Charlottesville City Schools
FY 2026–27 Budget Amendment

Additional State Revenue Allocation, Technical Adjustments, and
Use of Remaining School Operations Contingency

Joint School Board & City Council Meeting
Wednesday, August 12, 2026

State Budget Adoption & Revenue

State Legislative Timeline

Adoption Date: The General Assembly formally adopted the State Budget on **June 22, 2026**.

Executive Approval: Signed into law by Governor Spanberger on **June 29, 2026**.

Virginia Department Of Education: Released the official Calculation Tool on **July 2, 2026**, confirming final state allocations.

Additional State Funding: +$318,847

State revenues increased from the Governor's Proposed Budget to the Adopted Budget due to updated revenue projections for Sales Tax and Lottery Proceeds.

Budget Alignment & City Contingency

$2.0M

School Operations Contingency

Requires Appropriation by City Council

Reconciling City vs. School Division Budgets

City Adopted Budget:	**$ 127,377,481**
Schools Adopted Budget:	**$ 129,377,481**
Budget Variance:	**$2,000,000**

City Council set aside funds in a School Operations Contingency account pending future Council approval. This contingency was established due to the lack of an approved state budget.

> The City also added language that City Council intends to retain up to 50% of state funding received by the School Division in excess of the School's FY 2027 Budget.

City's Appropriation Calculation

Calculation Line Item	Description	Amount ($)
School's Request from City	Presented to City Council on March 2, 2026	$2,569,071
City Contingency Base	Base amount set aside in City's Operations Contingency	$2,000,000
50% State Revenue Offset	50% retention applied to $318,847 additional State revenue	-$159,424
Net Contingency Released to Schools (Based on Approval of City Council)	Contingency base ($2,000,000) less 50% state offset ($159,424)	$1,840,576
Total Adjusted City Appropriation	School ask ($2,569,071) less 50% state offset ($159,424)	$2,409,647
Net Expendable Capacity for Schools	State gain ($318,847) less City reduction ($159,424)	$159,423

Pupil Transportation Services

Additional Expenditures Identified After Budget Adoption

4 Bus Aides for the Preschool Buses

$143,228

- Additional bus aides are needed on preschool routes to provide appropriate student supervision and oversight, consistent with the support provided on elementary school buses.
- Funding Source: The additional expenditure will be absorbed within existing Medicaid and Preschool program budgets.

Convert 6 Bus Drivers from 30-hour to 40-hour Pupil Transportation Study

$159,424

- Conversion requested by Transit to help with retention & recruitment
- Pupil Transportation Study needed to evaluate needs & current model
- Funding Source: City's School Operations Contingency Account

Expenditure Allocation Recommendation

Administrative Compensation – Additional 2% Salary Increase

- Increase administrative staff salaries by an additional 2%, bringing the total FY 2026-27 salary increase to 5%.
- Additional 2% increase would be retroactive to July 1, 2026.

Funding	Amount
School's share of additional state revenue	$ 159,423
Cost of additional 2% administrative increase	$ 172,710
Vacancy savings from reconfiguration of positions after budget adoption	$ 12,747
Net Funding Impact	$ 0.00

- Aligns administrative compensation with the state-approved 4% increase for SOQ positions and the 5.5% increased for licensed personnel.
- Provides an equitable investment in administrative compensation.
- Supports the Division's commitment to recruiting, retaining, and recognizing high-quality leadership.

Technical Adjustments

$822,558

GENERAL FUND TRANSFER TO

Special Revenue Funds

Special Revenue Budget Alignment

To finalize the Special Revenue Fund Budgets and account for salary increases resulting from collective bargaining agreements, an additional **$822,558** will be transferred from the General Fund to Special Revenue Funds.

Impacted Special Revenue Programs:

- CATEC
- School Nutrition
- Preschool Programs
- Grant Funds

FY 2026–2027 Budget Amendment Summary

Revenue Source	Adopted FY 2026 – 2027 Budget	Change to General Fund	Change to Special Revenue Fund	General Fund	Special Revenue Funds	Amended FY 2026 – 2027 Budget
City Appropriation	$ 81,595,593	$ (981,982)	$ 822,558	$ 73,432,954	$ 8,003,215	$ 81,436,169
Fund Balance	10,655,333	-	-	10,655,333	-	10,655,333
Local	5,229,027	-	-	466,000	4,763,027	5,229,027
State	24,919,541	318,847	-	21,530,257	3,708,131	25,238,388
Federal	6,977,987	-	-	12,000	6,965,987	6,977,987
Total Revenues	$ 129,377,481	$ (663,135)	$ 822,558	$ 106,096,544	$ 3,440,360	$ 129,536,904

CCS FY 2026–27 Appropriation Request To City Council

Release FY 2026–27 School Operations Contingency Funds

Approve the release of
$1,840,576
from the City's School Operations Contingency to Charlottesville City Schools

Supports funding of the Collective Bargaining Agreements for Licensed and Support Professionals.

Transfer Remaining City's School Operations Contingency to Schools Transportation

$159,424

Support the conversion of 6 Part-Time (30 hour) Bus Driver positions to Full-Time (40 hour) positions to improve recruitment, retention, and transportation service reliability.

Next Steps

1. City Council

- **August 17, 2026 - City Council Meeting:** Take action on the School's appropriation to support timely implementation of the FY 2026-27 budget.

2. School Board

- **September 3, 2026 - School Board Meeting:** Take action to approve the FY 2026-27 Budget Amendment, including an additional 2% salary increase for administrative staff, retroactive to July 1, 2026.