# Superintendent’s Memo #263-19


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: November 1, 2019

TO: Division Superintendents

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

## SUBJECT: Composite Index of Local Ability-to-Pay for the 2020-2022 Biennium

This memorandum contains information regarding the Composite Index of Local Ability-to-Pay for the 2020-2022 biennium, which will begin July 1, 2020. Pursuant to Item 136, Paragraph A.4, Chapter 854 (2019 Virginia Acts of Assembly), the 2020-2022 composite index was calculated using 2017 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 2017 are provided by the Weldon Cooper Center for Public Service at the University of Virginia, and the actual March 31, 2018, average daily membership is based on data reported by school divisions to the Department of Education.

The Virginia Department of Education calculated the 2020-2022 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.

A downloadable file in Excel format containing the 2020-2022 composite index for each school division is available on the Virginia Department of Education website at:

[Composite Index of Local Ability-to-Pay Website](http://www.doe.virginia.gov/school_finance/budget/compositeindex_local_abilitypay/index.shtml)

The file displays all of the data elements used and the steps involved in the calculation of your 2020-2022 index. In addition, the website includes a file that provides comparisons between the per pupil and per capita components of division indices relative to statewide averages for both the 2018-2020 and the 2020-2022 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 2020-2022 compared to 2018-2020.

The Virginia 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 2020-2022 biennium. Information regarding these projected payments will be provided to you in late December following the release of the Governor’s 2020-2022 introduced budget, scheduled for December 17, 2019.

If you have questions or need additional information concerning this data, please contact the Budget Office at (804) 225-2025 or by email at doebudgetoffice@doe.virginia.gov.

JFL/eml