



# MEMORANDUM

**TO:** School Board Members

**FROM:** John B Gordon III, Ed.D., *Superintendent*  
Wendy K. Forsman, CPA, *Chief Financial Officer*

**DATE:** December 7, 2023

**RE:** Composite Index

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The composite index is used in each State Standards of Quality (SOQ) formula to determine each locality's share, or Required Local Effort, for each of the SOQ categories. The formula includes measurements of each locality's property values, personal income levels and retail sales, and incorporates state-wide comparisons. The resulting calculations serve as the measure of each locality's wealth or "ability-to-pay" and are used in calculating each locality's Required Local Effort for each of the SOQ categories.

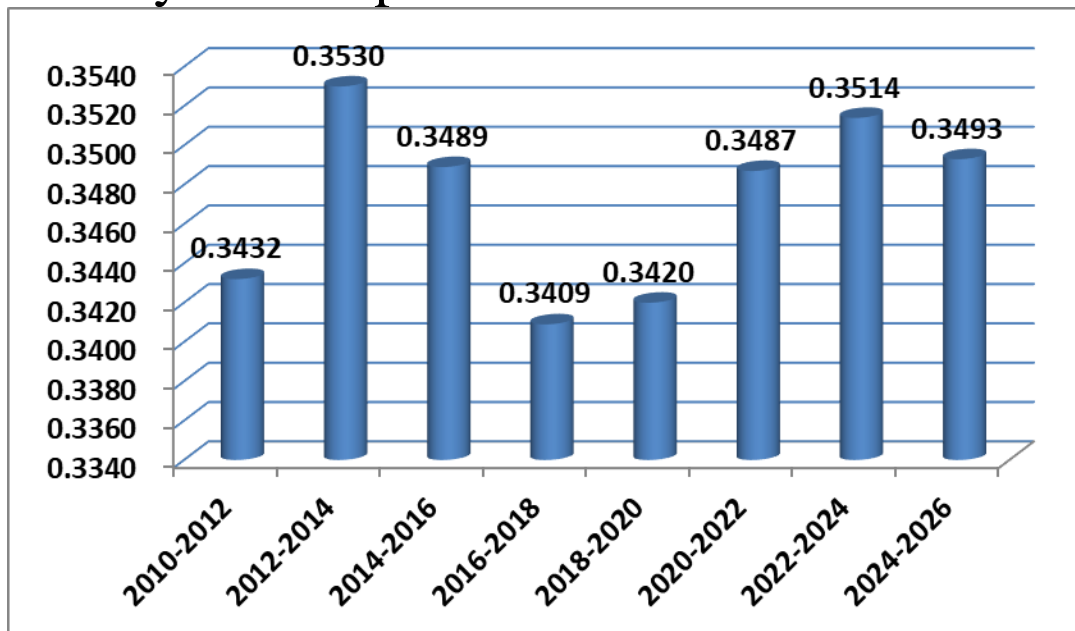
The composite index is re-calculated during each state biennial budget cycle. Suffolk's composite index decreased from .3514 in the 2022-2024 biennial budget to .3493 in the 2024-2026 biennial budget, a decrease of .0021. This will result in a small increase in state funding currently calculated at less than \$250,000 if Average Daily Membership (ADM) remains steady at 13,900 students.

The composite index has hovered around .35 cents over the last 14 years hovering just above or just below .3500. A decrease in local ability-to-pay results in an **increase in state funding** and an increase in local ability-to-pay results in a **decrease in state funding**.

An increase or decrease in the composite index does not mean that the City of Suffolk has to adjust our appropriation or make up the difference in loss of state funding. The City of Suffolk already contributes more than the minimum that the state requires towards the cost of education. However, when compared to levels of funding above the minimum required in our region, Suffolk is usually at or near the lowest extra support. Please see both charts on the next page.

Please feel free to contact me should you have further questions.

## History of Composite Index



## Required Local Effort Actual 2020-2021

