

Senate Finance Committee

Update on Aid for Public Education

**November 18-19, 2010
Staunton, Virginia**

Outlook for Aid to Public Education

- State General Fund (GF) K-12 education funding levels in Virginia have been reduced since the 2008 Session through various actions and are now below FY 2007 levels - both on a total and per pupil basis.
 - The final FY 2010 appropriation was reduced by almost 20 percent from the original appropriation.
- The use of one-time federal State Fiscal Stabilization Fund (SFSF) dollars in FY 2010 and FY 2011 has helped mitigate state reductions up to now.
 - On August 10, 2010, a federal Education Jobs Fund became law, providing \$250 million for Virginia school divisions for FY 2011 and FY 2012.
- Significant *local* retirement contribution savings have also helped offset the immediate impact of state reductions, although most school division budgets have also been reduced and local revenues are expected to decline again in FY 2011.
- Looking ahead, the end of federal stimulus aid coupled with increasing budget pressure of retirement liabilities will likely challenge any efforts to address the state's K-12 education Standards of Quality (SOQ) funding.

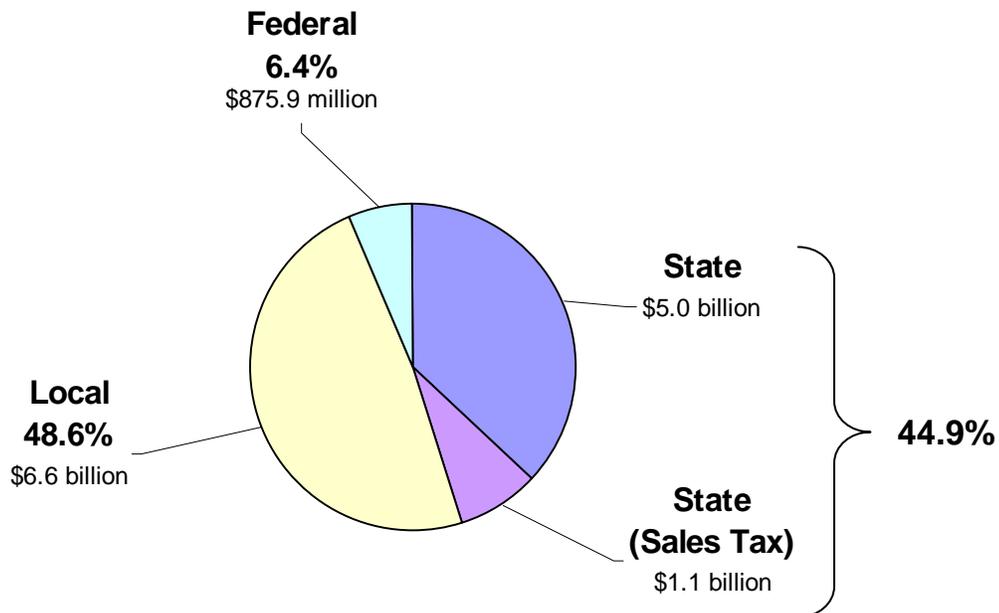
State, Federal, and Local Funding Shares

- Public school funding comes from state, federal, and local sources (*See Appendix A for an excerpt from the Constitution of Virginia*).

Sources of Public Education Operating Costs in Virginia

FY 2009

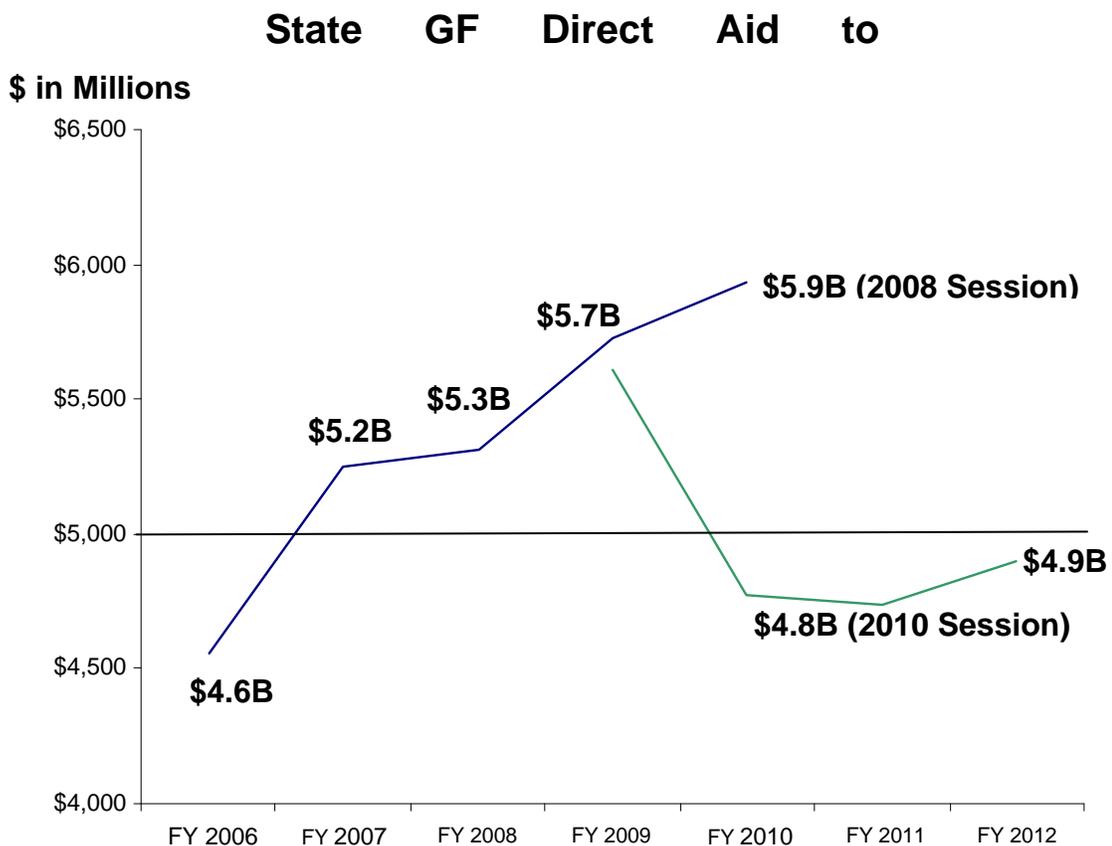
Total = \$13.6 billion (\$11,316 per student)



- As of FY 2009 (the most recent year for which data is available from the Virginia Department of Education), on average statewide about 45 percent of funding came from state sources, about 6 percent federal, and about 49 percent local.
 - Since then, state funding has been reduced, federal funding has increased temporarily, and local funding appears to have decreased overall, but varies by school division.

State GF Direct Aid Is Below FY 2007 Levels

- Due to cutbacks since the 2008 Session, current GF appropriations are now back below the \$5 billion mark, which was surpassed in FY 2007.
 - State aid per pupil for FY 2012 will be \$4,007, below the FY 2007 amount of \$4,408 per pupil.



Note: For comparison purposes, figures in this chart do not include any Lottery Proceeds, which were budgeted as GF prior to FY 2009.

- Even with the reductions, from FY 1999 to FY 2010 -- a time period that included high re-benchmarking costs and policy changes to the SOQ -- in constant dollars state aid per pupil has increased by an average of about one percent per year.

Key State Funding Policy Changes

- Since the 2008 Session, a number of substantive changes in state funding policy have been enacted including:
 - Cap on funding for support positions;
 - Reduced funding for textbooks;
 - Elimination of updates to SOQ for inflation;
 - Adjustment to funding for health care premiums;
 - Elimination of certain school expenditures from SOQ calculation; and
 - Elimination of some Lottery-funded programs.
- A funding cap for support positions proposed in the 2009 introduced budget to save \$340.9 million (FY 2010) was retained in the enacted budget, but was substantially offset in FY 2010 with federal stimulus dollars.
 - In the meantime, the General Assembly directed the Board of Education to review the policy, which is based on the ratio of support positions to the level of funded instructional positions.
- Additional FY 2010 reductions proposed in October 2009 and adopted by the General Assembly included \$79.6 million by eliminating state support for textbooks (there is partial funding in FY 2011 and FY 2012) and \$61.3 million by eliminating the re-benchmarking inflation update.

Key Funding Policy Changes (continued)

- The 2010 budget captured \$269.2 million in FY 2011 and FY 2012 by funding the state’s share of health care premiums based on statewide prevailing average actual participation rates.
 - Actual participation rates are heavily weighted to the less expensive “employee only” plans, with only 69 percent of employees participating in *any* school division plan.
 - Statewide, 68.7 percent of full-time equivalent positions participate in their school divisions’ health care plan, or 66.1 percent based on the linear weighted average.

<u>Health Care Plan</u>	<u>Prior Funding Basis</u>	<u>Actual Statewide Participation Rates</u>
Employee Only	33.3%	41.2%
Employee Plus One	33.3	13.4
Family	<u>33.3</u>	<u>14.1</u>
	100.0%	68.7%

- This adjustment did not lower the health care premium costs for school divisions and employees, but rather re-calculated the state’s share based on the lower actual levels.

Key Funding Policy Changes (continued)

- Several other strategies were employed to accomplish reductions in aid to public education.
 - \$243.8 million in FY 2011 and FY 2012 by eliminating various school expenditures from the SOQ calculations (meaning such costs would be locally funded), including:
 - Equipment, furniture, or motor vehicles that are capitalized and cost more than \$5,000; Staff travel; Leases and rentals of land, structures, or equipment; and Expenditures coded as “miscellaneous.”
 - It is not clear on what policy basis the state would exclude these expenditures from the SOQ permanently.
 - \$164.8 million by reducing Lottery-funded programs and supplanting other GF dollars (*See Appendix B for the current list of Lottery-funded programs*), including:
 - \$67.1 million by eliminating Lottery support for school construction and operating costs;
 - \$36.2 million by targeting the K-3 class size reduction program; and
 - \$16.1 million by eliminating Enrollment Loss funding.

2010 Session: Net GF Reductions of \$998M

- As a result of these actions and others shown below, the GF budget adopted by the 2010 General Assembly for FY 2011 and FY 2012 was \$997.9 million lower than the base budget (FY 2010 times two).

Summary of 2010 Session Adopted Actions for Direct Aid to Public Education	
(GF \$ in millions)	2010-12 Biennial Total
Base Budget (Ch. 781, 2009 Session, FY 2010 times two)	\$10,639.9
Re-benchmarking of SOQ Costs	273.3
Fund health care based on actual participation	(269.2)
Eliminate certain school expenditures from SOQ	(174.3)
Supplant GF with remaining stabilization funds	(126.4)
Delay Composite Index rebenchmarking (<i>See update below.</i>)	(29.5)
Eliminate rebenchmarking inflation update	(9.5)
Net other changes	<u>(57.6)</u>
Subtotal (as of the Introduced Budget, SB 30)	(\$392.9)
Update Composite Index and hold-harmless	\$203.6
Savings from benefit contribution rates for VRS, GL, and RHCC	(345.8)
Changes to Lottery-funded programs	(164.8)
Eliminate additional school expenditures from SOQ	(69.5)
Reduce textbook funding	(34.1)
Extend school bus replacement cycle	(19.4)
Net other changes	<u>(174.8)</u>
Subtotal (additional General Assembly actions)	(\$605.0)
Net Reductions	<u>(\$997.9)</u>
TOTAL, CHAPTER 874	\$9,642.4

*See Appendix C for complete year-by-year table from the 2010 summary.
Note: Figures do not sum to total due to rounding.*

One-Time Dollars Have Mitigated Reductions

- As the state's GF appropriations have been reduced, a number of temporary actions have cushioned the immediate impact at the local level:

(\$ in millions)	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
One-time federal American Recovery and Reinvestment Act State Fiscal Stabilization Fund (SFSF) dollars	\$584.2	\$122.9	
One-time federal Education Jobs Fund dollars		\$249.5	→
Estimated one-time local savings from VRS actions		\$346.1	\$281.2

- In addition, one-time Composite Index Hold Harmless funding was provided in FY 2011 and FY 2012.
- The General Assembly also granted temporary flexibility on class sizes and other staffing requirements and encouraged increased coordination of administrative functions.

August 2010: Federal Education Jobs Fund Provides an Additional \$250 Million

- Beyond the funds available from the SFSF for FY 2010 and FY 2011, additional stimulus funds are available for education for use in FY 2011 or FY 2012.
- Virginia's application for its \$249.5 million share of the \$10 billion in federal EduJobs funding, signed into law on August 10, 2010, was submitted in early September.
 - Local allocations are based on a school division's proportion of FY 2011 Direct Aid, per Chapter 874 (*See Appendix D*).
 - States may not direct how the funds are to be used.
 - Funds have been awarded and are available to school divisions on a reimbursement basis.
 - Funds are intended for the 2010-11 school year, but may be obligated by school divisions through September 30, 2012.
 - There is no state maintenance-of-effort requirement for FY 2012.

Local Use of Federal Education Jobs Dollars

- The federal EduJobs funds may only be used for compensation, benefits, and other expenses to retain, recall, rehire, or hire new employees that provide school-level services.
- While there is no typical response on the part of all 132 school divisions, from the anecdotal evidence such as the examples below, school divisions and/or local governments appear to be sensitive to uncertainty regarding FY 2012 and the one-time nature of the funds.

***York County's School Superintendent's
Recommendations to the School Board
(as of October 11, 2010)***

Using \$938,500 now for FY 2011

- \$220,500 for 4.5 teacher positions
- \$40,000 for tuition reimbursement for staff members
- \$678,000 for a one-time payout of \$350 to each staff member

Saving the remaining \$1.5 million for FY 2012

- In Prince William County, after initial reluctance to accept the funds at all, the Board of Supervisors has insisted that the \$17 million not be allocated until the FY 2012 budget process.

Retirement Rate Actions Soften Local Impact Now, But Create Future Obligations

- The use of lower contribution rates for retirement, as was the case for the state employee retirement plan, resulted in \$345.8 million in GF savings in FY 2011 and FY 2012.

<u>VRS Employer Contribution Rates for Teachers' Plan</u>	<u>FY 2011</u>	<u>FY 2012</u>
Board Approved	12.91%	12.91%
Introduced Budget	10.49	10.49
Adopted (Based on "normal" plus 20 percent of the unfunded actuarial liability the second year)	3.93	5.16

- This in turn resulted in significant additional local savings – *estimated by the Secretary of Finance at \$627 million over the biennium* -- both from the lower rate for the local share of SOQ funded positions and from the lower rate for any positions that are not SOQ supported.
 - However, the costs must be made up in future years.
 - VRS currently projects teacher employer rates of **17.4 percent** for the 2012-14 biennium.
 - The funded status is projected to be below 60 percent for FY 2012, FY 2013, and FY 2014 -- down from 80 percent in FY 2008.

Re-benchmarking the Composite Index

- Amidst all the reductions in the 2010 Session, there were only two major spending items:
 - \$273 million for re-benchmarking, which was significantly lower than in recent biennia, and
 - Restoring the Composite Index and providing hold harmless funding to the affected school divisions.
 - The introduced budget proposed freezing the Composite Index at the prior calculations for the first year of the biennium.
 - While this action resulted in a net savings of \$29.5 million to the state, it was generally seen as unfair to the school divisions that would have benefited from the routine update, and so was restored.
 - At the same time there was sensitivity to the more numerous school divisions that fared better under the proposed freeze given the unprecedented magnitude of the reductions to education aid. As a result, \$175 million was provided as a “hold harmless,” with 100 percent in FY 2011 and 50 percent hold harmless in FY 2012.

Flexibility and Cost Savings

- Efforts in the 2010 Session to mitigate the budget pain included providing additional local flexibility and lowering actual costs where possible.
 - Temporary flexibility on SOQ staffing standards was provided at the request of some in recognition of the fact that while the state did not directly increase class sizes, many school divisions would need to do so.
 - Work continued on how to encourage consolidating finance or other administrative functions with local governments.
 - JLARC is due to report on cooperating procurement among school divisions on December 13.
 - Through separate legislation, recently enacted requirements were delayed and the unfunded mandate of the triennial census data collection was eliminated.
 - Instead, a Weldon Cooper Center annual estimate will be used for the distribution of sales tax dollars for education going forward.

Local School Budget Reduction Strategies

- Local school divisions have made different budget decisions depending on their individual circumstances, but most have frozen salaries, delayed purchases and maintenance, and increased class sizes.

FY 2011 Budget Actions

Freeze salaries	At least 110 school divisions (out of 132)
Across the board reduction in pay	Chesterfield, Cumberland, Falls Church, Goochland, Grayson, Hampton, Powhatan
Delay textbooks and/or equipment replacements and maintenance	At least 99 school divisions
Eliminate vacant positions	At least 93 school divisions, totaling 3,600 positions
Consolidate/reduce Central Office staff	At least 88 school divisions
Increase class sizes	At least 80 school divisions
Layoffs/reduction in force	At least 69 school divisions
Early retirement incentives	At least 49 school divisions
Reduction/elimination of electives	At least 59 school divisions (band/music, after school and summer programs, sports, career & technical, alternative education, foreign language)
Use of fund balance reserves	At least 37 school divisions
Increase student related fees	At least 31 school divisions

Source: October 2010 Survey by the Virginia Association of School Superintendents (All but 11 school divisions responded: Bristol, Colonial Beach, Fauquier, King George, Lee, Prince George, Norton, Petersburg, Scott, Tazewell, Wise)

Teacher Salaries in FY 2011 and FY 2012

- Most school divisions froze or reduced salaries for FY 2011.
- Although teacher salaries are local decisions in Virginia, when possible the state has typically provided across-the-board incentives that parallel state employee increases.
- Most school divisions provided teacher salary increases in FY 2009 (when state employees did not receive any increase), but not FY 2010 (*See Appendix E for a summary of FY 2010 teacher salary actions*).

	<u>Teachers</u>	<u>State Employees</u>
FY 2008	Most local school divisions provided increases of 2-4 percent	3 percent (Nov. 2007)
FY 2009	Most local school divisions provided increases of 2-4 percent	0 percent
FY 2010	Most divisions froze salaries	0 percent
FY 2011	Most divisions froze salaries, a few reduced	3 percent one-time bonus (Dec. 2010)

- Despite the potential availability of the EduJobs dollars to support one-time teacher pay actions, there have been requests by some for a state-supported action for teachers similar to the 3.0 percent one-time bonus scheduled for state employees next month.
 - The state’s share of an across-the-board 3 percent bonus for SOQ-funded positions would likely cost over \$100 million GF.

Re-benchmarking for FY 2013 and FY 2014

- Given the revenue outlook for both the state and local governments, re-benchmarking will be a key issue for the next biennial budget.
- Most of the re-benchmarking updates are made only once, then are fixed for the biennium (*See Appendix F*).
 - For the 2012-14 biennium re-benchmarking, FY 2010 will be the base year.
 - The special case of the federal SFSF dollars in FY 2010 will need to be considered.
 - An adjustment known as the “federal revenue deduct” is applied to exclude from the cost base those expenditures attributable to certain federal revenues.
- Certain data are updated in the budget annually - enrollment projections, Lottery and Sales Tax revenue estimates, and reimbursement account projections.
 - Statewide enrollment was projected to increase 8,788 students, or 0.7 percent, from FY 2010 to FY 2011, but may be growing at a slower rate.
 - There will likely be some technical adjustments to the current budget during the 2011 Session.

Conclusion

- State aid to public education has been reduced over the past two years and is now below FY 2007 levels.
 - However, federal stimulus funds and lowered retirement contributions have mitigated the *immediate* impact.
 - Still, most school division budgets have been reduced and budget reduction strategies have been implemented, including delayed purchases and maintenance, increased class sizes, reduced electives, and increased student fees.
- In turn, the end of stimulus aid and increasing retirement liabilities may limit efforts to address SOQ funding issues, including teacher salaries.
- Going forward, the choice that will face the General Assembly is incremental rebuilding, using the same building blocks, or strategic shifts that will alter the design.
 - One of the first decision points will be how to account for the federal stimulus dollars in terms of the 2012-14 re-benchmarking.
 - Options for state support of teacher salary increases, including alternatives to across-the-board.
 - Refining the state's priorities for SOQ funding.

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

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: Direct Aid Appropriation Summary, Chapter 874

Standards of Quality	<u>FY 2011</u>	<u>FY 2012</u>
Basic Aid (Excluding State Fiscal Stab. Funds)	\$2,782,127,827	\$2,911,472,497
Sales Tax	\$1,078,800,000	\$1,114,700,000
Textbooks (split funded)	\$10,659,046	\$20,067,585
Vocational Education	\$66,262,297	\$66,403,848
Gifted Education	\$31,066,860	\$31,245,002
Special Education	\$363,191,210	\$364,584,045
Prevention, Intervention, and Remediation	\$69,584,496	\$69,579,517
VRS Retirement	\$104,436,895	\$133,424,839
Social Security	\$176,302,533	\$177,130,406
<u>Group Life</u>	<u>\$6,484,029</u>	<u>\$6,515,863</u>
Subtotal SOQ (In this Item)	\$4,688,915,193	\$4,895,123,602
<u>SOQ Funded from State Fiscal Stab. Funds, Item 133</u>	<u>\$126,372,427</u>	<u>\$0</u>
Total	\$4,815,287,620	\$4,895,123,602
Incentive Programs		
Governor's School	\$14,207,194	\$14,696,365
Clinical Faculty	\$318,750	\$318,750
Career Switcher Mentoring Grants	\$279,983	\$279,983
Special Education - Endorsement Program	\$600,000	\$600,000
Special Education - Vocational Education	\$200,089	\$200,089
<u>Composite Index Hold Harmless</u>	<u>\$116,477,529</u>	<u>\$57,599,781</u>
Total	\$132,083,545	\$73,694,968
Categorical Programs		
Adult Education	\$1,051,800	\$1,051,800
Adult Literacy	\$2,645,375	\$2,645,375
Virtual Virginia	\$2,356,908	\$2,356,908
American Indian Treaty Commitment	\$75,669	\$77,348
School Lunch	\$5,801,932	\$5,801,932
Special Education - Homebound	\$5,628,891	\$5,938,390
Special Education - Jails	\$3,698,491	\$4,065,031
<u>Special Education - State Operated Programs</u>	<u>\$34,170,169</u>	<u>\$35,993,791</u>
Total	\$55,429,235	\$57,930,575

Appendix B: Direct Aid Appropriation Summary, Chapter 874 (continued)

Lottery Proceeds Programs	<u>FY 2011</u>	<u>FY 2012</u>
Foster Care	\$12,896,417	\$13,605,123
At-Risk	\$63,801,568	\$63,651,543
Virginia Preschool Initiative	\$67,607,769	\$68,300,290
Early Reading Intervention	\$14,720,585	\$14,787,821
Mentor Teacher	\$1,000,000	\$1,000,000
K-3 Primary Class Size	\$73,229,929	\$73,817,468
School Breakfast Program	\$2,687,265	\$3,185,437
SOL Algebra Readiness	\$9,018,272	\$9,006,959
Alternative Education	\$6,729,485	\$6,845,417
ISAEP	\$2,247,581	\$2,247,581
Special Education - Regional Tuition	\$75,141,153	\$82,400,653
Vocational Education - Categorical	\$10,400,829	\$10,400,829
No Child Left Behind/Education for a Lifetime	\$4,749,675	\$4,749,675
Project Graduation	\$2,774,478	\$2,774,478
Supplemental Basic Aid	\$938,311	\$912,538
Remedial Summer School	\$25,064,692	\$25,514,519
English as a Second Language	\$37,272,009	\$39,141,229
<u>Textbooks (split funded)</u>	<u>\$24,919,982</u>	<u>\$12,858,440</u>
Total	\$435,200,000	\$435,200,000
Technology - VPSA	\$57,610,000	\$57,792,000

Appendix C: 2010 Session Budget Actions

Summary of 2010 Session Adopted Actions for Direct Aid to Public Education

(GF \$ in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Total</u>
Rebenchmarking	\$113.9	\$159.4	\$273.3
National Board Certification bonuses for teachers	0.5	0.5	1.0
Reduce supplemental grants, etc. by 15 percent	(0.4)	(0.5)	(0.9)
Savings due to MH closures (<i>See below.</i>); 4 th Qtr delay	(1.9)	(2.4)	(4.3)
Eliminate rebenchmarking inflation update	(4.7)	(4.7)	(9.5)
Literary Fund, incl. ending VPSA grants (<i>See below.</i>)	(2.0)	(15.0)	(17.0)
Delay Composite Index rebenchmarking (<i>See below.</i>)	(29.5)	0.0	(29.5)
Distribute Central Appropriations amounts	(18.2)	(18.2)	(36.4)
Supplant GF with remaining stabilization funds	(126.4)	0.0	(126.4)
Eliminate certain school expenditures from SOQ	(87.0)	(87.3)	(174.3)
Fund health care based on actual participation	<u>(134.2)</u>	<u>(135.0)</u>	<u>(269.2)</u>
Subtotal (as of the Introduced Budget)	(\$289.8)	(\$103.1)	(\$392.9)
Update Composite Index and hold-harmless	\$146.0	\$57.6	\$203.6
Restore SOP at Staunton	1.4	1.9	3.4
New Governor's School	0.2	0.3	0.5
Literary Fund: Balances, Debt Serv., & Speeding Fines	(16.6)	9.8	(6.8)
Reduce Project Discovery	(0.1)	(0.1)	(0.2)
Extend school bus replacement cycle	(9.8)	(9.6)	(19.4)
Update federal deduct percentage	(17.0)	(17.0)	(34.0)
Reduce textbook funding	(15.6)	(18.5)	(34.1)
Technical corrections	(29.4)	(29.6)	(59.0)
Eliminate additional school expenditures from SOQ	(34.7)	(34.8)	(69.5)
Include \$0 values in LWA calculation	(39.2)	(39.5)	(78.7)
Changes to Lottery-funded programs	(87.3)	(77.5)	(164.8)
Benefit contribution rates for VRS, Grp. Life, & RHCC	<u>(189.0)</u>	<u>(156.8)</u>	<u>(345.8)</u>
Subtotal (additional actions)	(\$291.1)	(\$313.9)	(\$605.0)
TOTAL	(\$580.9)	(\$417.0)	(\$997.9)

Appendix D: Education Jobs Fund Allocation

Accomack	1,199,312
Albemarle	1,942,777
Alleghany	743,475
Amelia	432,935
Amherst	1,159,686
Appomattox	608,837
Arlington	2,085,644
Augusta	2,276,971
Bath	75,217
Bedford	2,030,573
Bland	232,226
Botetourt	1,072,992
Brunswick	613,882
Buchanan	859,193
Buckingham	570,011
Campbell	2,055,441
Caroline	946,574
Carroll	992,441
Charles City	217,056
Charlotte	596,385
Chesterfield	12,044,588
Clarke	360,614
Craig	192,123
Culpeper	1,479,199
Cumberland	390,829
Dickenson	707,894
Dinwiddie	1,215,250
Essex	376,863
Fairfax	21,342,792
Fauquier	1,685,297
Floyd	491,317
Fluvanna	790,738
Franklin	1,615,903
Frederick	2,715,719
Giles	653,179
Gloucester	1,249,251
Goochland	260,515
Grayson	546,572
Greene	682,074

Appendix D: Education Jobs Fund Allocation

Greensville	461,953
Halifax	1,572,136
Hanover	3,449,573
Henrico	9,601,558
Henry	1,907,798
Highland	73,396
Isle Of Wight	1,186,393
James City	1,634,905
King George	817,728
King & Queen	194,620
King William	513,759
Lancaster	148,691
Lee	1,145,855
Loudoun	9,448,214
Louisa	771,961
Lunenburg	453,560
Madison	349,538
Mathews	218,738
Mecklenburg	1,185,954
Middlesex	166,105
Montgomery	2,162,475
Nelson	330,652
New Kent	557,917
Northampton	373,814
Northumberland	177,165
Nottoway	630,058
Orange	964,461
Page	827,353
Patrick	665,372
Pittsylvania	2,389,890
Powhatan	895,394
Prince Edward	698,370
Prince George	1,587,906
Prince William	17,016,125
Pulaski	1,115,617
Rappahannock	113,549
Richmond	287,369
Roanoke	3,079,344
Rockbridge	485,121

Appendix D: Education Jobs Fund Allocation

Rockingham	2,526,839
Russell	1,114,082
Scott	1,080,104
Shenandoah	1,227,204
Smyth	1,349,765
Southampton	767,326
Spotsylvania	4,965,284
Stafford	5,585,265
Surry	152,227
Sussex	358,389
Tazewell	1,652,975
Warren	1,015,935
Washington	1,624,875
Westmoreland	335,741
Wise	1,750,596
Wythe	974,685
York	2,503,938
Alexandria	1,382,862
Bristol	592,852
Buena Vista	303,373
Charlottesville	810,339
Colonial Heights	551,909
Covington	213,888
Danville	1,780,929
Falls Church	211,676
Fredericksburg	337,755
Galax	326,797
Hampton	5,333,440
Harrisonburg	1,035,418
Hopewell	1,076,360
Lynchburg	1,976,551
Martinsville	642,364
Newport News	7,507,822
Norfolk	8,255,365
Norton	197,363
Petersburg	1,218,080
Portsmouth	4,019,217
Radford	354,275
Richmond City	5,532,883

Appendix D: Education Jobs Fund Allocation

Roanoke City	2,995,547
Staunton	713,182
Suffolk	3,433,298
Virginia Beach	14,479,801
Waynesboro	650,231
Williamsburg	152,877
Winchester	711,062
Fairfax City	280,683
Franklin City	354,884
Chesapeake City	9,359,653
Lexington	123,377
Emporia	272,601
Salem	788,559
Bedford City	179,335
Poquoson	492,092
Manassas City	1,550,763
Manassas Park	699,608
Colonial Beach	156,681
West Point	<u>197,656</u>
Statewide Total:	249,411,367

Appendix E: Local Salary Actions in FY 2010

Local Actions to Improve Classroom Teacher Salaries in FY 2010

Appomattox	No raise given, but the board paid health insurance premium increase (29%) which kept net pay from decreasing.
Arlington	1/2 step increase
Bland	4% salary increase plus a step
Buchanan	\$1,000 Across the Board plus Step Increases
Isle Of Wight	Step increases averaging 1.4%.
Lancaster	Step increase (1.5%) and a cost of living increase of .5%, total increase is 2.0%
Lee	Salary step increase which averaged 1.55%
Prince William	2.9% Cost of Living increase.
Rappahannock	Scales were adjusted at zero step to allow for step movement.
Scott	Salary step increase for those not at the top of the scale.
Tazewell, Covington	Salary Step Increase
Wythe	Salary scales increased by 1%
Alexandria City	Salary increase of 3%
Charlottesville City	Average increase of 2.5%
Danville City	One step, yields a 1.3% average
Falls Church City	Half-step increase, equivalent to about 1.3%
Martinsville City	Increased Step 0 by \$600
Norton City	Step increase plus \$500, reflects an average of about 3%.
Portsmouth City	During FY 2009 teachers will be given a salary step increase.
All other school divisions (112)	No action taken to improve teacher's salaries

Source: Virginia Department of Education, 2009-10 Salary Survey (As reported by school divisions on the 2008-09 Annual School Report)

Appendix F: Re-benchmarking

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