

Thank you, Madam Chairman.

Introduction

Tonight it is my honor to present our proposed budget for Fiscal Year 2019. A few minutes ago you adopted a set of cultural norm statements to reflect the core values in our strategic plan. One of those statements is, “Make decisions based on the impact to learners,” and my hope is that our budget decisions during the next couple of months send a clear message to our community about our commitment to empowering learners for future success. Earlier this evening you heard directly from three of our learners, Chandler, Sarah, and Zach, about a project they developed to improve the interaction between and among people their own age. I hope that their video and overall presentation inspired you as it did me, and I think they provided us a small glimpse of how education in Bedford County should be reimaged and transformed to meet the needs of current and future generations in our great community. These learners and several of their classmates worked together as a team to address a real-world problem that impacts their daily lives, created a product in the community where they live, and then subjected that product to the scrutiny of a variety of public audiences. I don’t believe that any objective observer would question the depth of learning that these students demonstrated, and my hope is that all of our learners can have similar experiences during their time in school. So with our learners in mind, let me share some background information about the Fiscal Year 2019 budget.

Collaboration with Bedford County

We have made significant progress revitalizing our school division budget over the past several years, and I feel a renewed sense of purpose and hope within our community. As our teachers and schools have become increasingly collaborative in developing learner-centered educational practices, we are also working closely with our county colleagues to develop processes, practices, and procedures that support our common goals.

We have seen evidence of our strong partnership with Bedford County by the recent adoption of a combined Capital Improvement Plan, a plan that includes investments of almost \$30 million for our schools during the next five years, following more recent investments in the new Liberty Middle School, the Liberty High School competition gymnasium, new tracks at all three high schools, and an elevator at Staunton River Middle School.

We also teamed with Bedford County during last year's budget process, resulting in a well-deserved and long overdue salary adjustment for our County employees, making a significant start in improving teacher and other school division staff salaries, and taking major steps to restore teacher staffing levels and program offerings to more historic levels. As strong as our teamwork with the County was one year ago, this year we have taken this partnership to new heights by virtue of Mr. Hagler serving on the County's budget development committee, where he has spent countless hours reviewing revenues, expenditures, and actively participating in the overall budget process for Bedford County. Through our strengthened partnership with the County, we are also developing long-term strategies that should position us well to plan for future needs in the areas of health insurance and maintenance, as well as funding school operations after the state's Reversion Incentive Funding is eliminated in Fiscal Year 2029.

Budget Summary

The budget I propose tonight is very simple in many ways, as it serves to build on many of the successful elements from one year ago, continuing our commitment to personalized learning, 1:1 technology, teacher staffing levels, and compensation for our dedicated teachers and support staff. We also take an opportunity in this budget to suggest several strategies to address the limited availability of qualified substitute teachers in many of our schools, and I will now speak briefly about each of these targeted areas beginning with substitute teachers.

Substitute Teachers

Several months ago we presented data regarding teacher absenteeism and how these attendance patterns combined with the limited availability of substitute teachers have placed our learners and schools under tremendous stress. Additionally, we explored several strategies that together may assist us in minimizing the occurrence of unfilled substitute teacher requests next school year. As a board, you have already adopted school calendars that provide more opportunities for teacher professional learning to take place outside of regular school days, and we will continue to do our part to create professional learning options that minimize the need for substitute teachers on any given school day. We are also implementing a robust employee wellness program, which I will reference again in a few minutes, and hope that employees will miss fewer days due to illness as a result of this program. Other strategies we propose include raising the base hourly rate for substitute pay and incentivizing our contracted teachers to retain sick days through enhanced payout strategies for unused days at the end of each school year and at retirement.

Teacher Staffing Levels

The next section of the budget proposal that I will address is teacher staffing levels. You may recall that last year we identified restoring teacher staffing levels at elementary school, middle school, and high school to Fiscal Year 2014 levels as a two-year budget strategy, and that last year we successfully implemented the first phase of that process. Our ratio of learners to teachers did improve last year, and we were also able to support new instructional programs at the secondary level. Tonight, I am pleased to share our proposal to complete the teacher staffing restoration at all levels in the 2018-19 school year and also expand flexibility within our teacher staffing standards to support the innovative practices taking place at a number of our schools. Additionally, we are recommending a slight enhancement beyond the Fiscal Year 2014 level for middle schools, as we believe that the demands on our middle schools are greater than ever before. We also know how challenging it has become to offer comparable instruction

programming at our smaller secondary schools, so we are proposing a new “small schools adjustment” to provide additional teachers to serve the learners at these schools.

Teacher/Employee Compensation

As we address our need for teacher staffing levels and finding adequate substitutes in this budget proposal, I hope that we will not forget about the teacher shortage that our nation is currently facing and how our investment in teacher and support staff compensation impacts our ability to attract and retain high quality educators. Last year we implemented the first of what will likely be several phases of a salary study recommendation. If you recall, last year we created new pay scales, brought all employees to the minimum on the respective scales, and provided an experience step increase to all eligible employees. We also unlocked or decompressed one additional experience step on our teacher pay scale for those who had been frozen in their step over the past several years. Last year when we returned to a practice of providing an experience step, we made a commitment to our employees to continue that practice annually in future budgets, so we have programmed a step increase as a technical adjustment to this budget. Though we would love to completely implement the remainder of the salary study in Fiscal Year 2019, that effort is simply not practical given the current revenue available. However, we are proposing that we unlock one additional experience step for all employees who have been frozen in their step over the past several years and that we unlock a second experience step for teachers to help address the teacher shortage. Just to be clear this means that eligible teachers who have been locked into a frozen step for four years or more would actually receive an increase of three steps for the 2018-19 school year. I realize that these salary increases still do not restore all that is broken within our pay scales, but I feel confident that we will continue to make our teacher pay more competitive at all levels in the years ahead. In addition to these overall salary enhancements, we have also increased funding for hard-to-fill teacher vacancies and implemented recommended adjustments to school nurse pay scales.

Though most discussions of compensation focus on salaries, I think it is also important to mention that we are proposing an increased investment into our health insurance fund, which will maintain premiums at their current levels for employees who have participated or will participate in our new wellness program.

Personalized Learning

Though investments in compensation and teacher staffing levels represent the bulk of our budget request for Fiscal Year 2019, there are several other strategic priorities that this budget addresses, too. As we all strive to become more learner-centered in our approach to education, this budget renews our commitment to personalized learning and associated technologies. Clearly the most visible sign of this commitment will be the deployment and associated staff support for 2,300 Chromebooks in 2018-19, including distribution to all learners at the new Liberty Middle School, but we have also included smaller investments to increase the availability of personalized learning grants and enhance our ability to train teachers on how to best integrate Chromebooks and other digital tools into their daily work with our learners.

Conclusion

Though this budget proposal focuses primarily on personalized learning, teacher staffing levels, employee compensation, and the availability of substitute teachers, we have also included necessary adjustments to VRS contributions, fuel, and bus leases, as well as a few other recommendations and technical adjustments. Mr. Hagler and I will be available to assist you with understanding any of the details of this budget in the days ahead, and as a reminder, we will be meeting one week from tonight to review the budget with you to a much greater extent at our special meeting starting at 6:00 p.m.

We are empowering learners for future success in Bedford County, and I hope we can keep reminding ourselves of exactly what that means as we develop budgets for 2018-19 and beyond.

Thank you