# Superintendent’s Memo #106-20


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: April 29, 2020

TO: Division Superintendents

FROM: James F. Lane, Ed.D., Superintendent of Public Instruction

## SUBJECT: Amendments to the Fiscal Year 2020 Caboose Budget and the 2020-2022 Biennial Budget by the General Assembly at the 2020 Reconvened Session

The General Assembly adopted its final changes to the FY 2020 “Caboose Budget” and the 2020-2022 biennial budget at the regular session on March 12, 2020. Governor Northam announced his amendments to the adopted budgets on April 11, 2020, largely in response to the COVID-19 pandemic. The General Assembly adopted the Governor’s recommended amendments to the Direct Aid to Public Education and the Virginia Department of Education (VDOE) Central Office budgets at the Reconvened Session on April 22, 2020.

VDOE originally communicated the impacts of the Governor’s proposed Direct Aid amendments on state distributions to school divisions via Superintendent’s Email on April 15, 2020.

The budget bill containing the General Assembly’s adopted amendments for FY 2020 is House Bill (HB) 29. FY 2020 began on July 1, 2019, and will end on June 30, 2020.

The budget bill containing the General Assembly’s adopted amendments for the 2020-2022 biennium is House Bill (HB) 30. FY 2021 will begin on July 1, 2020, and end on June 30, 2021. FY 2022 will begin on July 1, 2021, and end on June 30, 2022.

The attachment to this memorandum provides information on the budget changes adopted by the General Assembly at the Reconvened Session. Unless changes are specifically noted in the attachment, items remain unchanged compared to the budgets adopted by the General Assembly at the regular session on March 12, 2020.

[Attachment A](http://www.doe.virginia.gov/administrators/superintendents_memos/2020/106-20a.docx) to this memorandum provides detailed information on the amendments adopted by the General Assembly at the Reconvened Session that impact the Direct Aid to Public Education and the Department of Education’s Central Office budgets for the FY 2020 budget and the 2020-2022 biennial budget.

The FY 2020 Direct Aid appropriations and division distributions were not changed during the Reconvened Session. School divisions are encouraged to reference the calculation template that was published on March 13, 2020, for information related to FY 2020 state Direct Aid distributions.

A downloadable Excel file has been created to assist school divisions in calculating projected state payments and required local matches in FY 2021 and 2022 for most Direct Aid programs. The file gives divisions the opportunity to change average daily membership (ADM) to test the effect on projected state funding and local match requirements using VDOE projected ADM or a local projection of ADM. Although the VDOE ADM projections are historically accurate on a statewide basis, VDOE cannot anticipate all factors in each division that may impact enrollment. It may be necessary for divisions to use their own projections instead of the projections provided by VDOE. Divisions are encouraged to substitute their ADM estimates for those provided in this memorandum when using the Excel file if they feel their local projections of enrollment are more accurate.

Please note that changing the ADM values in the Excel file only changes the estimated amount for accounts that are funded on the basis of ADM as described on the “Enrollment Projections” worksheet. The estimated funding for all other accounts is unaffected by changing ADM in the Excel file. Also, for each fiscal year, the amounts of semi-monthly payments for accounts that are paid using ADM are based only on the General Assembly’s adopted budget projections of March 31 ADM, pending the recalculation of payments based on final March 31 ADM and are subject to available state appropriations. Changing the ADM in the Excel file does not impact the current payments that are made to divisions. Final payments to divisions for FY 2020 will be updated and based on March 31, 2020, ADM and other final program participation information. The final FY 2020 payments based on actual data will be communicated to school divisions by a separate Superintendent’s Memorandum later this year. Actual FY 2021 and FY 2022 payments will not be finalized until after a similar process is followed those years. In addition to ADM, the “Enrollment Projections” worksheet provides the option of entering local enrollment projections for the Remedial Summer School, English as a Second Language (ESL), and Virginia Preschool Initiative (VPI) programs for FY 2021 and 2022. Please note that enrollments for VPI are capped at the number of student slots that are funded in the VPI formula contained in the budget adopted by the General Assembly for the 2020-2022 biennium.

Sales tax estimates in the Excel file are revenue projections only. Actual sales tax payments made to school divisions in FY 2020, 2021, and 2022 on a semi-monthly basis will be based on actual sales tax receipts. Pursuant to the Appropriation Act, the Basic Aid entitlement calculation is based on the estimated sales tax appropriation only and is not adjusted for actual sales tax revenues received each fiscal year. Estimates of sales tax were not amended at the Reconvened Session. Upon receipt of updated sales tax projections, which may occur at a possible Special Session of the General Assembly later this summer or fall, VDOE will communicate such information to divisions when updated projections become available.  Pending any updated fiscal year sales tax projections being released, school divisions should continue to closely monitor their actual monthly sales tax revenue received.  Due to the economic impact of the COVID-19 pandemic, VDOE is anticipating a significant decline in the sales tax revenue source for May and June 2020 in FY 2020, and then continuing into FY 2021.

The Excel file referenced in this memorandum shows state payments, required local effort for the SOQ accounts, and required local matches for Incentive and Lottery-funded accounts calculated based on projected March 31 ADM for FY 2021 and FY 2022.

The Excel file may be downloaded from the following link:

[Website for Downloadable Excel files](http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml)

For assistance downloading the Excel file, please refer to the instructions available at the following link:

[Website for Download Instructions](http://www.doe.virginia.gov/school_finance/filedownload_instructions.shtml)

Questions regarding the General Assembly’s adopted amendments to the 2020 budget and the 2020-2022 biennial budget at the Reconvened Session and the revised estimates of Direct Aid payments for FY 2020, 2021, and 2022 may be directed to Ed Lanza, Director of Budget, or Budget Office staff at (804) 225-2025 or by email at DOEBUDGETOFFICE@doe.virginia.gov.

JFL/eml

Attachments

A: [General Assembly Amendments Adopted at Reconvened Session](http://www.doe.virginia.gov/administrators/superintendents_memos/2020/106-20a.docx) (Word)