Changes and Clarifications to the
2003-2004 Annual School Report (ASR) – Financial Section

This attachment provides information regarding important changes and clarifications to the 2003-2004 (FY 2004) ASR.

- **New Superintendent's Certification Process** – Beginning with the 2003-2004 ASR, the process used by school divisions and regional programs to certify their ASR submission will change in order streamline and expedite the review process. The new process will work in the following manner:

  ✓ *Step 1 (Same as previous year)* – Once a division or regional program has finished entering ASR data and has successfully run the error check in the Excel template, the 'Final Check – General Text File' worksheet will be made available. This worksheet will display all possible errors or warning messages that exist in the Excel workbook. **All divisions and regional programs should carefully review these messages, especially if a school division receives a warning message that it is not in compliance with meeting required local effort.** If the division or regional program staff are satisfied that the data submitted are correct and all warning messages or possible errors have been reviewed, then the ASR text file may be generated for upload to the department's Web-enabled system. (Attachment C provides additional details on these requirements.)

  ✓ *Step 2 (New for 2003-2004 ASR)* – Once the text file has been uploaded through the department's Web-enabled system, the school division or regional program contact person will receive an e-mail indicating that the department has received the submission. The e-mail will also state that the division or program may review the data submitted. **However, the superintendent's certification will not be made available to the division or regional program until budget office staff at the department have reviewed any warning messages or possible errors and determined that no ASR data revisions are required based on the review of the warnings report.** If possible revisions are needed, then DOE staff will contact the division or regional program for clarification or to discuss required changes. Once a revised report is submitted or DOE staff concur with a division or regional program that the original text file submission is acceptable, then the division or program will receive a second e-mail transmission indicating that the Superintendent's Verification Report, including the Superintendent's Certification, is available and ready for signature.

  ✓ *Step 3 (New for 2003-2004 ASR)* – The Superintendent's Verification Report will have an additional section called **"ASR Warnings Report"** based on the possible errors reported on the "Final Check – General Text File" worksheet. This additional page will contain all warning messages and possible errors that are shown in the Excel template. Superintendents should carefully review these messages prior to signing the certification,

especially if a school division receives a warning message that it is not in compliance with meeting required local effort.

- **New Process for Submitting ASR Excel Template -** Beginning with 2003-2004, you will **not** be required to e-mail your completed ASR Excel template to **K12budget@mail.vak12ed.edu**. Instead, you will be asked to **upload** your completed ASR Excel template from **https://eb01.vak12ed.edu/ssws** once you have been approved by the department to print your Superintendent's Certification page. Please note that you will not be able to print the Superintendent's Certification page until you have successfully uploaded your completed ASR Excel template. Please make sure you select your final completed Excel template for upload to avoid any delays in printing your Superintendent's Certification page.

- **ASR Contact Information –** In prior submissions, ASR contact information, including name, phone number, and e-mail address, was automatically populated in the "Contact Information" worksheet of the Excel template once a division or regional program was selected from the dropdown box in this worksheet. Beginning with the 2003-2004 ASR, this feature will no longer be provided and school divisions and regional programs will be required to fill in these data prior to running the error check and generating the text file for submission to the department. This change is being made in order to ensure that appropriate personnel receive e-mail notification from the department regarding the availability of the Superintendent's Certification report.

- **Guidance for calculating FTEs for both instructional and non-instructional support positions on the Annual School Report:**

  - ✓ **Instructional Positions** – For ASR reporting purposes, the number of FTE must be calculated for instructional employees who work additional hours outside the regular work day or contract period or who do not work the full extent of the contract. For instructional positions who work additional hours beyond their regular work day or contract period, report these positions as greater than one FTE position at the same proportion of the additional hours of work for the year to 1,100 hours (1,100 hours is used as the number of hours worked annually by one instructional FTE and is based on a 200-day contract multiplied by 5.5 hours of instruction per day). This adjustment is necessary to proportionally offset any compensation paid for working additional hours beyond the regular work or contract day with a corresponding partial FTE. For example, if a school division employee worked 110 hours during the year in addition to their regular work or contract day and they were compensated for these additional hours, then the FTE position for that employee would be reported as follows:

    a) $110 / 1,100 = .10$ (additional hours worked during the year in proportion to 1,100 hours for one FTE);

b) 1 + .10 = 1.10 (number of FTE positions to be reported for this employee on the ASR).

For instructional position who do not work the full contract period, summer school teachers, and substitute teachers, use the same methodology described above to determine how to prorate a FTE position. For example, if your school division does not track substitute teacher hours and/or pay a standard hourly rate so that the hourly rate could be divided into the total substitute expenditures to derive the total hours, the following methods can be used to calculate a proxy number of substitute teacher FTEs:

Example 1

1. Average Daily Rate of Pay = $42.00
2. 5.5 Instructional Hours Daily
3. $42/5.5 = $7.64 Hourly Rate
4. Your total substitute teacher cost = $19,000
5. $19,000/$7.64 = 2,486.91 Total Hours
6. 1,100 Instructional Hours = 1 FTE
7. 2,486.91/1,100 = 2.26 FTEs.

Example 2

1. Full Days Taught by Substitute(s) During the School Year = 700
2. 200 Days = Contract Period for One Full-Time Teacher
3. 700 Days / 200 Day Contract Period = 3.5 FTEs.

Please review the cell comments contained in the elementary, secondary, and district-wide FTE worksheets of the ASR for more information on the methodology that can be used to calculate instructional FTE.

✓ **Non-Instructional Support Positions** - In an effort to improve the accuracy and consistency of reporting non-instructional support position FTEs across school divisions, the department has prepared a FTE calculator to provide users with a standardized tool to calculate an FTE count based on a standard 40 hour work week for positions that may have been filled for different number of hours per week and/or for varying periods during the year. The FTE calculator, which should be used for non-instructional support positions only, is a supplemental tool only and is not required. **Whether you use the FTE calculator or not, all non-instructional support position FTEs should be calculated based on a 40 hour work week.   Please note that when you calculate FTEs for positions that work less than 40 hours per week, the average salary calculated for that FTE category will be higher than the salary actually paid; however, for purposes of ASR reporting, the key is to report FTE based on a standard 40 hour work week. The average salary calculated will reflect what the salary would be if the position was filled for 40 hours per week.**

For purposes of the ASR, one FTE is based on a 40 hour workweek for the duration of the contract period, whether it is a 9, 10, 11, or 12 month contract. The following is a sample FTE calculator. This FTE calculator can be accessed from each of the three FTE worksheets found in the ASR Excel template.

Figure 1: Non-Instructional Support Position FTE Calculator (Optional Tool Only)

In this example, each **group** should represent a number of non-instructional support employees (for instance, bus drivers or cafeteria staff), from one to 3,000, recorded in the same FTE category but employed for different hours per week and/or varying periods during the year. You may use as many groups as you need. If you need more than 20 groups, please contact Budget Office staff at (804) 225-2025 to request additional groups to be added to the work-sheet. **Head count** refers to the number of individuals (unprorated) who were employed for the same "**percent of year or contract position was filled"** and "**hours per week." Hours per week** refers to the number of hours per week each **group** of individuals was employed.

In **Figure 1** above, there are three "groups" of employees that make up one FTE category defined as bus drivers (ASR Function 63000, object 1170). This school division employed 24 individuals for 5.5 hours per day during fiscal year 2004 as bus drivers. Of the 24 individuals, 21 were employed for the full 10-month contract period and were reported as 100%. Two of the individuals were employed for only 8 months of the 10-month contract and were reported as 80%. The remaining bus driver was employed for 4.3 months of the 10 month contract and was reported as 43%. All of the positions were employed for 27.5 hours per week. To illustrate the calculation, the hours worked in one week by group 1 individuals (at 100% of contract) is divided by the standard 40 hour week, so that each bus driver works 69% of the week (27.5 hours/40 hours). The 69% figure is weighted at 100% (for 100% of the contract) and then multiplied by the headcount of 21 to yield an FTE count of 14.44 for group 1. The same calculation is used for group 2 and 3 bus drivers, so that the hours

worked by the 24 bus drivers in all three groups represents 15.83 FTE for fiscal year 2004.

For instances where one or more employees worked more than 40 hours per week, please report these employees as a separate **group** and include the additional hours above 40. "**Percent of year or contract position was filled"** refers to the percent of year, or contract, the position was filled for each group. For example, a technology specialist on a 12 month contract who leaves after 7 months should be coded as 58.33% (or 7/12ths of the contract period). If the contract period was for 10 months, the specialist would be reported as 70% (or 7/10ths of the contract period). Once you have entered all required data for a particular FTE category, simply enter the result of the FTE calculation into the appropriate cell in the FTE worksheets.

To assist with the identification of those positions that are non-instructional in nature, the worksheets for the elementary, secondary, and district-wide cost centers highlight those non-instructional positions to which the FTE calculator option could be applied.

- **New Reporting Requirements for Jointly Operated Divisions –** Beginning with 2003-2004, jointly operated divisions will submit a separate ASR for each participating school division. The ASR template has been updated to include each school division in the dropdown box found on the "Contact Information" sheet and will populate the "Revenues" sheet with data for each school division. In addition, each school division's ASR template will contain a Required Local Effort sheet. As with previous ASR submissions, the data for this sheet is automatically calculated as the ASR is completed.

- **Reporting Expenditures for Retiree Health Care Credit –** Beginning with the 2003-2004 ASR, divisions will be required to report Retiree Health Care Credit data that correspond to full-time employee salary expenditures. The ASR template contains data entry checks where necessary and will prompt divisions to include Retiree Health Care Credit expenditures when appropriate.

- **Clarification on Reporting Contractor Payments Under Object Code 3000 "Purchased Services" –** Professional service fees such as Architecture and Engineering Fees may be included in object code 3000 but should **not** include payments to contractors, builders, developers or vendors for **capital outlay**. All capital outlay expenditures, whether by contract or school division personnel, should be coded in the object code 8100 or the object code 8200 series only.

- **The following changes have been made to the 2003-2004 ASR revenues, expenditures, and balances:**

  Revenue and Expenditure Coding Changes – The following revenue and expenditure codes have been deleted or added, beginning with the 2003-2004 ASR:

State Revenue Codes Deleted:
240245 Dropout Prevention
240247 School Health Incentive Fund
240410 Technology Resource Assistants
240238 Migrant Education – State
240224 Teacher Retirement Non-Instructional
240222 Social Security Non-Instructional
240256 Group Life Insurance Non-Instructional
240225 School - to - Work
240311 Achievable Dream
240415 Western Virginia Public Education Consortium
240276 Year-round School Pilots
240310 General Education Academic Challenge
240463 Alternate Assessment
240464 Best Practice Centers
240320 CSA Technical Assistance
240321 CSA Early Intervention Services
240324 CSA Community Trust Fund for Youth and Families
240322 CSA Community Service State Pool Payments
240323 CSA Local Administration Payments
240258 Salary Supplement (replaced with 240211 – Compensation Supplement)

State Revenues Codes Added:
240210 Student Achievement Grants
240211 Compensation Supplement (replaces 240258 – Salary Supplement)
240289 Clinical Faculty Program
240415 Project Graduation
410406 Literary Fund Subsidy Grant

Federal Revenues Codes Added:
17259 Race for GED Education
20605 Driver's Education Enhancement
84287 Title VI – Part B-21
84314 Even Start – Family Literacy
84336 Title II – Teacher Quality
84357 Reading First
90600 Miscellaneous Revenue
84334 GEAR-UP Programs
84165 Magnet Schools Assistance
66466 Chesapeake Bay Restoration and Protection (moved from Section F to Section G)

Federal Revenue Codes Deleted:
17255 Pass Through Funds
84190 Christa McAuliffe Fellowship Program

93558	Temporary Assistance for Needy Families
93630	Development Disabilities Basic Grant

Expenditure Codes to be Added:

9250	Capitalized Lease Payments – Lease/Purchase *(applicable to function 67000 only)*

Beginning of Year Carry-Forward Balances Added

SOL Remediation (Local Share)
SOL Remediation (State Share)
SOL Algebra Readiness (Local Share)
School Construction (Local Share)
School Construction (State Share)
Lottery (Local Share)
Lottery (State Share)
Additional Lottery (Local Share)
Additional Lottery (State Share)

Programs Added: - Activities 61210, 61220, 61230, 61320, and 61410 have been broken out into separate spreadsheets for Elementary and Secondary cost centers. Each activity contains programs 1 through 5 (Regular, Special, Vocational, Gifted, and Other). This change is designed to correspond to regional program reporting requirements cited in the "Regional Program Reporting Issues" section of Attachment C under "Data Entry in the ASR."

- **Preview of Changes Anticipated for the FY 2005 ASR:**

Additional End-of-Year Carry-Over Balance – Budget language was added to Item 146 of Chapter 4, 2004 Acts of Assembly allowing "*any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2005, or June 30, 2006, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose.*"

Based on this language, the following end-of-year carry-over balances will be added to the 2004-2005 Annual School Report:

- Textbooks (Local Share of Matching Requirement Only)
- Textbooks (State Share Only)