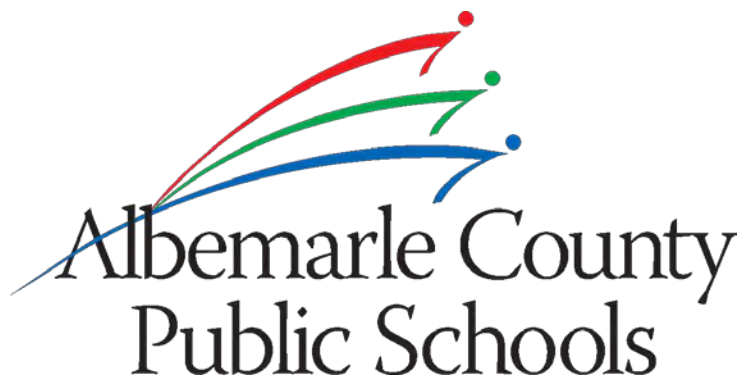


Overview

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

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We serve more than 13,200 students (12,914 in K-12, 299 in pre-school, total of 13,213) in Albemarle County, Virginia, the sixth largest county by area in the Commonwealth and one of the nation's top places to raise a family, according to *Forbes* magazine. In a diverse locality, with rural, suburban and urban characteristics, Albemarle County Schools is proud to maintain community-based elementary schools, state-of-the art secondary schools, and provide opportunities for our graduates to excel in both higher education and the workforce.

Our community has a tradition of pride in our schools and consistently values public education as key to a well-educated citizenry, a prepared workforce, a vibrant local economy, and caring community servants.

It matters what we measure. We measure what matters.

**Total 2011-2012 Funding Request:
\$144.96 million**

**Enrolled Students 2010-11: 13,213 in
grades pre-K – 12**

**Schools: 27
(16 elementary, 5 middle, 3
comprehensive high schools, 2
charter schools, 1 vocational
technical school)**

Employees: 2,422

**Schools Fully Accredited by Virginia
Department of Education: 25***

**Students Graduating with Advanced
Studies Diplomas: 67%**

College Bound Students: 83%

**2,687 Students Play High School
Sports**

**All seniors complete minimum of 20
hours of community service**

223 students take virtual coursework

*The Community Public Charter School, in its 2nd
year of operations with under 50 students, is
accredited; CATEC does not require accreditation as
a vocational/technical school

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Every child's success matters. It matters to the child, their family, their teacher and their school. It also matters to *you*, the citizens and taxpayers of Albemarle County. When we work every day to take every child – regardless of their capability, socioeconomic status, parental involvement or other factors – and challenge them ***to embrace learning*** and ***to excel***, we are working to create in them the skills, motivation and persistence ***to own their future*** and ours. Our future is inextricably bound with the future of our community's schoolchildren. Their success is our success. Albemarle County is not an average county. We do not want an average education for our children. We want them to receive a best-in-class education that is competitive with the nation's top districts and prepares them for the world they will inherit.



How do you measure success?

In Albemarle County Public Schools we measure success one child at a time. We also measure the value we provide to the community, in terms of prudent use of our entrusted tax dollars and in the return we provide to our employers and our citizen investors.



What we invest today, we reap tomorrow.

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Office of the School Board

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Phone: (434) 972-4055 Fax: (434) 296-5869
www.k12albemarle.org

Dear Chairwoman Mallek and Members of the Board of Supervisors:

It is my honor to present the School Board's 2011-12 Funding Request of \$144.96 million. The Board believes this funding request maintains the strengths of our school system and its contribution to the well-being of our community.

As we shared with you previously, current school division challenges include enrollment growth, compensation, use of one-time funding for recurring expenses, and funding our joint Capital Improvement Program. The two items on our watch list, uncertainties about required contributions to the Virginia Retirement System and reductions in state funding related to our composite index, have become current challenges in Governor McDonald's proposed budget. While we continue to monitor developments in the General Assembly, these challenges are reflected in this funding request.

Two of the three areas of funding needs identified by our stakeholders are included as top funding priorities for 2011-12:

- Meeting teacher market and providing teacher (1.95%) and classified (1.00%) salary increases. The School Board strongly encourages you to consider providing classified employees the 2.33% market increase as presented by Human Resources.
- Restoration of as many as 17 teaching positions that were cut as a result of class size increases for 2010-11.

We continue to be good stewards of the resources available to us. We are improving communication and transparency in our budget process. The Superintendent created a School Finance Advisory Council (see attached) to evaluate our 2011-12 funding request. We have implemented operational efficiencies that have provided dramatic savings, including:

- Implementing routing, parking, and bus stop changes that saved ~ \$1.5M
- Making energy efficiency changes that reduced building comfort but saved ~\$400K
- Targeting increased staffing to areas of most need, rather than funding additional positions solely on a staffing formula, resulting in potential savings of ~\$450K

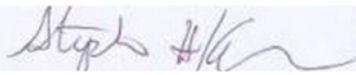
As a Board, we are committed to continually improving efficiency and reducing costs. We are continuing our cycle of departmental audits and academic program analysis. In addition, we are developing a policy on the management of our fund balance. This may ultimately provide additional support to our joint Capital Improvement Program.

The third priority area identified by our stakeholders is increasing college and workforce readiness skills - skills we believe directly support the economic development priorities you have set to ensure our prosperity as a community. We are developing new assessment measures that go beyond the standardized tests of the Virginia Standards of Learning (SOL).

We are very concerned about Fiscal Year 2012-13. There will be less one-time monies available and there is a high probability of continued state revenue cuts. We need to work together to identify stable, recurring revenues to maintain the strength of our schools.

The Board and our stakeholders know that we need to do more than just maintain the status quo. Strengthening our schools and increasing the success of our students are critical factors in enhancing the economic vitality and quality of life in Albemarle County. As a Board, we look forward to partnering with you in improving our community.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Koleszar", is placed on a light blue rectangular background.

Steve Koleszar
Chairman
Albemarle County School Board

Our Vision is for all learners to believe in their power to embrace learning, to excel and to own their future.

Executive Summary of Operations & Funding Request

When we established our vision in 2005, we anchored it in **learning** as the goal and the standard of success. It matters what we measure. A child is so much more than test scores. So while our students excel on state and federally mandated achievement benchmarks such as annual Standards of Learning (SOL) testing and the mandates of the No Child Left Behind act, we have always believed that learning must be measured in ways beyond bubbling enough correct answers on a single test given on a single day.

Through our **Framework for Quality Learning**, through investment in the recruitment and retention of excellent personnel to work with our students, and through efficient and sustainable operations, our ~2,300 employees work every day to inspire, nurture and develop today's students into tomorrow's leaders and inventors. We are delivering impressive results, not just on those mandated assessments, but also on nearly every current measure of achievement, including our community's satisfaction with our schools (92% approval rating).

We believe that our students must be competitive against international benchmarks, and our graduates must arrive in college and the workplace with the skills and habits that our employers are demanding. This is the heart of our business, the crux of our vision and the core of what we do every day. We know this because you, our community told us. Through numerous advisory councils, direct input to the School Board, and through a direct survey of our constituents, three priorities for our school division's focus and funding emerged:

- **Additional classroom support (strategic goals 1, 2 & 5)**
- **Compensation/benefits (strategic goal 3)**
- **Assess/improve student college/workforce readiness (strategic goals 1, 2, 4)**

Investment in education today brings positive returns to our economy. So let's begin with the value we delivered this year to our communities, our country, our students and our owners – the taxpayers of Albemarle County.

These are your schools. Let's see how we all did.

Our Goals:

1. *Prepare all students to succeed as members of the Global community and global economy.*
2. *Eliminate the Achievement Gap*
3. *Recruit, retain and develop a diverse cadre of the highest quality teaching personnel, staff and administrators.*
4. *Achieve recognition as a world-class educational system.*
5. *Establish efficient systems for development, allocation, and alignment of resources to support the Division's vision, mission and goals.*



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In the past year, we:

- Increased our overall pass rate for the Reading and Mathematics Standards of Learning tests to more than 92 percent, one of the top-performing Divisions in the Commonwealth. The state benchmarks were 81 percent for reading and 79 percent for mathematics.
- Increased our On-Time Graduation Rate to 91.7%, the sixteenth highest in the Commonwealth. We believe every student deserves to graduate with a board-certified diploma, and to graduate with their peers, the friends they began high school with. Our commitment is shown by these scores.
- Posted performance that bests state and national averages – often significantly -- on:
 - SAT scores in all three areas: Critical Reading, Writing and Mathematics
 - AP test scores, even while we expanded the program and had more students than ever taking AP courses.
 - Percentage of students graduating with an Advanced Studies diploma. (67% ACPS, 45.7% state)
 - Percentage of students enrolling in a two- or four-year college: 83%
 - Percentage of students completing high school with some college coursework already complete. (13% ACPS, 6% state)
- Opened our innovative Math, Engineering & Science Academy at Albemarle High School and welcomed double the initially approved number of students. MESA has served as an example to business and political leaders of the future of Science, Technology, Engineering & Mathematics (STEM) education in the Commonwealth and nation, and is directly addressing the needs of our community and our global competitiveness. It also works to attract more minority students and women to the STEM courses and careers, identified as critical to maintaining our nation's role in the global economy.
- Met or exceeded 29 different requirements under the No Child Left Behind Act to make Adequate Yearly Progress (AYP) at 73% of our schools, compared to 60% of schools statewide.
- Continued to be awarded full accreditation by the Virginia Department of Education for all of our Division schools (excepting the new Community Public Charter School, in its second year of operation with under 50 students).
- Excelled under the 2010 Virginia Index of Performance Program for the third year in a row. Fifteen of our schools were recognized under this program, as was the division as a whole. Schools are honored for exceeding all benchmarks for two consecutive years.
- Congratulated five of our elementary schools for being recognized by the Virginia Board of Education for raising the achievement of economically disadvantaged students and significantly closing the achievement gap over the past two years.
- Opened a branch of the University of Virginia Community Credit Union in Albemarle High School to improve students' knowledge of personal finance and create relevant experience for students.



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- Cut our overall operating budget by more than \$6 million in the current fiscal year, increasing the workload on our employees and asking them to do more with less.
- Welcomed 200 more students to our school system for the second consecutive year, beyond anticipated growth projections. We expect this trend to continue in FY2011-12.
- Celebrated the achievements of our teachers such as: Tony Wayne, physics teacher at Albemarle High School, was awarded the Red Apple Award from the Charlottesville Business Innovation Council, the third ACPS teacher to receive this distinction; Michael Farabaugh, chemistry teacher at Monticello High School received the Distinguished High School Chemistry Teacher award; AHS band teacher Greg Thomas was named Artist Educator of the year; Analisa Herring, Brownsville Elementary teacher, was named a Virginia Lottery Super Teacher (an ACPS teacher has won our region's award for the past 3 years, every year of the program), Timothy Hicks joined the ranks of Nationally Board Certified Teachers, and 99.93% of our teachers are highly qualified under NCLB.

A child is so much more than the sum of his or her test scores.

- Took home more district, regional, state, and national awards for outstanding academic, athletic, performing arts achievement. Among the many awards are:
 - Albemarle High School's music program was selected as a Blue Ribbon School again this year by having their choir, orchestra and bands earn superior ratings at state festivals.
 - AHS Theatre won the Commonwealth District, Northwest Regional and VHSL State Championships. They also won the Virginia Theatre Association state championship and are competing in the Southeastern Theatre Competition in March.
 - AHS Forensics team won the Commonwealth District and Northwest Regional competition for the 10th consecutive year.
 - Jordan Haws and Lauryl Desch of Western Albemarle High School were named Group AA Female Athlete of the year and Group AA Wachovia Citizenship Award scholarship winners, respectively.
 - Monticello High School won their District and Regional theatre competition and finished 3rd in the state with a play written by a student.
 - Burley Bearettes choir ensemble was named 2009 and 2010 National Grand Champions for Heritage Music Festivals.
 - 14 Destination Imagination teams from Albemarle County schools won district and regional titles and four advanced to global competition. This is the 11th consecutive year that teams from Albemarle County Schools have qualified for global competition.
 - All 3 comprehensive high schools were awarded by the Virginia High School League for best-in-class yearbooks, newspapers, literary magazines and other student publications.
- Numerous district, regional, and state athletic championships for all three comprehensive high schools. Graduates from AHS, MHS, and WAHS all signed to play collegiate sports at Division I, II and III levels, earning scholarships to further their education.

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- 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.

Albemarle County Schools Graduates were accepted at these and other colleges for fall 2010:

Alabama University	Davidson College	Hobart & William Smith College
Allegheny College	Delaware College of Arts and Design	Indiana University
American University	Dickinson	ITT Technical Institute
Appalachian State University	Drexel University	James Madison University
Arcadia University	Duke University	J. Sargeant Reynolds Community College
Arizona State University	Duquesne University	Jefferson College for Health Sciences
Art Institute of Washington	East Carolina University	Johns Hopkins University
Auburn University	Eastern Kentucky University	Kenyon College
Austin College	Eckerd University	Lehigh University
Averett University	Elon University	Liberty University
Bard College	Embry Riddle	Long Island University
Beloit College	Emory and Henry College	Longwood University
Benedict College	Emory University	Loyola University
Berklee College of Music	Eastern Mennonite	Lynchburg College
Bethaney College	Fayetteville University	Marshall University
Black Hill State University	Ferrum College	Mary Baldwin College
Bloomsburg University	Flagler College	Marymount University
Boston College	Florida State CC	McGill University
Boston University	Fordham University	Mercy University
Bowie State University	Fort Lems College	Messiah College
Bridgewater	Franciscan University	Miami University-Ohio
Brown University	Full Sail University	Michigan University
Butler University	Furman University	Massachusetts Institute of Technology (MIT)
BYU-Hawaii	Gannon University	Morgan State University
BYU-Idaho	Gardner Webb University	Mount Holyoke
BYU-Utah	Georgetown University	North Carolina State University
Cabrillo Community College	George Mason University	New York University
Carnegie Mellon University	Georgia Inst of Technology	North Carolina Central University
Chowan University	George Washington University	North Carolina State University
Christopher Newport University	Gettysburg College	North Carolina Wesleyan College
Clarion Union-PA	Glennville State	North Central Michigan CC
Clemson University	Gloucester Community College	Northeastern University
Coastal Carolina University	Grand Valley State University	Northern Arizona University
Colby College	Grove City College	Norfolk State University
College of Charleston	Guilford College	NOVA Southeast
College of William & Mary	Gustavus Adolphus College	Oberlin College
College of Wooster	Hampden-Sydney	Occidental College
Colorado State University	Hampton University	Ohio State University
Colorado University	Harding University	Ohio University
Columbia University	Harvard University	Old Dominion University
Concord University	High Point University	Oxford College of Emory
Corcoran College of Art and Design	Hollins University	
Cornell University	Hood College	
Dartmouth College	Howard University	

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University
Penn State University
Pomona College
Presbyterian College
Princeton University
Purdue University
PVCC
Queens University
Radford University
Randolph College
Randolph-Macon College
Reed College
Rhode Island School of Design
Rider University
Roanoke College
Rochester Institute of Technology
Rutgers University
Samford University
San Diego State University
Savannah College of Art and Design
School of the Museum of Fine Arts
School of the Art Institute of Chicago
School of Visual Arts
Sewanee: School of the South
Shaw University
Shenandoah University
Shepherd University
Skidmore College
Smith College
Spelman College
Stanford University
St Johns Community College
St Lawrence University
St Louis-Madrid
St. Vincent College
SUNY-Purchase

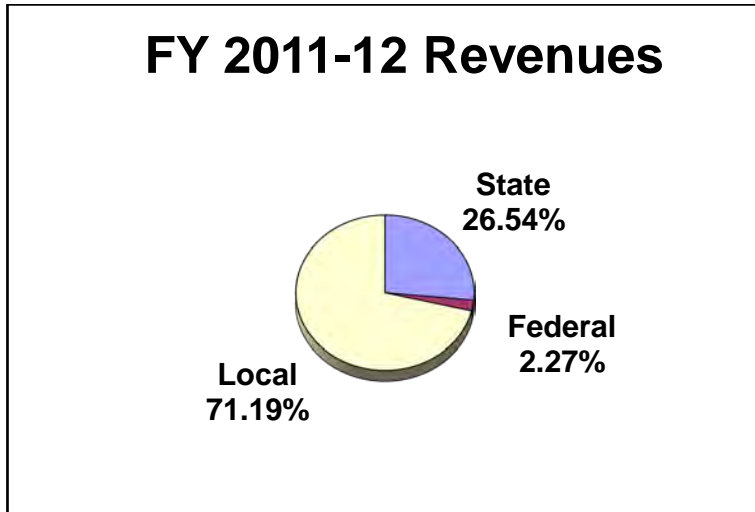
Sweet Briar College
Syracuse University
Texas A&M University
The Citadel
Tidewater Community College
Towson University
Trevecca Nazarine University
Tufts University
Tulane University
US Merchant Marine Academy
University of Akron
University of Alabama
University of British Columbia
University of Chicago
University of Cincinnati
University of Colorado
University of Connecticut
University of Delaware
University of Georgia
University of Hawaii
University of Kentucky
University of Maine
University of Maryland
University of Mary Washington
University of Massachusetts
University of Miami-Florida
University of Michigan
University of Missouri
University of Mississippi
UNC-Chapel Hill
UNC-Charlotte
UNC-Greensboro
UNC-Wilmington
University of Northern Colorado
University of Notre Dame
University of Oklahoma
University of Pennsylvania
University of Pittsburgh-Oakland

University of Richmond
University of Southern California
University of South Carolina
University of Tennessee
University of Utah
University of Vermont
University of Western Ontario
University of Wisconsin
University of Virginia
UVA at Wise
Utah State University
Utah Valley University
Valley Forge Military Academy
Vanderbilt University
Vassar College
Villanova University
Virginia Commonwealth University
Virginia Intermont College
Virginia Military Institute
Virginia State University
Virginia Union University
Virginia Tech
Virginia Wesleyan College
Wake Forest
Washington College
Washington and Jefferson
Washington & Lee
Wayne State University
Wesleyan University
Westminster College
West Virginia University
Wingate University
Worcester Polytechnic Institute
Yale University

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Revenues

Unlike a for-profit business or a taxing authority, we raise less than 1% of our revenue. We depend on others to provide the revenue needed to meet our mission and deliver our value:



- The federal government provides \$2.8 million, about 2 percent of our overall budget
 - The state government provides \$37.46 million, about 27 percent of our overall budget. This amount has fallen significantly in the past two years and continues its decline in 2011-12.
 - Our local governing body, the Board of Supervisors, sets the real estate and personal property tax rates, and thus provides the remaining 71 percent of our operating revenue.

We appreciate the support of our community and take stewardship of your investment seriously. While we cannot raise substantive revenue, what we can do, and have done is:

- **Use money efficiently and wisely**
 - Energy-efficiency practices begun in 2010-11 are projected to save almost \$400K, enough to fund the salary and benefits costs for about six full-time teachers.
 - Bus routing efficiencies by redesigning all bus routes this year are projected to save \$1.5 million over two years, money that can now be used to support classrooms.
 - Voluntary Early Retirement Incentive Programs have allowed employees to retire with some certainty and save more than \$1 million in annual salary and benefits expenses over a 5 year period.
 - Competitively manage our own health insurance to provide a valuable benefit relative to market at an affordable cost.
 - Accumulate an \$8+ million fund balance through conservative financial management, cost containment and strategic reductions. This fund balance or “rainy day fund” is has allowed us to mitigate what would have been drastic reductions that likely would have severely compromised our school division during this recession.
- **Operate sustainably**
 - Rainy day fund. Through careful analysis of our spending, cost reductions captured through efficiencies, cuts and freezes over the past three fiscal years, we have amassed a fund balance or “rainy day fund” that has been critical to helping us weather this financial storm without further reductions. However, we know it is not

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prudent financial management to pay for recurring costs with “one-time” money, such as our fund balance. That is why we are working with our local government partners to establish a revenue stream for future years to address our continued growth.,

- Continuing to fund the Capital Improvement needs of School Division and County is a priority for both local government and the schools. We are working with our local government counterparts to contribute a portion of our accumulated fund balance to CIP and to create a policy that will allow for resource-sharing of any school division fund balance to our jointly funded Capital Improvements Program.
- Health insurance savings. Through wellness initiatives and a healthier staff, we have accumulated savings in health insurance costs, some of which are now able to be used as operating funds. Sustained maintenance of our self-insured policy, review of our benefits with our competitive market and continued wellness programs will maintain our strength in this area.
- Make fiscally responsible choices with “one-time” funds so as not to create funding cliffs that would require additional cuts or increased operational funds.
- **Provide value**
 - Our graduates are universally prepared to enter college or the workforce.
 - Partnerships with our local colleges and universities, businesses and sister school divisions help provide opportunities to our students and keep costs down. Examples include:
 - Monticello Scholars – partnership with UVA
 - Career Awareness & Planning – partnership with Charlottesville City Schools and Piedmont Futures
 - Dual Enrollment courses – partnership with PVCC
 - Vocational/Technical training – partnership with Charlottesville City Schools and Fluvanna County Schools through CATEC
 - Services for students with special needs – partnership with Charlottesville City Schools through Ivy Creek and PREP
 - Tutoring for at-risk Hispanic students – partnership with UVA
 - Accelerated math instruction and academic rigor for African-American male students – partnership with State Farm and 100 Black Men of Central Virginia
 - STEM initiatives – partnership with Northrup Grumman and Virginia DEQ
 - Virtual Virginia (expanded course options for students) – partnership with Virginia Department of Education

Albemarle County Public Schools Buildings that have Earned the Energy Star

Agnor-Hurt Elementary
 Albemarle High
 Baker-Butler Elementary
 Burley Middle
 Broadus Wood Elementary
 Cale Elementary
 Crozet Elementary
 Henley Middle
 Hollymead Elementary
 Jouett Middle
 Murray Elementary
 Red Hill Elementary
 Scottsville Elementary
 Stone-Robinson Elementary
 Stony Point Elementary
 Sutherland Middle
 Walton Middle
 Woodbrook Elementary
 Yancey Elementary

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- Recognized as a leader in education reforms and innovation that produces higher achievement for all students.
- The number one reason new residents cite for choosing to live in Albemarle County and one of the top reasons employers cite for locating a business here, growing our economy.
- We are the among Albemarle County’s largest employers, driving the economic tax base of our community.

Analysis of School Division Operations:

Overall fiscal prudence, especially as economic recession began to be felt in this community in FY2008-09, has been a guiding operational principle for many years. Sharing services with Albemarle County, such as School Resource Officers (shared with Albemarle County Police Department), Pre-school (shared with Bright Stars and Department of Social Services), Purchasing and Finance operations and Human Resources. Albemarle County Public Schools is unique among peer school divisions in sharing these critical services with our local government counterparts. This provides value for our taxpayers, as there are no duplication of positions and functions.

The Division began “belt-tightening” with 5%-10% holdbacks in all discretionary operating lines, began incentivizing early retirement, kept positions vacant to realize cost savings, instituted hiring freezes, analyzed every recommendation of the independent Resource Utilization Study and implemented over 90% of the 119 findings.

Restructured delivery of services including:

1. Instructional Coaching model to continue to fund state mandated specialist positions but reduce the overall number of specialists and curriculum coordinators. Also shifted focus to job-embedded professional development and responsibility for individual teachers to use content, pedagogical and technological knowledge in daily lesson planning and delivery.
2. Central Office Management – reduced overall number of senior managers and directors, moved to two assistant superintendents for more efficient reporting structure.
3. Moved to 8-period course schedule with teachers teaching 6 of 8 classes at high schools to offer more course choices for students as graduation requirements increased without increasing workforce.
4. Redesigned all bus routes for efficiency.

Our School Finance Advisory Council commended the School Division for the following strategies:

- Focusing on a strategic vision, established priorities, goals and benchmarks to measure progress, and evaluated and revised programs to ensure alignment and performance.
- Establishing a “fund balance” or rainy day fund of realized savings that is instrumental in reducing the magnitude of cuts required to meet available revenue in 2009-10, 2010-11 and 2011-12.
- Providing a detailed budget with macro- and micro-views, including individual funds with both quantitative and qualitative information to allow for maximum transparency to stakeholders.

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The School Finance Advisory Council was established to examine school budgeting practices from a business perspective. Good financial management practices have always been important in this School Division. Through the Wallace Foundation, the Darden School of Business, in conjunction with the UVA Curry School of Education, provides funding opportunities for school district teams to learn principles of business leadership and management in an executive institute. An outcome of Albemarle's participation in this Darden-Curry sponsored Institute was the formation of the School Finance Advisory Council to evaluate the division's budget process, procedures, content and format. The Council is composed of business professionals with significant budgeting expertise. The Council will continue to analyze, evaluate, and advise the Superintendent and staff on an ongoing basis regarding budgeting practices and priorities.

School Finance Advisory Council Members

Gregory Gartland is Principal and Managing Director of the SNL Center for Financial Education LLC, an affiliate of SNL Financial. He is a member of SNL's Executive Committee, and he has spent his career in advisory and management roles at a range of companies - from startups to Fortune 100 multi-nationals.

Mark A. Meulenberg, CFA, is a portfolio manager for VNBTrust, N.A. a wholly owned subsidiary of Virginia National Bank. In this capacity, Mr. Meulenberg researches investment opportunities and manages portfolios for certain clients of VNBTrust.

Mary Margaret Frank is Associate Professor of Business Administration at the University of Virginia Darden School of Business. Her current research focuses on the effects of regulated disclosure on the strategy of corporate management, investors and entrepreneurs.

Rick White, CPA, works for Keiter Stephens as a Tax Principal. He has 20 years of experience in public accounting providing tax and accounting services for rapidly growing privately-held businesses and individuals as well as 10 years of experience in the real estate development and construction industry.

Rich DeMong, Ph.D., CFA, is currently the Virginia Bankers Professor Emeritus of Bank Management at the University of Virginia McIntire School of Commerce. He specializes in home equity and mortgage lending, bank investment strategies, and equity valuation.

Ken Eades is a Professor of Business Administration and the Area Coordinator of Finance for the Darden Graduate School of Business Administration. His research involves corporation finance issues including dividend policy, mergers, and information theory, investments and pricing of convertible securities.

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2011-2012 – Continued Challenges and Changes, and a New Strategy

The next year brings continued changes and challenges that we must face. These include:

- **New state mandates**
 - Two new diplomas that focus on Career & Technical Education
 - Increased graduation requirements for all students
 - New required course for all students entering high school in 2011—Economics and Personal Finance
- **Increased achievement benchmarks for NCLB**
 - Approaching 90% for all students and students in each membership group
 - While we are there with overall students we have much work to do to ensure students who are more at-risk are able to achieve at the same levels as their peers on these minimum standards.
- **Increased enrollment**
 - More than 200 students over projection entered our schools each of past two years.
 - In 2011-12 we anticipate 359 additional students who will require services.
- **Continued decreased funding, particularly from the state**
 - Estimated \$5 million+ less than 2009-10 budgeted levels, and ~\$2.3 million less than current year if Governor’s proposal to redirect “hold harmless” funding to the VRS is enacted.
 - Much funding that is propping us up through Federal Jobs Bill and other changes is “one-time” and will end after 2011-12. We must plan ahead.
- **Increased expenses for Virginia Retirement System**
 - “Pay the Piper” to tune of \$2.23 Million in FY 2011-12
 - Warned in 2010-11 that this short-term strategy of underfunding VRS would come due
- **Increased expenses for regional services for students with special needs**
 - Operating as a collaborative saves money overall, but these costs are rising.



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2011-12 Priorities and Strategies

Using adaptive management and a full evaluation of our programs, we approach FY2012 with the following priorities. We will:

Analyze market data to recommend compensation and benefits for our staff to ensure we are able to attract and retain highly qualified personnel. Education is a personnel-driven endeavor. Investing in top quality personnel is critical to our mission.

Allocate additional teaching personnel needed due to enrollment growth and to restore cuts taken in 2010-11 not by mere formula but based on actual needs at schools. This shift will help us be more strategic in the use of our personnel, putting them where they can provide the greatest benefit.

Use fund balance to address a significant portion of the expense/ revenue gap for FY12. Doing so lessens the funding burden on our already strapped citizens. This is not sustainable past 2012, but it provides opportunity for more planning and development by our Supervisors and School Board and time for the economy to continue to recover.

Propose a policy to allocate a portion of any future fund balance to our underfunded CIP. Doing so recognizes the differences in funding structures and challenges faced by the county and school division, helps maximize already stressed CIP funds, and helps ensure the CIP

process is able to evaluate each project – county or school division – independently.

Conduct a cost-benefit analysis of programs, including valuation studies, in preparation for FY13. This is a substantial undertaking, but one that is crucial to our adaptive management strategy. We must be able to assess the contribution each program makes to our students' achievement and then determine if the expenditure is worth continuing. This is also a major shift in the way we have done business and one that I think our community—will appreciate.

We are committed to outstanding fiscal prudence and we do not support the continued use of one-time money for recurring expenses such as salary and benefits.

Develop and implement a plan to eliminate the future use of one-time money to fund recurring expenses. We have sustained our budgets for the past three years by using one-time money to plug holes. Whether in the form of ARRA payments from the federal government, forced

underfunding of the Virginia Retirement System by the General Assembly, Composite Index “hold harmless” funds, or using our fund balance for operating costs, these “stop-gap” measures are not sustainable and not good financial practice. Our school finance advisory council, comprised of local business leaders, agrees strongly with us on this point. Creating a sustainable revenue stream to fund our schools is imperative for our community's future.

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Proposed Changes to Address Identified Needs for 2011-12

- **Hire ~29 full-time equivalent additional classroom and transportation personnel to provide services for additional students.** Total compensation and benefits cost projection: \$1.9 million (26.78 FTE teachers and 2.00 FTE bus drivers)
- **Restore teaching positions reduced in 2010-11**, targeting the balancing of class size loads among staff to provide a better classroom experience.
 - ~17.12 FTE at a compensation and benefits cost of ~\$1 million which will be funded for 2011-12 from the federal jobs bill funds (see Fund 3162)
 - No recurring operating costs for FY 11-12, but must be planned for using operational funds in FY 12-13.
- **Hire an additional ESOL Teacher to serve increased population** of ESOL students at the middle school level: \$63,522
- **Retain 5.80 FTE special education personnel originally funded by ARRA “stimulus funds”**
 - ARRA funds had provided for 11.4 FTE over the past two years
 - 5.80 FTE will be retained/added to operating budget to continue to provide critical Response to Intervention services to students. \$368.4K
- **Operational increase / net reduction of (\$523.3K)**
 - Bus Replacement - \$360,020
 - Our bus replacement cycle had been extended to beyond what is fiscally prudent. Vehicles continue to age and depreciate beyond what is responsible to repair.
 - This increase is mitigated by:
 - a significant savings in energy costs through energy efficient measures begun this year. We anticipate saving nearly \$394K next year, offsetting these other, operational increases.
 - Reduction of 3.00 FTE technology support positions which had been previously funded by ARRA “stimulus dollars.” As these funds expire, the positions are removed, saving (\$166,695).
 - Other savings of (\$50K) in insurance savings and (\$94.6K) in reduced expenses for School Resource Officers



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- **Allocate ~\$181.9K to Piedmont Regional Education Program & Ivy Creek for increased expenses**
 - Includes services for students with emotional disturbance, autism, multiple and severe disabilities
 - Includes vision services, physical therapy and the Parent Resource Center at PREP
 - Includes increased cost of adaptive physical education program conducted in collaboration with UVa (\$4,146)
- **Allocate \$99,811 to permanently restore a previously cut Human Resources manager**
 - This position is part of ongoing restructuring of the Department of Human Resources to better serve the needs of the school division. The department is a shared service between the county and the schools.
 - The position will be solely for the school division and be in charge of “Teacher Quality,” ensuring we are able to recruit and retain highly qualified teaching personnel to serve our students and drive achievement.



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Compensation and Benefits Increases and Analysis

- The division uses a competitive market strategy to determine its compensation and benefits for employees, both classified and teachers.
 - Strategy is to have all positions be within the low-end of the top quartile of our competitive market.
 - Our scale is highly competitive for teachers with 10 years of experience.
 - We have fallen below market for our teachers with ~20 years of experience.
 - It is very expensive to try to “catch up” when we fall behind.
 - Over the past two years, no employee, teacher or classified, has received a compensation increase.
- **Provide for salary increases for classified employees of 1% average -- \$319,406**
- **Meet Market and provide a 1.95% overall increase (inclusive of step) to Teachers**
 - Meet market for Teachers with 20 years of experience, provide for step and salary increase for teachers of 1.95% on average and establish a new salary scale anchor point at T10. Total cost ~\$1.5 million
 - A general scale increase that averages a 1.95% increase, inclusive of step is proposed. Some employees will receive less than the average, and some will receive more. Our teachers with 20 to 25 years experience are below our competitive market target (some by more than \$1,000), and as such, will see the largest percentage increase. Our teachers with 10 or less years of experience are well within our target market strategy, and thus will receive a smaller increase.
- **Transportation salary analysis and possible adjustment**
 - Significant efficiencies have been made in transportation services -- \$1.5 million in reductions over past two years. These include pay reform that has reduced the take-home pay for bus drivers.
 - Preliminary analysis shows that our hourly pay may be below comparable positions in our competitive market and adjacent counties; the salary restructuring fund may be used to address this issue if warranted.
 - We are having a recruitment and retention problem in transportation that appears to be directly linked to our compensation and benefits.
- **Increased Cost of the Virginia Retirement System and Group Life Insurance: \$2,226,341**
 - Nearly 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 upon the Governor’s proposed rate of 12.76% which is 3.23% higher than FY 2010/2011. Group life insurance rates remain steady at 0.28%.
 - The VRS was intentionally underfunded in FY2010-11 by mandate of the General Assembly as a short-term strategy to divert funds to other critical needs and contributed greatly to the state’s year end ‘surplus’.
 - Contribution rates for VRS remain at historical lows even with the proposed rates.

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- **Medical and Dental Insurance Changes**
 - Dental insurance costs are projected to rise by \$20,872
 - However, through careful management and wellness initiatives, the School Division has accumulated a health care reserves surplus that is a savings of \$564 per contributing employee and a total of \$933,879 in savings. These savings will be used to mitigate other increases.
- **Allocate \$196,672 in costs for the Voluntary Early Retirement Incentive Plans enacted this fiscal year.**
 - These are costs to extend benefits or pay cash bonuses to employees who elected to retire early.
 - Overall, the VERIP program has saved nearly \$1 million in operating costs to the Division over five years.

Summary

Total 2011-12 Funding Request	\$144.96 Million
Anticipated Local Revenue	\$ 98.71 Million
Anticipated Federal Revenue	\$ 3.2 Million
Anticipated State Revenue (based on Governor’s Proposal)	\$ 37.46 Million
One-Time use of Fund Balance	\$ 1.80 Million
Remaining funding gap	-\$ 3.79 Million

Assumptions:

1. Current local real estate tax rate remains at \$0.742 per \$100 of assessed value. At this rate, local revenues are slightly higher than current (FY 10-11) levels, but less than FY 09-10 levels.
2. Governor McDonnell’s proposal to remove “hold harmless” Composite Index funding from Albemarle County and 96 other school divisions in the state is enacted. This represents the “worst case scenario” in state funding for the School Division, as of 1/19/11. It is unclear whether the General Assembly will adopt the Governor’s recommendation; if it is not adopted, the school division should receive ~\$2.3 million additional funding from the state.
3. Federal jobs bill money (detailed in Fund 3162) will be used to fund restoration of teaching positions for FY 11-12, but those monies must be planned for in the operating budget for FY 12-13.
4. Monies to cover the FY 11-12 funding gap exist in the School Division’s fund balance, and could be allocated for use if directed by the School Board and Board of Supervisors. However, this is not a long-term strategy and a more stable revenue stream would need to be identified for FY 12-13 and beyond.

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List of Advisory Councils Providing Budget Input

- Health Advisory
- Gifted Advisory
- Special Education Advisory
- Technology Advisory
- Teacher Advisory
- Classified Staff Advisory
- County Parent Council
- County Student Council
- AEA Exchange
- Leadership Team
- Community members through online budget feedback process

Budget Development Webpage available from Division Homepage:

www.k12albemarle.org or [HERE](#).



2011-2012 Budget Development Calendar

Unless otherwise noted, all meetings take place at the Albemarle County Office Building (COB), located at 401 McIntire Road in Charlottesville.

November 2010

Thursday, Nov. 11 Regular Board Meeting: Budget Update/Direction and Enrollment Projections, 6:30 p.m., COB Lane Auditorium

December 2010

Thursday, Dec. 9 Regular School Board Meeting: Budget Considerations and Board Direction, 6:30 p.m., COB Lane Auditorium

Wednesday, Dec. 15 Joint Meeting with Board of Supervisors regarding Capital Improvement Program (CIP), 4 p.m., COB Room 241

TBD State Revenue Projections Received

January 2011

Thursday, Jan. 13 Organizational/ Regular School Board Meeting, 6:30 p.m., COB Lane Auditorium

Wednesday, Jan. 19 Special School Board Meeting: Superintendent's Funding Request presented to School Board, 6 p.m., COB Lane Auditorium

Thursday, Jan. 20 Special Budget Work Session, 6 p.m., COB Room 320

Tuesday, Jan. 25 Special Budget Work Session, 6 p.m., COB Room 241

Thursday, Jan. 27 Regular School Board Meeting including Budget Work Session, 6 p.m., COB Room 241

February 2011

- Tuesday, Feb. 1 Public Hearing on School Budget, 6:30 p.m., Location TBD
- Thursday, Feb. 3 Regular School Board Meeting: Finalize School Board Funding Request, 6:30 p.m., COB Lane Auditorium
- Saturday, Feb. 12 Special Budget Work Session (Tentative), Time and Location TBD
- Thursday, Feb. 24 Regular School Board Work Session, 6 p.m., COB Room 241

March 2011

- Wednesday, Mar. 2* Public Hearing on County Executive's Recommended Budget
- Monday, Mar. 7* Board of Supervisors Budget Work Session: Local Government
- Wednesday, Mar. 9* Board of Supervisors Budget Work Session: School Division
- Thursday, Mar. 10 Regular School Board Meeting, 6:30 p.m., COB Lane Auditorium
- Monday, Mar. 14* Board of Supervisors Budget Work Session: CIP
- Wednesday, Mar. 16* Board of Supervisors Budget Work Session (if needed)
- Sunday, Mar. 20* Advertise public hearing on Board of Supervisors proposed budget and CIP; Advertise tax rate for April public hearing
- Thursday, Mar. 24 Regular School Board Work Session, 6 p.m., COB Room 241
- Wednesday, Mar. 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 2011

- Wednesday, Apr. 6 Board of Supervisors adopts 2011-12 budget and 2011 calendar year tax rate
- Thursday, Apr. 14 Regular School Board Meeting and Budget Discussion, 6:30 p.m., COB Lane Auditorium

Thursday, Apr. 21

Budget Work Session: Adopt 2011-12 Budget, 6 p.m., COB Room
241

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

Albemarle County Public Schools FY 2011-12 Compensation Summary

Market Findings

World at Work estimates a 1.95% Compensation Increase

Classified:

As an organization, overall salaries are currently 0.35% below FY 10/11 defined market
 Classified scale is 1% 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 teachers
 Teacher salaries are improving when compared to VA averages
 Ability to hire teachers is improving, maintain competitive position
 Below the bottom of the top quartile by more than \$1,000 at 20 years of experience
 Highly competitive at 10 years of experience
 Retention and competitive position within the top quartile need to be future focus

Market Recommendations/Actions

Classified:

1% Classified pay increase (based on Joint Board direction, below market)
 Address position discrepancies identified as below defined market

Teacher:

Meet competitive market at 20 years of experience
 Establish new anchor point on scale at 10 years of experience
 Approximately 1.35% to a 4.3% increase (including step) in salary

Benefits Summary

	<u>2010-11</u>	<u>2011-12</u>
Each Full-Time Participating Employee Will Receive:		
Contribution toward Health Insurance	\$7,609	\$7,045
Contribution towards Dental Insurance	\$266	\$279
In Addition, the Following Benefit Rates Apply:		
Social Security (FICA)	7.65%	7.65%
Virginia Retirement System (VRS)		
Professional Rate	9.53%	12.76%
Non-Professional Rate	12.60%	12.60%
Virginia Retirement System Group Life Insurance	0.28%	0.28%

School Board's Requested Budget

<u>Expenses</u>	09/10 Actual	10/11 Adopted	11/12 Requested	\$ Increase	% Increase	12/13 Projected
Instruction						
Staffing	\$94,902,746	\$93,707,233	\$98,893,310	\$5,186,077	5.53%	\$103,778,669
Operating	\$9,483,739	\$10,002,828	\$10,242,589	\$239,761	2.40%	\$10,698,359
Capital	\$539,863	\$259,968	\$380,385	\$120,417	46.32%	\$388,063
SB Reserve	\$0	\$75,000	\$75,000	\$0	0.00%	\$76,500
Subtotal Instruction	\$104,926,348	\$104,045,029	\$109,591,284	\$5,546,255	5.33%	\$114,941,591
Admin, Attendance and Health						
Staffing	\$8,542,708	\$5,437,471	\$5,642,523	\$205,052	3.77%	\$5,816,152
Operating	\$704,980	\$904,234	\$909,759	\$5,525	0.61%	\$928,132
Capital	\$24,701	\$31,141	\$29,249	(\$1,892)	-6.08%	\$29,839
Subtotal Admin, Attendance a	\$9,272,388	\$6,372,846	\$6,581,531	\$208,685	3.27%	\$6,774,123
Transportation						
Staffing	\$6,928,578	\$6,790,784	\$6,846,698	\$55,914	0.82%	\$7,052,594
Operating	\$1,637,984	\$1,673,039	\$1,677,012	\$3,973	0.24%	\$1,711,105
Capital	\$185,585	\$60,000	\$0	(\$60,000)	-100.00%	\$0
Subtotal Transportation	\$8,752,147	\$8,523,823	\$8,523,710	(\$113)	0.00%	\$8,763,699
Building Services						
Staffing	\$7,617,728	\$8,139,278	\$8,065,559	(\$73,719)	-0.91%	\$8,321,043
Operating	\$5,298,308	\$6,445,557	\$5,764,333	(\$681,224)	-10.57%	\$5,884,861
Capital	\$208,154	\$224,350	\$262,980	\$38,630	17.22%	\$268,293
Subtotal Building Services	\$13,124,191	\$14,809,185	\$14,092,872	(\$716,313)	-4.84%	\$14,474,197
Technology						
Staffing	\$1,751,368	\$2,082,384	\$1,808,373	(\$274,011)	-13.16%	\$1,870,533
Operating	\$489,834	\$413,053	\$408,180	(\$4,873)	-1.18%	\$416,426
Capital	\$219,872	\$26,750	\$36,750	\$10,000	37.38%	\$37,492
Subtotal Technology	\$2,461,075	\$2,522,187	\$2,253,303	(\$268,884)	-10.66%	\$2,324,451
Transfers	\$5,113,789	\$6,590,563	\$3,917,548	(\$2,673,015)	-40.56%	\$4,005,939
Total School Fund Expenses	\$143,649,938	\$142,863,633	\$144,960,248	\$2,096,615	1.47%	\$151,284,000

<u>Revenues</u>	09/10 Actual	10/11 Adopted	11/12 Anticipated	\$ Increase	% Increase	12/13 Projected
Local School Revenue	\$2,038,301	\$1,072,610	\$1,060,705	(\$11,905)	-1.11%	\$1,118,610
State Revenue	\$41,404,245	\$40,865,213	\$37,462,989	(\$3,402,224)	-8.33%	\$37,904,394
Federal Revenue	\$4,125,111	\$2,668,306	\$3,201,376	\$533,070	19.98%	\$3,221,376
Local Revenue	\$97,511,282	\$96,057,504	\$97,245,582	\$1,188,078	1.24%	\$98,631,501
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	\$400,000	\$400,000	\$0	0.00%	\$400,000
Total Revenues:	\$145,478,939	\$142,863,633	\$141,170,652	(\$1,692,981)	-1.19%	\$143,075,881

Balances of Revenues vs Expenses	(\$3,789,596)	(\$8,208,119)
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<u>Self-Sustaining Funds:</u>	09/10 Actual	10/11 Adopted	11/12 Requested	\$ Increase	% Increase
	\$22,044,064	\$23,045,976	\$20,550,906	(\$2,495,070)	-10.83%

Initiative/Reduction Fund Location

2100 - K-12 INSTRUCTION-SALARIES

ESOL - (1.00 FTE)	\$63,522
Growth due to Enrollment - (26.78 FTE Teacher and 2.00 FTE Bus Drivers) - (28.78 FTE)	\$1,907,303
Response to Intervention Services - (5.80 FTE)	\$368,427
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$196,672
Increase Emergency Staffing by 4.00 FTE - One Time Funding Removed	(\$252,813)

2100 - K-12 INSTRUCTION-SALARIES Total **\$2,283,111**

2112 - STUDENT SERVICES

Piedmont Regional Education Program (PREP) - Ivy Creek / Emotional Disturbance (ED) Program / Autism	\$177,827
Adapted PE Grant	\$4,146

2112 - STUDENT SERVICES Total **\$181,973**

2114 - MEDIA SERVICES

Learning Resources Reduction (Textbooks) - One Time Funding Removed	(\$317,339)
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2114 - MEDIA SERVICES Total **(\$317,339)**

2115 - COMPUTER TECHNOLOGY

Technology - One Time Funding Removed	(\$1,000,000)
Removal of One-Time Funding of 3.00 FTE Technology Positions	(\$166,695)

2115 - COMPUTER TECHNOLOGY Total **(\$1,166,695)**

2420 - HUMAN RESOURCES

Human Resources Manager - (1.00 FTE)	\$99,811
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2420 - HUMAN RESOURCES Total **\$99,811**

2431 - FISCAL SERVICES

Insurance Savings	(\$50,000)
SRO Transfer Decrease	(\$94,598)

2431 - FISCAL SERVICES Total **(\$144,598)**

2432 - TRANSPORTATION SERVICES

Bus Replacement - One Time Funding Removed	(\$1,010,000)
Bus Replacement	\$360,020
Electronic Payroll for Transportation - One Time Funding Removed	(\$60,000)

2432 - TRANSPORTATION SERVICES Total **(\$709,980)**

Initiative/Reduction Fund Location (continued)

2433 - BUILDING SERVICES

Bus Parking Upgrades - One Time Funding Removed	(\$200,000)
Energy Savings - Building Services	(\$393,938)

2433 - BUILDING SERVICES Total **(\$593,938)**

MULTIPLE FUNDS

Dental Increase	\$20,872
Health Insurance Savings	(\$933,879)
Increased Cost of the Virginia Retirement System and Group Life Insurance	\$2,226,341
Classified Salary Increase	\$319,406
Teacher Salary Increase	\$1,472,693
Emergency Staffing - 3.57 FTE (One-Time Funding with Jobs Bill)	\$0
Salary Savings	(\$641,163)
Add Staffing Equivalent to Reducing Class Size in Grades 4-12 - 17.12 FTE (One-Time Funding with Jobs Bill)	\$0

MULTIPLE FUNDS Total **\$2,464,270**

GRAND TOTAL **\$2,096,615**

Summary of Compensation, Growth, and Operational Increases/Reductions

Compensation and Benefits

Teacher Salary Increase	\$1,472,693
Classified Salary Increase	\$319,406
Increased Cost of the Virginia Retirement System and Group Life Insurance	\$2,226,341
Dental Increase	\$20,872
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$196,672
Health Insurance Savings	(\$933,879)
Salary Savings	(\$641,163)
Total Compensation and Benefits	\$2,660,942

Growth

ESOL - (1.00 FTE)	\$63,522
Growth due to Enrollment - (26.78 FTE Teacher and 2.00 FTE Bus Drivers) - (28.78 FTE)	\$1,907,303
Total Growth	\$1,970,825

Operational Increases/Reductions

Adapted PE Grant	\$4,146
Piedmont Regional Education Program (PREP) - Ivy Creek / Emotional Disturbance (ED) Program / Autism	\$177,827
SRO Transfer Decrease	(\$94,598)
Energy Savings - Building Services	(\$393,938)
Removal of One-Time Funding of 3.00 FTE Technology Positions	(\$166,695)
Insurance Savings	(\$50,000)
Total Operational Increases/Reductions	(\$523,258)
Total Compensation, Benefits, Growth, & Operational Increases	\$4,108,509

Summary of New Recurring Initiatives

Emergency Staffing - 3.57 FTE (One-Time Funding with Jobs Bill)	\$0
Add Staffing Equivalent to Reducing Class Size in Grades 4-12 - 17.12 FTE (One-Time Funding with Jobs Bill)	\$0
Response to Intervention Services - (5.80 FTE)	\$368,427
Human Resources Manager - (1.00 FTE)	\$99,811
Bus Replacement	\$360,020
Total Recurring Initiatives	<hr/> \$828,258

Summary of One-Time Initiatives Funded Via Fund Balance

Increase Emergency Staffing by 4.00 FTE - One Time Funding Removed	(\$252,813)
Learning Resources Reduction (Textbooks) - One Time Funding Removed	(\$317,339)
Emergency Staffing - 3.57 FTE (One-Time Funding with Jobs Bill)	\$0
Technology - One Time Funding Removed	(\$1,000,000)
Bus Replacement - One Time Funding Removed	(\$1,010,000)
Bus Parking Upgrades - One Time Funding Removed	(\$200,000)
Electronic Payroll for Transportation - One Time Funding Removed	(\$60,000)
Total One-Time	(\$2,840,152)

Initiatives/Reductions by Key Area

Instruction

Emergency Staffing - 3.57 FTE (One-Time Funding with Jobs Bill)	\$0
Growth due to Enrollment - (26.78 FTE Teacher and 2.00 FTE Bus Drivers) - (28.78 FTE)	\$1,907,303
Add Staffing Equivalent to Reducing Class Size in Grades 4-12 - 17.12 FTE (One-Time Funding with Jobs Bill)	\$0
ESOL - (1.00 FTE)	\$63,522
Increase Emergency Staffing by 4.00 FTE - One Time Funding Removed - (-4.00 FTE)	(\$252,813)
Learning Resources Reduction (Textbooks) - One Time Funding Removed	(\$317,339)
Response to Intervention Services - (5.80 FTE)	\$368,427
Instruction Total	\$1,769,100

Maintenance of Effort

Piedmont Regional Education Program (PREP) - Ivy Creek / Emotional Disturbance (ED) Program / Autism	\$177,827
Adapted PE Grant	\$4,146
Dental Increase	\$20,872
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$196,672
Bus Replacement	\$360,020
Health Insurance Savings	(\$933,879)
Electronic Payroll for Transportation - One Time Funding Removed	(\$60,000)
Bus Parking Upgrades - One Time Funding Removed	(\$200,000)
Bus Replacement - One Time Funding Removed	(\$1,010,000)
Technology - One Time Funding Removed	(\$1,000,000)
Maintenance of Effort Total	(\$2,444,342)

Market Competitiveness

Teacher Salary Increase	\$1,472,693
Classified Salary Increase	\$319,406
Increased Cost of the Virginia Retirement System and Group Life Insurance	\$2,226,341
Human Resources Manager - (1.00 FTE)	\$99,811
Salary Savings	(\$641,163)
Market Competitiveness Total	\$3,477,088

Initiatives/Reductions by Key Area (continued)

Reduction

SRO Transfer Decrease	(\$94,598)
Energy Savings - Building Services	(\$393,938)
Insurance Savings	(\$50,000)
Removal of One-Time Funding of 3.00 FTE Technology Positions - (-3.00 FTE)	(\$166,695)
Reduction Total	(\$705,231)
Total	\$2,096,615

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

Emergency Staffing - 3.57 FTE (One-Time Funding with Jobs Bill)	\$0
Growth due to Enrollment - (26.78 FTE Teacher and 2.00 FTE Bus Drivers)	\$1,907,303
Add Staffing Equivalent to Reducing Class Size in Grades 4-12 - 17.12 FTE (One-Time Funding with Jobs Bill)	\$0
ESOL	\$63,522
Increase Emergency Staffing by 4.00 FTE - One Time Funding Removed	(\$252,813)
Learning Resources Reduction (Textbooks) - One Time Funding Removed	(\$317,339)
Board Goal: 1 Total	\$1,400,673

Board Goal: 2

Eliminate the Achievement Gap

Initiatives/Reductions Affecting this Goal

Piedmont Regional Education Program (PREP) - Ivy Creek / Emotional Disturbance (ED) Program / Autism	\$177,827
Adapted PE Grant	\$4,146
Response to Intervention Services	\$368,427
SRO Transfer Decrease	(\$94,598)
Board Goal: 2 Total	\$455,802

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	\$20,872
Increased Cost of the Virginia Retirement System and Group Life Insurance	\$2,226,341
Classified Salary Increase	\$319,406
Teacher Salary Increase	\$1,472,693
Voluntary Early Retirement Incentive Plan (VERIP) Increase	\$196,672
Human Resources Manager	\$99,811
Board Goal: 3 Total	\$4,335,795

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

Energy Savings - Building Services	(\$393,938)
Bus Replacement	\$360,020
Health Insurance Savings	(\$933,879)
Salary Savings	(\$641,163)
Removal of One-Time Funding of 3.00 FTE Technology Positions	(\$166,695)
Insurance Savings	(\$50,000)
Electronic Payroll for Transportation - One Time Funding Removed	(\$60,000)
Bus Parking Upgrades - One Time Funding Removed	(\$200,000)
Bus Replacement - One Time Funding Removed	(\$1,010,000)
Technology - One Time Funding Removed	(\$1,000,000)
<hr/>	
Board Goal: 5 Total	(\$4,095,655)
 GRAND TOTAL	 \$2,096,615

FY 2012/2013 Projected Initiatives and Reductions

Initiatives

Increase in Health Insurance (475,698) - Board Goal 3

Estimated 4% increase over current year costs.

Dental Increase (9,736) - Board Goal 3

Estimated increase of 8%.

Operational Increase 2% (617,102 in Recurring Operational Costs) - Board Goal 3

Operational Increase of 2% for Schools and Departments.

Increased Cost of the Virginia Retirement System and Group Life Insurance (716,345) - 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 13.76%..

Program Analysis (250,000 in Recurring Operational Costs) - Board Goal 5

Funds to support the process of program analysis proposed.

Growth due to enrollment (5.30 FTE - 348,766) - Board Goal 5

Increase due to growth of 128 students from budget to budget.

Add Staffing Equivalent to Reducing Class Size in Grades 4-12 (17.13 FTE - 1,127,248) - Board Goal 5

Additional student in grades 4-12. This initiative will be funded in FY 2011-2012 with monies from the Federal Jobs Bill (Fund 3162). Beginning in FY 2012-2013, 17.13 FTE will be transferred into the regular school account.

Greer Expansion (0.60 FTE - 24,486 and 3,000 in Recurring Operational Costs) - Board Goal 5

This initiative covers the anticipated costs associated with the expansion at Greer.

Teacher Salary Increase (1,883,353) - Board Goal 5

Increase of 2.70%.

Classified Salary Increase (868,018) - Board Goal 5

Increase of 2.70 %.

Initiatives Total \$6,323,752