367,471,676	\$245,807,158	\$121,664,518	\$367,471,676	\$247,426,789	\$120,044,887	\$241,709,405
Categorical	\$58,583,763	\$58,685,095	(\$101,332)	\$58,583,763	\$59,963,238	(\$1,379,475)	(\$1,480,807)
Lottery	\$628,830,501	\$628,830,501	\$0	\$628,830,501	\$628,830,501	\$0	\$0
Supplemental Education	\$33,324,222	\$32,173,459	\$1,150,763	\$33,324,222	\$32,173,459	\$1,150,763	\$2,301,526
Direct Aid SUB-TOTAL:	\$7,285,082,145	\$7,574,694,434	(\$289,612,289)	\$7,285,082,145	\$7,591,195,219	(\$306,113,074)	(\$595,725,363)

Note: a negative value in the variance columns indicates a cost increase in FY21 or FY22 compared to the Chapter 854 FY20 base, a positive value indicates a cost decrease in FY21 or FY22 compared to the FY20 base.

Questions?