



COMMONWEALTH of VIRGINIA

Jenna Conway
Superintendent of Public Instruction

DEPARTMENT OF EDUCATION
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The Honorable Abigail Spanberger
Governor of Virginia
P.O. Box 1475
Richmond, Virginia 23218

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

The Honorable L. Louise Lucas
Chair, Senate Finance and
Appropriations Committee
P.O. Box 700
Portsmouth, Virginia 23705-0700

Dear Governor Spanberger, Delegate Torian, and Senator Lucas:

Item 125, Paragraph C.13.b, Chapter 1, 2026 Special Session I Acts of Assembly, contains the following reporting requirement:

"The Department of Education, in cooperation with the Department of the Treasury, shall provide an update on Literary Fund loan issuance to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1 each year. This report shall include detail of: 1) loan applications received in the prior fiscal year by locality, project, and amount; 2) loans issued in the prior fiscal year by locality, project, and amount; 3) the schedule of loan interest rates and the basis for those rates; 4) loans issued for school consolidation projects and the projected impact of those school consolidations; and 5) the impact of loans issued to date on the Literary Fund cash balance, outstanding loan balance, and projected asset base."

This letter is intended to fulfill the above reporting requirement for fiscal year 2026.

\$200.0 million in Literary Fund construction loan authority was originally appropriated for the 2024-2026 biennium in Chapter 2, 2024 Special Session I Acts of Assembly. Chapter 7, 2026 Acts of Assembly, reduced the biennial appropriation to \$78.0 million. This action removed any available loan authority after the fiscal year 2025 application window. The Department did not open an application window for Literary Fund loans in fiscal year 2026.

Loans Issued in Fiscal Year 2026

The table below lists the Literary Fund loans released by the Board of Education to school divisions in fiscal year 2026, including project school and description, loan amount released, and loan interest rate. None of the loans issued in fiscal year 2026 involved a school consolidation project.

School Division	Project School	Project Description	Loan Amount Released	Loan Interest Rate
Pittsylvania County	Union Hall Elementary School	Replace four classrooms	\$3,549,838	2%
Giles County	Macy McClaugherty School	Classroom addition and renovations; elevator renovation; reconfigure drop-off/pick-up zone	\$12,475,000	2%
Culpeper County	New elementary school	New construction	\$25,000,000	3%
Pittsylvania County	John L. Hurt Elementary School	Replacement of HVAC system and windows	\$8,228,000	2%
Pittsylvania County	Chatham Elementary School	Replacement of HVAC system and windows	\$7,018,000	2%
Stafford County	Edward E. Drew Middle School	Replacement school	\$25,000,000	3%
Pittsylvania County	Mt. Airy Elementary School	Replacement of HVAC system and windows	\$5,687,000	2%
			\$86,957,838	

For fiscal year 2026, \$128.6 million in cash draws were made from the Literary Fund for project reimbursements on Literary Fund loans released by the Board of Education. As more loan applications are approved for release by the Board, they will increase the asset base of the Literary Fund, helping to maintain the asset base of the Literary Fund above the constitutionally required \$80 million minimum.

The seven loans released during fiscal year 2026 increased the asset base by \$87.0 million. Of the \$379.6 million in loans released since fiscal year 2023, the outstanding balance left to draw for the projects is \$201.8 million.

Sincerely,



Jenna Conway
Superintendent for Public Instruction