FY 2021-2022 Budget Planning

JOINT BOARD MEETING

Surry County School Board

&

Surry County Board of Supervisors

February 4, 2021

AGENDA

- Call to Order - Surry County School Board/Surry County Board of Supervisors
- Welcome and Opening Remarks – Dr. Marion Wilkins
- Division/School Board Vision, Theme and Goals
- School Division Highlights and Accomplishments
- Student Enrollment Trends
- FY2021-2022 Operating Budget Planning
  - Budget Planning Priorities
  - Overview of FY2020-2021 Budget
  - Overview of State Revenue Outlook
    - Governor's Introduced Amendments
    - Major Variables Impacting State Funding
    - Budgetary Impact for FY2021-2022
  - Overview of Expenditure Considerations
    - Budget Reduction Measures
- Review of Capital Improvement Needs
  - Recently Completed Capital/Facility Projects
    - Update on Solar Project
    - Fire Suppression System at LPJMS
    - Review of 5 Year Capital Improvement Plan

AGENDA, Cont.

- **Discussion and Questions**
- **Next Steps**
- **Closing Remarks**
- **Adjournment - Surry County School Board/Surry County Board of Supervisors**

Vision & Theme

Vision

Surry County Public Schools' vision is to provide a safe, healthy learning environment that prepares all students to be competitive and productive citizens in a highly technical and global society.

Theme

Building Excellence, One Student At A Time

School Board Goals

Goal 1: The Board will continue to provide for and promote ***high student achievement for all students,*** while meeting and exceeding state accreditation, requirements for each school.

Goal 2: The Board will continue to support and maintain a ***positive school climate,*** which provides for the safety, health, and well-being of each student.

Goal 3: The Board will continue to provide for and support efforts to attract, develop, and retain ***highly qualified and effective employees***.

Goal 4: The Board will ensure that policies and practices are implemented that promote ***sound fiscal stewardship and transparency***.

Goal 5: The Board will continue to assert its role in the community as the ***educational policy leader*** and govern the school division fairly and openly, while seeking the engagement of school community stakeholders, in Surry County.

School Division Highlights and Accomplishments

Points of Pride

- All SCPS are fully accredited for the 5th consecutive year.
- SCHS dropout rate (1.7%) is significantly below the state dropout rate (5.1%) for the Class of 2020.
- Over 30% of SCPS students in the Class of 2020 graduated with Advanced Diplomas.
- Varsity Girls Basketball Class 1A State Co-Championship for 2020.
- The Graduating Class of 2020 completed 353 dual enrollment hours representing a savings in college tuition for their families of over $150,000.
- SCHS Class of 2020 was awarded over $3,000,000 in scholarship offers.
- LPJMS was offered another 21st Century CCLC grant totaling $184,500.
- SCPS developed the Workplace Readiness Diploma Seal.
- SCPS Achieved the Community Eligibility Provision for Food Services.
- SCHS received the Highest Achievement Exemplar Award.
- SCPS partners with JTCC to provide concurrent enrollment offerings.
- SCPS developed and implemented an entire Virtual Curriculum in less than 5 months.

Recent & Projected Student Enrollment Trends

School & Grade	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-22
	Historical/Actual Enrollment @ September 30					*Projected Enrollment*
Surry Elementary:						
Kindergarten	48	62	52	45	32	???
1st	55	45	61	56	36	???
2nd	64	54	42	63	52	???
3rd	53	58	52	42	55	???
4th	56	46	55	56	42	???
Total - Surry Elementary	276	265	262	262	217	???
LPJ Middle School:						
5th	56	54	45	54	57	???
6th	58	50	61	44	51	???
7th	58	58	53	54	44	???
8th	58	60	62	57	53	???
Total - LPJ Middle School	230	222	221	209	205	???
Surry High School:						
9th	65	62	65	72	51	???
10th	67	53	55	54	65	???
11th	71	71	54	45	55	???
12th	58	63	61	53	48	???
Total - Surry High School	261	249	235	224	219	???
Summary:						
Total - K through 12	767	736	718	695	641	???
Pre-Kindergarten	59	56	39	36	38	???
Total - PreK through 12	826	792	757	731	679	???

FY 2021-2022 Budget Planning

Surry County Public Schools:

A Proven Return on the Community's Investment

FY2021-2022 Budget Planning Priorities

Budget Priorities

- Provide full-time, contracted staff with a competitive salary increase consistent with Governor Northam's announcement and other school districts raises.
- Identify opportunities to realign staffing levels with recent and projected enrollment increases of Special Needs students.
- Conduct a Classification and Compensation Study and address recommendations.
- Adjustment of existing staffing levels in response to enrollment decline.
- Ongoing Facility Maintenance and Repairs.
- Ongoing Capital Improvement needs.
- Health Insurance costs are predicted to remain stable at this time.
- Expanding the current curriculum offerings to include:
  - Social-emotional curriculum
  - Technical Education curriculum (Agriculture, Nursing, Welding, etc.)

Overview of FY2020-2021 Budget

FY2020-2021 Approved Budget

Revenues

Local	$	12,342,985
State		2,774,747.00
Federal (Including Grants)		750,358.00
Food Services		508,140.00
Other		32,132.00
Total Operating Revenue	$	16,408,362

Expenditures

Instruction	$	10,983,847
Administration and Health		998,811
Pupil Transportation		1,168,161
Operations and Maintenance		2,051,252
Technology		698,151
Food Services		508,140
Total Operating Expenditures	$	16,408,362

Overview of State Revenue Outlook

Update on Governor Northam's Introduced Amendments to the 2020-2022

Biennium Budget

Governor's Introduced Amendments

- Governor Northam's proposed amendments to the current 2020-2022 biennial budget were presented on December 16, 2020 to the joint session of the Senate Finance and Appropriations, the House Appropriations, and the House Finance committees.
- The amended budget, known as House Bill 30/Senate Bill 30, will be considered by the 2021 Session of the General Assembly, which is scheduled to convene on January 13, 2021.
- The Governor's proposed amendments adjust funding for fiscal year 2021 (current year) and fiscal year 2022. Fiscal year 2021 began on July 1, 2020, and ends June 30, 2021. Fiscal year 2022 begins July 1, 2021, and ends June 30, 2022.
- The base budget against which the Governor's recommendations are made is the Chapter 56 budget adopted at the 2020 Special Session I, which adjourned in November.

Governor's Introduced Amendments

- Technical updates to the Standards of Quality (SOQ), Incentive, Categorical, and Lottery-funded accounts for the most recent funded salary amounts, prevailing support costs, enrollment projections, and other technical data updates along with proposed policy changes.
- Updating Sales Tax and Lottery revenue estimates dedicated to public education in FY2021 and 2022.
- State share of a 2 percent bonus for SOQ-funded instructional and support personnel effective on July 1, 2021.
  - This would equate to $18,743.00 for Surry County Public Schools of the total $178,244.00 cost of the 2% bonus.
  - There is a possibility that the bonus may change to a pay raise recommendation.
  - The bonus is not cumulative, unlike in previous years
- Restoring state funding for various Virginia Preschool Initiative and Early Childhood Initiatives in FY 2022 that were unallotted in Chapter 1289 budget of the 2020 General Assembly.
- Providing state funding for a no loss program (compared to Chapter 56, 2020 Special Session I Acts of Assembly) in FY 2021 and FY 2022.

Major Variables Impacting State Funding for SCPS

- Loss Funding due to Student Enrollment Decline and COVID-19 Concerns:
  - Loss of each student is equivalent to a $2,000 decrease in state revenue
  - Average Daily Membership (ADM) is currently based on the state projection of 616 students
- Actual Sales Tax Revenue versus Projected Sales Tax Revenue
- Hold Harmless Legislation
- *Note: The impact of these variables and others on the FY 2021-22 budget is currently being analyzed by staff. More detailed impact statements will be provided during the formal presentation of the Superintendent's Proposed Budget.*

Budgetary Impact for FY2021-2022

Summary of Estimated State Revenue:

FY 2021-22

The Bottom Line…

Description	FY2020-21 Approved	FY2021-22 Governor's Proposed Amendments (December 2020)	Change ($)	Change (%)
Standards of Quality (SOQ)	$ 2,237,703	$ 2,033,288	$ (204,415)	-9.14%
Incentive & Categorical	131,916	292,494	160,578	121.73%
Lottery-Funded Programs	405,128	429,379	24,251	5.99%
Total - State Revenue	**$ 2,774,747**	**$ 2,755,161**	**$ (19,586)**	**-0.71%**

Overview of Expenditure Considerations

- Estimated Cost of a 5% Salary Increase for all staff: $550,000
- Compensation/Salary Study for all employees
- Re-allocation/re-programming of existing resources (Fiscal & Human)
- Adjustment of existing staffing levels in response to enrollment decline
- Ongoing Facility Maintenance and Repair
- Ongoing Capital Improvement needs
- Health Insurance costs are predicted to remain stable at this time
- Curriculum costs:
  - Social-emotional curriculum
  - Technical Education curriculum (Agriculture, Nursing, Welding, etc.)

Budget Reduction Measures

Recent Budget Reduction Measurers Taken in Response to Enrollment and Revenue Decline

FY 2018-19 Budget Reduction Measures: $378,035

- Eliminated five (5) positions valued at $245,000
- Turnover/Attritions savings of $84,740
- VRS costs savings of $48,295

FY 2019-20 Budget Reduction Measures: $632,128

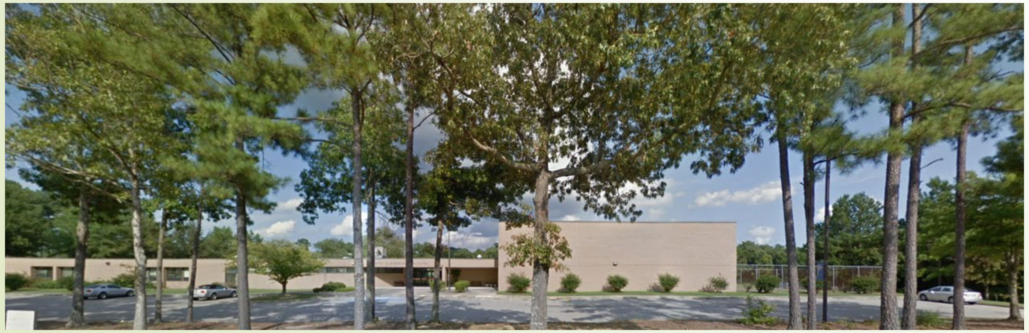
- Eliminated six (6) positions valued at $539,585
- Turnover/Attrition savings of $17,543
- Eliminated E-rate funded Expenditures of $75,000

FY 2020-21 Budget Reduction Measures: $525,270

- Eliminated 2 positions valued at $125,270
- Savings due to vacancies left unfilled during FY21 $400,000

FY 2021-22 Budget Reduction Measures: TBD

Review of Capital Improvement Needs



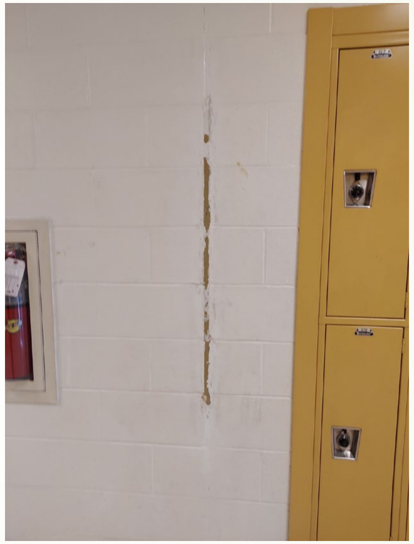
Recently Completed Capital/Facility Projects

Description	Project Type	Location/Site	Amount	Year Completed	Funding Source
Roof Resurfacing	Roofing	SCHS	$ 1,430,617.75	2019-20	County CIP
Subtotal- Roof Resurfacing			**1,430,618**		
Replaced HVAC Chiller at LPJMS	HVAC	LPJMS	$ 278,000	2016-17	Prior Year (FY16) Carryover
Subtotal - HVAC Replacement			**278,000**		
Repaved and resealed school parking lots	Parking Lots	SES, LPJMS, SCHS	138,800	2017-18	Prior Year (FY17) Carryover
Subtotal - Parking Lot Improvements			**138,800**		
Replaced Four (4) HVAC Roof Top AHU at SCHS	HVAC	SCHS	287,000	2017-18	Prior Year (FY17) Carryover
Subtotal - HVAC Replacement			**287,000**		
HVAC Replace, Repair & Maintenance	HVAC	SES	96,000	2017-18	FY18 Operating Budget
HVAC Preventive Maintenance Agreement	HVAC	LPJMS & SCHS	20,584	2017-18	FY18 & FY 19 Operating Budget
HVAC Preventive Maintenance Agreement	HVAC	SES	11,112	2017-18	FY18 & FY 19 Operating Budget
HVAC Replace, Repair & Maintenance	HVAC	LPJMS & SCHS	31,094	2017-18	FY18 Operating Budget
Subtotal - HVAC Repair & Maintenance			**158,790**		
School Bus Replacement	Transportation	Division	100,000	2017-18	County CIP
School Bus Replacement	Transportation	Division	100,000	2018-19	County CIP
School Bus Replacement	Transportation	Division	159,996	2019-20	County CIP
Subtotal - School Bus Replacement	Transportation	Division	**359,996**		
Total			**$ 2,653,204**		

Update on Solar Project

Replacement of Fire Suppression System at LPJMS

Review of 5 Year Capital Improvement Plan



Five-Year Capital Improvement Plan

	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	Total
Total of All Projects by Year	**$ 1,268,000**	**$ 2,145,000**	**$ 920,000**	**$ 705,000**	**$ 125,000,000**	**$ 130,038,000**

Summary of All Projects by Location

Location	**FY2021-22**	**FY2022-23**	**FY2023-24**	**FY2024-25**	**FY2025-26**	**Total**
Surry Elementary School	$ 125,000	$ 1,670,000	$ 425,000	$ 265,000	$ -	$ 2,485,000
Luther Porter Jackson Middle	293,000	280,000	10,000	60,000	-	643,000
Surry County High School	650,000	95,000	355,000	180,000	-	1,280,000
Transportation & Maintenance	200,000	100,000	130,000	200,000	-	630,000
Total Projects by Location	**$ 1,268,000**	**$ 2,145,000**	**$ 920,000**	**$ 705,000**	**$ 125,000,000**	**$ 130,038,000**

Summary by Project Type and Fiscal Year

Project Type	**FY2021-22**	**FY2022-23**	**FY2023-24**	**FY2024-25**	**FY2025-26**	**Total**
HVAC Replacement	$ 375,000	$ 970,000	$ 125,000	$ 200,000	$ -	$ 1,670,000
Exterior Refurbishment	200,000	500,000	-	-	-	700,000
Electrical System Upgrades	-	200,000	-	-	-	200,000
Plumbing	200,000	75,000	125,000	50,000	-	450,000
Interior Reimbursements	168,000	80,000	250,000	25,000	-	523,000
Facility	-	-	20,000	-	125,000,000	125,020,000
Food Service Equipment	-	20,000	10,000	50,000	-	80,000
Athletics	125,000	200,000	260,000	180,000	-	765,000
Transportation & Maintenance	200,000	100,000	130,000	200,000	-	630,000
Total by Project Type & Year	**$ 1,268,000**	**$ 2,145,000**	**$ 920,000**	**$ 705,000**	**$ 125,000,000**	**$ 130,038,000**

FY 2021-2022 Budget Planning

What's Next …

- Superintendent's Proposed Budget Presentation– Feb. 9th
- Public Hearing on Proposed Budget – Feb. 16th
- General Assembly Scheduled Adjournment – Feb. 27th
- School Board Budget Work Session – March 2nd
- School Board Approval of Proposed Budget – March 9th
- School Board's Proposed Budget Submitted to County Administrator – March 11th
- School Board's Proposed Budget Presented to County Board of Supervisors- March 18th
- County Administrator Presents FY 2020-2021 Proposed Budget to County Board of Supervisors April 1st
- Surry County Board of Supervisors Public Hearing on Proposed Budget - May 6th
- County Board of Supervisors Adopt FY 2020-21 Budget, 2020 Tax Rates and Budget Adoption/Amendment of Final School Board Budget with Revisions as Required- May 13th

FY 2021-2022 Budget Planning

Questions & Discussion