



# 2022-2023 Annual Budget

Work Session - General Assembly Update

June 20, 2022



# Agenda

- State Revenues
- Additional ARPA Opportunities
- Technology Replacement Safety Updates Added
- The Priority Lists
- Remaining Timeline



# State Revenues

House Bill 30  
Senate Bill 30



# General Assembly Budget

	2022 Budget	Adopted	GA	Difference
ADM	13,087	13,183	13,183	
Composite Index	0.3660	0.3643	0.3643	
SOQ Excluding Sales Tax	58,741,074	63,415,931	63,493,890	77,959
Sales Tax	16,596,176	16,973,870	18,314,550	1,340,680
Incentive	3,952,521	6,387,799	6,468,651	80,852
Categorical	13,713	13,750	13,750	0
Lottery	3,816,586	4,338,018	4,316,110	-21,908
Other	22,500	22,500	22,500	0
<b>General Fund</b>	<b>83,142,570</b>	<b>91,151,868</b>	<b>92,629,451</b>	<b>1,477,583</b>
<b><i>Additional Operating Funds Over 2022 Budget</i></b>		<b>8,009,298</b>	<b>9,486,881</b>	<b>1,477,583</b>
Instructional Resources Fund	891,723	1,109,402	1,109,402	0
Technology Replacement Fund	2,067,815	2,226,384	2,080,255	-146,129
Grant Fund	1,621,325	1,817,976	1,823,846	5,870
Nutrition Fund	119,526	199,810	199,810	0
Capital Projects Fund	0	0	4,307,078	4,307,078
<b>Total All Funds</b>	<b>87,842,959</b>	<b>96,505,440</b>	<b>102,149,842</b>	<b>5,644,402</b>
<b><i>Additional Total Funds Over 2022 Budget</i></b>		<b>8,662,481</b>	<b>14,306,883</b>	<b>5,644,402</b>



# General Assembly Budget

## Governor

- 2022: Nothing extra  
2023: 5% Raise  
2024: 5% Raise
- Early reading initiative expanded to 4<sup>th</sup> & 5<sup>th</sup>
- Grocery tax hold harmless
- \$5.6 million school construction grants

## House

- Sales tax reduced for groceries & personal hygiene products
- 2022: Nothing extra  
2023: 4% Raise 1% Bonus  
2024: 4% Raise 1% Bonus
- Early reading initiative not expanded
- Grocery tax hold harmless
- School construction loan rebate program instead of grants

## General Assembly

- Sales tax increased for return of the grocery tax for the localities
- 2023: \$1,000 Bonus (*ARPA*)  
2023: 5% Raise  
2024: 5% Raise
- Early reading initiative not expanded
- Grocery tax hold harmless includes personal & hygiene products
- \$4.3 million school construction grants



# Additional ARPA Opportunities



# ARPA Funded Bonus

## Impact of Bonus on RCPS

- ARPA Revenue **\$1,351,653.40**
- Bonus to be paid on 12/1/22
- Funded for all SOQ-funded instructional and support positions (only 1,255.60)
- Encouraged to provide for all staff

	Positions	Cost
Total Employees	2,264.00	2,452,274.24
ARPA Funding	(1,255.60)	(1,351,653.40)
<b>Additional cost</b>	<b>1,008.40</b>	<b>1,100,620.84</b>

## Impact of Taxes on Employee's Bonus

- Taxes On Bonus:

Federal Tax 22.00% IRS Publication 15 §7  
 State Tax 5.75% Virginia Department of Taxation  
 Income Tax Withholding Guide  
 for Employers Page 10  
 FICA 7.65% IRS Publication 15 §7  
35.40%

- Impact of Taxes on Gross Bonus:

Bonus	\$1,006.19
Less taxes (1,000 x 35.4%)	<u>(\$ 356.19)</u>
After-tax funds received	<u>\$ 650.00</u>



# ARPA Funded RARS

- Recruitment and Retention Support (RARS) Grant
- Maximum of **\$30,000** available to any one school division
- Provide a structured framework to systematically develop plans to support recruitment and retention of employees through
  - Hiring incentives
    - start date of 7/25/22 through 11/15/22
    - Up to \$5,000 (school division to determine)
    - Half payable by 1/1/23 and remaining after 5/1/23
  - Continuing education funds
    - tuition and related institutional fees, such as technology or library fees
- Applications due July 1, 2022, by 4 pm
- Award notifications Mid July





# Technology Replacement Safety Updates Added

The Technology Replacement Fund is a separate operating fund that accounts for the funding of the Technology Replacement Plan, which is a 6-year plan addressing the need to continually replace technology infrastructure and equipment that require significant resources.



# Technology Replacement Plan

	2023	2024	2025	2026	2027	2028
<b>Funding sources</b>						
State technology initiative funds	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000	\$ 726,000
State infrastructure & operations funds	1,354,255	1,342,165	1,342,165	1,342,165	1,342,165	1,342,165
E-rate reimbursement	581,573	581,573	581,573	581,573	581,573	581,573
Sale of machinery and equipment	41,000	41,000	41,000	41,000	41,000	41,000
Rental income (EBS lease)	25,428	26,190	26,976	27,786	28,620	29,478
Transfer from Student Activity Fund	3,000	3,000	3,000	3,000	3,000	3,000
Transfer from General Fund	2,346,129	3,746,129	4,196,129	4,196,129	4,196,129	4,246,129
<b>Total funding sources</b>	<b>\$ 5,077,385</b>	<b>\$ 6,466,057</b>	<b>\$ 6,916,843</b>	<b>\$ 6,917,653</b>	<b>\$ 6,918,487</b>	<b>\$ 6,969,345</b>
<b>Replacement needs</b>						
Building security	\$ -	\$ 90,000	\$ 90,000	\$ 184,000	\$ 90,000	\$ 90,000
Equipment lease-cameras	510,185	510,185	510,185	510,185	510,185	510,185
Equipment lease-computers	1,995,877	2,026,154	2,300,634	2,704,010	2,653,700	2,699,082
Equipment lease-prometheans	1,098,000	1,098,000	1,098,000	1,098,000	1,098,000	1,098,000
Equipment lease-radios	655,361	655,361	655,361	655,361	655,361	655,361
Equipment lease-servers	74,854	74,854	74,854	74,854	92,819	74,854
Radio license	96,768	67,200	253,344	253,344	253,344	253,344
IP telephony	87,000	87,000	463,500	87,000	87,000	87,000
Network	566,750	614,080	557,600	615,230	696,260	684,680
Server	-	200,000	100,000	100,000	-	-
Server license	521,000	560,000	560,000	560,000	560,000	560,000
Wireless	47,850	250,000	162,000	90,000	153,000	468,125
<b>Total replacement needs</b>	<b>\$ 5,653,645</b>	<b>\$ 6,232,834</b>	<b>\$ 6,825,478</b>	<b>\$ 6,931,984</b>	<b>\$ 6,849,669</b>	<b>\$ 7,180,631</b>
Beginning fund balance	\$ 672,214	\$ 95,954	\$ 329,177	\$ 420,542	\$ 406,211	\$ 475,029
<b>Ending fund balance</b>	<b>\$ 95,954</b>	<b>\$ 329,177</b>	<b>\$ 420,542</b>	<b>\$ 406,211</b>	<b>\$ 475,029</b>	<b>\$ 263,743</b>



# The Priority Lists



# The Short List

Item	Amount
\$1,006.19 Bonus (\$650 net cash to employees) for non-SOQ positions	\$ 1,100,620
Increase transfer to Technology Fund for reduction in State Revenue	146,129
Reclassify 32 REAP and PEAP IAs from IAs on B21 to ABA Coach on B22	141,700
4 SRO Deputies (each for 1010 hours @ \$25.02 + FICA)	108,815
<i>Increase Bus Driver rate for Activity Trips to \$17/\$19</i>	<i>absorbable</i>
Increase compensation beyond 6% for an additional 1.0%	1,109,000
Increase compensation beyond 6% for an additional 0.5%	554,500
Fully Fund CMP (must happen now or with year-end carryover)	580,143
Athletic field mowing	\$ 192,750
Assistant Supervisor of Maintenance	67,600



# The Grant List

Item	Amount
ARPA III Funded – re-allocations	
<ul style="list-style-type: none"> <li>● 5 Reading Specialists for middle schools</li> </ul>	\$ 326,000 ←
<ul style="list-style-type: none"> <li>● Continue hard-to-fill Special Ed stipend (\$2,500 licensed and \$1,250 provisional or progressing to licensure)</li> </ul>	\$ 587,000 ←
ARPA III Funded – planned for multi-year	\$ 194,000
<ul style="list-style-type: none"> <li>● 3 Elementary Life Counselors for 6 Title I schools</li> <li>● 1 Part-time School Counselor at Green Valley Elementary</li> <li>● 2 Technology Technicians (reduce device ratio from 2000:1 to 1400:1)</li> </ul>	\$ 35,105 \$ 118,109
IDEA Funded	
<ul style="list-style-type: none"> <li>● 6 Special Ed Supervisor contracts increase from 240 to 260 days</li> </ul>	\$ 49,864 ←

These items were built into the grant budgets, and we were going to incorporate them in the approval in the revised budget. However, since we won't be able to revise until after July 1, we would like to go ahead and put a request to approve these three items on the June 23, 2022, consent agenda.



# Remaining Timeline



# Remaining Timeline

- Action Items for 6/23/22 School Board Meeting (Consent Agenda)
  - Page 7-8 Approve the Funding Application for ARPA grants
  - Page 13 approve ESSER III to incorporate the 5 reading specialists and continue hard-to-fill Special Ed stipend and approve IDEA grant funding for 6 Special Ed Supervisor contracts increasing from 240 to 260 days
- What is still needed for a budget revision?
  - County revenue changes
  - Revisit and finalize the short priority list
- What happens then?
  - Adopt Revised 2022-2023 Budget (hopefully in July)
  - Present Revised 2022-2023 Budget to Board of Supervisors
  - County Staff will Advertise for Public Hearing for Revision to Ordinance
  - Board of Supervisors will adopt Revised Ordinances



# ROANOKE COUNTY

## Public Schools