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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

\$170,033,718

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

\$67,085,366

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

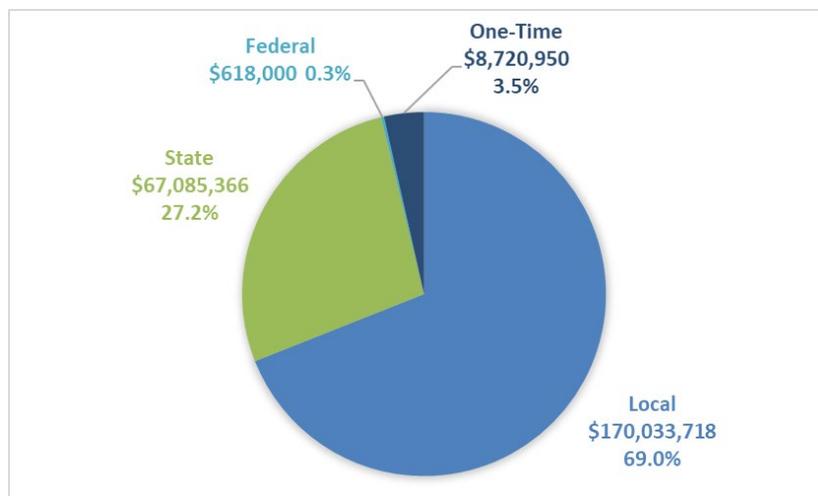
\$618,000

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

One-Time Revenues

\$8,720,950

Due to the COVID-19 pandemic and uncertainties in revenue projections, the Division significantly reduced expenditures in FY 2021/22. Revenue projections have been revised upwards since the adoption of the FY 2021/22 budget, and the Division anticipates a resulting increase in fund balance. This projected increase will be used to fund one-time expenditures in FY 2022/23.



School Fund Revenues

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	Change over Prior Year	% Change over Prior Year
Local	\$134,148,021	\$140,417,384	\$135,696,159	\$144,087,097	\$170,033,718	\$25,946,621	18.0%
State	\$48,482,073	\$51,723,143	\$58,794,526	\$59,345,179	\$67,085,366	\$7,740,187	13.0%
Federal	\$3,033,921	\$3,075,008	\$3,385,439	\$3,682,761	\$618,000	(\$3,064,761)	-83.2%
Total Recurring Revenues	\$185,664,016	\$195,215,536	\$197,876,124	\$207,115,037	\$237,737,084	\$30,622,047	14.8%
<i>Change</i>	3.3%	5.1%	1.4%	4.7%	14.8%		
One-Time	\$0	\$0	\$0	\$4,131,040	\$8,720,950	\$4,589,910	111.1%
Total One-Time Revenues	\$0	\$0	\$0	\$4,131,040	\$8,720,950	\$4,589,910	111.1%
Total Revenues	\$185,664,016	\$195,215,536	\$197,876,124	\$211,246,077	\$246,458,034	\$35,211,957	16.7%
<i>Change</i>	3.3%	5.1%	1.4%	6.8%	16.7%		

Percent of Total School Fund Revenues

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	Change over Prior Year
Local	72.3%	71.9%	68.6%	68.2%	69.0%	0.8%
State	26.1%	26.5%	29.7%	28.1%	27.2%	-0.9%
Federal	1.6%	1.6%	1.7%	1.7%	0.3%	-1.5%
One-Time	0.0%	0.0%	0.0%	2.0%	3.5%	1.6%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	

Per Pupil Summary

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	Change over Prior Year	% Change over Prior Year
Enrollment	13,636	14,032	13,208	14,046	13,648	-398	-2.8%
Cost Per Pupil	\$13,616	\$13,912	\$14,982	\$15,040	\$18,058	\$3,019	20.1%
<i>Change</i>	2.8%	2.2%	7.7%	0.4%	20.1%		

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
- One-Time Use of Fund Balance

Revenue Summary	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
SOURCES OF REVENUE							
Local Government Transfer	\$131,312,821	\$138,200,512	\$134,184,078	\$141,108,965	\$167,453,853	\$26,344,888	18.7%
Local School Revenue	\$2,407,725	\$1,904,372	\$1,512,081	\$1,860,657	\$1,462,390	(\$398,267)	-21.4%
State Revenue	\$48,482,073	\$51,723,143	\$58,794,526	\$59,345,179	\$67,085,366	\$7,740,187	13.0%
Federal Revenue	\$3,033,921	\$3,075,008	\$3,385,439	\$3,682,761	\$618,000	(\$3,064,761)	-83.2%
Other Transfers & Fund Bal.	\$427,475	\$312,500	\$0	\$1,117,475	\$1,117,475	\$0	0.0%
One-Time Use of Fund Bal.		\$0	\$0	\$4,131,040	\$8,720,950	\$4,589,910	111.1%
TOTAL	\$185,664,016	\$195,215,536	\$197,876,124	\$211,246,077	\$246,458,034	\$35,211,957	16.7%

Revenue Summary	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
SOURCES OF REVENUE							
General Revenues	\$181,383,820	\$190,827,341	\$193,746,856	\$202,684,881	\$236,384,562	\$33,699,681	16.6%
Designated Revenues*	\$4,280,195	\$4,388,195	\$4,129,268	\$8,561,196	\$10,073,472	\$1,512,276	17.7%
TOTAL	\$185,664,016	\$195,215,536	\$197,876,124	\$211,246,077	\$246,458,034	\$35,211,957	16.7%

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

Local Government Transfer

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Local Government Transfer</i>							
Local Government Transfer	\$131,312,821	\$138,150,208	\$134,184,078	\$141,108,965	\$167,453,853	\$26,344,888	18.7%
WAHS Operating Costs*	\$0	\$50,304	\$0	\$0	\$0	\$0	N/A
Total LG Transfer	\$131,312,821	\$138,200,512	\$134,184,078	\$141,108,965	\$167,453,853	\$26,344,888	18.7%

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. 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 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
Local School Revenue							
Use of Money							
General Property Rental	\$391,990	\$232,019	\$21,623	\$175,000	\$20,000	(\$155,000)	-88.6%
Sale of Surplus Equipment	\$32,121	\$18,841	\$36,097	\$10,000	\$20,000	\$10,000	100.0%
Rent - PREP	\$0	\$0	\$0	\$120,597	\$0	(\$120,597)	-100.0%
Rent - VIA Mobile Unit	\$0	\$4,991	\$5,704	\$5,000	\$0	(\$5,000)	-100.0%
Royalties - Cable	\$72,365	\$55,834	\$74,140	\$60,000	\$60,000	\$0	0.0%
Total Use of Money	\$496,476	\$311,684	\$137,563	\$370,597	\$100,000	(\$270,597)	-73.0%
Charges for Service							
Tuition - Employee Dep	\$0	\$32,143	\$56,823	\$30,000	\$30,000	\$0	0.0%
Activity Fee - Albemarle	\$110,242	\$0	\$0	\$60,000	\$40,000	(\$20,000)	-33.3%
Activity Fee - Western	\$61,725	\$35,100	\$42,750	\$58,000	\$40,000	(\$18,000)	-31.0%
Activity Fee - Monticello	\$77,088	\$13,675	\$11,634	\$62,000	\$12,000	(\$50,000)	-80.6%
Employee Fingerprint Fees	\$6,924	\$5,132	\$4,628	\$3,000	\$3,000	\$0	0.0%
Building Services Repairs	\$6,892	\$0	\$36,403	\$0	\$0	\$0	N/A
Total Charges for Service	\$262,871	\$86,050	\$152,239	\$213,000	\$125,000	(\$88,000)	-41.3%
Miscellaneous Revenue							
PREP - Medicaid Reimb.*	\$0	\$0	\$0	\$0	\$200,000	\$200,000	N/A
Dawson Fund	\$572	\$659	(\$227)	\$0	\$0	\$0	N/A
Refunds and Rebates	\$108,872	\$95,952	\$75,754	\$90,000	\$90,000	\$0	0.0%
Donations & Misc. Revenue*	\$641,917	\$643,648	\$311,555	\$400,000	\$400,000	\$0	0.0%
Total Misc. Revenue	\$751,361	\$740,259	\$387,082	\$490,000	\$690,000	\$200,000	40.8%
Recovered Costs							
Human Resources Dept*	\$544,165	\$552,681	\$622,352	\$586,590	\$0	(\$586,590)	-100.0%
CIP Project Management*	\$0	\$0	\$0	\$0	\$364,018	\$364,018	N/A
Health Insurance Fund	\$24,000	\$22,000	\$24,000	\$24,000	\$24,000	\$0	0.0%
LED Lighting	\$265,291	\$182,422	\$169,310	\$163,970	\$146,872	(\$17,098)	-10.4%
Prior Year Recovery & Other	\$20,952	\$9,276	\$19,535	\$12,500	\$12,500	\$0	0.0%
Total Recovered Costs	\$897,017	\$766,379	\$835,197	\$787,060	\$547,390	(\$239,670)	-30.5%

*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 and Lease revenues.
- ❖ Charges for Service is revenue generated by services performed by the School Division and includes athletic fees collected at the high schools.
 - ▼ Charges for Service is decreasing due to a decrease in activity fees collected from 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.
 - ▲ In FY 23, \$200,000 is budgeted as a transfer from the Piedmont Regional Education Program (PREP) balance of ACPS Medicaid reimbursements. This revenue will be used to fund one-time purchases of Special Education equipment.

- ❖ 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 Human Resources Redesign proposal, the Human Resources department will no longer be shared between ACPS and Local Government beginning in FY 23. The transfer from Local Government to cover their share is eliminated. Separately, a transfer from Local Government for Capital Improvement Program (CIP) Project Management is budgeted in FY 23. CIP Project Management services are shifting from Albemarle County to ACPS in FY 23, and corresponding expenditures are budgeted in department budgets.

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.

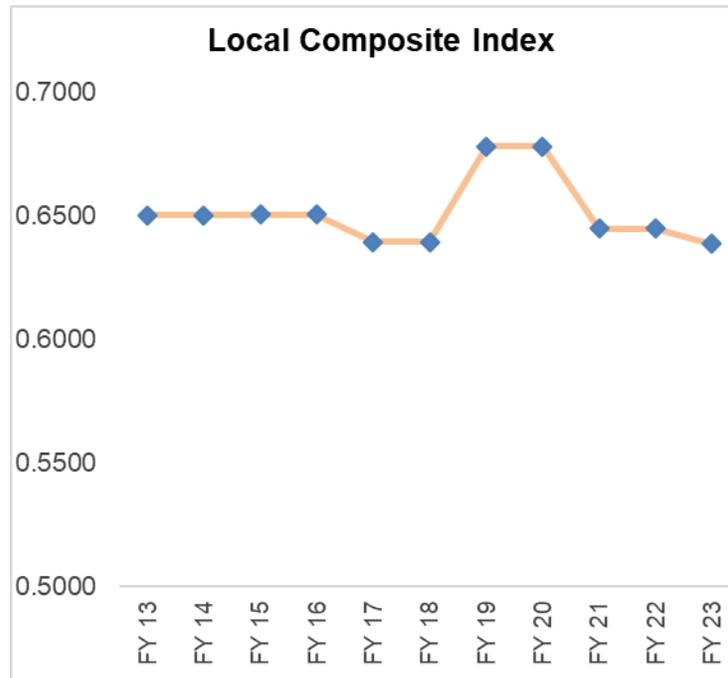
- Standards of Quality (SOQ) Accounts
- Lottery Funded Programs
- Incentive Programs
- Categorical Programs
- Other State Revenue

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 (0.6387) is included in Section H.

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*.

Beginning in FY 2021/22, projected line item revenues funded by SOQ Accounts are based on VDOE's student enrollment projections.

	<u>ACPS</u>	<u>VDOE</u>	
FY 21 ACTUAL ADM	13,127	13,127	
FY 22 ADOPTED ADM	13,941	13,336	<i>VDOE projection used</i>
FY 23 PROJECTED ADM	13,500	13,489	<i>VDOE projection used</i>

Standards of Quality (SOQ) Accounts

	<u>FY 2018/19</u> <u>Actual</u>	<u>FY 2019/20</u> <u>Actual</u>	<u>FY 2020/21</u> <u>Actual</u>	<u>FY 2021/22</u> <u>Adopted</u>	<u>FY 2022/23</u> <u>Adopted</u>	<u>\$ Change from</u> <u>Adopted</u>	<u>% Change</u> <u>from Adopted</u>
<i>Standards of Quality (SOQ) Accounts</i>							
Basic Aid	\$19,599,385	\$19,966,829	\$ 22,711,075	\$23,442,438	\$26,006,158	\$2,563,720	10.9%
Basic Aid Transf.-CIP Buses	(\$260,000)	(\$260,000)	\$0	(\$260,000)	(\$270,000)	(\$10,000)	3.8%
Sales Tax	\$16,894,486	\$18,062,646	\$19,420,417	\$18,159,797	\$20,678,942	\$2,519,145	13.9%
Special Education	\$2,871,996	\$2,943,501	\$3,132,569	\$3,182,308	\$3,036,316	(\$145,992)	-4.6%
Prev. Interv. & Remed.	\$440,838	\$452,502	\$526,756	\$535,120	\$594,592	\$59,472	11.1%
Gifted Education	\$213,872	\$219,531	\$242,401	\$246,250	\$268,054	\$21,804	8.9%
Vocational Education	\$308,136	\$315,432	\$384,593	\$388,317	\$316,791	(\$71,526)	-18.4%
English as a Second Lang.	\$344,006	\$387,765	\$476,500	\$525,424	\$718,670	\$193,246	36.8%
Textbooks	\$439,485	\$451,113	\$500,978	\$508,933	\$645,181	\$136,248	26.8%
Total SOQ	\$40,852,204	\$42,539,319	\$ 47,395,289	\$46,728,587	\$51,994,704	\$5,266,117	11.3%

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

$$[\text{Per Pupil Amount} \times \text{Average Daily Membership (13,489)}] \times [1 - \text{Local Composite Index (0.6387)}]$$

❖ **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.

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

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 2021/22 Per Pupil Amount: \$6,262; FY 2022/23 Per Pupil Amount: \$6,869

▲ The projected increase in FY 2022/23 is due to a higher projected enrollment and a higher per pupil amount. The increase is partially offset by higher projected sales tax revenues when compared to the FY 2021/22 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 2022/23 sales tax revenues are forecasted to be significantly higher when compared to FY 2021/22.

❖ 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 2021/22 Per Pupil Amount: \$672; FY 2022/23 Per Pupil Amount: \$623

▼ The decrease reflects a lower per pupil amount.

❖ Prevention, Intervention, and Remediation

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 2021/22 Per Pupil Amount: \$113; FY 2022/23 Per Pupil Amount: \$122

▲ The increase reflects a higher per pupil amount and higher enrollment.

❖ Gifted Education (Talent Development)

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

FY 2021/22 Per Pupil Amount: \$52; FY 2022/23 Per Pupil Amount: \$55

▲ The increase reflects a higher per pupil amount and 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 2021/22 Per Pupil Amount: \$82; FY 2022/23 Per Pupil Amount: \$65

▼ The decrease reflects a lower per pupil amount.

❖ 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.

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

FY 2021/22 Projected Students: 1,031; FY 2022/23 Projected Students: 1,188

▲ 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 2021/22 Per Pupil Amount: \$107.47; FY 2022/23 Per Pupil amount: \$132.38

▲ The increase reflects a higher per pupil amount and enrollment

Standards of Quality (SOQ) Accounts – Fringe Benefits

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Fringe Benefits - SOQ Accounts</i>							
VRS - Instructional	\$2,749,784	\$2,831,496	\$3,281,739	\$3,357,525	\$3,611,413	\$253,888	7.6%
FICA - Instructional	\$1,248,314	\$1,281,341	\$1,407,791	\$1,439,616	\$1,549,837	\$110,221	7.7%
Life Insurance - Instructional	\$82,930	\$85,124	\$97,893	\$99,447	\$107,221	\$7,774	7.8%
Total Fringe Benefits	\$4,081,028	\$4,197,961	\$4,787,423	\$4,896,588	\$5,268,471	\$371,883	7.6%

❖ Fringe Benefits

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

FY 2022/23

- VRS Retirement: Employer VRS rate 17.83%, Per Pupil Amount: \$741
- Social Security: Employer rate 7.65%, Per Pupil Amount \$318
- Group Life: Employer rate 0.54%, Per Pupil Amount \$22

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 increase reflects higher per pupil amounts and enrollment

Lottery Funded Programs

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

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Lottery Funded Programs</i> ⁽¹⁾							
Career and Technical Ed.*	\$14,454	\$13,805	\$13,214	\$13,805	\$23,504	\$9,699	70.3%
Early Reading Intervention	\$177,592	\$220,645	\$229,753	\$233,540	\$367,229	\$133,689	57.2%
Foster Care	\$77,855	\$142,492	\$118,197	\$85,279	\$73,748	(\$11,531)	-13.5%
K-3 Primary Class Size Red.	\$425,869	\$432,138	\$480,466	\$488,344	\$525,765	\$37,421	7.7%
Special Ed. Reg. Tuition ⁽²⁾	\$899,117	\$902,641	\$968,375	\$634,927	\$849,375	\$214,448	33.8%
Infrastruct. & Op.(Rec.) ⁽³⁾	\$1,589,419	\$1,639,803	\$1,943,956	\$1,148,720	\$1,976,129	\$827,409	72.0%
Infrastruct. & Op. (Nonrec.) ⁽³⁾	\$0	\$0	\$0	\$765,813	\$0	(\$765,813)	-100.0%
Total Lottery Funded	\$3,184,306	\$3,351,525	\$3,753,961	\$3,370,428	\$3,815,750	\$445,322	13.2%

(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 increase reflects a higher 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 increase reflects a higher 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 increase reflects a higher 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.

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

❖ 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 2021/22 Per Pupil Amount: \$391.61; FY 2022/23 Per Pupil Amount: \$407.41

▲ The increase reflects a higher per pupil amount and enrollment.

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 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Incentive Programs</i>							
Compensation Supplement	\$0	\$1,247,556	\$0	\$1,577,050	\$1,747,441	\$170,391	10.8%
At Risk Education ⁽¹⁾	\$260,252	\$290,532	\$463,111	\$607,317	\$1,228,608	\$621,291	102.3%
Supplemental Hold Harmless					\$1,237,811	\$1,237,811	N/A
Rebenchmarking Hold Harmless					\$1,708,979	\$1,708,979	N/A
COVID-19 Local Relief		\$0	\$0	\$0	\$0	\$0	N/A
No Loss Funding	\$0	\$0	\$2,308,446	\$2,081,755	\$0	(\$2,081,755)	-100.0%
Total Incentive	\$260,252	\$1,538,088	\$2,771,557	\$4,266,122	\$5,922,839	\$1,656,717	38.8%

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

❖ Compensation Supplement

▲ The FY 2022/23 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, 2022. School divisions that provide a minimum 2.5 percent salary increase to all instructional and support positions during the first year are eligible for a prorated state payment. School divisions are required to match the state payments based on the composite index of ability-to-pay. School divisions that do not participate in the FY 2023 program with a minimum 2.5 percent salary increase are not eligible for state funds in FY 2024. School divisions are required to certify their participation in each year of the biennium.

❖ 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 2022/23 payments are increasing based on higher levels of funding for this program, resulting in a higher per pupil allocation.

❖ Supplemental Hold Harmless

▲ The Supplemental GF Payment for Grocery and Personal Hygiene Product Tax Elimination program provides state support for school divisions to cover a loss of funding due to the elimination of the state grocery tax and for personal hygiene products, effective January 1, 2023. Payments are distributed on the basis of school-age population.

❖ Re-benchmarking Hold Harmless

▲ An additional state payment is provided to school divisions due to data elements within special education, pupil transportation, and non-personal support costs that are used in the biennial rebenchmarking process and that were affected by the pandemic in FY 2020 or FY 2021. These distributions to school divisions are not subject to subsequent technical updates. These funds shall be matched by local school divisions based on the LCI. State funds distributed under this initiative can be used on any eligible costs within SOQ Basic Aid and Special 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 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Categorical Programs</i>							
Special Education Homebound	\$16,283	\$21,050	\$8,370	\$8,454	\$8,602	\$148	1.8%
Total Categorical	\$16,283	\$21,050	\$8,370	\$8,454	\$8,602	\$148	1.8%

❖ 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 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Other State</i>							
Career Switcher & Other	\$3,000	\$200	\$425	\$0	\$0	\$0	N/A
National Board Certification*	\$85,000	\$75,000	\$77,500	\$75,000	\$75,000	\$0	0.0%
Total Other State	\$88,000	\$75,200	\$77,925	\$75,000	\$75,000	\$0	0.0%

*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.

Federal Revenue

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Federal Revenue</i>							
IDEA Special Education*	\$2,994,659	\$3,052,756	\$3,104,647	\$3,064,761	\$0	(\$3,064,761)	-100.0%
Medicaid Reimbursement	\$39,262	\$22,252	\$280,792	\$618,000	\$618,000	\$0	0.0%
Total Federal	\$3,033,921	\$3,075,008	\$3,385,439	\$3,682,761	\$618,000	(\$3,064,761)	-83.2%

*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.

▼ In FY 23, the IDEA revenue and corresponding expenditures are moved to a Special Revenue Fund to improve accounting, management, and reporting.

❖ 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 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Transfers from Special Revenues Funds</i>							
CFA Institute - Summer Rent.	\$200,000	\$200,000	\$0	\$0	\$0	\$0	N/A
Child Nutrition	\$112,500	\$112,500	\$0	\$0	\$0	\$0	N/A
Extended Day Enrich. Prog.	\$87,500	\$0	\$0	\$0	\$0	\$0	N/A
Blue Ridge Juv. Det. Center	\$27,475	\$0	\$0	\$27,475	\$27,475	\$0	0.0%
Transfers	\$427,475	\$312,500	\$0	\$27,475	\$27,475	\$0	0.0%

❖ Transfers from Special Revenues Funds

Transfers are budgeted into the School Operating Fund from Special Revenue Funds to 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, some transfers to the School Fund are suspended beginning in FY 2020/21.

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Recurring Use of Fund Balance</i>							
Use of Fund Balance	\$0	\$0	\$0	\$800,000	\$800,000	\$0	0.0%
Carryover (Op. Budgets)*	\$0	\$0	\$0	\$260,000	\$260,000	\$0	0.0%
Carryover (Bldg Rental Fees)*	\$0	\$0	\$0	\$30,000	\$30,000	\$0	0.0%
Recurring Use of Fund Bal.	\$0	\$0	\$0	\$1,090,000	\$1,090,000	\$0	0.0%

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

❖ 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.

One-Time Use of Fund Balance

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 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	\$8,720,950	\$4,589,910	111.1%
One-Time Use of Fund Bal.	\$0	\$0	\$0	\$4,131,040	\$8,720,950	\$4,589,910	111.1%

*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.

In FY 2022/23 the one-time use of fund balance of \$8,720,950 is allocated for:

- Urgent compensation adjustments and targeted pay increases as recommended by the 2022 Compensation Study (\$3,000,000)
- Transfer to CIP for Schools Projects (\$3,820,950)
- Transfer to Technology Replacement Fund for Security Cameras (\$1,500,000)
- Middle School Capacity Study (\$250,000)
- School Board Reserve (\$150,000)

Combined Revenue Detail

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
<i>Local Government Transfer</i>							
Local Government Transfer	\$131,312,821	\$138,150,208	\$134,184,078	\$141,108,965	\$167,453,853	\$26,344,888	18.7%
WAHS Operating Costs*	\$0	\$50,304	\$0	\$0	\$0	\$0	N/A
Total LG Transfer	\$131,312,821	\$138,200,512	\$134,184,078	\$141,108,965	\$167,453,853	\$26,344,888	18.7%
<i>Local School Revenue</i>							
<i>Use of Money</i>							
General Property Rental	\$391,990	\$232,019	\$21,623	\$175,000	\$20,000	(\$155,000)	-88.6%
Sale of Surplus Equipment	\$32,121	\$18,841	\$36,097	\$10,000	\$20,000	\$10,000	100.0%
Rent - PREP	\$0	\$0	\$0	\$120,597	\$0	(\$120,597)	-100.0%
Rent - VIA Mobile Unit	\$0	\$4,991	\$5,704	\$5,000	\$0	(\$5,000)	-100.0%
Royalties - Cable	\$72,365	\$55,834	\$74,140	\$60,000	\$60,000	\$0	0.0%
Total Use of Money	\$496,476	\$311,684	\$137,563	\$370,597	\$100,000	(\$270,597)	-73.0%
<i>Charges for Service</i>							
Tuition - Employee Dep	\$0	\$32,143	\$56,823	\$30,000	\$30,000	\$0	0.0%
Activity Fee - Albemarle	\$110,242	\$0	\$0	\$60,000	\$40,000	(\$20,000)	-33.3%
Activity Fee - Western	\$61,725	\$35,100	\$42,750	\$58,000	\$40,000	(\$18,000)	-31.0%
Activity Fee - Monticello	\$77,088	\$13,675	\$11,634	\$62,000	\$12,000	(\$50,000)	-80.6%
Employee Fingerprint Fees	\$6,924	\$5,132	\$4,628	\$3,000	\$3,000	\$0	0.0%
Building Services Repairs	\$6,892	\$0	\$36,403	\$0	\$0	\$0	N/A
Total Charges for Service	\$262,871	\$86,050	\$152,239	\$213,000	\$125,000	(\$88,000)	-41.3%
<i>Miscellaneous Revenue</i>							
PREP - Medicaid Reimb.*	\$0	\$0	\$0	\$0	\$200,000	\$200,000	N/A
Dawson Fund	\$572	\$659	(\$227)	\$0	\$0	\$0	N/A
Refunds and Rebates	\$108,872	\$95,952	\$75,754	\$90,000	\$90,000	\$0	0.0%
Donations & Misc. Revenue*	\$641,917	\$643,648	\$311,555	\$400,000	\$400,000	\$0	0.0%
Total Misc. Revenue	\$751,361	\$740,259	\$387,082	\$490,000	\$690,000	\$200,000	40.8%
<i>Recovered Costs</i>							
PREP	\$42,610	\$0	\$0	\$0	\$0	\$0	N/A
Human Resources Dept*	\$544,165	\$552,681	\$622,352	\$586,590	\$0	(\$586,590)	-100.0%
CIP Project Management*	\$0	\$0	\$0	\$0	\$364,018	\$364,018	N/A
Health Insurance Fund	\$24,000	\$22,000	\$24,000	\$24,000	\$24,000	\$0	0.0%
LED Lighting	\$265,291	\$182,422	\$169,310	\$163,970	\$146,872	(\$17,098)	-10.4%
Prior Year Recovery & Other	\$20,952	\$9,276	\$19,535	\$12,500	\$12,500	\$0	0.0%
Total Recovered Costs	\$897,017	\$766,379	\$835,197	\$787,060	\$547,390	(\$239,670)	-30.5%
<i>Standards of Quality (SOQ) Accounts</i>							
Basic Aid	\$19,599,385	\$19,966,829	\$22,711,075	\$23,442,438	\$26,006,158	\$2,563,720	10.9%
Basic Aid Transf.-CIP Buses	(\$260,000)	(\$260,000)	\$0	(\$260,000)	(\$270,000)	(\$10,000)	3.8%
Sales Tax	\$16,894,486	\$18,062,646	\$19,420,417	\$18,159,797	\$20,678,942	\$2,519,145	13.9%
Special Education	\$2,871,996	\$2,943,501	\$3,132,569	\$3,182,308	\$3,036,316	(\$145,992)	-4.6%
Prev. Interv. & Remed.	\$440,838	\$452,502	\$526,756	\$535,120	\$594,592	\$59,472	11.1%
Gifted Education	\$213,872	\$219,531	\$242,401	\$246,250	\$268,054	\$21,804	8.9%
Vocational Education	\$308,136	\$315,432	\$384,593	\$388,317	\$316,791	(\$71,526)	-18.4%
English as a Second Lang.	\$344,006	\$387,765	\$476,500	\$525,424	\$718,670	\$193,246	36.8%
Textbooks	\$439,485	\$451,113	\$500,978	\$508,933	\$645,181	\$136,248	26.8%
Total SOQ	\$40,852,204	\$42,539,319	\$47,395,289	\$46,728,587	\$51,994,704	\$5,266,117	11.3%
<i>Fringe Benefits - SOQ Accounts</i>							
VRS - Instructional	\$2,749,784	\$2,831,496	\$3,281,739	\$3,357,525	\$3,611,413	\$253,888	7.6%
FICA - Instructional	\$1,248,314	\$1,281,341	\$1,407,791	\$1,439,616	\$1,549,837	\$110,221	7.7%
Life Insurance - Instructional	\$82,930	\$85,124	\$97,893	\$99,447	\$107,221	\$7,774	7.8%
Total Fringe Benefits	\$4,081,028	\$4,197,961	\$4,787,423	\$4,896,588	\$5,268,471	\$371,883	7.6%

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted	\$ Change from Adopted	% Change from Adopted
Lottery Funded Programs ⁽¹⁾							
Career and Technical Ed.*	\$14,454	\$13,805	\$13,214	\$13,805	\$23,504	\$9,699	70.3%
Early Reading Intervention	\$177,592	\$220,645	\$229,753	\$233,540	\$367,229	\$133,689	57.2%
Foster Care	\$77,855	\$142,492	\$118,197	\$85,279	\$73,748	(\$11,531)	-13.5%
K-3 Primary Class Size Red.	\$425,869	\$432,138	\$480,466	\$488,344	\$525,765	\$37,421	7.7%
Special Ed. Reg. Tuition ⁽²⁾	\$899,117	\$902,641	\$968,375	\$634,927	\$849,375	\$214,448	33.8%
Infrastruct. & Op.(Rec.) ⁽³⁾	\$1,589,419	\$1,639,803	\$1,943,956	\$1,148,720	\$1,976,129	\$827,409	72.0%
Infrastruct. & Op. (Nonrec.) ⁽³⁾	\$0	\$0	\$0	\$765,813	\$0	(\$765,813)	-100.0%
Total Lottery Funded	\$3,184,306	\$3,351,525	\$3,753,961	\$3,370,428	\$3,815,750	\$445,322	13.2%
Incentive Programs							
Compensation Supplement	\$0	\$1,247,556	\$0	\$1,577,050	\$1,747,441	\$170,391	10.8%
At Risk Education ⁽¹⁾	\$260,252	\$290,532	\$463,111	\$607,317	\$1,228,608	\$621,291	102.3%
Supplemental Hold Harmless					\$1,237,811	\$1,237,811	N/A
Rebenchmarking Hold Harmless					\$1,708,979	\$1,708,979	N/A
COVID-19 Local Relief		\$0	\$0	\$0	\$0	\$0	N/A
No Loss Funding	\$0	\$0	\$2,308,446	\$2,081,755	\$0	(\$2,081,755)	-100.0%
Total Incentive	\$260,252	\$1,538,088	\$2,771,557	\$4,266,122	\$5,922,839	\$1,656,717	38.8%
Categorical Programs							
Special Education Homebound	\$16,283	\$21,050	\$8,370	\$8,454	\$8,602	\$148	1.8%
Total Categorical	\$16,283	\$21,050	\$8,370	\$8,454	\$8,602	\$148	1.8%
Other State							
Career Switcher & Other	\$3,000	\$200	\$425	\$0	\$0	\$0	N/A
National Board Certification*	\$85,000	\$75,000	\$77,500	\$75,000	\$75,000	\$0	0.0%
Total Other State	\$88,000	\$75,200	\$77,925	\$75,000	\$75,000	\$0	0.0%
Federal Revenue							
IDEA Special Education*	\$2,994,659	\$3,052,756	\$3,104,647	\$3,064,761	\$0	(\$3,064,761)	-100.0%
Medicaid Reimbursement	\$39,262	\$22,252	\$280,792	\$618,000	\$618,000	\$0	0.0%
Total Federal	\$3,033,921	\$3,075,008	\$3,385,439	\$3,682,761	\$618,000	(\$3,064,761)	-83.2%
Transfers from Special Revenues Funds							
CFA Institute - Summer Rent.	\$200,000	\$200,000	\$0	\$0	\$0	\$0	N/A
Child Nutrition	\$112,500	\$112,500	\$0	\$0	\$0	\$0	N/A
Extended Day Enrich. Prog.	\$87,500	\$0	\$0	\$0	\$0	\$0	N/A
Blue Ridge Juv. Det. Center	\$27,475	\$0	\$0	\$27,475	\$27,475	\$0	0.0%
Transfers	\$427,475	\$312,500	\$0	\$27,475	\$27,475	\$0	0.0%
Recurring Use of Fund Balance							
Use of Fund Balance	\$0	\$0	\$0	\$800,000	\$800,000	\$0	0.0%
Carryover (Op. Budgets)*	\$0	\$0	\$0	\$260,000	\$260,000	\$0	0.0%
Carryover (Bldg Rental Fees)*	\$0	\$0	\$0	\$30,000	\$30,000	\$0	0.0%
Recurring Use of Fund Bal.	\$0	\$0	\$0	\$1,090,000	\$1,090,000	\$0	0.0%
One-Time Use of Fund Balance							
Use of Fund Balance*	\$0	\$0	\$0	\$4,131,040	\$8,720,950	\$4,589,910	111.1%
One-Time Use of Fund Bal.	\$0	\$0	\$0	\$4,131,040	\$8,720,950	\$4,589,910	111.1%
SCHOOL FUND TOTAL REV	\$185,664,016	\$195,215,536	\$197,876,124	\$211,246,077	\$246,458,034	\$35,211,957	16.7%

(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.