



**COMMONWEALTH of VIRGINIA**  
**Department of Education**

November 15, 2013

TO: Division Superintendents

FROM: Patricia I. Wright, Superintendent of Public Instruction

**SUBJECT: Composite Index of Local Ability-to-Pay for the 2014-2016 Biennium**

This memorandum and the attachment contain information regarding the Composite Index of Local Ability-to-Pay for the 2014-2016 biennium, which will begin July 1, 2014. Pursuant to Item 139, Paragraph A.4, Chapter 806 (2013 Acts of Assembly), the 2014-2016 composite index was calculated using 2011 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 2011 are provided by the Weldon Cooper Center for Public Service at the University of Virginia, and the actual March 31, 2012, average daily membership is based on data reported by school divisions to the Department of Education.

The Department of Education calculated the 2014-2016 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.

Attachment A to this memorandum includes the 2014-2016 composite index for each locality. The Department of Education will use this composite index in calculating the state share of applicable school division entitlements for the Governor's introduced budget for the 2014-2016 biennium. Information regarding these entitlements will be made available to you in late December following the release of the Governor's 2014-2016 introduced budget, scheduled for December 16, 2013.

Downloadable files in Excel and .pdf formats containing the 2014-2016 composite index for each school division are available on the Department of Education Web site at:

[http://www.doe.virginia.gov/school\\_finance/budget/compositeindex\\_local\\_abilitypay/index.shtml](http://www.doe.virginia.gov/school_finance/budget/compositeindex_local_abilitypay/index.shtml).

In addition, at the Web site referenced above, an Excel file is available that will allow you to view the detailed calculation of your 2014-2016 composite index. The file displays all of the data elements used and the steps involved in the calculation of your 2014-2016 index. In addition, this file provides comparisons between the per pupil and per capita components of division indices relative to statewide averages for both the 2012-2014 and the 2014-2016 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 2014-2016 compared to 2012-2014.

If you have questions or need additional information concerning this data, please contact the budget office at (804) 225-2025 or by e-mail (e-mail addresses available at <http://www.va-doeapp.com/StaffByDivisions.aspx?a=Finance&w=true>).

PIW/cr

Attachment:

- a. [2014-2016 Composite Index and Data Inputs](#) (PDF)