2026-2027 Annual Budget

February 24, 2026

School Board Work Session

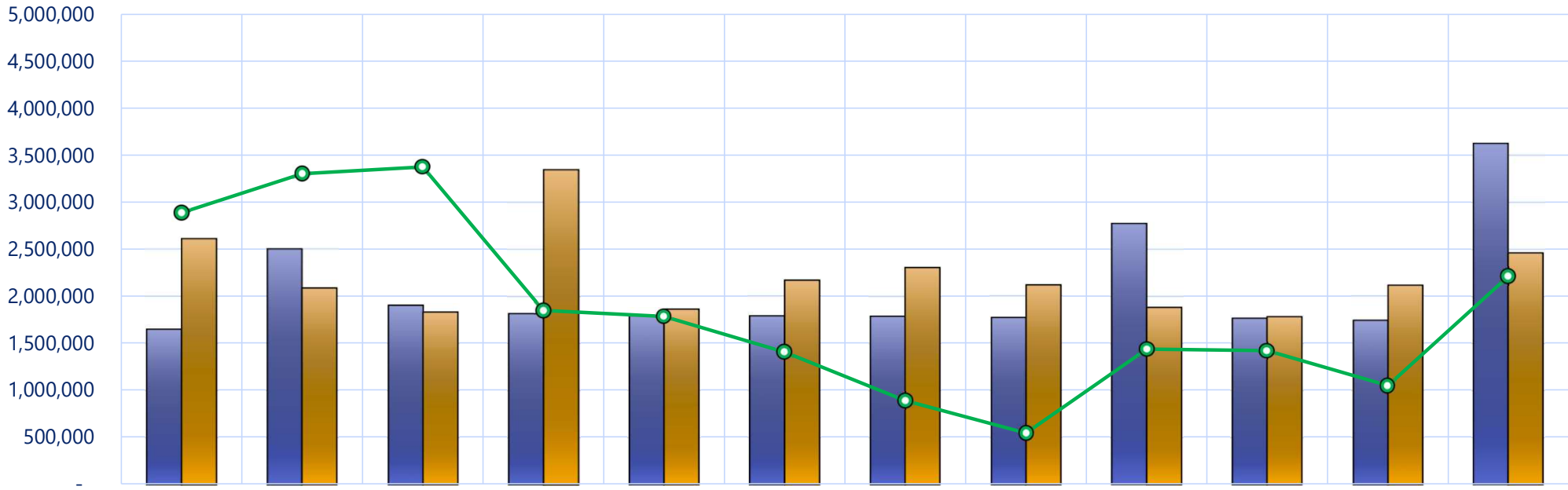
Agenda

- Health insurance
- Compensation
- State revenue update
- County revenue
- Priority list update

Health insurance

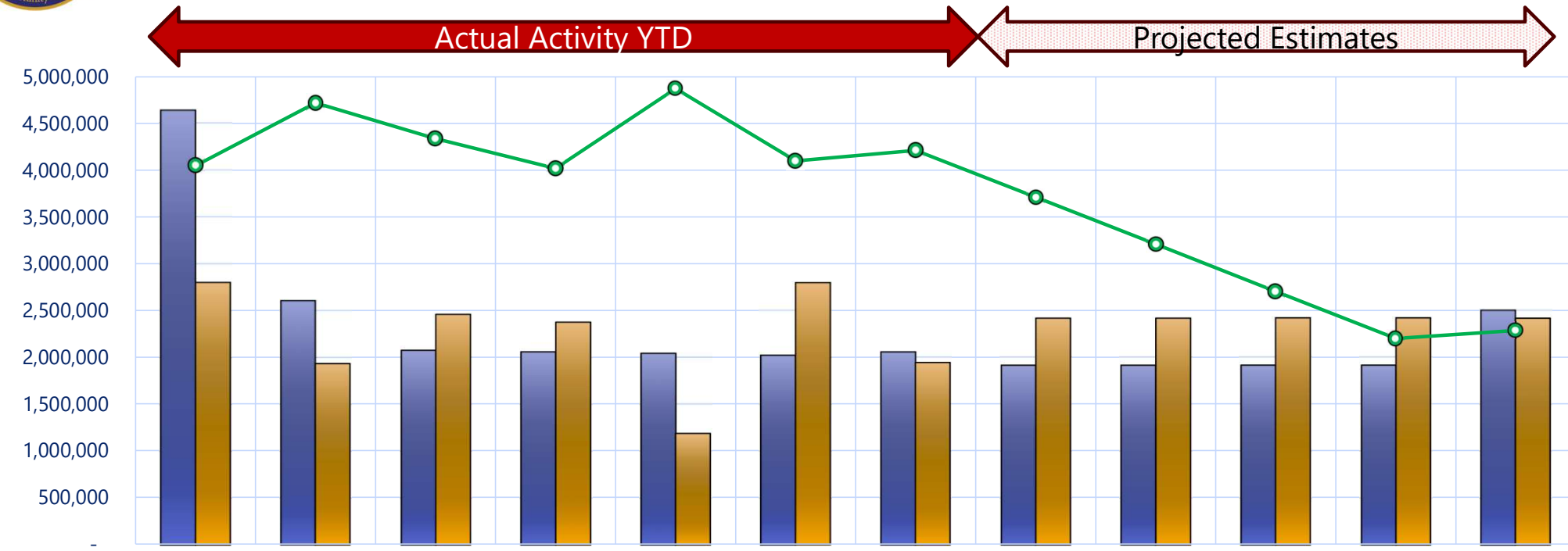
- *Monthly Health Insurance Claims & Reserves*
- *Health Insurance Plans (No Changes)*
- *Premium Options & Budget*
- *Other Post Employment Benefits*

2025 Health Insurance Claims & Reserves



	7/31/24	8/31/24	9/30/24	10/31/24	11/30/24	12/31/24	1/31/25	2/28/25	3/31/25	4/30/25	5/31/25	6/30/25
Revenues	1,647,566	2,496,753	1,901,615	1,815,536	1,792,370	1,784,845	1,785,248	1,767,913	2,771,326	1,764,457	1,737,622	3,623,771
Expenditures	2,607,920	2,082,346	1,828,486	3,344,383	1,857,630	2,163,287	2,302,391	2,113,451	1,878,430	1,779,244	2,110,185	2,460,152
Reserves	2,887,588	3,301,995	3,375,124	1,846,277	1,781,017	1,402,575	885,432	539,895	1,432,791	1,418,004	1,045,441	2,209,060

2026 Health Insurance Claims & Reserves



	7/31/25	8/31/25	9/30/25	10/31/25	11/30/25	12/31/25	1/31/26	2/28/26	3/31/26	4/30/26	5/31/26	6/30/26
Revenues	4,637,515	2,600,955	2,069,868	2,055,088	2,037,009	2,018,644	2,051,547	1,907,613	1,907,613	1,907,613	1,907,613	2,498,806
Expenditures	2,796,969	1,931,288	2,450,940	2,373,151	1,182,485	2,793,253	1,938,739	2,410,360	2,410,360	2,411,360	2,411,571	2,412,360
Reserves	4,049,606	4,719,273	4,338,201	4,020,138	4,874,662	4,100,054	4,212,861	3,710,114	3,207,367	2,703,621	2,199,663	2,286,109

Health Insurance Plans (no changes)

		KeyCare PPO 1000		HealthKeepers HMO 2000		HealthKeepers HMO 3400	
		Individual	Family	Individual	Family	Individual	Family
Employer HRA or HSA contribution		$500	$1,000	$500	$1,000	$1,200	$2,400
Deductible (first pay)	in-network	$1,000	$2,000	$2,000	$4,000	$3,400	$6,800
	out-of-network	$1,500	$3,000	$3,000	$6,000	$4,000	$8,000
Employee Coinsurance	in-network	20%	20%	20%	20%	20%	20%
	out-of-network	40%	40%	40%	40%	40%	40%
Maximum out-of-pocket	in-network	$3,500	$7,000	$5,000	$10,000	$6,000	$12,000
	out-of-network	$5,250	$10,500	$7,500	$14,000	$7,500	$14,000
Retail prescription copays		$10 / $25 / $40		$10 / $40 / $80		$10 / $40 / $80	
Mail order prescription copays		20% of Rx up to $100 2x Retail		20% of Rx up to $200 2x Retail		- 2x Retail	
Prescription maximum out-of-pocket		$2,500	$10,000	Combined w/ medical		Combined w/ medical	

Routine Wellness Visits are 100% free to employee, otherwise deductible must be covered before coinsurance kicks in.
HRA prescriptions and HSA preventative prescriptions are subject to copays.
HSA non-preventative prescriptions are subject to deductible before copays kicks in.

Health Insurance Premium Options

		2026 Current Rates				Option A *22.5% increase for employee and employer*					Option B *10.0% increase for employee and >22.5% for employer*				
		Employee	RCPS	Total	HRA	Employee	Change	RCPS	Total	HRA	Employee	Change	RCPS	Total	HRA
KeyCare PPO 1000	Single	185.00	740.00	925.00	500	226.62	41.62	906.50	1,133.12	500	203.50	18.50	929.62	1,133.12	500
	Employee + Minor	499.50	888.00	1,387.50	1,000	611.88	112.38	1,087.80	1,699.68	1,000	549.46	49.96	1,150.22	1,699.68	1,000
	Employee + Spouse	814.00	1,036.00	1,850.00	1,000	997.14	183.14	1,269.10	2,266.24	1,000	895.40	81.40	1,370.84	2,266.24	1,000
	Family	1,054.50	1,258.00	2,312.50	1,000	1,291.74	237.24	1,541.06	2,832.80	1,000	1,159.96	105.46	1,672.84	2,832.80	1,000
	School Couple	536.50	1,776.00	2,312.50	1,000	657.20	120.70	2,175.60	2,832.80	1,000	590.16	53.66	2,242.64	2,832.80	1,000
HealthKeepers HMO 2000	Single	93.14	740.00	833.14	500	114.10	20.96	906.50	1,020.60	500	102.46	9.32	918.14	1,020.60	500
	Employee + Minor	361.72	888.00	1,249.72	1,000	443.10	81.38	1,087.80	1,530.90	1,000	397.90	36.18	1,133.00	1,530.90	1,000
	Employee + Spouse	630.28	1,036.00	1,666.28	1,000	772.10	141.82	1,269.10	2,041.20	1,000	693.30	63.02	1,347.90	2,041.20	1,000
	Family	824.86	1,258.00	2,082.86	1,000	1,010.44	185.58	1,541.06	2,551.50	1,000	907.34	82.48	1,644.16	2,551.50	1,000
	School Couple	306.86	1,776.00	2,082.86	1,000	375.90	69.04	2,175.60	2,551.50	1,000	337.54	30.68	2,213.96	2,551.50	1,000
HealthKeepers HMO 3400	Single	-	740.00	740.00	1,200	-	-	906.50	906.50	1,200	-	-	906.50	906.50	1,200
	Employee + Minor	222.00	888.00	1,110.00	2,400	271.96	49.96	1,087.80	1,359.76	2,400	244.20	22.20	1,115.56	1,359.76	2,400
	Employee + Spouse	444.00	1,036.00	1,480.00	2,400	543.90	99.90	1,269.10	1,813.00	2,400	488.40	44.40	1,324.60	1,813.00	2,400
	Family	592.00	1,258.00	1,850.00	2,400	725.20	133.20	1,541.06	2,266.26	2,400	651.20	59.20	1,615.06	2,266.26	2,400
	School Couple	74.00	1,776.00	1,850.00	2,400	90.66	16.66	2,175.60	2,266.26	2,400	81.40	7.40	2,184.86	2,266.26	2,400

Health Insurance Fund Budget

	2026 Budget	2026 Forecast	2027 Budget
Premiums	25,854,124	24,659,607	30,437,635
Transfer	2,765,277	2,765,277	2,765,277
Interest	100,000	175,000	150,000
Total Revenues	**28,719,401**	**27,599,884**	**33,352,912**
Paid claims	22,914,400	25,994,653	27,791,681
HRA/HSA contributions	1,309,500	1,269,100	1,237,600
Clinic fees	206,400	131,206	-
Consultant fees	50,000	100,136	219,480
Flu shots	25,000	19,770	25,000
ACA taxes & fees	10,400	7,970	15,000
Total Expenditures	**24,515,700**	**27,522,835**	**29,288,761**
Net	**4,203,701**	**77,049**	**4,064,151**
Beginning Reserves		2,209,060	2,286,109
Ending Reserves		**2,286,109**	**6,350,260**

Fund Cost	Option A	Option B
General	2,983,662	3,706,062
Grant	378,845	412,445
Nutrition	57,900	73,200

Other Post Employment Benefits (OPEB)

- GASB 74/ GASB 75
  - Requires accrual-based cost recognition and a funding plan for other post employment benefits
- Retiree Medical Plan Qualifies
  - Annual contribution of $3,000 for health premiums for the retirees in the Employee Extended Work Plan
  - Implicit rate subsidy on the retiree premium because premiums are calculated on blended active and retiree claims
- OPEB Trust Purpose
  - Invest and accumulate savings for future retiree liabilities
  - Lowers overall liability
  - Improves County's credit rating
- OPEB Trust Use
  - Retiree medical claims
  - Retiree premiums
  - Not invested enough to repay ourselves

	Annual $92,290	**75% Funding**	**Full ADC**
Payments	2,584,120	1,515,227	4,921,911
Reimbursements	-	(4,606,650)	(12,493,739)
	2,584,120	(3,091,423)	(7,571,828)
Funded Ratio	136.3%	75.0%	99.2%
Payment Schedule			
2027	92,290	**518,885**	1,053,655
2028	92,290	409,389	934,689
2029	92,290	316,408	831,522
2030	92,290	220,506	725,025
2031	92,290	50,039	541,452
2032	92,290	-	464,798
2033	92,290	-	311,184
Remaining	1,938,090	-	59,586
	2,584,120	1,515,227	4,921,911

Compensation

- *Pay Plan and Scales*
- *Teacher Scale Comparison*
- *Raise*

Let's Review Pay Scales

Each year is ~ 1.6% increase

Roanoke County Public Schools
Teacher, Librarian, School Counselor
Annual Salary - 200 Day Contract 7.33 Hours Per Day

Year	BACHELOR (T1)	BA+12 T2 (T1 + $600)	BA+24 T3 (T1 +$1,200)	MASTER T4 (T1 +$2,400)	DOCTOR T5 (T1 +$4,000)
1	$47,938	$48,538	$49,138	$50,338	$51,938
2	$48,705	$49,305	$49,905	$51,105	$52,705
3	$49,485	$50,085	$50,685	$51,885	$53,485
4	$50,276	$50,876	$51,476	$52,676	$54,276
5	$51,081	$51,681	$52,281	$53,481	$55,081
6	$51,898	$52,498	$53,098	$54,298	$55,900
26	$71,290	$71,890	$72,490	$73,690	$75,290
27	$72,430	$73,030	$73,630	$74,830	$76,430
28	$73,589	$74,189	$74,789	$75,989	$77,589
29	$74,767	$75,367	$75,967	$77,167	$78,767
30	$75,963	$76,563	$77,163	$78,363	$79,963
31	$77,178	$77,778	$78,378	$79,578	$81,178

Education level increases pay

Understanding Teacher Pay Scales

How Pay Scales Work

- Provides transparency and consistency in compensation
- Supports equitable pay for similar work and experience
- Adopted annually through the budget process
- Supports long term financial sustainability

Why Scales Have a Maximum

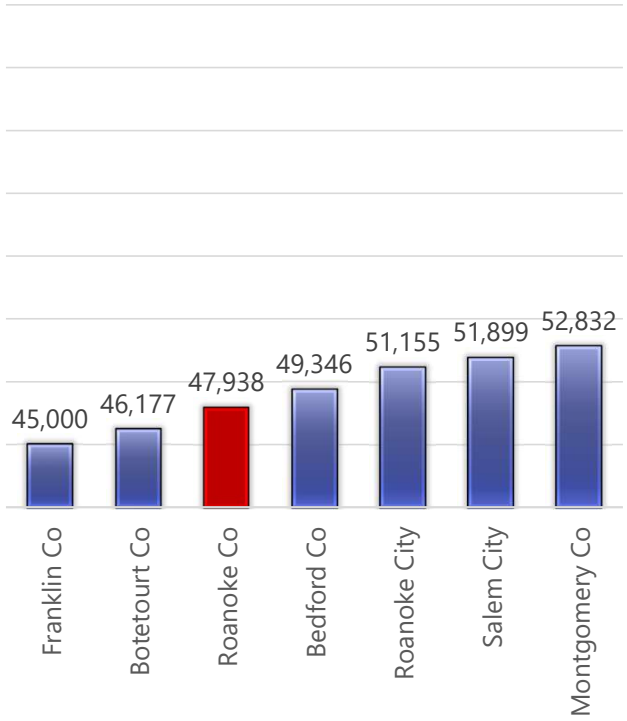
- Steps recognize progression through career path
- Additional steps create permanent ongoing salary obligations
- Public budgets must remain sustainable over time

What Happens at the Maximum

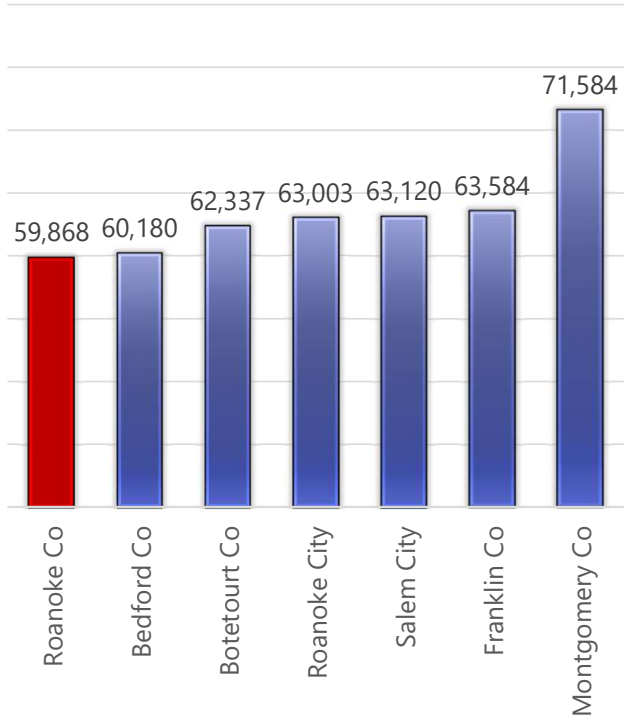
- Compensation may increase through salary scale adjustments
- Increases depend on funding approved each year
- Stipend payments (not retirement creditable compensation)

2026 Teacher Scale Comparison

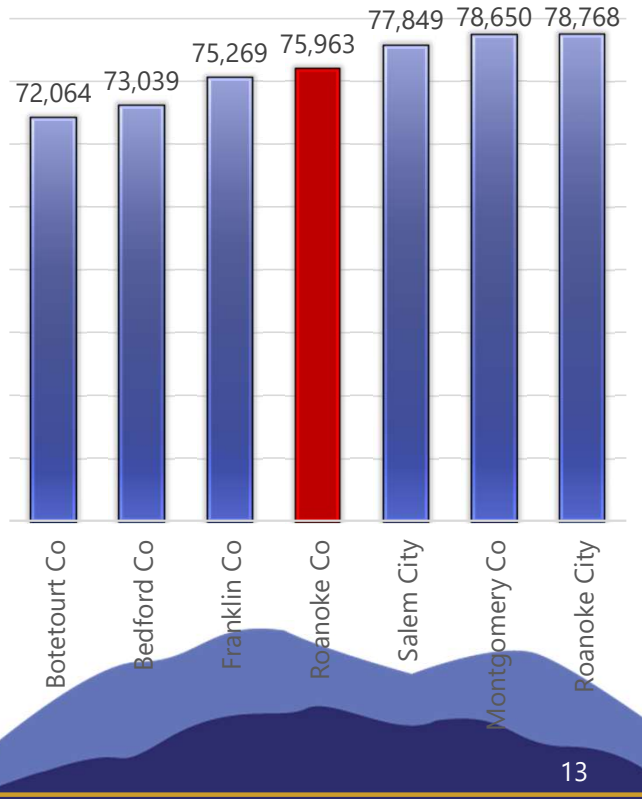
1st Year



15th Year



30th Year



Compensation including VRS and FICA

Raise	Net Cost
2%	(1,854,766)
3%	(461,837)
4%	930,780
5%	2,323,607

- Reset expected vacancies to mid points
- Placed new hires or transfers in the appropriate position
- VRS rates decreased from 14.21% to 12.20%
- House: 2%
- Senate: 3%

Caboose Bonus

- Employees as of 6/1/26
- Minimum average $1,500 bonus or equivalent action
  - Flexible in amount
  - Flexible in type compensation
- Funded SOQ instructional and support positions
- Requires local match
- Pay in FY 2026 or FY 2027

Total FTE	2,324
Total Cost	**3,752,679**
Funding	**1,507,283**
Local Cost	**2,245,396**

State revenue update

House Recommendations

- $1,500 bonus in FY 2026 (payable in FY 2027)
- 2.0% salary increases in FY 2027 and FY 2028
- One-time supplement in FY 2027, with carryover into FY 2028
- Additional funding in FY 2027 for additional students through SISNA
- Expansion of at-risk add-on to address JLARC findings
- Additional funding for school construction grants
- Authorizes 1% local option sales tax for school construction
- Redirects funding from Literary Fund to teacher retirement costs

Senate Recommendations

- $1,500 bonus in FY 2026 (payable in FY 2027)
- 3.0% salary increases in FY 2027 and FY 2028
- Increase at-risk add-on
- Increase per pupil funding for infrastructure and operations
- K-12 sales tax adjustment
- Increase special education add-on
- Increase breakfast reimbursement by $0.22
- Authorizes 1% local option sales tax for school construction
- Additional funding for FY 2027 and FY2028 for school construction

Crossover Revenue Estimates

	2026 Budget	2027 Governor	Variance	2027 HB 30	Variance	2027 SB 30	Variance
ADM	13,160	12,905	-255	12,905	-255	12,905	-255
General Fund	117,316,545	124,714,599	7,398,054 ▲	126,033,008	8,716,463 ▲		
Instructional Resources Fund	1,341,387	1,342,931	1,544 ▲	1,409,881	68,494 ▲		
Grant Fund	2,745,033	2,901,817	156,784 ▲	7,214,786	4,469,753 ▲		
Nutrition Fund	273,078	231,582	-41,496 ▼	273,078	- ▼		
Total All Funds	**121,676,043**	**129,190,929**	**7,514,886**	**134,930,753**	**13,254,710**		
Per Pupil Amounts							
General Fund	$8,914.63	$9,664.05		$9,766.22			
Instructional Resources Fund	$101.93	$104.06		$109.25			
Grant Fund	$208.59	$224.86		$559.07			
Nutrition Fund	$20.75	$17.95		$21.16			
Total All Funds	$9,245.90	$10,010.92		$10,455.70			

County revenue

Revenue Sharing Formula – Steps 1 & 2

1. Calculate 3-Year Average

	ADM	Population	ADM/ Population	
FY2024 (actual)	13,347	96,519		
FY2025 (actual)	13,256	96,497		
FY2026 (budgeted)	13,160	96,550		
Sum of FY 2024-26	**39,763**	**289,566**	**13.7319**	a
FY2025 (actual)	13,256	96,497		
FY2026 (budgeted)	13,160	96,550		
FY2027 (projecting)	12,905	96,600		
Sum of FY 2025-27	**39,321**	**289,647**	**13.5755**	b

2. Calculate Net Allocation Change

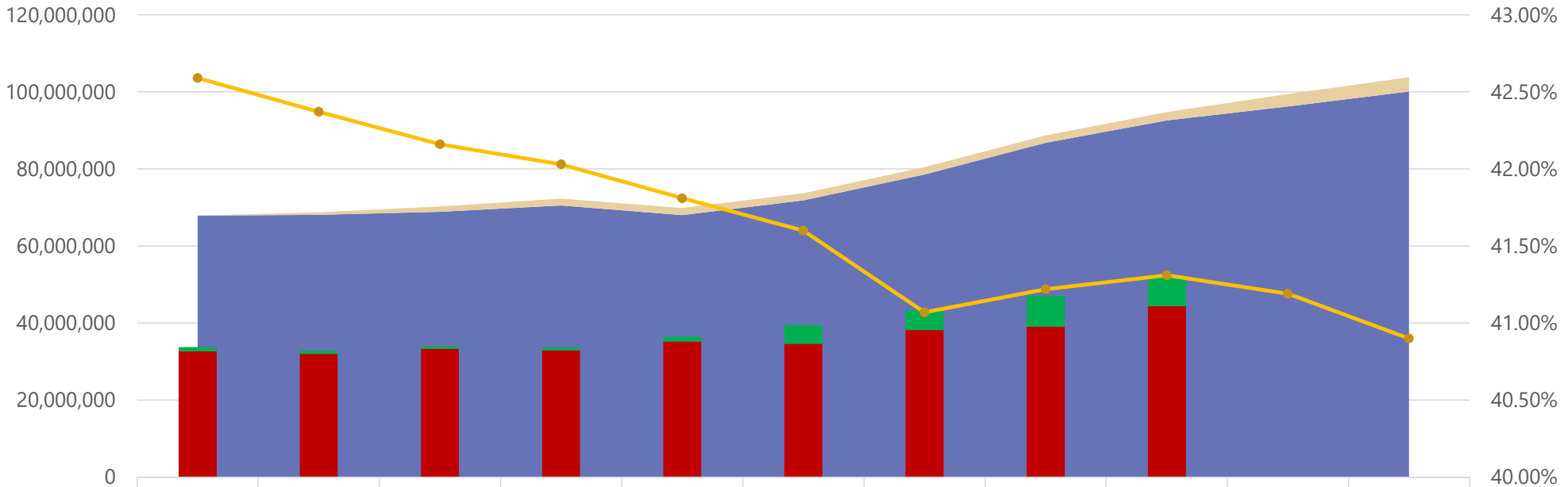
Difference in the ADM/Pop Index	a-b=	0.15644	c
Payroll Factor		61.13%	d
Index times Payroll Factor	c*d=	0.095632	e
Index times Payroll Factor divided by Avg. of FY 2023-25 Index	e/b=	0.007044	f
Net allocation change	100%-f=	**0.992956**	g

Revenue Sharing Formula – Step 3

3. Calculate Increase/(Decrease) in Transfer

		2026			2027	Change
Property and Local Taxes		**239,091,500**			**250,999,000**	**11,907,500**
Comprehensive Services Act Contribution		(3,179,000)			(3,679,000)	(500,000)
Roanoke Valley Convention and Visitors Bureau		(964,286)			(1,071,429)	(107,143)
Economic Development Incentives		(1,365,345)			(1,555,345)	(190,000)
Net Property and Local Taxes		**233,582,869** h			**244,693,226**	**11,110,357** i
School Allocation Percentage	l/h=	**41.1920%** j		g*j=	**40.9018%** k	**-0.2902%**
School Transfer Base		96,217,496 l		h*k=	95,539,696	(677,800)
RCPS Portion of New Revenue				i*k=	4,544,342	4,544,342
Transfer		**96,217,496**			**100,084,038**	**3,866,542**
Transfer		96,217,496			100,084,038	3,866,542
Comprehensive Services Act Contribution		3,179,000			3,679,000	500,000
Total Transfer from County		**99,396,496**			**103,763,038**	**4,366,542**

Transfer History and CSA Transfers



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
CSA		660,000	1,410,000	1,810,000	1,804,000	1,879,000	1,879,000	1,879,000	2,179,000	3,179,000	3,679,000
Transfer	67,884,859	68,078,937	68,844,764	70,499,722	68,029,368	71,821,490	78,546,969	86,782,060	92,543,849	96,217,496	100,084,038
RLM	1,111,174	753,996	679,147	711,687	1,205,842	4,923,012	5,207,633	8,016,067	7,998,704		
RLE	32,616,166	31,988,854	33,270,431	32,904,652	35,222,197	34,593,537	38,144,654	39,013,722	44,335,772		
Percentage	42.59%	42.37%	42.16%	42.03%	41.81%	41.60%	41.07%	41.22%	41.31%	41.19%	40.90%

Priority list

Summary of Revenue Changes

Priority Item	General Fund
State revenue	8,716,463
Roanoke County revenue sharing	3,866,542
Roanoke County revenue sharing CSA (offset by transfer to county)	500,000
Church revenue (no impact, offset by payment to schools)	114,921
Nonresident tuition increased due to participation	35,000
Fingerprinting fees	5,000
Revenue changes	**13,237,926**

Human Resources

Priority Item	Tier	General Fund	Other Funds
Health insurance	1	4,195,962	523,045
Employee Raise	1	TBD	
EEWP	1	409,070	
Teacher substitute increase	1	200,000	
One-time longevity stipend of $1,000 for employees at top or over the scale	1	132,500	
Middle school cross country stipends	1	17,750	
Online academy additional stipends	2	62,000	
Human resources		**4,527,382**	**523,045**

Administration

Priority Item	Tier	General Fund
A-STEP teacher (2 FTE) (1 FTE moved from All-In VA grant ending 6/30/26)	1	195,111
Payment to schools for church revenue (no impact, offset by equal revenue)	1	114,921
Arbiter sports software package	2	34,239
Truancy & intervention specialist (1 FTE) (1 FTE moved from All-In VA grant ending 6/30/26)	3	104,132
Administration		**448,403**

School Counseling

Priority Item	Tier	General Fund
SEL program for elementary and middle schools	1	55,400
School counseling		**55,400**

Special Education & Pupil Personnel

Priority Item	Tier	General Fund	Other Funds
New Reap Class Behavior coaches (5 FTE)	1	265,655	
New FAACTS Class Instructional assistant (2 FTE)	1	102,112	
Speech language pathology assistant (1 FTE)	1	67,291	
Additional PKAT teacher in VPI grant (1 FTE)	1	-	83,430
Move 1 preschool instructional assistant from local to VPI grant	1	(54,309)	54,309
Board certified behavior analysts (3 FTE)	2	269,832	
Instructional assistant for PREP FAACTS (1 FTE)	2	51,056	
Preschool program manager contract extension from 240 to 260 days	2	11,349	
PKAT teacher contract extension from 220 to 240 days	2	8,449	
Special education & pupil personnel services		**721,435**	**137,739**

Elementary Instruction

Priority Item	Tier	General Fund	Other Funds
Elementary assistant principal (1 FTE)	2	108,370	
Math coach (2 FTE) (2 FTE moved from All-In VA grant ending 6/30/26)	2	190,197	
Division wide literacy coach (1 FTE) - 70% General Fund 30% Grant Fund (1 FTE moved from All-In VA grant ending 6/30/26)	2	60,051	25,736
Grade level coordinators	3	34,500	
Elementary instruction		**393,118**	**25,736**

Secondary Instruction

Priority Item	Tier	General Fund
Middle school reading coaches (5 FTE) (5 FTE moved from All-In VA grant ending 6/30/26)	2	455,317
Opportunity ready portfolio platform	2	40,000
Choral music resources	3	10,000
Student advisory council	3	500
Secondary instruction		**505,817**

Assessment and Research

Priority Item	Tier	General Fund
Gifted resource teachers (1 FTE)	2	83,430
Data aggregation software	2	75,000
Assessment and research		**158,430**

Career and Technical Education

Priority Item	Tier	General Fund
Work based learning coordinator contract extension from 200 to 210 days	1	4,977
Allotment cost increase for inflation	1	1,972
CTE supervisor contract extension from 240 to 260 days	2	11,927
RCCTC uniforms for staff and students	3	41,200
Program stipend for industry career switchers (2 FTE, if needed)	3	24,000
CTE		**84,076**

Facilities and Operations

Priority Item	Tier	General Fund
Custodial contract price increase	1	335,565
RCCTC operating costs for January through June 2027	1	86,000
Water Authority rate increases	1	80,000
Move the HVAC lead and technicians to a higher placement on the pay plan	1	72,042
Mowing contract price increase	1	10,998
Fire extinguisher replacements	2	50,000
HVAC parts price increases	2	50,000
Door part price increases	2	20,000
Building material part price increases	2	20,000
Facilities and operations		**724,605**

Finance

Priority Item		Tier	General Fund
Contribution to future capital projects fund		1	530,000
OPEB contribution		1	518,885
CSA transfer to County (offset by Roanoke County revenue sharing CSA)		1	500,000
Insurance		1	60,000
Textbook Adoption Plan (English adoption)		1	500,000
Fleet Replacement Fund transfer		2	2,475,000
Capital Projects - CMP		2	250,000
	Finance		**4,833,885**

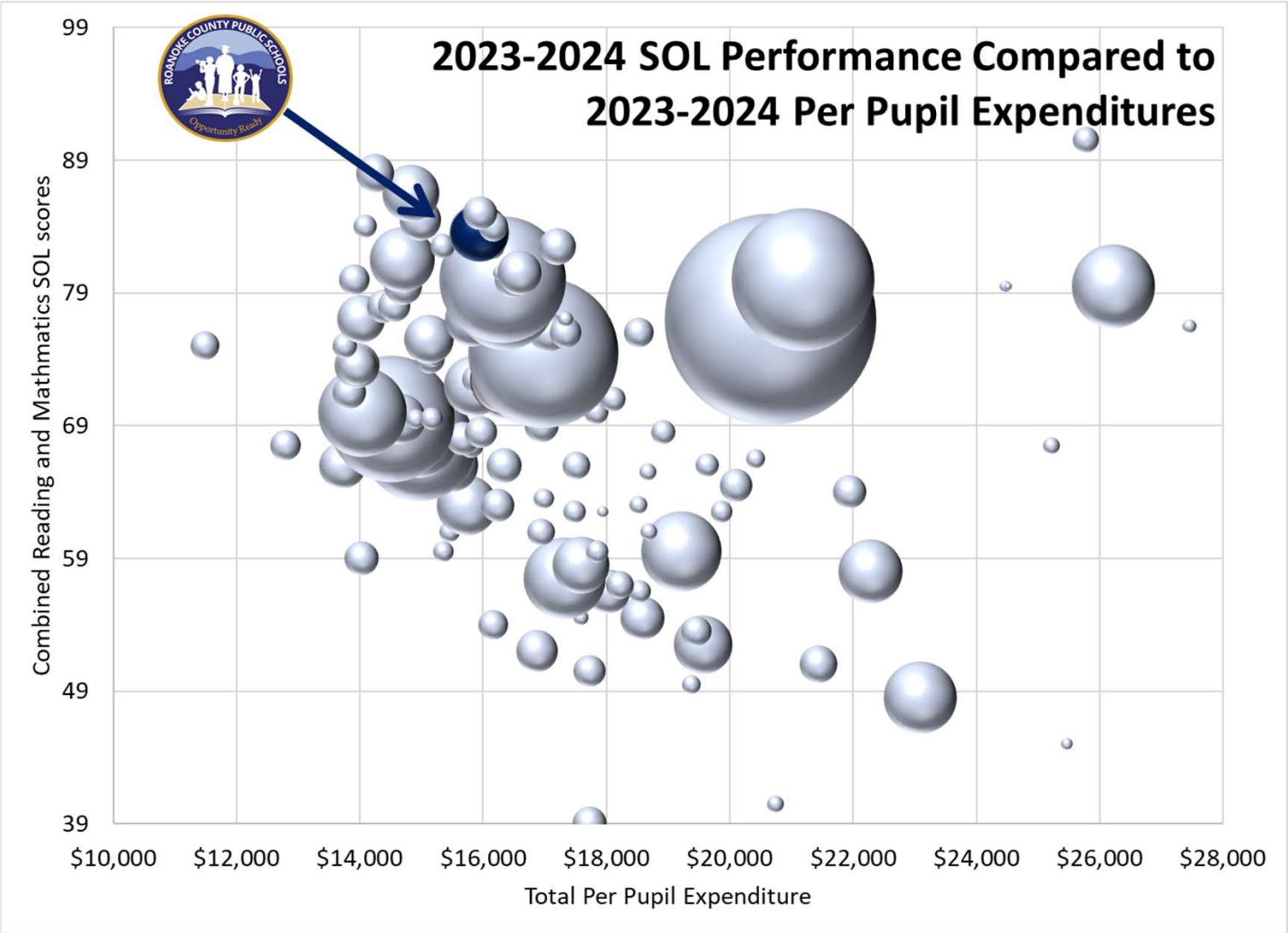
Technology

Priority Item	Tier	General Fund
Computer lease for grades 1, 2, 6, 9, middle school teachers and administrators, library circulation, and nutrition managers	1	512,590
New promethean lease to replace instructional panels and install at RCCTC	1	460,605
Phone end of life upgrades	1	332,636
Network upgrades at Glen Cove and W.E. Cundiff and RCCTC	1	221,160
Cidi Labs accessibility conversion tools	1	21,380
Radio license	1	9,787
Building security access control savings	1	(90,085)
Verkada bus cameras and FirstNet network for buses	2	526,350**
ITRT (1FTE)	3	83,430
Middle school vape detection systems	3	190,000
Technology		**2,267,853**

**Consider implementation on an as needed basis rather than the full fleet.

School Board

Priority Item	Tier	General Fund
Diligent community software	1	25,000
School board		**25,000**


2023-2024 SOL Performance Compared to
2023-2024 Per Pupil Expenditures
Combined Reading and Mathmatics SOL scores
99
89
79
69
59
49
39
$10,000
$12,000
$14,000
$16,000
$18,000
$20,000
$22,000
$24,000
$26,000
$28,000
Total Per Pupil Expenditure

Remaining Schedule

MARCH

- ❑03/14 Tentative Adjournment
- ❑03/11 Budget Work Session #3
  - Superintendent's Proposal
- ❑03/30 Budget Work Session #4, if needed
- ❑03/31 School Board Meeting
  - Adopt 2026-2027 Annual Budget
- ❑03/31 Convey Budget to BOS

APRIL

- ❑04/28 Present Budget to BOS

MAY

- ❑05/12 BOS: 1st Reading of Ordinance
- ❑05/26 BOS: 2nd Reading of Ordinance