

March 31, 2025

Mr. Mark Bellamy
County Administrator
County of York, Virginia 23692

Dear Mr. Bellamy,

In accordance with Section 15.2-2503 of the Code of Virginia, I am submitting the proposed FY26 School Board budget for the York County School Division (YCSD) for your consideration. State funding for this budget is based on Governor Youngkin's proposed budget as of December 18, 2024.

The FY26 School Board budget, detailed in the attached document, includes total operating revenue of \$244.1 million, allocated as follows:

- **General Operating Fund:** \$200.9 million
- **Food Service Fund:** \$7.7 million
- **Workers' Compensation Fund:** \$538,000
- **Health and Dental Fund:** \$30.3 million
- **Technology Reserve Fund:** \$4.6 million

State revenue is projected at \$111.8 million, reflecting a \$3.6 million increase. This projection is based on an average daily membership (ADM) of 13,268 students, an increase of 302 students compared to the FY25 original budget.

Local revenue is estimated at \$63.7 million, representing a \$500,000 increase. Miscellaneous local revenue, primarily from student fees, property leases, tuition, and facility rentals, is expected to total \$2.3 million.

Federal revenue is projected at \$19.6 million, a decrease of \$100,000 from the FY25 original budget. Title I, II, III, IV, and VIB set-aside grants contribute over \$4.3 million, while Impact Aid revenue accounts for \$8.7 million. YCSD continues to secure competitive grants, with more than \$4.7 million anticipated from two Department of Defense Foreign Language grants and a Department of Defense Maritime grant.

As presented, this budget reflects a revenue-expenditure gap of approximately \$3.6 million. At the time of approval, the state had not yet finalized its budget. The General Assembly initially allocated an additional \$3.0 million, but recent amendments by Governor Youngkin reduced this amount to \$1.5 million, leaving a potential shortfall of \$2.1 million. If the county increases its local contribution from \$500,000 to \$1.0 million, the gap would be reduced to approximately \$1.6 million.

The General Assembly is scheduled to reconvene on April 2 to consider the Governor's amendments. If no action is taken to restore K-12 funding, the school division will be forced to reduce expenditures to balance the budget.

Attached is a summary detailing four iterations of the YCSD FY26 budget as it progressed through the state's budget process. Item 1 reflects the Governor's initial budget proposal, based on an average daily membership (ADM) of 13,367 students. Item 2 adjusts the budget to incorporate a revised ADM of 13,268 students, following enrollment projections provided by the Weldon Cooper Center. Item 3 incorporates funding changes based on actions taken by the General Assembly, which provided approximately \$3.0 million in additional support to YCSD, and Item 4 accounts for the Governor's subsequent amendments, which reduced state funding by about \$1.55 million, and includes an additional \$500,000 in county contribution, to help address the remaining budget shortfall.

In closing, the School Board and I wish to thank you, your staff, and the Board of Supervisors for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Victor D. Shandor". The signature is written in a cursive style with a large, sweeping initial "V".

Victor D. Shandor, Ed.D.
Division Superintendent

Attachment

1. December 2024 - Original Budget Projection – New revenue/expenditures for FY26

• State revenue (13,367 Average Daily Membership)	\$4,350,000
• Local revenue	\$ 500,000
• Local miscellaneous revenue	\$ 300
• Federal revenue	\$ 389,000
• Expenditure reductions	\$ 313,000
Total Resources available	\$5,552,300
• Expenditure increases	\$8,731,775

Budget Gap	\$3,179,475
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Note: The average daily membership (ADM) was projected to be 13,367, an increase of 401 students over the FY25 budget. Staff believed that this number was high, so

2. February 2025 – Revised Budget Projection based on revised ADM (less 99 students)

• State revenue (13,268 ADM)	\$3,636,206
• Local revenue	\$ 500,000
• Local miscellaneous revenue	\$ 300
• Federal revenue	\$ 389,000
• Expenditure reductions	\$ 313,000
Total Resources available	\$4,838,506
• Expenditure increases	\$8,731,775
• Reduction of 4 teacher positions based on lower ADM	(\$ 320,000)
Total Expenditures	\$8,411,775

Budget Gap	\$3,573,269
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Note: The average daily membership (ADM) was reduced 99 students to 13,268, based on a secondary review of enrollment projections by the Weldon Cooper Center. Also, 4 teacher positions were eliminated to account for the reduction of students.

FY26 Budget Updates



3. March 2025 - General Assembly Budget – Add Support Cap and Special ED funding

• State revenue (13,268 ADM)	\$3,636,206
○ Support Cap funding ≈	\$2,500,000
○ Additional Special Education Add-on ≈	\$ 525,000
• Local revenue	\$ 500,000
• Local miscellaneous revenue	\$ 300
• Federal revenue	\$ 389,000
• Expenditure reductions	\$ 313,000
Total Resources available	\$7,863,506
• Expenditure increases	\$8,731,775
• Reduction of 4 teacher positions based on lower ADM	(\$ 320,000)
Total Expenditures	\$8,411,775
Budget Gap	\$ 548,269

4. March 2024 - Governor’s Amendments/Veto – lower support cap funding and increase in local revenue

• State revenue (13,268 ADM)	\$3,636,206
○ Support Cap funding (less \$1.55m) ≈	\$ 950,000
○ Additional Special Education Add-on ≈	\$ 525,000
• Local revenue	\$1,000,000
• Local miscellaneous revenue	\$ 300
• Federal revenue	\$ 389,000
• Expenditure reductions	\$ 313,000
Total Resources available	\$6,813,506
• Expenditure increases	\$8,731,775
• Reduction of 4 teacher positions based on lower ADM	(\$ 320,000)
Total Expenditures	\$8,411,775
Budget Gap	\$1,598,269

Note: Governor Youngkin reduced the funding for support positions. The General Assembly reconvenes on April 2nd to override the Governor’s actions.