



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

DATE: February 16, 2023

TO: Division Superintendents

FROM: Jillian Balow, Superintendent of Public Instruction

SUBJECT: **Amendments to the Governor's Amended 2022-2024 Biennial Budget as Introduced**

On February 5, 2023, the Senate Finance and Appropriations and House Appropriations Committees adopted separate changes to the amended 2022-2024 biennial budget as introduced by Governor Youngkin (reference [Superintendent's Memo #283-22](#) dated December 16, 2022). The budget recommendations of the Senate Finance and Appropriations Committee were adopted by the full membership of the Senate and the budget recommendations of the House Appropriations Committee were adopted by the full membership of the House of Delegates on February 9, 2023. The adopted changes affect FY 2023 and 2024. FY 2023 began on July 1, 2022, and ends on June 30, 2023. FY 2024 will begin on July 1, 2023, and end on June 30, 2024.

The respective budget amendments proposed by the House of Delegates and by the Senate differ from the amended 2022-2024 biennial budget (HB 1400/SB 800) introduced by Governor Youngkin in December 2022. The attachments and links within this memorandum provide information about the changes separately adopted by the House of Delegates and by the Senate. Unless changes are specifically noted in the attachments, Governor Youngkin's proposed amendments contained in the introduced version of HB 1400/SB 800 were adopted by both chambers. Please note that a final budget has not been adopted by the General Assembly at this time.

Attachment A to this memorandum provides detailed information on the funding changes proposed by the House of Delegates and by the Senate to Governor Youngkin's amended 2022-2024 biennial budget (HB 1400/SB 800) that impact the Direct Aid to Public Education and the Virginia Department of Education (VDOE) Central Office budgets.

Two [Direct Aid payment calculation template files](#) have been created to assist school divisions in calculating and estimating projected state payments and required local matches in FY 2023 and

FY 2024 for most Direct Aid programs. These "Calc. Tools" give divisions the opportunity to alter 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 estimations and projections instead of the projections provided by VDOE.

Modification to the ADM values in the Calc. Tools only change the estimated funding for accounts that are funded based on ADM as described on the "Enrollment Projections" worksheet. Estimated funding for all other accounts is unaffected. For each fiscal year, the amount of semi-monthly SOQ account payments is based only on the House of Delegates' and Senate's adopted budget projections of March 31 ADM, pending the recalculation of payments based on actual March 31 ADM and are subject to available state appropriations.

Final payments to divisions for FY 2023 will be updated and based on March 31, 2023, ADM and other final program participation information. The final FY 2023 payment calculations based on actual data will be communicated to school divisions in a separate Superintendent's Memorandum after a budget is adopted by the General Assembly. Actual FY 2024 payments will not be finalized until after a similar process is followed next year.

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 2024 only. Please note that enrollments for VPI are capped at the number of student slots that are funded in the VPI formula contained in the respective budgets adopted separately by the House of Delegates and by the Senate for the 2022-2024 biennium.

Sales tax estimates in the Calc. Tools are revenue projections only. Sales tax payments made to school divisions on a semi-monthly basis will be based on actual 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.

The variance in estimated Basic Aid distributions reported on the Calc. Tool for the Chapter 2 budget (communicated in June 2022) and for the Governor's amended 2022-2024 biennial budget as introduced (communicated in December 2022) compared to the distributions in the state budget has been corrected in the House and Senate crossover budget Calc. Tools. To ensure the accuracy of the data included in the Calc. Tools, VDOE has programmed additional data validations into the source data files that populate data in the Calc. Tools; the end-user experience in the Calc. Tools will not change. The House and Senate Calc. Tools being presented today have undergone extensive testing and review by VDOE staff.

The Calc. Tools referenced in this memorandum show 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 2023 and 2024. The Calc. Tools may be downloaded to assist divisions with calculating projected payments and required local effort/match. For assistance downloading the Calc. Tools, please refer to these [instructions](#).

Please note that the budget recommendations proposed by the House of Delegates and by the Senate are not final. Similarly, the Calc. Tools provided for the respective House and Senate budget versions do not represent the final funding to be distributed to school divisions for FY23 and FY24 - they are estimates only. A Conference Committee will make final recommendations after resolving the differences between the House and Senate budget proposals. For that reason, the estimated payments contained in the Calc. Tools are projections only and are subject to change because of final legislative action on the budget by the 2023 General Assembly.

VDOE will continue to provide updates to division superintendents and finance directors. Questions regarding the Senate's and House of Delegates' adopted amendments to the 2022-2024 biennial budget and the revised estimates of Direct Aid payments for FY 2023 and 2024 may be directed to Budget Office staff at (804) 225-2025 or DOEBUDGETOFFICE@doe.virginia.gov.

JB/eml

Attachment:

- A. [Senate and House Amendments to the 2022-2024 Biennial Budget](#) (Word)