## Report to the Virginia Board of Education

## Date: September 18, 2019

## Title: Report on Rebenchmarking of the Direct Aid to Public Education Budget for the 2020-2022 Biennium

## Presenter: Ms. Christina Berta, Assistant Superintendent of Budget and Finance

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## Purpose of Presentation:

For information only. No action required.

## Executive Summary:

The cost projections presented in this item represent changes in state funding based on standard technical updates made to Direct Aid formulas for each year of the 2020-2022 biennium. These cost projections do not reflect any changes in policy or funding methodology. The projections are based strictly on currently approved methodologies or directives specifically approved and directed by the General Assembly and the Governor. The budget figures presented in this item represent the state cost of continuing the current Direct Aid programs in the 2020-2022 biennium with the required technical updates to input data used in the existing funding formulas. Over 30 Direct Aid accounts, both Standards of Quality (SOQ) and non-SOQ, are impacted by the technical updates of the rebenchmarking process.

Attachment A provides an overview of the rebenchmarking process of the Direct Aid to Public Education budget for the 2020-2022 biennium, including the major input data used in rebenchmarking Direct Aid costs, the incremental cost changes for the 2020-2022 biennium resulting from the data updates, and cost changes by account. The current fiscal year 2020 Direct Aid budget enacted at the 2019 General Assembly session (i.e., Chapter 854) is the starting base budget against which the rebenchmarking updates are made. The rebenchmarking updates change the costs of programs off of this starting fiscal year 2020 budget base. Rebenchmarking also impacts the cost of the required local share that localities must fund for the SOQ and other Direct Aid programs with a required local match.

## Action Requested:

No action requested.

## Background Information and Statutory Authority:

This item is a report on “rebenchmarking” of the state Direct Aid to Public Education budget for the 2020-2022 biennium. The Direct Aid to Public Education budget provides state funding to school divisions for prekindergarten through grade 12 and adult education programs. Rebenchmarking begins the biennial budget development process that involves the Board of Education, the Governor, and the General Assembly. In each odd-numbered year, the cost of the Direct Aid to Public Education budget is rebenchmarked for the next biennium. The rebenchmarked budget represents the state cost of continuing the existing Direct Aid to Public Education programs with biennial updates to the input data used in the funding formulas determining the cost of the programs.

## Timetable for Further Review/Action:

None.

## Impact on Fiscal and Human Resources:

The rebenchmarked 2020-2022 Direct Aid budget will be sent to the Governor for review and ultimately for inclusion in his budget for the 2020-2022 biennium. This budget will establish the level of state funding (as well as local share) required by the foundation program established in the Standards of Quality (SOQ), as well as other Direct Aid programs. The final state cost of the 2020-2022 Direct Aid budget is dependent on final technical updates to be completed in fall 2019 and any funding policy changes affecting cost that are ultimately proposed and enacted.