

Education - Departmental Performance Report

Education						
The mission of the Virginia Beach City Public Schools, in partnership with the entire community, will empower every student to become a life-long learner who is a responsible, productive and engaged citizen within the global community.						
Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Customer						
Create Opportunities for Involvement by the Community						
State Composite Index (Local Ability to Pay)	#	40.6	37.0	37.0	37.0	40.6
Student Enrollment	#	67,858.0	70,682.0	69,688.0	68,807.0	67,858.0
Engage Students Using Innovative Practices and Technology						
Students in Gifted Programs	%	12.0	12.1	12.3	12.0	12.0
Students in Special Education Programs	%	14.0	11.7	11.5	14.0	14.0
Total Per-Pupil Expenditure	\$	11,789	10,796	11,071	12,116	11,789
Implement a Balanced Assessment System						
Average Math SAT Scores	#	512.0	510.0	511.0	511.0	511.0
Average Verbal SAT Scores	#	511.0	500.0	503.0	506.0	506.0
Average Writing SAT Scores	#	498.0	484.0	486.0	488.0	488.0
Learning & Growth						
Developing Teacher and Staff Competencies						
Average Salary of Virginia Beach Teachers	\$	51,671	50,567	51,671	51,671	51,671

Major Changes

The Virginia Beach City Public Schools (VBCPS) budget for FY 2010-11 totals \$769.2 million, a decrease of \$64.4 million or 7.7%. Due to the delay in the adoption of the State budget, the Schools were required to adopt their budget without the knowledge of the final outcome of the State budget. The Schools decided to take the worst case scenario and adopt their budget based on the version of the State budget in the Virginia House of Delegates. The House’s proposed budget will decrease revenue to the Schools by approximately \$35.8 million from the Superintendent’s Estimate of Needs. In order to compensate for this reduction in revenues, a “State Adjustment” in this amount is included in the School’s operating budget. This adjustment reduces revenues and expenditures by \$35.8 million and will allow time for the impacts of the State budget to be analyzed so that a complete picture of School revenues will be known and final adjustments can be made during May.

The budget for the Schools was prepared based on the latest information available at the time regarding the State budget. It will be adjusted once the State budget is finalized, with the adjustments discussed with City Council during the budget workshop scheduled for April 27th. Due to the impacts of the anticipated reduction in funding from the State, the two major changes that will directly impact students are listed below:

Change	Impact
<p>Enforce the High School Class Size Floor</p> <ul style="list-style-type: none"> This will increase the minimum number of students that must register for a class to 16 before the class is approved Reduction of \$2.85 million 	<ul style="list-style-type: none"> Could reduce the number of high school teachers Will reduce the number and variety of classes available to high school students This will be limited to elective courses and not core courses that students must have to graduate Distance learning and the sharing of teachers between Schools are being explored as alternatives
<p>Class Size Adjustment – Grades Four and Five</p> <ul style="list-style-type: none"> This will increase the student to teacher ratio in 4th and 5th grade classrooms from 25 to 26 students Reduction of \$2.0 million 	<ul style="list-style-type: none"> Reduce 30 positions – plan to accomplish through attrition or retirements if possible No impact on instructional quality is anticipated

There is a net increase of 19.9 School positions as 79.5 FTE’s were added in the School Grants Fund. All of these positions are directly related to Federal ARRA funding for Title I programs and Title VI-B programs that were granted to the School system last year and these funds will be used to place teaching aides and assistants in the classroom for one year. Although, there is a net increase in positions, the School system is reducing 56.6 FTE’s in their operating budget and an additional 3.0 FTE’s in the other School funds due to continued declines in enrollment and the class size adjustment for 4th and 5th grades.

Departmental Overview

The VBCPS has an elected eleven member board that has the overall responsibility to ensure that the activities of the 81 public schools (56 elementary, 14 middle, and 11 high schools) are conducted according to law and with the upmost efficiency. The Superintendent, appointed by the School Board, oversees the programming and operations of the School system.

The VBCPS receives funding from the City, the State, and the Federal government. The City and Schools have a revenue sharing policy that allocates seven major revenues between the City and the Schools. This policy is agreed to by the City Council and School Board and accounts for 47.4% of the total School operating budget for FY 2010-11. A brief history of the revenue allocated to the School system through the revenue sharing formula and required usage is shown below:

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Revenue Sharing Formula Total	\$ 390,381,435	\$ 394,330,115	\$ 379,391,780	\$ 365,762,238
CIP Pay-As-You-Go	12,108,658	13,936,308	-	-
Debt Service	41,402,094	41,154,429	44,183,674	43,859,978
School Budget	\$ 336,870,683	\$ 339,239,378	\$ 335,208,106	\$ 321,902,260

As you can see from the table, the revenue available to the Schools through the revenue sharing formula fell \$13.3 million or 4.0% from FY 2009-10 to FY 2010-11. Debt service and any funds that the School chooses to allocate to their Capital Improvement Program (CIP) are deducted and the remaining balance is transferred to the Schools for operating expenditures. The funding formula policy requires that at least \$1.0 million be allocated for pay-as-you-go funding for the Schools CIP; however, due to the current state of the economy, the Schools have decided to utilize all of the funding that is available for the operating budget.

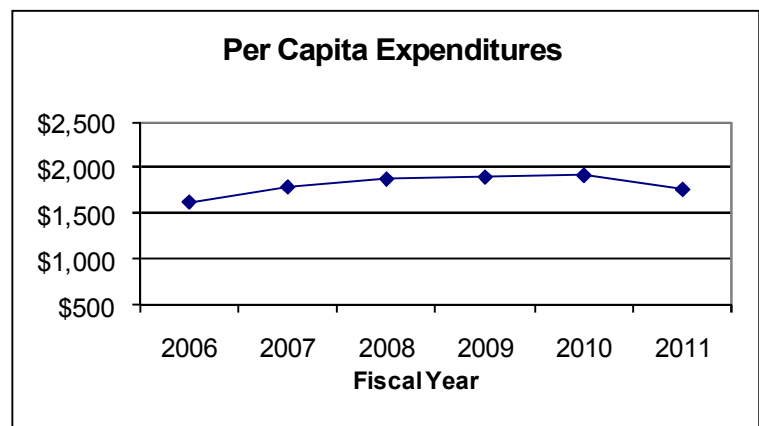
State funding for the School operating budget is divided between Basic Aid and State Share Sales Tax. These funds are distributed to School systems throughout the Commonwealth based on the composite index. This index is designed by the State to measure a locality’s ability to support education services. An increase in the composite index indicates an increased ability to pay for educational programs and therefore a reduction in State support. The composite index for Virginia Beach rose from 37.04 to 40.60. However, the General Assembly, in its adopted budget, included a provision that holds harmless communities in FY 2011, but only provides 50% of these hold harmless funds in FY 2012. Due to this reliance on the State for funding, the State budget becomes a critical piece in determining the delivery of educational programs and services.

The School system’s operating budget is divided into the following divisions:

- **Instruction** - Operates the City’s elementary, middle, and secondary schools as well as special programs such as vocational education; gifted and talented programs; special education; summer school; technology; media services; and adult education.
- **Administration, Attendance, and Health** - Includes the support to the School Board; financial operations; the School’s Internal Auditor; human resources; School nurses, and the City/School Consolidated Benefits Office.
- **Pupil Transportation** - Provides funding for the maintenance and operation of the School bus fleet.
- **Operations and Maintenance** - Covers the custodial services; telecommunications; technology maintenance; utility and maintenance costs for the School buildings; and the construction management for School modernization and replacement projects.
- In addition to the Schools operating fund, the other major fund for School activities is the Grants Fund which includes all State and Federal grants awarded to the Schools. It also includes all Federal and State stimulus funds that are awarded to VBCPS.
- All other funds represent different activities where the Schools collect revenue to balance against expenses such as the Cafeteria Fund, Textbook Fund (also receives State funding), Athletic Fund, School Vending Machines, etc.

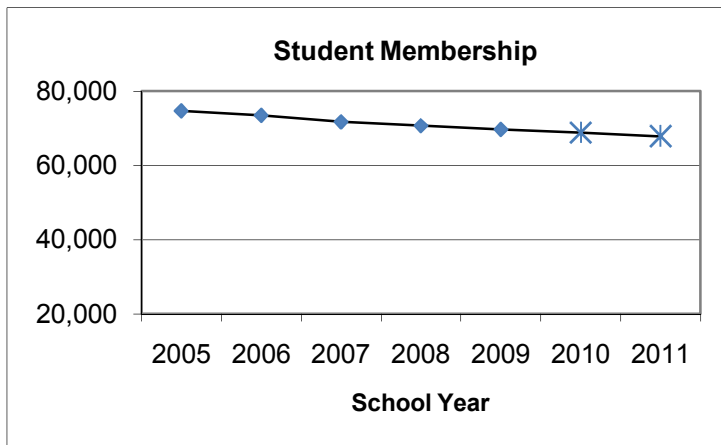
Trends and Issues

- In addition to the enforcement of the High School class floor size and the class size adjustment for 4th and 5th graders, the Schools used a mix of cost cutting measures and revenue strategies to balance their FY 2010-11 budget. The Superintendent’s Estimate of Needs included approximately \$8.2 million dollars in savings through budgeting for attrition and reduction of staff overtime. An additional \$3.0 million in savings will be realized by reducing all non-personnel accounts by 3% and \$2.4 in energy and administrative efficiencies. In addition to reductions in spending, the Schools will be using \$13.0 million of the \$20.3 million balance in the School reserve fund and approximately \$2.0 million in remaining Federal stimulus funds. This will exhaust the Federal stimulus money,



which will eliminate this as a possible funding source for the operating budget in future years. These strategies were employed to create little or no impact on students.

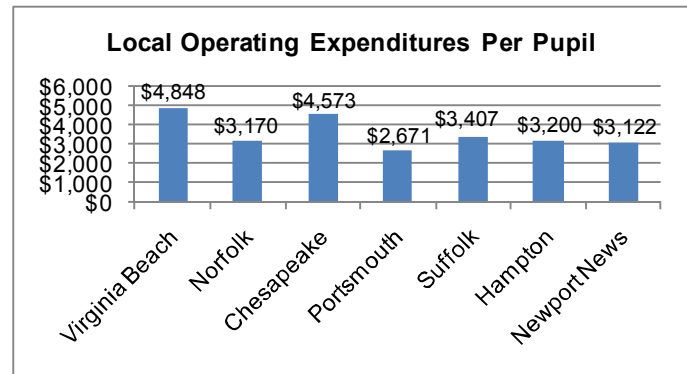
- As the graph on the previous page shows, growth in budgeted expenditures per capita slowed from FY 2005-06 to FY 2008-09 and will decrease in FY 2010-11.



- Student enrollment fell for the 11th year in a row. As the graph on the left shows, enrollment is expected to decline again next school year and this trend is projected to continue through 2018. Though total enrollment is expected to decline until the 2017-18 school year, elementary school enrollment is expected to begin increasing in 2013-14.

*Figures for 2010 and 2011 are Projections

- As the graph on the right shows, the City of Virginia Beach had the highest local operating expenditures per pupil in 2008 (the most recent year for which data is available). Virginia Beach also had the highest local contribution as a percentage of total operating expenditures at 44.9%.



Source: Virginia Department of Education

Council Amendment

On May 11, 2010, City Council amended the FY 2010-11 School budget, increasing the total budget to \$825,197,288 (with School-related debt included). At the time the City Manager’s recommended budget was presented, the State budget had not yet been adopted; therefore, the Schools did not have complete knowledge of the State revenues that would be allocated to the School System. The adopted State budget included the hold harmless provision for the composite index in FY 2010-11. This helped to increase budgeted revenues in the School’s operating budget by \$12.1 million and avoid the proposed increase in class size for fourth and fifth grades as well as the adjustment in the floor size for high school classes.

The City Council also redirected \$8.8 million in School Reversion funds (held in the City’s General Fund Balance) to the City’s Capital Improvement Program and increased the transfer from the School Reserve Fund to the School Operating Budget by \$8.8 million. The two combined actions kept the School operating budget at the School Board’s requested level.

The City Council also changed the School Operating Budget from “lump sum” appropriation to the State authorized categories of Instruction; Administration; Attendance and Health; Pupil Transportation; and, Operations and Maintenance.

Education - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<u>Program Summary</u>				
<u>106 School Technology Category Special Revenue Fund</u>				
<u>Expenditures</u>				
Technology	0	23,747,407	23,346,140	(401,267)
Total Expenditures	0	23,747,407	23,346,140	(401,267)
<u>Revenues</u>				
Technology	0	23,747,407	23,346,140	(401,267)
Total Revenues	0	23,747,407	23,346,140	(401,267)
General City Support	0	0	0	0
<u>107 School Equipment Replacement Special Revenue Fund</u>				
<u>Expenditures</u>				
Reserve for Contingencies	0	653,292	1,784,597	1,131,305
Total Expenditures	0	653,292	1,784,597	1,131,305
<u>Revenues</u>				
Reserve for Contingencies	1,933,960	653,292	1,784,597	1,131,305
Total Revenues	1,933,960	653,292	1,784,597	1,131,305
General City Support	(1,933,960)	0	0	0
<u>108 School Instructional Technology Fund</u>				
<u>Expenditures</u>				
Instructional Technology	7,158,146	2,915,947	2,915,947	0
Total Expenditures	7,158,146	2,915,947	2,915,947	0
<u>Revenues</u>				
Instructional Technology	7,158,146	2,915,947	2,915,947	0
Total Revenues	7,158,146	2,915,947	2,915,947	0
General City Support	0	0	0	0
<u>109 School Vending Operations Fund</u>				
<u>Expenditures</u>				
School Vending Operations	472,376	584,799	570,539	(14,260)
Total Expenditures	472,376	584,799	570,539	(14,260)
<u>Revenues</u>				
School Vending Operations	472,376	584,799	570,539	(14,260)
Total Revenues	472,376	584,799	570,539	(14,260)
General City Support	0	0	0	0
<u>112 School Communication Tower Technology Fund</u>				
<u>Expenditures</u>				
Communication Tower Technology	404,792	560,000	560,000	0
Total Expenditures	404,792	560,000	560,000	0
<u>Revenues</u>				
Communication Tower Technology	404,792	560,000	560,000	0
Total Revenues	404,792	560,000	560,000	0
General City Support	0	0	0	0

Education - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<u>114 School Cafeteria Fund</u>				
<u>Expenditures</u>				
Food Services	26,084,462	27,479,469	27,240,915	(238,554)
Total Expenditures	<u>26,084,462</u>	<u>27,479,469</u>	<u>27,240,915</u>	<u>(238,554)</u>
<u>Revenues</u>				
Food Services	26,084,462	27,479,469	27,240,915	(238,554)
Total Revenues	<u>26,084,462</u>	<u>27,479,469</u>	<u>27,240,915</u>	<u>(238,554)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

<u>115 School Operating Fund</u>				
<u>Expenditures</u>				
Instruction	524,582,683	526,877,728	499,178,942	(27,698,786)
Administration, Attendance, and Health	19,160,164	22,389,102	21,459,974	(929,128)
Pupil Transportation	33,326,146	30,327,210	29,545,861	(781,349)
Operations and Maintenance	90,159,214	91,770,818	88,975,773	(2,795,045)
Total Expenditures	<u>667,228,207</u>	<u>671,364,858</u>	<u>639,160,550</u>	<u>(32,204,308)</u>
<u>Revenues</u>				
Instruction	710,747,968	697,588,632	639,160,550	(58,428,082)
Technology Adjustment	0	(23,747,407)	0	23,747,407
City Manager Adjustment	0	(2,476,367)	0	2,476,367
Total Revenues	<u>710,747,968</u>	<u>671,364,858</u>	<u>639,160,550</u>	<u>(32,204,308)</u>
General City Support	<u>(43,519,761)</u>	<u>0</u>	<u>0</u>	<u>0</u>

<u>116 School Grants Fund</u>				
<u>Expenditures</u>				
School Grants	33,861,104	92,970,157	74,483,318	(18,486,839)
Total Expenditures	<u>33,861,104</u>	<u>92,970,157</u>	<u>74,483,318</u>	<u>(18,486,839)</u>
<u>Revenues</u>				
School Grants	33,861,104	92,970,157	74,483,318	(18,486,839)
Total Revenues	<u>33,861,104</u>	<u>92,970,157</u>	<u>74,483,318</u>	<u>(18,486,839)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

<u>117 School Textbook Fund</u>				
<u>Expenditures</u>				
Textbook	2,942,922	8,648,337	6,522,370	(2,125,967)
Total Expenditures	<u>2,942,922</u>	<u>8,648,337</u>	<u>6,522,370</u>	<u>(2,125,967)</u>
<u>Revenues</u>				
Textbook	5,650,403	8,648,337	6,522,370	(2,125,967)
Total Revenues	<u>5,650,403</u>	<u>8,648,337</u>	<u>6,522,370</u>	<u>(2,125,967)</u>
General City Support	<u>(2,707,481)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Education - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<u>119 School Athletic Special Revenue Fund</u>				
<u>Expenditures</u>				
Athletics	4,570,363	4,752,933	4,752,933	0
Total Expenditures	4,570,363	4,752,933	4,752,933	0
<u>Revenues</u>				
Athletics	4,781,862	4,752,933	4,752,933	0
Total Revenues	4,781,862	4,752,933	4,752,933	0
General City Support	(211,499)	0	0	0
Total Department Expenditure	742,722,372	833,677,199	781,337,309	(52,339,890)
Total Department Revenue	791,095,073	833,677,199	781,337,309	(52,339,890)
Total General City Support	(48,372,701)	0	0	0

Position Summary by Program

106 School Technology Category Special Revenue Fund

Technology	0.00	188.00	186.00	-2.00
Total	0.00	188.00	186.00	-2.00

114 School Cafeteria Fund

Food Services	0.00	492.89	492.89	0.00
Total	0.00	492.89	492.89	0.00

115 School Operating Fund

Instruction	10,519.47	7,082.55	7,034.95	-47.60
Administration, Attendance, and Health	0.00	288.30	286.30	-2.00
Pupil Transportation	0.00	667.13	667.13	0.00
Operations and Maintenance	0.00	1,163.50	1,156.50	-7.00
Total	10,519.47	9,201.48	9,144.88	-56.60

116 School Grants Fund

School Grants	0.00	572.50	651.00	78.50
Total	0.00	572.50	651.00	78.50

117 School Textbook Fund

Textbook	0.00	1.50	1.50	0.00
Total	0.00	1.50	1.50	0.00

Total Position Summary	10,519.47	10,456.37	10,476.27	19.90
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