

FY2018 - FY2022 Five-Year Plan Review

Chris Sorensen, Assistant Superintendent
February 7, 2017 * Presented to School Board





Outline of Presentation

- Goals of Five-Year Plan Model
- Plan Highlights
- Revenues
- Expenditure Priorities
- Next Steps
- Summary





Five-Year Plan as a Planning Tool

- Is a planning tool for:
 - determining funding priorities and balancing the budget over time
 - providing assurance to our citizens that the School Board is positioned to meet future needs
 - ensuring continued funding for items in the previous year's adopted budget before consideration of new requests
- Is not approved in total by the School Board nor the Board of Supervisors; only the first year is subject to adoption and appropriation
- Is a plan whose overall direction and emphasis should remain constant if current needs and conditions remain relatively constant





Five-Year Plan Highlights

- Conservative revenue estimates over the Five-year period
- Identification of future cost of commitments in the base budget
- A number of multi-year plans to achieve goals
 - Compensation and Benefits
 - Academic Enhancements
 - Operations
 - Safety





Five-Year Plan Revenues

- Local - remains flat with no new sources identified
- County funding - 3.5% to 4% increases annually
 - Outyear County funding not final
- State funding is adjusted based on the year of the biennium
- State sales tax estimates are conservative at approximately 2% increase annually
 - Slight decrease in FY2018
- Prior year savings include:
 - Funding from the debt reserve to meet anticipated debt payments
 - Prior year ending balances
 - Prior year ending balances at a rate declining to zero in FY2021 and beyond





Five-Year Plan Revenues

- Medicaid funding - a reimbursement for services providing a funding source for the operating budget net of expenses for administration of the program
- Federal funding - provides a very small amount to the operating fund - all federal grants are accounted for separately





Future Costs of Base Budget Commitments

- Debt service
- Pay-as-you-go capital funding
- Children's Services Act (formerly Comprehensive Services Act)
- Enrollment growth in FY2018
- Regional schools tuition and number of student slots increase
- A partial offset to cost increases in the base budget will be achieved by re-alignment of salaries following employee turnover annually





Five-Year Plan

Compensation and Benefits

- A 2% pay increase for all employees for a total that equates to over 10% for the 5-year period
- Continued funding for anticipated increases to health insurance
 - Employer funding only





Five-Year Plan

Compensation and Benefits

- The plan lays out a fiscally appropriate solution for solvency for the supplemental retirement plan
 - An in-depth analysis of potential changes to the program together with an initial infusion of \$3,100,000 followed in subsequent years with \$500,000 to \$1,000,000 each year will build a budgeted amount that should carry the program to its end while improving the funded liability
 - In addition to \$2.5 million in base budget (\$5.6 million in FY 18)
 - Additional funds to support the program are based on salary savings from the number of SRP participants each year
 - These potential changes and planned budget outlay are pending the completion of actuarial and legal reviews





Five-Year Plan

Academic Priorities

- Pupil-teacher ratio reduction is planned in each year of the 5-year plan
- Digital curriculum - \$750,000 additional funding will be available annually based on increases from FY2017 - FY2021
- Student wellness
 - Expanding the program over the next 2 years with the addition of 2 wellness integrators in FY2018 and 3 additional integrators in FY2019.
- Phoenix program for alternative education
 - Funding included in FY2018 to FY2020 for the program to serve 200 students annually when fully operational





Five-Year Plan

Academic Priorities

- Early college academy
 - In partnership with John Tyler Community College, interested high school students will complete coursework allowing them to graduate from CCPS with a high school diploma and a two-year associate's degree. The staffing necessary to coordinate this program is funded in phases over 4 years of the plan.
- Additional Special Education Coordinators





Five-Year Plan

Academic Priorities

- A number of additional academic priorities will be considered in phases and funded over a number of years:
 - School starting times
 - Testing academies
 - Musical instrument replacement
 - Innovation grants
 - Startup costs for the opening of the new elementary school
 - Staff computer replacement





Five-Year Plan

Operations and Safety

- Bus fleet replacement
 - The goal is to replace 35-40 buses annually to remain within a 15-year replacement cycle
 - The 5-year plan adds \$250,000 in FY2018, FY2019 and FY2020
 - \$1 million in ending balance will supplement this plan through FY2023
 - Beginning in FY2024, the budgeted bus lease funding will also be allocated to the plan
- A nurse for every school
 - Efforts continue to provide a full time nurse in every school. The plan will be phased in over FY2018, FY2020 and FY2021





Five-Year Plan

- The five year plan is balanced within projected revenues over the period
- Includes funding for all items proposed for funding in FY2018 over the entire period
- The plan is updated annually; however, additional savings would need to be identified as new priorities are identified
- Most of the expense increases over the next five years are focused on faculty and staff salaries and benefits (VRS, health care, SRP).



School Revenue	School Revenue					
	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Local Sources	\$ 10,216,000	\$ 10,188,100	\$ 10,188,100	\$ 10,188,100	\$ 10,188,100	\$ 10,188,100
County Transfer - Estimated FY19 - FY22	270,992,000	281,287,000	286,371,400	296,626,400	307,294,600	318,049,900
Adjustments for Change in Shared Services Accounting						
Police		(2,138,000)				
Parks and Recreation		(2,043,300)				
Information Technology		(293,200)				
Accounting		(722,800)				
Internal Audit		(95,900)				
Purchasing		(986,600)				
Interest	74,000	74,000	100,000	100,000	100,000	100,000
One-time Capital (for Ettrick)				4,850,000		
Prior Year Savings	3,500,000	7,036,600	7,055,400	4,264,200	2,228,200	1,130,700
State Sales Tax	63,400,200	63,219,400	64,483,800	65,773,500	67,089,000	68,430,800
State	248,844,000	264,032,700	270,338,311	275,745,039	285,396,165	291,104,121
Medicaid Reimbursement		1,200,000	1,250,000	1,250,000	1,250,000	1,250,000
Federal	396,500	419,200	419,200	419,200	419,200	419,200
TOTAL REVENUE	\$ 597,422,700	\$ 621,177,200	\$ 640,206,211	\$ 659,216,439	\$ 673,965,265	\$ 690,672,821

School Expenditures						
<i>Baseline Increases</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Prior Year Total	\$581,100,000	\$597,422,700	\$621,177,200	\$640,206,211	\$659,216,439	\$673,965,266
Healthcare - 7% employer increase annually	4,518,800	2,305,700	2,467,100	2,639,800	2,824,600	3,022,300
VRS and other benefit changes (from rate changes only)	1,990,100	5,139,600			750,000	
County service costs	650,700	-5,810,400				
Workers Compensation	-1,000,000					
Student Growth (45.2 FTEs)	-	2,585,000				
Furniture for Student Growth (one time in FY18)		110,000	-110,000			
Debt Service	131,900	2,392,600	2,372,200	-544,600	439,000	-1,091,700
Pay-as-you-go Capital Funding	3,884,000	2,870,100	3,145,900	5,434,000	-3,579,900	4,284,000
Additional SRP Payment		3,100,000	500,000	1,000,000	1,000,000	1,000,000
Children's Services Act	1,176,800	273,100	129,500	142,400	156,600	172,300
Regional schools tuition increase	158,400	71,400	78,540	86,394	95,083	104,632

School Expenditures						
<i>Baseline Increases</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Facilities reorganization savings		\$ -1,258,000				
Reduction in support positions through attrition (-9 FTEs)		-500,000				
Other Changes (salary savings year over year, other)	-11,827,480		-2,605,729	-1,942,016	-1,444,157	-1,442,777
Realignment of salaries		-3,531,800				
Renewal of custodial contract		232,600				
Transportation employee retention incentives		174,400				
Contingency reduction		-188,600				
Technical adjustments		-90,600				
Reallocation of funds to provide SPED nurses (5.2 FTEs)		0				
Baseline Expenditure Increase	-316,780	7,875,100	5,977,511	6,815,978	241,226	6,048,755
BASELINE SUBTOTAL	\$580,783,220	\$605,297,800	\$627,154,711	\$647,022,189	\$659,457,665	\$680,014,020

School Expenditures						
<i>Program/Service Enhancements</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Salary Adjustments (2% annually)	\$ 7,409,800	\$ 7,785,200	\$ 7,940,900	\$ 8,099,700	\$ 8,261,700	\$ 8,426,900
Additional PTR Reductions (approximately 28 FTEs each year)	1,593,600	1,635,000	1,632,000	1,664,649	1,697,900	1,731,900
Digital curriculum	250,000	125,000	125,000	125,000	125,000	
Bus Fleet Replacement	250,000	250,000	250,000	250,000		
CODE RVA (29 students)	15,000	281,300	198,000	198,000		
Elementary special education coordinators (13 FTEs FY17; 10 FTEs FY18)	738,700	572,500				
Student focused wellness positions (2 FTEs FY18, 3 FTEs FY19) - ***note: amended since original proposal	90,000	114,800	172,200			
Student wellness operating supplies		11,250				
Coordinated Early Intervening Services (CEIS) set-aside impact for operating fund (27 FTEs)		1,645,900				
Phoenix Program (Alternative Education (2.4 FTEs FY18, 3.0 FTEs FY19 and 2 FTEs FY20)		140,500	199,500	125,400		
Early College Academy (4.2 FTEs FY18; 4.2 FTEs FY19; 2 FTEs FY20)		296,900	295,000	190,500	282,000	
SOL/SAT/AP/WISE Academies		50,000	50,000			

School Expenditures						
<i>Program/Service Enhancements</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Reduction of 1/2 clinic aide positions through attrition (-9 FTEs FY18; -23 FTEs FY20)		\$ -207,300		\$ -529,900		
School starting times (ongoing costs) (25 FTEs FY19)		500,000	1,200,000			
Special Education Music and Art Program (3.5 FTEs)		212,600				
Strategic salary adjustments - school level leadership		958,900				
Remedial study skills program - Falling Creek Middle School		140,000				
Social Emotional Learning Materials for Elementary Expansion - \$15K per school; Curtis, Crenshaw, Hening, Grange Hall, Crestwood, Hopkins		90,000				
Coaching supplements - lacrosse and swim		171,600				
Reclassify technology resource assistant (TRA) positions to STEAM teachers - Ecoff, Enon, Ettrick, Woolridge and Spring Run Elementary Schools		144,700				
Earth Science curriculum for middle schools		60,000				
Elementary School Science Kit Replacements		42,000				
Musical Instrument Replacement		20,000	20,000	20,000	20,000	20,000

School Expenditures

<i>Program/Service Enhancements</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Reclassify legal assistant position to attorney position		\$ 48,900				
Richmond Ballet, Partners in the Arts, Richmond Symphony contract increases		20,000				
Project based learning operating supplies		11,250				
Dual enrollment support for CTE programs		10,000				
Regional career exploration program		7,500				
Community makerspace staffing - Bird High School		6,000				
Economics and personal finance instruction resources		4,500				
Addition of nurse positions - one per school (9 FTEs FY18; 10 FTEs FY20; 10 FTEs FY21)		728,700		813,000	813,000	

School Expenditures						
<i>Program/Service Enhancements</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Targeted Instruction and Attendance Support (13 FTEs)	\$789,280					
Middle School Administrative Assistants (4 FTEs)	227,300					
High School Dean (1 FTE)	59,700					
Additional collaborative teaching staff (middle schools) (15 FTEs)	645,000					
College and Career Readiness (1 FTE)	220,000					
Permanent substitutes (continuation of FY16 funding) (5 FTEs)	275,000					
Headstart support (1 FTE)	115,000					
Finance Positions for IRS Reporting Requirements (2 FTEs)	123,200					
Continued restoration of elementary stipends	133,000					
Additional 1% pay raise (FY17 ONLY)	3,704,900					

School Expenditures

<i>Program/Service Enhancements</i>	FY2017 Adopted	FY2018 Amended	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan
Elementary gifted screening tool pilot		\$ 1,700				
Innovation grants				300,000	300,000	300,000
Opening Midlothian area elementary school (2 FTEs FY19; 21 FTEs FY20)			165,900	822,900		
Staff computer replacements	-		803,000		803,000	
Programs associated with future strategic planning				115,000	2,205,000	180,000
Enhanced Expenditure Increase	\$16,639,480	\$15,879,400	\$13,051,500	\$12,194,250	\$14,507,600	\$10,658,800
TOTAL EXPENDITURES (Base + Enhanced)	\$597,422,700	\$621,177,200	\$640,206,211	\$659,216,439	\$673,965,266	\$690,672,821
Total (Deficit)/Surplus	\$0	\$0	\$0	\$0	\$0	\$0



Five-Year Plan Next Steps

- Amendments will likely occur as a result of Crossover at the General Assembly, input during School Board work sessions, and the Public Hearing
 - Amendments require rebalancing of all years
 - Can be done weekly or February 23 or 28 as one step following School Board discussion during prior work sessions

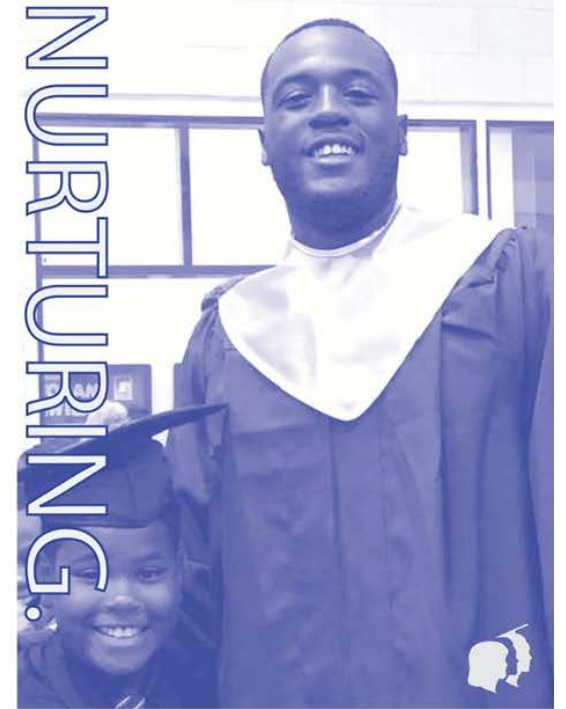
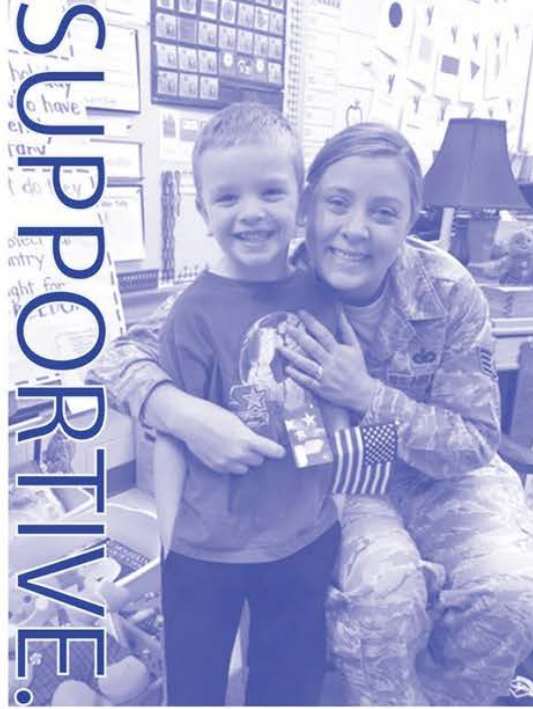




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