



# **Fiscal Year 2025-2026 School Board Budget**

**April 23, 2025**



# Budget At A Glance

- » 4% compensation increase
- » No increase to employee healthcare premiums
- » Teacher and support staff compensation adjustments
- » New positions (e.g., school security officers, teachers, instructional assistants)



# FY 2025-2026 Budget Development Process

**Planning**

**Data  
Collection**

**Review and  
Presentations**

**Approvals**

**Close Out**

- Budget Development Calendar
- Budget Development Manual
- Develop School Board Priorities Survey

**August -  
September**

**October -  
December**

- Department Budget Requests (non-payroll)
- Salary and Benefits Projections
- Revenue Projections
- Enrollment Projections

- Budget Committee Meetings
- Budget Presentation
- Public Hearings
- School Board Approval (March)

**January -  
March**

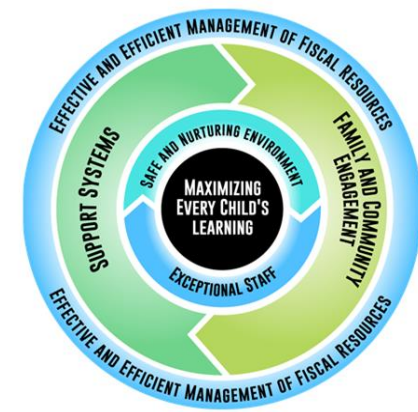
**April - May**

- Presentation to City Council
- City Council Approval (May)

- Import Budget into financial system by July 1

**June**

# School Board Priorities



## Maximize Every Child's Learning

- » Academies of Hampton
- » Student achievement
- » Class Sizes

## Attract, Develop, and Retain Exceptional Staff

- » Competitive compensation
- » Recruitment and retention
- » Coach Stipends

## Create Safe and Nurturing Environments

- » Ongoing emphasis on school safety measures
- » Mental Wellness

# FY 2025-2026 School Board Budget: All Funds

Fund	FY 2024-2025 Budget	FY 2025-2026 Budget	\$ Difference	Explanation of Difference
School Operating	\$302,941,837	\$307,189,611	\$4,247,774	Governor's budget, local contribution, alignment with previous year's actual revenue results
Food and Nutrition Services	17,178,444	17,391,208	212,764	Revenue due to increase in meals served
Reimbursable Projects	41,488,247	29,910,522	-11,577,725	End of ESSER III grant, Year Round School Planning, and spend down of ALL In Initiative VA funds
Rental Income	149,799	151,366	1,567	Revenue from rental escalation clause
Student Activity	993,130	1,079,240	86,110	Alignment with previous year's actual results from student club and extracurricular activities
Athletics	974,194	1,346,608	372,414	Additional revenue to support athletic expenses (e.g., staff, officials, security)
HCS Instructional Resource Toolkit	507,891	683,900	176,009	New and recurring purchasing of HCS curriculum from other school divisions
<b>Total</b>	<b>\$364,233,542</b>	<b>\$357,752,454</b>	<b>-\$6,481,087</b>	



**FY 2025-2026**  
**School Operating Fund**  
**Fund 50**

# School Operating Fund (Fund 50)

## Revenues

Revenue Source	FY 2024-2025 Budget	FY 2025-2026 Budget	\$ Difference
State Revenue (including sales tax)	\$200,807,933	\$200,308,132	-\$499,801
Local Revenue	95,000,573	99,081,479	4,080,906
Federal Funds	789,000	1,100,000	311,000
Miscellaneous Funds	6,344,331	6,700,000	355,669
<b>Total</b>	<b>\$302,941,837</b>	<b>\$307,189,611</b>	<b>\$4,247,774</b>





## State Revenue and State Sales Tax

- » Local Composite Index (LCI) is 0.2579 or 25.79%
- » March 31 Average Daily Membership (ADM) projection is 18,353
- » \$200.3 million estimated total state revenue (\$0.5 million decrease from FY 2025)
  - ◇ Estimate is based on the Governor's Amendments to 2024-2026 Biennial state budget



## 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 2026 local support estimate is \$99 million





# Federal and Miscellaneous Revenue

## Federal revenue: \$1.1 million

- » Federal Impact Aid - \$740,000
- » Junior Reserve Officer Training Corps (JROTC) - \$360,000



## Miscellaneous revenue: \$6.7 million

- » \$2.5 million HCS Pharmacy Center
- » \$1.2 million Indirect Costs (from Fund 51 and Fund 60)
- » \$1.0 million Medicaid Reimbursement
- » \$2.0 million
  - ◇ Cell towers
  - ◇ Public sale of surplus goods
  - ◇ HCS Print Shop

# School Operating Fund (Fund 50)

## Expenditures by Classification

Expenditure Classification	FY 2024-2025 Budget	FY 2025-2026 Budget	\$ Difference
Instruction	\$207,957,408	\$209,038,149	\$1,080,741
Administration/ Attendance and Health	17,102,012	17,119,993	17,981
Transportation	13,923,197	16,175,659	2,252,462
Operations and Maintenance	33,977,581	33,304,646	-672,935
Debt and Fund Transfers	8,640,837	9,655,869	1,015,032
Non-instructional Operations	4,058,000	4,100,000	42,000
Technology	17,282,802	17,795,295	512,493
<b>Total</b>	<b>\$302,941,837</b>	<b>\$307,189,611</b>	<b>\$4,247,774</b>



# Compensation

- » The budget includes a 4% compensation increase for full and part-time employees\* (\$8.4 million)

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



# Teacher Salary Scale Adjustments

- » Invest \$2.0 million for teacher salary scale adjustments, in addition to the 4% compensation increase
- » Starting salary for a new teacher (Step 0) will be \$56,750



## Other Compensation and Fringe Benefits Highlights

- » Maintain 30 steps on the teacher scale - \$18,000
- » Reclassifications and compensation adjustments - \$1.0 million
- » Increase coaching and Co-Curricular supplement budget - \$242,000
  - ♦ Middle School Athletic Director supplement
  - ♦ eSports coach stipend
- » No increase to employer and employee healthcare premium costs



## Position Changes

- » Net increase of 56.70 positions. Positions added include but are not limited to:
  - ♦ 19 School Security Officers (Elementary and Pre-K schools)
  - ♦ 15 Special Education Staff
  - ♦ 6 Academies of Hampton Coaches
  - ♦ 1 Dual Language Teacher
  - ♦ 5 non-instructional positions
- » A complete list of new positions can be found on the budget information page at this [link](#).



## Budget Savings

- » \$14.7 million reduction to the budget
  - ◇ \$4.4 million - reduction to non-payroll costs for FY 2024-2025 school projects
  - ◇ \$4.6 million - reduction in VRS contribution requirements
  - ◇ \$4.9 million - decrease in salary costs/attrition
  - ◇ \$0.8 million - decrease in other benefit costs



## Other Highlights of the School Operating Fund

- » Pharmacy and Wellness Center - \$4.1 million
- » Academies of Hampton - \$1.6 million
  - ◊ Includes Signature Experiences for elementary and middle school students
- » Additional funding for Athletics - \$0.4 million
- » Debt service payments - \$2.9 million
  - ◊ \$2 million for the current PreK-8 schools
  - ◊ \$0.9 million for Kecoughtan High School science wing
- » Virginia Preschool Initiative - \$4.6 million (FY 2026 slots - 619)
- » FY 2026 One-time expenditures/contingency - \$1.1 million



## Next Steps

- » Continue to monitor the state budget
- » Submit revised FY 2025-2026 budget to the School Board and City Council for consideration and approval

