



**COMMONWEALTH of VIRGINIA
Department of Education**

April 11, 2014

TO: Division Superintendents

FROM: Patricia I. Wright, Superintendent of Public Instruction

SUBJECT: Senate Adopts Budget Amendments to Governor McAuliffe's Introduced Budget (HB/SB 5003) at the 2014 Special Session I of the General Assembly

As detailed in [Superintendent's Memorandum No. 077-14](#), the 2014 Special Session I of the General Assembly convened on Monday, March 24, 2014, for consideration and adoption of the fiscal year 2014 "caboose budget" and the 2014-2016 biennial budget. As indicated in [Superintendent's Memorandum No. 086-14](#), the caboose budget has been adopted and signed into law by the Governor. Two budget bills for the 2014-2016 biennia remain under consideration by the General Assembly. Those bills are the House of Delegates adopted budget (HB 5002) and Governor McAuliffe's introduced budget (HB/SB 5003). The Senate adopted amendments to HB/SB 5003 on April 8, 2014. Those amendments adopted by the Senate will be summarized in this memo and attachments.

[Attachment A](#) to this memorandum provides a summary of the budget recommendations proposed by Governor McAuliffe for the 2014-2016 biennium in HB/SB 5003, amendments adopted by the House of Delegates in House Bill 5002, and the Senate's adopted amendments to HB/SB 5003. Attachment A summarizes key changes for the 2014-2016 biennium proposed in each respective budget proposal, including revised composite indices for the 2014-2016 biennium, new sales tax and Lottery revenue estimates, proposed salary increases for Standards of Quality (SOQ) instructional and support positions, Virginia Preschool Initiative slots held harmless to fiscal year 2014 utilization, and partial funding for the Cost of Competing Adjustment for support positions and for a hold harmless payment in fiscal year 2015 for affected divisions.

[Attachment B](#) to this memorandum lists the estimated state share of cost, by school division, for the Senate's adopted budget amendments to HB/SB 5003. The projected state payments shown in Attachment B are based on the Department of Education's latest projections of March 31 average daily membership (ADM) for fiscal years 2015 and 2016 and cannot be modified. The estimated state payments shown in Attachment B do not include the supplemental education grants authorized by the General Assembly that are unique to certain school divisions.

It is important to remember that the information provided in Attachment B relates to the Senate's adopted budget amendments for the 2014-2016 biennium. The House of Delegates will have the opportunity to take action on this budget during the special session. Therefore, the projected state payments contained in Attachment B are projections only and are subject to change as a result of legislative action at the 2014 special session or subsequent actions by the Governor.

[Attachment C](#) to this memorandum summarizes the proposed budget actions for the 2014-2016 biennium, by school division, for the Governor's Introduced HB/SB 5003, the House of Delegates Adopted HB 5002, and the Senate Adopted Amendments to HB/SB 5003.

After the conclusion of the special session, projected state payments based on final General Assembly budget actions for 2014-2016 will be sent to you in another Superintendent's Memorandum. Please note, the actual fiscal year 2015 and fiscal year 2016 state payments will be made on the basis of final costs computed using actual March 31 ADM and other final program participation information that applies to each fiscal year and each program.

The Excel file referenced in this memorandum showing the estimated state share of cost 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.

If you have questions or need additional information concerning the 2014-2016 budget bills before the special session of the General Assembly or the projected Direct Aid state payments for fiscal years 2015 and 2016, please contact Kent Dickey, deputy superintendent for finance and operations, or budget office staff at (804) 225-2025 or by e-mail (e-mail addresses available at <http://www.va-doeapp.com/StaffByDivisions.aspx?o=Budget&w=true>).

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Attachments:

- a. [Governor's, House, and Senate Proposed Budgets for the 2014-2016 Biennium](#) (PDF)
- b. [Projected State Payments for the 2014-2016 Biennium Based on the Senate's Adopted Budget Amendments to HB/SB 5003](#) (Excel)
- c. [Comparison of Proposed Budget Actions for the 2014-2016 Biennium](#) (Excel)