

The Washington County School Board convened for a joint meeting with the Washington County Board of Supervisors to discuss the upcoming fiscal year (FY) 2019 budget on Thursday, February 28, 2018, at 6:30 p.m. The meeting was held at the School Board Office, 812 Thompson Drive, Abingdon, Virginia. Present were:

Washington County School Board

Mr. Billy W. Brooks, Chair  
Mr. Tom Musick, Vice Chair  
Dr. Douglas Arnold  
Mr. Terry Fleenor  
Mr. Sanders Henderson  
Ms. Elizabeth Lowe  
Mr. Dayton Owens

Washington County Board of Supervisors

Mr. Saul A. Hernandez, Chair  
Ms. Allison Mays, Vice Chair  
Mr. Dwayne Ball  
Mr. Eddie Copenhaver  
Mr. Phillip McCall  
Mr. Randy Pennington  
Mr. Mike Rush

Dr. Brian C. Ratliff, Superintendent  
Dr. Jeff Noe, Asst. Superintendent  
Ms. Melissa Caudill, Director of Finances &  
Clerk of the Board  
Dr. Chad Wallace, Director of HR & Operations  
Ms. Debra Kiser, Recorder

Mr. Jason Berry, County Administrator  
Ms. Tammy Copenhaver

1. The Joint School Board Meeting with the Board of Supervisors was called to order by Mr. Billy W. Brooks, School Board Chair.
2. Determination of quorum – seven of seven School Board members were present.
3. The Joint Board of Supervisors Meeting with the School Board was called to order by Mr. Saul Hernandez, Board of Supervisors Chair.
4. Determination of quorum – seven of seven Board of Supervisors members were present.
5. Dr. Brian Ratliff led the Pledge of Allegiance.
6. Upon motion by Mr., Sanders Henderson, seconded by Mr. Tom Musick. By 7-0 vote, the revised agenda was approved as amended.
7. Upon motion by Mr. Phillip McCall, seconded by Mr. Dwayne Ball, by 7-0 vote, the agenda was approved as amended.
8. Mr. Brooks recognized Dr. Brian Ratliff for being named the Region VII Superintendent of the Year by the Virginia Association of School Superintendents.
9. Dr. Ratliff welcomed the group by saying the School Board is privileged to have the Board of Supervisor members present and appreciates their willingness to meet. He then presented the budget projections for the four school funds.

Dr. Ratliff distributed the Superintendent's Estimate of Needs FY 2019 budget workbook noting that the Estimate of Needs was developed in accordance with the School Board's adopted goals for the upcoming fiscal year, which are listed on page 8. He stressed that these are preliminary estimates and projections. The information is based on the best information we presently have in accordance with the Governor's proposed FY 2019-2020 state funding for K-12 education that was released this past December. The state budget will not be finalized until the final version has been agreed upon and passed by General Assembly and signed into law by the Governor. Regarding revenue projections.

The initial Governor's proposal reflects an increase in state funding of almost \$1,664,000 over the current 2018 state revenues. However, approximately

82%, which is \$1,362,000 of this total is designated for Standards of Quality (SOQ) Basic Aid programs mandated to be used for funding employee compensation adjustments and other instructional costs in accordance with the state SOQ requirements. The SOQ requirements and an overview of the SOQ funding process are further detailed in the budget.

The remainder of the Governor's proposed funds are designated for specific Incentive and Categorical Programs, which are also detailed in the budget workbook.

Expenditure projections for FY 2019 begin with the current 2018 fiscal year budget. As a reminder, in order to address the funding deficit this year with the continued decrease in funding and to avoid further personnel and program reductions, we implemented a one-time initiative with the transition to bi-weekly payroll. This plan resulted in a savings of over \$560,000 in compensation and benefit reductions. The plan was to utilize the cash flow timing of payroll costs by deferring a partial pay cycle among fiscal years. This is not a recurring cost reduction we can utilize in FY 2019 or following years. Therefore, Nearly 50% of our state increase will be absorbed by the amount of this one time compensation and benefit cost reduction initiative.

Assuming the Governor's budget is not reduced; the majority of the remaining state funding will be utilized to further the salary scale expansions that have occurred over the past ten years. In alignment with our budget priorities, of which primary objectives are to avert job loss and make positive compensation adjustments, this FY 2019 budget projection implements a plan to partially restore the salary scales that have expanded an additional eight steps since FY 2009.

At a time when recruitment of qualified instructional and professional staff has become increasingly competitive, our employees have received a pay increase in only four of the past ten years. Notably, the pay increases in two of those years were actually a flow through back to VRS. In those years, the Virginia Retirement System (VRS) implemented a mandate requiring school employees to pay five percent of their compensation to the state retirement plan.

In addition to the five percent retirement costs assessed on employee salaries, our employer contribution share has also steadily increased. Overall, the rise in VRS costs over these past years have exceeded the increase in our federal, state and local revenues combined. Our school system has incurred \$5.3 million in increased VRS costs over these fiscal years. The school's general operating fund appropriated revenues have increased \$3.1 million (from all sources) over the same period. Although not yet finalized by the General Assembly (GA), the current state proposal does not include an increase in VRS employer contribution in FY 2019. This is the first year VRS costs have not increased since FY 2010.

The remaining additional FY 2019 state funding and VRS cost savings, if maintained in the final GA adoption, does not provide enough funds for all employees to receive a compensation increase in FY 2019. However, the additional state revenues will allow for a step increase for employees who are not at the top of the scale. It also provides the ability collapse and partially correct some of the pay scales.

Fortunately, our health insurance cost increases have been modest in comparison with other local agencies and regional school systems. We attribute this to our partially self-insured plan that the School Board implemented in 2007 after an extended evaluation process for options to reduce our health care costs that had been significantly increasing each year. While we have experienced a couple of years since the implementation with seven and nine percent increases, we have had the opportunity to offset a

portion of the increased costs with our accumulated reserves and occasionally with plan design adjustments. This proposed budget projects a five percent increase in health insurance for FY 2019. Should the health insurance costs turn out to be less than five percent, we will have the ability to additionally address and work towards correcting our expanded pay scales.

The funding for the Textbook Fund's revenue projections are currently based upon the Governor's proposed budget consisting of state funding of \$456,372 and the required local match of \$238,681. This is a \$39,428 decrease in state revenue with a corresponding decrease in the required local match contribution of \$27,585.

We are not asking for an increase in local funding for the General Operating fund in FY 2019. Rather, we are requesting an increase of \$2,142,500 in local funding for our School Construction Fund to ensure that our facilities and infrastructures are designed for safety, security and long-term sustainability. The FY 2019 School Construction Fund budget has been developed to address the immediate needs as outlined in our long term Capital Improvement Plan (CIP). Upcoming projects to be funded in FY 2019 include chillers for two schools, critically needed restroom upgrades, stadium bleachers at one high school and multiple technology and safety needs including space for storage and warehousing. For FY 2019, the only increased request for local \$2,142,500 in local funding or through debt proceeds.

The School Nutrition Fund revenues are derived from federal and state sources as well as from food sales. There is no local funding provided to the School Nutrition Fund. Our projections for FY 2019 reflect minimal changes in state and federal funding.

In summary, the School Board's FY 2019 request for local contributions to schools does not request reinstatement of prior year revenue reductions in the General Fund. Rather, these projections include a request for \$2,142,500 for our CIP plan in the School Construction Fund. With the \$27,585 decrease in the required local match in the Textbook Fund, the net additional local funds requested are \$2,114,915, all funds combined.

Operating under these tentative state revenue assumptions at this time, the following FY2019 projections for the four school funds, (General Operating, Textbook, School Construction and School Nutrition) reflect this increase in state revenues and associated programs.

10. The preliminary estimates of finding needs for the four School Funds are:

**GENERAL SCHOOL FUND**

Misc. & Fiscal Agency Revenues	\$ 2,570,215
State Revenues	42,888,380
Federal Revenues	6,246,347
Local County Contribution	26,935,971
Total General School Fund Revenues	\$ 78,640,913
Total General School Fund Expenditures	\$ 78,640,913

**SCHOOL TEXTBOOK FUND**

Fund Balance	\$ 2,134,135
Revenue from Use of Money	8,000
Categorical Aid-Education	456,372
Local State Match Funds	238,681

Total School Textbook Fund Revenues	\$ 2,837,188
Total School Textbook Fund Expenditures	\$ 2,837,188

**SCHOOL FACILITIES FUND**

Fund Balance	\$ 695,000
Local Contribution	2,142,500
Total School Facilities Fund Revenues	\$ 2,837,500
School Facilities Fund Expenditures FY 2019	
CIP Projects	\$ 2,837,500

**SCHOOL CAFETERIA FUND**

Fund Balance	\$ 650,000
Revenue from Use of Money	2,500
Charges for Education	3,231,580
Categorical Aid-State	51,988
Total School Cafeteria Fund Revenues	\$ 3,936,068
Total School Cafeteria Fund Expenditures	\$ 3,936,068

Mr. Saul Hernandez said there are many Capital Improvement Needs (CIP) in Washington County. Currently the Board of Supervisors are compiling their own CIP list. Mr. Hernandez discussed the importance of being able to merge these CIP lists together and reminded the School Board that other county agencies also have facility and capital needs to be considered.

Mr. Saul Hernandez opened the floor for discussion for Board of Supervisor members:

A discussion Comments/Discussion – Board Members:

- There was some discussion regarding the CIP needs listed in the budget workbook.
- Dr. Ratliff said the CIP items are listed under the School Construction Fund section of the workbook. The list includes chillers that are needed at two high schools. Additionally, the PHHS bleachers are in desperate need of repair for safety concerns. For health and safety reasons, the public restrooms and fieldhouses at JSBHS need repairs and upgrades. There are multiple technology needs including a larger warehouse and office space. Safety initiatives, which includes additional security cameras and electronic doors, are also a CIP priority.
- Mr. Berry said that the county plans to form a consolidated CIP committee for the various county agencies and functions. The plan is to address the needs with loan or bond financing.
- Dr. Noe noted the increase in technology devices for student learning that includes new devices and replacement of old, outdated ones. Many textbook resources are now online.
- Several Board of Supervisor and School Board members expressed agreement that safety needs to be addressed immediately.
- Mr. Berry noted that although it has not been publicly released yet, he is not recommending another local cut to school funding next year.

11. Dr. Ratliff discussed with the board members the school safety and security needs. He said that we are working in conjunction with local law enforcement to establish a safety task force along with the existing emergency response and crisis management, safety, threat assessment teams. Dr. Ratliff listed multiple current and training initiatives currently in place. These initiatives include the following:

- Training on bullying and discrimination.
- Working with mental health officials and offering critical care to those in need.
- Electronic doors on all front entrances.
- Emergency response guides.
- School safety audits.

- Crisis management and safety teams.

Additionally, every school is required to conduct an annual school safety audit to assess school safety conditions. All plans are reviewed and updated annually. Our emergency response guide is also reviewed and tested along a review of the school safety checklist every three years in conjunctions with local law enforcement to ensure we are in compliance and ready for emergencies. Each school submits a written assessment of any other needs to be reviewed to evaluate any needs that need to be addressed immediately and to prioritize the requests. Dr. Ratliff also discussed the different emergency drills that are actively tested each year.

Dr. Noe discussed the actions that occur when there has been a violation of school policy. He discussed how 'area wide meetings' occur and the evaluation of student support systems that can be implemented along with what corrective action should be for individual students identified as at risk.

Mr. Saul Hernandez said the Board of Supervisor's role is to appropriate adequate funds to support the school system in order to address school safety issues appropriately.

Sherriff Newman came forward. He discussed the importance of identifying the warning signs of school violence and implementing a proactive approach. He also said that law enforcement officers are currently doing five to six checks per day at each school. Sheriff Newman said they have implemented Hero 911 that notifies not only on duty officers, but also off duty law enforcement in emergencies. He noted that there are currently nine resource officers and they have asked for six additional officers. Sheriff Newman gave board members a cost breakdown for the additional officers, which would allow for a resource officer at each school.

The county administrator, Mr. Jason Berry, said they want to find resources to take care safety needs at the schools.

12. Mr. Brooks called for public comment and the following individuals came forward to speak:

- Kevin Wilson, current School Resources Officer, expressed the importance of safety in our schools the importance of funding to keep these officers in our schools.
- Ann Cunningham, former principal at Highpoint Elementary School also expressed her support of School Resource Officers in schools.
- Cathy Smith with Washington County Education Association expressed the importance of increasing teachers' pay.
- Gary Hammer, current bus driver and parent of a student at Patrick Henry High School expressed concern about two schools sharing a School Resource Office and supports a SRO in each school.
- Meghan Carty, parent of a student. Ms. Carty stressed the importance of making sure all doors are locked at all times as well as improving communications with parents about security initiatives.
- Rhonda Honaker, also spoke in support of having quality School Resource Officers in each school.
- Cathy Reid, parent Rhea Valley Elementary School also spoke in support School Resource Officers.
- Megan Hamilton, with the Barter Theater asked the School Board to fund Barter's Project Real Program.
- Eddie, spoke in support of having quality School Resource Officers in each school and recommended foregoing facility projects if necessary.
- Scott, a parent stressed the importance of having a resource officers in each school.

- Mr. Williams expressed the importance of technology and science in our schools and the necessity of training our students to prepare them for quality local jobs.
  - Ms. Newton, parent of three students also expressed support of School Resource Officers in schools.
13. Mr. Berry provided the BOS members an overview of the Consideration of Opportunity Zones. Motion by Mr. Dwayne Ball, seconded by Mr. Pennington, by 7-0 vote was approved as presented.
  14. Upon motion by Mr. Henderson, seconded by Dr. Arnold, 7-0 vote, the School Board Meeting adjourned at 9:17 p.m.
  15. Upon motion Mr. Copenhaver, seconded by Ms. Mays, by 7-0 vote the Board of Supervisors Meeting adjourned at 9:17 p.m.

Billy W. Brooks, Chair  
Melissa Caudill, Clerk  
Altra Kusan, Recorder

**MOTION:** Mr. Henderson

**SECOND:** Dr. Arnold

**CERTIFICATION OF CLOSED MEETING**

**WHEREAS,** The Washington County School Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS,** §2.2-3712 (D) of the *Code of Virginia* requires a certification by this School Board that such closed meeting was conducted in conformity with Virginia Law;

**WHEREAS, THEREFORE, BE IT RESOLVED,** that the Washington County School Board hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements by Virginia Law were discussed in the closed meeting to which this certification applies, and (II) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered.

AYES: 7

NAYS: 0

ABSTAINED: 0

 Clerk  
Washington County School Board

Meeting Date: February 28, 2018