

ORANGE COUNTY PUBLIC SCHOOLS

Presented by:
Dr. Daniel Hornick,
Superintendent
October 22, 2026



BUDGET ACADEMY

WELCOME



- Opening Remarks - Dr. Dan Hornick
- Welcome - Jamie Click, Chief Financial Officer
- Introductions and Warmup - Dr. Judy Woolfrey,
Chief Academic Officer
 - Name
 - Role/Relationship to OCPS
 - Share what inspired you to join our academy



FY2027-28

Budget Development

**Oct
2026**

Principal Meetings

October 14 & 15, 2026

Meet with each Principal and Bookkeeper to determine building needs.



**Oct
2026**

Budget Academies

October 19 @ 8:00 AM (TEAC) Staff Meeting

October 21 @ 9:00 AM (TEAC) Public/Community

October 22 @ 6:00 PM (LGMS) Public/Community

Academies will be held to help inform staff and community members on the budget development process & receive feedback.



**Oct
2026**

Department Head Meetings

October 28, 2026

Meet with Department Heads to determine needs, analyze school level requests, and begin prioritizing requests.



**Nov
2026**

Budget Survey

November 1 - December 15, 2026

An online survey will be made available to provide an opportunity for staff, parents, and community members to provide feedback on the division's budget priorities for the 2027-28 budget development cycle.



**Jan
2027**

Budget Priorities Presentation

January 27, 2027 @ 5:30 PM

Superintendent will present the division's budget priorities.



**Feb
2027**

FY2027-28 Budget Presentation

February 22, 2027 @ 5:30 PM

Superintendent will present the proposed FY2027-28 budget.



**Mar
2027**

FY2027-28 Budget Public Hearing

March 1, 2027 @ 6:00 PM

A public hearing will be held to provide the community, staff and parents with the opportunity to provide feedback on the Superintendent's proposed budget.



**Mar
2027**

FY2027-28 Budget Approval

March 2027 TBD

The School Board will consider approval of the Superintendent's proposed budget for submission to the Board of Supervisors.



**Mar
2027**

Additional Budget Meetings

March 2027 TBD

Additional budget worksessions/meetings will be held as needed throughout March to make adjustments based on local and state funding information.



**Apr
2027**

FY2027-28 Budget Adoption

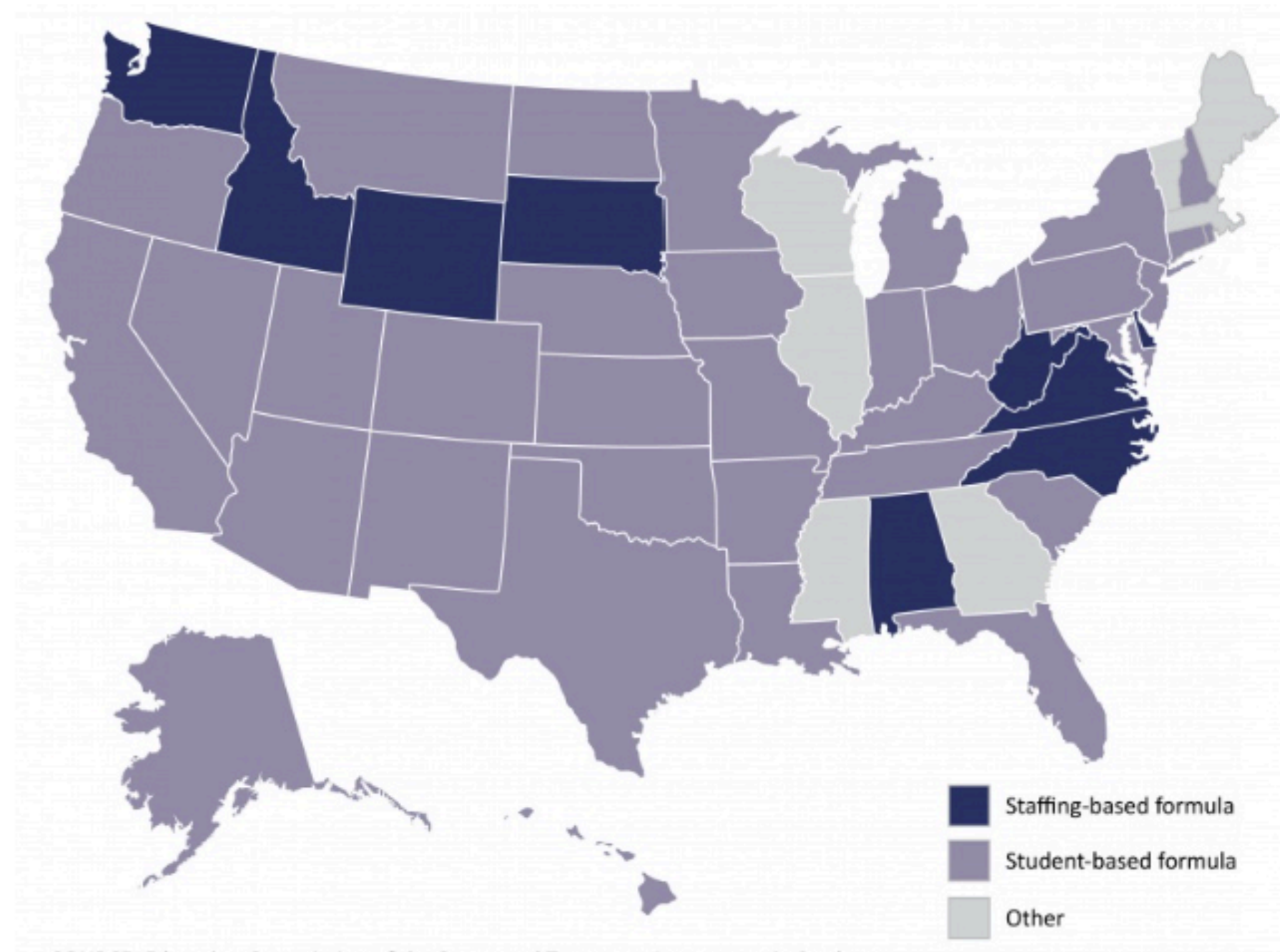
April 2027 TBD

The School Board will adopt an amended budget based on the finalized local and state budget information.





SCHOOLS FUNDING MODELS



The majority of states use a student-based (34) funding model instead of a staffing-based (9) funding model. Seven (7) states use hybrids or another approach.

Virginia is just 1 of 9 that uses a staff-based funding model.

Experts view it as an outdated approach.

Virginia school divisions receive less K-12 funding per student than the 50-state average and the regional average, which equates to approximately \$1,900 per student in state underfunding of Virginia's students. Many of Virginia's neighboring states spend more per pupil, including West Virginia, Kentucky, and Maryland.



OCPS FUNDING



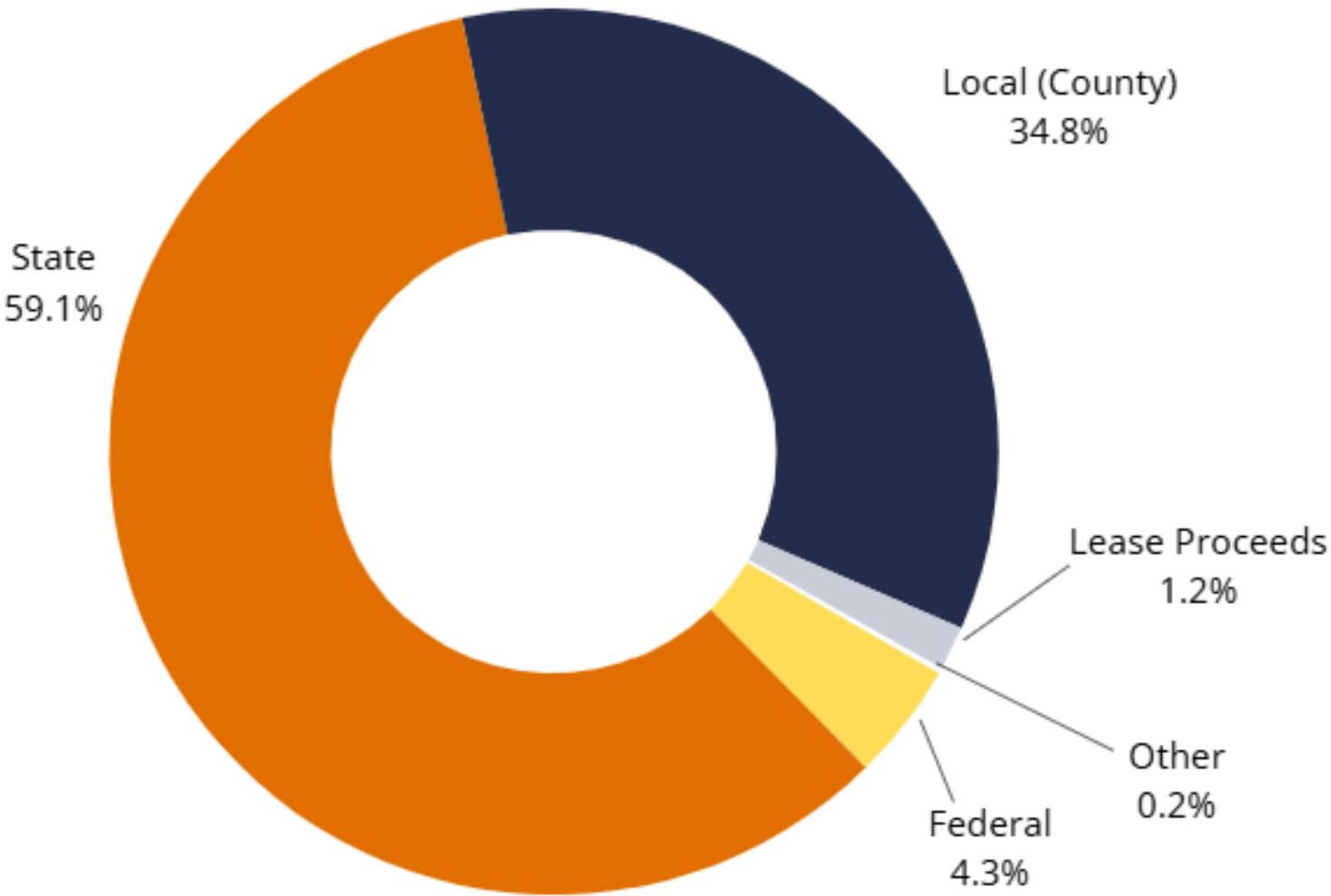
OCPS OPERATING FUND

OPERATING FUND REVENUE
2026-2027
(Based on 4,582.45 ADM)

Funding Source	FY2027 ADOPTED BUDGET
Federal	\$3,248,626
State	44,562,736
Local (County)	26,211,195
Lease Proceeds	1,166,744
Other	187,873
Total	\$75,377,174

OCPS 2026-27 BUDGET

TOTAL REVENUES





OTHER FUNDS

Funded with a Transfer from the Operating Budget (Local)

School Textbook Adoptions Fund (2208)

This fund is a special revenue fund that accounts for transactions related to the adoption of textbooks to be utilized by OCPS.

Funding: Federal & Local Match/In-Kind Contribution

Head Start Fund (2210)

This fund is a special revenue fund that accounts for the operations of the County's Head Start program. Financing is provided by the Federal government and through in-kind contributions and a required local match.

School Cafeteria Fund (2207)

This fund is a special revenue fund that accounts for the County's school lunch program. Financing is provided for lunch sales and state and federal reimbursements.

Funding: Federal (largest), State & Local (only as supplement to provide free breakfast/lunch) to all students

Funding: Federal (largest), State & Local Regional Partners (Culpeper, Madison, Fauquier & Rappahannock)

Adult Education Fund (2226)

This fund is a special revenue fund that accounts for transactions related to the regional adult education program the County oversees.

Locally Funded

School Capital Projects Fund (2321)

This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of capital assets for Orange County Public Schools.

School Debt Service Fund (2323)

This fund is a restricted fund used to accumulate resources for, and pay the principal and interest, on long-term debt, typically for capital projects, school bus leases, and energy performance contracts.



STATE FUNDING

Standards of Quality (SOQ) Funds

Funds provided by the Commonwealth to local school divisions for constitutionally mandated, minimum education requirements (Standards of Quality) for public schools, covering staffing, curriculum, and operational standards defined in Code of Virginia §§ 22.1-253.13:1-10. This funding level is then split between the State and Locality based on a Local Composite Index (LCI).

Source Data Used in the Calculation:

School Division:	ORANGE
Local True Value of Property	\$8,226,419,668
Local AGI	\$1,394,695,712
Local Taxable Retail Sales	\$427,660,322
Division ADM	4,809
Local Population	37,629
State True Value of Property	\$1,884,541,531,067
State AGI	\$397,934,882,080
State Taxable Retail Sales	\$133,868,066,731
State ADM	1,214,999
State Population	8,729,032

Local Composite Index (LCI)

State Funding formula which determines a school division's ability-to-pay education costs. *Developed by the 1972-1973 Task Force for Financing the SOQs.*

State Funding Level
56.83%

Local Funding Level
43.17%

LOCAL COMPOSITE INDEX (LCI)

- Measure of each locality's ability to pay for education costs.
- Calculation based on 3 Factors:
 1. True Value of Real Property (50%)
 2. Adjusted Gross Income (40%)
 3. Taxable Retail Sales (10%)



CHALLENGES FOR OCPS

- **Outdated.** Has not been updated since the 1970s. the SOQ formula systematically underestimates school division costs, and still uses Great Recession-era cost reduction measures.
- **Penalizes declining enrollment.** The formula misinterprets fewer students as an increase in the community's financial capacity, leading to lower state allocations. In reality fixed school operating costs do not drop when enrollment dips.
- **Creates staff retention challenges.** Does not account for geographic labor market differences which equate to more competitive salaries. Affluent, high-cost-of-living districts can afford to leverage their larger local tax bases to pay significantly higher salaries, with no cost-of-competing adjustment considered in the funding formula.
- **Omits student poverty considerations.** The formula does not adequately account for higher-needs students, and the methodology for at-risk students undercounts students in poverty. A district can have a high concentration of low-income students requiring costly specialized resources (remedial reading, free lunches, counselors), however the "at-risk" measures grossly understates this population of students.
- **Heavy wealthy resident populations can skew the income metric.** These residents often do not send their children to public schools, yet they contribute to the AGI figure represented in the calculation for public schools, and their higher property values also skew the real estate value metric, driving down total state support.

LCI COMPARISONS

2026-2028 COMPOSITE INDEX OF LOCAL ABILITY-TO-PAY								
Div. Num.	Division	INDICATORS OF ABILITY-TO-PAY (BASE YEAR: 2023)					2026-2028 Composite Index Calculated Including Nonresident AGI	Final 2026-2028 Composite Index
		TRUE VALUE OF PROPERTY	ADJUSTED GROSS INCOME (Including Nonresident AGI)	TAXABLE RETAIL SALES	MARCH 31, 2024 ADI	TOTAL POPULATION		
002	ALBEMARLE	\$28,171,321,354	\$7,774,263,327	\$1,913,720,714	13,411	116,148	.6429	.6429
007	ARLINGTON	\$96,406,036,956	\$20,354,876,855	\$3,482,871,628	26,596	242,479	.8000	.8000
024	CULPEPER	\$10,056,762,752	\$1,987,964,639	\$826,367,458	8,184	54,831	.3616	.3616
029	FAIRFAX COUNTY	\$354,223,012,179	\$87,750,571,565	\$17,663,675,585	172,184	1,139,398	.6381	.6381
030	FAUQUIER	\$21,191,047,480	\$4,605,594,170	\$1,089,914,457	10,582	73,731	.5778	.5778
032	FLUVANNA	\$5,425,725,050	\$1,073,182,153	\$171,648,422	3,269	28,214	.4180	.4180
039	GREENE	\$3,869,473,176	\$676,195,237	\$270,306,015	2,745	21,370	.3703	.3703
053	LOUDOUN	\$147,668,978,101	\$31,519,841,380	\$7,427,000,825	81,393	433,929	.5728	.5728
056	MADISON	\$3,562,117,985	\$483,541,190	\$121,774,163	1,607	14,026	.4873	.4873
068	ORANGE	\$8,226,419,668	\$1,394,695,712	\$427,660,322	4,809	37,629	.4317	.4317
075	PRINCE WILLIAM	\$108,072,813,060	\$21,493,474,643	\$7,026,686,289	88,344	492,959	.3767	.3767
088	SPOTSYLVANIA	\$29,327,820,366	\$5,818,034,832	\$2,388,309,228	23,344	146,708	.3783	.3783
089	STAFFORD	\$31,739,495,132	\$6,873,768,400	\$1,650,122,926	30,952	165,184	.3263	.3263
101	ALEXANDRIA	\$51,212,352,957	\$11,998,982,338	\$2,628,261,237	15,704	158,591	.8000	.8000
104	CHARLOTTESVILLE	\$14,198,527,062	\$2,190,420,012	\$1,164,744,868	4,154	51,132	.7752	.7666
110	FREDERICKSBURG	\$6,413,053,359	\$1,229,485,290	\$1,253,374,847	3,359	27,711	.6033	.6033
143	MANASSAS	\$7,182,572,564	\$1,533,673,581	\$832,873,975	7,298	42,571	.3285	.3285

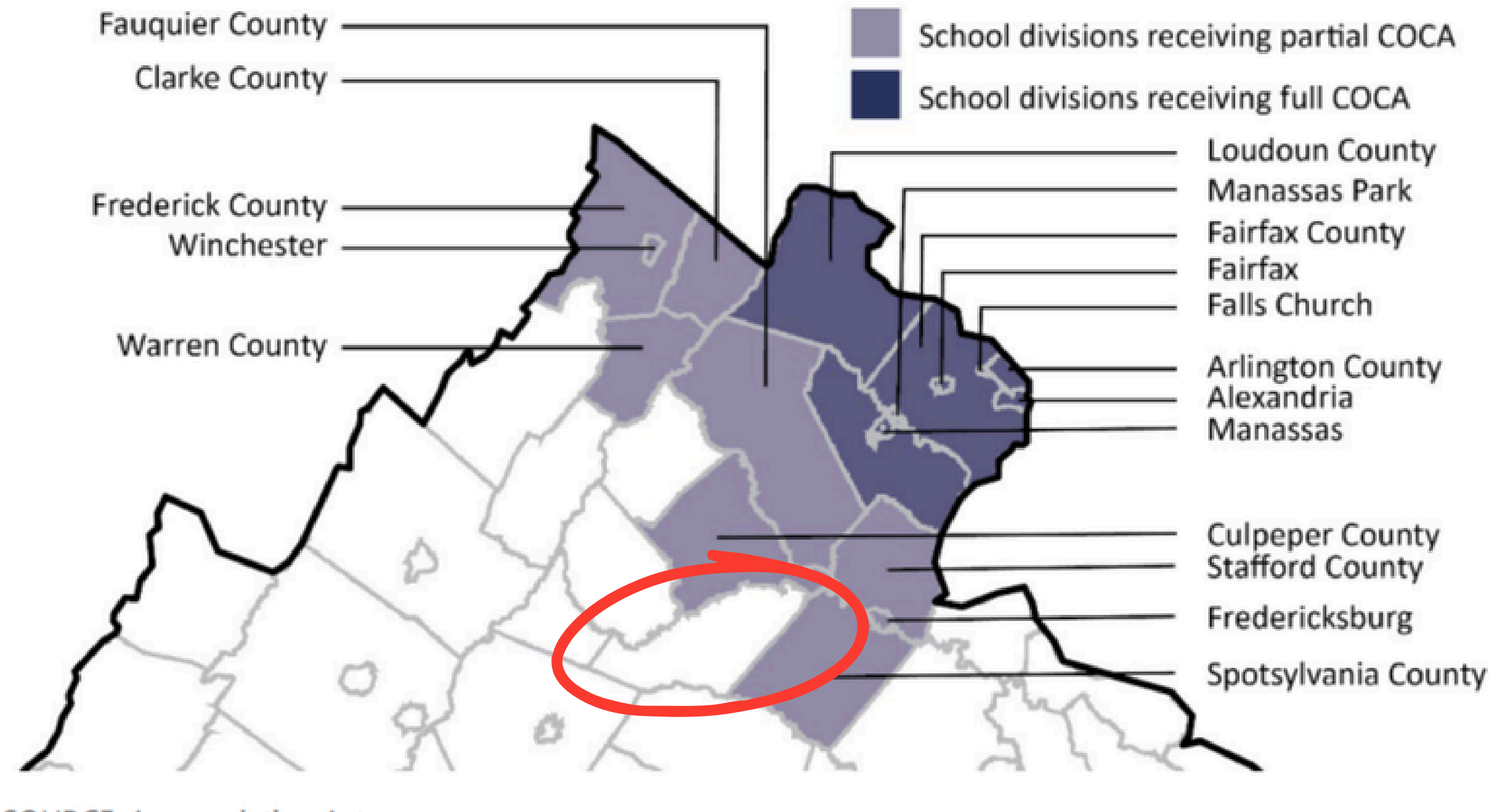
Bottom Line: OCPS is paying more locally than larger, more tax-affluent counties, such as Spotsylvania, Stafford, and Prince William Counties, so we must advocate for change at the State level.

Statewide Average = 55.19%

COST-OF-COMPETING ADJUSTMENT

- In ways beyond the control of school divisions, the price school divisions pay for their personnel can be influenced by the need to to compete (COCA) in a regional labor market.
- Several JLARC studies proposed that the State should recognize these higher costs for school division personnel in Northern Virginia, as the State does for it's own classified employees in that area.
- State added COCA to the formula, however:
 - The adjustment is outdated (formulated in the 1990s).
 - Still results in a massive funding gap.
 - Does not reflect real-world salary regional differences. *(example, Arlington County receives 9.83% adjustment when the regional labor market requires teacher salaries at 40% higher than the state average).*
 - Full COCA funding only applies to NOVA and not surrounding jurisdictions, competing for the same staff. *9 core NOVA districts (Alexandria, Fairfax, Falls Church, Manassas and Manassas Park Cities, Arlington, Fairfax, Loudoun and Prince William Counties).*
 - Partial COCA funding applies to adjacent school districts that border NOVA. *9 adjacent divisions include Fredericksburg and Winchester Cities, Clarke, Culpeper, Fauquier, Frederick, Spotsylvania, Stafford and Warren Counties.* To include Orange County, the geography-bound formula would need to be expanded to cover surrounding high-labor-cost school markets identified in the Central Virginia and Tidewater regions.

Divisions in and around Northern Virginia receive either a full or partial COCA



The formula the State uses, devised in 1992, hasn't been updated since 1995.

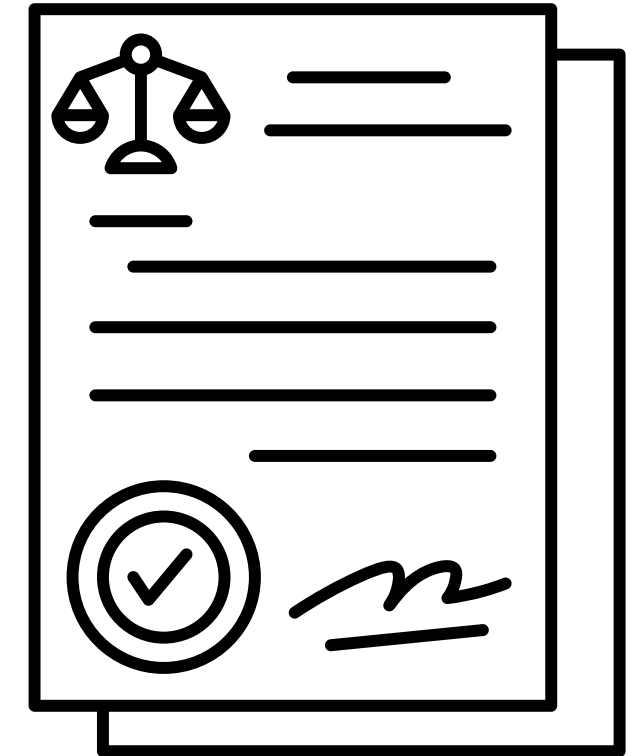


STANDARDS OF QUALITY

Class Size/Student-Teacher Ratios:

- 24 to 1 (Kindergarten) - cannot exceed 29
- 24 to 1 (Grades 1-3) - cannot exceed 30
- 25 to 1 (Grades 4-6) - cannot exceed 35
- 24 to 1 English Classes Grades 6-12
- 1 Reading Specialist for each 550 students K-5, 1 for each 1,100 6-8
- Principals 1 each in Elem, Middle, High
- Assistant Principals Elementary & Middle $\frac{1}{2}$ for 600 students, 1 for 900 students, High 1 for each 600 students
- Librarians Elementary & Middle PT to 299 students, 1 at 300 students, 2 at 1,000 students, High $\frac{1}{2}$ to 299 students, 1 at 300 students, 2 at 1,000 students
- School Counselors 1 per 325 students K-12
- ELL 22 for each 1,000 students identified
- Resource (Art Music, PE) Teachers 5 per 1,000 students K-5
- Technology Teachers 2 per 1,000 K-12
- At-Risk based on each 1,000 students K-12 identified as needing prevention, intervention & remediation services.

- **Establishes minimum staffing levels.**
- **No school divisions in Virginia operate with SOQ positions alone. Establishes the minimum for instructional programs and support services.**



OCPS EXAMPLE:

1st Grade Students = 405
SOQ funding pays 14.62 teachers

Only using State funding
 $405/14 = 28.92$ students per class

Just to reach the Mandated Class Size standards

Need 16.875 teachers
Locality must pay for 3 teachers

$405/17 = 23.82$ students per class

OCPS EXAMPLE CONTINUED:

The Challenge:

- **27+ 1st grades in a single classroom is not practical to achieve learning outcomes**
- **Nobody wants this (teacher, parent, administrator, student)**
- **State Class Size Reduction Grant helps us maintain appropriate and manageable class sizes (approx. 22 per class)**

We currently employ 20 1st grade teachers

State pays its 56.83% portion for the 14.62 (SOQ)

Locality pays its 43.17% portion for the 14.62 (SOQ)

Locality pays 100% of the cost for the remaining 5.38 positions



OTHER STATE FUNDING

Incentive Funds

Funds provided by the Commonwealth to local school divisions for initiatives established by the Virginia General Assembly and the Department of Education designed to improve educational quality, student performance, and workforce recruitment by offering financial rewards, bonuses, or grants to schools, teachers, and students. These are not constitutionally mandated funds.

Lottery Funds

By law, 100% of Virginia Lottery profits are dedicated to K-12 public education. These funds are distributed into two main categories: discretionary aid (one-third), which can be spent by the division based on infrastructure needs and operational priorities (Supplemental per Pupil Allocation), and specific programs (two-thirds), for key programming.

Categorical Aid Funds

Funding that is restricted for specific programs, purposes, or designated student populations that fall outside of the SOQ formula. These funds must be spent on programming for which they are allocated.

DISPELLING THE MYTH

"But the schools get all the lottery money."



The amount of lottery funds received reduces the SOQ Funds (goes back to the State General Fund), so the total allocated to schools DOES NOT increase.



OCPS OPERATING EXPENDITURES

OPERATING EXPENDITURES

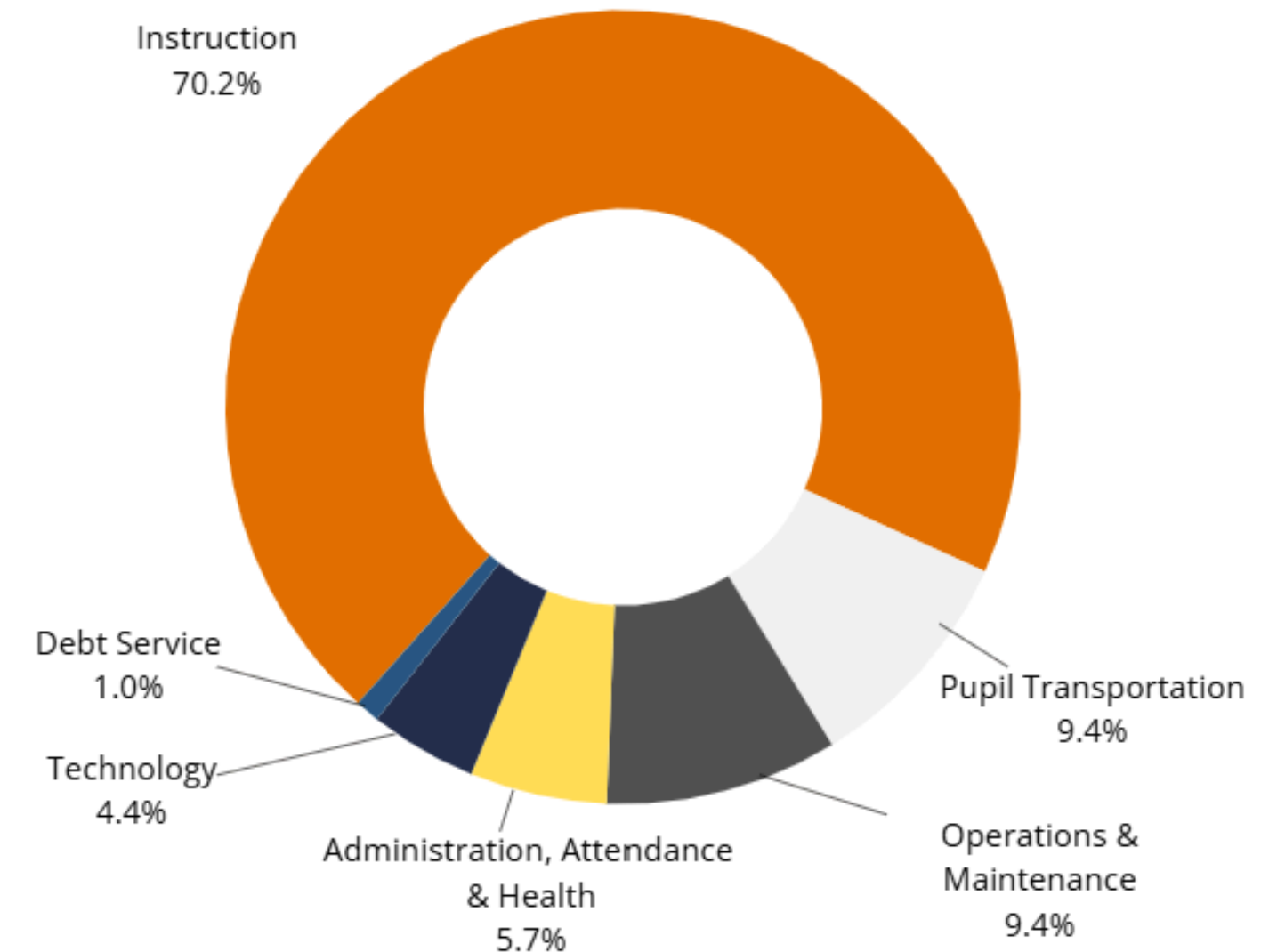
2026-2027

(Based on 4,582.45 ADM)

Function	FY2027 ADOPTED BUDGET
Instruction	\$52,881,212
Administration, Attendance & Health	4,277,072
Pupil Transportation	7,113,286
Operations & Maintenance Services	7,088,119
Technology	3,286,996
Debt Service	730,489
Total	\$75,377,174

OCPS 2026-27 BUDGET

TOTAL EXPENDITURES





OCPS BUDGET PROCESS



START WITH PRIORITIES



- ✓ **New Mandates**
- ✓ **SOQ Staffing Levels**
- ✓ **State Pay Raise for Teachers
& Support Staff**
- ✓ **Health & Dental Premiums**
- ✓ **Program/Contractuals Must Dos**
- ✓ **Pay Scale Enhancements Needed**



ADDRESS CHALLENGES

BUDGET PLAN









Declining ADM Projections

Impacts State Support, Increased reliance on Local Funding to meet SOQ mandated staffing levels & program requirements



Staff Retention & Competitive Pay



Rising Health Insurance Costs

Commitment to absorb without impact to staff



Identifying Opportunities for Savings

Staffing levels, Evaluation of alternative solutions for contracted services



Minimizing New Costs



OPTIMIZE GRANT OPPORTUNITIES

BUDGET PLAN









Federal Title Grants

- Title I (equity, achievement gaps)
- Title II (teacher quality)
- Title III (ELL)
- Title IV (school improvement)
- Title IV-B IDEA (special education)
- Carl Perkins (CTE)
- Medicaid (reimbursement)



State Security & Safety Grants



Mental Health Services



Grant Funded Positions

Relieves some funding burden from reliance on State and Local funding but are SUPPLEMENTAL (cannot replace required standards)

GATHER DATA



Community Feedback



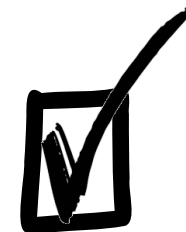
School Board - Directives



School Administration



Cabinet Leadership



Staff

ROUNDTABLE **ACTIVITY**

**Building the
Budget**

ROUNDTABLE SCENARIO

Your team is leading the operations of the school division.

We just received **an additional \$1.5M in revenue** to allocate to division needs.



ROUNDTABLE DISCUSSION

Use the provided simulation cards at your table to **prioritize what to fund** with the additional \$1.5M.

Please note....you will not have enough to properly fund all of the requested needs.



NEW DEVELOPMENTS

Some new requests have come in:

- A new family to our community has a student with significant special education needs. We are required to provide instruction in a self-contained classroom with a special education teacher and paraprofessional. We will need to hire these two staff members and create a space for instruction. The estimated cost is \$140,000.
- The chiller in the Central Office Head Start program requires a major repair to continue functioning at required levels. The repair will cost \$260,000.





LOCUST GROVE
PRIMARY SCHOOL



LOCUST GROVE
ELEMENTARY SCHOOL



UNIONVILLE ELEMENTARY
SCHOOL



LIGHTFOOT ELEMENTARY
SCHOOL



GORDON-BARBOUR
ELEMENTARY SCHOOL



ORANGE ELEMENTARY
SCHOOL



LOCUST GROVE
MIDDLE SCHOOL



PROSPECT HIEGHTS
MIDDLE SCHOOL



ORANGE COUNTY
HIGH SCHOOL



Head Start



C.T.E.



SCAN ME!



THANK YOU FOR
JOINING US!

EMPOWERING STUDENTS, ACHIEVING DREAMS