

Falls Church City Public Schools

**SUMMARY OF THE SUPERINTENDENT'S
PROPOSED BUDGET FOR 2011-12**

**Presentation to
The Falls Church City Public School Board
January 11, 2011**

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12

Operating Budget

The Operating Budget funds the day-to-day costs of providing our K-12 educational program. The proposed FY12 Operating Budget totals \$35,091,800, representing an increase of \$464,610 (+1.3%) from the FY11 budget.

This budget continues to reflect an environment of declining revenues and increasing costs, but nevertheless must address the areas of student enrollments, salaries & benefits, fixed costs, and support of the School Board's Work Plan. The total budget includes reductions, savings, and reprogramming of existing funds in order to address these goals.

	<u>2010-11 Approved</u>	<u>2011-12 Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
TOTAL OPERATING BUDGET:	\$34,627,190	\$35,091,800	+\$464,610	+1.3%

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12

Goals & Objectives

The Superintendent's Proposed Budget for the 2011-12 school year strives to address the School Board's Work Plan goal of developing a responsible budget to ensure the independence and ongoing excellence of our schools. This budget includes the financial resources necessary to support academic programs and promote student achievement by addressing key priorities identified in the Board's current Work Plan goal of providing every student with a world-class education.

Providing a world-class education means:

- All students realize a year or more growth each academic year;
- Tracking student growth through a data system;
- Using student data to address areas of need;
- Implementing & monitoring the Primary and Middle Years Programmes;
- Developing & promoting e-learning and dual enrollment opportunities for all high school students; and,
- Continuing to research & evaluate use of instructional time.

SUPERINTENDENT’S PROPOSED BUDGET FOR FY12
Operating Budget – Growth in Student Enrollment

■ **GROWTH IN STUDENT ENROLLMENT**

A total enrollment of 2,133 students is projected for FY12, and represents an increase of 79 students (+3.8%) over the actual student membership for the current school year.

	<u>FY11 Current Students</u>	<u>FY12 Projected Students</u>	<u>Change From Current</u>
Mt. Daniel Elementary (K-1):	295	292	-3
Thomas Jefferson Elementary (2-4):	439	462	+23
M. E. Henderson Middle School (5-7):	472	491	+19
George Mason High School (8-12):	<u>848</u>	<u>888</u>	<u>+40</u>
TOTAL STUDENT ENROLLMENT:	2,054	2,133	+79

Total New Funding Related to Enrollment Growth:

\$ - 0 -

Because the staffing levels in this proposed budget essentially remain unchanged, it is important to note that these increasing student numbers also mean larger class sizes at most grade levels.

SUPERINTENDENT’S PROPOSED BUDGET FOR FY12
Operating Budget – Student Achievement

■ **STUDENT ACHIEVEMENT**

It is vitally important that our school system achieves Adequate Yearly Progress (AYP) within the context of providing a world-class education. New or reprogrammed resources have been included in this proposed budget to address the challenges of effectively educating ALL students:

◆ Current resources reprogrammed to off-set the cost of these positions:	(\$113,000)
• Additional GM Reading Teacher time (0.6 FTE):	45,000
• Autism Specialist services:	25,000
• Additional GM Transition Teacher time (0.2 FTE):	15,000
• Additional GM English Teacher time (0.2 FTE):	15,000
• Additional TJ Spanish Teacher time (0.125 FTE):	9,400
• Additional Summer School Teacher time:	<u>3,600</u>

Total Change in Funding Related to Student Achievement: **\$ -0-**

NOTE: The tight parameters of this budget do not include increased services for our ESOL students, although this is an area of ongoing concern. Staff continues to analyze data and a request for additional ESOL staffing may need to be made.

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12

Operating Budget – Secure Environment

■ SECURE ENVIRONMENT

Although this proposed budget includes no new funding for security, secure environments at all of our facilities have been and will continue to be a major priority.

Many security-related items have been implemented in the current school year (FY11), including:

- ◆ Adding/replacing security cameras;
- ◆ Replacing doors & upgrading security systems at MD and GMHS;
- ◆ Improving outdoor lighting; and,
- ◆ Routine maintenance with an eye to security.

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12

Operating Budget – Fixed Costs & Inflation

■ **FIXED COSTS & INCREASES RELATED TO INFLATION**

Fixed costs are non-discretionary items that must be funded in order to operate the system's schools and programs. Other items, such as health insurance, are subject to annual inflationary increases.

♦ Increase in VRS retirement rate (+34%):	\$386,400
♦ Increased cost of providing health insurance benefits (+10%):	237,300
♦ Increase in City Retirement Plan rate (+49%):	129,400
♦ Increased cost of professional services:	44,000
♦ Increased cost of vehicle maintenance:	26,500
♦ Increase in office rent:	14,000
♦ Increased cost of contract with Fairfax Department of Health:	<u>2,500</u>

Total New Funding Related to Fixed Costs & Inflation: \$840,100

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12

Operating Budget – Staff Objectives

■ STAFF SALARIES & BENEFITS

The key to providing a world-class education is having qualified teachers, administrators, and other staff members in our schools.

Although the Consumer Price Index (CPI) has increased by 2% in our region over the past year, continued revenue constraints coupled with significant increases benefit expenses (primarily retirement and health insurance) mean that no new funding is available to provide staff with a salary improvement – neither a step increase nor any adjustment to current salary scales.

No changes are currently proposed in the level of benefits provided to our staff; however, the expense of maintaining these benefits carries a cost of over \$750,000 (recorded under the category Fixed Costs & Inflation).

Total New Funding Related to Staff Compensation:

\$ - 0 -

SUPERINTENDENT’S PROPOSED BUDGET FOR FY12
Operating Budget – Reductions, Savings & Other Adjustments

■ **REDUCTIONS, SAVINGS & OTHER ADJUSTMENTS**

Some FY11 items: 1) have been reprogrammed to address FY12 program needs; 2) represent one-time budget adjustments; or, 3) are expected to decrease between FY11 and FY12:

♦ Salary/benefit savings from new hires, turnover, & retirees:	-\$192,700	
♦ Elimination of federal ARRA IDEA support for one-time items:	-100,000	
♦ Reduced telecommunications & utility expenses:	-60,800	
♦ Reduction in leases, audit expense, advertising, travel, & postage:	-37,600	
♦ Reduction in funding needed for Insurances: (General Liability; automobile; unemployment; workers' compensation)	-35,800	
♦ Reduction in tuition payments to other divisions:	-30,600	
♦ Adjustment to restore Reserve for Gifts & Grants (revenue-neutral):	40,000	
♦ Adjustment to receive & disburse state funds for National Board completers:	<u>42,000</u>	
Total Reductions, Savings & Adjustments:		-\$375,500

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12
Operating Budget – Summary of Changes

SUMMARY OF CHANGES IN THE OPERATING BUDGET

♦ Fixed Costs & Inflation:	\$840,100
♦ Student Achievement:	-0-
♦ Student Enrollment Growth:	-0-
♦ Secure Environment:	-0-
♦ Staff Salaries & Benefits:	-0-
♦ Reductions, Savings, & Other Adjustments:	<u>(375,500)</u>

NET CHANGE IN THE OPERATING BUDGET: **\$464,600**

SUPERINTENDENT’S PROPOSED BUDGET FOR FY12
Operating Budget – Revenue

CHANGES IN OPERATING BUDGET REVENUE

The Governor’s proposed FY12 state budget would provide a 7.7% increase in state funds next year (+\$207,600), while federal revenue is anticipated to decrease slightly (-\$15,900 or -2.1%) . Sales tax revenue is anticipated to increase by a total of \$198,900 (+10.3%). The proposed transfer from the City General Fund to the School Operating Budget will decrease slightly in both the Operating and Community Services funds in FY12 (-\$3,600 total). The following represent significant changes in Operating Budget revenue items other than City Appropriation:

- ♦ Increased state funding: +\$207,600
- ♦ Increased sales tax revenue: +198,900
- ♦ Revenue from new IB/AP testing fees: +46,000
- ♦ Revenue from electricity usage agreement: +30,000

	<u>2010-11 Approved</u>	<u>2011-12 Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
City Appropriation:	\$27,435,800	\$27,435,300	-\$500	-0.0%
State Funds:	2,689,400	2,897,000	+207,600	+7.7%
Sales Tax:	1,934,800	2,133,700	+198,900	+10.3%
Federal Funds:	747,690	731,800	-15,890	-2.1%
Other Sources:	719,500	794,000	+74,500	+10.4%
Beginning Balance:	<u>1,100,000</u>	<u>1,100,000</u>	<u>- 0 -</u>	0.0%
TOTAL OPERATING BUDGET:	\$34,627,190	\$35,091,800	+\$464,610	+1.3%

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12
Community Service Fund

The proposed FY12 Community Service budget totals \$1,738,400, representing a decrease of \$123,000 (-6.6%) from the current year's budget. Community Services includes: Day Care; Business in Education (BIE) partnership; rentals and community use of facilities; cable television; and, Falls Church Education Foundation funding and activities.

Changes in the Community Service budget result primarily from adjusting the Day Care program's revenue and expenses to more accurately reflect recent annual financial activity. No salary improvements are included for staff paid from the Community Service Fund.

CHANGES IN COMMUNITY SERVICE REVENUE

	<u>2010-11</u> <u>Approved</u>	<u>2011-12</u> <u>Proposed</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
User Fees:	\$1,184,600	\$1,049,700	-\$134,900	-11.4%
City Appropriation:	425,800	422,700	-3,100	-0.7%
Other Revenue:	79,500	82,000	+2,500	+3.1%
Beginning Balance:	<u>171,500</u>	<u>184,000</u>	<u>+12,500</u>	+7.3%
TOTAL COMMUNITY SERVICE FUND:	\$1,861,400	\$1,738,400	-\$123,000	-6.6%

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12
Food Service Fund

The proposed FY12 Food Service budget totals \$890,700. This represents a decrease of \$43,800 (4.7%) from the current year's budget, resulting primarily from adjusting the program's revenue and expenses to more accurately recent annual financial activity.

As in the other funds, this proposed budget provides no salary improvement for eligible food service staff.

CHANGES IN FOOD SERVICE REVENUE

	<u>2010-11 Approved</u>	<u>2011-12 Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
User Fees:	\$712,900	\$676,000	-\$36,900	-5.2%
State & Federal Funds:	121,100	125,200	+4,100	+3.4%
Other Sources:	9,000	5,000	-4,000	-44.4%
Beginning Balance:	<u>91,500</u>	<u>84,500</u>	<u>-8,400</u>	-9.2%
TOTAL FOOD SERVICE FUND:	\$934,500	\$890,700	-\$43,800	-4.7%

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12

Summary

CHANGE IN TOTAL BUDGETS

Fund	2010-11 Approved Budget	2011-12 Proposed Budget	Dollar Change	Percent Change
60. Operating Budget	\$34,627,190	\$35,091,800	+\$464,610	+1.3%
61. Community Service	1,861,400	1,738,400	-123,000	-6.6%
64. Food Service	934,500	890,700	-43,800	-4.7%
Total ALL FUNDS	\$37,423,090	\$37,720,900	+\$297,810	+0.8%

CHANGE IN CITY APPROPRIATION

Fund	FY11 Approved City Appropriation	FY12 Proposed City Appropriation	Dollar Change	Percent Change
60. Operating Budget	\$27,435,800	\$27,435,300	-\$500	-0.0%
61. Community Service	425,800	422,700	-3,100	-0.7%
64. Food Service	- 0 -	- 0 -	- 0 -	0.0%
Total ALL FUNDS	\$27,861,600	\$27,858,000	-\$3,600	-0.0%

SUPERINTENDENT'S PROPOSED BUDGET FOR FY12
Timeline of Upcoming Budget Development Activities

PUBLIC HEARINGS

Opportunities for the public to present the School Board with comments and input on the proposed FY12 school budget will be provided during School Board Meetings in the Chambers at City Hall on the following dates:

- ◆ Tuesday, January 25 – 8:00 P.M.
- ◆ Tuesday, February 1 – 7:00 P.M. (Central Office conference room)
- ◆ Tuesday, February 8 – 8:00 P.M.

SCHOOL BOARD WORKSESSIONS

The Board will receive more detailed information on the Superintendent's proposed budget and examine/discuss a variety of budget-related issues in the conference room in the Central Office on the following dates:

- ◆ Saturday, January 22 – 8:30 A.M.
- ◆ Tuesday, February 1 – 7:00 P.M.
- ◆ Saturday, February 12 – 8:30 A.M.

SCHOOL BOARD BUDGET VOTE SCHEDULED

- ◆ Tuesday, February 15 – 7:00 P.M.