



COMMONWEALTH of VIRGINIA
Department of Education

November 13, 2015

TO: Division Superintendents

FROM: Steven R. Staples, Superintendent of Public Instruction

SUBJECT: Composite Index of Local Ability-to-Pay for the 2016-2018 Biennium

This memorandum and the attachment contain information regarding the Composite Index of Local Ability-to-Pay for the 2016-2018 biennium, which will begin July 1, 2016. Pursuant to Item 136, Paragraph A.4, Chapter 665 (2015 Virginia Acts of Assembly), the 2016-2018 composite index was calculated using 2013 base-year data provided by the Department of Taxation for Virginia adjusted gross income (AGI), taxable retail sales, and true value of real property. The estimates of local population for 2013 are provided by the Weldon Cooper Center for Public Service at the University of Virginia, and the actual March 31, 2014, average daily membership is based on data reported by school divisions to the Department of Education.

The Department of Education calculated the 2016-2018 composite index excluding nonresident AGI as required by the appropriation act for all eligible school divisions. Consistent with prior biennia, eligible school divisions are no longer required to submit a certification form requesting the exclusion of nonresident AGI.

[Attachment A](#) to this memorandum includes the 2016-2018 composite index for each division. The Department of Education will use this composite index in calculating the state share of projected school division payments for the Governor's introduced budget for the 2016-2018 biennium. Information regarding these projected payments will be provided to you in late December following the release of the Governor's 2016-2018 introduced budget, scheduled for December 17, 2015.

Downloadable files in Excel and .pdf formats containing the 2016-2018 composite index for each school division are available on the Department of Education Web site at:

http://www.doe.virginia.gov/school_finance/budget/compositeindex_local_abilitypay/index.shtml.

In addition, at the Web site referenced above, an Excel file is available that will allow you to view the detailed calculation of your 2016-2018 composite index. The file displays all of the data elements used and the steps involved in the calculation of your 2016-2018 index. In addition, this file provides comparisons between the per pupil and per capita components of division indices relative to statewide averages for both the 2014-2016 and the 2016-2018 biennia. This data can assist you in assessing the elements in the composite index formula that contributed to increases or decreases in your index for 2016-2018 compared to 2014-2016.

If you have questions or need additional information concerning this data, please contact the budget office at (804) 225-2025 or by e-mail (e-mail address at doebudgetoffice@doe.virginia.gov).

SRS/cd

Attachment:

A. [2016-2018 Composite Index and Data Inputs](#) (PDF)