

# ***Rebenchmarking of the Direct Aid to Public Education Budget for the 2018-2020 Biennium***

**Presented to the  
Senate Finance Committee**

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# *Presentation Topics*

- **Overview of 2018-2020 Rebenchmarking Process**
- **2018-2020 Rebenchmarking Incremental Cost Detail**
- **Graphs/Tables of Key Data Inputs Impacting 2018-2020 Rebenchmarking Cost**
- **Appendix A: State Cost of 2018-2020 Rebenchmarking by Direct Aid Account**

# *Rebenchmarking Process*

- **State and federal funding to school divisions for public education is provided through the Direct Aid to Public Education budget appropriated by the General Assembly.**
  
- **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 as part of the biennial budget development process. The process impacts 30 or more state Direct Aid programs in categories 1-4 above.**

# *Rebenchmarking Process*

- Rebenchmarking is technical in nature and does not involve changes in funding policy/methodology or funding for new programs.
- 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 formulas are updated every two years to recognize changes in costs that have occurred over the preceding biennium.

# ***Rebenchmarking Process***

- **Costs are projected forward for changes in enrollment, salaries, support costs, inflation, and other factors – costs can increase or decrease depending on the impact of each data update.**
- **The rebenchmarked budget starts from the base-year Direct Aid budget from the previous biennium; the Chp. 836 FY18 budget is the starting point from which the rebenchmarking cost for each year of the 2018-2020 biennium (FY19 & FY20) is calculated. (*Chp. 836 FY18 budget = \$6.76B - all state funding sources.*)**

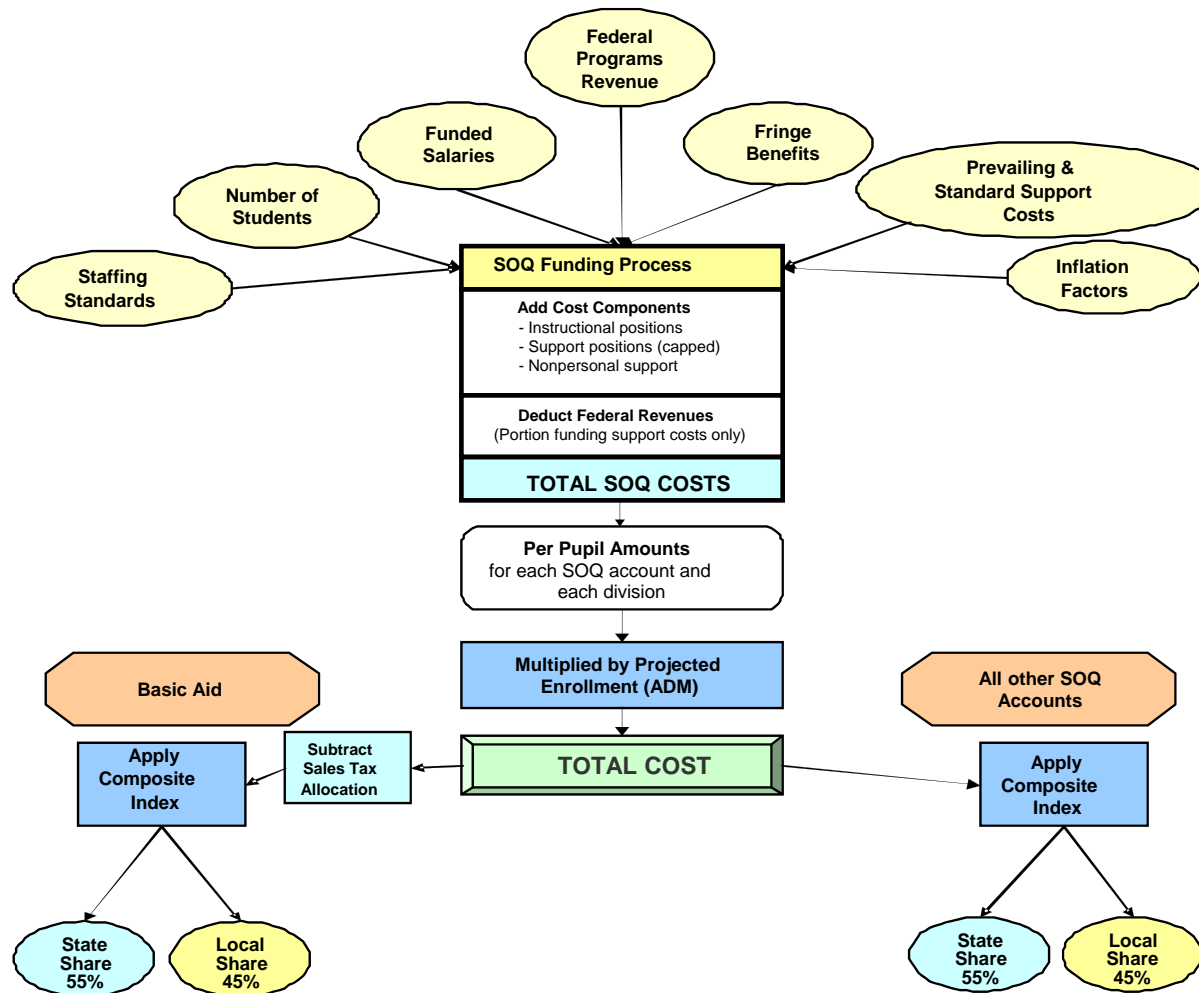
# *Rebenchmarking Process*

- **The state cost of SOQ and other Direct Aid accounts is recalculated off the FY18 base using the latest input data available, isolating the cost of each data update separately. About 25 separate steps are involved, each of which can increase or decrease state cost.**
- **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***

- **While much of SOQ funding is driven by factors set in policy (e.g., staffing standards in the *Code* ), others are technical and must be updated through rebenchmarking (e.g., enrollment, funded salaries, support costs, etc.).**
- **Since almost 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.**

# SOQ Funding Process





# *Rebenchmarking Data Inputs*

- **Key data updates for 2018-2020 rebenchmarking calculations (most impact SOQ formulas; data is from FY16 & FY17):**
  - **Fall Membership and Average Daily Membership projections**
  - **Funded instructional and support salaries**
  - **Special education child count**
  - **Career & technical education course enrollment**
  - **SOL failure rates and free lunch eligibility %'s for SOQ remedial education and other at-risk accounts**
  - **Base-year division expenditure data from FY16 Annual School Report (for salaries & support costs)**

# *Rebenchmarking Data Inputs*

- **Key data updates for 2018-2020 rebenchmarking calculations, continued:**
  - **Health care premium expenditures**
  - **Non-personal cost inflation factors**
  - **Federal programs revenue (for the revenue deduct 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 other support costs, including division supt., school board, school 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 Remediation account)
- Federal Programs Revenue (for deduct from support costs)
- Support Positions Ratio Cap

## Major Data Inputs that are Updated Annually:

- Enrollment Projections – Fall Memb., ADM, ESL, Remedial Summer School
- Reimbursement Account Cost Projections
- Lottery & Sales Tax Revenue Estimates
- VRS Fringe Benefit Rates (subject to annual change)
- Inflation Factors (subject to annual change)

# Rebenchmarking Data Inputs

2018-2020 Direct Aid to Public Education Budget Summary of Major Data Elements Used in 2018-2020 Rebenchmarking Calculations		
	FY 2018 Base	FY 2019 & FY 2020 Rebenchmarking
<b>A. Student Enrollment Data</b>		
Fall Membership	2014-2015	2016-2017
Special Education Child Count	December 1, 2014	December 1, 2016
Career & Technical Education Course Enrollment	2014-2015	2016-2017
SOL English & Math Tests % Score Failures (for SOQ Prevention, Intervention and Remediation)	Three-year average (2012-13; 2013-14; 2014-15*) * 2014-15 available Fall 2015	Three-year average (2014-15; 2015-16; 2016-17*) * 2016-17 available Fall 2017
Free Lunch Eligibility Data (for SOQ Prevention, Intervention and Remediation & other accounts)	Three-year average (October 2012, 2013, 2014*) *Oct. 2014 for other accounts	Three-year average (October 2014, 2015, 2016*) *Oct. 2016 for other accounts
<b>B. Base-year Expenditure &amp; Revenue Data</b> (funded salaries, support costs, federal revenues for support deduct)	2013-2014 Annual School Report	2015-2016 Annual School Report
<b>C. Fringe Benefit Rates</b>		
Instructional VRS Retirement (Including Retiree Health Care Credit)	17.55%	17.55%
Non-instructional VRS Retirement	7.11%	7.11%
Social Security/Medicare	7.65%	7.65%
Group Life Insurance	0.52%	0.52%
Health Care Premium ( <i>Funded per position amount with Inflation</i> )	\$4,604	\$5,102
<b>D. Composite Index</b> ( <i>Base-Year Data</i> )	2013	2015
<b>E. Funded Non-Personal Support Inflation Factors</b> ( <i>Unweighted average</i> )	1.92%	4.08%
<b>F. Textbooks</b> ( <i>Funded Per Pupil Amount with Inflation</i> )	\$109.78	\$100.81
<b>G. Average Daily Membership Projections</b> ( <i>Initial Projections</i> )	1,248,936	1,253,152 (FY19), 1,258,148 (FY20)

# *Pending Updates*

- **These pending updates will be completed this fall and included in the Governor's 2018-2020 introduced budget released in December:**
  - **Revised composite index for the 2018-2020 biennium (update input data from 2013 to 2015)**
  - **Additional revisions to enrollment projections (Fall Membership & ADM)**
  - **Revised Sales Tax and Lottery revenue projections**
  - **Revised VRS fringe benefit rates**

# *State Cost to Date*

- **The state cost (above the FY18 base) of the rebenchmarking updates completed to date is \$235.0 million in FY19 and \$256.8 million in FY20, for a 2018-2020 biennial total of \$491.8 million. (The state cost of the 2016-2018 rebenchmarking at this stage was \$387.8 million.)**
- **The final amount of state Direct Aid funding 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.**

# *State Cost to Date*

- **The following four slides show the incremental state cost - starting from the FY18 base - of the 26 rebenchmarking steps completed to date.**

# State Cost of Each Rebenchmarking Update

*(incremental state cost above FY18 base)*

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total State Cost
1	Remove 25.43% Non-Participation Estimate for the Virginia Preschool Initiative (fully funds the VPI formula assuming 100% slot usage; reinstating non-participation est. is pending decision)	24,195,672	24,195,672	48,391,344
2	Remove any One-time FY18 Costs (N/A – none identified)	0	0	0
3	Reset Non-personal Support Costs Inflation Factors to 0% in SOQ Model (so that cost of updated inflation shown in Step 19 is off 0% base)	(12,846,610)	(12,846,610)	(25,693,220)
4	Reset Personal Support Costs Inflation Factors to 0% from 1.50% in SOQ Model and Remove FY18 Compensation Supplement Funding (updated salary inflation shown in Step 20)	(39,850,326)	(39,850,326)	(79,700,652)
5	Update Fall Membership and Average Daily Membership Base-Year and Projected Enrollment Counts	16,101,957	22,279,366	38,381,323



# **State Cost of Each Rebenchmarking Update**

**(incremental state cost above FY18 base)**

<b>Update #</b>	<b>Rebenchmarking Update</b>	<b>FY 2019 State Cost</b>	<b>FY 2020 State Cost</b>	<b>2018-2020 Total State Cost</b>
<b>6</b>	Update Special Education Child Count to December 1, 2016	7,005,200	7,573,096	<b>14,578,296</b>
<b>7</b>	Update Career and Technical Education Enrollment to School-Year 2016-2017	1,325,970	1,305,714	<b>2,631,684</b>
<b>8</b>	Update SOL Tests Failure Rate Data to School-Year 2015-2016 and Free Lunch Percentages to School-Year 2016-2017	8,781,244	8,672,940	<b>17,454,184</b>
<b>9</b>	Update SOQ Gifted, Support Technology, and Instructional Technology Positions for Enrollment	<b>(482,606)</b>	<b>(430,617)</b>	<b>(913,223)</b>
<b>10</b>	Update Base-Year Prevailing SOQ Instructional Salaries to FY16	19,701,491	19,795,968	<b>39,497,459</b>
<b>11</b>	Update Base-Year Expenditures from Annual School Report to FY16 for Support Positions Costs (prevailing base-year positions per pupil and salaries)	22,524,984	22,614,801	<b>45,139,785</b>
<b>12</b>	Update Base-Year Expenditures from Annual School Report to FY16 for Non-personal Support Costs Per Pupil	35,779,370	34,207,381	<b>69,986,751</b>

# **State Cost of Each Rebenchmarking Update**

**(incremental state cost above FY18 base)**

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total State Cost
13	Update Federal Revenue Deduct Per Pupil Amount Using FY16 Revenues (deduct from funded support costs)	(1,121,174)	(1,212,007)	(2,333,181)
14	Update Support Positions Ratio Cap (ratio cap of instructional to support positions updated from 4.19 to 1 to 4.27 to 1)	(9,461,524)	(9,405,356)	(18,866,880)
15	Update Support Costs for Division Superintendents, School Boards, and School Nurses (without inflation)	2,999,531	2,905,199	5,904,730
16	Update Health Care Premium Amount (without inflation)	29,013,845	29,004,610	58,018,455
17	Update Textbooks Per Pupil Amount (without inflation)	(7,176,073)	(7,189,292)	(14,365,365)
18	Update Pupil Transportation Support Costs	(14,057,598)	(10,023,758)	(24,081,356)
19	Update Non-personal Support Cost Inflation Factors (inflate FY16 per pupil amounts to FY18)	58,490,185	58,541,694	117,031,879
20	Update Salary Inflation Factors for Instructional and Support Positions (recognize continuation cost of FY18 2.0% Compensation Supplement into 18-20 biennium)	82,170,862	82,446,818	164,617,680

# State Cost of Each Rebenchmarking Update

*(incremental state cost above FY18 base)*

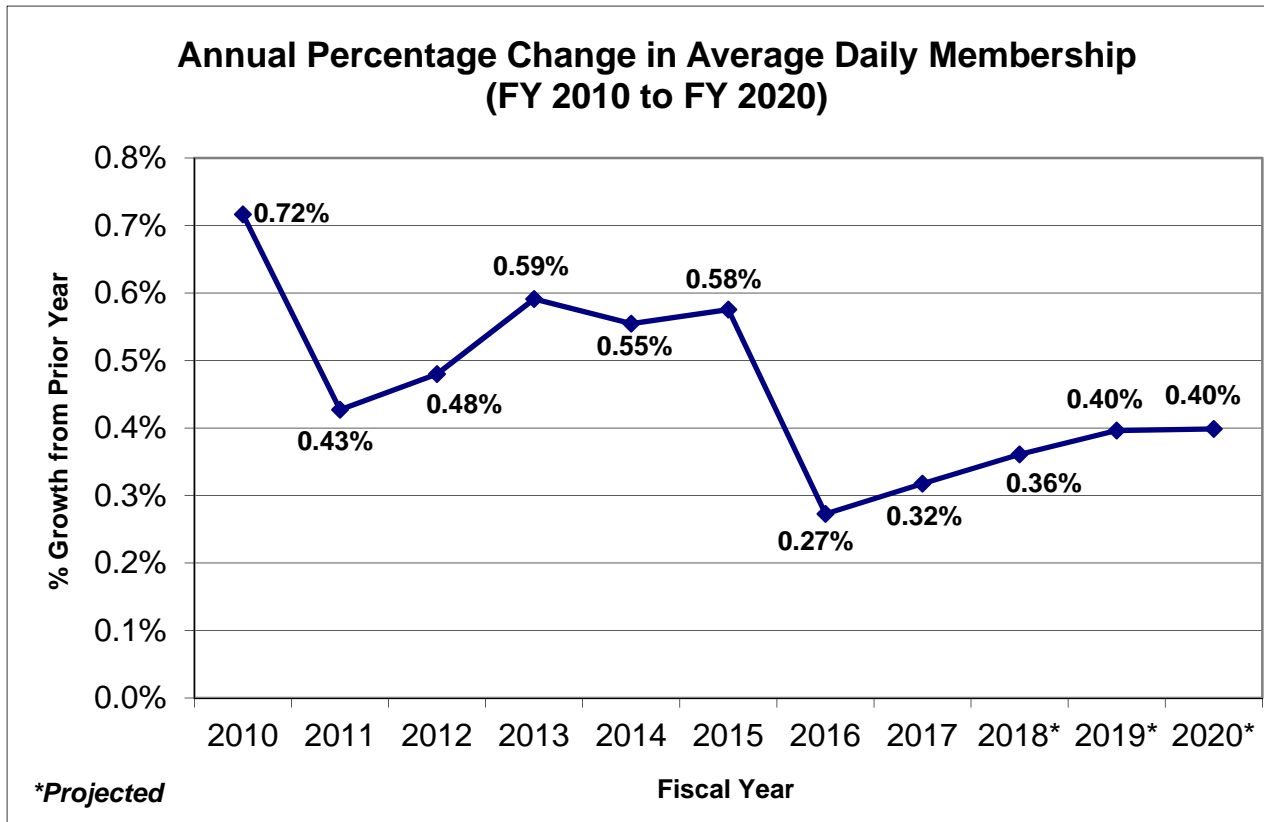
Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total State Cost
21	Update English as a Second Language Enrollment Projections	1,754,803	3,618,177	5,372,980
22	Update Remedial Summer School Per Pupil Amount and Enrollment Projections	1,877,302	3,524,455	5,401,757
23	Update Incentive Accounts (Academic Year Governor's School enrollment and per pupil amount; removed 2.5%/\$50 add-on to per pupil)	(416,864)	(350,603)	(767,467)
24	Update Categorical Accounts (Special Education - Homebound, Jails, and State Operated Programs)	1,125,496	2,265,415	3,390,911
25	Update Lottery Accounts (VPI, Algebra Readiness, Foster Care, K-3 Class Size Reduction, Spec. Ed. Regional Tuition, School Breakfast)	18,057,982	25,673,183	43,731,165
26	Update 3-year Average Free Lunch Rates for CEP Schools	(10,487,449)	(10,515,935)	(21,003,384)
<b>Total State Rebenchmarking Cost for 2018-2020 (above FY18 Base) =</b>		<b>235,005,670</b>	<b>256,799,985</b>	<b>491,805,655</b>

# ***Impact of Data Updates on Rebenchmarking Cost***

- **Slides 21-36 contain graphs/tables showing the impact of the following data updates that increased or decreased Rebenchmarking costs:**
  - **Student Enrollment**
  - **Special Education Child Count**
  - **Career & Technical Education Enrollment**
  - **SOL Tests Failure Rates**
  - **Free Lunch Eligibility Percentages**
  - **Base-year and Funded Salaries**
  - **Non-personal Support Costs Per Pupil**
  - **Federal Revenue Per Pupil Deduct from Support Costs**
  - **Support Positions Cap Ratio**
  - **Health Care Premium**
  - **Textbooks Per Pupil Amount**
  - **Inflation Factors**

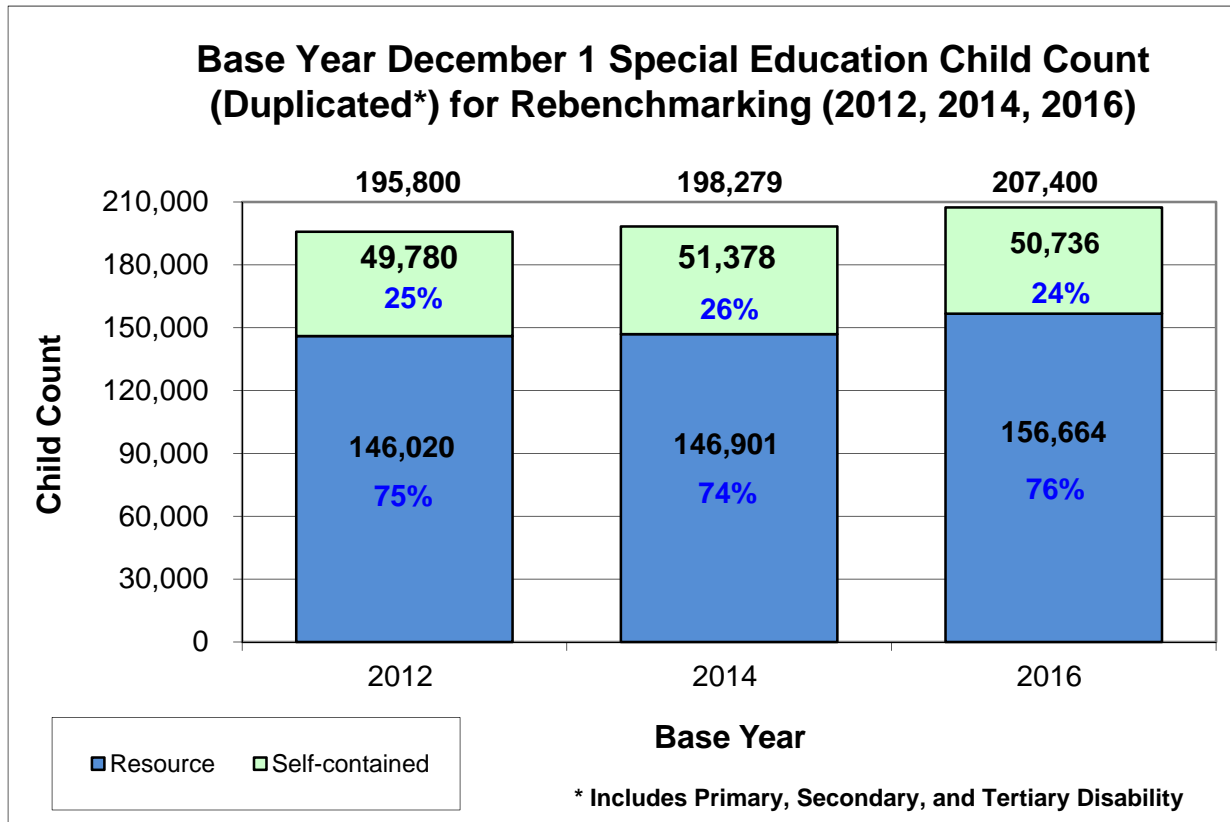
# Student Enrollment

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
5	Update Fall Membership and Average Daily Membership Base-year and Projected Enrollment Counts	16,101,957	22,279,366	38,381,323



# Special Education Child Count

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
6	Update Special Education Child Count to December 1, 2016	7,005,200	7,573,096	14,578,296



# CTE Course Enrollment

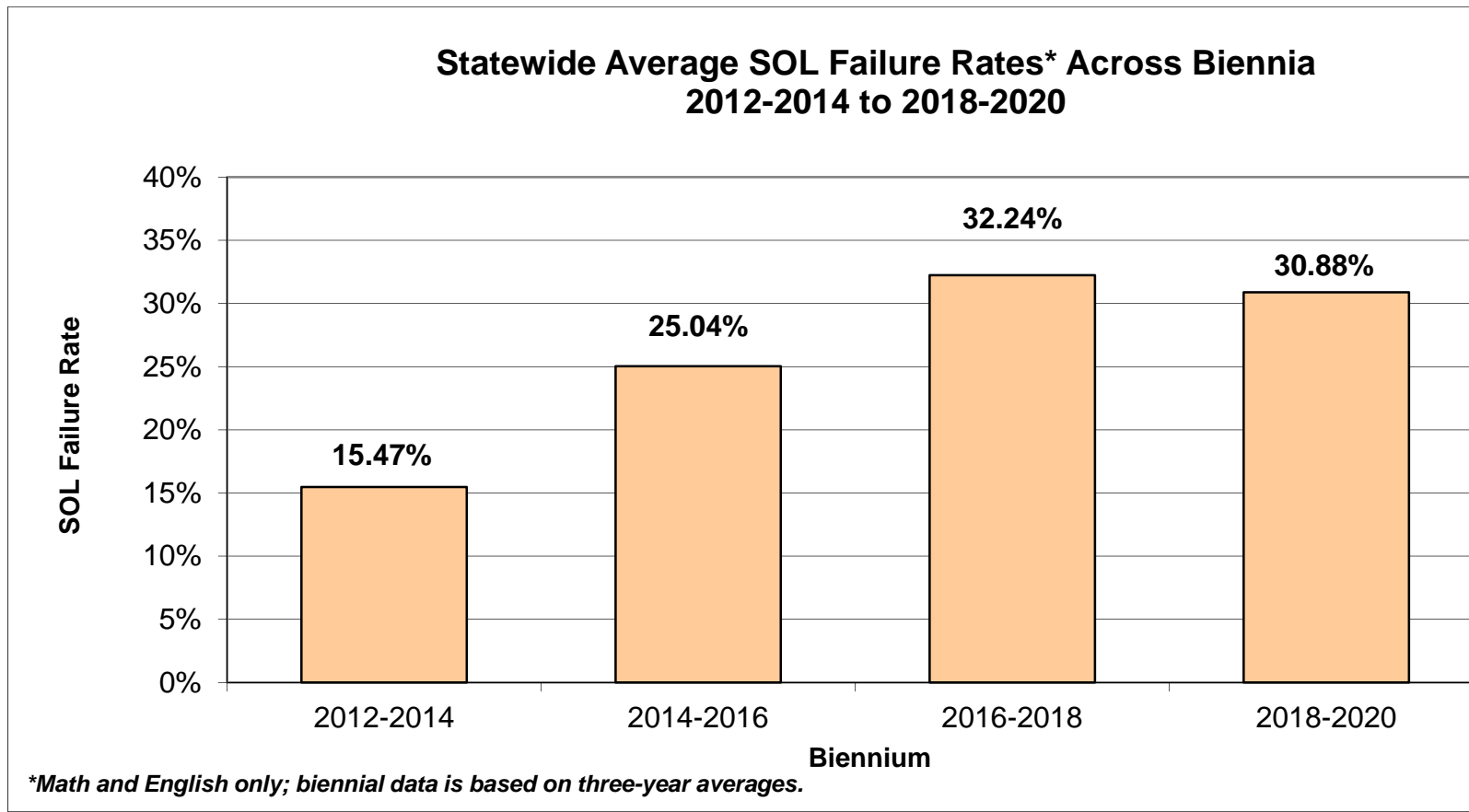
Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
7	Update Career and Technical Education Enrollment to 2016-2017	1,325,970	1,305,714	2,631,684

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

	Base Year 2014-15 (2016-2018 Biennium)	Base Year 2016-17 (2018-2020 Biennium)	Percent Variance
Career and Technical Education Enrollment (Duplicated Enrollment)	580,138	611,535	5.4%
Number of Distinct Courses	6,199	5,969	(3.7%)
Total Course Sections	32,387	33,861	4.6%

# SOL Tests Failure Rates

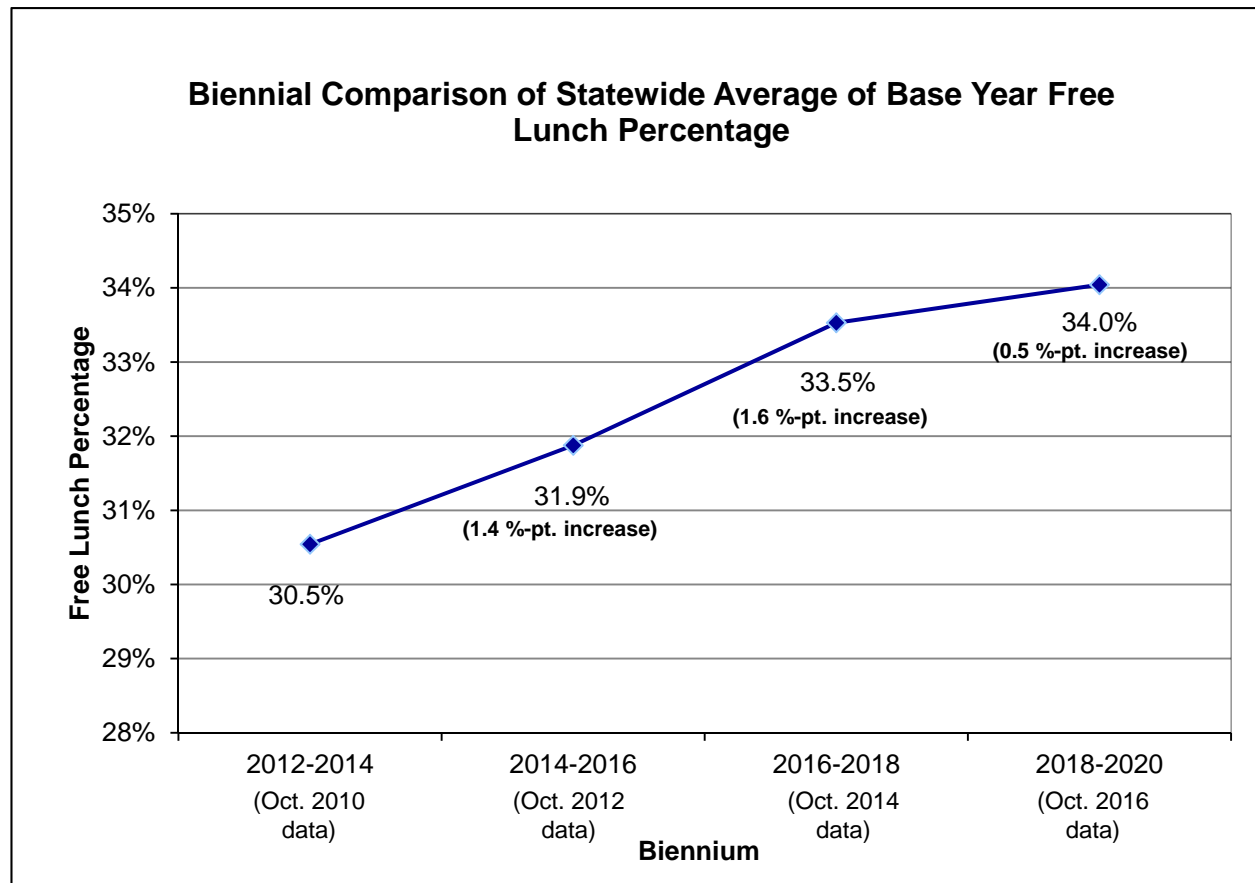
Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
8 & 26	Update SOL Tests Failure Rate Data to School-Year 2015-2016 and Free Lunch Percentages to School-Year 2016-2017	(1,706,205)	(1,842,995)	(3,549,200)





# Free Lunch Eligibility

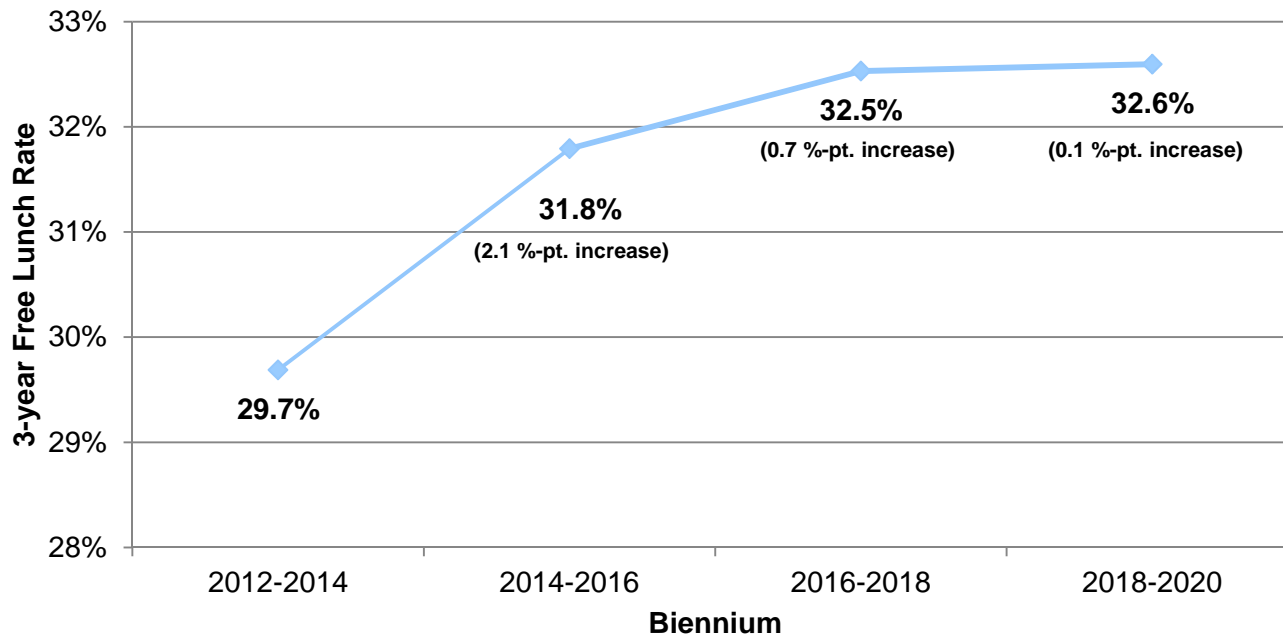
Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
8 & 26	Update SOL Tests Failure Rate Data to School-Year 2015-2016 and Free Lunch Percentages to School-Year 2016-2017	(1,706,205)	(1,842,995)	(3,549,200)



# Three-yr. Avg. Free Lunch Rates

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
8 & 26	Update SOL Tests Failure Rate Data to School-Year 2015-2016 and Free Lunch Percentages to School-Year 2016-2017	(1,706,205)	(1,842,995)	(3,549,200)

Biennial Comparison of Statewide Average of 3-year Average Free Lunch Rate



# Base-year Instructional Salaries

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
10	Update Base-Year Prevailing SOQ Instructional Salaries to FY16	19,701,491	19,795,968	39,497,459

<b>Comparison of Base Year <u>Prevailing</u> SOQ Instructional Salaries Across Biennia 2014-2016 to 2018-2020 (No Adjustment for State Funded Increases)</b>						
Instructional Position	2014-2016 Prevailing Salary (2011-12 Data)	2016-2018 Prevailing Salary (2013-14 Data)	Percent Variance	2016-2018 Prevailing Salary (2013-14 Data)	2018-2020 Prevailing Salary (2015-16 Data)	Percent Variance
Elementary Teachers	\$44,998	\$46,488	3.3%	\$46,488	\$47,351	1.9%
Elementary Asst. Principals	\$63,868	\$66,128	3.5%	\$66,128	\$67,201	1.6%
Elementary Principals	\$78,362	\$81,622	4.2%	\$81,622	\$83,446	2.2%
Secondary Teachers	\$47,260	\$49,008	3.7%	\$49,008	\$50,164	2.4%
Secondary Asst. Principals	\$67,626	\$70,992	5.0%	\$70,992	\$73,074	2.9%
Secondary Principals	\$86,374	\$90,681	5.0%	\$90,681	\$91,858	1.3%
Instructional Aides	\$16,315	\$16,855	3.3%	\$16,855	\$17,390	3.2%

# Base-yr. Support Salaries & Positions

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
11	Update Base-Year Expenditures from Annual School Report to FY16 for Support Positions Costs (both prevailing base-year positions per pupil and salaries)	22,524,984	22,614,801	45,139,785

Comparison of Base Year <u>Prevailing</u> SOQ Support Salaries Across Biennia 2014-2016 to 2018-2020 (No Adjustment for State Funded Increases)						
Support Position	2014-2016 Prevailing Salary	2016-2018 Prevailing Salary	Percent Increase	2016-2018 Prevailing Salary	2018-2020 Prevailing Salary	Percent Increase
Superintendent	\$135,841	\$145,417	7.05%	\$145,417	\$149,710	2.95%
Assistant Superintendent	\$111,260	\$117,924	5.99%	\$117,924	\$118,375	0.38%
School Nurse	\$34,827	\$35,687	2.47%	\$35,687	\$36,508	2.30%
Instructional Professional	\$66,112	\$69,116	4.54%	\$69,116	\$70,569	2.10%
Instructional Technical/Clerical	\$28,990	\$30,468	5.10%	\$30,468	\$31,428	3.15%
Attendance & Health Administrative	\$55,952	\$59,034	5.51%	\$59,034	\$60,093	1.79%
Attendance & Health Technical//Clerical	\$26,463	\$27,396	3.52%	\$27,396	\$29,499	7.68%
Operations & Maintenance Professional	\$71,468	\$74,857	4.74%	\$74,857	\$77,097	2.99%
Operations & Maintenance Technical/Clerical	\$27,647	\$28,803	4.18%	\$28,803	\$29,920	3.88%
School Board Member	\$4,931	\$5,057	2.55%	\$5,057	\$5,235	3.53%
Administration Administrative	\$74,688	\$77,182	3.34%	\$77,182	\$79,136	2.53%
Administration Technical/Clerical	\$38,378	\$40,531	5.61%	\$40,531	\$41,875	3.32%
Technology Professional	\$71,144	\$76,590	7.66%	\$76,590	\$77,688	1.43%
Technology Technical/Clerical	\$33,295	\$34,969	5.03%	\$34,969	\$36,699	4.95%
Technology Support Standard	\$42,369	\$46,324	9.33%	\$46,324	\$47,360	2.24%
School Based Clerical	\$27,963	\$29,262	4.65%	\$29,262	\$30,016	2.57%

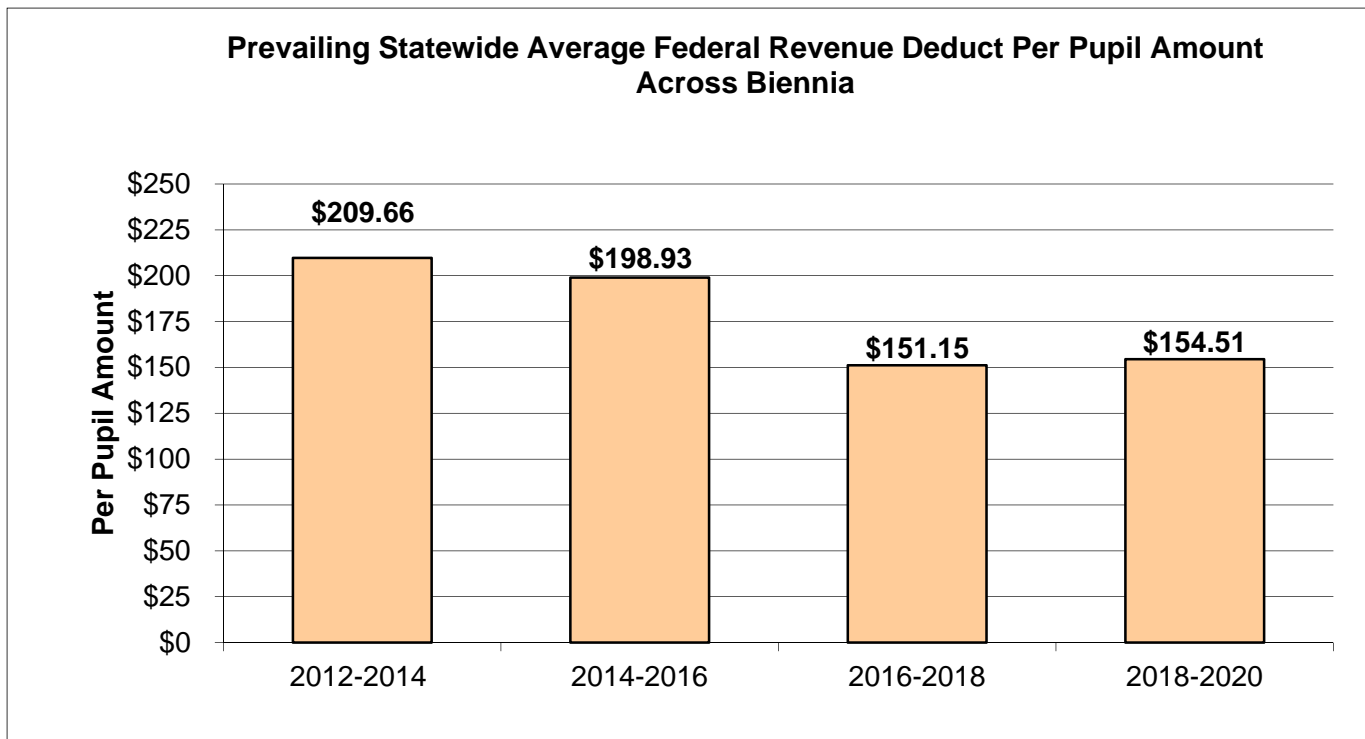
# Base-yr. Non-personal Support Costs

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
12	Update Base-Year Expenditures from Annual School Report to FY16 for Non-personal Support Costs Per Pupil	35,779,370	34,207,381	69,986,751

Comparison of <i>Prevailing Nonpersonal Support (No Inflation)</i> Per Pupil Amounts Across Biennia: 2016-2018 to 2018-2020							
Nonpersonal Support Category	2016-2018 Per Pupil Amount	2018-2020 Per Pupil Amount	Percent Variance	Nonpersonal Support Category	2016-2018 Per Pupil Amount	2018-2020 Per Pupil Amount	Percent Variance
Instructional Classroom	\$252.95	\$274.76	8.6%	Facilities	\$1.38	\$1.43	3.2%
Instructional Support	\$15.13	\$15.17	0.3%	Unemployment Insurance	\$5.39	\$2.97	(44.8%)
Principal's Office	\$7.42	\$7.81	5.2%	Worker's Compensation	\$22.99	\$24.64	7.2%
Administration	\$41.32	\$48.68	17.8%	Disability Insurance	\$0.79	\$2.88	263.6%
Attendance & Health	\$17.22	\$19.34	12.3%	Substitute Teachers	\$1,059.16	\$1,158.05	9.3%
Utilities	\$303.47	\$276.06	(9.0%)	Improvement	\$406.25	\$407.47	0.3%
Communication	\$28.63	\$28.50	(0.5%)	Technology	\$192.39	\$229.45	19.3%
Other Operations & Maintenance	\$215.55	\$254.53	18.1%	Insurance	\$29.13	\$30.71	5.4%
				Contingency Reserve	\$0.00	\$0.00	0.0%

# Federal Revenue Deduct

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
13	Update Federal Revenue Deduct Per Pupil Amount Using FY16 Revenues (deduct from funded support costs)	(1,121,174)	(1,212,007)	(2,333,181)



# Support Positions Ratio Cap

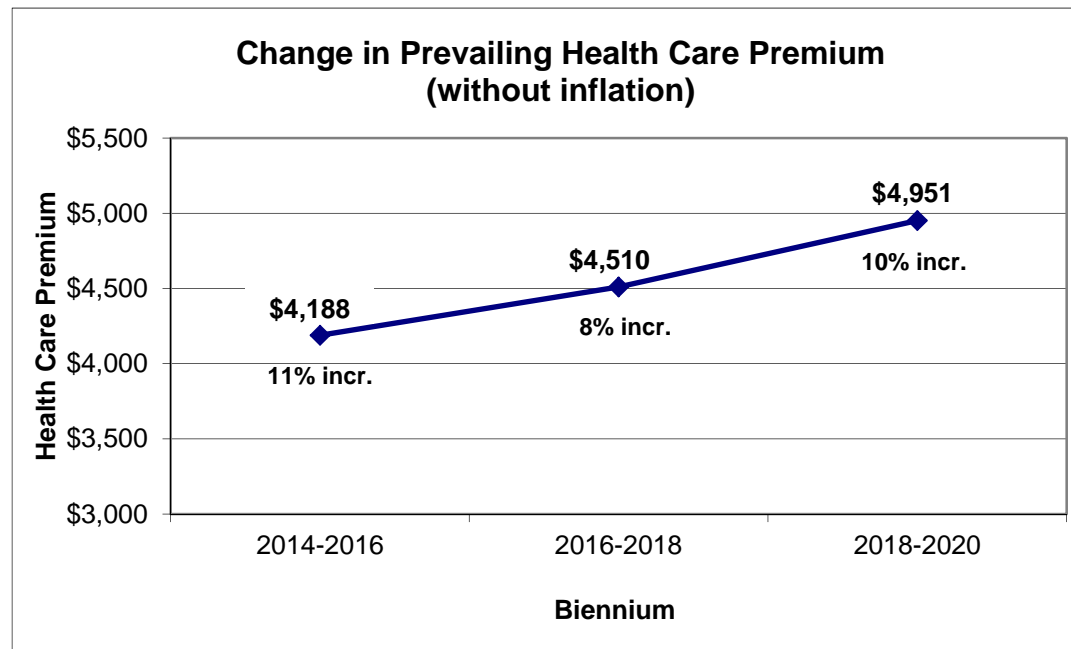
Update #	Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
14	Update Support Positions Ratio Cap from 4.19 to 1 to 4.27 to 1 (based on latest division ratios of instructional to support positions)	(9,461,524)	(9,405,356)	(18,866,880)

	Funded Support Positions FY 2018 @ 4.19 to 1	Funded Support Positions FY 2019 @ 4.27 to 1	Funded Support Positions FY 2020 @ 4.27 to 1
<b>Funded SOQ Support Positions</b>			
Assistant Superintendent	176	179	180
Instructional Professional	2,201	2,157	2,166
Instructional Technical/Clerical	1,699	1,749	1,756
Attendance & Health Administrative	843	851	855
Attendance & Health Technical/Clerical	427	413	415
Operation & Maintenance Professional	278	267	268
Operation & Maintenance Technical/Clerical	8,579	8,189	8,222
Administration	660	719	721
Administration Technical/Clerical	1,457	1,445	1,451
Technology Professional	450	456	458
Technology Technical/Clerical	189	200	201
Technology Support Standard	1,258	1,251	1,256
School Based Clerical	3,958	3,843	3,859
<b>Total Funded SOQ Support Positions</b>	<b>22,175</b>	<b>21,719</b>	<b>21,805</b>

**Note:** The instructional to support position ratio used for the support position funding cap was rebenchmarked for the 2018-2020 biennium. The ratio changed from 4.19 to 1 for FY 2018 to 4.27 to 1 for the 2018-2020 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 rebenchmarked cost update and not a permanent change in policy.

# Health Care Premium

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
16	Update Prevailing Health Care Premium Amount Per Position (without inflation)	29,013,845	29,004,610	58,018,455

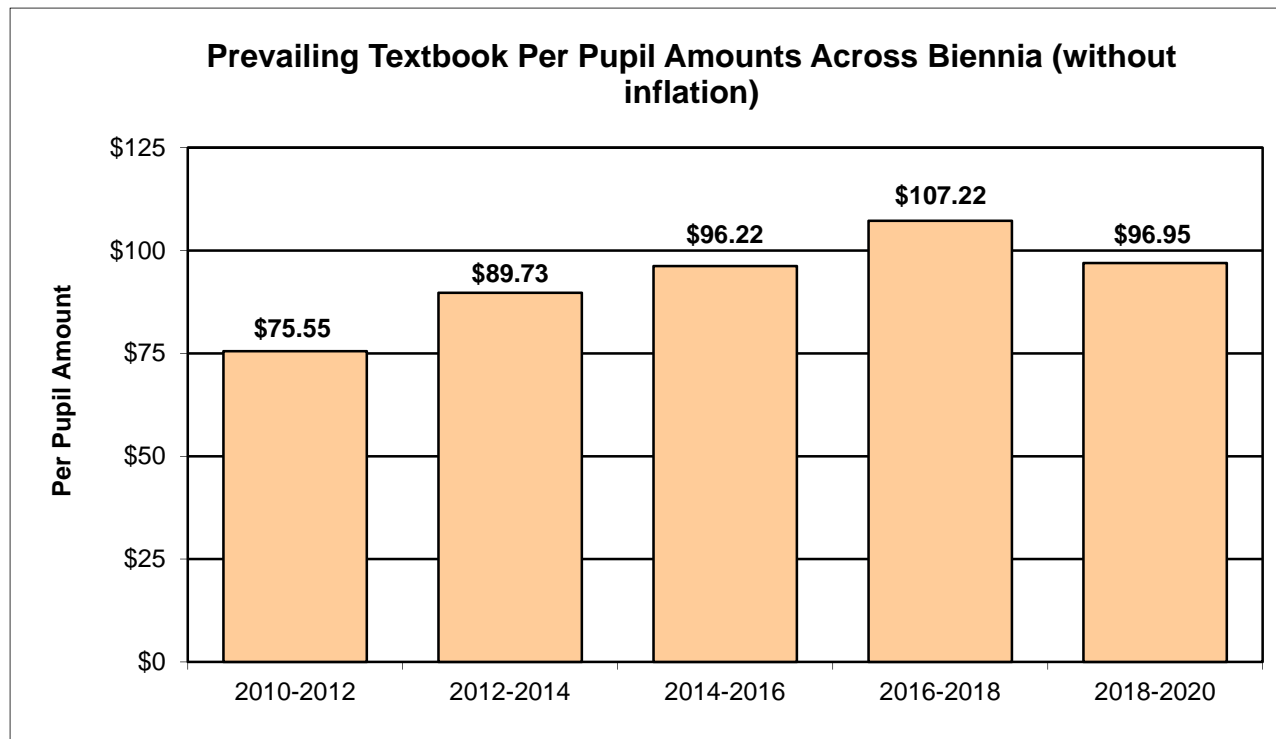


**Note:** The 2009 General Assembly changed the methodology for calculating the funded health care premium, beginning with the 2010-2012 biennium, by weighting each division's annual employer-share health care premium used in the prevailing cost calculation according to the actual percentage of employees 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 2019 State Cost	FY 2020 State Cost	2018-2020 Total
17	Update Prevailing Textbooks Per Pupil Amount (without inflation)	(7,176,073)	(7,189,292)	(14,365,365)



# Non-personal Inflation Factors

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
19	Update Non-personal Support Cost Inflation Factors (inflate FY16 per pupil amounts to FY18)	58,490,185	58,541,694	117,031,879

## 2018-2020 Inflation Factors

Applied to Non-personal Support Costs in SOQ Model for the 2018-2020 Biennium (*Note: rates below are two-year rates*)

Inflation Factor	2016-2018 Rates	2018-2020 Rates	Percentage Point Variance	Inflation Factor	2016-2018 Rates	2018-2020 Rates	Percentage Point Variance
<b>Instructional:</b>				<b>Operation &amp; Maintenance:</b>			
Classroom Instruction	2.20%	4.06%	1.86%	Utilities	(5.05%)	4.58%	9.63%
Instructional Support	2.12%	4.09%	1.97%	Communications	3.26%	4.22%	0.96%
Improvement	1.90%	4.22%	2.32%	Insurance	2.39%	3.98%	1.59%
Principal's Office	2.08%	4.11%	2.03%	Other	2.39%	3.98%	1.59%
<b>Miscellaneous:</b>				<b>Fixed Charges:</b>			
Administration	2.03%	4.14%	2.11%	Unemployment	2.39%	3.98%	1.59%
Attendance & Health	2.22%	4.05%	1.83%	Workers Comp.	2.39%	3.98%	1.59%
Facilities	3.29%	4.01%	0.72%	Disability Insurance	2.39%	3.98%	1.59%
<b>Textbooks</b>	2.39%	3.98%	1.59%	Other Benefits	2.39%	3.98%	1.59%
<b>Pupil Transportation</b>	1.28%	4.16%	2.88%	<b>Health Care Premium</b>	2.09%	3.06%	0.97%
				<b>Contingency Reserve</b>	2.39%	3.98%	1.59%

# Funded Instructional Salaries

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
20	Update Salary Inflation Factors for <b>Instructional</b> and Support Positions (recognize continuation cost of FY18 2.0% Compensation Supplement into 18-20 biennium)	82,170,862	82,446,818	<b>164,617,680</b>

<b>Comparison of <u>Funded</u> SOQ Instructional Salaries Across Biennia 2012-2014 to 2018-2020 (Adjusted for Applicable State Funded Increases)</b>									
Instructional Position	2012-2014 Funded Salary	2014-2016 Funded Salary	Percent Variance	2014-2016 Funded Salary	2016-2018 Funded Salary	Percent Variance	2016-2018 Funded Salary	2018-2020 Funded Salary	Percent Variance
Elementary Teachers	\$45,118	\$45,822	1.6%	\$45,822	\$47,185	3.0%	\$47,185	\$48,298	2.4%
Elementary Asst. Principals	\$63,824	\$65,037	1.9%	\$65,037	\$67,119	3.2%	\$67,119	\$68,545	2.1%
Elementary Principals	\$78,510	\$79,796	1.6%	\$79,796	\$82,846	3.8%	\$82,846	\$85,115	2.7%
Secondary Teachers	\$47,267	\$48,125	1.8%	\$48,125	\$49,744	3.4%	\$49,744	\$51,167	2.9%
Secondary Asst. Principals	\$67,824	\$68,863	1.5%	\$68,863	\$72,057	4.6%	\$72,057	\$74,535	3.4%
Secondary Principals	\$86,464	\$87,954	1.7%	\$87,954	\$92,041	4.6%	\$92,041	\$93,695	1.8%
Instructional Aides	\$16,223	\$16,613	2.4%	\$16,613	\$17,108	3.0%	\$17,108	\$17,738	3.7%

# Funded Support Salaries

Update #	Rebenchmarking Update	FY 2019 State Cost	FY 2020 State Cost	2018-2020 Total
20	Update Salary Inflation Factors for Instructional and <b>Support</b> Positions (recognize continuation cost of FY18 2.0% Compensation Supplement into 18-20 biennium)	82,170,862	82,446,818	<b>164,617,680</b>

<b>Comparison of <u>Funded</u> SOQ Support Salaries Across Biennia 2014-2016 to 2018-2020 (Adjusted for Applicable State Funded Increases)</b>						
Support Position	2014-2016 Funded Salary	2016-2018 Funded Salary	Percent Variance	2016-2018 Funded Salary	2018-2020 Funded Salary	Percent Variance
Superintendent	\$138,327	\$148,078	7.05%	\$148,078	\$151,671	2.43%
Assistant Superintendent	\$113,296	\$120,082	5.99%	\$120,082	\$119,925	(0.13%)
School Nurse	\$35,465	\$36,340	2.47%	\$36,340	\$36,986	1.78%
Instructional Professional	\$67,321	\$70,381	4.54%	\$70,381	\$71,494	1.58%
Instructional Technical/Clerical	\$29,520	\$31,025	5.10%	\$31,025	\$31,840	2.63%
Attendance & Health Administrative	\$56,976	\$60,114	5.51%	\$60,114	\$60,880	1.27%
Attendance & Health Technical//Clerical	\$26,948	\$27,897	3.52%	\$27,897	\$29,885	7.13%
Operations & Maintenance Professional	\$72,776	\$76,227	4.74%	\$76,227	\$78,107	2.47%
Operations & Maintenance Technical/Clerical	\$28,153	\$29,330	4.18%	\$29,330	\$30,311	3.35%
School Board Member	\$5,021	\$5,149	2.55%	\$5,149	\$5,304	3.00%
Administration Administrative	\$76,054	\$78,594	3.34%	\$78,594	\$80,173	2.01%
Administration Technical/Clerical	\$39,081	\$41,273	5.61%	\$41,273	\$42,423	2.79%
Technology Professional	\$72,445	\$77,992	7.66%	\$77,992	\$78,706	0.92%
Technology Technical/Clerical	\$33,904	\$35,609	5.03%	\$35,609	\$37,180	4.41%
Technology Support Standard	\$43,144	\$47,172	9.33%	\$47,172	\$47,981	1.72%
School Based Clerical	\$28,475	\$29,798	4.65%	\$29,798	\$30,409	2.05%

# Cost Impact of Data Updates

## Updates that **Decreased** State Cost Below FY18 Base:

- Support to Instructional Position Ratio Cap
- Textbooks Per Pupil Amount
- Pupil Transportation Costs
- Federal Revenue Deduct Per Pupil Amount
- Division SOL Tests Failure Rates

## Updates that **Increased** State Cost Above FY18 Base:

- Base-year and Funded Instructional and Support Salaries
- Enrollment Projections – ADM, Fall Memb., ESL, and Remedial Summer School
- Base-year Non-personal Support Costs
- Non-personal Costs Inflation Factors
- Health Care Premium per Position
- Special Education Child Counts
- CTE Course Enrollment
- Cost of Lottery Programs
- Free Lunch Eligibility %'s

## *Appendix A:*

# **State Cost of 2018-2020 Rebenchmarking by Direct Aid Account (as of October 19, 2017)**

# Standards of Quality Accounts

Standards of Quality Accounts	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 Biennium Variance
Basic Aid	\$3,187,633,305	\$3,367,974,500	(\$180,341,195)	\$3,187,633,305	\$3,376,008,886	(\$188,375,581)	(\$368,716,776)
Sales Tax	\$1,377,942,000	\$1,377,942,000	\$0	\$1,377,942,000	\$1,377,942,000	\$0	\$0
Textbooks (General Fund)	\$76,599,186	\$70,440,136	\$6,159,050	\$76,599,186	\$70,569,906	\$6,029,280	\$12,188,330
Vocational Education	\$52,236,389	\$55,006,738	(\$2,770,349)	\$52,236,389	\$54,816,234	(\$2,579,845)	(\$5,350,194)
Gifted Education	\$34,425,282	\$35,450,385	(\$1,025,103)	\$34,425,282	\$35,544,975	(\$1,119,693)	(\$2,144,796)
Special Education	\$382,857,839	\$397,803,627	(\$14,945,788)	\$382,857,839	\$398,370,869	(\$15,513,030)	(\$30,458,818)
Prevention, Intervention and Remediation	\$113,821,446	\$116,946,849	(\$3,125,403)	\$113,821,446	\$116,812,992	(\$2,991,546)	(\$6,116,949)
VRS Retirement	\$447,555,445	\$460,848,949	(\$13,293,504)	\$447,555,445	\$461,651,771	(\$14,096,326)	(\$27,389,830)
Social Security	\$195,042,985	\$200,838,864	(\$5,795,879)	\$195,042,985	\$201,179,373	(\$6,136,388)	(\$11,932,267)
Group Life	\$13,240,433	\$13,650,496	(\$410,063)	\$13,240,433	\$13,673,691	(\$433,258)	(\$843,321)
English as a Second Language	\$55,594,856	\$59,107,632	(\$3,512,776)	\$55,594,856	\$60,971,006	(\$5,376,150)	(\$8,888,926)
Remedial Summer School	\$25,785,842	\$27,663,144	(\$1,877,302)	\$25,785,842	\$29,310,297	(\$3,524,455)	(\$5,401,757)
<b>Standards of Quality Accounts SUB-TOTAL:</b>	<b>\$5,962,735,008</b>	<b>\$6,183,673,320</b>	<b>(\$220,938,312)</b>	<b>\$5,962,735,008</b>	<b>\$6,196,852,000</b>	<b>(\$234,116,992)</b>	<b>(\$455,055,304)</b>

**Note:** a negative value in the variance columns indicates a cost increase in FY19 or FY20 compared to the Chapter 836 FY18 base, a positive value indicates a cost decrease in FY19 or FY20 compared to the FY18 base.

# Incentive Accounts

Incentive Accounts	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 Biennium Variance
Compensation Supplement	\$31,740,080	\$0	\$31,740,080	\$31,740,080	\$0	\$31,740,080	\$63,480,160
Governor's School	\$18,420,000	\$17,867,770	\$552,230	\$18,420,000	\$17,934,031	\$485,969	\$1,038,199
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	\$32,680,039	\$52,435,593	(\$19,755,554)	\$32,680,039	\$60,112,374	(\$27,432,335)	(\$47,187,889)
Early Reading Specialists Initiative	\$1,476,790	\$1,476,790	\$0	\$1,476,790	\$1,476,790	\$0	\$0
At-Risk (General Fund)	\$76,186,955	\$101,665,573	(\$25,478,618)	\$76,186,955	\$101,398,247	(\$25,211,292)	(\$50,689,910)
Breakfast After the Bell Incentive	\$1,074,000	\$1,074,000	\$0	\$1,074,000	\$1,074,000	\$0	\$0
Security Equipment Grants Distribution	\$6,000,000	\$6,000,000	\$0	\$6,000,000	\$6,000,000	\$0	\$0
VPSA Technology Distribution	\$69,169,200	\$69,169,200	\$0	\$69,169,200	\$69,169,200	\$0	\$0
<b>Incentive Accounts SUB-TOTAL:</b>	<b>\$164,957,065</b>	<b>\$177,898,927</b>	<b>(\$12,941,862)</b>	<b>\$164,957,065</b>	<b>\$185,374,643</b>	<b>(\$20,417,578)</b>	<b>(\$33,359,440)</b>

**Note:** a negative value in the variance columns indicates a cost increase in FY19 or FY20 compared to the Chapter 836 FY18 base, a positive value indicates a cost decrease in FY19 or FY20 compared to the FY18 base.



# Categorical Accounts

Categorical Accounts	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 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	\$4,597,808	\$4,597,808	\$0	\$4,597,808	\$4,597,808	\$0	\$0
Indian Children (King William County)	\$59,062	\$47,915	\$11,147	\$59,062	\$49,094	\$9,968	\$21,115
School Lunch	\$5,801,932	\$5,801,932	\$0	\$5,801,932	\$5,801,932	\$0	\$0
Special Education - Homebound	\$5,488,057	\$5,597,765	(\$109,708)	\$5,488,057	\$5,709,717	(\$221,660)	(\$331,368)
Special Education - Jails	\$3,688,850	\$3,432,799	\$256,051	\$3,688,850	\$3,504,569	\$184,281	\$440,332
Special Education - State Operated Programs	\$33,737,931	\$34,425,834	(\$687,903)	\$33,737,931	\$35,114,350	(\$1,376,419)	(\$2,064,322)
<b>Categorical Accounts SUB-TOTAL:</b>	<b>\$56,905,440</b>	<b>\$58,321,130</b>	<b>(\$530,413)</b>	<b>\$56,905,440</b>	<b>\$58,309,270</b>	<b>(\$1,403,830)</b>	<b>(\$1,934,243)</b>

**Note:** a negative value in the variance columns indicates a cost increase in FY19 or FY20 compared to the Chapter 836 FY18 base, a positive value indicates a cost decrease in FY19 or FY20 compared to the FY18 base.

# Lottery Funded Accounts

Lottery Accounts	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 Biennium Variance
Foster Care	\$9,595,565	\$11,105,597	(\$1,510,032)	\$9,595,565	\$12,081,167	(\$2,485,602)	(\$3,995,634)
At-Risk Add-On	\$21,904,695	\$0	\$21,904,695	\$21,904,695	\$0	\$21,904,695	\$43,809,390
Virginia Preschool Initiative	\$70,950,500	\$94,896,016	(\$23,945,516)	\$70,950,500	\$94,871,264	(\$23,920,764)	(\$47,866,280)
Early Reading Intervention	\$20,098,089	\$20,588,810	(\$490,721)	\$20,098,089	\$20,608,931	(\$510,842)	(\$1,001,563)
Mentor Teacher	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0
K-3 Primary Class Size	\$128,583,847	\$133,239,539	(\$4,655,692)	\$128,583,847	\$133,006,340	(\$4,422,493)	(\$9,078,185)
School Breakfast	\$5,492,229	\$6,102,063	(\$609,834)	\$5,492,229	\$6,855,827	(\$1,363,598)	(\$1,973,432)
SOL Algebra Readiness	\$12,775,341	\$13,022,435	(\$247,094)	\$12,775,341	\$13,015,792	(\$240,451)	(\$487,545)
Supplemental Lottery Payments	\$191,267,718	\$191,266,526	\$1,192	\$191,267,718	\$191,268,865	(\$1,147)	\$45
Alternative Education	\$8,745,886	\$8,876,584	(\$130,698)	\$8,745,886	\$8,876,742	(\$130,856)	(\$261,554)
Individual Student Alternative Ed Program (ISAEP)	\$2,247,581	\$2,247,581	\$0	\$2,247,581	\$2,247,581	\$0	\$0
Special Education - Regional Tuition	\$54,898,940	\$45,181,571	\$9,717,369	\$54,898,940	\$43,617,800	\$11,281,140	\$20,998,509
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	\$904,877	\$943,282	(\$38,405)	\$904,877	\$1,019,667	(\$114,790)	(\$153,195)
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	\$0	(\$4,736)	\$4,736	\$0	(\$4,708)	\$4,708	\$9,444
<b>Lottery Accounts SUB-TOTAL:</b>	<b>\$546,495,789</b>	<b>\$546,495,789</b>	<b>\$0</b>	<b>\$546,495,789</b>	<b>\$546,495,789</b>	<b>\$0</b>	<b>\$0</b>

**Note:** a negative value in the variance columns indicates a cost increase in FY19 or FY20 compared to the Chapter 836 FY18 base, a positive value indicates a cost decrease in FY19 or FY20 compared to the FY18 base.

# Supplemental Education (page 1 of 2)

Supplemental Education Accounts	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 Biennium Variance
Career and Technical Education Resource Ctr.	\$298,021	\$298,021	\$0	\$298,021	\$298,021	\$0	\$0
Jobs for Virginia Graduates (JVG)	\$573,776	\$573,776	\$0	\$573,776	\$573,776	\$0	\$0
Project Discovery	\$662,500	\$662,500	\$0	\$662,500	\$662,500	\$0	\$0
Small School Division Assistance	\$145,896	\$145,896	\$0	\$145,896	\$145,896	\$0	\$0
Southside Virginia Technology Consortium	\$108,905	\$108,905	\$0	\$108,905	\$108,905	\$0	\$0
Southwest Virginia Public Education Consortium	\$124,011	\$124,011	\$0	\$124,011	\$124,011	\$0	\$0
Virginia Reading Corps Pilot	\$300,000	\$300,000	\$0	\$300,000	\$300,000	\$0	\$0
Van Gogh Outreach Program	\$71,849	\$71,849	\$0	\$71,849	\$71,849	\$0	\$0
Charter School Supplement	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$0
Virginia Student Training and Refurbish Program (VA STAR)	\$300,000	\$300,000	\$0	\$300,000	\$300,000	\$0	\$0
Vocational Laboratory Pilot - Career & Technical Education (Newport News)	\$175,000	\$175,000	\$0	\$175,000	\$175,000	\$0	\$0
Teacher Recruitment & Retention Grant Programs (Merged)	\$1,931,000	\$1,931,000	\$0	\$1,931,000	\$1,931,000	\$0	\$0
National Board Certification Program	\$5,100,000	\$5,100,000	\$0	\$5,100,000	\$5,100,000	\$0	\$0
Greater Richmond Area Scholarship Program (GRASP)	\$400,000	\$400,000	\$0	\$400,000	\$400,000	\$0	\$0
STEM Competition Team Grants	\$200,000	\$200,000	\$0	\$200,000	\$200,000	\$0	\$0
Teacher Improvement Funding Initiative	\$15,000	\$15,000	\$0	\$15,000	\$15,000	\$0	\$0
College Partnership Laboratory School - VSU/Chesterfield County Public Schools	\$50,000	\$50,000	\$0	\$50,000	\$50,000	\$0	\$0

# Supplemental Education (page 2 of 2)

Supplemental Education Accounts	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 Biennium Variance
Communities in Schools	\$1,244,400	\$1,244,400	\$0	\$1,244,400	\$1,244,400	\$0	\$0
STEM Program/Research Study (VA Air & Space Center)	\$681,975	\$681,975	\$0	\$681,975	\$681,975	\$0	\$0
Positive Behavioral Interventions & Support (PBIS)	\$1,098,000	\$1,098,000	\$0	\$1,098,000	\$1,098,000	\$0	\$0
Targeted Extended School Year Grants	\$7,763,312	\$7,763,312	\$0	\$7,763,312	\$7,763,312	\$0	\$0
Newport News Aviation Academy	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$0
Teach for America	\$500,000	\$500,000	\$0	\$500,000	\$500,000	\$0	\$0
Wolf Trap Model STEM Program	\$600,000	\$600,000	\$0	\$600,000	\$600,000	\$0	\$0
Achievable Dream	\$500,000	\$500,000	\$0	\$500,000	\$500,000	\$0	\$0
Teacher Residency Program	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0
Petersburg Executive Leadership Recruitment Incentives	\$350,000	\$350,000	\$0	\$350,000	\$350,000	\$0	\$0
Virginia Early Childhood Foundation (VECF)	\$2,750,000	\$2,750,000	\$0	\$2,750,000	\$2,750,000	\$0	\$0
Career Council at Northern Neck Career & Technical Center	\$60,300	\$60,300	\$0	\$60,300	\$60,300	\$0	\$0
Computer Science Training for Teachers	\$550,000	\$550,000	\$0	\$550,000	\$550,000	\$0	\$0
High School Program Innovation	\$500,000	\$500,000	\$0	\$500,000	\$500,000	\$0	\$0
<b>Supplemental Education Accounts SUB-TOTAL:</b>	<b>\$28,253,945</b>	<b>\$28,253,945</b>	<b>\$0</b>	<b>\$28,253,945</b>	<b>\$28,253,945</b>	<b>\$0</b>	<b>\$0</b>

# Summary – by Direct Aid Account Category

Direct Aid Account Category	FY 2018 Base State Cost (Chapter 836)	FY 2019 Updated State Cost	Variance	FY 2018 Base State Cost (Chapter 836)	FY 2020 Updated State Cost	Variance	2018-2020 Biennium Variance
Standards of Quality	\$5,962,735,008	\$6,183,673,320	(\$220,938,312)	\$5,962,735,008	\$6,196,852,000	(\$234,116,992)	(\$455,055,304)
Incentive	\$164,957,065	\$177,898,927	(\$12,941,862)	\$164,957,065	\$185,374,643	(\$20,417,578)	(\$33,359,440)
Categorical	\$59,102,697	\$60,228,193	(\$1,125,496)	\$59,102,697	\$61,368,112	(\$2,265,415)	(\$3,390,911)
Lottery	\$546,495,789	\$546,495,789	\$0	\$546,495,789	\$546,495,789	\$0	\$0
Supplemental Education	\$28,253,945	\$28,253,945	\$0	\$28,253,945	\$28,253,945	\$0	\$0
<b>Direct Aid Total:</b>	<b>\$6,761,544,504</b>	<b>\$6,996,550,174</b>	<b>(\$235,005,670)</b>	<b>\$6,761,544,504</b>	<b>\$7,018,344,489</b>	<b>(\$256,799,985)</b>	<b>(\$491,805,655)</b>

**Note:** a negative value in the variance columns indicates a cost increase in FY19 or FY20 compared to the Chapter 836 FY18 base, a positive value indicates a cost decrease in FY19 or FY20 compared to the FY18 base.