

March 2, 2020

Clarke County Board of Supervisors
FY2021 Budget Work Session
Main Meeting Room

7:00 pm

At a budget work session of the Board of Supervisors of Clarke County, Virginia, held in the Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia conducted on Monday, March 2, 2020.

Board Members

Present Evening Session: Doug Lawrence – Russell District; Mary L.C. Daniel – Berryville District; David S. Weiss – Buckmarsh / Blue Ridge District; Terri T. Catlett - Millwood / Pine Grove District; Bev B. McKay – White Post District

School Board Members

Monica Singh-Smith – Chair – Buckmarsh / Blue Ridge District; Katie Kerr-Hobert – Vice Chair – Berryville District; Zara Ryan – Russell District; Charles "Chip" Schutte – White Post District; Jon Turkel – Millwood / Pine Grove District

County / School Staff Present

Brenda Bennett, Chris Boies, Tom Judge, Brian Lichty, Lora Walburn

Chuck Bishop, Rick Catlett

Constitutional / State Offices / Other Agencies: None

Press: Mickey Powell – The Winchester Star

Others Present: None

1) Call to Order

Chairman Weiss called the evening session to order at 7:02 pm.

2) Clarke County School Board FY2021 Budget Presentation

Monica Singh-Smith, Clarke County School Board Chair, read from the following prepared statement.

Mr. Chairman, fellow Board members, thank you for your time tonight for the adopted School Board budget for the 2020-2021 school year. This is my third year speaking to you as chair. While I've gotten used to physically standing here before you, our request this year is unmatched when compared to requests made in previous years. As I thought about my opening remarks to you, I realized the message I wanted to convey tonight is that the School Board remains steadfast in its mission and core values outlined in our division's strategic plan.

We are fully aware of the competing priorities within the county. In fact, we have been accused of not being sensitive to the various needs of Clarke. Respectfully, my response to those accusations is that it is not the School Board's responsibility to address the needs of the entire county; but, rather, advocate for just one of those needs, that need being how to provide the best education we can offer to all Clarke County students. It is the School Board's responsibility to advocate for our students and teachers. It is our responsibility to make decisions that will positively impact all the students we serve.

With that said, please do not misinterpret my wording as a lack of appreciation for the difficult decisions you have to make. We understand how challenging the budget process is for you; and, without asking any of you directly, I think that I can say that working through the annual budget is not on your top five list of favorite things to do. I can assure you that the feeling is mutual as a School Board member. We take this process very seriously. Every program and staffing position is carefully reviewed to ensure our financial resources are used wisely and in accordance with the School Division's initiatives and financial policies; and, as we do every year, we will carefully leverage every single dollar we receive from our local, state, and federal governments.

For the upcoming school year, we have tough decisions to make. It is no secret there is a decline in student enrollment; and, while that does not change the needs of the School Division as a whole, it will, eventually, impact various resources. This reality puts us in a precarious place. How do we maintain our current resources and address new demands, while also being faced with the constant changes in the demographics of Clarke County students? There is no straightforward answer or solution. What I can say is that Dr. Bishop and his staff are tasked to make the most well informed decisions that not only meet the needs of every student, but decisions that are also fiscally responsible.

With all this in mind, I would like to highlight quickly one of the goals in our strategic plan. While all five of our goals are equally important, the one we focus on with the

utmost earnest is our third goal – we will employ personnel who share the vision, mission, and core values of the School Division and demonstrate foundational skills in critical thinking, collaboration, creative thinking, communication, and citizenship. The first subset of this goal is attract, develop, and retain employees, who abide in the knowledge, skills, and attitudes needed to be successful with our diverse learners and situations. Attract, develop, and retain – these are the three key words that motivated the School Board to make this unprecedented request of over nine hundred thousand dollars to the Board of Supervisors.

As I mentioned last year, our goal is to stay competitive with our neighboring counties. This is why our adopted budget includes a seven percent increase for our teachers, staff, and administrators. I can appreciate that some might think this increase is high, and that is because it is. The Board feels strongly that in order to attract, develop, and retain employees it is imperative that we work hard to close the salary gap.

We have talked about teacher shortages in the past, and, unfortunately, that has not changed. This is an issue that counties continue to face throughout the Commonwealth. Keeping our current teachers and hiring new ones allows us to better educate and support our students on their path to success.

Despite the decline in student enrollment, and understanding our need to reevaluate various resources, the cost of doing business does not change. Our needs do not change. Our goal of providing the best education we can offer our students does not change. We built this budget on essentials needed to continue service to our students, staff, and community.

The School Board values the positive and collaborative relationship we have with the Board of Supervisors. I know that we will continue to work together towards our common goals of encouraging, inspiring, and empowering our kids to be the best versions of themselves. Thank you.

School Board Chair Monica Singh-Smith turned the presentation over to Dr. Chuck Bishop, Clarke County Public School Superintendent.

Highlights of Chuck Bishop's presentation of Clarke County Public Schools' FY2021 proposed budget, adopted by the School Board on Monday, February 24, include:

- Enrollment data and statistics:
 - Enrollment has declined over the past few years.
 - Anticipating in K-12 membership 1,831 students for FY2021.
 - Actual projection is 1,846 for K-12 – the reason for that is that each year 8 to 12 students generally enter the high school, full- or part-time, coming from local private schools and home school.
 - Division Average Daily Membership

- Along with the Composite Index, average daily membership is the biggest driver of the budget.
- 2008-2009: there were 2,156 students in grades K-12.
- 2019-2020: there were 1,846 students – a decrease of 310 students over a 12-year period.
- Individual School Enrollment
 - 2010-2011: Boyce 364 students; Cooley 536 students; Middle School 485 students; High School 712 students.
 - 2019-2020: Boyce 270 students [K-5]; Cooley 472 students; Middle School 481 students; High School 661 students.
 - Middle School has had its ebbs and flows but has stayed consistent over the last few years.
 - Eighth-grade class this year is one of the larger ones with 181 students that will be replaced by 140 students becoming sixth graders or 40 less students 2020-2021.
- Home School:
 - Home schoolers are required to follow a notification process with the local school division.
 - 2014-2015: 184 students
 - 2019-2020: 142 students
- Religious Exemption:
 - Requirements are looser.
 - 2014-2015: 53 students
 - 2019-2020: 54 students
- Special Education and 504:
 - Over the past five years, the state has requested separate reporting of 504.
 - 2015-2016: 234 special education students / 11.9%; 31 504 plan students / 1.3%
 - 2019-2020: 209 special education students / 11.1%; 58 504 students / 3%;
 - At one time, Clarke had one of the lowest special education populations in the Commonwealth; now, Clarke is just about at standard averaging about 12%.
- Disadvantaged Enrollment:
 - Over the last ten years, this category has increased more than any other.
 - 2008-2009:
 - 363 students receiving free or reduced meals / 16%

- 17 homeless students
- 2019-2020:
 - 453 students receiving free or reduced meals / 23%
 - 10 homeless students
- 2013-2014: 23 homeless students
- 2014-2015: 25 homeless students
- Simple definition of homeless is “no permanent residence.”
- English Language Learners
 - Services are indicated by level of proficiency.
 - 2008-2009: 72 students in program; 23 students receiving services
 - 2014-2015: 32 students in program; 11 students receiving services
 - 2019-2020: 85 students in program; 64 students receiving services
- On-time graduation rate
 - Despite changing demographic, Clarke continues to be one of the highest in the Commonwealth and surpasses the state average.
 - 2018-2019: 98% on time
- Composite Index:
 - Determines local ability to pay.
 - .5729 means that Clarke is responsible for 57 cents on the dollar for education.
 - Loudoun County is classified as the wealthiest locality in American; and, yet, Clarke’s composite index ranks higher.
- Budget Development Data
 - Process is the same as it has been in the past.
 - Based on an average daily membership of 1,846 students plus 40 PreK students.
 - Anticipated enrollment in each building for 2020-2021.
 - Local composite index is .5729.
 - Received several new position requests.
 - Spent considerable time reviewing health insurance costs for the School Division, for the locality, and for the employee.
 - Conducted salary comparisons to Winchester and Frederick County.
 - Budget recommendations are in line with the strategic plan and community budget survey.

- Used a school-based allocation methodology.
- Community Budget Survey
 - Survey is distributed through the School Messenger system and on the Schools' webpage.
 - 246 responses [below are ranked priorities]
 1. Employee compensation
 2. CTE programming
 3. Advanced academic offerings
 4. Fine arts
 5. Instruction materials / supplies
 6. Reducing health insurance premiums [tie with 7]
 7. Student – teacher rations [tie with 6]
 8. Athletics
 9. Technology
 10. Remedial programs
 11. Professional development
 12. Bus replacements
- Strategic Plan - Five primary goals:
 1. Achievement
 2. Culture / Climate
 3. Personnel
 4. Technology
 5. Efficient / effective operation of the School Division
- School-based Allocation Methodology: Break down of cost including office of the principal, instructional materials and supplies, and classroom instruction technology.
- Salaries:
 - Teacher salary:
 - The Supervisors and School Boards have worked well together in making sure salaries were a priority for all employees.
 - Issue lies at state level – Virginia is ranked 34th in teacher salary - about \$9,000 behind the national average.
 - In 2019, Virginia ranked the ninth wealthiest state.
 - Governor's budget has no increase for year one and 3% in year two.
 - Senate increases the budgeted salary to 4% in year two; House increases at 2% each year.

- Master's Stipend:
 - Still marginally higher than City of Winchester and Frederick County.
 - An increase for 49 persons would cost \$113,000; therefore, the decision was made not to push forward with an adjustment as part of this proposal.
 - Clarke still pays out 51 persons \$6,563 grandfathered in under the old master's degree policy.
 - Sixty-two percent of teachers hold a master's degree.
- Proposed Increase:
 - Superintendent proposed a 5% raise and a scale containing 33 steps with a starting salary of \$43,800.
 - The School Board asked staff to begin working on a 7% increase in salary for all employees, which is what is presented in the proposed budget.
 - Benchmark anticipates a 5% increase.
 - Even with proposed increase, Clarke will lag behind both the City of Winchester and Frederick County.
- Food Service Fund:
 - Continue arrangement with Sodexo.
 - Lines adjusted to account for expenses.
 - Increase of \$31,198 is mostly related to salaries and benefits.
 - Operating Budget: 84.5% is personnel – salaries, benefits, substitute costs, etc.
 - Food Service Budget: 45% is personnel.
- Capital Projects Fund:
 - For the third consecutive year, the budget proposes a reduction in capital requests.
 - Furniture: Working toward standardizing furniture.
 - Athletic Equipment: Reconditioning of equipment such as football helmets and batting helmets.
 - Buses: One bus
 - Asphalt / Sidewalk Fund: Parking lot adjacent to the cafeteria at Cooley
 - HVAC: Ongoing issues
 - Security: Schools have many security devices and systems in place. Looking to equip buses with cameras.
 - Roof Replacements:
 - Need to replace roof on administration building.

- Need to begin to plan for roof at Boyce, a large part of the roof is shingle.
- Flooring: Various work is needed across the division including carpet replacement, gym floors [conditioned every summer], tile replacements.
- Technology:
 - Replace display boards that are out of date.
 - Smart is a proprietary technology that school systems have used over the years; however, CCPS is in the process of replacing these to avoid the cost of approximately six thousand five hundred dollars. A flat panel monitor costs approximately two thousand five hundred dollars and are interactive just like the Smart boards.
- Account balance for current fiscal year is slightly over one million dollars not including projects lined up for this spring and summer.
- Large portion is in the technology line, some of which is related to VPSA technology bonds that must be spent in a certain way.
- FY2017 was highest due to renovations of Primary.
- Proposed Initiatives
 - No new personnel requests in the budget. Will repurpose a position for an additional guidance counselor at Cooley.
 - State is considering change in requirements that could necessitate the hire of an additional guidance counselor.
 - Continue to support professional development.
 - Deferring the purchase of science materials for grades 6-12. Focus on science material for K-12.
- Items not included:
 - Increase in health insurance
 - Equalized master's stipends
 - No new positions.
- Executive Summary 7% Salary Increase Model:
 - Expense:
 - Increase of \$730,882
 - Cost of the salary increase is nearly one point one million dollars. Able to reduce to \$903,864 by cutting approximately \$200,000 out of the 15% by tightening up utilities, materials and supplies.
 - Food Service: up \$31,198
 - Debt Service: down \$145,204

- School Capital: down \$159,750
- Revenue:
 - School Operating Fund: \$172,982 less revenue from the state.
 - Food Service Fund: Revenue offsets expense
 - Debt Service: down \$3,443
 - School Capital: \$0; Capital request does include \$154,000 through VPSA for technology.
- Local Tax Funding:
 - School Operating Fund: increase \$903,864
 - Food Service Fund: \$0
 - Debt Service: down \$141,761
 - Capital Fund: down \$159,750
 - Total increase in local tax funding: \$602,353
 - No assumptions have been made.

Dr. Bishop concluded his presentation and asked the Board for questions.

Dr. Bishop affirmed for Chris Boies that state revenues were based on the Governor's budget. He told the Board that he was hopeful that the budget would be available in the next week or so pending the Governor's approval.

Supervisor Catlett asked Dr. Bishop to explain how the state does raises. Dr. Bishop opined that it could be tricky with most, not all, revenues based on composite index. He continued that most raises are based on Standards of Quality [SOQ] funded positions; and, if there is a raise from the state, it is only for those positions that are SOQ funded then offset by the Composite Index. He also cautioned that timing of the raise is a factor whether it is July 1 or January 1. Supervisor Catlett put forth that it is complicated, and the locality tries to do its best.

Supervisor Daniel sought clarification that if the state decided to give a raise, whatever amount it decides, every dollar of the raise, we, Clarke County, are paying \$0.5729 of every dollar. Chuck Bishop confirmed.

Chairman Weiss noted that in previous documents the Schools talked about repurposing positions that had a savings involved and asked if that number was included in the proposal. Chuck Bishop stated that there was no consensus reached last week; therefore, it was not included at this point and nothing reflective of reductions in staff were included in the budget. He did note that there would be a reduction of one teacher in Boyce; however, the reduced position would be repurposed to allow the hire of a guidance counselor at Cooley.

Chairman Weiss opined that he hoped the School Board would consider those savings and repurposings stating that the first document he saw reflected an approximate two hundred and sixty odd thousand-dollar savings, which would go a long way toward the salary increase.

Chairman Weiss commented that the presentation was thorough and expressed his appreciation for all the work done by the School Board and School staff. He stated that he appreciated the School Board Chair's comments this evening agreeing that it was vital to retain the relationship. He stated that he was shocked to see the 7% salary increase; and, so far, the numbers the Budget Finance Committee had seen, with the School's proposed 7% salary increase now in, but no raises on the general government side, there appeared to be a deficient of around one million dollars even after reducing the Sheriff's request from two deputies to one deputy and reducing from four vehicles to three vehicles. He noted that Fire and EMS has a substantial request of approximately two hundred and sixty thousand. Chairman Weiss reminded that one penny generates about two hundred and forty thousand dollars, which leaves the County in a tight spot, with a shaky economy. He concluded by stated that the County has issues and many things to consider, which it shall do in good faith.

Supervisor Catlett asked if the Sheriff's request included the potential for another school resource officer.

Chairman Weiss responded that it did not speculating that the Sheriff would probably come forward later in FY2020 to make a request under a school resource grant. He opined that the Supervisors believe in these positions, and it covers the funding for these positions, which is another indirect funding of the school system.

Vice Chair McKay postulated that school resource officers, whose purpose it is to be in schools, should be covered under the schools' budget not the sheriff for it skews the law enforcement budgets higher.

Supervisor Daniel responded that school resource officers report to the Sheriff, and it did not work well in situations where these positions were employees of the school division.

Chuck Bishop added that the Schools are not eligible to apply for the school resource officer grants.

Chris Boies informed the Board that the grant application submit last week would come to the Board of Supervisors for acceptance should Clarke be lucky enough to be awarded the grant.

In conclusion, Chairman Weiss thanked everyone for all the work.

3) Adjournment

At 7:46 pm, Chairman Weiss adjourned the meeting.

Next Regular Meeting Date

The next regular meeting of the Board of Supervisors is set for Tuesday, March 17, 2020, at 1:00 p.m. in the Berryville Clarke County Government Center, Main Meeting Room, 101 Chalmers Court, Berryville, Virginia.

ATTEST: March 2, 2020

David S. Weiss, Chair

Chris Boies, County Administrator

Recorded and transcribed by Lora B. Walburn, Deputy Clerk to the Board of Supervisors