

Preliminary Information FY14 Operating Budget

**February 5, 2013
Joint School Board/
Board of Supervisors Work Session**

School Board Budget Timeline

Key Dates

- Release of Superintendent's Proposed Operating Budget: Mid-February
- School Board, Public Hearing, February 25, 7 p.m., York Hall
- Approval of School Board Proposed Budget, March 25

Recap of FY10, 11, 12 and 13 Budgets

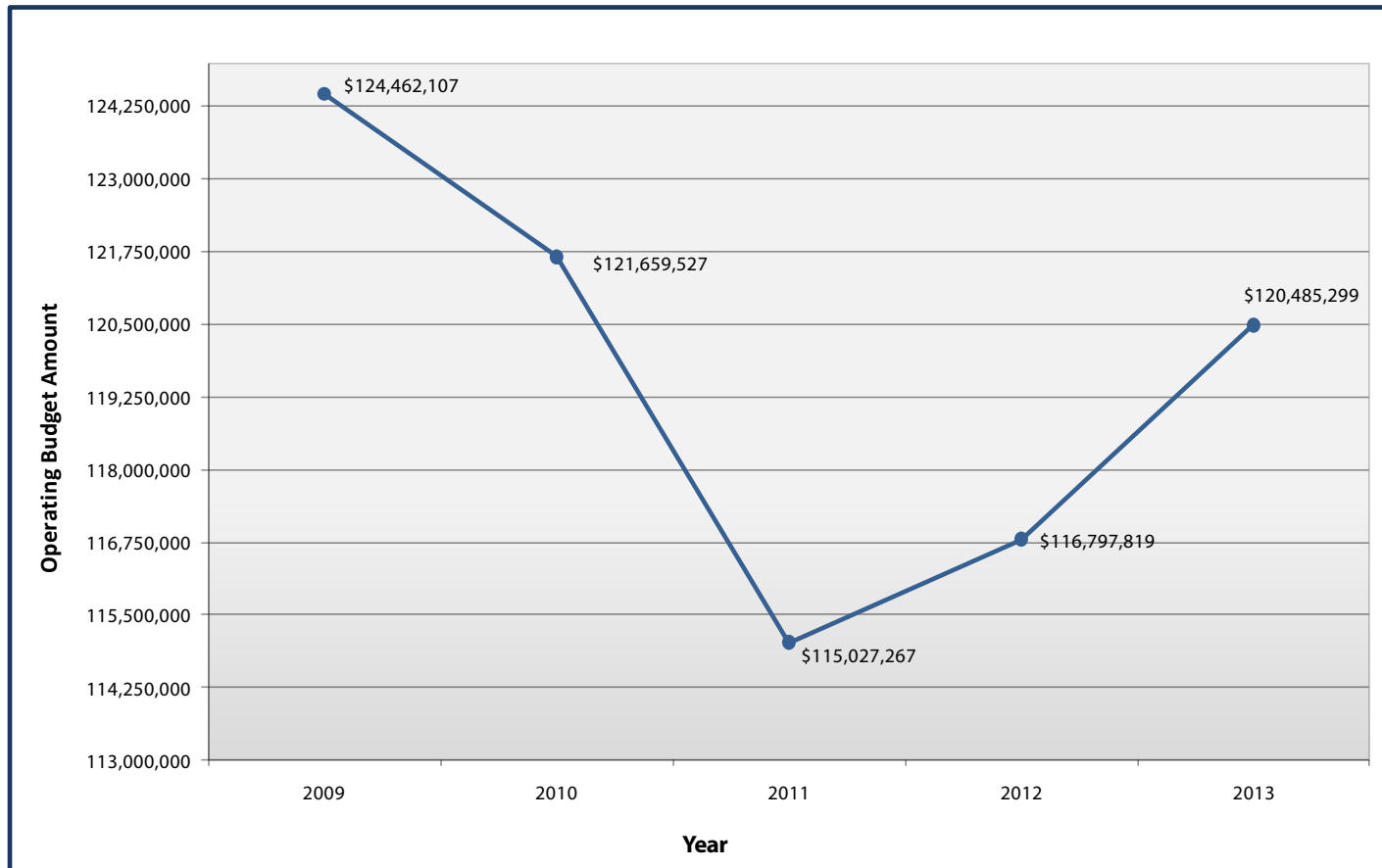
- State revenue down \$9.2m (14%) or \$11.7m (18%) including effect of increased VRS costs
- Total Operating Budget reduced \$4m (3.2%) or \$6.5m(5.2%) including effect of increased VRS costs
- Cut 124 permanent (not temporary) positions
- Instituted new fees i.e. athletics, preschool
- Provided no raises, no step increases and no position re-grades

K-12 Education Declining as State Budget Priority

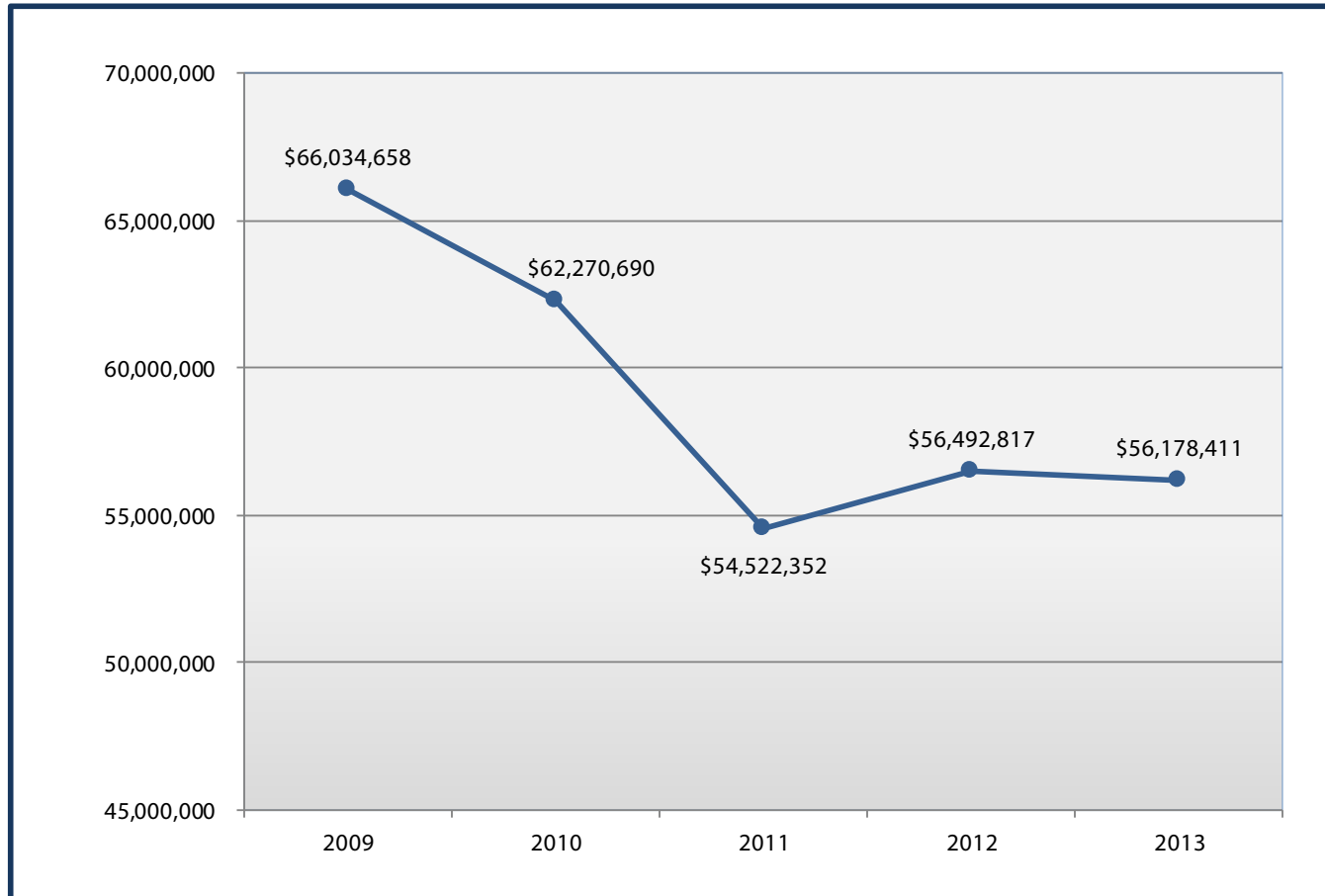
- State budget continues to grow (General Fund grew 1.8% from FY07-FY12; December forecast indicates 3.6% growth in FY13 & 3.8% in FY14)
- State K-12 spending fell 5.8% from FY07-FY12
- K-12 education now constitutes 30%, not 33%, of state General Fund expenditures
- Board of Supervisors Legislative Program calls for maintaining state support & fully funding revised SOQs
- Should K-12 education be a priority in the state budget?

Operating Budget Comparisons

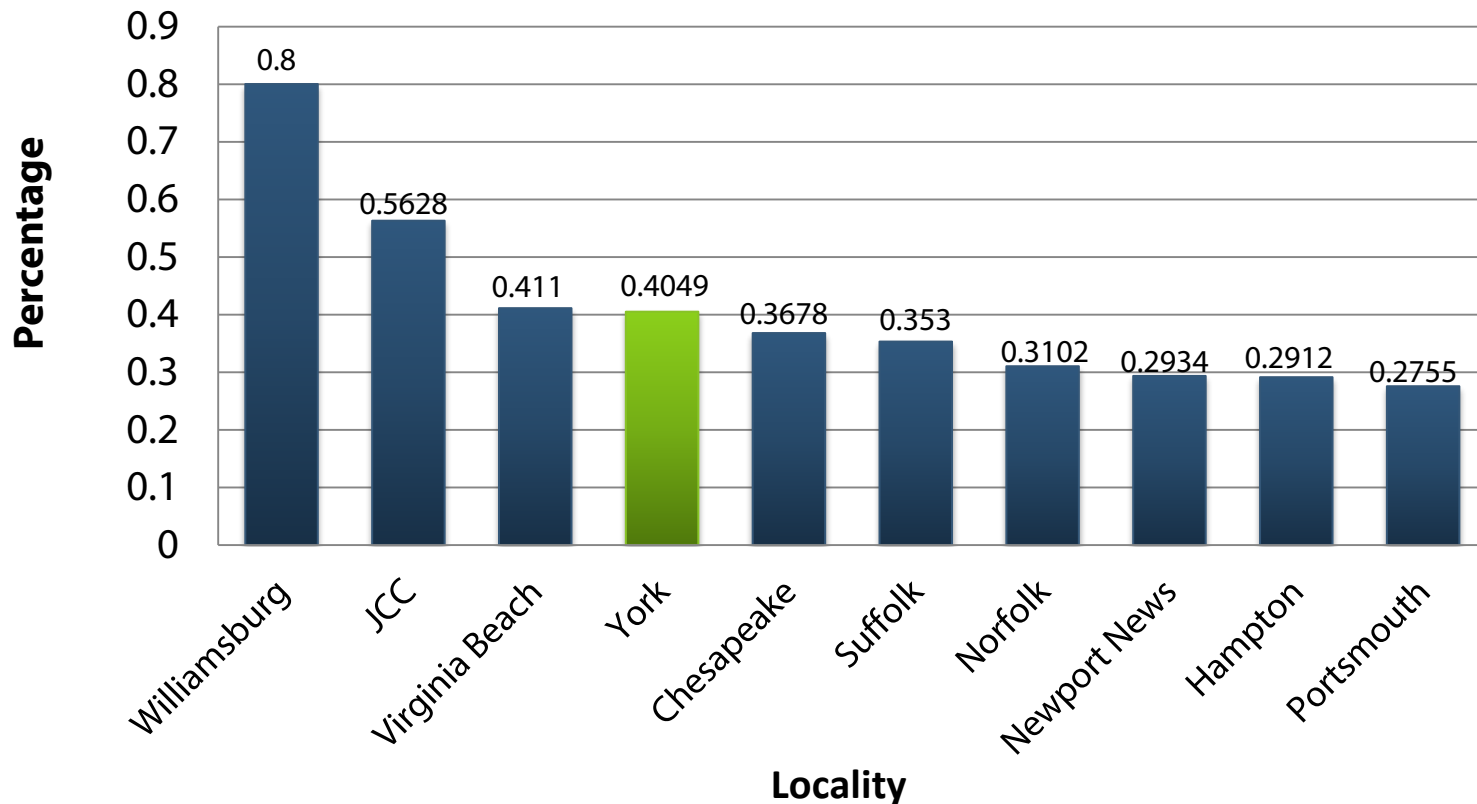
(Does Not Include Federal Stimulus Allocations)



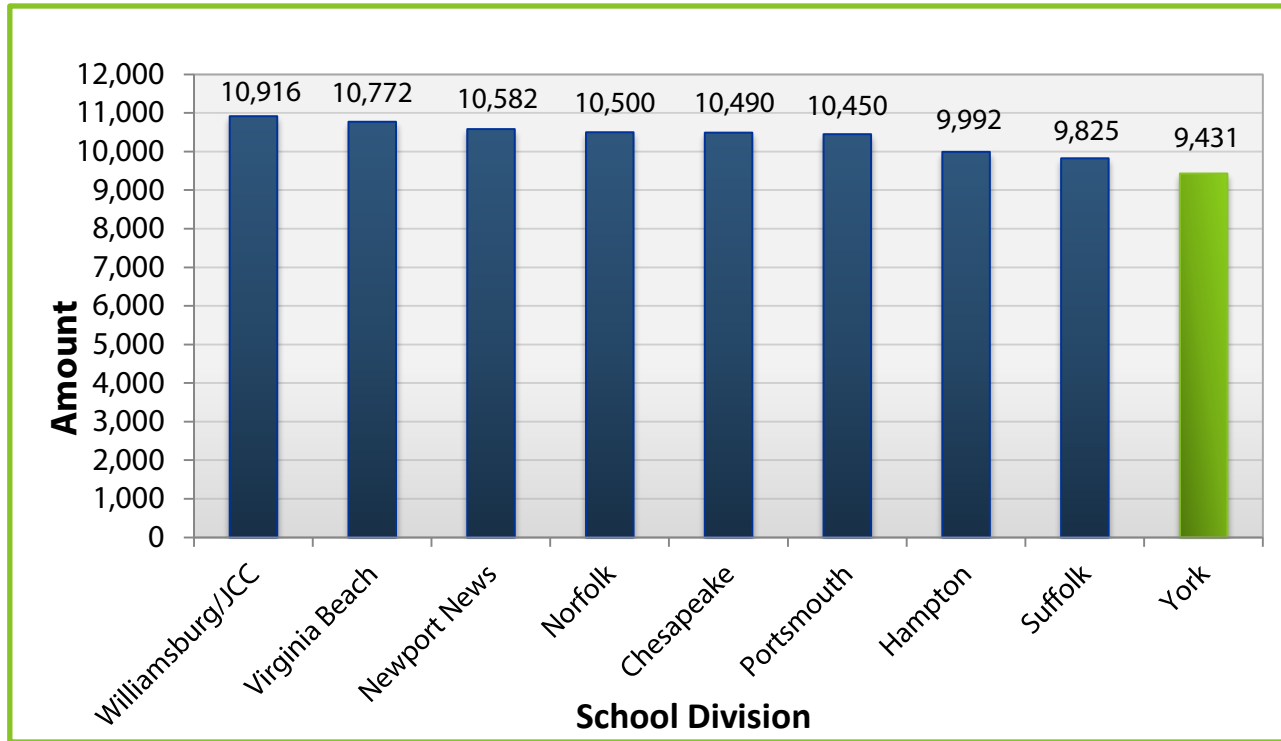
YCSD State Operating Fund Revenue



State's LCI Calculation Shows York County Has Relatively High Ability to Fund Schools



Fiscal Year 2011 Per Pupil Expenditure



These higher rates of per pupil expenditures would yield approximately \$5 million to \$18 million of additional funds in the York County School Division.

**Many people move to York County because
of the schools.**

Strategic Plan Goal 1

York County students will consistently demonstrate
growth and excellence . . .

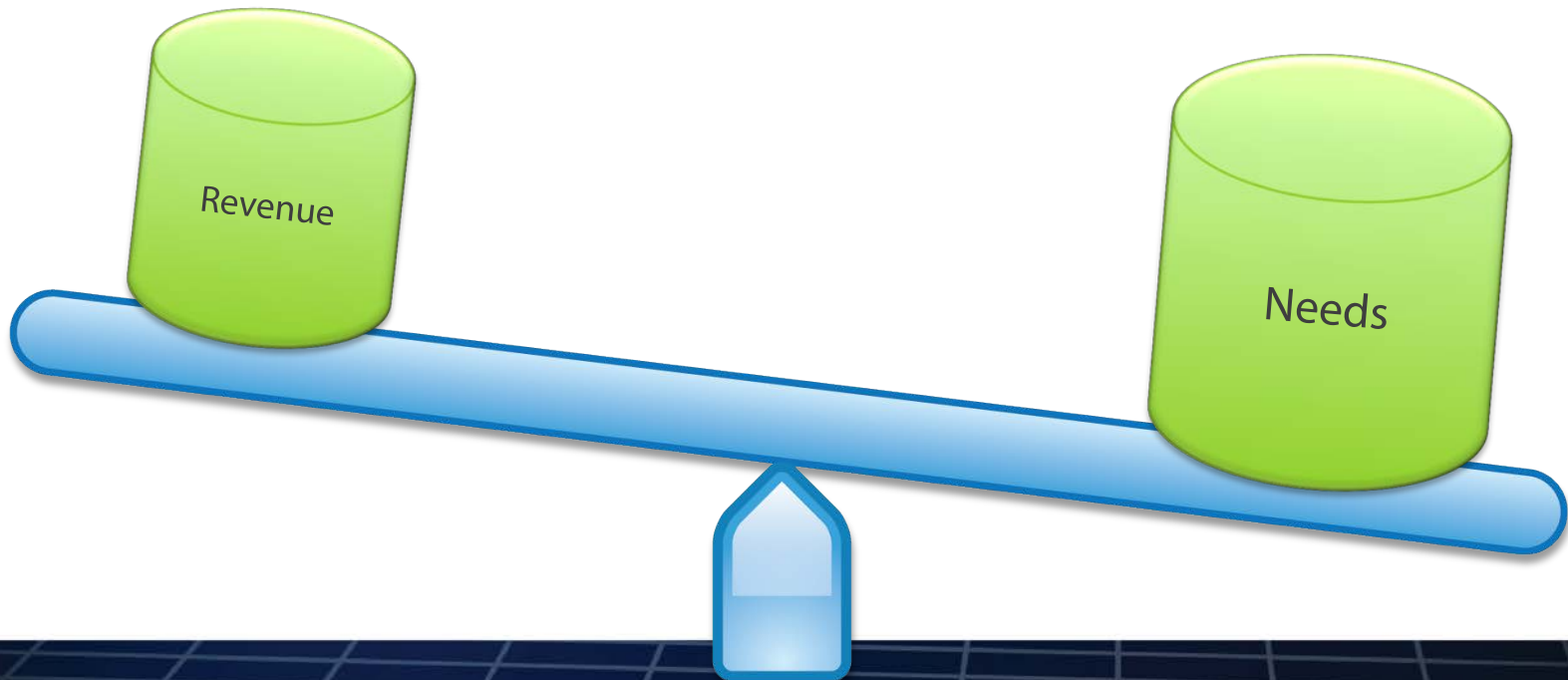
Do we want excellent schools that attract people to
York County?

Unfulfilled Student Achievement Objectives

- Significant decline in passing rate on recently-revised state Mathematics exams
- Declines predicted statewide on revised English and Science exams
- No significant increase in the number of students scoring in the top quartile on the SAT
- No elimination of SAT achievement gaps
- Insufficient progress in On-Time graduation rate of federally-identified subgroups

FY14 Budget Gap

- \$2.9 million gap, even with more cuts of over one half million



FY14 Preliminary Revenue

Revenue	
Governor-Proposed State Aid*	\$217,500
Federal – DoD, Medicaid reimbursement, other	(\$15,500)
County	unknown
Local Miscellaneous (leases, tuition, etc.)	\$45,835
Total Revenue Change	\$247,835

*This includes approximately \$565,000 to support 2% market adjustment. Governor-proposed state aid would be reduced by \$565,000 without this compensation supplement.

Reductions/Savings

Compensation savings due to attrition	(\$1,200,000)
12 positions (5 teachers, 3 custodians, 1 SBO clerical, 1 warehouse position, 2 para-educators)	(\$452,950)
School Board Office/Operations (contractual services, printing, equipment, supplies, Defined Benefit Plan)	(\$92,610)
School-level materials and supplies	(\$15,000)
National Board Certified Teachers (grandfathered savings-no changes to current practice)	(\$9,500)
Total Reductions	\$1,770,060

Examples of New Expenditures

New Health Insurance Costs	\$2,580,000
2 Special Education Positions	\$100,000
NHREC (to be revised)	\$64,453
Janitorial Supplies	\$50,000
Spec Ed Transition Program Transportation	\$17,000

Virginia Retirement System

Shift Another 4% of Retirement Plan Contribution to Employees

Employer Cost	\$600,000
Cost of Adjusting Salaries 4% to Hold Employees Harmless	\$608,000
Total Cost	\$1,208,000

Why implement full VRS requirement now?

- Helps attract high-quality new employees to fill vacancies from normal retirements & transfers
- 78 divisions statewide implemented full 5% in FY13
- Divisions nearby that have implemented more of the VRS requirement include Gloucester (5%), Norfolk (5%), Northhampton (5%), Portsmouth (5%), Chesapeake (3%), and Poquoson (2%).
- Less expensive than increasing 1% annually
- Eliminates internal compensation inequities relating to only some employees contributing 5% to VRS

● Goal 1 **Growth & Excellence**

● Goal 2 **Engagement & Rigor**

● Goal 3 **Staff that meets our highest standards**

● Goal 4 **Partnership & Relationships**

● Goal 5 **Efficiency, Service-Oriented, Safe**

State-supported 2% Market Adjustment

Licensed Staff	\$970,000
Non-licensed Staff	\$550,000
Total Cost	\$1,520,000

- Supported with \$565K compensation supplement from the State
- Must provide at least 2% adjustment to qualify for state \$
- Provides less than \$781 (\$15 a week pre-tax) for a first year teacher
- First increase in five years
- Cost is a placeholder in the budget; could award a step (1.5%) and a one-half percent salary increase

Examples of Other Potential Expenditures Not Included

4 additional High School counselors	\$200,000
Textbooks for new adoptions	\$315,000
4 additional School Resource Officers (middle school)	\$400,000
Step for all staff	\$1,250,000

Questions

- What will the state appropriation to the School Division be?
- Will the School Board identify additional expenditures?
- Will the School Board identify additional cuts?
- What will the School Board request in terms of the county contribution to the school division?

The School Board is scheduled to approve its budget on March 25.

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