



Charlottesville City Council/School Board
Budget Work Session
February 2, 2022 at 5:00 p.m.
CHS Media Center and Zoom



Agenda

- **Call to Order** - Mayor Snook and School Board Chair Lisa Torres
- **Roll Call** - Council and School Board Clerks
- **FY2023 School Operating Budget Presentation**
 - Dr. Royal Gurley, Division Superintendent, and Kim Powell, Chief Operations Officer, will present information on the FY2022 Operating Budget for Charlottesville City Schools.
 - Wyck Knox, Principal-in-Charge and Project Manager for VMDO, will present information on Reconfiguration.
- **Public Comment**

Register in advance for this webinar:

https://charlottesvilleschools.zoom.us/webinar/register/WN_DqZaI614RDCgIrQYgqIIZg

After registering, you will receive a confirmation email containing information about joining the webinar.



CHARLOTTESVILLE CITY SCHOOLS

Charlottesville City Schools • Office of the School Board
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Telephone (434) 245-2965 • Fax (434) 245-2603

Dear Council Members -

In preparation for our joint work session this Wednesday, we are providing this executive summary to assist with understanding the unique challenges and opportunities that Charlottesville and other school divisions now face with federal relief funds. Significant one-time non-recurring federal funds (over \$15.7 million) were awarded to CCS last year, and these funds will not be available after September of 2024. Facing many needs for students and much uncertainty regarding City revenues for this year, there was agreement for no increase in local appropriation to schools last year, and instead almost \$5 million of the non-recurring federal money was allocated to support the 5% salary increase for staff, purchase Chromebooks for students, support student internet access, re-stock books in schools, purchase COVID mitigation supplies, and add positions to address learning loss & social/emotional needs.

It is not typical or sustainable for schools to use non-recurring funds to budget for recurring expenses such as wages and positions. The normal practice is to use one-time funding only for non-recurring expenditures such as equipment and capital projects, so we have some difficult work to do over the next two budget cycles in order to transition the CCS budget back to a healthy balance of recurring funds for recurring expenses, and use of non-recurring funds only for non-recurring expenses. The path forward requires both additional recurring funds for the budget in combination with reducing expenses over time.

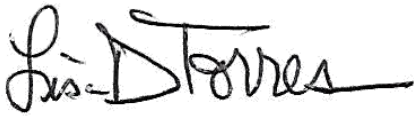
Attached is some of the information we will be presenting to facilitate the discussion this Wednesday. Key points from the attached materials include:

- We are using a thermometer graphic to help staff and the community understand the non-recurring funds in our current FY 22 operating budget that must be reduced and ultimately eliminated before the funds expire in 2024
- The budget changes document shows a proposed salary action of 5% for all staff. This rate matches what is in the Governor's proposed education budget in order to be eligible for the state dollars allocated to Charlottesville for FY 2023 salary actions.
- The change recommendations document, although not yet final, also reflects over \$370,000 in cost reductions for contracted services, and an additional \$974,262 in staffing reductions. This represents over \$1.4 million in reductions to help address the current gap in recurring revenues for school operations.
- The basis for the City request for FY 2023 is the \$3,160,549 allocation increase by formula plus the amounts needed to balance the budget lines for the payments CCS makes to the City for transportation services (\$567,062), facilities maintenance (\$296,459) and stormwater taxes (\$15,000). This total of \$4,039,070 is reflected on the Budget Changes Recommendations document as of January 15th.

- Given the current assumptions and recommendations for budgeted revenues and expenses for FY 2023, the CCS dependency on non-recurring federal relief funds for school operations would decrease from almost \$5 million down to ~\$2.2 million.
- As dependency on non-recurring revenues to support school operation is reduced, significant non-recurring federal relief dollars can be redirected to school capital projects, which in turn could yield between \$5 to \$8 million dollars to support reconfiguration.

As you review this information, please feel free to send questions in advance. We look forward to talking with you on Wednesday and working together to determine the best way forward for our students, while eliminating dependency on non-recurring funds and optimizing the CCS federal relief funds for our City.

Sincerely,

A handwritten signature in black ink that reads "Lisa Larson-Torres". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lisa Larson-Torres, Chair
Charlottesville City School Board



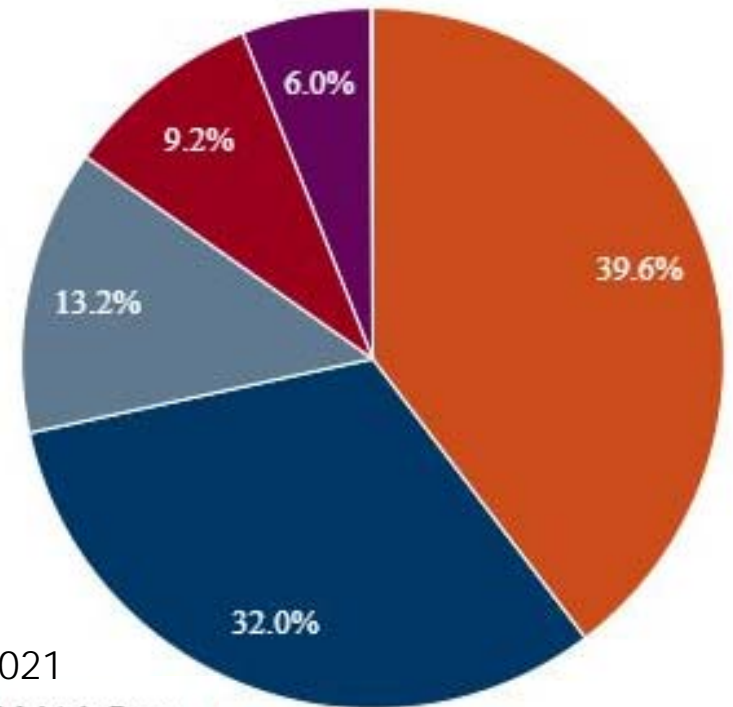
FY 2023 Budget Joint Work Session

FEBRUARY 2, 2022

Who We Are - Enrollment

Fall 2021 Enrollment:

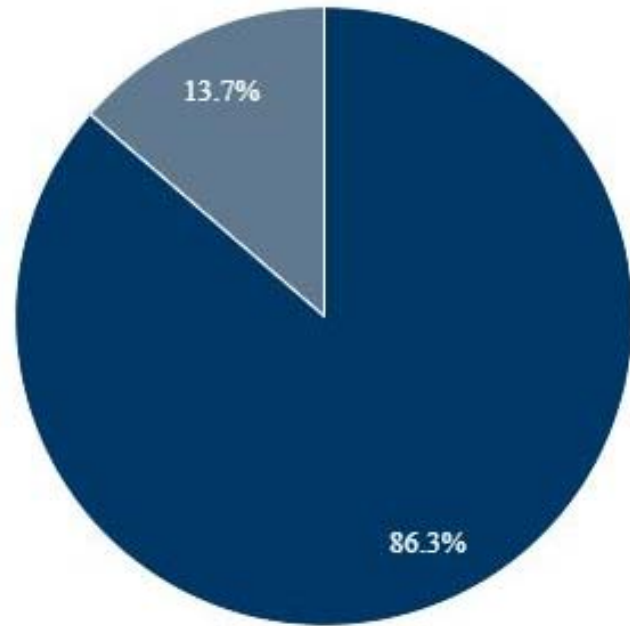
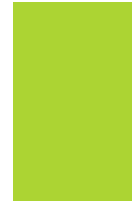
Pre-K	215
Elementary (K-4)	1620
Walker (5-6)	623
Buford (7-8)	599
CHS (9-12)	1231
TOTAL ENROLLMENT	4288



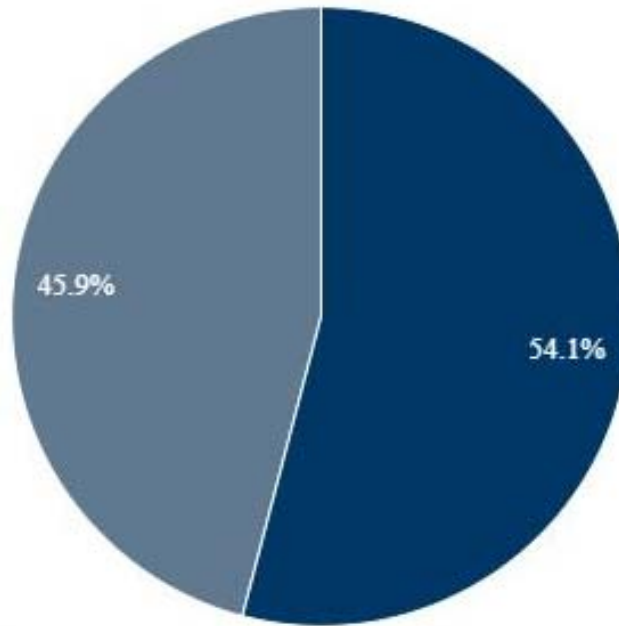
*Source:
VDOE School Quality Profile 2020-2021

■ Black ■ Hispanic ■ White ■ Asian ■ Multiple Races

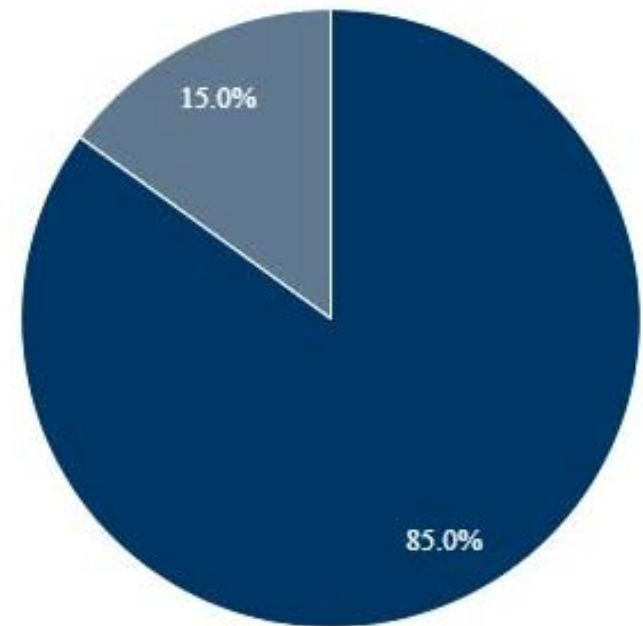
Who We Are - Demographics



■ Students with Disabilities ■ All Other Students



■ Economically Disadvantaged ■ All Other Students



■ English Learners ■ All Other Students

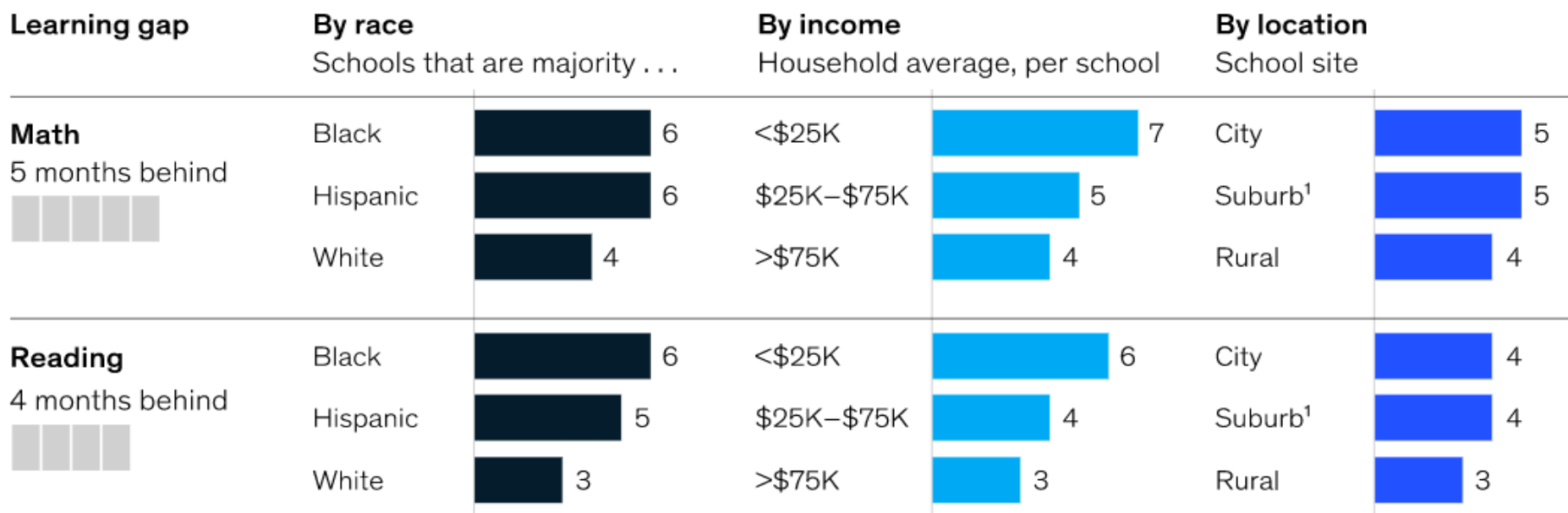
Source: VDOE School Quality Profile 2020-2021

COVID 19 and Education



By the end of the 2020–21 school year, students were on average five months behind in math and four months behind in reading.

Cumulative months of unfinished learning due to the pandemic by type of school, grades 1 through 6



Source: Curriculum Associates, i-ready assessment data

The Science of Reading

Key Priorities and Shifts

1. Tier 1 Foundational skills (NOT word study groupings)
2. Move away from leveling students. Build reading stamina through fluency routines while scaffolding every student to closely read grade level text (PK-2 through read-alouds)
3. Write a lot. Students should write (and talk) in response to reading. Use writing workshop for volume of writing.

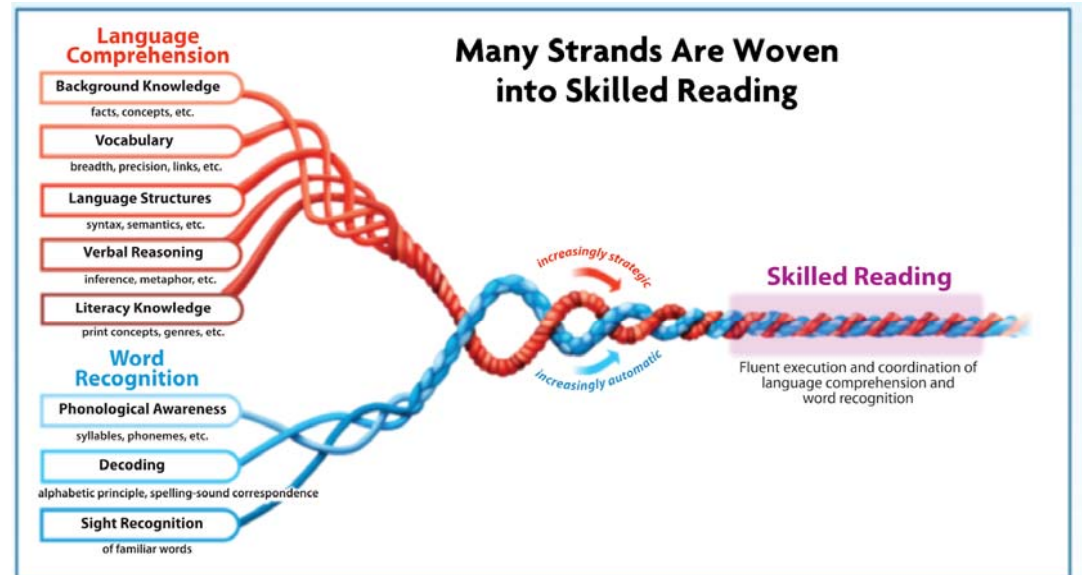


Figure 1.9 Reading Rope
(Scarborough, 2001)

Remember, skilled effortless reading is the PRODUCT of strong word recognition (decoding) and strong language comprehension. Both sides of the rope are NECESSARY.

Mathematics

We strive to create an environment where every student is **actively engaged** in building their own mathematical understanding. There are high expectations for all students to **reason, explain, apply, and connect mathematical knowledge** through a variety of rigorous learning tasks. Teachers act as facilitators and implement equitable mathematics experiences that allow students to explore, communicate, and represent their ideas in different ways as well as value the ideas and thinking of all learners.

OUR PATH FORWARD

- We revamped our curriculum to address the framework outlined in Continuing the Journey: Mathematics Learning 2021 and Beyond (July 2021).
- The publication presents considerations, questions, and potential solution processes to educators and school leaders to address the challenges highlighted by the COVID-19 pandemic.
- We focused on the acceleration of learning and tiered supports for students.

Our Mission:
Every Learner.
Every Day.
Everyone.



Moving Forward

Supporting Mental Health

- We know that students have experienced, and possibly continue to experience, trauma related to COVID
- School Mental Health Professionals in place to support students

Embracing English Language Learners

- We know that many new ELLs are being enrolled by the IRC (International Rescue Committee) and we are working to support these new learners

Acceleration of Learning

- We know that COVID impacted learning for all students and widened the achievement gap for disadvantaged students

Budget Priorities & The Strategic Plan

FY 2023 Budget Priorities

Reconfiguration

Focus on Student Programs

Staff Compensation & Benefits

Strategic Plan – 3 Focus Areas

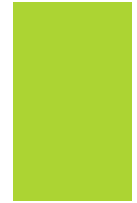
Safe and Supportive Schools

Academic Excellence

Organizational Supports



Coronavirus Aid Relief Economic Security (CARES) & Subsequent Funding



Source Description	Acronyms	Issue Date	Spend Down Deadline	Award Amount
Coronavirus Aid Relief Economic Security	CARES	3/27/2020	9/30/2022	1,187,446
Coronavirus Response and Relief Supplemental Appropriation	CRRSA / "CARES II"	12/27/2020	9/30/2023	4,481,993
American Rescue Plan (Act) - Elementary & Secondary School Emergency Relief	ARP ESSR III / "CARES III"	3/11/2021	9/30/2024	10,065,919
	Total CARES Funding			15,735,358.17

CARES & CRRSA budgeted for Operations in Fiscal Year 2022 - \$4,571,634

Prior to requesting reimbursement for CRRSA funds (CARES II) school divisions must have expended and requested all of CARES I allocation (Superintendents' Memo 090-21, April 9, 2021)

Addressing Non-Recurring Funding



\$5,000,000
\$4,000,000
\$3,000,000
\$2,000,000
\$1,000,000

Current FY 2022 Adopted Budget is **“hot” with recurring expenditures funded using non-recurring (one-time) revenue - \$4,571,634 CARES Funds** plus allowance of up to \$332,952 per year for increased transportation costs (2 year pilot)

2 Ways to “Cool” (decrease dependency on Non-Recurring Revenues):

- Increase revenue from recurring sources
- Decrease expenses

Currently, Fiscal Year 2024 (the budget we develop next year) is the last full year to use the Federal non-recurring relief funds.

Revenue Outlook - State

Based on the Governor's Budget Proposal – Estimate \$1.7 Million Additional State Revenue for Operations

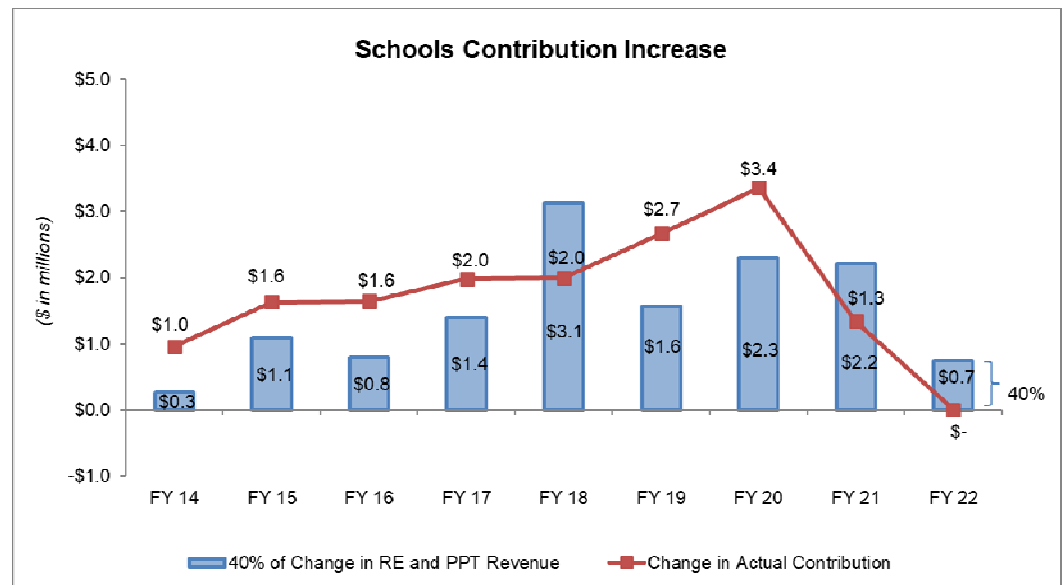
Key areas of State Revenue increases:

- At-Risk – Additional support for educationally at-risk students.
- Sales Tax – Revise projection based on the November 2021 sales tax forecast.
- Grocery Tax Hold Harmless – Reflects the projected net decrease in state payments from the eliminating “grocery” tax.
- Re-benchmarking Hold Harmless – Restore funding for certain re-benchmarking data significantly impacted by the pandemic.

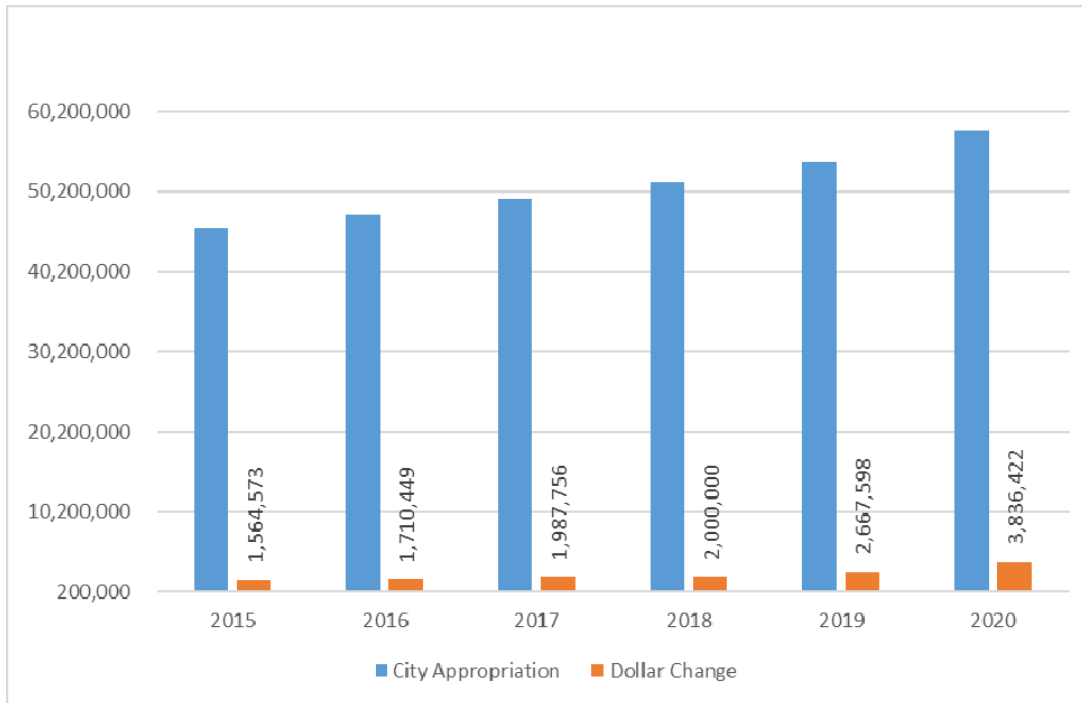


Revenue Outlook - Local

- City budget guidelines allocate 40% of new personal and real property tax revenues to CCS
- 40% new personal and real property tax from FY15 – FY21 has ranged from \$1.1 - \$2.2 million
- For FY 22, 40% was equivalent to \$746,069
- 40% of new personal and real property tax revenues for FY 23 has been estimated at \$3.1 million



CCS Budget & City Appropriations



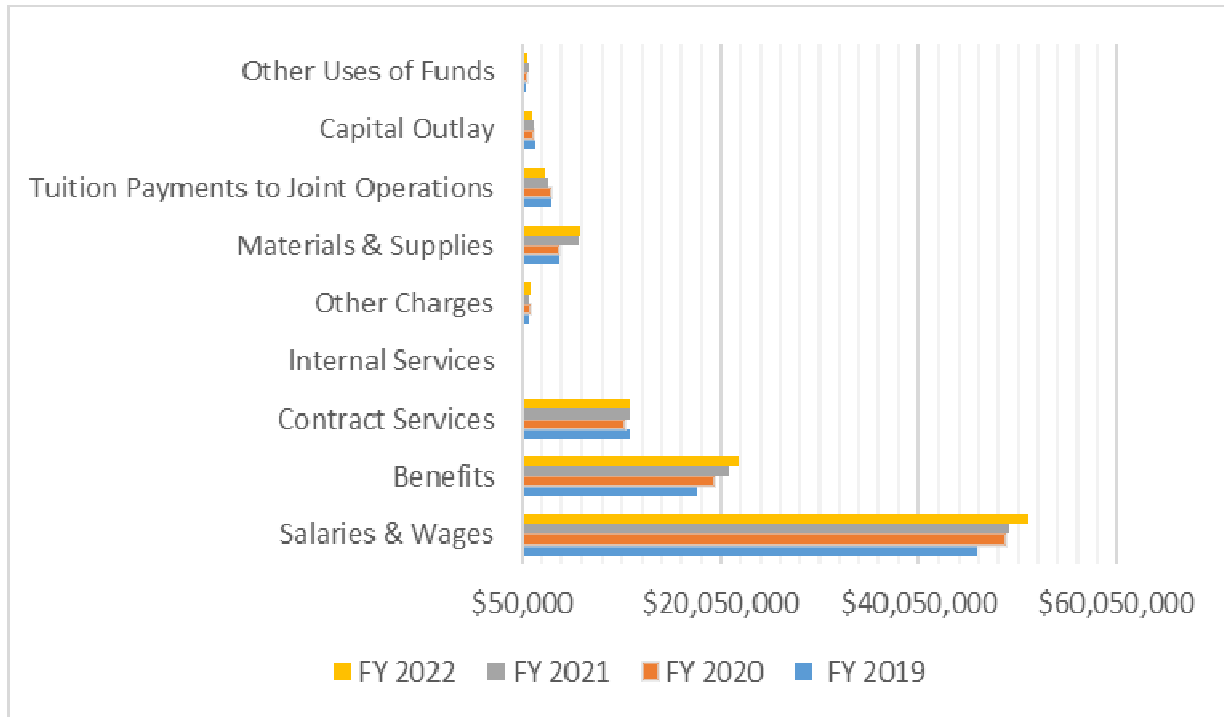
The Average Annual Increase in City Appropriation for Schools was \$2.3 Million from 2015 to 2020



City of Charlottesville – The Blue Ribbon Commission on Sustainable School Funding Report – January 22, 2014 (page 10)

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.

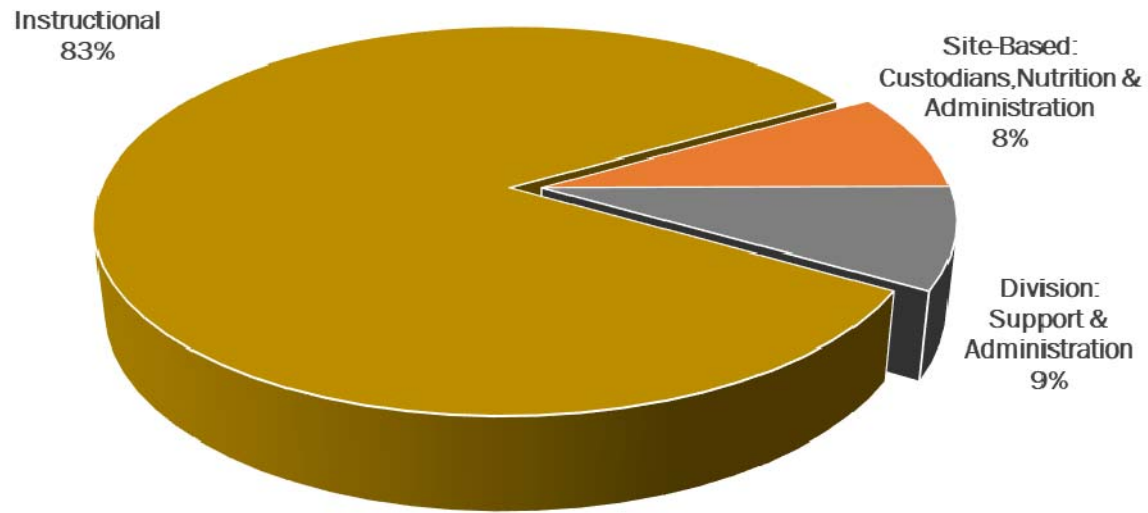
Expenditures



Contractual & Non-Discretionary Services are 11%

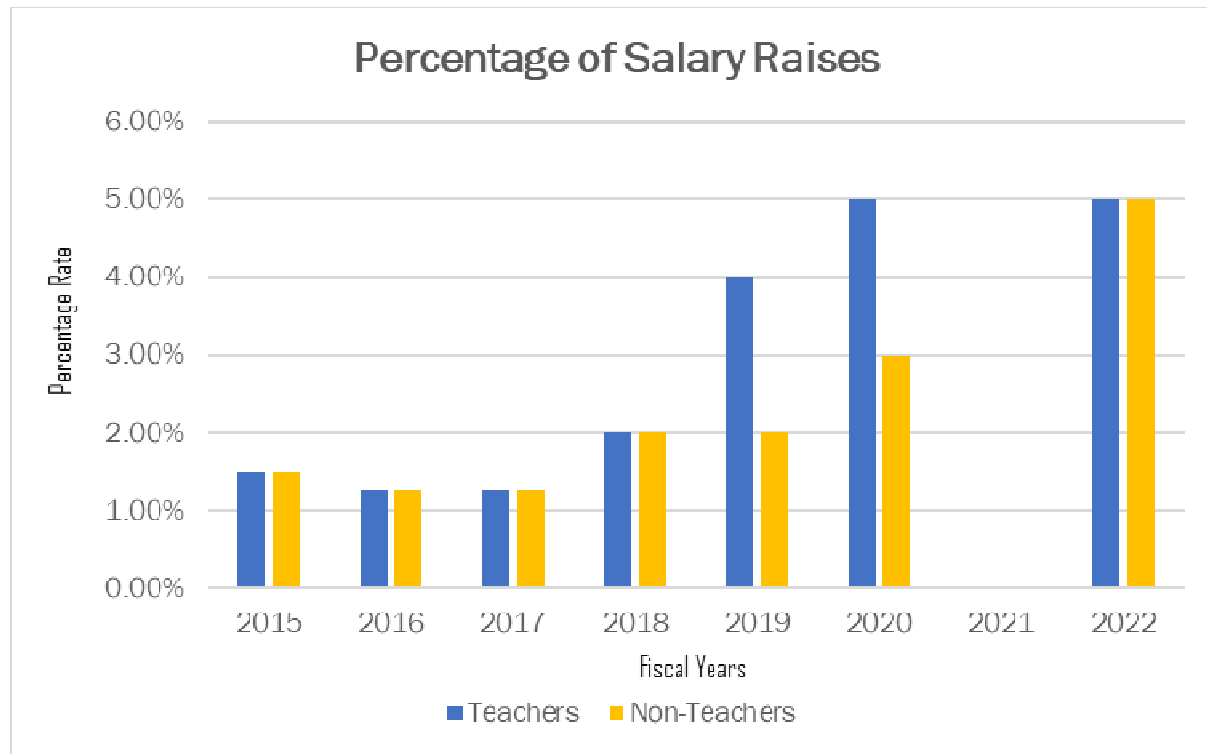
Personnel Expenses (Wages & Benefits) Represent Over 77% of Expenditures

Staffing Overview

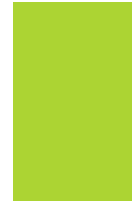


Instructional	83.37%
Site-Based: Custodians, Nutrition & Administration	8.18%
Division: Support & Administration	8.45%

Salary Actions



Budget Change Recommendations for FY 2023

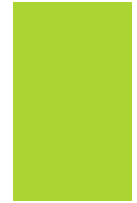


Strategic Plan	SALARY & BENEFIT ACTIONS	AMOUNT
OS 7	Teachers one step plus 3.75% - average increase 5%	2,015,363
OS 7	Support Staff one step plus 4% - average increase 5%	349,804
OS 7	Administrative Staff one step plus 3.75% - average increase 5%	599,013
OS 7 & 8	Benefit: Health Insurance	818,544
OS 7 & 8	Benefit: Employee Assistance Program	1,754
OS 7	Revise Nutrition Manager's Pay Schedule (see Appendix)	-
	<i>Total Salary & Benefit Actions</i>	3,784,478

Total of Average 5% Raise for Everyone is \$2,964,180.



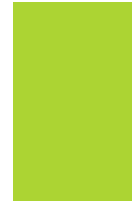
Budget Change Recommendations for FY 2023



RECURRING & NON-DISCRETIONARY CONTRACTS				
		City Contract: Pupil Transportation	567,062	
		City Contract: Maintenance	296,459	
		City of Charlottesville Stormwater Tax	15,000	
		Contract: CATEC	32,569	
		Contract: Piedmont Regional Education Program (PREP)	(300,000)	
		Workers Compensation Coverage	13,403	
		Fine Arts: Richmond Ballet	(40,000)	
		Software Subscriptions/Support/Maintenance	33,060	
		Technology Audit	(34,900)	
		<i>Total Recurring & Non-Discretionary Contracts</i>	582,653	
SCHOOL-BASED PROGRAM SUPPORTS & IMPROVEMENTS				
	AE3, SS4	Teacher: Buford Theatre (.5 FTE)	43,150	0.5
	AE2, SS4	Stipends: CHS Theatre Assistant	3,400	
	OS 7 & 8	Stipends: Pathologist and Psychologist	2,250	
		<i>Total School-Based Program Supports & Improvements</i>	48,800	



Budget Change Recommendations for FY 2023



REDUCTIONS		
Re-Organization & FTE Adjustments (net)	(846,262)	(17.0)
Content Squads: Stipends	(56,000)	
Books: K-12 Bookrooms	(60,000)	
Internet/Communications	(12,000)	
<i>Total Reductions</i>	(974,262)	
GENERAL FUND TOTAL NET EXPENSES	3,441,669	
REVENUES		
Increase: State	1,786,385	
Decrease: CARES II/ARPA	(2,383,786)	
City (Estimated Request)	4,039,070	
GENERAL FUND TOTAL NET REVENUES	3,441,669	

Formula Allocation Increase	3,160,549
Increases in Payments to the City:	
Transportation	567,062
Maintenance	296,459
Stormwater Tax	15,000
City Estimated Request	4,039,070



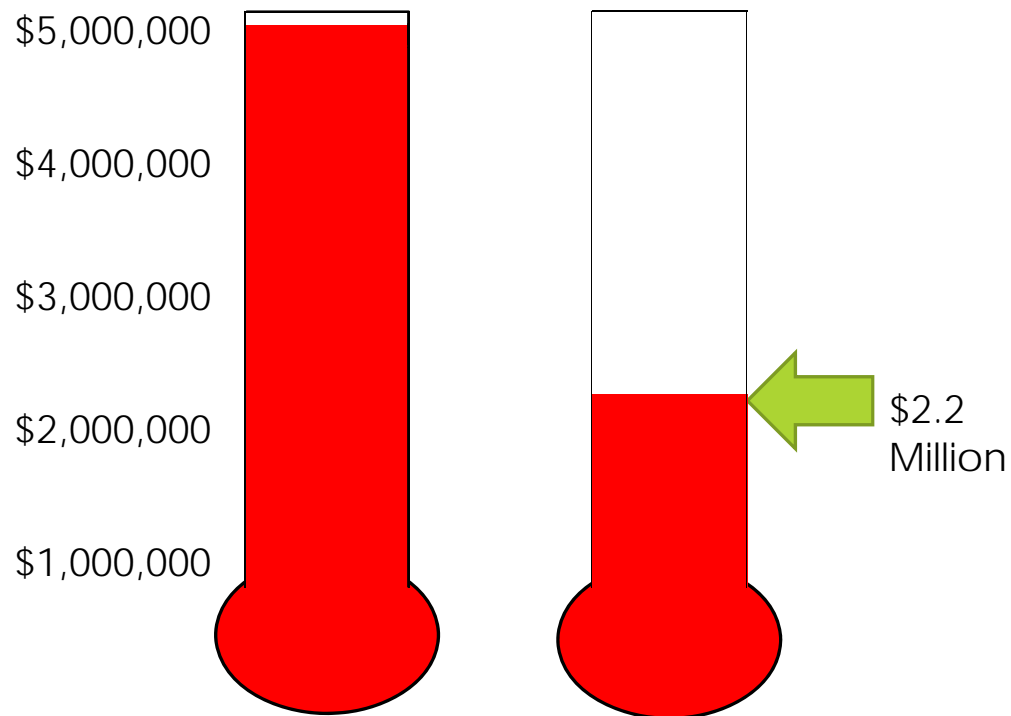
Re-Organization & FTE Adjustments

Positions	FTE's	Amount	Notes
Instructional Assistants	-15	(599,103)	To be absorbed in current vacancies (10) in combination with normal attrition
Administrative Support	-2	(247,159)	Combination of reductions and reassignments
Elementary Teachers	-2	(172,600)	Adjustments for projected enrollment (see appendix) - absorbed via normal attrition
Secondary Teachers	2	172,600	New Success Academy
TOTAL	(17)	(846,262)	

The Path Forward:

No one loses employment with these budget recommendations

Addressing Non-Recurring Funding



Total CARES/ARPA Grant Funds Awarded	15,735,358
Spent in FY 2021 CARES I	(336,749)
FY 2022 Adopted Budget	(4,571,634)
FY 2023 Recommended Budget	(2,187,848)
Remaining ARPA Funds for FY 2024 Budget	8,639,127

ARP/ESSER III Funds

- ▶ Purpose

- ▶ Help schools return safely to in-person instruction, maximize in-person instructional time, sustain the safe operations of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on students. At least 20 percent must be reserved to measure and address the academic impact of lost instructional time on all students. Interventions to address the academic impact of lost instructional time will respond to the academic, social, emotional, and mental health needs of all students

- ▶ Application Requires 2 Plans:

- ▶ **Safe return to in-person instruction and continuity of services**

- ▶ CCS COVID-19 mitigation health plan is posted at: <https://charlottesvilleschools.org/covid-communications>
- ▶ The plan will be reviewed and revised at least once every six months in accordance with the ARP ESSER Interim Final Rule and any subsequent state or federal guidance to ensure it remains relevant and meets statutory and regulatory requirements
- ▶ Public comment on the plan will be encouraged at School Board meetings and online

- ▶ **Use of the ARPA ESSER funds**

- ▶ The plan will be shared with stakeholders including students, families, and staff for review and comment via Board meeting and online communication channels

ARP/ESSER III Funding Considerations

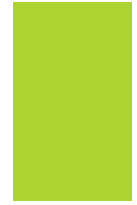
A Scenario:

Total CARES/ARP/ESSER	15,735,358
FY 21 Actual	336,749
FY 22 Estimated	4,571,634
FY 23 Proposed	2,187,848
Technology Infrastructure/FY 24	1,800,000
Projected Balance Available for non-recurring expenses	6,839,127

- At least 20 percent (~\$2M) must be reserved to measure and address the academic impact of lost instructional time on all students. Interventions to address the academic impact of lost instructional time will respond to the academic, social, emotional, and mental health needs of all students
- Use of these funds for “construction” (capital projects) requires prior approval from VDOE
- Period of Performance to spend all these funds is between March 13, 2020 and September 30, 2024
- Expect supply chain, labor shortage and inflation issues to persist



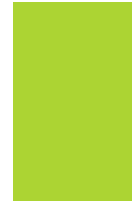
How to Support Reconfiguration



Upcoming CIP Projects	Project Budget	
Venable Building Envelope	535,000	Completed Summer 2021
LMA Siding Replacement	50,000	Completed Summer 2021
Venable Annex Foundation Repair	150,000	Completed Summer 2021
Greenbrier Modernization	1,250,000	In Design - Summer 2022 Construction
Clark Building Envelope	450,000	FY 2022
CHS Roof Replacement	1,320,000	FY 2022
CHS Electrical Panel Replacements	500,000	FY 2022
Subtotal (from 10/26/2021 CIP Committee Meeting)	4,255,000	
Johnson Modernization	1,250,000	Summer 2023 Construction
Venable Modernization	1,250,000	Summer 2024 Construction
TOTAL	6,755,000	



More Support for Reconfiguration – CSLFRF HVAC Grant



HVAC Project Description from CIP	Total	Invoice to CCS		Notes
		50%	Schedule	
22 individual classroom unit replacements installed at Buford, Clark, Greenbrier, Venable & Walker	173,872	86,936	COMPLETED Summer/Fall 2021	
Building Automation System installed at Venable Elementary School	158,062	79,031	COMPLETED Summer/Fall 2021	
Building Automation System to be installed at Clark Elementary School	170,000	85,000	2022 (FY23)	
7 Make Up Air Units to be installed at Walker Upper Elementary School	780,000	390,000	2022 (FY23)	
AC-1 Outside Air Unit to be installed at Venable Elementary School	185,436	92,718	2023 (FY24)	*manually adjusted/reduced to match grant
Cooling Tower to be installed at Venable Elementary School	150,000	75,000	2023 (FY24)	
	1,617,370	808,685		
TOTAL CSLFRF HVAC GRANT FUNDS AVAILABLE		808,685		

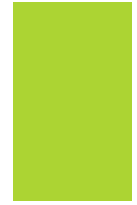
These dollars reduce City dollars for School HVAC CIP projects.

SUMMARY:

CCS Grant Funded HVAC CIP Projects	808,685
ARP/ESSER Grant Fund Other CIP Projects	6,755,000
POTENTIAL LOCAL CIP DOLLARS for RECONFIGURATION	7,563,685



Reconfiguration



Projects for the Middle School and Pre-school Campuses:

- Address aging facility issues
- Reduce student transitions during critical middle years
- Provide modern, state-of-the-art facilities to support best practices for early learning and middle school education
- Improve safety and reduce carbon footprint



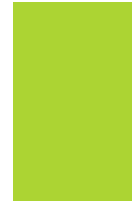
"Specifically significant correlations have been found between poor structural, conditional, and aesthetic attributes of school buildings and low student learning and achievement."

Source: Fildaro, M., Vincent, J., Sullivan, K., Starr, J., Fusarelli, L., Ross, E. (2019, May 02).

More Information Available at:

<https://kappanonline.org/how-crumbling-school-facilities-perpetuate-inequality-fildaro-vincent-sullivan/>

Next Steps



School Board Budget Work Session: Presentation of Superintendent's Proposed Changes to the FY 2023 Budget	Saturday 1/15/2022	8:30 a.m.	CHS Media Center
PTO presidents input meeting	Wednesday 1/19/2021	12:00 p.m.	Zoom
PTO's - budget update and input	Thursday 1/20/2021	7 p.m.	Zoom
City Council/School Board Joint Budget Work Session on the Changes to the FY 2023 Budget	Wednesday 2/2/2022	5 p.m.	TBD
Regular School Board Meeting: Presentation of Superintendent's Proposed FY 2023 Budget and Public Hearing	Thursday 2/3/2022	5 p.m.	CHS Media Center
School Board Budget Work Session	Tuesday 2/15/2022	4 p.m.	TBD
Special School Board Meeting: Approval of Superintendent's Proposed Budget	Thursday 2/24/2022	5 p.m.	CHS Media Center
School's Presentation FY 2022-2023 Approved Budget to City Council	Monday 3/07/2022	6:30 p.m.	City Hall
City Council Adoption of Tax Rate, FY 2022-2023 General Fund and CIP Budgets	Tuesday 4/12/2022	5:30 p.m.	City Hall

