



COMMONWEALTH of VIRGINIA
Department of Planning and Budget

MICHAEL D. MAUL
Director

1111 E. Broad Street
Fifth Floor
Richmond, VA 23219-1922

November 1, 2024

The Honorable L. Louise Lucas
Chair, Finance and Appropriations Committee
Senate of Virginia
P.O. Box 700
Portsmouth, VA 23705

The Honorable Luke E. Torian
Chair, Appropriations Committee
Virginia House of Delegates
4222 Fortuna Plaza, Suite 659
Dumfries, VA 22025

Dear Senator Lucas and Delegate Torian:

In accordance with Item 125, Paragraph B.14, Chapter 2, 2024 Acts of Assembly, Special Session I (the Appropriation Act), I am submitting the enclosed update on the projected costs of the Standards of Quality (SOQ) based on the most current data available.

This report includes one data update to SOQ funding for fiscal years 2025 and 2026:

1. Update on the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service for the distribution of sales tax revenues to school divisions;

Additional updates to sales tax revenues for public education, the Lottery Forecast, and student enrollment projections are expected to be available by mid-November. When available, DPB staff will communicate the projected impact of those updates to the K-12 staff of the House Appropriations Committee and the Senate Finance and Appropriations Committee.

Please let me know if you have any questions concerning this information.

Sincerely,

A handwritten signature in cursive script that reads "Michael D. Maul".

Michael D. Maul

Enclosure

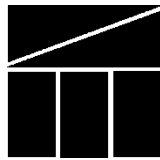
c: The Honorable Stephen E Cummings

Ms. Anne Oman

Ms. April Kees

Ms. Aimie Gindi

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



**Virginia Department of Planning and Budget
November 1, 2024**

Overview

In accordance with Item 125, Paragraph B.14, Chapter 2, 2024 Acts of Assembly, Special Session I (the Appropriation Act), the Department of Planning and Budget (DPB), in coordination with the Department of Education (DOE), has prepared the annual report on updates to the cost of the Standards of Quality (SOQ) based upon the most current data available for the 2024-2026 biennium. Because this session will amend the current budget and does not involve the rebenchmarking process, changes in the SOQ costs are limited and primarily include only technical updates based on revisions to data used to determine the costs.

This report includes one data update to SOQ funding for fiscal years 2025 and 2026:

1. Update of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service for the distribution of sales tax revenues to school divisions;

As of this time there are no other updates available. Updates to the sales tax estimate, the Lottery Forecast, and enrollment changes should be available by mid-November.

School Age Population Revisions

Sales tax changes result from updating the estimate of school age population used to distribute sales tax revenue to school divisions. Using the revised estimate of school age population provided by the Weldon Cooper Center for Public Service (based on data as of July 1, 2023), the Department of Education calculates a decrease in state cost of \$1,611,338 in FY 2026.

Additional updates that impact SOQ funding for fiscal years 2025 and 2026 are expected to be available by mid-November.

1. Update of sales tax revenues for public education based on the Virginia Department of Taxation's preliminary 2024 GACRE forecast;
2. Update of the Lottery Proceeds Fund estimate based on Virginia Lottery's most recent forecast; and,
3. Update of fall membership and average daily membership projections based on preliminary September 30, 2024, fall membership data.

When available, DPB staff will communicate the projected impact of these updates to K-12 staff of the House Appropriations Committee and the Senate Finance and Appropriations Committee