FY 2019 FINANCIAL PLAN
RECOMMENDED TO THE SCHOOL BOARD
PRESENTED JAN. 16, 2018
DR. JAMES F. LANE
SUPERINTENDENT
EXECUTIVE SUMMARY

A BUDGET PROPOSAL THAT MEETS SCHOOL BOARD PRIORITIES

What an exciting time to be part of Team Chesterfield! I’m so proud to be releasing our recommended budget to the School Board this evening. We have an amazing School Board that has challenged us with lofty goals and priorities that will make a difference in our students’ lives. I’m honored to work so closely with a School Board that invests in the children of our community and am looking forward to presenting this budget for their consideration.

As the School Board and I visit schools, we see outstanding teachers, a super caring support staff and strategic-thinking leaders helping create the classrooms of the future today. We watch children having fun learning and staff members enjoying the creativity of teaching. Our efforts to innovate classroom lessons are working, with technology and project-based learning capturing students in real-world lessons that are so engaging our students are getting lost learning ... in a good way.

The proposed Fiscal Year 2019 operating budget that we will present to the School Board includes funding to continue our efforts to imagine tomorrow and meet the priorities identified by the School Board. The $647.4-million proposal includes approximately $25.5 million in new revenue funding to continue our efforts to imagine tomorrow and meet the priorities identified by the School Board. This document provides additional information about the budget proposal, breakdowns of key initiatives and opportunities for staff members and the public to provide input. We hope you will continue to be engaged in the process and advocate for funding that will support our efforts to maximize the potential of every student.

Sincerely,
James F. Lane, Ed.D.
Superintendent

BASELINE CHANGES (in the budget)

- $8,100,000 - Salary adjustments
  (2 percent all eligible employees)
- $(2,056,600) - VRS and other benefit
  rate changes
- $3,685,800 - Increased healthcare costs
  (8 percent employer rate increase)
- $500,000 - Additional SRP payment
- $1,086,000 - Pay-as-you-go Capital Reserve
  - Elementary Chromebooks and MM
- $2,452,000 - Debt service
- $2,474,500 - Student growth
- $(1,595,000) - Reduction in general
  pool positions
- $82,950 - Initial costs for opening new
  elementary school (January start date)
- $1,065,000 - Children Services Act
- $20,000 - Regional schools tuition increase
  - ARGs/Maggie Walker
- $198,000 - Code RVA
  (22 student slots)

- $250,000 - Bus fleet replacement
- $7,700,000 - Custodial insourcing
- $65,350 - Online registration for secondary schools (10 additional days per school for school counselors)
- $130,000 - Student growth measures expansion
- $151,300 - Gifted identification (equity)
- $57,000 - Student-focused wellness
- $57,000 - Additional position for Academy 360 (alternative education)
- $20,000 - Musical Instrument Replacement
  (additional funding to support phased approach)
- $718,900 - Contracted SPED nurses and
  other SPED services (VI, HI, SLP)
- $(4,507,249) - Realignment of salaries and other technical adjustments
- Total changes - $25,504,951

for extensive cleaning at night. This important, and needed, change aligns with the School Board’s directive to ensure that our schools are safe and clean for students and staff members.

Specific highlights of the proposed budget include:

- A 2 percent salary increase for all eligible employees, funding to cover an 8 percent increase in health-care costs and continued support of the supplemental retirement plan
- Funding for additional instructional positions to address a projected increase in student enrollment
- An increase in debt service payments that will allow us to build replacement schools instead of original plans to renovate Crestwood, Ettrick, Harrowgate and Reams elementary schools

The budget proposal also includes $7.7 million to the meet the School Board’s charge to address a custodial outsourcing issue that has not worked as expected. Under the School Board’s new plan, schools would be served by day porters during the morning and by third-party vendors brought in...
Supporting a high-quality workforce

Chesterfield County Public Schools is a people-intensive business, and it continues to be the School Board’s goal to attract and retain the best and brightest employees to keep Team Chesterfield as a first-choice school division.

The School Board and I are excited to announce another 2 percent salary increase proposal, recognizing that our 7,000-plus employees are the key to our success and understanding the impact that our teachers, support staff and leaders have on our students and their families.

The proposed FY 2019 operating budget maintains a commitment in the five-year operating plan to provide a 10-percent increase during that time frame. While we wish the salary increase could be even higher and believe our teachers and staff are deserving of pay amongst the best educators in the nation, we are mindful that each 1 percent pay raise equals about $4 million.

Heading into this budget cycle, Chesterfield County Public Schools is well-positioned among its main competitors when it comes to attracting and retaining a high-quality workforce. Previous work done to address teacher and administrator salaries has our school division at or near the top when it comes to a regional glance at compensation. When compared to Hanover and Henrico counties, Chesterfield County Public Schools’ teacher salary scale for a bachelor’s degree ranks first in 30 of the 34 years of experience. Against the same competition, our school division’s teacher salary scale for a master’s degree ranks first in 22 of the 34 years.

Custodial insourcing

The proposed operating plan includes an additional $7.7 million to address custodial cleaning issues.

The current contractor is not meeting the contractual requirements for cleanliness, based on ratings of the company’s work. As a result, the school division has notified the current vendor that its contract will not be renewed for the 2018-19 school year.

Under the School Board’s new plan, schools would be served by day porters during the morning and by third-party vendors brought in for extensive cleaning at night. This important, and needed, change aligns with the School Board’s directive to ensure that our schools are safe and clean for students and staff members.

Successfully bringing custodial services back in-house requires establishing a realistic balance between budget and desired level of cleanliness and implementing a transition plan that achieves the goal of school cleanliness.

The additional funding proposed for FY 2019 would pay for 165 new positions, including day porter positions and four managers. The funding also covers costs associated with custodial supplies, uniforms, etc. There already is $11.7 million in the existing operating budget that will be reapplied to costs to pay for new vendor services. A custodial services request for proposal will be released soon.
MEETING MEDICAL RECOMMENDATIONS THROUGH NEW OPERATING TIMES

The School Board’s approved school operating time changes take effect during the 2018-19 school year and are fully funded by turning substitute driver vacancies into additional full-time driving positions and purchasing additional buses. No new funds are required to implement the plan.

When approving the plan in February 2017, it was noted that the school division needed an additional 30 buses and drivers to implement the plan. Upon further review of existing operations, the school division will be able to fill those positions with internal vacancies.

The calculations are shown below:
- Save $1.3 million by eliminating 50 current substitute positions (average budgeted cost per vacant position is $26,000)
- Save $200,000 by eliminating the bus driver turnover factor
- Spend $780,000 to add 30 new bus driver positions
- Spend $720,000 on fuel, maintenance and insurance costs for new buses

The new schedule that begins in the fall aligns high school starting times with research-based recommendations that say high schools should start at 8:30 a.m. or later due to pubertal-related changes to teens’ circadian rhythms. The American Academy of Pediatrics, the American Academy of Child and Adolescent Psychiatry and the Centers for Disease Control each suggest high school starting times should be later than the current 7:25 a.m. schedule in Chesterfield County.

The new schedule also aligns nearly all middle school schedules – four currently are on the first tier and seven others are on the second tier – while keeping a majority of elementary schools (27 out of 38) in the last school tier. The approved starting times plan and schedule is available on mychesterfieldschools.com under the “Families” tab.

NEW 21ST-CENTURY SCHOOLS; NOT RENOVATED BUILDINGS

The School Board and I are excited to share an expansion of our plans to rebuild schools previously scheduled for renovations. The proposed operating budget includes an additional $2.5 million debt service payment that will allow us to design and build 21st-century schools that meet today’s educational needs.

As a result, new 750-student Crestwood, Etrick, Harrowgate and Reams elementary schools would be built on their current sites. Construction of the four replacement schools would begin during fall 2019/winter 2020 with buildings ready for use in fall 2021. The prototype currently being used for the replacement Beulah and Enon elementary schools would be used on the four new schools as well.

An economic study of renovation versus rebuild yielded a cost comparison that showed it was least expensive to rebuild.

The proposed plan also includes funding to support the planned rebuild of Manchester Middle and an addition to Matoaca Middle East, which will allow for a one-campus Matoaca Middle and provide space on the West campus for the replacement Matoaca Elementary.

<table>
<thead>
<tr>
<th>Projects (750-student capacity)</th>
<th>Full Revitalization Cost</th>
<th>Annualized Revitalization Cost (25-year life expectancy)</th>
<th>Replacement Cost</th>
<th>Annualized Replacement Cost (60-year life expectancy)</th>
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<tr>
<td>Harrowgate</td>
<td>$25,990,018</td>
<td>$1,040 K/yr</td>
<td>$30,570,015</td>
<td>$510 K/yr</td>
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<tr>
<td>Reams</td>
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<td>$1,015 K/yr</td>
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<td>Crestwood</td>
<td>$26,183,068</td>
<td>$1,047 K/yr</td>
<td>$30,527,015</td>
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<tr>
<td>Etrick</td>
<td>$25,768,528</td>
<td>$1,031 K/yr</td>
<td>$29,719,235</td>
<td>$495 K/yr</td>
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</tbody>
</table>

Providing equitable learning facilities remains a key School Board initiative. Building slightly larger schools also will help some of the existing overcrowding issues throughout Chesterfield County and allow the school division to eliminate the need for some of its 250-plus learning cottages.
With 60,000-plus students and 7,000-plus employees to consider, there are many additional items that were considered for inclusion in the proposed operating budget. Unfortunately, we have a finite set of dollars to meet the infinite needs associated with serving a diverse community of learners. So, the School Board and I will work to develop a revised five-year plan that includes the staples of the past five-year plans and other more current priorities.

The Board of Supervisors, our local funding body, will provide us the opportunity to make a business case for other instructional, support and operational needs. The School Board and I have identified 11 priorities. They include:

- 28 additional teaching positions to continue to address the pupil-teacher ratio ($1.6 million)
- 27.5 pool positions restored to address student growth ($1.6 million)
- Facilities funding to address major maintenance ($3.5 million)
- Increase substitute pay by 2 percent ($202,700)
- Hire 2.2 school counselors for Early College Academy program ($170,000)
- 50 positions to replenish substitute driver pool ($1.3 million)
- Staff computer replacements ($803,000)
- Technology services ($150,000)
- Pay-as-you-go capital funding for replacement cycles ($1.3 million)
- Digital curriculum to support Anytime, Anywhere Learning Initiative ($125,000)
- New dual enrollment fee model ($200,000)
- Support the conversion from TRA to STEAM positions funding ($160,000)
- Additional funding to support coordinator of assessment and remediation (CARS) positions at middle schools ($750,000)
- The addition of elementary office staff to support the schools ($43,900 per school)
- Additional staff to support special education based on the needs within schools ($65,780 per school)
- Additional staff to support social and emotional needs of a diverse student population ($87,150 per school)

Here is how to contact Chesterfield County’s representatives in the Virginia General Assembly:

Del. Lashrecse Aird, 698-1063
DelAird@house.virginia.gov

Del. Betsy Carr, 698-1069
DelBCarr@house.virginia.gov

Del. Kirk Cox, 698-1066
DelKCox@house.virginia.gov

Del. Riley Ingram, 698-1062
DelRIngram@house.virginia.gov

Del. Dawn Adams, 698-1068
DelDAdams@house.virginia.gov

Del. Delores McQuinn, 698-1070
DelDMcQuinn@house.virginia.gov

Del. Roxann Robinson, 698-1027
DelRRobinson@house.virginia.gov

Del. Lee Ware, 698-1065
DelWare@house.virginia.gov

Sen. Amanda Chase, 698-7511
district11@senate.virginia.gov

Sen. Rosalyn Dance, 698-7516
district16@senate.virginia.gov

Sen. Glen Sturtevant Jr., 698-7510
district10@senate.virginia.gov

It’s important to let local and state leaders know that you support adequate funding for public education. You can speak during the Chesterfield County Board of Supervisors public hearing at 6:30 p.m. March 29 or contact the supervisors and county administrator directly:

Dorothy Jaekle, Chair and Bermuda District
748-4364, jaeklek@chesterfield.gov

Leslie Haley, Vice Chair and Midlothian District
768-7397, haleyl@chesterfield.gov

Christopher Winslow, Clover Hill District
768-7396, winslowc@chesterfield.gov

James Holland, Dale District
768-7528, hollandj@chesterfield.gov

Steve Elswick, Matoaca District
768-7400, elswicks@chesterfield.gov

Dr. Joseph Casey, County Administrator
748-1211, countyadministrator@chesterfield.gov

Dianne Smith, Clover Hill District
839-7121, dh_smith@ccpsnet.net

John Erbach, Chair, Dale District
332-1826, jm.erbach@ccpsnet.net

Rob Thompson, Vice Chair, Matoaca District
332-1812, rw.thompson@ccpsnet.net

Carrie Coyner, Bermuda District
839-7117, ce_coyner@ccpsnet.net

Dr. Javid Siddiqi, Midlothian District
332-1856, je_siddiqi@ccpsnet.net

Dr. James Lane, Superintendent
748-1405, superintendent@ccpsnet.net

The Chesterfield County School Board and Superintendent want to hear from you. One way to communicate is by signing up to speak during the Jan. 30 public hearing by calling 748-1897 by 2 p.m. Jan. 30 or by registering with the clerk at the beginning of the public hearing. You can also contact School Board members and Superintendent Dr. James Lane directly:
FY 2019 BUDGET CALENDAR

January 16, 2018  School Board Work Session
Superintendent’s FY 2019 Proposed Financial Plan and FY 2019-FY 2023 Capital Improvement Plan presented to the School Board
(4p.m. – CTC @ Hull)

January 17, 2018  FY 2019 Budget Town Hall
(6 - 7 p.m. – Matoaca Middle East)

January 18, 2018  FY 2019 Budget Town Hall
(6 - 7p.m. - Elizabeth Davis Middle)

January 23, 2018  School Board Budget Work Session
(4p.m. – Midlothian High)

January 25, 2018  FY 2019 Budget Town Hall
(6 - 7p.m. James River High)
(6:30 - 7:30 p.m. Falling Creek Middle)

January 30, 2018  School Board Work Session
Public Hearing
(4p.m. – Public Meeting Room)

January 31, 2018  FY 2019 Budget Town Hall - Matoaca and Clover Hill
(6- 7p.m. - CTC@Hull)

February 6, 2018  School Board Budget Work Session
(4p.m. – Thomas Dale High)

February 12, 2018  School Board Meeting
FY 2019 Financial Plan Draft and FY 2019-FY 2023 Capital Improvement Plan presented to the School Board for approval
(6:30 p.m. – Public Meeting Room)

February 28, 2018  Board of Supervisors advertises a “not to exceed” tax rate

March 1, 2018  School Board’s FY 2019 Financial Plan and CIP to be transmitted to Board of Supervisors and County Administrator as required by the County Charter

March 14, 2018  Work session on the County Administrator’s proposed FY 2019 budget including School Board’s Financial Plan
(4:30 p.m. County Administration Building – Room 502)

March 28, 2018  Board of Supervisors holds Public Hearing to include input on School Board's Financial Plan (Time TBD, Public Meeting Room)

April 25, 2018  Board of Supervisors adopts FY 2019 Budget and Capital Improvement Plan

May 8, 2018  School Board adopts FY 2019 Annual Financial Plan and CIP
(6:30 p.m. – Public Meeting Room)

WHAT THE BUDGET PAYS FOR

Instruction 70.4%
Debt Service 8.1%
Operations/Maintenance 10.2%
Transportation 5.5%
Technology 2.5%
Admin./Attendance Health 3.3%

WHERE THE MONEY GOES

Salaries and Benefits 77.3%
Operating Expenses 11.5%
Capital 0.4%
Transfers 2.7%
Debt 8.1%
Admin./Attendance Health 3.3%
Operations/Maintenance 10.2%
Transportation 5.5%
Technology 2.5%
Chesterfield County Public Schools

John Erbach, Chair, Dale District
Rob Thompson, Vice Chair, Matoaca District
Carrie Coyner, Bermuda District
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Dr. James Lane, Superintendent