Joint Budget Work Session

Charlottesville City Schools & Charlottesville City Council

Board Work Session
Thursday, December 18, 2025

Background

- Virginia Code, Section 22.1-92 mandates that it is the duty of the Superintendent to prepare a budget with an estimate of the amount of money deemed to be needed to support the school division (commonly referred to as a "needs-based budget").
- The total of the potential expenditures presented should not be interpreted as a recommended change to the budget, nor does this represent the Superintendent's Proposed Budget.
- This presentation includes early projections on key financial areas that drive the budget development process.

Budget Development Process

- The budget development process is a collaborative process involving many stakeholders.
- The Strategic Plan guides the work of CCS through 2028 with the four focus areas:
    - *Increase Academic Achievement*
    - *Provide a Culture of Safety, Wellness, and Belonging*
    - *Support Our Staff*
    - *Ensure Effective and Efficient Operations*
- The budget planning process includes seeking guidance from School Board members on priorities.
- The Superintendent works closely with the School Board, the leadership team, school and program leaders, collective bargaining units, and the community to present the needs of the division.

Budget Priorities

- Staffing, Compensation, and Retention
- Student Support, Achievement, and Well-Being
- Facilities, Maintenance, and Capital Improvements
- Early Childhood Education

Alignment of Strategic Plan to Budget Priorities

Increase Academic Achievement

All CCS Learners

1. Will be equipped with a plan for the future
2. Will have access to rigorous inclusive, and relevant learning experiences
3. Will attain mastery, eliminating achievement and opportunity gaps

Provide A Culture of Safety, Wellness, and Belonging

CCS will support

1. Support social, emotional, and physical wellness
2. Foster a strong sense of community
3. Promote a safe and positive learning environment

→ Student Support, Achievement, and Well-Being

Early Childhood Education

Support Our Staff

CCS will

1. Recruit and retain licensed and properly endorsed staff
2. Offer meaningful, relevant, timely, and personalized professional learning
3. Recruit and retain teachers of color
4. Value staff voice

→ Staffing, Compensation, and Retention

Ensure Effective and Efficient Operations

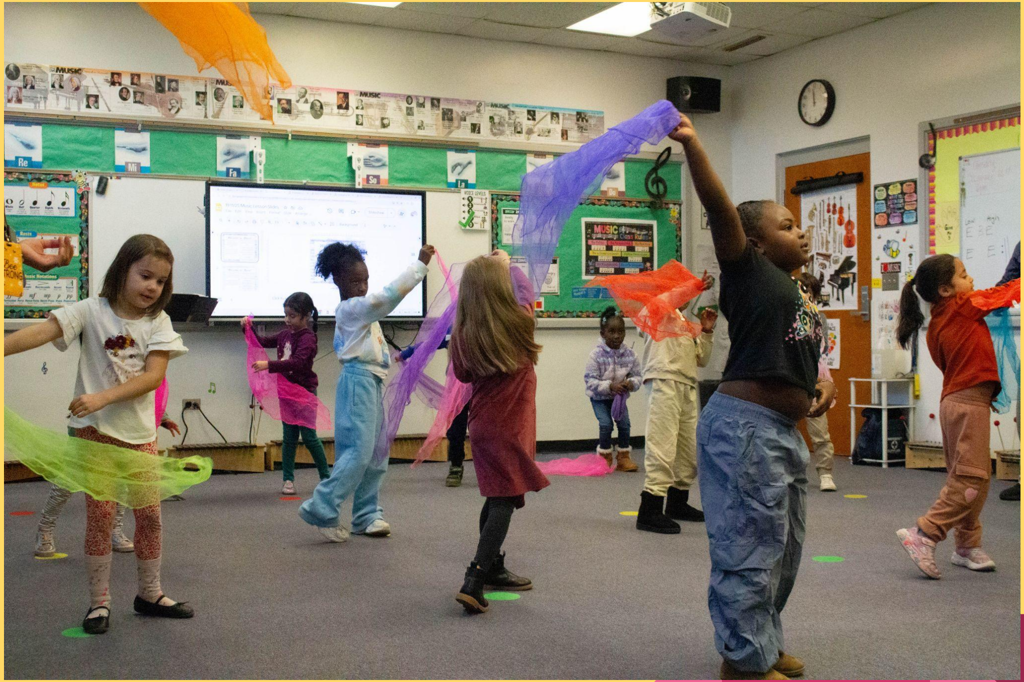
CCS will

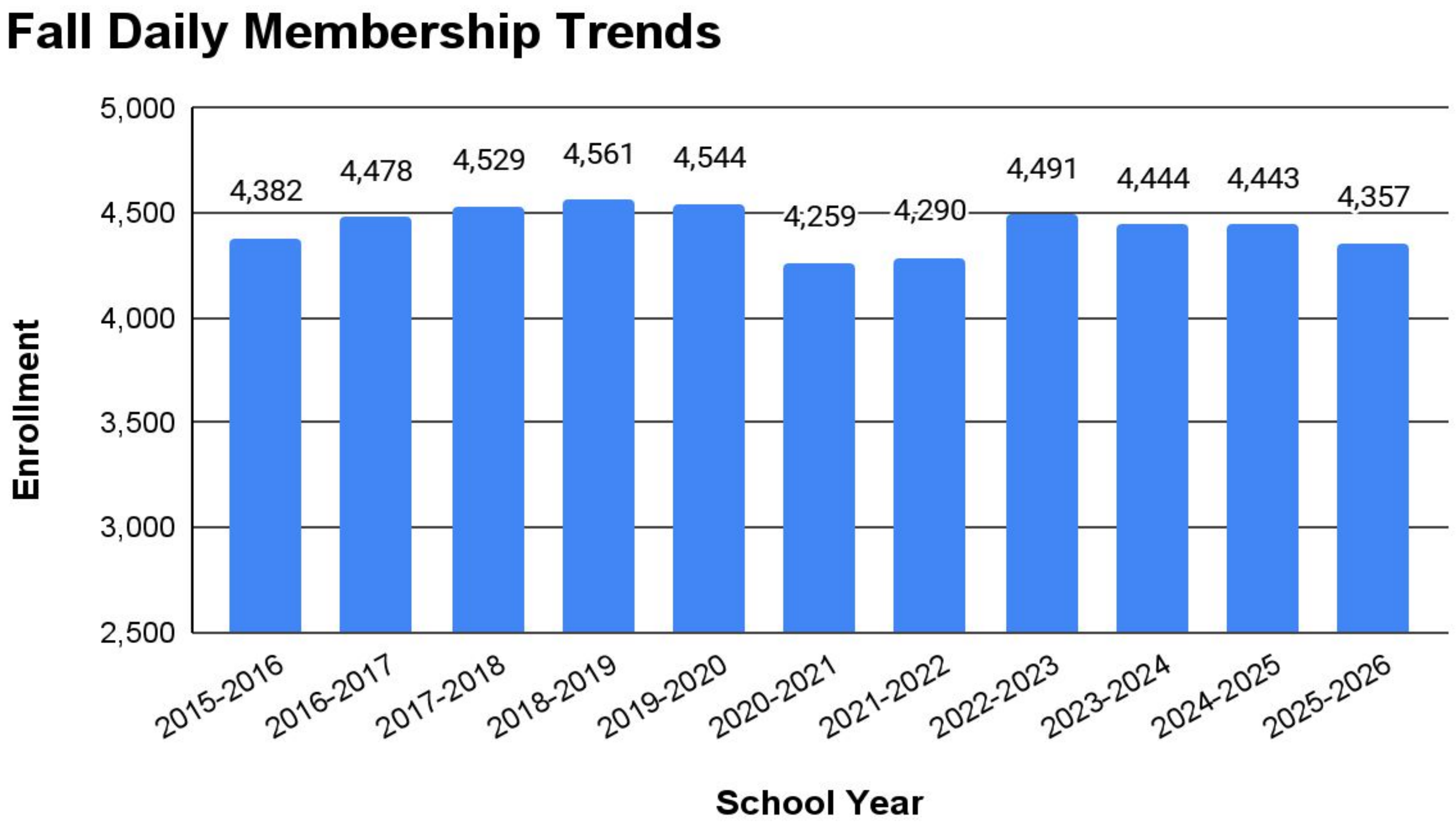
1. Modernize facilities
2. Advance operational efficiencies and upgrades
3. Sustainability and environmental awareness
4. Fiscal stewardship

→ Facilities, Maintenance, and Capital Improvements

“What We Face, We Can Change”

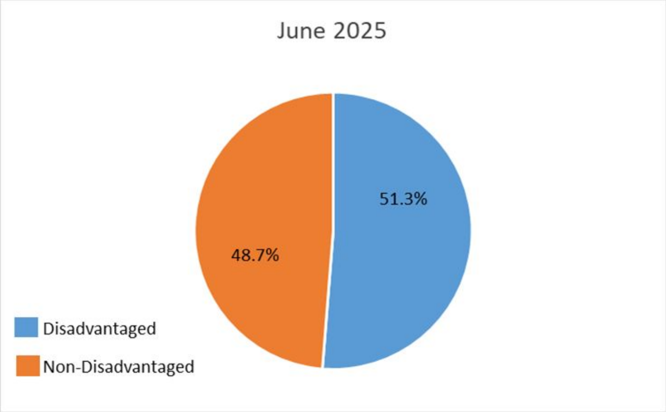
- 2025-26 Focus: *Refining current systems, and building new ones, to identify and address learning gaps for Black students*

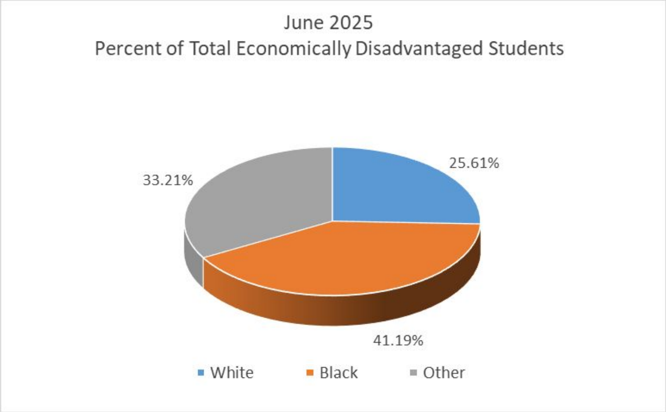


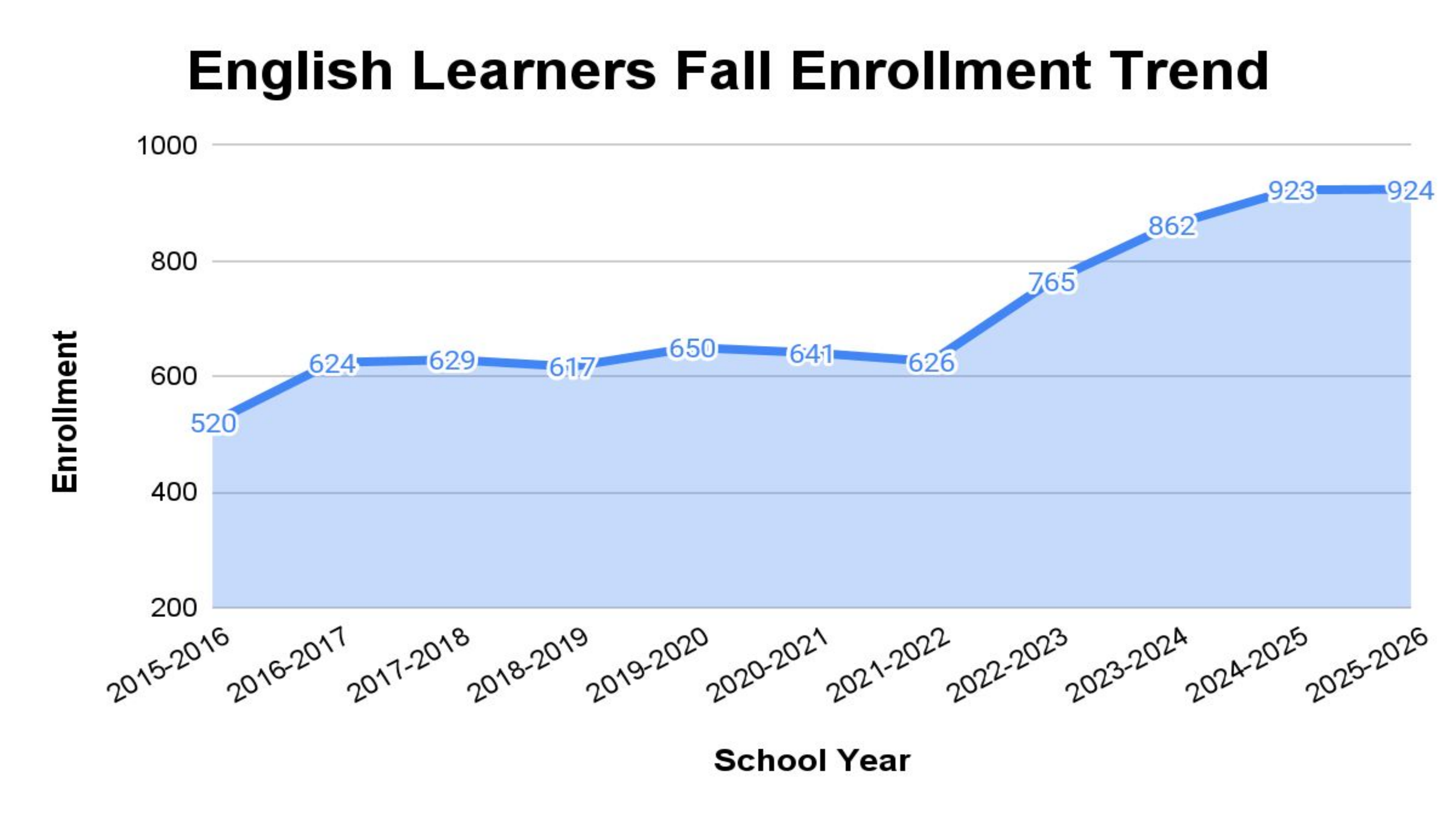

Fall Daily Membership Trends
5,000
4,500
4,000
3,500
3,000
2,500
Enrollment
4,382
4,478
4,529
4,561
4,544
4,259
4,290
4,491
4,444
4,443
4,357
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025
2025-2026
School Year

Student Demographics

	2024-2025
All Students	4443
Female	2167
Male	2276
American Indian	1
Asian	347
Black	1129
Hispanic	614
Native Hawaiian	1
White	1751
Multiple Races	600
Students with Disabilities	528
Economically Disadvantaged	2328
English Learners	923
Homeless	95
Military Connected	36



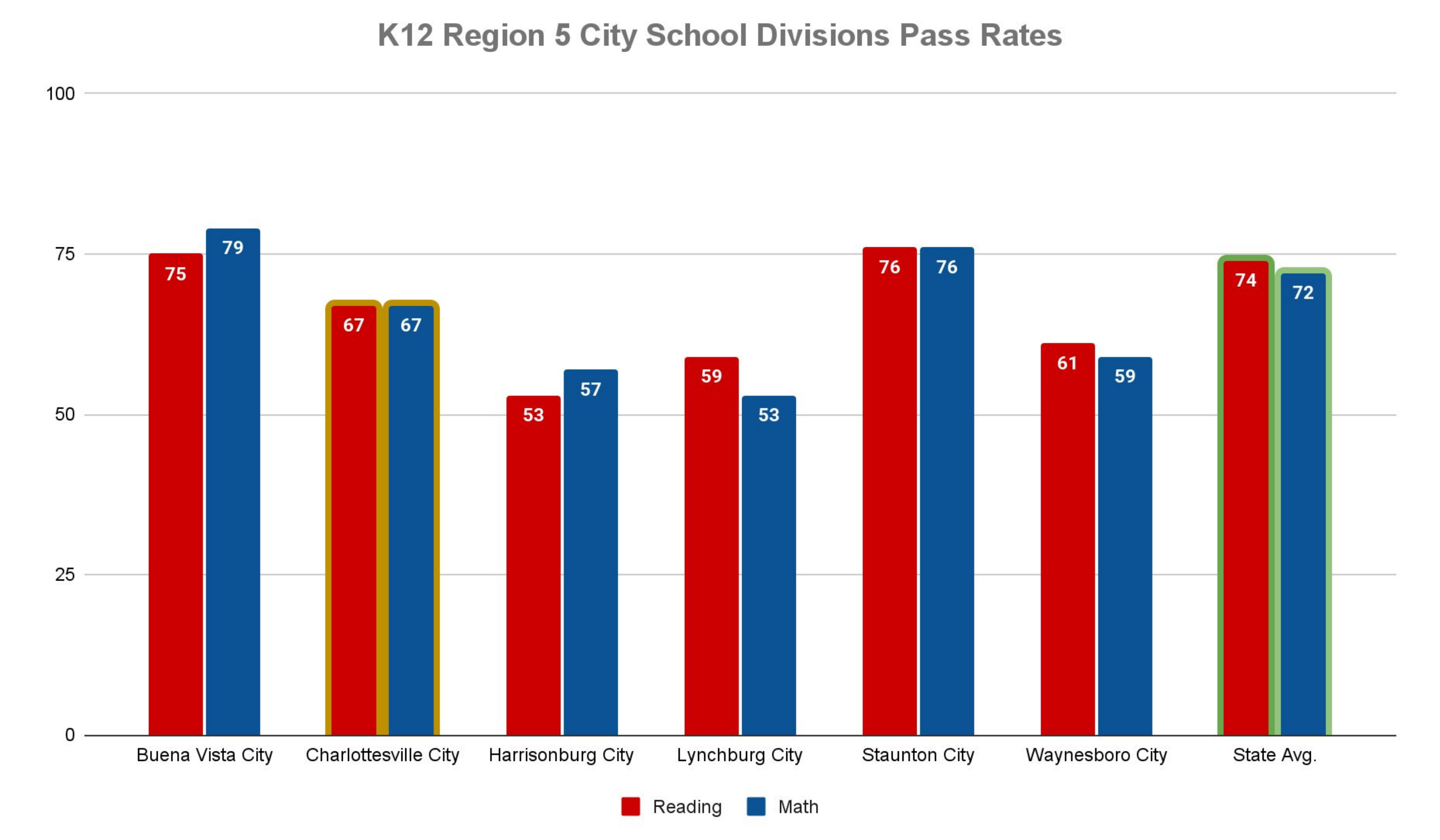


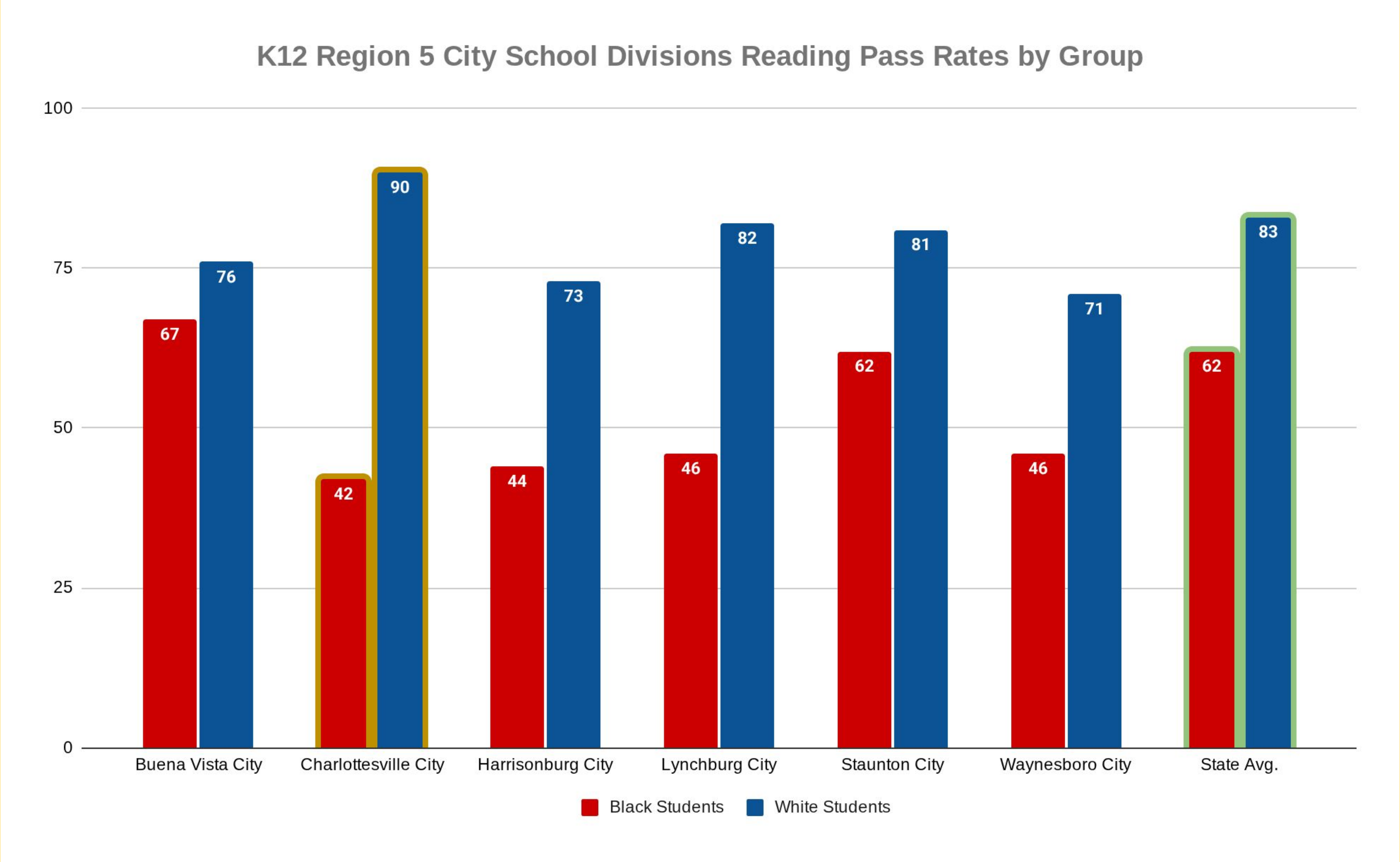


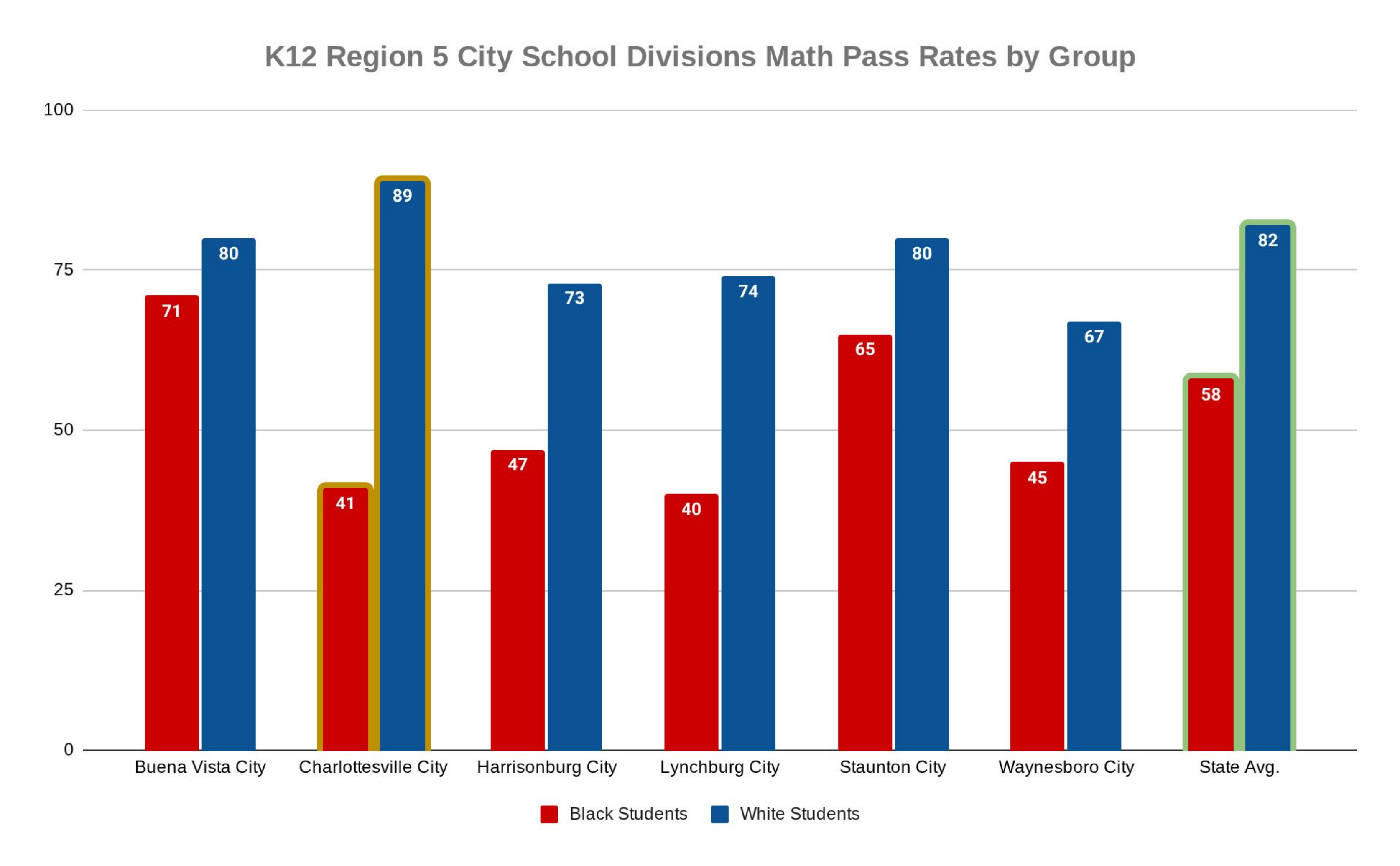
Number represents current EL and Former EL students

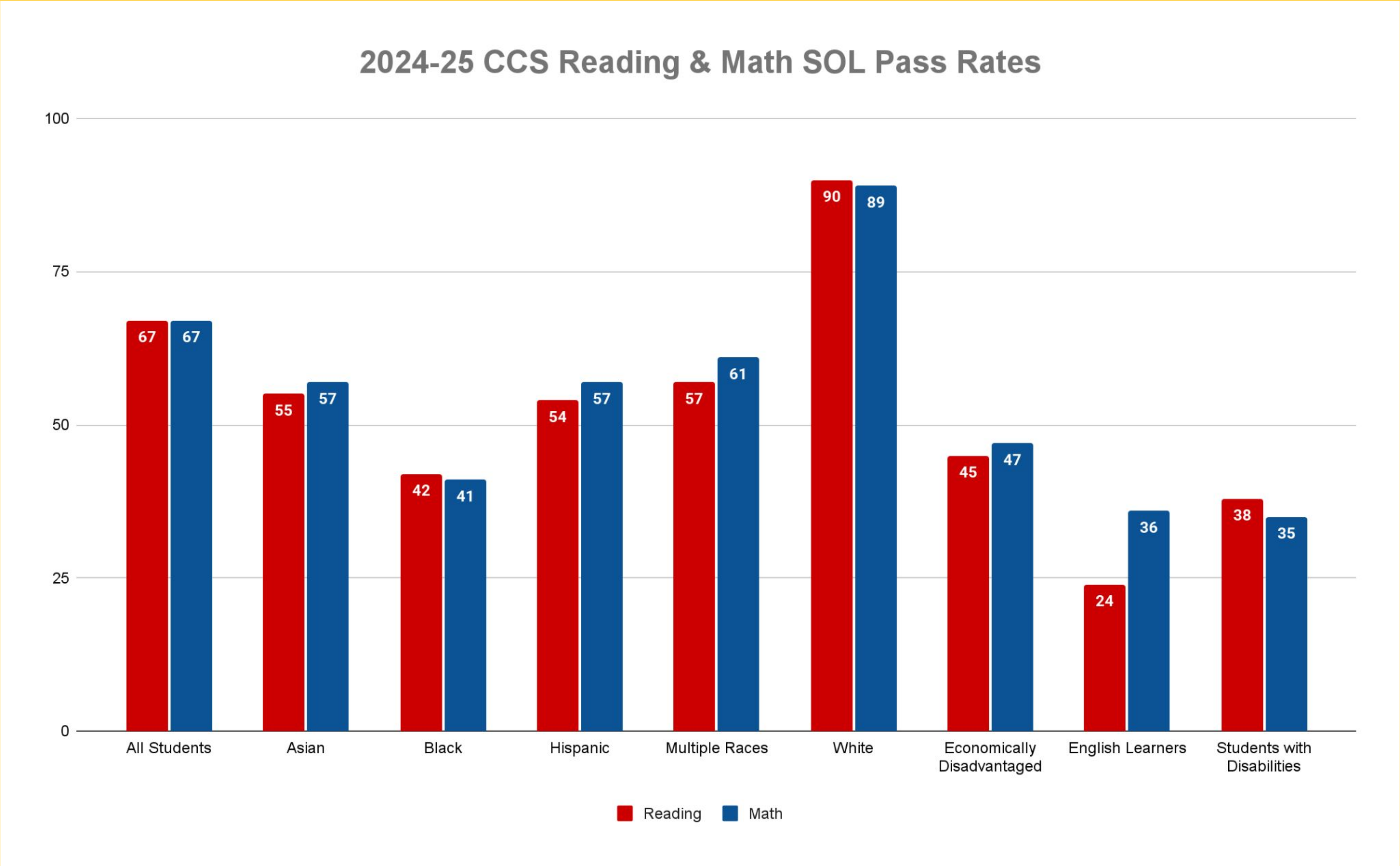
All Charlottesville City Schools Are Fully Accredited and are Meeting or Approaching State Accountability Benchmark of 80 Points

School	Accreditation Status	Accountability Framework Score (80 is Benchmark)	Accountability Performance Level
Greenbrier	Fully accredited	82.9	On Track (80-89 points)
Jackson-Via	Fully accredited	79.4	Off Track (65-79 points)
Summit	Fully accredited	79.2	Off Track (65-79 points)
Sunrise	Fully accredited	91.4	Distinguished (90-100 points)
Tall Oaks	Fully accredited	77.2	Off Track, but moved to Needs Intensive Support for English language learners and economically disadvantaged students
Trailblazer	Fully accredited	83.6	On Track, but moved to Off Track due to support needed for Black students and economically disadvantaged students
Walker Upper	Fully accredited	79.3	Off Track, but moved to Needs Intensive Support for English language learners
CMS	Fully accredited	79.9	Off Track (65-79 points)
CHS	Fully accredited	84.0	On Track (80-89 points)


K12 Region 5 City School Divisions Pass Rates
100
75
50
25
0
75
79
67
67
53
57
59
53
76
76
61
59
74
72
Buena Vista City
Charlottesville City
Harrisonburg City
Lynchburg City
Staunton City
Waynesboro City
State Avg.
Reading
Math


K12 Region 5 City School Divisions Reading Pass Rates by Group
100
75
50
25
0
67
76
42
90
44
73
46
82
62
81
46
71
62
83
Buena Vista City
Charlottesville City
Harrisonburg City
Lynchburg City
Staunton City
Waynesboro City
State Avg.
Black Students
White Students


K12 Region 5 City School Divisions Math Pass Rates by Group
100
75
50
25
0
71
80
41
89
47
73
40
74
65
80
45
67
58
82
Buena Vista City
Charlottesville City
Harrisonburg City
Lynchburg City
Staunton City
Waynesboro City
State Avg.
Black Students
White Students


2024-25 CCS Reading & Math SOL Pass Rates
100
75
50
25
0
67
67
55
57
42
41
54
57
57
61
90
89
45
47
24
36
38
35
All Students
Asian
Black
Hispanic
Multiple Races
White
Economically Disadvantaged
English Learners
Students with Disabilities
Reading
Math

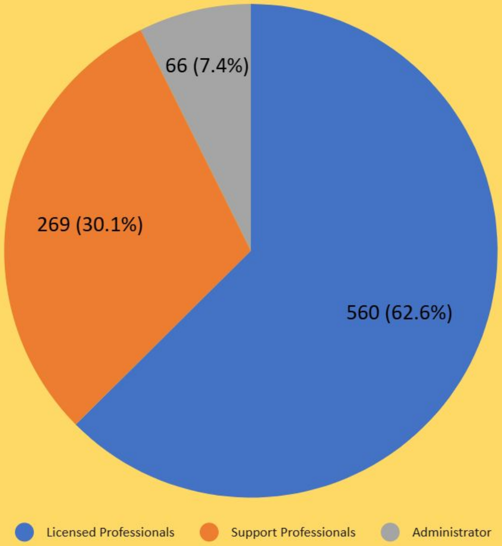
Virginia's New Accountability: 2026 - 27 Implications

- Virginia's new accountability system changes expectations through higher proficiency (cut) scores, more rigorous English and math standards, earlier inclusion of English learner scores, and smaller student group sizes impacting school ratings.
- Enrollment shows a slight decline, but student needs continue to rise, especially among high-need and historically underserved populations.
- Resources must be strategically differentiated across schools to align staffing and instructional support with student need.
- Despite internal re-allocation efforts, current funding levels are insufficient to fully address growing academic, behavioral, and social-emotional demands.

Instructional Funding Next Steps

- Re-evaluating supports for schools based on the newly released accountability information and mid-year student achievement data.
- Reviewing budget requests to include:
    - Class size supports
    - Interventions and supports for reading and mathematics
    - Updated instructional materials
    - Expanded college and career readiness supports
- Efficiencies and new expenses related to reconfiguration

Staff Allocation



Administration	66
Licensed	560
Support Professionals	279
Total	905

Division & License Staff Retention

School Year	Division Retention Rate	Teacher Retention Rate	Administrative Retention Rate
22-23 → 23-24	82%	81.90%	84.60%
23-24 → 24-25	82.10%	82.80%	86.20%
24-25 → 25-26	86.20%	85.70%	96.40%

Salaries & Benefits

74% of the FY26 budget is for employee compensation, reflecting the fact that education is a labor-intensive enterprise.

Compensation

- ➢ Based collective bargaining agreements
- ➢ Estimate an increase of **$4.7 million for compensation** (including benefits directly tied to salary)

Benefits

- ➢ Health insurance: Projections on the annual healthcare trend of 8% is $**821 thousand**.
- ➢ Virginia Retirement System (VRS): Rates are projected to decrease based on action by the VRS Board of Trustees; however, until the division receives VDOE budget calculation tool, the current rate will be used for estimating purposes.

Early Childhood Education

- *Prioritize funding for preschool expansion, including a clear plan for the Oak Lawn property as a potential early learning center*
- *Explore expanded eligibility criteria to serve families who fall above low-income thresholds yet cannot afford private childcare.*

Facilities Maintenance - Operational Costs

- ➢ Maintenance Staff is divided between "HVAC" (HVAC & electrical services) & "General Maintenance" (plumbing, painting, doors, windows, roofs, floors, elevators and other structural) and assigned to either "School" or "City" for budgeting
- ➢ Job supplies are tracked in the work order system
- ➢ Stocked warehouse supplies are generally charged on an alternating basis between the School and City cost centers
- ➢ Utilities are tracked by building

City Facility services provided but <u>not</u> included/costed in the annual maintenance charge:

- Capital Development (formerly known as Facilities Development)
- Parks & Recreation (grounds services)
- Sustainability (consumption management & educational work)

Facilities Services - Updating the MOA

City & CCS Staff are collaborating on a new Memorandum of Agreement (MOA).

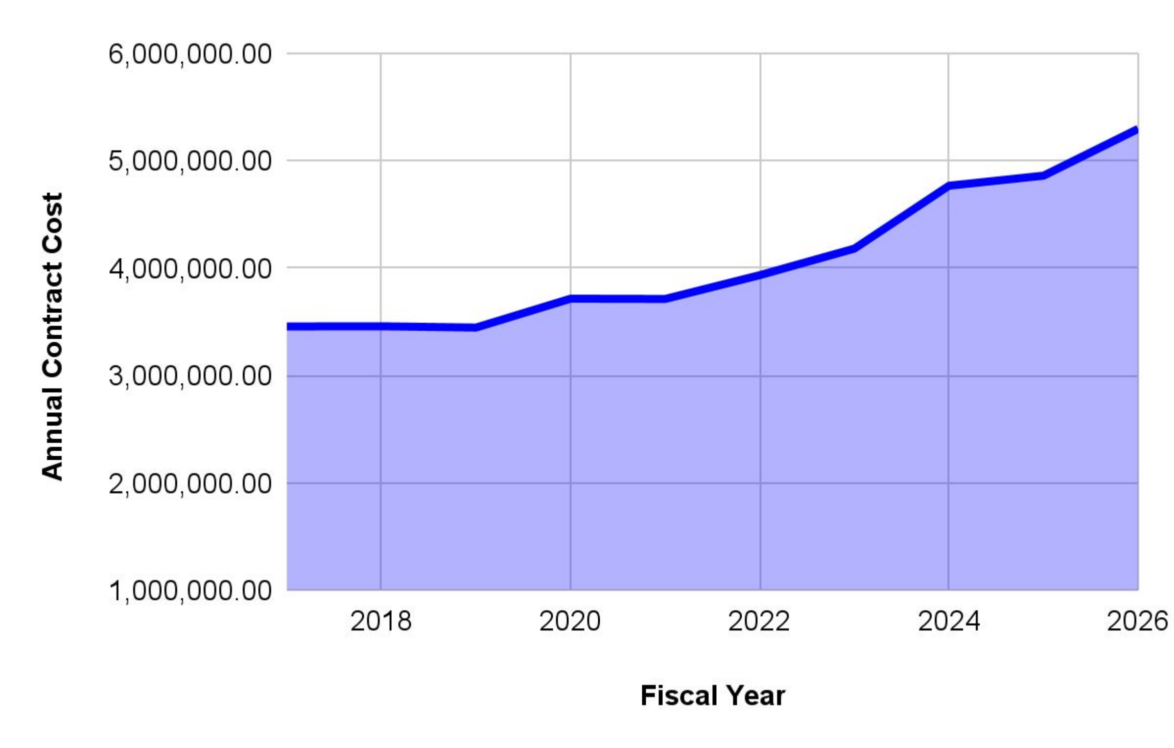
The new document preserves and better defines the current scope of services. Additional information will be provided when staff completes the draft work.

Document will be finalized before July 1, 2026

As the aim/purpose for the new MOA is to maintain current scope of services with additional information to clarify standards/expectations, the new document itself is budget neutral.

Non Discretionary: City Maintenance Contract

- **Relatively stable costs through FY 19:** Annual contract costs remained flat from FY 17-19, averaging approximately $3.45M.
- **Accelerated growth in recent years:** From FY 22-26, the contract increased by more than $1.36M, reflecting heightened cost pressures.
- **Five-year average growth rate:** 7.44%
- **Projected cost increase:** Applying the five-year average, a projected estimate is $394,379.



Transportation Services - Ongoing Pupil Driver Shortage

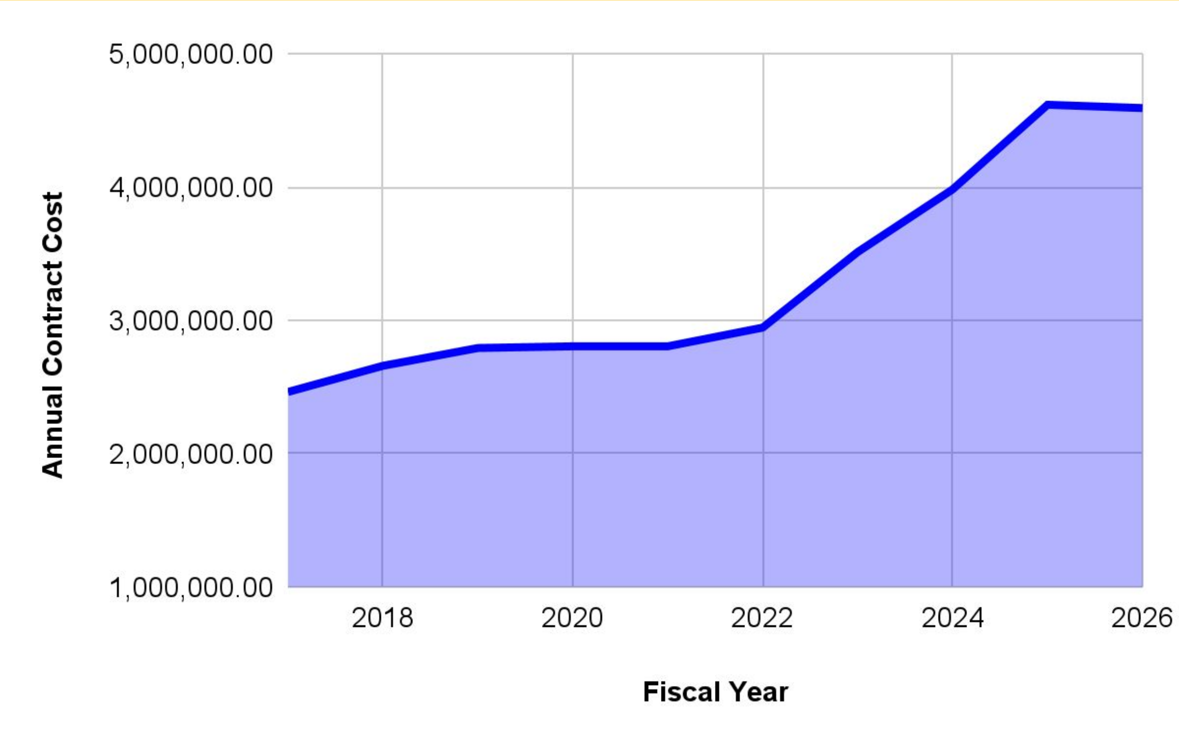
	Current	Vacant
40 Hour Positions	10	0
30-39 Hour Positions	12	7
Leads	2	0
Supervisors	2	0
Ops Manager	1	0
Total	27	

58% Vacant 30 Hour Positions (32% Vacancies Overall)

How do we address the vacancy challenge without unnecessarily inflating costs?

Non Discretionary: City Student Transportation Contract

- ➢ **Steady growth from FY 17 – 22:** Annual contract costs increased gradually from $2.46M to $2.94M.
- ➢ **Significant escalation beginning in FY 23:** Costs rose sharply starting in FY 23, increasing by over $566K year-over-year.
- ➢ **Five- year average:** 10.61%.
- ➢ **Projected cost increase:** Applying the five-year average, a projected estimate is $487,062.



Capital Improvements

CIP funding needed to:

- *Modernize aging facilities*
    - *The City–School Facilities Planning Working Group*
        - *establishing criteria*
        - *evaluating facilities*
- *Provide purpose-built spaces for interventionists, specialists, and enhanced program supports*
- *Strategically use properties to advance student programming*
- *Continue improving school safety*

FY 27 Revenue

- **City Appropriation**
  - Over the past four years, the City's appropriation to the schools has increased in range from $4M – $7M, with an average of $5M.
- **State Revenue**
  - Level funding due to projected LCI change offset by a projected enrollment decline
  - Technical adjustments to State Sales Tax for school age population
- **Federal Revenue**
  - Federal funding remains level

FY 26 Revenue

City Appropriation	$ 79.026
State Revenue	24.977
Federal Revenue	6.977
Total	$ 110.98

Next Steps Before the School Board Budget Work Session on January 22, 2025

- **State Revenues:** Evaluate the Governor's proposed budget using VDOE's calculation and planning tool to identify additional revenue.
- **Student Support and Improvement:** Review budget requests submitted by staff to prioritize initiatives that enhance student outcomes.
- **Position Realignment:** Assess current staffing positions to align with the planned leadership reorganization.

Preliminary Summary:
FY 27 Budget Considerations

Compensation & Benefits	$ 5.521
Non-Discretionary	.881
Total	$ 6.402

The above budget considerations reflect the collective bargaining agreements for compensation and the related increases for health and retirement benefits. We ***anticipate*** that revenue and savings from other areas (see previous slide) will enable us to fund all other needs.

Budget Calendar

Meetings	Dates
School Board Budget Work Session	Thursday, January 22, 2026
Regular School Board Meeting	Thursday, February 5, 2026
City Council and School Board: Joint Budget Work Session	Monday, February 9, 2026
School Board Budget Work Session	Thursday, February 12, 2026
Special School Board Meeting: Approval of Proposed Budget	Thursday, February 19, 2026

Mission: We are interconnected, equity-focused school community committed to providing the skills and knowledge needed for lifelong learning, engaged citizenship, and personal fulfillment.