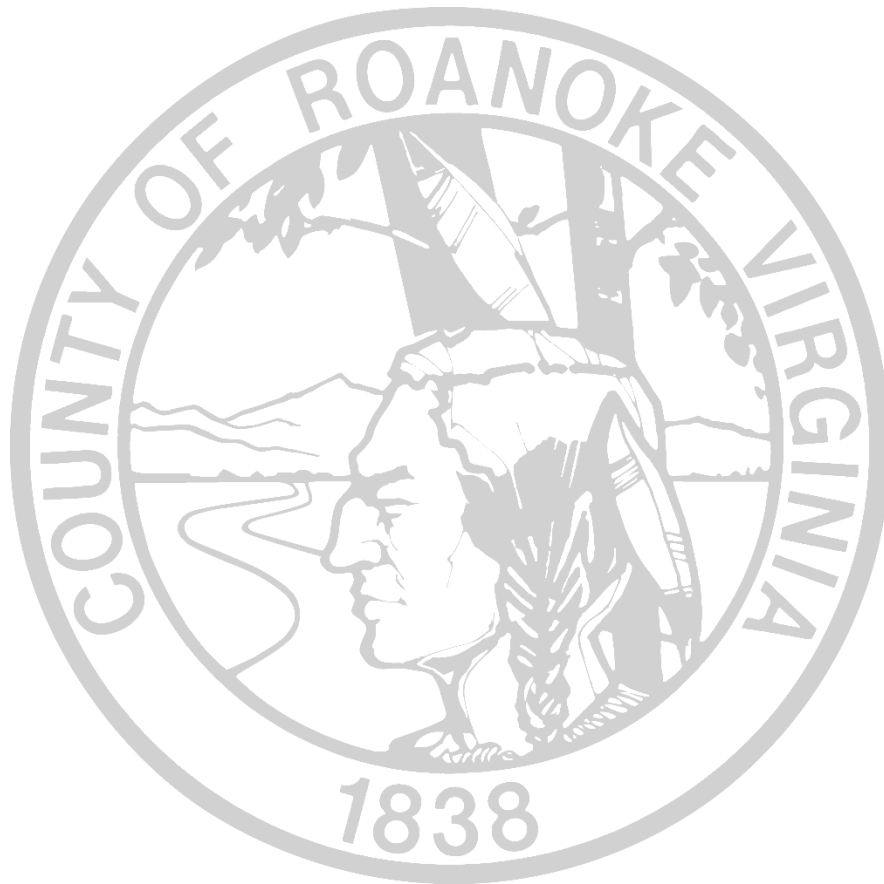




# Component Unit Schools





# ROANOKE COUNTY

FINANCE AND MANAGEMENT SERVICES

5204 Bernard Drive, Suite 300E, P.O. Box 29800

Roanoke, Virginia 24018-0798

TEL: (540) 772-2020 FAX: (540) 772-2186

July 1, 2020

To the Honorable Chairman and Members of the Board of Supervisors; the Honorable Chairman and Members of the School Board; and the Citizens of Roanoke County, Virginia:

On June 23, 2020, the Roanoke County Board of Supervisors adopted the fiscal year 2020-2021 operating and capital budgets, including adoption of the Roanoke County Public Schools (RCPS) budgets. The ordinances adopting and appropriating both the RCPS operating and capital budgets can be found in the Appendices section of this document. The RCPS operating and capital budgets were approved by the Roanoke County School Board on March 26, 2020, satisfying the state requirement of adopting a budget by April 1 of each year.

Due to the COVID-19 pandemic, RCPS expected revenue amounts, including the Roanoke County General Government Fund transfer, to be decreased. Revisions from the original approved budget were discussed with the School Board during the Work Session on May 5, 2020. A revised budget was presented and adopted on May 14, 2020 by the School Board. The 2020-2021 Revised Annual Budget was presented to the Board of Supervisors of the County of Roanoke on May 26, 2020, and was incorporated into the ordinances adopted by the Roanoke County Board of Supervisors on June 23, 2020.

In FY 2020-2021, the Roanoke County General Government Fund transfer to the Schools Operating Fund is \$68,029,368, a decrease of \$2,470,354 from FY 2019-2020. This decrease was based on projected reductions in County revenue categories included within the revenue sharing formula. More information on the transfer to Schools and the revenue sharing formula can be found within the Transfers section of this document.

The pages that follow include the School Board agenda item to adopt the fiscal year 2020-2021 RCPS operating and capital budgets. If you wish to learn more about the RCPS budget and budget process, please visit the RCPS website at <https://www.rcs.k12.va.us/Domain/163>.

Sincerely,

Laurie L. Gearheart, CPA  
Director of Finance & Management Services

Meredith L. Thompson  
Budget Division Director



**Agenda Item Details**

Meeting	May 14, 2020 - Roanoke County School Board Meeting
Category	8. ACTION ITEMS
Subject	8.02 Request Approval of Revised Annual Budget for 2020-2021 - Mrs. Susan Peterson
Type	Action
Preferred Date	May 14, 2020
Absolute Date	May 14, 2020
Fiscal Impact	Yes
Budgeted	No
Budget Source	Original Budget-Revised

On March 26, 2020 the School Board approved the 2020-2021 Annual Budget. This budget was conveyed to the County of Roanoke on March 30, 2020 to be in compliance with Virginia Code §15.2-2503, which requires "All officers and heads of departments, offices, divisions, boards, commissions, and agencies of every locality shall, on or before the first day of April of each year, prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year for his department, office, division, board, commission or agency."

Since that time, due to the expected economic impact from the COVID-19 pandemic, staff received amended revenue projections from both the Virginia Department of Education and the County of Roanoke which significantly reduce the amount of funds available to be appropriated. Additional related information was shared during work sessions on April 14, 2020 and May 5, 2020.

The Proposed Revised School Board Budget for 2019-2020, which was reviewed with the School Board on May 5, 2020, is attached. The 2020-2021 School Board budget document will be presented to the Board of Student Fee Schedule for 2020-2021

**Student Fee Schedule for 2020-2021**

The Code of Virginia (8VAC20-720-80) states that "no fees or charges may be levied on any pupil by any school board unless authorized by regulation of the Board of Education or by the General Assembly." The schedule of fees as shown on page 7 of the attached presentation are authorized by 8VAC20-720-80 and comply with School Board policy 4.12.

On March 26, 2020 the School Board approved the Fee Schedule. As a result of planning for future distant learning due to possible continued COVID-19 social distancing requirements, the laptop program has been extended to the elementary schools and staff recommends adding the Take-home Laptop fee to the Elementary School Student Fees.

***Staff recommends approval of the Student Fee Schedule for 2020-2021, as presented on page 7 of this presentation.***

**Pay Plan for 2020-2021**

In preparation for the current budget year, Roanoke County Public Schools engaged a vendor to perform a Compensation & Classification Study and to provide recommendations for addressing concerns with identified hard-to-fill and hard-to-recruit positions and concerns relative to competitiveness with the market.

On March 26, 2020 the School Board approved the Pay Plan from the Compensation Study, however, as a result of the economic impact from the COVID-19 pandemic and the reduced level of funding expected to be received for school year 2020-2021, staff recommends implementing the position title changes but adopting the 2019-2020 pay scale with the following exceptions:

- Increase Nurse contracted hours from 5.83/day to 7.33/day for full school day coverage.
- Increase Open End Nurse from \$150 to \$180 to mirror the teachers since they will now have the same length day.

***Staff recommends approval of the Pay Plan for 2020-2021, as presented on page 14 to 28 of this presentation.***



**Health, Dental, and Vision Insurance Plans and Premiums for 2020-2021**

As part of its benefits package to employees, Roanoke County Public Schools offers health insurance, vision insurance and dental insurance to its employees. These plans and premium rates are reviewed and adjusted annually.

On March 26, 2020, the School Board previously approved the Health, Dental, and Vision Insurance Plans and Premiums. Health rates were increased by 2%, while the Dental and Vision rates were held level. As a result of the economic crisis and the inability to provide pay increases next year, staff has revisited the rates and recommends using Health Insurance Reserves to cover the original recommended health rate increase of 2%.

***Staff recommends approval of the Health, Dental, and Vision Plans and Premiums for 2020-2021, as presented on page 29 to 33 of this presentation.***

**Revised Capital Improvement Plan for 2021-2030**

The Roanoke County Public Schools Capital Improvement Plan (CIP) is developed to plan for the long-term maintenance and preservation of capital investments necessary to provide safe, durable, and engaging spaces for quality instructional programs within the strategic direction of the Comprehensive Plan and School Board policies. The CIP is a planning document laying out the project costs and means by which they will be funded. The CIP is reviewed and revised annually based on current needs, asset conditions, and funding opportunities. Once approved by the School Board, the CIP will be incorporated into a county-wide CIP by the Board of Supervisors representing the approved capital needs of the entire county. Funding for 2020-2021 will be included and appropriated by project in the Annual Budget or 2020-2021. All subsequent years presented is neither a commitment to a particular project nor an obligation to the stated project timeline.

On February 13, 2020, the School Board approved the CIP, however, as a result of the economic impact from the COVID-19 pandemic and the reduced level of funding expected to be receipted for school year 2020-2021, staff recommends deferring \$1,000,000 transfer from General Fund for the Capital Maintenance Plan and has received approval from the County Board of Supervisors to do so, since this is part of the County of Roanoke's Comprehensive Financial Policy.

***Staff recommends approval of the Capital Improvement Plan for 2021-2030, as presented on page 52-53 of this presentation.***

**Annual Budget for 2020-2021**

In accordance with Code of Virginia §15.2-2503 School Divisions shall submit their budget to governing body before April 1.

On March 26, 2020 the School Board approved the Annual Budget for 2020-2021, however, as a result of the economic impact from the COVID-19 pandemic and the reduced level of funding expected to be receipted for school year 2020-2021, staff revised the original budget as shown below.

	<u>2020 Budget</u>	<u>Approved 3/26/20 2021 Budget</u>	<u>Revised for COVID- 19 2021 Budget</u>	<u>Change from 2020 Budget</u>	<u>Change From Original Budget</u>
General	\$151,594,497	\$156,531,289	\$150,291,702	\$(1,302,795)	\$(6,239,587)
Instructional Resources	913,905	954,523	921,927	8,022	(32,596)
Fleet Replacement	1,374,927	1,498,211	234,119	(1,140,808)	(1,264,092)
Technology Replacement	3,116,589	4,852,085	4,276,085	1,159,496	(576,000)
Grant	6,530,307	9,951,782	6,949,394	419,087	(3,002,388)
Capital Projects	1,847,500	19,778,156	18,668,156	16,820,656	(1,110,000)
Nutrition	5,976,814	5,925,134	5,925,134	(51,680)	-
Student Activity Fund	-	<u>7,200,000</u>	<u>7,200,000</u>	<u>7,200,000</u>	-
	<u>\$171,354,539</u>	<u>\$206,691,180</u>	<u>\$194,466,517</u>	<u>\$23,111,978</u>	<u>\$(12,224,663)</u>

***Staff recommends approval of the Revised Annual Budget for 2020-2021 in the total appropriation of \$194,466,517.***