FISCAL YEAR 2023
PROPOSED OPERATING BUDGET
LETTER FROM THE SUPERINTENDENT

Team Chesterfield staff members and families,

My proposed fiscal year 2023 budget has three main priorities:

- Invest in our workforce
- Invest in student needs
- Invest in infrastructure

It goes without saying that these are always priorities, but given our current climate and circumstances, we must take the necessary steps to provide the compensation our staff so richly deserves, provide the staffing levels and support our growing and diverse student population needs and provide facilities that are maintained, improved and can accommodate our student growth.

The proposed operating budget presented to the School Board totals $846.8 million. If that seems like a big investment, think of it this way: If CCPS were a business, it would be one of the largest Fortune 500-sized companies in the Richmond-metro area. To be successful — to ensure success for our students — requires a significant investment. In turn, our community remains a choice community; we know that our outstanding school system is one of the top reasons people move to Chesterfield.

This proposed budget would fund our operational costs for the 2022-23 school year while providing the needed resources to meet our many state requirements and guidelines, reach community expectations, address growth in student enrollment, recruit and retain a high-quality workforce and align staffing with current student and school needs.

We continue to work through a national teacher shortage, and we are seeing difficulty in filling many other positions as well. In 2020, we worked with a third-party vendor to begin the first part of a salary study that looked at teachers, school administrators and some additional related positions. In October 2021, we began a second study that will look at all remaining positions in our division. We are committed to fairly compensating our employees; we know this is an imperative step to recruit and retain the very best workforce and be competitive in this market.

The budget proposal includes an additional $85.6 million investment in education over our fiscal year 2022 budget levels, which includes a $59.6 million increase in workforce investment, $21.4 million additional for student needs and an $11.8 million increase in infrastructure investment.

Projected funding increases include $46.3 million in state revenue and $15.7 million in new local funding. However, an additional $23.8 million is needed from the state and/or local governments to meet state/local requirements/expectations, recruit and retain the best talent and serve our students appropriately.

This document details what is proposed, with the largest investment in our workforce. We must keep our focus on what matters most and work to meet our needs in a way that will propel our division forward. We are thankful for our collaboration with the county, and we look forward to continuing our work with county and state leaders over the coming weeks.

Sincerely,

Merv Daugherty, Ed.D.
Superintendent

BUDGET PRIORITIES

Invest in our workforce
We must remain competitive to attract the most qualified teachers and staff. We must address salary compression and be market competitive.

- Salary Study
  - Study 1 Phase 2
  - Study 2 Phase 1

Invest in student needs
Chesterfield is one of the few divisions in the state seeing growth at this time. While the division is efficient with the funding it receives, more money is needed to support our growing number of students.

- 1,500 forecasted new students will require additional staff
- Projected growth in ESL student population will also require additional staffing
- Opening of new Moseley Elementary School

We need targeted investments to ensure high-quality instruction

- Maintain updated substitute rate and premium-day rate
- Stipend for hard-to-staff schools/positions
- School-based funding allocation (annual adjustment)
- NBCT stipends

Invest in infrastructure

- Continue to catch up on building maintenance
- Meet the rising cost of services
- Beginning construction of two new middle schools
- Needs-based school construction plan (CIP)
FY 2023

INVEST IN OUR WORKFORCE

Last year, Chesterfield County Public Schools partnered with Chesterfield County government and a third-party vendor to begin a phased salary study to determine how staff salaries compare to market value and where they should be to ensure we are able to attract and retain high-quality teachers, administrators and staff. We are facing a national shortage of workers with many skill sets, which means we are competing in an immensely challenging market for many critical positions. The study will also collect information about benefits, engagement and recruitment strategies to inform recommendations on those items. Implementation for each of the studies is planned in two phases to address ongoing market challenges.

SALARY STUDY: A PHASED APPROACH

Salary Study 1

The first salary study, completed last year, focused on teachers, school-based administrators and some related student-contact positions. The study looked at how those salaries compared to market as well as pay compression — this happens when there is little difference in pay between employees regardless of experience. Pay compression can impact the ability to recruit qualified and experienced employees if we cannot offer a competitive salary due to internal equity issues.

Among the findings of the first salary study are:

- Starting teacher pay rates were similar to the market average, but the gap widened due to the slower pay progression.
- Over a 35-year career, a CCPS teacher with a master’s degree earned 10% less than the market average.
- Pay compression existed among student support services staff and school-based administrators as well.
- Max pay rates for paraprofessionals lagged the market by 18%-27%.

Additional money will be budgeted in the FY23 budget to move to market competitiveness via step scales. In each phase, the school administrator scale is linked to the teacher scale.

Salary Study 2

The second salary study launched in October 2021. It is a seven-month project that will focus on moving salaries toward market competitiveness and aligning the pay decompression philosophy from Salary Study 1 for all positions not included in the first salary study. Some of the groups included are:

- Food service, custodians, clerical support, security
- Bus drivers (earlier adjustment was made to hourly rate, but compression was not considered)
- Professional and technical groups such as finance and information technology
- Administrative roles not studied last year
- Instructional assistants are being reconsidered due to high vacancies, attrition and alignment concerns

The school division began implementing changes in the FY22 budget to support findings from Phase 1 of Salary Study 1 to address teacher salary compression and competitive salary issues for other positions.

- Current teachers were placed on the scale to accurately reflect years of work experience (one step for each year) with an average 1.1% step progression

Among the findings of the second salary study are:

- Current teachers were placed on the scale to accurately reflect years of work experience (one step for each year) with an average 1.1% step progression

Additional money will be budgeted in the FY23 budget to support findings from Phase 2 of Salary Study 2 to address competitive salary issues for other positions.

- Current teachers were placed on the scale to accurately reflect years of work experience (one step for each year) with an average 1.1% step progression

"Salaries that are competitive with the market are necessary to attract and retain high-quality teachers, administrators, and staff. We are facing a national shortage of workers with many skill sets, and we need to ensure we are proactive in our recruitment and retention strategies. The phased salary study is a critical component of our workforce investment strategy and will help us make informed decisions about compensation and benefits to ensure we are able to attract and retain the best employees to serve our students."
INVEST IN STUDENT NEEDS

Our students deserve quality instruction delivered by outstanding teachers, supported by caring instructional assistants and led by visionary principals. They should have access to specialized supports when needed, delivered by counselors, specialists, therapists, and interpreters. Students should have safe, on-time transportation and nutritious meals to ready them for learning. They should have working technology that will help prepare them for future careers. To do this, we must ensure we can recruit and retain the staff that form this network to facilitate learning and support.

Chesterfield is one of the few divisions in Virginia seeing growth at this time, and we expect that growth to continue based on housing sales and new construction in the county. While the division is efficient with the funding it receives, more money is needed to support our increasing number of students. Over the next year, we expect:

- 1,500 new students
- Projected growth in the ESL population and special education services
- A new elementary school: Moseley

For these reasons, we know additional staff members will be needed. We must make targeted investments to ensure high-quality instruction. Other student-support needs include:

- Increasing the substitute fill rate through maintaining substitute rate pay and premium-day rates
- Focusing on hard-to-staff schools
  - Stipends for teachers
- Continued investment in summer school

INVEST IN INFRASTRUCTURE

We must provide the needed funding to maintain our infrastructure, make improvements and meet the cost of rising services. Construction will soon begin on two new middle schools – a replacement school for Falling Creek and a new west-area middle school.

Funds will include:

- HVAC maintenance contract
- Utilities increases
- Custodial contract increases
- Transportation overtime
- Increase in pay-as-you-go major maintenance
- Investment in proactive maintenance programs, furniture replacement, vehicle replacement
- Increase in debt service for VPSA bonds to support construction of two middle schools
### FY 2023 Budget Changes

#### Invest in Our Workforce
- **Salary Study 1**
  - $36,037,915 Phase 2
- **Salary Study 2**
  - $23,590,683 Phase 1
- **Subtotal Invest in Workforce**
  - $59,628,598

#### Invest in Student Needs
- **General Student Growth**
  - $9,721,725 Expected increase in ADM of 1,550 students
- **ESL Student Growth**
  - $2,376,876 New ESL Teacher Positions
- **Summer Session Absorption of Additional sites and Extended Day Camp**
  - $300,000 To meet expected funding levels
- **Opening of New Schools: Staffing**
  - $666,850 Incremental Personnel cost (wages + benefits) for Moseley ES
- **Opening of New Schools: Operations**
  - $367,400 Bandwidth and LAN expansion, First-year supplies
- **Mental Health Intervention Specialist**
  - $70,549 1 FTE to support Gaggle Operations
- **Regional schools tuition increase**
  - $162,484 FY 23 increase in ARGs, MWS & Code RVA
- **Sub Rate Update**
  - $2,735,900 $83/ day to $101/day, plus 2x pay on hard to staff days
- **School-base Funding Allocation**
  - $90,340 Annual adjustment
- **Stipend for Hard to Staff schools/positions**
  - $1,701,000 Pilot Program
- **NBCT Stipend**
  - $270,000 Match Program restarted in FY22
- **CIS Site Addition**
  - $73,576 Bensley Elementary School
- **Subtotal Invest in Students**
  - $21,438,576

#### Invest in Infrastructure
- **Increase in custodial contract**
  - $367,524 Contractual YOY increase
- **Increase in HVAC Maintenance Contract**
  - $1,230,000 Aligned to match actual expenses incurred
- **Debt Service**
  - $6,298,018 Adjusted payment increase with new VPSA Bonds
- **Growth Management: Trailers**
  - $354,120 Additional Lease costs for Trailers at AM Davis ES
- **Increase in utilities cost**
  - $420,747 Projected increase, including new school onboarding
- **Vehicle Replacement Program**
  - $500,000
- **Furniture Replacement Program**
  - $470,000
- **Transportation: Overtime**
  - $769,790 Adjusted to match actual usage
- **PM Services for Maintenance**
  - $319,500 Adding roof, electric & elevators
- **Maintenance Painting and Flooring Program**
  - $530,000 Proactive school maintenance program
- **Pay-as-you-go Major Maintenance**
  - $500,000 Year-over-year increase
- **Subtotal Invest in Infrastructure**
  - $11,759,699

#### Meeting rising costs of existing services
- **Healthcare Increase**
  - $2,025,884 6% increase for 7 months of the year
- **Leave Payout**
  - $229,609 Increased due to increase in leave accruals
- **VRS Employer Rate Change, Group Life & Hybrid Disability**
  - $0 Governor’s Proposed Budget represents no change to VRS Rate
- **County Transfer Shared Service and IDT increase**
  - $0 Shared Service Costs updated biannually
- **Increase to Worker’s Compensation Insurance & Risk Management**
  - $32,750
- **Transfer to Grants Fund**
  - $60,200 Support for Recruiting and Comp & Ben
- **HR Staffing Adjustment**
  - $238,478 State Mandate
- **Stock Albuteroal**
  - $4,000 Software for security of employee files
- **HR Software/Employee Relations Case Management System**
  - $52,000 Software for security of employee files
- **Clinical Faculty Program Partnership with VSU**
  - $30,000 Pilot Spring 2022
- **Price Inflation**
  - $920,396
- **Subtotal Meeting rising costs of existing services**
  - $3,593,317

#### SRP Savings
- **-10,869,990** No longer required- County contribution to Trust December 2021

#### Total Revisions
- **$85,550,200**

### FY 2023 Budget Summary
- **Base Budget**
  - $761,288,100
- **Invest in Workforce**
  - $59,628,598
- **Invest in Students**
  - $21,438,576
- **Invest in Infrastructure**
  - $11,759,699
- **Meeting rising costs of existing services**
  - $3,593,317
- **SRP Savings**
  - $-10,869,990
- **Total Expenditures**
  - $846,838,300

#### Revenue
- **$823,011,000**

#### Gap
- **$-23,827,300**
### Revenue budget summary - Operating Fund

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 22 SB Approved</th>
<th>FY23 Proposed</th>
<th>Dollar Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>Local Sources</td>
<td>$7,122,800</td>
<td>$6,820,500</td>
<td>-$302,300</td>
</tr>
<tr>
<td>County Transfer</td>
<td>$329,744,300</td>
<td>$345,444,685</td>
<td>$15,700,385</td>
</tr>
<tr>
<td>One-Time Funds</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>State Education Funding</td>
<td>$335,050,810</td>
<td>$372,232,445</td>
<td>$37,181,635</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>$71,287,190</td>
<td>$80,428,370</td>
<td>$9,141,180</td>
</tr>
<tr>
<td>Medicaid Reimbursement</td>
<td>$1,800,000</td>
<td>$1,800,000</td>
<td>$0</td>
</tr>
<tr>
<td>Federal</td>
<td>$283,000</td>
<td>$285,000</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$761,288,100</strong></td>
<td><strong>$823,011,000</strong></td>
<td><strong>$61,722,900</strong></td>
</tr>
</tbody>
</table>
The Chesterfield County School Board will hold budget work sessions at 4 p.m. on the following dates:

- Tuesday, Jan. 25
- Tuesday, Feb. 1
- Tuesday, Feb. 8
- Wednesday, Feb. 16

All budget work sessions will be held in the Chesterfield County Public Meeting Room, 10001 Iron Bridge Road, Chesterfield, VA 23832.

The Chesterfield County School Board will hold town halls throughout the budget process. All budget town halls will begin at 6:30 p.m. and will be held at the following locations:

- Jan. 26 at Thomas Dale High
- Jan. 27 at Matoaca High
- Jan. 31 at Greenfield Elementary and Meadowbrook High
- Feb. 2 at Clover Hill High and Robious Middle
- Feb. 7 at Cosby High
- Feb. 7 at Chalkley Elementary (Spanish-speaking town hall)

The Chesterfield County School Board will hold public hearings on the superintendent’s FY2023 operating budget and the FY2023-27 Capital Improvement Plan at 6:30 p.m. Feb. 8 in the County Public Meeting Room, 10001 Iron Bridge Road, Chesterfield, VA 23832. The public hearings will take place before the start of the School Board’s regularly scheduled business meeting.

More information

Here are ways to keep current with Chesterfield County Public Schools:

- Web: mychesterfieldschools.com
- Facebook: www.facebook.com/chesterfieldschools
- Twitter: twitter.com/ccpsinfo
- Instagram: https://www.instagram.com/oneccps/
- YouTube: www.youtube.com/ccpsva
- LinkedIn: www.linkedin.com/company/oneccps
- Chesterfield EdTV: Comcast channel 98, Verizon channel 28 and online at chesterfieldschoolsva.swagit.com
- Weekly digital newsletter: sign up at bit.ly/CCPSconnections