# Superintendent’s Memo #289-20


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: October 30, 2020

TO: Division Superintendents

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

## SUBJECT: Adoption of the Amended 2020-2022 Biennial Budget (HB 5005/SB 5015) by the 2020 Special Session I General Assembly

Governor Northam convened Special Session I of the 2020 General Assembly on August 18, 2020, to address changes to the 2020-2022 biennial budget in response to impacts of the COVID-19 pandemic. The Governor introduced his amended budget to the Special Session as House Bill (HB) 5005 and Senate Bill (SB) 5015. Special Session I of the 2020 General Assembly recessed on October 16, 2020 after adopting changes to the 2020-2022 budget. The enrolled budget bill, containing the adopted amendments for the 2020-2022 biennium by the General Assembly, now goes to Governor Northam for review and action. Please note that the budget recently adopted at Special Session I is not enacted until signed by the Governor.

[Attachment A](http://www.doe.virginia.gov/administrators/superintendents_memos/2020/289-20a.docx) to this memorandum provides detailed information on the funding changes adopted by the Special Session I 2020 General Assembly to Governor Northam’s amended 2020-2022 biennial budget (HB 5005/SB 5015) that impact the Direct Aid to Public Education and the Department of Education’s Central Office budgets. Unless changes are specifically noted in the attachments, program appropriations are the same as those contained in the budget enacted at the 2020 regular session last spring (i.e., Chapter 1289, 2020 Acts of Assembly).

A downloadable Excel file has been created to assist school divisions in calculating projected state payments and required local matches in FY 2021 and 2022 for most Direct Aid programs. It shows 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 FY 2021 and 2022. This file gives school divisions the opportunity to change average daily membership (ADM) to test the effect on projected state funding and local match requirements using the Virginia Department of Education’s (VDOE) projected ADM or a local projection of ADM. Although the VDOE ADM projections are historically accurate on a statewide basis, VDOE 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 VDOE. Divisions are encouraged to substitute their ADM estimates for those provided in this memorandum when using the Excel file if they feel their local projections of enrollment are more accurate.

Please note that changing the ADM values in the Excel file only changes the estimated amount 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 file. Also, for each fiscal year, the amounts of semi-monthly payments for accounts that are paid using ADM are based only on the Special Session I 2020 General Assembly’s adopted budget projections of March 31 ADM, pending the recalculation of payments based on final March 31 ADM and are subject to available state appropriations.

Changing the ADM in the Excel file does not impact the current payments that are made to divisions. Final payments to divisions for FY 2021 will be updated and based on March 31, 2021, ADM and other final program participation information. The final FY 2021 payments based on actual data will be communicated to school divisions by a separate Superintendent’s Memorandum later this year. Actual FY 2022 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 FY 2021 and 2022.

Please note that enrollments for VPI are capped at the number of student slots that are funded in the VPI formula contained in the budget adopted by the Special Session I 2020 General Assembly for the 2020-2022 biennium. These slots have not been updated based on actual usage and the reallocation process for FY 2021. The final slots for FY 2021 are currently being finalized and certified. Final slots for FY 2021 will be provided in the calculation template based on the Governor’s amended 2020-2022 biennial budget that will be introduced in mid-December.

Sales tax estimates in the Excel file are revenue projections only. Actual sales tax payments made to school divisions in FY 2021 and 2022 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 file may be downloaded from the following link:

[Website for Downloadable Excel files](http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml)

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

[Website for Download Instructions](http://www.doe.virginia.gov/school_finance/filedownload_instructions.shtml)

The Governor is scheduled to release his amended 2020-2022 biennial budget for the 2021 General Assembly on December 16, 2020. VDOE will release another Superintendent’s Memo and calculation template to communicate the amendments impacting school divisions after the Governor’s amended budget is introduced in December.

Questions regarding the Special Session I 2020 General Assembly’s adopted amendments to the 2020-2022 biennial budget and the revised estimates of Direct Aid payments for FY 2021 and 2022 may be directed to Ed Lanza, Director of Budget, or Budget Office staff at (804) 225-2025 or by email at DOEBUDGETOFFICE@doe.virginia.gov.

JFL/eml

Attachments

A: Special Session I 2020 [General Assembly Adopted Amendments to Governor Northam’s Amended 2020-2022 Biennial Budge](http://www.doe.virginia.gov/administrators/superintendents_memos/2020/289-20a.docx)t (HB 5005/SB 5015) (Word)