



Preliminary Information Superintendent's Proposed FY15 Operating Budget

January 6, 2014

This information does not constitute the Superintendent's Proposed Operating Budget. That document will be issued in February.

Driving Question

Given anticipated resources, what budget should we propose in order to implement our strategic plan for sustaining and building on the excellence of our school division?





Need to Knows

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- Timeline
- Progress towards goals
- Previous revenue loss
- Previous expenditure cuts
- FY15 revenue
- FY15 reductions
- Required expenses
- Needs

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School Board Proposed Budget Timeline

- Work Sessions: February 10, March 3
- Public Forum on FY14 YCSD Operating Budget during School Board meeting, January 27, 7 p.m., York Hall Board Room
- Joint Work Session with Board of Supervisors, February 4, 6 p.m., York Hall East Room
- Release of Superintendent's Proposed Operating Budget: mid-February
- School Board, Public Hearing, February 24, 7 p.m., York Hall
- Approval of School Board Proposed Budget, March 24



General Assembly/Board of Supervisors Timeline

- General Assembly convenes January 8
- Board of Supervisors, Public Forum FY15 Budget, January 21, 7 p.m., York Hall
- General Assembly Money Committees report budgets, February
- General Assembly adjournment scheduled, March 8
- County Administrator's FY15 Budget proposal presentation, March 18, 7 p.m., York Hall
- Board of Supervisors, Public Hearing, FY15 Proposed Budget & Tax Rates, April 24, 7 p.m., York Hall
- Board of Supervisors, Adoption of FY15 Budget & Tax Rates, May 6, 6 p.m., York Hall

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- Goal 1 **Growth & Excellence**
- Goal 2 **Engagement & Rigor**
- Goal 3 **Staff**
- Goal 4 **Partnership & Relationships**
- Goal 5 **Efficiency, Service-Oriented, Safe**

Unfulfilled Student Achievement Objectives

- YCSD did not meet federal objectives relating to graduation rates for economically disadvantaged students and students with disabilities.
- Ten schools did not meet all federal academic objectives.
- Two schools did not meet all state benchmarks and are Accredited with Warning in Mathematics
- 19% of our 3rd grade students did not demonstrate grade level proficiency in reading on the FY13 state exam.
- 45% of our Advanced Studies diploma graduates did not achieve an SAT score high enough to earn the College & Career Ready designation.

Market Results

- YCSD is slightly above market average at minimum, and slightly below market average at midpoint and maximum
- YCSD's ranking among market peers
 - BA pay plan: 4th at minimum, 6th at midpoint, 7th at maximum
 - MA pay plan: 7th at minimum, 4th at midpoint, 4th at maximum
 - MA+30 pay plan: 5th at minimum, 4th at midpoint, and 5th at maximum
- All eight market peers offer a PhD plan; YCSD does not



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Recap of FY10, 11, 12 and 13 Budgets

- State revenue down \$9.2m (14.2%) or \$11.7m (18%) if including effect of VRS increased costs
- Total operating budget reduced \$4m (3.2%) or \$6.5m (5.2%) if including effect of VRS increased costs
- Cut 124 permanent positions (not temporary positions) by attrition and layoffs
- Provided no raises, no step increases and no position re-grades

Recap of FY14 Budget County Contribution to Operating Budget

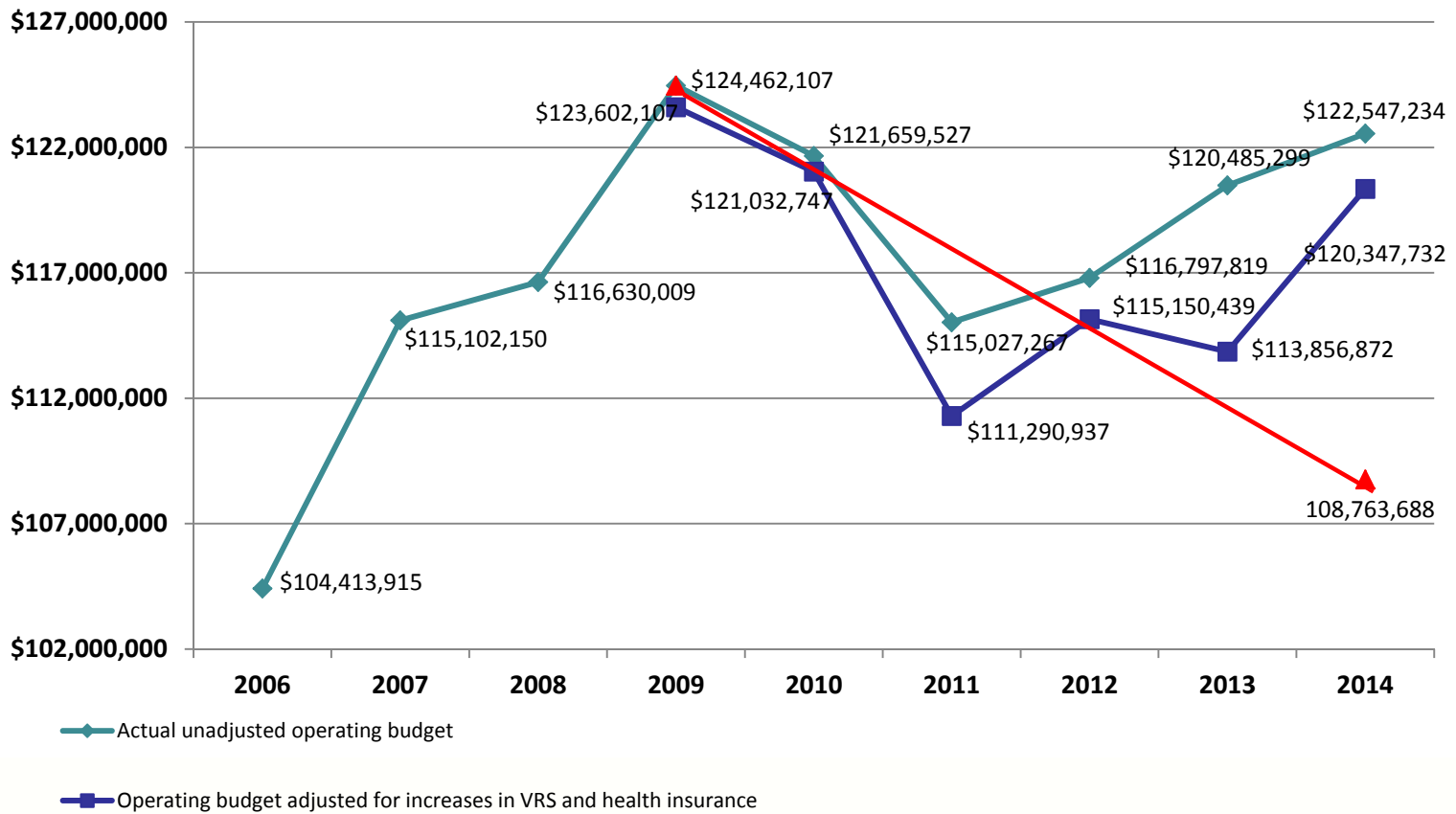
- School Board requested \$2,918,993 (+6%)
- County Administrator recommended \$2,310,993 (+4.7%)
- Board of Supervisors approved \$1,173,493 (+2.4%)
 - \$1,745,500 lower than School Board request
 - \$1,137,500 lower than County Administrator recommendation

Recap of FY14 Budget

- State revenue increased \$0.3m or 0.6%
- Total operating budget increased by \$1.2m or 1%
- Health insurance rates increased 17.2% or \$1.9m
- Provided 2.0% or \$1.9m in raises (4.2% if VRS shift to employees is included) and no step increases
- Cut 19 permanent positions (not temporary positions) by attrition and other reductions, for a total of 143 positions reduced since FY10

Operating Budget Comparisons

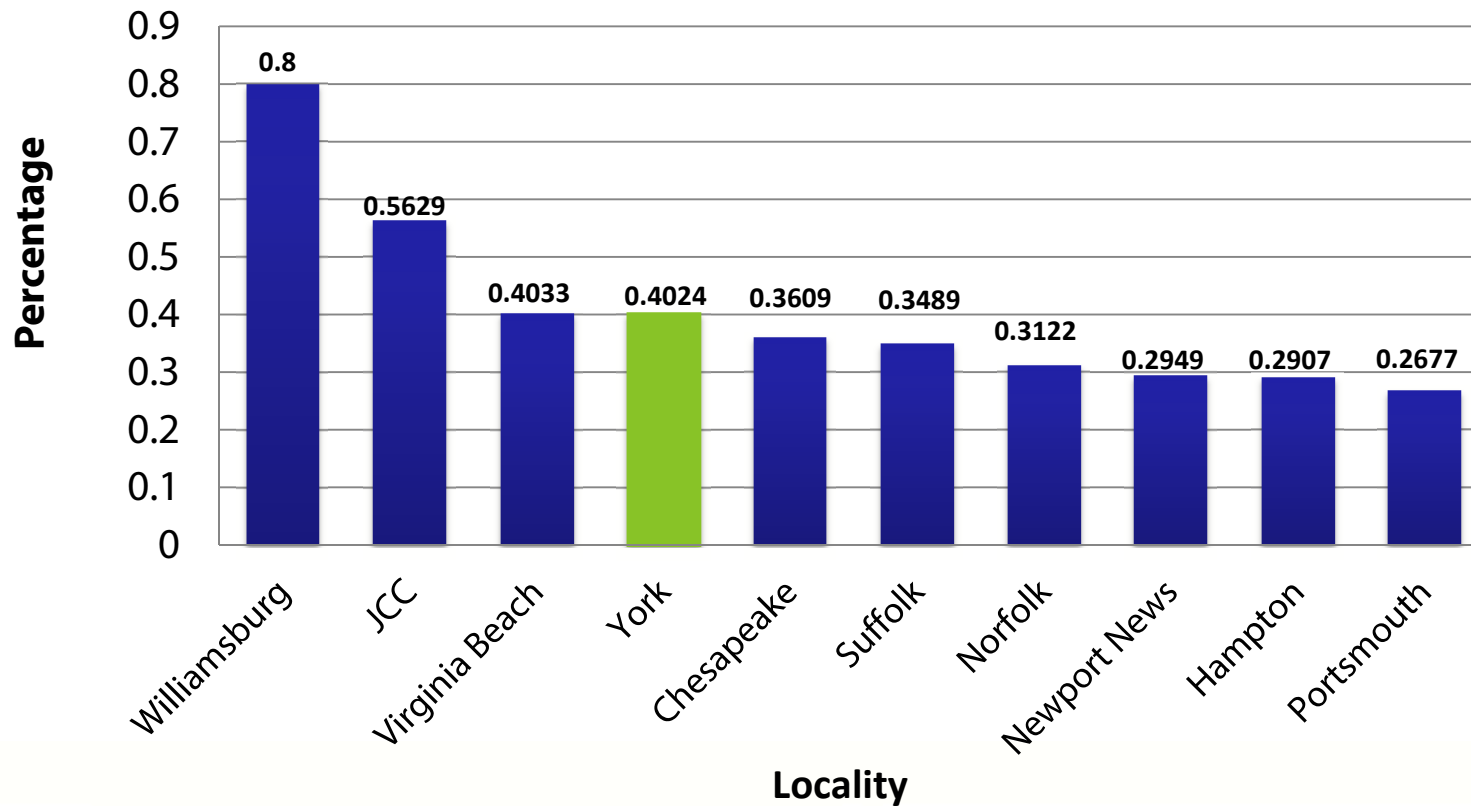
(Does Not Include Federal Stimulus Allocations)



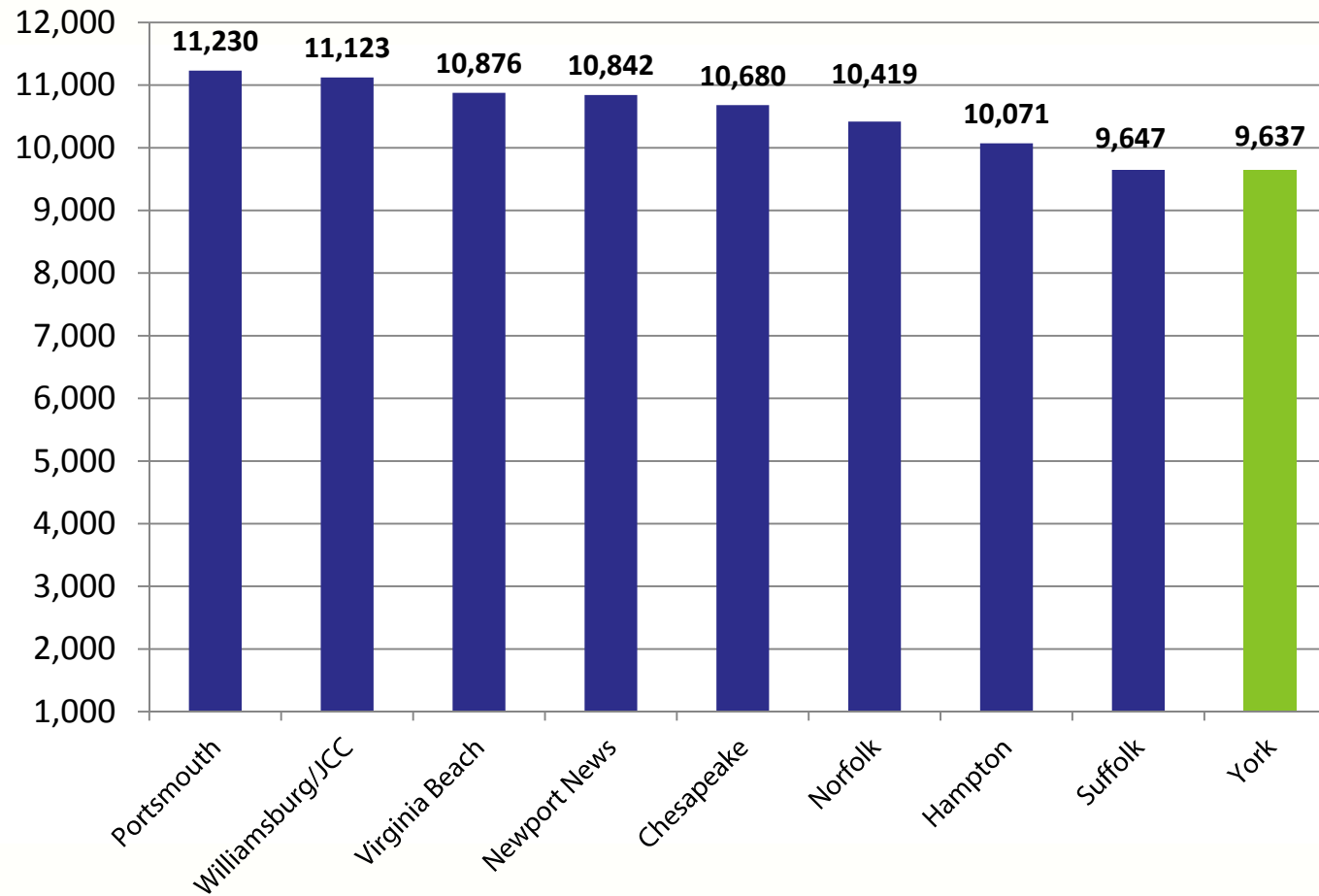
K-12 Education Declining as State Budget Priority

- State budget continues to grow
- State direct aid to public education per pupil declined 8.7% from FY09 to FY14
- Should K-12 education be a priority in the state budget?

State's FY15 LCI Calculation Shows York County Has Relatively High Ability to Fund Schools



Fiscal Year 2012 Per Pupil Expenditure



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FY15 Preliminary Revenue

Governor-Proposed State Aid	\$3,026,243
Federal – Impact Aid, DoD, Medicaid reimbursement	(\$260,900)
County	unknown
Local Miscellaneous (leases, tuition, etc.)	\$36,156
Total Revenue Change	\$2,801,499

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Reductions

Attrition	(\$700,000)	
Electricity	(\$170,000)	
Sub-Total		(\$870,000)
Reduce Employer share* of Health Insurance rates by 3%		(\$318,000)
Zweibrucken Exchange Program		(3,000)
Total Reductions		(\$1,191,000)

- Also reduce employee rates by 3%

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Virginia Retirement System

Mandated Professional group rate increase	\$1,806,000
Non-Professional group rate	Unknown
Mandated employer cost of shifting another 1% to employees	\$150,000
Cover employee payroll cost of shifting 1% (.1% salary adjustment; one-tenth of a percent)	\$76,000
Total VRS Expenditure Increase	\$2,032,000

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Compensation

Revise compensation to make it more competitive	\$3,200,000*
Reclassification of non-licensed staff (based on periodic review)	\$35,000
Total	\$3,235,000

- The \$3,200,000 is an estimated amount for licensed and non-licensed compensation.
- These funds could be allocated to implement or partially implement the pending recommendations from the review of the teacher salary schedule, as well as related expenditures for non-licensed personnel.
- This amount could be significantly changed following review and discussion of the recommendations.
- This is a placeholder only: no recommendation regarding compensation expenditures is being made at this time.

Additional Enrollment (190 Students)

7 Teachers	\$357,000
2 Regular Education Para-Educators	\$34,000
Materials and Supplies (per student allocation)	\$16,000
Total	\$407,000

Other Staffing

1.5 Special Education Teachers		\$76,500
1.5 Special Education Para-Educators		\$25,500
Social Worker	\$53,000 per FTE	\$250,000
School Psychologist Intern	\$25,000 per FTE	
Guidance Counselor	\$51,000 per FTE	
Teacher	\$51,000 per FTE	
Restore Benefits Specialist		
Total Other New Expenditures		\$397,000

Instruction

Possible ESL increase	\$84,920
Interactive Achievement	\$80,000
Textbooks	\$50,000
Possible Virginia Pre-school Initiative increase	\$30,000
Professional Development re: autism (Para-Educators) & K-5 literacy model	\$20,850
Virtual High School	\$7,500
Total Other New Expenditures	\$273,270

Technology

Start replacement of storage networks	\$150,000
Start replacement of servers	\$100,000
E-backpack initiative (state funds) (under consideration)	\$72,000
E-backpack initiative (local funds) (under consideration)	\$59,000
Total	\$381,000

Operations

Replacement Bus	\$90,000
Increase Liability Insurance Coverage	\$27,700
Pest Control Contractual Services	\$23,000
County shared services-grounds maintenance	\$13,285
Human Resources subscription fees for secretarial testing & Affordable Care Act reporting	\$7,260
NHREC (pending revision)	\$78,834
Other shared services	TBS
Total	\$240,079



Funds Available (increased revenue & reductions) \$3,992,499

New Expenditures

Virginia Retirement System \$2,032,000

Compensation (a placeholder amount, not a recommendation) \$3,235,000

Staffing & Materials relating to Additional Enrollment \$407,000

Other Staffing \$397,000

Instruction \$273,270

Technology \$381,000

Operations \$240,079

Total New Expenditures \$6,965,349

Budget Gap \$2,972,900

Examples of Other Potential Expenditures

Technology (storage networks & servers)	\$1,400,000
Textbooks	\$250,000
3 Replacement Buses	\$270,000



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