



## CHARLOTTESVILLE CITY SCHOOLS

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### SUPPORTIVE INFORMATION SHEET CHARLOTTESVILLE CITY SCHOOL BOARD

<b>DATE:</b>	October 28, 2022
<b>SUBJECT:</b>	FY 2023 One-time Bonus Payment
<b>BACKGROUND INFORMATION:</b>	<p>The General Assembly in the 2022-2024 Biennial Budget included a distribution to school divisions for fiscal year (FY) 2023 for a one-time bonus payment. The State is using federal ARPA (American Rescue Plan Act) pandemic relief funds to distribute \$414,603.21 to Charlottesville City Schools for a bonus payment covering 385.14 FTE (full-time equivalent) SOQ funded instructional and support positions on December 1, 2022. School divisions are encouraged to use additional funds to provide pandemic bonuses to all instructional and support positions. Employee retention concerns would be significant if a bonus is not paid in an equitable manner.</p> <p>Charlottesville City Schools (CCS) has 793.32 FTE instructional and support positions including custodial and nutrition workers. The total cost of the one-time bonus payment is \$854,009. CCS funds 408.18 FTE over the State's SOQ. The additional cost to include all instructional and support positions for the bonus payment is \$439,406.</p> <p>The State's distribution is based on a \$1,000 one-time bonus plus the employer share for social security and medicaid taxes. CCS used the same methodology to calculate the amount needed to fund a one-time bonus to all staff. The bonus would be prorated based on the employee's FTE status.</p> <ul style="list-style-type: none"><li>1.00 FTE will receive \$1,000 before taxes</li><li>.75 FTE will receive \$750 before taxes</li><li>.50 FTE will receive \$500 before taxes</li><li>.25 FTE will receive \$250 before taxes (includes daily permanent hourly staff such as crossing guards)</li></ul>

	<p>Bonuses will be paid in a separate check on December 1st <u>net</u> of all payroll taxes for supplemental pay required by the Internal Revenue Service (IRS). Only staff who start on or before November 1, 2022 and remain employed in good-standing through November 30, 2022 are eligible for this one-time bonus payment.</p> <p>The additional funds needed for the one-time bonus payment can be paid from CCS fund balance. CCS added \$1,142,414 to fund balance from the close of FY 2022. The General (Operating) Fund fund balance including the FY 2022 addition is \$2,301,428. Fund balance is used to cover one-time expenses and shortfalls in State revenue. Given the amount and timing for disbursement of these state funds designated to be used toward bonus payments, it is inherent in the budget authority and allowable uses of fund balance to use these funds to enable equitable payment of this one-time bonus for staff.</p> <p>The actual amount of fund balance needed to cover the one-time bonus expenditure may decrease when we close the current fiscal year depending on multiple variables including enrollments, use of ESSER grant funds, and vacancy savings.</p>
<b>STRATEGIC PLAN:</b>	The one-time bonus fits with the strategic objective of Organizational Supports to retain employees and promote wellbeing of all staff.
<b>RECOMMENDATION:</b>	Staff recommends the use of fund balance for the additional funds of \$439,406 needed to provide one-time bonuses to instructional and support positions in order to address the gap in State funds allocated for this purpose.
<b>ACTION REQUIRED:</b>	Approve the use of up to \$439,406 from fund balance to address the shortfall in the State funds authorized for one-time staff bonuses
<b>CONTACT PERSON(S):</b>	Dr. Gurley or Renee Hoover