

Overview

The Overview provides summary information of the key points of the Funding Request

School Board Chairman's Letter.....	1
Funding Request At-a-Glance.....	3
Strategic Portfolio.....	4
Budget FAQ.....	12
Budget Calendar.....	32
Framework for the School Board's Request.....	34
School Board's Funding Request.....	35
Compensation Summary.....	36
Synopsis of Growth and Operational Increases.....	37
Synopsis of Improvements & Infrastructure Support.....	38
Synopsis of Reductions to Baseline Operations.....	39
Initiative Fund Location.....	43
Summary of Compensation, Growth, and Op Increases.....	46
Summary of New Recurring Initiatives.....	48
Summary of One-Time Initiatives.....	49
Initiatives by Key Area.....	50
Initiatives by School Board Goals.....	53
Projected 2011/2012 Initiatives and Reductions.....	56



Office of the Superintendent

401 McIntire Road Charlottesville, Virginia 22902-4596

Phone: (434) 296-5826 Fax: (434) 296-5869

www.k12albemarle.org

Dear Members of the Albemarle County Community:

Every dollar we invest in education returns intellectual capital, jobs, and resources to our community. You understand this relationship between education and economic vitality. For many years you have listed education as the number one priority for allocation of our tax dollars.

Our School Division is a complex organization that values high performance. Our operation is more diverse than many throughout Virginia and the United States. In addition to providing high quality learning experiences, we run restaurants, a transit system, and conference centers. We manage 2.3 million square feet of facilities, 2,200 employees and nearly 13,000 students. Every day our buses travel more than 16,000 miles delivering students safely to and from school. We foster dreams and nurture hearts and minds. We are guardians of both the present and of our future.

We recognize these are challenging times for our community as we all weather this recession. However, we remain convinced that the best tax dollar investment a community can make is providing the best education for its students. As individuals acquire skills and knowledge, they become more productive and valuable members of labor markets and society – producers as well as consumers of resources. Investment in human capital, in the productivity, knowledge and skills of our workers, will not only benefit each individual, but will also result in increased economic growth for Albemarle County and the Commonwealth of Virginia.

We continue to be fiscally prudent with your tax dollars. We have implemented recommendations from the independent review of our infrastructure, systems and spending, and, using a continuous improvement model, we are always seeking additional ways to leverage technology and improve efficiency. We plan this year to devote more time to helping you understand the budget and where your tax dollars are at work in our schools every day, as well as the return on your investment.

As a School Board, we always put the children of Albemarle County first. The attached budget represents our community's investment in public education for our young people. As a result of declining revenue at both the state and local level, this budget includes reductions of more than \$6 million, taken from every area of the school division. We have made painful cuts despite having more students to educate than ever before, despite rising operating costs, and despite the critical challenge of preparing our students to be innovators and entrepreneurs who will lead the global economy they enter. Our finances have now become a significant impediment to our ability to remain competitive for our students and faculty, and this is disheartening. We welcome your scrutiny of this 2010-2011 budget, and we look



forward to receiving your input to help us identify what is important to keep our School Division competitive next year, and beyond.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronnie Price, Sr.", written in a light gray or blue ink.

Ronnie Price, Sr.
Chairman, Albemarle County School Board

THIS PAGE IS INTENTIONALLY
LEFT BLANK

THIS PAGE IS INTENTIONALLY
LEFT BLANK



2010-11 Fiscal Year School Division Funding Request At-a-Glance: *Values and Stewardship for a Stronger Tomorrow*

The 2010-11 school division funding request:

- Represents a total dollar amount that is \$3.75 million less than 2009-10 adopted budget.
- With board direction, this funding request was created with the following priorities:
 - Maintain commitment to the Strategic Plan
 - Provide resources to support high-quality teaching and learning through Division levers: the Framework for Quality Learning, the Teacher Performance Appraisal, and the Professional Learning Community Model
 - Provide support for continued innovation
 - Position the organization so it is able to recover as economy recovers
 - Make decisions based on available revenues, rather than solely on needs.
- At the joint direction of the Board of Supervisors and School Board, no salary increases are funded for teaching or classified staff; however increases in employee health care and retirement costs are included.

Revenue and Expenses

- \$136.40 million in revenues
 - Incorporates a projected \$8.8M decline in state revenues
 - Incorporates original decline of \$363,000 decline in state revenues
 - Assumes Composite Index changes implemented per Governor McDonnell's proposed budget (-\$5.2M)
 - Assumes reductions in state revenue are forthcoming as indicated by Gov. McDonnell (-\$2.8M)
 - Assumes -\$0.50M in state sales tax reductions
 - Incorporates a projected \$4 million decline in local revenues
 - Assumes the current real-estate tax rate of \$0.742 for revenues available to the school division
 - Does not balance expenses to available revenue: an additional \$8.8 million in either increased revenue or additional reductions is necessary.
 - Overall, a 8.45% decrease in revenues from budgeted FY 2009-10
- \$145.23 million in expenses
 - \$148.9 million budget adopted for 2009-10 school year
 - \$6.1 million in budget cuts, all departments, schools, and personnel affected
 - Increases class size by one student in grades 4-12
 - No cuts to art, music, P.E., media specialists, or gifted services
 - Continued substantial reductions of central office and support positions (e.g. building services, transportation) to reduce costs and focus on core services
 - ~\$4M in increases for health insurance, retirement, and growth in numbers of students incorporated

Identified Increases and Reductions

- The School Board's Funding Request includes no percentage or step raise for teachers, and no merit or scale-adjustment raise for classified employees. Teacher compensation scale is adjusted accordingly.
- The joint boards directed the school division to cover an estimated 8 percent increase in health and dental care premiums at a total cost of ~\$953,000.
- All department and school eligible operational budgets were cut by 10 percent.
- Many central support departments absorbed an additional 5 percent reduction in both operational and personnel expenditures (totaling more than 15% in operating funds).
- The budget incorporates a reduction of 30.45 full-time equivalent positions, 21.78 of which are teaching personnel. An additional ~14 bus driver and transportation assistant positions will also be reduced through transportation routing changes. Many of these positions will be lost through attrition, but there are some direct position and programmatic cuts that will be made using reduction in force.
- Learning resources (textbooks, databases, and consumable materials) have been reduced by 50 percent or \$500,000 dollars.
- A 4 x 4 Modified Block Schedule will be implemented at all County high schools. Teachers will teach 6 out of 8 classes, vs. the current assignment of 5 out of 7 classes. This change increases the number of courses a student may take during their high school career, but adds a full class of students to the workload of secondary teachers.
- Two elementary principals will be reduced as a single full-time principal will be shared between Yancey and Scottsville Elementary and between Red Hill and Murray Elementary schools.
- The Transportation department budget is reduced by nearly \$400,000, as efficiencies in routing, compensation, and program delivery are implemented. There will be fewer bus routes, longer bus ride times, expanded walk zones, and fewer bus drivers.
- Energy policy changes will be implemented to save heating/cooling and other utility costs, and building rental charges to community organizations will be increased.
- Professional development reimbursement funds will be reduced by 50 percent.
- Changes in the athletic program offerings will be made:
 - A student activity fee of \$75 per student, per sport, with a cap of \$450 per family will be enacted.
 - Junior Varsity coaching assistants will be eliminated at all high schools.
- Program reductions in instructional support, student services, educational program support, CATEC support, community engagement, executive services (superintendent, board, discipline hearings, communications), vocational education, human resources, fiscal services, and operations and planning support will be made.
- Additional position cuts at the central office will be taken, including leadership reductions.
- Assistant principal positions and emergency staffing will be reduced.
- Class size is increased by one student in grades 4-12.
- Incorporates nearly \$3 million in increases in health insurance, dental insurance, and retirement costs.
- Incorporates \$1.1 million in Growth & Operational Increases due to enrollment growth and increased operational costs such as fuel, utilities and insurance.
- Adds the position of full-time Hispanic-Latino Relations Coordinator, which had previously been 0.50 FTE.



Our Strategic Portfolio

Highlights from the 2008-09 School Year

Division Profile 2008-09 School Year

Enrollment:	12,765	Schools:	27*
Employees:	2,184	Per pupil cost:	\$11,870

Staffing Ratios:

Grades K-3:	19.19:1	Grades 6-8:	21.08:1
Grades 4-5:	19.81:1	Grades 9-12:	22.03:1

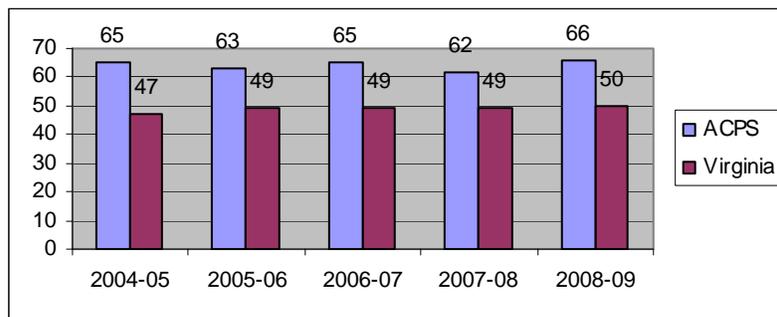
Academic Achievement Accountability

- Albemarle County Public Schools met Adequate Yearly Progress (AYP) requirements under the federal No Child Left Behind (NCLB) Act in English and mathematics for the third consecutive school year. According to the Virginia Department of Education, only 45 percent of school divisions in the Commonwealth made AYP for 2008-09, Albemarle County among them.
- Data aggregated at the Division level shows 90% of all students passed the reading, mathematics, writing, science, and social studies SOL tests. These scores well exceed the state benchmarks of 81 percent for reading and 79 percent for mathematics.
- Twenty-four Albemarle County schools also met or exceeded 29 different requirements for statewide Standards of Learning (SOL) testing to meet Adequate Yearly Progress (AYP). All schools are accredited by the Virginia Department of Education; 25 of 26 schools are fully accredited. Full accreditation is the highest rating schools can earn in the Virginia Assessment Program.
- Albemarle County Public Schools was one of only 15 school divisions in the state of Virginia to earn the Board of Education's Award for Educational Excellence. The distinction is given to school systems that surpassed performance benchmarks established by the state for two consecutive years.
- Fifteen Albemarle County Schools were recognized by the Governor and Virginia Board of Education through the 2010 Virginia Index of Performance Program. Four elementary schools were in the top-tier of the program, among 89 select schools out of more than 1300 in the Commonwealth. Another 11 Albemarle County schools were honored by the Board of Education with either the VIP Excellence Award or VIP Competence to Excellence Award. This is the third consecutive year that Albemarle County Schools have been honored with multiple schools in the each tier of the program.

- The most recent survey of Albemarle County parents and community members, conducted in fall 2008, found that 92 percent of parents are satisfied with the quality of education that their children receive from Albemarle County Public Schools. The percentage of community members who rate Albemarle County Public Schools positively increased from 88 to 92 percent from 2006 to 2008.
- Over the past three years the Division has made considerable progress toward closing the achievement gap for black and socio-economically disadvantaged students. While these groups are still disproportionately overrepresented in standard level classes and special education programs, they have significantly closed the achievement gap in terms of scores on SOLs. Black students have closed the achievement gap, as compared to their white peers, by an average of 10 percentage points in reading and math. Socioeconomically disadvantaged students have closed the gap, as compared to all students in the division, by an average of 9 percentage points in reading and math. Furthermore, all NCLB subgroups met the benchmarks across all SOLs, which demonstrates a Division-wide trend toward higher achievement. Taken together, the Division is helping all students succeed, and the students making the greatest gains are those most frequently caught in the achievement gap.
- Average SAT scores by Albemarle County students in reading, mathematics, and writing surpass state and national averages by more than 50 points.
- Eighty-three percent of Albemarle County high school graduates pursue post-secondary education.
- Murray Elementary School was one of only 340 schools in the nation to be named a No Child Left Behind Blue Ribbon School for superior student achievement.
- Five Albemarle County elementary schools were recognized by the Virginia Board of Education for raising the academic achievement of economically disadvantaged students. The recognition is earned by schools that have significantly closed the achievement gap or exceeded AYP targets for two or more consecutive years under the federal No Child Left Behind Act.
- As a division, 99.93% of our teachers are Highly Qualified under the provisions of the No Child Left Behind act. Approximately 58-percent of Albemarle County teachers hold a master's degree and both teachers and support staff continue to receive honors as leading education experts in Virginia and the nation, including the Red Apple award for integrating technology into the classroom, which has gone to an Albemarle schools educator for the two of the past three years, and the Milken Educator award, which went to Woodbrook Principal Bill Sterrett in 2008.

- Albemarle High School has been selected as a Blue Ribbon School for its music program for the past three years. The choirs, bands and orchestra at AHS each earned superior ratings at state and national festivals to earn this honor. Albemarle’s Wind Ensemble, Patriot Singers, and the Burley Middle School girls’ choir, the Burley Bearettes were named 2009 National Grand Champions by Heritage Music Festivals.
- Our performing arts, athletics and enrichment programs continue to garner honors: male and female athletes at all three comprehensive high schools are district, regional, state and national champions in AA and AAA. Destination Imagination teams have been to global competition for 15 years running. Students consistently capture district, regional, state and national titles in Science Fairs, History Day, and Envirothon competitions, among others.
- Our students are accepted to the most prestigious universities. There were 10 National Merit Scholars from Albemarle County Schools in 2009.
- Our Division is proud to offer a variety of Customized Learning Options, such as the Math, Engineering & Science Academy (MESA), the Junior Air Force ROTC program, AVID, two charter schools: Murray High School and the Community Public Charter School, to meet the diverse needs of our learners and to be a school division of choice in our community.
- Sixty-six percent of graduating seniors in the Class of 2009 earned an Advanced Studies Diploma. Albemarle County has one of the highest percentages of students graduating with Advanced Studies Diplomas in Virginia.

Albemarle County vs. Virginia; Percent of Advanced Studies Diplomas Earned



- The percentage of students in grades 9-12 taking at least one Advanced Placement (AP) test remained at 25 percent. Of the students who took an AP test, 83 percent scored a three or higher, well above the state and national averages. The number of AP exams taken has more than doubled in the past six years and includes significantly greater numbers of students who had been traditionally underrepresented in AP classes.

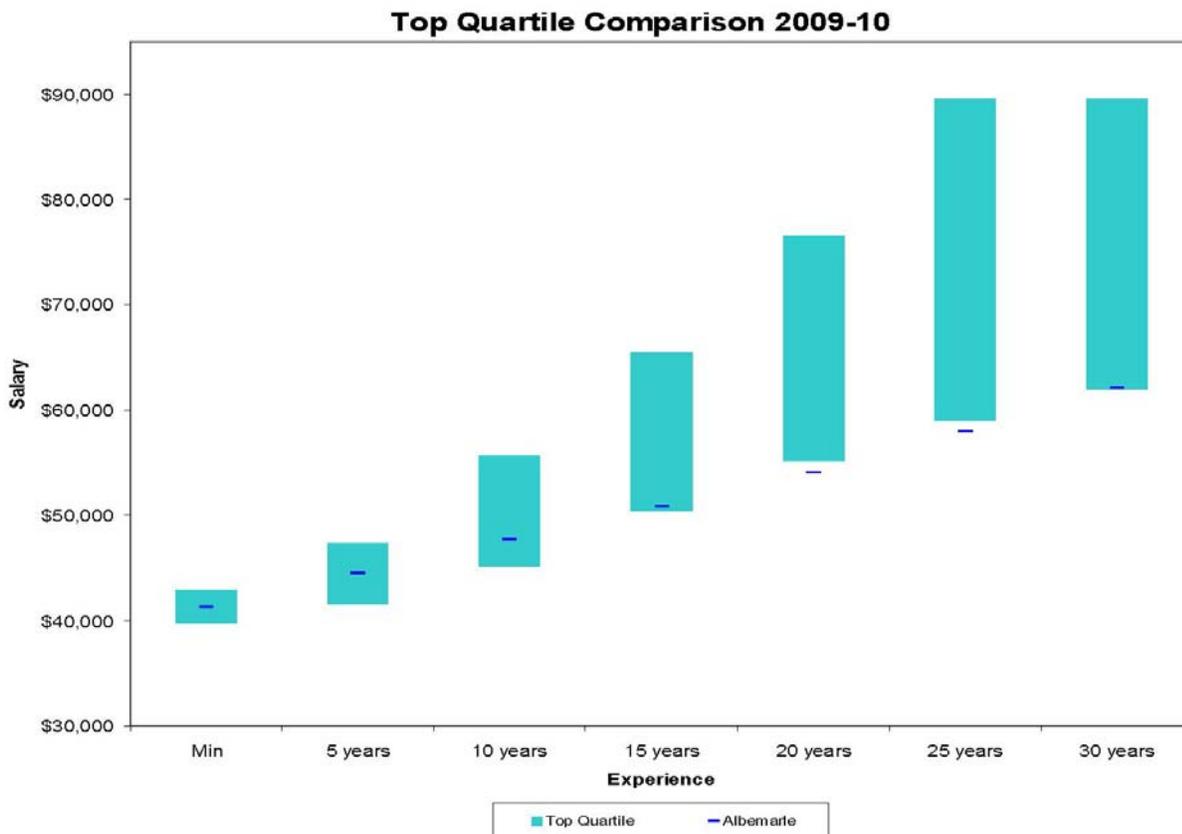
	# AP Enrollments	# AP Exams Taken	% Taking Exam	# AP Scores 3 - 5	% AP Scores 3 - 5
04-05	1539	1365	88%	969	71%
05-06	1677	1450	86%	1132	78%
06-07	2042	1652	81%	1340	81%
07-08	2150	1764	82%	1390	79%
08-09	2329	1892	81%	1572	83

**Includes Community Public Charter, the arts-infused middle school currently housed at Burley Middle School. This school opened in fall 2008. Total number of schools also includes CATEC, operated jointly with Charlottesville City Schools.*

Fiscal Accountability

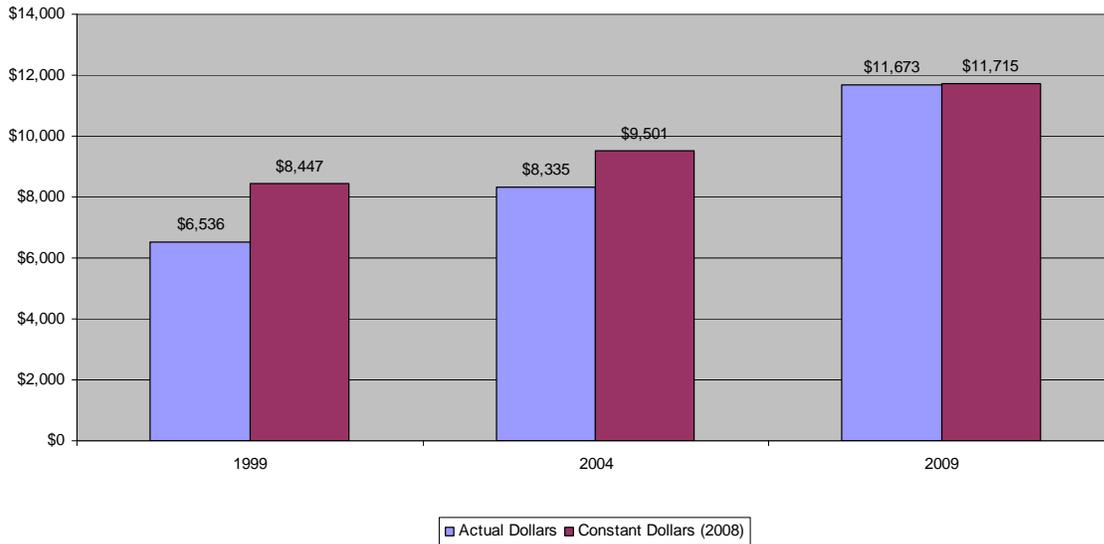
- The School Division funding request for 2010-11 is aligned with the organization's strategic goals.
- The School Division revenues for the 2010-11 school year are reduced by \$4 million dollars over the 2009-10 appropriated budget due to considerable declines in local and state revenues. Revenue assumptions included a \$363,000 shortfall from the state, under outgoing Governor Kaine's budget proposal, and local revenues based on the current \$0.742 per \$100 tax rate.
- The funding request does not balance to the revenues available to the school system. To balance to available revenues, the school division would have had to cut a total of \$6.2 million from the current budget, an additional \$1 million above the funding request as submitted by the superintendent. Additional revenues will need to be allocated to fund this request, or additional reductions will be required to balance to available revenues.
- The funding request incorporates ~\$3.8 million in increased costs for health insurance, state retirement, and increases in student numbers and need.
- Division plans are now based upon a two-year projection of revenues and expenses. Revenues are expected to decline significantly in the 2011-12 fiscal year as a result of composite index changes at the state level, reducing state funding by at least \$4.7 million.
- Albemarle County's composite index, a ratio that the State uses to determine a locality's ability to pay for education, increased substantially for the biennium that was to begin with the 2010-11 budget. The new ratio (based on the county's above average housing prices and income) decreases the amount of money Albemarle will receive from the state by about \$4.7 million per year for the next two years. Governor Kaine's proposed budget delays the composite index changes until 2011-2012, which gives the many divisions across the Commonwealth that saw their composite indices rise a reprieve for one year, allowing time to prepare for the significant reductions. There is no guarantee, however, that the Governor's proposal will be enacted.
- A long-range master facilities planning process began in October 2008 and continued through June 2009. The committee conducted a review of all school facilities and their ability to provide a physical environment conducive to best-practice instruction, as well as to examine building capacity and efficiency. Phase I of the study concluded in fall 2009, with the superintendent's recommendation to continue the operation of the three small elementary schools in the southern feeder pattern, despite their increased costs per student. The decision was based on the inability of the proposed consolidated school site to handle an additional school, community support for the existing schools configuration, and the relatively small cost savings gained by closing one or more schools.

- Enrollment has grown over the last 10 years, including a nearly 200 student spike in 2009-10. It is projected to continue to increase in the future with shifting demographics. The opening of the Defense Intelligence Agency with 878 new jobs in the area, creates the possibility of increased families with school-aged children, projecting further enrollment growth. Also, enrollment during an economic downturn is difficult to accurately project as increasing numbers of families return to our division from other areas.
- Albemarle County has adopted a competitive market* of localities and organizations that are used as a benchmark for employee salaries. The County and school division regularly monitor the salary and benefit programs offered by our competitive market, to ensure that we remain able to attract high quality teaching personnel, staff, and administrators, according to our strategic goal #3. Albemarle County’s compensation strategy is for teacher salaries to be in the top quartile (25 percent) of our competitive market. Although salaries have been frozen at 2008-09 level, other localities and organizations in our competitive market are adopting similar salary freezes, generally maintaining our position relative to our competitive market. The chart below shows our status meeting this strategy.



- Per-pupil expenditures have grown as a result of our improved standing in the competitive market with higher teacher salaries and increasing costs of benefits and other inflationary expenses, such as fuel and electricity.

Per Pupil Expenditures from 1999-2009



* Albemarle County's Adopted Competitive Market of Organizations includes: Augusta County, Hanover County, City of Charlottesville, James City County, City of Chesapeake, Loudoun County, City of Danville, Louisa County, City of Harrisonburg, Madison County, City of Lynchburg, Montgomery County, City of Roanoke, Nelson County, City of Staunton, Orange County, City of Virginia Beach, Prince William County, City of Williamsburg, Roanoke County, Buckingham County, Rockingham County, Chesterfield County, Spotsylvania County, Fauquier County, Albemarle County Service Authority, Fluvanna County, Martha Jefferson Hospital, Greene County, UVA Health Systems.



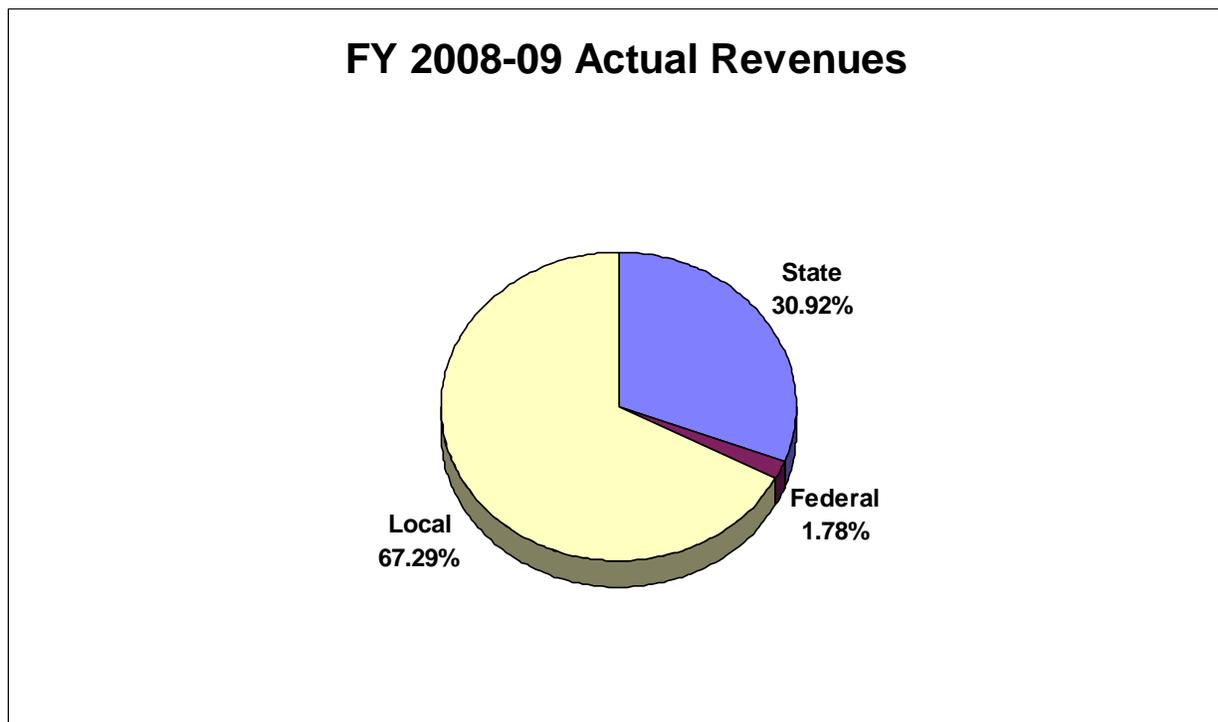
Frequently Asked Questions Topic: Budget

- Section 1: Revenues
- Section 2: Expenditures
- Section 3: Budget Process
- Section 4: General/Other

REVENUE

Q: What are the sources of School Division revenue?

A: The School Division receives the majority of its funding from local sources such as real estate and personal property taxes. For the 2008-09 school year, the School Division received slightly more than 67 percent of its revenue from local sources, 30.9 percent from the state, and less than 2 percent from the federal government. As part of its annual budget development process, the Albemarle County Board of Supervisors allocates a portion of certain types of new local revenue, typically 60 percent, to the School Division. The School Division also has access to federal and state grants and subsidies, and gathers a small portion of revenue from fees, such as for facilities rental.



Q: How does the local real estate tax rate affect School Division funding?

A: *Approximately 67 percent of School Division funding comes from local sources, primarily the real estate property tax. When the real estate tax rate is reduced or property values decline, the level of funding for the School Division declines. Albemarle County collects real estate taxes two times each fiscal year, in December and June. The current real estate tax rate as set by the Board of Supervisors is \$0.742 per \$100 of assessed property value. As property values decline in the county, the amount of revenue available for the schools is substantially lower, as the amount of taxes paid on the same property, under the same tax rate also declines. In December, this rate was planned to increase to \$0.772 per \$100 for 2010, an effective tax rate that maintained revenues at approximately their current level, given lower housing values. However as of January, the Board of Supervisors voted to retain the current rate of \$0.742 for planning purposes, resulting in fewer local dollars available to fund education. The Board of Supervisors may elect to change the tax rate further at its March meeting. The current funding request assumes a \$0.742 per \$100 real estate tax rate.*

Q: How does the Virginia Lottery benefit Albemarle County Public Schools?

A: *Lottery funds are now part of the general funding stream for all school divisions. Previously these funds were treated as additional funds to support some operational and capital costs had not been included in the general funding stream, based on taxes. Now, these funds have been used to replace tax dollars to fund programs such as supporting lower K-3 class size for schools with higher numbers of economically disadvantaged students and other operational areas. This redirection of funds ensured that divisions were not seriously impacted in core services by the reductions at the state level for the 2008-09 fiscal year; however, it provides a less secure revenue stream for the funding of programs which directly affect many needy students, as dollars are dependent on the operations of the lottery program.*

The Commonwealth uses an allocation formula to determine the amount of lottery funds that each locality receives. Albemarle County receives approximately \$1 million, or less than 1 percent of its revenue, from the Virginia Lottery each year.

Q: What impact has the current economic downturn had on the School Division's revenues and ability to provide services to our children?

A: *Current year revenues from both local sources and state sources have been seriously impacted by the economic downturn. More than \$4 million less funds are anticipated for the current year (2009-10). For next fiscal year, the Board of Supervisors recently asked staff to plan for operational revenues based upon the current real estate tax of 74.2 cents, resulting in reduced revenues. State revenues are also anticipated to decline due to reduced collections of income and sales taxes. Overall, recurring revenues are anticipated to decline by more than \$4 million for 2010-11, with additional state reductions in 2011-12 as the composite index changes are enacted. Overall costs are not declining, and some costs, such as health care, retirement and other benefits, as well as fuel and utilities costs, are increasing.*

Q: What is the "composite index" and how does it impact revenue?

A: *The Composite Index is calculated by the Commonwealth of Virginia to determine our local ability to pay for school services. It is calculated every two years. The Composite Index determines how much money the state will contribute to the School Division to help fund Virginia Standards of Quality (SOQ) requirements. These SOQ are state mandates for numbers and types of positions required for state accreditation. For Albemarle County, application of the 2008-10 Composite Index would result in 60.95 percent of SOQ-related costs being paid for with local Albemarle County taxes and approximately 39 percent being paid for by the Commonwealth. The 2010-12 Composite Index would result in 68.72 percent of SOQ-related costs being paid for with local Albemarle County taxes and approximately 31 percent being paid for by the Commonwealth. Former Governor Kaine's proposed budget has recommended a delay in the implementation of the new composite index for one fiscal year, giving the school division one year to prepare for the \$4.7 million in reduced state revenues that will occur as a result of the Composite Index changes for the next biennium.*

*In addition, the Commonwealth does not fully fund its portion of the Standards of Quality, so Albemarle taxpayers must pick up the difference in cost. Albemarle County's composite index is further hampered by the revenue-sharing agreement the county has with the city of Charlottesville, requiring \$0.10 of the county's real estate tax rate to be redirected to the city government. The state calculates the funds that will be sent to Albemarle based on its revenues **before** that revenue sharing is removed (in 2008-09 that equaled more than \$18 million), thus inflating our composite index and reducing the amount of funding we receive from the state. The Division estimates that the state dollars lost to Albemarle County through the composite index due to the revenue sharing agreement exceed \$2 million per year.*

Q: What is the impact of American Recovery and Reinvestment Act (ARRA, or “Stimulus Funds”) on the Division’s revenue?

A: ARRA funds were allocated to the school division with specific guidance and reporting requirements. In order to comply with these guidelines and reporting requirements, ARRA funds were allocated to individual grant accounts to separate them from the regular operating budget. The expenditure of these funds was approved by both the School Board and Board of Supervisors.

Part of the ARRA or “Stimulus Package,” passed by the US Congress in January of 2009, had allocated approximately \$3.2 million to Albemarle County over a two-year period through the Individual for Disabilities Act (IDEA) funding process. The Division is scheduled to receive approximately \$1.6 million in 2009-10, which was used, in accordance with the provisions set by the legislation, to fund special education and pre-school teaching positions as well as temporary funding for additional intervention staff.

Other ARRA funds of approximately \$5 million were to be dispersed to Albemarle County Public Schools over two years through state fiscal stabilization funds. These federal monies flow to the Commonwealth first, and are then allocated to individual school divisions based on a state formula. Albemarle County planned on using these funds to purchase and deploy significant technology updates throughout the division, consistent with the federal guidelines. For the 2010-11 budget, former Governor Kaine has recommended using the second year of state fiscal stabilization funds to balance the state’s budget shortfall. This proposal results in a \$2.4 million loss of planned revenue to be used to purchase and deploy technology to meet 21st century requirements. The loss of these stimulus dollars represents a significant challenge for the school division to install and support the technology infrastructure upgrades, and to continue to fund the instructional positions that had been paid for with these dollars in the current year.

Q: What is the impact of the state proposed budget for 2010-11 on the school division?

*A: Former Governor Kaine’s proposed budget reduces state revenues to Albemarle County schools by \$363,000 for 2010-11. It also increases the costs of mandated retirement costs by \$1.2 million in expenses to the school division. In addition, the Governor ended the long-standing State Technology Grants, which reimbursed localities for classroom computers and technology used by students for instruction and assessment. The loss of this program represents an additional loss of more than \$700,000 per year of technology funding in our Capital Improvements Program. Kaine’s proposed budget also retains the 2nd year of state stimulus federal ARRA funds at the state level, rather than passing them on to the localities. **This reduces grant funding of Albemarle County Public Schools by \$2.4 million for 2010-11.** Kaine also proposes delaying the Composite Index changes for one year, giving many school divisions, such as Albemarle County, who saw their Composite Index increase, a reprieve for one year to plan for the additional lost revenue.*

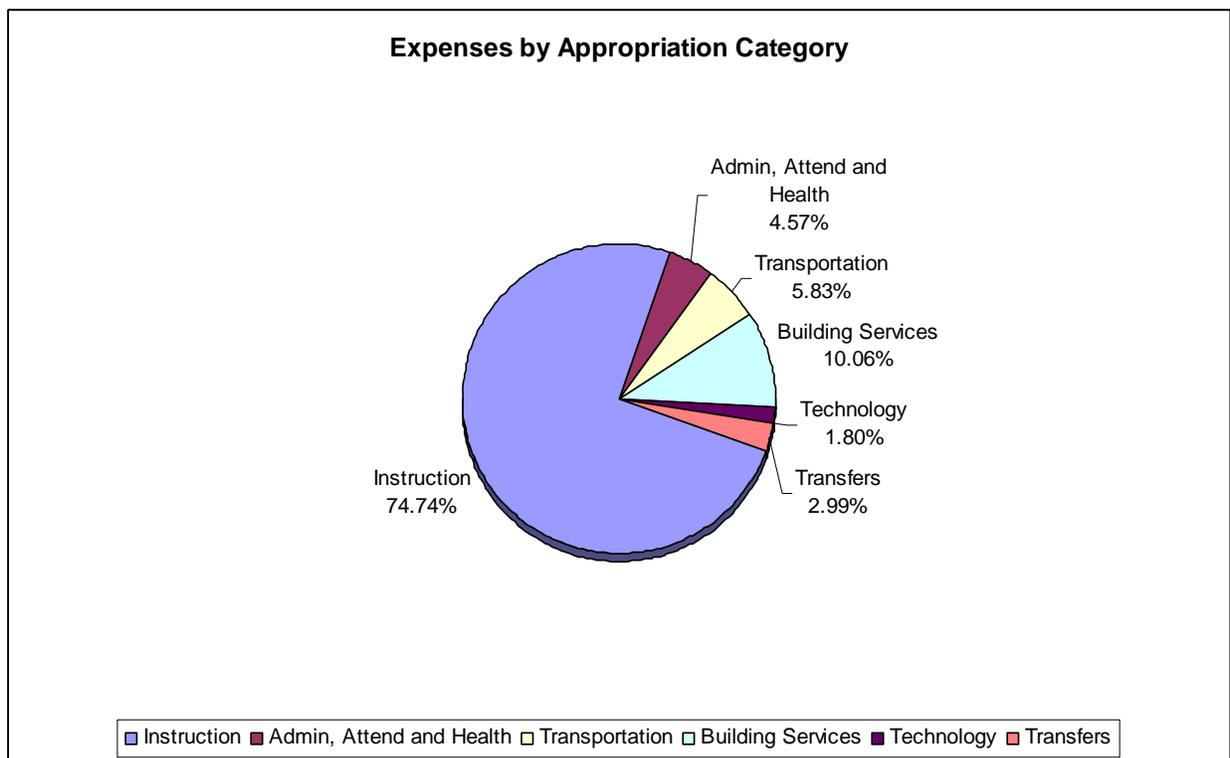
Kaine had proposed a slight increase in state income tax and a repeal of a portion of the car tax relief as a means to balance the budget. Governor McDonnell has indicated in his State of the Commonwealth address that he will not support tax increases. Not enacting Kaine's proposal results in a loss of \$1.9 billion in potential revenue at the state level, which may ultimately impact K-12 education. The School Division could face additional operational budget reductions from the state for the 2010-11 fiscal year.

For the second year of the Governor's proposed budget, the Composite Index changes will go into effect, and Albemarle County Public Schools will lose approximately \$4.7 million in state revenue on top of any further budgetary cuts to K-12 education.

EXPENDITURES

Q: How does the School Division spend its budget?

A: Education is a “people business”. More than 83 percent of the School Division’s budget is spent on salary and benefits for its nearly 2,200 employees with the remaining 17 percent covering operational costs. Looking at the expenditures another way, the School Division spends approximately 74 percent of its budget on instruction, well above the national target of 65 percent and more than 13 percent above the state average of all school divisions. Approximately 10 percent is allocated to building services, approximately 6 percent to transportation, approximately 5 percent to administration, attendance and health, approximately 2 percent to technology and 3 percent to transfers. See additional questions below for further explanation of each category.



Q: What does the administration, attendance and health category represent?

A: *The administration, attendance and health category* represents expenses for positions in schools and central office that provide support services to students and are non-instructional in nature. Some examples of expenditures in this category include:*

- *non-instructional central office positions, such as building services, non-school based administrative and support staff;*
- *non-instructional school-based positions such as nurses at each school;*
- *the costs of psychological, speech and auditory services for special education students.*

**Many expenses in this category are required under the Virginia Standards of Quality (see later questions on SOQ).*

Q: What does the transfers category represent?

A: *The transfers category represents inter-fund and intra-fund transfers. When the School Division transfers funds to Local Government to pay for the School Division's portion of shared programs, it is an inter-fund transfer. Some examples include transfers to the Department of Social Services for the Bright Stars pre-school program, and costs related to the Comprehensive Services Act (CSA). Funds transferred from one School Division account to another internal account are intra-fund transfers. Examples include purchase of replacement school buses and computers.*

Q: What is the Comprehensive Services Act (CSA) and what does it pay for?

A: *The Comprehensive Services Act for At-Risk Youth and Families is a 1993 Virginia law which provides funding for community-based services for at-risk youth and their families. Funds from the CSA account cover the costs of services needed by special education students but which are not available through School Division programs. Examples of services provided by the CSA include residential placement of students with serious emotional or behavioral problems, and enrollment of students in the Virginia School of Autism.*

Q: What does the Technology Category represent, and why does it appear on this year's budget?

A: *During the 2008 session, the General Assembly established a new appropriation category that encompasses technology expenditures. This new category moves expenses from both the administrative and instructional areas in order to highlight expenses in this area.*

Q: How does the Resource Utilization Study factor in this budget?

A: *The Resource Utilization Study results received by the School Board in December 2007 have each been explored, and more than 90 percent of the efficiencies recommended have been implemented through reductions in 2008-09 and 2009-10. Continued facilities management, transportation, and personnel efficiencies will be realized in the proposed 2010-11 budget.*

Q: What are “unfunded mandates?”

A: *An unfunded mandate is something the state or federal government requires the School Division to do without providing all of the related funding. The total combined funding from the federal and state governments for schools continues to shrink, although the number of unfunded mandates has increased. To create a comprehensive list of all mandates with costs would be a major undertaking, involving a large number of staff over a lengthy period of time. This list of mandates requires, in the estimation of our Fiscal Services Department, more than \$60 million in funding.*

Q: What are some examples of federal unfunded mandates?

A: *An example of an unfunded federal mandate is the No Child Left Behind (NCLB) Act of 2001. There has been a 36 percent increase in the number of SOL tests given since the 2000-01 school year as a result of NCLB, which requires more frequent testing. The School Division must spend money to fund testing coordinators for each school and technology support staff and data and reporting staff to comply with these mandates. These costs, as well as other costs associated with NCLB, are not funded by the \$2.6 million the Division received in 2008-09 from the federal government.*

Another example of a federal unfunded mandate is the Individuals with Disabilities Education Act (IDEA). The original IDEA for special education was to provide 40 percent of program funding to serve students; in actuality, Albemarle County Public Schools receives less than 15 percent of the total costs of implementing this legislation.

Q: What are some examples of state unfunded mandates?

A: *The Virginia Standards of Quality (SOQ) provide an example of a state mandate that is only partially funded. The prescribed Standards of Quality for Public Schools in Virginia are part of the Code of Virginia and can be revised only by the General Assembly. The SOQ specifies required staffing for K-12 public schools but the state only partially funds its share of the costs for these staff. Examples of SOQ-required staffing include:*

- *17 full-time equivalent (FTE) instructional positions for each 1,000 student identified as having limited English proficiency*
- *1 full-time reading specialist in each elementary school*
- *5 FTEs per 1,000 students in grades K-5 to serve as resource teachers in art, music and physical education*
- *Two FTE per 1,000 students in grades K-12 with one FTE to provide technology support and one to serve as an instructional technology resource teacher*

The state funds approximately 40 percent of the requirements under the SOQs. The other 60 percent is borne by the locality, primarily from real estate property taxes.

Q: How do the minimum standards described in the Standards of Quality (SOQ) and associated state payments affect Albemarle County's taxpayers?

A: *The state can change the amount that it provides for the Standards of Quality or amend the SOQ themselves. Those legislative changes can add an additional burden on a locality's taxpayers in times of budget deficits, as the state may decide to lower its funding as a way to balance its own budget. Because the positions are still required under the SOQ and cannot be subsequently cut by a School Division, the responsibility for paying for these mandated positions falls on the local taxpayers.*

It also is important to understand that the SOQ represents minimal possible standards for public schools. Albemarle County, in many cases, has chosen to exceed standards beyond the state's baseline expectations as defined in the SOQ. In this year of significant budgetary reductions, the School Division examined the places where it exceeded the SOQ and looked at those expenditures as targets for reduction.

Q: Why won't employees get a raise for next year?

A: The economic crisis we face is severe. Albemarle County is not alone in being unable to provide raises for employees. While a salary increase for staff is part of the overall budgetary recommendations if revenues are available, the current ability to fund such an increase is not possible. Public schools and universities across the state and the nation are implementing similar strategies to maintain as many employees as possible and reduce the number of layoffs that would be necessary. Because the school divisions in our competitive market are also holding salaries at 2008-09 levels, Albemarle County is generally not losing ground in maintaining salaries and benefits that allow us to attract and retain top-quality teachers and staff.

Albemarle County Public Schools' goal is to maintain employee salaries in the top quartile (25%) of the divisions and organizations in our competitive market. For most experience levels and positions, Albemarle County is within this top quartile.

Q: Instead of raises, can you do a bonus of some kind, especially for top performers?

A: The school division will be reducing both staff and expenses over the next year. Adding bonuses would increase the number of staff necessary to be reduced. For example, a \$500 one-time bonus for each employee in the division would cost more than \$1 million. Another million in reductions would then need to occur to offset the cost of the bonuses.

Q: Are there any ways to increase the revenues to the School Division, other than increasing real estate property taxes?

A: In the 2010-11 proposed funding request, two strategies to increase revenue have been recommended. An increase in the building rental charges for outside organizations who use our school facilities for their functions is estimated to increase revenue by \$50,000. A per-student, per-sport activities fee of \$75 is also proposed, helping to offset the nearly \$2 million in annual athletics costs supported by the division.

BUDGET PROCESS

Q: What is the School Board's responsibility in the budget development process?

A: *The School Board is required by Virginia Statute to request funding that meets the educational needs of the students served by our schools. The Albemarle County School Board Policy also tasks the School Board with adopting an annual budget to provide the financial basis for the buildings, furnishings, staff, materials, equipment, and transportation needed to educate the students of Albemarle County. The School Board also is required to ensure that all funds are accurately accounted for and disbursed according to the adopted budget. Lastly, the Albemarle County School Board provides direction to the Superintendent in terms of the programs, initiatives and priorities that the board would like to pursue to drive the work of the division forward and achieve the strategic plan.*

Q: How is the School Division budget created?

A: *The School Division typically follows a lengthy budget development cycle that begins in August and ends in April:*

- *The process includes gathering input from the variety of stakeholders in the school system and community.*
- *A Division Budget Advisory Committee reviews all budget requests, aligns budget requests to the Division strategic plan, and prioritizes requests as part of its recommendations to the Superintendent. The Superintendent then forms a Funding Request, which is presented to the School Board in January.*
- *The School Board reviews the Superintendent's Funding Request during a series of work sessions and a public hearing, and makes its own adjustments to the spending plan. The School Board also hosts a Telephone Town Hall to gain constituent input.*
- *A School Board Funding Request is next presented to the Albemarle County Board of Supervisors, which makes the final decision regarding the amount of revenue to be allocated to the school system. The final budget may then have to be revised based on the revenue the Division will receive.*
- *The School Board adopts the final budget in April for the following school year.*
- *This year, the Superintendent advised departments that rather than submit initiatives to the Budget Advisory Committee, they should focus on reductions, due to the negative economic climate.*

Q: What role does the School Division's vision, mission and strategic goals play in the budget development process?

A: *Staff and the superintendent align the proposed funding request with the vision, mission and strategic goals of the School Division. Budget initiatives must be proven to support the strategic goals of the School Division in order to move forward in the budget development process. The Superintendent, the Department of Fiscal Services, the Superintendent's Budget Advisory Committee, and the School Board each conduct a review of budget initiatives to ensure alignment with strategic goals.*

In this year of budget reductions, programs and services that are less closely aligned to the strategic plan were targeted more significantly for reductions.

Q: Why is the School Board pursuing a budget amendment at the General Assembly?

A: *The School Board has asked Albemarle Delegate Rob Bell to bring forward a budget amendment asking the state to consider the revenue sharing agreement between Albemarle County and the City of Charlottesville when calculating the Composite Index, the ratio used by the state to determine how much funding a locality will receive toward funding the mandated Standards of Quality. Currently, the state calculates Albemarle County's revenues before the nearly \$18 million in revenue sharing is transferred to Charlottesville, overstating the county's available funding for education, and understating the city's. The result is a loss of more than \$2 million in state funding that would be returned to the County if the General Assembly were to pass Del. Bell's proposed amendment.*

Q: What method does the School Division use to create its funding request?

A: *Albemarle County Public Schools used a modified incremental approach in developing its 2010-11 request. The baseline for each department was the positions and programs that are required by policy, law, formula or mandate. Each department manager used specific staffing allocation formulas, accepted by our Board, to justify positions based on student needs. Efficiencies in programming and resource sharing were identified across the organization, and costs significantly reduced in many areas. All increases in expenditures are specifically tied to increases in costs, or to positions justified by policy, law, formula, or mandate.*

GENERAL

Q: Has the School Division's student enrollment changed over the past 10 years?

A: *The current student enrollment is 12,765, up approximately 600 students in the past decade. The 2009-10 enrollment increased by about 200 students over last year; however, the most significant way that student enrollment has changed in the past 10 years is in the number of students from other countries who enroll in our schools' English Language Learners (ELL) program). ELL students are enrolled in all 25 schools and CATEC, and the number of ELL students has grown approximately 170% since 2003. These students require additional services, many of which are not subsidized by state and federal funds.*

Q: How does student enrollment impact the budget?

A: *Student enrollment affects the budget in two ways: the amount of money received from the state through "Average Daily Membership" and employee staffing. We receive some state funding based on the number of students who attend each of our schools, through a formula known as "Average Daily Membership." Student enrollment also determines the number of employees to be hired, as well as students who receive services that are mandated by state or federal law, such as English Language Learners or Special Education Services. The more students enrolled in our schools, the more students who require special services, the more teachers Albemarle County Public Schools must hire, therefore impacting the budget.*

Q: Why isn't budget growth proportionate to enrollment growth?

A: *Growth in the overall student population has some impact on budget increases, but it is not the key factor. The critical factor causing budget increases from year to year is compensation for existing employees to help us stay competitive within the market and address changes in the cost of living. A formula based upon overall enrollment growth would not address other factors that result in budget increases such as:*

- *necessary staffing for certain populations such as special education or English Language Learners;*
- *increased costs associated with technology and other instructional resources;*
- *inflationary costs associated with fuel increases, health-care costs increases;*
- *mandated increases from the state or federal government or other entities such as the Virginia Retirement System, which determines the amount the employer must contribute for each employee.*
- *legislative changes in the amount paid for social security, Medicare/Medicaid, or to fund the requirements of various education laws also increase the total amount the Division requires to operate.*

Q: Why are the Standards of Quality (SOQ) important?

A: *The Standards of Quality (SOQ) provide minimum requirements that all school divisions must meet. The SOQ therefore represents the state's foundation program for all school divisions. Standards are set by the Virginia Board of Education, subject to revision only by the Virginia General Assembly.*

Under the Virginia Constitution, the General Assembly determines how funds are provided to school divisions to maintain an educational program that meets the SOQ. The General Assembly establishes the SOQ cost and determines the local responsibility for funding those SOQ costs.

Each locality receives its funding from the state based on the locality's "composite index," or its ability to pay. The composite index is calculated so that the state's aggregate share of SOQ costs after deduction of the state sales tax is about 55 percent, but the actual percentage of funding the locality receives may vary, based upon the locality's ability to pay. Albemarle County currently receives funding to cover about 39 percent of the SOQ costs, based on the county's composite index. The 2010-12 Composite Index would result in approximately 31 percent of SOQ costs being paid for by the Commonwealth. This represents a loss in revenue to the School Division of approximately \$4.7 million.

Local governments may fund education operating costs at levels above the minimum requirements of the SOQ, and the state may also do so as a matter of policy choice. Funding provided by the localities and by the state for operating cost purposes which exceed the SOQ is called "non-SOQ" operating costs.

Q: How does education impact our community's economic vitality?*

A: *The quality of public schools has become a critical "site location factor" for new businesses and companies that relocate. Economic vitality within a community depends upon public schools because they:*

- *shape the basic skills, soft skills, and attitudes of the local work force*
- *play a role in both quality of life and the ability to relocate professional talent within a community*
- *provide sufficient numbers of prospective employees with required work force skill sets*

In 2008, Albemarle County was named one of the Best Places to Raise a Family by Forbes magazine. Only twenty localities nationwide were named to this list, and Albemarle County was the only one in Virginia. This ranking was based primarily on the quality of the county's public schools and also included other quality of life indicators which are also affected by the quality of schools.

The vitality of our public education in Albemarle County is deeply rooted in the vitality of our entire community, and is a key factor in the County's continuing to be highly ranked as a place to reside. Many of the features we hold dear as being essential to Albemarle County are a result of the quality of the public schools here.

Q: How do we determine the components and costs of our employee benefits packages?

A: *Major components of the Albemarle County benefit package are health, dental and life insurance plans, and retirement benefits through the Virginia Retirement System. These are comparable to the benefits packages offered by other major employers, including local governments, school systems, and businesses. In order to provide cost-effective and valued benefits, we review our health and dental plans on an annual basis by gathering data from other localities and by looking at the plan design and costs (to employees and to the County). This review indicates that Albemarle County offers plans in line with other localities.*

The Virginia Retirement System (VRS) plan provides a fixed income at retirement based on a formula created by VRS. VRS establishes the amount that localities contribute to fund this program. Albemarle County provides this benefit at no cost to the employee, as do nearly all other localities. To gain full benefits, an employee must generally work at least 30 years.

Q: How many people does the School Division employ and in what types of jobs?

A: *In 2009-10, the School Division employs approximately 2,333* people in teaching, administration and support staff positions. We are one of the largest employers in Albemarle County. This school year we employ:*

- 1,174 teachers
- 318 teaching assistants (examples: regular education, special education, library, computer lab, in-school suspension assistants, etc.)
- 163 bus drivers (does not include transportation assistants)
- 114 food service employees
- 105 administrators (examples: principals, assistant principals, directors, assistant directors, managers, coordinators, etc.)
- 513 other classified support staff (all other staff not included above. Examples: office associates, custodial/maintenance staff, Extended Day Enrichment Program staff, technology staff, mechanics, school nurses, etc.)

**Note: the totals in each category add to more than the total number of employees due to position sharing; some people hold part-time positions in more than one category.*

Q: Can we create a reserve in boom years, so that we have savings available to cover times of shortfall?

A: *It is possible to have reserves or “rainy day funds” built up to address one-time shortfalls. Our Division has, through hiring freezes and operational reductions over the past 2 years, been able to build a reserve or “rainy day fund” that will assist in meeting the revenue shortfalls in the current year and also offset the severity of the impact of revenue reduction for next fiscal year. These reserves were built over the past 2 years primarily due to revenue uncertainties from our two largest revenue sources, local taxes and state taxes. Since approximately 83 percent of all expenses in the school division are for personnel and benefits, reducing expenses requires earlier planning and action than materials intensive industries.*

Q: How accurately are we forecasting student population and growth? How far out are we looking in our planning process?

A: Our student population forecasts have been extremely accurate in the short term, with accuracy declining as the forecast extends into the future, as do all long-term forecasts. In an economic downturn, forecasting becomes more difficult. The planning process for facilities encompasses trends of up to 10 years.

Q: Could we remove days from the school-year calendar? What cost savings would be generated?

A: Albemarle County Schools believes that a full 180-day school year is an important part of meeting our goals for each and every student in the division. It is likely that student achievement would be negatively affected by the reduction in instructional time, and Albemarle families would bear the costs of increased childcare and other responsibilities during those non-school days. It is possible to save around \$60,000 per day should school not operate, primarily by cutting the pay of the hourly 10-month contract employees (custodians, office associates, teaching assistants, bus drivers, food service workers). It is not possible to reduce the state-mandated 200-day teacher contract.

Q: What are you doing to address creating efficiencies in operating costs, particularly in building capacity and capital improvements?

A: The School Division is closely examining its processes, procedures, schedules, and expenditures, looking for ways to combine and streamline. An independent Resource Utilization Study was commissioned by the School Board in 2007, and more than 90 percent of the efficiencies recommended in the study have been implemented through reductions in 2008-09 and 2009-10. For example, the study recommended a review of our transportation routes, and changes were made there to realize savings in fuel, bus replacement costs, and hours. The study also recommended we look at our building capacities and plans for renovations and capital improvements. A Long-Range Master Facilities Plan, completed in June 2009, reviewed each of our buildings in terms of their suitability for instruction as well as for cost and efficiency.

In addition, the Division has adopted a comprehensive energy management plan and has partnered with Energy Star to realize savings in heating/cooling and other utilities costs. The Division was recognized by the Virginia Department of Environmental Quality and the Virginia School Board Association for its energy management successes and expects to have more than 50 percent of its school buildings Energy Star certified in 2010.

For the 2010-11 proposed funding request, additional energy management initiatives, such as a reduction in personal refrigerators and other small appliances, and adjusted heating/cooling set points, will be implemented. Further transportation efficiencies, such as reducing deadhead miles through bus parking changes, bus re-routing, and

transportation pay reform, will also be enacted. The Division is considering a possible redistricting of middle and high schools to balance building capacity, and to move Albemarle High School to AA status. Some of these efficiencies may be enacted in 2011-12, when further significant revenue shortfalls occur at the state level.

Q: Have you considered a 4-day school week as a way to cut costs?

A: School divisions that are moving to a 4-day school week are also increasing the length of the school day from the current 6.5 hours to as long as 8 hours to partially offset the lost time. Albemarle County currently has staggered bus service to minimize costs where elementary students are picked up first and then the same buses are used to pickup middle and high school students. If the school day were lengthened, pickup times would be unrealistically early for elementary pickup and unrealistically late for middle and high school drop-off. In order to move to a 4-day school week, a substantial number of additional buses and drivers would have to be added, which would more than offset potential savings. A typical 4-day school week does not have the same number of hours of instructional time as a full 180-day school year.

Q: What are furloughs and why are they proposed for 2011-12?

*A: An involuntary furlough is a **temporary** reduction in the total number of days an employee works. Furloughs are enacted by employers as a way to trim expenses without laying off employees. When furloughs are enacted, all employees have their salaries reduced by the amount they earn per day, per number of days of furlough. For example, a school division could enact a 5-day furlough for all employees. This means each employee would work five fewer days per year, and would not be compensated for those five days. For hourly workers, a five-day furlough is essentially a week of unpaid vacation; for salaried employees, a five-day furlough is a reduction in salary equal to 5-days of pay, with the employee not expected to report to work. The salary reduction may be allocated partially in each pay period throughout the year, to minimize the fiscal impact to the employee.*

The School Division is facing continued significant reductions in revenues for 2011-12, including a projected \$4.7 million less from the state when Composite Index changes are enacted. To cope with the sharply declining revenue, the Division has made significant cuts; a 5-day furlough of all employees saves the Division more than \$2.5 million, and shares the burden of the reduction across all 2,200 employees, minimizing further increases in class size or position cuts.

Q: What is the Instructional Coaching Model and what changes are being recommended for Professional Development in 2010-12?

A: Job-embedded professional development, such as the Instructional Coaching Model, is helping individual teachers meet their goals, as determined by their Teacher Performance Appraisal.

Rather than requiring all teachers to attend particular conferences or group presentations, coaches are working individually or with small groups to help teachers develop professionally in meaningful ways that positively affect student achievement and provide value to the teacher. The coaches also assist the teachers in discovering specific courses or resources that assist them in reaching their professional goals. The professional development is job-embedded; it generally occurs as part of their regular workday, and is immediately transferrable to their daily work, its effectiveness quickly measured. The Division is maintaining the current instructional coaching model with 24 coaches and five lead coaches. Many of these positions are mandated by the Virginia Standards of Quality. An additional 5.06 FTE which were allocated to the coaching model in 2009-2010 have been reduced for 2010-11. These coaching positions were not filled in 2009-10.

For 2010-11 the Division proposes reducing Professional Development Reimbursement Program (PDRP) funding by 50 percent or approximately \$68,000. These monies were allocated for faculty and staff to take courses needed for recertification and additional endorsement. In addition, a restructuring of the division-level administration of professional development services has resulted in both operational and FTE savings.

Q: What is the effect on the teacher salary scale with a second year of frozen salaries?

A: Salary scales for teachers across the Commonwealth are typically based upon years of service in a teaching position. In order to maintain the validity of the scale in reflecting experience levels, as salaries are frozen, the beginning salary on the scale is reduced. As an example, a beginning teacher with no experience in September 2008 made \$41,947 in Albemarle County. In September 2009, that teacher with one year of experience will make the same \$41,947. However a new teacher in September 2009 will make \$41,309 to reflect a lesser experience level. As the number of years of frozen salaries increase, the number of steps on the scale will increase beyond our current 31 steps, and the beginning teacher salary will continue to decrease. However, Albemarle County Public Schools is well within our compensation strategy of being in the top 25 percent of salaries in our adopted competitive market for teachers with less than five years of experience. Reducing the beginning teacher salary does not compromise this position relative to our peer divisions at this time. Please see supporting documents to see our proposed teacher scales.

Q: Why are some support departments being reduced at a larger percentage than others?

A: *Certain departments are being reduced at a greater level than others due to several factors, including the amount of reductions taken in previous years, and factors outside of the school operating budget. Two departments that have been substantially impacted by the loss of state and local funding are not being asked to shoulder the additional 5 percent reduction in operating and personnel costs that other centralized support services departments are making. The technology department (fund 2115) has seen a substantial reduction (more than \$3.1M) in state funding of technology in both grants and capital improvements. The Building Services department has been seriously impacted by local reductions in the Capital Improvements Program (CIP). The reductions under consideration in the CIP will not provide for any new, expanded, or improved facilities in the foreseeable future. It is possible that these CIP reductions may not permit the adequate funding of a maintenance program for existing buildings. To reflect these impacts, reductions to these departments are minimized. Building Services and Technology are still participating in the 10 percent reduction in operating expenses that all departments and schools are making in the 2010-11 funding request.*

**The Cost of Fulfilling the Requirements of the No Child Left Behind Act for School Divisions in Virginia, issued by Augenblick, Palaich and Associates, Inc. The study is available on the Virginia Department of Education website at www.doe.virginia.gov.*

Revised FY 10/11 Budget Preparation Calendar

January

Thursday, Jan. 14 Organizational Regular School Board Meeting, Lane Auditorium, 6:30 p.m.

Wednesday, Jan. 20 Presentation of Superintendent's Funding Request, Lane Auditorium, 6:30 p.m.

Thursday, Jan. 21 Special Budget Worksession, Room 241, 6:30 p.m.

Tuesday, Jan. 26 Special Budget Worksession, Room 241, 6:30 p.m.

TBD *Local Revenue Update*

Thursday, Jan. 28 Regular School Board Meeting including Budget Worksession, Room 241, 6 p.m.

February

Tuesday, Feb. 2 Public Hearing on School Budget, Monticello High School Auditorium, 6:30 p.m.

Wednesday, Feb. 3 Telephone Forum, 7 p.m.

Thursday, Feb. 4 Special Budget Worksession, Room 241, 6:30 p.m.

Thursday, Feb. 11 Regular School Board Meeting (Finalize School Board's Request), Lane Auditorium, 6:30 p.m.

Tuesday, Feb. 16 Tentative Special Budget Worksession, Room 320, 6:30 p.m.

Friday, Feb. 19 *Deadline for Budget Information to County Executive*

Sunday, Feb. 21 *Public hearing advertisement for the County Executive's recommended budget appears in Daily Progress*

Thursday, Feb. 25 Regular School Board Worksession, Room 241, 6 p.m.

Friday, Feb. 26 *County Executive's Recommended Budget to BOS*

Revised FY 10/11 Budget Preparation Calendar

March

Wednesday, Mar. 3	Public Hearing on County Executive's Recommended Budget
Monday, Mar. 8	<i>BOS Budget Work Session – General Gov't Depts.</i>
Wednesday, Mar. 10	<i>BOS Budget Work Session – School Division</i>
Thursday, Mar. 11	Regular School Board Meeting, Lane Auditorium, 6:30 p.m.
Monday, Mar. 15	<i>BOS Budget Work Session – CIP</i>
Wednesday, Mar. 17	<i>BOS Budget Work Session – if needed</i>
Sunday, Mar. 21	<i>Advertise public hearing on BOS proposed budget and CIP</i>
	<i>Advertise tax rate for April public hearing</i>
Thursday, Mar. 25	Regular School Board Worksession, Room 241, 6 p.m.
Wednesday, Mar. 31	<i>Public Hearing on the 2010 calendar year tax rate. Public Hearing on the FY 10/11 Proposed Operating and Capital Budgets</i>

April

Mon, Apr. 5 through Fri., April 9	School Spring Break
Wednesday, April 7	<i>BOS adopts FY 10/11 budget</i>
	<i>BOS adopts the 2010 calendar year tax rate</i>
Thursday, April 15	Regular School Board Meeting including Special Budget Worksession, Lane Auditorium, 6:30 p.m.
Thursday, April 22	Regular Worksession – Adopt Budget, Room 241, 6 p.m.

FRAMEWORK FOR THE SCHOOL BOARD'S FY 2010/2011 ADOPTED

Goals:

- Enable all students to achieve at high levels.
- Support strategic, operational, and innovative work in the Division
- Position all parts of the organization to recover as the economy recovers
- Maintain public accountability and fiscal prudence

Revenue Assumptions:

- \$4M (-4%) reduction in local revenues based upon revenues from a \$0.742 property tax rate used to fund operations.
- \$8,863,244 (- 20.49%) reduction in state revenues for next fiscal year. These revenues include implementation of the new biennial composite index reflecting Albemarle County's increased ability to pay. There were also one-time state monies of more than \$5.2M for FY2010/11 and more than \$2.6M in one-time funds for FY 2011/12 to assist in offsetting these composite index changes.
- No increase in Federal revenues.
- \$800,000 in fund balance will be designated as recurring funding available.
- Fund balance of \$1,000,000 is utilized as one-time funding for recurring initiatives to help offset revenue losses. It is expected that these funds would decline in use over time.

Expenditure/Reduction Assumptions:

- Salary and step increases are not possible in the current revenue scenarios.
- Reduced services will be necessary to meet revenue forecasts.
- An 8% increase in health insurance funding is budgeted.
- Reflects temporarily reduced VRS rates during the 2010-2012 biennium. It is anticipated that rates will increase substantially in the future.
- Maintains the focus upon classroom activities with reductions for the 4th straight year in departments and activities and requires increases in 4-12 class-size.
- Funds enrollment growth due to increased enrollment and demographic shifts beyond budgeted for FY 2009/10. The economic situation has increased the overall numbers of Free/Reduced lunch eligible students. Our staffing formula provides additional resources based upon the increasing students being served under the Federal Free/Reduced Lunch Program. This results in more than 8 additional teachers in the classrooms.

School Board's Adopted Budget

	08/09	09/10	10/11	\$	%	11/12
<u>Revenues</u>	Actual	Adopted	Adopted	Increase	Increase	Projected
Local School Revenue	\$1,487,079	\$675,278	\$1,072,610	\$397,332	58.84%	\$1,118,610
State Revenue	\$45,777,289	\$43,260,327	\$40,865,213	(\$2,395,114)	-5.54%	\$38,672,864
Federal Revenue	\$2,640,872	\$2,668,306	\$2,668,306	\$0	0.00%	\$2,668,306
Local Revenue	\$97,725,994	\$100,150,577	\$96,057,504	(\$4,093,073)	-4.09%	\$98,938,045
One-Time Use of Fund Balance	\$0	\$1,000,000	\$1,000,000	\$0	0.00%	\$1,000,000
Recurring Use of Fund Balance	\$0	\$800,000	\$800,000	\$0	0.00%	\$800,000
CIP & Other Transfers	\$400,000	\$424,000	\$400,000	(\$24,000)	-5.66%	\$400,000
Total Revenues:	\$148,031,234	\$148,978,488	\$142,863,633	(\$6,114,855)	-4.10%	\$143,597,825

Expenses

Instruction

Staffing	\$99,065,474	\$98,280,565	\$93,707,233	(\$4,573,332)	-4.65%	\$94,900,446
Operating	\$10,183,493	\$10,522,628	\$10,002,828	(\$519,800)	-4.94%	\$9,685,489
Capital	\$1,192,148	\$325,177	\$259,968	(\$65,209)	-20.05%	\$259,968
SB Reserve	\$0	\$128,549	\$75,000	(\$53,549)	-41.66%	\$75,000
Subtotal Instruction	\$110,441,114	\$109,256,919	\$104,045,029	(\$5,211,890)	-4.77%	\$104,920,903

Admin, Attendance and Health

Staffing	\$10,185,313	\$7,578,662	\$5,437,471	(\$2,141,191)	-28.25%	\$5,509,578
Operating	\$896,010	\$1,051,321	\$904,234	(\$147,087)	-13.99%	\$904,234
Capital	\$80,367	\$31,641	\$31,141	(\$500)	-1.58%	\$31,141
Subtotal Admin, Attendance a	\$11,161,690	\$8,661,624	\$6,372,846	(\$2,288,778)	-26.42%	\$6,444,953

Transportation

Staffing	\$7,269,810	\$6,992,752	\$6,790,784	(\$201,968)	-2.89%	\$6,922,062
Operating	\$1,723,902	\$1,724,562	\$1,673,039	(\$51,523)	-2.99%	\$1,742,821
Capital	\$297,296	\$0	\$60,000	\$60,000	100.00%	\$0
Subtotal Transportation	\$9,291,008	\$8,717,314	\$8,523,823	(\$193,491)	-2.22%	\$8,664,883

Building Services

Staffing	\$7,443,353	\$8,085,505	\$8,139,278	\$53,773	0.67%	\$8,243,331
Operating	\$5,521,009	\$6,524,914	\$6,445,557	(\$79,357)	-1.22%	\$6,445,692
Capital	\$232,933	\$209,150	\$224,350	\$15,200	7.27%	\$224,350
Subtotal Building Services	\$13,197,296	\$14,819,569	\$14,809,185	(\$10,384)	-0.07%	\$14,913,373

Technology

Staffing	\$0	\$2,706,292	\$2,082,384	(\$623,908)	-23.05%	\$2,117,560
Operating	\$0	\$440,951	\$413,053	(\$27,898)	-6.33%	\$413,053
Capital	\$0	\$26,750	\$26,750	\$0	0.00%	\$26,750
Subtotal Technology	\$0	\$3,173,993	\$2,522,187	(\$651,806)	-20.54%	\$2,557,363

Transfers	\$4,647,932	\$4,349,069	\$6,590,563	\$2,241,494	51.54%	\$4,580,563
------------------	--------------------	--------------------	--------------------	--------------------	---------------	--------------------

Total School Fund Expenses	\$148,739,041	\$148,978,488	\$142,863,633	(\$6,114,855)	-4.10%	\$142,082,038
-----------------------------------	----------------------	----------------------	----------------------	----------------------	---------------	----------------------

Balances of Revenues vs Expenses			\$0	\$1,515,787	
Self-Sustaining Funds:	\$16,307,866	\$16,948,585	\$23,045,976	\$6,097,391	35.98%
Total Overall Budget	\$165,046,907	\$165,927,073	\$165,909,609	(\$17,464)	-0.01%

Due to a change in state appropriation requirements, Technology is an appropriation category. These expenses were previously listed under Instruction and Administration.

Albemarle County Public Schools FY 2010-11 Compensation Summary

Discussed Salary Adjustments

Market Findings

Classified:

As an organization, overall salaries are currently 0.35% below FY 09/10 defined market
 Classified scale is 0.76% below defined market
 Certain positions may be below defined market
 Highly skilled and certain administrative positions are more competitive regionally

Teacher:

Achieved competitive position within the top quartile for our most experienced
 Teacher salaries are improving when compared to VA averages
 Ability to hire teachers is improving, maintain competitive position
 Retention and competitive position within the top quartile need to be future focus

Market Recommendations

Classified:

2.60% Merit Pool (based on WorldatWork projection of 2.25%)
 Increase scale by 1.0% (affects only new hires)
 Address position discrepancies identified as below defined market

Teacher:

2.25% increase (based on WorldatWork projection of 2.25%)
 Approximately 2.65% to a 5.19% increase (including step) in salary

***DUE TO REVENUE CONCERNS, IN CONSULTATION WITH THE JOINT BOARDS,
 INCREASES IN SALARY ARE NOT INCLUDED FOR THIS RECOMMENDATION***

Benefits Summary

	<u>2009-10</u>	<u>2010-11</u>
Each Full-Time Participating Employee Will Receive:		
Contribution toward Health Insurance	\$7,045	\$7,609
Contribution towards Dental Insurance	\$253	\$266
In Addition, the Following Benefit Rates Apply:		
Social Security (FICA)	7.65%	7.65%
Virginia Retirement System (VRS)		
Professional Rate	14.89%	9.53%
Non-Professional Rate	12.60%	12.60%
Virginia Retirement System Group Life Insurance	0.89%	1.01%

Synopsis of Growth and Operational Increases

There are minimal growth and operational increases in this year's funding request as this is primarily a budget of reductions. However, certain growth initiatives are unavoidable, such as insurance costs and fuel costs. In addition, the Division will require additional teachers to support the increased numbers of at-risk students, whose numbers are rising as a result of the economic downturn.

Total Growth and Operations : \$3,635,129

Enrollment Space and Growth Costs : \$863,611

Teacher Growth {13.82 FTE - \$863,611} - Board Goal 1

Increase due to growth in numbers of students from budget to budget. Overall 191 more students are anticipated in FY 2010-11 than were budgeted in FY 2009-10.

Operational Increases : \$2,771,518

Learning Resources Reduction (Textbooks) - One Time Funding {\$317,339 in Non-Recurring Operational Costs} - Board Goal 1

One-time funding of resources eliminated by budget cuts.

Human Resources Baseline Increases {\$36,000 in Recurring Operational Costs} - Board Goal 3

An increase of \$28,000 in unemployment insurance is anticipated. With job losses and the extended unemployment benefit law recently instituted, unemployment costs will increase.

In addition, an increase of \$8,000 for criminal history checks is also required to cover the increase in rates for the Child Protective Services (Virginia) searches and the newly mandated out-of state CPS searches in order to stay in compliance.

Technology - One Time Funds {\$1,000,000 in Non-Recurring Operational Costs} - Board Goal 5

Funding of one-time technology resources.

Bus Replacement {\$1,010,000 in Non-Recurring Operational Costs} - Board Goal 5

Funding of the bus replacement fund.

Bus Parking Upgrades {\$200,000 in Non-Recurring Operational Costs} - Board Goal 5

Expansion of parking at select schools to accommodate additional bus parking.

Electronic Payroll for Transportation {\$60,000 in Non-Recurring Operational Costs} - Board Goal 5

Electronic payroll system implementation for transportation department.

Transportation Department Baseline Increases {\$148,179 in Recurring Operational Costs} - Board Goal 5

Increase of \$8,114 is needed for VersaTrans OnScreen (\$3,734) and Everywhere Lite (\$3,105) software support required for new GPS System, and Trip Tracker field trip software support (\$1,275).

Recommend assuming \$2.40 per gallon with consumption of 412K gallons for diesel and 315K gallons for unleaded, plus \$30,000 for other fluids.

Transportation will increase the cost for field trip mileage from \$1 per mile to \$1.10 per mile to offset the cost of the some of these increases.

Synopsis of Improvements and Infrastructure

There are minimal improvements and infrastructure initiatives in this year's funding request as this is primarily a budget of reductions. However, the following initiatives are required to sustain operations and continue work already in progress.

Total Improvements : (\$2,284,896)

Compensation and Benefits : (\$2,580,344)

Dental Increase {\$20,497} - Board Goal 3

It is anticipated that dental insurance costs will increase by 8%. It is hoped that as additional information becomes available that these anticipated expenses may be lowered somewhat by April.

Health Insurance Increase {\$933,054} - Board Goal 3

It is anticipated that health insurance costs will increase by 8%. It is hoped that as additional information becomes available that these anticipated expenses may be lowered somewhat by April.

Voluntary Early Retirement Incentive Plan (VERIP) Increase {\$723,080} - Board Goal 3

As a part of the FY 2009-10 budget, a retirement incentive package was offered. At that time the participation rate was unknown, therefore the increased costs in this line item were not reflected in the FY 2009-10 budget. The vast majority of these expenses are due to retirements that took place in the current fiscal year. Additionally, for the first time, these expenses have been reflected in their correct appropriation category.

Decreased Cost of the Virginia Retirement System and Group Life Insurance {(\$4,256,975)} - Board Goal 3

Virtually all Virginia School Divisions participate in the Virginia Retirement System (VRS) and contribute the entire rate. Once Divisions have joined VRS, by law they may not withdraw. This decrease is based upon an decrease from the 14.89% rate to a 9.53% rate as included in the Governor's budget proposal to the legislature. Group life insurance rates decreased from 0.89% to 0.28%.

Total System Initiatives : \$295,448

I. School Staffing Initiatives : \$249,960

Increase Emergency Staffing by 4.00 FTE (One-Time) {4.00 FTE - \$249,960} - Board Goal 1

The recurring allocation will still be reduced by 1.00 FTE. This emergency staffing will be used to cover unexpected enrollment anomalies.

II. System Improvement Initiatives : \$45,488

Hispanic / Latino Community Relations, Student Career Program Support and Spanish Translation Coordinator {0.50 FTE - \$45,488} - Board Goal 1

This position serves as focal point for the Hispanic / Latino Communities, helping to identify and address issues raised by the citizens and works in partnership with schools and agencies to resolve issues of concern to all communities and would be responsible for creating and managing Spanish public information and education programs for the School Division, for producing various publications including Spanish newsletters and translating annual reports, for supporting media relations, identifying and implementing school-wide customer service initiatives that enhance Spanish communication and parent satisfaction, and coordinating Spanish community / neighborhood outreach and partnership efforts.

Synopsis of Reductions to Baseline Operations

The following reductions are reflected within this funding request, and represent the necessary operational reductions required to balance the budget to available revenues. Each item is aligned to the Division's strategic goal that will be impacted by the reduction.

Total Reductions: (\$5,647,445)

Reduce Instructional Coaching Positions (Vacant) {-5.06 FTE - (\$316,200)} - Board Goal 1

Current budget retained 8.06 FTE for instructional coaching model, implemented in 09-10 as a restructuring. These FTE were reallocated to schools in 09-10 to absorb enrollment increases of nearly 200 students. This reduction would eliminate 5.06 FTE of the vacant instructional coach positions. The remaining FTE (3.0) will be reallocated to technology support positions for one year, and then be eliminated.

Class Size Increase (+1 @ 4-12) {-16.86 FTE - (\$1,053,581)} - Board Goal 1

Increase class size by one student in grades 4-12.

CATEC Reductions - 5% on Transfer {(\$54,645)} - Board Goal 1

Total amount of reduction for local school contributions at 5% amounts to \$101,656. Using the CATEC Center Board formula to determine funding for respective division, Albemarle County reduction at 5%. Those operational and personnel items to be cut or reduced include the following: reduction of substitute coverage; reduction in costs for adult textbooks; reduction in expenses for summer school; elimination of marketing expenses; reduction of instructional equipment replacement; reduction in office supply expenses, reduction in program instructional expenses; reduction in High School textbook purchases; elimination of safety security officer position; elimination of Literacy Specialist position (.4 FTE); elimination of ESOL TA support personnel (1.0 FTE); reduction Instructional Support Technology Specialist.

Instructional Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {-1.00 FTE - (\$38,347) and (\$68,971) in Recurring Operational Costs} - Board Goal 1

The reductions are reflected from stipends, educational & recreational supplies, machinery/equipment - additional and staff development of all budgets except instructional coaching. There will be no purchases of new equipment for any department. Funds used to support staff development in schools and special programs in schools will be reduced as well. Dollars normally provided to new principals to support team building/leadership activities would be reduced/eliminated. Support for stipends to support vertical teams would be reduced/eliminated as well. Stipends used to support professional development related to the Framework for Quality Learning and Professional Learning Communities as well as School net would also be reduced/eliminated.

Learning Resources Reduction (Textbooks) {(\$500,000) in Recurring Operational Costs} - Board Goal 1

Elimination of certain digital learning resources and subscription databases for teachers, librarians and students, as well as reduction in textbook replacement allocations per school.

Vocational Education Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {(\$2,550)} - Board Goal 1

Funds supporting staff development, curricular changes, and the integration of technological tools are critical for this shift. State mandates are evolving in the area of CTE and resources will be necessary to assist in meeting them - including the new financial literacy course requirement for graduation and the career plan requirement, both taking effect next year.

Reduce Elementary and Middle Summer School {(\$89,622) in Recurring Operational Costs} - Board Goal 2

Local funding for elementary and middle summer school would be reduced. State funding would continue. In the long term it will be necessary to more carefully examine the participation and service levels provided by this program. Due to available fund balance within the Summer School Fund (Fund 3310), it is not anticipated that this reduction will have a meaningful impact on the delivery of services to those most in need.

Synopsis of Reductions to Baseline Operations

Student Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {-1.20 FTE - (\$61,630) and (\$24,013) in Recurring Operational Costs} - Board Goal 2

Reduce 1.00 Office Associate and 0.20 of a School Psychologist (currently vacant). There will also be a 17% cut in funding for supported employment opportunities for SPED students. Classroom teachers, Speech and Language Pathologists and School Psychologists will all receive reductions in instructional funds. Contracted services for Summer evaluations during Summer months will also be reduced as well.

Federal Programs Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {(\$23,000) in Recurring Operational Costs} - Board Goal 2

All reductions will impact and reduce the ability of the organization to support the prescribed programs.

Community Engagement Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {(\$17,690) in Recurring Operational Costs} - Board Goal 2

The 5% operational reductions will eliminate travel support outside of the county, decrease staff support to professional organizations, and staff development. The proposal will significantly reduce support to community based initiatives/partnerships with low income neighborhoods.

Educational Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {(\$8,128) in Recurring Operational Costs} - Board Goal 2

The funds remaining in this account are the salaries of the Assistant Superintendent for Student Learning and the Office Associate to support that position.

Academic Leadership Stipend Reductions - 35% {(\$345,755) in Recurring Stipends} - Board Goal 3

Reduce by 35% the total amount of Academic Leadership Stipends budgeted for FY 10-11.

Reduce Professional Development Reimbursement Program (PDRP) by 50% {(\$68,092) in Recurring Operational Costs} - Board Goal 3

Reduce PDRP by 50%. The Division will shift professional development to a job embedded model that will be supported through instructional coaches, vertical teams and Professional Learning Communities.

Athletics - Student Activity Fees and JV Coach Reductions {(\$142,044) in Recurring Stipends} - Board Goal 5

Each participant pays a Student Activity Fee; excluding those who qualify for free/reduced lunch. Although fees vary, activity fees are currently in place at several school systems throughout the state (Loudoun & Fauquier County charge \$150 per student-athlete). The recommendation is as follows: \$75 per Season with a \$425 cap per family. In addition, eliminate 19 Assistant JV coaches at each school.

8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS) {-12.68 FTE - (\$792,372)} - Board Goal 5

This would move all high schools and middle schools to an 8 - period day. Currently all of these schools are staffed at a 7 - period day basis. State code has specific requirements regarding the numbers of periods that staff may teach depending upon the number of periods in a day. For a 7 - period day, high school teachers may be assigned up to 5 periods of classes and middle school teachers may be assigned up to 6 periods of classes. Currently high schools are staffed at the 5 - period level and middle schools are assigned at a 5.75 period level. For an 8-period day, high school teachers may be assigned 6 periods of classes and middle school teachers may be assigned up to 7 periods of classes. This proposal would staff high schools at an 8 - period day with 6 periods taught by each teacher. The middle school would be staffed for an 8-period day with 6.75 periods taught. Since more classes may be taught with more periods, a reduction in overall staff may be achieved without directly increasing class size. However this has the impact of assigning a full period of additional students to the workload of teachers each day.

Reduce Recurring Emergency Staffing by 1.00 FTE {-1.00 FTE - (\$62,490)} - Board Goal 5

Currently 3.49 FTE are budgeted for emergency use, this reduction is for 1.00 of the 3.49 FTE.

Eliminate Middle School Assistant Principal {-1.00 FTE - (\$89,488)} - Board Goal 5

Reduce one AP at middle school to bring staffing in line with Division standard.

Synopsis of Reductions to Baseline Operations

Restructure Leadership for Murray HS/Enterprise Center/Community Charter School {-1.00 FTE - (\$145,063) and \$2,153 in Recurring Stipends} - Board Goal 5

Restructure leadership for these three programs. A single principal would be responsible for these three programs.

Executive Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {-0.50 FTE - (\$25,679) and (\$11,020) in Recurring Operational Costs} - Board Goal 5

The additional 5% reduction including remaining operational and all personnel will call for the elimination of 0.5FTE Deputy Clerk and smaller reductions in various line items. With the elimination of the .5FTE Deputy Clerk, staff will need to determine which work can be reassigned to other support staff within Central Office. In addition, it may need to be determined if there is work that was being done that no longer can be accomplished or is unnecessary. Other reductions are minor reductions in various line items. Overtime will need to be monitored so that actual paid overtime is not greater than what is budgeted; Temp Services will only be used in emergency situations and for a limited time; work or necessities that require outside printing and binding such as the purchase of minute books may need to be delayed; and board members and staff will need to monitor and at times reduce the use of staff development and travel funds for costs associated with local, state and national conferences.

Human Resources Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {-1.00 FTE - (\$96,995) and \$16,206 in Recurring Operational Costs} - Board Goal 5

This scenario can be accomplished with the elimination of 1.0 FTE. Recognition of a decrease in services that HR will be able to provide is necessary.

Division Support/Planning Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {-0.08 FTE - (\$4,015) and (\$16,454) in Recurring Operational Costs} - Board Goal 5

Reduction in administrative support for nurses and professional development for both nurses and SROs.

Fiscal Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses {-0.50 FTE - (\$25,546) and \$2,591 in Recurring Operational Costs} - Board Goal 5

The vacant 0.50 FTE Office Associate position will be eliminated. This department, with probably the largest public daily public contact numbers on the 3rd floor will have no office associate support during the day. All meeting scheduling, public contact, building rentals, office budget and supply purchases will be handled by existing staff.

Increase Building Rental Fees {(\$50,000) in Recurring Operational Costs} - Board Goal 5

A proposal to increase fees for outside groups to utilize our facilities will be brought forward to the Board for approval. It is anticipated that these fee increases will result in approximately \$50,000 in additional revenues.

Transportation Pay Reform {(\$32,000)} - Board Goal 5

The Transportation Pay Reform Action Committee (PRAC) is working to revise pay policies and deploy a time management system. The department expects increased costs for payment of driving time (time from parking areas to and from first/last bus stops) and reduced costs for payment of non-driving time.

Transportation Efficiencies - Reduce Deadhead Mileage {(\$150,000) in Recurring Operational Costs} - Board Goal 5

Reduce parking buses at driver homes and use GPS to monitor and minimize deadhead mileage. These actions should cut diesel fuel consumption and maintenance/repair costs by 10-20%.

Transportation Efficiencies - Special Education {(\$40,000)} - Board Goal 5

Review special education student transportation requirements. Identify students that can ride regular school buses with transportation assistants or ride in cars. This action would reduce the demand for special needs bus drivers (2 drivers = \$40K).

Synopsis of Reductions to Baseline Operations

Transportation Efficiencies - Redesign Bus Routes {(\$200,000)} - Board Goal 5

Reduce current level of service to eliminate 5-10% of current bus routes and associated bus driver positions (6 to 12 drivers). Require high school students to register for bus transportation. Increase the radius of walk zones around designated schools. These actions will result in higher load factors (% of bus capacity utilized) and longer bus rides (60 to 90 minutes) for a significant number of students.

Energy Policy Changes/Enforcement {(\$93,287) in Non-Recurring Operational Costs} - Board Goal 5

The Energy Management and Conservation Policy sets a heating season temperature range from 68°F to 72°F, and the current set point is 70°F. The cooling season temperature range is from 74°F to 78°F, and the current set point is 74°F. If the set points are changed to reflect a heating season set point of 69°F and a cooling season set point of 75°F, the annual estimated savings are \$28,000. Changing the temperature settings could impact building occupants by making them less comfortable, although settings would still be in the range set forth in the Policy.

Annual savings reflected for enforcement (\$65,287) of the existing energy policy are extrapolated using data gathered during night energy audits at four elementary schools. The areas that would be closely monitored by strictly enforcing the energy policy include:

-Shutting down office equipment (copiers, printers, computers, laminators, document cameras, projectors, etc.) in offices and classrooms when not in use;

-Turning off lights in classrooms and common areas when not in use; and

-Consolidating microwaves and refrigerators to common areas (teacher lounge, workroom, etc.).

The impacts of the reductions would be daily attention by occupants to classrooms and offices, attention to schedules in common areas, and the additional time needed to retrieve refrigerated food from a common area rather than a classroom.

Restructuring of the Albemarle Resource Center {-1.00 FTE - (\$115,961)} - Board Goal 5

Restructuring of leadership at the ARC. The position of Director of Professional Development and Media Services will be eliminated. The Department of Instruction will reassign these duties to current staff.

10% Operational Reduction (Schools and Departments) {(\$903,757) in Recurring Operational Costs} - Board Goal 5

Reduce all school line items and department holdback eligible line items by 10 percent. This will impact the division's ability to replace materials and capital items in the long term. Impacts will vary on a school by school or department by department basis. The largest reductions are borne by departments and will reduce their ability to provide services and funds to support schools.

Initiative/Reduction Fund Location

2100 - K-12 INSTRUCTION-SALARIES

Reduce Instructional Coaching Positions (Vacant)	(\$316,200)
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$723,080
Increase Emergency Staffing by 4.00 FTE (One-Time) - (4.00 FTE)	\$249,960
Academic Leadership Stipend Reductions - 35%	(\$345,755)
Teacher Growth - (13.82 FTE)	\$863,611
Reduce Recurring Emergency Staffing by 1.00 FTE	(\$62,490)
Eliminate Middle School Assistant Principal	(\$89,488)
Athletics - Student Activity Fees and JV Coach Reductions	(\$142,044)
Class Size Increase (+1 @ 4-12)	(\$1,053,581)
8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS)	(\$792,372)

2100 - K-12 INSTRUCTION-SALARIES Total **(\$965,279)**

2102 - C.A.T.E.C

CATEC Reductions - 5% on Transfer	(\$54,645)
-----------------------------------	------------

2102 - C.A.T.E.C Total **(\$54,645)**

2103 - SUMMER SCHOOL

Reduce Elementary and Middle Summer School	(\$89,622)
--	------------

2103 - SUMMER SCHOOL Total **(\$89,622)**

2111 - INSTRUCTIONAL SUPPORT

Instructional Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$107,318)
---	-------------

2111 - INSTRUCTIONAL SUPPORT Total **(\$107,318)**

2112 - STUDENT SERVICES

Student Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$85,643)
--	------------

2112 - STUDENT SERVICES Total **(\$85,643)**

2113 - FEDERAL PROGRAMS

Restructure Leadership for Murray HS/Enterprise Center/Community Charter School	(\$142,910)
Federal Programs Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$23,000)

2113 - FEDERAL PROGRAMS Total **(\$165,910)**

2114 - MEDIA SERVICES

Learning Resources Reduction (Textbooks) - One Time Funding	\$317,339
Learning Resources Reduction (Textbooks)	(\$500,000)

2114 - MEDIA SERVICES Total **(\$182,661)**

Initiative/Reduction Fund Location (continued)

2115 - COMPUTER TECHNOLOGY

Technology - One Time Funds \$1,000,000

2115 - COMPUTER TECHNOLOGY Total **\$1,000,000**

2116 - VOCATIONAL EDUCATION

Vocational Education Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses (\$2,550)

2116 - VOCATIONAL EDUCATION Total **(\$2,550)**

2117 - PROFESSIONAL DEVELOPMENT

Reduce Professional Development Reimbursement Program (PDRP) by 50% (\$68,092)

2117 - PROFESSIONAL DEVELOPMENT Total **(\$68,092)**

2410 - EXECUTIVE SERVICES

Executive Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses (\$36,699)

2410 - EXECUTIVE SERVICES Total **(\$36,699)**

2411 - COMMUNITY ENGAGEMENT

Community Engagement Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses (\$17,690)

Hispanic / Latino Community Relations, Student Career Program Support and Spanish Translation Coordinator - (0.50 FTE) \$45,488

2411 - COMMUNITY ENGAGEMENT Total **\$27,798**

2412 - DIV. INSTRUC/EDU SUPPORT

Educational Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses (\$8,128)

2412 - DIV. INSTRUC/EDU SUPPORT Total **(\$8,128)**

2420 - HUMAN RESOURCES

Human Resources Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses (\$80,789)

Human Resources Baseline Increases \$36,000

2420 - HUMAN RESOURCES Total **(\$44,789)**

2430 - DIV SUPPORT/PLANNING SERV

Division Support/Planning Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses (\$20,469)

2430 - DIV SUPPORT/PLANNING SERV Total **(\$20,469)**

Initiative/Reduction Fund Location (continued)

2431 - FISCAL SERVICES

Increase Building Rental Fees	(\$50,000)
Fiscal Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$22,955)

2431 - FISCAL SERVICES Total (\$72,955)

2432 - TRANSPORTATION SERVICES

Transportation Efficiencies - Reduce Deadhead Mileage	(\$150,000)
Bus Replacement	\$1,010,000
Electronic Payroll for Transportation	\$60,000
Transportation Department Baseline Increases	\$148,179
Transportation Pay Reform	(\$32,000)
Transportation Efficiencies - Special Education	(\$40,000)
Transportation Efficiencies - Redesign Bus Routes	(\$200,000)

2432 - TRANSPORTATION SERVICES Total \$796,179

2433 - BUILDING SERVICES

Bus Parking Upgrades	\$200,000
Energy Policy Changes/Enforcement	(\$93,287)

2433 - BUILDING SERVICES Total \$106,713

MULTIPLE FUNDS

Decreased Cost of the Virginia Retirement System and Group Life Insurance	(\$4,256,975)
Dental Increase	\$20,497
Health Insurance Increase	\$933,054
10% Operational Reduction (Schools and Departments)	(\$903,757)
Restructuring of the Albemarle Resource Center	(\$115,961)

MULTIPLE FUNDS Total (\$4,323,142)

GRAND TOTAL (\$4,297,212)

Summary of Compensation, Growth, and Operational Increases/Reductions

Compensation and Benefits

Dental Increase	\$20,497
Health Insurance Increase	\$933,054
Decreased Cost of the Virginia Retirement System and Group Life Insurance	(\$4,256,975)
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$723,080
Total Compensation and Benefits	(\$2,580,344)

Growth

Teacher Growth - (13.82 FTE)	\$863,611
Total Growth	\$863,611

Summary of Compensation, Growth, and Operational Increases/Reductions

Operational Increases/Reductions

Class Size Increase (+1 @ 4-12)	(\$1,053,581)
Reduce Instructional Coaching Positions (Vacant)	(\$316,200)
CATEC Reductions - 5% on Transfer	(\$54,645)
Instructional Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$107,318)
Vocational Education Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$2,550)
Learning Resources Reduction (Textbooks)	(\$500,000)
Reduce Elementary and Middle Summer School	(\$89,622)
Community Engagement Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$17,690)
Student Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$85,643)
Federal Programs Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$23,000)
Educational Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$8,128)
Human Resources Baseline Increases	\$36,000
Academic Leadership Stipend Reductions - 35%	(\$345,755)
Reduce Professional Development Reimbursement Program (PDRP) by 50%	(\$68,092)
Transportation Department Baseline Increases	\$148,179
10% Operational Reduction (Schools and Departments)	(\$903,757)
8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS)	(\$792,372)
Restructure Leadership for Murray HS/Enterprise Center/Community Charter School	(\$142,910)
Human Resources Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$80,789)
Division Support/Planning Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$20,469)
Fiscal Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$22,955)
Transportation Efficiencies - Reduce Deadhead Mileage	(\$150,000)
Transportation Efficiencies - Redesign Bus Routes	(\$200,000)
Transportation Efficiencies - Special Education	(\$40,000)
Transportation Pay Reform	(\$32,000)
Energy Policy Changes/Enforcement	(\$93,287)
Restructuring of the Albemarle Resource Center	(\$115,961)
Executive Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$36,699)
Reduce Recurring Emergency Staffing by 1.00 FTE	(\$62,490)
Increase Building Rental Fees	(\$50,000)
Eliminate Middle School Assistant Principal	(\$89,488)
Athletics - Student Activity Fees and JV Coach Reductions	(\$142,044)
Total Operational Increases/Reductions	(\$5,463,266)
Total Compensation, Benefits, Growth, & Operational Increases	(\$7,179,999)

Summary of New Recurring Initiatives

Hispanic / Latino Community Relations, Student Career Program Support and Spanish Translation Coordinator - (0.50 FTE)	\$45,488
Total Recurring Initiatives	<hr/> \$45,488

Summary of One-Time Initiatives Funded Via Fund Balance

Learning Resources Reduction (Textbooks) - One Time Funding	\$317,339
Increase Emergency Staffing by 4.00 FTE (One-Time) - (4.00 FTE)	\$249,960
Technology - One Time Funds	\$1,000,000
Bus Replacement	\$1,010,000
Bus Parking Upgrades	\$200,000
Electronic Payroll for Transportation	\$60,000
Total One-Time	\$2,837,299

Initiatives/Reductions by Key Area

Community Engagement

Hispanic / Latino Community Relations, Student Career Program Support and Spanish Translation Coordinator - (0.50 FTE) \$45,488

Community Engagement Total

 \$45,488

Instruction

Increase Emergency Staffing by 4.00 FTE (One-Time) - (4.00 FTE) \$249,960

Learning Resources Reduction (Textbooks) - One Time Funding \$317,339

Teacher Growth - (13.82 FTE) \$863,611

Instruction Total

 \$1,430,910

Maintenance of Effort

Health Insurance Increase \$933,054

Voluntary Early Retirement Incentive Plan (VERIP) Increase \$723,080

Human Resources Baseline Increases \$36,000

Dental Increase \$20,497

Electronic Payroll for Transportation \$60,000

Bus Parking Upgrades \$200,000

Bus Replacement \$1,010,000

Technology - One Time Funds \$1,000,000

Transportation Department Baseline Increases \$148,179

Maintenance of Effort Total

 \$4,130,810

Market Competitiveness

Decreased Cost of the Virginia Retirement System and Group Life Insurance (\$4,256,975)

Market Competitiveness Total

 (\$4,256,975)

Initiatives/Reductions by Key Area (continued)

Reduction

Instructional Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses - (-1.00 FTE)	(\$107,318)
Reduce Instructional Coaching Positions (Vacant) - (-5.06 FTE)	(\$316,200)
Learning Resources Reduction (Textbooks)	(\$500,000)
Vocational Education Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$2,550)
CATEC Reductions - 5% on Transfer	(\$54,645)
Class Size Increase (+1 @ 4-12) - (-16.86 FTE)	(\$1,053,581)
Reduce Elementary and Middle Summer School	(\$89,622)
Educational Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$8,128)
Community Engagement Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$17,690)
Federal Programs Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$23,000)
Student Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses - (-1.20 FTE)	(\$85,643)
Academic Leadership Stipend Reductions - 35%	(\$345,755)
Reduce Professional Development Reimbursement Program (PDRP) by 50%	(\$68,092)
Transportation Efficiencies - Special Education	(\$40,000)
8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS) - (-12.68 FTE)	(\$792,372)
Executive Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses - (-0.50 FTE)	(\$36,699)
Division Support/Planning Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses - (-0.08 FTE)	(\$20,469)
Reduce Recurring Emergency Staffing by 1.00 FTE - (-1.00 FTE)	(\$62,490)
Restructuring of the Albemarle Resource Center - (-1.00 FTE)	(\$115,961)
Athletics - Student Activity Fees and JV Coach Reductions	(\$142,044)
Eliminate Middle School Assistant Principal - (-1.00 FTE)	(\$89,488)
Transportation Pay Reform	(\$32,000)
Energy Policy Changes/Enforcement	(\$93,287)
Transportation Efficiencies - Redesign Bus Routes	(\$200,000)
Increase Building Rental Fees	(\$50,000)
10% Operational Reduction (Schools and Departments)	(\$903,757)

Initiatives/Reductions by Key Area (continued)

Restructure Leadership for Murray HS/Enterprise Center/Community Charter School - (-1.00 FTE)	(\$142,910)
Human Resources Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses - (-1.00 FTE)	(\$80,789)
Transportation Efficiencies - Reduce Deadhead Mileage	(\$150,000)
Fiscal Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses - (-0.50 FTE)	(\$22,955)
Reduction Total	(\$5,647,445)
Total	(\$4,297,212)

Initiatives/Reductions by School Board Goals

Board Goal: 1

Prepare all students to succeed as members of a global community and in a global economy

Initiatives/Reductions Affecting this Goal

Increase Emergency Staffing by 4.00 FTE (One-Time)	\$249,960
Learning Resources Reduction (Textbooks) - One Time Funding	\$317,339
Hispanic / Latino Community Relations, Student Career Program Support and Spanish Translation Coordinator	\$45,488
Teacher Growth	\$863,611
Instructional Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$107,318)
Learning Resources Reduction (Textbooks)	(\$500,000)
Reduce Instructional Coaching Positions (Vacant)	(\$316,200)
Class Size Increase (+1 @ 4-12)	(\$1,053,581)
CATEC Reductions - 5% on Transfer	(\$54,645)
Vocational Education Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$2,550)

Board Goal: 1 Total **(\$557,896)**

Board Goal: 2

Eliminate the Achievement Gap

Initiatives/Reductions Affecting this Goal

Educational Support Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$8,128)
Student Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$85,643)
Reduce Elementary and Middle Summer School	(\$89,622)
Community Engagement Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$17,690)
Federal Programs Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$23,000)

Board Goal: 2 Total **(\$224,083)**

Initiatives/Reductions by School Board Goals (continued)

Board Goal: 3

Recruit, retain, and develop a diverse cadre of the highest quality teaching personnel, staff, and administrators.

Initiatives/Reductions Affecting this Goal

Dental Increase	\$20,497
Health Insurance Increase	\$933,054
Decreased Cost of the Virginia Retirement System and Group Life Insurance	(\$4,256,975)
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$723,080
Human Resources Baseline Increases	\$36,000
Reduce Professional Development Reimbursement Program (PDRP) by 50%	(\$68,092)
Academic Leadership Stipend Reductions - 35%	(\$345,755)
Board Goal: 3 Total	(\$2,958,191)

Initiatives/Reductions by School Board Goals (continued)

Board Goal: 5

Establish efficient systems for development, allocation, and alignment of resources to support the Division's vision, mission, and goals.

Initiatives/Reductions Affecting this Goal

Electronic Payroll for Transportation	\$60,000
Bus Parking Upgrades	\$200,000
Technology - One Time Funds	\$1,000,000
Transportation Department Baseline Increases	\$148,179
Bus Replacement	\$1,010,000
Increase Building Rental Fees	(\$50,000)
Eliminate Middle School Assistant Principal	(\$89,488)
Restructure Leadership for Murray HS/Enterprise Center/Community Charter School	(\$142,910)
Restructuring of the Albemarle Resource Center	(\$115,961)
10% Operational Reduction (Schools and Departments)	(\$903,757)
Executive Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$36,699)
8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS)	(\$792,372)
Human Resources Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$80,789)
Division Support/Planning Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$20,469)
Fiscal Services Reductions - Approximately 15% (in total) reduction on Holdback Eligible Items and personnel expenses	(\$22,955)
Transportation Efficiencies - Reduce Deadhead Mileage	(\$150,000)
Transportation Efficiencies - Redesign Bus Routes	(\$200,000)
Transportation Efficiencies - Special Education	(\$40,000)
Transportation Pay Reform	(\$32,000)
Reduce Recurring Emergency Staffing by 1.00 FTE	(\$62,490)
Athletics - Student Activity Fees and JV Coach Reductions	(\$142,044)
Energy Policy Changes/Enforcement	(\$93,287)

Board Goal: 5 Total **(\$557,042)**

GRAND TOTAL **(\$4,297,212)**

FY 2011/2012 Projected Initiatives and Reductions

Reductions

Growth due to enrollment (-1.43 FTE - -91,083) - Board Goal 5

Increase due to growth in numbers of students from budget to budget.

Reductions Total (\$91,083)

Initiatives

Increase in Health Insurance (992,580) - Board Goal 3

Estimated 8% increase in costs.

Dental Increase (35,663) - Board Goal 3

Estimated increase of 8%.

Increased Cost of the Virginia Retirement System and Group Life Insurance (853,443) - Board Goal 3

Virtually all Virginia School Divisions participate in the Virginia Retirement System (VRS) and contribute the entire rate. Once Divisions have joined VRS, by law they may not withdraw. This increase is based on a change of VRS rate of 10.76%.

Baseline Increases - Transportation Department (69,782 in Recurring Operational Costs) - Board Goal 5

Recommend assuming \$2.50 per gallon with consumption of 697K.

Baseline Increases - Building Services (200,135 in Recurring Operational Costs) - Board Goal 5

Recommended increases due to projected increases in energy costs.

Initiatives Total \$2,151,603