



Investing in Today to Imagine Tomorrow

**Amazing Learning Experiences,
Remarkable Learning Environments**

FY 2020 Approved Operating Budget
Dr. Merv Daugherty, Superintendent
Christina Berta, Chief Finance Officer
Chesterfield County Public Schools
February 26, 2019 * School Board Meeting



Budget Factors

This budget is developed on the following:

- **Based on the Governor's Proposed Budget**
- **Based on the County Funding letter received in December 2018**
- **General Assembly budget was completed over the weekend; however, updated calc tools have not been received from VDOE at this time. Once received we will have conversations with the County regarding support of any funding gaps that may exist.**



Budget Factors

- **Potential impacts of General Assembly Budget**
 - **House modifications - create a funding gap of \$2.7M to support the base budget**
 - **Senate modifications - create a funding gap of \$2.1M to support the base budget**



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FY 2020 Items included in Base Budget



Operating fund expenditures

Changes to the base budget for FY 2020

Item	Amount	FTEs	Five-Year Plan item(*)
3 percent salary increase for all eligible staff (including temp, sub and overtime pay)	\$ 12,900,000	-	(2%)*
Increased health-care costs (8 percent employer rate increase for ½ year beginning in FY2020)	3,976,600	-	*
Student enrollment growth (increase of ~520 students)	1,554,500	26.5	*
Opening of Old Hundred Elementary School	\$751,200	15.4	*



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Operating fund expenditures

Changes to the base budget for FY 2020

Item	Amount	FTEs	Five-Year Plan item(*)
Additional SRP payment	\$500,000	-	*
Children Services Act (CSA)	306,300	-	*
Musical instrument replacement (3rd year)	20,000	-	*
CodeRVA (third class), Governor's schools increases	318,125	-	*
Realignment of salaries (salary savings)	(2,213,538)		*
FTE changes after FY 2019 budget adoption (majority Area 5 transportation)	429,965	8.7	
Reduction in CIP pay-go (for one-time FY19 funding)	(11,613,500)	-	*



Operating fund expenditures

Changes to the base budget for FY 2020

Item	Amount	FTEs	Five-Year Plan item(*)
Bus Fleet Replacement	\$250,000	-	*
Debt Service	\$3,913,288	-	*
Instructional pool positions (student growth, increased Special Education and ESL populations)	\$1,658,000	27.5	
Additional funding for facilities preventative maintenance	900,000	-	



Operating fund expenditures

Changes to the base budget for FY 2020

Item	Amount	FTEs
<i>Adjustments Related to Governor's Budget Amendments:</i>		
Continued support for VPI+ federal program	1,888,200	32.0
School counselors (change to state's Standards of Quality staffing standards) - three-year, phased-in approach to achieve 1:250 ratio divisionwide	670,000	10.8



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Operating fund expenditures

Changes to the base budget for FY 2020

Item	Amount	FTEs
<i>Other Technical Adjustments:</i>		
VRS hybrid disability	\$213,200	-
Leave payouts	110,000	-
Legal services	274,200	-
Utilities (rate increase and alignment with actual expenses)	1,308,600	-
Increase in custodial contract (PPI and Old Hundred ES)	174,440	-
Increase in transfer to grants (local match)	245,200	-
Transfer of Detention Center to Grants (state-operated program)	(1,025,600)	(12.0)



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Operating fund expenditures

Change detail summary

Item	Amount	FTEs
FY 2019 adopted budget	\$ 654,720,700	7,218.5
Changes to base budget	17,509,180	108.9
FY 2020 proposed budget	\$ 672,229,880	7,327.4

A person is seen from behind, sitting at a desk in a control room. They are looking at several computer monitors displaying various data visualizations, including line graphs, bar charts, and pie charts. The room is dimly lit, and the overall color scheme is a cool blue. The person is wearing a light blue shirt. The text "Amazing Learning Experiences, Remarkable Learning Environments" is overlaid in large, bold, black letters at the top of the image. At the bottom, the text "Operating budget by the numbers" is also overlaid in large, bold, black letters.

Amazing Learning Experiences, Remarkable Learning Environments

Operating budget by the numbers



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Revenue budget summary

Operating Fund

Category	FY 19 Adopted	FY 20 Approved	Dollar Change	Percent Change
Transfers (including County)	\$283,397,800	\$291,106,600	\$7,708,800	2.7%
One time funding (primarily prior year savings specifically for CIP)*	18,768,500	7,122,330	(11,646,170)	(62.0%)
Local (CCPS generated)	9,242,000	8,562,600	(679,400)	(7.3%)
State	276,807,600	296,845,000	20,037,400	7.3%
Sales Tax	65,085,600	67,253,350	2,167,750	3.3%
Federal	419,200	340,000	(79,200)	(18.9%)
Beginning Balance	1,000,000	1,000,000	0	0.0%
Total	\$654,720,700	\$672,229,880	\$17,509,180	2.7%

*The majority of the one time funding is generated by CCPS through prior year ending operating balances and a county contribution in FY19 re-programmed to support referendum rebuilds.



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Expenditure budget summary

Operating Fund

Appropriation Category	FY 19 Adopted	FY 20 Approved	Dollar Change	Percent Change
Instruction	\$454,922,134	\$476,035,462	\$21,113,328	4.6%
Admin/Attendance & Health	21,640,926	20,846,852	(794,074)	(3.7%)
Pupil Transportation	35,850,235	37,216,914	1,366,679	3.8%
Operation & Maintenance	73,331,721	65,029,477	(8,302,244)	(11.3%)
Technology	16,230,145	16,442,348	212,203	1.3%
Debt Service	52,745,539	56,658,827	3,913,288	7.4%
Total	\$654,720,700	\$672,229,880	\$17,509,180	2.7%



Chesterfield County Public Schools
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Budget summary

All Funds

Fund	FY 19 Adopted	FY 20 Approved	Dollar Change	Percent Change
Operating	\$654,720,700	\$672,229,880	\$17,509,180	2.7%
Grants	30,373,200	31,853,100	1,479,900	4.9%
Food Service	27,095,900	28,830,900	1,735,000	6.4%
Total	\$712,189,800	\$732,913,880	\$20,724,080	2.9%
Appomattox Regional Governor's School (ARGS)*	3,921,500	3,935,400	13,900	0.4%
Total (inc. ARGS)	\$716,111,300	\$736,849,280	\$20,737,980	2.9%

* Note: Appomattox Regional Governor's School for FY20 is not approved at this time



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Per-pupil cost trend

All Funds

Funding Source	FY 19 Adopted	FY 20 Approved
State Funds	\$4,619	\$4,937
Sales Tax	1,074	1,100
Federal Funds	627	672
Local Funds	4,543	4,336
Total	\$10,863	\$11,045

A person is seen from behind, sitting at a desk in a futuristic control room. The room is filled with multiple large screens displaying various data visualizations, including line graphs, bar charts, and pie charts. The overall color scheme is a cool, blue-toned digital aesthetic. The person is wearing a light blue button-down shirt. The text is overlaid on the image in a bold, black, sans-serif font.

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**Unfunded
Community-identified
Needs/Priorities**



Need/Priority Focus Areas

- **Major maintenance catch-up based on Facility Condition Assessment (FCA)**
- **School safety, security and mental health**
- **Equity in opportunities for ALL students**
- **Critical five-year plan initiatives in support of staff**
- **Other items**



Unfunded needs/priorities

Rank	Priority	Description	Funding
1	Additional pay-go funding for major maintenance	Additional funding in support of catch-up items based on the Facility Condition Assessment (FCA) - \$57.3M FCA “catch-up” needs. \$14.2M in FY2019 dedicated to MM.; Potential of \$5.3M in additional resources from FY 2018 year-end results (\$3M) and Risk management fund (\$2.3M); If these resources (and any other available resources) are dedicated the current projected timeline for catch-up items to be complete in FY 2023 could be advanced.	
2	Increase bus driver salary by \$1.00 per hour for all drivers	Provide increases of \$1.00 per hour to all bus drivers	\$843,000
3	Additional school-level mental health support	Recommendation to add mental health support positions to each school within the division - 65 FTEs (less 10.8 FTEs included in Governor’s proposed budget) - average cost \$89,000 each	\$4,823,800
4	Cameras, door security, & intrusion detection system	Safety Task Force recommendation	~\$25,000,000



Unfunded needs/priorities

Rank	Priority	Description	Funding
5	School nurses	Total of 20 FTEs needed to complete nurse initiative; With the repurpose of current staff and the addition of 15 FTEs - safety task force recommendation - average salary per FTE \$81,780	1,226,700
6	Pilot: Change 10 Elementary School Assistant Principals to 12 month contracts	Change 10 Elementary School Assistant Principals from 11 month contracts to 12 month contracts as a pilot	87,000
7	Staff computer replacements	First of a multi-year plan	500,000
8	Full funding of PSAT and SAT testing	To provide opportunity to all 8th through 11th graders and access to PSAT and SAT testing during school day	245,000



Unfunded needs/priorities

Rank	Priority Funding	Description	
9	Completion of CARs at Middle School	Completion of CARs at Middle Schools - additional 5.5 FTEs needed	380,000
10	Creation of Equity Office	Recommendation of staff and equity task force - 1 Coordinator and 1 Support Specialist	240,000
11	RAVE safety and security application	Safety Task Force recommendation	145,000
12	School Resource Officers (SROs) - shared service	Recommendation based on the safety task force recommendation - 7 FTEs - \$60,000 per FTE + equipment	\$630,000



Highlights of Budget

- Includes funding for employee salary and benefits (health insurance, SRP, leave payouts, etc.)
- Includes funding to support student growth
- Includes funding to support several five-year plan initiatives (musical instrument replacement, CodeRVA, opening of Old Hundred Elementary, etc.)



Next steps

- **Provide approved budget to County for presentation to the Board of Supervisors**
- **Provide updates related to State budget impact on school division to School Board and Board of Supervisors for discussions related to any funding gaps that may exist**
- **Continue dialogue with County about additional funding to support unfunded needs/priority list**



Recommended Action

- **Approve the School Board's FY2020 Financial Plan by Appropriation category as reflected in Attachment A of memo #026-19; and**
- **Approve a total of \$3,935,400 on behalf of the Appomattox Regional Governor's School; and**
- **Approve Attachment B, School Board's needs in priority order; and**
- **Approve the resolution in Attachment C of memo #026-19**



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FY 2020 Approved Operating Budget
Dr. Merv Daugherty, Superintendent
Christina Berta, Chief Finance Officer
Chesterfield County Public Schools
February 26, 2019 * School Board Meeting

**CHESTERFIELD COUNTY PUBLIC SCHOOLS
CHESTERFIELD, VIRGINIA**

CCPS MEMORANDUM #026-19

February 26, 2019

TO: School Board

FROM: Dr. Mervin Daugherty
Superintendent

SUBJECT: Approval of the School Board's FY2020 Financial Plan

SUPPORTING DOCUMENTS

ATTACHMENT A: School Board's Approved Financial Plan by Appropriation Category (including the Financial Plan total for the Appomattox Regional Governor's School)

ATTACHMENT B: The compilation, in priority order, of the further needs of Chesterfield County Public Schools that could not be funded within currently projected funding levels all sources. The list is included at the direction of the County Administrator included in the December 19, 2018 budget development memorandum.

ATTACHMENT C: Resolution submitting the Approved FY2020 Financial Plan and the list of unfunded needs in priority order to the County Administrator

PERTINENT INFORMATION

The Chesterfield County Charter Section 5.2 specifies that **"No later than March 1 of each year, the Superintendent of Chesterfield County Public Schools shall submit to the County Administrator his estimate of projected revenues and expenditures for the next fiscal year in a form requested by the County Administrator as well as a five-year capital improvement program."**

The FY2020 Financial Plan is before the School Board this evening for review and approval. The following summary is offered for discussion prior to approval.

FY2020 Financial Plan

On January 22, 2019, the Superintendent's Proposed FY2020 Financial Plan was presented for the School Board's consideration. The School Board has held budget work sessions, a public hearing and town hall meetings in each magisterial district to review the proposals and receive input. The Superintendent and staff have met with community members, school groups, and school administrators and staff to receive comments and suggestions relating to the proposal. Both the Citizens' Budget Advisory and the Superintendent's Budget Advisory Committees have met numerous times to receive information and provide input. The Citizens' Budget Advisory

Committee submitted its final report to the School Board on February 5, 2019, including recommendations for the FY2020 budget.

The General Assembly formally adjourned on February 24th; however, the final financial impact of its decisions was not known at the time of this writing. Consequently, the results of the 2019 General Assembly session are not included in the FY2020 Financial Plan before you for approval this evening. This is not unusual given the timing prescribed in the county charter and the timing of General Assembly actions in any given year. Based on the timing for the current year, the Superintendent recommends the School Board approve his proposed budget at this time, acknowledging that there will be further revisions before the budget process is concluded.

Tonight's approval will result in a FY2020 Financial Plan for all three funds totaling \$732,913,880 and 8,214.5 FTEs. Totals for each of the three funds are as follows:

Operating Fund	\$672,229,880	7,327.4 FTEs
Grants Fund	\$ 31,853,100	341.1 FTEs
Federal Food Service Fund	\$ 28,830,900	546.0 FTEs

This plan increases the Chesterfield County Public Schools total budget over the FY2019 Adopted Budget by \$20,724,080, or 2.9% for all funds.

In addition, Chesterfield is the fiscal agent for the Appomattox Regional Governor's School. According to Virginia law and regulations of the State Board of Education, the governing body of the fiscal agent must appropriate funding in support of a regional program. Therefore, approval this evening will include \$3,935,400 on behalf of the Appomattox Regional Governor's School. This is subject to change, as well, once the General Assembly's final actions are known.

The School Board will also forward twelve identified needs, in priority order, to the Board of Supervisors for funding consideration. This was the requested format in the initial funding letter from the county administrator. These twelve needs/priorities are included in Attachment B.

RECOMMENDATION

It is recommended that the School Board:

- a) Approve the School Board's FY2020 Financial Plan by appropriation category as reflected in Attachment A;
- b) Approve a total of \$3,935,400 on behalf of the Appomattox Regional Governor's School;
- c) Approve the School Board's list of unfunded needs in priority order as shown in Attachment B; and

c) Approve the resolution at Attachment C indicating School Board approval of these actions and directing the Superintendent to submit the appropriate fiscal data to the County Administrator, as required by the Code of Virginia (Section 22.1-115) and the Chesterfield County Charter (Section 5.2, Chapter 5) as well as the prioritized unfunded needs list at Attachment B.

MBD/CPB/sn

Memo #026-19
Attachment A

CHESTERFIELD COUNTY PUBLIC SCHOOLS SCHOOL BOARD'S APPROVED FY2020 FINANCIAL PLAN								
SCHOOL APPROPRIATIONS								
	FUND 81	FUND 82	FUND 83	TOTALS	% of Total	% Sch Oper	ARGS Funds	TOTALS
Revenues:								
Local Sources	7,832,600	1,120,200	11,871,500	20,824,300	2.84%	1.17%	2,663,472	23,487,772
State	296,845,000	4,339,900	575,000	301,759,900	41.17%	44.16%	1,271,928	303,031,828
State Sales Tax	67,253,350	-	-	67,253,350	9.18%	10.00%	0	67,253,350
Federal	340,000	25,618,800	16,295,000	42,253,800	5.77%	0.05%	-	42,253,800
Subtotal Revenues	372,270,950	31,078,900	28,741,500	432,091,350	58.96%	55.38%	3,935,400	436,026,750
Transfer from School CIP	100,000			100,000	0.01%	0.01%	0	100,000
Transfer from School Operating	-	774,200		774,200	0.11%	0.00%	0	774,200
Transfer from School Food Services	730,000			730,000	0.10%	0.11%	0	730,000
Use of Reserves	-		89,400	89,400	0.01%	0.00%	0	89,400
Transfer from General Fund:								
Debt Service Reserve	4,822,330			4,822,330	0.66%			4,822,330
School Prior Year Results	2,300,000			2,300,000	0.31%			2,300,000
Local Taxes	<u>291,006,600</u>			<u>291,006,600</u>	<u>39.71%</u>	<u>43.29%</u>		<u>291,006,600</u>
Subtotal Taxes	298,128,930	-	-	298,128,930	40.68%	44.35%		298,128,930
Subtotal Transfer from General Fund	298,128,930	-	-	298,128,930	40.68%	44.35%	-	298,128,930
Beginning Balance	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>0.14%</u>	<u>0.15%</u>		<u>1,000,000</u>
Total Revenues	\$ 672,229,880	\$ 31,853,100	\$ 28,830,900	\$ 732,913,880	100.00%	100.00%	\$ 3,935,400	\$ 736,849,280
Expenditures:								
Instruction	476,035,462	29,246,500	-	505,281,962	68.94%	70.81%	3,135,100	508,417,062
Administration/Attendance & Health	20,846,852	477,000	-	21,323,852	2.91%	3.10%	45,560	21,369,412
Pupil Transportation	37,216,914	40,000	-	37,256,914	5.08%	5.54%	-	37,256,914
Operations & Maintenance	59,460,377	62,500	-	59,522,877	8.12%	8.85%	527,571	60,050,448
Technology	16,442,348	2,027,100	877,182	19,346,630	2.64%	2.45%	227,169	19,573,799
Debt Service	56,658,827	-	-	56,658,827	7.73%	8.43%	-	56,658,827
Food Services	-	-	26,995,718	26,995,718	3.68%	0.00%	-	26,995,718
Ending Balance	-	-	-	-	0.00%	0.00%	-	-
Transfer to CIP	<u>5,569,100</u>	<u>-</u>	<u>958,000</u>	<u>6,527,100</u>	<u>0.89%</u>	<u>0.83%</u>	<u>-</u>	<u>6,527,100</u>
Total Expenditures	\$ 672,229,880	\$ 31,853,100	\$ 28,830,900	\$ 732,913,880	100.00%	100.00%	\$ 3,935,400	\$ 736,849,280
Enrollment	61,400							
Average Daily Membership	61,118							
Full Time Equivalent	7,327.4	341.1	546.0	8,214.5				

Memo #026-19
Attachment B

FY2020 Unfunded Needs in Priority Order (at approved budget stage)			
Rank	Priority	Description	Amount
1	Additional pay-go funding for major maintenance	Additional funding in support of catch-up items based on the Facility Condition Assessment (FCA) - \$57.3M FCA "catch-up" needs. \$14.2M in FY2019 dedicated to MM. Potential of \$5.3M in additional resources from FY 2018 year-end results (\$3M) and Risk management fund (\$2.3M). If these resources (and any other available resources) are dedicated the current projected timeline for catch-up items to be complete in FY 2023 could be advanced.	
2	Increase bus driver salaries by \$1.00/hour	Provides increases of \$1.00 per hour for all bus drivers	\$ 843,000
3	Additional school-level mental health support	Recommendation to add mental health support positions to each school within the division - 65 FTEs (less 10.8 FTEs included in Governor's proposed budget) - average cost \$89,000 each	4,823,800
4	Cameras, door security, & intrusion detection system	Safety Task Force recommendation	~25,000,000
5	School nurses	Total of 20 FTEs needed to complete nurse initiative; With the repurpose of current staff and the addition of 15 FTEs - safety task force recommendation - average salary per FTE \$81,780	1,226,700
6	Pilot: Change 10 Assistant Principals at Elementary Level to 12 month contract	change 10 elementary assistant principal contracts from 11-month to 12-month as a pilot	87,000
7	Staff computer replacements	First of a multi-year plan	500,000
8	Full funding of PSAT and SAT testing	To provide opportunity to all 8th through 11th graders and access to PSAT and SAT testing during school day	245,000
9	Completion of CARs Middle School implementation	Coordinators of assessment and remediation (CARs) - 5.5 FTEs needed for completion at middle school level	380,000
10	Creation of Equity Office	Recommendation of staff and equity task force - 1 Coordinator and 1 Support Specialist	240,000
11	RAVE safety and security application	Safety Task Force recommendation	145,000
12	School Resource Officers (SROs) - shared service	Recommendation based on the safety task force recommendation - 7 FTEs - \$60,000 per FTE + equipment	\$630,000

VIRGINIA: At a special meeting of the Chesterfield County School Board held Tuesday evening, February 26, 2019, at 6:30 pm in the Public Meeting Room at the Chesterfield County government complex

PRESENT: Rob Thompson
Javaid Siddiqi
Carrie E. Coyner
Dianne H. Smith
John Erbach

RESOLUTION

WHEREAS, on January 22, 2019, the Superintendent presented to the School Board a proposed financial plan representing the needs of Chesterfield County Public Schools for the 2019-2020 school year; and **WHEREAS**, the School Board held budget work sessions to review the proposed financial plan, has received input from the Citizens Budget Advisory Committee, the Superintendent's Budget Advisory Committee and from Town Hall meetings in each magisterial district, and has also held a public hearing for public input; and **WHEREAS**, the School Board believes that the approved financial plan fulfills the requirements set forth in the Chesterfield County Charter (Section 5.2, Chapter 5) and the Code of Virginia (Section 22.1-92.A); **NOW THEREFORE BE IT RESOLVED**, on motion of _____ seconded by _____, the School Board approves its FY2020 financial plan totaling \$732,913,880 in three funds, as well as \$3,935,400 on behalf of the Appomattox Regional Governor's School and directs the Superintendent to submit summary data reflecting these approvals, to the County Administrator, as required by the Code of Virginia (Section 22.1-115) and the Chesterfield County Charter (Section 5.2, Chapter 5). The Superintendent is also directed to forward the list of unfunded needs in priority order at Attachment B to the County Administrator for consideration by the Board of Supervisors.

Robert McDaniel, Clerk

Dr. Mervin Daugherty, Superintendent

A person is seen from behind, sitting at a desk in a modern office. The background features large windows with digital data overlays, including charts and graphs. The text is overlaid on this background.

Investing in Today to Imagine Tomorrow

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FY 2020 Approved Capital Improvement Plan FY2020-2024

Dr. Merv Daugherty, Superintendent

Christina Berta, Chief Finance Officer

Chesterfield County Public Schools

February 26, 2019 * School Board work session



CIP summary

- Fiscal Year 2020 will complete the funding allocation from the 2013 bond referendum. FY 2021 through FY 2024 will begin to frame debt capacity and affordability of the next referendum and uses of pay-go resources.
- The remaining plan is \$8.9M: \$2.3M debt, \$5.6M pay-go, \$1M school nutrition;
 - Provides funding in support of major maintenance and security
- Additional conversation will continue in conjunction with the County over the next several months as the next referendum is framed.



Capital improvements

Revenue Sources	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2020- FY2024
CIP Reserve Transfer ("pay as you go" funding)	\$5,569,100	\$9,419,100	\$9,919,100	\$17,417,120	\$19,217,120	\$61,541,540
Debt Financing	2,321,100	-	28,000,000	28,000,000	28,000,000	86,321,100
School Nutrition Services	995,000	-	-	-	-	995,000
Total Revenue Sources	\$8,885,200	\$9,419,100	\$37,919,100	\$45,417,120	\$47,217,120	\$148,857,640



Capital improvements

Pay-Go Uses:	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2020- FY 2024
Security Enhancements	\$351,600	\$351,600	\$351,600	\$351,600	\$351,600	\$1,758,000
Major Maintenance - FCA projects	5,217,500	9,067,500	9,567,500	17,065,520	18,865,520	59,783,540
School Nutrition Service	995,000	-	-	-	-	995,000
Pay-Go Uses Subtotal	\$6,564,100	\$9,419,100	\$9,919,100	\$17,417,120	\$19,217,120	\$62,536,540



Capital improvements

Debt Financing Uses (including potential referendum projects FY2022-2024):	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2020- FY 2024
Group D Major Maintenance - FCA Projects/MM spend plan	\$2,321,100	-	\$4,500,000	\$3,400,000	\$27,500,000	\$37,721,100
Group A - AM Davis Replacement	-	-	23,000,000	24,100,000	-	47,100,000
Group C - 10 Year LE repairs (Repair to failure)	-	-	500,000	500,000	500,000	1,500,000
Debt Financing Uses Subtotal	\$2,321,100	-	\$28,000,000	\$28,000,000	\$28,000,000	\$86,321,100
Total Uses	\$8,885,200	\$9,419,100	\$37,919,100	\$45,417,120	\$47,217,120	\$148,857,640

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FY 2020 Approved Capital Improvement Plan FY2020-2024

Dr. Merv Daugherty, Superintendent

Christina Berta, Chief Finance Officer

Chesterfield County Public Schools

February 26, 2019 * School Board work session

**CHESTERFIELD COUNTY PUBLIC SCHOOLS
CHESTERFIELD, VIRGINIA**

CCPS MEMORANDUM #027-19

February 26, 2019

TO: School Board

FROM: Dr. Mervin Daugherty
Superintendent

SUBJECT: Approval of the School Board's FY2020-24 Capital Improvements Plan

SUPPORTING DOCUMENTS

ATTACHMENT A: School Board's Approved FY2020-FY2024 Capital Improvements Plan

ATTACHMENT B: Resolution submitting the Approved Capital Improvements Plan to the County Administrator.

PERTINENT INFORMATION

The Chesterfield County Charter Section 5.2 specifies that **"No later than March 1 of each year, the Superintendent of Chesterfield County Public Schools shall submit to the County Administrator his estimate of projected revenues and expenditures for the next fiscal year in a form requested by the County Administrator as well as a five-year capital improvement program."**

The FY2020-FY2024 Capital Improvements Plan is before the School Board this evening. The following summary is offered for discussion prior to approval.

FY2020-FY2024 Capital Improvements Plan

The five-year capital improvements plan (CIP) (Attachment A) continues to provide funding for the division's major maintenance and safety programs and remaining 2013 bond referendum projects, as well begins to frame what the next bond referendum might look like. Conversations related to the next bond referendum will occur in conjunction with the County over the next several months. As we continue to plan for increases in pay-go or cash funding, the CIP is heavily weighted toward the major maintenance needs of our existing buildings. At this time, there is one elementary school (A.M. Davis) currently recommended to be replaced as well.

RECOMMENDATION

It is recommended that the School Board:

- a) Approve the FY2020-FY2024 Capital Improvements Plan at Attachment A totaling \$148,857,640; and
- b) Approve the Resolution at Attachment B indicating School Board approval of this plan and directing the Superintendent to submit the appropriate fiscal data to the County Administrator, as required by the Code of Virginia (Section 22.1-115) and the Chesterfield County Charter (Section 5.2, Chapter 5).

MBD/CPB/sn

Memo #027-19
Attachment A

Chesterfield County Public Schools						
2020-2024 Approved CIP Financial Summary						
						Total 5-Year Plan
Sources:	FY20	FY21	FY22	FY23	FY24	FY20-FY24
CIP Reserve Transfer ("pay as you go" funding)	\$ 5,569,100	\$ 9,419,100	\$ 9,919,100	\$ 17,417,120	\$ 19,217,120	\$ 61,541,540
Debt Financing	2,321,100	-	28,000,000	28,000,000	28,000,000	86,321,100
School Nutrition Services ("pay as you go" funding)	995,000	-	-	-	-	995,000
Total	\$ 8,885,200	\$ 9,419,100	\$37,919,100	\$ 45,417,120	\$ 47,217,120	\$148,857,640
School Nutrition Uses:						
School Nutrition Service	995,000	-	-	-	-	995,000
Pay Go Uses:						
Security Enhancements	351,600	351,600	351,600	351,600	351,600	1,758,000
Major Maintenance - FCA projects/MM spend plan	5,217,500	9,067,500	9,567,500	17,065,520	18,865,520	59,783,540
School refurbishments/new schools/replacements						
Subtotal	\$5,569,100	\$9,419,100	\$9,919,100	\$17,417,120	\$19,217,120	\$61,541,540
Debt Financing Uses						
Potential referendum projects:						
Group D Major Maintenance - FCA projects/MM	2,321,100	-	4,500,000	3,400,000	27,500,000	\$37,721,100
Group A - AM Davis Replacement			23,000,000	24,100,000		47,100,000
Group C - 10 Year LE repairs (Repair to failure)			500,000	500,000	500,000	1,500,000
	-	-				
Subtotal	2,321,100	-	28,000,000	28,000,000	28,000,000	86,321,100
Grand Total	8,885,200	\$9,419,100	\$37,919,100	\$45,417,120	\$47,217,120	\$148,857,640

NOTE: A request will be pending following the February 12 SB meeting to the Board of Supervisors to re-allocate/reappropriate \$5.3M to the CIP for MM. This amount is not included here. The combined total that will then be available for FY19 is \$19.6M.

VIRGINIA: At a special meeting of the Chesterfield County School Board held Tuesday evening, February 26, 2019, at 6:30 pm in the Public Meeting Room at the Chesterfield County government complex

PRESENT: Rob Thompson
Javaid Siddiqi
Carrie E. Coyner
Dianne H. Smith
John Erbach

RESOLUTION

WHEREAS, on January 22, 2019, the Superintendent presented to the School Board a proposed five year capital improvements plan; and **WHEREAS**, the School Board held budget work sessions to review the proposed plan, has received input from the Citizens Budget Advisory Committee, the Superintendent’s Budget Advisory Committee and from Town Hall meetings in each magisterial district, and has also held a public hearing for public input; and **WHEREAS**, the School Board believes that the five-year capital improvements plan fulfills the requirements set forth in the Chesterfield County Charter (Section 5.2, Chapter 5) and the Code of Virginia (Section 22.1-92.A); **NOW THEREFORE BE IT RESOLVED**, on motion of _____ seconded by _____, the School Board approves the FY2020-FY2024 Capital Improvements Plan at \$148,857,640, and directs the Superintendent to submit summary data reflecting this approval to the County Administrator, as required by the Code of Virginia (Section 22.1-115) and the Chesterfield County Charter (Section 5.2, Chapter 5).

Robert McDaniel, Clerk

Dr. Mervin Daugherty, Superintendent



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FY 2020-2024 Five-Year Plan Review
Christina Berta, Chief Finance Officer
Chesterfield County Public Schools
February 26, 2019 * Presented to School Board



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**
 - **Task force recommendation implementation**
 - **Increase pay-as-you-go funding resources**



Five-year Plan Projected Revenues

- **Local/Medicaid/Federal funding: remains stable with no new identified sources**
- **County funding: 2.7% increases annually**
 - **FY2021-24 County funding is not final - these are projections**
- **State funding is adjusted based on the year of the biennium - these are projections**
 - **4% projected increase in 1st year of each biennium (FY2021/2023)**
 - **2% projected increase in 2nd year of each biennium (FY2022/2024)**
- **State sales tax estimates are conservative at approximately a 2% increase annually**
- **Prior-year savings have been used to balance the budget, provide a debt reserve and support FY2013 referendum projects with cash funding**
 - **We are moving away from utilizing prior-year resources to balance future budget needs**

A person is seen from behind, sitting at a desk in a futuristic control room. The room is filled with multiple large screens displaying various data visualizations, including line graphs, bar charts, and pie charts. The overall color scheme is a cool, blue-toned digital aesthetic. The person is wearing a light blue button-down shirt. The background is slightly blurred, emphasizing the data on the screens.

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**Five-Year Plan FY2020-24
Based on School Board's Approved Budget**



Base Budget Commitments

- **Employee salary adjustments - 2% annually (FY2020 includes 3% to align with Governor's proposed budget)**
- **Healthcare increases - 8% in FY2020; 7% in future years**
- **Student growth - estimated based on planning's long-range projections**
- **SRP payment - increasing the base to support program**



Base Budget Commitments

- **Children's Service Act (CSA) - \$300k annually**
- **Musical instrument replacement - \$20,000 in FY2020-22**
- **CodeRVA & Regional Schools - 2.5% annually (CodeRVA additional class in FY2020)**
- **Bus replacements - \$250k - final year FY2020 to build base budget**
- **Debt Service - based on debt model provided by county government**
- **Re-alignment of salaries and technical adjustments - ~\$3-4 million annually in future years & contractual obligations**
- **Pay-go funding increase - increase to target of 2.5% building replacement value**



Unfunded needs/priorities

Rank	Priority	Description	Funding
1	Additional pay-go funding for major maintenance	Additional funding in support of catch-up items based on the Facility Condition Assessment (FCA) - \$57.3M FCA “catch-up” needs. \$14.2M in FY2019 dedicated to MM.; Potential of \$5.3M in additional resources from FY 2018 year-end results (\$3M) and Risk management fund (\$2.3M); If these resources (and any other available resources) are dedicated the current projected timeline for catch-up items to be complete in FY 2023 could be advanced.	
2	Increase bus driver salary by \$1.00 per hour for all drivers	Provide increases of \$1.00 per hour to all bus drivers	\$843,000
3	Additional school-level mental health support	Recommendation to add mental health support positions to each school within the division - 65 FTEs (less 10.8 FTEs included in Governor’s proposed budget) - average cost \$89,000 each	\$4,823,800
4	Cameras, door security, & intrusion detection system	Safety Task Force recommendation	~\$25,000,000



Unfunded needs/priorities

Rank	Priority	Description	Funding
5	School nurses	Total of 20 FTEs needed to complete nurse initiative; With the repurpose of current staff and the addition of 15 FTEs - safety task force recommendation - average salary per FTE \$81,780	1,226,700
6	Pilot: Change 10 Elementary School Assistant Principals to 12 month contracts	Change 10 Elementary School Assistant Principals from 11 month contracts to 12 month contracts as a pilot	87,000
7	Staff computer replacements	First of a multi-year plan	500,000
8	Full funding of PSAT and SAT testing	To provide opportunity to all 8th through 11th graders and access to PSAT and SAT testing during school day	245,000



Unfunded needs/priorities

Rank	Priority Funding	Description	
9	Completion of CARs at Middle School	Completion of CARs at Middle Schools - additional 5.5 FTEs needed	380,000
10	Creation of Equity Office	Recommendation of staff and equity task force - 1 Coordinator and 1 Support Specialist	240,000
11	RAVE safety and security application	Safety Task Force recommendation	145,000
12	School Resource Officers (SROs) - shared service	Recommendation based on the safety task force recommendation - 7 FTEs - \$60,000 per FTE + equipment	\$630,000



Five-Year Plan

- The five-year plan is balanced in FY2020.
- Conversations with the county government have indicated reductions in sales-tax forecast from 3% annually to 2% annually are necessary based on economic information received.
- Most of the funded expense increases over the next five years are focused on faculty and staff salaries/benefits.
- Based on current information, FY2021 provides adequate funding to support items already included in the base.
- Additional revenue sources and/or reductions in initiatives are necessary to balance FY2022-24.



Next Steps

- Based on the General Assembly action and final budget there will be adjustments that need to occur.
 - Staff will continue to monitor the state budget and share information as it is available with both the School Board and Board of Supervisors



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FY 2020-2024 Five-Year Plan Review
Christina Berta, Chief Finance Officer
Chesterfield County Public Schools
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Five-Year Plan FY2020-FY2024 Operating Fund

School Revenue	FY2020 Approved	FY2021 Plan	FY2022 Plan	FY2023 Plan	FY2024 Plan
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000.00
Local Sources	8,562,600	8,562,600	8,562,600	8,562,600	8,562,600
County Transfer - Estimated FY21 - FY24	291,006,600	298,863,778	306,933,100	315,220,294	323,731,242
Interest	100,000	100,000	100,000	100,000	100,000
Prior Year Savings	2,300,000	1,500,000	1,000,000	500,000	-
Prior year reserves (specifically for CIP pay go and debt reserve)	4,822,330	5,619,261	2,603,581	604,358	-
State Sales Tax (3.3% for FY2020;2% increase annually thereafter)	67,253,350	68,598,417	69,970,385	71,369,793	72,797,189
State (4% increase - 1st year and 2% increase - 2nd year of the biennium)	294,345,000	306,118,800	312,241,176	324,730,823	331,225,440
Medicaid Reimbursement	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Federal	340,000	340,000	340,000	340,000	340,000
TOTAL REVENUE	\$ 672,229,880	\$ 692,202,856	\$ 704,250,843	\$ 723,927,868	\$ 739,256,470
	3%	3%	2%	3%	2%

School Expenditures	FY2020 Approved	FY2021 Plan	FY2022 Plan	FY2023 Plan	FY2024 Plan
<i>Baseline/Incorporated Initiatives Increases</i>					
Prior Year Total	\$ 654,720,700	\$ 672,229,880	\$ 691,961,097	\$ 705,890,314	\$ 726,522,335
Continuation of prior 5-year plan initiatives:					
Salary Adjustments ((2% annually (3% for FY20) - inc. subs,temp, stipends beginning In FY2020))	8,600,000	9,040,000	9,220,800	9,405,216	9,593,320
Healthcare - 8% projected employer increase in FY2020 (7% in out years)	3,976,600	4,254,962	4,552,809	4,871,506	5,212,511
Student Growth (long range enrollment projections from Planning)	1,554,500	2,424,700	1,878,202	1,639,338	1,698,179
Opening Old Hundred Elementary school (15.4 addtl FTEs FY20)	751,200	-	-	-	-
Additional SRP Payment	500,000	500,000	500,000	500,000	500,000
Children's Services Act	306,300	300,000	300,000	300,000	300,000
Musical Instrument Replacement	20,000	20,000	20,000	-	-

CODE RVA (22 students in FY20) (and 2.5% tuition inc. in out years)	221,400	17,989	18,438	18,899	19,372
Regional schools tuition increase (2.5% per year)	96,725	72,775	74,594	76,459	78,371
Bus Fleet Replacement	250,000	-	-	-	-
Debt Service	3,913,330	2,796,931	(1,015,680)	777	(733,100)
Re-alignment of salaries and other technical adjustments	(1,783,615)	(4,000,000)	(3,000,000)	(4,000,000)	(3,000,000)
pay as you go capital funding - MM	600,000	3,850,000	500,000	7,498,020	1,800,000
Pay-as-you-go (one time FY19 county contribution - Ettrick rebuild)	(4,850,000)	-	-	-	-
pay as you go capital funding - remaining CIP	(7,363,500)	-	-	-	-
Continuation of adjustments made to FY19 Adopted (addtl state funding):					
Change in instructional pool positions (reinstated in FY19)	1,658,000				
Additional facilities funding (funded in FY19 with addtl state funds)	900,000				
Adjustments related to Governor's budget amendments:					
Salary adjustment (addtl 1% to meet req. of 5% over the biennium)	4,300,000				
Virginia Preschool Initiative+ (maintenance of service)	1,888,200				
Change in state staffing ratio for school counselors (10.8 FTES) 1st year of 3-year state plan (will need to be updated)	670,000				
Adjustments to CIP (to reflect technology in operating fund (no net impact):					
pay as you go (chromebooks and technology plan)	(3,125,280)				
elementary chromebooks	1,999,850				
secondary chromebook maintenance	785,430				
technology replacement	340,000				
Other Technical Adjustments:					
VRS hybrid disability (5% increase annually)	213,200	223,860	235,053	246,806	259,146
leave payouts	110,000				
legal services	274,200				
utilities costs (align with actual exp. and rate increase)	1,308,600		500,000		500,000
increase in custodial contract (Avg PPI inc. for preceding 12 months in the out years)	174,440	30,000	100,000	30,000	100,000
transfer of detention home program to the grants fund	(1,025,600)				
transfer to grants (local match)	245,200	200,000	45,000	45,000	45,000
	17,509,180	19,731,217	13,929,217	20,632,021	16,372,799

BASELINE SUBTOTAL	\$ 672,229,880	\$ 691,961,097	\$ 705,890,314	\$ 726,522,335	742,895,135
BASELINE SURPLUS/DEFICIT	\$ -	\$ 241,759	\$ (1,639,471)	\$ (2,594,467)	(3,638,664)

FY2020 - School Board Needs and Priorities (unfunded)

Additional pay-go funding for major maintenance	
Increase bus driver salary by \$1.00 per hour for all drivers	\$ 843,000
Additional school-level mental health support (54 FTEs not including 10.8 FTEs included in the Governor's budget)	4,823,800
Cameras, door security, & intrusion detection system	25,000,000
School nurses (20 FTEs needed to complete initiative of 1 per school less repurposing of existing staff)	1,226,700
Pilot: Change 10 Elementary School Assistant Principals to 12 month contracts	87,000
Staff computer replacements (multi-year plan)	500,000
Full funding of PSAT and SAT testing (8th to 11th grade)	245,000
Completion of CARs at Middle School	380,000
Creation of Equity Office (2 FTEs)	240,000
RAVE safety and security application	\$ 145,000
School Resource Officers (SROs) - shared service (7 FTEs + equipment)	630,000