

Washington County Public Schools

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BRIAN C. RATLIFF, ED.D.
Superintendent

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THE SCHOOL BOARD
Elizabeth P. Lowe, Chair
Billy W. Brooks, Vice Chair
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Dayton Owens
Danny Ruble

February 22, 2017

Mr. Jason Berry, County Administrator
County Government Center
One Government Center Place, Suite A
Abingdon, Virginia 24210

Dear Mr. Berry:

At the School Board meeting on Monday, February 20, 2017, the Board approved the Superintendent's Preliminary Statement of Needs for fiscal year 2018 (FY18). These projections are based on the Governor's December 16, 2016 Introduced Amendments to the 2016-2018 Biennial Budget (HB 1500/SB 900).

At this point in the budget cycle, we have three financial scenarios under consideration; the House, Senate and Governor's versions. None of these budget proposals contain relief for the steep VRS increase from 14.66% to 16.32% slated for implementation in FY18. The FY17 VRS costs increased approximately \$330,000 and this FY18 increase results in additional costs of \$660,700. The projected enrollment (ADM) decrease in all three versions drops to 6,941.75 in FY18 from our current FY17 budgeted 7,076.30. This decrease of 134.55 students reduces our state revenues by \$682,000. In addition to the VRS increase, enrollment loss and FY17 local funding decrease of \$914,000, the Governor rescinded the funding for the FY17 compensation supplement of \$311,055 subsequent to the final adoption of the FY17 budget by the General Assembly.

The Governor's introduced FY18 budget includes \$348,139 to provide a 1.5% one-time bonus to employees. These funds would be forfeited if the bonus is not provided. The total cost of a 1.5% payment to all employees is approximately \$563,850.

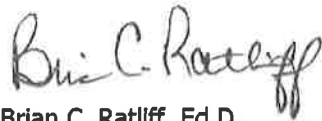
Other expenditure assumptions include a projected 5% trend (\$374,850) for health insurance and a 2% increase (\$51,800) in utilities, gas, fuel, and oil. These projections result in an increase in the local funding contribution of \$1,243,798 for the General Fund. The Textbook Fund state revenues for FY18 decrease \$9,610 with a required local match reduction of \$5,161. There is no local funding request involved with the School Nutrition Fund.

We have presented the School Construction Fund (Fund 316) with the inclusion of our long term facilities plan that extends from FY 2018 through 2023 with the understanding that long term facility forecasting requires flexibility to adapt as needed. FY18 CIP needs are estimated at \$2,448,000 with the addition of a carryover of FY17 projects of \$333,964; FY19 at \$659,660, and

longer range construction and facility needs for FY20 through FY2023 of \$3,790,000. The inclusion of these projects have been included in the Preliminary Statement of Needs Projection as requested to facilitate coordination with the county facilities management and debt service planning.

The School Board and I greatly appreciate your continued commitment along with the Board of Supervisors to provide funding for the Washington County Public School Division. Please contact me if either you or any member of the Board of Supervisors has questions or needs clarification of information contained in our budget.

Respectfully,



Brian C. Ratliff, Ed.D.
Division Superintendent

Attachment

- c: Washington County School Board
Ms. Tammy Copenhaver, Director of Business and Finance – Washington County
Ms. Melissa Caudill, Director of Finance & Business - WCPS
Dr. Jeff Noe, Assistant Superintendent - WCPS

WASHINGTON COUNTY SCHOOLS
Preliminary Statement of Needs Projections FISCAL YEAR 2018
as of February 20, 2017

TOTALS BY FUND							
Row Labels	2014 ACTUAL	2015 ACTUAL	FY16 Actual	Current FY17 Original Budget	Sum of FY18 BUDGET - GOVERNOR'S DECEMBER 16 AMENDMENT	Sum of FY18/FY17 CHANGE	% Change
(blank)							
312 - GENERAL FUND							
Revenues	(72,758,629)	(71,599,308)	(72,979,268)	(76,676,490)	(78,338,885)	(1,662,395)	2.17%
Expenses	72,758,628	71,599,308	72,979,268	76,676,490	78,338,885	1,662,395	2.17%
312 - GENERAL FUND Total	(0)	(0)	(0)	0	0	0	0.00%
315 - TEXTBOOK FUND							
Revenues	(2,137,521)	(2,071,551)	(2,277,338)	(1,922,300)	(2,620,066)	697,766	-36.30%
Expenses	791,939	246,396	786,441	1,922,300	2,620,066	(697,766)	-36.30%
315 - TEXTBOOK FUND Total	(1,345,582)	(1,825,154)	(1,490,897)	0	0	0	0.00%
316 - SCHOOL CONSTRUCTION FUND							
Revenues	(1,355,228)	(1,587,978)	(1,648,795)	(1,108,700)	(8,340,324)	(7,231,624)	652.26%
Expenses	217,250	714,183	0	1,108,700	8,340,324	7,231,624	652.26%
316 - SCHOOL CONSTRUCTION FUND Total	(1,137,978)	(873,795)	(1,648,795)	0	0	0	0.00%
317 - SCHOOL NUTRITION FUND							
Revenues	(3,757,783)	(3,501,408)	(3,636,394)	(3,904,974)	(3,985,874)	(80,900)	2.07%
Expenses	3,317,260	3,275,703	3,018,094	3,904,974	3,985,874	80,900	2.07%
317 - SCHOOL NUTRITION FUND Total	(440,523)	(225,704)	(618,300)	0	0	0	0.00%

Summary	
Total Increase in State Funding	\$ 407,386
Cost of Health Ins (Projected 5%)	(374,850)
Cost of VRS Increase	(660,700)
Employee Compensation (Gov Bonus or Step)	(563,834)
Utilities, Gas Fuel and Oil 2%	(51,800)
Net Local Funding Change - General Fund	(1,243,798)
Textbook Fund - Required Local Match Reduction	5,161
Facilities Fund - Projects FY18 - FY2023	(7,231,624)
Net Local Funding Change	(8,470,261)

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Row Labels	2015 ORIGINAL BUDGET	FY16 ORIGINAL BUDGET	FY17 Original Budget	FY17 Revised Budget	FY18 BUDGET - GOVERNOR'S DECEMBER 16 AMENDMENT	FY18/FY17 CHANGE	% Change
312 - GENERAL FUND							
Revenues							
Federal Revenue	(7,002,626)	(6,037,000)	(6,246,347)	(6,246,347)	(6,246,347)	0	0.00%
Local Revenue	(28,405,846)	(28,158,641)	(27,244,641)	(28,479,101)	(28,488,439)	(1,243,798)	4.57%
Medicaid	(215,469)	(215,469)	(480,946)	(480,946)	(480,946)	0	0.00%
Misc Revenue	(2,134,724)	(2,139,724)	(1,898,768)	(1,898,768)	(1,898,768)	0	0.00%
State Revenue	(37,739,013)	(37,863,069)	(40,805,788)	(40,805,788)	(41,224,385)	(418,597)	1.03%
Revenues Total	(75,497,678)	(74,413,903)	(76,676,490)	(77,910,950)	(78,338,885)	(1,662,395)	2.17%
Expenses							
Books and Subscriptions	131,589	214,093	135,679	135,679	135,679	0	0.00%
Bulbs & Cartridges	110,000	132,272	132,272	131,482	132,272	0	0.00%
Capital Outlay	424,042	479,864	973,800	1,070,369	973,800	0	0.00%
Compensation	42,660,487	43,757,617	43,529,061	43,566,982	44,147,524	618,463	1.42%
Custodian Supplies	190,000	240,000	250,000	250,000	250,000	0	0.00%
Employee Benefits	18,911,270	18,055,184	18,412,144	18,384,844	19,404,270	992,126	5.39%
Equipment - Perkins	120,000	120,000	120,000	120,000	120,000	0	0.00%
E-Rate Infrastructure	195,000	178,000	195,000	195,000	195,000	0	0.00%
First Aid Supp	10,000	18,428	9,074	9,079	9,074	0	0.00%
Gas/Coal/Oil	246,413	294,975	231,600	231,600	236,232	4,632	2.00%
Hardware/Software	529,088	529,088	580,000	580,000	580,000	0	0.00%
Instructional Supplies	333,167	1,288,867	1,500,980	1,535,566	1,500,980	0	0.00%
Joint Operations	0	130,000	130,000	130,000	130,000	0	0.00%
Other Expenditures	614,283	563,440	690,474	731,379	690,474	0	0.00%
Other Operating Supplies	219,200	320,752	406,573	406,802	406,573	0	0.00%
Outside Services	1,467,246	2,054,817	3,149,132	3,167,336	3,149,132	0	0.00%
Property/Liability Insurance	286,300	296,425	302,315	302,315	302,315	0	0.00%
Reimbursements	4,757,616	1,587,482	1,262,399	2,296,531	1,262,399	0	0.00%
Repair & Maintenance Supplies	548,000	567,194	659,300	659,300	659,300	0	0.00%
Telecommunications	150,260	146,175	162,450	162,450	162,450	0	0.00%
Utilities/Electrical	1,496,147	1,646,530	1,586,040	1,586,040	1,617,759	31,719	2.00%
Vehicle Fuels	905,250	822,750	772,750	772,750	788,205	15,455	2.00%
Vehicle Supplies	211,240	243,700	274,727	274,727	274,727	0	0.00%
Vehicles, Replacement	560,000	400,000	783,680	783,680	783,680	0	0.00%
Water/Sewer/Trash	152,980	161,250	202,040	202,040	202,040	0	0.00%
Worker's Comp. Insurance	228,000	165,000	225,000	225,000	225,000	0	0.00%
Expenses Total	75,457,578	74,413,903	76,676,490	77,910,950	78,338,885	1,662,395	2.17%
315 - TEXTBOOK FUND							
Revenues							
Beginning Fund Balance	(1,189,825)	(1,190,000)	(1,137,463)	(1,490,897)	(1,850,000)	712,537	-62.64%
Interest Earned-Deposits & Inv	(12,000)	(12,000)	(8,000)	(8,000)	(8,000)	0	0.00%
Local Revenues	(296,021)	(256,960)	(271,427)	(528,387)	(266,266)	(5,161)	1.90%
Other Revenues	(1,500)	0	0	0	0	0	
State Aid - Textbook	(426,834)	(421,602)	(505,410)	(505,410)	(495,800)	(9,610)	1.90%
Revenues Total	(1,926,180)	(1,880,562)	(1,922,300)	(2,532,694)	(2,620,066)	697,766	-36.30%
Expenses							
Supp, Textbooks, Workbooks	1,926,180	1,880,562	1,922,300	2,532,694	2,620,066	(697,766)	780.17%
Expenses Total	1,926,180	1,880,562	1,922,300	2,532,694	2,620,066	(697,766)	780.17%
316 - SCHOOL CONSTRUCTION FUND							
Revenues							
Local Revenues - FY18 Projects	0	0	0	0	(2,448,000)	(2,448,000)	
Local Revenues - FY19 Projects	0	0	0	0	(659,660)	(659,660)	
Local Revenues - FY2020 - FY2023 Projects	0	0	0	0	(3,790,000)	(3,790,000)	
Project Carryover/Subsidy/Interest	(435,000)	(862,206)	(1,108,700)	(1,648,795)	(1,442,664)	(333,964)	30.12%
Revenues Total	(435,000)	(862,206)	(1,108,700)	(1,648,795)	(8,340,324)	(7,231,624)	652.26%
Expenses							

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Row Labels	2015	FY16	FY17 Original Budget	FY17 Revised Budget	FY18 BUDGET -	FY18/FY17 CHANGE	% Change
	ORIGINAL BUDGET	ORIGINAL BUDGET			GOVERNOR'S DECEMBER 16 AMENDMENT		
Cap Outlay FY18 Plan	0	0	0	0	2,448,000	2,448,000	
Cap Outlay FY19 Plan	0	0	0	0	659,660	659,660	
Cap Outlay FY2020 - FY 2023			0	0	3,790,000	3,790,000	
Facilities Projects	0	0	0	0	0	0	
Facilities/Capital Proj. in Progress	435,000	862,206	1,108,700	1,648,795	1,442,664	333,964	30.12%
Expenses Total	435,000	862,206	1,108,700	1,648,795	8,340,324	7,231,624	652.26%

317 - SCHOOL NUTRITION FUND

Revenues

A La Carte Sales	(107,000)	(85,000)	(85,000)	(85,000)	(53,693)	31,307	-36.83%
All Other Sources	(136,813)	(135,355)	(135,355)	(135,355)	(213,632)	(78,277)	57.83%
Beginning Fund Balance	(869,200)	(575,000)	(562,550)	(618,300)	(620,000)	(57,450)	10.21%
Breakfast	0	(10,575)	(10,575)	(10,575)	(13,895)	(3,320)	31.39%
Cafeteria Sales	(1,280,000)	(1,029,000)	(1,029,000)	(1,029,000)	(889,168)	139,832	-13.59%
Interest Earned-Deposits & Inv	(2,500)	(2,000)	(2,000)	(2,000)	(1,677)	323	-16.15%
Pupil Lunches	(16,000)	(16,000)	(16,000)	(16,000)	(18,422)	(2,422)	15.14%
Reimbursements	(1,779,877)	(2,012,692)	(2,012,702)	(2,012,702)	(2,125,196)	(112,494)	5.59%
State Breakfast Program Grant	0	(39,310)	(51,792)	(51,792)	(50,191)	1,601	-3.09%
Revenues Total	(4,191,390)	(3,904,932)	(3,904,974)	(3,960,724)	(3,985,874)	(80,900)	2.07%

Expenses

Compensation	1,302,426	1,322,200	1,373,470	1,373,470	1,403,053	29,583	2.15%
Custodian Supplies	149,400	129,400	129,400	129,400	129,400	0	0.00%
Employee Benefits	616,905	508,078	600,120	600,120	609,122	9,002	1.50%
Food Supplies	1,480,000	1,658,611	1,582,685	1,582,685	1,625,000	42,315	2.67%
Other Expenditures	432,217	24,800	73,857	129,607	73,857	0	0.00%
Other Operating Supplies	38,492	89,893	38,492	38,492	38,492	0	0.00%
Repair & Maintenance Supplies	171,950	171,950	106,950	106,950	106,950	0	0.00%
Expenses Total	4,191,390	3,904,932	3,904,974	3,960,724	3,985,874	80,900	2.07%