



**FISCAL YEAR 2026-2027  
SCHOOL BOARD BUDGET**

**April 22, 2026**

# Budget At A Glance



3% compensation  
increase



No increase to employee  
healthcare premiums



Teacher compensation  
adjustments



Virginia Retirement  
System cost savings



Sustains prioritized  
positions and programs  
after grant expiration

# Budget Development Roadmap



## Planning

- » Budget Development Manual
- » Develop Budget Surveys



## Data Collection

- » Department Budget Requests
- » Salary and Benefits Projections
- » Revenue Projections
- » Enrollment Projections



## Review and Presentations

- » Budget Committee Meetings
- » Budget Presentation
- » Public Hearings



## Approvals

- » School Board Approval
- » City Council Approval



## Closeout

- » Budget Import to Financial System before July 1



# School Board Priorities

## Maximize Every Child's Learning

- » Academies of Hampton
- » Student Achievement

## Attract, Develop, and Retain Exceptional Staff

- » Competitive Compensation
- » Recruitment and Retention

## Create Safe, Nurturing Environments

- » School Safety
  - » Mental Wellness
- 

# FY 2026-2027 Hampton City Schools Budget: All Funds

Fund	FY 2025-2026 Budget	FY 2026-2027 Budget	\$ Difference	Explanation of Difference
School Operating (Fund 50)	\$313,045,033	\$327,998,571	\$14,953,538	*Governor's Youngkin's budget,** local contribution, alignment with previous year's actual revenue results
Food and Nutrition Services (Fund 51)	\$17,391,208	\$17,415,667	\$24,459	Revenue from donated food items from the USDA
Reimbursable Projects (Fund 60)	\$29,910,522	\$25,081,536	-\$4,828,985	Two grant programs (ALL IN VA and School Security Officer Grant) end June 30, 2026 and movement of CPEG program to Fund 50
Rental Income (Fund 65)	\$151,366	\$152,979	\$1,613	Revenue from rental escalation clause
Student Activity (Fund 93)	\$1,079,240	\$1,149,875	\$70,635	Alignment with previous year's actual results from student club and extracurricular activities
HCS Instructional Resource Toolkit (Fund 95)	\$683,900	\$660,200	-\$23,700	Modifications to existing contracts and new school divisions purchasing HCS curriculum resources
<b>Total</b>	<b>\$362,261,269</b>	<b>\$372,458,828</b>	<b>\$10,197,559</b>	

\*This is the current state budget that is available to school divisions.

\*\* \$654,235 of the local contribution will be submitted for School Board approval in May 2026

# School Operating Fund (Fund 50)

## Revenues

Revenue Source	FY 2025-2026 Budget	FY 2026-2027 Budget	\$ Difference
State Revenue (including sales tax)	\$205,799,347	\$218,304,819	\$12,505,472
Local Revenue	\$99,081,479	\$101,902,502	\$2,821,023
Federal Funds	\$1,100,000	\$739,000	-\$361,000
Other Funds	\$7,064,207	\$7,052,250	-\$11,957
<b>Total</b>	<b>\$313,045,033</b>	<b>\$327,998,571</b>	<b>\$14,953,538</b>





## State Revenue and State Sales Tax

- » Local Composite Index (LCI) is 0.2525 or 25.25%
- » March 31 Average Daily Membership (ADM) projection is 18,432
- » 561 Virginia Preschool Initiative Slots
- » 1,871.74 Standards of Quality (SOQ) Funded Positions
- » \$218.3 million estimated total state revenue (\$12.5 million increase from FY 2026)
  - ◇ Technical updates (e.g., enrollment, sales tax, lottery proceeds, technical updates from rebenchmarking process, LCI)
  - ◇ 2.0% compensation increase for SOQ funded positions effective 7/1/2026



## Local Support

- » Local support is based on a funding formula which shares 61.83% of all residential taxes (real estate, personal property, and utility taxes) with the school division
- » FY 2027 local support estimate is \$102 million



# Federal and Other Revenue

## Federal revenue: \$0.7 million

- » Federal Impact Aid - \$403,000
- » Junior Reserve Officer Training Corps (JROTC) - \$336,000



## Other revenue: \$7.1 million

- » \$3.2 million HCS Pharmacy Center
- » \$1.0 million Indirect Costs (from Fund 51 and Fund 60)
- » \$0.9 million Medicaid Reimbursement
- » \$2.0 million
  - ◇ Cell towers
  - ◇ Public sale of surplus goods
  - ◇ HCS Print Shop
  - ◇ Athletic event revenue

# School Operating Fund (Fund 50)

## Expenditures by Classification

Expenditure Classification	FY 2025-2026 Budget	FY 2026-2027 Budget	\$ Difference
Instruction	\$211,807,881	\$218,783,292	\$6,975,411
Administration/ Attendance and Health	\$17,597,880	\$21,210,690	\$3,612,810
Transportation	\$16,278,105	\$15,986,049	-\$292,056
Operations and Maintenance	\$33,452,935	\$34,298,029	\$845,094
Debt and Fund Transfers	\$9,180,468	\$8,349,368	-\$831,200
Non-instructional Operations	\$5,424,608	\$5,743,160	\$318,552
Technology	\$19,303,156	\$23,627,983	\$4,324,827
<b>Total</b>	<b>\$313,045,033</b>	<b>\$327,998,571</b>	<b>\$14,953,538</b>



# Compensation

- » \*The budget includes a 3% compensation increase for full and part-time employees (\$6.4 million)

\*Excludes flat rate, temporary positions, as well as some part-time teaching positions



# Teacher Salary Scale Adjustments

- » Invest \$1.9 million for teacher salary scale adjustments, in addition to the 3% compensation increase
- » Starting salary for a new teacher (Step 0) will be \$58,500



## Other Compensation and Fringe Benefits Highlights

- » Reclassifications and compensation adjustments - \$0.7 million
- » Increase in employer/HCS costs for healthcare - \$1.3 million
  - ◇ No increase to employee healthcare premium costs
- » Increase in annual Hampton Employee Retirement (HERS) system contribution - \$0.2 million



# Position Changes

- » 3 new positions
  - ◇ 1 School Security Officer (Bethel High Science Wing)
  - ◇ 2 Dual Language Immersion Teachers
- » 31 grant funded positions recommended to transfer from Fund 60 to Fund 50 due to scheduled grant expiration
- » 9 television station or CPEG positions recommended to transfer from Fund 60 to Fund 50 (no budgetary impact)



## Budget Savings

- » \$5.0 million reduction to the budget
  - ◇ \$4.2 million - reduction in VRS contribution requirements
  - ◇ \$0.8 million - decrease in salary and other benefit costs



## Other Highlights of the School Operating Fund

- » Pharmacy and Wellness Center - \$4.1 million
- » Academies of Hampton - \$1.5 million
- » English and Language Arts Instructional Resources - \$1.5 million
- » Welding and Electrical Programs - \$0.3 million
- » Community Service Board Partnership - \$0.3 million
- » Department of Aging and Rehabilitation Services program for students with disabilities - \$0.1 million
- » Debt service payments - \$2.9 million
  - ◇ \$2 million for the current PreK-8 schools
  - ◇ \$0.9 million for Kecoughtan High School science wing
- » FY 2027 One-time expenditures/contingency - \$3.1 million



## Next Steps

- » Continue to monitor the state budget
- » Submit revised FY 2027 budget to the School Board and City Council for consideration and approval
- » Updates to the budget can be found on the [HCS Budget Information Page](#)



HAMPTON  
*City Schools*