



COMMONWEALTH of VIRGINIA  
Department of Education

May 27, 2016

TO: Division Superintendents

FROM: Steven R. Staples, Superintendent of Public Instruction

**SUBJECT: Change in Project Graduation Funding Allocation Process Effective with Fiscal Year 2017**

Each year since 2003, the General Assembly has provided over \$2.7 million in Project Graduation funding to provide grants to partnering or individual school divisions to assist students in meeting graduation requirements. Project Graduation remediation activities must address the needs of students who have received passing grades for standard credit-bearing course(s) but failed the required Standards of Learning (SOL) assessment needed to verify credit(s) to complete their diploma requirements. Project Graduation activities must include remedial instruction for students in Algebra I, Geometry, Algebra II, English: Reading, English: Writing, science, and/or history.

With the implementation of new standards and assessments with increased rigor, the demand for funding from school divisions has consistently increased. In an effort to serve all targeted students in Virginia's public schools and reduce administrative requirements necessary to access the grant funding, Project Graduation will shift from application-based grant funding to formula-based funding beginning in fiscal year 2017. This change benefits students and school divisions by:

- making Project Graduation funding available to all school divisions on a formula basis;
- removing the requirement for regions/individual school divisions to complete a grant application two times per year;
- removing the requirement for regional grant recipients to have a fiscal agent and mechanism to distribute funds to school division participants;
- removing the requirement to set up grant budget/transfer and submission of reimbursement requests through the Online Management of Education Grant Awards (OMEGA) system; and
- removing the requirement for region/school division grant recipients to submit final grant evaluation reports.

The revised funding method for each school division incorporates multiple factors including:

- the number of first-time test takers failing an end-of-course assessment in mathematics, English reading/writing, science, and history and social studies (test results will be used from the previous spring's Standard of Learning (SOL) test administration);
- the school division's Composite Index of Local Ability-to-Pay;
- a floor on the minimum and a cap on the maximum funding received by a single school division; and
- a 50 percent hold harmless allocation for fiscal year 2017 only based upon actual Project Graduation funding reimbursements received in fiscal year 2015, unless a school division allocation was limited by the maximum funding cap. This one-time hold harmless allocation will be provided for fiscal year 2017

only as a transition to the new funding formula. It will not be a component of the formula in fiscal year 2018 and beyond.

Project Graduation funding is provided through Lottery proceeds, which are available by January of each year. Beginning in fiscal year 2017, school division formula allocations will be paid on a recurring basis twice monthly between January and June each year.

Appropriate Project Graduation expenditures include:

- teacher or tutor salaries and stipends;
- student incentives;
- instructional resources aligned to the current Standards of Learning;
- materials and supplies necessary for Project Graduation instruction and assessment activities;
- student transportation; and
- administrative costs associated with implementation and administration of special education requirements.

Attachment A to this memorandum includes Project Graduation funding allocations by school division for fiscal year 2017.

All SOL tests administered to students participating in Project Graduation remediation programs must have the “Project Graduation” field populated within the PearsonAccess system.

Further program information and guidelines are included on the [Project Graduation Web site](#).

If you have additional program questions, please contact Kim Powell, grants and reports manager, Office of Science and Health Education, by e-mail at [Kim.Powell@doe.virginia.gov](mailto:Kim.Powell@doe.virginia.gov) or by telephone at (804) 225-3609; or Michael Bolling, director, Office of Mathematics and Governor’s Schools, by e-mail at [Michael.Bolling@doe.virginia.gov](mailto:Michael.Bolling@doe.virginia.gov) or by telephone at (804) 786-6418.

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Attachment:

- A. [Fiscal Year 2017 Project Graduation Funding Allocations](#) (PDF)