

**Preliminary Recommendations
Superintendent's Proposed
FY11 Operating Budget
January 12, 2010**

Revenue Summary

Proposed State Aid	-\$4 million
Fed. Impact Aid/DoD	+\$190K
Preliminary County	?
Local Misc.	+\$100K

Total Revenue Change: -\$3.7 million

Revenue reduction could increase

(e.g. use of new Local Composite Index [LCI] would result in -\$700K)

Resources

Revenue Loss	\$3.7 million
Mandated VRS Retirement Increase	\$1 million
Mandated VRS Group Life Insurance	\$145K
Net Reduction in Resources	\$4.9 million

Revenue Comparison

	FY11	FY10
State Revenue Loss	\$4 million	\$3.7 million
Net Revenue Loss	\$3.7 million 3%	\$2.2 million 2.2%

Fiscal Year 2008 Per Pupil Expenditure

2008-2010 Composite Index of Local Ability-to-Pay

Efficient, Effective Operations

- **Top 3 in state for high student achievement/low cost per student**
- **Standard & Poors also documented high achievement/lower than average costs**
- **Consistently earn financial/budget awards**
- **International leader in energy conservation (more than \$1.7 million saved since 2004)**

YCSD Exceeds Performance of Comparison Group While Spending Fewer \$ Per Pupil

- **Approximately 15% of YCSD students qualify for free/reduced price meals because of family income**
- **The comparison group includes 13 Virginia school divisions with similar eligibility rates (ranging from 8 to 22%)**
- **Albemarle County, Hanover County, Poquoson, etc.**
- **Excludes the 3 Northern Virginia divisions in this range because of higher costs (including them would exaggerate cost differences w/o changing performance comparison)**

YCSD Exceeds Performance of Comparison Group on SOLs

YCSD Exceeds Performance of Comparison Group on AP & Advanced Diplomas

Adequate Yearly Progress

- **YCSD made AYP**
- **46% of comparison group did not make AYP**

Per Pupil Expenditure (FY08)

Strategic Plan Goal 1

York County Students will consistently demonstrate excellence in the skills and knowledge needed for citizenship and productive participation in the global community.

Reductions

55 Positions (attrition)	\$2.6 million
Other Compensation	\$1.1 million
Technology	\$700K
Textbooks	\$300K
Buses and Maintenance Vehicles	\$177K
Fuel	\$125K
Remediation Funds	\$75K
AP/IB Tests	\$53K
Other (e.g. reduce field trips & after-school buses)	\$34K

55 Positions Cut Through Attrition

- **8 SBO positions (including 3 Associate Directors)**
- **8 positions in Operations & Maintenance (including 5 IT positions, 2 custodians, 1 clerical position)**
- **31 teachers**
- **8 para-educators (5 elementary or secondary, 2 special education, 1 'on hold')**

Cumulative Staff Reductions

	FY10	FY11	FY10-11
SBO, Operations, & Other	14.8	16	30.8
Teachers	0	31	31
Para-educators	8	8	16
Total	22.8	55	77.8

31 Teacher Positions

- **Cuts 21 regular ed teachers (9 elementary, 6 middle school, 6 high school)**
- **Cuts 4 regular ed elementary positions that were on hold this year**
- **Cuts 4 special ed teachers & 1 interpreter because of reduced SPED enrollment**
- **Cuts 1 elementary Assessment, Compliance, & Intervention (ACI) position**

9 Reg. Ed. Elem. Classroom Teachers Cut

- **Increases division-wide average class size in K-5 by .7 to 21.3**
- **Impact is greater in select grades of some schools:**
 - **Perhaps four 5th grade classes of 26, rather than 5 of approx. 21**
 - **Perhaps four 4th grade classes of 25, rather than 5 of 20**
 - **Perhaps four Kindergarten classes of 22, rather than 5 of approx. 18**

12 Reg. Ed. Sec. Classroom Teachers Cut

- **6 middle school (increases division-wide average class size by almost 1)**
- **6 high school (increases division-wide average class size by slightly more than 1)**
- **Impact is greater in select courses of some schools (i.e. more sections in the high 20s/low 30s)**

Reductions

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Other Compensation Reductions

Attrition	500K
Shifts 3 SPED teachers and 2 SPED paraeducators to federal SPED grant (VIB)	184K
Para-educator Contract 4 days	116K
Bus Driver Additional Hours	100K
Tuition Reimbursement	80K
Retiree Health Care Transfer	61K
Other additional days	35K

Implications for Staff

- **No layoffs planned**
- **\$179K increase in health insurance paid by division, not employee**
- **Does not maintain pay plan (award a step)**
 - **Licensed staff step, 650K; non-licensed staff step, 600K**

Implications

- **Reductions will affect teaching and learning**
- **Decrease in service (custodial, technology, transportation & other support for schools and students)**
- **With rising NCLB expectations and decreasing resources, schools are at risk of not making “Adequate Yearly Progress” (AYP)**
- **Will work to protect excellence in teaching and learning**

Strategic Plan Goal 1

York County Students will consistently demonstrate excellence in the skills and knowledge needed for citizenship and productive participation in the global community.

Timeline

- **Release of Superintendent's Proposed Operating Budget: mid-February**
- **Public Hearing: Feb. 22, 7 p.m., York Hall**
- **Approval of School Board Proposed Budget: March 22**
- **Board of Supervisors' consideration of School Board request for funds**

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GOVERNOR KAINE'S PROPOSED BUDGET FOR FY11 (Note 1)**FY11 estimates are based an enrollment projection of 12,600 as compared to 12,750 for FY10****Composite index for FY11 is .3632 (FY10 .3632). (Note 2)**

State Funding Source	School Operating Budget for FY10	Governor Proposed for FY11	Increase (Decrease) From FY10		
			\$	%	
Sales Tax	11,930,331	11,363,928	(566,403)	-4.75%	
Basic Aid	37,764,736	34,816,695	(2,948,041)	-7.81%	
Special Education - SOQ	3,101,534	3,177,377	75,843	2.4%	
Textbooks	962,288	606,189	(356,099)	-37.0%	
K-3 Primary Class	202,013	195,397	(6,616)	-3.3%	
Employer Shared Benefits	4,465,560	4,862,350	396,790	8.9%	(Note 4)
Technology Initiative	544,000	0	(544,000)	-100.0%	
Limited English Proficiency	149,430	99,694	(49,736)	-33.3%	
Other State Funds	<u>3,150,798</u>	<u>3,144,553</u>	(6,245)	-0.2%	
Total State Revenue (Note 3)	62,270,690	58,266,183	(4,004,507)	-6.4%	

Notes:

1. Governor Kaine's budget can be proposed to be amended by Governor-elect McDonnell and the House and the Senate. All amendments will ultimately need approval from the General Assembly and Governor McDonnell.
2. Governor proposed budget holds the composite index to the FY10 percentage for FY11 only. If that does not hold with the final approved state budget, the school division will lose approximately \$700,000 more in state revenue.
3. Not included in the revenue projections above for FY11 is \$1,491,267 in federal stimulus stabilization funds.
4. The increase in Employer Shared Benefits results from an increase in the VRS retirement rate net of a slight reduction in the retiree health care credit. The FY11 retirement rate is 10.49% and the RHCC rate is 1.01% resulting in a net increase of 1.65%. The VRS Group Life rate is proposed to increase from .79% to 1.02%.

The adjustments in these rates will also impact the expenditure side of the budget

FY11 PRELIMINARY FUNDING RESOURCES

Analysis assumes the FY10 Original School Operating Budget as the base

REVENUE

State (Governor Proposed) (12,600 students)	(4,004,507)	Without using stimulus funds of \$1,491,267
State variables include rebenchmarking, SOQ changes, VRS rates, and NO CHANGE in local composite index		
Federal - DOD	190,000	
County (level funding or perhaps a decrease)	unknown	
Local Miscellaneous (lease and other revenue)	100,000	
Total Revenue Reduction		<u>(3,714,507)</u>
State mandated expenditure increases		
VRS retirement and RHCC rate increase (Net increase of 1.65%)		1,039,500
VRS group life rate increase (net increase of .23%)		<u>144,900</u>
NET REDUCTION IN RESOURCES		(4,898,907)

1/11/2010

file: FY11 budget est

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January 11, 2010

Analysis assumes the FY10 Original School Operating Budget as the base

TOTAL REVENUE DECREASE (Note 1) (3,714,507)

EXPENDITURES

Governor Proposed VRS rate

VRS retirement and RHCC rate increase (professional group)	1,039,500	
VRS group life rate increase	144,900	
		1,184,400

SERVICE AND PROGRAM REDUCTIONS PROPOSED FOR FY11

School Board Office

Reduce Ed. Tech. Specialist - 1 FTE (on hold in FY10)	(60,000)	
Reduce 1 FTE in Finance (on hold in FY10)	(45,000)	
Eliminate Clerical - .5 FTE - Instruction (on hold in FY10)	(12,500)	
Reduce Operations Associate Director - 1 FTE	(125,000)	
Eliminate SBO ETF - .5 FTE	(30,000)	
Reduce SBO clerical - 1 FTE	(30,000)	
Reduce HR technical - 1 FTE	(35,000)	
Reduce Instructional Associate Directors - 2 FTEs	(250,000)	
		(587,500)

Operations and Maintenance

Reduce clerical - 1 FTE - TES (on hold in FY10)	(25,000)	
Reduce custodians - 2 FTEs (on hold in FY10)	(44,000)	
Reduce Information Technology (IT) - 1 FTE (on hold in FY10)	(50,000)	
Reduce bus fuel	(125,000)	
Reduce bus driver additional time	(100,000)	
Eliminate regional gang prevention program contribution	(9,000)	
Reduce IT positions - 4 FTEs	(235,000)	
Eliminate maintenance vehicle replacement funds	(83,400)	
Eliminate bus lease	(94,000)	
Reduce field trips	(3,000)	

Reduce secondary after school athletic/activity bus trips by 1 day a week	(7,500)	
		(775,900)

Instruction

Reduce para-educator - 1 FTE - (on hold in FY10)	(17,500)	
Reduce teachers - 3.98 FTEs (on hold in FY10)	(200,000)	
Reduce interpreter - 1 FTE (on hold in FY10)	(47,000)	
Reduce remediation funds	(75,000)	
Reduce para-educators by 5 FTEs (elementary and secondary)	(85,000)	
Reduce additional days for licensed staff	(15,000)	grandfathering approach
Reduce para-educator contract by 4 days (\$29k per day)	(116,000)	
Eliminate reimbursement for 2nd and 3rd AP/IB test except for free and reduced lunch households	(53,310)	
Reduce spec ed para-educators - 2 FTEs	(38,000)	
Reduce spec ed teachers - 3.75 FTEs	(187,500)	
Eliminate FY09 increase to licensed staff dev.	(9,608)	
Increase student/teacher ratios - Reduce by 21 teacher FTEs (9 elem., 6 middle, 6 high))	(1,050,000)	
Reduce ACIs - 1 FTE	(51,700)	
Reduce textbook replacement account	(300,000)	
Shift 3 spec ed teacher FTEs to regular VIB	(150,000)	
Shift 2 spec ed para FTEs to regular VIB	(34,000)	
Reduce number of printed copies of Program of Studies	(5,000)	
Reduce length of extended contract of 2 teachers (Note 2)	(20,268)	
		(2,454,886)

Technology Equipment / Software

Reduce technology refurbishment	(700,000)	
		(700,000)

Division-wide reductions

Attrition (already occurred)	(500,000)	
Reduce retiree health care transfer	(60,741)	
Eliminate tuition reimbursement for licensed and non-licensed (currently \$600 max per year per employee)	(80,000)	
		(640,741)

Total Service and Program Reductions Proposed For FY11		(3,974,627)
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Cost required to maintain current level of service

County shared service - grounds maintenance (subject to change)	-	(County directed amount)
County shared service - resource officers (subject to change)	?	(County directed amount)
County shared service - video services (subject to change)	?	(County directed amount)
ESL	50,000	
IT software maintenance contract increases	59,040	
Sub-total		109,040

Compensation

Licensed staff		
Step (\$650,000 average 1.5%)	-	
Health and Dental Insurance (estimate) (Note 4)	90,040	
VRS retirement and group life	included above	
Non-licensed staff		
Step (\$600,000 average 2.0%)	-	
Health and Dental Insurance (estimate) (Note 4)	89,040	
VRS retirement and group life	included above	
Reduction in non-prof. group VRS rate (12.1% to 11.64%)	(28,000)	
Sub-total		151,080

TOTAL EXPENDITURE REDUCTIONS **(3,714,507)**

SURPLUS (DEFICIT More reductions needed) **-**

Note 1: Revenue reduction does not include any potential federal stimulus funds.
If any federal stimulus funds are available they will be directed to one-time costs.

Note 2: These individuals have been notified of this possibility.

Note 3: Adjustments for state and federal grants will be made to revenues and expenditures when the amounts are determined.

Note 4: The health insurance amount is based on a 2% estimated increase in the premium and the employer paying 100% of the cost increase.
The increase in dental will also be borne by employer at 100%.

7-Jan-10
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**Proposed Reduction of Extra Contractual Days
for New Hires in Select Positions
(Grandfathering Approach)
1/11/10**

Under this proposal, the new contract length would apply to each individual who starts one of these positions as a new hire or as a current employee who transfers to one of these positions.

Proposed adjustments: 25 days to 17 days; 20 days to 14 days; 10 days to 7 days; 7.5 days to 5 days, 5 days to 3 days; and 2 days to 0 days.

Position	School Level	# Extra Days Currently Assigned	FY11 Extra Days	Days Reduced for New Hires	# Employees
Activity Coordinator	High School	10	7	3	4
Assessment, Compliance and Intervention Coordinator (ACI)	Elementary School	20	14	6	5
Assessment and Compliance Coordinator (ACC)	High School	20	14	6	4
	Middle School	20	14	6	4
Athletic Director	High School	25	17	8	4
Band Director	High School (full time)	10	10	0	4
	Middle School (full time)	5	3	2	5
	Tabb Middle School (part time)	2	0	2	1
Department Head	High School,	7.5	5	2.5	32
Guidance	Counselor, High School (BHS, GHS, THS, YHS)	20	14	6	10
	Counselor, High School (YRA)	5	3	2	1
	Counselor, Middle School	10	7	3	3
	Counselor, Middle School (.5 FTE)	10	7	3	2
International Baccalaureate Programme Coordinator	Coordinator, YHS	10	7	3	1
Library Media Specialist	All Schools	5	3	2	18
SOA	Program Coordinator	10	7	3	1
Student Services	Social Worker*	10	7	3	2
	Psychologist	10	7	3	6
Technology	Educational Technology Facilitator*	25	17	8	12

Using current salaries, a savings of approximately \$114,000 would be realized once the transition to the new contract lengths is complete.

It is estimated that \$15,000 of savings would occur in FY11.

Additional savings would occur in subsequent years as turnover continued.

The new contract length would not apply to current employees in these position whose work location changes without a position change.

For example, the contract length of a guidance counselor who moves from one school to another would not change.

*This would not change the contract length of Educational Technology Facilitators & Social Workers who were hired in FY10 with 21 & 5 extra days, respectively.