



Discussion of FY2021 School Board Budget

Joint Work Session

Staunton City Council & Staunton City School Board

April 23, 2020

Overview of School Activity

- School building closed as of March 13th
- Community feeding
- Big asset: SCS already bridged the Digital Divide
- Continuity of learning
- School outreach
- Sports
- Graduation
- Virtual Summer School
- Operations & construction
- Start of 20-21 school year

Budgetary Impacts - Overview

FY20 Budget	FY21 Budget
March 13: Schools shut-down.	March 9: Board approves FY21 budget.
Likely reductions in FY20 State reimbursements, particularly Sales Tax Revenue.	Governor's budget amendment removes 2% pay raise and expansion of pre-school & at-risk programs.
City of Staunton to fully fund FY20 budget appropriation.	12-14% reduction in FY21 appropriation from City.
Shut-down generates "natural" savings due to reduced activity. Vacant positions are frozen.	Revised budget will eliminate new spending, including pay raise & new positions.
"Essential" expenditures only policy.	Selective cuts to non-comp line items.

Awaiting guidance from State & Feds.



Current FY20 Budget

FY20 Budget: Carry-over Funds

- Carry-over (unspent) funds typically deposited into subsequent year's CIP account.
- Expense savings will be realized in FY20.
- *Amount of carry-over, if any, depends upon final reimbursements received from the State.*

FY20 Budget: State Revenue

- Outstanding State Sales Tax Revenue is at-risk.

State Sales Tax	Thru April 15th	Pct
Budget	\$ 3,614,194	100%
Received	2,640,596	73%
Outstanding	973,597	27%

- Cutbacks will begin to materialize in May transfers.
- Other state revenue sources not impacted.
- Awaiting guidance on Federal reimbursements.

FY20 Budget: Expenditure Savings

- School closure and reduced activity generates significant savings (i.e. carry-over) particularly:
 - Budgeted, but unfilled positions
 - Contract subs
 - Fuel
 - Overtime
- Only “essential” expenditures permitted.
- Estimated savings & carry-over: TBD*

* Depends on revenues received.



FY21 Budget Plan

FY21 – Revenue Challenges

- City of Staunton Appropriation
 - 12 - 14% cut
- Commonwealth of Virginia:
 - Assuming 25% cut in State Sales Tax: – \$924,000
 - Elimination of Governor's new, expanded education initiatives estimated: – \$350,000
- Federal:
 - CARES Act stimulus estimated: + \$674,000

Staunton City GF Appropriation

- City/Schools Revenue Sharing Formula
 - Net change (+/-) in certain City revenue accounts is shared 50/50.
 - Estimated \$3.4 million revenue reduction per the traditional revenue share agreement, which cuts school's appropriation by \$1.7 million.
- Proposed property tax contributes \$195,000 to SCS funding.
- Estimated SCS revenue reduction: **\$1.7 – 1.9m.**

Staunton GF Appropriation	With Tax Increase	Pct	Without Tax Increase	Pct
FY21 Approved	\$ 13,934,160	100%	\$ 13,934,160	100%
Less: Appropriation cut	(1,703,527)	-12%	(1,898,277)	-14%
FY21 Revised Estimate	\$ 12,230,634	88%	\$ 12,035,884	86%

FY21 Budget – State Revenue

- Legislature approved Governor's amendments suspending funding for new/expanded initiatives:

Revenue Item	State Funding
Supplemental Compensation for 2% SOQ raise	\$206,000
VA Pre-School Initiative expansion	68,000
Additional At-Risk Add-on	75,000
Total – estimated	\$349,000

- SCS suspending 2% pay raise and pre-school & at-risk expansion.
- Legislative Veto Session – April 22nd
 - VDOE to issue calculation template within 10 days.

FY21 Budget – Reconsider Expenditures

- Cutting from FY21 budget:
 - 2% pay raise
 - Pre-school expansion
 - New positions
 - Payroll adjustments & stipends
- Scale back other non-comp expenditures:
 - Travel
 - Tuition Assistance
 - “Student Advocate”
 - Insurance
 - Transfers to CIP Fund

FY21 Budget – Other Considerations

- Enrollment:
 - Expect spike in homeless students
- Calendar:
 - Delayed start
 - Athletics & extra-curricular

Budget Calendar

- April 22 (yesterday) – *Reconvened State Veto Session*
- April 23 (today) – Joint Budget Work Session
- April 27 – April/May School Board Meeting
- May 4 – ***State School Budget Template expected***
- May 14 – City Council consideration of City Budget
- June 30 – End of Fiscal Year