Section B: School Fund Revenues

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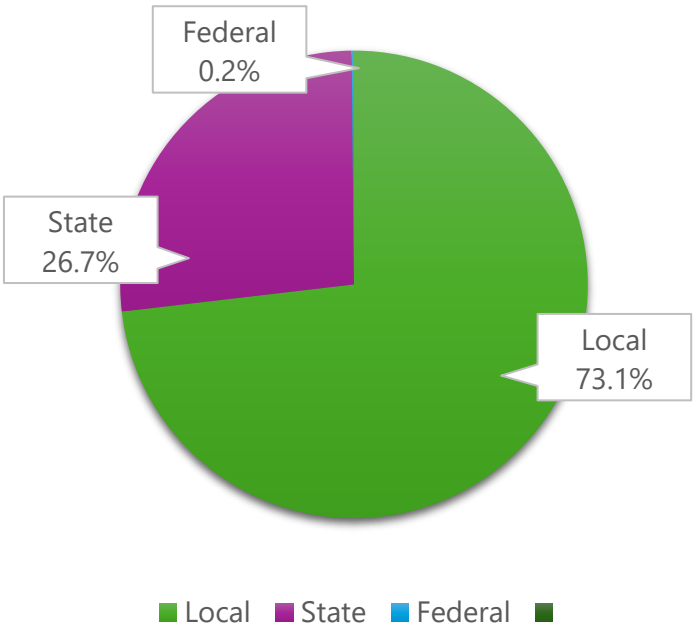
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REVENUE OVERVIEW

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 2026/27, the breakdown is as follows:

	2026-27 Revenues
Local	$227,709,610
State	$83,107,547
Federal	$500,000
TOTAL	**$311,317,157**



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 Local Revenues also includes ACPS 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 Medicaid services.

Historical Revenue Summary

Revenue Sources	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
Local	$185,927,245	$206,090,516	$212,400,497	$227,709,610	$15,309,113	7.2%
State	$71,645,538	$70,073,957	$71,333,951	$83,107,547	$11,773,596	16.5%
Federal	$461,077	$589,383	$460,000	$500,000	$40,000	8.7%
Total	**$258,033,860**	**$276,753,857**	**$284,194,448**	**$311,317,157**	**$27,122,709**	**9.5%**

% Revenue Sources	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft
Local	72.1%	74.5%	74.7%	73.1%
State	27.8%	25.3%	25.1%	26.7%
Federal	0.2%	0.2%	0.2%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Per Pupil Summary

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Actual	FY 2025/26 Adopted	FY 2026/27 Draft	Change over Prior Year	% Change over Prior Year
Sep. 30 Enrollment (K-12)	13,585	13,459	13,624	13,802	13,786	-16	-0.1%
School Fund Revenues	$238,027,746	$258,033,860	$276,356,157	$284,194,448	$311,317,157	$27,122,709	9.5%
Cost Per Pupil	$17,521	$19,172	$20,285	$20,591	$22,582	$1,991	9.7%

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
- Use of Fund Balance

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
Local Government Transfer	**$182,630,848**	**$202,708,809**	**$209,302,695**	**$224,683,112**	**$15,380,417**	**7.3%**
Local Government Transfer	$182,630,848	$202,708,809	$209,302,695	$224,683,112	$15,380,417	7.3%
Local School Revenue	**$3,077,710**	**$2,756,533**	**$2,194,327**	**$2,396,478**	**$202,151**	**9.2%**
Use of Money and Property	$767,010	$479,709	$260,000	$360,000	$100,000	38.5%
Charges for Service	$95,573	$108,699	$78,000	$78,000	$0	0.0%
Recovered Costs - Local	$717,876	$643,339	$696,327	$793,478	$97,151	14.0%
Miscellaneous	$1,497,251	$1,524,786	$1,160,000	$1,165,000	$5,000	0.4%
State Revenue	**$71,645,538**	**$70,073,957**	**$71,333,951**	**$83,107,547**	**$11,773,596**	**16.5%**
Standard of Quality (SOQ)	$57,920,230	$59,551,663	$59,447,173	$70,991,885	$11,544,712	19.4%
Incentive	$9,793,823	$6,809,528	$7,998,480	$7,779,055	($219,425)	-2.7%
Categorical	$36,974	$55,081	$20,310	$36,003	$15,693	77.3%
Lottery	$3,838,511	$3,592,230	$3,792,988	$4,238,104	$445,116	11.7%
Other State Revenue	$56,000	$65,455	$75,000	$62,500	($12,500)	-16.7%
Federal Revenue	**$461,077**	**$589,383**	**$460,000**	**$500,000**	**$40,000**	**8.7%**
Transfers	**$218,687**	**$625,174**	**$812,475**	**$457,020**	**($355,455)**	**-43.7%**
Use of Fund Balance		**$0**	**$91,000**	**$173,000**	**$82,000**	**90.1%**
Total	**$258,033,860**	**$276,753,857**	**$284,194,448**	**$311,317,157**	**$27,122,709**	**9.5%**

Local Government Transfer

The County's adopted Financial Management Policies state:

The County shares the increase or decrease in available shared revenues between the County Government and Public Schools operating, debt service, and capital budgets. This change is added or subtracted to the previous year's approved transfer.

- 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	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
⊞ Local Government Transfer	$182,630,848	$202,708,809	$209,302,695	$224,683,112	$15,380,417	7.3%
Total	$182,630,848	$202,708,809	$209,302,695	$224,683,112	$15,380,417	7.3%

▲ The Local Government General Fund Transfer is increasing driven by the increase in the County's available shared revenues including General Property Taxes and Other Local Taxes.

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

Local School Revenue

Local School Revenue

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
Local School Revenue	**$3,077,710**	**$2,756,533**	**$2,194,327**	**$2,396,478**	**$202,151**	**9.2%**
Miscellaneous	**$1,497,251**	**$1,524,786**	**$1,160,000**	**$1,165,000**	**$5,000**	**0.4%**
189900-MISC REVENUES	$1,105,029	$703,212	$1,075,000	$1,075,000	$0	0.0%
189965-PREP - MEDICAID	$200,000	$600,000				
180301-REFUNDS &	$108,385	$112,902	$85,000	$90,000	$5,000	5.9%
181109-CONTRIBUTIONS	$80,166	$89,081				
181154-DUAL ENROLLMENT AND PVCC	$2,328	$0				
189903-DAWSON FUND	$1,344	$1,191				
189909-TRUST RECEIPTS	$0	$18,000				
190253-FOIA - RECOVERED COST		$400				
Use of Money and Property	**$767,010**	**$479,709**	**$260,000**	**$360,000**	**$100,000**	**38.5%**
150253-RENT-P.R.E.P.	$328,509	$53,712				
150201-GENERAL PROPERTY RENTAL	$248,761	$254,336	$140,000	$200,000	$60,000	42.9%
150510-ROYALTIES-CABLE	$134,233	$97,765	$80,000	$100,000	$20,000	25.0%
150207-SALE OF SALVAGE/SURPLUS	$55,507	$69,495	$40,000	$60,000	$20,000	50.0%
150200-LEASE-LONG TERM		$4,402				
Recovered Costs - Local	**$717,876**	**$643,339**	**$696,327**	**$793,478**	**$97,151**	**14.0%**
190250-PERSONNEL SERVICES	$554,463	$533,631	$570,000	$686,900	$116,900	20.5%
190217-RECOV COST-LED LIGHTING	$128,230	$104,247	$91,327	$71,578	($19,749)	-21.6%
190800-INSURANCE RECOVERIES	$35,183	$5,461	$35,000	$35,000	$0	0.0%
199900-OTHER RECOVERED COSTS		$0				
199910-PRIOR YEAR RECOVERY		$0				
Charges for Service	**$95,573**	**$108,699**	**$78,000**	**$78,000**	**$0**	**0.0%**
161208-TUITION-EMPLOYEE DEP.	$86,967	$100,301	$70,000	$70,000	$0	0.0%
161239-EMPLOYEE FINGERPRINT FEES	$8,606	$8,398	$8,000	$8,000	$0	0.0%
163200-BUILDING SERVICES REPAIRS		$0				
Total	**$3,077,710**	**$2,756,533**	**$2,194,327**	**$2,396,478**	**$202,151**	**9.2%**

- Use of Money is revenue from the sale of property, the sale of surplus property, rental of facilities, and cable royalties.
    - ▲ General Property Rental is increasing to reflect historical trends.
    - ▲ Sale of Surplus Equipment is increasing to reflect historical trends.
    - ▲ Royalties – Cable is increasing to reflect historical trends.
- Charges for Service is revenue generated by services performed by the School Division.
- 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.
- Miscellaneous Revenue are funds collected by the School Division that are not classified in any other category.
    - ▲ Refunds and Rebates is increasing to reflect historical trends.

State Revenue

This section breaks out state 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.

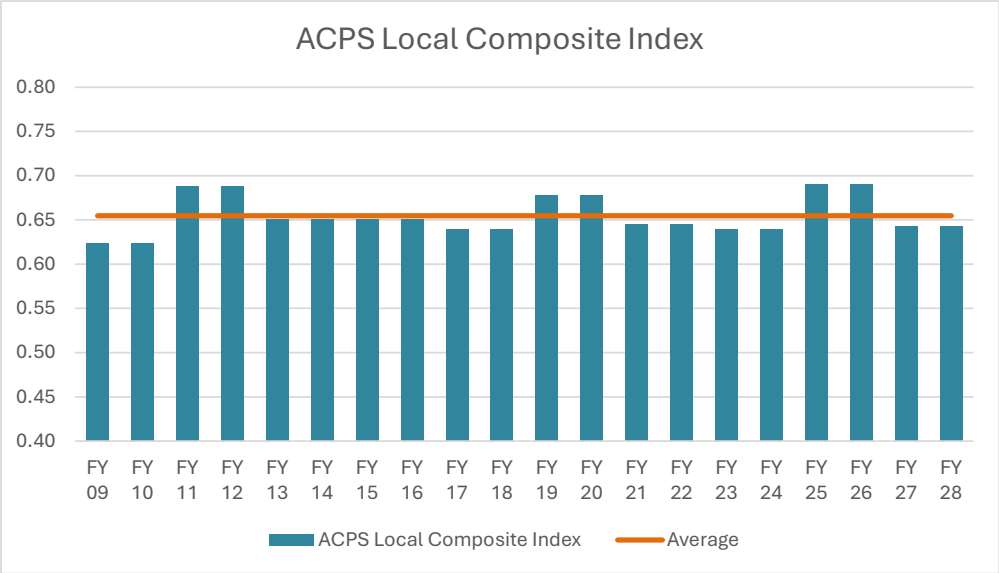
- Standards of Quality (SOQ) Accounts
- Lottery Funded Programs
- Incentive Programs
- Categorical Programs
- Other State Revenue

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 way 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 (0.6429) 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 2026/27 ADM projection is 13,586. The VDOE has calculated the ACPS ADM as 13,353. Given the wide discrepancy between the two projections, an average of 13,470 is used for the budget.

Unless otherwise specified, the formula to calculate **SOQ revenues** for FY 2026/27 is:

[Per Pupil Amount x Average Daily Membership (13,470)] x [1 – Local Composite Index (0.6429)]

Standard of Quality (SOQ)

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	Draft 26-27	Increase	Increase %
State Revenue	**$57,920,230**	**$59,551,663**	**$59,447,173**	**$70,991,885**	**$11,544,712**	**19.4%**
Standard of Quality (SOQ)	**$57,920,230**	**$59,551,663**	**$59,447,173**	**$70,991,885**	**$11,544,712**	**19.4%**
240201-STATE SALES TAX	$21,141,568	$21,719,753	$21,728,058	$22,485,838	$757,780	3.5%
240202-BASIC SCHOOL AID	$25,925,689	$25,291,365	$26,330,512	$34,795,807	$8,465,295	32.2%
240204-SOQ POSITION BONUS PAYMENT		$1,495,797				
240209-SPECIAL EDUC-S O Q	$3,018,757	$3,350,797	$3,551,087	$4,923,052	$1,371,965	38.6%
240213-VOCATIONAL EDUC-S O Q	$317,367	$406,397	$404,273	$461,739	$57,466	14.2%
240220-REMEDIAL EDUCATION	$591,153					
240221-SOC SEC-INSTRUCTIONAL	$1,545,720	$1,523,855	$1,511,813	$1,856,575	$344,762	22.8%
240223-VSRS-INSTRUCTIONAL	$3,605,065	$3,270,816	$3,246,819	$3,458,232	$211,413	6.5%
240241-GRP LIFE INS-INSTRUCTIONAL	$111,447	$92,610	$92,646	$101,005	$8,359	9.0%
240309-ENGLISH 2ND LANGUAGE-ESL	$755,511	$1,460,956	$1,642,283	$1,825,465	$183,182	11.2%
240557-FREE/RENTAL TEXTBOOK SYS	$641,450	$674,116	$674,378	$766,727	$92,349	13.7%
240559-GIFTED/TALENTED CHILDREN	$266,503	$265,201	$265,304	$317,445	$52,141	19.7%
Total	**$57,920,230**	**$59,551,663**	**$59,447,173**	**$70,991,885**	**$11,544,712**	**19.4%**

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 x ADM) - Sales Tax) x (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 2025/26 Per Pupil Amount: $8,154; FY 2026/27 Per Pupil Amount: $9,207

▲ Variables increasing Basic Aid – lower LCI, higher Per Pupil Amount. Variables decreasing Basic Aid – decreased enrollment, higher projected sales tax revenue

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 2026/27 sales tax revenues are forecasted to be higher when compared to FY 2025/26 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 2025/26 Per Pupil Amount: $784; FY 2026/27 Per Pupil Amount: $948

▲ Variables increasing Special Education – lower LCI, higher Per Pupil Amount. Variables decreasing Special Education – decreased enrollment

Additional state funding is provided for special education based on an add-on to the Basic Aid per-pupil amount. The formula would provide a 4.75 percent add-on to the Basic Aid per-pupil amounts for students that receive special education services for less than 50 percent of the school day, and a 5.25 percent add-on to the Basic Aid per-pupil amount for students that receive special education services for more than 50 percent of the school day.

FY 2025/26 Per Pupil Amount: $59.25; FY 2026/27 Per Pupil Amount: $75.55

▲ Variables increasing Special Education Add-on – lower LCI, higher Per Pupil Amount. Variables decreasing Special Education – decreased 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 2025/26 Per Pupil Amount: $63; FY 2026/27 Per Pupil Amount: $66

▲ Variables increasing Gifted – lower LCI, higher Per Pupil Amount. Variables decreasing Gifted – decreased enrollment

Vocational Education (Career and Technical 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 2025/26 Per Pupil Amount: $96; FY 2026/27 Per Pupil Amount: $96

▲ Variables increasing Vocational – lower LCI. Variables decreasing Vocational – decreased enrollment

English Learner Teacher Payments

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:

(ELL students proficiency level)/(standard staffing) x (Average salary and fringe benefits) x (1 - Composite Index)

Enrollment Projections:

English Language Learner Proficiency Level 1	531
English Language Learner Proficiency Level 2	437
English Language Learner Proficiency Level 3	546
English Language Learner Proficiency Level 4	139
Other English Language Learner Proficiency	26
Number of English Language Learners	**1,677**

▲ Variables increasing EL – lower LCI, higher salary and fringe benefits. Variables decreasing EL – decreased enrollment

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 2025/26 Per Pupil amount: $160.14; FY 2026/27 Per Pupil amount: $159.41

▲ Variables increasing Textbooks – lower LCI. Variables decreasing Textbooks – decreased enrollment, lower Per Pupil Amount

Fringe Benefits

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

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

FY 2026/27

- VRS Retirement:
  - Employer VRS Rate + RHCC (Professional): 14.25%
  - Employer VRS Rate (Non-Professional): 7.08%
  - Per Pupil Amount: $719
- Social Security:
  - Employer Rate: 7.65%
  - Per Pupil Amount: $386
- Group Life:
  - Employer Rate: 0.42%
  - Per Pupil Amount: $21
- Health Care Premium: $7,066

Lottery Funded Programs

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

Lottery

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	Draft 26-27	Increase	Increase %
State Revenue	**$3,838,511**	**$3,592,230**	**$3,792,988**	**$4,238,104**	**$445,116**	**11.7%**
Lottery	**$3,838,511**	**$3,592,230**	**$3,792,988**	**$4,238,104**	**$445,116**	**11.7%**
240211-SPECIAL EDUC-CATEGORICAL	$1,027,936	$853,974	$1,072,643	$1,141,392	$68,749	6.4%
240216-CAREER & TECH ED EQUIP	$13,561	$12,980		$23,085	$23,085	
240259-EARLY READING	$341,577	$299,179	$303,132	$316,903	$13,771	4.5%
240275-K-3 PRIMARY CLASS SIZE	$513,531	$515,611	$523,623	$591,177	$67,554	12.9%
240296-PROJECT GRADUATION			$14,500	$13,120	($1,380)	-9.5%
240353-ALGEBRA READINESS			$75,476	$91,229	$15,753	20.9%
240506-LOTTERY-ADDITIONAL	$1,915,975	$1,878,675	$1,754,160	$1,991,132	$236,972	13.5%
240556-FOSTER HOME CHILDREN	$25,931	$31,811	$49,454	$70,066	$20,612	41.7%
Total	**$3,838,511**	**$3,592,230**	**$3,792,988**	**$4,238,104**	**$445,116**	**11.7%**

Special Education – Regional Tuition/Students with Intensive Support Needs

Funds are authorized through a line item in the Governor's Budget specifically allotted to what are still called Special Education Regional Programs. These funds are now identified by the VDOE as Funds for Students with Intensive Support Needs. The Students with Intensive Support Needs Application (SISNA) is submitted annually to the VDOE and information on the SISNA is available to all school divisions. Funds for students identified as meeting the criteria as a Student with Intensive Support Needs are provided through a reimbursement model. The amount reimbursed is determined after the school division submits the actual costs expended for an individual student. Once school divisions have identified students to be included in the SISNA and have identified the expected annual costs to be expended for those students, also to be included in the SISNA, the school division analyzes whether the State Share that will be reimbursed for these costs will provide a greater fiscal benefit to the school division than the typical average daily membership (ADM) or standards of quality (SOQ) funds. The VDOE staff provide individual school divisions guidance with this analysis when they meet with school divisions.

▲ FY 2026/27 projection is increased based on increasing students with intensive support needs and a higher reimbursement amount due to the changes in the LCI.

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)

Project Graduation

The purpose of Project Graduation is to provide funding for school divisions to assist eleventh and twelfth grade students to pass end-of-course Standards of Learning assessments in English/Reading, English/Writing, and Algebra I to graduate with at least a standard diploma. Program distributions are based on the number of failures on SOL end-of-course assessments in a division compared to the statewide total of failures. Amounts are adjusted based upon the composite index.

▼ Program distributions are based on the number of failures on SOL end-of-course assessments in a division compared to the statewide total of failures. Amounts are adjusted based upon the composite index.

SOL Algebra Readiness

Funding is based on the estimated number of 7th and 8th grade students who are at-risk of failing the Algebra I end-of-course. This number is approximated based on the free lunch eligibility percentage for the school division. This program is included in SOQ required local effort

▲ ((Total number of students in eligible grades x Division free lunch eligibility percentage)/ 10 [student to teacher ratio of 10 to 1]) x 36 weeks x 2-1/2 hours of instruction per week = Hours of service x Hourly costs of teaching services x (1 - Composite Index) = State Share

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 2027 and FY 2028.

FY 2025/26 Per Pupil Amount: $409.70; FY 2026/27 Per Pupil Amount: $419.83

▲ 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.

▲ Prior year total per pupil expenditure for operations for each division from Table 15 of the Superintendent's Annual Report are divided by the number days of instruction in each division to yield a cost per day per division. Cost per day figure x Number of days eligible foster care students were served by the school division as reported by the division = Standard Foster Care Reimbursement Statewide weight for handicapping condition x Standard foster care cost per day = Total special education foster care cost per day. Total special education foster care cost per day x total number of student days reported in each handicapping condition = State cost for special education foster care. The sum of the cost for each handicapping condition = Special Education Foster Care Reimbursement

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	23-24 Actuals	24-25 Actuals	25-26 Adopted	Draft 26-27	Increase	Increase %
State Revenue	**$9,793,823**	**$6,809,528**	**$7,998,480**	**$7,779,055**	**($219,425)**	**-2.7%**
Incentive	**$9,793,823**	**$6,809,528**	**$7,998,480**	**$7,779,055**	**($219,425)**	**-2.7%**
240265-EDUCATION TECH. GRANT	$0					
240270-EARLY READING SPECIALISTS		$26,423	$27,156	$62,755	$35,599	131.1%
240272-SALARY SUPPLEMENT	$4,071,197	$1,079,824	$2,258,702	$890,525	($1,368,177)	-60.6%
240276-GROCERY TAX HOLD HARMLESS	$3,162,049	$3,347,013	$3,263,682	$3,327,202	$63,520	1.9%
240277-REBENCHMARKING HOLD HARMLESS	$1,740,170					
245265-AT RISK	$820,407	$2,356,268	$2,448,940	$3,498,573	$1,049,633	42.9%
Total	**$9,793,823**	**$6,809,528**	**$7,998,480**	**$7,779,055**	**($219,425)**	**-2.7%**

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 2027 Compensation Supplement funding covers the state share of cost (including fringe benefits) for a 2.0 percent salary increase effective July 1, 2027 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. School divisions are required to match the state payments based on the composite index of ability-to-pay.

▼ FY 2027 funds provide for the state funded portion of a 2.0% salary increase

Supplemental Hold Harmless

This 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. These distributions are updated annually on the basis of school-age population.

▲ State distributions to school divisions are based upon the elimination of the taxes on groceries and personal hygiene products, and distributed based upon school-age population, which is similar to the distribution of sales taxes

At-Risk Education

FY 2025/26 Concentration of Poverty Rate 9.62%, Identified Student Percentage Rate 31.40%; FY 2026/27 Concentration of Poverty Rate 10.18%, Identified Student Percentage Rate 34.19%

▲ 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	23-24 Actuals	24-25 Actuals	25-26 Adopted	Draft 26-27	Increase	Increase %
State Revenue	**$36,974**	**$55,081**	**$20,310**	**$36,003**	**$15,693**	**77.3%**
Categorical	**$36,974**	**$55,081**	**$20,310**	**$36,003**	**$15,693**	**77.3%**
240233-SPEC ED: FOSTER CARE	$20,106	$34,972				
240234-SPECIAL ED: HOMEBOUND	$16,868	$20,109	$20,310	$36,003	$15,693	77.3%
Total	**$36,974**	**$55,081**	**$20,310**	**$36,003**	**$15,693**	**77.3%**

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	23-24 Actuals	24-25 Actuals	25-26 Adopted	Draft 26-27	Increase	Increase %
State Revenue	**$56,000**	**$65,455**	**$75,000**	**$62,500**	**($12,500)**	**-16.7%**
Other State Revenue	**$56,000**	**$65,455**	**$75,000**	**$62,500**	**($12,500)**	**-16.7%**
240218-NAT'L BRD CERT STIPND-	$55,000	$62,500	$75,000	$62,500	($12,500)	-16.7%
240400-MISC STATE	$1,000	$500				
240467-CAREER SWITCHER		$2,455				
Total	**$56,000**	**$65,455**	**$75,000**	**$62,500**	**($12,500)**	**-16.7%**

National Board Certification

▼ A portion of costs for teacher certifications of National Board Standards are reimbursed by the state. This is decreased to align to historical trends.

Federal Revenue

Medicaid Reimbursement

Federal Revenue

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
Federal Revenue	**$461,077**	**$589,383**	**$460,000**	**$500,000**	**$40,000**	**8.7%**
Directly to Locality	**$461,077**	**$589,383**	**$460,000**	**$500,000**	**$40,000**	**8.7%**
330061-MEDICAID ADMIN REIMB	$461,077	$589,383	$460,000	$500,000	$40,000	8.7%
Total	**$461,077**	**$589,383**	**$460,000**	**$500,000**	**$40,000**	**8.7%**

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 increased to reflect historical reimbursements.

Local Transfers and Recurring Use of Fund Balance

Transfers from Special Revenues Funds

Transfers

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
⊞ Transfers	$218,687	$625,174	$812,475	$457,020	($355,455)	-43.7%
Total	$218,687	$625,174	$812,475	$457,020	($355,455)	-43.7%

Transfers are budgeted into the School Operating Fund from Special Revenue Funds to represent payments to the School Fund for various purposes.

	FY 25/26	*FY 26/27*	*Change*	
Child Nutrition (3000): *Charge for building space use*	$400,000	$200,000	($200,000)	▼ Decrease to baseline recurring amount
Federal Revenue Contingency (3913): *Staffing for Title I/intervention services*	$200,000	$217,020	$17,020	▲ Increase due to higher staffing costs
Blue Ridge Juv. Det. Center (3120): *Charge for indirect costs*	$27,475	$27,475	$0	No change
Head Start (3170): *Charge for indirect costs*	$175,000	$0	($175,000)	▼ Eliminated in FY 27
Algebra Readiness (3152): *Allocated directly to schools*	$10,000	$10,000	$0	No change

Use of Fund Balance

Use of Fund Balance

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
⊞ Use of Fund Balance		$0	$91,000	$173,000	$82,000	90.1%
Total		$0	$91,000	$173,000	$82,000	90.1%

▲ This amount represents schools projected carry-over for FY 27.

COMBINED REVENUE DETAIL

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
Local Government Transfer	**$182,630,848**	**$202,708,809**	**$209,302,695**	**$224,683,112**	**$15,380,417**	**7.3%**
Local Government Transfer	**$182,630,848**	**$202,708,809**	**$209,302,695**	**$224,683,112**	**$15,380,417**	**7.3%**
512004-TRS. FR.-GENERAL FUND	$182,630,848	$202,708,809	$209,302,695	$224,683,112	$15,380,417	7.3%
Local School Revenue	**$3,077,710**	**$2,756,533**	**$2,194,327**	**$2,396,478**	**$202,151**	**9.2%**
Use of Money and Property	**$767,010**	**$479,709**	**$260,000**	**$360,000**	**$100,000**	**38.5%**
150200-LEASE-LONG TERM		$4,402				
150201-GENERAL PROPERTY RENTAL	$248,761	$254,336	$140,000	$200,000	$60,000	42.9%
150207-SALE OF SALVAGE/SURPLUS	$55,507	$69,495	$40,000	$60,000	$20,000	50.0%
150253-RENT-P.R.E.P.	$328,509	$53,712				
150510-ROYALTIES-CABLE	$134,233	$97,765	$80,000	$100,000	$20,000	25.0%
Charges for Service	**$95,573**	**$108,699**	**$78,000**	**$78,000**	**$0**	**0.0%**
161208-TUITION-EMPLOYEE DEP.	$86,967	$100,301	$70,000	$70,000	$0	0.0%
161239-EMPLOYEE FINGERPRINT FEES	$8,606	$8,398	$8,000	$8,000	$0	0.0%
163200-BUILDING SERVICES REPAIRS		$0				
Recovered Costs - Local	**$717,876**	**$643,339**	**$696,327**	**$793,478**	**$97,151**	**14.0%**
190217-RECOV COST-LED LIGHTING	$128,230	$104,247	$91,327	$71,578	($19,749)	-21.6%
190250-PERSONNEL SERVICES	$554,463	$533,631	$570,000	$686,900	$116,900	20.5%
190800-INSURANCE RECOVERIES	$35,183	$5,461	$35,000	$35,000	$0	0.0%
199900-OTHER RECOVERED COSTS		$0				
199910-PRIOR YEAR RECOVERY		$0				
Miscellaneous	**$1,497,251**	**$1,524,786**	**$1,160,000**	**$1,165,000**	**$5,000**	**0.4%**
180301-REFUNDS & REBATES	$108,385	$112,902	$85,000	$90,000	$5,000	5.9%
181109-CONTRIBUTIONS	$80,166	$89,081				
181154-DUAL ENROLLMENT AND PVCC	$2,328	$0				
189900-MISC REVENUES	$1,105,029	$703,212	$1,075,000	$1,075,000	$0	0.0%
189903-DAWSON FUND	$1,344	$1,191				
189909-TRUST RECEIPTS	$0	$18,000				
189965-PREP - MEDICAID	$200,000	$600,000				
190253-FOIA - RECOVERED COST		$400				
Total	**$185,708,558**	**$205,465,342**	**$211,497,022**	**$227,079,590**	**$15,582,568**	**7.4%**

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
State Revenue	**$67,751,027**	**$66,416,272**	**$67,465,963**	**$78,806,943**	**$11,340,980**	**16.8%**
Standard of Quality (SOQ)	**$57,920,230**	**$59,551,663**	**$59,447,173**	**$70,991,885**	**$11,544,712**	**19.4%**
240201-STATE SALES TAX	$21,141,568	$21,719,753	$21,728,058	$22,485,838	$757,780	3.5%
240202-BASIC SCHOOL AID	$25,925,689	$25,291,365	$26,330,512	$34,795,807	$8,465,295	32.2%
240204-SOQ POSITION BONUS PAYMENT		$1,495,797				
240209-SPECIAL EDUC-S O Q	$3,018,757	$3,350,797	$3,551,087	$4,923,052	$1,371,965	38.6%
240213-VOCATIONAL EDUC-S O Q	$317,367	$406,397	$404,273	$461,739	$57,466	14.2%
240220-REMEDIAL	$591,153					
240221-SOC SEC-INSTRUCTIONAL	$1,545,720	$1,523,855	$1,511,813	$1,856,575	$344,762	22.8%
240223-VSRS-	$3,605,065	$3,270,816	$3,246,819	$3,458,232	$211,413	6.5%
240241-GRP LIFE INS-INSTRUCTIONAL	$111,447	$92,610	$92,646	$101,005	$8,359	9.0%
240309-ENGLISH 2ND LANGUAGE-ESL	$755,511	$1,460,956	$1,642,283	$1,825,465	$183,182	11.2%
240557-FREE/RENTAL TEXTBOOK SYS	$641,450	$674,116	$674,378	$766,727	$92,349	13.7%
240559-GIFTED/TALENTED CHILDREN	$266,503	$265,201	$265,304	$317,445	$52,141	19.7%
Incentive	**$9,793,823**	**$6,809,528**	**$7,998,480**	**$7,779,055**	**($219,425)**	**-2.7%**
240265-EDUCATION TECH. GRANT	$0					
240270-EARLY READING SPECIALISTS		$26,423	$27,156	$62,755	$35,599	131.1%
240272-SALARY SUPPLEMENT	$4,071,197	$1,079,824	$2,258,702	$890,525	($1,368,177)	-60.6%
240276-GROCERY TAX HOLD HARMLESS	$3,162,049	$3,347,013	$3,263,682	$3,327,202	$63,520	1.9%
240277-REBENCHMARKING HOLD HARMLESS	$1,740,170					
245265-AT RISK	$820,407	$2,356,268	$2,448,940	$3,498,573	$1,049,633	42.9%
Categorical	**$36,974**	**$55,081**	**$20,310**	**$36,003**	**$15,693**	**77.3%**
240233-SPEC ED: FOSTER	$20,106	$34,972				
240234-SPECIAL ED: HOMEBOUND	$16,868	$20,109	$20,310	$36,003	$15,693	77.3%
Total	**$67,751,027**	**$66,416,272**	**$67,465,963**	**$78,806,943**	**$11,340,980**	**16.8%**

Revenues	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
State Revenue	**$3,894,511**	**$3,657,685**	**$3,867,988**	**$4,300,604**	**$432,616**	**11.2%**
Lottery	**$3,838,511**	**$3,592,230**	**$3,792,988**	**$4,238,104**	**$445,116**	**11.7%**
240211-SPECIAL EDUC-CATEGORICAL	$1,027,936	$853,974	$1,072,643	$1,141,392	$68,749	6.4%
240216-CAREER & TECH ED EQUIP	$13,561	$12,980		$23,085	$23,085	
240259-EARLY READING	$341,577	$299,179	$303,132	$316,903	$13,771	4.5%
240275-K-3 PRIMARY CLASS SIZE	$513,531	$515,611	$523,623	$591,177	$67,554	12.9%
240296-PROJECT GRADUATION			$14,500	$13,120	($1,380)	-9.5%
240353-ALGEBRA READINESS			$75,476	$91,229	$15,753	20.9%
240506-LOTTERY-ADDITIONAL	$1,915,975	$1,878,675	$1,754,160	$1,991,132	$236,972	13.5%
240556-FOSTER HOME CHILDREN	$25,931	$31,811	$49,454	$70,066	$20,612	41.7%
Other State Revenue	**$56,000**	**$65,455**	**$75,000**	**$62,500**	**($12,500)**	**-16.7%**
240218-NAT'L BRD CERT STIPND-ST	$55,000	$62,500	$75,000	$62,500	($12,500)	-16.7%
240400-MISC STATE	$1,000	$500				
240467-CAREER SWITCHER		$2,455				
Federal Revenue	**$461,077**	**$589,383**	**$460,000**	**$500,000**	**$40,000**	**8.7%**
Directly to Locality	**$461,077**	**$589,383**	**$460,000**	**$500,000**	**$40,000**	**8.7%**
330061-MEDICAID ADMIN REIMB	$461,077	$589,383	$460,000	$500,000	$40,000	8.7%
Transfers	**$218,687**	**$625,174**	**$812,475**	**$457,020**	**($355,455)**	**-43.7%**
Transfers	**$218,687**	**$625,174**	**$812,475**	**$457,020**	**($355,455)**	**-43.7%**
510109-TRANSFER IN		$397,699				
510110-TRS. FR.-G/F-ADDITIONAL	$218,687	$227,475	$812,475	$457,020	($355,455)	-43.7%
Use of Fund Balance		**$0**	**$91,000**	**$173,000**	**$82,000**	**90.1%**
Use of Fund Balance		**$0**	**$91,000**	**$173,000**	**$82,000**	**90.1%**
510100-APPROPRIATION-FUND BAL		$0	$91,000	$173,000	$82,000	90.1%
Total	**$4,574,276**	**$4,872,243**	**$5,231,463**	**$5,430,624**	**$199,161**	**3.8%**

	23-24 Actuals	24-25 Actuals	25-26 Adopted	26-27 Draft	Increase	Increase %
Grand Total	$258,033,860	$276,753,857	$284,194,448	$311,317,157	$27,122,709	9.5%