K-12 FUNDING

The watershed report by the Joint Legislative Audit and Review Commission (JLARC) in 2023 outlined both the inadequacy of state funding and the substantial flaws in current state funding formulas.

STATE UNDERFUNDING

Virginia schools receive less state funding than most neighboring states, including West Virginia and Kentucky.

The Standards of Quality (SOQ) formula dramatically underestimates the actual costs of public education - most localities provide local funding of 45% or more than what is required.

Additionally, the formula fails to account for cost-of-living variations throughout the Commonwealth, particularly in high cost-of-living areas like Northern Virginia, placing the burden on localities struggling to meet rising healthcare, salary, and infrastructure costs.

VIRGINIA UNDERFUNDING EQUATES TO APPROXIMATELY $1,900 LESS PER STUDENT THAN THE 50-STATE AVERAGE.

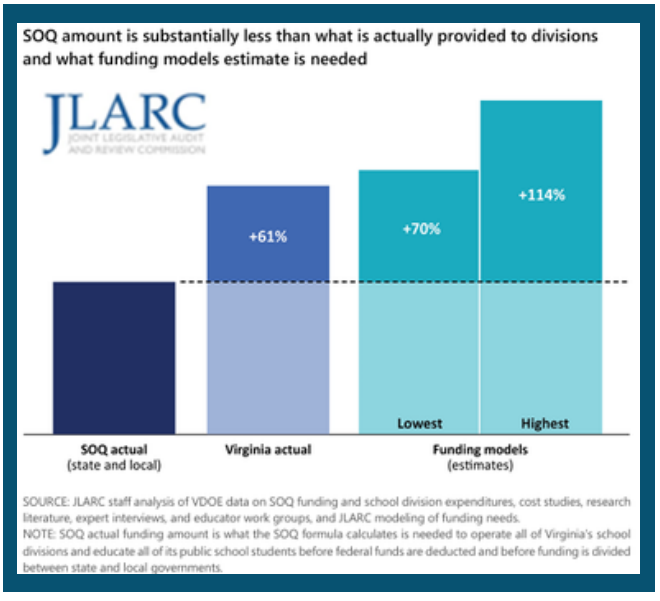
THE PROBLEM

Due to the inadequacy of state funding and the substantial flaws in current state funding formulas outlined by JLARC, Fairfax County now spends 117% more locally ($1.18 billion) than what is required under the current SOQ.

Fairfax County Public Schools (FCPS) receives approximately 27% of its budget from the state (the average funding share for other Virginia school divisions is 45%) - 69% of the FCPS budget is funded by Fairfax County (the average district receives about 43% from its local government).

In FY 2025, Fairfax County provided $14,223 per pupil while the state only provided $5,484 (federal funding per pupil not included).

If all the JLARC recommendations were adopted, FCPS would receive an estimated additional $568.7 million in state funding annually, the equivalent of $3,100 per student.



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K-12 FUNDING CALL TO ACTION

Eliminate the support cap and other Great Recession-Era cost reductions. (Recommendation 4)
Issue: The support cap limits state funding for a number of recognized support positions (e.g., administrative, operational, maintenance staff, etc.) forcing local governments to cover the shortfall for necessary staff.
Solution: Repeal the cap and other Recession-era constraints entirely to ensure adequate state funding for all necessary school staff.

Calculate salaries and other cost assumptions using the prevailing costs, rather than the linear weighted average. (Recommendation 6)
Issue: Current methods artifically understimate actual teacher salary needs and costs, affecting more than 30 different accounts used in the formula that the divisions now incur.
Solutions: The state should calculate salaries based on actual average teacher pay and other costs to better align with the local divisions' real costs.

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Fix the SOQ Formula to include all costs realistically. (Recommendation 6)
Issue: The current formula has a number of technical adjustments that artificially decrease state funding, such as not including central office staff clerical positions and instructional professionals in the formula and excluding facility staff wages from the cost of compensation supplements.
Solution: Make technical adjustments to the formula to reflect real world costs affecting school divisions.

Replace the cost of competing adjustment (COCA) with a Virginia-based labor cost index. (Recommendation 12)
Issue: The current formula does not account for the different cost-of-living rates and labor costs across the state. COCA was an effort to partially address this issue, but it covers only a fraction of the higher labor costs.
Solution: Replace COCA with a Virginia cost of labor index that better accounts for differing labor costs across the state and is a better proxy for the high cost of living in Northern Virginia and other parts of the state (50 school divisions would receive additional funding as a result of this change.)

Fairfax County Fiscal Impact: Additional State Funding Per Recommendation

Recommendation 4: $44.6 M

Recommendation 6: $16.2 M

Recommendation 1: $6.2 M

Recommendation 12: $187.4 M