



# **Fiscal Year 2023-2024 School Board Budget**

**April 12, 2023**



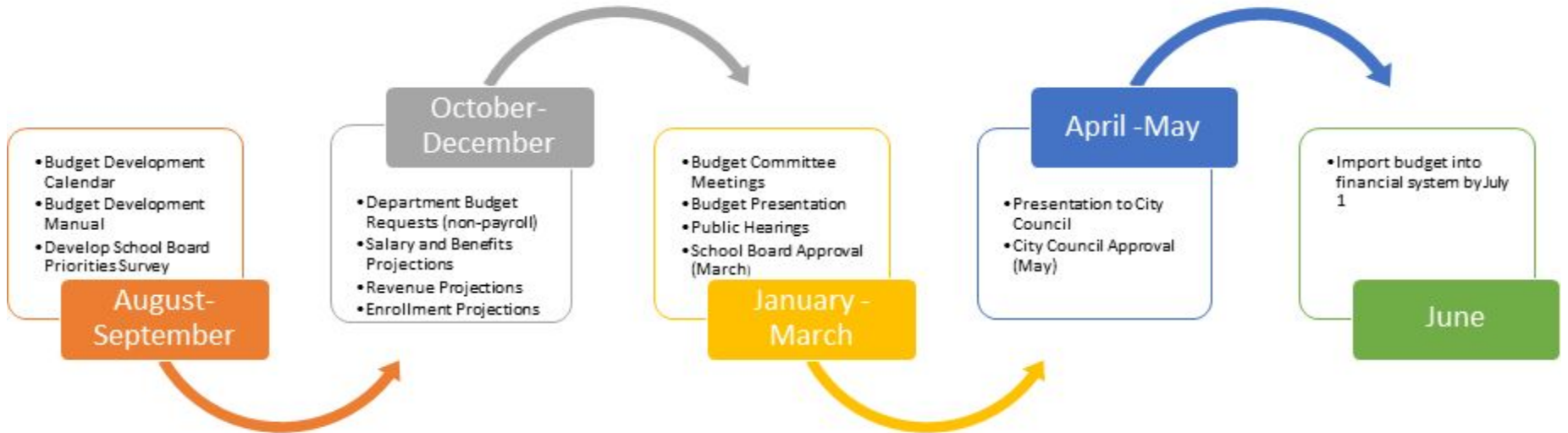
# Budget At A Glance

- » 5% compensation increase
- » No increase to employee healthcare premiums
- » Salary adjustments (in addition to the 5% compensation increase) for teachers and select support staff (includes minimum hourly rate increase to \$12.50)
- » 1% one-time bonus
- » New positions (e.g., teachers)

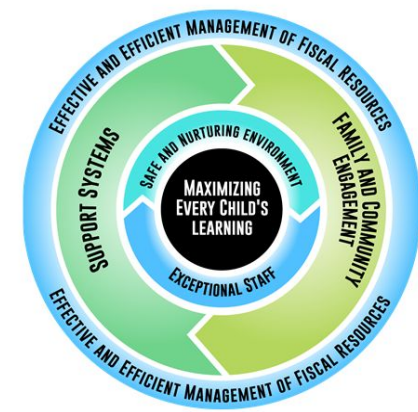




# FY 2023-2024 Budget Development Process



# 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 and Nurturing Environments

- » Ongoing emphasis on school safety measures

# FY 2023-2024 School Board Budget: All Funds

Fund	FY 2022-2023 Budget	FY 2023-2024 Budget	Change	
			\$	%
School Operating	\$ 268,115,065	\$ 272,701,006	\$ 4,585,941	1.71%
Food and Nutrition Services	12,439,975	16,154,058	3,714,083	29.86%
Reimbursable Projects	102,502,994	55,328,338	(47,174,656)	-46.02%
Rental Income	175,002	148,278	(26,724)	-15.27%
Student Activity	926,536	1,005,890	79,354	8.56%
Athletics	715,382	784,194	68,812	9.62%
HCS Instructional Resource Toolkit	145,650	311,000	165,350	113.53%
<b>All Funds</b>	<b>\$ 385,020,604</b>	<b>\$ 346,432,764</b>	<b>\$ (38,587,840)</b>	<b>-10.02%</b>





**FY 2023-2024**  
**School Operating Fund**  
**Fund 50**

# School Operating Fund (Fund 50) Revenues

Revenue Source	FY 2022-2023 Budget	FY 2023-2024 Budget	\$ INCR (DECR)	% INCR (DECR)
State Revenue	\$ 148,850,015	\$ 149,362,955	\$ 512,940	0.34
Local Contribution	85,483,984	91,804,718	6,320,734	7.39
Sales Tax	26,622,213	25,144,942	(1,477,271)	(5.55)
Federal Funds	460,280	618,938	158,658	34.47
Miscellaneous Funds	6,698,573	5,769,453	(929,120)	(13.87)
<b>Total Revenue</b>	<b>\$ 268,115,065</b>	<b>\$ 272,701,006</b>	<b>\$ 4,585,941</b>	<b>1.71 %</b>



## State Revenue and State Sales Tax

- » Local Composite Index (LCI) is 0.2731 or 27.31%
- » March 31 Average Daily Membership (ADM) increase from 18,870 to 19,036
- » \$174.5 million estimated total state revenue and state sales tax (\$0.9 million decrease from FY 2023)
  - ◇ Projection is based on “skinny” or stop-gap budget approved by the General Assembly





## 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 2024 local support estimate is \$91.8 million



# Federal and Miscellaneous Revenue

## Federal revenue: \$619,000

- » Federal Impact Aid - \$339,000
  - ◇ Federal assistance for lost revenue from tax-exempt federal property based on annual counts of federally-connected students
- » Junior Reserve Officer Training Corps (JROTC) - \$280,000
  - ◇ Reimbursement of a portion of the minimum instructor's pay as determined by military branch

## Miscellaneous revenue: \$5.8 million

- » \$1.1 million Indirect Costs
- » \$2.5 million HCS Pharmacy Center
- » \$0.9 million Medicaid Reimbursement
- » \$1.3 million
  - ◇ Cell Towers
  - ◇ Public Sale of Surplus Goods
  - ◇ Non-remedial Summer School
  - ◇ Rebates
  - ◇ HCS Print Shop
  - ◇ Driver Education

# School Operating Fund (Fund 50) Expenditures by Classification

Classification	FY 2022-2023 Budget	FY 2023-2024 Budget	\$ INCR (DECR)	% INCR (DECR)
Instruction	\$ 180,686,729	\$ 189,483,317	\$ 8,796,588	4.87
Administration/Attendance & Health	15,450,225	15,937,000	486,775	3.15
Transportation	15,755,548	13,108,257	(2,647,291)	(16.80)
Operation & Maintenance	29,092,690	23,516,723	(5,575,967)	(19.17)
Non-instructional Operations	3,756,500	3,698,000	(58,500)	(1.56)
Technology	17,863,372	18,785,585	922,213	5.16
Debt and Fund Transfers	5,510,001	8,172,124	2,662,123	48.31
<b>Total</b>	<b>\$ 268,115,065</b>	<b>\$ 272,701,006</b>	<b>\$ 4,585,941</b>	<b>1.71%</b>

# School Operating Fund (Fund 50) Expenditures by Object/Type

Object/Type	FY 2022-2023 Budget	FY 2023-2024 Budget	\$ INCR (DECR)	% INCR/ DECR
Personnel Services	\$143,160,301	\$150,904,512	\$7,744,211	5.41
Fringe Benefits	57,247,092	58,741,304	1,494,212	2.61
Contract Services	20,846,803	24,094,002	3,247,199	15.58
Internal Services	80,858	124,653	43,795	54.16
Other Charges	8,317,604	7,950,687	(366,917)	(4.41)
Materials & Supplies	9,467,798	8,698,822	(768,976)	(8.12)
Payments to Other Agencies	5,724,792	5,526,339	(198,453)	(3.47)
Capital	15,968,976	3,973,670	(11,995,306)	(75.12)
Contingencies	3,248,857	4,514,893	1,266,036	38.97
Debt Service	2,867,000	2,867,000	-	0.00
Fund Transfers	1,184,984	5,305,124	4,120,140	347.70
<b>Total</b>	<b>\$268,115,065</b>	<b>\$272,701,006</b>	<b>\$4,585,941</b>	<b>1.71%</b>



# Compensation

- » The budget includes a 5% compensation increase for full and part-time employees\* (\$8.6 million)



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



## Teacher Salary Scale Adjustments

- » \$2.2 million investment in the teacher salary scale (in addition to 5% compensation increase)
  - ◇ Step 0 - \$53,000 starting salary
  - ◇ Steps 1-24 add \$317
  - ◇ Steps 25-29 add \$8,200
  - ◇ Maintain Step 30 and add \$1,200



## Other Compensation Highlights

- » Support staff market adjustments (e.g., additional \$1.00 per hour increase for instructional assistants) - \$0.4 million
- » Increase minimum hourly rate to \$12.50 (with 5% compensation increase, this will not impact any staff members) - \$0
- » FY 2024 1% one-time bonus for teachers and support staff - \$1.5 million
- » FY 2024 teacher and support staff recruitment incentives (e.g., sign on bonus for new teachers) - \$0.8 million
- » Extra earnings/salary adjustments for 10 employees (funded through internal budget reductions) - \$0



# Position Changes

- » Net increase of 19 instructional positions
  - ◇ Includes 12.5 new teacher positions
- » Net decrease of 8 non-instructional positions
- » Overall change of 11 positions
- » A complete list of new positions can be found on the budget information page at this [link](#).

<b>Classification</b>	<b>FY 2023 Positions</b>	<b>FY 2024 Positions</b>	<b>Change</b>
Instruction	2,084.42	2,103.42	19.00
Administration/Attendance & Health	148.00	148.00	0.00
Pupil Transportation	288.00	280.00	(8.00)
Operations & Maintenance	80.00	81.00	1.00
Technology	90.00	89.00	(1.00)
<b>GRAND TOTAL</b>	<b>2,690.42</b>	<b>2,701.42</b>	<b>11.00</b>





## Budget Reductions and Savings

- » \$15.4 million net reduction to the budget
  - ◇ Subtract \$15.6 million due to one-time expenditures (e.g., capital projects) that will not require funding in FY 2024
  - ◇ Subtract \$5.6 million for FY 2023 one-time compensation (e.g., bonus)
  - ◇ Subtract \$2.0 million of payroll savings to offset increased substitute costs
  - ◇ Add \$7.8 million for increased costs in contract services (e.g., substitute costs, K-9 search services, special education regional program, custodial services)



## Other Highlights of the School Operating Fund

- » Pharmacy and Wellness Center - \$3.7 million
- » Academies of Hampton - \$1.2 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 - \$6.1 million
  - ◇ FY 2024 slots - 656
- » FY 2024 One-time expenditures/contingency - \$4.5 million



HAMPTON  
*City Schools*

