

Virginia Locality School Revenue Sharing Formulas
Analysis by ASC LLC As Of: October 1, 2016

Revenue Sharing Formula Fact	Va Beach City	Hampton City	Roanoke County	Roanoke City	Prince George County
Locality Contact	Budget Director	Budget Director	Budget Director	Ordinance Review	Budget Director
1 Formula Origination:	1998; eliminated for a couple of years	1999; loosely administered; have deviated; years of tax increases for schools but not part of calculation	pre 2000; honored annually with exception of 1 year economic downturn	2011; last revision 2014	2006
2 Enforced By:	Council Policy (leaves Council discretion)	no formality; "endorsed" by Council & Schools	MOU (leaves Board discretion)	Council Policy	MOU
3 Formula Document Location:	Operating Budget Appendix	Operating Budget p.29	Operating Budget p. 237, 238; revenues on page 95;	TBD	Sent by Budget Director
4 Formula Requirements:					
a Includes general property & local taxes only	✓	NO	✓	✓	✓
b Includes current Residential taxes only (no commercial; delinquent, penalty, or interest)	NO	✓	NO	NO	NO
c Removes dedicated revenue & E.D. incentives	✓	NO	✓	✓	NO
d Must meet SOQ clause	✓	NO	NO	NO	NO
e Includes payroll % of school budget as factor	NO	NO	✓	NO	NO
f Includes ADM/population ratio (3 year rolling average annual change)	NO	NO	✓	NO	✓ (enrollment as a percentage of County population)
g Adjusts for State/Fed/Other funding Provides extra \$.04 above formula to offset prior State funding reductions; adjusted downward with State increases until eliminated	NO	NO	NO	NO	✓
h Procedure to request additional funds (resolution requesting R.E. increase)	✓	NO	NO	NO	NO
i Subject to adjustment annually	✓	✓	✓	✓	✓
5 Annual True Up Required?	Yes, Projected for budget; true up at year end; netted against any reversion funding AFTER MEETING GF FUND BALANCE RESERVE POLICY	No, base is reset based on prior year actual	No; Formula is on projected revenue; surpluses drop to respective bodies for use in capital needs	Yes	No; formula is based on projected revenues

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6 % Shared:	32.37% of net revenues	61.83% of current residential R.E., personal property, and utility taxes (no commercial, delinquent)	42.78% of net revenues & adjusts annually	40% of net revenues	2007 was the base year and is adjusted annually by a 5-year rolling average of school enrollment as a percentage of County population. In FY17 adopted was 43.13%
7 How was % derived?	backed into % in implementation year to reach actual contribution provided	Unknown	Unknown	TBD	In FY 2007, the transfer was the budgeted FY 2006 transfer plus 50% of the budgeted increases/decreases in the dedicated revenue categories which was then used as the benchmark for calculating the following fiscal years
8 Calculation Frequency?	Annually	Annually	Annually	Annually	Annually
9 Calculation Administration Procedures?	Respective staff's meet regularly to review estimates/impacts; very collaborative	just give to Schools number - no process	County Calculates and Places in Budget	timeline for calculation; remittance & payment true up	County Calculates and Places in Budget
10 Consideration of Capital or Debt Funding?	No - Capital & Debt is provided above the funding formula calculation	No - Capital includes set \$5.3M annually for maintenance and debt is considered seperately	No - Capital & Debt is provided above the funding formula calculation	Yes - Allocation to cover both operating and capital/debt needs	
11 Consideration of Shared Service Expenses?	No	No	No	TBD	No
12 Benefits of Formula Use?	reduces political battles; collaboratively developed; manages expectations	level of certainty to both sides; reduces political battles; partnership in appeals to public	reduces political battles	TBD	
13 Concerns of Formula Use?	doesn't account for State/Fed swings or service population changes	none shared	don't get to discuss prioritization etc. with a formula	TBD	

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14 Revenue Sharing Formula Calculation Elements:					
General Property Taxes:					
Real Property	X	X - current residential only	X	X	X
Public Service Corporation	X		X	X	
Personal Property	X	X - current residential only	X	X	X
Penalties and Interest	X	no - upcoming year only	X	X	
Other Local Taxes:					
General Sales	X		X	X	X
Communications Sales	X		X	X	
Utility Taxes (Electric / Gas)	X	X - current residential only	X	X	X
Utility Taxes -Consumption	X	X - current residential only	X	X	X
VA Telecommunications	X	X - current residential only	X	X	
Business License	X		X	X	
Automobile License	X		X	X	X
Cable Franchise	X		X	X	
Cigarette	X		X	X	
Bank Stock	X		X	X	
Recordation & Probate	X		X	X	
Admissions	dedicated		X	X	
Lodging	X		X	less 1/8th dedication	
Meals	X		X	X	
Permits/ Fees / License					
Fines / Forfeitures					
Revenue from Use of Money / Property					
Revenue from the Commonwealth - PPTR				X	X
Charges for Services:					
Miscellaneous:					

SOURCES: <https://www.vbgov.com/government/departments/budget-office-management-services/budget-archives/Documents/fy16-adopted-budget/FY%202015-16%20Adopted-Operating.pdf>
<https://www.hampton.k12.va.us/departments/finance/Superintendent's%20Approved%20FY15%20Budget%20-%20FINAL.pdf>
<http://www.roanokecountyva.gov/DocumentCenter/View/7942>