



# Budget Development Update

**Fiscal Year 2026 - 2027**

School Board Budget Work Session  
Thursday, January 22, 2026



# 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

Student Support, Achievement, and Well-Being  
Early Childhood Education

## 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

## 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

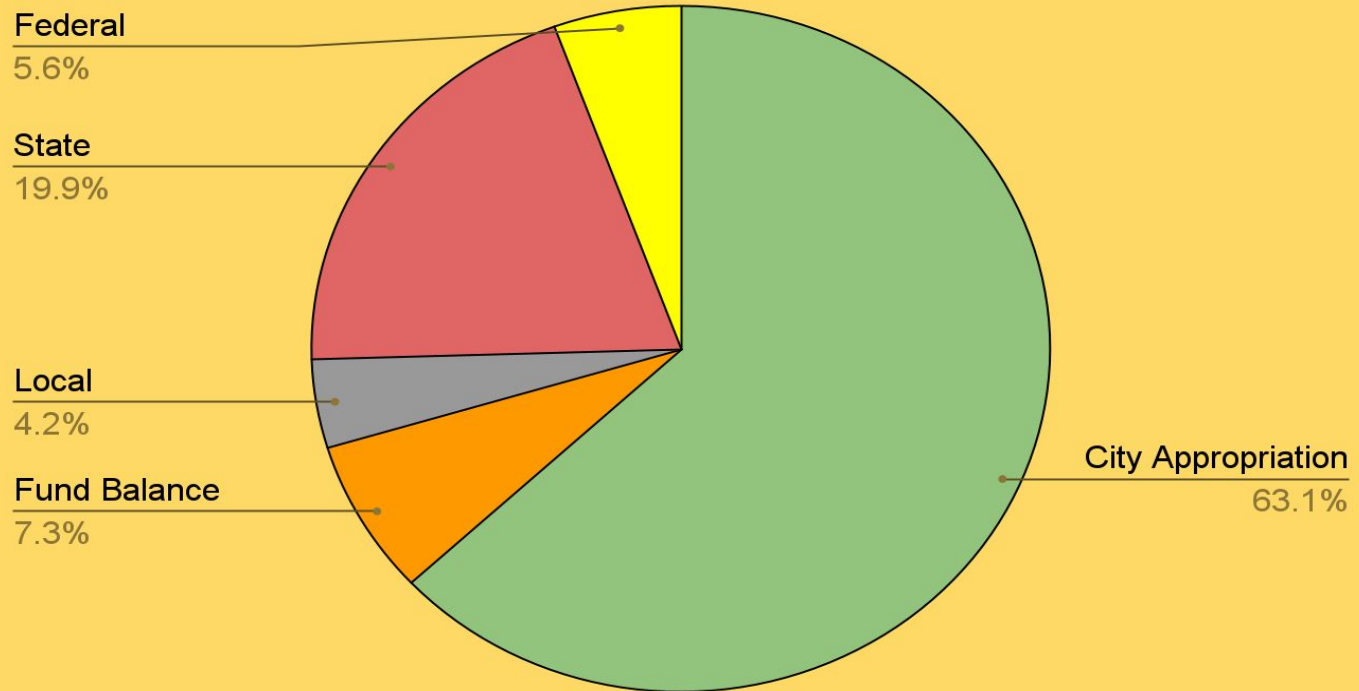
# Revenue



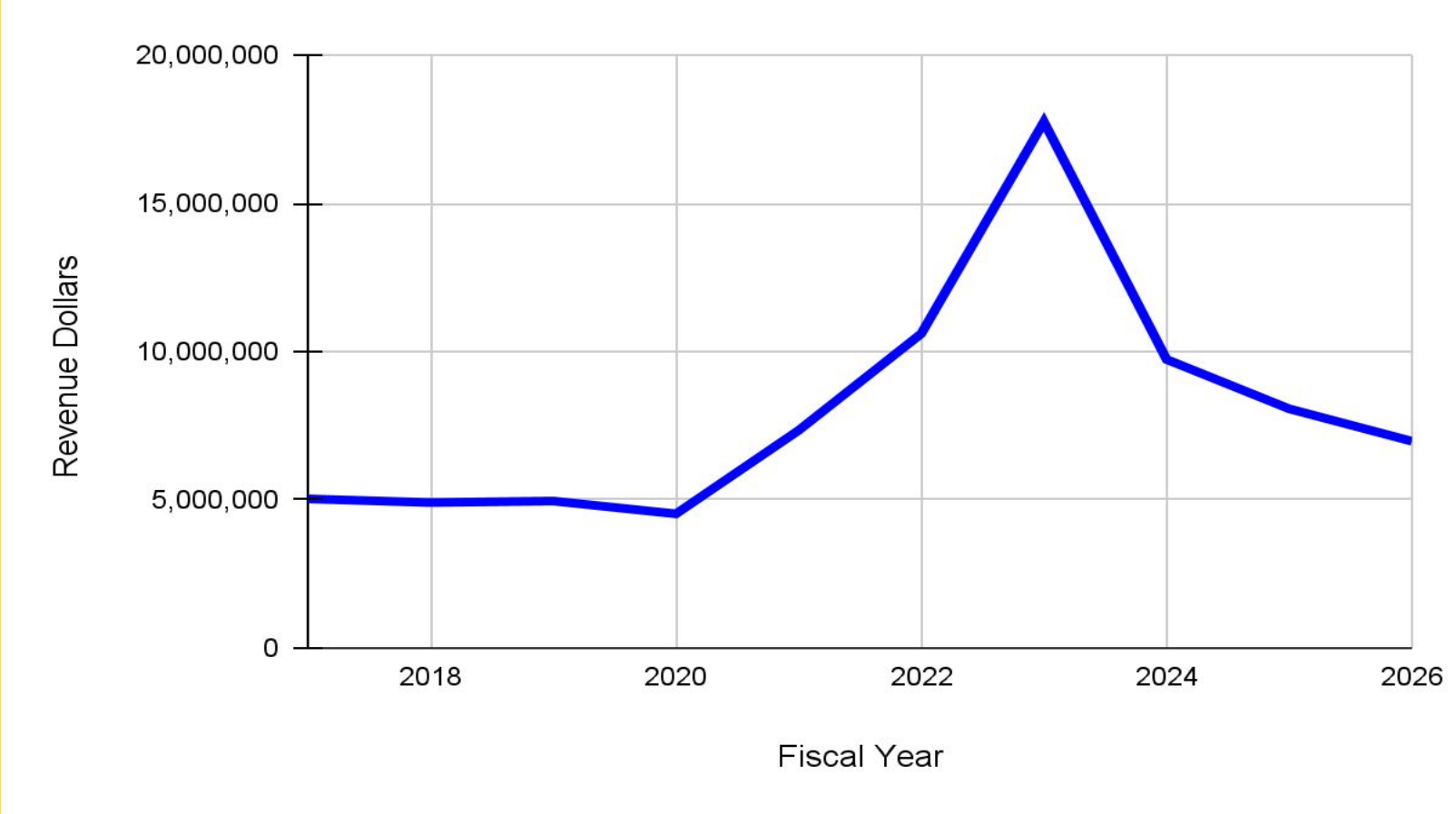


# Revenue by Sources

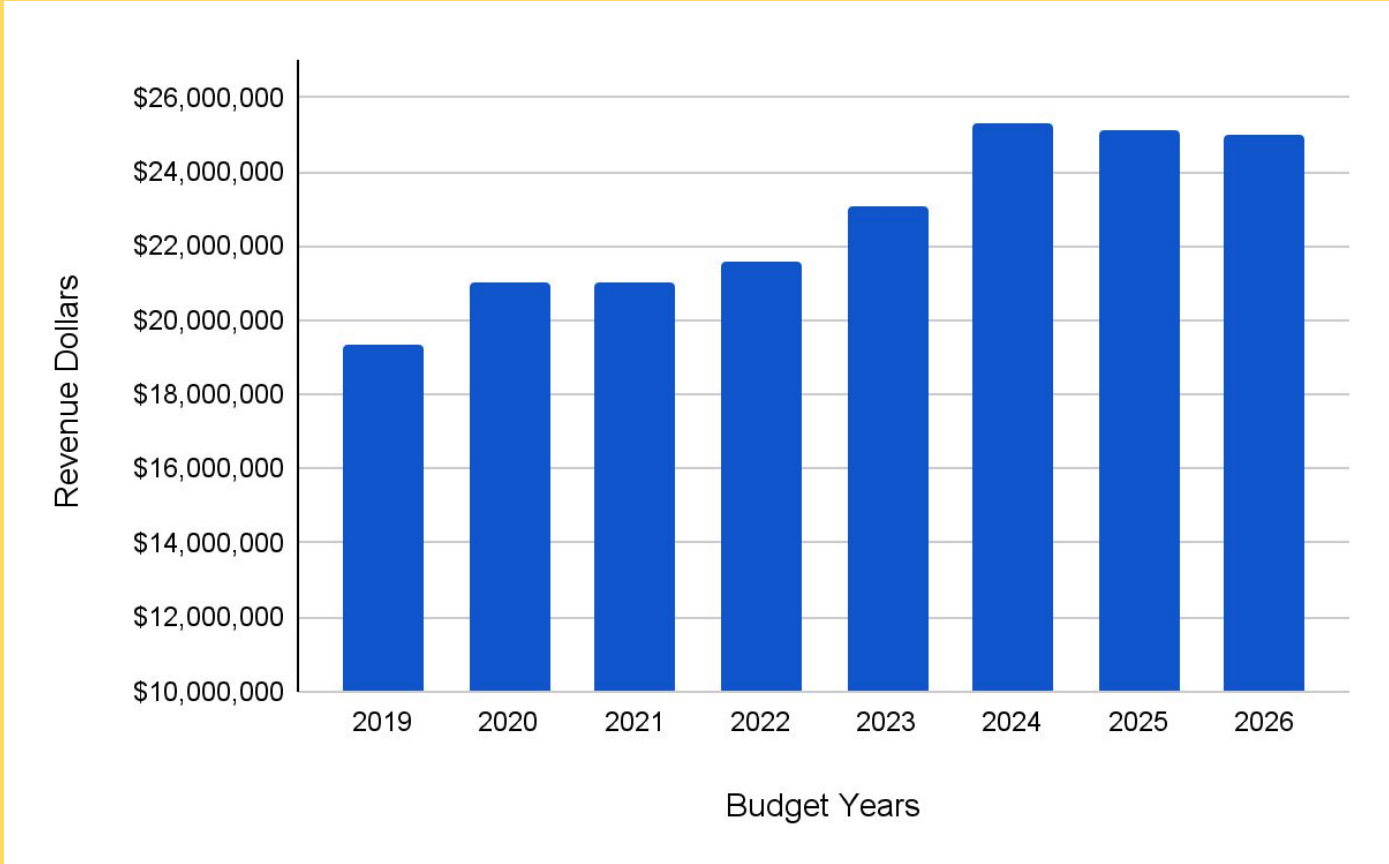
Based on FY 2026 Budget



# Trend in Federal Revenues



# Trend in State Revenues

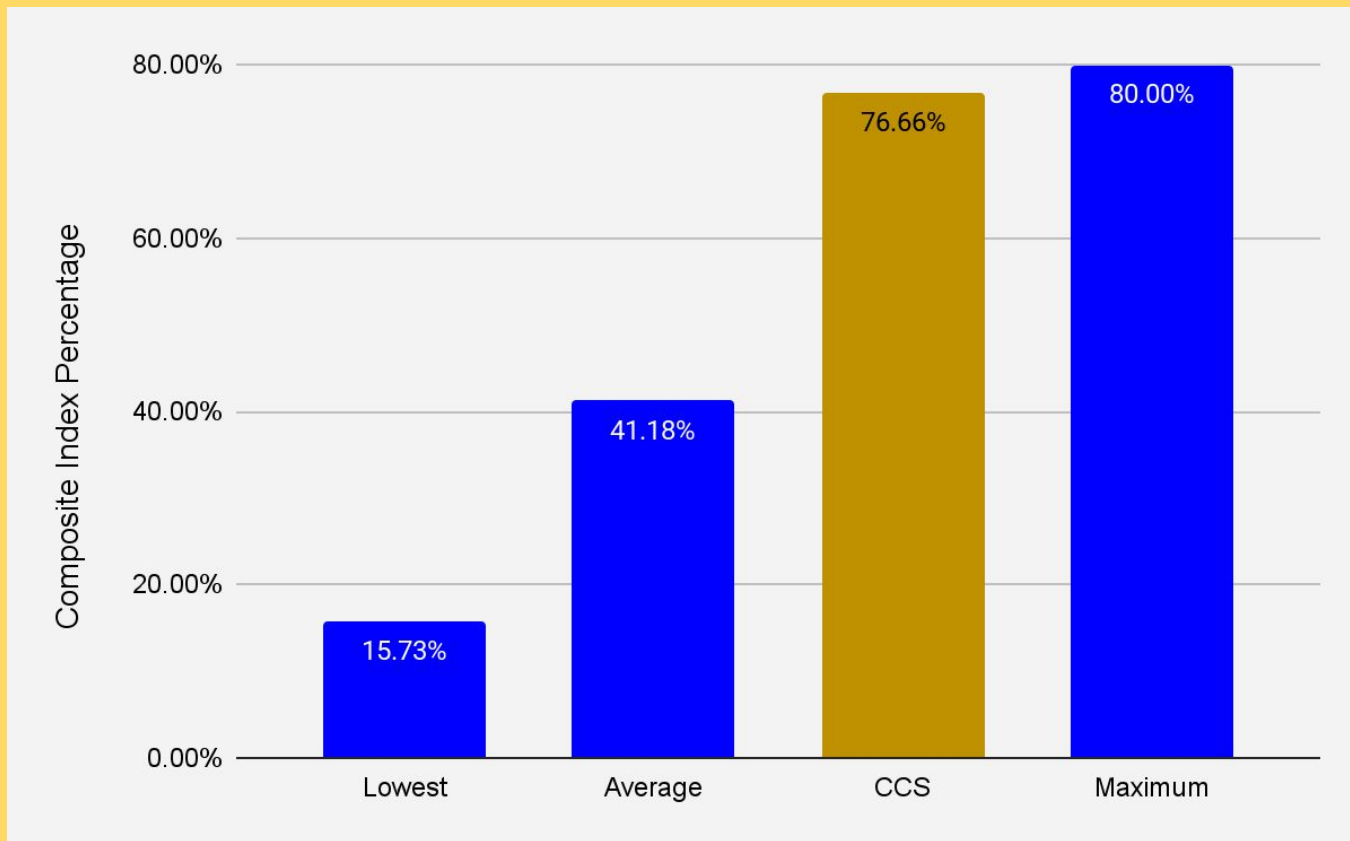


# 2026-28 Local Composite Index (LCI) and State Share of Funding

Biennium Period	Based Year Indicators of Ability to Pay	Composite Index of Locality Ability to Pay	State Share
2026-2028	2023	.7666	.2334
2024-2026	2021	.7702	.2298
2022-2024	2019	.6952	.3048
2020-2022	2017	.6886	.3114
2018-2020	2015	.6772	.3228
2016-2018	2013	.6590	.3410

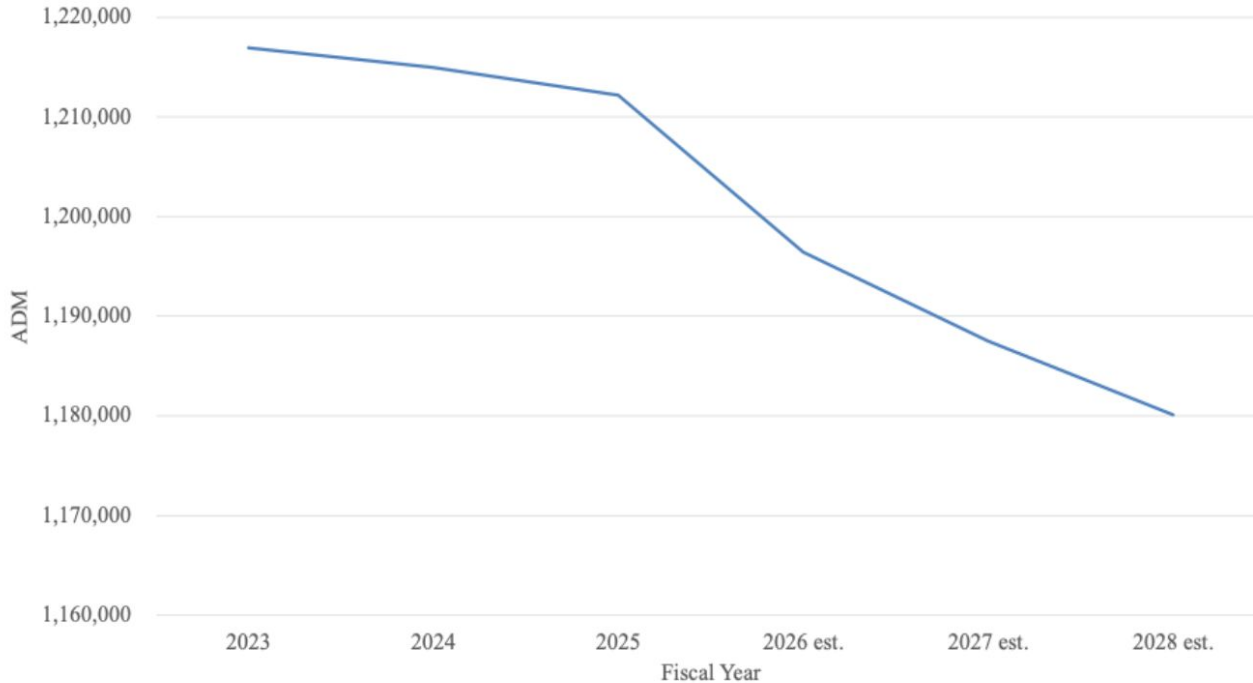
- LCI decreased .36 percent over 2024-2026 biennium budget
- Charlottesville is required to pay about 76.66 percent of the minimum educational program set by the state
- State aid and sales tax provides 22.98 percent toward the minimal state education program requirements.
- Actual impact of LCI change coupled with decrease in ADM is less state funding in the proposed budget.

# LCI Comparison



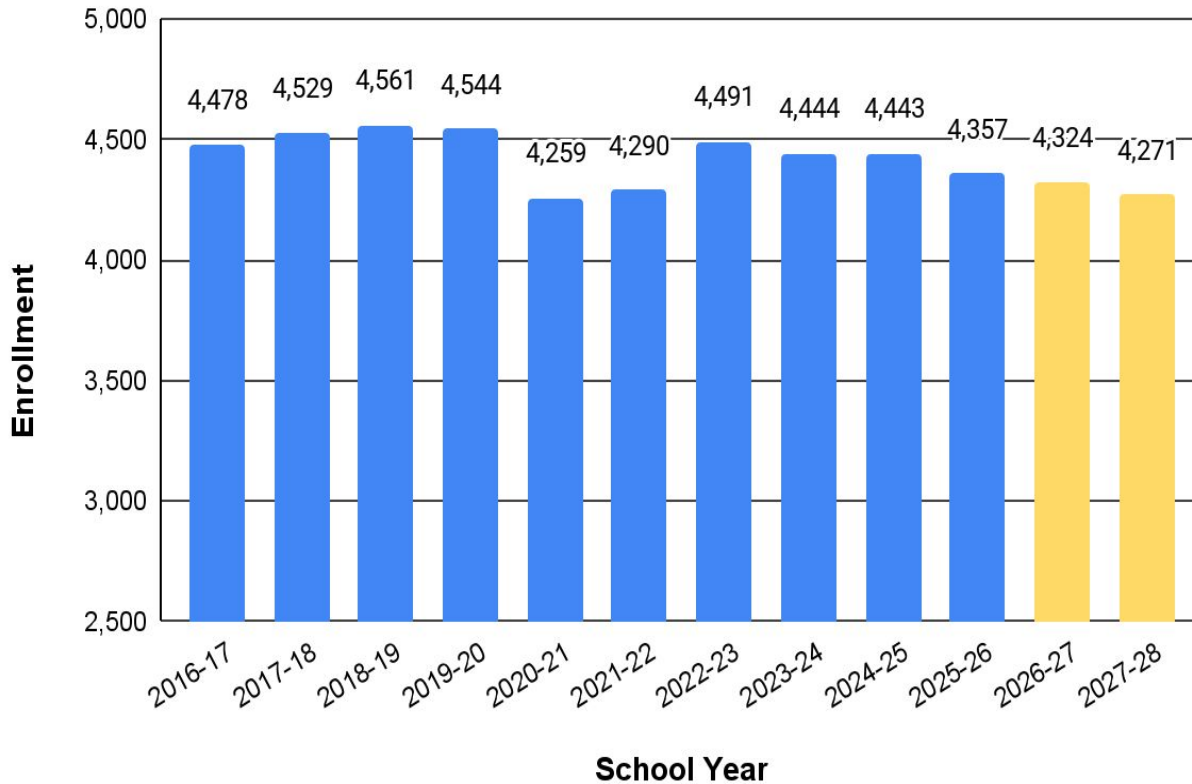
# Trend In State Enrollment

**Actual and Projected ADM for Budget Purposes**




- ADM peaked in FY 2023 and declined modestly through FY 2025, reflecting early impacts of statewide demographic shifts.
- A sharper decline is projected beginning in FY 2026, coinciding with post-pandemic enrollment normalization and continued declines in birth rates.
- ADM is forecasted to decrease steadily through 2028, falling from approximately 1.22 million in FY 2023 to about 1.18 million by FY 2028, a reduction of roughly 40,000 students statewide.
- Declining ADM directly affects state funding allocations, as many components of state aid are driven by student membership.

# CCS's Fall Membership Trend

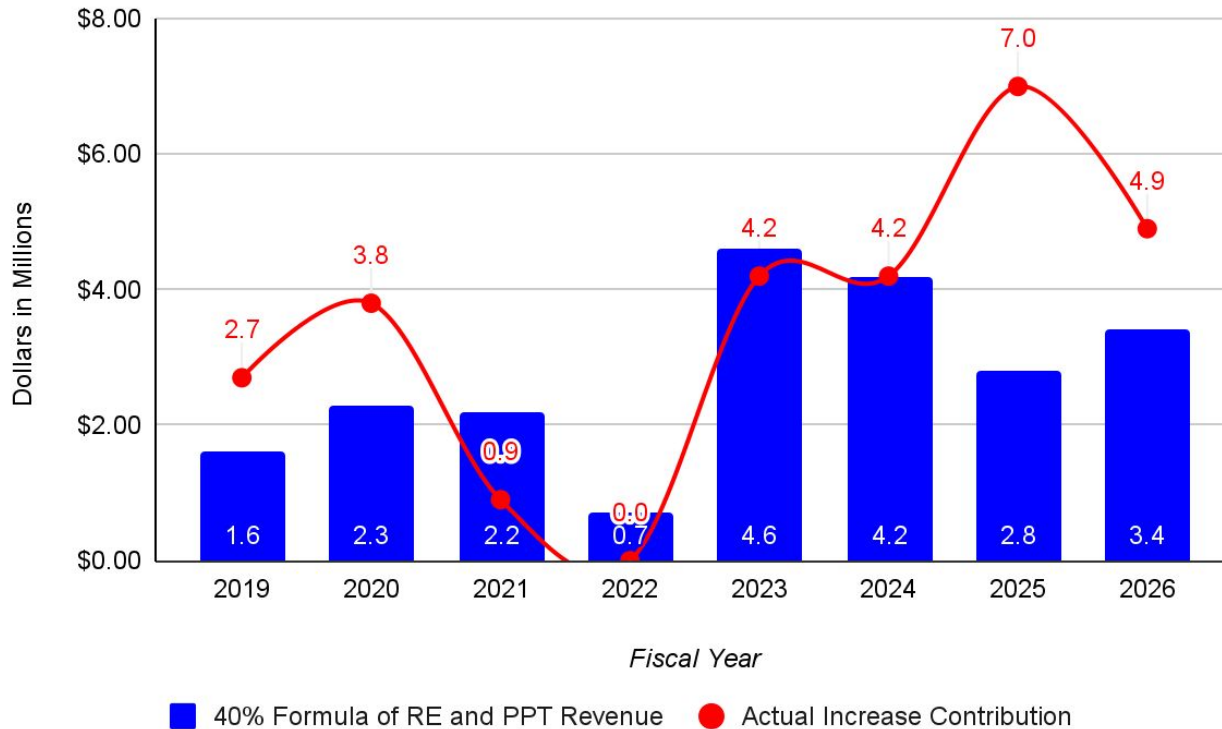


- CCS enrollment has stabilized and remained essentially flat from FY 2023 through 2025 at approximately 4,440 students.
- Enrollment projections reflect lower birth rates and population mobility.
- Declining ADM directly reduces state funding under the SOQ formula.
- These trends require continued alignment of staffing and expenditures with student enrollment.

# State Budget Impacts on CCS

- Enrollment projections from the September 30, 2025 Fall Membership Collections reduces statewide state aid to school divisions by \$167.4 million in FY 2027. As a result, CCS's projected **State Revenue decreases by \$ 57,722.**
  - Employer contribution rates for Virginia Retirement System (VRS) decreased. These lower rates were applied in calculating the fringe benefit cost on employee compensation, resulting in reduced salary and benefit expenditure increase for CCS.
  - State budget provides a 2.0 percent salary increase for SOQ instructional and support positions. However, CCS has budgeted salary increases of 5.5 percent for licensed personnel and 10.5 percent for support professionals in accordance with the Collective Bargaining Agreements.
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# City Funding Formula



- City's budget guidelines designate 40% of new personal and real property tax revenue for CCS.
- City has \$6 million new revenue projected for FY 27.
- Funding Formula has the schools receiving \$1.5 million.

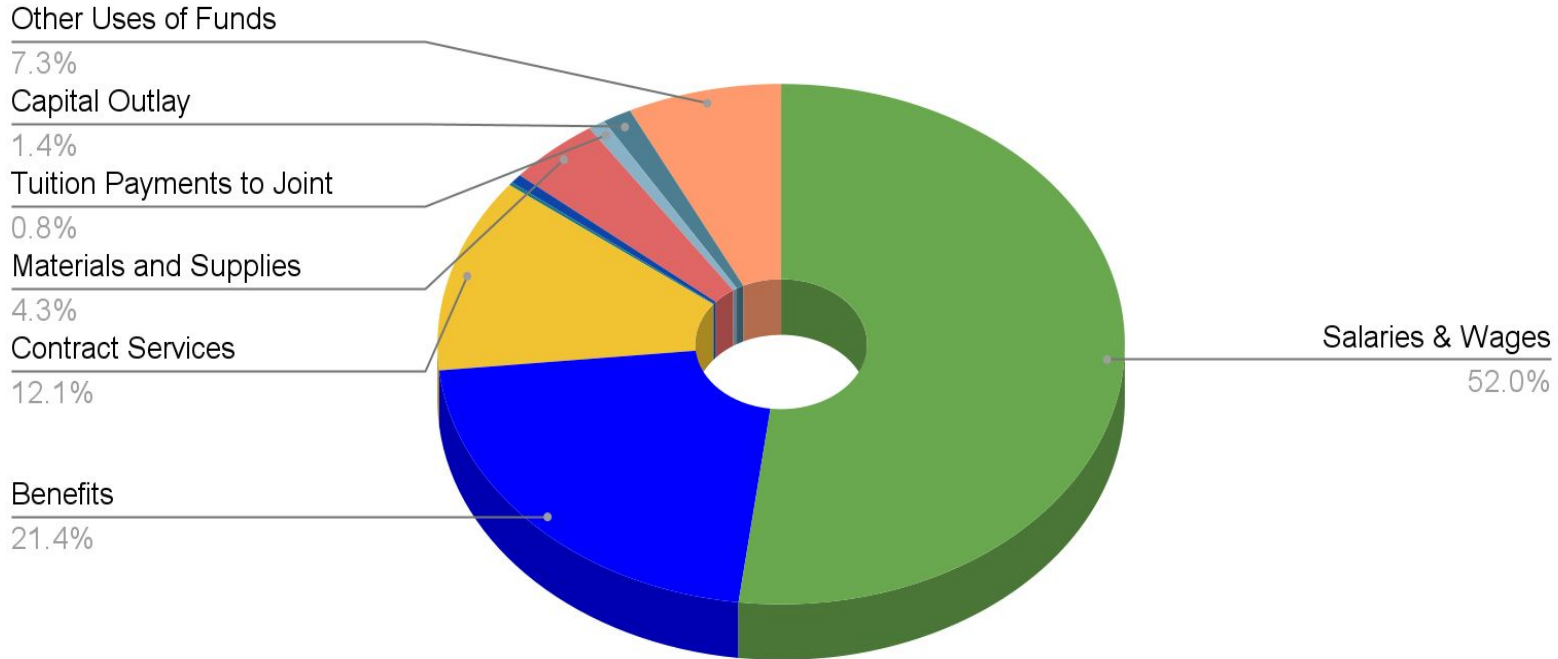


# Expenditures



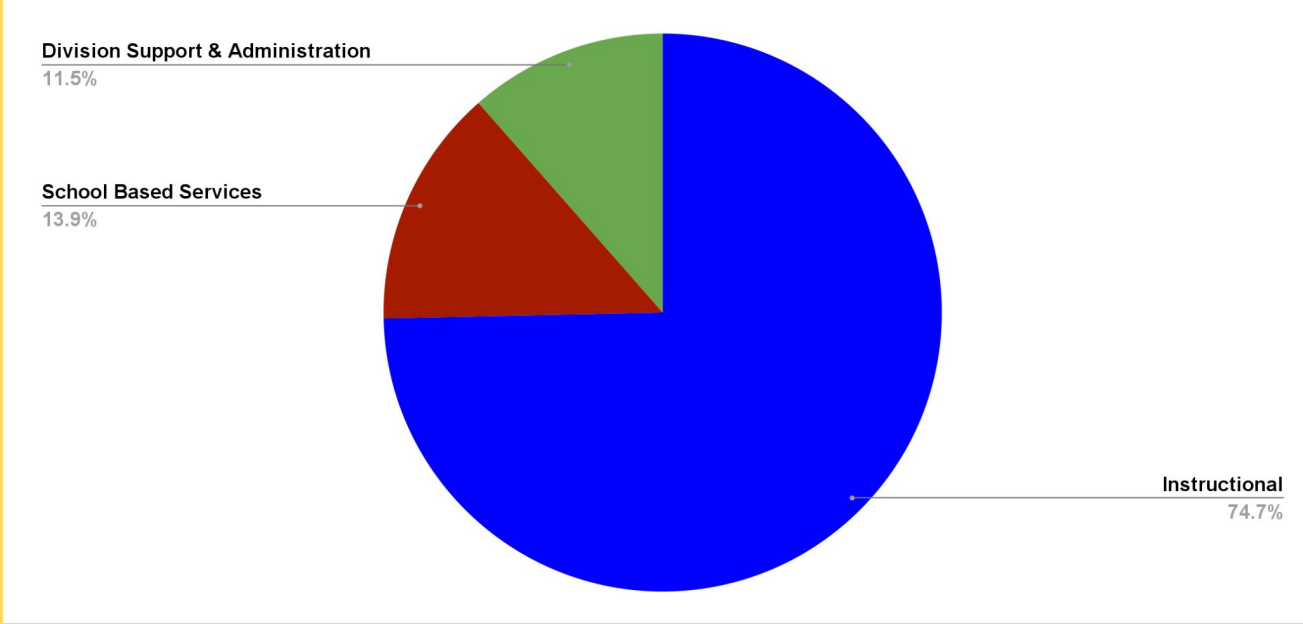
# Expenditures by Categories

Based on FY 2026 Budget





# Personnel Resource Allocation



## Allocation of Staff for Collective Bargaining

Administration	66
Licensed	560
Support Professionals	279
Total	905

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

# FY 2027 Compensation Increases




Collective Bargaining - Licensed Personnel	Annual 5.5% salary & benefits increase (1.5% step + 4% raise)	2,767,329
Collective Bargaining - Support Professionals	Annual 10.5% salary & benefits increase (1.5% step + 9% raise)	1,375,015
Administration	3% salary & benefits increase (1.5% step + 1.5% raise)	290,777
Health Insurance	2% employer increase	184,124
Savings	Reconfiguration and vacancy savings	(2,669,480)
	Total Increase in Personnel Cost	\$ 1,947,765

# Personnel Savings: Reconfiguration and Vacancies

## Walker Reconfiguration – Staffing Savings

- The Walker reconfiguration generated 10.0 FTE in staffing efficiencies, totaling \$1,102,669.
- Positions eliminated through reconfiguration included:
  - 1 Principal
  - 1 Assistant Principal
  - 7 Teachers
  - 1 Guidance Secretary
- The division continues to work individually with the affected employees to identify future placement opportunities where possible.

## Additional Vacancy and Compensation Savings

- Walker retention bonus: \$179,000
  - Vacancy savings: \$1,387,811
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# Non Discretionary: City Maintenance & Transportation Contracts

Maintenance	4.4% increase due to personnel cost	\$ 232,212
Transportation	11.7% Increase due to personnel cost related to collective bargaining	538,346
	<b>Total Increase in City Contracts</b>	<b>\$ 770,558</b>

# Budget Requests and Repurposed Positions

<b>Positions</b>	<b>FTE</b>	<b>Cost</b>
CHS Health & Medical Sciences Teacher	.5	55,644
CATEC Veterinary Science Teacher	.5	55,644
Division Gifted Specialist	.6	59,017
JVE & TOES Bilingual Instructional Assistant	1.0	56,549
Director of Facilities Operations	**	48,242
Director of Organization Support	**	40,751
CHS School Counseling Director	**	24,412
LEAP Elementary Teacher	**	10,927
<b>Total Budget Requests for Student Improvement</b>	<b>2.6</b>	<b>\$ 351,186</b>

- ❖ Positions with assigned FTEs represent new additions for FY 27.
  - 2 - .5 FTEs are required to support program of studies requirements.
  - Division Gifted Specialist position is expanded to full-time status.
  - A floating Bilingual Instructional Assistant is added to support EL students at Jackson-Via and Tall Oaks
- ❖ Positions without FTEs reflect repurposed roles aligned to student needs and Safety & Security & Facilities enhancements \*\*

# Budget Summary

# Summary of FY 27 Budget Changes

State revenue loss	\$	<u>- 57,722</u>
Expenditures		
Salary and Benefits		1,947,765
Non-Discretionary City Contracts		770,558
Students Needs/Improvements		351,186
Total Expenditure Increases	\$	<u>3,069,509</u>
<b>Request from City</b>	<b>\$</b>	<b>3,127,231</b>

# Budget Calendar



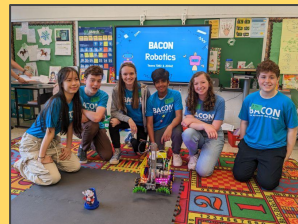
Meetings	Dates
Regular School Board Meeting: Presentation of Superintendent's Budget & Public Hearing	Thursday, February 5, 2026
City Council and School Board: Joint Budget Work Session	Monday, February 9, 2026
School Board Budget Work Session	Thursday, February 12, 2026
Special School Board Meeting: Approval of Proposed Budget	Thursday, February 19, 2026
City Council Meeting: Presentation of School Budget	Tuesday, March 3, 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.



# Thank You!

## Any questions?





# Appendix

# 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
- 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%)

# 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 .45 to get the relative 45% local to 55% state weighted average share of SOW costs.

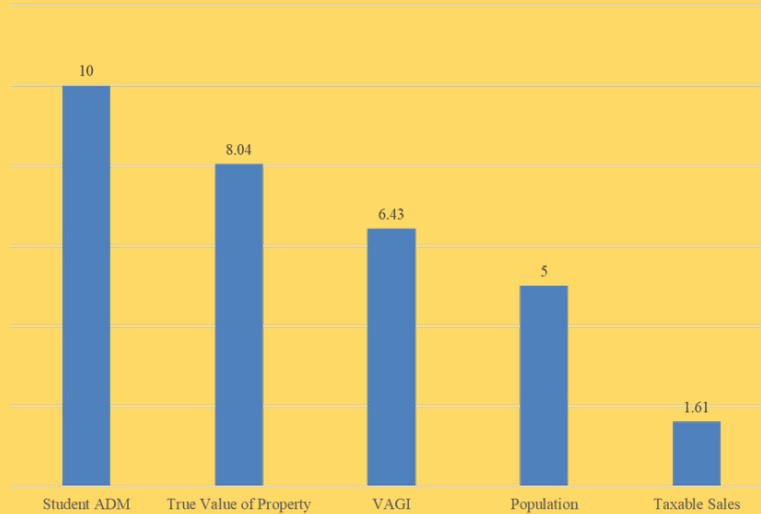
**Final Composite Index =**

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



# Relative Weight of the LCI Factors

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





# FY 2026-27 Funding Request (Changes to FY 2026)

## January 22, 2026 School Board Budget Work Session

Strategic Plan Priority	SALARY & BENEFIT ACTIONS	AMOUNT	FTE
3	Licensed Personnel: 5.5% Increase (1.5% step plus 4%)	2,767,329	
3	Administration: 3% Increase (1.5% plus 1.5%)	290,777	
3	Support Professionals (General): 10.5% Increase (1.5% plus 9%)	1,375,015	
3	Benefit: 2% Employer Health Insurance Increase	184,124	
	<i>Total Salary &amp; Benefit Actions</i>	4,617,245	
RECURRING & NON-DISCRETIONARY CONTRACTS			
4	City Contract: Maintenance (Estimate 4.38%)	232,212	
4	City Contract: Transportation (Estimate 11.72%)	538,346	
	<i>Total Recurring &amp; Non-Discretionary Contracts</i>	770,558	

Strategic Plan Priority	SCHOOL-BASED PROGRAM SUPPORTS & IMPROVEMENTS		FTE
1	CHS Health & medical Sciences Teacher	55,644	0.5
1	CATEC Vet Science Teacher	55,644	0.5
1	Division Gifted Specialist	59,017	0.6
1	JVE & TOES Biligual Instructional Assistant	56,549	1.0
1	Director of Organization Support	40,751	
1	CHS School Counseling Director	24,412	
1	LEAP Elementary Teacher	10,927	
4	Director of Safety, Security, & Facilities	48,242	
	<i>Total School-Based Program Supports &amp; Improvements</i>	351,186	
	<b>REDUCTIONS</b>		
	Personnel Savings: Reconfiguration and Vacancies	(2,669,480)	
	<i>Total Reductions</i>	(2,669,480)	
	<b>Total Increase Expenditures</b>	3,069,509	2.6
	<b>REVENUES</b>		
	Decrease: State	(57,722)	
	<b>City (Estimated Request)</b>	<b>3,127,231</b>	
	<b>Total Increase Revenues</b>	3,069,509	