

FY 2023 Budget Work Session

JANUARY 15, 2022

Budget Priorities & The Strategic Plan

FY 2023 Budget Priorities
Reconfiguration
Focus on Student Programs
Staff Compensation & Benefits

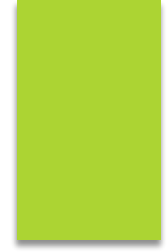
Strategic Plan - 3 Focus Areas
Safe and Supportive Schools
Academic Excellence
Organizational Supports



Our Mission:
Every Learner. Every Day. Everyone.



Coronavirus Aid Relief Economic Security (CARES) & Subsequent Funding

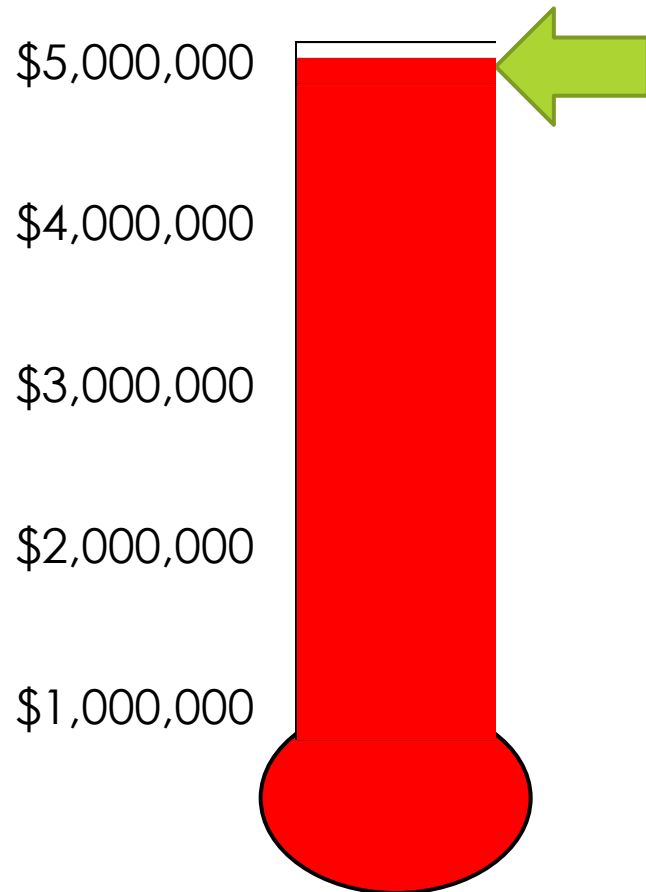


Source Description	Acronyms	Issue Date	Spend Down Deadline	Award Amount
Coronavirus Aid Relief Economic Security	CARES	3/27/2020	9/30/2022	1,187,446
Coronavirus Response and Relief Supplemental Appropriation	CRRSA / "CARES II"	12/27/2020	9/30/2023	4,481,993
American Rescue Plan (Act) - Elementary & Secondary School Emergency Relief	ARP ESSR III / "CARES III"	3/11/2021	9/30/2024	10,065,919
	Total CARES Funding			15,735,358.17

CARES & CRRSA budgeted for Operations in Fiscal Year 2022 - \$4,571,634

Prior to requesting reimbursement for CRRSA funds (CARES II) school divisions must have expended and requested all of CARES I allocation (Superintendents' Memo 090-21, April 9, 2021)

Addressing Non-Recurring Funding



Current FY 2022 Adopted Budget is **“hot” with recurring expenditures funded using non-recurring (one-time) revenue - \$4,571,634 CARES Funds** plus allowance of up to \$332,952 per year for increased transportation costs (2 year pilot)

2 Ways to “Cool” (decrease dependency on Non-Recurring Revenues):

- Increase revenue from recurring sources
- Decrease expenses

Currently, Fiscal Year 2024 (the budget we develop next year) is the last full year to use the Federal non-recurring relief funds.

Revenue Outlook - State

Based on the Governor's Budget Proposal – Estimate \$1.7 Million Additional State Revenue for Operations

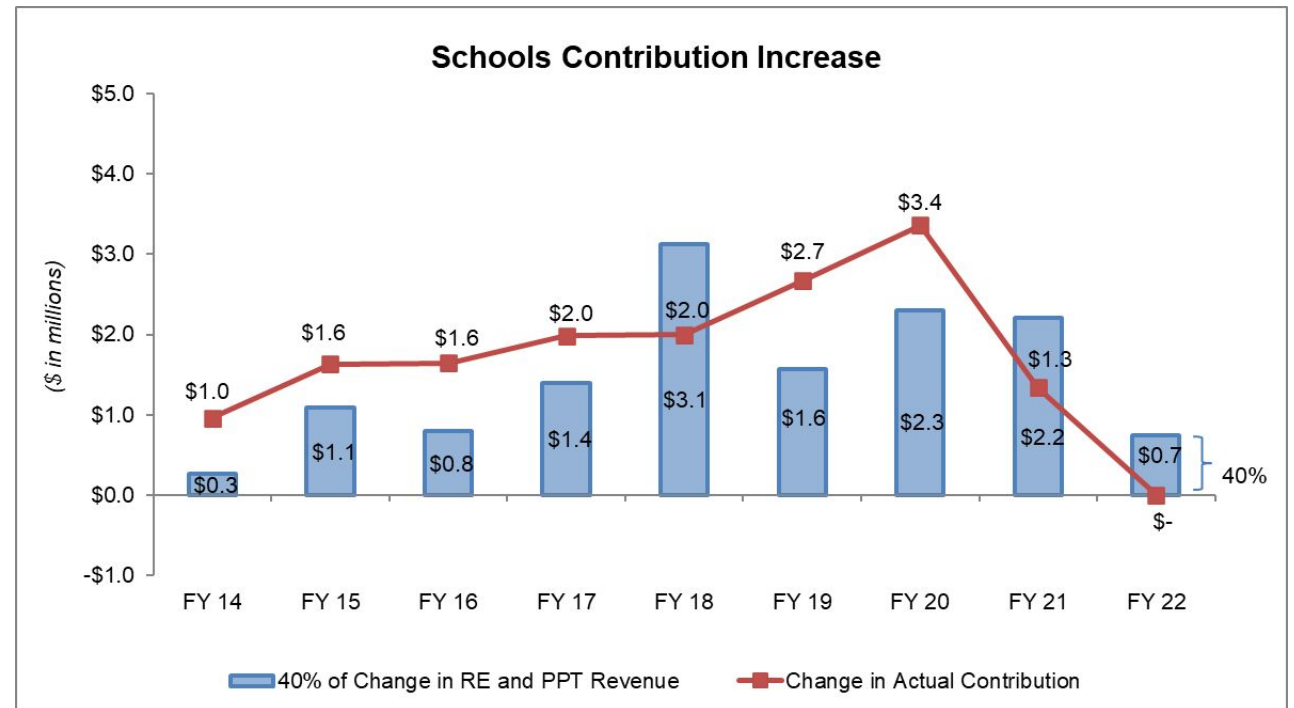
Key areas of State Revenue increases:

- At-Risk – Additional support for educationally at-risk students.
- Sales Tax – Revise projection based on the November 2021 sales tax forecast.
- Grocery Tax Hold Harmless – Reflects the projected net decrease in state payments from the eliminating “grocery” tax.
- Re-benchmarking Hold Harmless – Restore funding for certain re-benchmarking data significantly impacted by the pandemic.

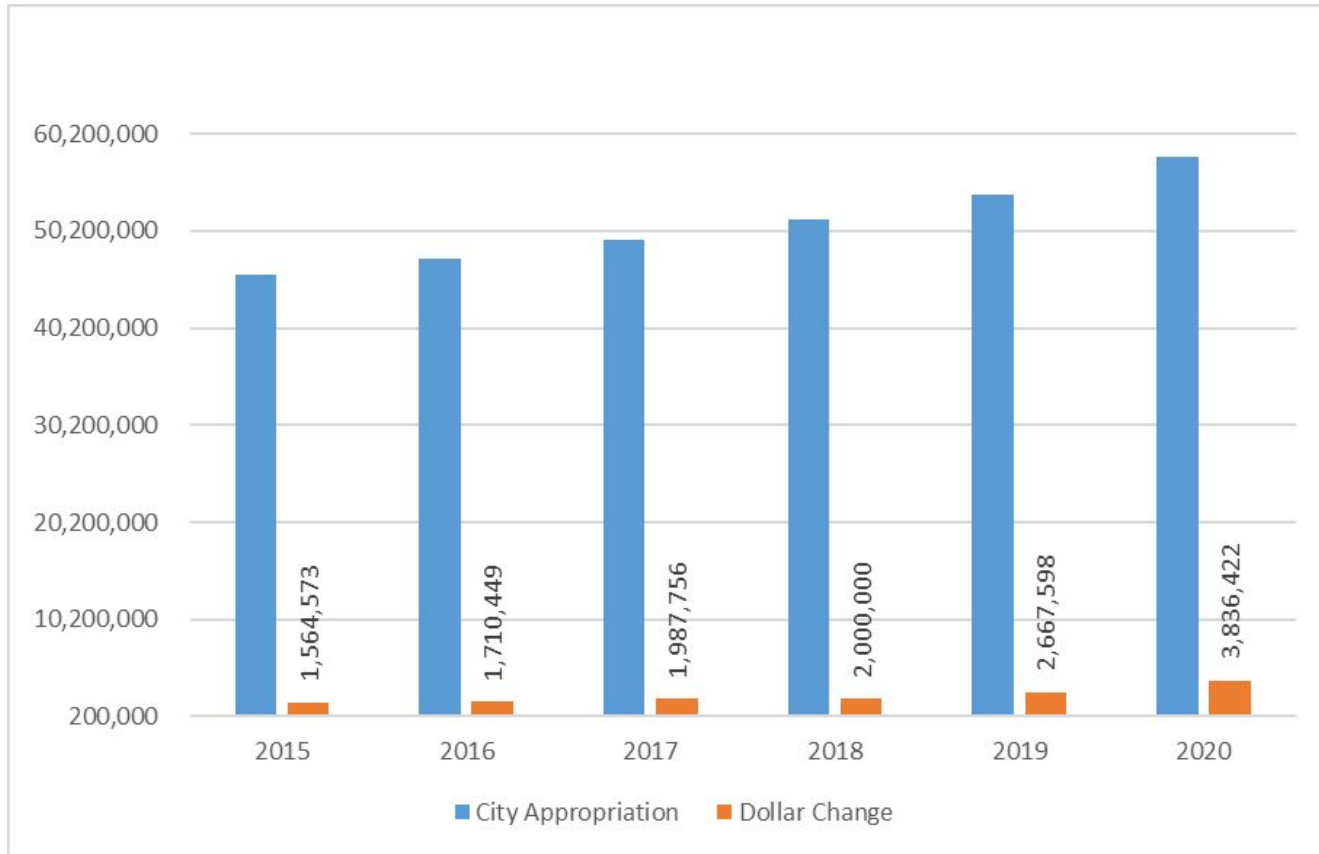


Revenue Outlook - Local

- City budget guidelines allocate 40% of new personal and real property tax revenues to CCS
- 40% new personal and real property tax from FY15 – FY21 has ranged from \$1.1 - \$2.2 million
- For FY 22, 40% was equivalent to \$746,069
- 40% of new personal and real property tax revenues for FY 23 has been estimated at \$3.1 million



CCS Budget & City Appropriations



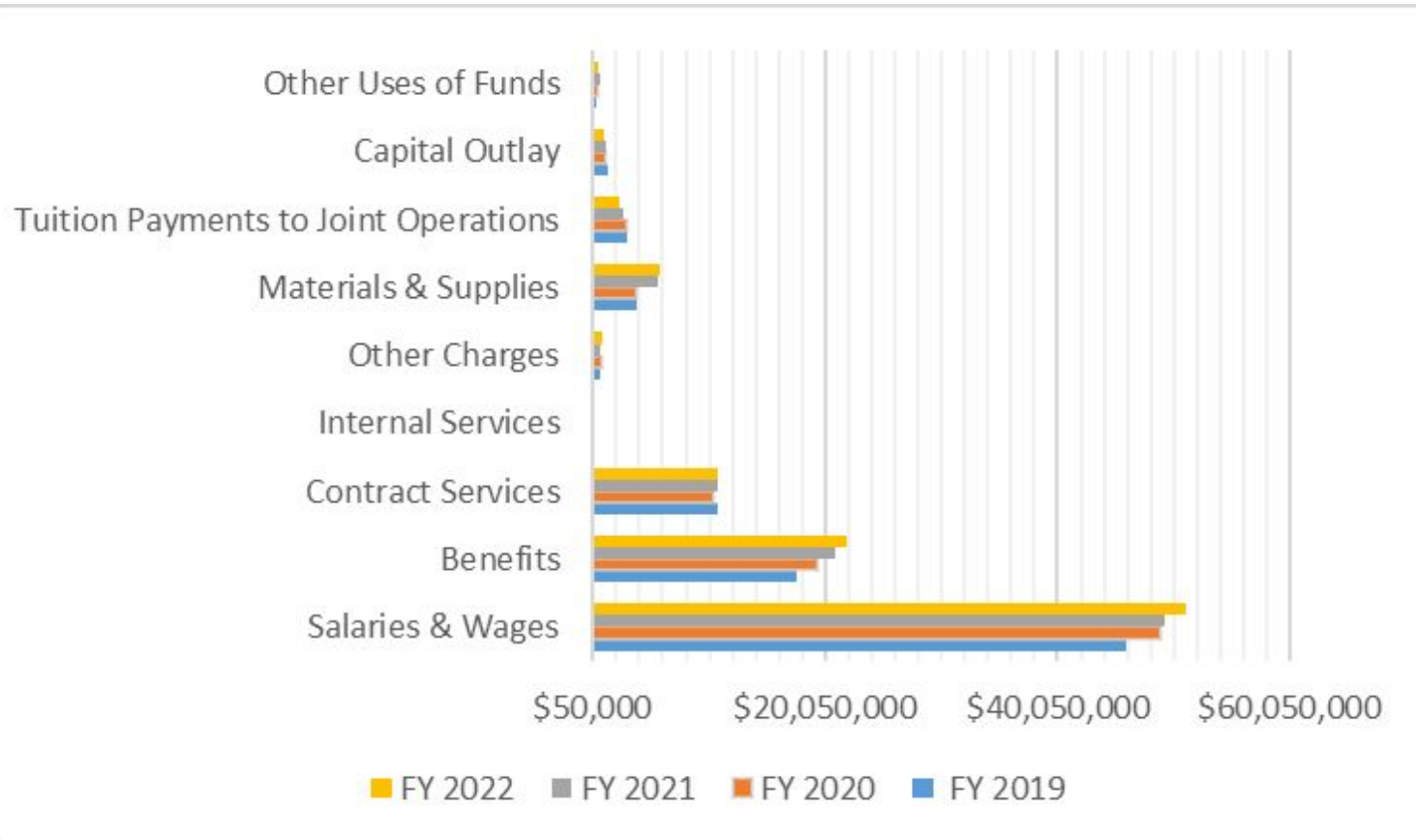
The Average Annual Increase in City Appropriation for Schools was \$2.3 Million from 2015 to 2020



City of Charlottesville – The Blue Ribbon Commission on Sustainable School Funding Report – January 22, 2014 (page 10)

It is difficult to estimate the size of the year-to-year funding gap going forward but it appears to be somewhere between \$2-4 million a year.

Expenditures



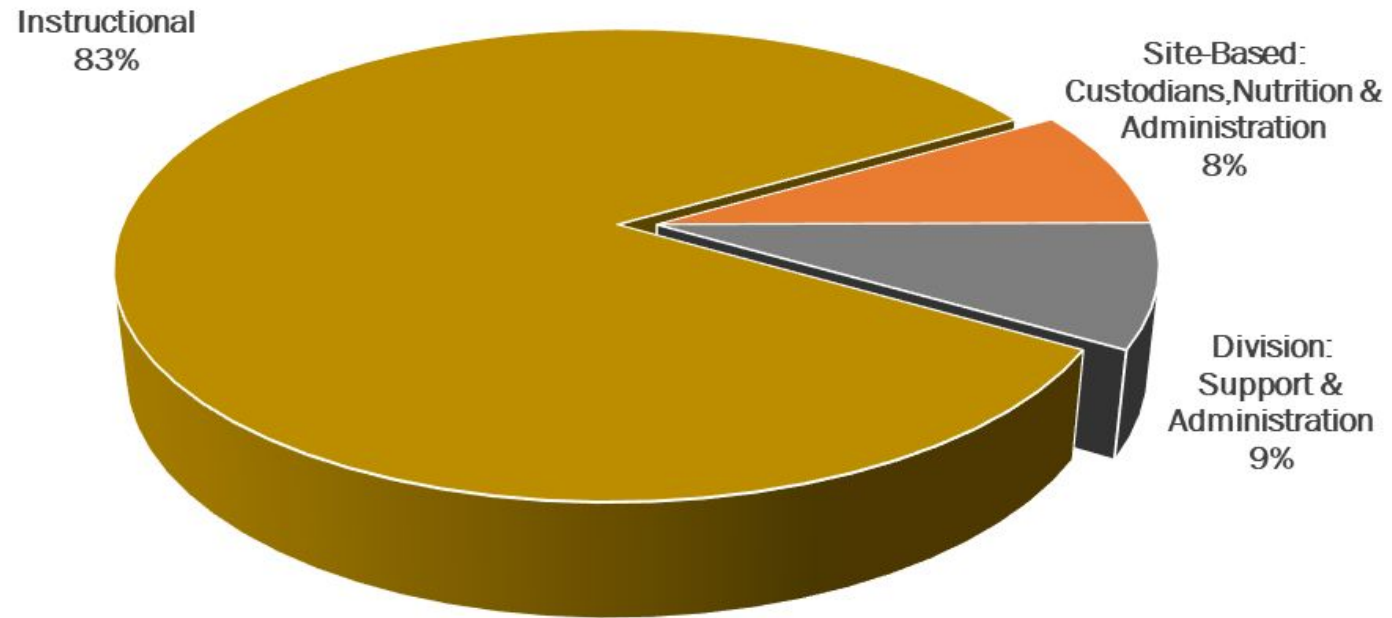
Contractual & Non-Discretionary Services are 11%

Personnel Expenses (Wages & Benefits) Represent Over 77% of Expenditures

State SOQ & Staffing

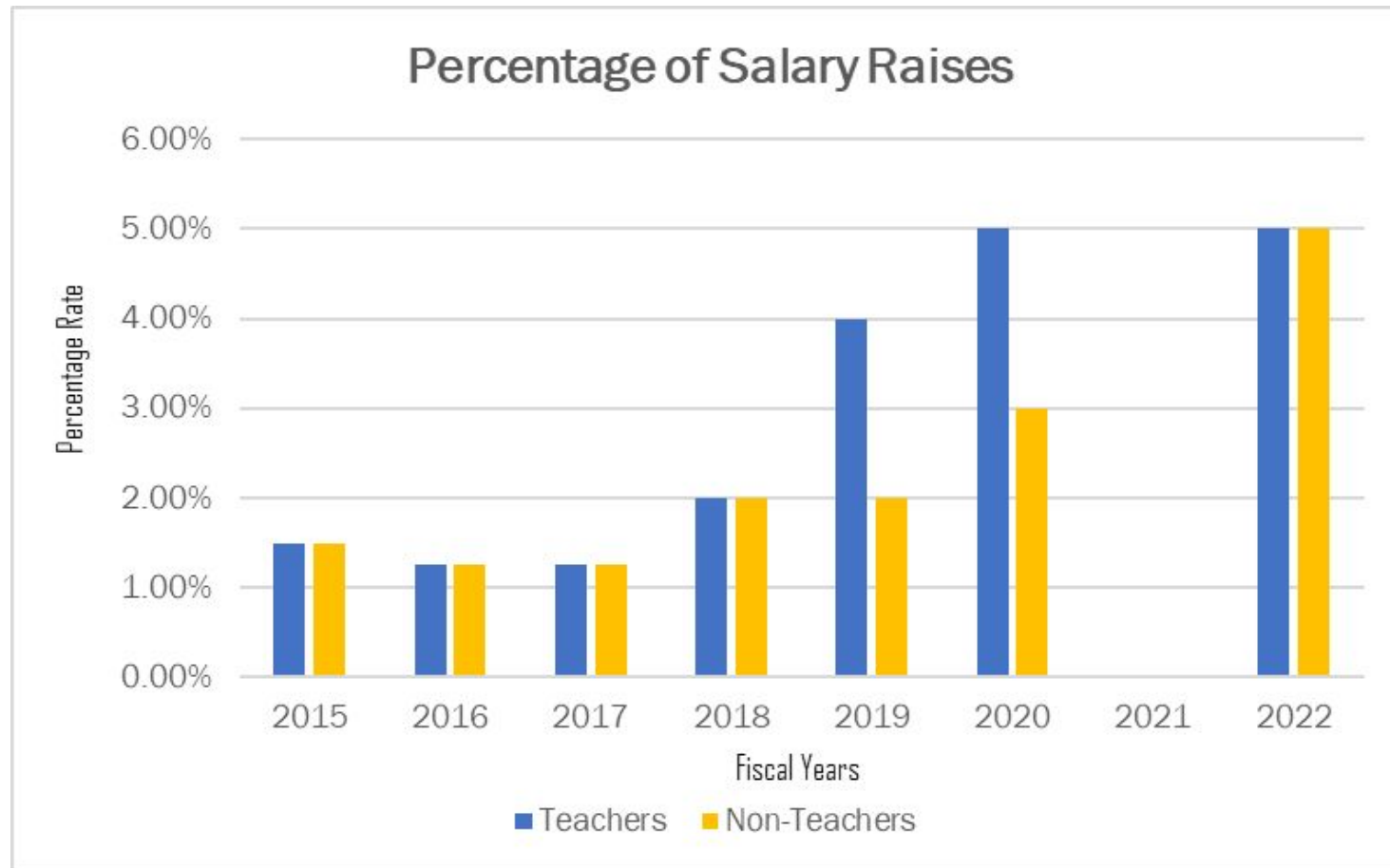
SOQ Funded Instructional Positions	State SOQ FTE	CCS FTE	CCS FTEs Above State SOQ	State Funding (after LCI applied)	CCS Cost	CCS Cost Above State Funding
Principals	6.01	10.00	3.99	\$ 177,424.90	\$ 1,052,099.00	\$ 874,674.10
Assistant Principals	1.50	16.00	14.50	36,213.44	1,292,089.00	1,255,875.56
Librarians	7.01	10.00	2.99	118,096.27	669,776.00	551,679.73
School Counselors	12.26	17.00	4.74	206,654.07	1,074,366.00	867,711.93
Instructional Assistants	9.02	82.60	73.58	58,571.00	2,063,348.00	2,004,777.00
Teachers	267.81	395.40	127.59	4,500,362.62	23,594,308.80	19,093,946.18
Total SOQ Funded Positions	303.61	531.00	227.39	\$ 5,097,322.31	\$29,745,986.80	\$24,648,664.49

Staffing Overview



Instructional	83.37%
Site-Based: Custodians, Nutrition & Administration	8.18%
Division: Support & Administration	8.45%

Salary Actions

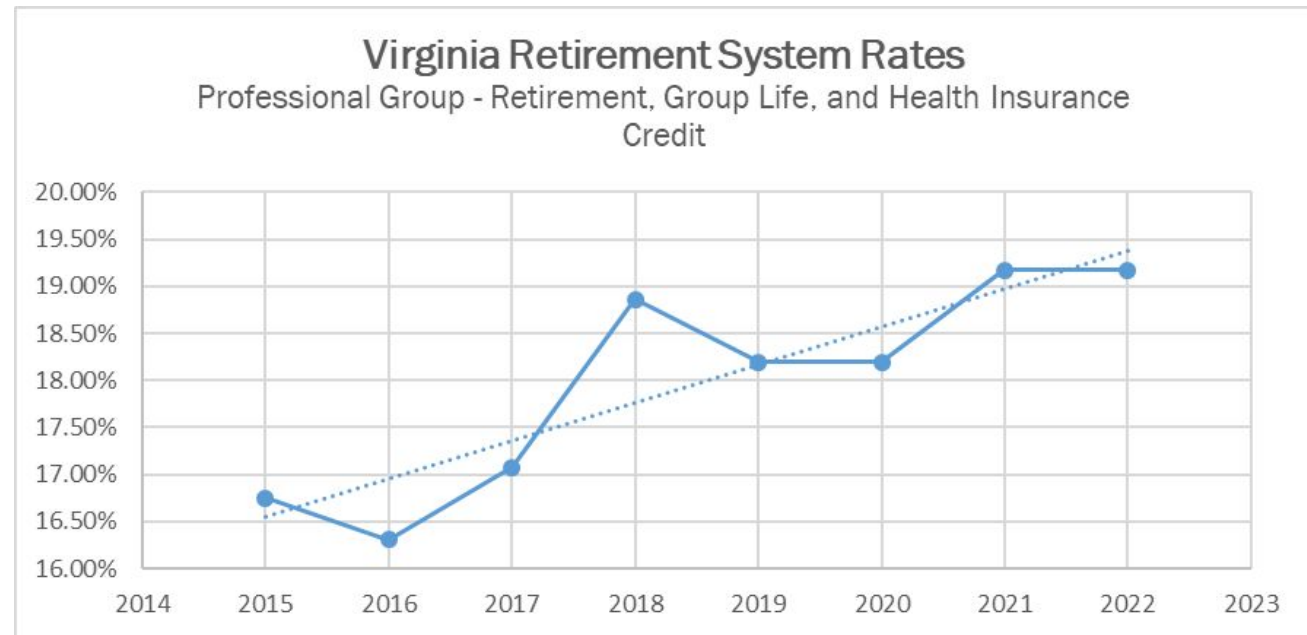


VRS

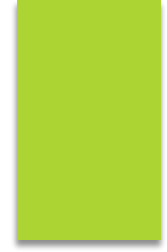
The VRS Board of Trustees recommended employer contribution rates for teachers of 17.16% in October 2021.

The Governor's proposed budget maintains the employer contribution rates for teachers at the current FY 2022 rate of 19.17% to reduce the unfunded liability.

If the General Assembly amends the Governor's proposed budget to the VRS Board of Trustees recommended rate, current CCS VRS expense and dependence on non-recurring funds would decrease by \$935,704.



Budget Change Recommendations for FY 2023



Strategic Plan	SALARY & BENEFIT ACTIONS	AMOUNT
OS 7	Teachers one step plus 3.75% - average increase 5%	2,015,363
OS 7	Support Staff one step plus 4% - average increase 5%	349,804
OS 7	Administrative Staff one step plus 3.75% - average increase 5%	599,013
OS 7 & 8	Benefit: Health Insurance	818,544
OS 7 & 8	Benefit: Employee Assistance Program	1,754
OS 7	Revise Nutrition Manager's Pay Schedule (see Appendix)	-
	<i>Total Salary & Benefit Actions</i>	<i>3,784,478</i>

Total of Average 5% Raise for Everyone is \$2,964,180.



Budget Change Recommendations for FY 2023

		RECURRING & NON-DISCRETIONARY CONTRACTS		
		City Contract: Pupil Transportation	567,062	
		City Contract: Maintenance	296,459	
		City of Charlottesville Stormwater Tax	15,000	
		Contract: CATEC	32,569	
		Contract: Piedmont Regional Education Program (PREP)	(300,000)	
		Workers Compensation Coverage	13,403	
		Fine Arts: Richmond Ballet	(40,000)	
		Software Subscriptions/Support/Maintenance	33,060	
		Technology Audit	(34,900)	
		<i>Total Recurring & Non-Discretionary Contracts</i>	582,653	
		SCHOOL-BASED PROGRAM SUPPORTS & IMPROVEMENTS		
	AE3, SS4	Teacher: Buford Theatre (.5 FTE)	43,150	0.5
	AE2, SS4	Stipends: CHS Theatre Assistant	3,400	
	OS 7 & 8	Stipends: Pathologist and Psychologist	2,250	
		<i>Total School-Based Program Supports & Improvements</i>	48,800	



Budget Change Recommendations for FY 2023

REDUCTIONS		
Re-Organization & FTE Adjustments (net)	(846,262)	(17.0)
Content Squads: Stipends	(56,000)	
Books: K-12 Bookrooms	(60,000)	
Internet/Communications	(12,000)	
	<i>Total Reductions</i>	(974,262)
GENERAL FUND TOTAL NET EXPENSES		3,441,669
REVENUES		
Increase: State	1,786,385	
Decrease: CARES II/ARPA	(2,383,786)	
City (Estimated Request)	4,039,070	
GENERAL FUND TOTAL NET REVENUES		3,441,669

Formula Allocation Increase	3,160,549
Increases in Payments to the City:	
Transportation	567,062
Maintenance	296,459
Stormwater Tax	15,000
City Estimated Request	4,039,070



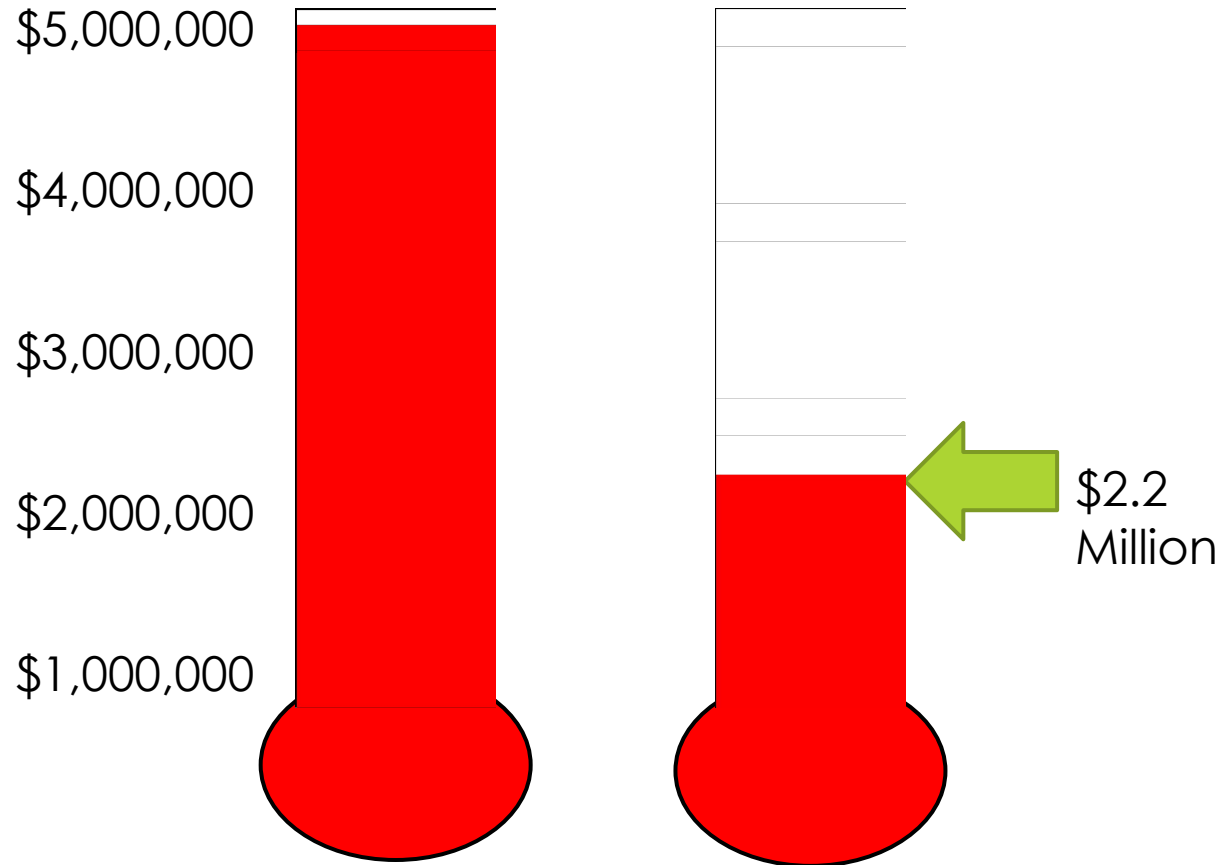
Re-Organization & FTE Adjustments

Positions	FTE's	Amount	Notes
Instructional Assistants	-15	(599,103)	To be absorbed in current vacancies (10) in combination with normal attrition
Administrative Support	-2	(247,159)	Combination of reductions and reassignments
Elementary Teachers	-2	(172,600)	Adjustments for projected enrollment (see appendix) - absorbed via normal attrition
Secondary Teachers	2	172,600	New Success Academy
TOTAL	(17)	(846,262)	

The Path Forward:

No one loses employment with these budget recommendations

Addressing Non-Recurring Funding



Total CARES/ARPA Grant Funds Awarded	15,735,358
Spent in FY 2021 CARES I	(336,749)
FY 2022 Adopted Budget	(4,571,634)
FY 2023 Recommended Budget	(2,187,848)
Remaining ARPA Funds for FY 2024 Budget	8,639,127

ARP/ESSER III Funds

- ▶ Purpose

- ▶ Help schools return safely to in-person instruction, maximize in-person instructional time, sustain the safe operations of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on students. At least 20 percent must be reserved to measure and address the academic impact of lost instructional time on all students. Interventions to address the academic impact of lost instructional time will respond to the academic, social, emotional, and mental health needs of all students

- ▶ Application Requires 2 Plans:

- ▶ **Safe return to in-person instruction and continuity of services**

- ▶ CCS COVID-19 mitigation health plan is posted at: <https://charlottesvilleschools.org/covid-communications>
- ▶ The plan will be reviewed and revised at least once every six months in accordance with the ARP ESSER Interim Final Rule and any subsequent state or federal guidance to ensure it remains relevant and meets statutory and regulatory requirements
- ▶ Public comment on the plan will be encouraged at School Board meetings and online

- ▶ **Use of the ARPA ESSER funds**

- ▶ The plan will be shared with stakeholders including students, families, and staff for review and comment via Board meeting and online communication channels

ARP/ESSER III Funding Considerations

A Scenario:

Total CARES/ARP/ESSER	15,735,358
FY 21 Actual	336,749
FY 22 Estimated	4,571,634
FY 23 Proposed	2,187,848
Technology Infrastructure/FY 24	1,800,000
Projected Balance Available for non-recurring expenses	6,839,127

- At least 20 percent (~\$2M) must be reserved to measure and address the academic impact of lost instructional time on all students. Interventions to address the academic impact of lost instructional time will respond to the academic, social, emotional, and mental health needs of all students
- Use of these funds for “construction” (capital projects) requires prior approval from VDOE
- Period of Performance to spend all these funds is between March 13, 2020 and September 30, 2024
- Expect supply chain, labor shortage and inflation issues to persist



How to Support Reconfiguration

Upcoming CIP Projects	Project Budget	
Venable Building Envelope	535,000	Completed Summer 2021
LMA Siding Replacement	50,000	Completed Summer 2021
Venable Annex Foundation Repair	150,000	Completed Summer 2021
Greenbrier Modernization	1,250,000	In Design - Summer 2022 Construction
Clark Building Envelope	450,000	FY 2022
CHS Roof Replacement	1,320,000	FY 2022
CHS Electrical Panel Replacements	500,000	FY 2022
Subtotal (from 10/26/2021 CIP Committee Meeting)	4,255,000	
Johnson Modernization	1,250,000	Summer 2023 Construction
Venable Modernization	1,250,000	Summer 2024 Construction
TOTAL	6,755,000	



More Support for Reconfiguration – CSLFRF HVAC Grant

HVAC Project Description from CIP	Total	Invoice to CCS		Notes
		50%	Schedule	
22 individual classroom unit replacements installed at Buford, Clark, Greenbrier, Venable & Walker	173,872	86,936	COMPLETED Summer/Fall 2021	
Building Automation System installed at Venable Elementary School	158,062	79,031	COMPLETED Summer/Fall 2021	
Building Automation System to be installed at Clark Elementary School	170,000	85,000	2022 (FY23)	
7 Make Up Air Units to be installed at Walker Upper Elementary School	780,000	390,000	2022 (FY23)	
AC-1 Outside Air Unit to be installed at Venable Elementary School	185,436	92,718	2023 (FY24)	*manually adjusted/reduced to match grant
Cooling Tower to be installed at Venable Elementary School	150,000	75,000	2023 (FY24)	
	1,617,370	808,685		
TOTAL CSLFRF HVAC GRANT FUNDS AVAILABLE		808,685		

These dollars reduce City dollars for School HVAC CIP projects.

SUMMARY:

CCS Grant Funded HVAC CIP Projects	808,685
ARP/ESSER Grant Fund Other CIP Projects	6,755,000
POTENTIAL LOCAL CIP DOLLARS for RECONFIGURATION	7,563,685



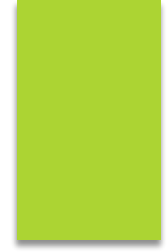
Next Steps

School Board Budget Work Session: Presentation of Superintendent's Proposed Changes to the FY 2023 Budget	Saturday 1/15/2022	8:30 a.m.	CHS Media Center
PTO presidents input meeting	Wednesday 1/19/2021	12:00 p.m.	Zoom
PTO's - budget update and input	Thursday 1/20/2021	7 p.m.	Zoom
City Council/School Board Joint Budget Work Session on the Changes to the FY 2023 Budget	Wednesday 2/2/2022	5 p.m.	TBD
Regular School Board Meeting: Presentation of Superintendent's Proposed FY 2023 Budget and Public Hearing	Thursday 2/3/2022	5 p.m.	CHS Media Center
School Board Budget Work Session	Tuesday 2/15/2022	4 p.m.	TBD
Special School Board Meeting: Approval of Superintendent's Proposed Budget	Thursday 2/24/2022	5 p.m.	CHS Media Center
School's Presentation FY 2022-2023 Approved Budget to City Council	Monday 3/07/2022	6:30 p.m.	City Hall
City Council Adoption of Tax Rate, FY 2022-2023 General Fund and CIP Budgets	Tuesday 4/12/2022	5:30 p.m.	City Hall

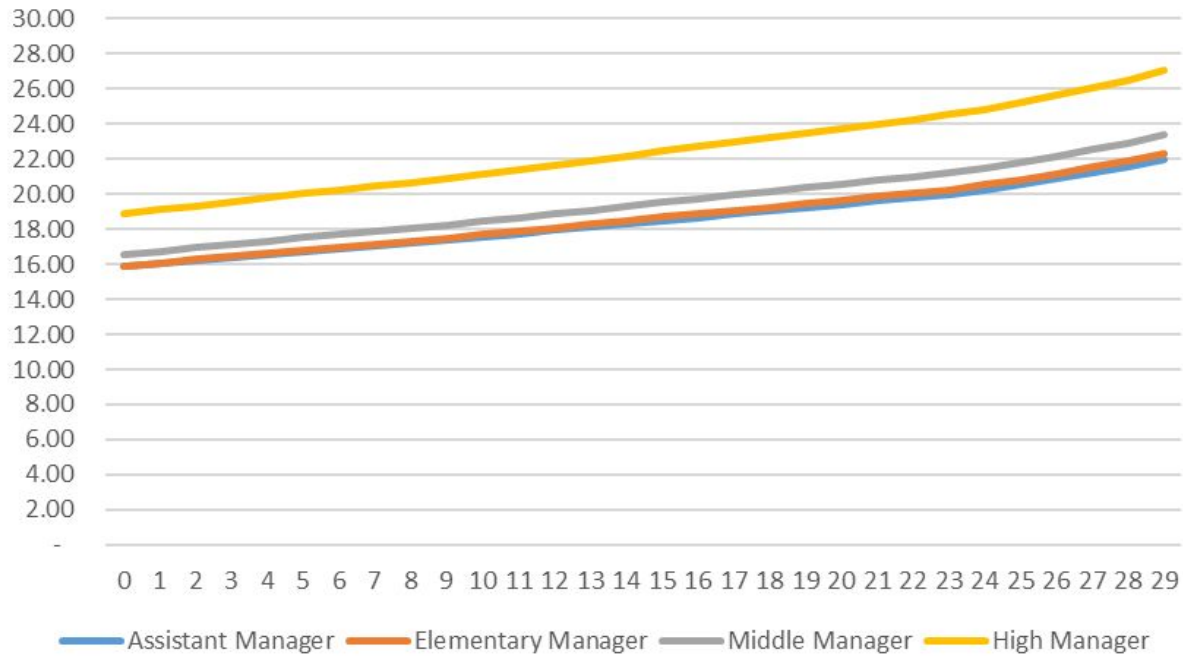


Appendix

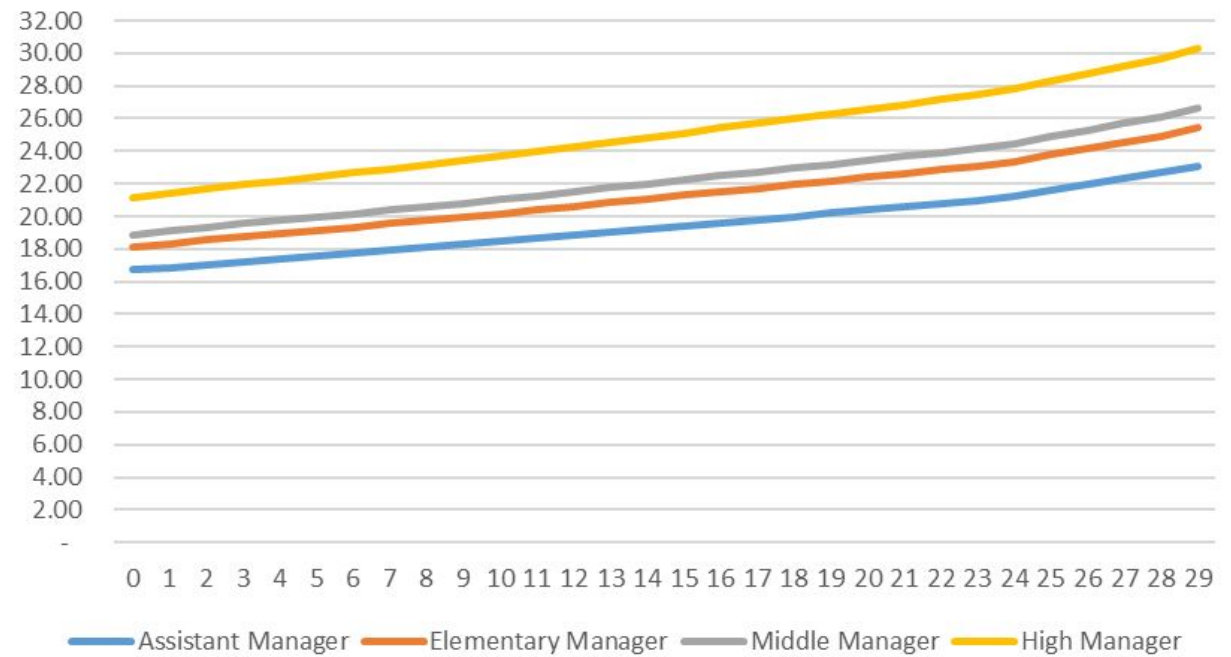
Proposed Nutrition Manager Scale Adjustments



Nutrition Manager Scales - Current



Nutrition Manager Scales - Proposed



Effective Hourly Rates of Pay: Current vs. Proposed
 Assistant Manager Contract is 180 Days vs. 184 Day Manager Contracts

Proposed Nutrition Manager Scale Adjustments

Description & Justification

- ❖ Assistant manager positions are used to prepare employees to move into manager positions.
- ❖ Current difference between step 0 on the assistant manager scale and the elementary manager scale is only \$402. It doesn't amount to as much as \$1,000 until/unless someone is on step 29 at the very top of the elementary manager scale
- ❖ Differential not sufficient to incentivize many people to accept the additional management responsibilities, especially for our elementary schools.
- ❖ To achieve appropriate spacing between scales and remain competitive in the food service industry as a whole, we are recommending that the elementary and middle school nutrition manager scales be increased by 14%, and the high school manager scale be increased by 12%.
- ❖ **This proposal represents an additional \$26,026 above the cost of the 5% planned CCS salary action for all staff**
- ❖ Based on recent history the impact of these scale adjustments can be absorbed without increasing the budgeted annual transfer to nutrition beyond the 5%.



Proposed Nutrition Manager Scale Adjustments

Step	Assistant Manager (5%)		Elementary Manager (14%)		Middle Manager (14%)		High Manager (12%)	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
0	20,045	21,047	20,447	23,310	21,305	24,288	24,295	27,210
1	20,245	21,257	20,696	23,593	21,567	24,586	24,601	27,553
2	20,447	21,469	20,949	23,882	21,832	24,888	24,910	27,899
3	20,651	21,684	21,201	24,169	22,099	25,193	25,223	28,250
4	20,858	21,901	21,418	24,417	22,326	25,452	25,499	28,559
5	21,067	22,120	21,635	24,664	22,556	25,714	25,776	28,869
6	21,278	22,342	21,854	24,914	22,789	25,979	26,058	29,185
7	21,491	22,566	22,075	25,166	23,026	26,250	26,342	29,503
8	21,706	22,791	22,298	25,420	23,265	26,522	26,630	29,826
9	21,922	23,018	22,527	25,681	23,509	26,800	26,924	30,155
10	22,141	23,248	22,770	25,958	23,767	27,094	27,236	30,504
11	22,363	23,481	23,020	26,243	24,034	27,399	27,560	30,867
12	22,586	23,715	23,276	26,535	24,304	27,707	27,886	31,232
13	22,813	23,954	23,533	26,828	24,578	28,019	28,219	31,605
14	23,041	24,193	23,793	27,124	24,856	28,336	28,556	31,983
15	23,271	24,435	24,055	27,423	25,134	28,653	28,892	32,359
16	23,504	24,679	24,301	27,703	25,399	28,955	29,216	32,722
17	23,739	24,926	24,549	27,986	25,664	29,257	29,541	33,086
18	23,977	25,176	24,799	28,271	25,932	29,562	29,872	33,457
19	24,216	25,427	25,053	28,560	26,202	29,870	30,206	33,831
20	24,458	25,681	25,308	28,851	26,476	30,183	30,545	34,210
21	24,703	25,938	25,566	29,145	26,754	30,500	30,886	34,592
22	24,950	26,198	25,828	29,444	27,033	30,818	31,232	34,980
23	25,199	26,459	26,090	29,743	27,315	31,139	31,582	35,372
24	25,514	26,790	26,420	30,119	27,665	31,538	31,999	35,839
25	25,922	27,218	26,843	30,601	28,107	32,042	32,510	36,411
26	26,337	27,654	27,270	31,088	28,556	32,554	33,031	36,995
27	26,758	28,096	27,706	31,585	29,013	33,075	33,558	37,585
28	27,187	28,546	28,150	32,091	29,477	33,604	34,096	38,188
29	27,730	29,117	28,730	32,752	30,103	34,317	34,881	39,067

K-4 Class Size Projections 2022-2023

Burnley-Moran Elementary (70)						Max 24
Max 24	K	1	2	3	4	Total/Avg.
Projected Regular Membership	62	57	62	55	70	306
Projected Teachers	3	3	3	3	3	15
Projected IA's	3	3	2			8
Budgeted Class Size	21	19	21	18	23	20.43
Regular Membership	51	61	49	73	67	301
Total Current Teachers	3	3	3	4	3	16
Total Curent IA's	3	3	2			8
Actual Average Class Size	17	20	16	18	22	18.85
Clark Elementary (50)						Max 19
Max 19	K	1	2	3	4	Total
Projected Regular Membership	58	59	56	55	47	275
Projected Teachers	3	4	3	3	3	16
Projected IA's	3	4	2			9
Budgeted Class Size	19	15	19	18	16	17.39
Regular Membership	60	53	59	47	45	264
Total Current Teachers	4	3	3	3	3	16
Total Curent IA's	4	3	2			9
Actual Average Class Size	15	18	20	16	15	16.60
Greenbrier Elementary (90)						Max 24
Max 24	K	1	2	3	4	Total
Projected Regular Membership	64	60	54	55	46	279
Projected Teachers	3	3	3	3	3	15
Projected IA's	3	3	2	1	1.8	11
Budgeted Class Size	21	20	18	18	15	18.63
Regular Membership	62	54	58	47	45	266
Total Current Teachers	3	3	4	3	3	16
Total Curent IA's	3	3	2	1	1.8	11
Actual Average Class Size	21	18	15	16	15	16.77

YELLOW indicates recommended staffing adjustments for enrollment

K-4 Class Size Projections 2022-2023

Jackson-Via Elementary (120)						Max 21
Max 21	K	1	2	3	4	Total
Projected Regular Membership	61	57	57	51	55	281
Projected Teachers	3	3	3	3	3	15
Projected IA's	3	3	2			8
Budgeted Class Size	20	19	19	17	18	18.75
Regular Membership	55	56	49	55	56	271
Total Current Teachers	3	3	3	3	3	15
Total Curent IA's	3	3	2			8
Actual Average Class Size	18	19	16	18	19	18.07
Johnson Elementary (10)						Max 22
Max 22	K	1	2	3	4	Total
Projected Regular Membership	43	46	52	53	52	246
Projected Teachers	2	3	3	3	3	14
Projected IA's	2	3	2			7
Budgeted Class Size	21	15	17	18	17	17.83
Regular Membership	40	49	52	53	54	248
Total Current Teachers	2	3	3	3	3	14
Total Curent IA's	2	3	2			7
Actual Average Class Size	20	16	17	18	18	17.87
Venable Elementary (40)						Max 24
Max 24	K	1	2	3	4	Total
Projected Regular Membership	60	57	61	46	51	276
Projected Teachers	3	3	3	2	3	14
Projected IA's	3	3	2			8
Budgeted Class Size	20	19	20	23	17	19.96
Regular Membership	53	55	41	47	58	254
Total Current Teachers	3	3	2	3	3	14
Total Curent IA's	3	3	2			8
Actual Average Class Size	18	18	21	16	19	18.30

Teacher Numbers do not include
1 FTE for 3rd/4th Virtual Class