

MINUTES
JAMES CITY COUNTY BOARD OF SUPERVISORS
Joint Meeting with Williamsburg-James City County School Board, Board of Supervisors,
and Williamsburg City Council
via Ring Central
October 26, 2020
8:00 AM

A. CALL TO ORDER

Ms. Ownby called the Williamsburg-James City County (WJCC) School Board to order at 8 a.m.

Mr. Pons called the City Council to order at 8 a.m.

Mr. Stevens called the Board of Supervisors to order at 8 a.m.

B. ROLL CALL

Board of Supervisors

Michael J. Hipple, Vice Chairman, Powhatan District

Ruth M. Larson, Berkeley District

P. Sue Sadler, Stonehouse District

John J. McGlennon, Roberts District

James O. Icenhour, Jr., Chairman, Jamestown District

Scott A. Stevens, County Administrator

City Council

Caleb Rogers

Barbara Ramsey

Douglas Pons, Mayor

Pat Dent

Ted Maslin

Andrew Trivette, City Manager

Sandi Filicko, Clerk of Council

WJCC School Board

James Beers

Kyra Cook

Greg Dowell

Julie Hummel (8:01 a.m.)

Jim Kelly

Lisa Ownby, Chair

Sandra Young (8:02 a.m.)

Olwen Herron, Superintendent

Rene Ewing, Chief Financial Officer

Janet Cerza, Clerk of the Board

General Assembly Representatives

Senator Thomas Norment

Senator Monty Mason

Delegate Amanda Batten

Delegate Michael Mullen

ADOPTED

NOV 10 2020

Board of Supervisors
James City County, VA

C. SPECIAL JOINT MEETING AGENDA ITEM

1. Dr. James Regimbal will Present - Trends and Benchmarking around State and Federal Level Funding

Dr. Regimbal gave an overview of the WJCC School District Demographic and Funding Analysis presentation (*see Attachment*). The presentation consisted of the following:

- Per Capita Local Revenues Not Keeping Pace with Inflation
- Comparison of Local Property Tax Rates to Household Income and Housing Values
- State Income Tax Growth has Significantly Exceeded Statewide Local Real Estate Growth Since Recession
- Slow Real Property Revenue Growth has Required Rising Rates
- WJCC Schools Sources of Funding FY 2009-19
- State Per Pupil K-12 Direct Aid Funding (Net of Unallotted) FY 2022 Still \$321/Pupil Less than FY 2009 Inflation - Adjusted - Nominal and Inflation - Adjusted (CPI \$2005)
- WJCC State Per Pupil K-12 Direct Aid (all Funds) - Nominal and Inflation - Adjusted (CPI \$2005)
- WJCC LCI Analysis
- WJCC 2020-22 K-12 Rebenchmarking Exceeded Statewide - Rebenchmarking Percentages Due to LCI Declines and ADM Increases
- James City and Williamsburg State K-12 Funding Accounts - FY 2021
- Comparison of FY 2019 Local Expenditures above Required Local Effort
- Still, WJCC Has Slipped in Pay Compared to Surrounding School Divisions and Statewide
- NEA Average Instructional Salaries by State vs. Zillow Median Home Value Index
- Since 2009, WJCC K-12 Students Have Increased Faster than the State (March 31 ADM)
- WJCC Has Lower Free Lunch Percentages than Statewide Averages
- WJCC Students with Disabilities Comprise 15% of ADM Having Grown 26% Since 2015
- WJCC Homeless Students Has Varied by Year
- Summary

Dr. Regimbal presented on the following:

- Local revenue growth has not kept pace with population and inflation. Both James City County and Williamsburg have raised property tax rates since 2009, but less than average statewide locality increases.
- James City and Williamsburg have higher Real Estate values than surrounding localities. James City Real Estate tax rates are slightly higher than surrounding counties, but much lower than nearby cities. Williamsburg Real Estate rates are significantly below surrounding locality rates.
- State funding for the WJCC school district has significantly lagged local K-12 funding increases since the 2009-2010 recession.
- James City and particularly Williamsburg have high Local Composite Indexes LCI's - much higher than surrounding school districts, although falling over the last 10 years. James City's population and Average Daily Membership (ADM) has been growing more rapidly than the state, while Williamsburg's share of sales tax, income, and property values has been falling.
- James City is in the top tier of localities' exceeding required local match requirements.
- WJCC teacher salary increases have underperformed the region and state average increases since 2009.
- WJCC has fewer free lunch students than statewide averages, but relatively more students with disabilities - 15% versus 14% statewide - and recently growing faster than state disabled students - 26% versus 12% since 2015.

There were questions and discussion about the number of homeless students on free and/or reduced lunch; real estate values have not been growing as fast as before the recession and local governments have had to raise real estate tax to get revenue; teacher salaries (state was contributing more up to 2009 to K-12); increase in English Language Learners (ELLs); when the LCI numbers drop, will there be more state funding due to the lower LCIs (the 2023-2024 biennium budget will use the 2019 LCI); the ADM and real estate are more important indicators than the LCI; lower income families have been most impacted by the pandemic (income taxes); and, how administrative costs would relate (costs are fairly similar to surrounding localities.)

There was also discussion about how the lower September 30 and March 30 ADM this school year will impact the biennium (March 30 is the final amount of what the school division will receive in terms of per pupil payments); will schools will be held harmless; consider the pace revenue should be (historic triangle area is different than other areas as it is a tourist region and relies more on real estate taxes - consider raising real estate taxes); LCIs (each one point change in James City County is \$800,000 (up or down) and each one point is \$90,000 (up or down) for Williamsburg.)

Discussion followed on teacher salary average includes others (principals, assistant principals, etc.); WJCC is down 580 students - or 5% of the student population; based on the current ADM \$1.7 million would be lost from the state if ADM is not held harmless; many are Kindergarten students, other students enrolled in K12.com or enrolled in other school divisions (loophole in law that allows County and city residents to attend Richmond Public Schools and lose ADM to Richmond Public Schools); the impact of Return to Learn plan on personnel needs (significant substitute pool, employ extra instructional aides.); protocols are in place to trace (with Virginia Health Department), isolate, send home, put class on line or may close school; may not be able to hire more bus drivers and custodians).

There are two schools with air quality issues (problems remediated and teachers are setting up their classrooms); what the school system is doing to save money (did not employ full staff at beginning of the school year, reassigned and furloughed staff); how CARES Act funding was spent (\$1.9 million was used for air quality filters, Personal Protection Equipment, and extra staff; and, how much pressure is on school systems to be stricter with the identification of special education students (following federal and state guidelines for identifying students).

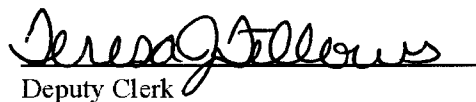
D. ADJOURNMENT

1. Board of Supervisors, City Council and the WJCC School Board Adjourn

The City Council took a roll call vote to adjourn the meeting which carried 5:0.

The WJCC School Board adjourned.

At approximately 9:31 a.m., the Board of Supervisors took a roll call vote to adjourn the meeting, which carried 5:0.


Deputy Clerk

WJCC School District Demographic and Funding Analysis

Fiscal Analytics, Ltd.

October 26, 2020

Per Capita Local Revenues Not Keeping Pace With Inflation

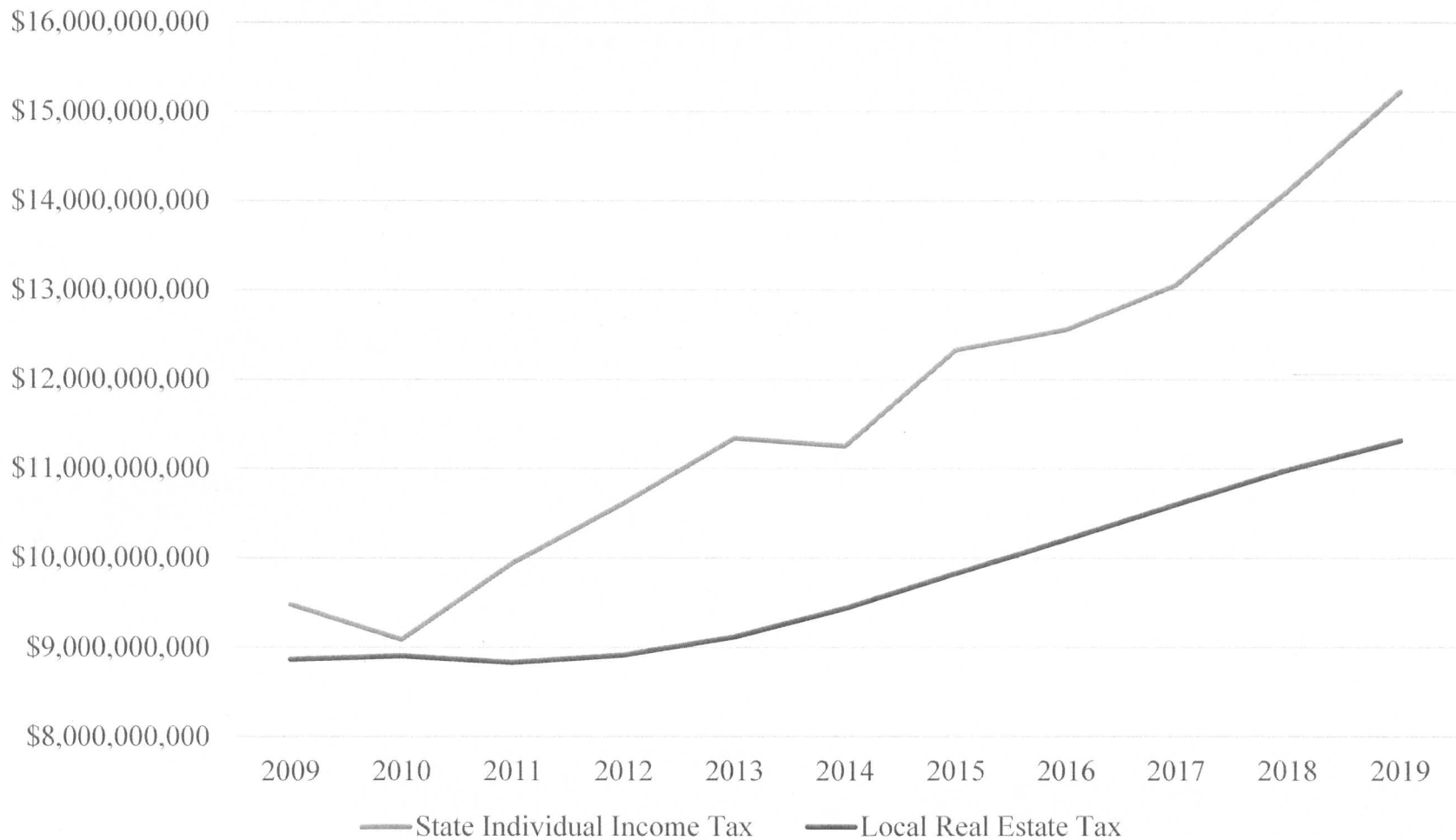
	Williamsburg				James City Co.		
	FY 2009	FY 2019	% Growth		FY 2009	FY 2019	% Growth
ADM	753	1,026	36.3%		9,483	10,401	9.7%
Population	13,572	15,183	11.9%		63,696	75,837	19.1%
CPI-U Inflation Index	215.7	256.1	18.7%		215.7	256.1	18.7%
Total Local Revenues*	\$32,991,978	\$40,242,604	22.0%		\$146,852,743	\$191,174,947	30.2%
Per capita Local Revenues	\$2,431	\$2,651	9.0%		\$2,306	\$2,521	9.3%
State revenues*	\$7,261,668	\$8,562,748	17.9%		\$63,687,957	\$70,386,470	10.5%
Federal Revenues	\$1,522,181	\$1,763,006	15.8%		\$9,821,896	\$12,188,108	24.1%
Total Revenues	\$41,775,827	\$50,568,358	21.0%		\$220,362,596	\$273,749,525	24.2%
Real Property	\$10,136,979	11,134,520	9.8%		\$85,326,956	102,369,420	20.0%
Public Service Prop.	\$279,150	328,796	17.8%		\$1,426,801	2,070,535	45.1%
Personal Property	\$636,373	781,628	22.8%		\$14,729,182	24,966,205	69.5%
Machinery & Tools	\$1,307,209	1,407,810	7.7%		\$4,910,373	5,792,160	18.0%
Sales Tax	\$3,844,275	6,841,762	78.0%		\$8,618,525	15,757,412	82.8%
BPOL	\$1,595,535	2,330,418	46.1%		\$5,967,511	7,658,776	28.3%
Meals Tax	\$5,522,541	7,308,479	32.3%		\$5,618,586	7,509,825	33.7%
Service Charges	\$1,230,941	2,128,373	72.9%		\$9,520,646	12,240,762	28.6%
Transient Occupancy	\$4,922,280	4,388,031	-10.9%		\$2,764,063	3,715,256	34.4%
Recordation/Bank	\$299,172	643,741	115.2%		\$1,226,412	1,141,226	-6.9%
Other Revenues**	\$3,217,523	\$2,949,046	-8.3%		\$6,743,688	\$7,953,370	17.9%
* Adjusted for Communication Sales and Use Taxes now from state							
** Other taxes, Permits, Licenses, Fines, Fees, Rental, Interest, etc.							

Comparison of Local Property Tax Rates to Household Income and Housing Values

	Real Property Tax Rate	Median Household Income (2018)	Zillow Home Value Index
Williamsburg	0.60	\$56,163	\$331,288
James City Co.	0.84	\$83,048	\$330,686
Newport News	1.22	\$51,884	\$196,342
Hampton	1.24	\$54,550	\$192,159
York Co.	0.80	\$90,367	\$296,604
Gloucester Co.	0.70	\$66,701	\$256,028
New Kent Co.	0.79	\$79,698	\$296,875
2018 City Median	1.09		
2018 County Median	0.69		
Virginia		\$71,564	\$296,604

Sources: <https://www.census.gov/quickfacts/fact/table/VA/PST045219>
<https://www.zillow.com/home-values/>

State Income Tax Growth Has Significantly Exceeded Statewide Local Real Estate Tax Growth Since Recession



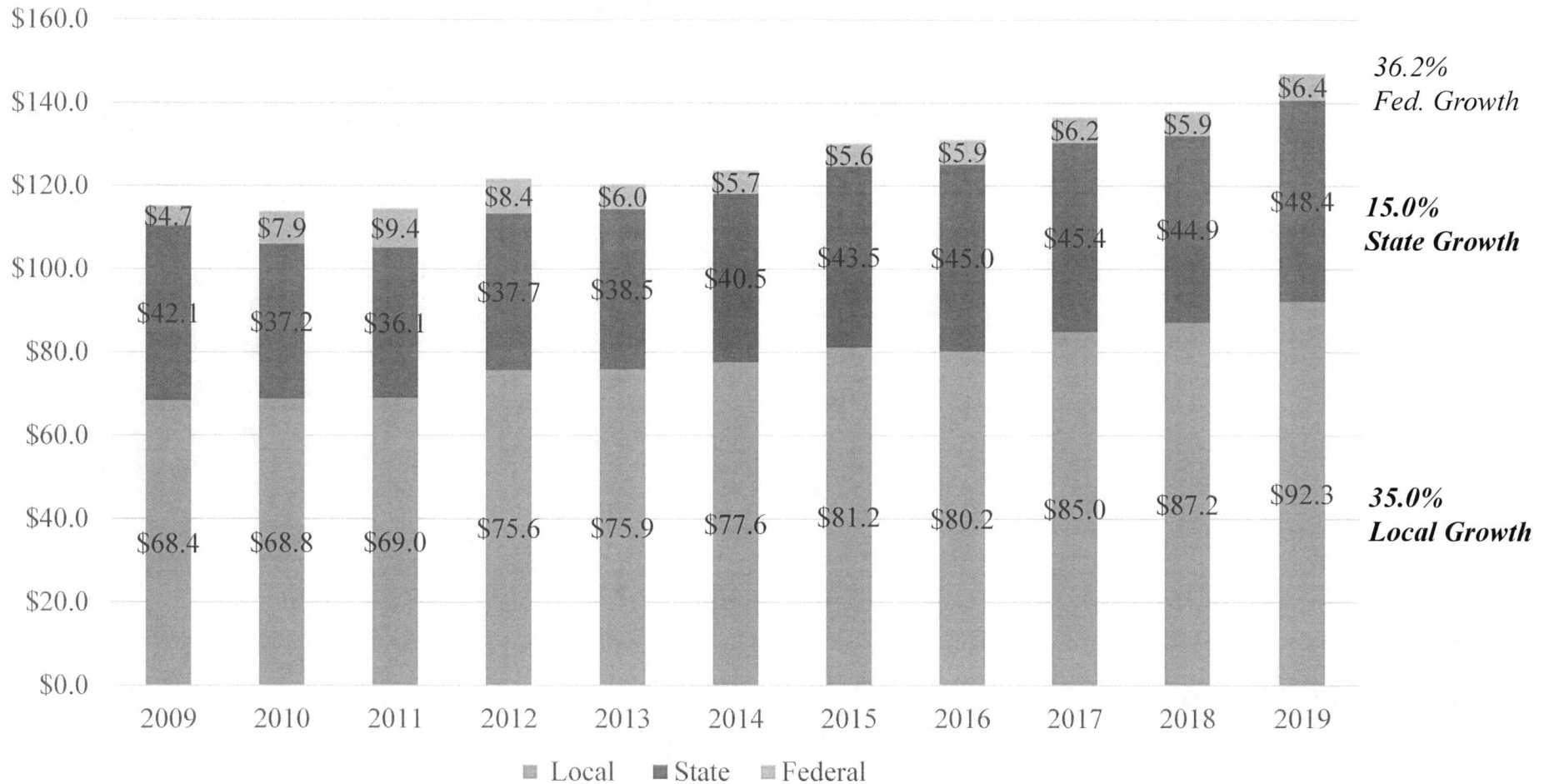
Slow Real Property Revenue Growth Has Required Rising Rates

Real Estate Tax Rates in Virginia Localities*

	<u>CY 2009</u>	<u>CY 2020</u>	<u>Change</u>
Williamsburg	0.54	0.60	0.06
Newport News	1.10	1.22	0.12
<i>City Median (2018)</i>	<i>0.90</i>	<i>1.09</i>	<i>0.09</i>
James City	0.77	0.84	0.07
York	0.658	0.795	0.137
<i>County Median (2018)</i>	<i>0.55</i>	<i>0.69</i>	<i>0.14</i>

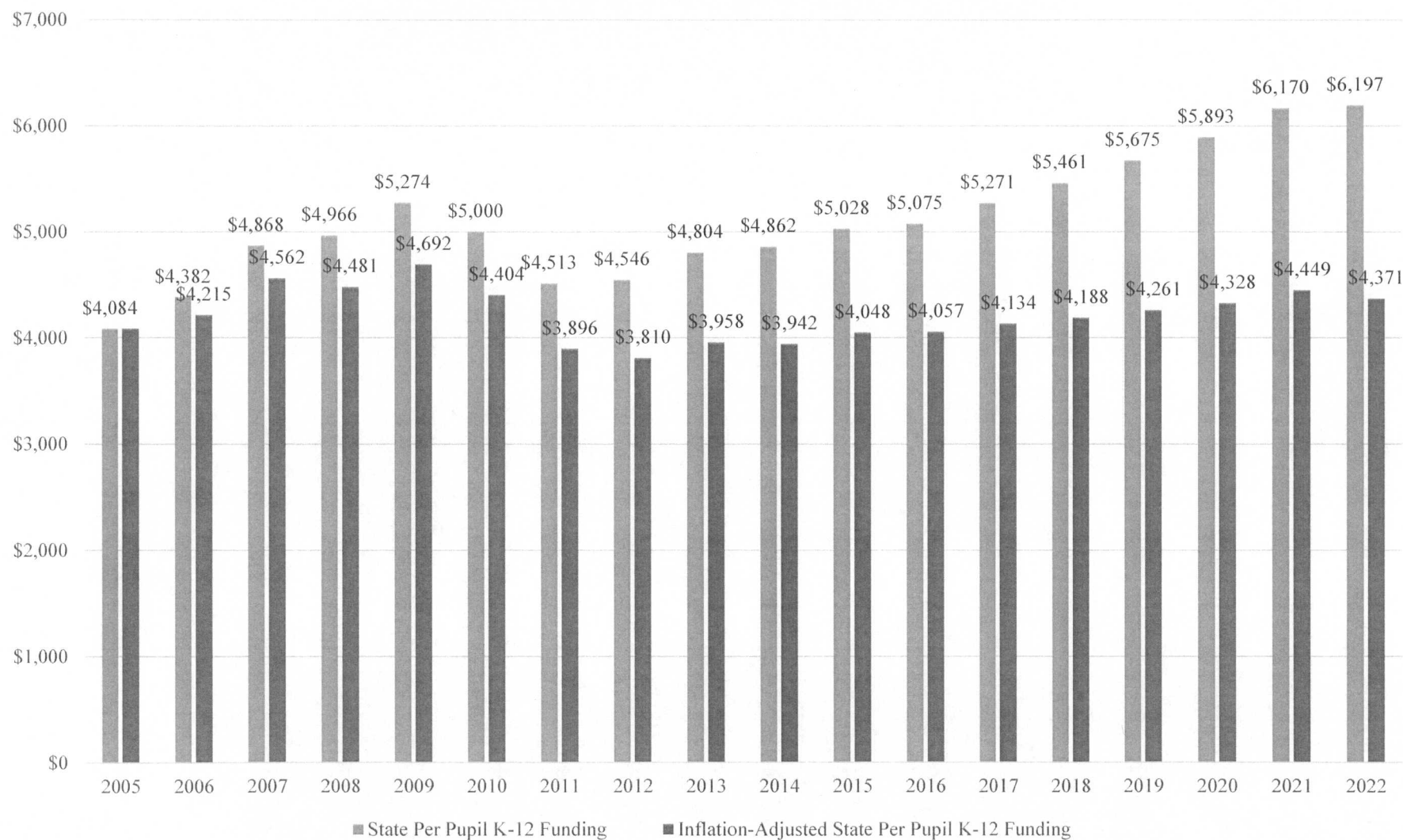
* Nominal rates per \$100 of assessed value. Source: Weldon Cooper Center, "Virginia Local Tax Rates"

WJCC Schools Sources of Funding FY 2009-19 (\$Mil.)



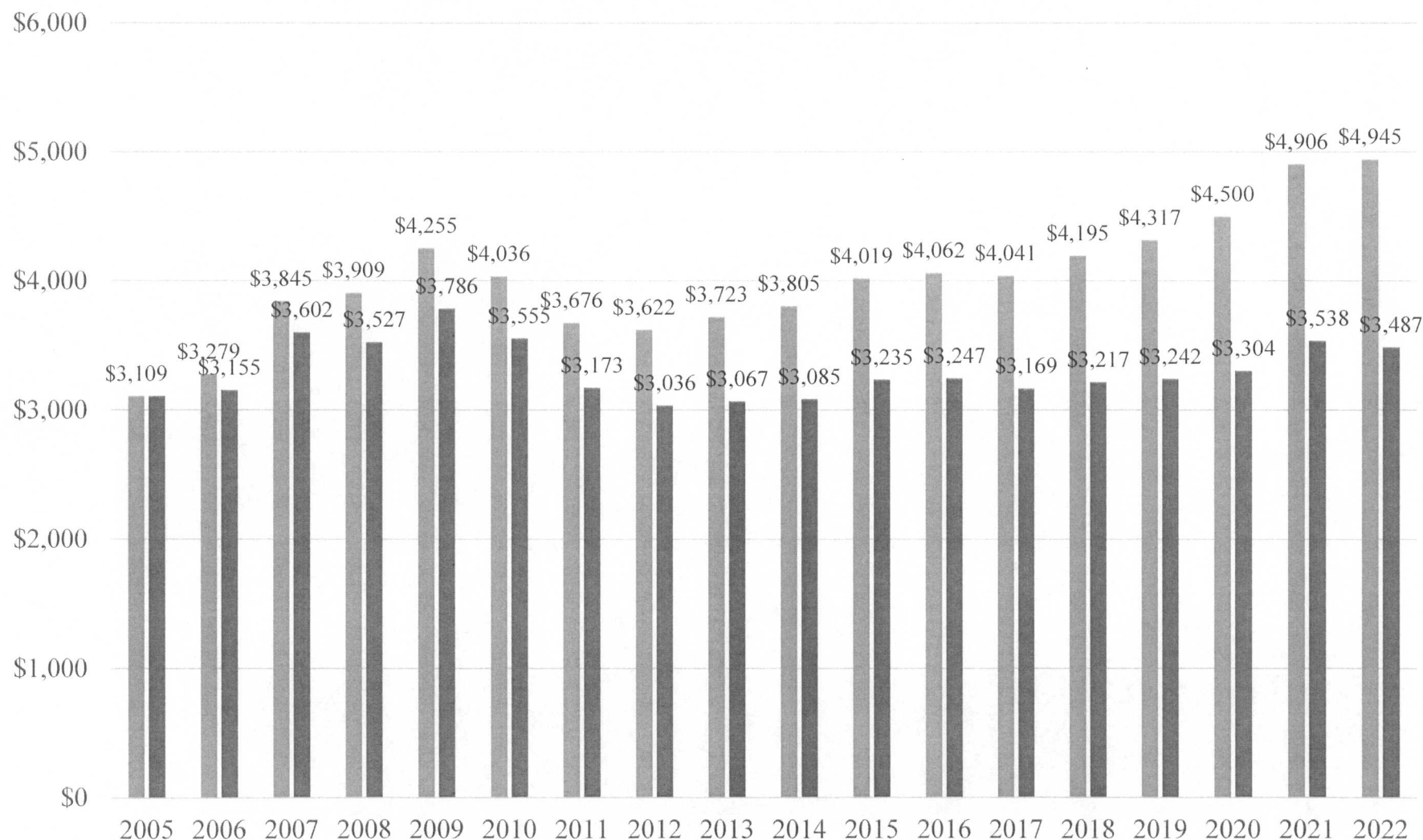
Note: State funding includes sales tax, FY 2009-19 avg. annual state funding growth = 1.5%, local funding growth = 3.0%.
 Source: DOE Superintendents Annual Report

State Per Pupil K-12 Direct Aid Funding (Net of Unallotted)
FY22 Still \$321/Pupil Less Than FY 09 Inflation -Adjusted
Nominal and Inflation-Adjusted (CPI \$2005)



Source: Virginia DOE - http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml

WJCC State Per Pupil K-12 Direct Aid (All Funds) Nominal and Inflation-Adjusted (CPI \$2005)



Source: Virginia DOE - http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml

Note: includes state sales tax distribution

WJCC LCI Analysis

(Percent of State)

Base Year Data	2017	2013	2007	2017	2013	2007
Biennium LCI	2020-22	2016-18	2010-12	2020-22	2016-18	2010-12
	<u>James City</u>	<u>James City</u>	<u>James City</u>	<u>Wmsburg</u>	<u>Wmsburg</u>	<u>Wmsburg</u>
TVRE	1.039%	1.038%	1.004%	0.157%	0.159%	0.165%
VAGI*	1.089%	1.038%	0.999%	0.115%	0.132%	0.172%
Sales	<u>0.947%</u>	<u>0.982%</u>	<u>0.921%</u>	<u>0.386%</u>	<u>0.407%</u>	<u>0.456%</u>
Numerator Weighted Avg	1.050%	1.032%	0.994%	0.163%	0.173%	0.197%
ADM	0.836%	0.811%	0.784%	0.080%	0.080%	0.064%
Population	<u>0.882%</u>	<u>0.850%</u>	<u>0.799%</u>	<u>0.182%</u>	<u>0.180%</u>	<u>0.172%</u>
Denominator Weighted Avg	0.851%	0.824%	0.789%	0.114%	0.114%	0.100%
Num/Denom Ratio (1.0 = .45 LCI)	1.2331	1.2529	1.2594	1.4290	1.5210	1.9701
LCI	.5553	.5641	.5668	.7459	.7747	0.8000

* Williamsburg VAGI adjusted for over 3% non-resident income

WJCC 2020-22 K-12 Rebenchmarking Exceeded Statewide Rebenchmarking Percentages Due to LCI Declines and ADM Increases

	<u>FY 2021</u>	<u>FY 2022</u>	<u>Total Biennium</u>
Update Prevailing Salaries and Other Personal Data	\$358,377	\$359,257	\$717,634
Non-Personal Costs and Apply Oct Inflation Rates	\$1,464,585	\$1,529,619	\$2,994,204
Revise Programs Based on Fall 2017 ADM Enrollment	\$466,665	\$458,596	\$925,261
Update Health Care Premium (without inflation)	\$161,186	\$161,875	\$323,061
Update Incentive, Categorical & Lottery Program Accounts	\$308,102	\$363,325	\$671,427
Reset SOQ Model Base Data	(\$381,960)	(\$381,960)	(\$763,920)
Update Federal Deduct Per Pupil Amount	(\$38,753)	(\$38,856)	(\$77,609)
Revise SOL Failure Rates & CEP Free Lunch Eligibility	\$43,622	\$43,233	\$86,855
Update Support Position Cap to Reflect Actual Staffing Ratios	(\$9,943)	(\$9,714)	(\$19,657)
Update Projected School-Aged Population Sales Tax Distribution	\$390,801	\$533,832	\$924,633
Update Local Composite Index	\$1,076,763	\$1,090,780	\$2,167,543
Update VRS, RHCC, & Group Life	<u>\$218,673</u>	<u>\$219,600</u>	<u>\$438,273</u>
WJCC Rebenchmarking Subtotal	\$4,058,118	\$4,329,587	\$8,387,705
Chapter 1289 WJCC State Funding	\$50,315,665	\$50,610,547	\$100,926,212
Rebenchmarking % of Total State WJCC K12 Funding	8.1%	8.6%	8.3%
Statewide Rebenchmarking Subtotal	\$361,147,906	\$399,415,479	\$760,563,385
Chapter 1289 Statewide K12 Funding	\$7,756,435,456	\$7,824,946,232	\$15,581,381,688
Rebenchmarking % of Total Statewide K12 Funding	4.7%	5.1%	4.9%

Source: Money Committee January 8, 2020 Summary of the Governor's Proposed Amendments to the 2020-22 Budget

James City and Williamsburg State K-12 Funding Accounts - FY 2021

	<u>James City</u>	<u>RLM</u>	<u>Williamsburg</u>	<u>RLM</u>
Basic Aid	\$23,672,893	\$29,560,507	\$1,246,750	\$3,659,783
Sales Tax	\$13,287,978	N/A	\$1,477,846	N/A
Textbooks	\$495,972	\$619,324	\$27,499	\$80,723
Vocational Education	\$166,139	\$207,460	\$9,468	\$27,791
Gifted Education	\$244,594	\$305,427	\$13,562	\$39,809
Special Education	\$3,059,735	\$3,820,713	\$169,392	\$497,242
Prevention, Intervention, & Remediation	\$530,723	\$662,718	\$29,426	\$86,379
VRS Retirement	\$3,175,110	\$3,964,782	\$176,045	\$516,771
Social Security	\$1,361,421	\$1,700,016	\$75,484	\$221,581
Group Life	\$96,915	\$121,018	\$5,373	\$15,774
English as a Second Language	\$272,199	\$339,897	\$45,584	\$133,810
Remedial Summer School	<u>\$89,916</u>	<u>N/A</u>	<u>\$10,248</u>	<u>N/A</u>
Total SOQ	\$46,453,595	\$41,301,862	\$3,286,677	\$5,279,663
Incentive	\$772,454	\$867,810	\$487,006	\$154,862
Categorical*	\$0	\$0	\$1,362,195	\$0
Lottery	\$3,089,617	\$1,111,673	\$408,280	\$189,768
Total K-12 Education	\$50,315,665	\$43,281,345	\$5,544,158	\$5,615,082

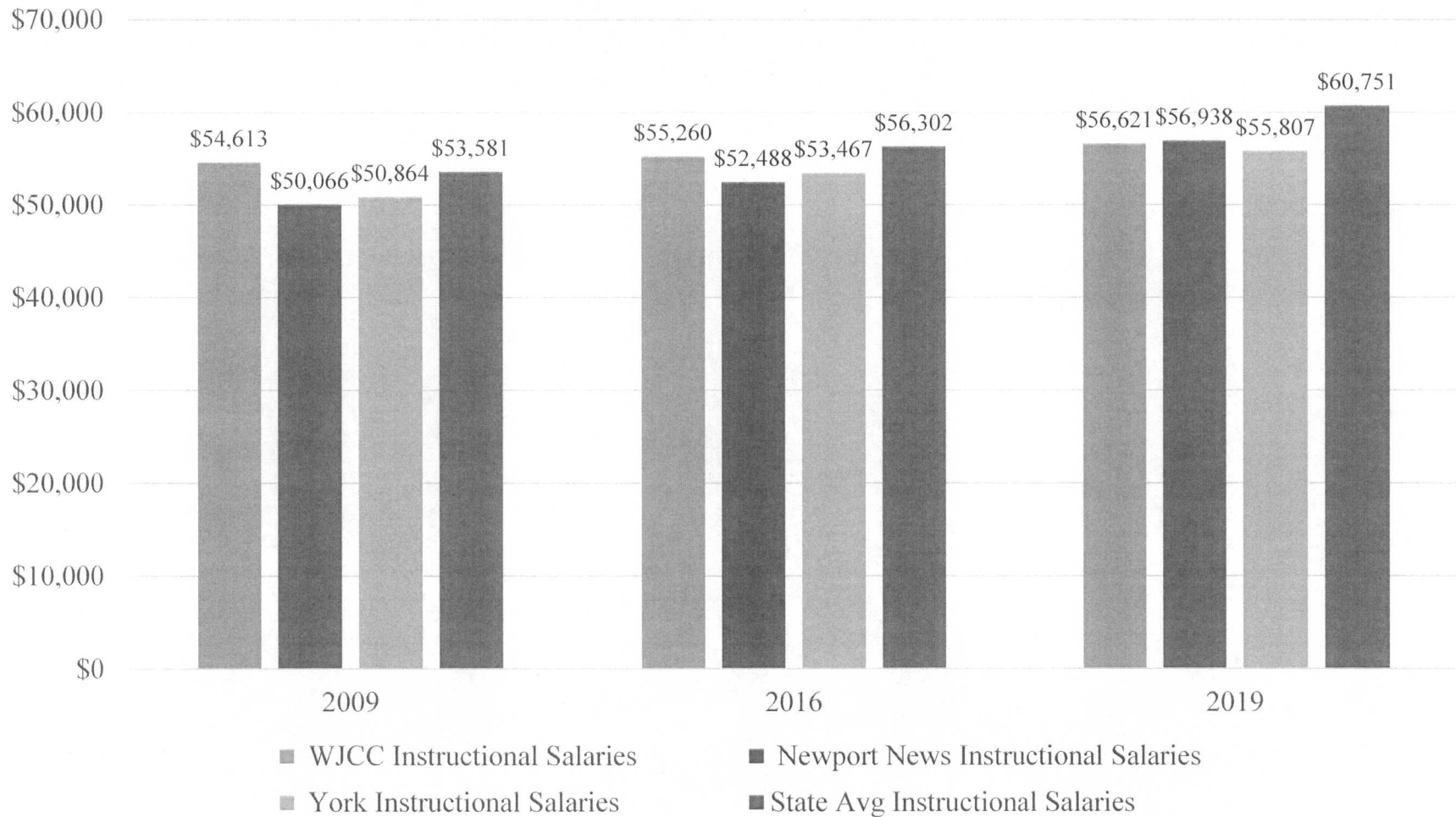
Comparison of FY 2019 Local Expenditures Above Required Local Effort

	<u>James City</u>	<u>Williamsburg</u>
2019 Required Local Effort	\$37,914,055	\$5,605,828
FY 2019 Actual Local Expenditures for Operations	\$81,613,878	\$6,728,275
Expenditures Above RLE	\$43,699,823	\$1,122,447
% Expenditures Above RLE	115.3%	20.0%

All School Districts <u>Exceeding RLE in FY 2019</u>	
0 - 25%	18
25 - 75%	43
75 - 100%	28
Over 100%	46

Still, WJCC Has Slipped in Pay Compared to Surrounding School Divisions and Statewide

Instructional Pay Changes



Source: Superintendent's Annual Report.

* All instructional positions include classroom teachers, guidance counselors, librarians, principals, and assistant principals.

NEA Average Instructional Salaries by State vs Zillow Median Home Value Index

Rank	NEA AVG Instructional Salary - 2019	Rank	Zillow Home Value Index August 2020
	United States		United States
	\$66,126		\$256,663
1	New York	1	Hawaii
2	California	2	District of Columbia
3	Massachusetts	3	California
4	New Jersey	4	Massachusetts
5	Rhode Island	5	Washington
6	Washington	6	Colorado
7	Alaska	7	Oregon
8	Washington D.C.	8	Utah
9	Connecticut	9	New Jersey
10	Maryland	10	New York
11	Minnesota	11	Maryland
12	Pennsylvania	12	Rhode Island
13	Oregon	13	Nevada
14	Illinois	14	Idaho
15	Hawaii	15	New Hampshire
16	Delaware	16	Virginia
17	North Dakota	17	Alaska
18	Nevada	18	Montana
19	Georgia	19	Kansas
20	Vermont	20	Arizona
21	Ohio	21	Delaware
22	Michigan	22	Minnesota
23	Indiana	23	Connecticut

24	Wyoming	\$60,979	24	Vermont	\$266,474
25	Iowa	\$60,942	25	Maine	\$259,991
26	Colorado	\$60,896	26	Florida	\$258,257
27	Texas	\$60,706	27	Wyoming	\$256,427
28	Utah	\$60,374	28	North Dakota	\$235,998
29	Wisconsin	\$60,027	29	South Dakota	\$218,416
30	New Hampshire	\$60,003	30	New Mexico	\$216,112
31	Kentucky	\$56,651	31	Texas	\$215,658
32	New Mexico	\$56,630	32	North Carolina	\$214,726
33	Oklahoma	\$56,320	33	Georgia	\$213,026
34	Alabama	\$56,273	34	Illinois	\$209,335
35	South Carolina	\$56,112	35	Wisconsin	\$204,948
36	Maine	\$55,996	36	Pennsylvania	\$204,876
37	Virginia	\$55,615	37	South Carolina	\$196,857
38	Nebraska	\$55,367	38	Tennessee	\$196,125
39	North Carolina	\$54,682	39	Nebraska	\$183,380
40	Tennessee	\$54,577	40	Michigan	\$182,327
41	Idaho	\$54,025	41	Louisiana	\$171,504
42	Missouri	\$53,308	42	Missouri	\$170,670
43	Kansas	\$53,123	43	Indiana	\$164,636
44	Montana	\$53,120	44	Ohio	\$160,093
45	Louisiana	\$52,994	45	Iowa	\$156,851
46	Arkansas	\$52,766	46	Kentucky	\$153,591
47	South Dakota	\$50,511	47	Alabama	\$149,996
48	Arizona	\$50,381	48	Oklahoma	\$136,104
49	West Virginia	\$49,499	49	Arkansas	\$135,958
50	Florida	\$49,103	50	Mississippi	\$127,677
51	Mississippi	\$47,623	51	West Virginia	\$107,762

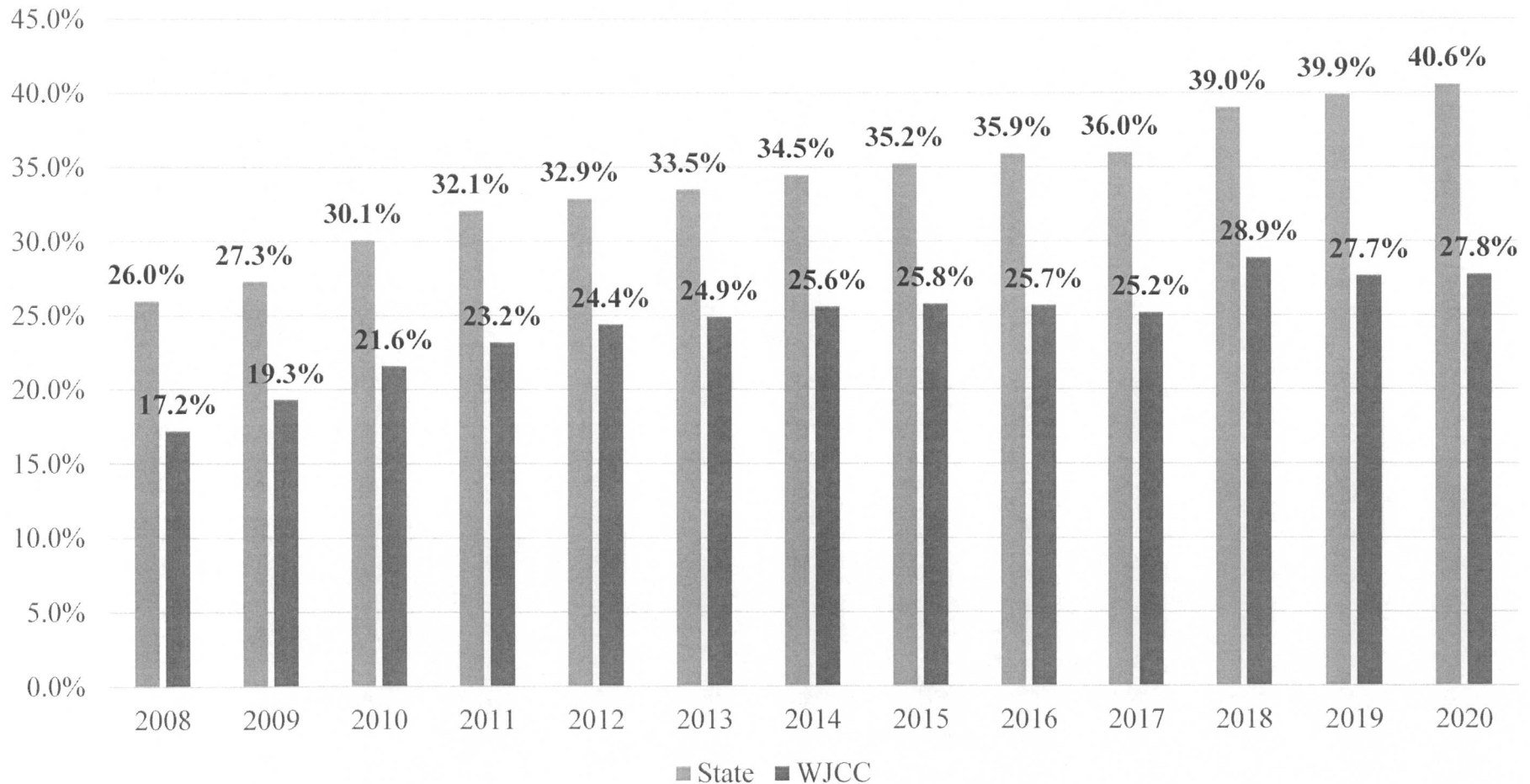
Note: Removing PD 8 (NoVa) - similar to Maryland instructional pay - would reduce VA state average about \$6,000, ranking Virginia in the bottom 5 states.

Since 2009, WJCC K12 Students Have Increased Faster than the State (March 31 ADM)

	<u>Statewide</u>	<u>% Increase</u>		<u>WJCC</u>	<u>% Increase</u>
2009	1,195,844			10,236	
2010	1,204,422	0.7%		10,486	2.4%
2011	1,209,568	0.4%		10,448	-0.4%
2012	1,215,363	0.5%		10,602	1.5%
2013	1,222,545	0.6%		10,715	1.1%
2014	1,229,317	0.6%		10,955	2.2%
2015	1,258,833	2.4%		11,061	1.0%
2016	1,240,093	-1.5%		11,268	1.9%
2017	1,243,921	0.3%		11,470	1.8%
2018	1,246,931	0.2%		11,421	-0.4%
2019	1,245,029	-0.2%		11,427	0.1%
2020	1,250,770	0.5%		11,456	0.3%
<i>Increase Since 2009</i>	54,926	4.6%		1,220	11.9%

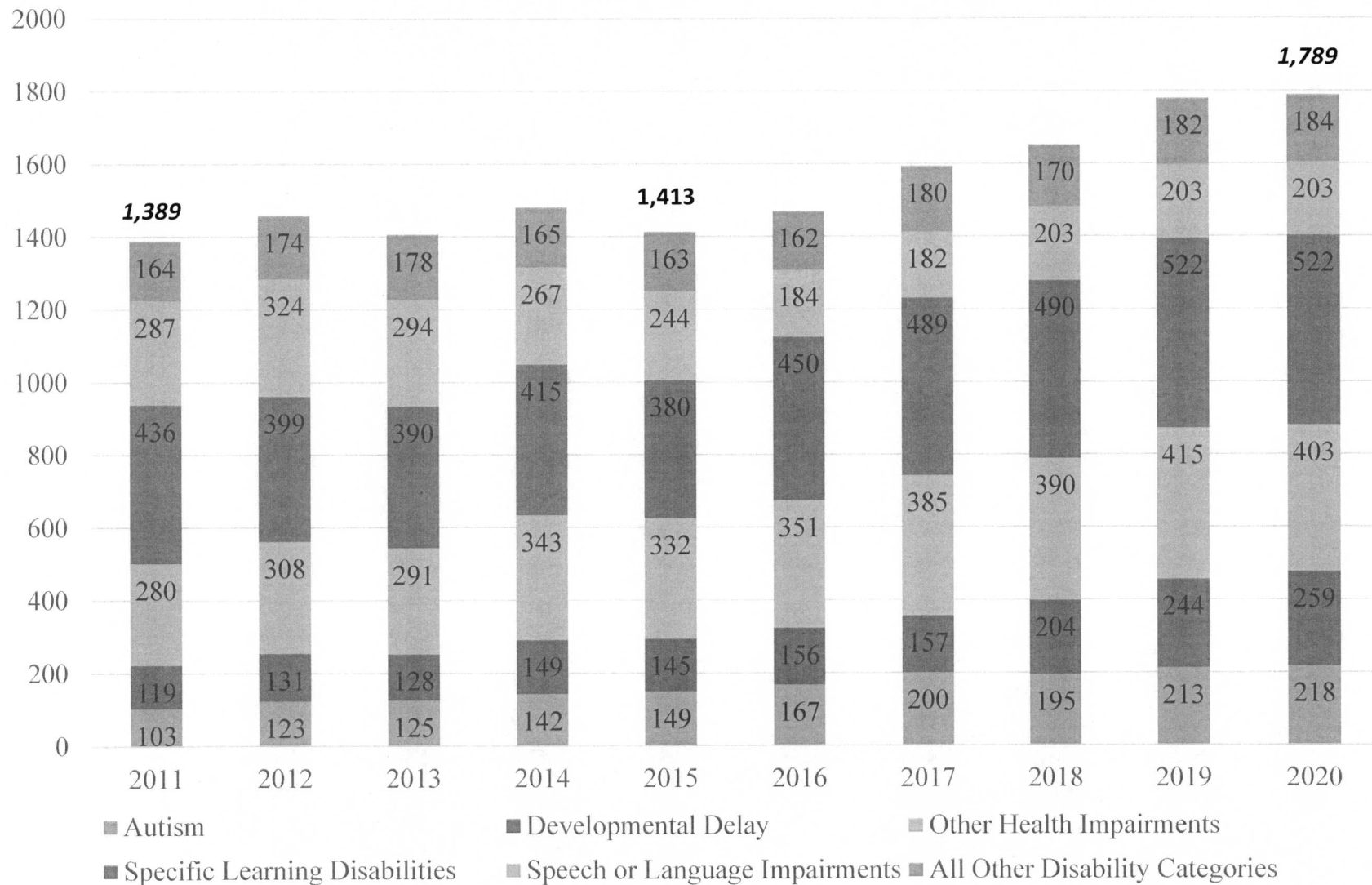
WJCC Has Lower Free Lunch Percentages than Statewide Averages

State and WJCC Free Lunch Percentages



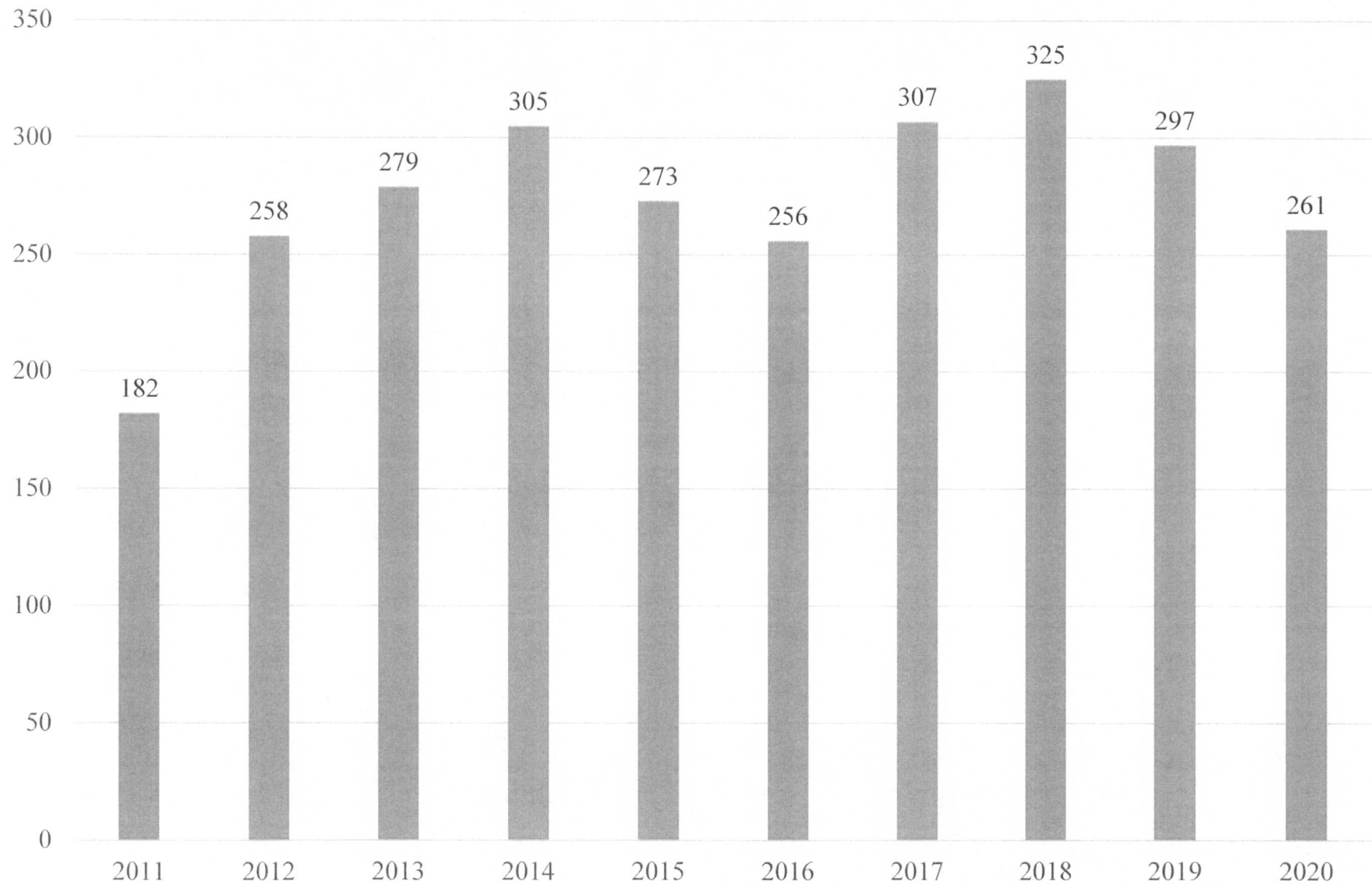
* Jump in FY18 FL students due to participating in the Community Eligibility Provision and/or Direct Certification of Medicaid eligible students (WJCC)

WJCC Students With Disabilities Comprise 15% of ADM Having Grown 26% Since 2015



Note: Statewide students with disabilities comprise 14% of ADM, having grown 12% since 2015

WJCC Homeless Students Has Varied by Year



Summary

- Local revenue growth has not kept pace with population and inflation. Both James City and Williamsburg have raised property tax rates since 2009, but less than average statewide locality increases.
- James City and Williamsburg have higher RE values than surrounding localities. James City RE tax rates are slightly higher than surrounding counties, but much lower than nearby cities. Williamsburg RE rates are significantly below surrounding locality rates.
- State funding for the WJCC school district has significantly lagged local K12 funding increases since the 2009-10 recession.
- James City and particularly Williamsburg have high LCI's - much higher than surrounding school districts, although falling over the last ten years. James City's population and ADM has been growing more rapidly than the state, while Williamsburg's share of sales tax, income, and property values has been falling.
- James City is in the top tier of localities' exceeding required local match requirements.
- WJCC teacher salary increases have underperformed the region and state average increases since 2009.
- WJCC has fewer free lunch students than statewide averages, but relatively more students with disabilities – 15% versus 14% statewide – and recently growing faster than state disabled students – 26% versus 12% since 2015 .