# Superintendent’s Memo #286-19


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: December 17, 2019

TO: Division Superintendents

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

## SUBJECT: Amendments to the Fiscal Year 2020 Direct Aid to Public Education Budget

Governor Northam’s proposed amendments to the fiscal year (FY) 2020 budget (the “Caboose Bill”) were presented on Tuesday, December 17, 2019, before a joint session of the Senate Finance, House Appropriations, and House Finance committees. The proposed amendments will adjust funding for FY 2020 that was previously adopted at the 2019 General Assembly session. The introduced budget bill containing the Governor’s amendments is House Bill 29/Senate Bill 29. These amendments will be considered at the 2020 General Assembly session, scheduled to convene on January 8, 2020.

The proposed changes to the Direct Aid to Public Education budget include technical updates to the Standards of Quality (SOQ), Incentive, Categorical, and Lottery-funded accounts and are included in [Attachment A](http://www.doe.virginia.gov/administrators/superintendents_memos/2019/286-19a.docx). There are no proposed changes to the employer contribution rates for the Virginia Retirement System adopted at the 2019 legislative session. However, there is one budget language change proposed for the Virginia Department of Education’s Central Office budget.

[Direct Aid Payment Calculation](http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml) templates have been created to assist school divisions in calculating projected state payments and any required local match for SOQ accounts, Incentive and Lottery-funded accounts based on March, 31, 2020 ADM. This tool gives divisions the opportunity to calculate projected FY 2020 payments and to change March 31 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. VDOE’s ADM projections are historically accurate on a statewide basis; however, we are unable to anticipate all factors that may impact an individual division’s enrollment. Divisions may need to use their own projections instead of the projections provided by VDOE. Enrollments provided in the “Enrollment Projections” worksheet for Remedial Summer School, English as a Second Language (ESL), and Virginia Preschool Initiative (VPI) programs are actual FY 2020 enrollments and cannot be modified. The VDOE website provides [download instructions](http://www.doe.virginia.gov/school_finance/filedownload_instructions.shtml) if further assistance is required.

It is important to note that changing the ADM value in the Excel template only changes the estimated funding for accounts that are funded on the basis of ADM and does not impact current payments made to divisions. For FY 2020, the amount of semi-monthly SOQ account payments is based on the General Assembly's adopted budget projection of each division’s March 31 ADM, pending the recalculation of payments based on actual ADM at the end of FY 2020. Additionally, these payments are subject to available state appropriations. Final payments to divisions for FY 2020 will be updated based on actual ADM as of March 31, 2020, and other program participation information. The final FY 2020 payments based on actual data will be communicated to school divisions by a separate Superintendent’s Memorandum later this fiscal year.

Sales tax estimates in the budget calculation file are revenue projections only. Actual sales tax payments made to school divisions in FY 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.

It is important to remember that the information provided in this memorandum relates to the Governor’s proposed amendments to the 2018-2020 budget as introduced. The House of Delegates and the Senate will have the opportunity to amend the Governor’s budget proposals during the 2020 General Assembly session. For that reason, the estimated payments contained in the Excel template are projections only and are subject to change as a result of legislative action by the General Assembly. VDOE will provide additional information during the General Assembly session as changes to the estimated Direct Aid payments occur.

Questions regarding the Governor’s proposed amendments to the FY 2020 budget and the revised estimates of Direct Aid payments for FY 2020 may be directed to budget office staff at (804) 225-2025 or by email at DOEBUDGETOFFICE@doe.virginia.gov.

JFL/EL/sw

Attachments

A: [Governor’s Amendments to the Fiscal Year 2020 Budget](http://www.doe.virginia.gov/administrators/superintendents_memos/2019/286-19a.docx) (Word)