

CHARLOTTESVILLE CITY SCHOOLS BUDGET DEVELOPMENT FY 2021

JANUARY 2020



TOPICS OVERVIEW

1. Budget Process
2. Comparative Information
3. LCI & State Funding Update
4. Budget Challenges, Recent Accomplishments & Wrap-up



CLEAR GOALS – THE STRATEGIC PLAN

Academic Excellence
Safe and Supportive Schools
Organizational Supports

For All

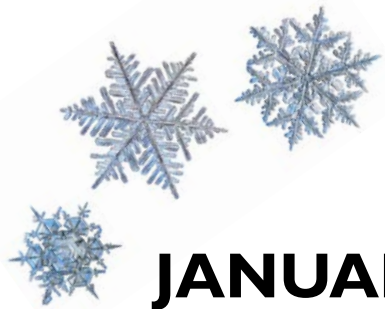
Charlottesville City Schools

Strategic Plan 2017–2023

Every Learner. Every Day. Everyone.



BUDGET CALENDAR



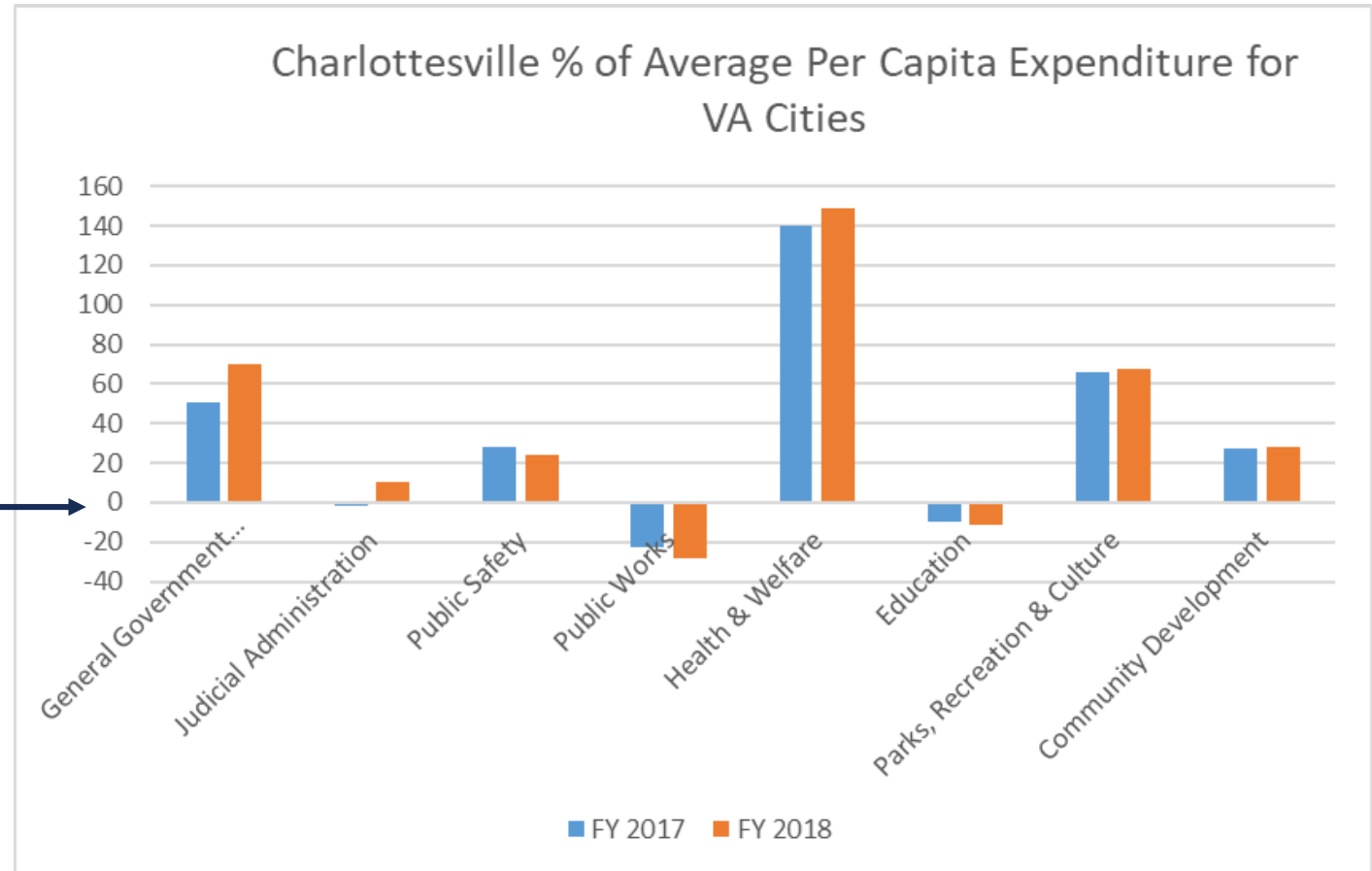
JANUARY is the “big lift”



Budget work session	Wednesday 12/18/2019	4 p.m.	CATEC Auditorium
PTO-budget update and input	Wednesday 1/8/2020	6 p.m.	Walker/Buford PTO at Walker
Budget update and public comment	Thursday 1/9/2020	5 p.m.	CHS Media Center
TACC meeting-budget update	Monday 1/13/2020	4 p.m.	Division Admin Office
PTO-budget update and input	Monday 1/13/2020	5:30 p.m.	CHS
PTO presidents lunch	Thursday 1/16/20	12:30 p.m.	CATEC Auditorium
PTO-budget update and input	Tuesday 1/21/2020	5 p.m.	Jackson-Via
Budget work session	Saturday 1/25/2020	8:30 a.m.	Walker Media Center
City Council - School Board Work Session	Tuesday 1/28/2020	6 p.m.	CATEC Auditorium
Review of Superintendent’s proposed budget and public hearing	Thursday 2/6/2020	5 p.m.	CHS Media Center
Budget work session	Tuesday 2/11/2020	4 p.m.	CATEC Auditorium
School Board Meeting – Approval of Superintendent’s Proposed Budget	Thursday 2/20/2020	5 p.m.	CHS Media Center
Presentation of approved 2020-2021 budget to City Council	Monday 3/2/2020	6:30 p.m.	City Hall
City Council adoption of 2020-2021 budget	Tuesday 4/14/2020	5:30 p.m.	City Hall

COMPARATIVE INFORMATION – AUDITOR OF PUBLIC ACCOUNTS

	FY 2017	FY 2018
General Government Administration	150.24%	169.99%
Judicial Administration	98.23%	110.23%
Public Safety	127.83%	123.73%
Public Works	77.07%	72.13%
Health & Welfare	239.64%	248.95%
Education	90.38%	88.56%
Parks, Recreation & Culture	165.68%	167.85%
Community Development	127.39%	128.34%



VA Cities Average →

SOURCE: Auditor of Public Accounts
 Local Government – Comparative Reports
 2018 Amended Comparative Report of Local Government

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET
Total Budget - All Funds	2015-16	2016-17	2017-18	2018-19	2019-20
City	47,342,848	49,330,604	51,330,604	53,998,202	57,366,623
Local/Other	3,288,474	3,416,911	3,457,707	2,906,221	3,691,690
State	19,554,071	19,778,315	20,821,352	19,473,908	20,857,813
Federal	4,892,158	5,116,686	4,915,579	4,974,385	5,356,594
TOTAL	75,077,551	77,642,516	80,525,242	81,352,716	87,272,720
City % change over prior year	3.75%	4.20%	4.05%	5.20%	6.24%
State % change over prior year	4.12%	1.15%	5.27%	-6.47%	7.11%
Federal % change over prior year	-0.30%	4.59%	-3.93%	1.20%	7.68%
Total % change over prior year	3.59%	3.42%	3.71%	1.03%	7.28%
Average % change in CPI per DOL	2.10%	2.10%	1.90%		
City + Local % of budget	67.44%	67.94%	68.04%	69.95%	69.96%
State % of budget	26.05%	25.47%	25.86%	23.94%	23.90%
Federal % of budget	6.52%	6.59%	6.10%	6.11%	6.14%
Enrollment	4,382	4,471	4,527	4,559	4,542
Local Composite Index	0.6683	0.6590	0.6590	0.6772	0.6772
Per Pupil Spending**	16,086	16,444	17,079		

Historical Summary of Key Metrics

- The last LCI change was part of a 6.47% decrease in state funding
- State and local funding combined have been steadily approaching 70% of CCS funding.
- Inflation remains constant at ~2%
- Enrollment has been relatively steady - less than 1% variance the past two years.

U.S. Department of Labor Bureau of Labor Statistics next inflation (CPI) update for December has a scheduled release date of 1/14/2020

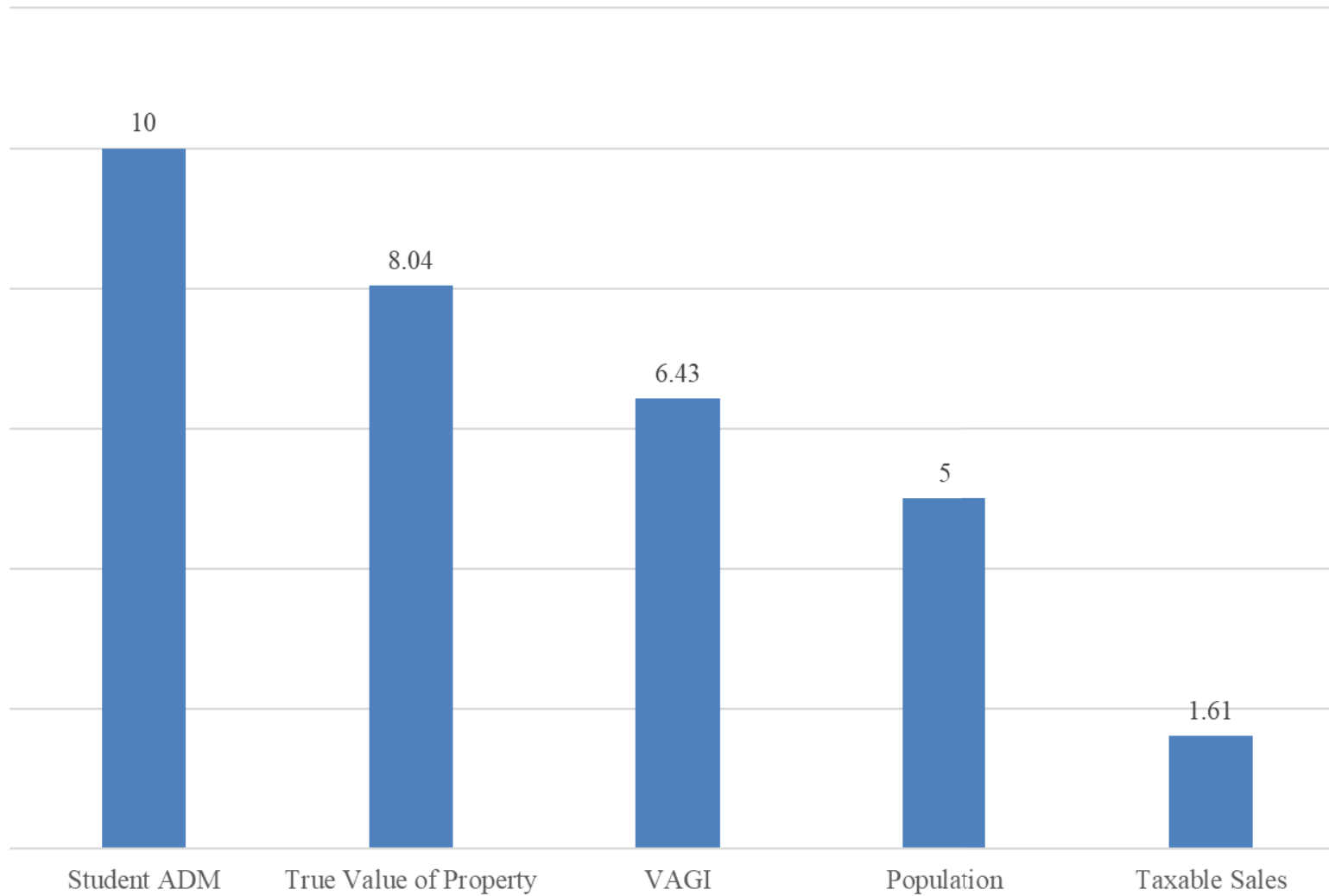
***Per pupil spending is the VDOE calculation – FY19 numbers not yet available*

Understanding the Local Composite Index (LCI)

- Determines distribution of all state K-12 funding except the sales tax school age population distribution
- Dates to the 1970's
- Intended to measure a locality's residents basic capacity or ability to pay for K-12 education versus other localities
 - It does not measure or compare the actual level of revenue generated by a locality
 - It does not consider poverty level of the students served
- The LCI computes the locality's relative state share of three revenue capacity indicators:
 - True market value of real estate (50%)
 - Virginia Adjusted Gross Income - VAGI (40%)
 - Taxable sales (10%)
- The revenue capacity indicators are then divided by a locality's relative share of the state's:
 - Public school ADM (66.6%)
 - Population (33.3%)
- The maximum LCI calculation is capped at .80 (the lowest is currently .1692)



ADM is the Most Important Component of the LCI Relative Weighting on a Scale of 1-10

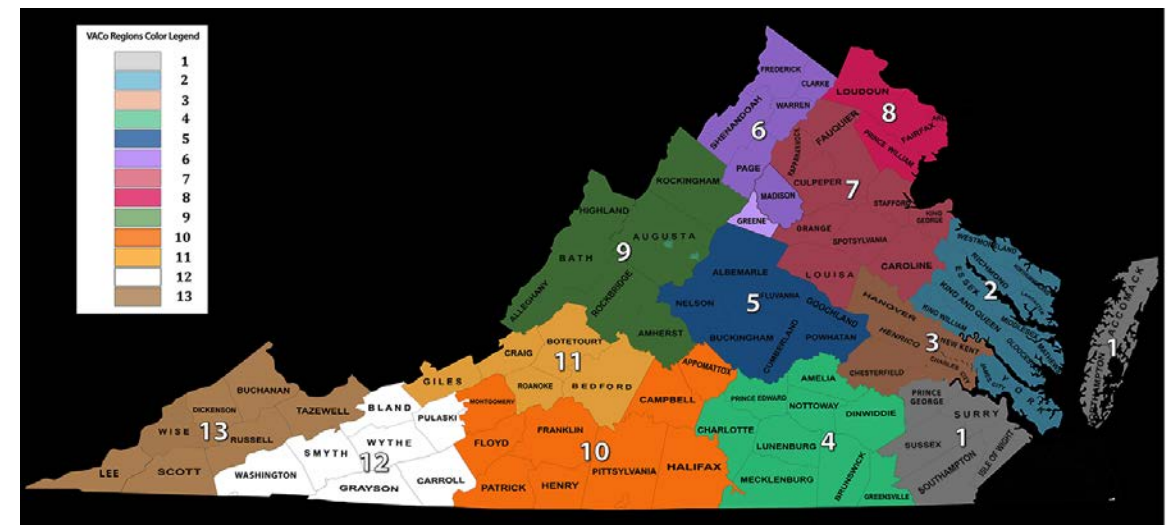


LCI COMPARISONS

F/R %*	Locality	Old Index	New Index	Change
55.01%	Charlottesville	0.6772	0.6886	1.14%
30.17%	Albemarle	0.6780	0.6449	-3.31%
73.09%	Harrisonburg City	0.3645	0.3537	-1.08%
40.40%	Rockingham	0.3682	0.3799	1.17%
100.00%	Richmond City	0.4925	0.4688	-2.37%
47.05%	Henrico	0.4183	0.4279	0.96%
96.33%	Roanoke City	0.3416	0.3284	-1.32%
29.79	Roanoke County	0.362	0.3660	0.40%
60.95%	Alexandria City	0.8000	0.8000	0.00%
29.75%	Arlington County	0.8000	0.8000	0.00%

	Charlottesville	Albemarle	State
Average Daily Membership	3.05%	1.72%	0.58%
Population	1.91%	2.52%	1.04%
True Value of Property	23.77%	6.07%	7.31%
Adjusted Gross Income	-6.16%	-6.84%	2.37%
Taxable Retail Sales	1.24%	12.09%	3.52%

*F/R% is Free and Reduced Eligibility Report - VDOE
 Data Reported 10/31/18, Published 1/31/19
 Poverty is NOT a factor in the LCI calculation



STATE FUNDING

- Governor's Budget Released 12/17/2019
 - Press Release: www.governor.virginia.gov/newsroom/news-releases
- VRS Rate increase
- Changes to Funding for Regional Special Education Programs (“intensive needs”)
- Address decreasing lottery proceeds with a tax on “games of skill”
 - *“Our schools rely on our state and local governments to fund them, but we in turn rely in part on the Virginia Lottery, which has for decades provided a funding stream for our schools. But technology moves fast, and in just the last year we have seen a sharp rise in electronic games of skill. As these machines become more popular, our lottery sales have dropped.”*
 - *“...impose a tax on these games of skill, and earmark that revenue to boost funding for our public school students. ...use the revenue from regulating these games to create a new flexible, per pupil pot of money distributed to our school divisions based on enrollment so that they can use these funds in a manner that best supports their needs.”*



BUDGET CHALLENGES FOR FY 2021

- State funding challenges:
 - Local Composite Index of ability to pay (LCI) increase = minimal new state funding for CCS
 - VRS rate increase
 - Special education regional program changes – funding for students with high/intensive needs
 - Actual State funding not known until the General Assembly adopts a budget (late February to mid-March or later...)
- Required contracts & services increases (includes City contracts)
- Health insurance increases
- Attracting & retaining quality staff



CHARLOTTESVILLE CITY BLUE RIBBON COMMISSION ON SUSTAINABLE SCHOOLS FUNDING

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. The size of the gap will depend on how the city economy fares, how property assessments change, what happens to school costs and whether the state and federal governments step forward to re-assume a greater share of school costs. There will be inflation and other factors that will continue to drive school costs higher in the coming years even if no new major programs or facilities are added.

Reference:

City of Charlottesville – Report of The Blue Ribbon Commission on Sustainable School Funding

January 22, 2014

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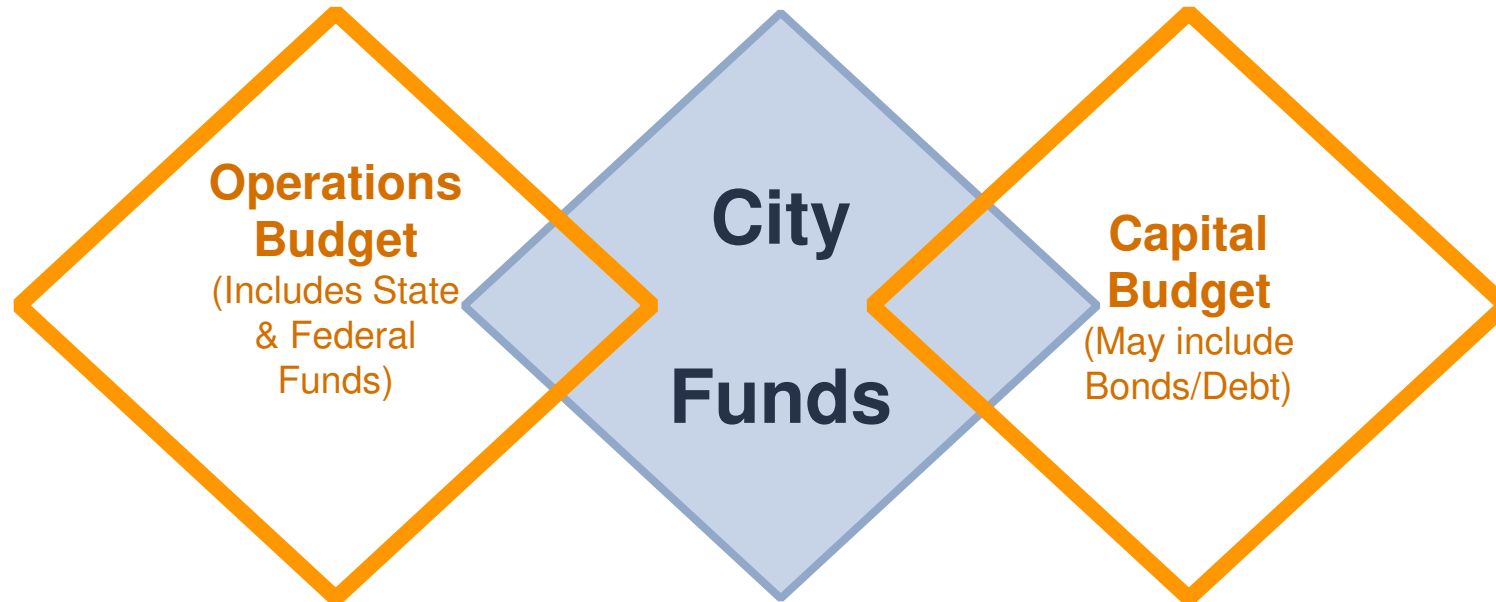


HIGHLIGHTS OF ACCOMPLISHMENTS IN THE FY20 BUDGET

- Teacher salary increase of step+3.75%, average increase 5% (other staff step+2.75% for average increase 4%)
- Living wage adjustment for custodians, instructional assistants and nutrition staff
- Increased local funds to maintain grant funded programs (AVID, EBL & WALK)
- Added a second Family Connections Facilitator
- Increased substitute pay rates
- Addressed non-discretionary and operational support cost increases (health insurance, City contracts, etc.)
- **BUDGET AMENDMENT** – Restructure of Gifted Education



WRAP-UP



Upcoming Major Capital Project – RECONFIGURATION
RFP# CCS Reconfiguration A & E Services – 12/18/19 on City Procurement Web Page
Closes 1/30/2020

WRAP-UP / QUESTIONS

