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## Revenue Overview

The School Fund pays for ACPS' day-to-day operations. A variety of funding sources make up the total.

### Local Revenues

\$142.0 million

ACPS receives the majority of its funding from local funds in the form of a transfer from Albemarle County government. Sixty (60%) percent of the increase or decrease in shared local revenues (general property taxes and other local taxes) is allocated to ACPS after certain transfers and expenditures are deducted. A portion of this category also includes fees for service and other transfers.

### State Revenues

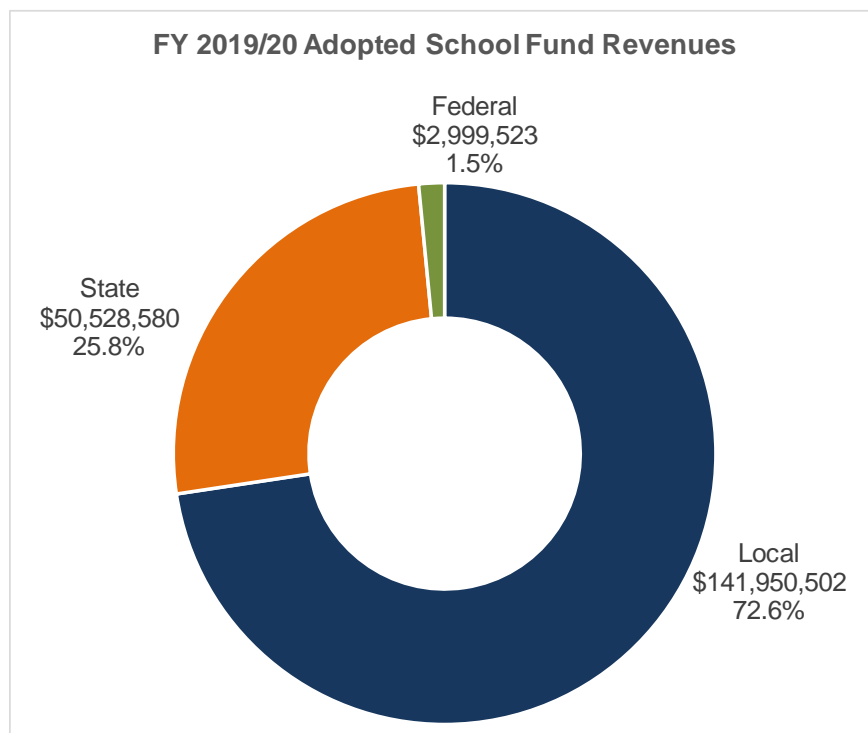
\$50.5 million

The Commonwealth of Virginia provides primarily two types of revenue: state Basic Aid Standards of Quality (SOQ) funding and Sales Tax. School divisions receive the majority of state aid based on their Local Composite Index (LCI). The state uses the LCI to equalize direct aid payments so that counties and cities with a lower composite index receive more state funding and those with a higher index receive less. Sales tax revenue is distributed to school districts based on each locality's number of school-age children.

### Federal Revenues

\$3.0 million

Federal money accounts for less than two (2%) percent of School Fund revenues and helps provide vital services in specific areas.



Revenue for the School Fund for FY 2019-20 is \$195,478,605. This represents a net increase of \$8.7 million, or 4.6 percent, over the FY 2018-19 Adopted budget.

### School Fund Revenues

	FY 2015/16 Adopted	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2019/20 Adopted
Local Transfers <sup>(1)</sup>	\$116,057,469	\$114,433,502	\$118,659,916	\$119,061,138	\$125,491,358	\$125,491,358	\$132,765,031	\$139,834,635
Local School Revenues	2,164,583	3,032,508	2,382,010	2,954,205	2,330,148	1,918,042	2,774,990	2,115,867
State	45,823,333	45,602,263	48,638,514	48,050,760	49,666,936	49,375,075	48,263,009	50,528,580
Federal	3,022,498	2,978,351	2,992,498	3,049,389	2,998,498	3,024,150	2,997,473	2,999,523
<b>Total Revenues</b>	<b>\$167,067,883</b>	<b>\$166,046,624</b>	<b>\$172,672,938</b>	<b>\$173,115,492</b>	<b>\$180,486,940</b>	<b>\$179,808,625</b>	<b>\$186,800,503</b>	<b>\$195,478,605</b>
<i>Revenue Incr.</i>	4.1%	2.8%	3.4%	4.3%	4.5%	3.9%	3.5%	4.6%

### Percent of Total School Fund Revenues

	FY 2015/16 Adopted	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2019/20 Adopted
Local Transfers <sup>(1)</sup>	69.5%	68.9%	68.7%	68.8%	69.5%	69.8%	71.1%	71.5%
Local School Revenues	1.3%	1.8%	1.4%	1.7%	1.3%	1.1%	1.5%	1.1%
State	27.4%	27.5%	28.2%	27.8%	27.5%	27.5%	25.8%	25.8%
Federal	1.8%	1.8%	1.7%	1.8%	1.7%	1.7%	1.6%	1.5%
<b>Total Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Per Pupil Summary

	FY 2015/16 Adopted	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2019/20 Adopted
Enrollment	13,511	13,372	13,471	13,407	13,451	13,636	13,700	13,733
Cost Per Pupil	\$12,365	\$12,417	\$12,818	\$12,912	\$13,418	\$13,186	\$13,635	\$14,234
<i>Cost Per Pupil Incr.</i>	1.7%	2.4%	3.7%	4.0%	4.7%	2.1%	1.6%	4.4%

(1) Includes Local Government General Fund Transfer, Transfers from Special Revenues Funds, Use of Fund Balance.

## Revenue Analysis

Revenues in this section are broken out in these categories:

- Local Government General Fund Transfer
- Local School Revenue
- State Revenue
- Federal Revenue
- Other Local Transfers and Fund Balance

Revenue Summary	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<b>SOURCES OF REVENUE</b>					
Local Government Transfer	\$131,312,821	\$131,312,821	\$138,200,512	\$6,887,691	5.2%
Local School Revenue	\$2,774,990	\$1,977,331	\$2,115,867	(\$659,123)	-23.8%
State Revenue	\$48,263,009	\$48,343,070	\$50,528,580	\$2,265,571	4.7%
Federal Revenue	\$2,997,473	\$2,998,152	\$2,999,523	\$2,050	0.1%
Other Local Transfers and Fund Balance	\$1,452,210	\$1,452,210	\$1,634,123	\$181,913	12.5%
<b>TOTAL</b>	<b>\$186,800,503</b>	<b>\$186,083,584</b>	<b>\$195,478,605</b>	<b>\$8,678,102</b>	<b>4.6%</b>

### Local Government Transfer

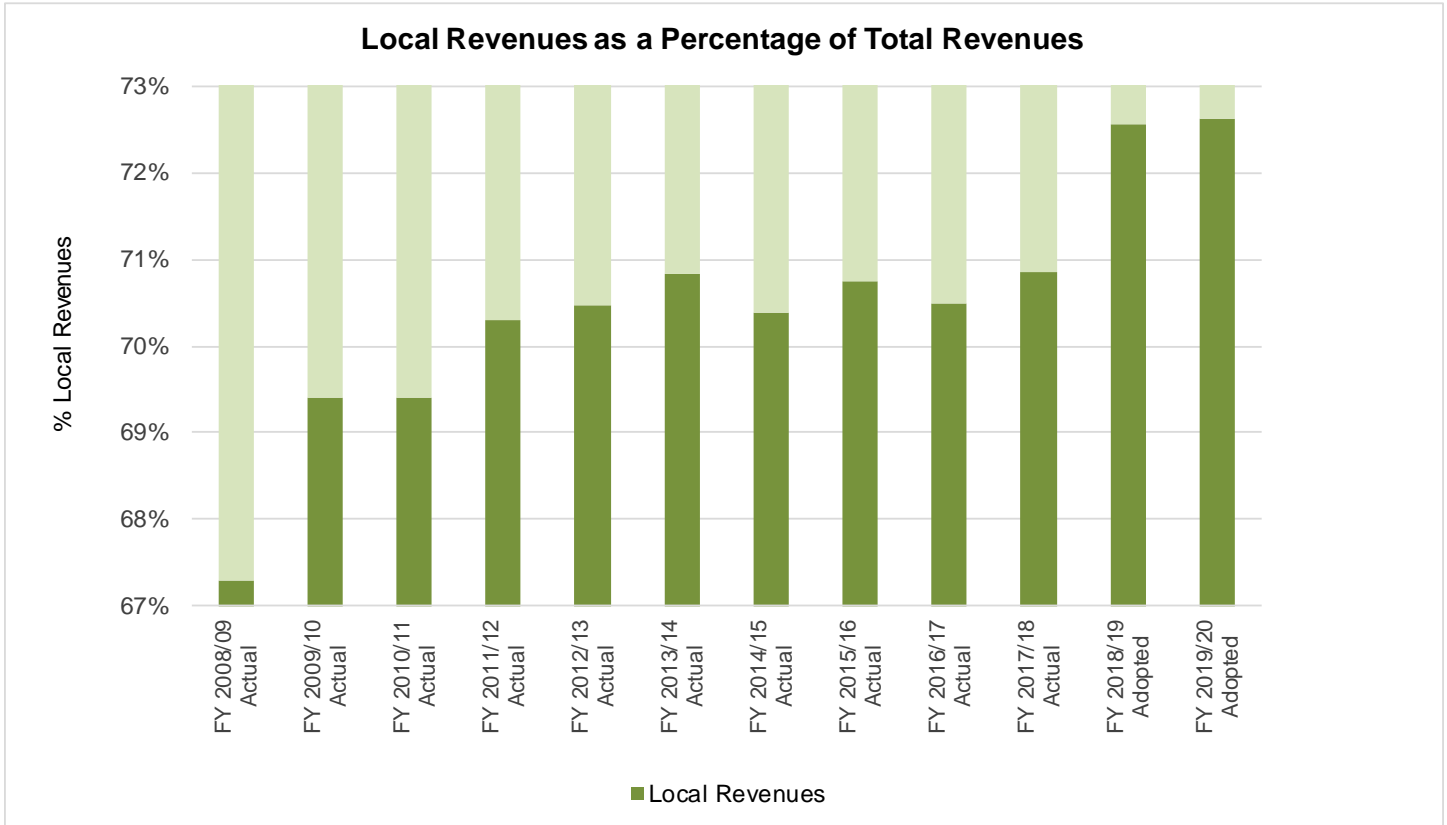
This revenue funds 70.7% of the budget and is increasing \$6,887,691 or 5.2% over the FY 2018-19 Adopted budget.

Local Government Transfer Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
Local Government Transfer	\$131,312,821	\$131,312,821	\$138,150,208	\$6,837,387	5.2%
Western Albemarle HS Operating Costs	\$0	\$0	\$50,304	\$50,304	N/A
<b>Total General Fund Transfer</b>	<b>\$131,312,821</b>	<b>\$131,312,821</b>	<b>\$138,200,512</b>	<b>\$6,887,691</b>	<b>5.2%</b>

ACPS receives the majority of its funding from local funds in the form of a transfer from Albemarle County government. Sixty percent of the increase or decrease in shared local revenues (general property taxes and other local taxes) is allocated to ACPS after certain transfers and expenditures are deducted.

▲ The Local Government General Fund Transfer is increasing as a result of increased general property taxes. Also included is a transfer to fund the cost of the Western Albemarle High School Addition operational impacts, which has an offsetting expenditure amount.

The chart below illustrates the increase in the historical proportion of local revenues to total revenues in order to support school operations. State aid has lagged in covering increasing operating costs. In FY 2008-09, the state supported over 30% of revenues but is now at 26% of the budget. Total local revenues, on the other hand, have needed to cover an increase from 67% to 73% of the budget since that time.



## Local School Revenue

This revenue funds 1.1% of the budget and is decreasing \$659,123 or -23.8% from the FY 2018-19 Adopted budget.

Local School Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<b>Use of Money</b>					
General Property Rental	\$395,000	\$400,000	\$400,000	\$5,000	1.3%
Sale of Surplus Equipment	\$5,000	\$7,000	\$6,000	\$1,000	20.0%
Rent - PREP	\$0	\$0	\$120,597	\$120,597	N/A
Rent - VIA Mobile Unit	\$0	\$0	\$10,000	\$10,000	N/A
Royalties - Cable	<u>\$41,000</u>	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$4,000</u>	<u>9.8%</u>
<b>Total Use of Money</b>	<b>\$441,000</b>	<b>\$452,000</b>	<b>\$581,597</b>	<b>\$140,597</b>	<b>31.9%</b>
<b>Charges for Service</b>					
Activity Fee - Albemarle	\$62,000	\$112,000	\$62,000	\$0	0.0%
Activity Fee - Western	\$57,000	\$119,000	\$57,000	\$0	0.0%
Activity Fee - Monticello	\$55,000	\$55,000	\$55,000	\$0	0.0%
Self Sustain Vehicle Maintenance	\$60,000	\$60,000	\$60,000	\$0	0.0%
Employee Fingerprint Fees	\$9,000	\$9,000	\$9,000	\$0	0.0%
Dual Enrollment	\$854,536	\$0	\$0	(\$854,536)	-100.0%
Vehicle Repair Fees	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$0</u>	<u>0.0%</u>
<b>Total Charges for Service</b>	<b>\$1,142,536</b>	<b>\$400,000</b>	<b>\$288,000</b>	<b>(\$854,536)</b>	<b>-74.8%</b>
<b>Miscellaneous Revenue</b>					
Out of District Employee Tuition	\$91,059	\$88,936	\$30,000	(\$61,059)	-67.1%
Dawson Fund	\$230	\$230	\$230	\$0	0.0%
Refunds and Rebates	\$0	\$0	\$65,400	\$65,400	N/A
Contributions	<u>\$266,243</u>	<u>\$266,243</u>	<u>\$372,202</u>	<u>\$105,959</u>	<u>39.8%</u>
<b>Total Miscellaneous Revenue</b>	<b>\$357,532</b>	<b>\$355,409</b>	<b>\$467,832</b>	<b>\$110,300</b>	<b>30.9%</b>
<b>Recovered Costs</b>					
Personnel Services	\$544,165	\$544,165	\$552,681	\$8,516	1.6%
PREP	\$64,000	\$0	\$0	(\$64,000)	-100.0%
Health Insurance Fund	\$24,000	\$24,000	\$24,000	\$0	0.0%
LED Lighting	\$189,257	\$189,257	\$189,257	\$0	0.0%
Prior Year Recovery	<u>\$12,500</u>	<u>\$12,500</u>	<u>\$12,500</u>	<u>\$0</u>	<u>0.0%</u>
<b>Total Recovered Costs</b>	<b>\$833,922</b>	<b>\$769,922</b>	<b>\$778,438</b>	<b>(\$55,484)</b>	<b>-6.7%</b>

- ❖ Use of Money is revenue from the sale of property, the sale of surplus property, rental of facilities, and cable royalties.
  - ▲ Rent – PREP: Rent payment to the Division for use of the Ivy Creek facility, which was previously budgeted for debt service.
  - ▲ Rent – VIA Mobile Unit: Rent payment from the Virginia Institute of Autism to the Division for use of a mobile unit on the Murray High School campus.

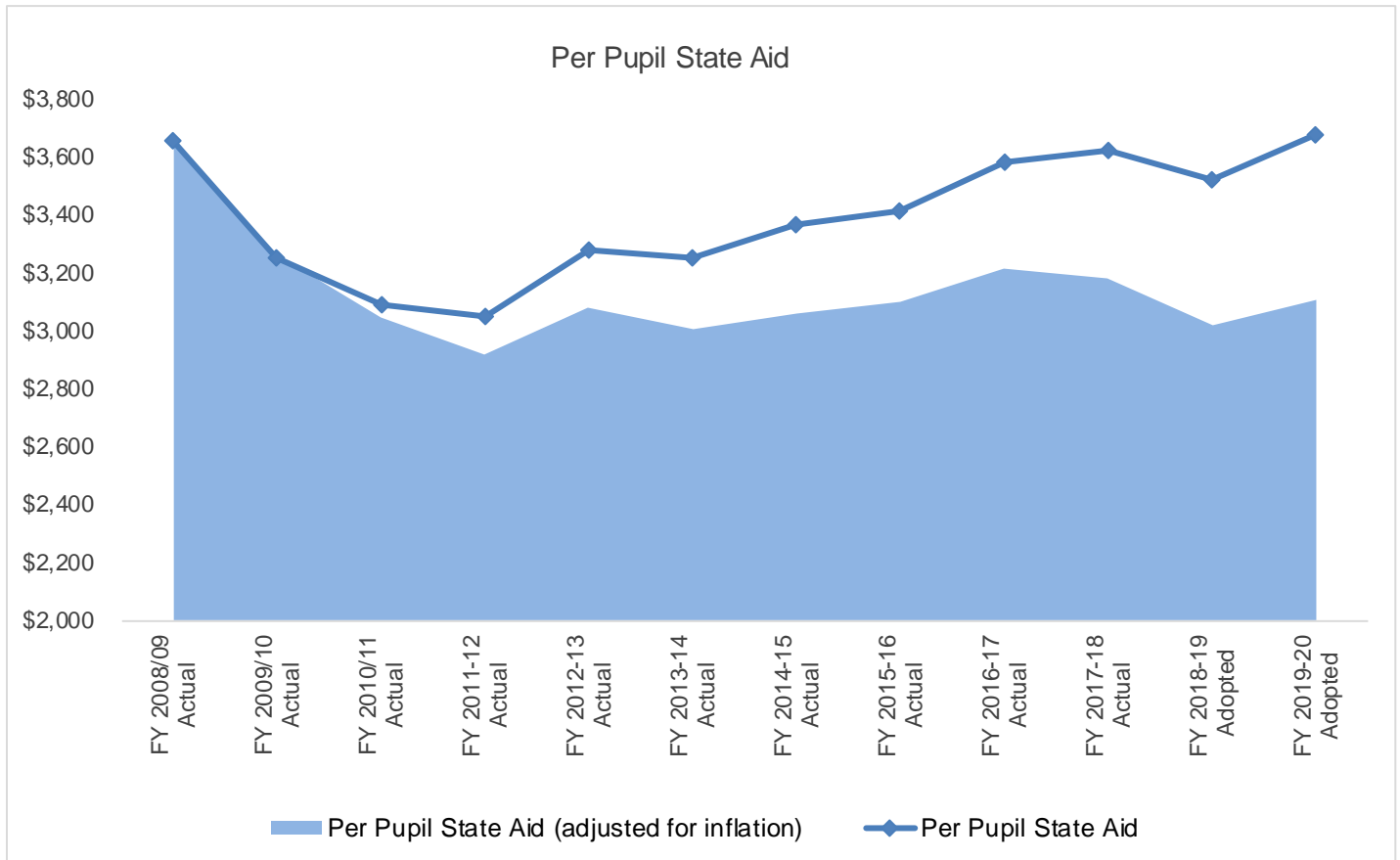
- ❖ Charges for Service is revenue generated by services performed by School personnel.
  - ▼ Dual Enrollment Fees: Decrease due to a change in billing methods by Piedmont Virginia Community College (PVCC) for dual enrollment classes. There is a corresponding budgeted expenditure decrease of the same amount.
- ❖ Miscellaneous Revenue are funds collected by the School Division that are not classified in any other category.
  - ▼ Out of District Employee Tuition: Decrease due to the reduction of tuition for children of employees who live out of district from \$5,400 to \$1,000 for the first child and \$500 for additional children (details included in Section A).
  - ▲ Contributions are received for the schools use from examples like donations, parent-teacher organizations, tuition for pre-school reverse inclusion, and school activity funds. The increase due to an adjustment to better reflect historic receipts.
  - ▲ Refunds and Rebates: Increase due to an adjustment to better reflect historic receipts, including rebates for the use of Division credit cards.
- ❖ Recovered Costs are reimbursements from other governmental entities including Albemarle County, insurance companies, and agencies for costs incurred by the School Division on its behalf.
  - ▼ PREP Recovered Costs are payments from the Piedmont Regional Education Program for servicing the Ivy Creek facility, owned and maintained by the School Division. The reduction is due to new arrangements for the use and service of the facility.

## State Revenue

Revenues in this section are broken out in five categories, or state funding sources. It is important to note that funding for certain programs can move between state categories each year. FY 2019-20 categories are used for historical years for comparative purposes and may not reflect actual historical categories.

- Standards of Quality (SOQ) Accounts
- Lottery Funded Programs
- Incentive Programs
- Categorical Programs
- Other State Revenue

Overall, state revenues fund 25.8% of the budget and is increasing \$2,265,571 or 4.7% over the FY 2018-19 Adopted budget. State revenues have grown in FY 2019-20 to reach the level of peak funding seen in FY 2008-09, on a per pupil basis. However, when adjusting for inflation since that time period<sup>1</sup>, state aid per pupil has declined significantly and still continues to significantly lag FY 2008-09 levels.



<sup>1</sup> Source: Bureau of Labor Statistics Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average.  
Revenues: B-8

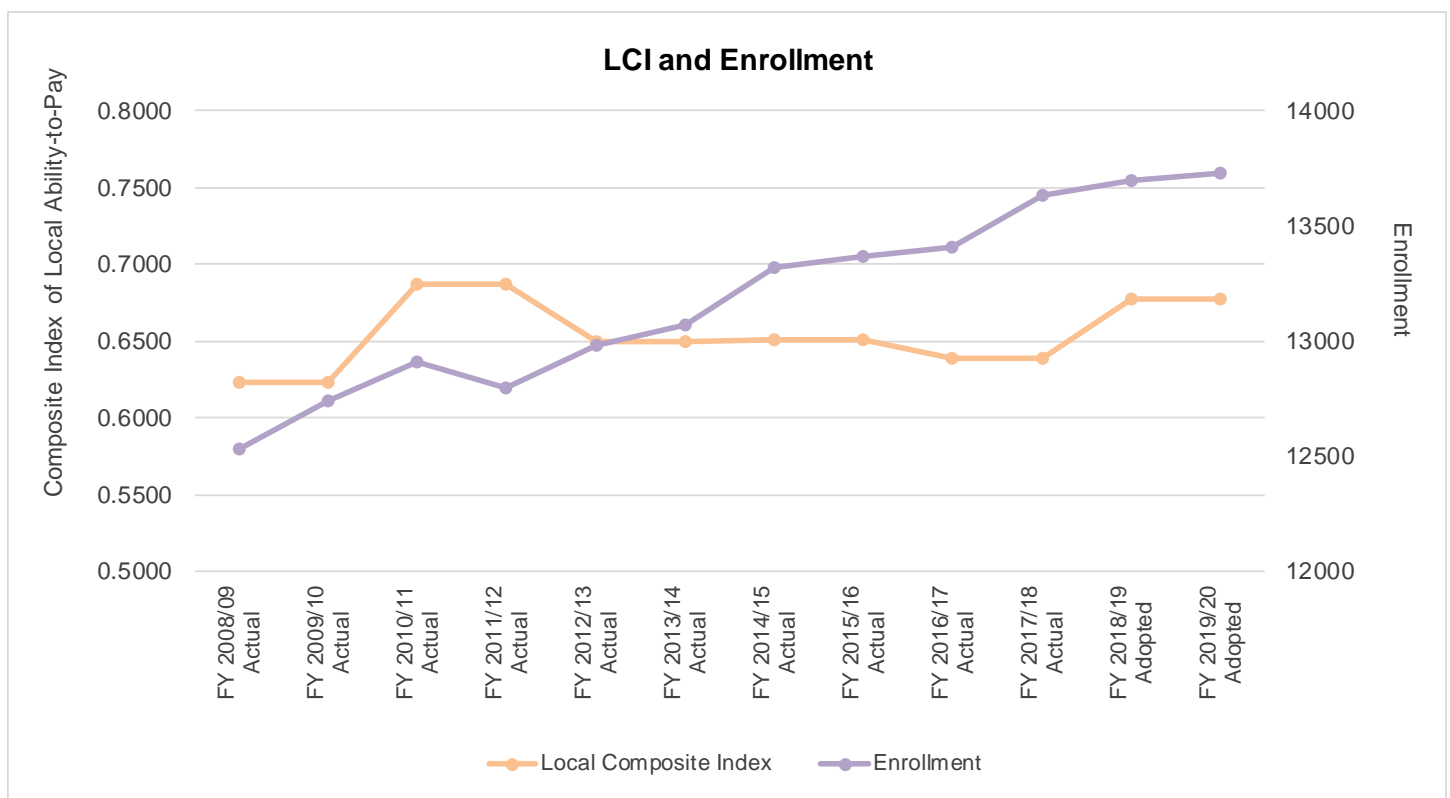


### Standards of Quality (SOQ) Accounts

The SOQs prescribe the minimum that all public schools in Virginia must meet. Standards are set by the Virginia Board of Education, subject to revision only by the General Assembly. The State Constitution gives the General Assembly the responsibility to determine the manner in which state funds are distributed to school divisions for the cost of maintaining an education program that meets the SOQ.

Most SOQ funding is equalized based on local ability to pay as determined by the Local Composite Index (LCI). The LCI is calculated using three indicators of a locality’s ability-to-pay: true value of real property (weighted 50%), adjusted gross income (weighted 40%), and taxable retail sales (weighted 10%). Each locality’s index is adjusted to maintain an overall statewide local share of 45% and an overall state share of 55%. ACPS’ detailed LCI calculation is included in Section H.

A historical summary of student enrollment and the LCI is provided in the following chart. For state aid formulas that incorporate enrollment, rising enrollment results in increased payments. For state aid programs that use the composite index to adjust projected payments, a higher LCI results in lower payments.



SOQ Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
AVERAGE DAILY MEMBERSHIP (ADM)	13,358	13,555	13,613	255	1.9%
LOCAL COMPOSITE INDEX (LCI)	0.6780		0.6780		
<i>Standards of Quality (SOQ) Accounts</i>					
Basic Aid	\$19,749,081	\$19,628,620	\$19,551,060	(\$198,021)	-1.0%
Basic Aid Transfer for CIP Buses	(\$260,000)	(\$260,000)	(\$260,000)	\$0	0.0%
Sales Tax	\$16,676,713	\$16,704,378	\$17,452,465	\$775,752	4.7%
Special Education	\$2,877,488	\$2,871,996	\$2,879,885	\$2,397	0.1%
Prevention, Intervention, and Remediation	\$441,681	\$440,838	\$442,722	\$1,041	0.2%
Gifted Education	\$214,281	\$213,872	\$214,786	\$505	0.2%
Vocational Education	\$306,116	\$305,532	\$306,837	\$721	0.2%
English as a Second Language	\$368,702	\$344,006	\$355,488	(\$13,214)	-3.6%
Textbooks	<u>\$440,326</u>	<u>\$439,485</u>	<u>\$441,363</u>	<u>\$1,037</u>	<u>0.2%</u>
<b>Total Standards of Quality (SOQ)</b>	<b>\$40,814,388</b>	<b>\$40,688,727</b>	<b>\$41,384,606</b>	<b>\$570,218</b>	<b>1.4%</b>
<i>Fringe Benefits - Recovered Costs</i>					
VRS - Instructional	\$2,755,042	\$2,749,784	\$2,770,300	\$15,258	0.6%
FICA - Instructional	\$1,250,701	\$1,248,314	\$1,253,648	\$2,947	0.2%
Life Insurance - Instructional	<u>\$83,089</u>	<u>\$82,930</u>	<u>\$83,284</u>	<u>\$195</u>	<u>0.2%</u>
<b>Total Fringe Benefits</b>	<b>\$4,088,832</b>	<b>\$4,081,028</b>	<b>\$4,107,232</b>	<b>\$18,400</b>	<b>0.5%</b>

Unless otherwise specified, the formula to calculate SOQ revenues is:

$$(Per\ Pupil\ Amount\ x\ Average\ Daily\ Membership) \times (1 - Local\ Composite\ Index)$$

❖ **Basic Aid**

*Per Pupil Amount: \$5,757*

Includes funding for the basic instructional positions derived from minimum student to teacher ratios and other instructional position staffing standards required by the Standards of Quality (SOQ) for each school division with a minimum ratio of 51 instructional personnel for each 1,000 pupils; plus other support costs funded through the SOQ, including support salaries and benefits costs.

$$((PPA \times ADM) - Sales\ Tax^2) \times (1 - LCI)$$

State Basic Aid payments to local school divisions are intended to fund a basic educational program. These funds are designated for a variety of purposes such as driver education, teacher sick leave, special education, general administration, fixed charges, operation and maintenance, and other costs of programs. It is distributed on the basis of each locality's ability to provide the minimum required educational program, with less able localities receiving a higher proportion of the per pupil costs from state funds than the wealthier localities. For each locality, there is a required expenditure from local funds that is based on an index of local ability to pay.

<sup>2</sup> Sales tax estimate provided by the state.

▼ FY 2019-20 state sales tax estimate is subtracted from the Basic Aid payment amount. Thus, projected Basic Aid is declining due to a higher projected sales tax.

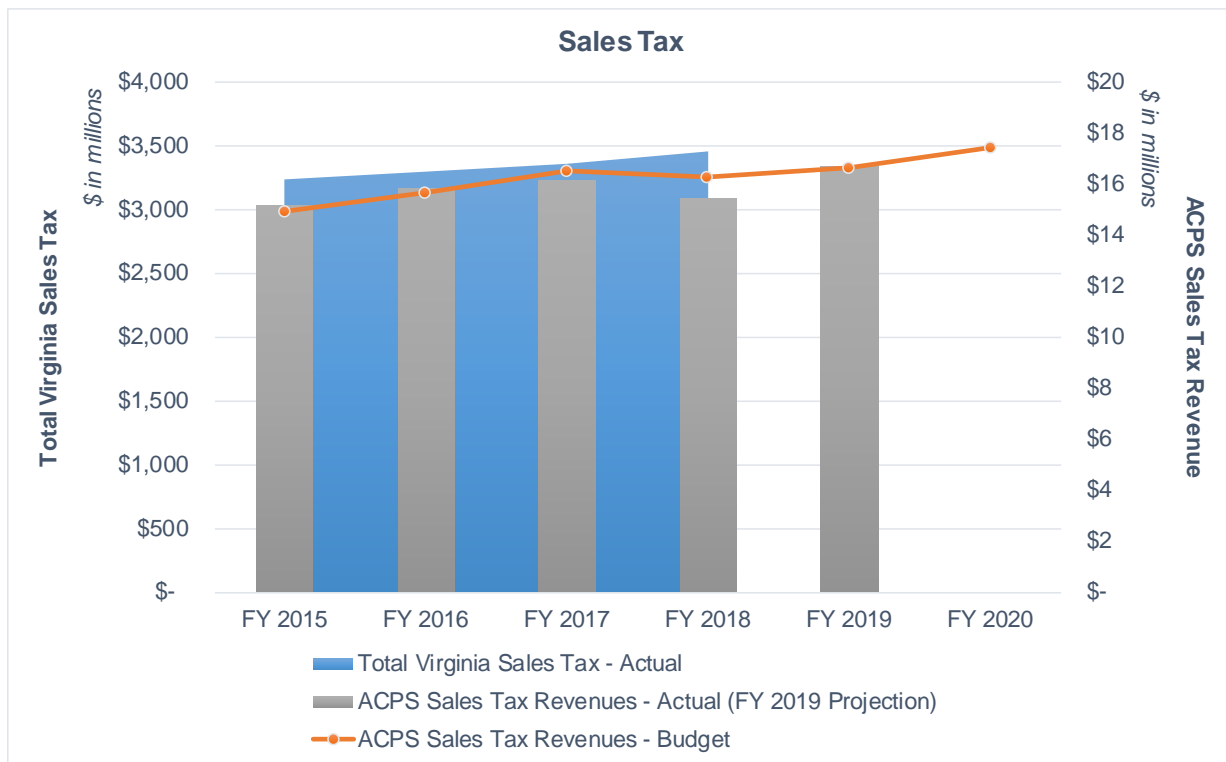
❖ **Basic Aid Transfer for CIP Buses**

A portion of Basic Aid funding is dedicated for the purchase and replacement of school buses. This reflects the amount transferred to the Capital Improvement Program fund, which funds the School Bus and Equipment Replacement program.

❖ **Sales Tax**

A portion of net revenue from the state sales and use tax dedicated to public education (1.125%) is distributed to counties, cities, and towns in support of the Standards of Quality. The distributions are based on each locality's pro-rata share of school age population as based on the estimate of school-age population as provided by the Weldon Cooper Center for Public Service at the University of Virginia.

▲ FY 2019-20 sales tax revenues are projected to increase as state sales and use taxes increase.



❖ **Special Education**

*Per Pupil Amount: \$657*

Funding for special education provides for the state share of salary costs of instructional positions generated based on the staffing standards for special education. Each special education student is counted in their respective school and up to three disabilities per student may be recognized for calculating instructional positions for funding at either the resource or self-contained level of staffing based on the percentage of special education provided to the student daily.

These standards require the endorsement of special education teachers, per-class enrollment at or below specified levels, teacher assistants in certain classes, regulation of the type of classes offered, and development and retention of an Individualized Education Plan for each student.

❖ **Prevention, Intervention, and Remediation**

*Per Pupil Amount: \$101*

SOQ Prevention, Intervention, and Remediation funding provides remedial services to children who need additional instruction. Funding is disbursed to local school divisions to support the state share of additional professional instructional positions ranging from a pupil teacher ratio of 10:1 to 18:1 (on a sliding scale) based on the division-level failure rate on the SOL English and Math tests for all students at risk of educational failure (the three-year average free lunch eligibility data is used as a proxy for at risk students).

❖ **Gifted Education**

*Per Pupil Amount: \$49*

Gifted education funding supports the state share of one full-time equivalent instructional position per 1,000 students in the adjusted ADM.

❖ **Vocational Education**

*Per Pupil Amount: \$70*

State funds are provided to support career and technical education courses for students in grades 6-12. The funding supports the salary cost of instructional positions based on the class size maximums established by the Board of Education.

❖ **English as a Second Language**

*965 projected students*

State funds are provided to support local school divisions providing the necessary educational services to children not having English as their primary language. The funding supports the salary and benefits cost of instructional positions at a standard of 17 positions per 1,000 ESL students.

$(17 \text{ teachers per } 1,000 \text{ ESL students} \times \text{Average salary and fringe benefits}) \times (1 - \text{LCI})$
--

▼ Projected FY 2018-19 and FY 2019-20 payments have fluctuated based on actual and projected ESL enrollments.

❖ **Textbooks**

*Per Pupil Amount: \$100.69*

State law requires that students attending public schools receive free textbooks. State funding is provided on a per pupil basis based on the funded per pupil amount for textbooks.

❖ **Fringe Benefits**

The state share of the cost of employer contributions for funded SOQ instructional positions.

- Social Security: Employer rate 7.65%, Per Pupil Amount \$286
- Group Life: Employer rate 0.52%, Per Pupil Amount \$19
- VRS Retirement: Employer VRS rate 15.68%, Retiree health care credit rate 1.20%,  
Per Pupil Amount: \$632

▲ Fringe benefits are projected to increase due to higher average salaries in FY 2019-20.

## Lottery Funded Programs

Lottery profits are distributed to school divisions using formulas determined by the General Assembly in the appropriation act.

Lottery Programs Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Lottery Funded Programs<sup>(1)</sup></i>					
Career and Technical Education - CATEC	\$15,803	\$15,910	\$15,910	\$107	0.7%
Early Reading Intervention	\$172,211	\$177,592	\$178,669	\$6,458	3.8%
Foster Care	\$71,500	\$77,855	\$148,273	\$76,773	107.4%
ISAEP	\$23,576	\$25,065	\$25,065	\$1,489	6.3%
K-3 Initiative	\$459,986	\$425,869	\$428,550	(\$31,436)	-6.8%
Supplemental Lottery Per Pupil	<u>\$1,205,689</u>	<u>\$1,589,419</u>	<u>\$1,615,423</u>	<u>\$409,734</u>	<u>34.0%</u>
<b>Total Lottery Funded</b>	<b>\$1,948,765</b>	<b>\$2,311,710</b>	<b>\$2,411,890</b>	<b>\$463,125</b>	<b>23.8%</b>

(1) In FY 2019/20 At-Risk Education is split-funded by Lottery Funded Programs and Incentive Programs, but shown in total in Incentive Programs.

### ❖ Career and Technical Education – CATEC

Career and technical allocations for equipment are used in the following areas: Agricultural Education; Business and Information Technology; Career Connections; Family and Consumer Sciences; Health and Medical Science Education; Marketing; Technology Education; and Trade and Industrial Education.

### ❖ Early Reading Intervention

The Early Reading Intervention program is designed to reduce the number of students needing remedial reading services. Program funds are used by local school divisions for: special reading teachers; trained aides; full-time early literacy tutors; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students.

### ❖ Foster Care

Foster care funding provides reimbursement to localities for educating students in foster care that are not residents of their school division. State funds are provided for prior year local operations costs for each pupil not a resident of the school division providing his education if the student has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of the Commonwealth to place children.

▲ FY 2018-19 and FY 2019-20 projections have increased due to higher prior year actual costs.

### ❖ ISAEP

An Individual Student Alternative Education Plan (ISAEP) may be developed when a student demonstrates substantial need for an alternative program, meets enrollment criteria, and demonstrates

an ability to benefit from the program. The need is determined by a student's risk of dropping-out of school.

❖ **K-3 Primary Class Size Reduction**

State funding is disbursed to school divisions as an incentive payment for reducing ratios and class sizes in grades kindergarten through three below the required SOQ standard of a 24:1 pupil-teacher ratio. Payments are based on the incremental cost of providing the lower ratios and class sizes based on the lower of the statewide average per pupil cost of all divisions or the actual division per pupil cost.

▼ Projected FY 2018-19 and FY 2019-20 payments have fluctuated based actual and projected K-3 enrollment at eligible schools (based on free lunch eligibility percentages).

❖ **Supplemental Lottery Per Pupil Allocation**

*Per Pupil Amount: \$367.44*

School divisions are permitted to spend such funds on both recurring and nonrecurring expenses in a manner that best supports the needs of the school divisions.

▲ This budget is increasing due to a higher per pupil allocation amount from the previous year.

## Incentive Programs

Incentive programs are voluntary programs, but in order to receive state funds, school divisions must agree to meet additional requirements, such as certifying they will offer the specific program or meeting certain requirements.

Incentive Programs Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Incentive Programs</i>					
Compensation Supplement	\$0	\$0	\$1,243,855	\$1,243,855	N/A
At Risk Education <sup>(1)</sup>	\$238,479	\$260,204	\$284,303	\$45,824	19.2%
Special Education Regional Tuition	\$1,044,267	\$899,117	\$994,329	(\$49,938)	-4.8%
<b>Total Incentive</b>	<b>\$1,282,746</b>	<b>\$1,159,321</b>	<b>\$2,522,487</b>	<b>\$1,239,741</b>	<b>96.6%</b>

(1) In FY 2019/20 At-Risk Education is split-funded by Lottery Funded Programs and Incentive Programs, but shown in total in Incentive Programs.

### ❖ Compensation Supplement

Compensation supplement funding covers the state share of the cost (including fringe benefits) for a percentage-based salary increase for funded SOQ instructional and support positions.

▲ The Division is projected to receive a compensation supplement for FY 2020 which represents the state share of a payment equivalent to an average 5.0% salary increase for SOQ funded positions over two years. In order to receive the maximum level of funds, school divisions must provide an average 5.0% salary increase for funded SOQ instructional and support personnel during FY 2019 and FY 2020. Of that, the FY 2020 salary increase must be at least 2.0%. ACPS meets the criteria to receive the maximum level of funds.

### ❖ At Risk Education

State payments for at-risk students are disbursed to school divisions based on the estimated number of federal free lunch participants in each division to support programs for students who are educationally at-risk. Funding is provided as a percentage add-on to Basic Aid to support the additional costs of educating at-risk students. This is split funded by Lottery Programs in FY 2019/20.

▲ Projected FY 2018-19 and FY 2019-20 payments have fluctuated based actual and projected enrollment of students eligible for free and reduced lunch.

### ❖ Special Education – Regional Tuition

Regional tuition reimbursement funding provides for students with low-incidence disabilities who can be served more appropriately and less expensively in a regional program than in more restrictive settings. Reimbursement is in lieu of the per pupil basic operation cost and other state aid otherwise available.

▼ Projected FY 2018-19 and FY 2019-20 payments have fluctuated based actual and projected reimbursements of approved tuition costs for eligible students. These revenues are projected to decrease in the long-term as the state examines and further reviews the allocations.



## Categorical Programs

Funding for programs beyond SOQs and are usually targeted to the particular needs of specific student populations. Typically, there is no required match.

Categorical Programs Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Categorical Programs</i>					
Special Education Homebound	<u>\$8,278</u>	<u>\$16,284</u>	<u>\$16,365</u>	<u>\$8,087</u>	<u>97.7%</u>
<b>Total Categorical</b>	<b>\$8,278</b>	<b>\$16,284</b>	<b>\$16,365</b>	<b>\$8,087</b>	<b>97.7%</b>

- ❖ **Special Education - Homebound:** In addition to providing state basic aid for special education, the state provides funding for the continuation of educational services for students who are temporarily confined to their homes for medical reasons. State funds reimburse school divisions for a portion of the hourly rate paid to teachers employed to provide homebound instruction to eligible students.

▲ These funds are based on prior year expenditure data.

## Other State Revenue

Other State Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Other State</i>					
National Board Certification	\$120,000	\$86,000	\$86,000	(\$34,000)	-28.3%

- ❖ **National Board Certification:** A portion of costs for teacher certifications of National Board Standards are reimbursed by the state.

▼ Reimbursements are projected to decrease to reflect trends in new teacher participation rates.

## Federal Revenue

This revenue funds 1.5% of the budget and is increasing \$2,050 or 0.1% over the FY 2018-19 Adopted budget.

Federal Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
Special Education Flow Through	\$2,979,473	\$2,980,152	\$2,981,523	\$2,050	0.1%
Medicaid Reimbursement	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$0</u>	<u>0.0%</u>
<b>Total Federal</b>	<b>\$2,997,473</b>	<b>\$2,998,152</b>	<b>\$2,999,523</b>	<b>\$2,050</b>	<b>0.1%</b>

### ❖ Special Education Flow Through

The Individuals with Disabilities Education Act (IDEA) funding is the majority of ACPS' federal aid. The IDEA provides federal aid to ensure that all school-age children with disabilities are provided a free and appropriate public education. Federal funds are used only for the additional cost of educating students with disabilities. Funding is significantly below mandated levels of funding, which requires that 40% if the excess costs for special education are covered.

### ❖ Medicaid Reimbursement

The Medicaid program allows school districts to seek reimbursement from Medicaid for the cost of the related services the school district provides to special education eligible students.

## Use of Fund Balance and Local Transfers

This revenue funds 0.8% of the budget and is increasing \$181,913 or 12.5% over the FY 2018-19 Adopted budget.

Local Appropriations Revenue Detail	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Fund Balance</i>					
Use of Fund Balance - General	\$800,000	\$800,000	\$959,388	\$159,388	19.9%
Use of Fund Balance - School Carryover	\$224,735	\$224,735	\$224,735	\$0	0.0%
<i>Transfers from Special Revenues Funds</i>					
CFA Institute - Summer Rental	\$200,000	\$200,000	\$200,000	\$0	0.0%
Child Nutrition	\$112,500	\$112,500	\$112,500	\$0	0.0%
Extended Day Enrichment Program	\$87,500	\$87,500	\$87,500	\$0	0.0%
Blue Ridge Juvenile Detention Center	\$27,475	\$27,475	\$50,000	\$22,525	82.0%
<b>Total Local Appropriations</b>	<b>\$1,452,210</b>	<b>\$1,452,210</b>	<b>\$1,634,123</b>	<b>\$181,913</b>	<b>12.5%</b>

### ❖ Fund Balance

Use of fund balance is budgeted each year to support operations. This is not tied to any specific initiative or project, but is a “recurring” amount that is absorbed by the fund. In addition, each school is permitted to carry over unspent amounts at the end of the year, up to 10% of its budget. This estimate is shown as the School Carryover budget amount.

▲ An additional \$159,388 use of fund balance is budgeted in FY 2019-20 to support operations.

### ❖ Transfers from Special Revenues Funds

Transfers are budgeted into the School Operating Fund from Special Revenue Funds (described in detail in Section G). The transfers represent payments to the School Fund for utilities and administrative overhead for human resources, finance, and other management services. The CFA Institute – Summer Rental program also transfers residual funds from the operations of the program.

▲ The increase from the Blue Ridge Juvenile Detention Center program is due to an administrative adjustment.

## Combined Revenue Detail

	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Local Government Transfer</i>					
Local Government Transfer	\$131,312,821	\$131,312,821	\$138,150,208	\$6,837,387	5.2%
Western Albemarle HS Operating Costs	\$0	\$0	\$50,304	\$50,304	N/A
<b>Total Local Government Transfer</b>	<b>\$131,312,821</b>	<b>\$131,312,821</b>	<b>\$138,200,512</b>	<b>\$6,887,691</b>	<b>5.2%</b>
<i>Local School Revenue</i>					
<i>Use of Money</i>					
General Property Rental	\$395,000	\$400,000	\$400,000	\$5,000	1.3%
Sale of Surplus Equipment	\$5,000	\$7,000	\$6,000	\$1,000	20.0%
Rent - PREP	\$0	\$0	\$120,597	\$120,597	N/A
Rent - VIA Mobile Unit	\$0	\$0	\$10,000	\$10,000	N/A
Royalties - Cable	\$41,000	\$45,000	\$45,000	\$4,000	9.8%
<b>Total Use of Money</b>	<b>\$441,000</b>	<b>\$452,000</b>	<b>\$581,597</b>	<b>\$140,597</b>	<b>31.9%</b>
<i>Charges for Service</i>					
Activity Fee - Albemarle	\$62,000	\$112,000	\$62,000	\$0	0.0%
Activity Fee - Western	\$57,000	\$119,000	\$57,000	\$0	0.0%
Activity Fee - Monticello	\$55,000	\$55,000	\$55,000	\$0	0.0%
Self Sustain Vehicle Maintenance	\$60,000	\$60,000	\$60,000	\$0	0.0%
Employee Fingerprint Fees	\$9,000	\$9,000	\$9,000	\$0	0.0%
Dual Enrollment	\$854,536	\$0	\$0	(\$854,536)	-100.0%
Vehicle Repair Fees	\$45,000	\$45,000	\$45,000	\$0	0.0%
<b>Total Charges for Service</b>	<b>\$1,142,536</b>	<b>\$400,000</b>	<b>\$288,000</b>	<b>(\$854,536)</b>	<b>-74.8%</b>
<i>Miscellaneous Revenue</i>					
Out of District Employee Tuition	\$91,059	\$88,936	\$30,000	(\$61,059)	-67.1%
Dawson Fund	\$230	\$230	\$230	\$0	0.0%
Refunds and Rebates	\$0	\$0	\$65,400	\$65,400	N/A
Contributions	\$266,243	\$266,243	\$372,202	\$105,959	39.8%
<b>Total Miscellaneous Revenue</b>	<b>\$357,532</b>	<b>\$355,409</b>	<b>\$467,832</b>	<b>\$110,300</b>	<b>30.9%</b>
<i>Recovered Costs</i>					
Personnel Services	\$544,165	\$544,165	\$552,681	\$8,516	1.6%
PREP	\$64,000	\$0	\$0	(\$64,000)	-100.0%
Health Insurance Fund	\$24,000	\$24,000	\$24,000	\$0	0.0%
LED Lighting	\$189,257	\$189,257	\$189,257	\$0	0.0%
Prior Year Recovery	\$12,500	\$12,500	\$12,500	\$0	0.0%
<b>Total Recovered Costs</b>	<b>\$833,922</b>	<b>\$769,922</b>	<b>\$778,438</b>	<b>(\$55,484)</b>	<b>-6.7%</b>
<i>Standards of Quality (SOQ) Accounts</i>					
Basic Aid	\$19,749,081	\$19,628,620	\$19,551,060	(\$198,021)	-1.0%
Basic Aid Transfer for CIP Buses	(\$260,000)	(\$260,000)	(\$260,000)	\$0	0.0%
Sales Tax	\$16,676,713	\$16,704,378	\$17,452,465	\$775,752	4.7%
Special Education	\$2,877,488	\$2,871,996	\$2,879,885	\$2,397	0.1%
Prevention, Intervention, and Remediation	\$441,681	\$440,838	\$442,722	\$1,041	0.2%
Gifted Education	\$214,281	\$213,872	\$214,786	\$505	0.2%
Vocational Education	\$306,116	\$305,532	\$306,837	\$721	0.2%
English as a Second Language	\$368,702	\$344,006	\$355,488	(\$13,214)	-3.6%
Textbooks	\$440,326	\$439,485	\$441,363	\$1,037	0.2%
<b>Total Standards of Quality (SOQ)</b>	<b>\$40,814,388</b>	<b>\$40,688,727</b>	<b>\$41,384,606</b>	<b>\$570,218</b>	<b>1.4%</b>

Revenues: B-20

	FY 2018/19 Adopted	FY 2018/19 Projected	FY 2019/20 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Fringe Benefits - Recovered Costs</i>					
VRS - Instructional	\$2,755,042	\$2,749,784	\$2,770,300	\$15,258	0.6%
FICA - Instructional	\$1,250,701	\$1,248,314	\$1,253,648	\$2,947	0.2%
Life Insurance - Instructional	<u>\$83,089</u>	<u>\$82,930</u>	<u>\$83,284</u>	<u>\$195</u>	<u>0.2%</u>
<b>Total Fringe Benefits</b>	<b>\$4,088,832</b>	<b>\$4,081,028</b>	<b>\$4,107,232</b>	<b>\$18,400</b>	<b>0.5%</b>
<i>Lottery Funded Programs <sup>(1)</sup></i>					
Career and Technical Education - CATEC	\$15,803	\$15,910	\$15,910	\$107	0.7%
Early Reading Intervention	\$172,211	\$177,592	\$178,669	\$6,458	3.8%
Foster Care	\$71,500	\$77,855	\$148,273	\$76,773	107.4%
ISAEP	\$23,576	\$25,065	\$25,065	\$1,489	6.3%
K-3 Initiative	\$459,986	\$425,869	\$428,550	(\$31,436)	-6.8%
Supplemental Lottery Per Pupil	<u>\$1,205,689</u>	<u>\$1,589,419</u>	<u>\$1,615,423</u>	<u>\$409,734</u>	<u>34.0%</u>
<b>Total Lottery Funded</b>	<b>\$1,948,765</b>	<b>\$2,311,710</b>	<b>\$2,411,890</b>	<b>\$463,125</b>	<b>23.8%</b>
<i>Incentive Programs</i>					
Compensation Supplement	\$0	\$0	\$1,243,855	\$1,243,855	N/A
At Risk Education <sup>(1)</sup>	\$238,479	\$260,204	\$284,303	\$45,824	19.2%
Special Education Regional Tuition	<u>\$1,044,267</u>	<u>\$899,117</u>	<u>\$994,329</u>	<u>(\$49,938)</u>	<u>-4.8%</u>
<b>Total Incentive</b>	<b>\$1,282,746</b>	<b>\$1,159,321</b>	<b>\$2,522,487</b>	<b>\$1,239,741</b>	<b>96.6%</b>
<i>Categorical Programs</i>					
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<i>Other State</i>					
National Board Certification	<u>\$120,000</u>	<u>\$86,000</u>	<u>\$86,000</u>	<u>(\$34,000)</u>	<u>-28.3%</u>
<b>Total Other State</b>	<b>\$120,000</b>	<b>\$86,000</b>	<b>\$86,000</b>	<b>(\$34,000)</b>	<b>-28.3%</b>
<i>Federal Revenue</i>					
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Medicaid Reimbursement	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$0</u>	<u>0.0%</u>
<b>Total Federal</b>	<b>\$2,997,473</b>	<b>\$2,998,152</b>	<b>\$2,999,523</b>	<b>\$2,050</b>	<b>0.1%</b>
<i>Fund Balance</i>					
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<b>Total Local Appropriations</b>	<b>\$1,452,210</b>	<b>\$1,452,210</b>	<b>\$1,634,123</b>	<b>\$181,913</b>	<b>12.5%</b>
<b>SCHOOL FUND TOTAL REVENUES</b>	<b>\$186,800,503</b>	<b>\$186,083,584</b>	<b>\$195,478,605</b>	<b>\$8,678,102</b>	<b>4.6%</b>

(1) In FY 2019/20 At-Risk Education is split-funded by Lottery Funded Programs and Incentive Programs, but shown in total in Incentive Programs.

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