

School Fund Revenue

State Revenue

State revenues will provide \$61,294,516, or 42.2% of the school fund FY05 budget. These revenues are divided into three categories:

Sales Tax

Included revenue from a 1% portion of state sales tax returned to localities, designated for public school education. This component of state sales tax is distributed on the basis of a locality's school age population. The FY05 estimated amount of state sales tax is \$12,147,192.

Standards of Quality Funds (SOQ)

These funds are distributed upon an "equalized" formula, which takes into account a locality's ability to pay. This "composite index" is applied to various revenue accounts to insure an equitable distribution of state funds to all school districts. The State assumes a 55/45 sharing of the cost to fund the SOQ. A locality of average wealth would exhibit a .5500 composite index. Hanover's composite index was decreased to .4539 representing that Hanover's wealth is growing at a slower rate than the State average. This most recent adjustment to the state-wide formula sees a majority of localities experiencing a similar decrease, due to the extraordinary increase in Northern Virginia's wealth and its significant influence on the state average. The State provides 54.61% of the estimated SOQ cost with Hanover providing 45.39%. For each SOQ item, the State has established a per pupil cost for each locality based upon the school district's cost experience and the State's established staffing for the specific initiative. In all cases Hanover exceeds the State's minimum staffing requirement. State revenue for the item is established by multiplying the number of students in average daily membership by the per pupil amount, then by the composite index.

The composite index is calculated as follows:

| | | | | | | | |
|----------------------------------|---------------------------------------|--------|----------------------------|------|-------------------------------------|---|-------|
| | Local property value/local ADM* | | Local AGI/local ADM | | Local retail sales/local ADM | | ADM |
| .5 X | State property value/state ADM | + .4 X | State AGI/state ADM | +1 X | State retail sales/state ADM | = | INDEX |
| | | | | | | | |
| | Local property value/local population | | Local AGI/local population | | Local retail sales/local population | | ADM |
| .5 X | State property value/state population | + .4 X | State AGI/state population | +1 X | State retail sales/state population | = | INDEX |
| | | | | | | | |
| * ADM = average daily membership | | | | | | | |

State Categorical Funds

This funding stream is offered as an offset to specific services provided by the local school district. Funds are provided in direct relation to the cost and level of services provided.

Federal Revenue

Amounts in this section of the revenue budget represent the Federal offset of certain specific programs. Some of these programs require a local funding match, while other programs are fully funded (self-sustaining). Most of the self-sustaining programs are mandated or grant initiatives. It is expected that at the end of the year these programs will be cost/revenue neutral. Federal funds will provide \$5,078,925 or 3.5% of the school's estimated revenue.

School Fund Revenue

Other Revenue

Revenue in this section is derived from non-governmental sources. For the most part these funds represent fees for services and specific cost recoveries. These "other revenues" will provide \$1,327,722, or.9% of the school's budget.

Tuition is charged to non-resident students in the amount of \$3,790. This fee is based on the total general fund appropriation to the school fund less debt service, divided by the total enrollment. The fee for FY05 has been increased in proportion to the increase in local revenue supporting the regular operating budget. The acceptance of non-resident students is contingent upon the capacity of the school.

Local Revenue

Includes local funds for regular school operation including the local share of the State Standards of Quality. Additional local funds are appropriated for debt service, the continuous maintenance program, technology enhancements, and environmental projects. Local revenues will provide \$76,607,619, or 53.1% of the school's budget.

Local funding of the School's budget is determined by a mutually agreed upon funding target methodology. This methodology is sensitive to both enrollment and cost increases. The target is established for a period of five years and is updated annually.

School Fund Revenue

| | <u>FY03</u> <u>Budget</u> | <u>FY03</u> <u>Actual</u> | <u>FY04</u> <u>Budget</u> | <u>FY05</u> <u>Budget</u> | <u>Percent</u> <u>Change</u> | <u>Dollar</u> <u>Change</u> |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|--------------------------------|
| Charges for Services | | | | | | |
| Tuition Payments | \$ 380,957 | \$ 289,613 | \$ 393,385 | \$ 430,903 | 9.5% | \$ 37,518 |
| Drivers Ed Fees | 127,404 | 57,813 | 127,404 | 151,626 | 19.0% | 24,222 |
| Student Parking Fees | 35,000 | 33,640 | 35,000 | 35,000 | 0.0% | - |
| Charges for Services | \$ 543,361 | \$ 381,067 | \$ 555,789 | \$ 617,529 | 11.1% | \$ 61,740 |
| Recovered Costs | | | | | | |
| Miscellaneous Refunds | \$ 129,000 | \$ 312,867 | \$ 268,388 | \$ 390,300 | 45.4% | \$ 121,912 |
| Payments-Other | | | | | | |
| Agencies | 191,376 | 29,696 | - | 8,300 | 100.0% | 8,300 |
| Recovered Costs | \$ 320,376 | \$ 342,563 | \$ 268,388 | \$ 398,600 | 48.5% | \$ 130,212 |
| Intergovernmental | | | | | | |
| Non-Categorical State Aid | | | | | | |
| Basic Aid | \$ 30,501,294 | \$ 30,652,410 | \$ 32,139,289 | \$ 36,779,098 | 14.4% | \$ 4,639,809 |
| Vocational Education - | | | | | | |
| SOQ | 266,103 | 267,380 | 272,733 | 375,826 | 37.8% | 103,093 |
| Special Education-SOQ | 2,560,090 | 2,572,380 | 2,614,476 | 3,544,954 | 35.6% | 930,478 |
| Gifted and Talented-SOQ | 330,334 | 331,920 | 338,565 | 385,983 | 14.0% | 47,418 |
| Remedial Education | 266,103 | 388,944 | 474,244 | 506,235 | 6.7% | 31,991 |
| Fringe Benefits | 2,459,095 | 2,502,509 | 2,526,230 | 3,833,835 | 51.8% | 1,307,605 |
| Other Categorical | 2,414,368 | 3,383,942 | 3,273,104 | 3,446,816 | 5.3% | 173,712 |
| Non-Categorical State Aid | \$ 38,797,387 | \$ 40,099,485 | \$ 41,638,641 | \$ 48,872,747 | 17.4% | \$ 7,234,106 |
| Categorical State Aid | | | | | | |
| Sales Tax | \$ 10,865,433 | \$ 10,686,689 | \$ 11,398,766 | \$ 12,147,192 | 6.6% | \$ 748,426 |
| Foster Home Children | 96,656 | 82,916 | 96,656 | 84,270 | -12.8% | (12,386) |
| General Adult Education | 9,450 | 9,234 | 9,450 | 9,450 | 0.0% | - |
| Vocational Education | 62,153 | 44,939 | 45,839 | 46,825 | 2.2% | 986 |
| Other Categorical | 957,190 | 154,567 | 126,890 | 134,032 | 5.6% | 7,142 |
| Categorical State Aid | \$ 11,990,882 | \$ 10,978,345 | \$ 11,677,601 | \$ 12,421,769 | 6.4% | \$ 744,168 |
| Total State Aid | \$ 50,788,269 | \$ 51,077,830 | \$ 53,316,242 | \$ 61,294,516 | 15.0% | \$ 7,978,274 |

School Fund Revenue

| | FY03 | FY03 | FY04 | FY05 | Percent | Dollar |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Budget</u> | <u>Change</u> | <u>Change</u> |
| Categorical Federal Aid | | | | | | |
| Drug Free Schools Grant | \$ 58,808 | \$ 55,410 | \$ 58,808 | \$ 58,816 | 0.0% | \$ 8 |
| Carl Perkins Grant | 135,157 | 154,232 | 135,157 | 160,415 | 18.7% | 25,258 |
| Preschool Grants | 87,467 | 87,524 | 87,500 | 87,524 | 0.0% | 24 |
| Basic Skills-Adult | 22,000 | 35,340 | 22,000 | 48,116 | 118.7% | 26,116 |
| Title I | 501,498 | 639,160 | 690,737 | 672,387 | -2.7% | (18,350) |
| Title II | | 293,000 | 358,666 | 335,605 | -6.4% | |
| Title V | 63,248 | 55,964 | 69,802 | 73,972 | 6.0% | 4,170 |
| Title VI-B Flow Thru | 1,826,305 | 1,989,581 | 2,049,905 | 2,462,564 | 20.1% | 412,659 |
| Head Start | 689,634 | 849,962 | 831,294 | 915,164 | 10.1% | 83,870 |
| Other Federal Funds | 382,387 | 324,329 | 250,373 | 264,362 | 5.6% | 13,989 |
| Categorical Federal Aid | \$ 3,766,504 | \$ 4,484,501 | \$ 4,554,242 | \$ 5,078,925 | 11.5% | \$ 547,744 |
| Total Intergovernmental | \$ 54,554,773 | \$ 55,562,331 | \$ 57,870,484 | \$ 66,373,441 | 14.7% | \$ 8,526,018 |
| Miscellaneous | | | | | | |
| Refunds and Rebates | \$ - | \$ 103,319 | \$ 75,000 | \$ 65,000 | -13.3% | \$ (10,000) |
| Sale of School Buses and equipment | 10,000 | 13,392 | 5,000 | 5,000 | 0.0% | - |
| Gifts and Donations | 173,345 | 5,000 | - | 55,000 | 100.0% | 55,000 |
| Miscellaneous Revenue | 188,388 | 79,530 | 173,345 | 186,593 | 7.6% | 13,248 |
| Miscellaneous | \$ 371,733 | \$ 201,241 | \$ 253,345 | \$ 311,593 | 23.0% | \$ 58,248 |
| Interfund Transfers-In | | | | | | |
| Transfers from the General Fund | \$ 66,655,799 | \$ 65,007,388 | \$ 71,510,423 | \$ 76,607,619 | 7.1% | \$ 5,097,196 |
| Interfund Transfers-In | \$ 66,655,799 | \$ 65,007,388 | \$ 71,510,423 | \$ 76,607,619 | 7.1% | \$ 5,097,196 |
| Total | \$ 122,446,042 | \$ 121,494,590 | \$ 130,458,429 | \$ 144,308,782 | 10.6% | \$ 13,873,414 |