

Instructions for Accessing the Entitlement Calculation Template for Governor Kaine's Proposed Amendments to the 2006-2008 Biennial Budget

A downloadable Excel file has been created to allow school divisions to calculate their projected state entitlements and required local matches for the Standards of Quality (SOQ), incentive, categorical, and school facilities accounts based on Governor Kaine's proposed amendments to the 2006-2008 biennial budget.

This file also allows divisions to change average daily membership (ADM) projections to test the effect on the projected state entitlements and required local matches. The file is provided for your use and does not have to be returned to the Department of Education. The Excel file is located on the department's Web site at the following Web address:

<http://www.doe.virginia.gov/VDOE/Finance/Budget/calctools.html>

The Web address noted above brings you to the Budget Office's "Calculation Templates" Web page. To download the Excel file, click on the "Excel Template" cell located next to the item labeled "Governor's 2006-2008 Introduced Budget Amendments (December 2006)."

You may also access the template by logging onto the department's Web site at <http://www.doe.virginia.gov>. From this home page, select the drop-down box in the top right hand corner of the page, titled "DOE Offices." From this option, click on "Finance;" click on "Budget Office;" click on "Calculation Templates;" and click on the "Excel Template" option located next to the item labeled "Governor's 2006-2008 Introduced Budget Amendments (December 2006)."

Please follow the steps below to access the Excel file if you use **Internet Explorer** as your Internet browser:

1. RIGHT-CLICK on the "Excel Template" link for the corresponding entitlement sheets.
2. Select "Save Target As" and save the file to your local drive.
3. Once the file is saved, close Internet Explorer and open the file using Excel.
4. 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. Please note that in order for the

template to operate correctly, you must click on the "ENABLE MACROS" button.

If you are prompted with a **Microsoft Visual Basic** error, please see instructions below on adjusting macro security levels in Excel.

Please follow the steps below to access the Excel file if you use **Mozilla Firefox** or **Netscape** as your Internet browser:

1. 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.
2. 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. Please note that in order for the template to operate correctly, you must click on the "ENABLE MACROS" button.

If you are prompted with a **Microsoft Visual Basic** error, please see instructions below on adjusting macro security levels in Excel.

Please follow the steps below if you are prompted with a **Microsoft Visual Basic** error alerting you to disabled macros in Excel:

1. Select the "Tools" menu from the drop-down options at the top of the spreadsheet.
2. Select "Macro;" then select "Security." Set the security level at "Medium." This will give you the option to disable or enable macros.
3. You must exit out of the spreadsheet and reopen the calculation template file for the macro security changes to take effect.
4. When accessing the calculation templates from the Department of Education, you must click on the "ENABLE MACROS" button before using the spreadsheets.

Please note that beginning with the 2006-2008 biennium, the commonwealth is using a new budgetary structure (i.e., "service areas") for budgeting state Direct Aid to Public Education funds. These new service areas generally correlate with the previously used budget structure; the service area structure further differentiates the school construction and lottery funds from the Group III - Incentive Accounts, where these funds were previously categorized, into a separate "School Facilities"

service area. You may also notice that some Direct Aid accounts have moved from one group to another. Please contact the budget office if you have any questions about the new budget structure.

The Excel file consists of 12 spreadsheets that are described below:

The first spreadsheet, labeled "Instructions," contains instructions for using the Excel template. Please review this spreadsheet carefully, as it provides specific guidance for calculating projected entitlements and required local matches. Once you have finished reading this spreadsheet, click on the blue button marked "Click here to continue" to proceed to other spreadsheets in the file.

The second spreadsheet, labeled "State & Local Funds Worksheet," contains the spreadsheet that is used to calculate projected state entitlements and required local matches to state funds for fiscal years 2007 and 2008:

1. Select your division using the drop-down box located at the top of the sheet labeled "State & Local Funds Worksheet." 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\Governor's Budget\Governor's Amended Budget 12-15-06.xls

2. Next, 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.
3. After you have confirmed your division selection, you will be prompted with a form that provides you with DOE's current FY 2007 and FY 2008 ADM projections and you may either select the "Use DOE's Projected ADM" button, or if you want to use your own ADM projections, select the "Use Local Projected ADM" button and follow the instructions as presented. Please note that changing ADM in the calculation template only changes the estimated funding for accounts that are funded on the basis of ADM. Also note that, for each fiscal year, the payment of semi-monthly SOQ entitlements and other accounts paid on the basis of ADM are based only on DOE projections of division March 31 ADM, pending the recalculation of final

entitlements based on actual March 31 ADM at the end of each fiscal year.

The third spreadsheet, labeled "Budget Variables," provides an overview of all budget variables used in the calculation of state entitlements and required local matches. Per pupil amounts, fringe benefit rates, compensation supplement equivalency tables, funded salaries, and cost of competing adjustment (COCA) rates are included in this spreadsheet for your information.

The fourth spreadsheet, labeled "Required Local Effort," summarizes the division's projected required local effort for the Standards of Quality programs in fiscal years 2007 and 2008. No data entry is required as this sheet uses the data from the "State and Local Funds Worksheet" to calculate required local effort.

Please note that the hold harmless sales tax payment included in the Governor's amended budget, as well as increases in Enrollment Loss and Supplemental Basic Aid, are treated as a credit that is deducted from each school division's projected required local effort for SOQ programs in fiscal year 2007 only. This credit toward meeting required local effort in fiscal year 2007 is included in this worksheet, and is deducted from the calculated required local effort total. The value of the credit is updated for budget actions contained in the Governor's introduced budget.

Please note that this "Hold Harmless Sales Tax Credit (FY 2007 Only)" shown on line 25 of this spreadsheet incorporates the revised sales tax estimate into the calculation of the credit. Because the fiscal year 2007 sales tax estimate was increased in the Governor's amended budget, the total amount of the required local effort credit for each school division has decreased. School divisions should recognize that this credit attributed to the calculation of required local effort has changed, and may affect whether or not the division will meet required local effort in fiscal year 2007.

The fifth spreadsheet, labeled "Budgeted Local Operational Exp.," is a template that school divisions can use to estimate required local expenditures for the SOQ for fiscal years 2007 and 2008. This form is intended for planning purposes only, and does not take the place of the required reporting to the department for budgeted or actual required local effort.

The sixth spreadsheet, labeled "Hold Harmless Sales Tax," details the increased sales tax estimate for fiscal years 2007 and 2008 included in the Governor's amended budget. The increased sales tax estimate for fiscal year 2007 correspondingly decreases the amount of hold harmless sales tax payments distributed in fiscal year 2007 only. The Chapter 10 budget included a hold harmless sales tax payment to school divisions in fiscal year 2007 only. This spreadsheet displays the original hold harmless sales tax payment amount approved in Chapter 10, as well as the incremental decrease in this payment resulting from the increased fiscal year 2007 sales tax estimate. Column J shows the projected fiscal year 2007 hold harmless sales tax payments based on the sales tax estimate included in the Governor's introduced budget that will be made to school divisions on a quarterly basis. Please note that the hold harmless sales tax payments for fiscal year 2007 are not final and may be adjusted again based on changes adopted by the General Assembly or based on actual state sales tax receipts for fiscal year 2007 as finalized in June 2007.

The seventh spreadsheet, labeled "Basic Aid," displays the instructional and support cost components of the Basic Aid per pupil amounts for each division and the calculation of the state and local shares of Basic Aid cost for fiscal years 2007 and 2008.

The eighth spreadsheet, labeled "Funded Positions," displays the funded Basic Aid support positions salary cost, as well as the funded SOQ instructional positions. This information was frequently requested by individual school divisions, and is now included in the calculation template for your information.

The ninth spreadsheet, labeled "K-3," displays the actual fiscal year 2007 and projected fiscal year 2008 school-level entitlements for the K-3 Class Size Reduction program. Please note that the calculations use base-year October 2004 free lunch eligibility data. New schools that open during each fiscal year will be assigned the division-average free lunch eligibility rate for calculation purposes in the first year of operation only; in subsequent years, the actual school-level eligibility percentages will be updated and used.

The tenth spreadsheet, labeled "Statewide Totals," provides information on total state and local shares of funding for Direct Aid accounts for all school divisions in fiscal years 2007 and 2008.

The eleventh spreadsheet, labeled "Account Funding Matrix," contains a summary of Direct Aid account information for fiscal years 2007 and 2008. This sheet explains which accounts are based on Fall Membership or ADM and which accounts require a local match. There is also information on whether an account is automatically paid each fiscal year beginning on the July 16 payment or whether the program requires an application or certification prior to payment.

The twelfth and final spreadsheet, labeled "Account Funding Explanations," provides information on funding formulas for the SOQ, school facilities, incentive, and categorical accounts.

If you have any questions about this information, please contact the Department of Education Budget Office at (804) 225-2025.