

# ***Rebenchmarking of the Direct Aid to Public Education Budget for the 2014-2016 Biennium***

**Presented to the  
Board of Education**

**September 26, 2013**

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Deputy Superintendent for Finance and Operations**

# ***Presentation Topics***

- **Overview of 2014-2016 Rebenchmarking Process**
- **2014-2016 Rebenchmarking Incremental Cost Detail**
- **Analysis of Key Data Inputs Impacting 2014-2016 Rebenchmarking Cost**
- **Appendix: State Cost of 2014-2016 Rebenchmarking by Direct Aid Account**

# ***Rebenchmarking Process***

- **State funding for local school divisions for public education programs is provided through the Direct Aid to Public Education budget. The General Assembly appropriates the funds.**
- **Direct Aid funding is appropriated in six budgetary categories:**
  - 1. Standards of Quality**
  - 2. Incentive Programs**
  - 3. Categorical Programs**
  - 4. Lottery Proceeds Fund**
  - 5. Supplemental Education Programs**
  - 6. Federal Funds**
- **In each odd-numbered year, the cost of the Direct Aid budget is “rebenchmarked” for the next biennium, beginning the biennial budget development process. The process applies to state Direct Aid programs in categories 1-4 above (30 or more accounts).**

# ***Rebenchmarking Process***

- The rebenchmarked budget represents the state cost of continuing the current Direct Aid programs into the next biennium with biennial updates in the input data used in the formulas that determine the cost of the programs.
- Input data used to cost out the Direct Aid accounts are updated every two years to recognize changes in costs that have occurred over the preceding biennium.
- The process updates the cost of SOQ and other Direct Aid accounts by recalculating costs step-by-step using the latest data available. It involves about 25 separate data updates.
- The current FY14 Direct Aid budget enacted by the 2013 General Assembly (i.e., Chapter 806) serves as the base budget against which the rebenchmarking cost for each year of the 2014-2016 biennium (FY15 & FY16) is determined. The cost of the rebenchmarked budget builds off of the base budget.

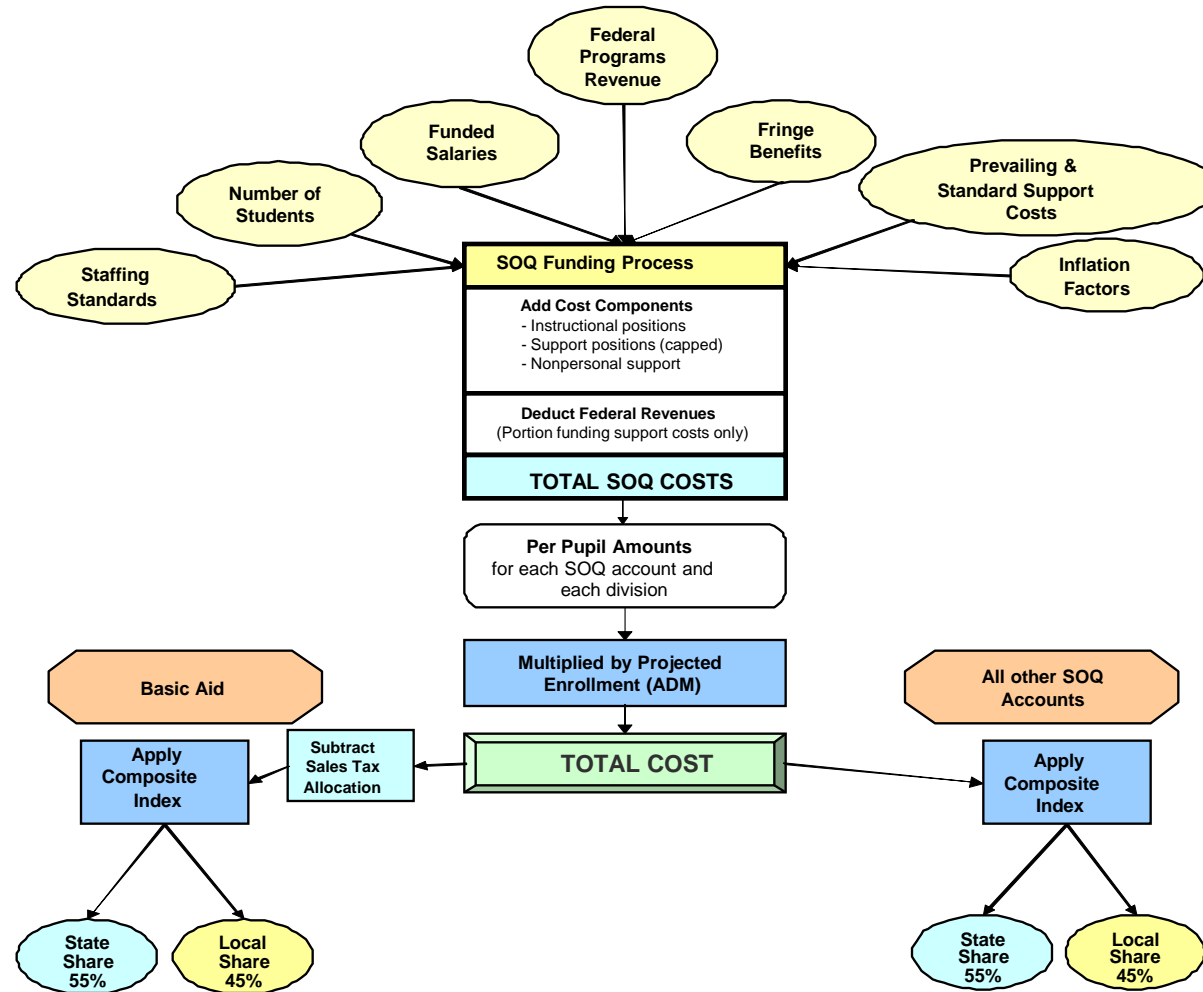
# ***Rebenchmarking Process***

- **Rebenchmarking updates are technical in nature and do not involve changes in policy or funding methodology, other than those already approved and directed by the General Assembly.**
- **Costs are projected forward for anticipated enrollment changes, salary changes, inflation, and other factors. The state cost impact for FY15 & FY16 of the standard data updates is shown in detail in later slides.**
- **Because rebenchmarking impacts the total cost of the Direct Aid formulas, it impacts both state costs and the required local share of cost that must be funded locally.**

# ***Rebenchmarking Process***

- **SOQ accounts represent approximately 90% of state Direct Aid funding so they are impacted most by the rebenchmarking process.**
- **Key components of the SOQ funding formula:**
  - 1) Student enrollment;**
  - 2) Staffing standards for instructional positions;**
  - 3) Salaries of instructional positions;**
  - 4) Fringe benefit rates;**
  - 5) Support costs (salary and non-salary);**
  - 6) Inflation factors;**
  - 7) Federal revenues deducted from support costs;**
  - 8) Amount of sales tax revenue and division composite indices (updated fall 2013).**

# Rebenchmarking Process for SOQ



# ***Rebenchmarking Process***

- **Key data elements used in 2014-2016 rebenchmarking calculations (data is from FY12 & FY13):**
  - **Funded instructional and support salaries**
  - **Fall Membership and Average Daily Membership projections**
  - **Special education child count**
  - **Career & technical education course enrollment**
  - **SOL failure rates and free lunch eligibility %'s for SOQ remedial education and other at-risk accounts.**
  - **Base-year expenditure data from 2011-2012 Annual School Report**



# ***Rebenchmarking Process***

- **Key data elements used in 2014-2016 rebenchmarking calculations (data is from FY12 & FY13), continued:**
  - **Health care premium expenditures**
  - **Nonpersonal cost inflation factors**
  - **Federal programs revenue (for the revenue deduct from funded support costs)**
  - **Prevailing textbooks costs**
  - **Enrollment projections for remedial summer school and English as a Second Language programs**
  - **Updates to support costs including the division superintendent, school board, school nurse, and pupil transportation costs**

# ***Rebenchmarking Process***

## **Major Inputs that are Fixed for the Biennium:**

- Funded Salaries
- Special Education Child Counts
- Initial Fall Membership & ADM Projections used in SOQ Model
- CTE Course Enrollment
- Composite Index
- Head Start Enrollment (for VPI)
- Free Lunch Eligibility Percentages
- SOL Test Scores (for SOQ Prevention, Intervention, and Remediation)
- Federal Programs Revenue (for deduct from support costs)

## **Major Inputs that are Updated Annually:**

- Enrollment Projections
- Reimbursement Account Projections
- Lottery Revenue Estimates
- Sales Tax Revenue Estimates
- VRS Fringe Benefit Rates (subject to General Assembly action)
- Inflation Factors (subject to General Assembly action)

# Rebenchmarking Process

<b>2014-2016 Direct Aid to Public Education Budget</b> Summary of Major Data Elements Used in 2014-2016 Rebenchmarking Calculations		
	FY 2014 Base	FY 2015 & FY 2016 Rebenchmarking
<b>A. Student Enrollment Data</b>		
Fall Membership	2010-2011	2012-2013
Special Education Child Count	December 1, 2010	December 1, 2012
Career & Technical Education Course Enrollment	2010-2011	2012-2013
SOL English & Math Test Score Failures (for SOQ Prevention, Intervention and Remediation)	Three-year average (2008-09; 2009-10; 2010-11)	Three-year average (2009-10; 2010-11; 2011-12*) <i>* 2012-13 available Fall 2013</i>
Free Lunch Eligibility Data (for SOQ Prevention, Intervention and Remediation and other accounts)	Three-year average (October 2008, 2009, 2010*) <i>*Oct. 2010 for other accounts</i>	Three-year average (October 2010, 2011, 2012*) <i>*Oct. 2012 for other accounts</i>
<b>B. Expenditure Data</b> (funded salaries and support costs)	2009-2010 Annual School Report	2011-2012 Annual School Report
<b>C. Fringe Benefit Rates</b>		
Instructional VRS Retirement (Including Retiree Health Care Credit)	12.77%	12.77% (Update in Fall 2013)
Non-instructional VRS Retirement	10.23%	10.23% (Update in Fall 2013)
Social Security/Medicare	7.65%	7.65%
Group Life Insurance	0.48%	0.48% (Update in Fall 2013)
Health Care Premium ( <i>Funded per <u>position</u> amount with Inflation</i> )	\$3,778	\$4,340
<b>D. Composite Index</b> ( <i>Base-Year Data</i> )	2009	2011 (Update in Fall 2013)
<b>E. Funded Non-Personal Support Inflation Factors</b> ( <i>Unweighted average</i> )	0%* *(Inflation was not funded in Chapter 806, 2013 Appropriation Act)	3.36%
<b>F. Textbooks</b> ( <i>Funded Per Pupil Amount with Inflation</i> )	\$89.73	\$99.42
<b>G. Average Daily Membership Projections</b> ( <i>Initial Projections</i> )	1,228,698 (FY14)	1,236,186 (FY15), 1,244,018 (FY16)

# ***Rebenchmarking Process***

- **The following data inputs are not yet available but will be updated and included in the Governor's introduced 2014-2016 budget released in December:**
  - **Revised composite index for the 2014-2016 biennium**
  - **Revised enrollment projections**
  - **Revised Lottery revenue projections**
  - **Revised sales tax revenue projections**
  - **Revised fringe benefit rates from VRS**

# *Rebenchmarking Process*

- **The final amount of state funds provided for Direct Aid each biennium reflects the recognized rebenchmarking costs and any funding policy changes adopted by the Governor and the General Assembly.**
- **The state share of cost for rebenchmarking the 2014-2016 Direct Aid budget above the fiscal year 2014 base is \$162.4 million in fiscal year 2015 and \$179.4 million in fiscal year 2016, for a biennial total of \$341.8 million.**

# **State Cost of Each Rebenchmarking Update**

***(incremental cost above FY14 base)***

<b>Update #</b>	<b>Update</b>	<b>FY 2015 State Cost</b>	<b>FY 2016 State Cost</b>	<b>2014-2016 Total</b>
<b>1</b>	Remove Non-Participation Estimate for the Virginia Preschool Initiative (general fund portion of cost)	23,383,600	23,383,600	<b>46,767,200</b>
<b>2</b>	Remove FY 2014 One-Time Spending (Additional Assistance with Retirement, Inflation and Preschool Costs, College Readiness Center Pilot, Year-Round Schools Planning Grants, Fairfax/Loudoun STEM Model)	(55,629,500)	(55,629,500)	<b>(111,259,000)</b>
<b>3</b>	Reset Nonpersonal Support Costs Inflation Factors to 0% in SOQ Model (not funded in the FY 2014 base)	0	0	<b>0</b>
<b>4</b>	Reset Personal Support Costs Inflation Factors to 0% in SOQ Model (not funded in the FY 2014 base) and Remove Compensation Supplement Funding	(70,425,859)	(70,425,859)	<b>(140,851,718)</b>
<b>5</b>	Update Fall Membership and Average Daily Membership Base Year and Projected Enrollment Counts	9,128,851	24,488,958	<b>33,617,809</b>

# ***State Cost of Each Rebenchmarking Update***

***(incremental cost above FY14 base)***

<b>Update #</b>	<b>Update</b>	<b>FY 2015 State Cost</b>	<b>FY 2016 State Cost</b>	<b>2014-2014 Total</b>
<b>6</b>	Update Special Education Child Count to December 1, 2012	<b>(8,339,355)</b>	<b>(8,047,010)</b>	<b>(16,386,365)</b>
<b>7</b>	Update Career & Technical Education Enrollment to Beginning School Year 2012	<b>(5,438,829)</b>	<b>(5,392,956)</b>	<b>(10,831,785)</b>
<b>8</b>	Update SOL Failure Rate Data to Beginning School Year 2011 and Free Lunch Percentages to Beginning School Year 2012	16,765,594	16,886,775	<b>33,652,369</b>
<b>9</b>	Update SOQ Gifted, Support Technology, and Instructional Technology Positions	2,200,460	2,383,976	<b>4,584,436</b>
<b>10</b>	Update Base Year Prevailing SOQ Instructional Salaries	<b>(4,639,090)</b>	<b>(4,594,709)</b>	<b>(9,233,799)</b>
<b>11</b>	Update Base-Year Expenditures from ASRFIN to Beginning School Year 2011 for Personal Support Costs (Positions & Salaries)	5,941,399	5,886,484	<b>11,827,883</b>
<b>12</b>	Update Base-Year Expenditures from ASRFIN to Beginning School Year 2011 for Nonpersonal Support Costs	34,904,627	35,361,740	<b>70,266,367</b>

# *State Cost of Each Rebenchmarking Update*

*(incremental cost above FY14 base)*

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
13	Update Federal Revenue Deduct Per Pupil Amount	51,950,676	51,987,387	103,938,063
14	Update Support Positions Cap (Ratio of Instructional to Support Positions)	(2,922,166)	(3,163,472)	(6,085,638)
15	Update Costs for Division Superintendents, School Boards, and School Nurses (w/o inflation)	347,481	401,201	748,682
16	Update Health Care Premium (without inflation)	26,741,038	26,656,123	53,397,161
17	Update Textbook Per Pupil Amount (without inflation)	4,469,550	4,485,836	8,955,386
18	Update Pupil Transportation Costs	18,229,068	18,773,320	37,002,388
19	Update Nonpersonal Support Cost Inflation Factors	46,967,109	47,173,451	94,140,560
20	Update Salary Inflation Factors (Instructional and Support)	68,778,174	68,766,354	137,544,528



# ***State Cost of Each Rebenchmarking Update***

***(incremental cost above FY14 base)***

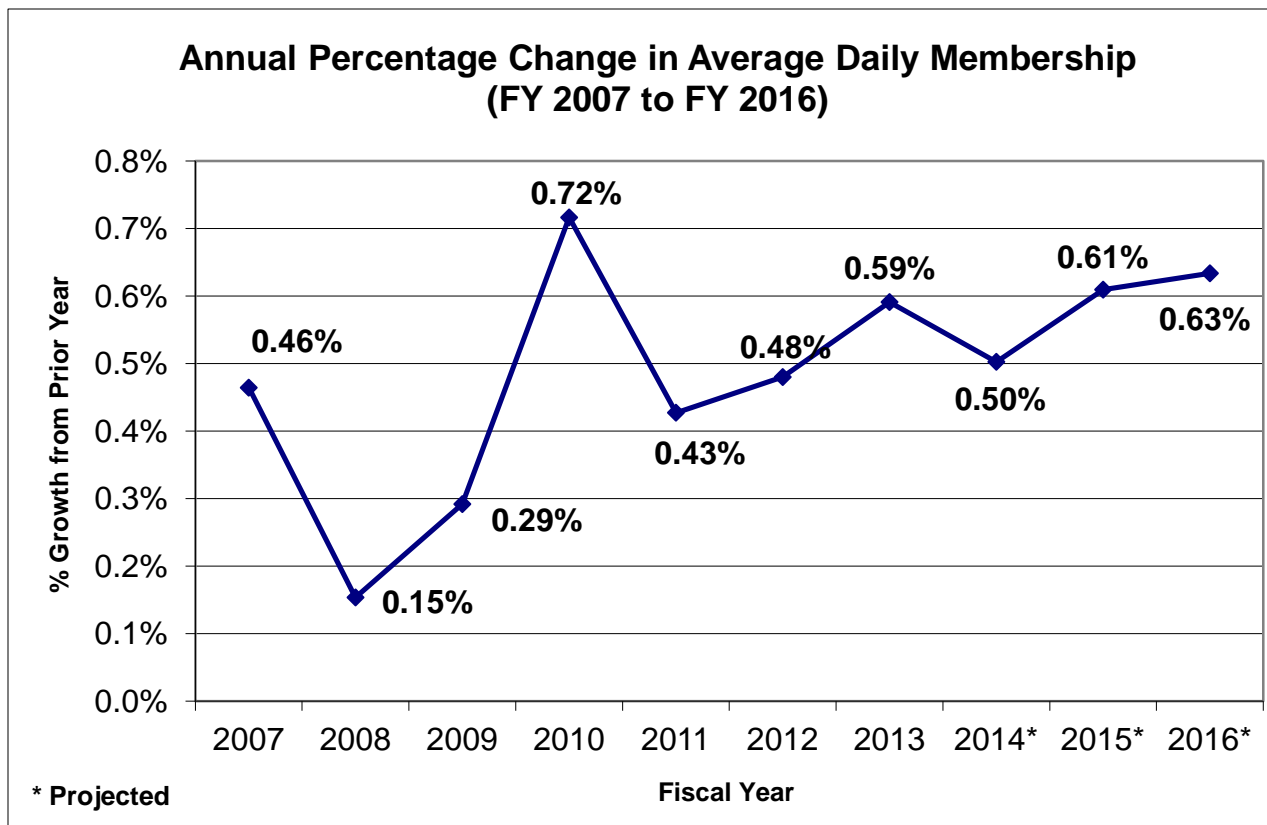
Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
21	Update English as a Second Language Enrollment Projections	1,309,250	2,506,452	<b>3,815,702</b>
22	Update Remedial Summer School Per Pupil Amount and Enrollment Projections	1,737,344	3,291,600	<b>5,028,944</b>
<b><i>Total State Rebenchmarking Cost Above FY14 Base</i></b>		<b>165,459,422</b>	<b>185,179,751</b>	<b>350,639,173</b>

# ***Analysis of Key Data Inputs Impacting 2014-2016 Rebenchmarking Costs***

- **Student Enrollment**
- **Special Education Child Count**
- **Career & Technical Education Enrollment**
- **SOL Failure Rates**
- **Free Lunch Eligibility**
- **Prevailing and Funded Salaries**
- **Nonpersonal Support Costs**
- **Federal Revenue Deduct**
- **Support Positions Cap**
- **Health Care Premium**
- **Textbook Expenditures**
- **Inflation Factors**

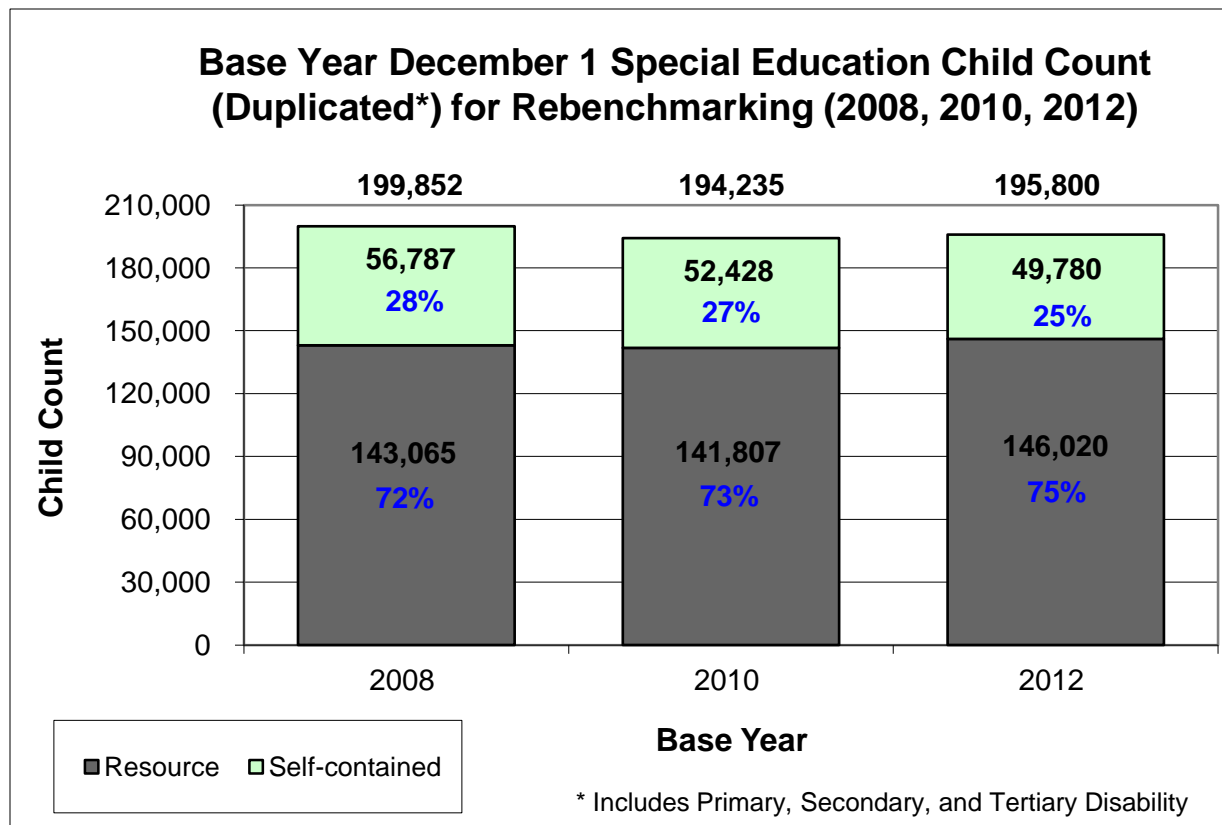
# Enrollment

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
5	Update Fall Membership and Average Daily Membership Base Year and Projected Enrollment Counts	9,128,851	24,488,958	33,617,809



# Special Education Child Count

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
6	Update Special Education Child Count to December 1, 2012	(8,339,355)	(8,047,010)	(16,386,365)



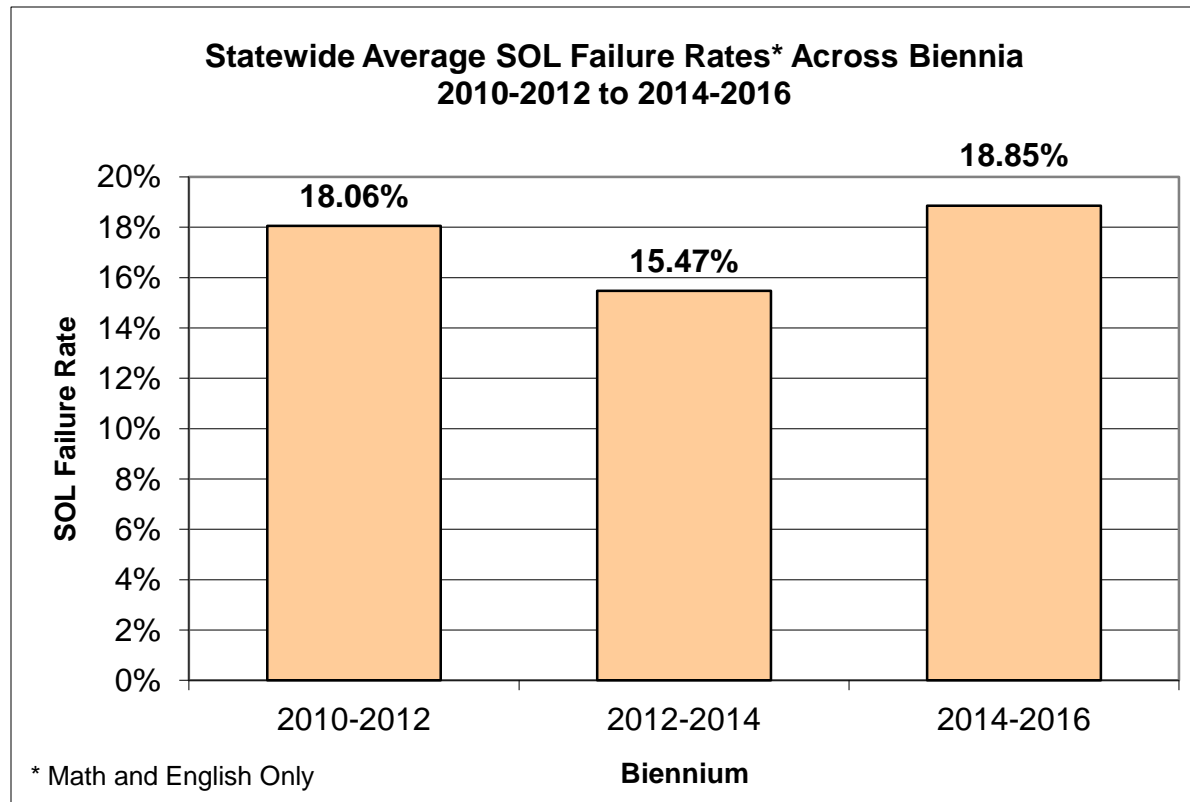
# Career and Technical Education

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
7	Update Career & Technical Education Enrollment to Beginning School Year 2012	(5,438,829)	(5,392,956)	(10,831,785)

<b>Comparison of Career and Technical Education Enrollment, Number of Courses, and Total Sections Across Base Years</b>			
	Base Year 2010 (2012-2014 Biennium)	Base Year 2012 (2014-2016 Biennium)	Percent Variance
Career and Technical Education Enrollment (Duplicated Enrollment)	573,223	571,368	(0.3%)
Number of Distinct Courses	6,534	6,239	(4.5%)
Total Course Sections	31,886	31,731	(0.5%)

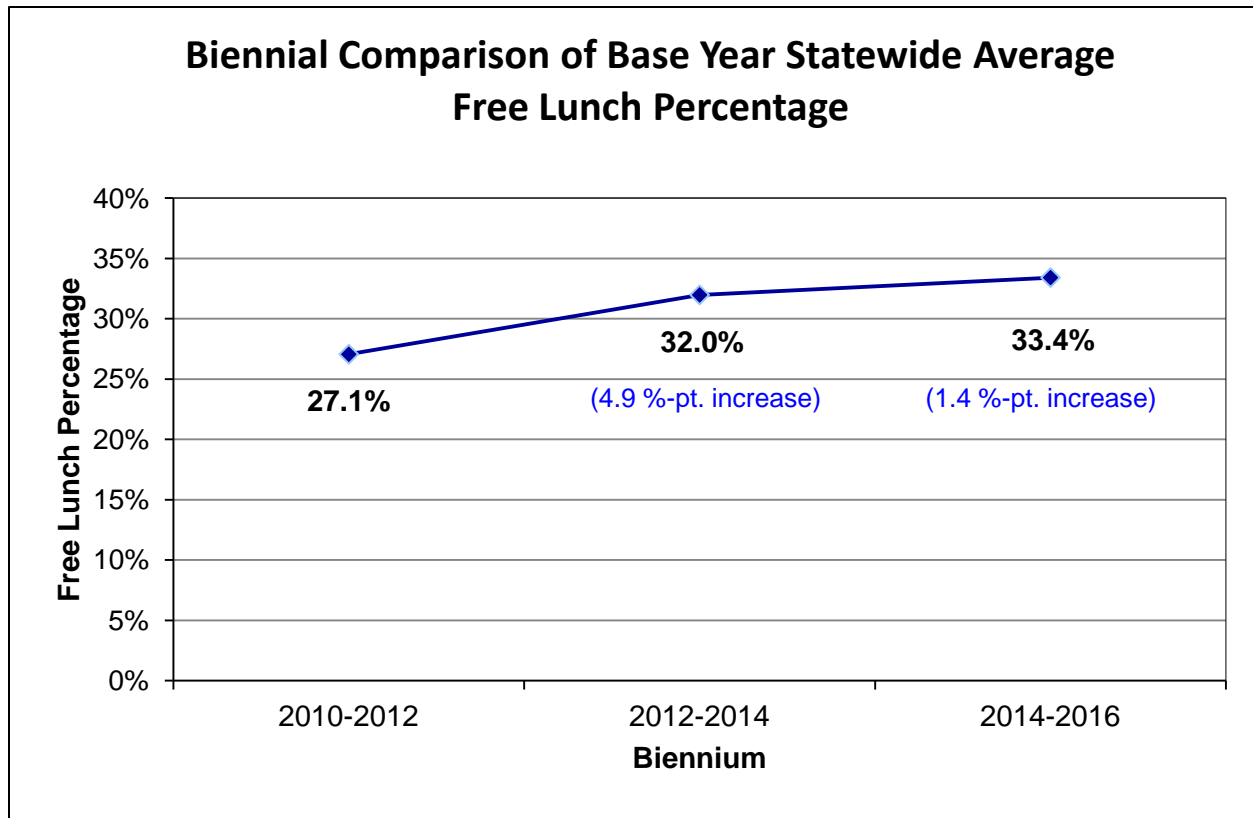
# SOL Failure Rates

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
8	Update SOL Failure Rate Data to Beginning School Year 2011 and Free Lunch Percentages to Beginning School Year 2012	16,765,594	16,886,775	33,652,369



# Free Lunch Eligibility

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
8	Update SOL Failure Rate Data to Beginning School Year 2011 and Free Lunch Percentages to Beginning School Year 2012	16,765,594	16,886,775	33,652,369



# Prevailing Instructional Salaries

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
10	Update Base Year Prevailing SOQ Instructional Salaries	(4,639,090)	(4,594,709)	(9,233,799)

## Comparison of Base Year Prevailing SOQ Instructional Salaries Across Biennia 2010-2012 to 2014-2016 (No Adjustment for State Funded Increases)

Instructional Position	2010-2012 Prevailing Salary (2007-08 Data)	2012-2014 Prevailing Salary (2009-10 Data)	Percent Variance	2012-2014 Prevailing Salary (2009-10 Data)	2014-2016 Prevailing Salary (2011-12 Data)	Percent Variance
Elementary Teachers	\$43,904	\$45,118	2.8%	\$45,118	\$44,998	(0.3%)
Elementary Asst. Principals	\$62,383	\$63,824	2.3%	\$63,824	\$63,868	0.1%
Elementary Principals	\$76,766	\$78,510	2.3%	\$78,510	\$78,362	(0.2%)
Secondary Teachers	\$46,090	\$47,267	2.6%	\$47,267	\$47,260	(0.0%)
Secondary Asst. Principals	\$66,658	\$67,824	1.7%	\$67,824	\$67,626	(0.3%)
Secondary Principals	\$84,564	\$86,464	2.2%	\$86,464	\$86,374	(0.1%)
Instructional Aides	\$16,104	\$16,223	0.7%	\$16,223	\$16,315	0.6%



# Support Salaries and Positions

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
11	Update Base-Year Expenditures from ASRFIN to School Year 2011-2012 for Personal Support Costs (Positions & Base Year Prevailing Salaries)	5,941,399	5,886,484	11,827,883

<b>Comparison of Base Year <u>Prevailing</u> SOQ Support Salaries Across Biennia 2010-2012 to 2014-2016 (No Adjustment for State Funded Increases)</b>						
Support Position	2010-2012 Prevailing Salary	2012-2014 Prevailing Salary	Percent Increase	2012-2014 Prevailing Salary	2014-2016 Prevailing Salary	Percent Increase
Superintendent	\$132,141	\$136,376	3.20%	\$136,376	\$135,841	(0.39%)
Assistant Superintendent	\$106,021	\$109,678	3.45%	\$109,678	\$111,260	1.44%
School Nurse	\$33,378	\$34,647	3.80%	\$34,647	\$34,827	0.52%
Instructional Professional	\$64,105	\$66,473	3.69%	\$66,473	\$66,112	(0.54%)
Instructional Technical/Clerical	\$28,232	\$28,926	2.46%	\$28,926	\$28,990	0.22%
Attendance & Health Administrative	\$54,139	\$55,477	2.47%	\$55,477	\$55,952	0.86%
Attendance & Health Technical//Clerical	\$24,558	\$25,861	5.30%	\$25,861	\$26,463	2.33%
Operations & Maintenance Professional	\$67,823	\$71,950	6.09%	\$71,950	\$71,468	(0.67%)
Operations & Maintenance Technical/Clerical	\$26,888	\$27,419	1.98%	\$27,419	\$27,647	0.83%
School Board Member	\$4,639	\$4,992	7.61%	\$4,992	\$4,931	(1.21%)
Administration Administrative	\$68,991	\$74,874	8.53%	\$74,874	\$74,688	(0.25%)
Administration Technical/Clerical	\$36,629	\$37,754	3.07%	\$37,754	\$38,378	1.65%
Technology Professional	\$68,808	\$71,305	3.63%	\$71,305	\$71,144	(0.23%)
Technology Technical/Clerical	\$30,411	\$32,563	7.08%	\$32,563	\$33,295	2.25%
Technology Support Standard	\$39,705	\$41,813	5.31%	\$41,813	\$42,369	1.33%
School Based Clerical	\$29,092	\$27,917	(4.04%)	\$27,917	\$27,963	0.17%

# Nonpersonal Support Costs

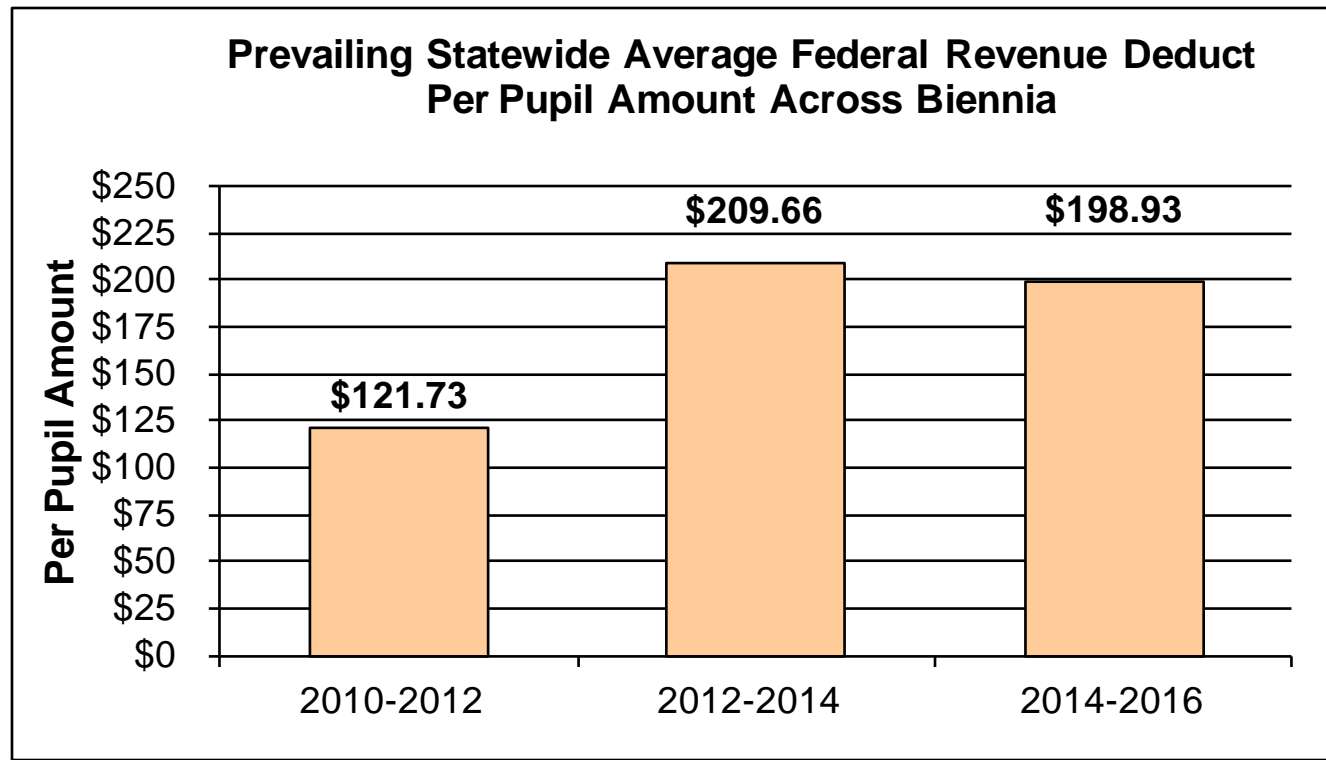
Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
12	Update Base-Year Expenditures from ASRFIN to School Year 2011-2012 for Nonpersonal Support Costs	34,904,627	35,361,740	70,266,367

## Comparison of *Prevailing* Nonpersonal Support (No Inflation) Per Pupil Amounts Across Biennia: 2012-2014 to 2014-2016

Nonpersonal Support Category	2012-2014 Per Pupil Amount	2014-2016 Per Pupil Amount	Percent Variance	Nonpersonal Support Category	2012-2014 Per Pupil Amount	2014-2016 Per Pupil Amount	Percent Variance
Instructional Classroom	\$302.73	\$327.00	8.0%	Facilities	\$1.75	\$1.26	(28.3%)
Instructional Support	\$19.91	\$18.59	(6.6%)	Unemployment Insurance	\$5.64	\$7.02	24.4%
Principal's Office	\$8.20	\$7.91	(3.5%)	Worker's Compensation	\$26.35	\$24.31	(7.7%)
Administration	\$39.85	\$40.74	2.2%	Disability Insurance	\$1.01	\$0.85	(15.3%)
Attendance & Health	\$16.43	\$17.68	7.6%	Substitute Teachers	\$1,069.53	\$1,111.09	3.9%
Utilities	\$274.76	\$285.01	3.7%	Improvement	\$410.95	\$413.44	0.6%
Communication	\$33.06	\$30.69	(7.2%)	Technology	\$177.66	\$180.67	1.7%
Other Operations	\$196.19	\$208.94	6.5%	Insurance	\$30.29	\$27.59	(8.9%)
& Maintenance				Contingency Reserve	\$0.00	\$0.56	0.0%

# Federal Revenue Deduct

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
13	Update Federal Revenue Deduct from Support Costs	51,950,676	51,987,387	103,938,063



# Support Positions Cap

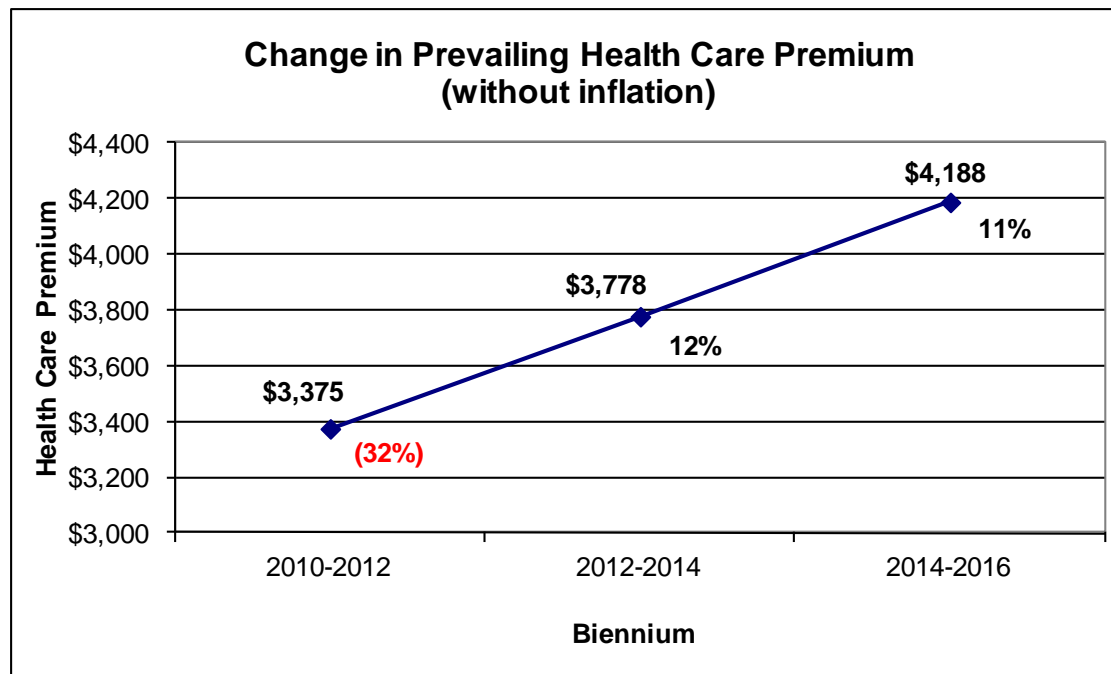
Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
14	Update Support Positions Cap Based on Divisions' Ratios (Ratio of Instructional to Support Positions increased from 4.07 to 1 to 4.09 to 1)	(2,922,166)	(3,163,472)	(6,085,638)

	CAPPED FY 2014 @ 4.07 to 1	CAPPED FY 2015 @ 4.09 to 1	CAPPED FY 2016 @ 4.09 to 1
<b>Funded SOQ Support Positions</b>			
Assistant Superintendent	176	166	167
Instructional Professional	2,122	2,179	2,191
Instructional Technical/Clerical	1,808	1,792	1,802
Attendance & Health Administrative	910	917	923
Attendance & Health Technical/Clerical	553	470	473
Operation & Maintenance Professional	261	278	280
Operation & Maintenance Technical/Clerical	8,700	8,599	8,649
Administration	607	620	624
Administration Technical/Clerical	1,466	1,463	1,471
Technology Professional	368	408	410
Technology Technical/Clerical	182	171	172
Technology Support Standard	1,230	1,235	1,242
School Based Clerical	3,864	3,930	3,953
<b>Total Funded SOQ Support Positions</b>	<b>22,245</b>	<b>22,228</b>	<b>22,357</b>

Note: The instructional to support position ratio used for the support position funding cap was rebenchmarked for the 2014-2016 biennium. The ratio changed from 4.07 to 1 for FY 2014 to 4.09 to 1 for the 2014-2016 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

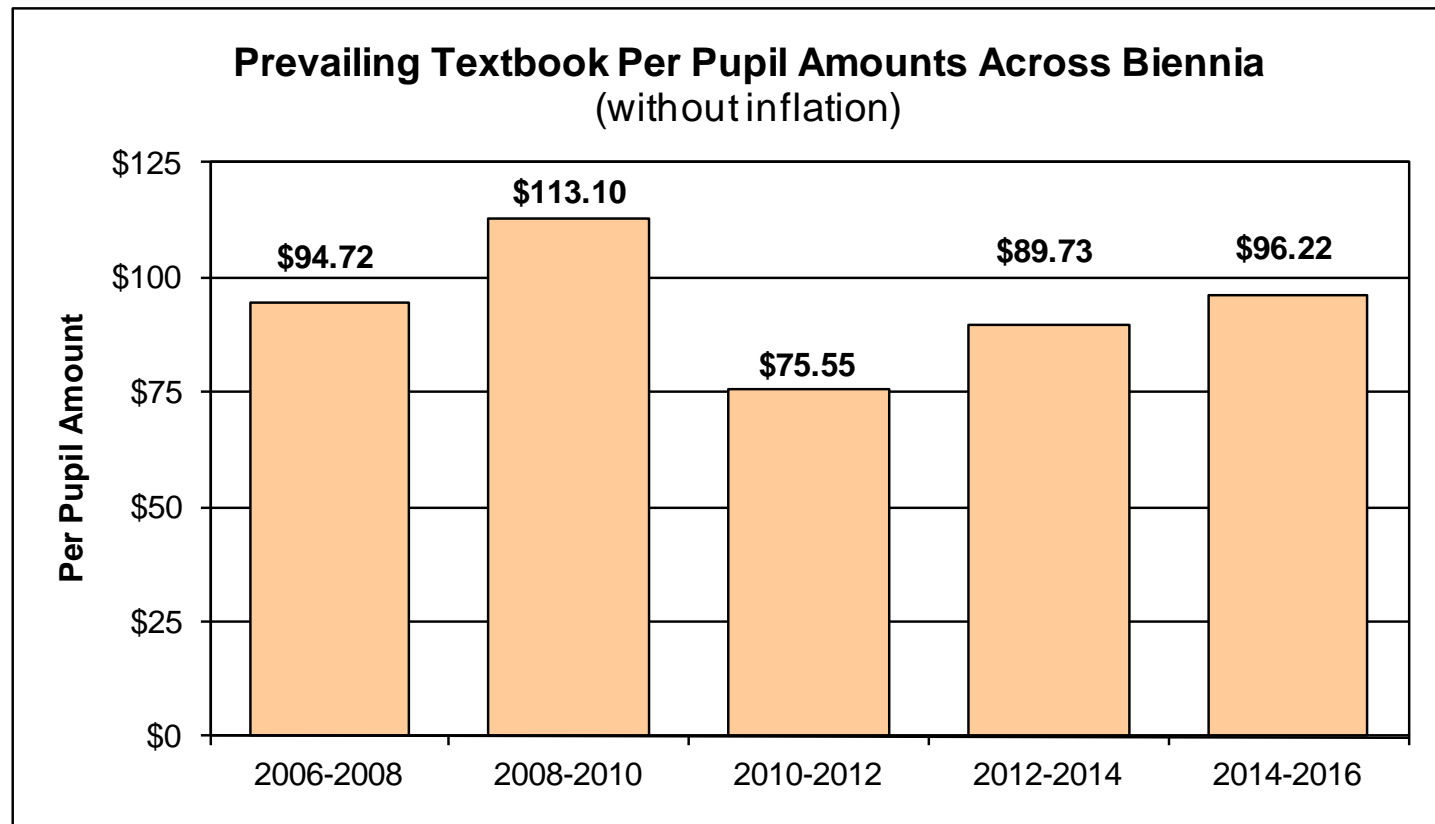
Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
16	Update Prevailing Health Care Premium Per Position (without inflation)	26,741,038	26,656,123	53,397,161



**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.

# Textbook Expenditures

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
17	Update Prevailing Textbook Per Pupil Amount (without inflation)	4,469,550	4,485,836	8,955,386



# Inflation Factors

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
19	Update Nonpersonal Support Cost Inflation Factors	46,967,109	47,173,451	94,140,560

## 2014-2016 Inflation Factors

### Applied to Nonpersonal Support Costs in SOQ Model for the 2014-2016 Biennium

Inflation Factor	2012-2014 Rates*	2014-2016 Rates	Percentage Point Variance	Inflation Factor	2012-2014 Rates*	2014-2016 Rates	Percentage Point Variance
<b>Instructional:</b>				<b>Operation &amp; Maintenance:</b>			
Classroom Instruction	0.00%	3.33%	3.33%	Utilities	0.00%	4.91%	4.91%
Instructional Support	0.00%	3.33%	3.33%	Communications	0.00%	3.28%	3.28%
Improvement	0.00%	3.33%	3.33%	Insurance	0.00%	3.33%	3.33%
Principal's Office	0.00%	3.33%	3.33%	Other	0.00%	3.33%	3.33%
<b>Miscellaneous:</b>				<b>Fixed Charges:</b>			
Administration	0.00%	3.33%	3.33%	Unemployment	0.00%	3.33%	3.33%
Attendance & Health	0.00%	3.33%	3.33%	Workers Comp.	0.00%	3.33%	3.33%
Facilities	0.00%	3.37%	3.37%	Disability Insurance	0.00%	3.33%	3.33%
<b>Textbooks</b>	0.00%	3.33%	3.33%	Other Benefits	0.00%	3.33%	3.33%
<b>Pupil Transportation</b>	0.00%	2.14%	2.14%	<b>Health Care Premium</b>	0.00%	3.63%	3.63%
				<b>Contingency Reserve</b>	0.00%	3.33%	3.33%

\* Note: The 2012-2014 budget adopted by the 2012 General Assembly removed funding for nonpersonal support cost inflation.

# Funded Instructional Salaries

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
20	Update Salary Inflation Factors (Instructional and Support)	68,778,174	68,766,354	137,544,528

## Comparison of Funded SOQ Instructional Salaries Across Biennia 2008-2010 to 2014-2016 (Adjusted for Applicable State Funded Increases)

Instructional Position	2008-2010 Funded Salary	2010-2012 Funded Salary	Percent Variance	2010-2012 Funded Salary	2012-2014 Funded Salary	Percent Variance	2012-2014 Funded Salary	2014-2016 Funded Salary	Percent Variance
Elementary Teachers	\$44,337	\$43,904	(1.0%)	\$43,904	\$45,118	2.8%	\$45,118	\$45,822	1.6%
Elementary Asst. Principals	\$62,556	\$62,383	(0.3%)	\$62,383	\$63,824	2.3%	\$63,824	\$65,037	1.9%
Elementary Principals	\$77,259	\$76,766	(0.6%)	\$76,766	\$78,510	2.3%	\$78,510	\$79,796	1.6%
Secondary Teachers	\$46,230	\$46,090	(0.3%)	\$46,090	\$47,267	2.6%	\$47,267	\$48,125	1.8%
Secondary Asst. Principals	\$66,907	\$66,658	(0.4%)	\$66,658	\$67,824	1.7%	\$67,824	\$68,863	1.5%
Secondary Principals	\$84,326	\$84,564	0.3%	\$84,564	\$86,464	2.2%	\$86,464	\$87,954	1.7%
Instructional Aides	\$15,875	\$16,104	1.4%	\$16,104	\$16,223	0.7%	\$16,223	\$16,613	2.4%



# Funded Support Salaries and Positions

Update #	Update	FY 2015 State Cost	FY 2016 State Cost	2014-2016 Total
20	Update Salary Inflation Factors (Instructional and Support)	68,778,174	68,766,354	137,544,528

Comparison of <u>Funded</u> SOQ Support Salaries Across Biennia 2010-2012 to 2014-2016 (Adjusted for Applicable State Funded Increases)						
Support Position	2010-2012 Funded Salary	2012-2014 Funded Salary	Percent Variance	2012-2014 Funded Salary	2014-2016 Funded Salary	Percent Variance
Superintendent	\$132,141	\$136,376	3.20%	\$136,376	\$138,327	1.43%
Assistant Superintendent	\$106,021	\$109,678	3.45%	\$109,678	\$113,296	3.30%
School Nurse	\$33,378	\$34,647	3.80%	\$34,647	\$35,465	2.36%
Instructional Professional	\$64,105	\$66,473	3.69%	\$66,473	\$67,321	1.28%
Instructional Technical/Clerical	\$28,232	\$28,926	2.46%	\$28,926	\$29,520	2.05%
Attendance & Health Administrative	\$54,139	\$55,477	2.47%	\$55,477	\$56,976	2.70%
Attendance & Health Technical//Clerical	\$24,558	\$25,861	5.30%	\$25,861	\$26,948	4.20%
Operations & Maintenance Professional	\$67,823	\$71,950	6.09%	\$71,950	\$72,776	1.15%
Operations & Maintenance Technical/Clerical	\$26,888	\$27,419	1.98%	\$27,419	\$28,153	2.68%
School Board Member	\$4,639	\$4,992	7.61%	\$4,992	\$5,021	0.59%
Administration Administrative	\$68,991	\$74,874	8.53%	\$74,874	\$76,054	1.58%
Administration Technical/Clerical	\$36,629	\$37,754	3.07%	\$37,754	\$39,081	3.51%
Technology Professional	\$68,808	\$71,305	3.63%	\$71,305	\$72,445	1.60%
Technology Technical/Clerical	\$30,411	\$32,563	7.08%	\$32,563	\$33,904	4.12%
Technology Support Standard	\$39,705	\$41,813	5.31%	\$41,813	\$43,144	3.18%
School Based Clerical	\$29,092	\$27,917	(4.04%)	\$27,917	\$28,475	2.00%

# 2014-2016

## Rebenchmarking Summary

### Key Data Inputs that Decreased Costs Compared to FY14 Base:

- Special Education Child Counts
- CTE Course Enrollment
- Support Position Cap
- Prevailing Instructional Salaries

### Key Data Inputs that Increased Costs Compared to FY14 Base:

- Funded Support Salaries
- Enrollment Projections
- Funded Nonpersonal Support Costs
- Federal Revenue Deduct Per Pupil Amount
- Pupil Transportation
- Support Position Cap
- Division SOL Failure Rates
- Free Lunch Eligibility
- Inflation Factors
- Health Care Premium
- Textbook Expenditures
- Funded Instructional Salaries

# *Appendix A:*

## **State Cost of 2014-2016 Rebenchmarking by Direct Aid Account as of September 19, 2013**

# Standards of Quality Accounts

Standards of Quality Accounts	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
Basic Aid	\$2,898,507,568	\$3,128,178,687	\$229,671,119	\$2,898,507,568	\$3,141,971,046	\$243,463,478	\$473,134,597
Sales Tax	\$1,257,500,000	\$1,257,500,000	\$0	\$1,257,500,000	\$1,257,500,000	\$0	\$0
Textbooks (General Fund)	\$45,846,044	\$68,468,939	\$22,622,895	\$45,846,044	\$68,718,190	\$22,872,146	\$45,495,041
Vocational Education	\$53,823,405	\$50,867,514	(\$2,955,891)	\$53,823,405	\$50,852,348	(\$2,971,057)	(\$5,926,948)
Gifted Education	\$32,245,796	\$33,060,435	\$814,639	\$32,245,796	\$33,197,753	\$951,957	\$1,766,596
Special Education	\$366,787,264	\$366,315,175	(\$472,089)	\$366,787,264	\$367,340,430	\$553,166	\$81,077
Prevention, Intervention and Remediation	\$85,280,308	\$99,463,290	\$14,182,982	\$85,280,308	\$99,622,012	\$14,341,704	\$28,524,686
VRS Retirement	\$304,272,866	\$310,673,284	\$6,400,418	\$304,272,866	\$311,662,742	\$7,389,876	\$13,790,294
Social Security	\$182,252,781	\$186,096,761	\$3,843,980	\$182,252,781	\$186,714,053	\$4,461,272	\$8,305,252
Group Life	\$11,467,817	\$11,719,695	\$251,878	\$11,467,817	\$11,760,727	\$292,910	\$544,788
Remedial Summer School	\$23,435,017	\$25,172,361	\$1,737,344	\$23,435,017	\$26,726,617	\$3,291,600	\$5,028,944
<b>Standards of Quality SUB-TOTAL:</b>	<b>\$5,261,418,866</b>	<b>\$5,537,516,141</b>	<b>\$276,097,275</b>	<b>\$5,261,418,866</b>	<b>\$5,556,065,918</b>	<b>\$294,647,052</b>	<b>\$570,744,327</b>

# Incentive Accounts

Incentive Accounts	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
Compensation Supplement	\$70,164,391	\$0	(\$70,164,391)	\$70,164,391	\$0	(\$70,164,391)	(\$140,328,782)
Governor's School	\$14,958,873	\$14,958,873	\$0	\$14,958,873	\$14,958,873	\$0	\$0
Additional Assistance with Retirement, Inflation & Preschool Costs	\$55,000,000	\$0	(\$55,000,000)	\$55,000,000	\$0	(\$55,000,000)	(\$110,000,000)
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
Governor's School Planning Grants, Startup/Expansion Grants	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$0
Special Education Endorsement Program	\$600,000	\$600,000	\$0	\$600,000	\$600,000	\$0	\$0
Special Education - Vocational Education / Special Education	\$200,089	\$200,089	\$0	\$200,089	\$200,089	\$0	\$0
Diploma Reforms: VA Workplace Readiness Skills Assessment	\$308,655	\$308,655	\$0	\$308,655	\$308,655	\$0	\$0
Strategic Compensation for Teachers	\$7,500,000	\$7,500,000	\$0	\$7,500,000	\$7,500,000	\$0	\$0
Early Reading Specialists Initiative	\$1,430,868	\$1,440,576	\$9,708	\$1,430,868	\$1,440,576	\$9,708	\$19,416
At-Risk (General Fund)	\$0	\$15,146,330	\$15,146,330	\$0	\$16,316,882	\$16,316,882	\$31,463,212
<b>Incentive SUB-TOTAL:</b>	<b>\$150,861,610</b>	<b>\$40,853,257</b>	<b>(\$110,008,353)</b>	<b>\$150,861,610</b>	<b>\$42,023,809</b>	<b>(\$108,837,801)</b>	<b>(\$218,846,154)</b>

# Categorical Accounts

Categorical Accounts	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 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	\$4,347,808	\$4,347,808	\$0	\$4,347,808	\$4,347,808	\$0	\$0
Indian Children (King William County)	\$63,446	\$63,446	\$0	\$63,446	\$63,446	\$0	\$0
School Lunch	\$5,801,932	\$5,801,932	\$0	\$5,801,932	\$5,801,932	\$0	\$0
Special Education - Homebound	\$5,605,452	\$5,605,452	\$0	\$5,605,452	\$5,605,452	\$0	\$0
Special Education - Jails	\$3,815,919	\$3,815,919	\$0	\$3,815,919	\$3,815,919	\$0	\$0
Special Education - State Operated Programs	\$35,154,773	\$35,154,773	\$0	\$35,154,773	\$35,154,773	\$0	\$0
<b>Categorical SUB-TOTAL:</b>	<b>\$58,321,130</b>	<b>\$58,321,130</b>	<b>\$0</b>	<b>\$58,321,130</b>	<b>\$58,321,130</b>	<b>\$0</b>	<b>\$0</b>

# Lottery Funded Accounts (page 1 of 2)

Lottery Funded Accounts	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
Foster Care	\$9,413,338	\$9,413,338	\$0	\$9,413,338	\$9,413,338	\$0	\$0
At-Risk	\$78,627,241	\$68,349,396	(\$10,277,845)	\$78,627,241	\$67,154,478	(\$11,472,763)	(\$21,750,608)
Virginia Preschool Initiative	\$68,569,714	\$91,953,485	\$23,383,771	\$68,569,714	\$91,953,485	\$23,383,771	\$46,767,542
Early Reading Intervention	\$14,972,241	\$15,247,756	\$275,515	\$14,972,241	\$15,293,934	\$321,693	\$597,208
Mentor Teacher	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0
K-3 Primary Class Size	\$106,431,479	\$106,431,479	\$0	\$106,431,479	\$106,431,479	\$0	\$0
School Breakfast	\$3,837,586	\$3,837,586	\$0	\$3,837,586	\$3,837,586	\$0	\$0
SOL Algebra Readiness	\$11,352,196	\$11,562,218	\$210,022	\$11,352,196	\$11,563,398	\$211,202	\$421,224
Alternative Education	\$8,061,000	\$7,772,304	(\$288,696)	\$8,061,000	\$7,772,672	(\$288,328)	(\$577,024)
ISAEF	\$2,247,581	\$2,247,581	\$0	\$2,247,581	\$2,247,581	\$0	\$0

# Lottery Funded Accounts (page 2 of 2)

Lottery Funded Accounts	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
Special Education - Regional Tuition	\$77,703,941	\$77,703,941	\$0	\$77,703,941	\$77,703,941	\$0	\$0
Vocational Education - Categorical	\$10,400,829	\$10,400,829	\$0	\$10,400,829	\$10,400,829	\$0	\$0
Project Graduation	\$2,774,478	\$2,774,478	\$0	\$2,774,478	\$2,774,478	\$0	\$0
Supplemental Basic Aid	\$878,076	\$837,777	(\$40,299)	\$878,076	\$787,776	(\$90,300)	(\$130,599)
English as a Second Language	\$45,863,224	\$48,310,380	\$2,447,156	\$45,863,224	\$49,507,573	\$3,644,349	\$6,091,505
Textbooks (Lottery)	\$15,709,624	\$0	(\$15,709,624)	\$15,709,624	\$0	(\$15,709,624)	(\$31,419,248)
Virginia Teacher Corps (NCLB/EFAL)	\$415,000	\$415,000	\$0	\$415,000	\$415,000	\$0	\$0
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)	\$1,331,464	\$1,331,464	\$0	\$1,331,464	\$1,331,464	\$0	\$0
<b>Lottery SUB-TOTAL:</b>	<b>\$462,000,000</b>	<b>\$462,000,000</b>	<b>\$0</b>	<b>\$462,000,000</b>	<b>\$462,000,000</b>	<b>\$0</b>	<b>\$0</b>



# Supplemental Education (page 1 of 2)

Supplemental Education	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
Career and Technical Education Resource Center	\$298,021	\$298,021	\$0	\$298,021	\$298,021	\$0	\$0
Jobs for Virginia Graduates	\$373,776	\$373,776	\$0	\$373,776	\$373,776	\$0	\$0
Project Discovery	\$425,000	\$425,000	\$0	\$425,000	\$425,000	\$0	\$0
Small School Division Assistance	\$145,896	\$145,896	\$0	\$145,896	\$145,896	\$0	\$0
Southside Virginia Technology Consortium	\$58,905	\$58,905	\$0	\$58,905	\$58,905	\$0	\$0
Southwest Virginia Public Education Consortium	\$124,011	\$124,011	\$0	\$124,011	\$124,011	\$0	\$0
Virginia Career Education Foundation	\$31,003	\$31,003	\$0	\$31,003	\$31,003	\$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 STAR IT Initiative	\$225,000	\$225,000	\$0	\$225,000	\$225,000	\$0	\$0
College Readiness Center Pilot	\$87,500	\$0	(\$87,500)	\$87,500	\$0	(\$87,500)	(\$175,000)

# Supplemental Education (page 2 of 2)

Supplemental Education	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
VA Teacher Scholarship Loan Program	\$708,000	\$708,000	\$0	\$708,000	\$708,000	\$0	\$0
National Board Certification Program	\$5,310,000	\$5,310,000	\$0	\$5,310,000	\$5,310,000	\$0	\$0
Greater Richmond Area Scholarship Program	\$212,500	\$212,500	\$0	\$212,500	\$212,500	\$0	\$0
Teacher Recruitment: Preparation Pilot Initiative	\$400,000	\$400,000	\$0	\$400,000	\$400,000	\$0	\$0
Teacher Recruitment & Retention: Math & Science Teacher Recruitment Pilot Initiative	\$808,000	\$808,000	\$0	\$808,000	\$808,000	\$0	\$0
Youth Development Academy	\$543,176	\$543,176	\$0	\$543,176	\$543,176	\$0	\$0
Communities in Schools	\$525,000	\$525,000	\$0	\$525,000	\$525,000	\$0	\$0
Effective School Wide Discipline Initiative	\$341,040	\$341,040	\$0	\$341,040	\$341,040	\$0	\$0
Year-Round Schools Planning Grants	\$412,500	\$0	(\$412,500)	\$412,500	\$0	(\$412,500)	(\$825,000)
Fairfax/Loudoun STEM Model	\$129,500	\$0	(\$129,500)	\$129,500	\$0	(\$129,500)	(\$259,000)
<b>Supplemental Education SUB-TOTAL:</b>	<b>\$11,330,677</b>	<b>\$10,701,177</b>	<b>(\$629,500)</b>	<b>\$11,330,677</b>	<b>\$10,701,177</b>	<b>(\$629,500)</b>	<b>(\$1,259,000)</b>

# Summary – All Direct Aid Accounts

State Direct Aid Account Category	FY 2014 Base State Cost (Chapter 806)	FY 2015 Updated State Cost	FY 2014 to FY 2015 Variance	FY 2014 Base State Cost (Chapter 806)	FY 2016 Updated State Cost	FY 2014 to FY 2016 Variance	2014-2016 Biennium Variance
Standards of Quality	\$5,261,418,866	\$5,537,516,141	\$276,097,275	\$5,261,418,866	\$5,556,065,918	\$294,647,052	\$570,744,327
Incentive	\$150,861,610	\$40,853,257	(\$110,008,353)	\$150,861,610	\$42,023,809	(\$108,837,801)	(\$218,846,154)
Categorical	\$58,321,130	\$58,321,130	\$0	\$58,321,130	\$58,321,130	\$0	\$0
Lottery	\$462,000,000	\$462,000,000	\$0	\$462,000,000	\$462,000,000	\$0	\$0
Supplemental Education	\$11,330,677	\$10,701,177	(\$629,500)	\$11,330,677	\$10,701,177	(\$629,500)	(\$1,259,000)
<b>Direct Aid TOTAL COST*</b>	<b>\$5,943,932,283</b>	<b>\$6,109,391,705</b>	<b>\$165,459,422</b>	<b>\$5,943,932,283</b>	<b>\$6,129,112,034</b>	<b>\$185,179,751</b>	<b>\$350,639,173</b>