

Virginia

Funding Basics

Formula Type

Virginia has a hybrid funding formula incorporating both resource-based and student-based elements. It determines the cost of delivering education to a student with no special needs or services based on costs associated with the programs and resources mandated through the state's statutory standards of quality. This cost is then used as a base amount. The categories of students considered in Virginia's funding policy are students in certain grade levels, English-language learners (ELLs), low-income students and students in high-poverty districts, students with disabilities, students identified as gifted, and students enrolled in career and technical education (CTE) programs.

Virginia expects school districts to contribute to the funding of their public schools, with the amount of the local share based on districts' property values, their residents' income and economic activity, and an estimate of their revenue from local sales tax receipts, up to a defined percentage of the formula amount.

Supplemental funding for students in certain grade levels, English-language learners, students with disabilities, and students identified as gifted is generated through a resource-based component of the formula that specifies different student-to-teacher ratios and program allocations. Supplemental funding for low-income students and students in high-poverty districts is generated by applying multipliers to the base amount. Services for students enrolled in career and technical education programs are funded through program-specific allocations.

Base Amount

Virginia has a base funding amount per student that varies from district to district.

An average student with no special needs or disadvantages would be funded in accordance with his or her district's base amount. Each district's per-pupil base amount is determined by the state's Joint Legislative Audit and Review Commission based on the cost of meeting the state's mandated standards of quality. Differences arise from the structure of Virginia's funding formula, which accounts for the costs and demand for certain inputs, including staff, supplies and materials, utilities, and adjustments for inflation and the district's enrollment level. Certain costs used in the calculation of each district's base amount are specified in statute. Others are derived using a linear weighted average to determine the prevailing statewide rate for a specific resource.

Local Revenue

Expected Local Share

Virginia expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values, its residents' income and economic activity, and an estimate of its revenue from local sales tax receipts, adjusted to satisfy a statewide expected local contribution.

Once the state calculates the total amount of funding necessary to educate students within a district, it calculates the share of the amount that each district should be able to pay. This is accomplished through a multistep formula that considers local property valuation, local income levels, and, to a lesser extent, local taxable retail sales. Adjustments are then made so that the average local share of each district's necessary funding amount is 45% and the average state share is 55%. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Separately, the state distributes 1.125% of state sales tax revenue to districts in proportion to their estimated school-age population. This amount is subtracted from the aid computation, reducing both the state and local shares of the program.

Property Tax Floors and Ceilings

Virginia sets a floor on local property tax rates but no ceiling or level above which voter approval is required. School districts in Virginia may not impose local property taxes. However, local government agencies are required to impose local property taxes that are sufficient to raise the expected local share of revenue (see "Expected Local Share" for a description of how this share is calculated).

Counties and cities may also choose to raise more local revenue than the expected local share through higher tax rates, without limit.

Other Local Taxes for Education

School districts in Virginia may receive local revenue from property taxes and from sales and use taxes for education.

School districts in Virginia may not impose any type of taxes, including property taxes. Other local government entities, including counties, cities, and towns, may impose taxes for education. In addition to local property taxes, the governing body of any city or county may vote to levy a local sales and use tax of up to 1%. In counties with town school districts, a proportion of the revenue from this tax will be paid to the town school district equal to the proportion of students in the town as compared to the county as a whole.

Student Characteristics

Grade Level

Virginia provides different levels of funding for students in different grade levels. It does so through the resource-based component of its formula by specifying different student-to-teacher ratios for three different grade spans and providing funding accordingly.

The state assigns a districtwide student-to-teacher ratio of 24 to 1 for grades K-3, a districtwide ratio of 25 to 1 for grades 4-6, and a schoolwide ratio of 21 to 1 in middle and high schools. These ratios determine the number of teaching units to which a district is entitled. Principals, assistant principals, librarians, guidance counselors, and clerical staff are also allocated for different grade levels in accordance with different student-to-staff ratios.

The state also funds additional staff positions and provides program-based allocations that are specific to particular grade levels. The staff positions include elementary art, music, physical education, and reading specialists. The program-based allocations are those for class size reduction (which funds additional staff positions in schools that reduce class size in grades K-3, in accordance with target student-to-teacher ratios that differ based on the school's percentage of students eligible for free lunch under the National School Lunch Program), math intervention for algebra readiness in grades 6-9 (allocated in proportion to the district's percentage of students eligible for free lunch), and early reading intervention in grades K-3.

English-Language Learner

Virginia provides increased funding for English-language learners. It does so through the resource-based component of its formula by specifying student-to-staff ratios for English-language learners and providing funding for staff positions accordingly.

The state assigns a student-to-teacher ratio of 1,000 to 20 for English-language learners. This ratio determines the number of English as a Second Language teacher units to which a district is entitled.

The funding that districts receive for the education of low-income students may also be used to support English as a Second Language programs. However, the amount of this funding is not affected by the number of English-language learners served in the district.

Poverty

Virginia provides increased funding for students from low-income households at a level that differs depending on the concentration of low-income students in a district. It does so by applying a multiplier of between 1.01 and 1.26 to the base amount for each low-income student, with the specific multiplier depending on the concentration of low-income students in the district (see "Concentrated Poverty" for more information).

Students are eligible for this supplemental funding if they qualify for free lunch (but not reduced-price lunch) under the National School Lunch Program. Local governments are expected to match these funds. The funding must be spent on approved programs for students who are educationally "at risk," including dropout prevention programs, truancy officers, reading recovery, and programs for students who speak English as a second language.

Special Education

Virginia funds special education using a resource-based system, determining the cost of delivering special education services in a district based on the cost of the resources, in particular the staff positions, required to do so.

Based on the number of teachers and aides necessary for a school to meet the special education program standards based on its count of students with special needs, the state calculates a total funding amount required for that school's special education program, and it assumes responsibility for covering a share of that cost (the precise share varies depending on the district's ability to raise local funds).

The remainder of state special education funding is distributed through specific program-based allocations, including partial reimbursement of districts' tuition costs when a student must be enrolled in a public, regional special education program; a pool of funding from multiple state agencies that supports tuition for children in private special education schools; support for students with disabilities transitioning from grade school to postsecondary education and employment; services for homebound students; special education for incarcerated youth and for students in medical facilities; and competitive grants for institutions providing coursework to teachers seeking to be qualified in special education.

Gifted

Virginia provides increased funding for gifted and talented students. It does so through the resource-based component of its formula by specifying student-to-staff ratios for gifted education and providing funding for staff positions accordingly, and by funding outside-school programming for students identified as gifted.

The state assigns a ratio of 1,000 enrolled students to 1 gifted education teacher. This ratio determines the number of gifted education teacher units to which a district is entitled. The actual number of students identified as gifted is not considered in the allocation of these units.

The state also provides funding for Governor's School programs, which are academic-year and summer programs that provide gifted students with academic and visual and performing arts opportunities beyond those normally available in their home schools.

Career and Technical Education

Virginia provides increased funding for career and technical education (CTE) programs. It does so through a flat allocation of $2,000 per district for secondary CTE equipment, additional funding provided in proportion to the number of students enrolled in secondary CTE programs, and program-based allocations.

After the state allocates $2,000 to each district for CTE equipment, the remainder of the funding appropriated for this purpose is distributed to districts in proportion to their enrollment in secondary CTE programs. The state also appropriates funding for several program-specific allocations: to support students and teachers pursuing information technology industry certifications, a vocational laboratory pilot for virtual-reality-related education, a state CTE Resource Center that provides CTE curriculum and instructional materials to school districts, regional career and technical centers, credentialing testing materials for students and instructors, and equipment.

District Characteristics

Concentrated Poverty

Virginia provides increased funding for districts based on the concentrations of students from low-income households that they serve. It does so by applying a multiplier to a base amount for each low-income student that varies depending on the concentration of low-income students in the district and by providing program-specific allocation for districts with high concentrations of low-income students.

Virginia applies a multiplier of between 1.01 and 1.26 to the base amount for each low-income student. Students are eligible for this supplemental funding if they qualify for free lunch (but not reduced-price lunch) under the National School Lunch Program. The specific multiplier applied to generate increased funding depends on the concentration of free-lunch-eligible students in the district. Local governments are expected to match these funds. The funding must be spent on approved programs for students who are educationally "at risk," including dropout prevention programs, truancy officers, reading recovery, programs for students who speak English as a second language, and other programs.

The state also provides program-specific allocations for K-3 class size reduction and 6-9 algebra readiness math intervention. The amount allocated to each school or district for these purposes is dependent on the percentage of its students eligible for free lunch.

Sparsity and/or Small Size

Virginia does not provide increased funding for sparse districts or for small schools or districts.

Charter Funding

Funding for charter schools in Virginia is not subject to a specific calculation.

Virginia state law does not specify how charter schools should be funded. Charter schools are part of local school districts and should be funded by districts in accordance with an agreement reached between districts and their charter school(s). State law suggests that per-student funding for a charter school should be commensurate with the average per-student cost within its district and that charter schools should receive a proportionate share of program-specific allocations. However, the law does not require the district and charter to arrive at these terms.

Some charter schools in Virginia may receive a share of local tax revenue, while other charter schools may not. Charter schools receive funding, including local tax revenue, based on an agreement between the charter and the school district.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org