

# CHARLOTTESVILLE CITY SCHOOLS BUDGET WORK-SESSION

DECEMBER 18, 2019



## TOPICS OVERVIEW

1. Budget Binder Introduction
2. Comparative Information
3. LCI & State Funding Update
4. Enrollment & Demographics
5. Facilities



# 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 BINDER INTRODUCTION

- Budget Calendar
- Work Session Materials
- Budget Proposal
- Notes/Miscellaneous



# BUDGET CALENDAR

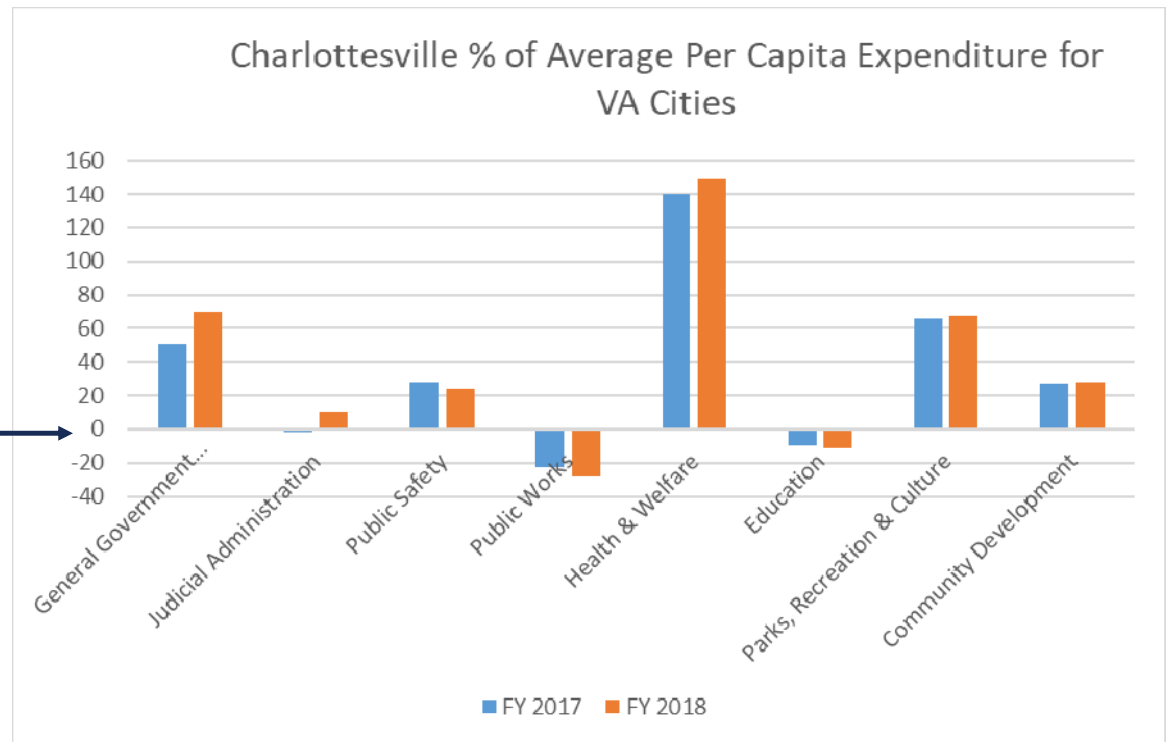
**JANUARY** is the “big lift”

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

[http://www.apa.virginia.gov/APA\\_Reports/LG\\_ComparativeReports.aspx](http://www.apa.virginia.gov/APA_Reports/LG_ComparativeReports.aspx)

	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
<b>TOTAL</b>	<b>75,077,551</b>	<b>77,642,516</b>	<b>80,525,242</b>	<b>81,352,716</b>	<b>87,272,720</b>
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%
<b>Total % change over prior year</b>	<b>3.59%</b>	<b>3.42%</b>	<b>3.71%</b>	<b>1.03%</b>	<b>7.28%</b>
<b>Average % change in CPI per DOL</b>	<b>2.10%</b>	<b>2.10%</b>	<b>1.90%</b>		
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

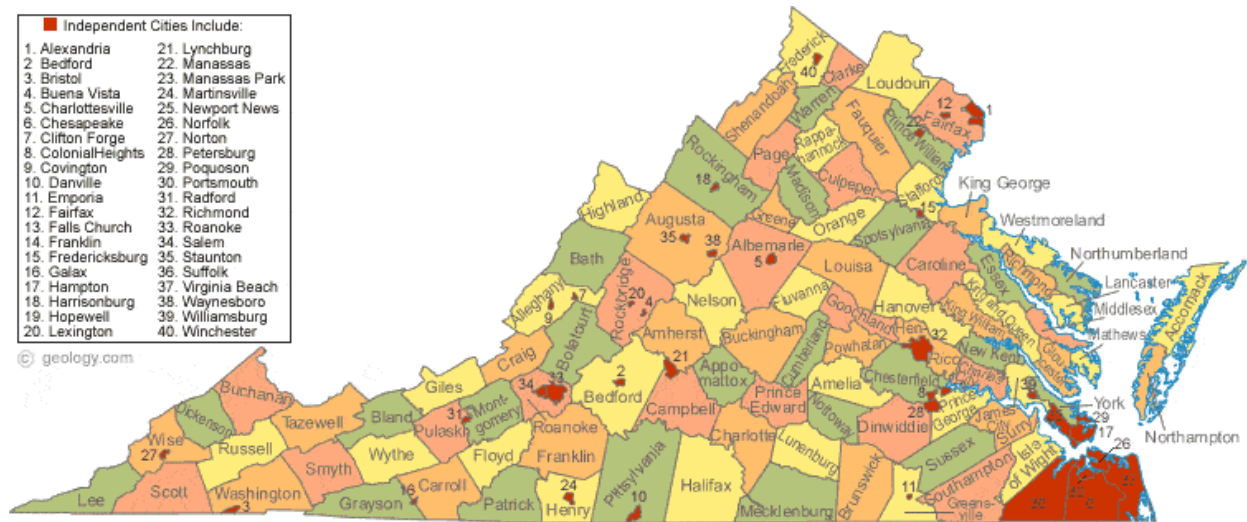
## Understanding the Local Composite Index (LCI)

- 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 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)

■ Independent Cities Include:

1. Alexandria	21. Lynchburg
2. Bedford	22. Manassas
3. Bristol	23. Manassas Park
4. Buena Vista	24. Martinsville
5. Charlottesville	25. Newport News
6. Chesapeake	26. Norfolk
7. Clifton Forge	27. Norton
8. Colonial Heights	28. Petersburg
9. Covington	29. Poquoson
10. Danville	30. Portsmouth
11. Emporia	31. Radford
12. Fairfax	32. Richmond
13. Falls Church	33. Roanoke
14. Franklin	34. Salem
15. Fredericksburg	35. Staunton
16. Galax	36. Suffolk
17. Hampton	37. Virginia Beach
18. Harrisonburg	38. Waynesboro
19. Hopewell	39. Williamsburg
20. Lexington	40. Winchester

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## UNDERSTANDING THE LCI CALCULATION

- There is an adjustment to the standard calculation for localities with non-resident income above 3 percent of VAGI.
- The only changes adopted to the LCI since its inception have been adding the one-third population to the denominator in the 1980's, and later and the non-resident adjustment to VAGI.
- Sometimes hold-harmless funding is provided to help mitigate the impact of significant LCI changes in the first year of a new biennium. This is usually politically contentious, so difficult to count on until the state budget process is completed.
- After the weighted revenue factors are divided by the ADM and the population numbers, and the ADM and population components are added together, the total is multiplied by 0.45 to get the relative 45% local to 55% state weighted average share of SOQ costs.

**Final Composite Index =**

$$((.6667 \times \text{ADM Component}) + (.3333 \times \text{Population Component})) \times 0.45$$



## COMPOSITE INDEX OF LOCAL ABILITY-TO-PAY FORMULA

### Average Daily Membership (ADM) Component =

$$\begin{array}{c}
 .5 \left[ \frac{\text{Local True Values}}{\text{Local ADM}} \right] + .4 \left[ \frac{\text{Local Adjusted Gross Income}}{\text{Local ADM}} \right] + .1 \left[ \frac{\text{Local Taxable Retail Sales}}{\text{Local ADM}} \right] \\
 \frac{\text{State True Values}}{\text{State ADM}} \qquad \qquad \frac{\text{State Adjusted Gross Income}}{\text{State ADM}} \qquad \qquad \frac{\text{State Taxable Retail Sales}}{\text{State ADM}}
 \end{array}$$

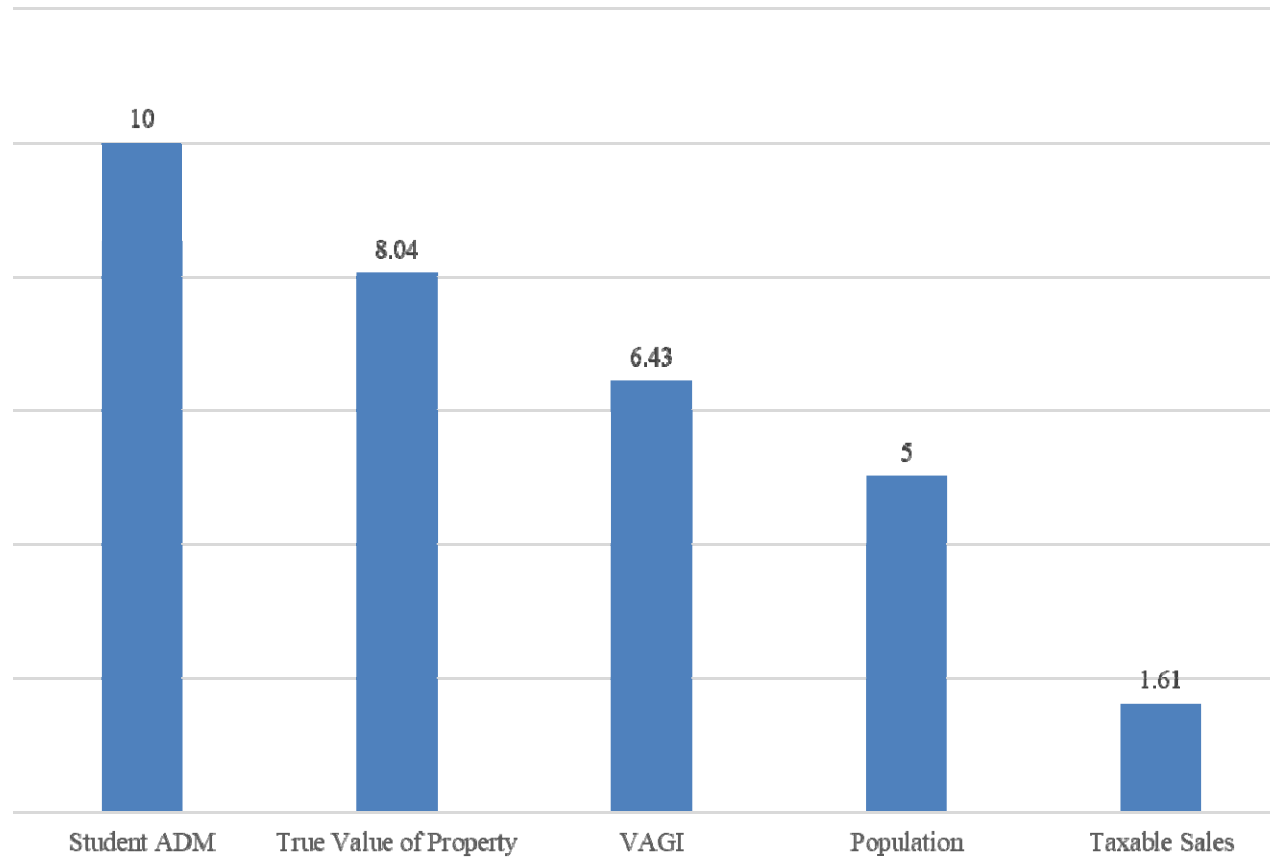
### Population Component =

$$\begin{array}{c}
 .5 \left[ \frac{\text{Local True Values}}{\text{Local Population}} \right] + .4 \left[ \frac{\text{Local Adjusted Gross Income}}{\text{Local Population}} \right] + .1 \left[ \frac{\text{Local Taxable Retail Sales}}{\text{Local Population}} \right] \\
 \frac{\text{State True Values}}{\text{State Population}} \qquad \qquad \frac{\text{State Adjusted Gross Income}}{\text{State Population}} \qquad \qquad \frac{\text{State Taxable Retail Sales}}{\text{State Population}}
 \end{array}$$

### Final Composite Index =

$$((.6667 \times \text{ADM Component}) + (.3333 \times \text{Population Component})) \times 0.45$$

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



\*Source: Jim Regimbal, Fiscal Analytics, Ltd. –VASS presentation December 2016

# LCI UPDATE


	FINAL INDEX COMPARISON		
	2018-2020	2020-2022	COMPOSITE
	COMPOSITE	COMPOSITE	INDEX
<i>DIVISION</i>	INDEX	INDEX	VARIANCE
CHARLOTTESVILLE	0.6772	0.6886	0.0114

- The actual impact of LCI changes can only be assessed using VDOE “calc tools” issued for each budget proposal:
  - Governor
  - House & Senate (2 different proposals)
  - General Assembly

# LCI FACTOR TRENDS

	AVERAGE DAILY MEMBERSHIP	
	ABSOLUTE % CHANGE	DIVISION vs STATE AVERAGE CHANGE
<i>DIVISION</i>	2016 to 2018	2016 to 2018
CHARLOTTESVILLE	3.05%	124
<i>STATE AVERAGE</i>	0.58%	53
	POPULATION	
	ABSOLUTE % CHANGE	DIVISION vs STATE AVERAGE CHANGE
<i>DIVISION</i>	2015 to 2017	2015 to 2017
CHARLOTTESVILLE	1.91%	922
<i>STATE AVERAGE</i>	1.04%	645

March 31, 2010 ADM\*  
to  
March 31, 2012 ADM\*  
Very Favorable Driver for LCI



Favorable General Population  
Growth for LCI

\*ADM = Average Daily Membership

# LCI UPDATE - CONTINUED

<i>DIVISION</i>	TRUE VALUE OF PROPERTY		
	ABSOLUTE % CHANGE 2015 to 2017	PER ADM % CHANGE 2015 to 2017	PER CAPITA % CHANGE 2015 to 2017
CHARLOTTESVILLE	23.77%	20.11%	21.45%
<i>STATE AVERAGE</i>	7.31%	6.70%	6.21%
<i>DIVISION</i>	ADJUSTED GROSS INCOME		
	ABSOLUTE % CHANGE 2015 to 2017	PER ADM % CHANGE 2015 to 2017	PER CAPITA % CHANGE 2015 to 2017
CHARLOTTESVILLE	(6.16%)	(8.93%)	(7.92%)
<i>STATE AVERAGE</i>	2.37%	1.78%	1.32%
<i>DIVISION</i>	TAXABLE RETAIL SALES		
	ABSOLUTE % CHANGE 2015 to 2017	PER ADM % CHANGE 2015 to 2017	PER CAPITA % CHANGE 2015 to 2017
CHARLOTTESVILLE	1.24%	(1.75%)	(0.66%)
<i>STATE AVERAGE</i>	3.52%	2.93%	2.46%

Rate of Increase Significantly  
Above State Average –  
NOT Favorable for LCI

Decline for C'ville vs. Increase  
for State Average –  
Favorable for LCI

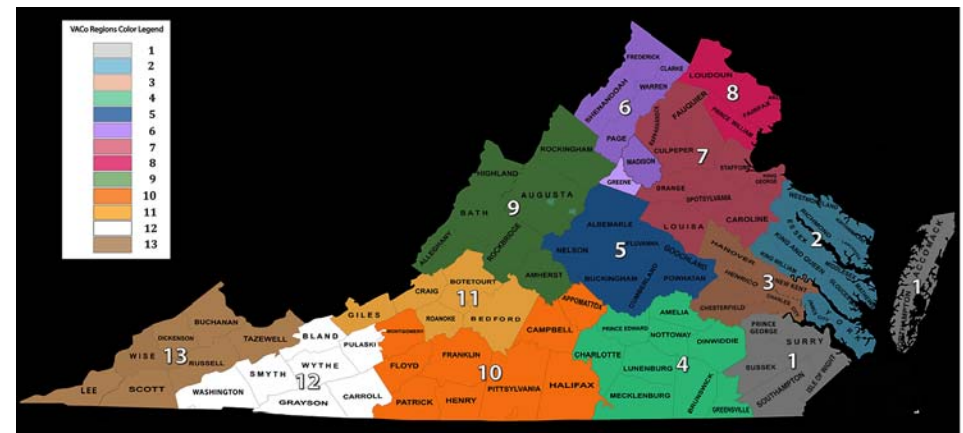
Rate of Increase below state average  
increase – Favorable for LCI

# 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
<b>Average Daily Membership</b>	3.05%	1.72%	0.58%
<b>Population</b>	1.91%	2.52%	1.04%
<b>True Value of Property</b>	23.77%	6.07%	7.31%
<b>Adjusted Gross Income</b>	-6.16%	-6.84%	2.37%
<b>Taxable Retail Sales</b>	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



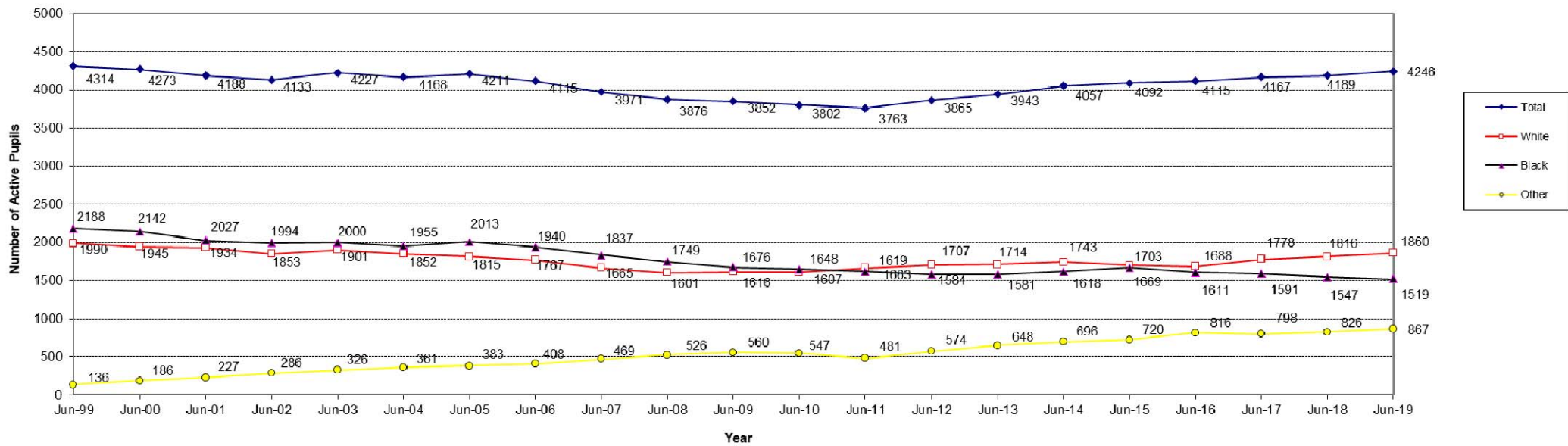
## STATE FUNDING UPDATE

- Governor's Budget Released 12/17/2019
  - Press Release: [www.governor.virginia.gov/newsroom/news-releases](http://www.governor.virginia.gov/newsroom/news-releases)
- VRS Rate increase
- 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.”*



# ENROLLMENT & DEMOGRAPHICS

Charlottesville City Schools June (End of Year) Enrollment  
1998-1999 through 2018-2019



# LONGITUDINAL DEMOGRAPHIC REPORTING – RACE/ETHNICITY

## 2009 – 2010 EOY (single race reporting)

Unspecified/Unknown
American Indian/Alaskan
Asian
Black
Hispanic
White
Hawaiian/Pacific Islander

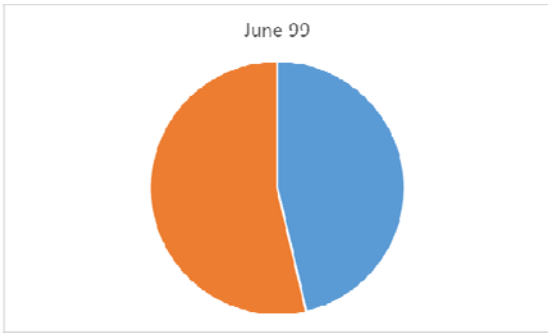
Since 2010-2011  
CCS has ranged

between 24 to 33  
Federal  
Ethnicity/Race  
reporting categories

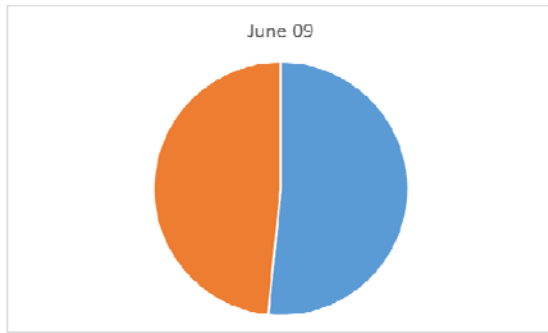
American Indian/Alaskan
American Indian/Alaskan, Asian
American Indian/Alaskan, Asian, Black, White, Hawaiian/Pacific Islander
American Indian/Alaskan, Black
American Indian/Alaskan, White
Asian
Asian, Black
Asian, Black, Hawaiian/Pacific Islander
Asian, Black, White
Asian, White
Black
Black, Hawaiian/Pacific Islander
Black, White
Black, White, Hawaiian/Pacific Islander
Hawaiian/Pacific Islander
Hawaiian/Pacific Islander, White
Hispanic, American Indian/Alaskan
Hispanic, American Indian/Alaskan, Black
Hispanic, American Indian/Alaskan, Hawaiian/Pacific Islander
Hispanic, American Indian/Alaskan, White
Hispanic, Asian
Hispanic, Asian, Black
Hispanic, Asian, Black, White
Hispanic, Asian, Hawaiian/Pacific Islander
Hispanic, Asian, White
Hispanic, Black
Hispanic, Black, White
Hispanic, Hawaiian/Pacific Islander, White
Hispanic, White
Hispanic, White, Black, American Indian/Alaskan
White
White, Black, American Indian/Alaskan
White, Hawaiian/Pacific Islander, Asian

*This change authorizes individuals to more accurately reflect their racial and ethnic background by not limiting responses to only one racial or ethnic category, and expands reporting options to seven categories (American Indian or Alaska Native, Asian, Black or African American, Hispanic, Native Hawaiian or Other Pacific Islander, White, and Two or More Races).*

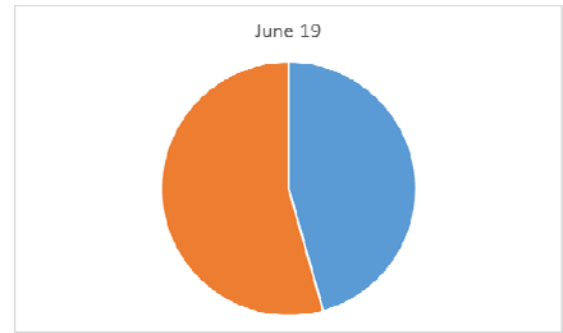
*August 2008 – U.S. Department of Education New Race and Ethnicity Guidance for the Collection of Federal Education Data*



Total Disadvantaged 46.3%



Total Disadvantaged 51.6%



Total Disadvantaged 45.6%

Total Student Population

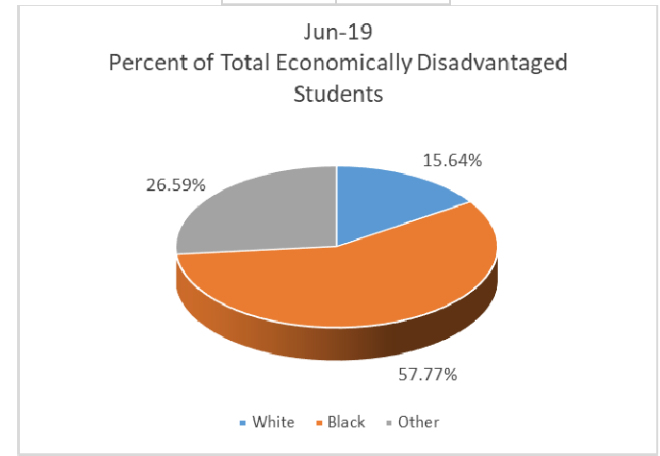
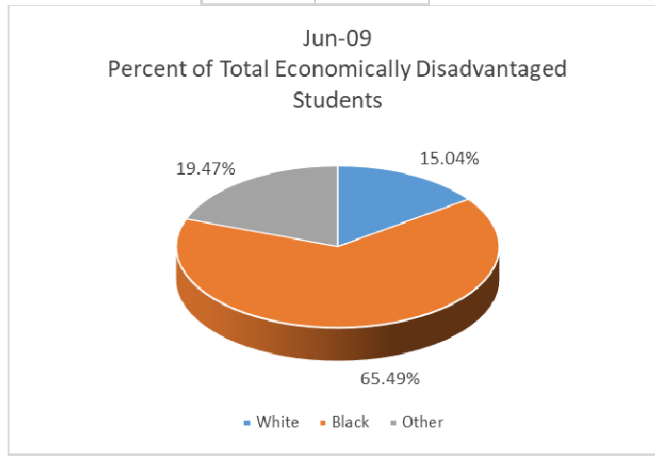
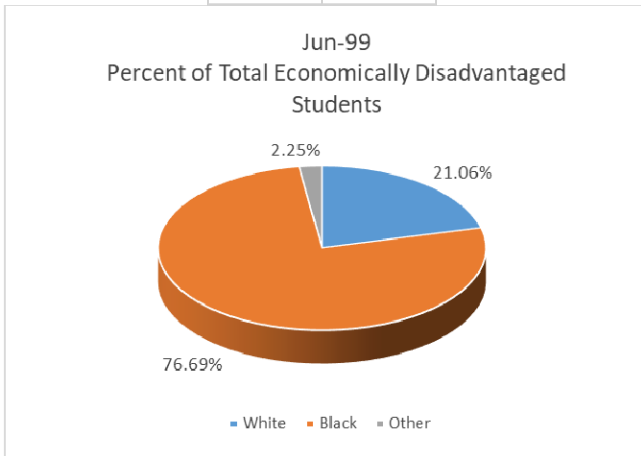
White	46.13%
Black	50.72%
Other	3.15%

Total Student Population

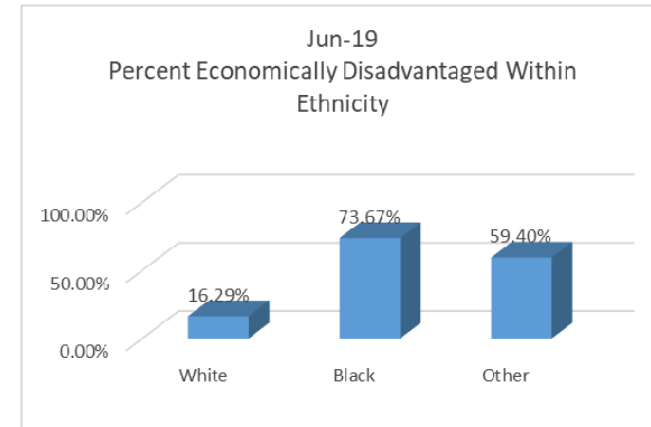
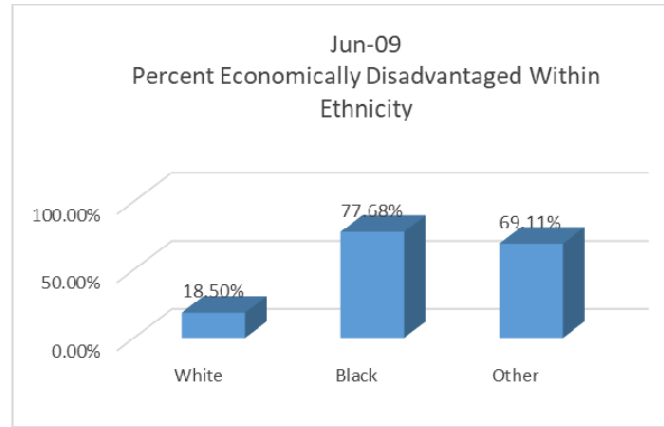
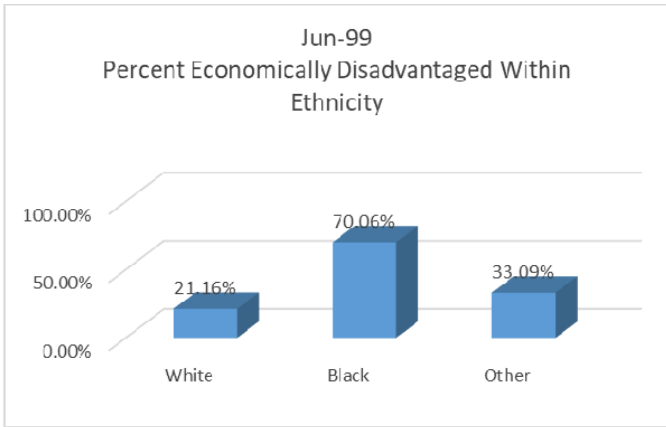
White	37.46%
Black	38.85%
Other	12.98%

Total Student Population

White	43.12%
Black	35.21%
Other	20.10%



# PERCENT ECONOMICALLY DISADVANTAGED WITHIN ETHNICITY

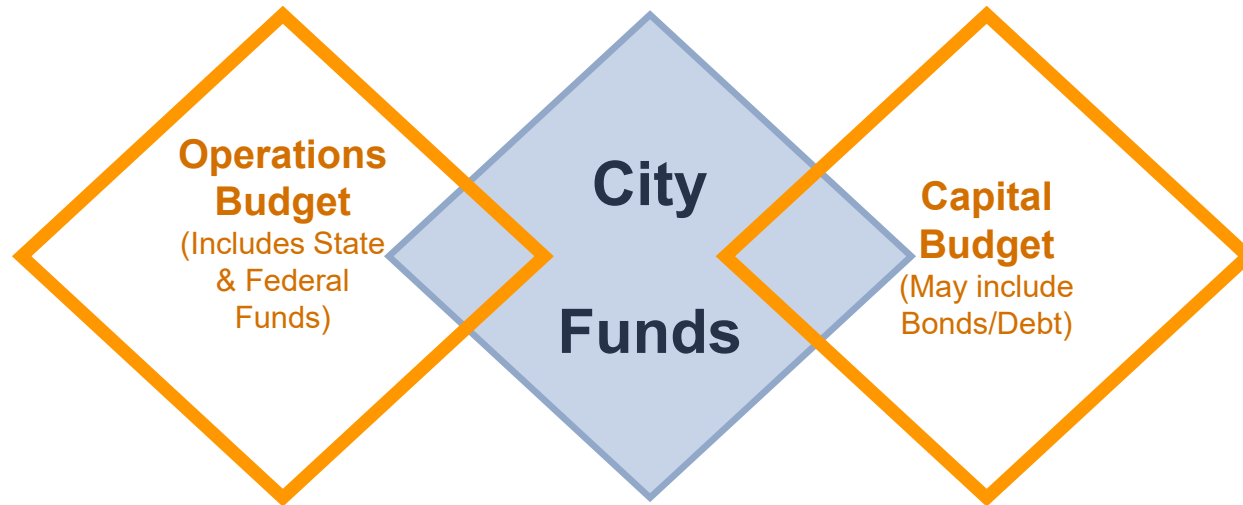


## HIGHLIGHTS OF ACCOMPLISHMENTS IN THE FY20 BUDGET

- 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



# BUDGETS



**RFP# CCS Reconfiguration A & E Services – POSTED TODAY 12/18 on City Procurement Web Page**

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## WRAP-UP / QUESTIONS

