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Chesterfield County School Board Work Session, Thursday, January 23, 2025

Date Thursday, January 23, 2025
Place Chesterfield County School Board, Virginia
Length 1h 39m (video)

- Official meeting video (Swagit): <https://chesterfieldschoolsva.new.swagit.com/videos/326604>
- Official minutes (BoardDocs, on the Feb 25, 2025 agenda for approval): [https://go.boarddocs.com/vsba/chesterfield/Board.nsf/pfiles/DDML4S54C1F8/\\$file/DRAFT%20MINUTES%20-%202025.01.23%20Budget%20Work%20Session.pdf](https://go.boarddocs.com/vsba/chesterfield/Board.nsf/pfiles/DDML4S54C1F8/$file/DRAFT%20MINUTES%20-%202025.01.23%20Budget%20Work%20Session.pdf)

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Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-25. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:00:02] Good afternoon. I'd like to call the January 23rd, 2025 School Board Budget Work Session to order. First, we have a presentation on the Superintendent's FY 2026 proposed financial plan from Dr. Murray. Thank you, Madam Chair.

[00:00:28] Actually, we're going to tag team this. Bob and I will tee up some of the good work that he and his team have put together for you all and our larger community today. So on topic of Bob and his team, I also want to recognize our new director who replaced Caitlin Campbell, Denise Branscombe, has been a wonderful addition to our team.

[00:00:57] So, Denise, thanks for all the hard work you've already done. I thought it would be up on the TV, or am I going to look at myself?

[00:01:13] All right. So as you know, but for those who don't, our budget is or the expectations are set forth in Virginia code that superintendents are to present a needs based budget.

[00:01:29] And what you will see presented today is simply that there are no frills in our opinion in this budget. Bob will share what I will qualify as we must do and take care of first, also could be qualified as required. Then he'll move into some things that we also need to do, but need the money to do it.

[00:01:58] Also very necessary work. Before moving into other projects and needs, emphasis on needs that we also need, well, I just said that, that we also need to address, but also need to identify funds for moving forward. I'll pause there to say that everyone's voice in this process is incredibly important, whether it's advocating for the needs of Chesterfield Public Schools

[00:02:33] with our representatives in the general assembly or with our friends in the board of supervisors so on and so forth you'll see a lot of work that has been done by your advisory committees and their work is honored here but unfortunately a lot of what we do need to provide for our kids does not have the dollars to make that so right now today just to give everyone a snapshot of our

[00:03:09] timeline bob and his team work year round to address the budget early on in the school year we begin meeting with central level leadership building level leadership engaging our committee groups asking for what we refer to as white paper initiatives. We had a significant amount that totaled north of \$200 million. I will say that again, \$200 plus million. Everything from

[00:03:45] addressing compensation needs to mental health to security and safety enhancements, so on and so forth. I mention that because the JLARC study, which we have to continue to anchor our conversations in, or to suggest that Chesterfield County Public Schools is underfunded between \$200 and \$300 million. Suffice it to say, we could accomplish all of these initiatives and still have a little

[00:04:20] meat on the bone to go out and do some new and innovative things. But right now, our reality is addressing maintaining levels of service and doing what is required, so very basic needs.

[00:04:37] Moving forward, as we engage our constituent base, we will begin town hall meetings next week, and they will carry forward for the next week and a half after that. So we kindly ask that our constituents show up, ask their questions, hear our presentation, and then advocate for our school community and our students.

[00:05:03] From there, you will vote on the budget at the end of February before it goes to the county side of the house, all while we wait to see what the state does, and this exercise culminates hopefully in late spring and does not carry on into the summer as it has in recent years, leaving us with more question marks than answers right on the precipice of a new school year.

[00:05:35] So it's a good tee-up to celebrate what our principals, what our teachers, and what all of our support staff do each and every day. They compel others by their strong work with less dollars to support it than what JLARC suggests we should have to move to Chesterfield County to raise their families because of our incredible school system.

[00:06:07] To illuminate some of that for the larger community, here are just a few fun facts. We are actually closer to \$65,000 than we are to \$64,000 attending any one of our 67 schools, which is about to be 68.

[00:06:29] So factor in growth into your mindset when you're hearing about our budget. We continue to grow and expand with two more schools on the horizon in the next two and a half years. And even still, we have all of these designations from Blue Ribbon to distinguished schools to actually a national distinguished school as recent as this year, an AMLE.

[00:06:58] That got added. I appreciate it. Very good from this morning. Seven middle schools to watch. The list goes on. We are a large division, one of the 65 largest in the country, top five in the

Commonwealth.

[00:07:17] And so we serve nine million meals, we drive nine million miles, that's going to continue to tick upward, and we clean roughly nine million square feet to give our students and families an optimal learning environment.

[00:07:33] We also deploy roughly 65,000 one-to-one devices annually. And if you brought your reading glasses or your monocle, you can digest that top infographic of where our dollars are spent.

[00:07:50] It's important to capture there, though, that any compensation tethered to those topics is also represented in those figures. We also provide pathways and opportunities for every learner, whether it's at our Early Childhood Learning Academy, of which we're already needing another to accommodate the growing interest and need to our students who are overcoming addiction at our Recovery Academy.

[00:08:25] We have two CTC campuses, and we look forward that the Springline project, which will culminate here with our move in March, allowing us to consolidate both central office locations, will give way to 650 new CTC seats in a year and a half, where we will be able to welcome new programs that will prepare our students for the careers that are trending upon their graduation.

[00:09:01] I would be remiss to not give Chad Macklin, who oversees that operation, a shout out. He was recently recognized as the Commonwealth's CTC Administrator of the Year. Great things are happening here, regardless of what our bank account says.

[00:09:22] And we also had the first K-8 virtual school in the Commonwealth. We prepare our students for life after high school. You can see the numbers up there of our nearly 30,000 work-based experiences, as well as the 24,000-plus college credits that our students are earning.

[00:09:44] We have tremendous partnerships with our community colleges, And we look forward to continued expansion in those efforts with a 91% graduation rate. And so I'll tee it up for Bob with this slide.

[00:10:03] Everything that follows next had many voices at the table, from division leadership to department leadership, your school board advisory groups, their work is honored here, and school personnel.

[00:10:21] It's important to note that while we have a \$1 billion budget, what the folks in the public will see and need to more fully understand is we're going to talk about the additional money from last year's budget to this year's budget that we have some opportunity to do some things with.

[00:10:49] All that other stuff goes into maintaining our levels of service. And there's some things, as I mentioned prior to, that we have to do. So Bob's going to talk to you about a roughly \$26 million bucket, and then what else we need to gap fill to make the other priorities a reality for our students.

[00:11:13] Bob, is there anything I left on the table for you? Just the other 40 slides. Madam Chair, Madam Vice Chair, members of the board, Dr. Murray, really appreciate the opportunity to present the superintendent's budget to you and appreciate Dr. Murray's opening remarks as well. We'll spend some time digging through what's in that \$25 million of funding that we have line of sight to today. There are a number of things over and above that that we do deem

[00:11:47] as necessary, and we'll talk through those as well. As we do that, a little bit more budget context for you as we think about this. We start all of this work with what is required, right? It starts from this slide

of those things that the state requires us to do, were able to do nearly all of those. There's one couple things that we'll talk about that we don't yet have funded this year as we get into that. But the other piece that you have to remember about state requirements and mandates is they often come partially funded. The obvious example right now in this year is the

[00:12:20] raise. They've proposed a 3% raise for teachers and school-based personnel. We only receive funding for about half of that. So keep that in mind as any other state initiatives come up as we think about it. That being said, state mandates are obviously important. We need to pay attention to them. But you've heard JLARC. You've heard other folks talk. You've heard your constituents. State mandates are not enough. Our community demands more than that. There are certain things that we've come to expect here in Chesterfield County, including staffing levels, special programs, the certain cleanliness and workability of our buildings and transportation that are

[00:12:58] all really important as Chesterfield residents to make sure that we are supporting our kids as best we can through that. And that means doing more than the state minimum requirements and meeting the needs of the kids where they are, not necessarily just what the state requires as that bare minimum.

[00:13:15] So a lot of that flows through. This budget is things that we've done as maintaining that service level. There's not a lot of new stuff that we're able to necessarily look at in this budget, unfortunately. Enrollment is another great place to start for context for this budget.

[00:13:31] You can see where we're at now in around that \$64,000, \$65,000 number. You see we're still considering growth here. It's about 1,400 students between roughly now and the end of this graph in 2029. That's a little bit lower than some of the growth levels you've seen from previous years.

[00:13:50] So we're starting to flatten. And from a budget standpoint and from a catching up standpoint, in many ways, that's a good thing. We have been overcrowded. You've heard our CIP plans. I think this helps us catch up, but it is something to note. There is still meaningful growth. We still need to manage it, but it has flattened a little bit from recent years' expectations.

[00:14:12] Now, looking at the revenue picture for you here today, you notice we're operating off of about a \$970 million operating budget. You heard talk of the \$1 billion budget. You take this \$970 and you add roughly \$30 to \$40 million of grants and \$30 to \$40 million of food service on top of that.

[00:14:32] That gets you to the billion, just so you know we haven't lost money with this budget. This is merely one piece of that overall pie we're talking about here today. And you can see from this donut that we get roughly \$550 million or so from the state, Another \$400 or so in ongoing contribution from the county, and a few extra dollars from local and one-time funding as well to sort of round out that math.

[00:14:56] So important to keep in mind as you think about funding, a little bit more than half from the state, a little bit less than half from the county, and that's where we're funded from. So where do we spend that at a high level? Not surprisingly, instruction being the big piece of that, roughly 70%. The next largest piece of this pie at about \$100 million is operations and maintenance, keeping those buildings safe, secure, heated, etc. That all adds up into this particular funded expense summary of about \$970 million.

[00:15:31] As I talk about \$970 million, the important thing to note, this is what we have line of sight to as far as revenue right now for FY26. So what this is based on is two pretty fundamental things.

[00:15:47] One, the governor's proposed budget from mid-December, and second, an estimate from the county in terms of what their ongoing transfer will be next year. Those are split roughly 50-50 to get to this \$25 million, and I'll talk about that in a second.

[00:16:04] But keep in mind, as we go through this process, as Dr. Murray talked about, this is a point in time. This is not the money that we'll likely have at the end of this. The state almost certainly will have a different answer after the governor and General Assembly form an answer, if you will, on the budget.

[00:16:22] The county still has to work through their process. But as of right now, I have about \$25.6 million of incremental revenue to invest in Chesterfield County comfortably. So digging into that a little bit more, you can see, starting on the revenue side, the two big numbers on here, state revenue up about \$12 million year over year, again, based on that governor's proposed budget from early December.

[00:16:50] I know the General Assembly is already sort of knocking on doors and seeing what may change from that. We'll see how that process evolves. The county number really shows up in two lines. This year, one, our normal ongoing operating transfer, this year their current proposal is a little bit over \$13 million.

[00:17:08] And they've also added a line in here related to leases. This one is specifically related to the spring line at District 60 location of about \$1.85 million for that lease. You'll see that on the other side on expenses as well, but something to keep in mind that we will need to start paying that bill, although that didn't impact directly the ongoing transfer.

[00:17:30] It's in one side, out the other. On the expense side, here's where we get into the different buckets of expenses that Dr. Murray talked about. The first \$25.6 million are those items that we can currently afford. As of right now, we're prioritizing compensation first and foremost.

[00:17:46] I'll get into that a little bit more, but the headline number on this one is we're We're assuming a 3% raise for all staff. Required increases of about \$3.5 million. This is nothing more interesting than inflationary items, just to be honest with you.

[00:18:02] And the last one is leases. We need to pick up the lease for the new operating building, which has a wonderful side benefit and is actually the primary reason why we're moving, is to create a lot of additional instructional space in our CTC whole building for that CTE program and for Chad Macklin to continue to do some of that excellent work that he's done and really expand on some of those programs.

[00:18:24] As we look at it, that's what we're afforded. I'll walk through each of those a little bit more detail, but the next 17 million you're likely going to look at and say, we need to do those things too, and I'm going to agree with you. As it sits here right now, we've got about 14 million of student-facing needs and another 2.7 of other needs that kind of look and smell like other inflation that we need to continue to look for and address i will pause once more and say this is a point in time we are in the middle of the process the state and the county still have a lot of work to do so i encourage you as the board to look at this with an open eye that this is a point in time

[00:19:00] i'm not saying we're walking away from the items below the line right now but it's something that we need to make sure that we keep in mind as we see additional funding come through so taking another deeper dive into those afforded adjustments, compensation, required increases, health dental increases, custodial contracts, technology service inflation, primarily in the spring line lease. Compensation, \$20 million. This is the big number in our afforded plan right now. This reflects a 3% raise for all employees. That shows up a little bit differently for

[00:19:36] each of the employee groups here. You can see those on a step scale will get the step at a 2% cost of living adjustment as part of their scale to get to the 3% increase. The graded range will look like a 3% increase, and others that don't fit neatly in either of those other categories will also be considered a 3%.

[00:19:55] You can see the relative costs there. A couple of key facts for you, the board, to consider here. On that step scale, this will take the intro teacher salary up to just a hair over \$55,000. We're right around \$54,000 now.

[00:20:11] We've got a longer-term goal to get to \$60,000. This takes us a small step there. We need to continue to focus on that and make bigger strides in the future. But right now, 3% gets you to about \$55,000 for an average starting salary. And the other important note on here, you can see it listed, is the \$14.70 minimum wage, if you will, for those graded employees.

[00:20:33] We have a stated goal there of getting to \$16 an hour as well. It's a step in the journey. We still have work to do to close that gap fully. the next couple slides this slide is one of the least exciting ones on here uh right health and dental increases we've uh opted as we do typically every year to align with the county assumption for uh health and dental increases that we expect to see in january of 2026. uh this would be about a five percent increase for uh this budget or about 1.3 million dollars for the uh for the county

[00:21:08] and custodial contracts another item of uh not terribly exciting new spend but one that we have to do as the four or so contract vendors you see there have certain escalators built into their contract that we must we must abide by that is about 1.2 million of incremental costs for our for our custodial last one on this part of the required increases technology services chromebook servicing inflation network support costs as well similar to the custodial contracts ongoing inflation and different escalators and various contracts there that we need to address

[00:21:47] before we essentially address other needs. That's about a million dollars, which leaves us with spring line at District 60. There's a fantastic story buried underneath a lease of an office building, which I've already alluded to, and that's really the great partnership between the county schools and the county proper to really free up that additional space at CTC Hull, the extra 50,000 or so square feet of that facility to house about 650 additional student seats for some really exciting programming that we're looking forward to in the not-too-distant future, putting into that building.

[00:22:22] You see some of the course selection that we're looking at expanding there, health science, energy, hospitality, tourism, et cetera. You can read the list. But a lot of really great things happening at CTC Hull as a result of the other benefit of having administrative staff co-located at District 60 at Springline, which has its own advantages as well.

[00:22:43] But really, this was about expanding CTE programming, really excited about the opportunity to do that as that space gets renovated so that's the list of items that we can afford based on our current funding levels right now you're going to be tired of me saying this but it's a point in time we've got a lot of work to do before we get to the end of this budget so as we think about these next set of items keep in mind they're not currently funded we're going to keep monitoring the state closely we're going to work with the county closely and recognize that these will look and smell to you guys as things that are in fact

[00:23:17] needed. As Dr. Murray already alluded to, this is a needs-based budget. These look and smell like needs as well, even though they are not currently afforded. The bulk of these are student-facing, about \$14 million of this \$17 million, another \$2.7 million in other items, mostly inflation-type items as well. Looking at the first one of these around special education, the bulk of this \$9.7 million you can see here is related to really serving our special ed kids that we have here today, right? The first one, and I'll walk through each of these at a pretty high level. I have set up

[00:23:53] as part of one of your work sessions, Summer Manos, to come in and talk a little bit more detail about this. This is a big, big set of dollars. I thought it was important for you guys to really understand this even a little bit deeper than I'm able to do today. But the first two million plus is really just general growth in special ed students and respective caseload of the kids.

[00:24:14] You can see about six teachers and 28 IAs as a result of just general growth in the program. The next one, about \$4.5 million related to speech-language services. This is really a bit of a double-edged sword as the needs of the students for this particular service continue to increase, and it's increasingly difficult for us to actually hire speech-language pathologists.

[00:24:37] So this has the impact of both growth from students as well as the higher likely cost of having to outsource those services to third parties, knowing that the ability to hire them is, I'll just say, challenging. The next one on the list, behavioral support personnel, about \$2.2 million here.

[00:24:57] This is for about 50 special ed IAs really to support additional one-to-one needs to do everything we can to keep our kids in the least restrictive environment possible. This keeps the kids in their learning environments where we believe them to be most effective.

[00:25:14] To the extent that we look at this and we're not able to do this, this leads to potentially other costs down the line. If we aren't able to keep them in a least restrictive environment, it may lead to private placement and other things. So we think this, while it's an investment, it may actually wind up being a cost savings versus what the alternative may be.

[00:25:34] The next one down the list, increased need for IEP required nurses. This is about roughly the equivalent of 10 IEP nurses for needs of students that we have. Again, similar to SLPs, this is not a space where we anticipate being able to easily hire them.

[00:25:51] So this assumes a contracted cost for those nurses, again about \$850,000 there, and a few, about \$80,000 between them for a couple other smaller things related to adaptive arts instruction and furniture for early childhood special ed folks as well.

[00:26:09] \$9.7 million, this is a big deal. The second big deal of unfunded items is English language learner growth. What I show here is English language learners levels 1 through 4 from about 2017 to where we project 2026 to go.

[00:26:29] You can see it's about a 5,000-plus increase in English language learners. About 2,200 of those are from the end of last year to where we expect 2026 to land. So it continues to be a pretty high-growth level, and I will note this is levels 1 through 4.

[00:26:47] As I flip to the next page, you'll see level five plus those who require monitoring now are not captured here. That wasn't something we've typically captured in this level of granularity going back, but

there is another 16 or so hundred of those students in Chesterfield County that require additional monitoring, additional support as we go forward as well.

[00:27:10] So as I flip to the next page that talks about the actual cost of this growth, you can see about 43 FTEs and about \$4 million related to the growth in English language learners. Side note, yes, the SOQ change, yes, we're funded for those, but again, state funding equals about half of the funding of that \$4 million is likely coming from the state. I mentioned the level 5 plus population. You can see that's about at 100 to 1, so there's another 14 to 16 teachers related to those level 5 plus students as well.

[00:27:48] So another big deal, another item that we're going to have to keep our eye on closely and make sure we get funded by the time we run through this budget. The next item really talks about the Chesterfield Recovery Academy. Dr. Murray mentioned that earlier. A lot of really exceptional things going on in this program.

[00:28:07] You can see some of the achievements in the bottom bullet. A little bit of background for this board. We've been funded for the last few years from the state at \$500,000 for this program. We're really thankful for the state for us to be able to kick off this program.

[00:28:23] The challenge in Chesterfield is that \$500,000 was largely based on a 2021 era cost estimate. I'm not going to surprise anyone here to say costs in 2026 are likely to be higher than 2021. And as the program evolves and grows, we need about another \$300,000 to maintain the service for the Chesterfield Recovery Academy over and above the 500,000 that the state currently provides directly for that program.

[00:28:56] The next student-facing one that we'll talk about here briefly is Communities in Schools. This is a fantastic service that provides wraparound services for currently 15 schools in Chesterfield County. You can see about 14,000 students. CIS does a great job of identifying schools in need and provides funding for a school as part of our long-term partnership.

[00:29:19] We like to match that opportunity and provide an FTE for a second school so that we can continue to grow the supports for this program. You can see that one FTE cost with other ancillary services around it about \$100,000.

[00:29:34] Moving on to other needs that we see, again, shifting away from the student facing point, fleet and fuel increases. We're estimating about a million three increase next year related to fleet and fuel.

[00:29:50] You can see the bulk of that is in school bus maintenance. The quote that Mr. Davis likes to talk about is about 30% of our buses are more than 15 years old. Old buses require more maintenance, hence the continued increase in maintenance costs in addition to just general escalation for those types of services.

[00:30:09] Transportation fuel will always be volatile, we believe, about \$300,000 extra costs there from the estimate from the fleet group. Obviously, that's going to be dependent on fuel prices over the course of the year, but about \$1.3 million related to fleet and fuel increases.

[00:30:28] Other miscellaneous inflation, mostly in our technology shop. Software is called out here. There's a few other miscellaneous items to the tune of about \$200,000. As I mentioned technology, there's another really important need that we really need to continue to make progress on.

[00:30:48] It's going to show up here as two things that we deem critical for this year, but there's a much longer, much more comprehensive point of view that Ernie, CTO, will come through and talk to you about

as well. The first one I'll talk about here, though, is intercom replacement schedule, about 415,000 that we need next year or soon to replace five existing intercoms that are pretty much at end of life.

[00:31:11] These are built intercoms in schools where, quite frankly, if they break, we can't buy parts to fix them. So these are pretty critical uptake. And in doing this and starting this process with these five, there's going to be another five behind that, et cetera, et cetera. This really starts the process of building a replacement schedule for intercoms.

[00:31:31] Similarly, with staff laptops monitors, we've toggled that together for years. We want to start making an impact into building a replacement schedule for all staff laptops and monitors. We're asking for \$162,000 as part of this. The important thing to keep in mind, the bulk of this money for next year will largely go to staff up the Deep Creek Middle School as that building goes online.

[00:31:55] But wanted to make sure this was an ongoing contribution to our operating plan so we can continue to build on this for future years. The last one I'll talk about as part of this bucket is megatrailers. You can see the list of the roughly 10, it's not roughly, it is exactly 10, leased megatrailers in the district.

[00:32:17] We've been funding those historically through two means. One, about half of it has been from ongoing operations that we've had budgeted in Mr. Davis's budget for a while. The other half, or roughly this \$582,000 we're looking for now, has been funded from a variety of one-time sources.

[00:32:35] Think about it as year-end funds. We'd contribute money to the megatrailer initiative, et cetera. As our year-end funds have come in tighter and tighter each year, we've been unable to sort of refill the one-time bucket for megatrailers. So we are here looking for the board and funding support ultimately for the other half, essentially, of those lease trailers that currently exist in the district, this to the tune of about \$582,000.

[00:33:05] This is a good place to pause. That's where we'll essentially draw the line on what I'll call the superintendent's proposed budget with a star, knowing that some of these are not afforded yet. as Dr. Murray had talked about, there are several other initiatives that we deem as very important, and they came through, whether it be advisory groups, white papers, things we've heard this board say in the past that are really important, that quite frankly, we just recognize that these things that we've just talked about need to be funded first and foremost. That doesn't mean these

[00:33:43] next three pages I think I have aren't important, and we're going to continue to work through those, And I think you'll see a lot of these pull up in our things like five-year plans and ongoing initiatives as we look forward. The first page of these I'll talk about is operations and technology costs.

[00:33:59] Then I'll move into staff, and then I'll move into compensation. Starting with operations, you can see several big buckets here. We'll hit on four of them really quickly. Ongoing maintenance increases as we think about painting, carpentry, plumbing, electrical, the day-to-day work that Josh's team does to keep buildings working.

[00:34:17] They've been running at relatively flat budget for a while. We've been able to supplement some of that support through other means, again, one-time funding, things like that. We need to build a plan to increase that annually. I have a \$5 million estimate here. I'm sure they could use \$10 million, but \$5 million is a good place to start in terms of ongoing maintenance increases.

[00:34:38] Major maintenance, you've heard us talk about that one a lot. I'll talk about it again in the CIP deck in a little bit. There's a need to at least maintain the \$30 million we've been spending annually. Your current budget has a \$9 million transfer. We have bond issuances.

[00:34:54] We have some remaining pandemic relief dollars. We're in a position to continue to maintain roughly that \$30 million into FY26, which is why you don't see it necessarily above the line now, but we know that's an item that we will need to address in the next 12 months or so to ensure we're able to maintain at least that level in FY27. Bus replacements, you heard me give the stat already about 15 plus year old buses, give or take \$150,000 for a bus. We can make this number pretty high if we wanted to.

[00:35:28] I think the ongoing cost, seven-ish million a year is kind of where we want to be. We have about a three, three and a half million dollar ongoing bus purchase in our ongoing benchmark. So we're not starting from zero, but there is definitely more work to do. And the last one, technology replacement. This is one you haven't heard us talk about, but it's super important, and I'll give Henry Longworth all the kudos in the world for bringing this to the attention of us in a really cohesive way, really quickly upon joining the team. We estimate about \$10 million annually is needed, in addition to what's in the budget, to just have a rational replacement cycle for our

[00:36:06] technology in the building. Again, that's one of those items that we'll have him come to talk to a little bit more about as part of the work sessions coming up really important work being done there as well the next group of items are really on staffing and student needs you've heard most recently Shab come up and talk to you about mental health support they've listed several recommendations here I repeat those for the board's benefit as other items that we are anxious to get in the budget but isn't quite there yet other school staff counselor support

[00:36:42] gifted support CTE support as we build out this great new building in CTC Hull additional teachers additional support for that will be required and lastly school-based administrators as we work with the schools always looking for an additional Dean additional assistant principal etc across the board the last one compensation I provided a little bit of this sound bite in the 3% comment but there are some big rocks that we need to move in compensation that we're working towards. First and foremost is \$16 per hour for those graded folks. To get to

[00:37:18] that from today's level is another \$15 million. \$60,000 starting salary for teachers to get to that and have the scales move appropriately, that's another \$50 million. So to hit those two benchmarks that we laid out, it would be a \$65 or so million ask. I look forward to being here when we're able to afford that. The other group I'll keep a little bit more vague, additional targeted compensation, there are several positions that we believe ultimately are not necessarily priced at market. I mentioned speech language pathologists earlier, so I'll hit on that one

[00:37:54] as an example of where we could invest compensation dollars if we had them was moving some of that compensation level up for those folks so we could afford to hire more of them or they would want to come and work for us for the wages we are able to offer. So all that is to say there's a lot of things we need good news is with this budget is we still have time to see where the state where the county lands i don't anticipate a material change in funding allow the two to three hundred

[00:38:30] million dollars that uh jlarck says we are underfunded in order to do a lot of what we just talked about those are the type of fundamental changes to funding structure that we will need in order to make really big meaningful progress on those we've heard some good things from the state about wanting to

move towards that, but that's nothing as I stand here today that I can necessarily count on from a budgeting standpoint. So one more time on the timing of this. This whole process, as I've talked about before, is a little bit backwards. We've come to you with a proposal of expenses and what we think we can afford based on what we know today, which isn't a whole lot.

[00:39:06] We've got the governor's proposed budget. We hope to see the results of the state process play out over the next couple months. The county budget process starts formally right after ours. They'll go through a similar process as well, and we'll wait to see the impact of those, and all with the goal of adopting this, I'll say late spring, but absolutely before July 1 when we start next year.

[00:39:34] So looking one click deeper into the state budget process, I mentioned we're working off of the governor's proposal now. That came out December 18th. The General Assembly is in session right now. We anticipate the Senate and House to announce their respective budgets on February 2nd and crossover shortly after that.

[00:39:52] That will give us another excellent data point as we go through the process over the next month of where the state may ultimately land. This all leads to ultimately a negotiation between the General Assembly and the governor. And quite frankly, we just need to wait to see how that plays out.

[00:40:09] And myself, Mr. Smith, we will be doing that pretty consciously over the next several weeks. One more click again on what the governor proposed, it being the second year of the biennium. It basically boils down to minor and technical adjustments as for new funding for public K-12.

[00:40:31] There are a few gives and takes here, but you can think about this \$12 million in two chunks. And I've talked about both of them to some extent. One is the 3% raise that they are partially funding. There's about \$10 million more in the, quote, Calc Tool, 25 to 26 to support that, and our ELL growth.

[00:40:49] The SOQ, as that continues to take hold, there's additional funding for our ELL SOQs. That's about the \$12 million. I could give you a much longer list of all the pluses and minuses, but I think for the sake of where we are in the process, knowing that this is going to continue to evolve, those are the two big changes in the state budget as we see today.

[00:41:08] I will also note that they're continuing, at least as part of this budget, the \$500K in support of the Recovery Academy. So happy to see that's still there. We'd love to see it grow as we go forward. This is my little bit of hope slide on the state.

[00:41:26] What you see here is the final answer to the state funding increases over the last several years since the pandemic. You can see each of the years are generally north of 20. The last three years, well north of \$20 million of incremental spend. You see about the 12 million reflected here in the 2026 bar.

[00:41:45] This is why I'm not panicking yet. We're going to continue to watch this, continue to monitor this, but the state has had a history, at least in the last several years, of coming through at the end for K-12, and we're going to continue to watch that and keep our fingers crossed.

[00:42:04] Mr. Smith and the board did some great work recently on the legislative position. You can see a number of the items that you have proved as your legislative position speaks to many of the concerns and needs that we've raised thus far in terms of enhanced funding for K-12 education, establishing a reasonable expectation for future funding that largely looks like JLARC, finding a way to close that \$200 million to \$300 million gap, and continuing to invest in the workforce.

[00:42:33] Happy to be able to offer 3%. Is that enough? I think the market will tell us that soon enough. But we need to continue to work with that, and I cannot not mention that continuing to work and collaborate well with the county government is also super important as we go forward, which leads me into a little bit more on the county side.

[00:42:53] Overall, it looks like a \$15 million increase in local transfer. Remember, a little bit more than \$13 million of that is really applied for these normal business operations. The 1.8 or so is really dedicated to that spring line lease that I've talked about a few different times here.

[00:43:12] Another thank you to the county where they continue to more or less hold us harmless, for lack of a better term, for county shared service costs. Had they been increasing costs over the last few years, that would be about \$3 million that we would be asked to eat. So many thanks to our partners over in the county, Mr. Harris, Dr. Casey, the Board of Supervisors, for continuing to hold us harmless for those shared service costs.

[00:43:35] And I'd also be remiss not to mention, while this is one of the more visible points in time for the county to contribute funding to Chesterfield schools, it's not the only time. They do come to the table often with additional one-time support for CIP projects, major maintenance.

[00:43:53] I'll talk about the Chromebooks program a little bit more when we get into the CIP. There are a lot of other opportunities, and the county does a nice job of taking advantage of those off-cycle opportunities to provide funding for us. And a thank you to both the Board of Supervisors and the county administration for those funds.

[00:44:13] Last number slide, at least for this, then I'll talk a little bit more process. Just a reminder, \$25.6 million of incremental funding that I have line of sight to today, end of January. I fully expect that to change as we go through the process, but as I sit here today, 25.6.

[00:44:31] The first piece of that and what we can afford with that 25.6 is primarily the 3% raise and certain inflation items as well as the lease. The next 16.8 items we anxiously await incremental funding for to the extent that we get funding above that 16.8. I'll be optimistic for a second.

[00:44:50] You've heard the list of other priorities. I would love to engage the board in a conversation on which of those we want to lean into first. But I think first and foremost, we need to close this particular just under \$17 million gap. So what happens next?

[00:45:08] We've got a series of work sessions. Obviously, this one kicks us off tonight. February 4th and 11th, we've got a series of presentations. I mentioned a few of them around CIP, technology, compensation, a few other items lined up for those February 4th and 11th discussions.

[00:45:25] We look forward to the public hearing. Also on the 11th, February 19th, we'll see what comes up in those other ones, and we'll pivot to the board's discretion on what we talk about ultimately on the 19th, leading to what I hope to be a school board approval on a special session on February 25th.

[00:45:44] Where can the community engage in this? As is typically the case, we have a series of town halls set up. You can see them starting here January 27th at Thomas Dale and ending February 10th at Manchester High with other dates in between reflecting each of your magisterial districts as well as a special February 6th Spanish speaking town hall at Manchester Middle. We encourage our Spanish

speaking members of the community to come out and engage with us in that forum and of course any other one that they choose. But we're excited to offer that again as well.

[00:46:18] So last page I'll talk about. Please, mostly to the community, please advocate to your state legislator to the best you can to ensure that they fully fund our schools and please attend our local town halls hear us answer your ask your questions so we can be here to uh answer them uh so with that before i go into cip i will pause for uh any comments or questions from the board great thank you um dr murray and thank you mr meister for giving us that presentation um board members is

[00:46:51] there any discussion or questions Saffron thank you um some water got it get your get your cough drop and get it you know um thank you for that presentation that's a lot um it always is uh the tidal wave that hits us the first time we see this so um thank you for walking us through um and I wanted to look at that that 13 million from this uh 12 million from the state that's

[00:47:27] anticipated. So last year we had a \$32 million increase from the state. It was \$32 million late in the game on top of what they provided. It's \$45, \$42, something like that. Do we have any reason to feel that the state won't continue to move towards the JLARC goal?

[00:47:56] Obviously, officially, I don't know. But I think there is some hope. I've heard the General Assembly, largely go on record saying, hey, we believe that there's more that we can and should invest in K-12 education. How much, what that looks like is obviously subject to state politics, and I'm not going to begin to reflect that.

[00:48:18] I would hope that our delegation would recognize that that would be a tremendous step back if we didn't step backwards, if we didn't at least continue to meet that expectation. And I was looking at the numbers.

[00:48:36] I mean, very grateful to our counterparts on the Board of Supervisors. They've, you know, continued to make funding our schools a priority, and we have another step forward in that funding was \$12 million last year and \$13 million this year, so very grateful for that.

[00:48:56] And outside of that, this is about as far as I can dig today. Thank you, Bob. Obviously, we'll be around for plenty of questions as we go. Mr. Perronto? Thank you, Madam Chair. Mr. Meister, thank you, sir, for the work you and your team have put into this to get this presentation out in front of us today. I have a few things to go over, more questions of understanding, I think. Starting on slide 15, the required increases

[00:49:29] at \$3.5 million, is that based upon projected inflation? The \$3.5 million, it's really a few different things, right? As you go through, health dental is based on an assumed 5% increase in our health dental costs. So yes, projected inflation, but also based on a far more complex calculation of what is actually in our health insurance trust, what the expected cost of insurance is, etc. It is a 5% estimate as it sits today. The custodial contract, based largely on escalators

[00:50:06] that are already included in the contract, so also inflation. The technology services is a combination of some inflation on Chromebook servicing, but also some needed increases in network support costs.

[00:50:22] So you're padding in a 5% projected increase, inflation, whatever you want to call it, into that, that's what's creating that \$3.5 million. Is my understanding of that correct? The only place the 5% is

relevant is the health and dental increase. Okay. So the 5% in health dental is about 1.3 million, which will be consistent with the county assumption until, quite frankly, we learn more and get through essentially the reassessment that happens over the course of the summer.

[00:50:51] Okay, thank you. Slide 21, and I don't know if you would know this answer, but projected CTC studies to come out, health science, for example. So we have a governor's health science academy at Cosby High School.

[00:51:08] Would this replace that, or is this in parallel, too? I don't think Chad is in the room. It's not uncommon to have programs that overlap in coursework, but set students up on a completer sequence or a credentialing pathway that is uniquely different.

[00:51:38] So a good example of that would be cybersecurity, some of our other ancillary programs. opportunities many of these are are brand new another example would be an ROTC program at CTC if we move forward with that we have ROTC at several of our high schools this would allow students to attend their home school and then go to CTC on every other day so similarly when we create programs at CTC what we

[00:52:15] are doing is allowing students who either didn't get into a specialty center, didn't apply to a specialty center, and waited until their 11th grade year to attend, or simply wanted to go to their home school, but also participate in CTE programs, the opportunity by which to do that.

[00:52:37] Thank you. The other question I have was on slide 22, other needs. The 2.7 What is the other inflation?

[00:52:57] Excuse me, I'll flip to the page where you talk about other inflation. It really boils down to two items here. One, similar to what we've talked about in other items, which is a relatively smaller amount. Software license cost increases of about \$75K.

[00:53:13] And other miscellaneous is just that. It's relatively small expected increases in various contracts and services over the course of the district. There's a much longer list of relatively small items that make up that \$135K. So you have that list and then comprise that to say this is what we're categorizing as miscellaneous and it equals \$135,000.

[00:53:36] Correct. Okay. Thank you. Not done yet? I'm here. Appreciate it. Appreciate it. Moving on to slide 28, the fuel increase.

[00:53:52] Is that also a contributing factor for the inflation was a contributing factor for the \$0.3 million based upon what we've had previously done? This is the, I'll need to come back and give you the official, what was the rate assumed?

[00:54:10] This is the amount expected per fleet services based on what they've seen this year and their expectation for next year. So are we projecting the 1.3 to increase by the time this is final presented to the board for vote? I don't anticipate that, no.

[00:54:25] We've gotten that input from fleet. That's already in that mix. Embedded in here, right? Okay. What I don't know is whether they assumed a 2% or 3% increase in fuel or what that number is specifically, if that's what you're asking. Sorry, sir. No, no, no. Yeah. 100%. Slide 31 next.

[00:54:42] Talking about expenditures for megatrailers. With the new elementary school opening up in the West End, would that eliminate, is it projected to eliminate the megatrailers from Woolridge and from

Mosley? I want to clarify, you're asking about the Western Area Elementary School?

[00:55:04] yes. Frankly, we wouldn't be able to answer that question until we go through a redistricting exercise. Too early to tell. Okay. And then I want to go back to what Mrs. Heffron asked about what's being heard, I guess, in the General Assembly about funding, and obviously not to

[00:55:33] go back on that. Sean, would you be able to speak to that by chance? Sorry, I put you on the spot. No, sir. Thank you. The only caveat I would give is just to recall that right now we have a two-year budget. So what they're dealing with is budget amendments. And we do anticipate that we would see additional funding for the school division. The only caveat I would give is that right now the General Assembly is in a deep divide versus what the governor's proposal is and essentially how they're going to fund either education or whether they're going to fund it for other

[00:56:11] priorities. So they've got to reconcile that piece. And I think the General Assembly will be consistent with their approach. What has to be reconciled from there is what the governor will do in return. But we have seen in years past, there's certainly always the intent to additional funding for education. But I will say, unfortunately, knowing this year is a year of just budget amendments, I think we have to be just a little bit cautious and realistically just to be thoughtful. It is an election season for the General Assembly and the governor's race as well.

[00:56:45] So I think, I hate to say that, but that does come into play. I agree. And I appreciate that. Thank you. Yes, sir. And those are my questions. Thank you. Mrs. Chatters. So the first thing I wanted to acknowledge is that we're at \$54,000 for teacher starting salary. So that's awesome news to hear that we're getting closer to our goal of \$60,000. One of the things, some of my questions are i would define them as not minutiae but detail that i don't expect you to have the

[00:57:21] answer for but i'm gonna just send an email so that i can get the answer to it so we we'll definitely take the notes and get back to you if i can't answer it on the spot so um to mr paranto when you were asking about health science because i've been over there a couple times at least to the courthouse location they offer a vet science at ctc courthouse and also at monakin's program is going to start with a small animal care program.

[00:57:48] So it is not a duplicate, but an extension of it. So I just wanted to clarify that for you. On the slide, it said 261 classrooms are in trailers or modular classrooms.

[00:58:06] Of course, I'm going to ask for the breakdown of what schools those classrooms are. Not for you to answer, but just... That I definitely don't have off the top of my head. Right, understood. Then under the unfunded, the \$16 or so million, for the special ed support, I've heard from some of my schools that they need more special ed teachers.

[00:58:29] So I know we have numbers associated to where these people might go if we get the money to support that. I'd like to see what that number looks like, where we're putting these IAs and where these special education teachers are going, where the behavioral support personnel are going, if we know what that looks like.

[00:58:44] So we get the money, we're going to fund it. I'd just like to see where they're going to be, right? That's, again, not for you to answer, just- Questions noted, yes. For the ELL growth, it said 43 FTEs. Again, same thing, where we, and the reason why I keep asking where we're putting the personnel is because I just want to make sure we're putting them where the need is, right?

[00:59:07] It's not a nice to have thing in my building. It's, I really need this in my building. Again, not for you to answer, but just- A general answer to both of those. I know this isn't the specifics, but they are both driven by either a staffing formula or, in the case of a behavioral aid, where the child with the IEP actually is.

[00:59:29] The Chesterfield Recovery School, on that slide, you had mentioned that it's open to Region 1. Yes. I'd be interested to see what that breakdown looks like of how many Chesterfield students we're servicing there and how many outside of Chesterfield that we're servicing.

[00:59:45] that would be interesting information um mr prance already asked the question i had about fleet and fuel um under the technology you mentioned um five intercom replacements i'd just be curious as to where they're going those five intercom replacements i know specifically my district we had one repaired or replaced i'm sorry during this school year so i shouldn't that school should not be on this list of the five but i was just curious as to where they're going yeah i can definitely make sure Ernie brings that to the that presentation to the mega trailers part where we

[01:00:20] lease them so this is where the redistricting conversation is really important right and you know I'm still not over our last redistricting decision because I think it puts us in a situation where we incur more another expense that we didn't need to incur with Tomahawk being at 60 percent capacity and the forecast of 102 percent for our brand new middle school so if 582 000 cover or

[01:00:59] excuse me total cost 1.1 million is for those schools and great question for mr paranto about forecasting whether or not we are going to save some money with the new elementary school but i think we should consider that as well when we have redistricting conversations because we should not willingly deliberately go into making another bill for ourselves by overpacking a school so i just was appreciate the dollar figure to show us what it actually costs because we don't own them we

[01:01:33] lease them so it's a continuous bill gotcha there are a few that we do own they're look they're in the mice print on the bottom for your for your view but the bulk of them are are leased i need the monacles to see that okay thank you but i it was interesting to see the the dollar value associated with the decisions that we're making regarding redistricting and we have so many more to make so thank you for putting that up there uh let's see for ops and tech under other needs i was wondering we event last year we had an hvac area dollar figure associated they're

[01:02:10] under ongoing maintenance is hvac included in that and if it is i would just like to call that out because we've had some very extreme cold lately and our systems are being tested and so putting hvac back on our radar would probably be a good thing because some of our schools are still having some issues where it's okay sometime, then it's not okay, and we have a great team. Mr. Dawson and Bob did a great job at Hopkins. I appreciate what they did there to get them back online, but with the weather change, with the extreme weather that we're having, we probably need to look at HVAC again. And the last one I have is regarding the staffing under bonuses.

[01:02:49] You had mentioned, I know that we have some bonuses that we are, again, my question is, the bonuses that we already pay today is that included in the staffing figure that includes the 969 million the existing bonuses are assumed to continue yes okay so then these bonuses would be the ones that i had asked about potentially as an example the ones i had asked about last okay great and i think that covers me madam chair if i may miss koker bob that's that's a great point um

[01:03:25] Ms. Chatters, we probably should tease that out a little more clearly in our slides so folks who are currently receiving bonuses don't think that it is not on the table just by reading that word bonuses. So these would be new targeted bonuses.

[01:03:43] Thank you. Any other questions from board members? A lot of my questions were already asked, but I do, back on, to piggyback off of Ms. Chatters' question about HVAC, is that under the major maintenance?

[01:04:01] would that that's where it would fall yes and the point generally we need to make sure that that is continuing to be part of that plan I know Mr. Davis will have that reflected and as we talk about CIP you'll see major maintenance and HVAC work there that being said that presentation and this one doesn't specifically necessarily delineate Mr. Davis's plan of how much of that expected 30 will be HVAC work but that's something we can definitely tease out We'll swap out the et cetera for HVAC.

[01:04:41] And then speaking about the other presentations that we're going to have, could you give like a timeline who's coming when potentially for other work sessions? Oh, you're stressing my memory here. The first one I believe is more CIP focused.

[01:05:00] So Mr. Davis will come and talk about the CIP more holistically. Ernie will talk uh technology as well as sort of that's one chunk and then the other chunk is really the ell bed and overall enrollment piece that's the first work session the next one will largely be compensation and another topic that I'm blanking on no worries thank you very much I'm sorry so next we have a presentation on the fy 2026 proposed capital improvement plan

[01:05:38] from Dr. Murray. Our CIP presentation is 30 slides shorter so we'll start with a gift. Bob will take a little spin around and he'll return to the mic. I'm back. Our next set of slides is really looking at the other major piece of the budget that we talk about which is as we mentioned the capital

[01:06:11] improvement plan. This is where we'll hit on three big pieces here. School construction and renovation, major maintenance, as we just alluded to as part of the last conversation, and leases. We haven't talked about that a lot recently, but there's an interesting development that we'll talk about here that will become part of this conversation. School construction, the good news here is there's not a lot of new information in terms of projects that we're planning. You can see a high-level list here. We'll show you the full list later, three new, three replacement elementary schools, middle schools through three different means,

[01:06:51] a new, a replacement, and a partial, and some work into high school, including the big new high school, high school expansion, as well as the gym renovation. Easy for me to all say. All this really predicated on trying to catch up with the growth and the aging building and infrastructure we have.

[01:07:07] I presented this slide to you just 20 minutes ago, so I won't spend a lot of time on it, but really 1,400 or so growth, the thing I forgot to mention in the previous time is that 1,400 or so student growth is aligned between both our planning models and the county stratus models.

[01:07:26] They're not exactly dollar for dollar, and where the growth is may differ between the two models, but at the end of the day, the 1,400 is more or less aligned between the two, which is definitely a good advancement from where we had been several years ago. Here's some more bad news.

[01:07:43] So a little bit of how to read this slide. Fred, U.S. Bureau of Labor Statistics database, publishes inflation statistics for several categories. Fortunately for us, one of those categories that they do publish for is new school building construction.

[01:08:01] So this is for national, so not necessarily specific to the Richmond region, but national new school construction inflation. The way you read this chart is it is anchored to essentially the start of the pandemic. So a new school building that was built on February, March of 2020 would cost 100 units.

[01:08:26] As you look forward into where we are today, we're about 30 to 35 percent higher than that. So that same \$100 or unit cost building would cost \$135 in today's dollars given the relative inflation in new school construction.

[01:08:47] Normally, that's bad. In this case, it's also bad because we were also doing our referendum planning right at the start of where that line started to shift up. So you can see the referendum discussions were really right around where that 100 number might have been like 103, 105, right?

[01:09:06] So we didn't yet see the inflation that we were about to go through for new school construction. So what that means is what we thought was a \$375 million referendum. If you look on the side, we always thought some of it would come from other sources.

[01:09:24] If you remember, Mid-Low Middle was partially funded on the referendum and other funding. So what we thought was about \$425 million of costs. Pay attention to the TBD because it's really important, but our current estimate is, give or take, \$200 million higher than that.

[01:09:42] We have some really important data points coming up soon. The high school bid goes out soon. We'll learn a lot from that, which is why I want to make sure we keep in mind that TBD and the planning assumptions are just that, planning assumptions. But this is some real cost increase. This is not going to be flat from where we thought the referendum dollars were.

[01:10:02] This is going to cause an increase in some pressure on our referendum dollars. I will say we are still committed, and the county is committed with us to completing these projects. We promised the community that these will get done, and I'm fully vested in ensuring that they will.

[01:10:18] But ultimately, we do have some significant headwinds in terms of cost of these referendum projects that we are staring at. So what are those projects? If you remember the projects under construction today, Deep Creek Middle and AM Davis opening soon.

[01:10:36] We're really excited about those opening right on their heels the next year, Bensley Elementary in the West Area Elementary Schools, and right after that, the West Area High School. Some really big, important projects that Josh and team are right on the verge of rolling out that are really going to make a difference in this community.

[01:10:55] The future project list, because of some of that cost pressure and some of the ongoing discussions on site identification, prioritization, and funding, I am not coming here today with a where are these likely to fall, but rather a list of the future projects ultimately listed there.

[01:11:14] None of these are new. You've seen these in your previous FY25 finalized CIP. I won't read them all, but from Dale Area Elementary School down to the Bird Gym Nasium, we still have those fully reflected in our CIP.

[01:11:31] Timing and prioritization and funding for many of these remain to be determined, and the ultimate how much is available from referendum, we'll learn a lot more as we get the final bid on the high school in the next several weeks. A.M. Davis in Deep Creek, we like sharing pictures.

[01:11:51] I'm sure Josh will share even more updated ones when he comes back. You can see both of these are well underway, beautiful buildings. We're really excited about their pending opening, and I look forward to a couple of ribbon cuttings in the very near future. These projects, Bensley and West Area L, a little bit more work to do, but you can see the ground is cleared.

[01:12:11] There's a lot of work being done there to move those forward. I'm excited about those projects as well. I don't have the West Area High picture here, but that's also moving along as we go forward. Funding, you've heard me talk about referendum.

[01:12:28] Really soon, as soon as we cut that rivet on Deep Creek and pull, I can pull VPSA off of this. If you remember, that was one of those off-cycle funding opportunities that the county worked with us on for both Falling Creek and Deep Creek to provide additional funding to really kickstart those projects.

[01:12:46] The bond referendum of 375 million the list of those projects once again listed listed there and probably the most important piece on this slide given what I said is the last two bullets on here. Ultimately gap funding is required. We have done a great job working with the county in the past for them to provide gap funding the VPSA as I mentioned on Falling Creek and Deep Creek are great examples of that on this page.

[01:13:15] mostly elementary was another great example of that in the recent past they have come to the table to help fill gaps in the past and we know that's important and needless to say continuing to monitor construction volatility is important we've seen that chart flatten over the last several months which we're excited I'd love to see it tilt down but we know that doesn't necessarily happen but we'll anxiously await the bid on the high school. Turning to the next big chunk. You see HVAC, Ms. Chatter's wide font here of the various major maintenance projects and work

[01:13:49] being done across the county. They really come from three separate buckets of work you've heard either Scott or Josh present this slide to you in the past. On the wings, preventative maintenance programs and facility condition assessments are really looking at the longer term needs of the building and figuring out where the next HVAC, the next roof needs to be replaced.

[01:14:12] The one in the middle, also very important, a great example of a division initiative recently is the School Vestibule Project, as an example that I know we've recently completed, which was a great program and really helped aid the security of the building. So the major maintenance tends to come from one of these three different sources as we go forward.

[01:14:32] This may have been one of the slides you're thinking, Ms. Chatters, as we think about what major maintenance expense has been. This is through the last final fiscal year, FY24. You can see it's been running roughly \$30 million the last couple of years. Our goal is to keep it at least that. I know there is a stated goal to get it closer to one and a half to two and a half percent of current replacement value, which would be \$70 million plus. At the moment, we would like to make sure we maintain that \$30 million level that we've been operating at the last couple of

[01:15:03] The good news is FY25, we have money in the kitty to do that. FY26, we do as well. FY27, however, is where we really need to make sure we have our eye on the ball and continue to work with our

county funding partners to make sure that we're able to maintain, I'll say at least, it probably should be more, at least that level of funding from 27 on forward.

[01:15:27] the last group in this bucket is leases a little bit of history here there's been historically two big things that have been leased as part of the CIP in FY23 we had a seven-year lease expire for school bus leases that was a good initiative seven years plus two roughly ten years ago that really put a kickstart into our school bus refresh that lease has expired since then we've really worked with Josh Calvin, others, and the county funding partners to not necessarily lease new buses, but to purchase them outright. And that's what we've been doing since then. Chromebook lease

[01:16:07] is another item that we've had historically on our CIP. That lease payments ended in FY24, similar to buses since pandemic funding and other items have become available. We've largely been purchasing Chromebooks as needed since the pandemic, and we rolled out one-to-one program across the district. One of the first things, in addition to the replacement cycle that Ernie Longworth jumped in on right away, was figuring out what the longer-term solution should be for Chromebooks, and where we stand right now is going to look like a recommendation for a lease

[01:16:43] for Chromebooks going forward. There is line of sight for the county to provide us funding to kickstart that exercise before the end of FY25 so it'll show up eventually as an FY25 appropriation assuming things move forward as we anticipate but that being said 27 and on we'll need to be mindful and continue to work with our county partners to continue to fund that lease so what does that lease look like this is one of those other things that Ernie will talk to you with a little bit more certainty in the next work session. But really, it's about \$8 million as part of an

[01:17:23] ongoing lease for one-to-one across the district. Again, this is a funding that we anticipate the county to provide up front in 25 for the 26 portion. So this will be needed in 27, 8, 9. So we're looking at about a four-year lease as it currently sits. The most important thing on this slide is cost certainty. What you're able to do with a lease is have some of those costs

[01:17:46] That's really taken out of our hands and given us some cost certainty around accidental damage and other items that we have struggled with in the past with things like a bunch of different models of Chromebooks out there and being able to have quicker turnaround time and be able to have parts available, et cetera.

[01:18:06] So a lot of great things about this lease that Ernie will be happy to talk to you about in more detail. But as we think about the CIP, as the CIP, unlike the budget, the budget's a one-year budget, the CIP is a five-year plan. This hits us really as new spend for the CIP starting in FY27.

[01:18:24] But it is an item that I wanted to make sure we were very clear to the board that this is on our horizon for future consideration. So once again, when you think about CIP, new construction, major maintenance, and leases are the big piece. A lot of things we're still working through there, mostly on the new construction costs, but a lot of good work to be had.

[01:18:46] And we'll look forward to comments and questions from the board on the CIP. Thank you, Mr. Meister. Board members, is there any discussion on the CIP? Mr. Paranto? Thank you, Madam Chair. in regards to the new western area high school what was the original projected cost i want to say is it one is it the 128 781 almost certainly not it's 135 i'm glad it wasn't enough it was

[01:19:24] 135 135 yes okay so we need to add 30 to that is that what i'm understanding from the slide with the cost of everything going up the original understanding was 135 000 but now we're looking at a 30% increase because of construction costs, inflation, what have you. Is that accurate?

[01:19:42] I said 1,000. Listen, I was trying to really save us some money here, okay? Trying to save us some money here. Y'all need to work with me. It's a really small high school. Yeah, no, very small high school. Very small high school. I apologize. So is the 30% added on top of the 135 million, make sure I use my words correctly here, not say a thousand again. Is that accurate to understand projected cost as to what this is going to look like when we break ground? That is definitely a piece of the estimate. The high

[01:20:19] school estimate that we're working through here is a little bit more refined because we're further into the process. So we're actually worked with the architects and Josh should probably be saying this, not me. So please hit me if I say something wrong. But as part of their estimate, as we've looked at the size, the location, the site work required, et cetera.

[01:20:40] I expect it to be slightly more than the 30%, to be honest with you, but that would be a starting point for the base material, labor, et cetera. And now I'll turn around to Josh to see if he's about to kick me. Well, before Josh speaks, I just want to offer some caution that we not publicly bid against ourselves by tipping our hand to anybody.

[01:21:00] No, I understand that. Correct, I understand that. But we also have to understand financially what we're looking at from a budget perspective to be able to say, is this reality for us? If we're talking about a 30%, then I understand that's a roundabout, right? It might be 28, might be 25. I get that. But if we're looking at, because what I'm concerned about is we're going to have to, as a board, come to a decision about which one of these projects are we cutting. That's my concern.

[01:21:32] And if that's what we're faced with, then we have some more in-depth conversation that needs to happen because of these costs that weren't anticipated from 2020 to 2025, putting a budget together for 26, looking forward to 27. I just don't understand. And that's why I'm asking with all of the projects that we have coming up, where's the money coming from, regardless of who's bidding on it? I mean, I think the... Sorry, I put Bob back on for you. Yeah, no. Where the money's

[01:22:08] coming from I think is a bit of a to be determined. We've worked really closely with the county for bridge and gap funding previously. I think that's going to continue to be a bit of the dynamic. Yes, it's almost certainly true that we won't be able to deliver all of the items on the referendum for the cost that we assumed at the time we did the referendum, which means there will be additional funding required. You heard Mr. Harris come up and talk a little bit about this a couple months ago,

[01:22:40] That probably means maybe not on the same schedule either, which means not cut, but not right now. Correct. So that's part of the discussion as well. And I would reemphasize the not right now. Mr. Paranto, you mentioned the word cut.

[01:22:56] That's not the intention. It's until we have the funds. So postpone. Yeah, I yielded that. I mean, the voters said what they wanted. And that's out there. And now it's about, for certain projects, land acquisition foremost.

[01:23:13] identifying funds to support the build after that. And that will set us on a course of a new timeline, unfortunately. And that's what I'm anticipating, is that new timeline that we don't know what that is yet. We haven't seen it yet. But yet we're going to be asked to put forward a budget without really

understanding what that looks like for us coming up, what is going to get pushed out, and what's not based upon these finances.

[01:23:43] So that's more of an out loud thought. that's all. I did want to offer one clarification. The bid for the high school is on the street and being worked by general contractors. We've had a pre-bid construction conference with multiple vendors, so they're actively sharpening their pencils. So this really, as Dr. Murray said, isn't a good time to bid against ourselves. We did some cost estimates. You know, those are documents that are available, but we'd prefer to see what the market can do for us because we've had some favorable bids for our other large buildings really hoping that's going to be the

[01:24:21] case right now the date that the bids are due is february the 6th so we will be bringing that project to you later in february for approval thanks josh that's all i have thank you thank you um sorry josh you may want to hop back in the hot seat um i'm glad to see that the Preventative maintenance and the facility issues is a priority, you know, of course, going forward.

[01:24:56] I feel like I would be remiss at having been approached by my neighbor this morning and asked if his children are ever going to go back to Gordon Elementary School. You know, I know a ton of work was done at that school building.

[01:25:12] I mean, it's an example, I think, of a lot of our aging facilities, but a lot of work was done at Gordon Elementary School, a huge HVAC investment. years ago but we have this issue and we kind of touched on it Bob touched on a little bit of these like obsolete systems that we're faced with you know these aging systems that now the replacement parts just we can't just order them on Amazon right how are we approaching that kind of going forward and then this is probably a discussion that we can have when it when it's you

[01:25:49] know a little bit more of a focused meeting but I'll try to be brief but I I was slightly chomping at the bit when we were discussing the operating budget and the clarification between where HVAC fits. It fits in both buckets. We do spend millions of dollars a year in HVAC within the operating budget.

[01:26:08] Those areas that Bob highlighted, the painting and carpentry and flooring, are ones that we really have negligible funding now, and we do almost nothing. The category of HVAC, we are spending a considerable amount. We're running a deficit right now. We ran a deficit last year, and Bob and I talked monthly with Mr.

[01:26:26] fuma and when things occur like they did recently get jacobs road at uh at gordon at hopkins and in the last couple of days we've got to spend that money to get the kids back in the building and so i'm gonna he's gonna see us spend some of those dollars meanwhile we're also doing that very deliberate major maintenance projects and uh sometimes they're perfect and sometimes that boiler at jacobs was only a few years old and so uh not all the projects turn out to have that long lengthy useful life that we are expecting so again appreciate the remarks on major maintenance

[01:27:05] we deferred for so long and we've had a lot of success but when we have extreme conditions such as this that does press both from the major maintenance you know jobs that might not have been perfect and of course those that it still haven't been done uh you know hopkins oh you know that's an old building and so it's not surprising and the good news is Gordon will be back at school tomorrow the temperatures are back up in the upper 60s and lower 70s but there will be others such as that we're ready

for this three week extreme weather to end and I'll be happy to share more as the budget season progresses

[01:27:44] but was there anything that I omitted in HVAC that you're interested in at this time? Thank you you've thrown a lot at us and I really appreciate the work that this represents and the extreme details.

[01:28:08] So it's been very, very helpful, well laid out. I've got a lot to digest. I just have a quick question, and maybe this is a Josh question. I don't know, but maybe it's a you question. You mentioned the leasing of buses in the past and then how we're moving now toward, yeah, hey, Josh, and now we're moving toward purchasing, And whereas the Chromebooks, we're going back and forth.

[01:28:35] I'd just like you to speak to that. Sure. It's probably been a year since I showed you our replacement cycle and how many buses we bought in different years. You know, during the Great Recession in the late, as approaching 2010, we bought almost no buses for five years, four or five years.

[01:28:51] So the lease opportunity that, if you date back, goes to, what, 2016 is when that probably started, or FY16, was an opportunity to get 100 buses in a hurry. If we wanted to purchase 100 buses today, that'd be \$15 million.

[01:29:08] He'll never have that. But the way to do that at the time was to lease and spread those payments over seven years. So that made that purchase more affordable. So in today's world, that would be a \$2 million payment for seven years, as opposed to the big 15 all up front.

[01:29:29] And so that lease took place. The county was able to do some replacement over those seven years. But we're definitely in a position where I'm going to continue to toot the horn for more bus replacements. And it's a tough subject.

[01:29:47] So what I'm hearing, like, it worked fine then, and it's not something that we would consider moving forward? None of our manufacturers can give us 100 buses rapidly today. We've been buying from Thomas Built Buses, which has the highest quality.

[01:30:03] Their current lead time is 12 to 14 months, so they couldn't deliver that to me right now. Other vendors are in the six- to eight-month time period, and actually we're doing a purchase from one of them due to some money that just came to us recently, and one of those vendors has some buses available now.

[01:30:21] And that's unfortunate that we've gotten to the point where we're buying some stock buses off the lot of a dealer, And we'd much prefer to be able to plan in advance, whether we continue with Thomas or another vendor, to have that plan, to have the assured funding from year to year so that we know we're going to get how many we need.

[01:30:42] And we can talk in more specifics at a future work session if you'd like. Mrs. Chatters? So thank you for the clarification on the ongoing maintenance and the major maintenance that HVAC is in both.

[01:30:59] And then piggybacking off of your comment about Hopkins and the age of the buildings leads me into one of the questions I had. And it's probably not a question that can be answered again right now, but we talked about the five-year plan that we're redoing, the strategic plan. In there, do we have, by school, what that looks like for rebuilds for our schools?

[01:31:23] Like, do we, once upon a time, last year, I asked a question about the ages of our schools, and you gave me a great spreadsheet. And in there, I put them all in age order, and then I was asking the question, like, so how do we determine what school gets a rebuild? Is it by age?

[01:31:38] Is it by the number of megatrailers? Is it you see where I'm going, right? And the answer honestly kept shifting because it's not a one-to-one. It's not just because you're the oldest, you're going to get rebuilt, right? It's not because you have the most megatrailers, you're going to get rebuilt.

[01:31:54] That's not how it works. So in our strategic plan, do we have something that talks to what are metrics that we're using for future CIPs? I'll let Josh talk about any of the real specifics, but just to drill down to some finer points.

[01:32:14] Megatrailers or trailers in general would suggest we need a new school proper to alleviate overcrowding in a particular area. Age of building could look like renovation or rebuild.

[01:32:32] And there's a lot of things that would go into such an assessment. Grange Hall is a great example of this, one of our absolute oldest buildings in Chesterfield schools, if not in Midlow Middle.

[01:32:47] And Grange Hall had a facelift not incredibly too many years ago, and that was a way to use the funds available at that time to address a growing need to that building. Josh, you want to talk in greater specificity?

[01:33:05] And I'll share the Grange Hall and NHVAC issue too, sir, and we were on top of it in the K-Pod today. It's being resolved. I've definitely got some ideas in regards to those future schools. You know, Bob presented what you've seen in recent CIPs. We've given some thought as to what's next because we have a group of schools from the 60s and 70s that I think are kind of the next candidates once we conclude this CIP, if you keep that one intact.

[01:33:35] I mean, theoretically, you could replace one of the projects that's in there now if another urgent need came up. Hopefully, we would never have a disaster such as a fire, but those things have happened. And so maybe an urgent need occurs for one of those 60-, 50-year-old schools, and you as a board decide that that takes precedent over one of the other projects that you have.

[01:33:58] So I'm not going to suggest when I speak to you that you'd make any types of replacements, But I will show you a list of candidates of the ones that might be coming in that next five to ten year time frame. And I think they're some of the ones that you could probably guess pretty easily.

[01:34:14] And you got the data last year, ma'am, and again, I'll share that. And one final thing about the CIP is when I do speak in a couple of weeks, and the cost estimates. Some of the jobs that we did an estimate on three years ago, we haven't revised an estimate.

[01:34:31] And I've asked Mr. Carson to help me on projects such as the Thomas Dale expansion, the finishing of Matoica Middle. So we're going to have some updated data there. One of those is a referendum project. One of them is not. But I just want you to have what those best figures are from our perspective as we move forward today.

[01:34:51] So his deficit, which was just for the referendum projects, if you were to look at your entire CIP, is larger and will probably grow even larger after we share that information. Thank you, Josh. And then my last, and it's really just a comment, not necessarily a question, but when we continue to talk about CIP and the partnership with the Board of Supervisors and how great it's been going, I do want to emphasize to my board members that every time we have a redistricting conversation, they are paying attention to the decisions that we make, right?

[01:35:24] So it's kind of hard to go to them to ask them for support on funding us to rebuild, renovate, or land acquisition, because that's expensive, to do that for us, and we are not maximizing the use of the schools that we already have, right?

[01:35:40] And I don't want to jeopardize the great working relationship that we have with them because we are not being cognizant of the impact of some of the decisions that we're making from up here as far as redistricting is concerned because there's so many more coming.

[01:35:57] And we really want to make sure that we're getting the metrics that we're using to determine what needs to be done correctly. Again, just thank you to the award-winning team of Josh and Diane for putting all that together for us on our last redistricting package. I look forward to seeing that work again, and if the community can continue to support showing up and letting us know what they think and how we should move forward, I think that's going to help us going forward on how we look at what gets done next in the order that the recommendations that Josh is going to come with for that.

[01:36:32] Thank you. Thank you very much, Bob and Josh, for pitch hitting there to answer some questions. Next on our agenda is school board discussion. board members is there any general discussion related to this year's proposed budget our process over the next several weeks or the work in front of us well next we have announcements communications and school board comments school board members are there any announcements or

[01:37:06] comments mrs chatters i just wanted to brag real quick hold on let me get my prop so i went by falling creek elementary school today and i was given this by the second grade class and if you guys didn't get one that means your guys don't rock like falling creek so this was a recognition for school board appreciation is what they told me and i said i didn't even know it was school board appreciation but thank you so much to falling creek elementary school second grade

[01:37:44] miss plunkett's class for uh showing me a little bit of candy love i appreciate that and um just I just wanted to say thank you to all of them. Ms. Saffron? I just wanted to acknowledge the work that your team has done, Josh, HVAC, to get our kids back into the buildings.

[01:38:07] We've had this tremendous run of weather. All the work that our maintenance teams have done to make sure that the sidewalks are clear and school's ready to go. And I appreciate all the work that our teams have done, the boots on the ground to get our kids to school safely and to keep them safe when they're at school and i know it was mentioned earlier in a slide deck about our town halls upcoming starting next week first one being in the bermuda district on monday so for those paying attention hopefully

[01:38:44] we'll see you next week at our budget town halls our next school board budget work session will be held on Tuesday February 4th 2025 at 4 p.m. here in the county public meeting room. If there's no further business we need a motion to adjourn. So moved. Madam clerk would you please call roll on the motion. Zot Hebron. Aye. Dominique Chatters. Aye. Stephen Proto. Aye. Lisa Hudgens. Aye.

[01:39:16] Ann Coker. Aye. The motion carries. The January 23rd 2025 school board budget work session is adjourned.



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