# Superintendent’s Memo #287-19


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: December 17, 2019

TO: Division Superintendents

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

## SUBJECT: 2020-2022 Biennial Budget as Introduced by Governor Northam

Governor Northam presented his 2020-2022 biennial budget on Tuesday, December 17, 2019, before a joint session of the Senate Finance, House Appropriations, and House Finance committees. The introduced budget will be considered at the 2020 General Assembly session, scheduled to convene on January 8, 2020. This biennial budget covers fiscal year (FY) 2021 and 2022. The introduced budget bill containing the Governor’s budget recommendations is House Bill 30/Senate Bill 30.

[Attachment A](http://www.doe.virginia.gov/administrators/superintendents_memos/2019/287-19a.docx) provides detailed information on the proposed funding changes that impact the Direct Aid to Public Education and the Virginia Department of Education (VDOE) Central Office budgets. These changes include technical rebenchmarking updates to the Standards of Quality (SOQ), Incentive, Categorical, and Lottery-funded accounts for salary, prevailing support costs, enrollment projections, and other technical updates, and various proposed policy changes. Key recommendations impacting public education funding include:

* Recomputed Composite Indices for the 2020-2022 biennium;
* Updating Sales Tax and Lottery revenue estimates dedicated to public education in FY 2021 and 2022;
* Revisions to the employer rates for fringe benefit contributions paid to the Virginia Retirement System;
* State share of a 3.0 percent Compensation Supplement effective on July 1, 2021;
* Additional state funding:

for Virginia Preschool Initiative and early childhood education in FY 2021 and

2022;

for school counselors in FY 2021 and 2022;

to support students who are educationally at-risk in FY 2021 and 2022;

to support English Language Learners in FY 2021 and 2022; and

to help eliminate the reduced price breakfast and lunch category in FY 2021 and

2022; and

* for a new “Games of Skill” per-pupil funding allocation.

[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 required local matches in each FY for most Direct Aid programs. This budget calculation tool gives divisions the opportunity 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. Although VDOE’s ADM projections are historically accurate on a statewide basis, we are unable to anticipate all factors that may impact an individual division’s enrollment. It may be necessary for divisions to substitute their own projections within the calculation tool instead of those provided by VDOE.

Modification to ADM in the Excel template only changes the estimated funding for accounts that are funded on the basis of ADM as described on the “Enrollment Projections” worksheet. Estimated funding for all other accounts is unaffected. Final payments to divisions for FY 2021 and 2022 will be updated and based on actual ADM as of March 31, 2021 and March 31, 2022, respectively, and other program participation data. Divisions will receive this information in a separate Superintendent’s Memorandum. In addition to ADM, the worksheet provides the option to enter local enrollment projections for the Remedial Summer School, English as a Second Language (ESL), and Virginia Preschool Initiative (VPI) programs. Please note that enrollments for VPI are capped at the number of student slots that are funded in the VPI formula. The VPI student slot cap cannot be exceeded.

Sales tax estimates in the Excel template are revenue projections only. Payments made to school divisions are made on a semi-monthly basis and are based on actual sales tax receipts. Pursuant to the appropriation act, the Basic Aid entitlement calculation is based on the estimated sales tax and is not adjusted for actual sales tax revenues received.

The budget calculation tool shows state payments, required local effort for the SOQ accounts, and required local matches for Incentive and Lottery-funded accounts calculated based on projected ADM for March 31, 2021 and 2022. The budget calculation tool may be downloaded as an [Excel template](http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml) to assist divisions with calculating projected FY 2021 and 2022 payments. For instructions on downloading the template, please click on this [link](http://www.doe.virginia.gov/school_finance/filedownload_instructions.shtml).

The House of Delegates and Senate will have the opportunity to amend the Governor’s budget proposals during the 2020 General Assembly session. 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 as changes to the estimated Direct Aid payments occur.

Questions regarding the Governor’s 2020-2022 biennial budget as introduced and the estimates of Direct Aid payments may be directed to budget office staff at (804) 225-2025 or by email at DOEBUDGETOFFICE@doe.virginia.gov.

JFL/EL/sw

Attachment

A: [Governor’s Introduced Budget for the 2020-2022 Biennium](http://www.doe.virginia.gov/administrators/superintendents_memos/2019/287-19a.docx) (Word)