



COMMONWEALTH of VIRGINIA
DEPARTMENT OF EDUCATION

DATE: March 9, 2023
TO: Division Superintendents
FROM: Jillian Balow, Superintendent of Public Instruction
SUBJECT: **Amendments to the 2022-2024 Biennial Budget Adopted by the 2023 General Assembly**

Section 22.1-93, *Code of Virginia*, requires the Virginia Department of Education (VDOE) within fifteen days following final adjournment of the General Assembly to provide "...estimates to be used for budgetary purposes relative to the Basic School Aid Formula..." based upon the budget actions taken by the General Assembly. The allocation estimates provided in this memorandum represent the state funding that is projected to be distributed to school divisions in fiscal years (FY) 2023 and 2024.

Amendments that were adopted by the General Assembly on February 25, 2023, prior to adjournment of the 2023 Session are contained in a [substitute version of HB 1400](#). This "skinny" or stop-gap budget includes \$263.1 million in additional state Direct Aid funds distributed to school divisions compared to the Chapter 2 budget from June 2022.

In January 2023, the VDOE self-reported a formula error in its budget estimating tool called the "Calc. Tool." This resulted in an overstatement of Basic Aid estimates for FY 2023 and FY 2024 in the Calc. Tools related to the Chapter 2 budget (released in June 2022) and the Governor's amended 2022-2024 biennial budget (released in December 2022). No overpayments were distributed, and no school division experienced an actual funding loss as a result of the agency error. Governor Youngkin and the General Assembly prioritized the mitigation of the error, which over-estimated state Basic Aid distributions to school divisions by \$58.1 million in FY 2023, in the "skinny" budget. All school divisions were made whole through the \$90.5 million net increase in FY 2023 funding provided through increased sales tax estimates, and the General Assembly's appropriation of an additional \$16.8 million in general funds to ensure that no school division receives less funding for Basic Aid and sales tax than was originally communicated in

the Chapter 2 Calc. Tool in June 2022. More information on this particular amendment is provided in **Attachment A** and the FY 2023 funding distributions are shown in **Attachment B**.

Attachment A to this memorandum provides a detailed comparison of Governor Youngkin's amended 2022-2024 budget and budget changes adopted by the 2023 General Assembly. The comparison is specific to funding that impacts Direct Aid to public schools.

Attachment B to this memorandum provides the incremental state funding impacts to school divisions for FY 2023 and FY 2024 based on the amendments adopted by the General Assembly. In a separate tab, **Attachment B** also includes estimates of Basic Aid distributions in FY 2023 and FY 2024 based on the amendments adopted by the 2023 General Assembly.

Some members of the General Assembly will continue to work on budget amendments that may be considered by the full Assembly and Governor Youngkin. If finalized changes impact public education, the VDOE will inform school divisions via another superintendent's memo. If the Governor convenes a special session of the General Assembly and additional amendments are adopted to the 2022-2024 biennial budget, VDOE will publish an updated Calc. Tool. The Calc. Tools published by VDOE are provided as a resource to school divisions to assist them in estimating the state funding they will receive based on particular points in the state budget process, but do not reflect actual or final payments for a fiscal year.

Please note that VDOE has published a corrected version of the Chapter 2 budget Calc. Tool on its website. This version accurately estimates Basic Aid distributions to school divisions in FY 2023 and FY 2024. The corrected version of the Chapter 2 Calc. Tool can be used in conjunction with the data in **Attachment B** to review estimates of state Direct Aid payments to school divisions. VDOE Calc. Tools can be accessed from the following webpage:

[Calc. Tool Webpage](#)

Questions regarding the 2023 General Assembly's adopted amendments to the 2022-2024 biennial budget and the revised estimates of Direct Aid payments for FY 2023 and 2024 may be directed to Budget Office staff at (804) 225-2025 or by email at

DOEBUDGETOFFICE@doe.virginia.gov.

JB/eml

Attachments:

- A. [General Assembly Adopted Amendments to the 2022-2024 Biennial Budget](#) (Word)
- B. [Distribution Summary of General Assembly Amendments to Direct Aid](#) (Excel)