

Section B: School Fund Revenues

Contents

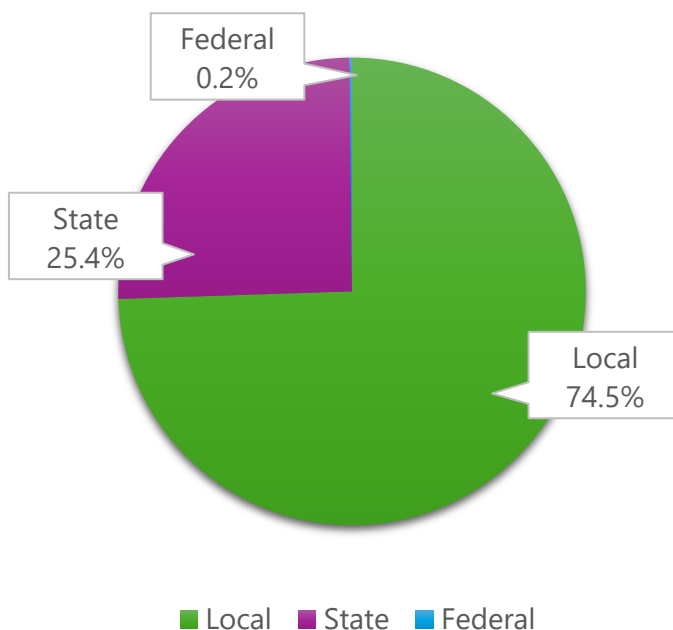
Revenue Overview.....	3
School Fund: Sources of Revenue.....	3
Historical Revenue Summary.....	4
Per Pupil Summary	4
Revenue Analysis.....	5
Local Government Transfer.....	6
Local School Revenue.....	8
State Revenue.....	10
Federal Revenue	20
Local Transfers and Recurring Use of Fund Balance	21
Combined Revenue Detail.....	22

REVENUE OVERVIEW

School Fund: Sources of Revenue

The School Fund pays for ACPS's day-to-day operations. A variety of funding sources makes up the total. In FY 2025/26, the breakdown is as follows:

2025-26 Revenues	
Local	\$209,407,266
State	\$71,276,172
Federal	\$460,000
TOTAL	\$281,143,438



Local Revenues

ACPS receives most of its funding from local funds in the form of a transfer from Albemarle County government. 54% of the increase or decrease in shared local revenues (general property taxes and other local taxes) is allocated to ACPS. A small portion of this category also includes fees for service and other transfers.

State Revenues

The Commonwealth of Virginia funds school divisions primarily through Basic Aid Standards of Quality (SOQ) funding, sales tax, and lottery proceeds. School divisions receive most 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 the number of school-age children in each locality.

Federal Revenues

Federal money accounts for a small proportion of School Fund revenues and partially funds special education and Medicaid services.

Historical Revenue Summary

Revenue Sources	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
Local	\$169,617,931	\$185,927,245	\$200,411,772	\$209,407,266	\$8,995,494	4.5%
State	\$66,515,510	\$71,645,538	\$68,377,855	\$71,276,172	\$2,898,317	4.2%
Federal	\$1,894,306	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
Total	\$238,027,747	\$258,033,860	\$269,407,627	\$281,143,438	\$11,735,811	4.4%

% Revenue Sources	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft
Local	71.3%	72.1%	74.4%	74.5%
State	27.9%	27.8%	25.4%	25.4%
Federal	0.8%	0.2%	0.2%	0.2%
Total	100.0%	100.0%	100.0%	100.0%

Per Pupil Summary

	FY 2021/22 Actual	FY 2023/24 Actual	FY 2024/25 Adopted	FY 2025/26 Draft	Change over Prior Year	% Change over Prior Year
Enrollment	13,585	13,721	13,624	13,802	178	1.3%
Cost Per Pupil	\$17,521	\$18,943	\$19,774	\$20,370	\$595	3.0%
<i>Change</i>	7.2%	8.1%	4.4%	3.0%		

REVENUE ANALYSIS

Revenues in this section are organized into these categories:

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

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
Local Government Transfer	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%
Local Government Transfer	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%
Local School Revenue	\$2,164,078	\$3,077,710	\$2,051,815	\$2,194,327	\$142,512	6.9%
Use of Money and Property	\$840,868	\$767,010	\$399,662	\$260,000	(\$139,662)	-34.9%
Charges for Service	\$82,156	\$95,573	\$108,000	\$78,000	(\$30,000)	-27.8%
Recovered Costs - Local	\$621,160	\$717,876	\$819,153	\$696,327	(\$122,826)	-15.0%
Miscellaneous	\$619,894	\$1,497,251	\$725,000	\$1,160,000	\$435,000	60.0%
State Revenue	\$66,515,510	\$71,645,538	\$68,377,855	\$71,276,172	\$2,898,317	4.2%
Standard of Quality (SOQ)	\$57,182,891	\$57,920,230	\$58,223,242	\$59,623,966	\$1,400,724	2.4%
Incentive	\$5,461,258	\$9,793,823	\$6,768,830	\$7,853,884	\$1,085,054	16.0%
Categorical	\$122,951	\$36,974	\$24,548	\$20,310	(\$4,238)	-17.3%
Lottery	\$3,693,410	\$3,838,511	\$3,286,235	\$3,703,012	\$416,777	12.7%
Other State Revenue	\$55,000	\$56,000	\$75,000	\$75,000	\$0	0.0%
Federal Revenue	\$1,894,306	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
Directly to Locality	\$454,433	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
Paid Through State	\$1,439,873	\$0				
Transfers		\$218,687	\$1,176,142	\$627,475	(\$548,667)	-46.6%
Use of Fund Balance			\$2,135,000	\$91,000	(\$2,044,000)	-95.7%
Total	\$238,027,747	\$258,033,860	\$269,407,627	\$281,143,438	\$11,735,811	4.4%

Local Government Transfer

The County's adopted Financial Management Policies state:

The County shares the increase or decrease in available shared revenues amount the County Government and Public Schools operating, debt service, and capital budgets.

- When developing the budget, the County calculates the increase or decrease in General Fund local tax and State non-categorical aid revenues.
- This amount is adjusted for changes in expenses that reduce available shared revenue: City of Charlottesville revenue sharing, Tax Relief programs, Economic Development Authority tax-related performance agreements, and the designated transfer to the Water Resources Fund.
- **The remaining amount is allocated 54% to the Public Schools operating budget (representing the *Local Government Transfer*), 36% to the County Government operating budget, and 10% for joint County Government and Public Schools debt service and capital budgets.**

This guideline may be reviewed annually with Board of Supervisors approval.

Local Government Transfer

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
Local Government Transfer	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%
Total	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%

▲ The Local Government General Fund Transfer is increasing. The formula includes the following primary drivers:

The increase in available shared revenues is driven primarily by the following:

- A \$20.4M (7.1%) increase in General Property Taxes, primarily due to an increased tax base due to real estate reassessments and new construction, and changes in personal property, primarily vehicles.
- A \$3.5M (4.3%) increase in Other Local Taxes, primarily due to moderate growth of consumer-driven taxes and stronger growth in business-driven taxes based on year-to-date actuals and trends.

The available shared revenues are reduced by committed expenditures, that include but are not limited to the following:

- Revenue Sharing to the City of Charlottesville increases \$2.4M (13.6%) pursuant to the calculation in the agreement, which in FY 26 is increasing significantly, primarily due to the relative change in the County's tax base compared to the City's.
- A \$0.2M or 11.0% increase in Tax Relief for the Elderly and Disabled based on historical trends in the program and Board of Supervisors' approval to benchmark eligibility criteria that are updated annually.

- A \$0.1 M of 7.0% increase in the Transfer to the Water Resources Fund based on the changed value of 0.7 cents per \$100 assessed value on the real estate tax rate. The value has increased due to real estate reassessments and new construction.

More information about the Local Government General Fund Transfer can be found in the Albemarle County budget at **albemarle.org/government/budget**

(FY 26 Recommended Document will be published on February 26, 2025)

Local School Revenue

Local School Revenue

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
Local School Revenue	\$2,164,078	\$3,077,710	\$2,051,815	\$2,194,327	\$142,512	6.9%
Use of Money and Property	\$840,868	\$767,010	\$399,662	\$260,000	(\$139,662)	-34.9%
150201-GENERAL PROPERTY RENTAL	\$132,269	\$248,761	\$140,000	\$140,000	\$0	0.0%
150207-SALE OF SALVAGE/SURPLUS	\$99,037	\$55,507	\$40,000	\$40,000	\$0	0.0%
150253-RENT-P.R.E.P.	\$504,554	\$328,509	\$139,662		(\$139,662)	
150510-ROYALTIES-CABLE	\$105,008	\$134,233	\$80,000	\$80,000	\$0	0.0%
Charges for Service	\$82,156	\$95,573	\$108,000	\$78,000	(\$30,000)	-27.8%
161208-TUITION-EMPLOYEE DEP.	\$73,602	\$86,967	\$60,000	\$70,000	\$10,000	16.7%
161239-EMPLOYEE FINGERPRINT FEES	\$8,554	\$8,606	\$3,000	\$8,000	\$5,000	166.7%
163200-BUILDING SERVICES REPAIRS			\$45,000		(\$45,000)	
Recovered Costs - Local	\$621,160	\$717,876	\$819,153	\$696,327	(\$122,826)	-15.0%
190217-RECOV COST-LED LIGHTING	\$137,811	\$128,230	\$110,448	\$91,327	(\$19,121)	-17.3%
190250-PERSONNEL SERVICES	\$364,019	\$554,463	\$533,631	\$570,000	\$36,369	6.8%
190800-INSURANCE RECOVERIES	\$118,544	\$35,183		\$35,000	\$35,000	
199900-OTHER RECOVERED COSTS			\$162,574		(\$162,574)	
199910-PRIOR YEAR RECOVERY	\$786		\$12,500		(\$12,500)	
Miscellaneous	\$619,894	\$1,497,251	\$725,000	\$1,160,000	\$435,000	60.0%
180301-REFUNDS &	\$93,952	\$108,385	\$85,000	\$85,000	\$0	0.0%
181109-CONTRIBUTIONS	\$98,109	\$80,166				
181154-DUAL ENROLLMENT AND PVCC	\$565	\$2,328				
189900-MISC REVENUES	\$371,600	\$1,105,029	\$440,000	\$1,075,000	\$635,000	144.3%
189903-DAWSON FUND	\$868	\$1,344				
189909-TRUST RECEIPTS	\$9,600	\$0				
189965-PREP - MEDICAID	\$45,000	\$200,000	\$200,000		(\$200,000)	
190253-FOIA - RECOVERED COST	\$200					
Total	\$2,164,078	\$3,077,710	\$2,051,815	\$2,194,327	\$142,512	6.9%

- Use of Money is revenue from the sale of property, the sale of surplus property, rental of facilities, and cable royalties.
 - ▼ Rental income from Piedmont Regional Education Program (PREP) is eliminated in FY 2025/26 as the program will no longer occupy the current Ivy Creek Building. The building will be used to house the ACPS Intensive Support Center, Post High Program, and Center for Learning and Growth.
- Charges for Service is revenue generated by services performed by the School Division.
 - ▼ Building Services Repairs is eliminated in FY 2025/256 as ACPS will no longer bill PREP for utilities and maintenance at the current Ivy Creek Building. The building will be used to house the ACPS Intensive Support Center.
- 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.
 - ▲ CIP Project Management is revenue from the Albemarle County Capital Improvement Program to offset CIP Project Management expenses budgeted in the School Fund. This is increasing to reflect the actual cost of FTEs.
 - ▼ 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.
 - ▼ Other Recovered Costs are decreasing to account for grant revenues received by the University of Virginia's Equity Center ending.
- 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. The increase reflects a historical increase in the category.
 - ▼ PREP Medicaid Reserve is eliminated as the reserve held by PREP is projected to be entirely spent down.

State Revenue

The FY 2025/26 Draft Funding Request assumes state revenues based on the *Senate Amended 2024-2026 Crossover Budget (February 2025) Distribution Sheet* and the *House Amended 2024-2026 Crossover Budget (February 2025) Distribution Sheet*.

This section breaks out revenues into five categories or state funding sources. Funding for certain programs can move between state categories each year. The most recent categories are applied to historical years for comparative purposes and may not reflect actual historical categories.

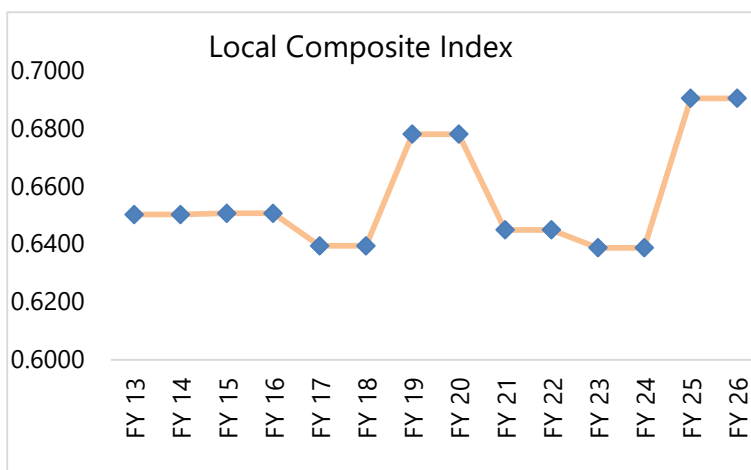
- Standards of Quality (SOQ) Accounts
- Lottery Funded Programs
- Incentive Programs
- Categorical Programs
- Other State Revenue

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 (0.6904) 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. 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. The ACPS FY 2025/26 ADM projection is 13,602.

Unless otherwise specified, the formula to calculate **SOQ revenues** for FY 2025/26 is:

$$[\text{Per Pupil Amount} \times \text{Average Daily Membership (13,602)}] \times [1 - \text{Local Composite Index (0.6904)}]$$

Standard of Quality (SOQ)

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
State Revenue	\$57,182,891	\$57,920,230	\$58,223,242	\$59,623,966	\$1,400,724	2.4%
Standard of Quality (SOQ)	\$57,182,891	\$57,920,230	\$58,223,242	\$59,623,966	\$1,400,724	2.4%
240201-STATE SALES TAX	\$21,966,406	\$21,141,568	\$22,323,654	\$21,728,058	(\$595,596)	-2.7%
240202-BASIC SCHOOL AID	\$24,383,666	\$25,925,689	\$24,901,049	\$26,501,822	\$1,600,773	6.4%
240209-SPECIAL EDUC-S O Q	\$3,030,682	\$3,018,757	\$3,325,237	\$3,556,570	\$231,333	7.0%
240213-VOCATIONAL EDUC-S O Q	\$318,514	\$317,367	\$401,034	\$404,273	\$3,239	0.8%
240220-REMEDIAL EDUCATION	\$593,488	\$591,153				
240221-SOC SEC-INSTRUCTIONAL	\$1,551,826	\$1,545,720	\$1,512,231	\$1,511,813	(\$418)	-0.0%
240223-VSRS-INSTRUCTIONAL	\$3,619,306	\$3,605,065	\$3,245,865	\$3,246,819	\$954	0.0%
240241-GRP LIFE INS-INSTRUCTIONAL	\$111,887	\$111,447	\$91,904	\$92,646	\$742	0.8%
240309-ENGLISH 2ND LANGUAGE-ESL	\$695,576	\$755,511	\$1,490,116	\$1,642,283	\$152,167	10.2%
240557-FREE/RENTAL TEXTBOOK SYS	\$643,984	\$641,450	\$668,974	\$674,378	\$5,404	0.8%
240559-GIFTED/TALENTED CHILDREN	\$267,556	\$266,503	\$263,178	\$265,304	\$2,126	0.8%
Total	\$57,182,891	\$57,920,230	\$58,223,242	\$59,623,966	\$1,400,724	2.4%

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 various 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 based on each locality's ability to provide the minimum required educational program, and localities with a lower ability to pay receive 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 based on an index of local ability to pay.

FY 2024/25 Per Pupil Amount: \$7,928; FY 2025/26 Per Pupil Amount: \$7,898

▲ Variables increasing Basic Aid – Increasing enrollment, lower projected sales tax revenue, and proposed new revenues resulting from increased funding for support positions. Variables decreasing Basic Aid – lower per pupil amounts due to re-benchmarking of costs and technical changes.

Basic Aid Transfer for CIP Buses

A portion of Basic Aid funding is dedicated to purchasing and replacing school buses.

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 the school-age population based on the estimate of the school-age population provided by the Weldon Cooper Center for Public Service at the University of Virginia.

▼ FY 2025/26 sales tax revenues are forecasted to be slightly lower when compared to FY 2024/25 Adopted as computed by the Department of Taxation.

Special Education

Funding for special education provides for the state share of salary costs for instructional positions generated based on the special education staffing standards. 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 2024/25 Per Pupil Amount: \$796; FY 2025/26 Per Pupil Amount: \$784

▲ The increase reflects increasing 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 2024/25 Per Pupil Amount: \$63; FY 2025/26 Per Pupil Amount: \$63

▲ The increase reflects increasing enrollment.

Vocational Education (CTE)

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

FY 2024/25 Per Pupil Amount: \$96; FY 2025/26 Per Pupil Amount: \$96

▲ The increase reflects increasing enrollment.

English Learner Teacher Payments

Payments for English Learner Teachers calculated for FY 2025 and projected for FY 2026 are based on a new funding methodology adopted by the 2024 Special Session I General Assembly. The new methodology bases state payments on student proficiency level aligned to corresponding instructional position ratios in lieu of the current standard that provides one position per 50 identified English Language Learners.

The state funding for English Learner Teacher payments supports the state share of professional instructional positions for English language learners. School divisions will receive state funding based on the proficiency level of English language learners. School divisions will receive state funding for one position per 20 students assessed at proficiency level 1, one position per 30 students assessed at proficiency level 2, one position per 40 students assessed at proficiency level 3, one position per 50 students assessed at proficiency level 4, and one position per 100 students who receive English language learner services that are not classified as proficiency level 1, 2, 3, or 4.

Funding Formula:

$$\frac{((\text{ELL students proficiency level}/(\text{standard staffing}) \times (\text{Average salary and fringe benefits}) \times (1 - \text{Composite Index}))}{1}$$

Enrollment Projections:

English Language Learner Proficiency Level 1	646
English Language Learner Proficiency Level 2	420
English Language Learner Proficiency Level 3	501
English Language Learner Proficiency Level 4	139
Other English Language Learner Proficiency	<u>29</u>
Number of English Language Learners – FY 26	1,737

▲ The increase reflects an increase in EL student enrollment, higher salary, and fringe benefits.

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 amount of textbooks funded per pupil.

FY 2024/25 Per Pupil amount: \$160.14; FY 2025/26 Per Pupil amount: \$160.14

▲ The increase reflects increasing enrollment.

Fringe Benefits

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

FY 2024/25

- VRS Retirement:
 - Employer VRS Rate + RHCC (Professional): 16.44%
 - Employer VRS Rate (Non-Professional): 7.93%
 - Per Pupil Amount: \$777
- Social Security:
 - Employer Rate: 7.65%
 - Per Pupil Amount: \$362
- Group Life:
 - Employer Rate: 0.47%
 - Per Pupil Amount: \$22
- Health Care Premium: \$6,425

FY 2025/26

- VRS Retirement:
 - Employer VRS Rate + RHCC (Professional): 16.44%
 - Employer VRS Rate (Non-Professional): 7.93%
 - Per Pupil Amount: \$771
- Social Security:
 - Employer Rate: 7.65%
 - Per Pupil Amount: \$359
- Group Life:
 - Employer Rate: 0.47%
 - Per Pupil Amount: \$22
- Health Care Premium: \$6,425

Lottery Funded Programs

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

Lottery

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ State Revenue	\$3,693,410	\$3,838,511	\$3,286,235	\$3,703,012	\$416,777	12.7%
☐ Lottery	\$3,693,410	\$3,838,511	\$3,286,235	\$3,703,012	\$416,777	12.7%
240211-SPECIAL EDUC-CATEGORICAL	\$769,811	\$1,027,936	\$718,824	\$1,072,643	\$353,819	49.2%
240216-CAREER & TECH ED EQUIP	\$13,097	\$13,561				
240259-EARLY READING INTERVENT	\$371,279	\$341,577	\$338,718	\$303,132	(\$35,586)	-10.5%
240275-K-3 PRIMARY CLASS SIZE	\$534,813	\$513,531	\$505,018	\$523,623	\$18,605	3.7%
240506-LOTTERY-ADDITIONAL	\$1,965,279	\$1,915,975	\$1,678,463	\$1,754,160	\$75,697	4.5%
240556-FOSTER HOME CHILDREN	\$39,131	\$25,931	\$45,212	\$49,454	\$4,242	9.4%
Total	\$3,693,410	\$3,838,511	\$3,286,235	\$3,703,012	\$416,777	12.7%

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 available state aid.

▲ Reimbursement of the state share (based on the composite index) of approved tuition costs for eligible students with disabilities at approved regional special education programs.

Early Reading Intervention

The Early Reading Intervention program is designed to reduce the number of students needing remedial reading services. Local school divisions use program funds 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.

▼ Funding is based on a ratio of one teacher per five students in kindergarten through third grade at 100 percent of the eligible student population for kindergarten and grades 1-3. The estimated number of eligible students is based on the percentage of students identified as needing intervention using the PALS diagnostic multiplied by total fall membership in third grade. The 5:1 ratio is applied to the eligible student population and then multiplied by 36 weeks x 2 1/2 hours per week = hours of service x hourly rate) x (1 - SOQ Composite Index).

K-3 Primary Class Size Reduction

State funding is disbursed to school divisions as an incentive payment for reducing ratios and class sizes in 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.

▲ ((K-3 Fall Membership for eligible schools x eligible per pupil amount) x (1 - Composite Index))

Infrastructure and Operations Per Pupil Fund

School divisions are permitted to spend such funds on both recurring (no more than 60%) and nonrecurring (at least 40%) expenses in a manner that best supports the needs of the school divisions. There is a required local match in FY 2025 and FY 2026.

FY 2024/25 Per Pupil Amount: \$409.62; FY 2025/26 Per Pupil Amount: \$409.70

▲ 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.

Foster Care

Foster care funding provides reimbursement to localities for educating students in foster care who 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.

Incentive Programs

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

Incentive

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ State Revenue	\$5,461,258	\$9,793,823	\$6,768,830	\$7,853,884	\$1,085,054	16.0%
☐ Incentive	\$5,461,258	\$9,793,823	\$6,768,830	\$7,853,884	\$1,085,054	16.0%
240265-EDUCATION TECH. GRANT	\$911,490	\$0				
240270-EARLY READING SPECIALISTS			\$26,423	\$27,156	\$733	2.8%
240272-SALARY	\$1,602,978	\$4,071,197	\$1,062,531	\$2,190,992	\$1,128,461	106.2%
240276-GROCERY TAX HOLD HARMLESS	\$1,237,811	\$3,162,049	\$3,347,013	\$3,263,682	(\$83,331)	-2.5%
240277-REBENCHMARKING HOLD HARMLESS	\$1,708,979	\$1,740,170				
245265-AT RISK		\$820,407	\$2,332,863	\$2,372,054	\$39,191	1.7%
Total	\$5,461,258	\$9,793,823	\$6,768,830	\$7,853,884	\$1,085,054	16.0%

Early Reading Specialists

Schools whose third grade ranks lowest on the reading Standards of Learning assessments will be given priority for the state share of funding for a reading specialist in such schools.

▲ Number of eligible schools x Elementary Teacher Salary (including benefits and COCA if applicable) x (1 - Composite Index) = State Share

Compensation Supplement

FY 2025 Compensation Supplement funding covers the state share of cost (including fringe benefits) for a 3.0 percent salary increase effective July 1, 2024, for funded SOQ instructional and support positions that certify to the Department of Education that an equivalent increase will be provided to instructional and support personnel the first year. The state share of funding provided to a school division in support of this compensation supplement shall be prorated for school divisions that provide less than an average 3.0 percent salary increase; however, to access these funds, a school division must provide at least an average 1.5 percent salary increase the first year.

▲ For FY 2026, an additional 3.0 percent salary increase, effective July 1, 2025, shall be appropriated or funded SOQ instructional and support positions that certify to the Department of Education that an equivalent increase will be provided to instructional and support personnel the second year. School divisions must provide an additional 1.5 percent for FY 2026 to be eligible for a prorated state payment. School divisions that provided an average increase in excess of 3.0 percent in the first year may credit the excess portion of the increase toward the second year for the purpose of accessing these funds in the second year. School divisions are required to match the state payments based on the composite index of ability-to-pay.

Supplemental Hold Harmless

▼ The Supplemental General Fund Payments in Lieu of Food and Hygiene Tax Products shall be distributed based on the latest annual estimate of school age population provided by the Weldon Cooper Center for Public Service.

At-Risk Education

FY 2025/26 Concentration of Poverty Rate 9.62%, Identified Student Percentage Rate (Three-Year Rate) 31.40% (unchanged from FY 2024/25)

▲ The At-Risk population in the calculation is based on the three-year Identified Student Percentage (ISP) rate multiplied by a factor of 1.25 and multiplied by March 31 ADM. This figure is supplemented by 25.0 percent of a school division's English language learner population. All school divisions receive a flat rate add-on of 11 percent of the Basic Aid per pupil amount. School divisions can receive a concentration of poverty add-on rate between 0 percent and 37 percent of the Basic Aid per-pupil amount on a sliding scale based on its ISP rate compared to other school divisions in the Commonwealth.

Categorical Programs

Categorical

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ State Revenue	\$122,951	\$36,974	\$24,548	\$20,310	(\$4,238)	-17.3%
☐ Categorical	\$122,951	\$36,974	\$24,548	\$20,310	(\$4,238)	-17.3%
240233-SPEC ED: FOSTER CARE	\$108,003	\$20,106				
240234-SPECIAL ED: HOMEBOUND	\$14,948	\$16,868	\$24,548	\$20,310	(\$4,238)	-17.3%
Total	\$122,951	\$36,974	\$24,548	\$20,310	(\$4,238)	-17.3%

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

Special Education – Homebound

In addition to providing state basic aid for special education, the state provides funding for continuing educational services for students 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.

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

Other State Revenue

Other State Revenue

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ State Revenue	\$55,000	\$56,000	\$75,000	\$75,000	\$0	0.0%
☐ Other State Revenue	\$55,000	\$56,000	\$75,000	\$75,000	\$0	0.0%
240218-NAT'L BRD CERT STIPND-ST	\$55,000	\$55,000	\$75,000	\$75,000	\$0	0.0%
240400-MISC STATE		\$1,000				
Total	\$55,000	\$56,000	\$75,000	\$75,000	\$0	0.0%

National Board Certification

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

Federal Revenue

Medicaid Reimbursement

Federal Revenue

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ Federal Revenue	\$1,894,306	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
☐ Directly to Locality	\$454,433	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
330061-MEDICAID ADMIN REIMB	\$454,433	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
☐ Paid Through State	\$1,439,873					
331027-ARPA PANDEMIC BONUS	\$1,439,873					
Total	\$1,894,306	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%

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.

▼ The projected revenue is reduced to reflect historical reimbursements.

Local Transfers and Recurring Use of Fund Balance

Transfers from Special Revenues Funds

Transfers

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
⊕ Transfers		\$218,687	\$1,176,142	\$627,475	(\$548,667)	-46.6%
Total		\$218,687	\$1,176,142	\$627,475	(\$548,667)	-46.6%

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.

	FY 2024/25 Adopted	FY 2025/26 Draft	Change	
Child Nutrition (3000)	\$200,000	\$400,000	\$400,000	▲ Increase due to higher overhead costs charged
Federal Revenue Contingency (3913)	\$193,198	\$200,000	\$6,802	▲ Increase due to higher staffing costs
Revenue Contingency Reserve (3911)	\$955,469	\$0	(\$955,469)	▼ Eliminated the one-time transfer
Blue Ridge Juv. Det. Center (3120)	\$27,475	\$27,475	\$0	No change

Use of Fund Balance

Use of Fund Balance

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
⊕ Use of Fund Balance			\$2,135,000	\$91,000	(\$2,044,000)	-95.7%
Total			\$2,135,000	\$91,000	(\$2,044,000)	-95.7%

▼ 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 the fund absorbs. This amount is decreased in FY 2025/26 only to include the carry-over expenditure for school operating budgets. 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.

COMBINED REVENUE DETAIL

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ Local Government Transfer	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%
☐ Local Government Transfer	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%
512004-TRS. FR.-GENERAL FUND	\$167,453,853	\$182,630,848	\$195,048,815	\$206,494,464	\$11,445,649	5.9%
☐ Local School Revenue	\$2,164,078	\$3,077,710	\$2,051,815	\$2,194,327	\$142,512	6.9%
☐ Use of Money and Property	\$840,868	\$767,010	\$399,662	\$260,000	(\$139,662)	-34.9%
150201-GENERAL PROPERTY RENTAL	\$132,269	\$248,761	\$140,000	\$140,000	\$0	0.0%
150207-SALE OF SALVAGE/SURPLUS	\$99,037	\$55,507	\$40,000	\$40,000	\$0	0.0%
150253-RENT-P.R.E.P.	\$504,554	\$328,509	\$139,662		(\$139,662)	
150510-ROYALTIES-CABLE	\$105,008	\$134,233	\$80,000	\$80,000	\$0	0.0%
☐ Charges for Service	\$82,156	\$95,573	\$108,000	\$78,000	(\$30,000)	-27.8%
161208-TUITION-EMPLOYEE DEP.	\$73,602	\$86,967	\$60,000	\$70,000	\$10,000	16.7%
161239-EMPLOYEE FINGERPRINT FEES	\$8,554	\$8,606	\$3,000	\$8,000	\$5,000	166.7%
163200-BUILDING SERVICES REPAIRS			\$45,000		(\$45,000)	
☐ Recovered Costs - Local	\$621,160	\$717,876	\$819,153	\$696,327	(\$122,826)	-15.0%
190217-RECOV COST-LED LIGHTING	\$137,811	\$128,230	\$110,448	\$91,327	(\$19,121)	-17.3%
190250-PERSONNEL SERVICES	\$364,019	\$554,463	\$533,631	\$570,000	\$36,369	6.8%
190800-INSURANCE RECOVERIES	\$118,544	\$35,183		\$35,000	\$35,000	
199900-OTHER RECOVERED COSTS			\$162,574		(\$162,574)	
199910-PRIOR YEAR RECOVERY	\$786		\$12,500		(\$12,500)	
☐ Miscellaneous	\$619,894	\$1,497,251	\$725,000	\$1,160,000	\$435,000	60.0%
180301-REFUNDS &	\$93,952	\$108,385	\$85,000	\$85,000	\$0	0.0%
181109-CONTRIBUTIONS	\$98,109	\$80,166				
181154-DUAL ENROLLMENT AND PVCC	\$565	\$2,328				
189900-MISC REVENUES	\$371,600	\$1,105,029	\$440,000	\$1,075,000	\$635,000	144.3%
189903-DAWSON FUND	\$868	\$1,344				
189909-TRUST RECEIPTS	\$9,600	\$0				
189965-PREP - MEDICAID	\$45,000	\$200,000	\$200,000		(\$200,000)	
190253-FOIA - RECOVERED COST	\$200					
Total	\$169,617,931	\$185,708,558	\$197,100,630	\$208,688,791	\$11,588,161	5.9%

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ State Revenue	\$62,767,100	\$67,751,027	\$65,016,620	\$67,498,160	\$2,481,540	3.8%
☐ Standard of Quality (SOQ)	\$57,182,891	\$57,920,230	\$58,223,242	\$59,623,966	\$1,400,724	2.4%
240201-STATE SALES TAX	\$21,966,406	\$21,141,568	\$22,323,654	\$21,728,058	(\$595,596)	-2.7%
240202-BASIC SCHOOL AID	\$24,383,666	\$25,925,689	\$24,901,049	\$26,501,822	\$1,600,773	6.4%
240209-SPECIAL EDUC-S O Q	\$3,030,682	\$3,018,757	\$3,325,237	\$3,556,570	\$231,333	7.0%
240213-VOCATIONAL EDUC-S O Q	\$318,514	\$317,367	\$401,034	\$404,273	\$3,239	0.8%
240220-REMEDIAL EDUCATION	\$593,488	\$591,153				
240221-SOC SEC-INSTRUCTIONAL	\$1,551,826	\$1,545,720	\$1,512,231	\$1,511,813	(\$418)	-0.0%
240223-VSRs-INSTRUCTIONAL	\$3,619,306	\$3,605,065	\$3,245,865	\$3,246,819	\$954	0.0%
240241-GRP LIFE INS-INSTRUCTIONAL	\$111,887	\$111,447	\$91,904	\$92,646	\$742	0.8%
240309-ENGLISH 2ND LANGUAGE-ESL	\$695,576	\$755,511	\$1,490,116	\$1,642,283	\$152,167	10.2%
240557-FREE/RENTAL TEXTBOOK SYS	\$643,984	\$641,450	\$668,974	\$674,378	\$5,404	0.8%
240559-GIFTED/TALENTED CHILDREN	\$267,556	\$266,503	\$263,178	\$265,304	\$2,126	0.8%
☐ Incentive	\$5,461,258	\$9,793,823	\$6,768,830	\$7,853,884	\$1,085,054	16.0%
240265-EDUCATION TECH. GRANT	\$911,490	\$0				
240270-EARLY READING SPECIALISTS			\$26,423	\$27,156	\$733	2.8%
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240277-REBENCHMARKING HOLD HARMLESS	\$1,708,979	\$1,740,170				
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☐ Categorical	\$122,951	\$36,974	\$24,548	\$20,310	(\$4,238)	-17.3%
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240234-SPECIAL ED: HOMEBOUND	\$14,948	\$16,868	\$24,548	\$20,310	(\$4,238)	-17.3%
Total	\$62,767,100	\$67,751,027	\$65,016,620	\$67,498,160	\$2,481,540	3.8%

Revenues	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
☐ State Revenue	\$55,000	\$56,000	\$75,000	\$75,000	\$0	0.0%
☐ Other State Revenue	\$55,000	\$56,000	\$75,000	\$75,000	\$0	0.0%
240218-NAT'L BRD CERT STIPND-ST	\$55,000	\$55,000	\$75,000	\$75,000	\$0	0.0%
240400-MISC STATE		\$1,000				
☐ Federal Revenue	\$1,894,306	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
☐ Directly to Locality	\$454,433	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
330061-MEDICAID ADMIN REIMB	\$454,433	\$461,077	\$618,000	\$460,000	(\$158,000)	-25.6%
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331027-ARPA PANDEMIC BONUS	\$1,439,873					
☐ Transfers		\$218,687	\$1,176,142	\$627,475	(\$548,667)	-46.6%
☐ Transfers		\$218,687	\$1,176,142	\$627,475	(\$548,667)	-46.6%
510110-TRS. FR.-G/F-ADDITIONAL		\$218,687	\$1,176,142	\$627,475	(\$548,667)	-46.6%
☐ Use of Fund Balance			\$2,135,000	\$91,000	(\$2,044,000)	-95.7%
☐ Use of Fund Balance			\$2,135,000	\$91,000	(\$2,044,000)	-95.7%
510100-APPROPRIATION-FUND BAL			\$2,135,000	\$91,000	(\$2,044,000)	-95.7%
Total	\$1,949,306	\$735,764	\$4,004,142	\$1,253,475	(\$2,750,667)	-68.7%

	22-23 Actuals	23-24 Actuals	24-25 Adopted	25-26 Draft	Increase	% Increase
Grand Total	\$238,027,747	\$258,033,860	\$269,407,627	\$281,143,438	\$11,735,811	4.4%