

Contents

Revenue Overview	2
Revenue Analysis	4
Local Government Transfer.....	5
Local School Revenue	6
State Revenue	8
Federal Revenue	19
Local Transfers and Recurring Use of Fund Balance	20
One-Time Use of Fund Balance	21
Combined Revenue Detail.....	22

Revenue Overview

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

Local Revenues

\$144,087,097

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 small portion of this category also includes fees for service and other transfers.

State Revenues

\$59,345,179

The Commonwealth of Virginia provides funding to school divisions primarily through Basic Aid Standards of Quality (SOQ) funding, sales tax, and lottery proceeds. 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

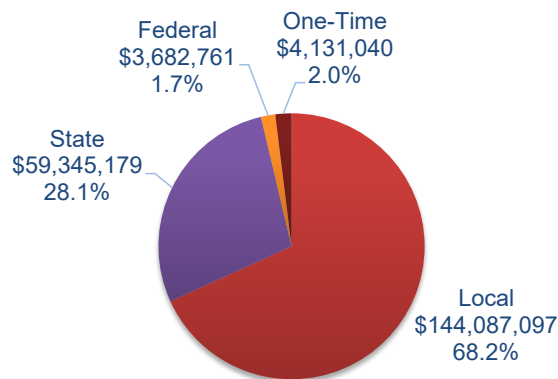
\$3,682,761

Federal money accounts for a small proportion of School Fund revenues and provides partial funding for special education and Medicaid services.

One-Time Revenues

\$4,131,040

Due to the COVID-19 pandemic and uncertainties in revenue projections, the Division reduced significantly expenditures in FY 2020/21. Revenue projections have been revised upwards since the adoption of the FY 2020/21 budget, and the Division anticipates a resulting increase in fund balance. This projected increase will be used to fund one-time expenditures in FY 2021/22.



School Fund Revenues

	FY 2017/18 Actual	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2021/22 Adopted	Change over Prior Year	% Change over Prior Year
Local	\$127,409,400	\$133,720,546	\$140,417,384	\$137,287,049	\$144,087,097	\$6,800,048	5.0%
State	\$49,375,075	\$48,482,073	\$51,723,143	\$52,771,310	\$59,345,179	\$6,573,869	12.5%
Federal	\$3,024,150	\$3,033,921	\$3,075,008	\$3,682,761	\$3,682,761	\$0	0.0%
Total Recurring Revenues	\$179,808,625	\$185,236,540	\$195,215,536	\$193,741,120	\$207,115,037	\$13,373,917	6.9%
<i>Change</i>	<i>3.9%</i>	<i>3.0%</i>	<i>5.4%</i>	<i>-0.8%</i>	<i>6.9%</i>		
One-Time	\$0	\$0	\$0	\$0	\$4,131,040	\$4,131,040	N/A
Total One-Time Revenues	\$0	\$0	\$0	\$0	\$4,131,040	\$4,131,040	N/A
Total Revenues	\$179,808,625	\$185,236,540	\$195,215,536	\$193,741,120	\$211,246,077	\$17,504,957	9.0%
<i>Change</i>	<i>3.9%</i>	<i>3.0%</i>	<i>5.4%</i>	<i>-0.8%</i>	<i>9.0%</i>		

Percent of Total School Fund Revenues

	FY 2017/18 Actual	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2021/22 Adopted	Change over Prior Year
Local	70.9%	72.2%	71.9%	70.9%	68.2%	-1.3%
State	27.5%	26.2%	26.5%	27.2%	28.1%	1.4%
Federal	1.7%	1.6%	1.6%	1.9%	1.7%	-0.1%
One-Time	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	

Per Pupil Summary

	FY 2017/18 Actual	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2021/22 Adopted	Change over Prior Year	% Change over Prior Year
Enrollment	13,578	13,636	14,032	14,236	14,046	-190	-1.3%
Cost Per Pupil	\$13,243	\$13,584	\$13,912	\$13,609	\$14,745	\$1,136	8.3%
<i>Change</i>	<i>2.6%</i>	<i>2.6%</i>	<i>2.4%</i>	<i>-2.2%</i>	<i>8.3%</i>		

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 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
SOURCES OF REVENUE						
Local Government Transfer	\$138,200,512	\$134,184,078	\$134,184,078	\$141,108,965	\$6,924,887	5.2%
Local School Revenue	\$1,904,372	\$2,046,896	\$1,890,622	\$1,860,657	(\$186,239)	-9.1%
State Revenue	\$51,723,143	\$52,771,310	\$58,070,562	\$59,345,179	\$6,573,869	12.5%
Federal Revenue	\$3,075,008	\$3,682,761	\$3,682,761	\$3,682,761	\$0	0.0%
Other Transfers & Fund Balance	\$312,500	\$1,056,075	\$1,056,075	\$1,117,475	\$61,400	5.8%
One-Time Use of Fund Balance	\$0	\$0	\$0	\$4,131,040	\$4,131,040	N/A
TOTAL	\$195,215,536	\$193,741,120	\$198,884,098	\$211,246,077	\$17,504,957	9.0%

Revenue Summary	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
SOURCES OF REVENUE						
General Revenues	\$193,493,708	\$191,221,867	\$195,969,036	\$204,026,859	\$12,804,992	6.6%
Designated Revenues*	\$1,721,828	\$2,519,253	\$2,915,062	\$7,219,218	\$4,699,965	273.0%
TOTAL	\$195,215,536	\$193,741,120	\$198,884,098	\$211,246,077	\$17,504,957	9.0%

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donation:

Local Government Transfer

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Local Government Transfer</i>						
Local Government Transfer	\$138,150,208	\$134,184,078	\$134,184,078	\$141,108,965	\$6,924,887	5.2%
WAHS Operating Costs	\$50,304	\$0	\$0	\$0	\$0	N/A
Total LG Transfer	\$138,200,512	\$134,184,078	\$134,184,078	\$141,108,965	\$6,924,887	5.2%

Albemarle County allocates 60% of the increase or decrease in shared revenues to the School Division after certain transfers and expenditures are deducted.

Shared revenues include general property taxes, sales tax, consumer utility taxes, business license tax, vehicle registration, recordation tax, transient occupancy tax, food and beverage tax, and other local tax revenue sources. Though Personal Property Tax Relief (PPTR) is currently classified as State revenue, it is also included in the shared local tax revenue category since the 60/40 formula originated before the PPTR Act was enacted.

Deducted transfers/revenues include 1) transfer to capital and debt service; 2) revenue sharing with the City of Charlottesville; 3) tax relief for the elderly and disabled; 4) tax refunds; 5) shared contingency reserves; and 6) an estimated portion of telecommunications taxes dedicated for E-911 operations that was previously collected and allocated separately by the state.

▲ The Local Government General Fund Transfer is increasing as a result of higher real estate assessments and other local tax revenues that to date have been impacted by COVID-19 less than anticipated. More information about the Local Government General Fund Transfer can be found in the Albemarle County budget (<https://www.albemarle.org/government/budget>).

Local School Revenue

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
Local School Revenue						
Use of Money						
General Property Rental	\$232,019	\$350,000	\$175,000	\$175,000	(\$175,000)	-50.0%
Sale of Surplus Equipment	\$18,841	\$10,000	\$7,306	\$10,000	\$0	0.0%
Rent - PREP	\$0	\$120,597	\$120,597	\$120,597	\$0	0.0%
Rent - VIA Mobile Unit	\$4,991	\$5,000	\$5,704	\$5,000	\$0	0.0%
Royalties - Cable	\$55,834	\$60,000	\$80,000	\$60,000	\$0	0.0%
Total Use of Money	\$311,684	\$545,597	\$388,607	\$370,597	(\$175,000)	-32.1%
Charges for Service						
Tuition - Employee Dep	\$32,143	\$30,000	\$33,532	\$30,000	\$0	0.0%
Activity Fee - Albemarle	\$0	\$60,000	\$60,000	\$60,000	\$0	0.0%
Activity Fee - Western	\$35,100	\$58,000	\$58,000	\$58,000	\$0	0.0%
Activity Fee - Monticello	\$13,675	\$62,000	\$62,000	\$62,000	\$0	0.0%
Employee Fingerprint Fees	\$5,132	\$3,000	\$5,408	\$3,000	\$0	0.0%
Building Services Repairs	\$0	\$0	\$0	\$0	\$0	N/A
Total Charges for Service	\$86,050	\$213,000	\$218,940	\$213,000	\$0	0.0%
Miscellaneous Revenue						
Dawson Fund	\$659	\$0	\$0	\$0	\$0	N/A
Refunds and Rebates	\$95,952	\$90,000	\$90,000	\$90,000	\$0	0.0%
Donations & Misc. Revenue*	\$643,648	\$400,000	\$400,000	\$400,000	\$0	0.0%
Total Misc. Revenue	\$740,259	\$490,000	\$490,000	\$490,000	\$0	0.0%
Recovered Costs						
Human Resources Department	\$552,681	\$572,542	\$572,542	\$586,590	\$14,048	2.5%
Health Insurance Fund	\$22,000	\$24,000	\$22,000	\$24,000	\$0	0.0%
LED Lighting	\$182,422	\$189,257	\$189,257	\$163,970	(\$25,287)	-13.4%
Prior Year Recovery & Other	\$9,276	\$12,500	\$9,276	\$12,500	\$0	0.0%
Total Recovered Costs	\$766,379	\$798,299	\$793,075	\$787,060	(\$11,239)	-1.4%

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.

- ❖ Use of Money is revenue from the sale of property, the sale of surplus property, rental of facilities, and cable royalties.
 - ▼ Use of Money is decreasing primarily due to lower revenues for General Property Rentals.
- ❖ Charges for Service is revenue generated by services performed by the School Division and includes athletic fees collected at the high schools.
- ❖ Miscellaneous Revenue are funds collected by the School Division that are not classified in any other category. The largest portion in this category is Donation & Miscellaneous Revenue. This is a designated revenue that has a corresponding expenditure amount.

- ❖ 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.
 - ▼ As part of the Division's Energy Performance Contract, the LED Lighting Revenue account receives Qualified Energy Conservation Bond (QECB) Credits. Per the Administrative Amendment with VA Saves, the VA SAVES administrative fee is deducted from the QECB credits before the remainder is disbursed to ACPS. The QECB credit for FY 2021/22 will be \$163,970 after the VA SAVES administrative fee of \$15,319 is deducted.

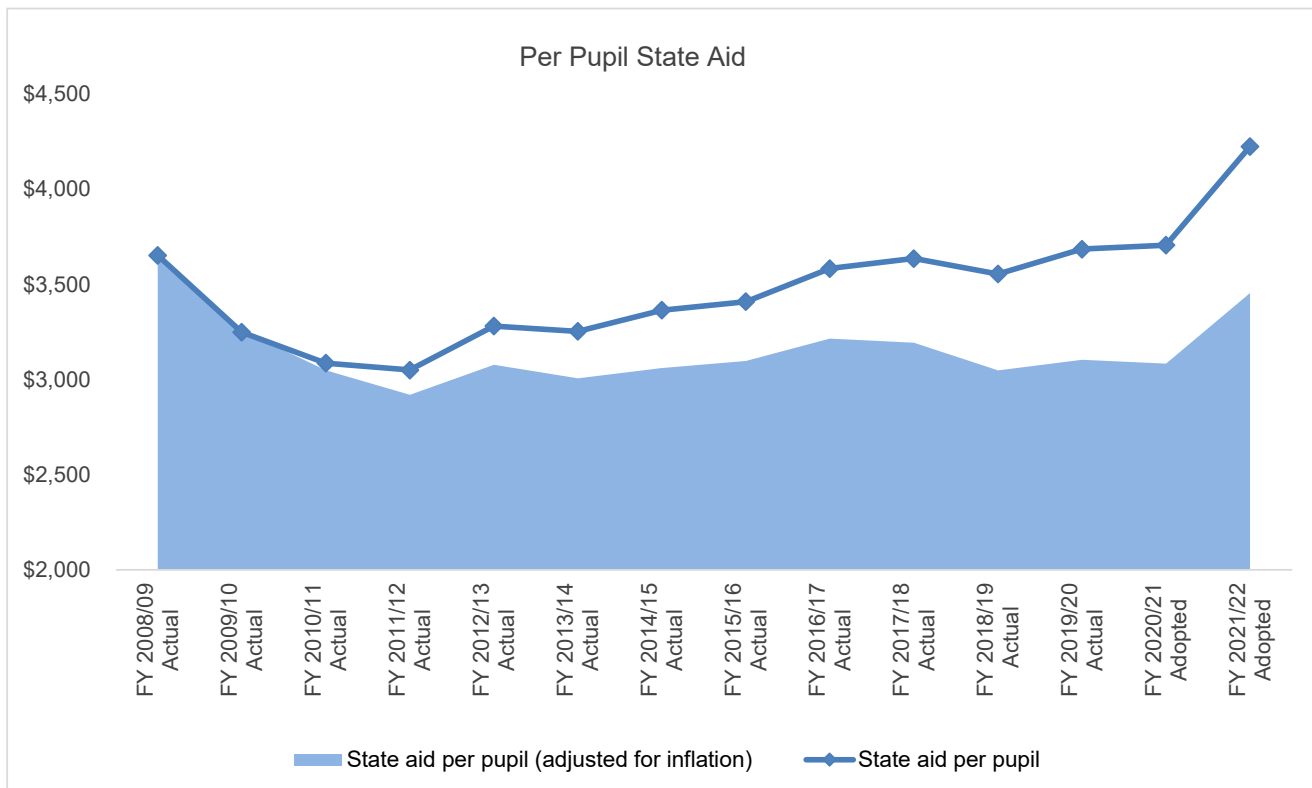
The decrease is partially offset by an increase in the transfer from Albemarle County for their share of the costs of the Human Resources Department, which are increasing due to higher compensation costs.

State Revenue

Revenues in this section are broken out in five categories, or state funding sources. Funding for certain programs can move between state categories each year. Most recent categories are applied to 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 28.1% of the budget and is increasing \$6,573,869 or 12.5% over the FY 2020/21 Adopted budget. State revenues have grown in FY 2021/22 to a peak level of funding, on a per pupil basis. However, when adjusting for inflation since that time period¹, state aid per pupil continues to lag behind FY 2008/09 levels.



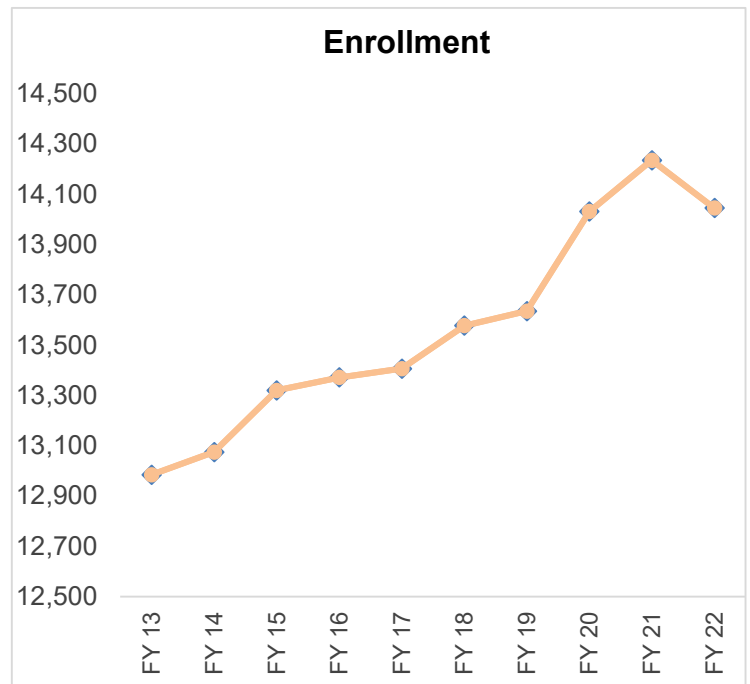
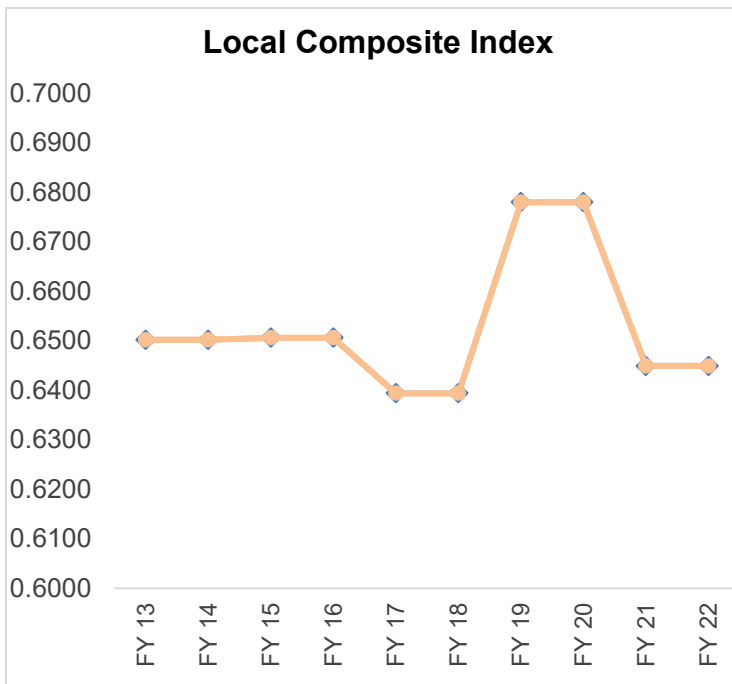
¹ Source: Bureau of Labor Statistics Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average.
Revenues: B-8

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.



March 31 Average Daily Membership (ADM)

Average daily membership is determined by dividing the total aggregate daily membership by the number of days school was in session, from the first day of the school term through the last school day in March of the school year. This enrollment figure differs slightly from fall enrollment projections and is used by the state to calculate funding levels. Detailed historical calculations for ADM are included in *Section G*.

Due to the COVID-19 pandemic, actual enrollment during the 2020-21 school year was less than projected, and projections for the 2021-22 have been revised downward. The state budget for FY 2021/22 includes *No Loss Funding*, which will provide for state funding levels that reflect original March 31 ADM state projections, developed before the pandemic.

In this document, the projected line item revenues funded by SOQ Accounts in FY 2021/22 are based on the state's revised student projections, which are based on the lower actual enrollment during 2020-21.

The *No Loss Funding* amount is reflected as a lump sum in the *Incentive Programs* section. This format most closely reflects the state's proposed budget.

Historically and in FY 2020/21, ACPS ADM projections are used in the development of revenue projections. The table below illustrates the change in methodology for FY 2021/22.

	ACPS	VDOE	
FY 20 ACTUAL ADM	13,914	13,914	
FY 21 ORIG. PROJECTED ADM	14,161	14,227	FY 21 ACPS projection for all state revenues
FY 21 REV. PROJECTED ADM	13,105	13,117	
FY 22 ORIG. PROJECTED ADM	14,398	14,469	FY 22 VDOE projection for <i>No loss funding</i>
FY 22 REV. PROJECTED ADM	13,941	13,336	FY 22 VDOE projection for <i>SOQ funding</i>

Standards of Quality (SOQ) Accounts

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Standards of Quality (SOQ) Accounts</i>						
Basic Aid	\$19,966,829	\$ 27,055,548	\$ 22,724,500	\$23,442,438	(\$3,613,110)	-13.4%
Basic Aid Transf. - CIP Buses	(\$260,000)	(\$260,000)	(\$260,000)	(\$260,000)	\$0	0.0%
Sales Tax	\$18,062,646	\$12,060,004	\$17,547,379	\$18,159,797	\$6,099,793	50.6%
Special Education	\$2,943,501	\$3,379,200	\$3,129,954	\$3,182,308	(\$196,892)	-5.8%
Prevention, Intervention, & Ren	\$452,502	\$568,229	\$526,317	\$535,120	(\$33,109)	-5.8%
Gifted Education	\$219,531	\$261,486	\$242,199	\$246,250	(\$15,236)	-5.8%
Vocational Education	\$315,432	\$412,343	\$381,929	\$388,317	(\$24,026)	-5.8%
English as a Second Language	\$387,765	\$519,053	\$476,500	\$525,424	\$6,371	1.2%
Textbooks	\$451,113	\$540,421	\$500,560	\$508,933	(\$31,488)	-5.8%
Total SOQ	\$42,539,319	\$ 44,536,284	\$ 45,269,338	\$46,728,587	\$2,192,303	4.9%

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

$$[\text{Per Pupil Amount} \times \text{Average Daily Membership (13,336)}] \times [1 - \text{Local Composite Index (0.6449)}]$$

❖ Basic Aid

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.

$$((PPA \times ADM) - \text{Sales Tax}) \times (1 - LCI)$$

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.

FY 2020/21 Per Pupil Amount: \$6,232; FY 2021/22 Per Pupil Amount: \$6,262

▼ The projected decrease in FY 2021/22 is due to a lower projected enrollment and higher projected sales tax revenues when compared to the FY 2020/21 adopted budget. A higher projected sales tax revenue is subtracted from the Basic Aid allocation, as shown in the formula above.

❖ 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 that 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 provided by the Weldon Cooper Center for Public Service at the University of Virginia.

▲ FY 2021/22 sales tax revenues are forecasted to be significantly higher when compared to FY 2020/21. The FY 2020/21 budget was developed during a period of economic uncertainty, and the FY 2021/22 budget reflects the most recent state projections.

❖ Special Education

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 the student's respective school for funding at either the resource or self-contained level of staffing based on the percentage of special education provided to the student each day.

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.

FY 2020/21 Per Pupil Amount: \$672; FY 2021/22 Per Pupil Amount: \$672

▼ The decrease reflects a lower projected enrollment.

❖ Prevention, Intervention, and Remediation (RTI)

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).

FY 2020/21 Per Pupil Amount: \$113; FY 2021/22 Per Pupil Amount: \$113

▼ The decrease reflects a lower projected enrollment.

❖ **Gifted Education**

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

FY 2020/21 Per Pupil Amount: \$52; FY 2021/22 Per Pupil Amount: \$52

▼ The decrease reflects a lower projected enrollment.

❖ **Vocational Education (CTE)**

State funds are provided for 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.

FY 2020/21 Per Pupil Amount: \$82; FY 2021/22 Per Pupil Amount: \$82

▼ The decrease reflects a lower projected enrollment.

❖ **English as a Second Language**

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.

<i>(17 teachers per 1,000 ESL students x Average salary and fringe benefits) x (1 - LCI)</i>
--

FY 2020/21 Projected Students: 1,101; FY 2021/22 Projected Students: 1,031

▲ The increase reflects a higher number of projected ESL students.

❖ **Textbooks (Learning Resources)**

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.

FY 2020/21 Per Pupil Amount: \$107.47; FY 2021/22 Per Pupil Amount: \$107.47

▼ The decrease reflects a lower projected enrollment.

Standards of Quality (SOQ) Accounts – Fringe Benefits

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Fringe Benefits - SOQ Accounts</i>						
VRS - Instructional	\$2,831,496	\$3,540,114	\$3,278,999	\$3,357,525	(\$182,589)	-5.2%
FICA - Instructional	\$1,281,341	\$1,518,628	\$1,406,616	\$1,439,616	(\$79,012)	-5.2%
Life Insurance - Instructiona	\$85,124	\$105,600	\$97,811	\$99,447	(\$6,153)	-5.8%
Total Fringe Benefits	\$4,197,961	\$5,164,342	\$4,783,426	\$4,896,588	(\$267,754)	-5.2%

❖ Fringe Benefits

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

FY 2020/21

- VRS Retirement: Employer VRS rate 17.83%, Per Pupil Amount: \$704
- Social Security: Employer rate 7.65%, Per Pupil Amount \$302
- Group Life: Employer rate 0.54%, Per Pupil Amount \$21

FY 2021/22

- VRS Retirement: Employer VRS rate 17.83%, Per Pupil Amount: \$709
- Social Security: Employer rate 7.65%, Per Pupil Amount \$304
- Group Life: Employer rate 0.54%, Per Pupil Amount \$21

▼ The decrease reflects a lower projected enrollment.

Lottery Funded Programs

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

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Lottery Funded Programs</i> ⁽¹⁾						
Career and Technical Ed.*	\$13,805	\$14,454	\$13,805	\$13,805	(\$649)	-4.5%
Early Reading Intervention	\$220,645	\$261,313	\$229,753	\$233,540	(\$27,773)	-10.6%
Foster Care	\$142,492	\$145,403	\$124,717	\$85,279	(\$60,124)	-41.3%
Learning Loss Instruct. Supp.			\$184,772			
K-3 Primary Class Size Red.	\$432,138	\$527,079	\$480,466	\$488,344	(\$38,735)	-7.3%
Special Ed. Regional Tuition ⁽²⁾	\$902,641	\$634,927	\$634,927	\$634,927	\$0	0.0%
Infrastruct. & Op.(Recurring) ⁽³⁾	\$1,639,803	\$879,382	\$1,356,735	\$1,148,720	\$269,338	30.6%
Infrastruct. & Op. (Nonrec.) ⁽³⁾	\$0	\$0	\$581,458	\$765,813	\$765,813	N/A
Total Lottery Funded	\$3,351,525	\$2,462,558	\$3,606,633	\$3,370,428	\$907,870	36.9%

(1) Beginning in FY 2019/20 At-Risk Education is split-funded by Lottery Funded and Incentive Programs.

(2) Special Education Regional Tuition was an Incentive Program in FY 2019/20.

(3) Before FY 2020/21, "Supplemental Lottery Per Pupil".

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.

❖ Career and Technical Education – CATEC Flow-through

Vocational education equipment allocations are calculated using a base division allocation of \$2,000, with the remainder of funding distributed on the basis of student enrollment in secondary vocational-technical courses. State funds received for secondary vocational-technical equipment must be used to supplement, not supplant, any funds currently provided for secondary vocational-technical equipment within a locality.

▼ The decrease reflects a lower projected number of eligible students.

❖ 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.

▼ The decrease reflects a lower projected number of eligible 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 their 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.

▼ The decrease reflects a lower projected number of eligible students.

❖ 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.

▼ The decrease reflects a lower projected number of eligible students.

❖ 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.

❖ Infrastructure and Operations Per Pupil Fund

Formerly called *Supplemental Lottery Per Pupil*, 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. The available funds are used to calculate the Infrastructure & Operations Per Pupil Fund, distributed based on the state share of the per pupil amount using the division's ADM and composite index. A minimum floor amount of \$200,000 is provided to school divisions.

FY 2020/21 Per Pupil Amount: \$375.27; FY 2021/22 Per Pupil Amount: \$391.61

▲ FY 2021/22 Infrastructure and Operations Per Pupil Funds are budgeted to be significantly higher when compared to FY 2020/21. The FY 2020/21 budget was developed during a period of economic uncertainty, and the FY 2021/22 budget reflects the most recent state projections.

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.

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Incentive Programs</i>						
Compensation Supplement	\$1,247,556	\$0	\$0	\$1,577,050	\$1,577,050	N/A
At Risk Education ⁽¹⁾	\$290,532	\$499,581	\$462,694	\$607,317	\$107,736	21.6%
COVID-19 Local Relief	\$0	\$0	\$220,960	\$0	\$0	N/A
No Loss Funding	\$0	\$0	\$3,644,140	\$2,081,755	\$2,081,755	N/A
Total Incentive	\$1,538,088	\$499,581	\$4,327,794	\$4,266,122	\$3,766,541	753.9%

(1) Beginning in FY 2019/20 At-Risk Education is split-funded by Lottery Funded and Incentive Programs.

❖ Compensation Supplement

▲ FY 2022 Compensation Supplement funding covers the state share of cost (including fringe benefits) for a 5.0 percent salary increase for funded SOQ instructional and support positions, effective July 1, 2021. School divisions that provide a minimum 2.0 percent, but less than a 5.0 percent salary increase during the biennium are eligible for prorated state funding. School divisions that provide a minimum 5.0 percent salary increase during the biennium are eligible for the full state entitlement. School divisions are required to match the state payments based on the composite index of ability-to-pay.

❖ 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.

▲ Projected FY 2021/22 payments are increasing based on higher levels of funding for this program, resulting in a higher per pupil allocation.

❖ No Loss Funding

▲ The proposed state budget recognizes the effects of the COVID-19 pandemic on public school enrollment in school year 2020-2021. The Governor's proposed budget provides significant No Loss funding for enrollment in FY 2021 and 2022. School divisions should use these state funds to supplement any of the other state funds provided through Direct Aid for Public Education.

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.

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Categorical Programs</i>						
Special Education	\$21,050	\$23,545	\$8,371	\$8,454	(\$15,091)	-64.1%
Homebound						
Total Categorical	\$21,050	\$23,545	\$8,371	\$8,454	(\$15,091)	-64.1%

❖ 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.

▼ Final payments will be based on actual expenditures, up to the projected state payment, subject to the availability of funds.

Other State Revenue

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Other State</i>						
Career Switcher & Other	\$200	\$0	\$0	\$0	\$0	N/A
National Board Certification*	\$75,000	\$85,000	\$75,000	\$75,000	(\$10,000)	-11.8%
Total Other State	\$75,200	\$85,000	\$75,000	\$75,000	(\$10,000)	-11.8%

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.

❖ National Board Certification

A portion of costs for teacher certifications of National Board Standards are reimbursed by the state.

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

Federal Revenue

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Federal Revenue</i>						
Special Ed. Flow Through	\$3,052,756	\$3,064,761	\$3,064,761	\$3,064,761	\$0	0.0%
Medicaid Reimbursement*	\$22,252	\$618,000	\$618,000	\$618,000	\$0	0.0%
Total Federal	\$3,075,008	\$3,682,761	\$3,682,761	\$3,682,761	\$0	0.0%

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.

 ❖ **Special Education Flow Through**

The Individuals with Disabilities Education Act (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 the original congressional promise of funding 40% of the cost of special education services under the Individuals with Disabilities Education Act.

 ❖ **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.

Local Transfers and Recurring Use of Fund Balance

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Transfers from Special Revenues Funds</i>						
Vehicle Maintenance Fund	\$0	\$0	\$0	\$0	\$0	N/A
CFA Institute - Summer Rental	\$200,000	\$0	\$0	\$0	\$0	N/A
Child Nutrition	\$112,500	\$0	\$0	\$0	\$0	N/A
Extended Day Enrichment Prog	\$0	\$0	\$0	\$0	\$0	N/A
Blue Ridge Juv. Detention Cen	\$0	\$27,475	\$27,475	\$27,475	\$0	0.0%
<i>Recurring Use of Fund Balance</i>						
Use of Fund Balance	\$0	\$738,600	\$738,600	\$800,000	\$61,400	8.3%
Carryover (Operating Budgets)	\$0	\$260,000	\$260,000	\$260,000	\$0	0.0%
Carryover (Bldg Rental Fees)*	\$0	\$30,000	\$30,000	\$30,000	\$0	0.0%
Other Transfers & Fund Bal.	\$312,500	\$1,056,075	\$1,056,075	\$1,117,475	\$61,400	5.8%

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.

❖ Transfers from Special Revenues Funds

Transfers are budgeted into the School Operating Fund from Special Revenue Funds (described in detail in Section F). The transfers represent payments to the School Fund for utilities and administrative overhead for human resources, finance, and other management services.

Due to the uncertainty of operations of self-sustaining funds as a result of COVID-19, transfers to the School Fund are suspended beginning in FY 2020/21.

❖ 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.

▲ A one-time decrease in the general use of fund balance was budgeted in FY 2020/21 as a budget balancing tool. This adjustment brings the projected budget up to historical levels of \$800,000.

One-Time Use of Fund Balance

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>One-Time Use of Fund Balance</i>						
Use of Fund Balance*	\$0	\$0	\$0	\$4,131,040	\$4,131,040	N/A
One-Time Use of Fund Bal.	\$0	\$0	\$0	\$4,131,040	\$4,131,040	NA

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.

Fund balance reflects the use of ACPS savings in prior years for one-time expenditures or emergency needs.

The following list details the items included for funding:

- Capital Outlay (Building Services) \$388,684
- First Year Teacher Incentive Pilot \$100,000
- Budget Software \$70,000
- School Board Reserve \$200,000
- Superintendent's Contingency \$75,000
- Transfer to Vehicle Replacement Fund \$300,000
- Transfer to Computer Replacement Fund \$500,000
- Transfer to Summer School Fund (Learning Recovery) \$2,497,356
- TOTAL \$4,131,040**

Combined Revenue Detail

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Local Government Transfer</i>						
Local Government Transfer	\$138,150,208	\$134,184,078	\$134,184,078	\$141,108,965	\$6,924,887	5.2%
WAHS Operating Costs	\$50,304	\$0	\$0	\$0	\$0	N/A
Total LG Transfer	\$138,200,512	\$134,184,078	\$134,184,078	\$141,108,965	\$6,924,887	5.2%
<i>Local School Revenue</i>						
<i>Use of Money</i>						
General Property Rental	\$232,019	\$350,000	\$175,000	\$175,000	(\$175,000)	-50.0%
Sale of Surplus Equipment	\$18,841	\$10,000	\$7,306	\$10,000	\$0	0.0%
Rent - PREP	\$0	\$120,597	\$120,597	\$120,597	\$0	0.0%
Rent - VIA Mobile Unit	\$4,991	\$5,000	\$5,704	\$5,000	\$0	0.0%
Royalties - Cable	\$55,834	\$60,000	\$80,000	\$60,000	\$0	0.0%
Total Use of Money	\$311,684	\$545,597	\$388,607	\$370,597	(\$175,000)	-32.1%
<i>Charges for Service</i>						
Tuition - Employee Dep	\$32,143	\$30,000	\$33,532	\$30,000	\$0	0.0%
Activity Fee - Albemarle	\$0	\$60,000	\$60,000	\$60,000	\$0	0.0%
Activity Fee - Western	\$35,100	\$58,000	\$58,000	\$58,000	\$0	0.0%
Activity Fee - Monticello	\$13,675	\$62,000	\$62,000	\$62,000	\$0	0.0%
Employee Fingerprint Fees	\$5,132	\$3,000	\$5,408	\$3,000	\$0	0.0%
Building Services Repairs	\$0	\$0	\$0	\$0	\$0	N/A
Total Charges for Service	\$86,050	\$213,000	\$218,940	\$213,000	\$0	0.0%
<i>Miscellaneous Revenue</i>						
Dawson Fund	\$659	\$0	\$0	\$0	\$0	N/A
Refunds and Rebates	\$95,952	\$90,000	\$90,000	\$90,000	\$0	0.0%
Donations & Misc. Revenue*	\$643,648	\$400,000	\$400,000	\$400,000	\$0	0.0%
Total Misc. Revenue	\$740,259	\$490,000	\$490,000	\$490,000	\$0	0.0%
<i>Recovered Costs</i>						
Human Resources Department	\$552,681	\$572,542	\$572,542	\$586,590	\$14,048	2.5%
Health Insurance Fund	\$22,000	\$24,000	\$22,000	\$24,000	\$0	0.0%
LED Lighting	\$182,422	\$189,257	\$189,257	\$163,970	(\$25,287)	-13.4%
Prior Year Recovery & Other	\$9,276	\$12,500	\$9,276	\$12,500	\$0	0.0%
Total Recovered Costs	\$766,379	\$798,299	\$793,075	\$787,060	(\$11,239)	-1.4%
<i>Standards of Quality (SOQ) Accounts</i>						
Basic Aid	\$19,966,829	\$27,055,548	\$22,724,500	\$23,442,438	(\$3,613,110)	-13.4%
Basic Aid Transf. - CIP Buses	(\$260,000)	(\$260,000)	(\$260,000)	(\$260,000)	\$0	0.0%
Sales Tax	\$18,062,646	\$12,060,004	\$17,547,379	\$18,159,797	\$6,099,793	50.6%
Special Education	\$2,943,501	\$3,379,200	\$3,129,954	\$3,182,308	(\$196,892)	-5.8%
Prevention, Intervention, & Ren	\$452,502	\$568,229	\$526,317	\$535,120	(\$33,109)	-5.8%
Gifted Education	\$219,531	\$261,486	\$242,199	\$246,250	(\$15,236)	-5.8%
Vocational Education	\$315,432	\$412,343	\$381,929	\$388,317	(\$24,026)	-5.8%
English as a Second Language	\$387,765	\$519,053	\$476,500	\$525,424	\$6,371	1.2%
Textbooks	\$451,113	\$540,421	\$500,560	\$508,933	(\$31,488)	-5.8%
Total SOQ	\$42,539,319	\$44,536,284	\$45,269,338	\$46,728,587	\$2,192,303	4.9%
<i>Fringe Benefits - SOQ Accounts</i>						
VRS - Instructional	\$2,831,496	\$3,540,114	\$3,278,999	\$3,357,525	(\$182,589)	-5.2%
FICA - Instructional	\$1,281,341	\$1,518,628	\$1,406,616	\$1,439,616	(\$79,012)	-5.2%
Life Insurance - Instructional	\$85,124	\$105,600	\$97,811	\$99,447	(\$6,153)	-5.8%
Total Fringe Benefits	\$4,197,961	\$5,164,342	\$4,783,426	\$4,896,588	(\$267,754)	-5.2%

	FY 2019/20 Actual	FY 2020/21 Adopted	FY 2020/21 Projected	FY 2021/22 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Lottery Funded Programs ⁽¹⁾</i>						
Career and Technical Ed.*	\$13,805	\$14,454	\$13,805	\$13,805	(\$649)	-4.5%
Early Reading Intervention	\$220,645	\$261,313	\$229,753	\$233,540	(\$27,773)	-10.6%
Foster Care	\$142,492	\$145,403	\$124,717	\$85,279	(\$60,124)	-41.3%
Learning Loss Instruc. Supp.			\$184,772			
K-3 Primary Class Size Red.	\$432,138	\$527,079	\$480,466	\$488,344	(\$38,735)	-7.3%
Special Ed. Regional Tuition ⁽²⁾	\$902,641	\$634,927	\$634,927	\$634,927	\$0	0.0%
Infrastruct. & Op.(Recurring) ⁽³⁾	\$1,639,803	\$879,382	\$1,356,735	\$1,148,720	\$269,338	30.6%
Infrastruct. & Op. (Nonrec.) ⁽³⁾	\$0	\$0	\$581,458	\$765,813	\$765,813	N/A
Total Lottery Funded	\$3,351,525	\$2,462,558	\$3,606,633	\$3,370,428	\$907,870	36.9%
<i>Incentive Programs</i>						
Compensation Supplement	\$1,247,556	\$0	\$0	\$1,577,050	\$1,577,050	N/A
At Risk Education ⁽¹⁾	\$290,532	\$499,581	\$462,694	\$607,317	\$107,736	21.6%
COVID-19 Local Relief	\$0	\$0	\$220,960	\$0	\$0	N/A
No Loss Funding	\$0	\$0	\$3,644,140	\$2,081,755	\$2,081,755	N/A
Total Incentive	\$1,538,088	\$499,581	\$4,327,794	\$4,266,122	\$3,766,541	753.9%
<i>Categorical Programs</i>						
Special Education	\$21,050	\$23,545	\$8,371	\$8,454	(\$15,091)	-64.1%
Homebound						
Total Categorical	\$21,050	\$23,545	\$8,371	\$8,454	(\$15,091)	-64.1%
<i>Other State</i>						
Career Switcher & Other	\$200	\$0	\$0	\$0	\$0	N/A
National Board Certification*	\$75,000	\$85,000	\$75,000	\$75,000	(\$10,000)	-11.8%
Total Other State	\$75,200	\$85,000	\$75,000	\$75,000	(\$10,000)	-11.8%
<i>Federal Revenue</i>						
Special Ed. Flow Through	\$3,052,756	\$3,064,761	\$3,064,761	\$3,064,761	\$0	0.0%
Medicaid Reimbursement*	\$22,252	\$618,000	\$618,000	\$618,000	\$0	0.0%
Total Federal	\$3,075,008	\$3,682,761	\$3,682,761	\$3,682,761	\$0	0.0%
<i>Transfers from Special Revenues Funds</i>						
Vehicle Maintenance Fund	\$0	\$0	\$0	\$0	\$0	N/A
CFA Institute - Summer Rental	\$200,000	\$0	\$0	\$0	\$0	N/A
Child Nutrition	\$112,500	\$0	\$0	\$0	\$0	N/A
Extended Day Enrichment Proc	\$0	\$0	\$0	\$0	\$0	N/A
Blue Ridge Juv. Detention Cen ⁱ	\$0	\$27,475	\$27,475	\$27,475	\$0	0.0%
<i>Recurring Use of Fund Balance</i>						
Use of Fund Balance	\$0	\$738,600	\$738,600	\$800,000	\$61,400	8.3%
Carryover (Operating Budgets)	\$0	\$260,000	\$260,000	\$260,000	\$0	0.0%
Carryover (Bldg Rental Fees)*	\$0	\$30,000	\$30,000	\$30,000	\$0	0.0%
Other Transfers & Fund Bal.	\$312,500	\$1,056,075	\$1,056,075	\$1,117,475	\$61,400	5.8%
<i>One-Time Use of Fund Balance</i>						
Use of Fund Balance*	\$0	\$0	\$0	\$4,131,040	\$4,131,040	N/A
One-Time Use of Fund Bal.	\$0	\$0	\$0	\$4,131,040	\$4,131,040	NA
SCHOOL FUND TOTAL REVENUE	\$195,215,536	\$193,741,120	\$198,884,098	\$211,246,077	\$17,504,957	9.0%

(1) Beginning in FY 2019/20 At-Risk Education is split-funded by Lottery Funded and Incentive Programs.

(2) Special Education Regional Tuition was an Incentive Program in FY 2019/20.

(3) Before FY 2020/21, "Supplemental Lottery Per Pupil".

*Designated revenues have corresponding expenditure amounts. These include projections for direct reimbursements, flow-through funds, carry-over, and donations.