

VDOE Update on Short-Term JLARC Recommendations

Joint Subcommittee on Elementary
and Secondary Funding

December 9, 2024



Review of Short-Term JLARC Recommendation 1

- **Recommendation 1**

The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act directing the following technical adjustments to the Standards of Quality (SOQ) formula and compensation supplement calculations:

- (i) include all division central office positions in the SOQ formula,
- (ii) apply the cost of competing adjustment to facility and transportation staff salaries in the SOQ formula,
- (iii) remove the cap on adjustments to non-personal cost assumptions in the benchmarking process in the SOQ formula, and
- (iv) account for cost of facilities staff salaries in compensation supplement calculations.

Short-Term JLARC Recommendation 1: Response

VDOE RESPONSE:

VDOE has estimated that **Item iii** would have a **\$30.5 million per year impact**.

Items (i), (ii) and (iv) could require a month each to program and test.

Significant technical updates to the SOQ model would be required to make these changes. The SOQ model does not calculate positions for facilities and transportation staff.

- (i) include all division central office positions in the SOQ formula,
- (ii) apply the cost of competing adjustment to facility and transportation staff salaries in the SOQ formula,
- (iii) remove the cap on adjustments to non-personal cost assumptions in the benchmarking process in the SOQ formula, and
- (iv) account for cost of facilities staff salaries in compensation supplement calculations.

Review of Short-Term JLARC Recommendation 4

- **Recommendation 4**

The General Assembly may wish to consider including language in the Appropriation Act that directs the following changes to the Standards of Quality formula:

- (i) eliminate the support cap,
- (ii) re-instate the non-personal cost categories removed in FY09 and FY10, and
- (iii) re-instate the federal fund deduction methodology used prior to FY09.

Short-Term JLARC Recommendation 4: Response

VDOE RESPONSE:

VDOE has estimated that item (i) would have a \$200 million per year impact.

Items (ii) and (iii) could require a month to program and test due to older funding mechanics needing to be programmed, estimated separately by VDOE staff, and compared for reasonableness. Any SOQ related changes would need to be done independent of each other and tested.

- (i) eliminate the support cap,
- (ii) re-instate the non-personal cost categories removed in FY09 and FY10, and
- (iii) re-instate the federal fund deduction methodology used prior to FY09.

Review of Short-Term JLARC Recommendation 6 & Response

- **Recommendation 6**

The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to calculate salary and other Standards of Quality formula cost assumptions using the division average, rather than the linear weighted average.

VDOE RESPONSE

VDOE does not have a cost estimate due to the rebenchmarking process needing amendment and the SOQ Model may require reprogramming. Could take approximately one month to program.

Review of Short-Term JLARC Recommendation 7 & Response

- **Recommendation 7**

The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to change the local composite index to be calculated using a three-year average of the most recently available data, rather than a single year of data every other year.

VDOE RESPONSE

VDOE estimates a cost impact of **\$6.5 million per year**. The effects of this change will vary widely from biennium to biennium. Best assumption would be no fiscal impact in the long term. This estimate is based on the available data sets (2019, 2020, 2021) from Weldon Cooper and the Department of Tax.

Review of Short-Term JLARC Recommendation 8 & Response

- Recommendation 8 –

The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to designate the At-Risk Add-On program as a Standards of Quality funding program, in recognition that the funding is essential for providing Virginia K–12 students with a quality education.

VDOE RESPONSE

VDOE estimates **no fiscal impact** from this change.

Review of Short-Term JLARC Recommendation 9 & Response

- **Recommendation 9**

The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to direct use of the federally approved Identified Student Percentage measure to calculate funding for all at-risk programs that currently rely on the outdated free lunch estimates.

VDOE RESPONSE

VDOE has been able to provide updates for Algebra Readiness and Virginia Preschool Initiative programs.

- **Algebra Readiness** moving from the Free Lunch metric to ISP x 1.25 equates to approximately **\$4.9 million** in additional funding annually.
- **VPI** moving from the Free Lunch metric to ISP x 1.25 equates to approximately **\$34.6 million**.
- K-3 Primary Class Size Reduction tiers would need to be analyzed based on ISP data to determine new funding ranges and would take some time to calculate.

Review of Short-Term JLARC Recommendation 11 & Response

- **Recommendation 11**

The General Assembly may wish to consider including language in the Appropriation Act requiring the Virginia Department of Education to work with school division staff and experts as needed to develop new special education staffing needs estimates based on a review of current ones and report its findings to the Board of Education, the House Committee on Education, and the Senate Committee on Education and Health.

VDOE RESPONSE

VDOE has worked with Senate and House staff members to identify possible options.

VDOE staff will be available to answer any questions that may arise from agenda item III relevant to this topic.

Questions?

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