GREENE COUNTY PUBLIC SCHOOLS

FY 2025 Budget Work Session

Greene County Public Schools

School Board Meeting: January 24, 2024

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Three areas of revenue and expenditure within school finance:

General Operating Fund - State, Federal, Local and other revenue funds annual school division budget

School Nutrition Fund - Federal, Grant and Operating Revenue fund the school nutrition operation (cafeteria, dining program)

School Activity Funds - School based funds collected from fundraising, club/class fees, events etc to fund additional student activities and educational experiences.

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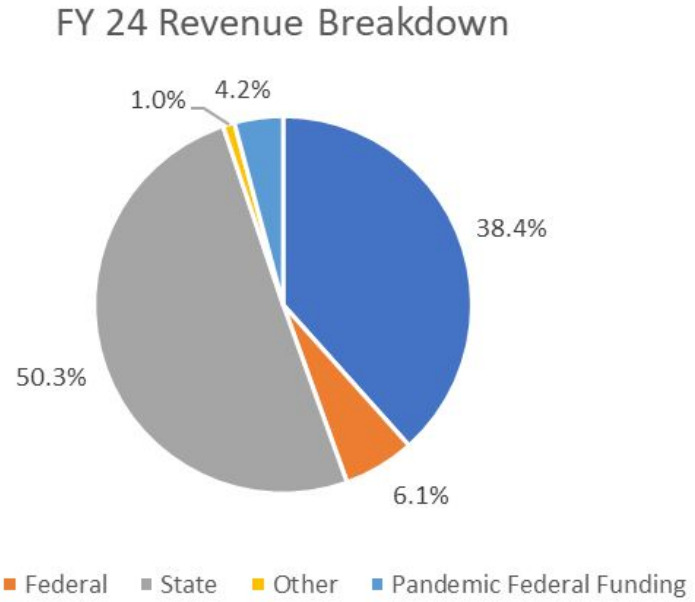
Just “simple” revenue and expenditures……not so simple

- Over a 1000+ budget codes for the schools are driven by state and federal reporting requirements
- Mandates - Many stipulations attached to state & federal revenues for education
- Majority of the budget is non-discretionary/fixed at the start of the school year
- Fluctuations can occur throughout the year based on state and federal revenues

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Revenues

- **State** - Funds distributed to localities based on the final adopted state budget
- **Federal** - Funds provided from the federal government for specific programs/initiatives
- **Local** - Funds provided from the school division's locality
- **Other** - Fees/Refunds collected locally



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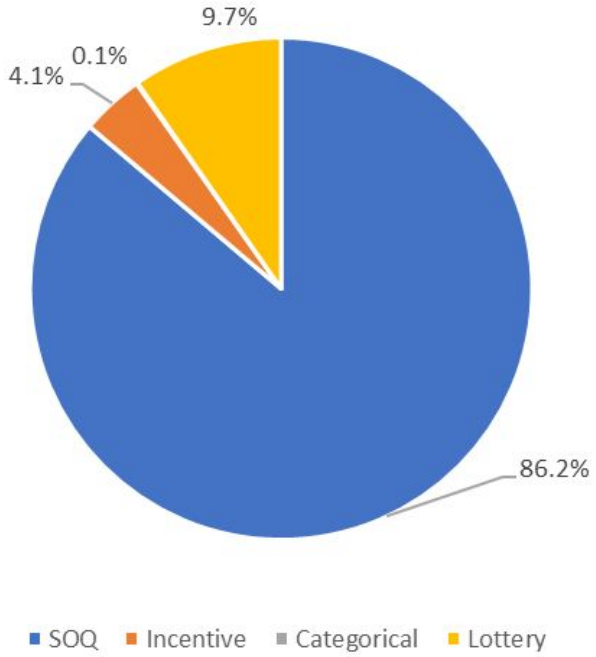
State Revenues

- **Major Categories of State Revenue**
  - Standards of Quality - Largest Category of State funds. Amounts based on Local Composite Index and Average Daily Membership
  - Incentive - At Risk, Virginia Preschool Initiative, Compensation/Bonus Supplements, Technology Grant
  - Categorical - State school lunch, Homebound
  - Lottery - At Risk, Regional Special Education Program, Class Size Reduction, Infrastructure and Operations

Line items within state revenue have mandates related to usage that include program area and staffing requirements

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State Revenue Breakdown



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State Revenues

- **New Types of State Revenue**
  - State Construction Grant - To be used to address building requirements of school divisions. Awarded in FY 23 and can be carried forward through FY 25
  - All in Virginia- To be used for high-intensity tutoring, expanding and accelerating the Virginia Literacy Act, and addressing the increased rates of chronic absenteeism. Awarded in FY 24 and can be carried forward through FY 26
- **Fluctuations in State Revenue**
  - Projections change with state revenue forecast
  - Projections change with Spring ADM numbers and final payments change based on EOY ADM
  - Payment schedules vary by line item - timing and amount

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Federal Revenues

- Federal Revenues are awarded in alignment with federally defined programs including:
  - United Stated Department of Education Title Programs - Title I, II, III, IV and VI-B (IDEA)
  - School Nutrition
  - Career and Technical Education - Perkins Grant
- All funding has specific mandates and must used to supplement and not supplant other funding
- Title and Perkins funds are awarded through an iterative application process based on amounts provided to the school divisions by VDOE
- All expenses are paid and then reimbursed after expenditure. Reimbursements are submitted to and reviewed by VDOE prior to payment to the school division.

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Federal Revenues

- Pandemic Funding - awarded through application process to address effects of pandemic on learning
- Funds sunset on September 30, 2024

Program/Fund	Amount
Coronavirus Relief Fund	$ 508,410.00
ESSER I	$ 357,664.03
ESSER - Cleaning Supplies	$ 14,467.00
GEER - Wifi and Mifi Access	$ 113,088.00
GEER - SNP Support	$ 93,453.13
ESSER - Special Education Services & Supports	$ 11,652.94
CRRSA ESSER II	$ 1,491,893.72
ARP ESSER III	$ 3,352,960.92
ESSER III - Before And After School	$ 77,087.67
ESSER III - Summer School	$ 124,771.95
ESSER III - Unfinished Learning	$ 218,422.49
Bus Driver Recruitment and Retention Grant (GEER/ESSER)	$ 13,682.33
HVAC ARP-CSLFRF-COVID19	$ 578,948.00
ARP ESSER III - Mentor Teacher	$ 8,236.00
ARP ESSER III - Recruitment and Retention Support	$ 30,000.00
Emergency Connectivity Fund - Round I and II	$ 199,500.00
Total Pandemic Related Federal Funding	$ 7,194,238.18

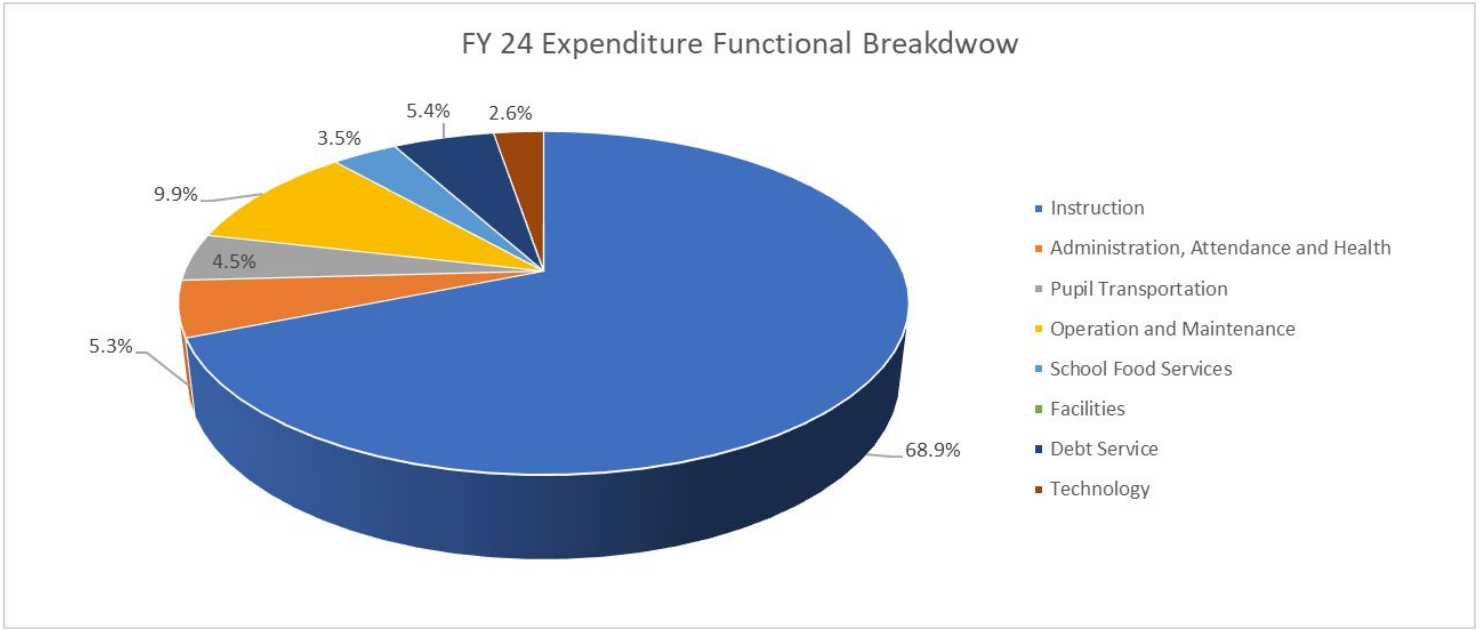
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Expenditures

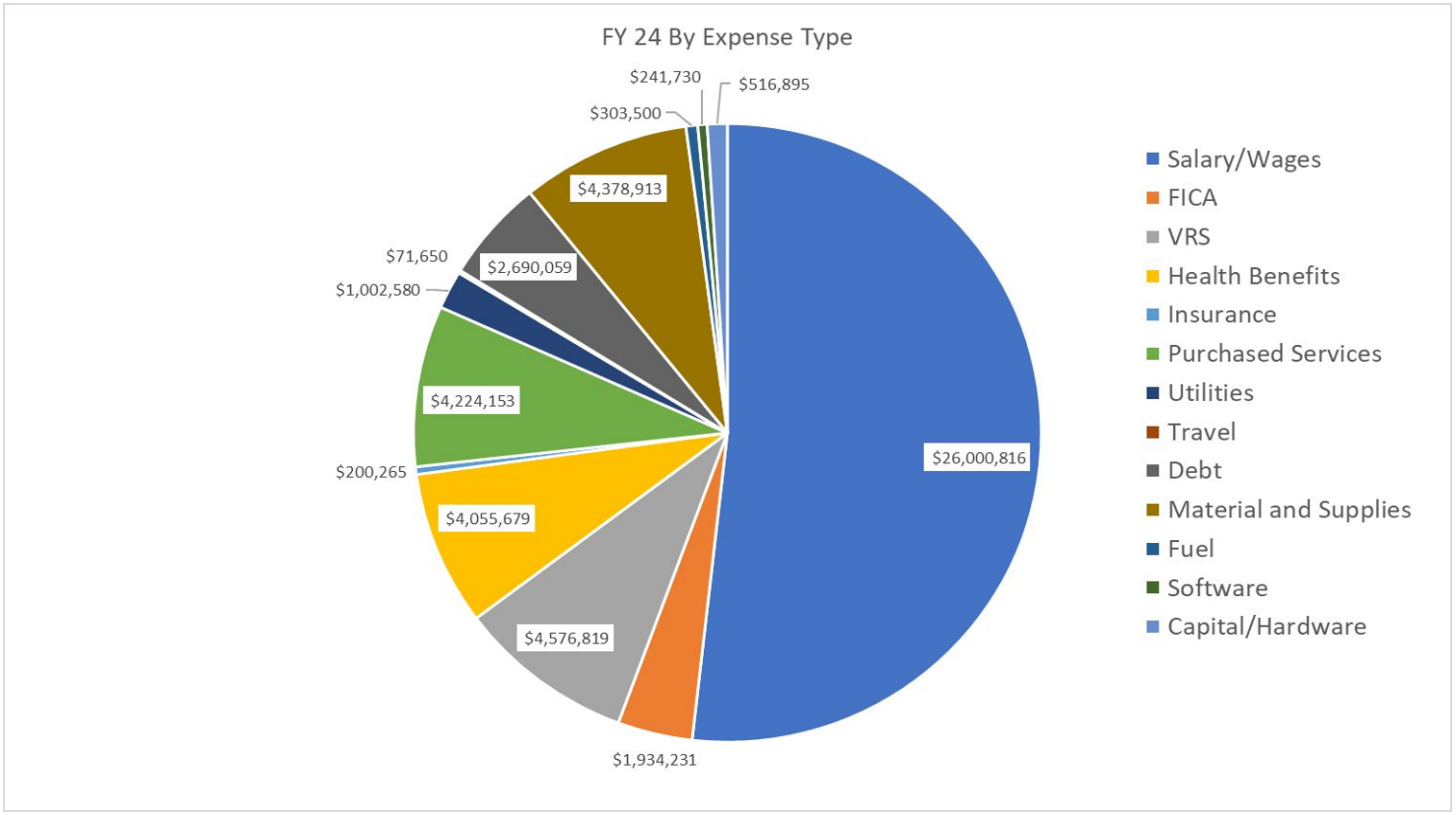
All expenditures are categorized into functional areas defined by the state

- 61000 Instruction
- 62000 Administration, Attendance and Health
- 63000 Pupil Transportation
- 64000 Operation and Maintenance
- 65000 School Food Services
- 66000 Facilities
- 67000 Debt Service
- 68000 Technology

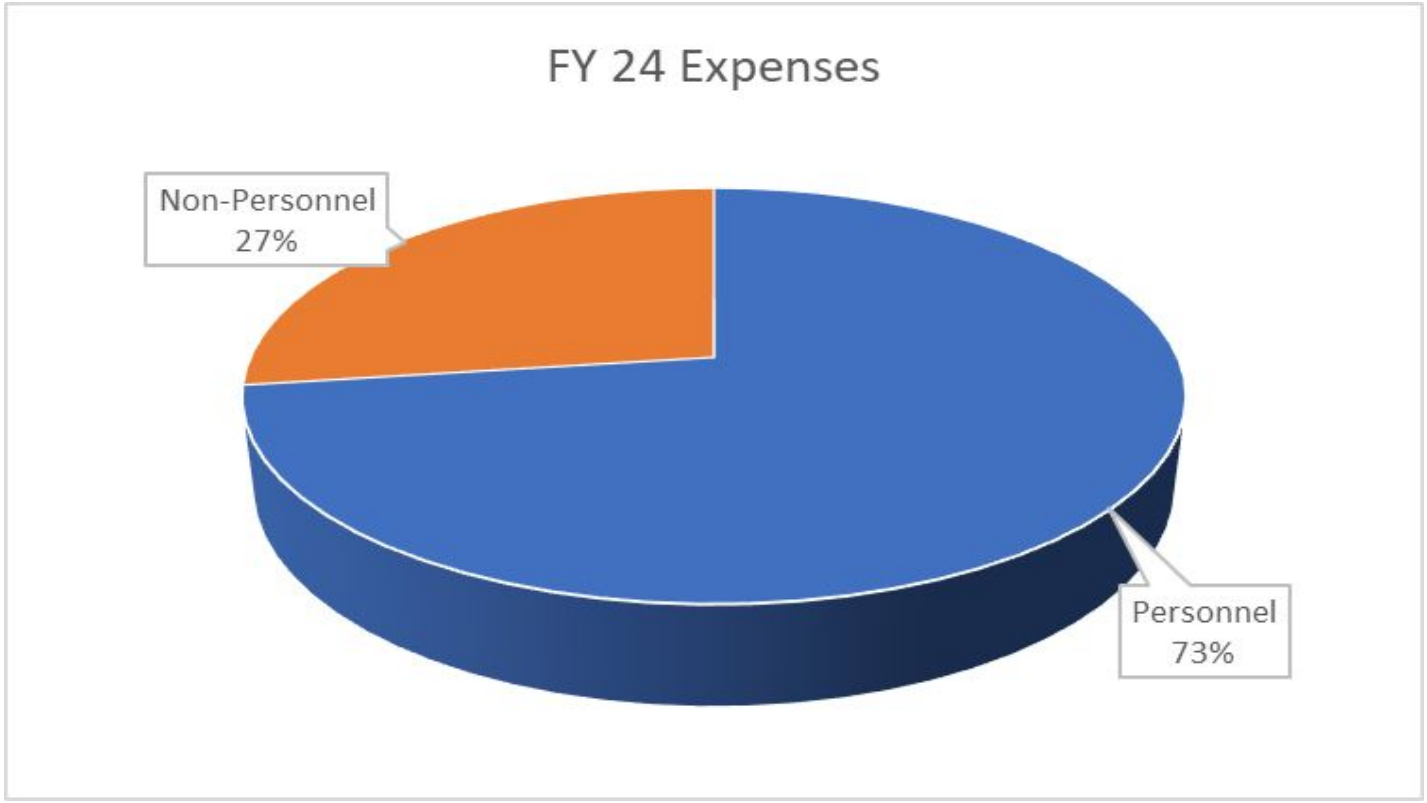
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Expenditures

Majority of the expenses are fixed and non-discretionary (96.4%)

Description	Percentage of Budget
Personnel - Wages, VRS, FICA, Health Benefits	73%
Utilities and Insurances - Property, Liability, Workers Compensation	2%
Transportation Operational Costs - Fuel/Maintenance	1%
Debt - Capital and Lease Purchase	6%
School Nutrition	3%
Special Education	1%
Grant Funded	1%
ESSER	4%
State Construction	3%
Operation/Maintenance Services and Supplies	1%

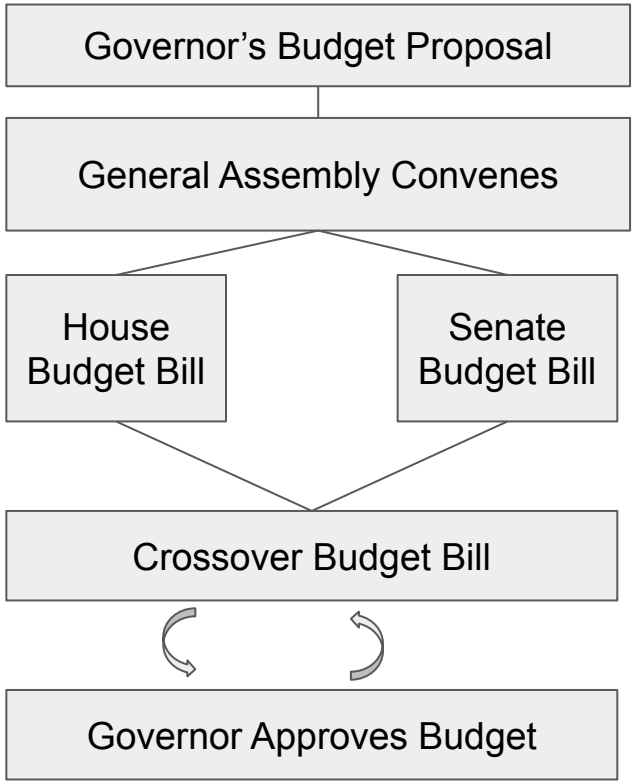
Budget Processes

Local Process	
September	Budget Calendar presented
October	Budget Calendar Approved, Initiate Collection of Budget Requests and Ideas from Staff and Community
November/December	Continue to receive and review input. Surveys sent out, Public Hearing, Governor's Budget Proposal Released
January	Updates on Budget Information, Work Session, Priorities and Budget Directives to prepare budget for adoption
February	Superintendent's Proposed Budget, Public Hearing, Final Directives Adoption of Budget by School Board
March	Board of Supervisors Budget Process
April/May	Local Funding Finalized
May	Modify and Adopt Revised Budget if needed based available funding
July	Implementation of Adopted Budget

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State Process





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FY 2025 Budget

Alignment with Strategic Plan



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- Virginia code mandates that it is the duty of the Superintendent to prepare a budget with an estimate of the amount of money deemed to be needed to support the school division. This is commonly referred to as a “needs-based budget.”
- These numbers reflect preliminary, broad estimates and are to illustrate potential revenue and expenditures only.
- The total of the potential expenditures should not be interpreted as a recommended change to the budget.

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Budget Process Timeline	
January	
1/10/24	School Board Meeting Planning Update
1/24/24	School Board Work Session Review Priorities, Draft Budget Proposal
February	
2/7/24	School Board Meeting Public Hearing on Proposed Budget
2/28/24	School Board Meeting Budget Adoption



FY 2025 Influencing Factors

Enrollment
FY 24 - Current ADM (Fall) 2732 vs 2762 used for budget planning
FY 25 - Using State ADM Projection 2702.1

VRS
First year of new biennium. VRS rate changes from 19.17%. VRS ratified rate is 16.42%. Governor's proposed rate is 17.78%

Effective 7/1/24 there is also a rate separation for the VRS Hybrid Plan. Employers will need to make matching Defined Contribution hybrid plan contributions of 1% - 3.5% dependent on employee elections. This in addition to the new rate listed above.

These rates still need to be ratified by the General Assembly

FY 2025 Influencing Factors

Local Composite Index (LCI)

First year of the new biennium. LCI changes to .3411 from .3505. The Composite Index determines a school division's ability to pay education costs fundamental to the commonwealth's Standards of Quality (SOQ). The Composite Index is calculated using three indicators of a locality's ability to pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

Each locality's index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

FY 2025 Influencing Factors

Operating Expense

Transportation - Fuel rates have decreased from previous year. Currently not on contract pricing. County is working with the provider to try and stabilize rates and establish contract pricing. Vehicle maintenance costs trending relatively flat year over year.

Utilities - Currently being surveyed for potential rate changes. Any fluctuations will be offset within existing budget structure.

Building Insurance - expected to remain flat.

Other Economic Factors

Social security payment increase 1/1/24 = 3.2%. Previous year increase was 8.7%.

Inflation - current rate 3.1%. Rate for July 22 - June 23 = 3%

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Revenue and Benefits

State

Fiscal Year	State Budget	Budget ADM
2024	$26,470,300	2723.25*
2025	$29,035,641	2702.1◊

* From December Caboose Budget. Includes All in Virginia and compensation supplement funding and state construction carryover funding. GCPS approved FY 24 state funding at $26,718,723 including state construction carryover and supplemental appropriation funding based on 2762 ADM. Final payments will be adjusted based on March ADM, Current Fall ADM 2732
◊ State projection for FY 25 ADM

House and Senate still to present their versions of budget bills - General Assembly convened 1/10/24

Funding in Governor's FY 25 proposal for a 1% one time bonus for SoQ positions

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State

Category	Amount	Description
State School Construction Grant	$1,716,894	Revenue was transferred to school divisions in FY 23 and any unspent funds can be carried over into FY 24 and FY 25 - Funds will be used for the Tech Center Addition
All in Per Pupil Funds	$1,024,113	Revenue is being transferred to school divisions in FY 24. Unspent funds can be carried over to FY 25 and FY 26. Funding is in support of implementing high-intensity tutoring -70%, expanding and accelerating the Virginia Literacy Act - 20, and addressing the increased rates of chronic absenteeism across Virginia - 10%

Federal

FY 2024 Budget	$3,070,000	Funding covers only program eligible expenses such as Federal Title Programs and School Nutrition
Actual FY 2023	$3,124,867	
Difference	$54,867*	
FY 25 Estimate	$3,070,000	

* Difference is in the Federal School Nutrition funding. Funding is under the Community Eligibility Provision which allows the program to provide meals for free and be reimbursed at a higher rate than normal program rates. Supplemental appropriations were done to accommodate the difference. CEP is in effect for FY 25 as well.

Guidelines for federal revenues

- Specifically mandated by program and cannot be allocated outside of the program for which they are approved.
- Each program specifies how the funding can be used categorically, and in some cases it may exclude specific categories for expenditures.
- Year over year funding may change based on the federal application and can include non-recurring expenses.
- Specifications and mandates fluctuate from year to year affecting available funding and allocations.
- Can be revised by the government during/within the active budget year.

Federal

All COVID Pandemic Related Funding ends effective September 30, 2024

This includes:
American Rescue Plan- ESSER III
ESSER III - Before And After School
ESSER III - Summer School
ESSER III - Unfinished Learning

All expenditures under these funds must be obligated by September 30, 2024 and reimbursements submitted by November 2024.



Local

Fiscal Year	Local Funding County Funds	Local Funding Other Funds
2022	$17,472,521	$494,000
2023	$18,038,266	$494,000
2024	$19,272,767	$494,000

- County funds are the allocated funds from the county's tax based revenue that are allocated to the schools
- Other funds are comprised of funds from sources such as rents, regional programs, retiree insurance payments, insurance settlements, sale of equipment or the miscellaneous revenue. Note FY 23 actual for the category = $197,826. For FY 25, this category is being evaluated to align with actuals since the pandemic.

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- VRS Rates changing for FY 25-still need to be adopted by General Assembly - Evaluating impact of Hybrid rate split
- Healthcare renewal projection is 3.5% cost increase - $160,000 Based primarily on increases in fixed and pharmaceutical costs. Current claims experience trending similar to previous year.

VRS	FY 2025 VRS Board Approved	FY 2025 Governor Proposed	FY 2024
Employee Rate	**0.0500**	**0.0500**	**0.0500**
Employer Rate	**0.1421**	**0.1523**	**0.1662**
Retiree Health Care Credit (RHCC)	**0.0103**	**0.0121**	**0.0121**
Group Life Insurance (GLI)	**0.0118**	**0.0134**	**0.0134**
Total Employer Paid	**0.1642**	**0.1778**	**0.1917**

Summary of Capital Debt

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Project	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
William Monroe High School (2007)	$230,000	$224,000	$218,000	$212,000	$206,000		
William Monroe Middle School (2007)	$287,500	$280,000	$272,500	$265,000	$257,500		
Energy Project - QSCB	$286,157	$286,157	$286,157	$286,157			
Energy Project LP	$ 81,579	$40,790					
Athletics & Arts Facilities	$342,133	$343,285	$340,084	$341,579	$342,669	$343,354	$343,481
WMMS/WMHS/Std & RES Site (2017) (Phase 1 Facilities Study)	$1,541,269	$1,538,015	$1,537,868	$1,540,574	$1,541,008	$1,539,169	$1,539,931
TOTAL CAPITAL & LEASE PURCHASE DEBT	$ 2,768,637	$2,712,247	$2,654,608	$2,645,310	2,347,177	$1,882,523	$1,883,412
Total Fiscal Year Debt Retirement	$(9,203)	$(56,391)	$(57,638)	$(9,298)	$(298,133)	$ (464,654)	$889
Debt Retirement	$(9,203)	$(15,601)	$(16,849)	$(9,298)	$(298,133)	$ (464,654)	$889
LP Retirement		$(40,790)	$(40,790)				

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Funding Requests & Salary Projections

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Budget Survey

Survey was sent to allow staff and community to provide input on spending ideas and priorities and cost saving ideas.

- At time of the close of survey, 94 total responses
  - Respondents could fall into multiple demographic categories
    - 69 Parent/Guardian
    - 41 Employees
    - 23 Community Members
    - 2 Students
- 46% of the spending ideas related to teaching and learning, 27% related to compensation
- 35% of cost saving ideas focused on teaching and learning, 17% highlighted technology

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Raise Percentage	Value of Increase
1% (Step)	$294,561
2% (1% + Step)	$589,121
3% (2% + Step)	$883,682

Note: No compensation supplement funding in Governor's proposal

Funding required to give 1% bonus to all full time employees is approximately $252,800 (State funding in Governor's proposal is $147,281)

Nationally 37% of public schools are struggling to fill teaching positions and that increases to 45% for support staff - National Center for Education Statistics, October 2023



Regional Salary Data

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Bachelors Degree

Division	0 year	Rank	5 year	Rank	10 year	Rank	20 Year	Rank	30 Year	Rank
Albemarle	$55,579	2	$59,276	1	$63,249	1	$71,949	2	$81,882	2
Augusta	$47,864	11	$50,306	11	$52,872	11	$58,403	10	$64,513	11
Charlottesville	$55,029	3	$58,124	2	$62,596	2	$73,069	1	$84,037	1
Fluvanna	$53,160	5	$55,300	5	$58,025	5	$68,850	3	$80,450	3
Greene	$53,382	4	$56,104	4	$58,967	3	$65,135	5	$71,950	6
Harrisonburg	$50,372	10	$53,214	8	$56,216	7	$62,738	7	$70,017	7
Louisa	$52,161	7	$54,258	6	$56,936	6	$67,553	4	$78,926	4
Madison	$50,490	9	$52,110	10	$53,529	10	$58,055	11	$64,634	10
Nelson	$56,042	1	$57,457	3	$58,908	4	$62,914	6	$73,582	5
Orange	$51,010	8	$52,410	9	$54,440	9	$61,050	8	$69,975	8
Rockingham	$52,299	6	$53,909	7	$55,818	8	$60,671	9	$67,632	9

Average	$52,490	$54,770	$57,414	$64,581	$73,418
GCPS compared to Average	1.70%	2.44%	2.70%	0.86%	-2.00%

Regional Salary Data

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Masters Degree

Division	0 year	Rank	5 year	Rank	10 year	Rank	20 Year	Rank	30 Year	Rank
Albemarle	$58,435	2	$62,321	1	$66,483	1	$75,647	1	$86,072	2
Augusta	$51,594	11	$54,036	11	$56,602	11	$62,133	10	$68,243	11
Charlottesville	$57,229	3	$60,324	3	$64,796	2	$75,269	2	$86,237	1
Fluvanna	$55,310	5	$57,450	5	$60,175	5	$71,000	3	$82,600	3
Greene	$55,582	4	$58,304	4	$61,167	4	$67,335	5	$74,150	6
Harrisonburg	$53,172	10	$56,014	8	$59,016	7	$65,538	7	$72,817	8
Louisa	$54,471	7	$56,568	6	$59,246	6	$69,863	4	$81,236	4
Madison	$54,190	8	$55,810	9	$57,229	10	$61,755	11	$68,334	10
Nelson	$59,301	1	$60,716	2	$62,167	3	$66,173	6	$76,841	5
Orange	$54,010	9	$55,410	10	$57,440	9	$64,050	8	$72,975	7
Rockingham	$54,784	6	$56,394	7	$58,303	8	$63,156	9	$70,117	9

Average	$55,280	$57,577	$60,239	$67,447	$76,329
GCPS compared to Average	0.55%	1.26%	1.54%	-0.17%	-2.86%

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Meeting Goals

- Determine Board Priorities for FY 25 Budget
- Provide direction to prepare Superintendent's budget proposal for adoption

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Questions and Discussion