



# Education Compact Quarterly Meeting

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OCTOBER 29, 2018



# Welcome

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MAYOR STONEY



# OBJECTIVES

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## *For the Compact...*

- Build shared understanding of local educational needs and alignment around educational priorities
- Align on our progress toward achieving our shared goals for Richmond's children

## *For tonight's meeting...*

- Review examples of local funding approaches
- Discuss a potential local funding approach for Richmond



# AGENDA

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- Welcome
- Update: Education Compact Team
- Update: Joint Construction Team
- Update: State Advocacy
- Update: RPS Strategic Plan
- Presentation & Discussion: Local Funding Models
- Closing and Next Steps



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# UPDATE: Education Compact Team

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KRISTEN LARSON, 4<sup>TH</sup> DISTRICT COUNCILOR

LINDA OWEN, 9<sup>TH</sup> DISTRICT SCHOOL BOARD MEMBER

EVA COLEN, MAYOR'S SENIOR POLICY ADVISOR FOR YOUTH INITIATIVES



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# UPDATE: Joint Construction Team

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JASON KAMRAS, SUPERINTENDENT

SELENA CUFFEE-GLENN, CHIEF ADMINISTRATIVE OFFICER







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# UPDATE: State Advocacy

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MAYOR STONEY



# Progress

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- (July) Education Compact Quarterly Meeting
- (August) Virginia Municipal League Presentation
- (September) Education Advocacy Conversation
- (October) Virginia Municipal League Vote
- (October) Local Resolution and Legislative Agenda
- (October) Column in the Virginian-Pilot



# Next Steps

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# MarchForMore

**Saturday, December 8<sup>th</sup> at 10:00AM**

**Start: Martin Luther King, Jr. Middle School  
1000 Mosby Street, Richmond, VA**

**End: Bell Tower on Capitol Square  
Richmond, VA**

**Learn more at [MoreBetterStronger.com](http://MoreBetterStronger.com)**

 **MoreBetterStronger**  
More Money, Better Schools, Stronger Students



# DISCUSSION:

## Next Steps with State Advocacy

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MAYOR STONEY



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# UPDATE:

## Dreams4RPS, 2018-2023 Strategic Plan

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JASON KAMRAS, SUPERINTENDENT



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# PRESENTATION: Local Funding Models

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EVA COLEN, SENIOR POLICY ADVISOR

JAY BROWN, DIRECTOR OF BUDGET



# Background

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## **Resolution 2018-R045**

*a potential local funding approach for future budgets including any proposed changes to state legislation necessary to increase state funding to Richmond Public Schools*



# Glossary

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**Model Type:** How does the locality determines its allocation

- **Constant Share:** Set percentage of revenue every year
- **Modified Constant Share:** Variable based on annual state allocation

**Revenue Source:** Where the allocation originates

**Contingency Plan:** What happens in an economic downturn

**Adjustment Process:** How the locality addresses Schools needs that exceed the pre-determined allocation

	Model Type	Revenue Source	Contingency Plan	Adjustment Process	Additional Aspects
<b>Virginia Beach</b>	Modified constant share	Total non-dedicated local revenue	None codified	None codified	<ul style="list-style-type: none"> <li>- “Stop gap” 4 cent real estate tax increase</li> <li>- Moving to “strict revenue sharing” model next year</li> </ul>
<b>Hampton</b>	Constant share	Residential real estate, personal property, and utilities	None codified	None	<ul style="list-style-type: none"> <li>- Perennial variation</li> <li>- “On demand” real estate tax increases, with limiting instruction in 2007</li> </ul>
<b>Norfolk</b>	Constant share	Total non-dedicated local revenue	None codified	School board resolution	<ul style="list-style-type: none"> <li>- Most recent model (established spring 2018)</li> <li>- Council approved a suite of tax increases alongside the funding model (not all new revenue goes to schools)</li> </ul>



# Best Practices for Local Funding

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- Develop a reliable and transparent budget process that serves as a planning tool for Schools
- Codify a procedure for Schools to request an increase
- Specify a contingency plan if revenues decline
- Have both School Board and City Council approve the funding model

# GROW TOGETHER

## *Recommendations for Richmond*

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- Look for a way to share the annual growth in recurring general fund revenues;
- Agree on a procedure for Schools to request a funding increase; and
- Commit to a contingency plan to protect Schools in case of declining revenues so that Schools are at least level-funded year to year



# GROW TOGETHER

## *Recommendations for Richmond*

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### **Funding Increase Request:**

#### Example from Norfolk

If the Norfolk School Board, in consultation with the School Superintendent determine additional funding, beyond what is provided by the formula, is required to maintain the current level of operations or to provide for additional initiatives, it will notify the City Council by resolution by April 1 to allow for inclusion in the city's operating budget deliberations. The School Board's resolution shall contain the following:

- That additional funding is required,
- The amount of the additional funding requested,
- The purpose for the additional funding, and
- That the School Board supports an increase in the real estate tax rate (or other local tax rate) to support the additional request

# GROW TOGETHER

## *Recommendations for Richmond*

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### **Contingency Plan:**

Richmond might consider an “equalization strategy” to ensure that schools are level funded in the case of declining revenue, in which City Finance staff and/or Mayor and/or City Council would consider options to ensure that funding levels are sufficient to adequately fund city and school operations



# Q&A

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# DISCUSSION:

## A Local Funding Model for Richmond

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AT TABLES, DISCUSS THE BENEFITS AND POTENTIAL CHALLENGES OF IMPLEMENTING A LOCAL FUNDING MODEL



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# CLOSING & NEXT STEPS

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MAYOR STONEY