

Educating Today's Students  
for Tomorrow's Success

School Board's 2012-13

# FUNDING REQUEST



# WE ARE PARTNERS

Working Together to Improve ...

- Our community
- Our quality of life
- Our economic vitality



# OUR CHARGE

Create a School System that ...



Fosters  
educational  
excellence in  
all students



Contributes to  
businesses and  
employees  
choosing to  
locate here



Ensures our  
graduates have  
the skills these  
businesses  
require



# PREPARING

Our Students





Every student needs to graduate with a set of skills that can positively impact our economy and our community.

# Return on Investment: Success Stories

- In 2011, our 17 MESA graduates earned more than \$400,000 in merit scholarships.
- Enrollment in AVID, a college readiness program designed to increase learning and performance, has increased from 30 students to 266 in the last 5 years.
- We currently have 1,533 students enrolled in one or more college-level courses.



# Fast Facts


- Schools: 27  
(All Fully Accredited)
- K-12 students: 12,865
- PreK students: 243
- Employees: 2,346
- On-time graduation rate:  5 percentage points
- Drop-out rate:  4 percentage points
- Over 25% of our students are eligible for Free or Reduced Price Meals.
- 327 homeless students have been identified and served in the current school year.

SAT Scores			
	ACPS	VA	U.S.
Math	551	509	514
Verbal	556	512	497
Writing	538	495	489

# Our Approach to This Budget

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- Needs-based
- Fiscal efficiency & effectiveness
- Academic excellence



*Still no final  
revenue #s  
from the state  
or locality*

# Key Challenges

## Current

- VRS
- Compensation
- One-time funding
- Bus CIP

## Watch List

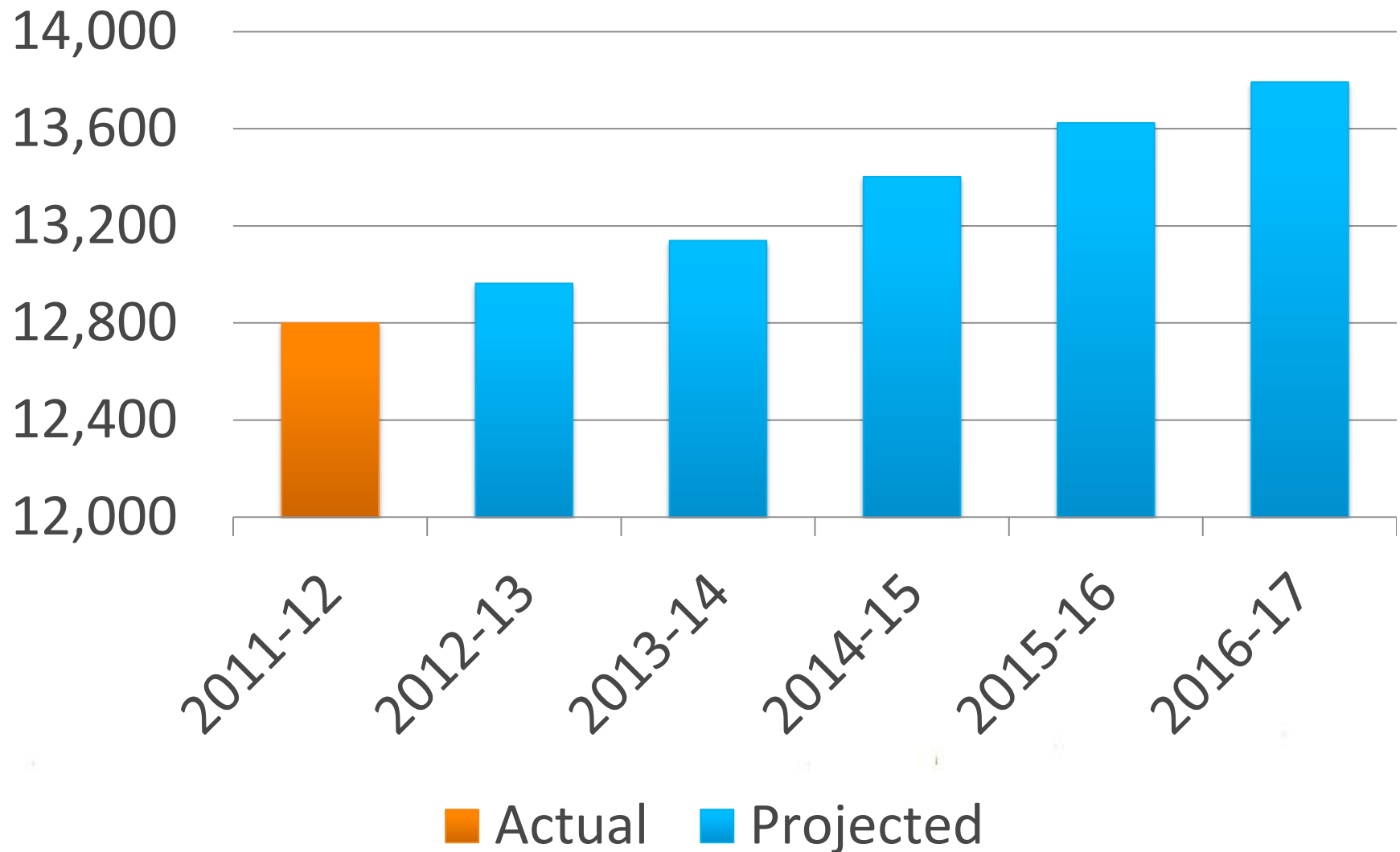
- CIP
- Local revenue
- New educational legislation

## Future

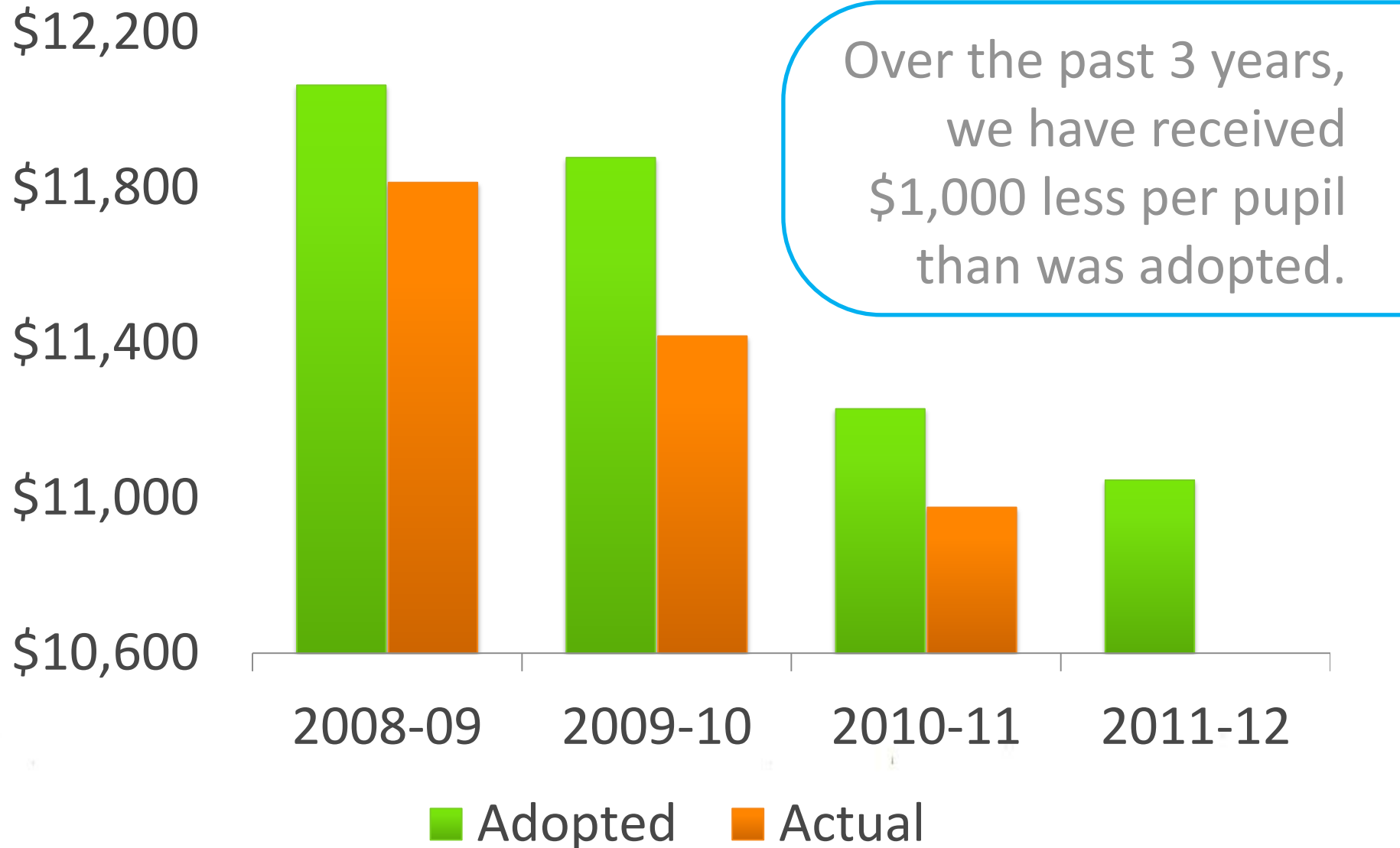
- Assessment beyond VA SOL
- Staff appraisal/development



# Enrollment Will Grow by 1,000 Students



# Per Pupil Revenues Have Declined



In 2007, the School Board  
commissioned an external

## Resource Utilization Study

as a strategy for achieving Goal 5  
to establish efficient systems for  
development, allocation, and  
alignment of resources.

# Central Office Reorganization Cut \$2.11M

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## 2009-10 Through 2010-11: Approximately 24 FTE

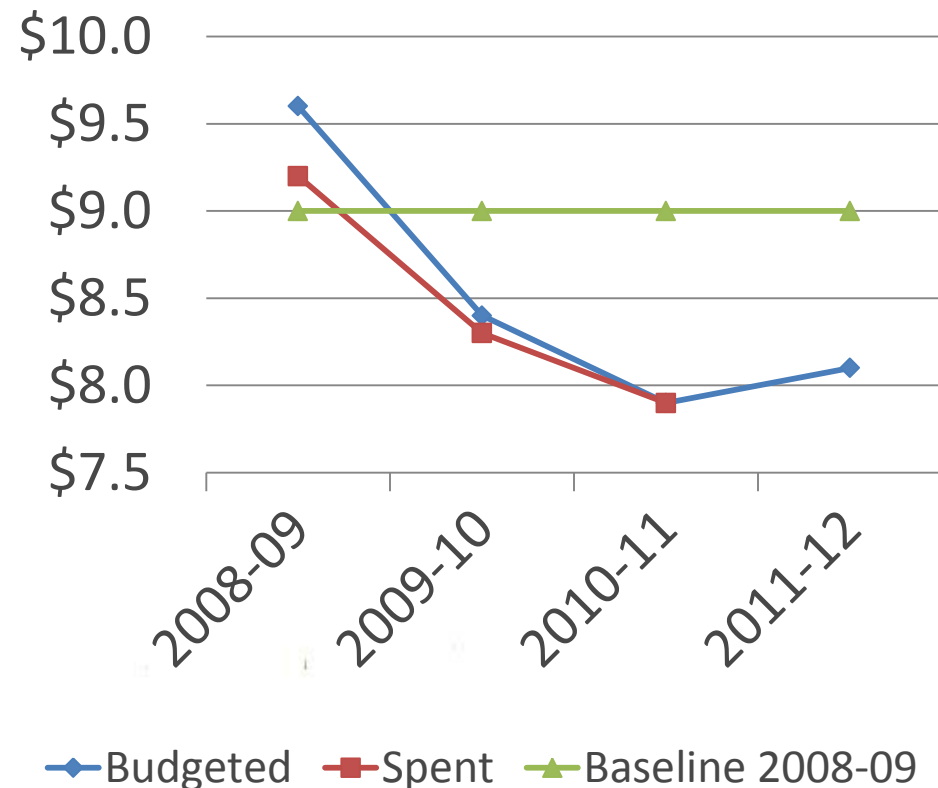
- Instructional Coaching Model Reorganization (-9.00 FTE)
- Reduce Instructional Coaching Positions (-5.06 FTE)
- Human Resources Reductions (-1.50 FTE)
- Student Services Reductions (-2.10 FTE)
- Restructuring of the Albemarle Resource Center (-1.00 FTE)
- Assessment Reductions (-1.51 FTE)
- Instructional Support Reductions (-1.00 FTE)
- Executive Services Reductions (-1.00 FTE)
- Fiscal Services Reductions (-1.00 FTE)
- Division Support Reductions (-0.61 FTE)
- Professional Development Reductions (-0.50 FTE)

# 3-Year Transportation Savings Total \$2.7M\*

## Three Years of Savings: 2009-10 Through 2011-12

- Fuel and Miles Reduced 20%
- Services Reductions (-17.6 FTE)
- Efficiencies:
  - Redesign Bus Routes
  - Reduce Deadhead Mileage
  - Special Education
- Pay Reform

Budget & Expenses  
(in millions)



\*Based on 2008-09 baseline of \$9M/year



# Additional Reductions Totaled \$12.72M

## 2009-10 Through 2010-11

- Decreased Cost of VRS and Group Life Insurance
- Salary Savings
- Class Size Increase (-16.86 FTE)
- 10% Operational Reduction: Schools & Departments
- 8-Period Day for Middle & High Schools (-12.68 FTE)
- VERIP Reduction
- Learning Resources Reduction
- Academic Leadership Stipend Reductions
- Media Services Reductions
- Building Services Reductions (-1.30 FTE)
- Restructure Leadership for Murray HS/Enterprise Center/Community Public Charter School (-1.00 FTE)
- Athletics: Student Activity Fees & JV Coach Reductions
- Lapse Factor Increase
- Energy Policy Changes/Enforcement
- Reduce Elementary & Middle Summer School
- Eliminate Middle School Assistant Principal (-1.00 FTE)
- Federal Program Reductions
- Reduce PDRP by 50%
- Reduce Recurring Emergency Staffing (-1.00 FTE)
- CATEC Reductions
- Increase Building Rental Fees
- Community Engagement Reductions
- Salary Restructuring Account Reductions
- Vocational Education Reductions
- Educational Support Reductions
- Instructional Support Reductions (-1.00 FTE)

# Our Community's Values: Small Schools

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## Redistricting to Save Capital Costs

Our Long-Range Planning Committee serves to inform and advise concerning the development of comprehensive, long-term plans to meet our facilities needs effectively and efficiently.

## Cost of Our Commitment to Small Schools

Compared to elementary schools with 600+ students:

- The additional cost of education in our schools with 300 or less students (our 8 smallest schools) is \$2.18 million per year. (Average additional cost per pupil: \$1,159)
- The additional cost of education in our schools with 200 or less students (our 3 smallest schools) is \$1.14 million per year. (Average additional cost per pupil: \$2,385)

# Our Community's Values: Class Size

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- Effective for the 2010-11 school year, we increased class size by 1 in grades 4-12, resulting in a reduction of about 17 teachers (Savings = \$1.05M).
- In response to the community's desire to keep class sizes as small as possible, we decided to move to an 8-period hybrid schedule for middle and high schools. Not only would the 8-period hybrid schedule prevent the need for further class size increases, but also, it would offer expanded opportunities to our students. The move resulted in a reduction of about 12.5 teachers (Savings = \$840,000 per year).

# Deferred Priorities

A background image showing a pair of silver scissors cutting through a US dollar bill. The scissors are positioned diagonally, with the blades open and cutting the bill. The bill is a US dollar, and the scissors are silver with black handles. The background is a solid yellow color.

- Capital Improvements
- Compensation
- Elementary Spanish
- Expanded Preschool
- Full Funding of the Instructional Coaching Model
- Full-time Nurses in All Schools
- International Baccalaureate Program
- Professional Development

# Expenditures (in millions)

	2011-12 Adopted	2012-13 Requested	\$ Change	% Change
Staffing	\$120.90	\$128.23	 \$7.33	 6.06%
Operating	\$18.89	\$19.47	 \$0.58	 3.05%
Capital	\$0.71	\$0.62	 \$0.09	 12.39%
SB Reserve	\$0.075	\$0.075	—	—
Transfers	\$3.92	\$3.23	 \$0.69	 17.53%
TOTAL	\$144.49	\$151.62	 \$7.13	 4.93%



# Revenues (in millions)

	2011-12 Adopted	2012-13 Anticipated	\$ Change	% Change
State	\$39.76	\$42.30	↑ \$2.54	↑ 6.39%
Federal	\$3.20	\$2.94	↓ \$0.26	↓ 8.13%
Local - Transfers	\$100.47	\$102.13	↑ \$1.66	↑ 1.65%
Local - Schools	\$1.06	\$1.59	↑ \$0.53	↑ 50.00%
TOTAL	\$144.49	\$148.96	↑ \$4.47	↑ 3.09%

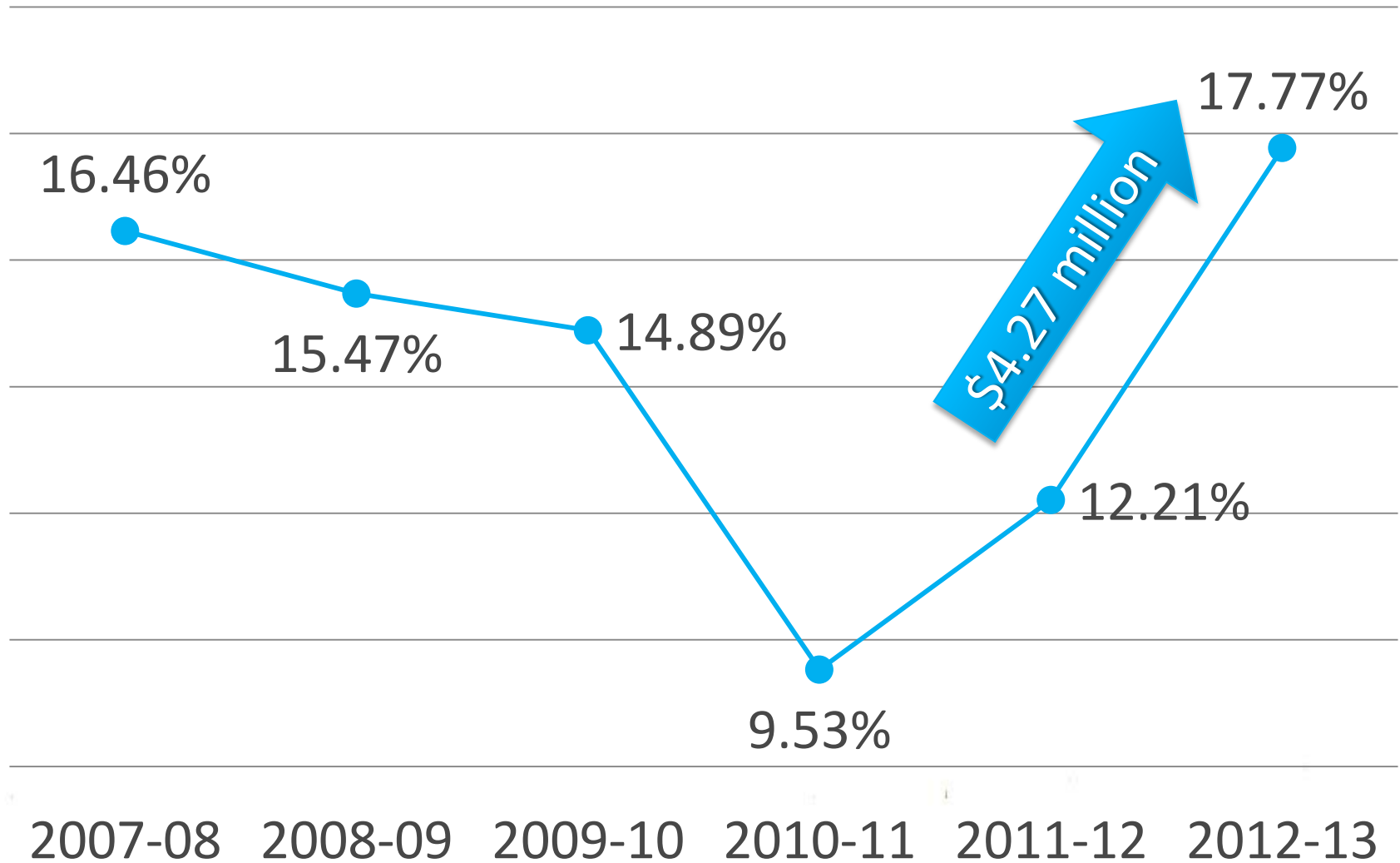
# Current Funding Gap (in millions)

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Anticipated Revenues	\$148.96
Anticipated Expenditures	– \$151.62
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Funding Gap	- \$2.66*

*\*Our February 16, 2012 transmittal letter included a \$3.7 million funding gap. Since then, additional revenues in the amount of \$1.08 million were proposed by the County Executive and presented to the Board of Supervisors on February 24, 2012.*

# VRS Rates Proposed to Increase by 40%



# Compensation

WorldatWork estimates a **3%**  
compensation increase.

## Market Recommendations

Classified	<ul style="list-style-type: none"><li>■ 2% increase</li><li>■ Address position discrepancies identified as below defined market</li></ul>
Teacher	<ul style="list-style-type: none"><li>■ Meet competitive market with scale</li><li>■ Maintain anchor point on scale at 10 years of experience</li><li>■ Approximately 1.35 - 4.3% salary increase (including step)</li></ul>

# Protected Initiatives Total \$5.69M

## Mandated

- Increased cost of VRS & Group Life Insurance  
\$4,268,238
- Fuel & Utility Costs  
\$171,782
- Dental Increase \$35,970
- Unemployment Insurance  
\$20,000
- CATEC Increase \$17,912
- Liability/Auto Insurance  
\$5,000

## Critical

- Reduce Class Load in Grades 4-12 (17.12 FTE)  
\$1,127,369
- Health & Medical Sciences Academy Staffing (0.5 FTE)  
\$32,925
- Custodial Staff for Greer Addition (0.5 FTE) \$15,543



# Support for the County's Targeted Industry Study

Bioscience and Medical Devices industries ranked 1st for:

- Direct and indirect job growth
- High relative wages
- Utilization of the County's unique assets
- Matching the County's capacity for expansion



# Considerations for Reductions Total \$1.25M

## Potential Service Cuts

- Improvement of End-User to Client Service Specialist (2.00 FTE) **\$144,816**
- Reclassification of School Nurse: FLSA Exemption Status & Compensation Increase **\$62,700**
- Additional Daytime Custodial Staff (1.5 FTE) **\$46,632**
- Increase Work Days for 10-month Transportation Employees **\$35,574**
- Administrative Assistant at Murray High (0.33 FTE) **\$24,134**

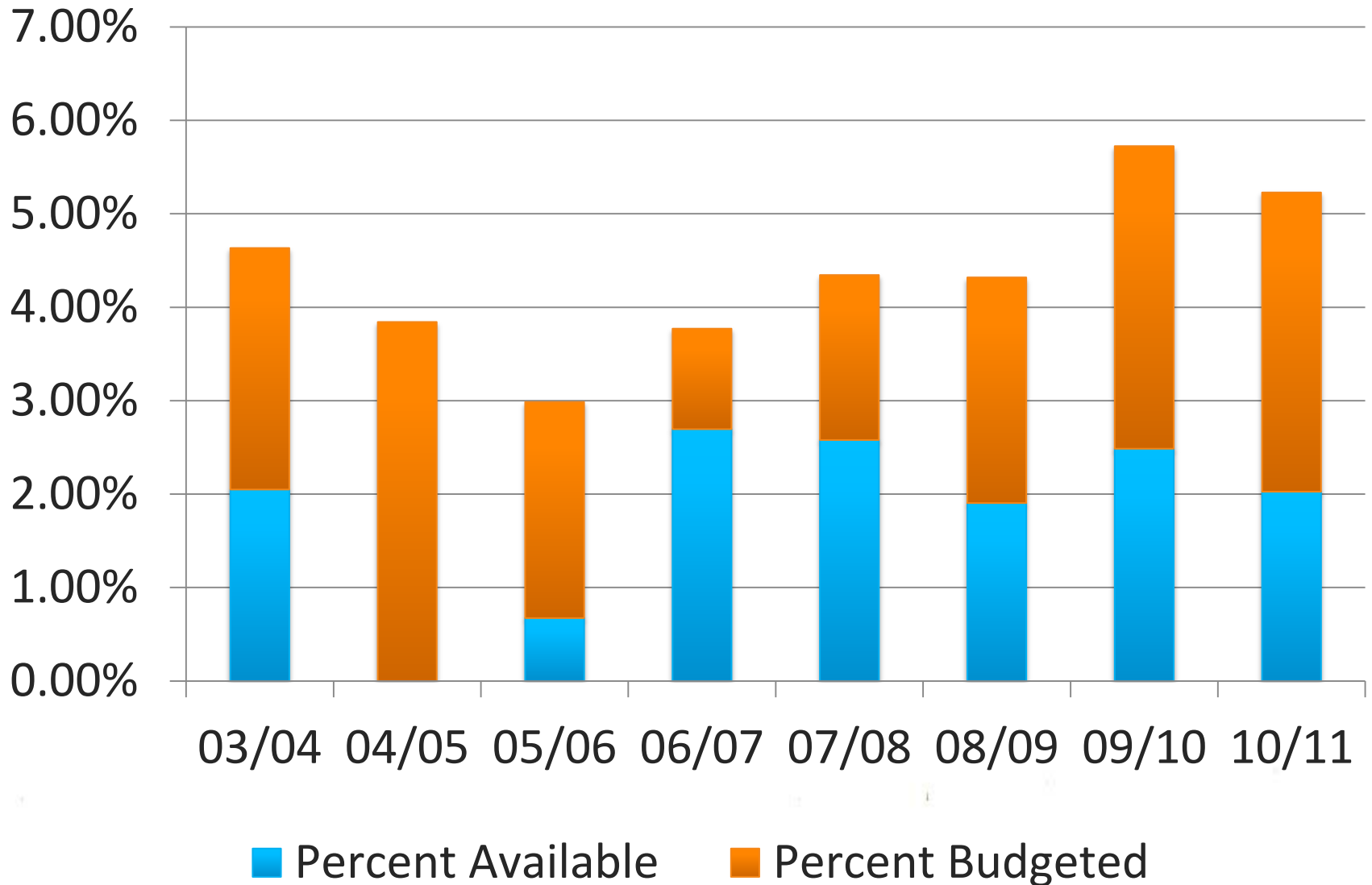
## Salary Reduction Scenarios

- 1% Classified Reduction **\$334,058**
- 1% Teacher Reduction **\$515,949**
- PREP Adjustments **\$87,940**

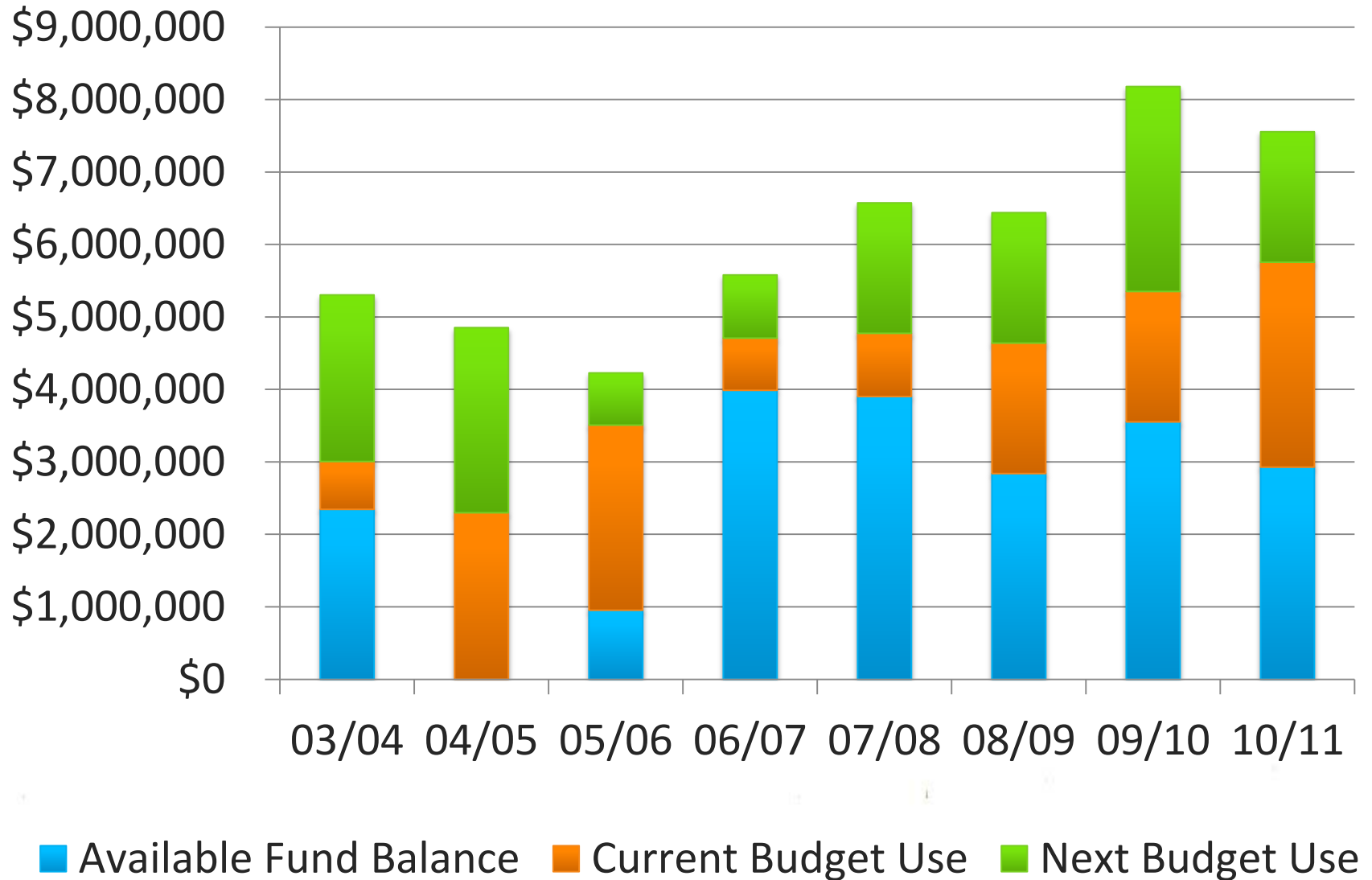
# Substantial Service Reductions At Risk

- Teacher Salary Increase (Remaining 1%) \$511,602
- Growth Due to Enrollment (6.93 FTE Teachers) \$479,789
- Response to Intervention (5.8 FTE) \$381,936
- Classified Increase (Remaining 1%) \$334,037
- Staffing Standards: Elem. Art, Music & PE (2.00 FTE) \$131,702
- Professional Development (Instructional Tech.) \$100,000
- Staffing Standards: Assistant Principals (1.05 FTE) \$69,143
- Legislative Liaison (1.00 FTE) \$67,408
- Continue Tech. Support Initiative (1.00 FTE) \$67,408
- ESOL Staffing (1.00 FTE) \$65,581
- Staffing Standards: School Counselor (0.5 FTE) \$32,975
- Staffing Standards: Media Specialists (0.2 FTE) \$13,170

# Fund Balance Percentages



# How We Have Budgeted to Use Fund Balance





# Current Planned Use of Fund Balance

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<b>Current Fund Balance</b>	<b>\$7,554,405</b>
2011-12 Appropriation	\$2,827,034
2011-12 Use (Building Services)	– \$192,000
<b>Total Available Fund Balance</b>	<b>\$4,535,371</b>
2011-12 Return to Individual Schools	\$195,643
2012-13 Anticipated Appropriation	– \$1,800,000
<b>Anticipated Available Balance</b>	<b>\$2,539,728</b>

A photograph of a classroom with rows of wooden desks and chairs. In the background, a whiteboard is mounted on the wall. The whiteboard has the text "What's at Risk?" written on it in orange cursive.

# *What's at Risk?*

- Class size/  
Teacher load
- Staffing formulas
- Facilities
- Instructional  
programs

Educational  
excellence

# Summary

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## What We Need

- Equalized tax rate
- Close our \$2.66M funding gap if the state doesn't come through with VRS relief or additional funding

## Uncertainties

- School bus replacement funding
- Compensation

What we do together  
either opens or closes the

**DOOR TO OPPORTUNITY**

for our students and our  
community.





# THANK YOU

To Our Contributors

AEA Exchange  
County Parent Council  
County Student Council  
Classified Employee Advisory  
DART Advisory  
Gifted Advisory  
Leadership Team

Long Range Planning Advisory  
Quality Council  
School Finance Advisory Council  
School Health Advisory Board  
Special Education Advisory  
Superintendent's Budget Advisory  
Teacher Advisory



# A SPECIAL THANK YOU

To Our School Finance  
Advisory Council Members

**Gregory Gartland, MBA**

*Principal and Managing Director,  
SNL Center for Financial Education, LLC*

**Mark A. Meulenberg, CFA**

*Portfolio Manager, VNBTrust, N.A.*

**Mary Margaret Frank, Ph.D.**

*Associate Professor of  
Business Administration,  
U.Va. Darden School of Business*

**Rick White, CPA**

*Tax Principal, Keiter Stephens*

**Rich DeMong, Ph.D., CFA**

*Virginia Bankers Professor Emeritus,  
U.Va. McIntire School of Commerce*

**Ken Eades, Ph.D.**

*Paul Tudor Jones Research Professor of  
Business Administration and Finance Area  
Coordinator, U.Va. Darden School of Business*