

It matters what we measure.



We measure what matters.



Superintendent's Funding Request
2011-12

“We need to **fund education well**, while also looking for innovative and creative ways to ensure that our children are getting the very best education in the nation.”

~ Bob McDonnell, as a candidate for Governor

How do we measure success?

One child at a time.

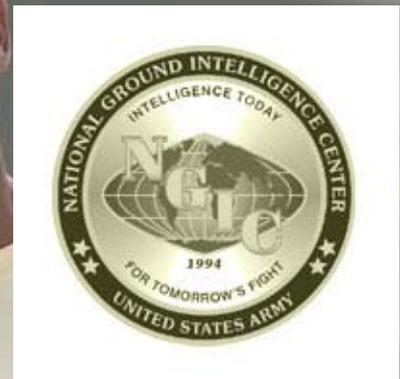
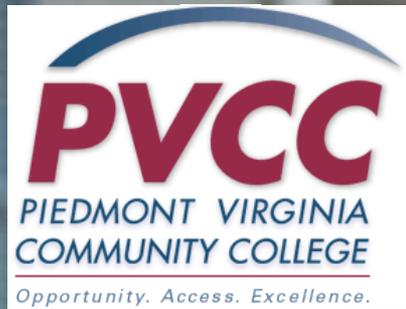


Successes

In the past year, we ...

- Increased overall pass rate on Reading and Math SOLs to more than 92% (state benchmarks were 81% and 79%, respectively)
- Increased on-time graduation rate to 91.7% (16th highest in the Commonwealth)
- Decreased dropout rate from 6.52% in 2008 to 5.49% in 2010 (about 10 fewer dropouts)
- Graduated 67% of our students with an Advanced Studies diploma (state average is 45.7%)
- Received recognition as an ENERGY STAR Top Performer by achieving an average school portfolio rating of 78 (out of 100) for 2010, indicating that our energy performance is in the top 22% of similar buildings
- Took home more district, regional, state, and national awards for outstanding academic, athletic, and performing arts achievement
- Earned numerous district, regional and state athletic championships for all three comprehensive high schools
- Matriculated students to the most prestigious universities in the nation and world, and produced unprecedented numbers of National Merit commended students, semi-finalists, and scholarship winners.

Value to Our Community



The economic forecast is still unclear.

We may be challenged
by slow economic recovery,
but we know that

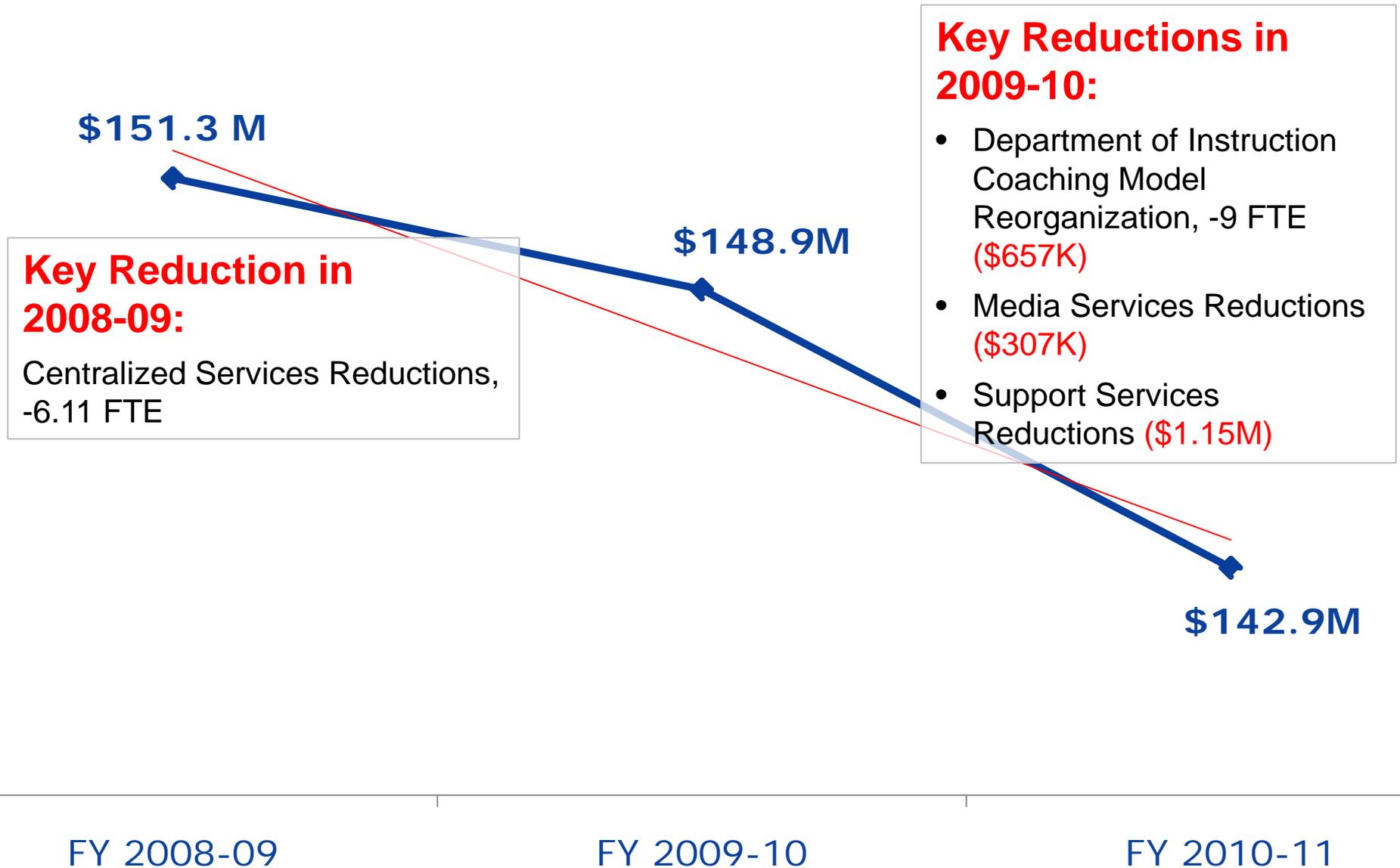
**strong
K-12 public
schools**
are directly linked to
economic prosperity.

Moving Toward a Sustainable Future

- Maintain excellent schools.
- Produce graduates who possess valued skills.
- Measure student learning beyond federal and state mandated assessments.



Three Years of Reductions



We cannot sustain another year of drastic cuts.

Key Reductions in 2010-11:

- Academic Leadership Stipend Reductions - 35%
- Reduce Elementary and Middle Summer School
- Eliminate Middle School Assistant Principal
- Reduce Professional Development Reimbursement Program by 50%
- Energy Policy Changes/Enforcement
- Learning Resources Reduction (Textbooks)
- Restructure Leadership for Murray HS/ Enterprise Center/ Charter School
- 10% Operational Reduction (Schools and Departments)
- Reduce Instructional Coaching Positions
- Instructional Support Reductions
- Student Services Reductions
- 8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS)
- Increase Building Rental Fees
- Educational Support Reductions
- Executive Services Reductions
- Division Support/Planning Reductions
- Fiscal Services Reductions
- Transportation Efficiencies - Reduce Deadhead Mileage
- Transportation Efficiencies - Redesign Bus Routes
- Transportation Efficiencies - Special Education
- Transportation Pay Reform
- Class Size Increase (+1 @ 4-12)
- Athletics - Student Activity Fees and JV Coach Reductions
- Restructuring of the Albemarle Resource Center
- Reduce Recurring Emergency Staffing by 1.00 FTE
- CATEC Reductions - 5% on Transfer
- Federal Programs Reductions
- Vocational Education Reductions
- Community Engagement Reductions

Continued Commitment to Our Strategic Vision

- Quality education
- Efficient use of resources
- Sustainable operations
 - + Value to our community
 - + Excellent student performance



Focus on the Core

- Relevant, rigorous, connected teaching and learning (FQL)
- Investment in the recruitment and retention of excellent personnel
- Efficient and sustainable operations



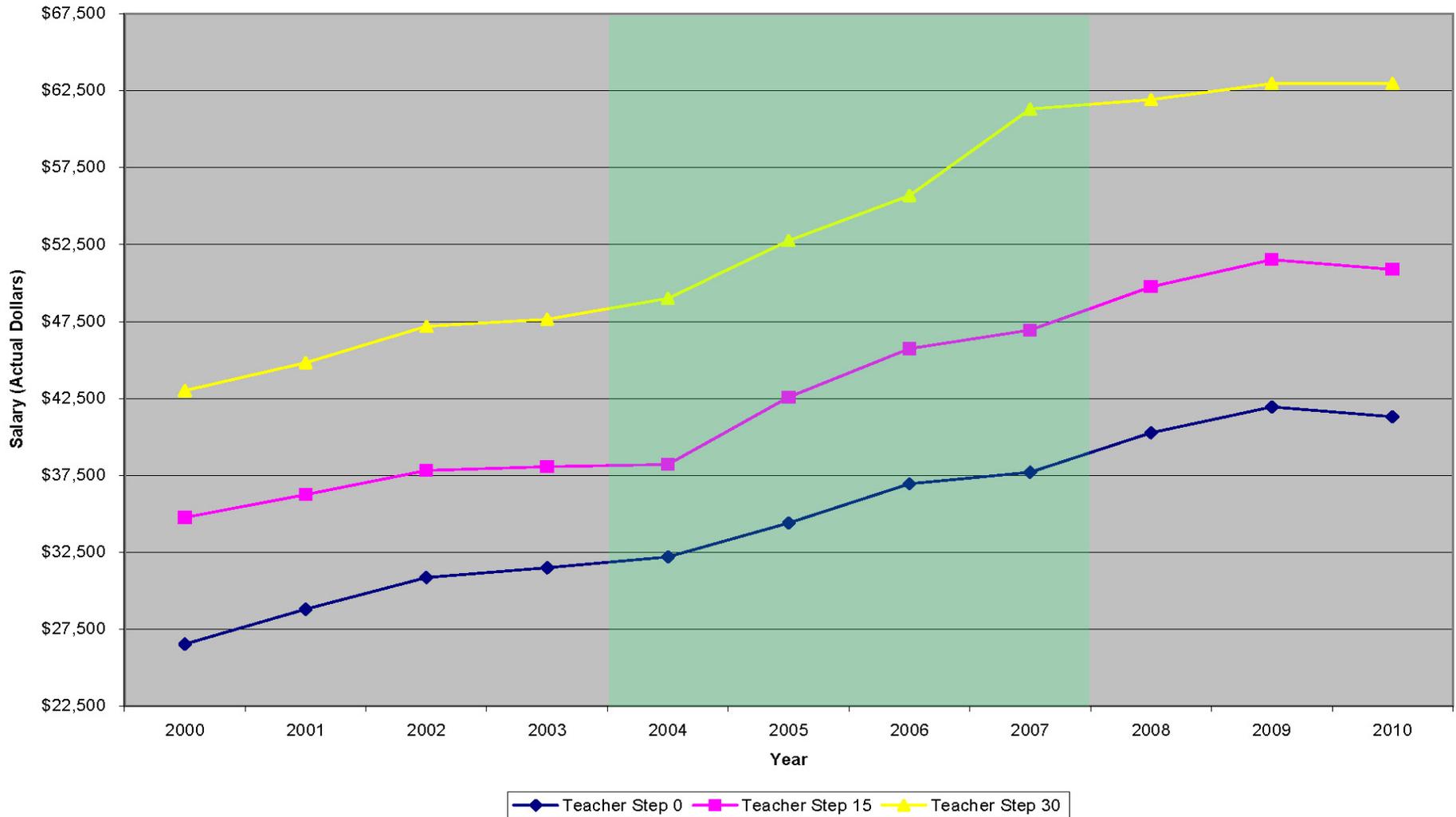
Stakeholder-Identified Priorities



- Compensation/benefits
- Additional classroom support
- Assess/improve student college- and workforce-readiness

Teacher Compensation

Teacher Scale Across 10 Years
(Actual Dollars)



Challenges

Current:

- Enrollment Growth
- Use of One-time Funding for Recurring Expenses
- Capital Improvement Program
- Compensation

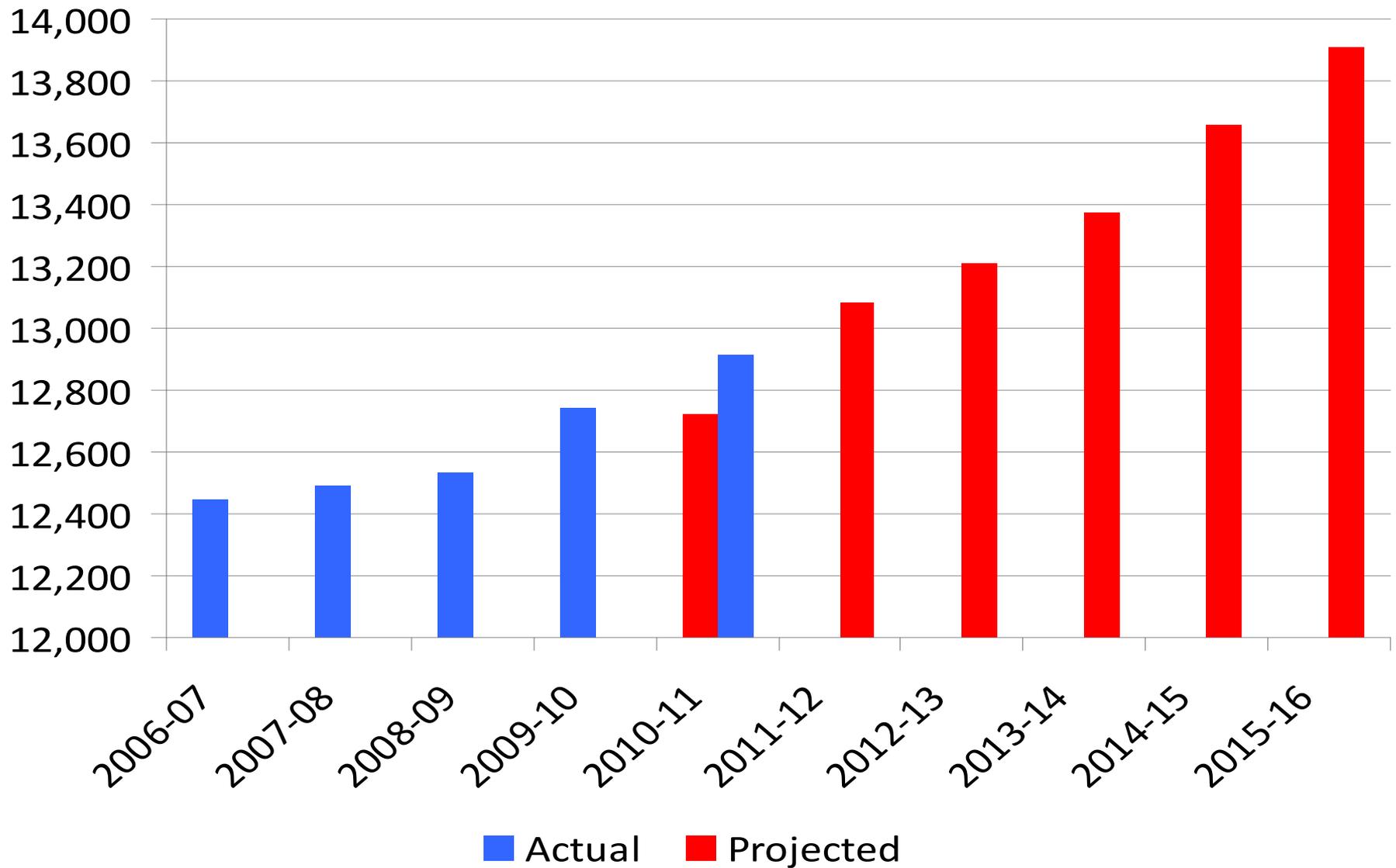
Watch List:

- VRS
- Composite Index

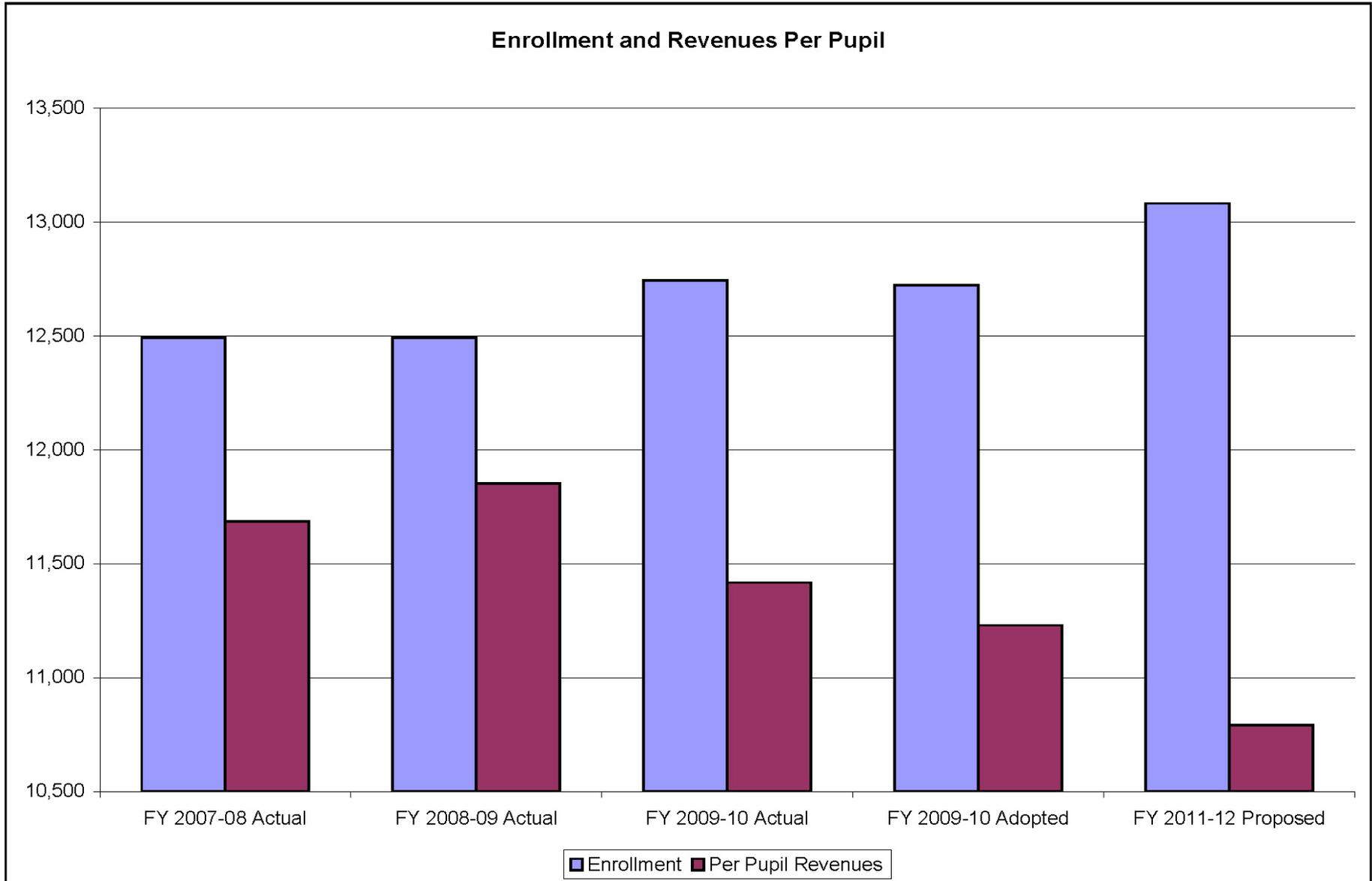
Future:

- Assessment beyond Virginia SOL - Workforce College Readiness Skills
- Human Capital Management and Professional Development
- Growth Assessment Model

Challenges: Enrollment Growth

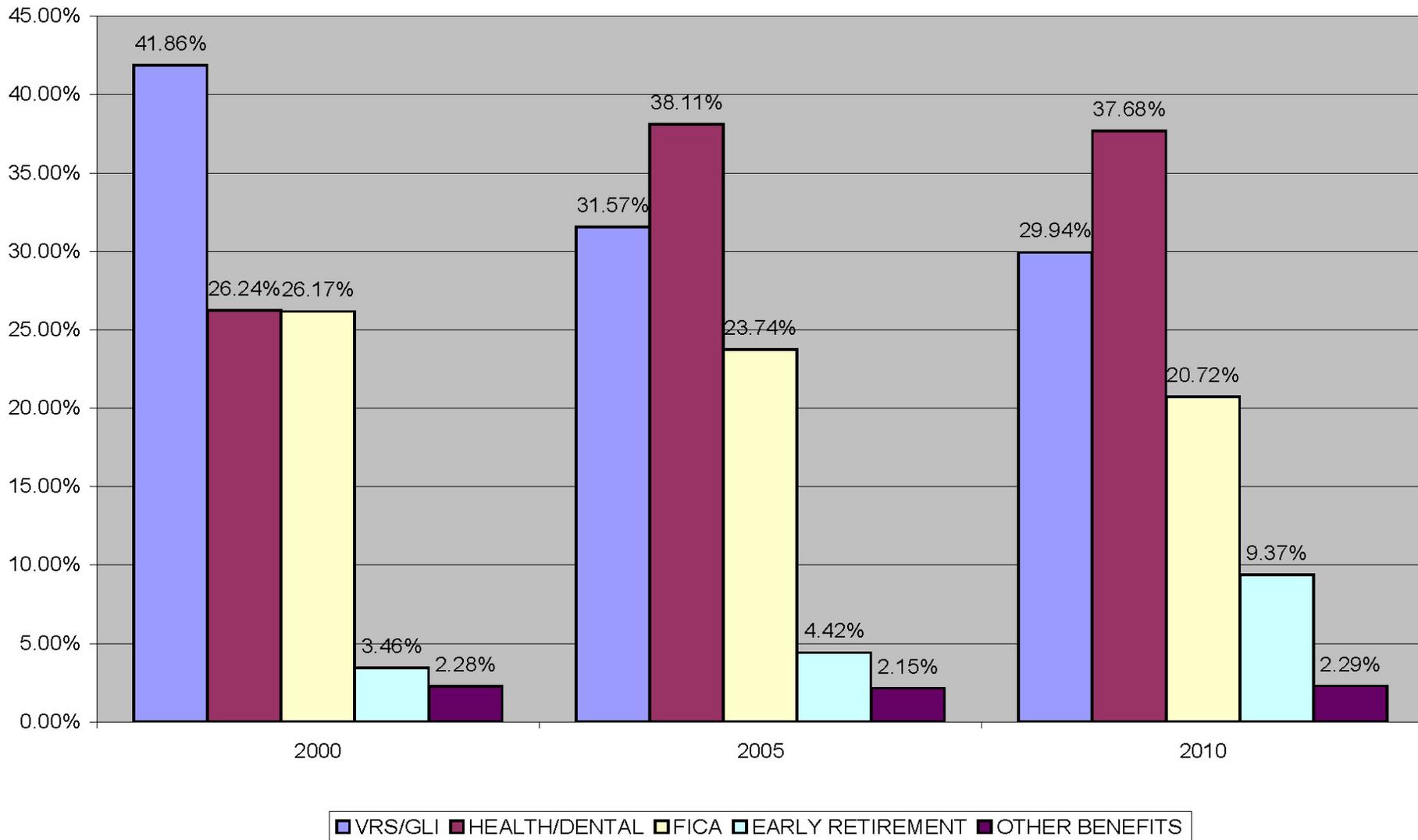


Challenges: Per Pupil Revenues



Challenges

Benefit Costs Over Time (Actual Dollars)



Revenues

	FY 2010-11 School Board's Adopted	FY 2011-12 Projected Revenues	\$ Change	% Change
Local – Schools	\$1,072,610	\$1,060,705	-\$11,905	-1.11%
State Revenue	\$40,865,213	\$37,462,989	-\$3,402,224	-8.33%
Federal Revenue	\$2,668,306	\$3,201,376	\$533,070	19.98%
Local – Transfers	\$98,257,504	\$99,445,582	\$1,188,078	1.21%
TOTAL	\$142,863,633	\$141,170,652	-\$1,692,981	-1.19%

Prudent Use of Revenues

- Implemented energy-efficient practices projected to save almost \$400K
- Transportation cost avoidance/savings of ~\$1.5 million over two years
- Examined purchasing contracts and piggy-backed on larger divisions to obtain more favorable pricing
- Saved more than \$1 million in annual salary and benefits expenses over 5 years through VERIP
- Managed our own health insurance to provide a valuable benefit at an affordable cost
- Accumulated a nearly \$8 million fund balance through conservative fiscal management

Expenditures

	FY 2010-11 School Board's Adopted	FY 2011-12 Superintendent's Requested	\$ Change	% Change
Staffing	\$116,157,150	\$121,256,463	\$5,099,313	4.39%
Operating	\$19,438,711	\$19,001,873	-\$436,838	-2.25%
Capital	\$602,209	\$709,364	\$107,155	17.79%
SB Reserve	\$75,000	\$75,000	\$0	0.00%
Transfers	\$6,590,563	\$3,917,548	-\$2,673,015	-40.56%
TOTAL	\$142,863,633	\$144,960,248	\$2,096,615	1.47%

School Finance Advisory Council Members

- **Gregory Gartland** Principal and Managing Director, SNL Center for Financial Education LLC
- **Mark A. Meulenberg, CFA** Portfolio Manager, VNB Trust, N.A.
- **Mary Margaret Frank** Associate Professor of Business Administration, University of Virginia's Darden School of Business
- **Rick White, CPA** Tax Principal, Keiter Stephens
- **Rich DeMong, Ph.D., CFA** Virginia Bankers Professor Emeritus of Bank Management, University of Virginia's McIntire School of Commerce
- **Ken Eades** Professor of Business Administration and Area Coordinator of Finance, Darden Graduate School of Business Administration

Operate Sustainably



- Use of rainy day fund
- Health insurance savings
- Use “one-time” funds responsibly

Use of Fund Balance/ARRA Funding

Current Fund Balance	\$8,199,470
Current Use in FY 2010-11	\$1,800,000
Proposed Use in FY 2011-12	\$1,800,000
Available Fund Balance	\$4,599,470
Funding Shortfall	\$3,789,596
Contingency Balance If No Additional Revenues	\$809,874

Support for Capital Improvement Program



Analysis of School Division Operations/Programs for FY 13

- Instructional Coaching
- Central Office Management
- Student Information System
- 8-Period Course Schedule
- Department/School Efficiencies
- Program Outcomes (ex: AVID)



Proposed Changes to Address Needs

Hire

- 27 FTE additional classroom personnel
- 2 FTE additional bus driver personnel
- Additional ESOL teacher

Retain 5.8 FTE RTI (Response to Intervention)

Restore 17 teaching positions reduced in 2010-11

Allocate

- \$181.9K to PREP & Ivy Creek for increased expenses
- \$99,811 to restore a previously cut HR manager position

Proposed Changes to Address Needs (Cont'd)

Net Overall Reduction of \$3.8M

- Energy savings
- Reduce 3 FTE Technology Support personnel originally funded by ARRA
- Reduce 3.6 FTE RTI Teachers
- Operational savings
- Bus replacement increase
- One-time Funding (bus replacement, technology, bus parking, electronic payroll, textbooks)
- School Resource Officer reductions

Consider Needs- vs. Formula-based Staffing Restoration



Compensation & Benefits Analysis

- Competitive market strategy
- Salary increases for classified employees of 1% average
- Meet market and provide a 1.95% overall increase inclusive of step for teachers
- Transportation salaries
- Increased cost of VRS and group life insurance
- Medical and dental insurance changes
- Allocate \$196,672 in costs for VERIP

Response Summary

- Compensation/benefits based on market data/commonality (1% classified, 1.95% teachers)
- Recommend allocation of class size adjustment FTEs based on need rather than formula
- Use fund balance to address significant portion of expense/revenue gap for FY12
- Propose policy to allocate a portion of fund balance to CIP
- No additional staffing/program reductions for FY12
- Conduct cost-benefit analysis of key programs (to include valuation studies) in preparation for FY13
- Develop and implement plan to eliminate future use of one-time money to fund recurring expenses

Revenue Expenditure Summary

Total Request	\$144,960,248
Anticipated Local Revenue	\$98,706,287
Anticipated Federal Revenue	\$3,201,376
Anticipated State Revenue (Gov's)	\$37,462,989
One-time Use of Fund Balance	\$1,800,000
Remaining Funding Gap	\$3,789,596

“This legislation is based on a clear understanding of what it takes to not only succeed, but to lead, in the 21st century economy—and, first and foremost, it takes a highly educated workforce.”

~ *Governor Bob McDonnell, in his legislative packet, “Top Twenty Jobs of the Twenty-First Century”*

Budget Development Calendar

JANUARY

- 20** – Special Budget Work Session, 6 p.m.
- 25** – Special Budget Work Session, 6 p.m.
- TBD** – Tele-Town Hall Meeting
- 27** – Regular School Board Meeting including Budget Work Session, 6 p.m.

FEBRUARY

- 1** – Public Hearing on School Budget, 6:30 p.m.
- 3** – Regular School Board Meeting: Finalize School Board Funding Request, 6:30 p.m.
- 12** – Special Budget Work Session (Tentative), Time and Location TBD
- 24** – Regular School Board Work Session, 6 p.m.

MARCH

- 2*** – Public Hearing on County Executive's Recommended Budget
- 7*** – Board of Supervisors Budget Work Session: Local Government
- 9*** – Board of Supervisors Budget Work Session: School Division

MARCH (Cont'd)

- 10** – Regular School Board Meeting, 6:30 p.m.
- 14*** – Board of Supervisors Budget Work Session: CIP
- 16*** – Board of Supervisors Budget Work Session (if needed)
- 20*** – Advertise public hearing on Board of Supervisors proposed budget and CIP; Advertise tax rate for April public hearing
- 24** – Regular School Board Work Session, 6 p.m.
- 30*** – Board of Supervisors Public Hearing on the 2011 calendar year tax rate; Public Hearing on the 2011-12 Proposed Operating and Capital Budgets

APRIL

- 6** – Board of Supervisors adopts 2011-12 budget and 2011 calendar year tax rate
- 14** – Regular School Board Meeting and Budget Discussion, 6:30 p.m.
- 21** – Budget Work Session: Adopt 2011-12 Budget, 6 p.m.

**Meeting date has not yet been approved by Board of Supervisors*