



VIRGINIA HOUSE
APPROPRIATIONS
COMMITTEE

CHAIRMAN LUKE E. TORIAN

November 18, 2025

K-12 REBENCHMARKING UPDATE

PREPARED BY

House Appropriations Committee Staff

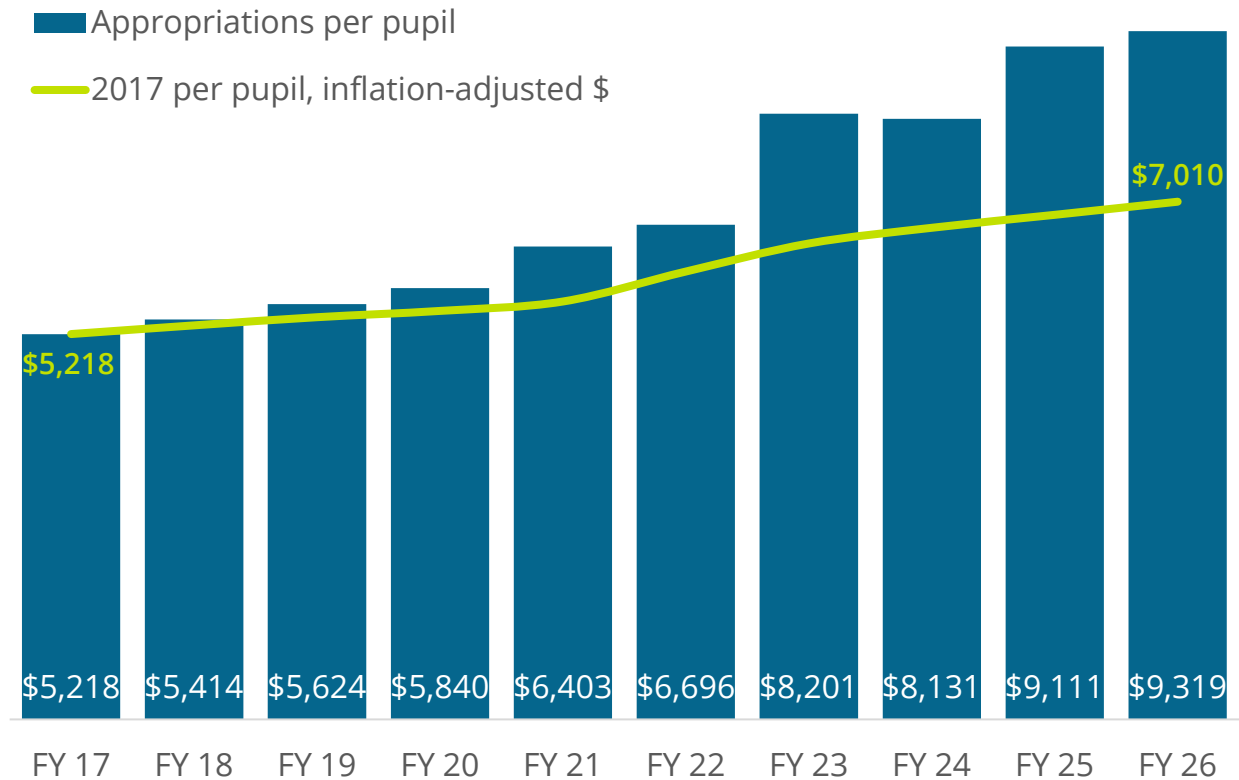
IN LAST 10 YEARS, K-12 FUNDING GREW OVER TWICE THE RATE OF INFLATION

Recent public education funding actions have increased support at more than double the rate of inflation

Between FY 2017 and FY 2026, per pupil funding increased **78.6%**

The Consumer Price Index increased **34.3%** over the same period

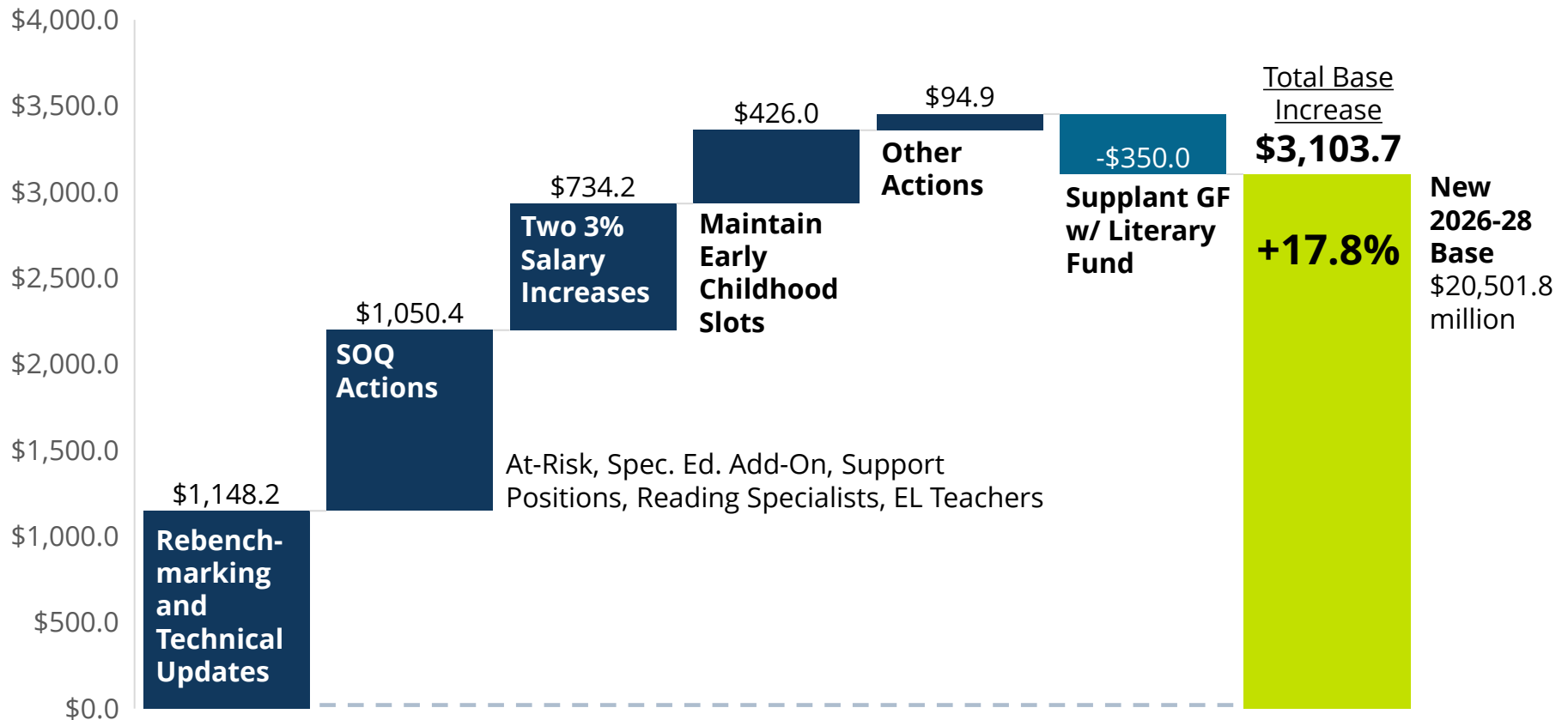
K-12 Appropriations Per Pupil



INVESTMENTS DURING BIENNIUM INCREASED BASE BY \$3.1 BILLION

Public Education Spending Actions Increased 2026-28 Base

\$ in millions GF



OVER \$600 MILLION IN ONE-TIME ACTIONS OVER THE BIENNIUM

\$250.0 million

Literary Fund
Loans Authorized

\$200.0 million

School
Construction
Assistance Grants

\$134.4 million

\$1,000 Bonus for
Instructional and
Support Positions

\$25.0 million

FY 2025 Increase to
Infrastructure &
Operations Funds

\$11.0 million

Math Improvement
Grant Initiative

REBENCHMARKING

Rebenchmarking updates the cost of public education for the upcoming biennium

- Costs updated from FY 2022, using FY 2024 salaries and ancillary costs as reported by school divisions
- To account for cost changes since FY 2024:
 - Salaries are adjusted to include the two 3% increases provided during the 2024-26 biennium
 - Ancillary costs are adjusted for inflation occurring during the 2024-26 biennium

The **Local Composite Index**, or **LCI** is a measure of each locality's relative ability-to-pay

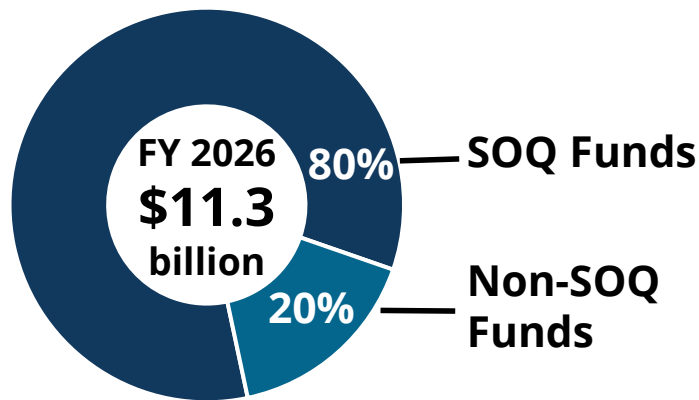
- Measures each locality's ability to raise revenue compared to all localities
- Determines each school division's state/local shares for biennium
- Reflects relative local economic changes

The end result of rebenchmarking is the starting point of the 2026-28 biennial public education budget, before incorporating any policy choices

SOQ AND NON-SOQ FUNDING

Standards of Quality, or SOQ funds, provide the state's share of funds to support Code-established staffing requirements and typical ancillary costs

Public Education Appropriations



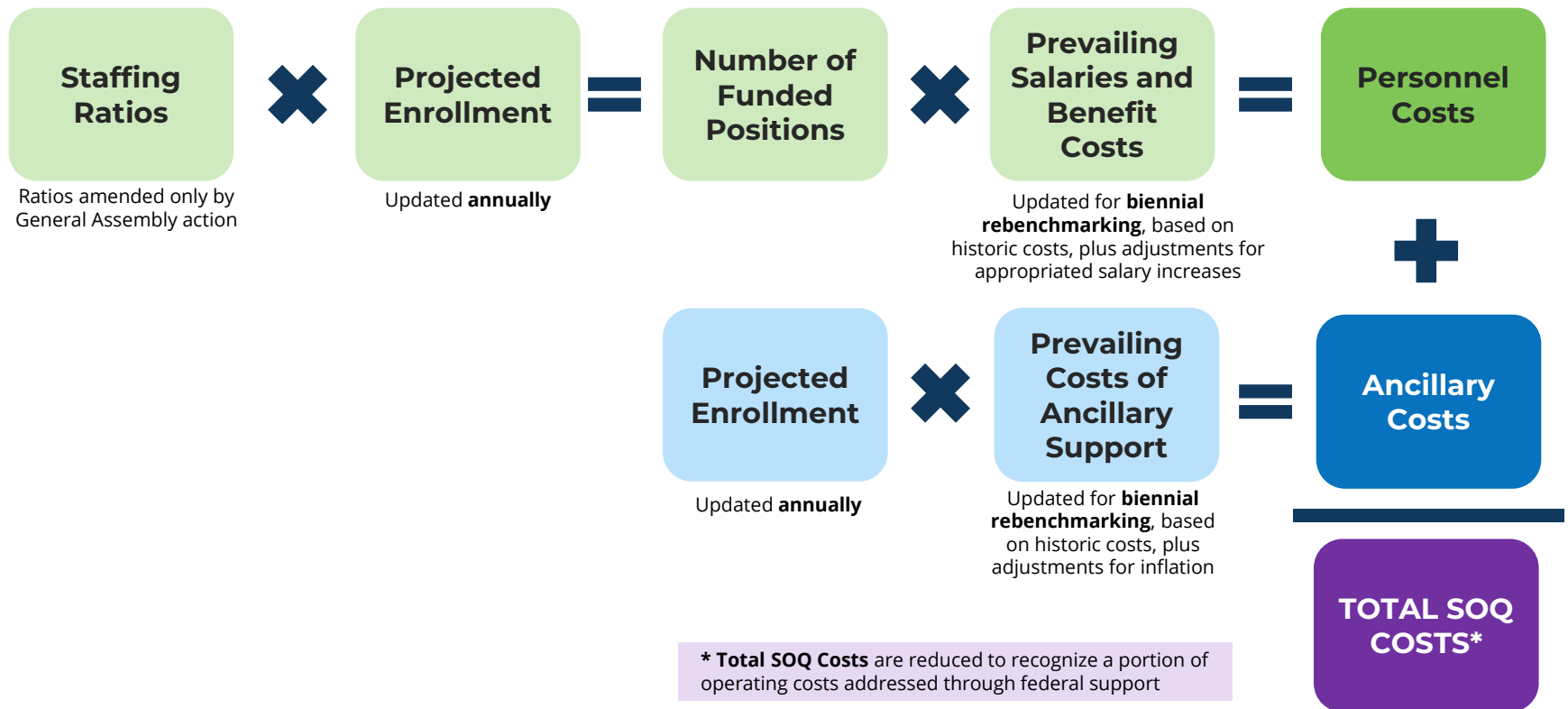
Federal funds excluded

Several **Non-SOQ funds** support education initiatives exceeding the SOQ

- Participation in most Non-SOQ funding programs is optional; though most school divisions fully utilize these funds
- Examples include:
 - Salary increase incentives
 - K-3 Class size reduction funds
 - Governor's schools
 - Virginia Preschool Initiative
- Similar to SOQ funds, local matching funds are typically required

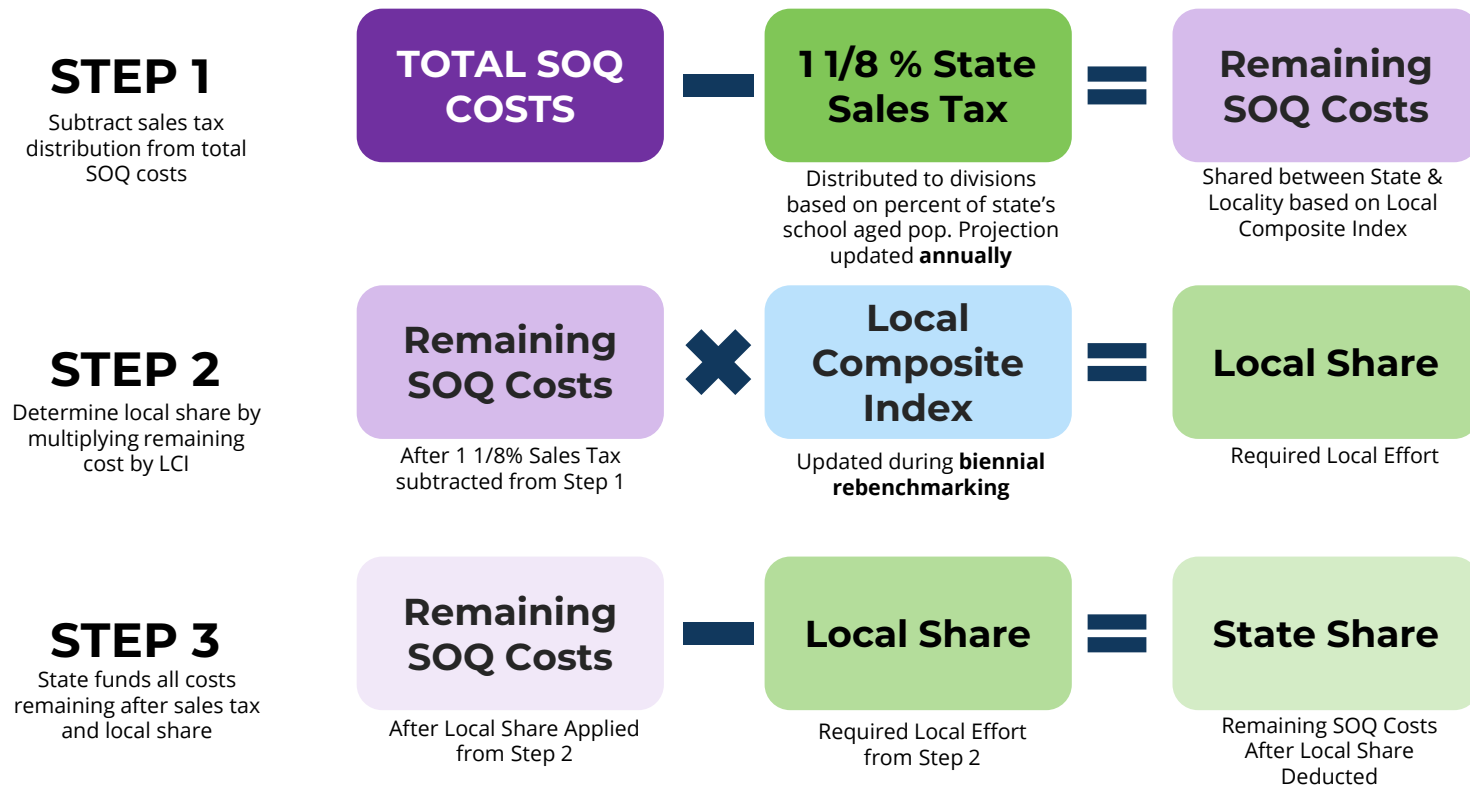
ESTIMATING TOTAL SOQ COSTS

Formula applies staffing ratios, prevailing personnel and ancillary costs to enrollment projections to determine the total SOQ cost



FUNDING SOQ COSTS WITH STATE AND LOCAL FUNDS

Dedicated 1 1/8% sales tax is first applied to SOQ costs, remaining costs shared between state and locality based on Local Composite Index



2026-28 REBENCHMARKING

SEPT. 30 ENROLLMENT DATA MAY OFFSET ADDITIONAL COSTS

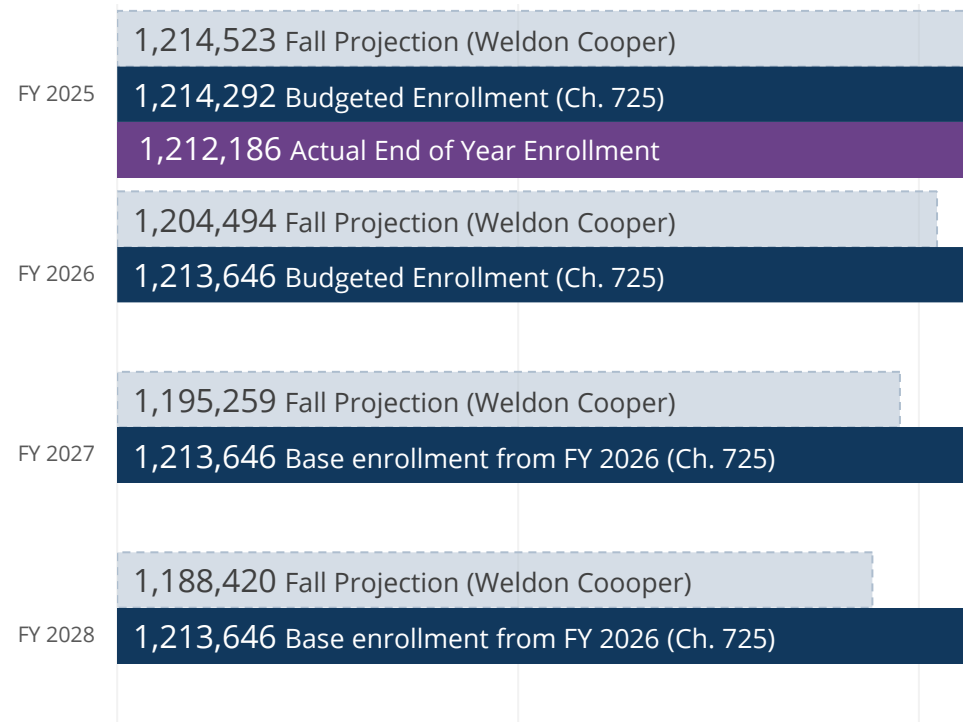
September 30 enrollment counts delayed

Typically, available in Mid-November

FY 2025 Actual enrollment was about 2,100 below budgeted, left about \$27.9 million unexpended

September 30 counts needed to inform adjustments to FY 2026 and 2026-28 biennium enrollment projections for budgeting purposes

Awaiting updated enrollment projections for new biennium; Changes could be meaningful



STUDENTS AND SPECIALIZED PROGRAM ENROLLMENT

\$343.9 million in additional costs

\$11.6 million in offsets from enrollment adjustment based on final FY 2025 enrollment

Enrollment costs likely to change as September 30 enrollment count is finalized

**2026-28 Impact:
\$332.3 million**

Update Students & Specialized Program Enrollment \$ in millions GF	Biennial
Update Non-SOQ Programs Underlying cost drivers not yet available	\$251.3
Special Education	78.8
English Language Learners Sept. 30 enrollment counts will inform costs	TBD
SOL Failure and Free Lunch Rates	TBD
Remedial Summer School	0.6
CTE Course Enrollment	13.2
Enrollment Initial adjustments; more adjustments forthcoming	(11.6)
TOTAL IMPACT TO DATE	\$332.3

PREVAILING COSTS

\$804.5 million in additional costs

Inflation-driven increases; half the impact than the 2024-26 rebenchmarking

\$267.8 million in offsets

Lower adopted VRS rate

2026-28 Impact:
\$536.7 million

Prevailing Cost Data Updates (in millions GF)	Biennial
Ancillary Costs Underlying cost drivers not yet available; amount will change with final inflation update	\$531.9
Salaries Average salaries increased slightly less than projected	(6.9)
Health Care	105.3
VRS & Retiree Healthcare 13% decrease in adopted contribution rates	(213.9)
Transportation	135.0
Va. Preschool Initiative Costs 18% increase above FY 2026 base	32.3
Textbooks	(1.3)
Federal Revenue Deduction	(45.7)
TOTAL IMPACT TO DATE	\$536.7

2026-2028 REBENCHMARKING

SUMMARY **2026-28 Impact to** **date:** **\$844.0 million**

\$912.9 million in additional costs, primarily driven by prevailing costs

\$68.9 million in offsets from LCI update

Factors not yet included in estimates:

September 30 membership and enrollment forecast

English Learner enrollment

Sales Tax

Final Inflation update

Prevailing Cost Data Updates (in millions GF)	Biennial
Prevailing Costs from prior slide	\$536.7
Students and Specialized Programs from prior slide	332.3
Update Lottery Proceeds Forecast \$43.2 million decrease, requiring additional GF	43.2
Update Sales Tax	TBD
Update School Age Population	0.7
Update LCI	(68.9)
TOTAL IMPACT TO DATE	\$844.0



APPENDIX

UPDATED LOCAL COMPOSITE INDEX VALUES FOR 2026-2028

School Division	Current 2024-26 LCI	New 2026-28 LCI
Counties		
ACCOMACK	.3487	.3548
ALBEMARLE	.6904	.6429
ALLEGHANY H	.2737	.2849
AMELIA	.3758	.3978
AMHERST	.3015	.3128
APPOMATTOX	.2822	.3043
ARLINGTON	.8000	.8000
AUGUSTA	.3888	.4040
BATH	.8000	.8000
BEDFORD	.3132	.3132
BLAND	.3046	.2671
BOTETOURT	.4068	.4192
BRUNSWICK	.4379	.4665
BUCHANAN	.2557	.2718
BUCKINGHAM	.3379	.3569
CAMPBELL	.2877	.3094
CAROLINE	.3501	.3478
CARROLL	.2804	.2964
CHARLES CITY	.6669	.7206
CHARLOTTE	.2470	.2420
CHESTERFIELD	.3563	.3564
CLARKE	.6032	.5542
CRAIG	.3629	.3987
CULPEPER	.3617	.3616
CUMBERLAND	.3323	.3367

School Division	Current 2024-26 LCI	New 2026-28 LCI
DICKENSON	.2157	.2289
DINWIDDIE	.2978	.3186
ESSEX	.4189	.5294
FAIRFAX	.6579	.6381
FAUQUIER	.6006	.5778
FLOYD	.4056	.4272
FLUVANNA	.3934	.4180
FRANKLIN	.4596	.4829
FREDERICK	.4151	.4204
GILES	.2117	.2184
GLOUCESTER	.3999	.4070
GOOCHLAND	.8000	.8000
GRAYSON	.3196	.3380
GREENE	.3411	.3703
GREENSVILLE	.3898	.3921
HALIFAX	.3012	.3177
HANOVER	.4894	.5099
HENRICO	.4273	.4334
HENRY	.2247	.2388
HIGHLAND	.8000	.7408
ISLE OF WIGHT	.3704	.3808
JAMES CITY	.5403	.5319
KING GEORGE	.3633	.3641
KING & QUEEN	.3998	.4184
KING WILLIAM	.3146	.3273
LANCASTER	.8000	.8000

School Division	Current 2024-26 LCI	New 2026-28 LCI
LEE	.1712	.1821
LOUDOUN	.5518	.5728
LOUISA	.5041	.5222
LUNENBURG	.2614	.2413
MADISON	.4746	.4873
MATHEWS	.5904	.6637
MECKLENBURG	.3893	.5018
MIDDLESEX	.6389	.6207
MONTGOMERY	.4041	.4054
NELSON	.6645	.7269
NEW KENT	.4391	.4550
NORTHAMPTN	.5253	.5719
NORTHMBLND	.7672	.7375
NOTTOWAY	.2696	.2820
ORANGE	.4382	.4317
PAGE	.3356	.3610
PATRICK	.2475	.2715
PITTSYLVANIA	.2642	.2715
POWHATAN	.4704	.5061
PR EDWARD	.3776	.4022
PR GEORGE	.2321	.2286
PR WILLIAM	.3631	.3767
PULASKI	.3303	.3187
RAPPAHANCK	.8000	.8000
RICHMOND	.3110	.3251
ROANOKE	.3635	.3472

UPDATED LOCAL COMPOSITE INDEX VALUES FOR 2026-2028

School Division	Current 2024-26 LCI	New 2026-28 LCI
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Counties (continued)

ROCKBRIDGE	.4847	.4829
ROCKINGHAM	.4349	.3851
RUSSELL	.2265	.2388
SCOTT	.1872	.1877
SHENANDOAH	.4248	.4042
SMYTH	.2225	.2422
SOUTHAMPTN	.2987	.3214
SPOTSYLVANIA	.3702	.3783
STAFFORD	.3312	.3263
SURRY	.8000	.8000
SUSSEX	.3434	.3945
TAZEWELL	.2461	.2717
WARREN	.4517	.4482
WASHINGTON	.3459	.3681
WESTMORELND	.5065	.5181
WISE	.2020	.1997
WYTHE	.3243	.3349
YORK	.3554	.3518

Cities

ALEXANDRIA	.8000	.8000
BRISTOL	.2977	.3321
BUENA VISTA	.1803	.2058
CHARLOTTESVL	.7702	.7666
CHESAPEAKE	.3273	.3209
COL HEIGHTS	.4026	.3824

School Division	Current 2024-26 LCI	New 2026-28 LCI
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DANVILLE	.2411	.2430
EMPORIA	.2340	.2534
FAIRFAX CITY	.8000	.8000
FALLS CHURCH	.8000	.8000
FRANKLIN CITY	.2884	.2986
FREDERCKSBURG	.6163	.6033
GALAX	.2661	.2660
HAMPTON	.2579	.2525
HARRISONBURG	.3335	.3031
HOPEWELL	.1870	.2055
LEXINGTON	.3987	.4196
LYNCHBURG	.3872	.3974
MANASSAS	.3371	.3285
MANASSAS PK	.2716	.2790
MARTINSVILLE	.2229	.2162
NEWPT NEWS	.2729	.2826
NORFOLK	.3212	.3393
NORTON	.2412	.2702
PETERSBURG	.2075	.2152
POQUOSON	.3466	.3806
PORTSMOUTH	.2369	.2439
RADFORD	.1658	.1573
RICHMOND	.5740	.5756
ROANOKE	.3388	.3503
SALEM	.3632	.3503

School Division	Current 2024-26 LCI	New 2026-28 LCI
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STAUNTON	.3767	.3999
SUFFOLK	.3493	.3639
VA BEACH	.4138	.4172
WAYNESBORO	.3633	.3809
WILLIAMSBURG	.7426	.7264
WINCHESTER	.4151	.4121

Towns

COL BEACH	.3675	.3805
WEST POINT	.2489	.2524