



COMMONWEALTH of VIRGINIA

Department of Planning and Budget

DANIEL S. TIMBERLAKE
Director

1111 E. Broad Street
Room 5040
Richmond, VA 23219-1922

November 15, 2010

The Honorable Charles J. Colgan, Sr.
Chairman, Senate Finance Committee
General Assembly Building, Room 626
Richmond, Virginia 23219

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee
General Assembly Building, Room 947
Richmond, Virginia 23219

Dear Messrs. Chairmen:

In accordance with Item 132 B.14, Chapter 874, 2010 Acts of Assembly, I have enclosed the report providing an update on Standards of Quality expenditures. At this time, there are no changes proposed for the sales tax revenues dedicated to public education or to the Lottery Proceeds Fund. Any changes to those revenue estimates will not be available until after the Governor's Advisory Council on Revenue Estimates meets later this month.

Also, the impact of updates to fall membership and average daily membership are not available at this time. The Department of Education is still in the process of receiving finalized data submissions by school divisions. These submissions must then be analyzed and verified to determine the impact on the total cost of public education.

Given these factors, the estimated costs are expected to be very close to the amounts currently appropriated in Chapter 874, 2010 Acts of Assembly.

Sincerely,

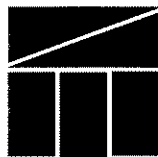
A handwritten signature in black ink, appearing to read 'D. Timberlake', written over a horizontal line.

Daniel S. Timberlake

Enclosure

c: The Honorable Richard D. Brown, Secretary of Finance
Robert Vaughn, Staff Director, House Appropriations Committee
Betsey Daley, Staff Director, Senate Finance Committee
Patricia I. Wright, Superintendent of Public Instruction

*Annual Report
to the General Assembly on the
Updates to the Standards of Quality*



**Virginia Department of Planning and Budget
November 15, 2010**

In accordance with Chapter 874, 2010 Acts of Assembly, the Department of Planning and Budget (DPB) in coordination with the Department of Education (DOE) has prepared the annual report on the update to the Standards of Quality (SOQ), based upon the most current data available.

At this time, there are no changes proposed for the sales tax revenues dedicated to public education or to the Lottery Proceeds Fund. Any changes to those revenue estimates will not be available until after the Governor's Advisory Council on Revenue Estimates meets later this month.

Enrollment updates are not included in this report because the data submitted by school divisions are still being verified by DOE at the time of this report. Finally, at this point in time, there are no proposed revisions to other input data such as fringe benefit rates that are used to determine the cost of the Standards of Quality.

The following table details the current estimate of the cost of the Standards of Quality for fiscal year 2011 and fiscal year 2012:

	<u>FY 2011</u>	<u>FY 2012</u>
Total estimated cost (SOQ – Program 17801)	\$4,688.9 million	\$4,895.1 million