

# **Public Education**

**Senate Finance Committee  
November 19-20, 2009**

# Outlook for Aid to Education

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- **As of the 2009 Session, most of the proposed FY 2010 reduction of \$340 million GF (“capping” funded support positions) was mitigated by back-filling the GF reduction with federal stimulus funds.**
  - It is expected that fewer of these stimulus dollars will be available in FY 2011 and none in FY 2012.
  
- **Not including the cost to remove the “cap” on support positions, the latest preliminary re-benchmarking estimate for the 2010-12 biennium is \$145 million -- significantly less than recent biennia.**
  - Many factors contribute to the lower cost.
  - However, some factors are not included in the preliminary estimate, including retirement contribution rates - the Board approved benefits rates would add **\$287 million** to the biennial cost.
  
- **If revenue and budget constraints require reductions in state aid, options include:**
  - Providing fewer services and/or increased local flexibility, even if temporary.
  - Delivering services more efficiently.
  - Redefining responsibility for cost sharing between the state and localities.

## 2009 Session Budget Actions

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- The FY 2010 appropriation for Direct Aid was reduced by over \$600 million GF, or about 10 percent, between the 2008 and 2009 sessions. On a year-over-year basis, the FY 2010 appropriation is 5.0 percent below FY 2009 (actually a small increase if the \$365 million in federal stimulus dollars are counted).

### State's GF Budget for Direct Aid for Education

(\$ in millions)

	FY 2009	FY 2010
2008 (Ch. 879)		\$5,930.5
2009 (Ch. 781)	\$5,607.6	\$5,319.9*

*\*Does not include federal stabilization dollars of \$365 million.*

- The FY 2010 GF reduction partly resulted from a new funding methodology for support positions, which was proposed by the Governor and reduced FY 2010 funding by \$340.9 million.
  - Federal stimulus funding “back-filled” 86 percent of this GF reduction for FY 2010 (Ch. 781).
  - Since it is expected that fewer of these stimulus dollars will be available to cover this reduction in FY 2011 and none will be available in FY 2012, the question of how to handle this methodology change going forward will be back before the 2010 General Assembly.

## September Reduction Plan

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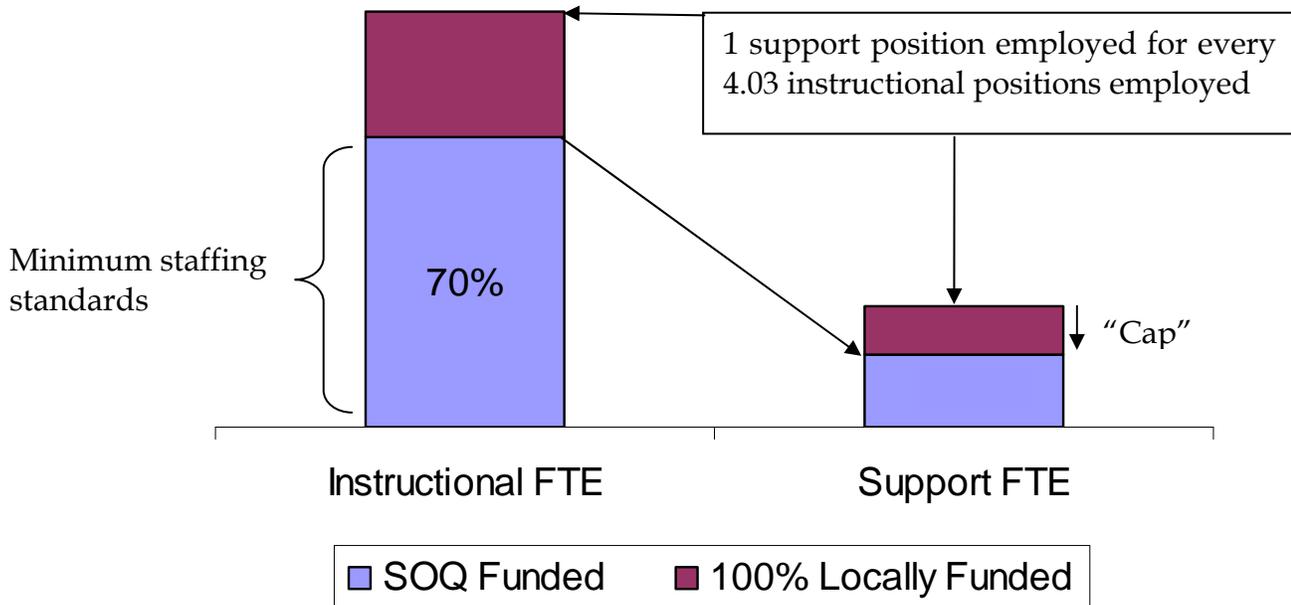
- Although the Governor's September 2009 FY 2010 Reduction Plan largely avoided reductions in Direct Aid, there were several actions that resulted in additional GF reductions totaling \$171.7 million.
  - \$68.9 million, to be back-filled by accelerating stimulus funding to FY 2010 from FY 2011.
    - **Update:** As of last week, the Administration has withdrawn the maintenance-of-effort waiver request for higher education. As a result, education funding for FY 2010 remains to some degree a "work in progress" until the introduced caboose budget is announced.
  - \$55.0 million, by using additional Literary Fund revenue for teacher retirement contribution costs.
  - \$37.6 million, due to the revised sales tax forecast.
  - \$9.9 million, in carry-forward Lottery proceeds.
  - Several small reductions were also made, including 10 percent reductions to supplemental programs, such as Jobs for Virginia Graduates and Project Discovery.
- In addition, GF reductions of \$59.4 million related to reducing contributions for retirement, group life, and retiree health care credit were budgeted in Central Appropriations.

# Virginia's Framework for Costing the SOQ

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- Virginia's approach to costing the SOQ has two major components:
  - Quantified standards to estimate the minimum number of personnel required (instructional positions).
  - "Prevailing" school division unit costs for non-quantified standards (support positions; instructional and support salary levels).
- Since spending in part reflects local decisions about how to operate schools, SOQ funding does not simply reimburse spending.
  - Instead, the model recognizes reasonable costs based on what most school divisions spend, without undue influence by outliers (by giving more weight to the values in the middle than those on the low or high extremes).
    - Funding is based on what most school divisions spend.
    - As long as total Required Local Effort is being met, the state does not specify or require the specific amount that has to be spent for support positions.

# “Cap” on Support Positions – *The Concept*



- SOQ funding supports about 70 percent of total actual instructional positions. School divisions employ more staff than are required by the minimum staffing standards. Positions beyond the SOQ-funded positions are funded from other sources – local, federal or other.
- The “cap” on funding for support positions establishes a lower funding level by linking the number of funded support positions to the number of SOQ-funded instructional positions.
  - It is NOT a cap on the number of positions a school division *may* employ; it is a limit on the number of positions the state will help support.
- Under the “cap” methodology, the SOQ would fund a percentage of support positions, similar to the percentage of instructional positions funded, rather than the full prevailing levels.

## “Cap” on Support Positions – *The Mechanics*

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**Step 1:** Calculate the ratio of actual instructional positions employed per actual support positions employed (based on the prevailing average of the latest three fiscal years): **4.03**.

- Does NOT include: division superintendent, school board members, school nurses, or school bus drivers.

**Step 2:** Apply the 1 to 4.03 ratio to the estimated 75.39 SOQ-funded instructional positions per 1,000 students: **18.71 support positions per 1,000 students**.

- This translates into a 35 percent reduction in funded support positions from 35,695 in FY 2009 to 22,811 in FY 2010.

- Over 40 percent of these support positions are in the area of Operations & Maintenance.

<b>SOQ-Funded Support Positions</b>	<b>Uncapped FY 2009</b>	<b>Capped FY 2010</b>
Operations & Maintenance (includes security guards, trades, laborers)	14,733	9,226
School-Based Clerical	6,479	4,056
Instructional	6,386	3,999
Administration (district-wide)	3,345	2,094
Attendance and Health (not school nurses)	2,381	1,489
Technology	2,079	1,764
Assistant Superintendent	<u>292</u>	<u>183</u>
<b>Total</b>	<b>35,695</b>	<b>22,811</b>

## Correction of Old Error Contributed to Growth in SOQ-Funded Support Positions

SOQ-Funded Positions Per 1,000 Students		
	Instructional	Support
FY 2001	66.4	21.5
FY 2002	66.2	21.5
FY 2003	66.9	22.3
FY 2004	66.8	22.3
FY 2005	69.3	27.8*
FY 2006	73.8	27.1
FY 2007	75.5	28.6
FY 2008	76.1	28.6
FY 2009	75.2	29.6
FY 2010	75.4	29.6
<b>Growth FY 2001 - FY 2010</b>	<b>14 %</b>	<b>38%</b>
<b>Growth FY 2005 - FY 2010</b>	<b>9%</b>	<b>6%</b>
<i>* Correction of funding error</i>		

- One rationale for proposing a support cap was that support positions had grown faster than instructional positions from FY 2001 to FY 2010.
- As noted in JLARC's 2002 report, in the mid-1990s certain administrative support personnel costs had been inadvertently dropped from the SOQ cost estimates due to staff error. These positions were fully restored as of FY 2005.
- The number of SOQ support positions increased by a smaller percentage than SOQ instructional positions during the period FY 2005 to FY 2010, after the error was corrected.

## 2009 Session - G.A. Directed State Board of Education to Evaluate Staffing Standards

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- Prior to permanently changing the support position policy, the General Assembly directed the State Board of Education to evaluate the appropriateness of:
  - 1) The existing staffing standards for instructional positions, and
  - 2) Establishing ratio standards for support positions, with the objective of maximizing resources devoted to the instructional program.
- Budget language also directed re-benchmarking to be calculated two ways, *with and without* the change in methodology.
- The Board's review was undertaken from April to October, with a final report submitted on November 1, 2009.
  - Two public comment periods were held.
  - A consultant examined support positions recognized by the SOQ versus actual positions; other states' funding formulas; school efficiency reviews; and literature regarding appropriate ratios for both instructional and support positions.

## Consultant Made Few Recommendations

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- The report found:
  - In comparison with other states that use staffing standards, there was wide variety in the standards.
  - Evidence that small class size in the lower grades positively affects student performance, but little research in middle or high schools.
  - While smaller classes or more personnel are desirable, the research shows few specific targets for optimal levels.
- With a limited timeframe and budget, the consultant's report concluded with the following points for consideration:
  - School divisions employ more staff than are recognized in SOQ funding;
  - School divisions appear to be using some support dollars for instructional costs;
  - A standard for nurses may need to be examined based on other states;
  - All standards could be expressed in positions per 1,000 students, to avoid funding "cliffs."

## BOE Report Does Not Directly Address Support Cap Funding Issue

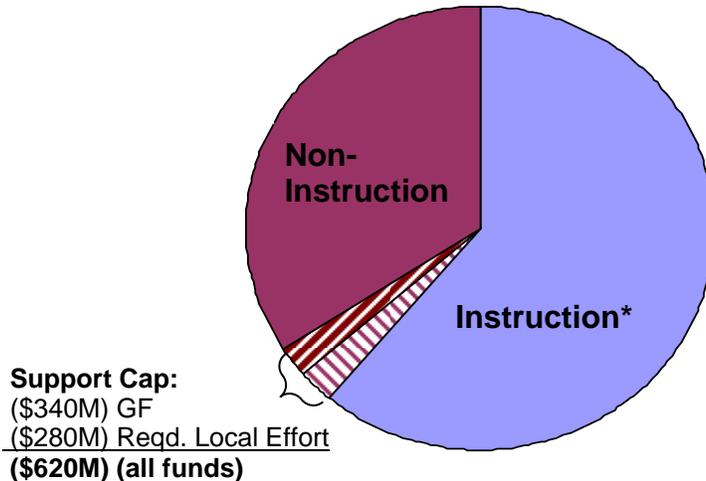
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- The Board's report includes proposed cost-neutral revisions to the SOQ statute (See Appendix B.), and several policy directions and areas for further study.
- Regarding support positions specifically, the Board recommends:
  - Permitting funds for support services to be used for instructional services (*This essentially clarifies existing authority.*);
  - Defining categories of personnel that make up support services (See Appendix C.), specifying how they are funded, and requiring transparency; and
  - Studying the feasibility of converting prevailing costs for each major category of support services into ratios (*This seems to imply that they do NOT endorse the cap.*)
- Similarly, the Senate Finance/House Appropriations Joint Subcommittee on Elementary and Secondary Education Funding, which followed the Board's review through the summer, did not directly address the substance of the support cap without further study.
  - The Joint Subcommittee's report recognizes that given the revenue outlook at this point, it is unlikely that sufficient general funds will be available in 2010-12 to modify the FY 2010 cap.

# Percentage of Funds “In the Classroom”

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## Operating Expenditures on Public Education (All Sources)



- According to VDOE’s Annual Report, 64.8 percent of FY 2008 spending was in instruction.
  - Using somewhat different definitions, according to a U.S. Census Bureau report, 60.8 percent of 2006-07 spending in Virginia was for instruction, compared with 60.3 percent nationwide.
- However defined, there are three ways to increase the percentage of total dollars spent on instruction:
  - 1) Spend more on instruction, by adding funds;
  - 2) Shift spending from non-instruction to instruction, without adding new funds; or
  - 3) Spend less on non-instruction, decreasing funding.
- The support position cap reduction, *holding everything else equal*, would increase the percent spent on instruction, while decreasing total funding.

## Apart From Support Positions, Preliminary Re-benchmarking Cost for 2010-12 Is Down

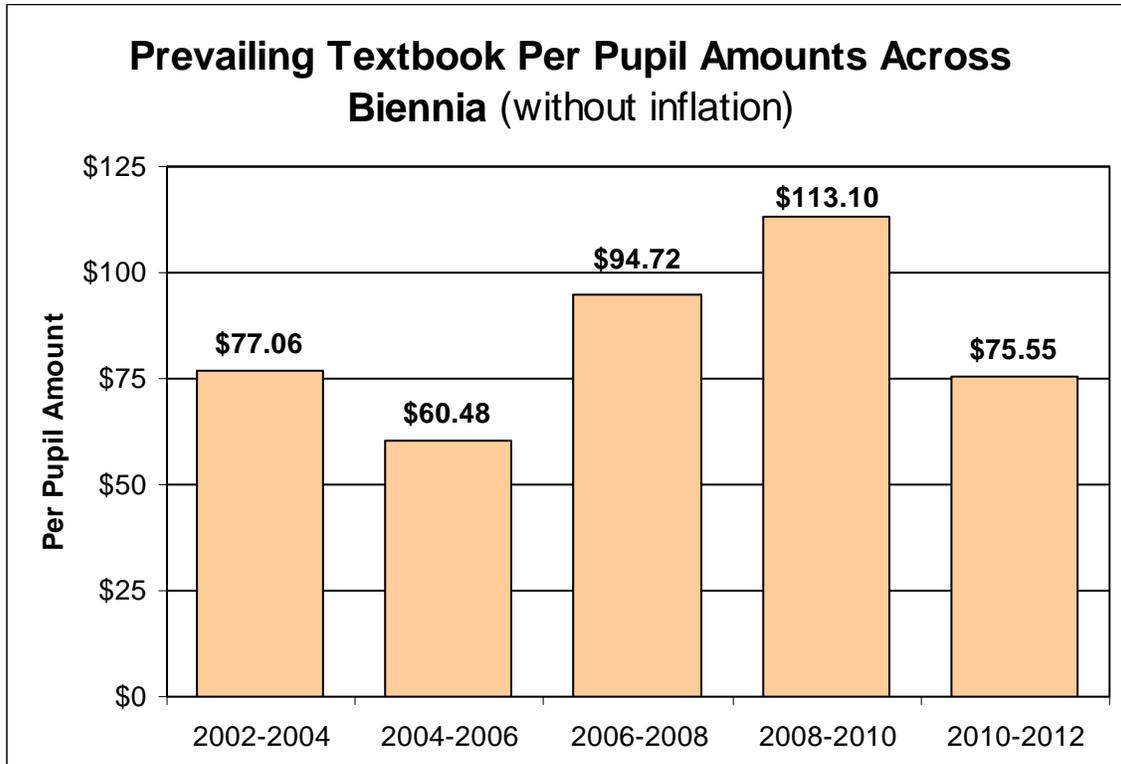
- Rebenchmarking is the formula-driven cost increase to meet the SOQ staffing requirements and support services, based on current cost calculation methods. (See Appendix D for a graphic of the SOQ model.)
  - In each of the last three biennia, the cost of re-benchmarking has totaled \$1 billion or more.

<b>Incremental Cost Relative to FY 2010 Base (Ch. 781) - As of July</b> <i>(\$ in millions)</i>	<b>Biennial Total</b>
Textbooks	(\$50.5)
Inflation	(39.1)
Funded Instructional Salaries	(35.0)
Special Education Child Count	(30.7)
Enrollment	89.7
Pupil Transportation	80.5
Health Care Premium	70.8
Support Salaries Ratio	21.4
Supt, School Boards, and School Nurses	11.4
English as a Second Language	8.7
Federal Revenue Deduct	4.3
Categorical and Incentive* (See Appendix E.)	4.2
Other	<u>3.0</u>
<b>Preliminary Total, With Cap</b>	<b>\$138.6</b>
To Remove Cap on Support Positions	<u>754.3</u>
<b>Preliminary Total, Without Cap</b>	<b>\$892.9</b>

- As of this July, VDOE had partially completed the re-benchmarking calculation as shown above. Cost savings relative to last biennium occur in textbooks, inflation, funded instructional salaries, and special education child count.

# Textbook Expenditures Vary Year to Year

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Source: Virginia Department of Education

- With lower per pupil amounts than in the previous biennium, the updated textbook expenditures actually drive a cost savings of about \$25 million per year.
  - The total updated SOQ cost for textbooks is \$51.0 million in FY 2011 and \$51.2 million in FY 2012, compared with \$79.3 million in FY 2010.

## Inflation Factors for Nonpersonal Costs Drop

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<u>Selected Inflation Factors</u>	<u>2008-10</u>	<u>2010-12</u>
Utilities	3.34%	(6.43%)
Communications	5.67%	2.39%
Insurance	5.56%	0.61%
Unemployment, Workers Comp, Disability Insurance	5.56%	0.61%
Facilities	5.62%	2.73%
Textbooks	5.56%	0.61%
Health Care Premium	5.56%	4.96%

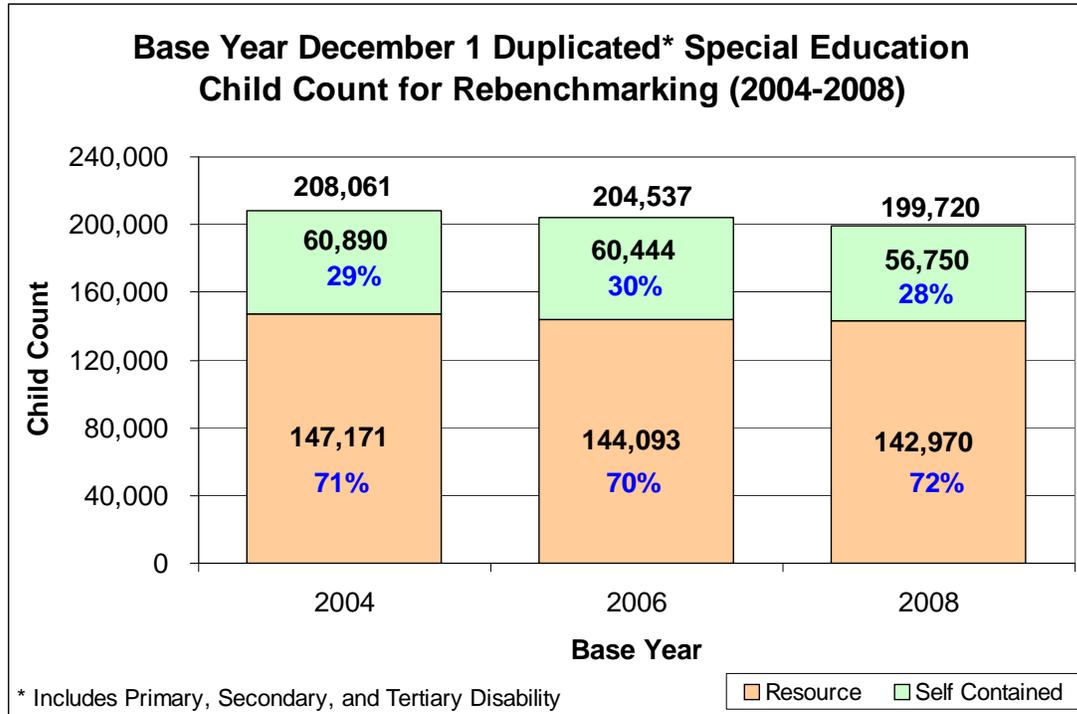
- In past biennia, inflation rates have been a major cost driver.
  - Many of the rates for 2010-12 are less than one percent, and a few are negative, including utilities.
- Inflation rates are used to update base year cost data (FY 2008) for nonpersonal costs up to the beginning of the biennium.
  - The rates are NOT applied prospectively during the biennium (i.e. FY 2011 and FY 2012).
  - Inflation rates are NOT applied to salaries.

## Funded Salaries Are About the Same as 2008-10 Biennium

<u>Secondary Teachers*</u>	<u>2008-10</u>	<u>2010-12</u>	<u>Percent Change</u>
Prevailing Salary (Linear Weighted Average)	\$43,158 (FY 2006)	\$46,090 (FY 2008)	6.8%
Compensation Supplements			
FY 07 = 4.0%			
FY 08 = 3.0%	+7.12%		
FY 09 = 0.0%			
FY 10 = 0.0%		+0.0%	
<b>Funded Salary</b>	<b>\$46,230</b>	<b>\$46,090</b>	<b>(0.3%)</b>
<i>*Separate funded salary amounts are calculated for: elementary teachers, elementary assistant principals, elementary principals, secondary teachers, secondary assistant principals, secondary principals, and instructional aides.</i>			

- In this example, actual salaries for secondary teachers increased 6.8 percent over the two years from FY 2006 to FY 2008.
- However, in FY 2009 and FY 2010, no state-supported salary increases were funded in the state budget, compared with salary increases of 4.0 percent in FY 2007 and 3.0 percent in FY 2008.
  - As a result, funded salaries for 2010-12 are about the same as they were in 2008-10.

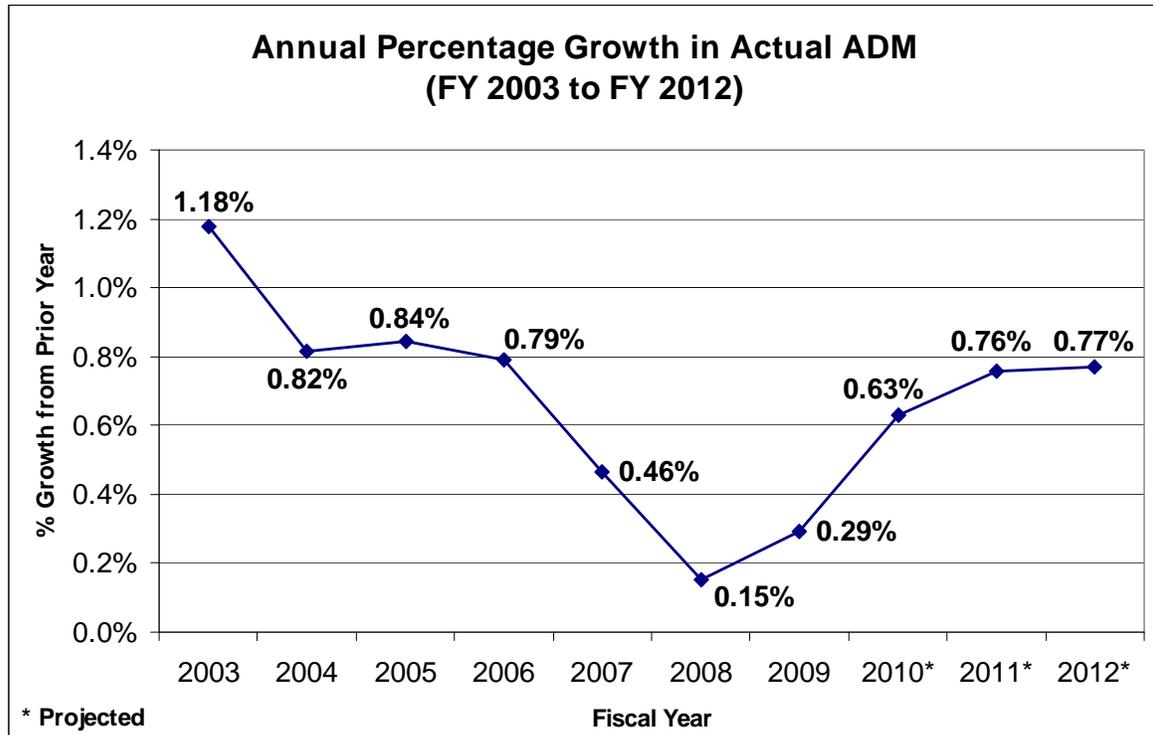
# Special Education Identification Declines



Source: Virginia Department of Education

- Even as overall enrollment has increased, special education counts have actually been decreasing.
  - This has been anecdotally attributed to better intervention and reduced misidentification of students with low academic performance.
- In addition, the proportion of self-contained students (in more expensive smaller classes) also has declined.
- After an incremental savings of \$30.7 million for the biennium, the total updated SOQ cost for special education is \$360.3 million in FY 2011 and \$360.8 million in FY 2012.

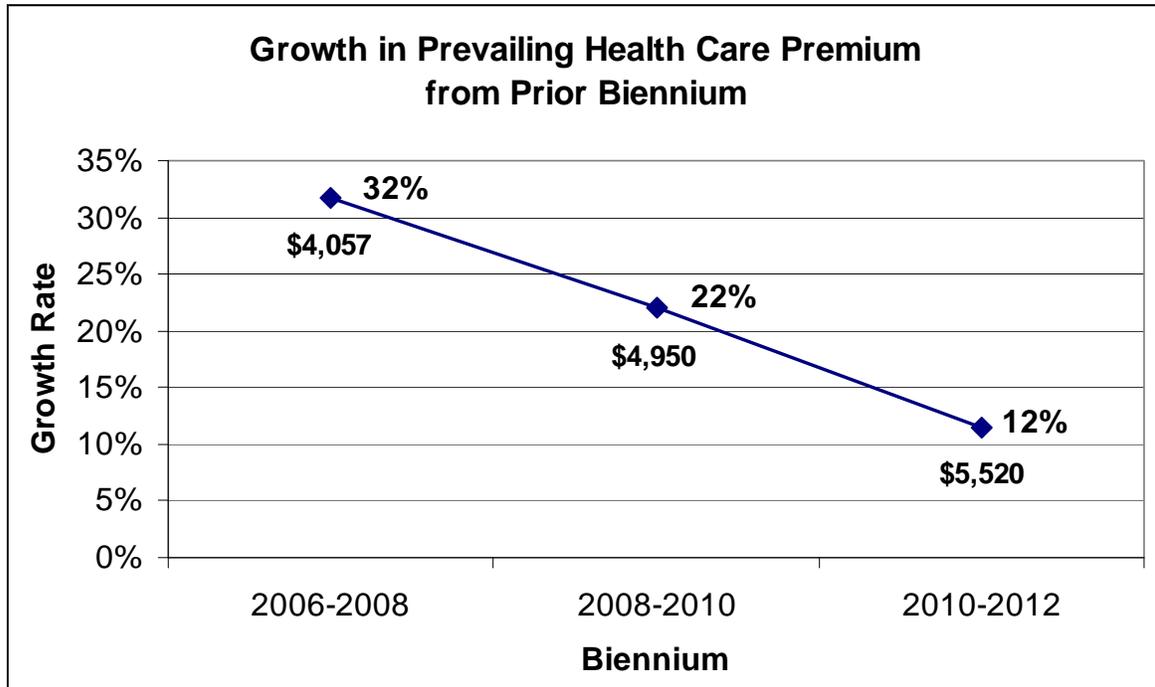
# Statewide Enrollment is Projected to Increase by About 9,000 Students Per Year



Source: Virginia Department of Education

- While still a cost driver, the annual increase in student enrollment has been less than one percent since 2003.
  - With over 1.2 million students statewide, an increase of 0.76 percent translates to an additional 9,000 students per year.
- Based on the preliminary re-benchmarking estimate, this will increase costs by about \$90 million over the biennium.
  - Enrollment projections will be updated throughout the biennium.

# Health Care Premium Growth is Slowing



Source: Virginia Department of Education

- While still a cost driver, the increase is significantly less than in recent biennia, such as the 32 percent increase over two years in the 2006-08 biennium.
  - The prevailing amount is calculated based on the linear weighted average of division data on employer share, assuming a mix of one-third Employee, one-third Employee Plus One, and one one-third Family coverage.
  - Currently there is no adjustment for actual mix of coverage, plans or employees not enrolled.

## If Fully Funded, Retirement Costs Would Add \$287 million to Prelim. Re-benchmarking Est.

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- The following data were not included in July's estimate:
  - Composite Index of Local Ability-to-Pay (updated for 2007 tax year data),
  - Updated enrollment projections,
  - Lottery revenue forecast,
  - Sales tax revenue forecast, and
  - Virginia Retirement System contribution rates.
- Updated Composite Index and Sales Tax data became available last week bringing the revised preliminary estimate to \$145 million over the biennium:
  - Additional cost of \$71.7 million due to the Composite Index update. Compared to 2008-10, the Composite Index increased for 97 school divisions (i.e. higher local share/lower state share) and decreased for 31 school divisions. (See Appendix F.)
  - Offsetting savings of \$65.7 million due to the revised sales tax forecast.
- Any additional updates will be presented along with the Governor's introduced budget in December.
  - Including Group Life and Retiree Health Care, as approved by the VRS Board on October 15, retirement contribution rates for teachers of 12.91 percent, compared with 8.81 percent for FY 2010, would result in an estimated additional GF cost of **\$287 million** over the biennium.

# Major Data Elements in Re-benchmarking

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## Fixed for the Biennium

- Funded salaries
- Original Fall Membership & ADM projections
- Special education child counts
- Career and technical ed. course enrollment
- Head Start enrollment
- Free Lunch eligibility
- SOL test scores
- Federal revenue deduct
- Composite Index

## Updated Annually

- Enrollment projections
- Lottery revenue estimates
- Sales Tax revenue estimates
- Reimbursement account projections

## Fixed or Annual

- Inflation factors
- Retirement contribution rates

## If Reductions Are Necessary: Flexibility

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- If reductions in state aid are necessary due to the revenue outlook, options include:
  - Allowing more local flexibility by reducing minimum required staffing levels or standards, scaling back, or eliminating programs, even if temporary.
    - *Example:* Increase the maximum school-wide pupil-teacher ratio (grades 5 through 12) from 21:1 to 22:1, for state SOQ Basic Aid savings of about \$50 million per year.
    - *Example:* Delay the new Board of Education requirement that all 7<sup>th</sup> graders have an Academic and Career Plan.
    - Any proposed service reductions are difficult, as evidenced by the response to the discussion of eliminating the Social Studies assessment earlier this year.
    - Several flexibility measures were adopted in the 2009 Session, including:
      - Allowing the carryover of funds from FY 2009 to FY 2010,
      - No required local match for textbooks,
      - Discretion in support position cap.

## If Reductions Are Necessary: Efficiency

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- If reductions in state aid are necessary, options include:
  - Finding more efficiencies in the delivery of services
    - Potential examples include:
      - Development of a statewide health insurance pool (initial funding is needed for an actuarial study and other costs);
      - Eliminating the triennial census data collection (cost of administering the census is entirely borne by locals); and
      - Consolidating finance or other administrative functions with local governments.
  - Options would contribute to needed budget savings, but would generate smaller, if any, savings in the short-term due to implementation lead time required.

## If Reductions Are Necessary: State Share

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- If reductions in state aid are necessary, options include:
  - Redefining responsibility for cost sharing between the state and localities
    - *Example:* Funding the state's share of the prevailing health insurance premium based on the numbers of teachers that actually participate (about 75 percent statewide). May result in state savings of about \$60 to \$90 million per year.
    - *Example:* Reduce the state's share of SOQ, currently 55 percent on average. A 50-50 split would have resulted in state savings of about \$300 million in FY 2010.
- Options are not necessarily mutually exclusive.
  - For example, "capping" support positions may result in simply "doing less" and/or could encourage some additional efficiency, but it is mostly a redefining of the responsibility between the state and localities.

## Conclusion

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- Since it is expected that fewer federal stimulus dollars will be available to back-fill the support positions cap GF reduction in FY 2011 and none will be available in FY 2012, the question of how to handle this methodology change in 2010-12 and beyond remains before the General Assembly.
  - The cost to remove the cap is \$754 million for the 2010-12 biennium.
- Although other re-benchmarking costs are significantly lower than in recent biennia (currently estimated at \$145 million over the biennium), funding Virginia Retirement System Board-approved contribution rates could add as much as \$287 million to the biennial cost.
- If revenue and budget constraints require reductions in state aid, a combination of several options would likely be necessary including:
  - Providing fewer services and/or increased local flexibility, even if temporary.
  - Delivering services more efficiently.
  - Redefining responsibility for cost sharing between the state and localities, which could have equity and/or local tax implications.

# **Appendix A: Article VIII, Sections 1-3 of the Constitution of Virginia**

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## **Section 1. Public schools of high quality to be maintained.**

The General Assembly shall provide for a system of free public elementary and secondary schools for all children of school age throughout the Commonwealth, and shall seek to ensure that an educational program of high quality is established and continually maintained.

## **Section 2. Standards of quality; State and local support of public schools.**

Standards of quality for the several 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 General Assembly shall determine the manner in which funds are to be provided for the cost of maintaining an educational program meeting the prescribed standards of quality, and shall provide for the apportionment of the cost of such program between the Commonwealth and the local units of government comprising such school divisions. Each unit of local government shall provide its portion of such cost by local taxes or from other available funds.

## **Section 3. Compulsory education; free textbooks.**

The General Assembly shall provide for the compulsory elementary and secondary education of every eligible child of appropriate age, such eligibility and age to be determined by law. It shall ensure that textbooks are provided at no cost to each child attending public school whose parent or guardian is financially unable to furnish them.

## Appendix B: BOE's Proposed Cost-Neutral Revisions Primarily Codify Current Practice

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### Board's Proposed Legislative Changes

Codify in the SOQ the following Appropriation Act provisions:

- Flexibility in use of existing funds for hiring reading specialists, math specialists, data coordinators, and instruction of English language learners
- Minimum of 58 positions per 1,000 students
- Staffing standards for career and technical, gifted, and special education
- Early Intervention Reading and Algebra Readiness programs

Provide flexibility in assignment of assistant principals to schools with greatest needs

Permit use of funds for **support services** to provide additional instructional services

Define categories of personnel who make up **support services**, specify how those positions are funded, and require transparency in the use of funds

# Appendix C: BOE's Proposed Language on Support Positions

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O. Each local school board shall provide those support services that are necessary for the efficient and cost-effective operation and maintenance of its public schools. For the purposes of this title, unless the context otherwise requires, "support services *positions*" shall include ~~services provided by the school board members; the superintendent; assistant superintendents; student services (including guidance counselors, social workers, and homebound, improvement, principal's office, and library media positions); attendance and health positions; administrative, technical, and clerical positions; operation and maintenance positions; educational technology positions; school nurses; and pupil transportation positions;~~ the following:

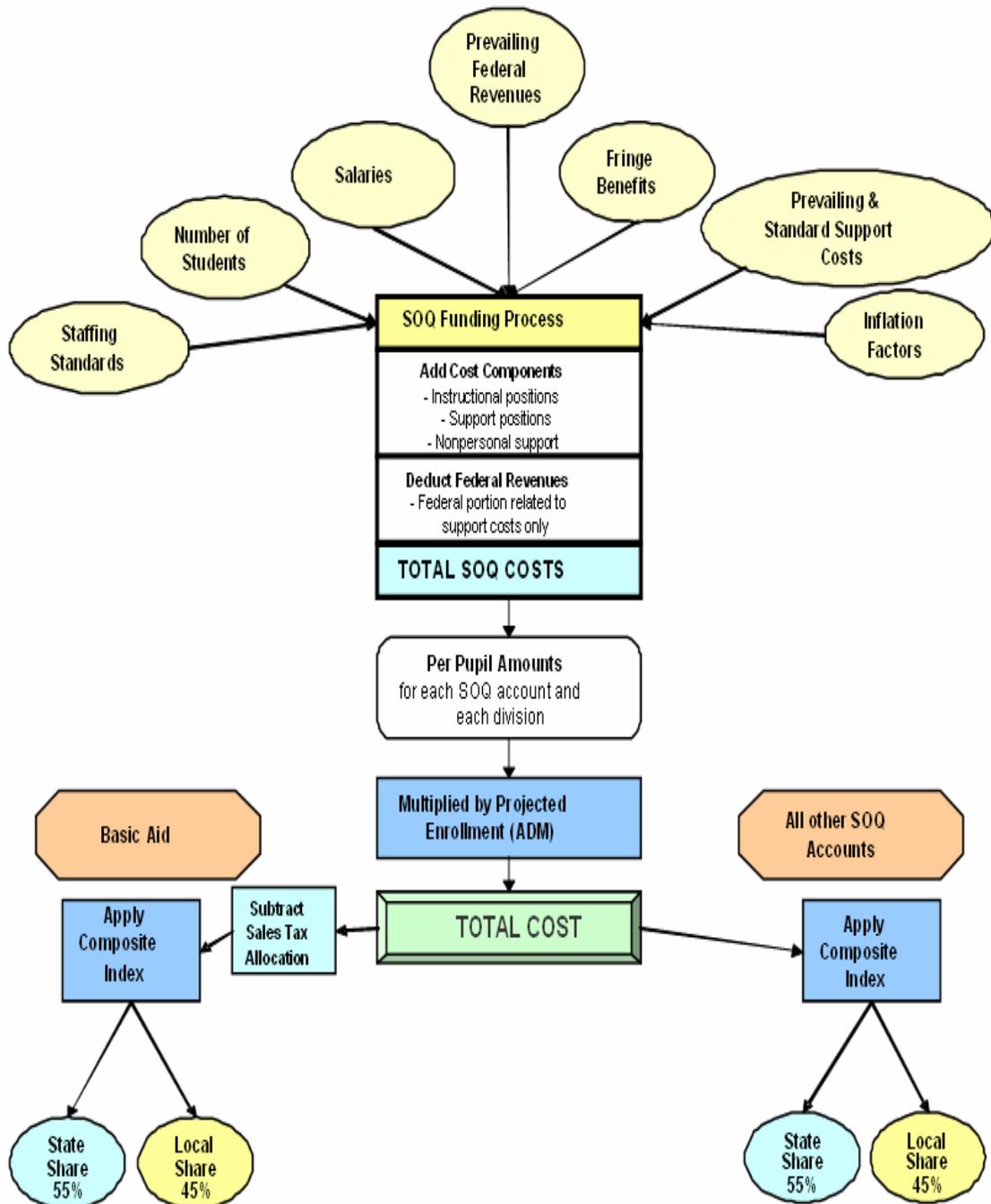
1. *Executive policy and leadership positions, including school board members, superintendent, and assistant superintendents;*
2. *Fiscal and human resource positions, including fiscal and audit operations, human resources, and procurement;*
3. *Student support positions, which include:*
  - a. *Social workers and social work administrative positions;*
  - b. *Guidance administrative positions not included in paragraph H.4,*
  - c. *Homebound administrative positions supporting instruction;*
  - d. *Attendance support positions related to truancy and drop-out prevention;*
  - e. *Health and behavioral positions, including school nurses and school psychologists;*
4. *Instructional personnel support, including professional development positions and library and media positions not included in H.3;*
5. *Technology professional positions not included in paragraph J;*
6. *Operation and maintenance positions, including facilities; pupil transportation positions; operation, and maintenance professional and service positions; security services, trades, and laborer positions;*
7. *Technical and clerical positions, including fiscal and human resource technical/clerical, student support technical/clerical, instructional personnel support technical/clerical, operation and maintenance technical/clerical, administration technical/clerical, and technology technical/clerical positions;*
8. *School-based clerical personnel in elementary schools, part-time to 299 students, one full-time at 300 students; clerical personnel in middle schools, one full-time and one additional full-time for each 600 students beyond 200 students and one full-time for the library at 750 students; clerical personnel in high schools, one full-time and one additional full-time for each 600 students beyond 200 students and one full-time for the library at 750 students.*

Pursuant to the appropriation act, support services shall be funded from basic school aid on the basis of prevailing statewide costs *unless the Standards of Quality specify a staffing standard.*

*School divisions may use the state and local funds for support services to provide additional instructional services.*

*Local school divisions shall report publicly the state and local amounts budgeted and expended for each category of support services listed above. Local school divisions shall also report publicly the amounts they received for support services that were used to provide additional instructional services.*

# Appendix D: SOQ Funding Process



Source: Virginia Department of Education

## Appendix E: Lottery Funded Balancer

Comparison of Lottery Funded Accounts for 2010-2012 Rebenchmarking vs. 2008-2010

Program	2008-2010 Rebenchmarking		2010-2012 Rebenchmarking	
	Incremental Cost	Service Area	Incremental Cost	Service Area
Foster Care	\$284,637	Categorical	\$2,865,489	Lottery
Enrollment Loss	\$1,605,366	Incentive	\$748,955	Lottery
At-Risk	\$14,331,894	Incentive	\$21,508,425	Lottery
Virginia Preschool Initiative	\$37,092,512	Incentive	\$14,287,963	Lottery
Early Reading Intervention	\$3,674,754	Incentive	(\$156,880)	Lottery
Mentor Teacher	\$0	Incentive	\$0	Lottery
K-3 Primary Class Size Reduction	\$18,254,558	Incentive	\$14,631,057	Lottery
School Breakfast	\$1,534,060	Incentive	\$981,377	Lottery
SOL Algebra Readiness	\$2,026,082	Incentive	\$927,233	Lottery
Additional Support for School Construction & Operating Costs	\$0	School Facilities	(\$72,140,133)	Lottery
Alternative Education	\$90,923	Incentive	\$89,731	Lottery
ISAEF	\$0	Incentive	\$0	Lottery
Special Education - Regional Tuition	\$10,488,175	Incentive	\$16,239,761	Lottery
Vocational Education - Categorical	\$0	Categorical	\$0	Lottery
No Child Left Behind/Education for a Lifetime	\$0	Incentive	\$0	Lottery
Project Graduation	\$0	Incentive	\$0	Lottery
Supplemental Basic Aid	\$129,616	Incentive	\$17,022	Lottery
<b>Totals</b>	<b>\$89,512,577</b>		<b>\$0</b>	

Source: Virginia Department of Education

- The additional cost of the Lottery-funded programs of \$72 million is offset by a decrease in the “balancer” account (“Additional Support for School Construction & Operating Costs”).
  - Prior to the changes made in the 2008 Session, the re-benchmarking cost would have included the additional cost of these programs.

## Appendix F: Composite Index

Division Number	School Division	2008-10 Composite Index	2010-2012 Composite Index
001	ACCOMACK	.3752	.3753
002	ALBEMARLE	.6232	.6872
003	ALLEGHANY	.2210	.2151
004	AMELIA	.3206	.3472
005	AMHERST	.2642	.2664
006	APPOMATTOX	.2436	.2732
007	ARLINGTON	.8000	.8000
008	AUGUSTA	.3299	.3416
009	BATH	.8000	.8000
010	BEDFORD COUNTY	.3494	.4076
011	BLAND	.2608	.2724
012	BOTETOURT	.3606	.3682
013	BRUNSWICK	.2616	.2728
014	BUCHANAN	.2824	.2849
015	BUCKINGHAM	.2414	.2738
016	CAMPBELL	.2340	.2491
017	CAROLINE	.3817	.3580
018	CARROLL	.2470	.2573
019	CHARLES CITY	.4162	.4203
020	CHARLOTTE	.2017	.2289
021	CHESTERFIELD	.3447	.3551
022	CLARKE	.6112	.5346
023	CRAIG	.2790	.2903
024	CULPEPER	.4340	.4168
025	CUMBERLAND	.2601	.2805
026	DICKENSON	.1957	.1940
027	DINWIDDIE	.2462	.2566
028	ESSEX	.4071	.4869
029	FAIRFAX COUNTY	.7650	.7126
030	FAUQUIER	.6711	.6098
031	FLOYD	.3234	.3470
032	FLUVANNA	.3685	.3867
033	FRANKLIN COUNTY	.3885	.4012
034	FREDERICK	.4119	.3816

## Appendix F: Composite Index (continued)

Division Number	School Division	2008-10 Composite Index	2010-2012 Composite Index
035	GILES	.2571	.2649
036	GLOUCESTER	.3456	.3704
037	GOOCHLAND	.8000	.8000
038	GRAYSON	.2607	.3178
039	GREENE	.3224	.3500
040	GREENSVILLE	.1895	.1998
041	HALIFAX	.2380	.2748
042	HANOVER	.4118	.4195
043	HENRICO	.4319	.4371
044	HENRY	.2304	.2315
045	HIGHLAND	.6774	.7846
046	ISLE OF WIGHT	.3697	.3926
047	JAMES CITY	.5286	.5668
048	KING GEORGE	.4075	.3875
049	KING AND QUEEN	.3868	.4404
050	KING WILLIAM	.2918	.3291
051	LANCASTER	.7824	.8000
052	LEE	.1552	.1692
053	LOUDOUN	.6708	.5854
054	LOUISA	.5396	.5393
055	LUNENBURG	.2132	.2308
056	MADISON	.4878	.5205
057	MATHEWS	.5337	.5883
058	MECKLENBURG	.2848	.3315
059	MIDDLESEX	.6777	.7431
060	MONTGOMERY	.3496	.3550
062	NELSON	.5708	.5734
063	NEW KENT	.4066	.4312
065	NORTHAMPTON	.5482	.5109
066	NORTHUMBERLAND	.7306	.8000
067	NOTTOWAY	.2221	.2547
068	ORANGE	.4395	.4258
069	PAGE	.3263	.3181
070	PATRICK	.2392	.2439

## Appendix F: Composite Index (continued)

Division Number	School Division	2008-10 Composite Index	2010-2012 Composite Index
071	PITTSYLVANIA	.2245	.2401
072	POWHATAN	.3790	.3969
073	PRINCE EDWARD	.2733	.3043
074	PRINCE GEORGE	.2173	.2345
075	PRINCE WILLIAM	.4437	.4036
077	PULASKI	.2730	.2870
078	RAPPAHANNOCK	.8000	.8000
079	RICHMOND COUNTY	.3384	.3562
080	ROANOKE COUNTY	.3349	.3460
081	ROCKBRIDGE	.4728	.5050
082	ROCKINGHAM	.3204	.3489
083	RUSSELL	.2079	.2113
084	SCOTT	.1849	.1821
085	SHENANDOAH	.4056	.4030
086	SMYTH	.2023	.2100
087	SOUTHAMPTON	.2578	.2896
088	SPOTSYLVANIA	.3695	.3594
089	STAFFORD	.3629	.3362
090	SURRY	.6641	.6956
091	SUSSEX	.2799	.3213
092	TAZEWELL	.2318	.2487
093	WARREN	.4285	.4204
094	WASHINGTON	.3340	.3166
095	WESTMORELAND	.5167	.5020
096	WISE	.1798	.1885
097	WYTHE	.2929	.3142
098	YORK	.3632	.3727
101	ALEXANDRIA	.8000	.8000
102	BRISTOL	.3664	.3132
103	BUENA VISTA	.1924	.1932
104	CHARLOTTESVILLE	.6091	.6560
106	COLONIAL HEIGHTS	.4289	.4428
107	COVINGTON	.3051	.2597
108	DANVILLE	.2394	.2470

## Appendix F: Composite Index (continued)

Division Number	School Division	2008-10 Composite Index	2010-2012 Composite Index
111	GALAX	.2618	.2695
112	HAMPTON	.2358	.2690
113	HARRISONBURG	.4099	.4133
114	HOPEWELL	.2236	.2285
115	LYNCHBURG	.3327	.3643
116	MARTINSVILLE	.2249	.2263
117	NEWPORT NEWS	.2531	.2778
118	NORFOLK	.2588	.3004
119	NORTON	.3095	.3042
120	PETERSBURG	.2008	.2255
121	PORTSMOUTH	.2112	.2497
122	RADFORD	.2837	.3251
123	RICHMOND CITY	.4272	.4945
124	ROANOKE CITY	.3420	.3582
126	STAUNTON	.3849	.4024
127	SUFFOLK	.2983	.3433
128	VIRGINIA BEACH	.3704	.4060
130	WAYNESBORO	.3330	.3609
131	WILLIAMSBURG	.8000	.8000
132	WINCHESTER	.5382	.5125
134	FAIRFAX CITY	.8000	.8000
135	FRANKLIN CITY	.2686	.3047
136	CHESAPEAKE	.3025	.3465
137	LEXINGTON	.4040	.4601
138	EMPORIA	.2573	.2602
139	SALEM	.3518	.3516
140	BEDFORD CITY	.2802	.2970
142	POQUOSON	.3190	.3524
143	MANASSAS	.4618	.4005
144	MANASSAS PARK	.3840	.3311
202	COLONIAL BEACH	.4154	.3785
207	WEST POINT	.2418	.2668