

# **Review of the Standards of Quality**

***Standing Committee  
of the Standards of Quality***

---

April 29, 2009



# ***Review of the Standards of Quality***

- **2009 General Assembly's charge to the Board of Education**
- **Background information**
- **Staffing requirements prescribed in the Standards of Quality (SOQ)**
- **Proposed plan for the review**

# ***General Assembly's Charge***

## **Item 140.C.5.k.3), 2009 Appropriation Act:**

***The Board of Education shall review the current Standards of Quality to evaluate the appropriateness of the existing staffing standards for instructional positions and the appropriateness of establishing ratio standards for support positions, with the objective of maximizing resources devoted to the instructional program.***

# ***General Assembly's Charge***

## **Item 140.C.5.k.3), 2009 Appropriation Act:**

***The findings of this review, its associated costs, and its final recommendations for rebenchmarking shall be submitted to the Governor, the Chairmen of House Appropriations and Senate Finance Committees and the Joint Subcommittee on Elementary and Secondary Education Funding established pursuant to Item 1, paragraph H. of this Act no later than November 1, 2009.***

# ***General Assembly's Charge***

## **Item 140.C.5.k.2), 2009 Appropriation Act:**

***The Department of Education shall make its calculation for the total cost of rebenchmarking for the fiscal year 2010-2012 biennium to be consistent with the following methodologies:***

***(i) using the 'support position funding cap' methodology change contained in House Bill 1600/Senate Bill 850 ...***

***(ii) using the rebenchmarking methodology which was contained within Chapter 879, from the 2008 Session ...***

# ***Precipitating Factors***

- **National recession and reduction in general fund revenue collections**
- **Biennial costs of rebenchmarking**
- **Standards of Quality as a percentage of total general fund revenues**

# ***FY 2010 Budget***

- **For the purpose of achieving the necessary funding reductions in FY 2010, support positions were capped at a ratio of one support position for each 4.03 SOQ-funded instructional positions.**
- **This was not adopted as a permanent change in funding or staffing policy.**

# ***FY 2010 Budget***

- **This action resulted in a reduction in state funding of \$340.9 million for FY 2010.**
- **To mitigate this and other state funding reductions, the General Assembly appropriated \$365.2 million in federal stimulus money from the State Fiscal Stabilization Fund.**

# ***Constitutional Authority***

## **Article VIII, § 2:**

***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.***

# ***Constitutional Authority***

## **Article VIII, § 2:**

***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.***

# ***Statutory Authority***

## **§ 22.1-18.01, Code of Virginia:**

***To ensure the integrity of the standards of quality, the Board of Education shall, in even-numbered years, exercise its constitutional authority to determine and prescribe the standards, subject to revision only by the General Assembly, by reviewing the standards and either proposing amendments to the standards or making a determination that no changes are necessary.***

# ***Background***

- **The Standards of Quality were first adopted by the Board of Education in 1971.**
- **They were revised by the General Assembly in 1972 and adopted as uncodified Acts of Assembly. They were codified by the General Assembly in 1984.**
- **They prescribe the minimum requirements that all school divisions in Virginia must meet.**
- **The standards are found in § § 22.1-253.13:1 through 22.1-253.13:8 of the *Code of Virginia*.**

# ***Eight Standards of Quality***

- 1. Instructional programs supporting the Standards of Learning and other educational objectives;**
- 2. Instructional, administrative, and support personnel;**
- 3. Accreditation, other standards and evaluation;**
- 4. Student achievement and graduation requirements;**
- 5. Quality of classroom instruction and educational leadership;**
- 6. Planning and public involvement;**
- 7. School board policies; and**
- 8. Compliance.**

# ***Standard 2: Staffing***

- **Standard 2, the staffing standard, is the major budget driver for K-12 funding.**
- **Item 140 of the 2009 Appropriation Act also addresses SOQ staffing standards.**
- **Both need to be reviewed concurrently. If there is a conflict between the statute and the Appropriation Act, the Appropriation Act prevails.**

# ***Divisionwide Student-Teacher Ratios***

	<b><i>Student- teacher ratio</i></b>	<b><i>Maximum class size</i></b>
<b><i>Kindergarten</i></b>	<b>24:1</b>	<b>29*</b>
<b><i>Grades 1, 2 &amp; 3</i></b>	<b>24:1</b>	<b>30</b>
<b><i>Grades 4, 5 &amp; 6</i></b>	<b>25:1</b>	<b>35</b>
<b><i>English classes in grades 6-12</i></b>	<b>24:1</b>	<b>--</b>
<b>*A full-time aide is required if the ADM exceeds 24 students in a kindergarten classroom.</b>		

# ***Schoolwide Student-Teacher Ratio***

	<b><i>Student- teacher ratio</i></b>	<b><i>Maximum class size</i></b>
<b><i>Middle &amp; high schools</i></b>	<b>21:1</b>	<b>--</b>

**School divisions shall provide all middle and high school teachers with one planning period per day or the equivalent, unencumbered of any teaching or supervisory duties.**

# ***Principals***

<b>Elementary schools – <i>299 or fewer students</i></b>	<b>One half-time principal</b>
<b>Elementary schools – <i>300 or more students</i></b>	<b>One full-time principal</b>
<b>Middle and high schools</b>	<b>One full-time principal</b>

# ***Assistant Principals***

<b>Elementary schools – <i>600 to 899 students</i></b>	<b>One half-time assistant principal</b>
<b>Elementary schools – <i>900 or more students</i></b>	<b>One full-time assistant principal</b>
<b>Middle schools</b>	<b>One full-time assistant principal for each 600 students</b>
<b>High schools</b>	<b>One full-time assistant principal for each 600 students</b>

# ***Librarians***

<b>Elementary schools – <i>up to 299 students</i></b>	<b>One part-time librarian</b>
<b>Elementary schools – <i>300 or more students</i></b>	<b>One full-time librarian</b>
<b>Middle and high schools – <i>up to 299 students</i></b>	<b>One half-time librarian</b>
<b>Middle and high schools – <i>300 to 999 students</i></b>	<b>One full-time librarian</b>
<b>Middle and high schools – <i>1000 or more students</i></b>	<b>Two full-time librarians</b>

# School Counselors

<b>Elementary schools – <i>up to 499 students</i></b>	<b>One hour/day/100 students</b>
<b>Elementary schools – <i>500 or more students</i></b>	<b>One full-time counselor at 500 students, plus one hour/day/100 students</b>
<b>Middle schools – <i>up to 399 students</i></b>	<b>One period/80 students</b>
<b>Middle schools – <i>400 or more students</i></b>	<b>One full-time counselor at 400 students, plus one period/80 students</b>
<b>High schools – <i>up to 349 students</i></b>	<b>One period/70 students</b>
<b>High schools – <i>350 or more students</i></b>	<b>One full-time counselor at 350 students, plus one period/70 students</b>

# ***Clerical Positions***

<b>Elementary schools – <i>up to 299 students</i></b>	<b>One part-time clerical position</b>
<b>Elementary schools – <i>300 or more students</i></b>	<b>One full-time clerical position</b>
<b>Middle and high schools</b>	<ul style="list-style-type: none"><li>• <b>One full-time clerical position</b></li><li>• <b>One additional full-time position for each 600 students beyond 200 students</b></li><li>• <b>One full-time position for the library at 750 students</b></li></ul>

# ***Prevention, Intervention, and Remediation***

- **Funding is provided for full-time equivalent instructional positions for students needing Prevention, Intervention, and Remediation services.**
- **The funding formula in the Appropriation Act is one hour of additional instruction per day based on the percent of students eligible for the federal free lunch program.**
- **The student-teacher ratio ranges from 18:1 to 10:1, depending upon a school division's combined failure rate on the English and Mathematics Standards of Learning tests.**

# ***Limited English Proficiency***

- **Staffing standard: 17 full-time equivalent instructional positions for each 1,000 students identified as having limited English proficiency.**
- **Language in the Appropriation Act permits school divisions to use SOQ Prevention, Intervention, and Remediation funds to employ additional English Language Learner teachers to provide instruction to identified limited English proficiency students.**

# ***Art, Music, and Physical Education***

- **Staffing standard: Five full-time equivalent positions per 1,000 students in grades kindergarten through five to serve as elementary resource teachers in art, music, and physical education.**

# ***Instructional Technology Resource Teachers and Technology Support***

- **Staffing standard: Two full-time equivalent positions per 1,000 students in grades kindergarten through 12, one to provide technology support and one to serve as an Instructional Technology Resource Teacher.**
- **Language in the Appropriation Act permits school divisions to use funds for Instructional Technology Resource Teachers to employ Data Coordinator positions, Instructional Technology Resource Teacher positions, or Data Coordinator/Instructional Technology Resource Teacher blended positions.**

# ***Reading Specialists***

- **The *Code* permits, but does not require, school divisions to employ reading specialists in elementary schools.**
- **Language in the Appropriation Act permits school divisions to use the state Early Intervention Reading Initiative funding to employ reading specialists to provide the required reading intervention services.**

# ***Mathematics Specialists***

- **Language in the Appropriation Act permits school divisions to use Algebra Readiness Initiative funding to employ mathematics teacher specialists to provide the required mathematics intervention services.**

# ***Support Positions***

- **Each local school board is required to provide those support services that are necessary for the efficient and cost-effective operation and maintenance of its public schools.**
- **Pursuant to the Appropriation Act, support services are funded on the basis of prevailing statewide costs.**

# ***Support Positions***

**“Support services” include:**

- **School board members**
- **The superintendent and assistant superintendents**
- **Pupil transportation**
- **Student services**
- **Attendance and health**
- **Operations and maintenance**
- **Administrative, clerical, and technical**

# ***Staffing Provisions in the Appropriation Act***

The Appropriation Act provides for a minimum of:

- **51 professional instructional positions and aide positions for each 1,000 students;**
- **One professional instructional position for gifted education for each 1,000 students; and**
- **Six professional instructional positions and aide positions for special education and career and technical education for each 1,000 students.**

# ***Next Steps***

- **Review and approval of a work plan;**
- **Participation and involvement of education entities and the public;**
- **Collection and analysis of data provided by school divisions;**
- **Examination of all facets of the SOQ to determine the changes that may be needed;**
- **Identification of best practices; and**
- **Formulation of recommendations.**

# ***Overview of Standards of Quality Funding Process***

**Presented to  
the Standing Committee  
of the Standards of Quality**

**Kent C. Dickey  
Assistant Superintendent for Finance**



# *Briefing Outline*

- **SOQ Requirements**
- **SOQ Funding Summary**
- **Determining SOQ Costs**
- **Determining State & Local Shares of Cost**
- **Appendices**

# ***SOQ Requirements***

- **The Virginia Constitution requires the Board of Education to formulate Standards of Quality (SOQ) for public schools.**
- **The General Assembly is charged with revising the SOQ, determining SOQ costs, and apportioning the cost between the state and localities.**
- **The decision about how much to appropriate for public schools is left to the General Assembly.**

# SOQ Requirements

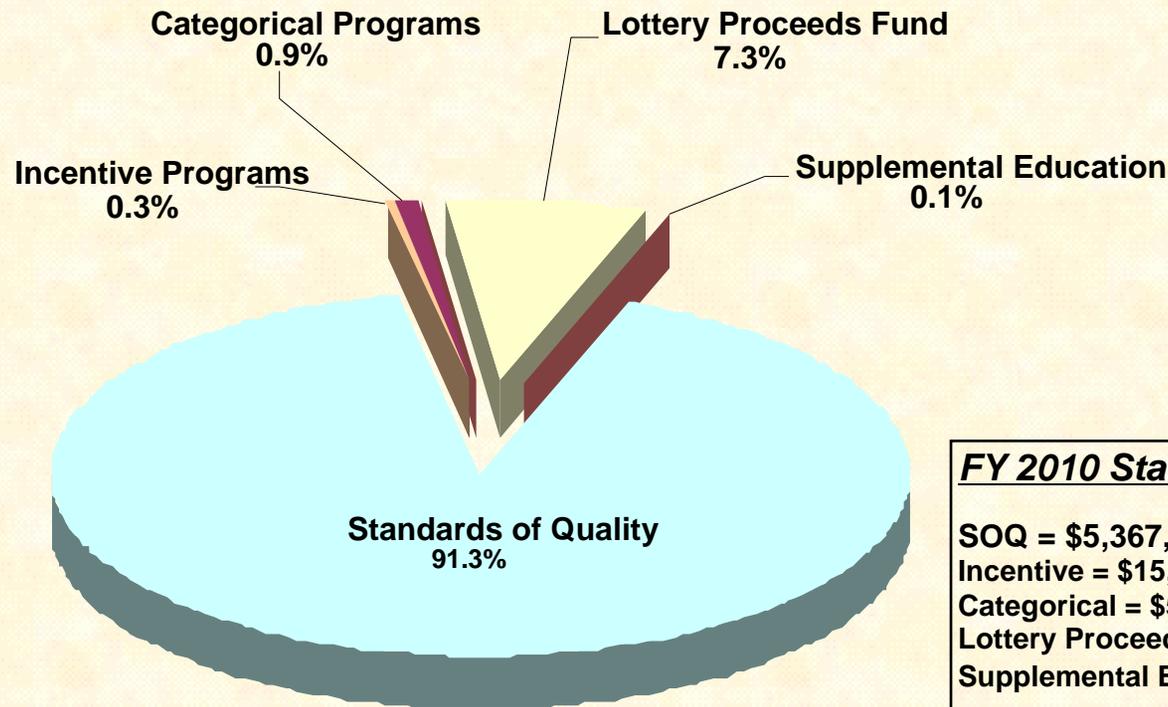
- **The SOQ is established in the Virginia Constitution as the minimum educational program school divisions must provide.**
- **The specific requirements of the SOQ are set out in the *Code of Virginia* and the appropriation act, such as requirements for programs and staffing.**
- **State funding must be matched by the locality. Localities may spend more than the required amounts and offer programs and employ staff beyond what is required.**

# ***SOQ Funding Summary***

- **The primary determinant of state funding for school divisions. (FY10 funding shown in Appendix A.)**
- **\$5.3 billion – or 91.3% of state funding for public education – in FY10. Over 80% of SOQ funding is for salaries and benefits.**
- **Required local match in FY10 is \$3.4 billion – most localities exceed their required match for the SOQ.**
- **Existing SOQ funding based largely on JLARC methodology developed in the mid/late 1980s.**

# SOQ Funding Summary

## Projected FY 2010 State Direct Aid Funding by Category



### ***FY 2010 State Funding:***

SOQ = \$5,367,252,013  
Incentive = \$15,665,828  
Categorical = \$55,559,074  
Lottery Proceeds Fund = \$430,200,000  
Supplemental Education = \$7,541,620

**Total = \$5,876,218,535**

# ***SOQ Funding Summary***

- **Funding for the Standards of Quality is provided through the following accounts, mostly on a per pupil basis (formulas shown in Appendix B):**
  - **Basic Aid**
  - **Special Education**
  - **Career and Technical Education**
  - **Prevention, Intervention, and Remediation**
  - **Gifted Education**
  - **English as a Second Language**
  - **Remedial Summer School**
  - **Fringe Benefits for funded instructional positions**
  - **Sales Tax (1.125% for public education)**
  - **Textbooks**

# *Determining SOQ Costs*

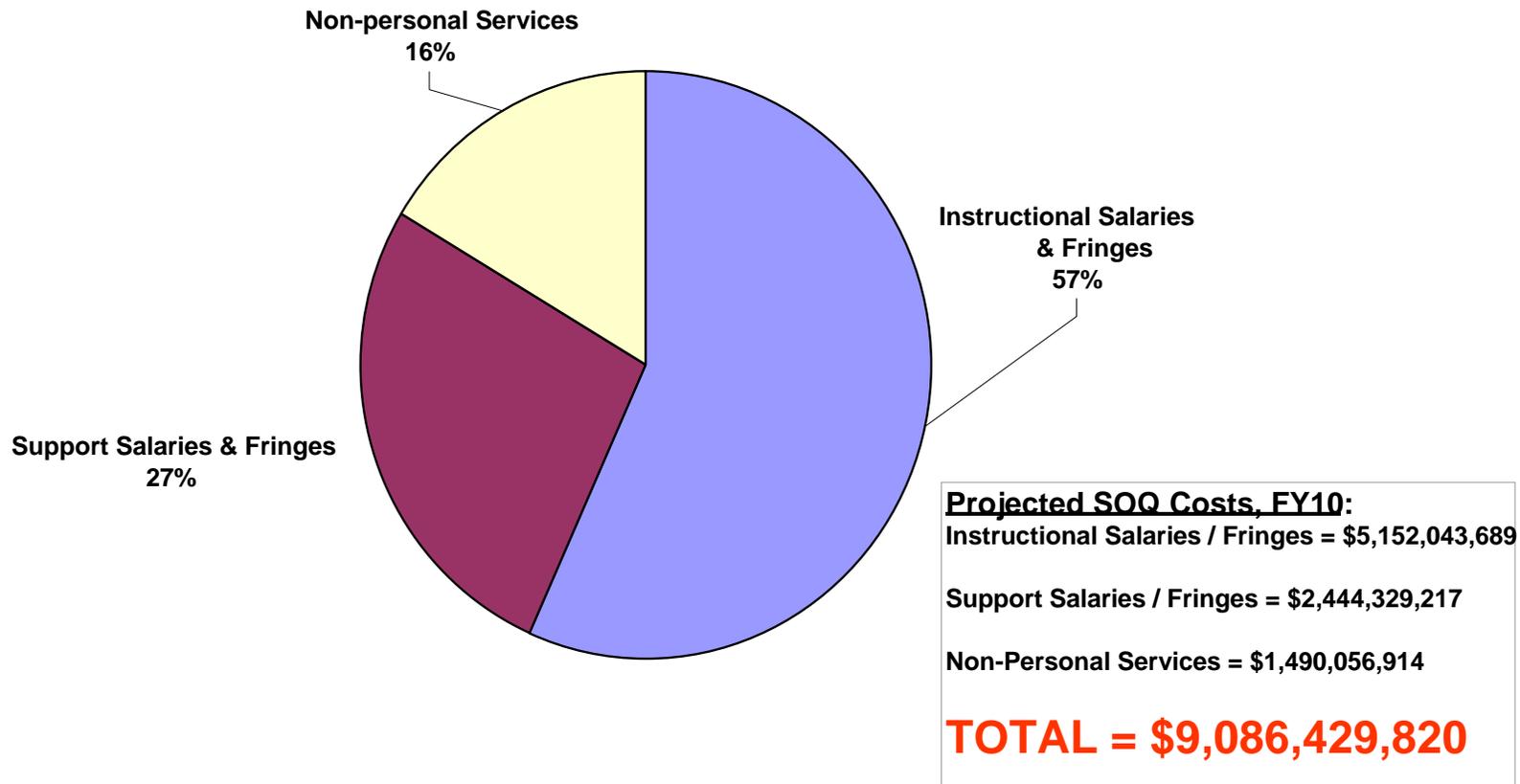
- **Three components of SOQ cost:**
  1. required number of instructional positions (salary and benefits) – driven by staffing standards in Standard 2, appropriation act, and BOE regulations;
  2. recognized support positions (salary and benefits); and,
  3. recognized “non-personal” support costs (e.g., supplies, utilities, etc.).
- **The support cost components (2 & 3) are funded through Basic Aid mostly on a prevailing cost basis.**
- **Each SOQ account is funded by a per pupil cost calculated for each division and distributed on March 31 ADM.**

# ***Determining SOQ Costs***

- **Key input data used to cost out the three components are updated every two years during rebenchmarking:**
  1. **number of students**
  2. **staffing standards for teachers and other instructional positions**
  3. **salaries of teachers and other instructional positions**
  4. **fringe benefit rates**
  5. **standard and prevailing support costs**
  6. **inflation factors**
  7. **federal revenues deducted from support costs**
  8. **amount of sales tax revenue and school division composite indices**

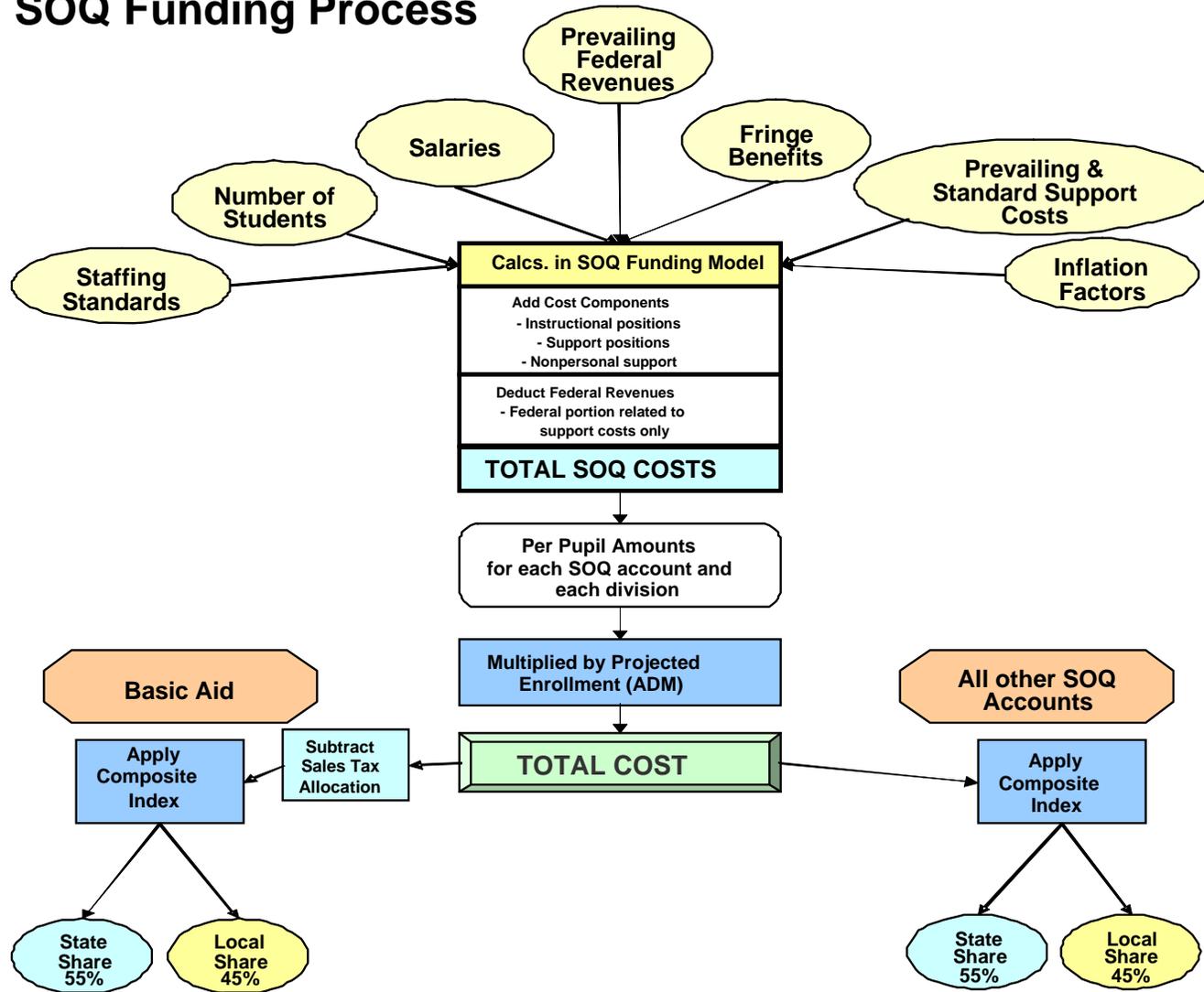
# Determining SOQ Costs

## Projected Total Standards of Quality Costs, FY 2010 Percentage of Total Instructional and Support Costs



# Determining SOQ Costs

## SOQ Funding Process



# *Determining SOQ Costs*

## **Calculate Cost of Instructional Positions**

- Apply all classroom, school, and division staffing standards in Standard 2 for Basic positions (i.e., K-12 teachers, principals, etc.) against school and division enrollment.
- Apply other staffing standards in appropriation act and BOE regs. to associated enrollments for other instructional programs: special education, CTE, remediation, gifted, and ESL.
- Apply minimum staffing standard of 51 positions per 1,000 for Basic positions and 6 positions per 1,000 for special education and CTE positions to ensure “floor” level of positions generated.

# ***Determining SOQ Costs***

## **Calculate Cost of Instructional Positions**

- **The generated instructional positions for each division are multiplied by the applicable funded salary (and cost of competing factor if applicable).**
- **The instructional salary costs are assigned to the applicable SOQ accounts (i.e., Basic Aid, special education, etc.).**
- **The associated fringe benefit costs for the positions are funded in the separate fringe benefit accounts (VRS retirement, Social Security, and VRS group life). Health care is funded in Basic Aid.**

# ***Determining SOQ Costs***

## **Features of “Prevailing Cost”**

- **Recognize operating costs in the SOQ based on “reasonable” costs, not each school division’s actual spending.**
- **JLARC stated “reasonable cost” should reflect what most school divisions spend, not reimbursement of actual expenditures.**
- **Applied to cost components not quantified in the SOQ:**
  - **instructional and support salary amounts**
  - **support staffing per pupil**
  - **non-personal support costs per pupil**

# ***Determining SOQ Costs***

## **Features of “Prevailing Cost”**

- **Includes the cost of every division but is not unduly influenced by divisions with unusually high or low costs.**
- **A weighted average (“linear weighted average”) cost whose weights are derived from the proximity of division costs to the middle or median cost in the distribution.**
- **Gives greatest weight to the median cost; least weight to the very highest and lowest costs.**
- **Most school divisions’ actual costs are a little under or a little over the calculated prevailing cost.**

# *Determining SOQ Costs*

## Calculation of “Prevailing Cost”

- Array each division’s actual base-year average salary, per pupil support cost, or per pupil support staffing from high to low.
- Assign a weight of 5 to the middle or median division cost.
- Assign corresponding declining weights to costs on either side of the median cost until the highest and lowest costs are reached, which are weighted at 1.
- Apply weights to individual data points and calculate the weighted average. Adjust values for inflation.

# ***Determining SOQ Costs***

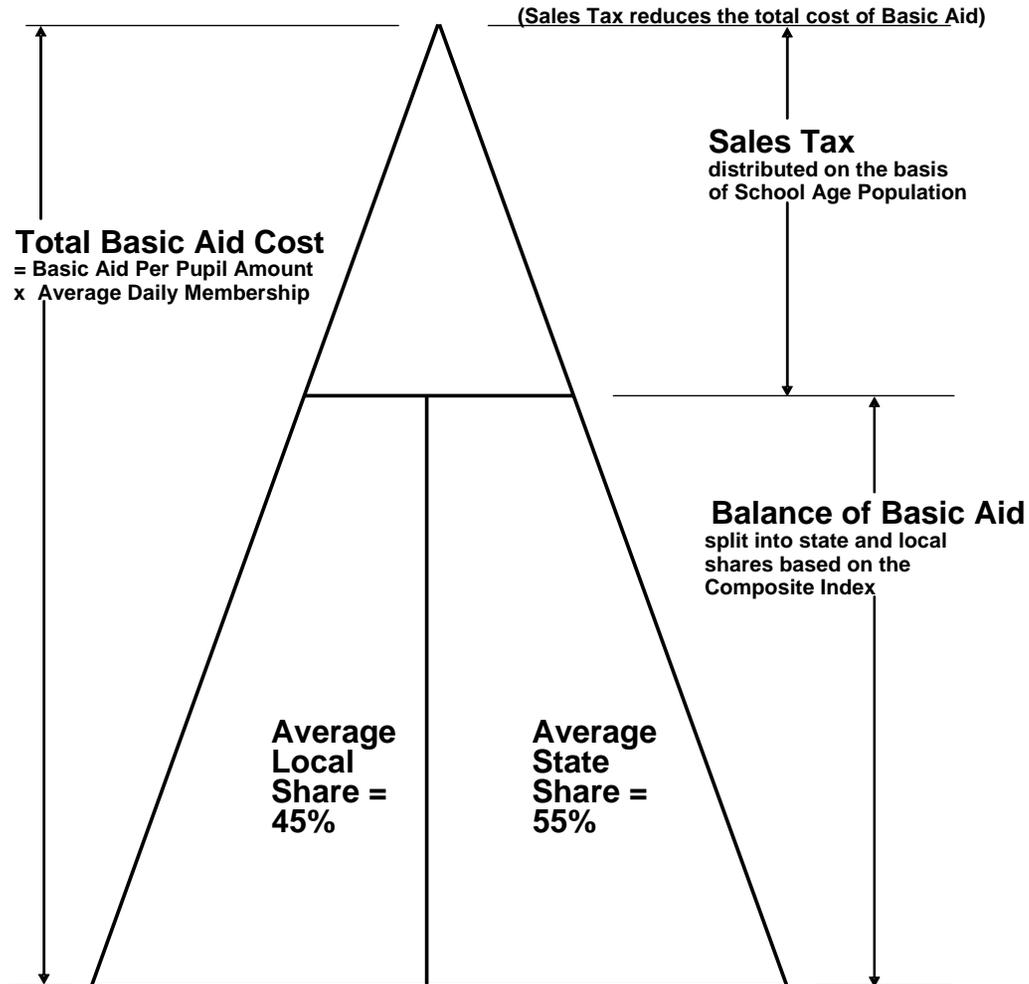
- **Funding for prevailing support costs provided in Basic Aid.**
  - positions and non-personal costs in areas such as technology, pupil transportation, operation & maintenance, professional development, attendance & health, administration, and superintendent, school board, and school nurse positions.
  - proposed cap of 1 support per 4.03 instructional positions would be applied to most prevailing positions (some positions excluded).
- **Basic Aid also includes funding for technology support and school-based clerical positions based on Standard 2. (Support positions funded in Basic Aid shown in Appendix C.)**
- **The “federal revenue deduct” reduces the final Basic Aid cost for the portion of federal expenditures (approx. 29%) picked-up in the prevailing support costs. This allows support cost funding to be driven by state and local expenditures only.**

# ***Determining SOQ Costs***

- **After a total cost is determined for each SOQ account, the cost is then converted to a per pupil amount. The per pupil amounts are then multiplied by the average daily membership (ADM) for each division; from this, the total cost of each SOQ account is determined.**
- **For Basic Aid, the total cost is first reduced by the estimated amount of 1.125% state sales tax that is distributed to divisions based on school-age population. The remaining amount for Basic Aid and the total amount for the other SOQ accounts are then split into state and local shares based on each locality's composite index.**

# Determining SOQ Costs

## State and Local Shares of Total Basic Aid Cost



Note: State and local shares will vary by locality based on each locality's composite index.

19



# ***Determining State & Local Shares***

- **Cost sharing between the Commonwealth and localities and recognizing varying ability to pay education costs are fundamental to the SOQ.**
- **Most SOQ funding is “equalized” based on local ability to pay as determined by the Composite Index of Local Ability-to-Pay. The composite index determines each division’s state and local shares of SOQ costs.**
- **The composite index uses three indicators of ability-to-pay for each locality:**
  - **true value of real property in the locality (weighted 50%)**
  - **adjusted gross income in the locality (weighted 40%)**
  - **taxable retail sales in the locality (weighted 10%)**

# ***Determining State & Local Shares***

- **Each indicator is expressed on a per capita (weighted 33%) and per pupil (weighted 67%) basis.**
- **The index for each locality is the proportion of the weighted local values relative to the weighted statewide values.**
- **Finally, each locality composite index is adjusted to establish an overall statewide local share of 45% and an overall state share of 55%.**
- **Local shares of cost range from a maximum of 80% to below 20%.**

# Determining State & Local Shares

## Composite Index of Local-Ability-to Pay Formula

ADM Component =

$$.5 \left[ \frac{\frac{\text{Local True Value of Property}}{\text{Local ADM}}}{\frac{\text{State True Value of Property}}{\text{State ADM}}} \right] + .4 \left[ \frac{\frac{\text{Local Adjusted Gross Income}}{\text{Local ADM}}}{\frac{\text{State Adjusted Gross Income}}{\text{State ADM}}} \right] + .1 \left[ \frac{\frac{\text{Local Taxable Retail Sales}}{\text{Local ADM}}}{\frac{\text{State Taxable Retail Sales}}{\text{State ADM}}} \right]$$

Population Component =

$$.5 \left[ \frac{\frac{\text{Local True Value of Property}}{\text{Local Population}}}{\frac{\text{State True Value of Property}}{\text{State Population}}} \right] + .4 \left[ \frac{\frac{\text{Local Adjusted Gross Income}}{\text{Local Population}}}{\frac{\text{State Adjusted Gross Income}}{\text{State Population}}} \right] + .1 \left[ \frac{\frac{\text{Local Taxable Retail Sales}}{\text{Local Population}}}{\frac{\text{State Taxable Retail Sales}}{\text{State Population}}} \right]$$

Local Composite Index =

$$((.6667 \times \text{ADM Component}) + (.3333 \times \text{Population Component})) \times 0.45 \text{ (average local share)}$$

## Appendix A – Projected FY10 State SOQ Funding

	<b>FY 2010</b> <i>State Share (Chp. 781)</i>
Basic Aid	3,120,359,684
Sales Tax	1,135,200,000
Textbooks	79,314,230
Vocational Education	66,449,807
Gifted Education	30,826,115
Special Education	371,802,769
Remedial Education	69,143,636
VRS Retirement	226,574,274
Social Security	175,963,239
Group Life	6,233,115
English as a 2nd Language	38,885,716
Remedial Summer School	28,347,411
<b>Total SOQ:</b>	<b>5,349,099,996</b>

## Basic Aid

$((\text{Per Pupil Amount} \times \text{Adjusted ADM}) - \text{Sales Tax}) \times (1 - \text{Composite Index}) = \text{State Share}$

## Career & Technical Education

$((\text{Per Pupil Amount} \times \text{Unadjusted ADM}) \times (1 - \text{Composite Index})) = \text{State Share}$

## English as a Second Language

$(\text{Seventeen teachers per 1,000 ESL students} \times \text{Average salary \& fringe benefits}) \times (1 - \text{Composite Index}) = \text{State Share}$

## Gifted Education

$((\text{Per Pupil Amount} \times \text{Adjusted ADM}) \times (1 - \text{Composite Index})) = \text{State Share}$

## **Group Life**

**((Per Pupil Amount x Adjusted ADM) x (1 – Composite Index)) = State Share**

## **Prevention, Intervention, & Remediation**

**((Per Pupil Amount x Unadjusted ADM) x (1 – Composite Index)) = State Share**

## **Remedial Summer School**

**(Per Pupil Amount x Eligible Number of Students) x (1 – Composite Index) = State Share**

## **Sales Tax**

**((School division’s triennial Census count /Statewide total school-age population from triennial census) x Total State 1-1/8% sales tax estimate = Local Distribution**

## Social Security

$((\text{Per Pupil Amount} \times \text{Adjusted ADM}) \times (1 - \text{Composite Index})) = \text{State Share}$

## Special Education

$((\text{Per Pupil Amount} \times \text{Unadjusted ADM}) \times (1 - \text{Composite Index})) = \text{State Share}$

## Textbooks

$(\text{Per Pupil Amount} \times \text{Adjusted ADM}) \times (1 - \text{Composite Index}) = \text{State Share}$

## VRS Retirement

$((\text{Per Pupil Amount} \times \text{Adjusted ADM}) \times (1 - \text{Composite Index})) = \text{State Share}$

## Support Position Categories Funded in Basic Aid:

- Assistant Superintendent
- Instructional Professional
  - *ex.: school social worker, instructional specialists*
- Instructional Technical/Clerical
- Attendance & Health Administrative
  - *ex.: school psychologist, attendance officers*
- Attendance & Health Technical/Clerical
- Administration Administrative
- Administration Technical/Clerical
- Technology Professional
- Technology Technical/Clerical
- Operation & Maintenance Professional
- School-based Clerical
- Operation & Maintenance Technical & Clerical
- Pupil Transportation
- Division Superintendent
- School Board Members
- School Nurses