# Superintendent’s Memo #039-19


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: February 8, 2019

TO: Division Superintendents

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

## SUBJECT: Amendments to the Governor’s Amended 2018-2020 Biennial Budget Proposed by the House of Delegates and by the Senate

On February 3, 2019, the Senate Finance and House Appropriations Committees adopted separate changes to the amended 2018-2022 biennial budget as introduced by Governor Northam(reference [Superintendent's Memorandum No. 342-18](http://www.doe.virginia.gov/administrators/superintendents_memos/2018/342-18.docx), dated December 18, 2018). The budget recommendations of the Senate Finance Committee were adopted by the full membership of the Senate, and the budget recommendations of the House Appropriations Committee were adopted seperately by the full membership of the House of Delegates on February 7, 2019. The adopted changes affect fiscal years 2019 and 2020. Fiscal year 2019 began on July 1, 2018, and ends on June 30, 2019. Fiscal year 2020 begins on July 1, 2019, and ends on June 30, 2020.

The respective budget amendments proposed by the House of Delegates and by the Senate change the 2018-2020 biennium budget (HB 1700/SB 110) introduced by Governor Northam. The attachment and links within this memorandum provide information on the changes separately adopted by the House of Delegates and by the Senate. Unless changes are specifically noted in the attachments, Governor Northam’s proposed amendments contained in the introduced versions of HB 1700/SB 1100 were adopted by both chambers.

[Attachment A](http://www.doe.virginia.gov/administrators/superintendents_memos/2019/039-19a.docx) to this memorandum provides detailed information on the funding changes proposed by the House of Delegates and by the Senate for fiscal years 2019 and 2020 that impact the Direct Aid to Public Education and the Virginia Department of Education (VDOE) Central Office budgets.

Two downloadable Excel files have been created to assist school divisions in calculating projected state payments and required local matches in fiscal years 2019 and 2020 for most Direct Aid programs. These files give divisions the opportunity to change average daily membership (ADM) to test the effect on projected state funding and local match requirements using the Department’s projected ADM or a local projection of ADM. Although the Department’s ADM projections are historically accurate on a statewide basis, the Department 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 the Department. Divisions are encouraged to substitute their ADM estimates for those provided in this memorandum when using the Excel calculation files if they feel their local projections of enrollment are more accurate.

Please note that changing the ADM values in the Excel files only changes the estimated funding 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 files and, therefore, remain the same. Also, for each fiscal year, the payment of semi-monthly SOQ account payments is based only on the General Assembly's adopted budget projections of division March 31 ADM, pending the recalculation of payments based on final March 31 ADM at the end of each year and subject to available state appropriations.  Changing the ADM in the Excel files does not impact the current payments that are made to divisions. Payments to divisions for fiscal year 2019 final payments will be updated and finalized based on March 31, 2019, ADM and other final program participation information. The final fiscal year 2019 payments based on actual data will be communicated to school divisions by a separate Superintendent’s Memorandum later this year. Actual fiscal year 2020 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 fiscal year 2020 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 2018-2020 biennium.

Also note that sales tax estimates in the Excel calculation files are revenue projections only. Actual sales tax payments made to school divisions in fiscal years 2019 and 2020 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.

The Excel calculation files 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 fiscal years 2019 and 2020. The Excel files may be downloaded from the following Web address:

<http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml>.

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

<http://www.doe.virginia.gov/school_finance/filedownload_instructions.shtml>.

It is important to remember that the budget recommendations proposed by the House of Delegates and by the Senate are not final. 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 Excel calculation files are projections only and are subject to change as a result of final legislative action by the 2019 General Assembly. Final actions on the budget should be completed before the General Assembly adjourns on February 23, 2019.

The Department will provide additional information during the General Assembly session as changes to the estimated Direct Aid payments occur. After the conclusion of the session, projected payments based on final General Assembly actions will be sent to you in another Superintendent’s Memorandum. Please note, the actual fiscal year 2019 payments will not be finalized until they are recomputed using actual March 31, 2019, ADM and other final program participation information. Actual fiscal year 2020 payments will not be finalized until after a similar process is followed next year.

Questions regarding the Senate’s and House of Delegates’ adopted amendments to the 2018-2020 biennial budget and the revised estimates of Direct Aid payments for fiscal years 2019 and 2020 may be directed to Kent Dickey, Deputy Superintendent of Budget, Finance, and Operations, or budget office staff at (804) 225-2025 or by email at DOEBUDGETOFFICE@doe.virginia.gov.

JFL/eml

Attachments

A: [Senate and House Amendments to the Governor's Amended 2018-2020 Budget](http://www.doe.virginia.gov/administrators/superintendents_memos/2019/039-19a.docx) (DOCX)