

Instructions for Completing the Budgeted Required Local Effort Template for Mandatory Standards of Quality Programs Fiscal Year 2005

The Excel template combines the certification of adequate funds budgeted to meet the required local effort for the Standards of Quality (SOQ) with a spreadsheet that allows you to calculate your division's projected required local effort for SOQ programs for fiscal year 2005. The Excel template calculates projected required local effort for fiscal year 2005 based on the fiscal year 2005 SOQ per pupil amounts and sales tax distributions contained in Chapter 4, 2004 Acts of Assembly, Special Session I (2004-2006 Appropriation Act). The template allows divisions to calculate projected required local effort using either the department's projected Average Daily Membership (ADM) or locally developed ADM projections. This document provides detailed instructions for accessing the template through the department's Web site, using the template to calculate your required local expenditures for the mandatory SOQ programs, and submitting the certification form and final Excel file to the department.

Accessing and Downloading the Excel Template

- The Excel template for completing the projected required local effort calculation for fiscal year 2005 can be downloaded from the following Web address:

<http://www.pen.k12.va.us/VDOE/Finance/Budget/cdc/index.html>

- To access the template, you may either enter or click on the complete Web address as printed above or log onto the department's Website at <http://www.pen.k12.va.us>. From this home page, select the drop-down box titled "DOE Offices," click on "Finance," click on "Budget," click on "Current Data Collections," and go to the item on this page labeled "FY 2005 Certification of Adequate Budgeted Funds to Meet Required Local Effort for the SOQ." Both the Excel template and the instructions for completing the required local effort calculation are available at this site.

If you are using Internet Explorer as your Internet browser:

To download the Excel file using Internet Explorer:

1. RIGHT-CLICK on the "Excel Template" link for the FY 2005 Required Local Effort certification.
2. Select "Save Target As" and save the file to your local drive. (Note: The file will be renamed once you select your school division from the drop-down box. Make sure you do not change the file name assigned to your file.)
3. Once the file is saved, close Internet Explorer and open the file using Excel.

If you are using Netscape as your Internet browser:

To download the Excel file using Netscape, click on the "Excel Template" cell located next to the link for the FY 2005 Required Local Effort certification. After you click on the file name on the Web site, you will be prompted to open the file or save it to a drive. You may choose either option.

After the File has been Downloaded:

After you have opened the Excel template, a box will appear warning you that the file contains macros. The box will prompt you to disable the macros or to enable the macros. **In order for the template to operate correctly, you must click on the "ENABLE MACROS" button.**

Completing the "State and Local Funds" Worksheet Using the Department's Fiscal Year 2005 ADM Projections

- This spreadsheet offers two options for calculating your division's required local expenditures for the mandatory SOQ programs. You can choose to calculate required local expenditures using the department's fiscal year 2005 Average Daily Membership (ADM) projections for your division or you can choose to calculate required local expenditures using a local ADM projection for fiscal year 2005. To begin using the template:
 - A. Select your division using the drop-down box located at the top of the spreadsheet. A box will appear that asks you to confirm that you have chosen the correct division. If the division name is correct, click "Yes." If you have selected the wrong division, click

"No" and select the correct division using the drop-down box.

- B. After you have confirmed your division selection, a box will appear that notifies you that the file will automatically be saved to the following location on your computer's hard drive:

`C:/Doe_Data/RLE_Certification/Budgeted RLE - (division number)FY05.xls`

- C. An Excel macro will calculate the projected required local expenditures for the SOQ programs offered in fiscal year 2005 based on DOE's latest ADM projections for your division and the SOQ per pupil amounts and Sales Tax estimate for your division as contained in Chapter 4, 2004 Acts of Assembly, Special Session I (2004-2006 Appropriation Act).

Special Note for Fiscal Agents of Jointly Operated Divisions

Each locality participating in a jointly operated school division must individually report their budgeted and actual expenditures to meet required local effort. Prior to fiscal year 2004, jointly operated divisions reported expenditures to meet required local effort for both localities in total. For fiscal year 2005, the following jointly operated school divisions (**Bedford County-Bedford City, Fairfax County-Fairfax City, Greensville County-Emporia, and James City County-Williamsburg City**) must submit separate budgeted required local effort reports and certifications.

Completing the "State and Local Funds" Worksheet Using Your Division's Fiscal Year 2005 ADM Projections

- After you have completed steps A. through C. above, click on the button labeled "Click Here to Change ADM After Selecting Division" if you wish to change ADM. You will then view a text-box with two buttons, one to allow you to use DOE's ADM projections and one to allow for use of local ADM projections. If you wish to use your locally developed ADM projections, you should choose the button labeled "Local Projections." When prompted, enter your division's projections for both unadjusted ADM and ADM adjusted for half-day kindergarten. (If your division's ADM is not adjusted for half-day kindergarten, these

projected ADM figures will be the same.) An Excel macro will calculate the required local expenditures for the SOQ programs for fiscal year 2005 based on the local ADM projections entered into the spreadsheet. (Should you choose to go back to using DOE's projected ADM, you should again click the button labeled "Click Here to Change ADM After Selecting Division" and choose the button in the text-box marked "DOE Projections").

Completing the Required Local Effort Worksheet for Fiscal Year 2005

General Notes: In order to provide the information needed for the fiscal year 2005 required local effort data collection, you will need to estimate budgeted total expenditures and state, federal, and local revenues as they would be reported on the 2004-2005 Annual School Report. The "FY 2005 Budgeted RLE" worksheet also contains numerous cell comments providing additional guidance and should be reviewed as the data are entered.

You are only allowed to enter data into shaded cells on the worksheet; all other cells will automatically be updated by formula.

The following information explains the data that will be entered in Sections I to V of the worksheet:

✓ **SECTION I**

- **Total budgeted expenditures for fiscal year 2005**
- Enter the estimated total expenditures planned for fiscal year 2005 in this cell. Include all educational programs, both operational and capital, and all fund sources in this estimate.
- **Capital Outlay Additions** - Enter budgeted expenditures that would be categorized in all functions under object codes 8200, 8210, and 8220. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for function, activity, and object code definitions. *(This deduction is required per language in the Appropriation Act.)*
- **Facilities** - Enter budgeted expenditures that would be categorized in function 66600, object code 8100 and/or activity 68800, object codes

8110 and 8120. You should also enter budgeted expenditures for function 69800, object codes 8100, 8110, and 8120. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for function, activity, and object code definitions. *(This deduction is authorized per language in the Appropriation Act.)*

- **Debt Service** - Enter budgeted expenditures that would be categorized in functions 67100 and activity 69900. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for function and activity definitions. *(This deduction is authorized per language in the Appropriation Act.)*

- **School Nutrition, Enterprise & Community Services** - Enter budgeted expenditures that would be categorized under functions 65100, 65200, 65300, 68700, and 69700 (excluding object codes 8210 and 8220). Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for function definitions. *(Please note: These expenditures are not considered part of a school division's cost of operations relating to the Standards of Quality and should therefore be excluded.)*

- **Budgeted Intra-Fund Transfers (67200)** - Enter any transfers budgeted under this activity in object code 9400. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for activity and object code definitions. *(These transfers are not considered part of a school division's operational costs and should be deducted.)*

- **Budgeted Inter-Fund Transfers (67300)** - Enter any transfers budgeted under this activity in object codes 9600 and 9700. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for activity and object code definitions. *(These transfers are not considered part of a school division's operational costs and should be deducted.)*

- **Excluded Programs** - Please enter any budgeted expenditures that would be coded to cost center

9, programs 7, 8, and/or 9. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for function, activity, object code, and cost center definitions. *(Programs 7, 8, and 9 relate to adult education, non-regular day school, and non-LEA programs and are therefore not considered part of the operational costs related to the Standards of Quality. These expenditures should be deducted.)*

- o **Total Excluded Budgeted Expenditures** - This cell does not require any data entry. It contains a formula that deducts the sum of items 1 through 3 and the budgeted transfers and program exclusions from total budgeted expenditures.

✓ **SECTION II**

- o **Projected Sales Tax** - This field is automatically populated with the DOE's latest Sales Tax estimate for fiscal year 2005. If you wish to use a different Sales Tax projection, you may enter your projection in this cell and override the formula. *(This deduction is authorized per language in the Appropriation Act.)*
- o **Other State Funds** - Enter your estimate of **TOTAL** state revenues from **ALL** sources for fiscal year 2005 **excluding only** state revenues related to equipment, pre-school, school food, and adult education/literacy, as these revenues are not part of the definition of operational costs as they relate to the Standards of Quality and have already been accounted for as an excluded expenditure in Section I above:

240238	Sales Tax (already included in a separate entry as referenced above)
240281	At-Risk Four-year-olds
240220	State Operated Programs
240295	Special Education in Jails
240218	Career & Technical Education Adult Education
240262	Career & Technical Education Adult - Regional Program
240252	Career and Technical Education Equipment

240206 Adult Education
240240 Adult Literacy
240215 School Nutrition

o **Carry-Forward State Funds from Prior Year -**

Includes state funds paid from the Department of Education as well as other state agencies. (*This amount represents a deduction because the funds were accrued in the prior fiscal year.*)

Beginning of year carry-forward balances will include unexpended fiscal year 2004 funds related to the following programs:

240274 SOL Remediation
240405 SOL Algebra Readiness
240306 School Construction Grants Program
240233 Lottery

o **Unspent State Funds (at end of fiscal year) -**

Enter the budgeted amount of state funds that you anticipate will remain unexpended as of June 30, 2005. (*The amount entered into this cell represents an addition because the funds will not be expensed in the current fiscal year and are not part of current year operational costs.*)

Unspent state funds include unexpended fiscal year 2005 funds related to the following programs:

240405 SOL Algebra Readiness
240306 School Construction Grants Program
240233 Lottery
240214 Textbook Payments

o **Budgeted Capital Expenditures paid from State**

Funds - Enter the budgeted amount of expenditures from state funds related to object codes 8100, 8110, and 8120 (capital outlay replacements) in activities 66100 to 66600, 68800, and 69800. You will also need to include budgeted expenditures amounts related to 8200, 8210, and 8220 across all functions. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for activity and object code definitions. (*Please note that this entry adds back part of the capital deduction taken in*

Section I in order to ensure that state funds related to capital outlay are not deducted twice.)

- **Budgeted Debt Service Expenditures paid from State Funds** - Enter the budgeted amount of expenditures from state funds related to function 67100. (*Please note that this entry adds back part of the debt service deduction taken in Section I in order to ensure that state funds related to debt service are not deducted twice.*)

- **Total Projected State Revenues to be Excluded** - This cell does not require any data entry. The cell contains a formula that deducts Sales Tax, Other State Funds, and Carry-Forward State Funds and adds Unspent State Funds, Capital Expenditures paid from State funds, and Debt Service Expenditures paid from State funds. The sum total of these deductions and additions becomes an adjustment to total budgeted expenditures.

✓ **SECTION III**

- **Other Federal Funds** - Enter your estimate of TOTAL federal revenues from ALL sources excluding only the following federal revenues related to pre-school, school food, federal impact aid and land-use, and adult education/literacy, as these revenues are not part of the definition of operational costs as they relate to the Standards of Quality and have already been accounted for as expenditure exclusions in Section I above:

- 84173 - Special Education Preschool
- 93600 - Head Start
- 81815 - Impact Aid
- 81874 - Impact Aid
- 10665 - Forest Reserve
- 12112 - Federal Land Leasing
- 84002 - Adult Literacy
- 84213 - Even Start
- 10553 - School Food
- 10555 - National School Lunch Program
- 10556 - Special Milk Program for Children

- **Carry-Forward Federal Funds from Prior Year -**
Includes federal funds paid by the State Department of Education or directly by federal agencies that are carried forward at June 30, 2004. *(This amount represents a deduction because the funds were accrued in the prior fiscal year.)*

- **Unspent Federal Funds (at end of fiscal year) -**
Enter into this cell those federal funds received in fiscal year 2005 that you anticipate will remain unexpended as of June 30, 2005. *(This amount represents an addition because the funds will not be expensed in the current fiscal year and are not part of current year operational costs.)*

- **Budgeted Capital Expenditures paid from Federal Funds -** Enter the budgeted amount of expenditures from federal funds related to object codes 8100, 8110, and 8120 (capital outlay replacements) in activities 66100 to 66600, 68800, and 69800. You will also need to include budgeted expenditures amounts related to 8200, 8210, and 8220 across all functions. Please refer to Attachment D of the 2003-2004 Annual School Report (ASR) instructions for activity and object code definitions. *(Please note that this entry adds back part of the capital deduction taken in Section I in order to ensure that federal funds related to capital outlay are not deducted twice.)*

- **Total Projected Federal Revenues to be Excluded -**
This cell does not require any data entry. The cell contains a formula that deducts Other Federal Funds and Carry-Forward Federal Funds and adds Unspent Federal Funds and Capital Expenditures from Federal Funds. The sum total of these deductions and additions becomes an adjustment to total budgeted expenditures.

✓ **SECTION IV**

- **Other Local Funds -** This entry will be deducted from total budgeted expenditures. *(This deduction is authorized per language in the Appropriation Act.)* Enter your estimate of revenues from the following sources:

1901010 Tuition from Another County
or City
1901020 Other Payments from Another
County or City

✓ **SECTION V**

- o Net Local Expenditures for Operations - The total displayed in this cell represents your division's estimated net operating expenditures budgeted for meeting the division's required local effort from local fund sources for fiscal year 2005.

BUDGETED REQUIRED LOCAL EFFORT FOR FISCAL YEAR 2005 - The figure calculated in Section V is compared against the required local effort calculation in the "State and Local Funds" worksheet. If your division has met required local effort on a budgeted basis for fiscal year 2005, then a message will be displayed indicating that your division has met all local effort requirements related to the Standards of Quality. Conversely, if your division has not met its local effort requirement, a message to this effect will be displayed: **"For purposes of complying with § 22.1-94 of the Code of Virginia, net local expenditures from operations must be greater than or equal to zero compared to required local effort for fiscal year 2005."** If this is not the case, then you must review and recalculate your division's local operating expenditures before continuing or you must request additional local appropriation.

Submitting the Certification Form to the Department of Education

After completing the "Required Local Effort" worksheet, click on the button labeled "Press Here to Check for Errors After Completing this Worksheet" at the top of the "FY 2005 Budgeted RLE" worksheet.

If the local funds that your division plans to spend for operations are less than the projected required local effort for SOQ programs in fiscal year 2005, a Superintendent's Certification form will appear. This form requires the division superintendent to certify that additional local appropriation will be requested from the local governing body in order to meet the local effort requirements for fiscal year 2005. If you are not able

to obtain sufficient additional local appropriation, please contact budget office staff at (804) 225-2025.

If the local funds your division plans to spend for operations are greater than or equal to the projected required local effort for SOQ programs in fiscal year 2005, a Superintendent's Certification form will appear requiring the division superintendent to verify the accuracy of all submitted data.

For both certification forms, enter the name of the division superintendent and the date for completing the worksheet in the shaded cells inside the certification box and e-mail the file by December 3, 2004, to (<mailto:k12budget@mail.vak12ed.edu>). A hardcopy of the Certification Form must be signed by the division superintendent and mailed by December 3, 2004, to:

**Virginia Department of Education
Attention: Budget Office
P. O. Box 2120
Richmond, Virginia 23218-2120**

Thank you for completing the budgeted required local effort certification for fiscal year 2005.