

Superintendent's Proposed FY15-16 Budget

*School Board
Special Working Session
February 23, 2015*



Agenda

- Mission/Vision
- Demographic Trends
- Budget Process – Key Dates
- State and Local Revenue Outlook
- Budget Highlights/Statement of Needs
 - *General Operating Fund*
 - *CIP*
- Superintendent's Proposed Budget Overview
- Next Steps

Schools Mission/Vision*

Mission: *The mission of the Portsmouth Public Schools is to challenge the minds, challenge the bodies and challenge the dreams of all students while focusing on excellence.*

Vision Statements include:

III. ***High Quality Graduates***...[highly sought by employers and institutions of higher learning]

IV. ***Value Added Programs***...[recognized for its innovative and effective programs]

V. ***Exemplary Student Citizens***...[socially responsible and respected as lights of inspiration for future generations]

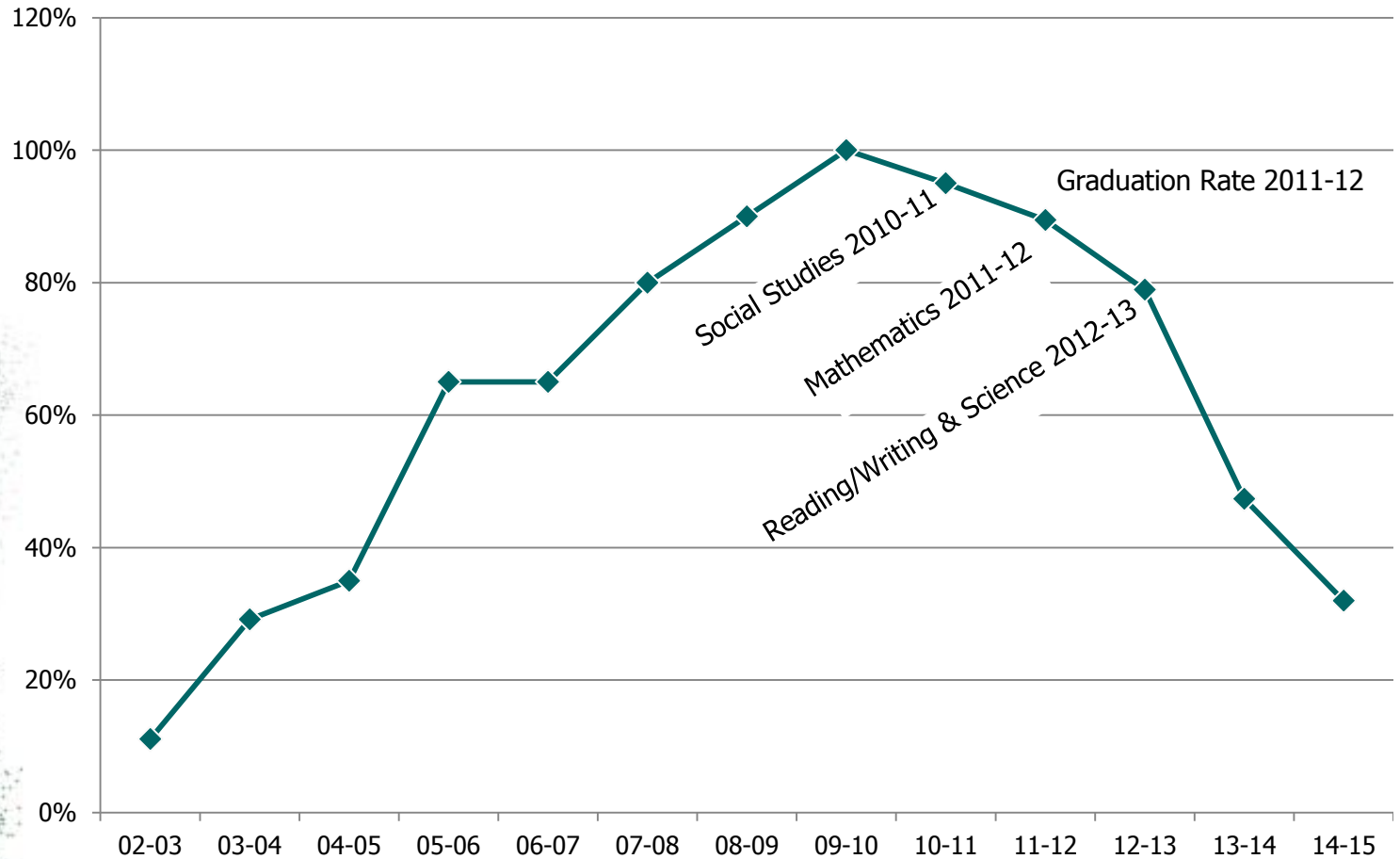
VI. ***Facilities, Capital Projects, Maintenance, Technology***...
[educational facilities-including technology-that are safe and accessible and contribute to the learning environment]

* 2007-2017 Comprehensive Plan

Accreditation

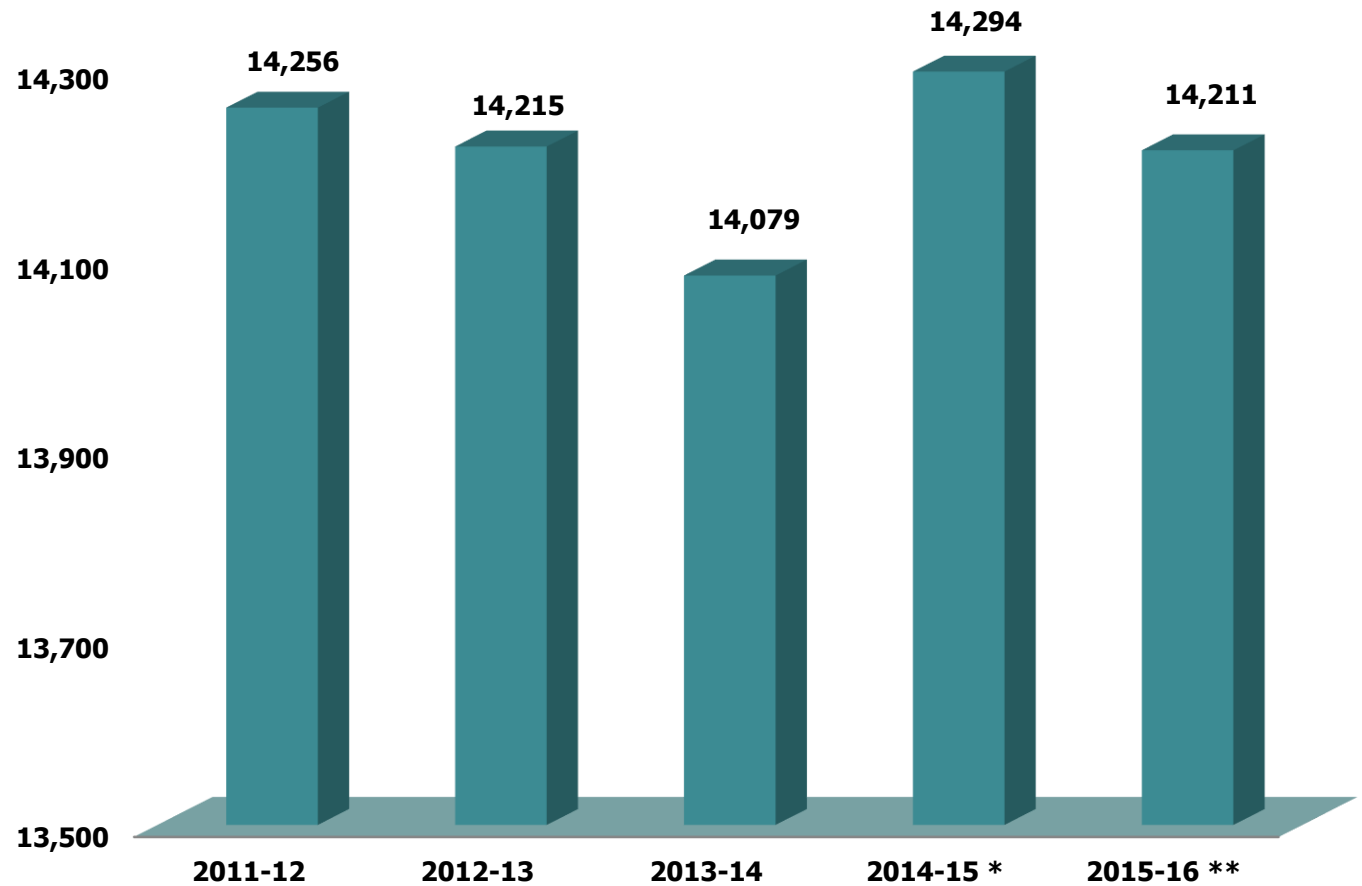
FY2003 - FY2015

Subjects noted indicate year that new assessments implemented.



Accreditation is based on prior year SOL tests.

Average Daily Membership (ADM) 5-Year Comparison

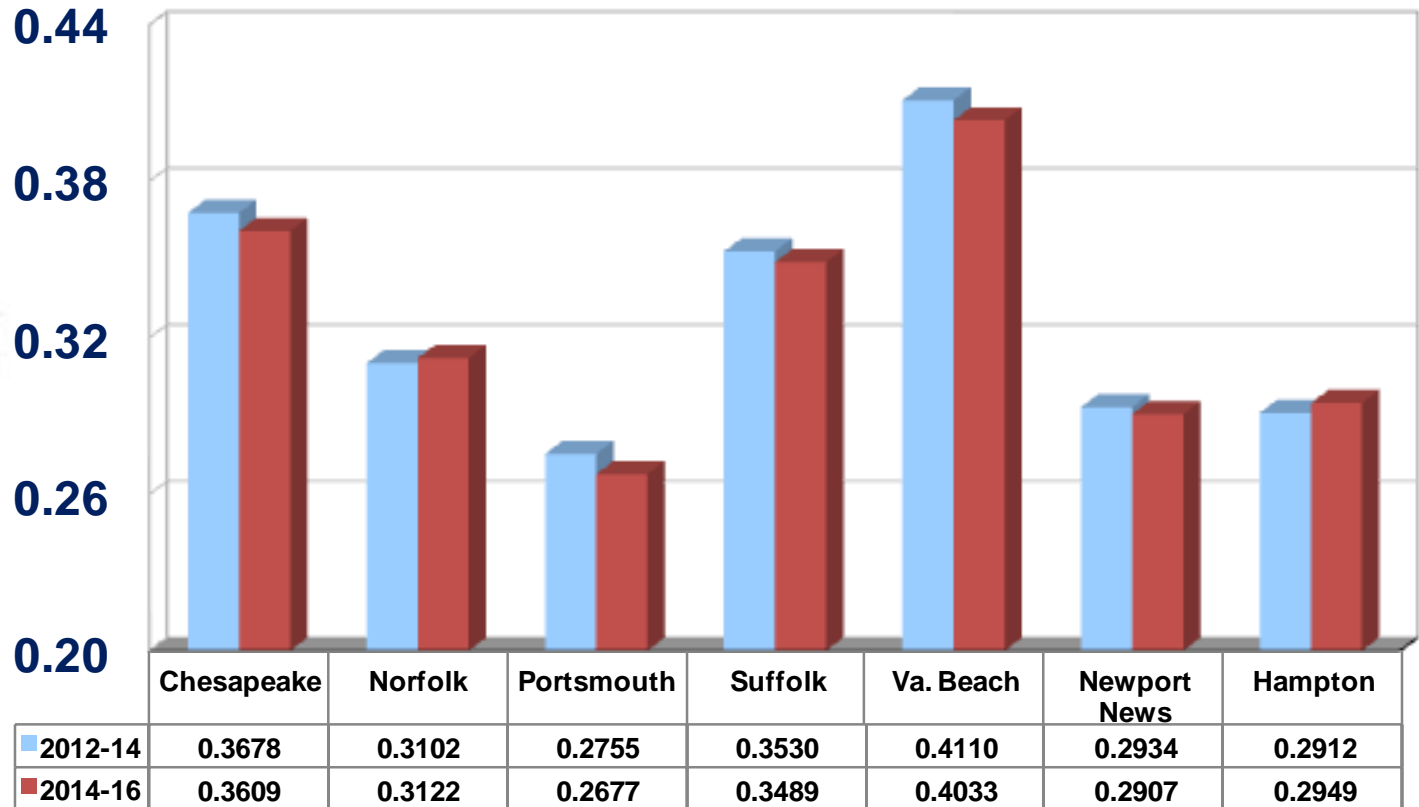


* January 31, 2015

** Estimate based on VDOE Calculation Tool – UVA Weldon-Cooper

Composite Index

Local School Division Comparison



Portsmouth Free and Reduced Meals 2008-2015

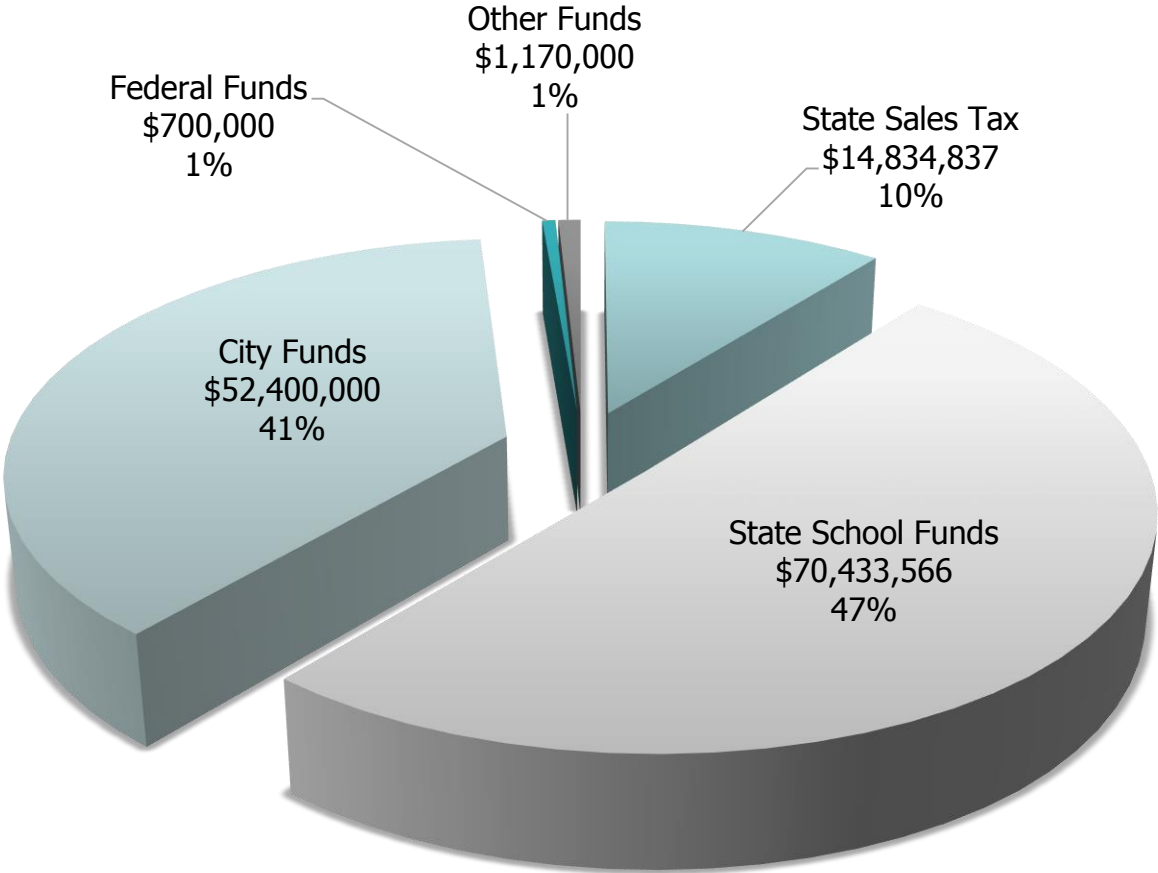
School Year	TOTAL F/R Eligible	TOTAL F/R %
<i>2008-09</i>	8,825	57.74%
<i>2009-10</i>	9,068	59.57%
<i>2010-11</i>	9,008	60.48%
<i>2011-12</i>	10,601	68.20%
<i>2012-13</i>	9,419	62.12%
<i>2013-14</i>	9,529	63.07%
<i>2014-15</i>	9,736	64.27%

Free and Reduced Meals Regional Comparison

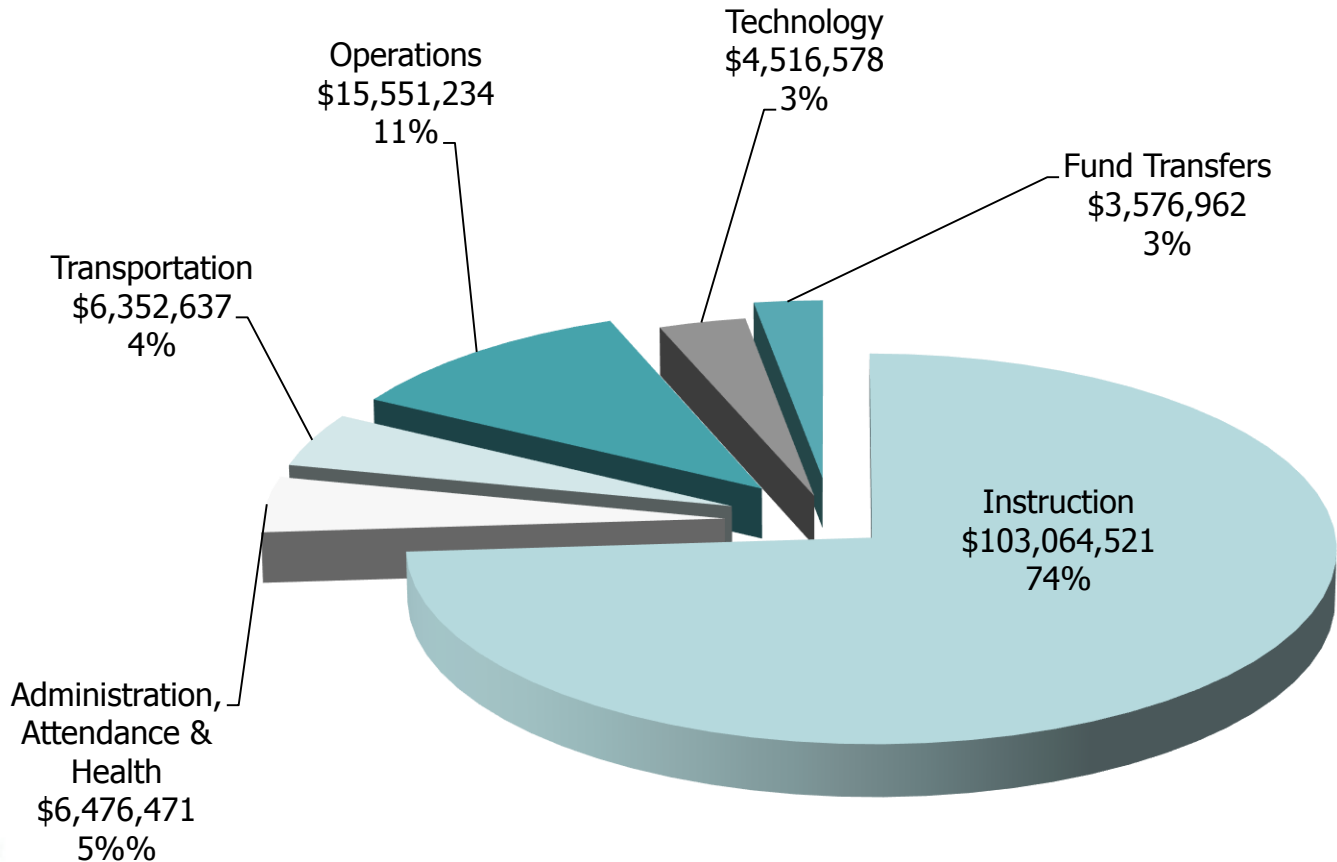
Division	SNP Membership	Free Eligibility	FREE %	Reduced Eligibility	REDUCED %	TOTAL F/R Eligible	TOTAL F/R %
Chesapeake	37,951	10,701	28.20%	2509	6.61%	13,210	34.81%
Virginia Beach	70,091	20,044	8.60%	5,498	7.84%	25,542	36.44%
Suffolk	14,465	5,870	40.58%	978	6.76%	6,848	47.34%
Hampton	20,839	10,622	50.97%	1,490	7.15%	12,112	58.12%
Newport News	29,292	16,262	55.52%	2,372	8.10%	18,634	63.61%
Portsmouth	15,146	8,817	58.21%	919	6.07%	9,736	64.28%
Norfolk	32,651	19,347	59.25%	2,475	7.58%	21,822	66.83%

Source: VDOE Office of School Nutrition Programs, NSLP Free & Reduced Price Eligibility Report 2014-15, data as of October 31, 2014

General Fund Revenue 2014-15

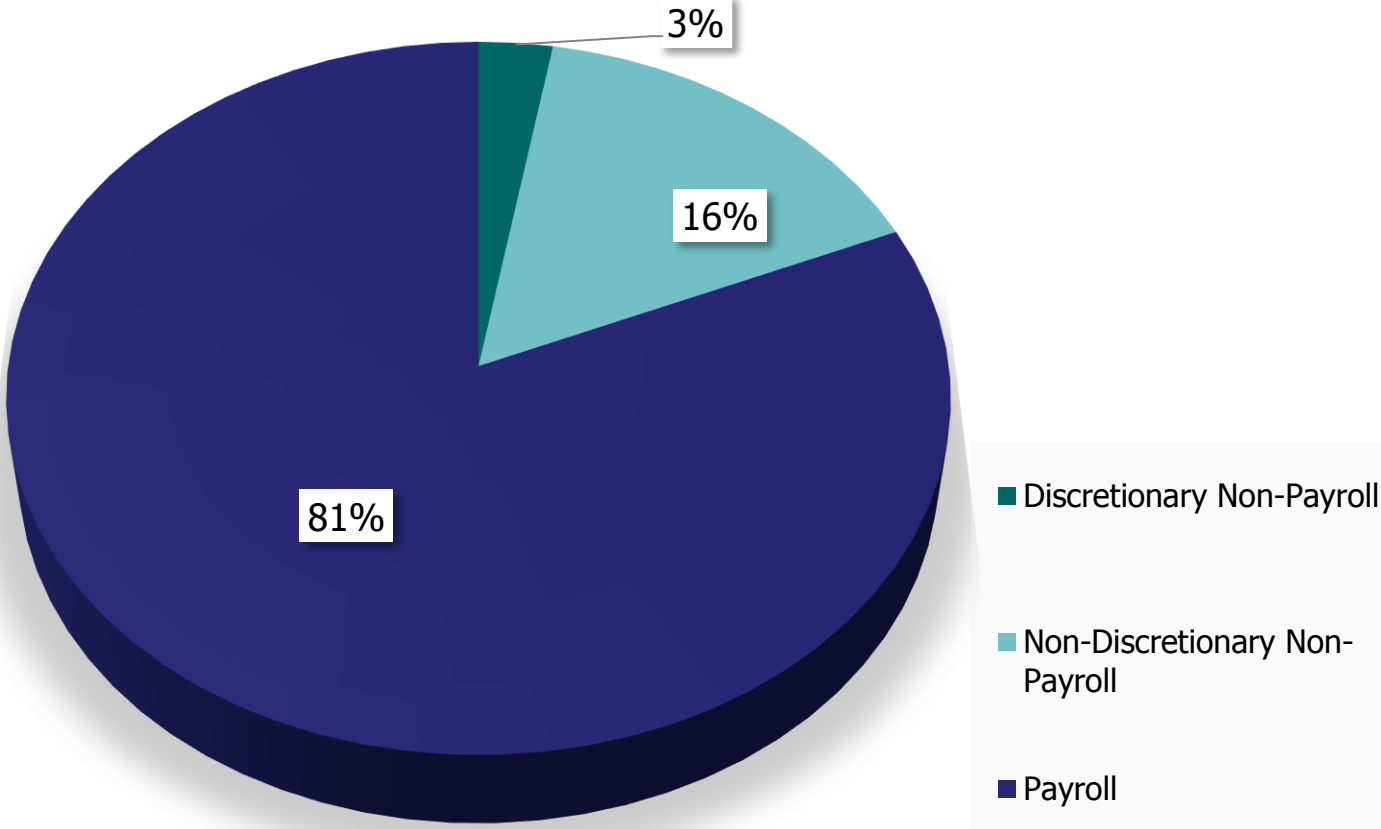


General Fund Expenditures 2014-15

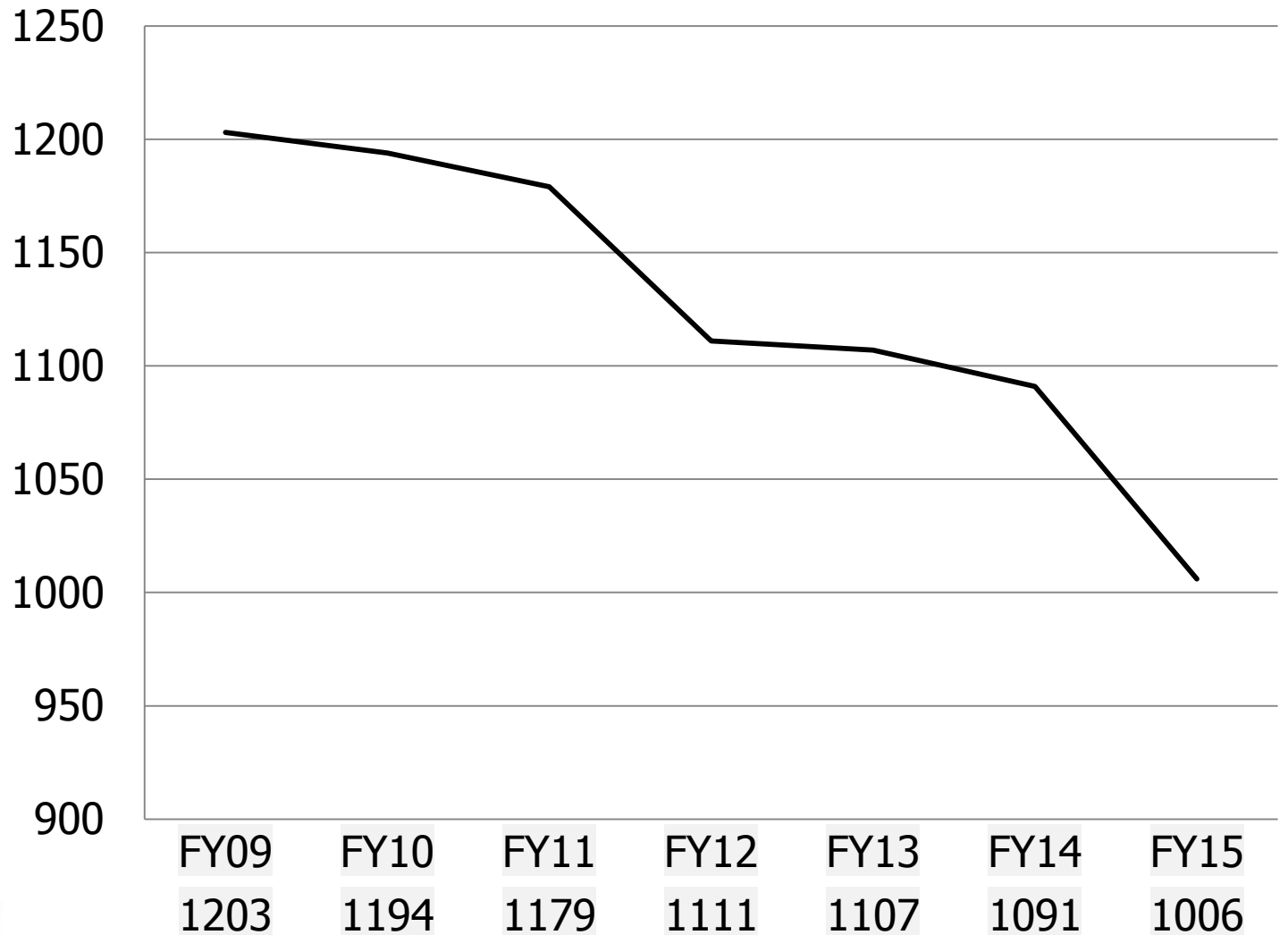


Discretionary Spending

FY2014-15 Budget Expenditures Breakdown



Portsmouth Classroom Teachers 2009-2015



District Comparisons w/ Routine Step Increases *

2014 – 2015 Teacher Salary Comparisons

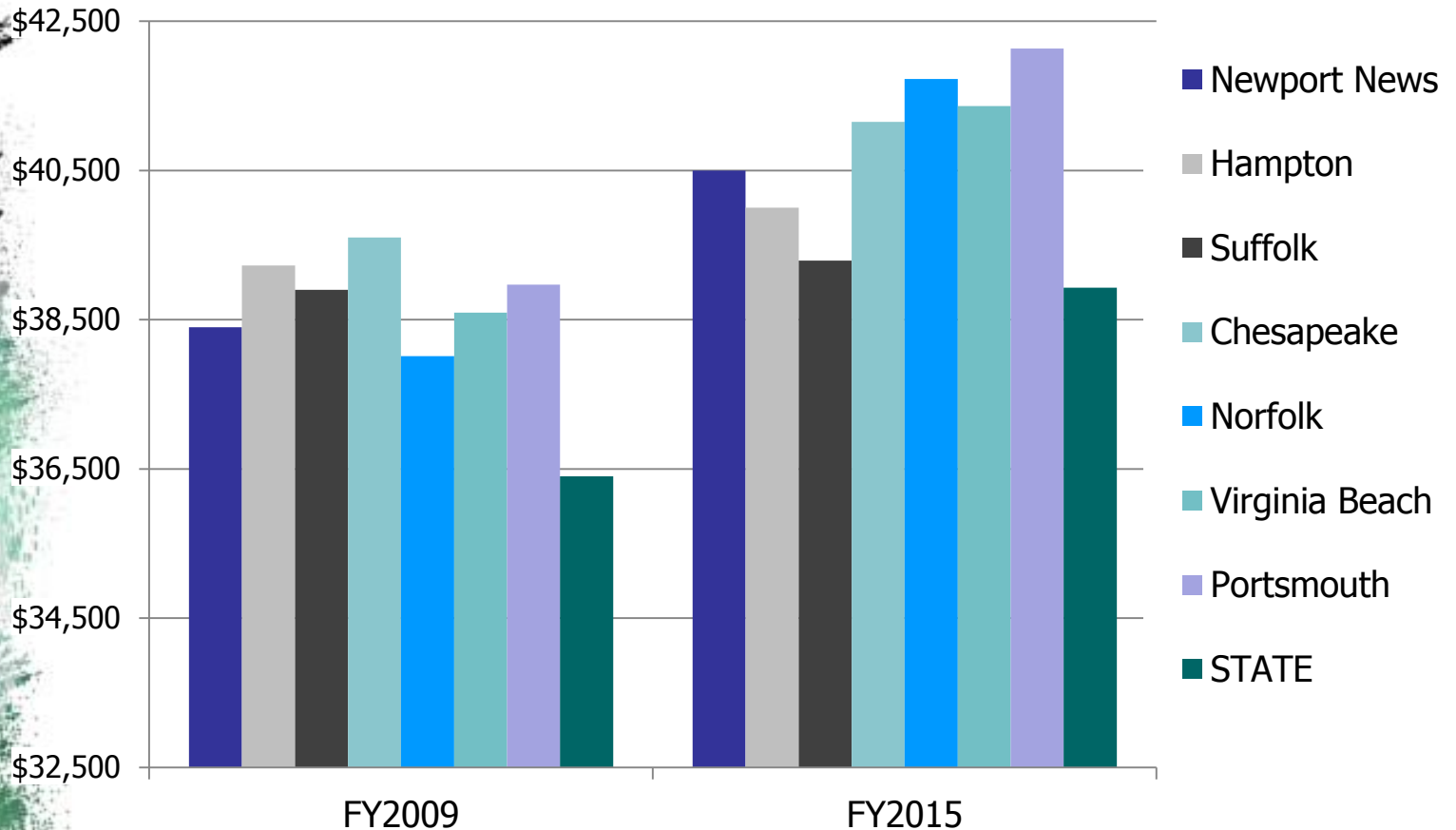
Experience	Entry Level	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
Portsmouth	1 42,134	2 42,929	2 46,526	3 50,518	3 54,852	3 58,552	4 60,487
Norfolk	2 41,724	5 42,120	4 44,912	4 47,654	6 49,580	6 54,182	7 55,798
Virginia Beach	3 41,362	4 42,324	3 46,202	2 51,198	2 56,135	1 61,101	1 66,067
Chesapeake	4 41,149	1 43,433	1 46,916	1 51,798	1 57,189	2 60,689	2 65,004
Newport News	5 40,500	3 42,557	5 44,023	5 46,959	5 50,588	5 54,498	5 58,708
Hampton	6 40,000	6 41,834	6 43,353	7 45,629	7 48,422	7 51,005	6 56,733
Suffolk	7 39,290	7 41,285	7 41,810	6 46,525	4 52,402	5 57,890	3 60,798

Data Source: Department of Human Resources for Local School Divisions, 2014

* Assumes Step Every Year

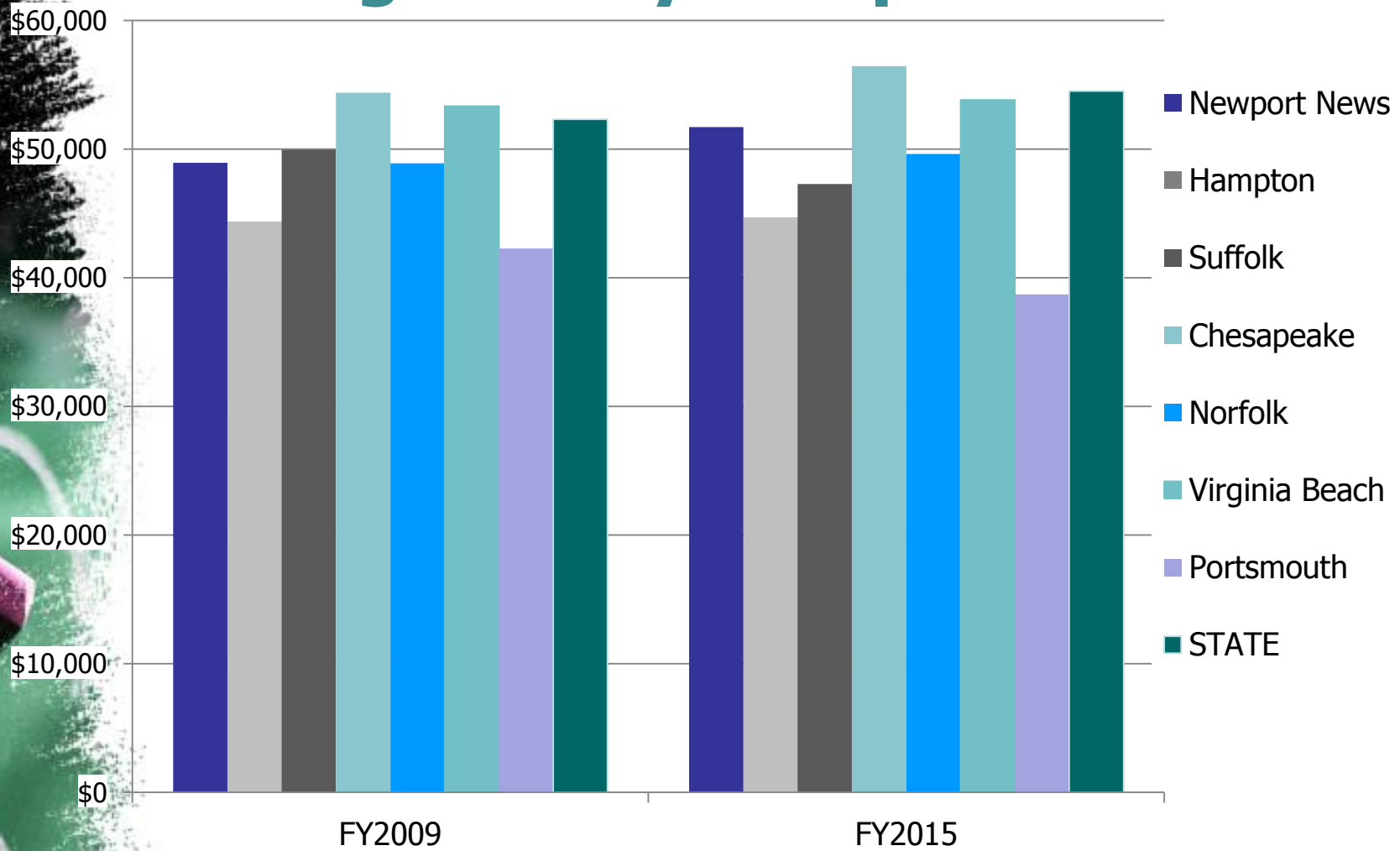
Teacher Salaries

Starting Salaries – Bachelor's



Source: VDOE Teacher Salary Reports

Teacher Salaries Average Salary Comparison



Source: VDOE Teacher Salary Reports

Regional District Budget Proposals

Division	FY15 Budget	Proposed FY16 Expenditures	Shortfall	Raise?	%Raise	Health Insurance	% Increase	Notes
Portsmouth	\$139,538,403	\$146,518,774	\$6.1M	yes	1.5%	no change	0%	
Norfolk	\$391,250,931	\$319,050,643	\$8.8M	yes	2%	increase	7%	<ul style="list-style-type: none"> • Increase bus assistant's pay & contracted hours for bus driver • Facility repair and maintenance • Reduce staff by attrition & turnover to funded SOQ
Chesapeake	\$394,481,898	\$402,534,060	\$4.8M	yes	2%	increase	12%	
Virginia Beach	\$703,355,073	\$689,578,833	\$13.8M	yes	5%	increase	8%	<ul style="list-style-type: none"> • Increase class size by 1 • Raise includes 1.34 VRS
Suffolk	\$129,020,096	\$131,866,263	\$0	yes	2.50%	decrease		<ul style="list-style-type: none"> • Implement Phase I of Pay & Compensation Study for teachers • Step for all full-time support • Implement classified Phase I of Pay & Compensation Study for >20% below market
Hampton	To be presented March 11, 2015							
Newport News	Not yet presented							

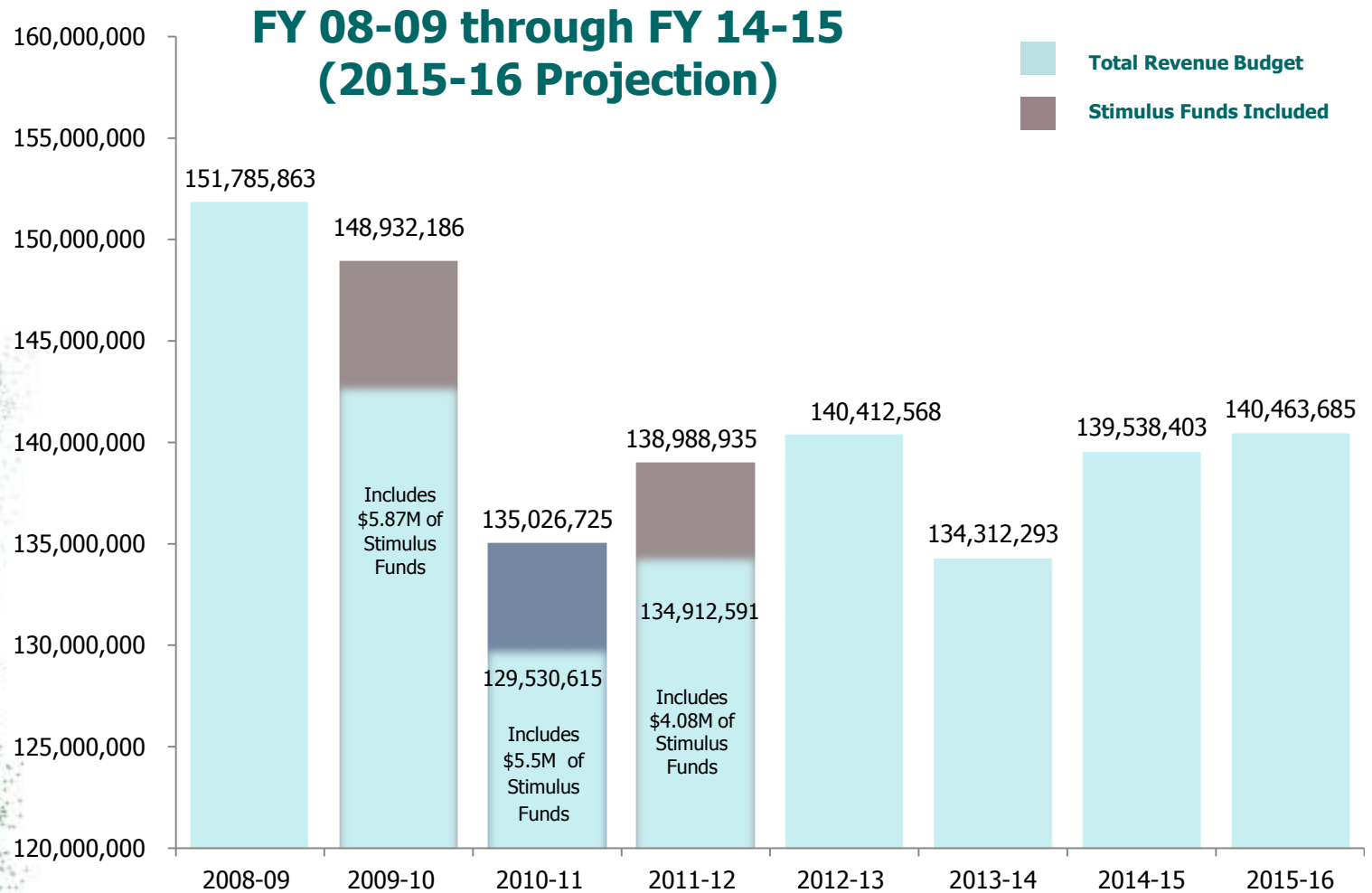
Budget Process – Key Dates

- ☑ November – Departments submit their budget requests
- ☑ December – The Governor’s budget is released
- ☑ January – School Board/Administration Reviews of preliminary Revenue and Expense figures; General Assembly session starts
- ▶ **February 2015– Administration/School Board decide on budget priorities**
 - **Feb 12: Superintendent’s Proposed Budget Highlights**
 - **Feb 26: Public Hearing on Superintendent’s Proposed Budget**
 - **Feb 28: Final General Assembly Budget Action**
- ☐ *March 3rd - Joint Meeting with City Council concerning budget*
- ☐ *March 26th - School Board adopts Budget and forwards to City*
- ☐ *March 30th - City Manager introduces 2015-16 Proposed City Operating and CIP Budgets*
- ☐ *April 15th - General Assembly Veto/Amendment approval session*
- ☐ *April/May - City Council holds budget deliberations, public hearings and approves City’s Budget (May 13th)*
- ☐ *May 21, 2015 - The School Board adopts the 2015-16 Budget.*

Legislative Impacts

- Unfunded mandates
- Federal Title I Portability

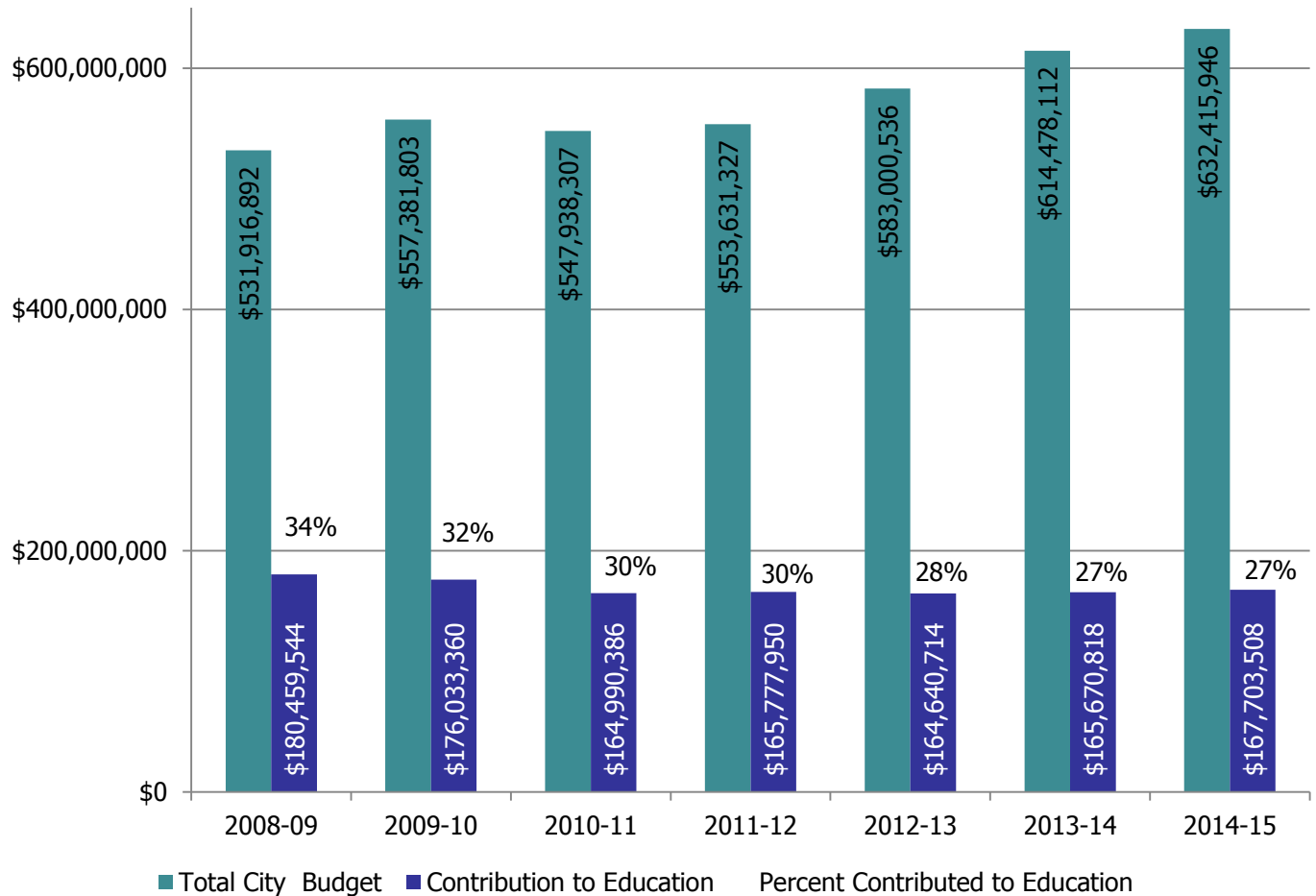
Budgeted Revenue Trend



SUMMARY OF ESTIMATED STATE/CITY REVENUE FY2015-16

<i>DESCRIPTION</i>	<i>FY 2014-15 ORIG</i>	<i>FY 2014-15 GOVERNOR'S UPDATE</i>	<i>FY 2015-16 GOVERNOR'S PROPOSED</i>	<i>CHANGE(\$) FY14-15 ORIG vs FY15-16 GOV</i>	<i>Change(%)</i>
STANDARDS OF QUALITY (SOQ)	\$ 75,900,977	\$ 75,956,130	\$ 76,521,987	\$ 621,010	0.82%
INCENTIVE & CATEGORICAL	\$ 1,229,875	\$ 1,327,815	\$ 1,350,489	\$ 120,614	9.08%
LOTTERY FUNDED PROGRAMS	\$ 13,162,865	\$ 13,557,667	\$ 13,396,414	\$ 233,549	1.72%
TOTAL-STATE REVENUE	\$ 90,293,717	\$ 90,841,612	\$ 91,268,890	\$ 975,173	1.07%
ADM	14,041.40	14,174.60	14,210.85		
State Rev/ADM	6,430.54	6,408.76	6,422.48		
CITY REVENUE	52,400,000		???????????????		
City Rev/ADM	3,731.82				
*State Revenues include ALL line items on VDOE template					

Comparison of Total City Budget to Education Contribution



The total City budget has increased by **18.9%** since 2009 and the School Board budget has *decreased* by **7.1%**

Items Included in Budget

- No Increases to Employee Health Insurance Share
- Preserved Current Staffing Ratios/Requirements
- No Increases to Class Size
- Homeless Transportation
- Athletic/Band – increased allocations to HS/MS
- Starbase (all STEM including Robotics)
- Dual Enrollment/First College
- Summer School
- Freshmen Orientation
- COE Workers
- New Directions/Uplift
- Port Towne Magic
- Excel
- A/C Transportation

BUDGET HIGHLIGHTS

Must-Fund Increases Include:

- *Health Insurance (7%) - \$612,108*
- *Health Insurance for PT EE - \$80,000*
- *FY15 mid-year 2% employee raise carried forward – \$1,900,000*

BUDGET HIGHLIGHTS

Reductions:

- *DAC Facility Closing: \$98,000*
(+ cost avoidance of HVAC replacement for \$468,000)
- *15% across the board cut to discretionary non-payroll (non-schools): \$700,000*
- **Healthcare Costs: Onsite Nurse/Pharmacy Pgm: \$_____*

Other Revenue Increases:

- *Print Shop Closing: \$250,000*
- *Medicaid Maximization \$_____*
- *Credit Card Payment Rebate \$40,000*

BUDGET HIGHLIGHTS

Quality Improvement Recommendations:

- *1.5% COLA increase - \$1,678,500*
- *13 Additional Instructional Assistants - \$415,222*
- *Holiday Pay for 10-mo., non-exempt employees (Winter Break 2 weeks) - \$ 575,340 (equiv to 6% raise)*
- *Additional Instructional Support – 10 ES Teachers, 3 MS Reading Specialists, 6 Life Science 7-Grade Teachers - \$1,303,324*
- *Additional Ops (8)/Finance (1) Support Staff - \$284,261*

BUDGET HIGHLIGHTS

Quality Improvement Recommendations (cont.):

- *Increase all Clerical and Security to 8 Hours - \$303,771*
 - *Academic Program Improvements – e.g., Dual Enrollment, Saturday Tutoring - \$385,000*
 - *Increase in Substitute Pay to regional average - \$70,763*
 - *Restore prior year cuts in Academic Professional Development - \$80,000*
 - *District wide Athletic Director and Athletic Trainers - \$108,509*
-
- *Increase to Bus Driver/Monitor standard workweek - \$600,000 (equiv to 20% increase to benefits)*

BUDGET HIGHLIGHTS

Quality Improvement Recommendations (cont.):

- *Step Increase - \$3,002,816*
- *Additional SECEP TRAEP slots for General Ed - \$53,790*
- *PIO Position - \$100,000*
- *Grants Writer Position - \$80,000*

GENERAL FUND REVENUE OVERVIEW

Revenue Categories	2013-14 Budget	2014-15 Budget	2015-16 Proposed
State School Funds	\$69,865,727	\$70,433,566	\$70,871,404
State Sales Tax	14,821,566	14,834,837	14,823,139
City Funds	47,300,000	52,400,000	52,400,000
Federal Funds	700,000	700,000	700,000
Other Funds	1,625,000	1,170,000	1,669,142
Total Revenue	<u>\$134,312,293</u>	<u>\$139,538,403</u>	<u>\$140,463,685</u>

**Based on Governor's Submitted Budget
And City Level Funding**

GENERAL FUND EXPENDITURES OVERVIEW

Categories	2013-14 Budget	2014-15 Budget	2015-16 Proposed
Instruction	\$95,675,205	\$103,064,521	\$108,784,645
Administration/ Attendance/Health	6,502,400	6,476,471	5,874,194
Pupil Transportation	6,502,400	6,352,637	8,791,126
Operations and Maintenance	16,628,023	15,551,234	13,216,939
Technology	5,201,920	4,516,578	7,257,599
Facilities	278,217	-	-
Fund Transfers	3,524,128	3,576,962	2,594,271
Total Expenditures	<u>\$134,312,293</u>	<u>\$139,538,403</u>	<u>\$146,518,774</u>

Based on full funding of Needs

SUPERINTENDENT'S PROPOSED BUDGET ALL FUNDS

Expenditures	2013-14 Budget	2014-15 Budget	2015-16 Proposed
General Fund	\$134,312,293	\$139,538,403	\$146,518,774
Reprographics Fund	981,511	755,866	-
Cafeteria Fund	8,220,504	8,477,000	8,426,500
School Grants Fund	17,146,860	16,629,307	17,418,954
Risk Management & Insurance Fund	955,702	955,702	955,702
Textbook Fund	1,278,948	1,347,080	1,363,880
Grand Total of Expenditures	<u><u>\$162,895,818</u></u>	<u><u>\$167,703,358</u></u>	<u><u>\$174,683,810</u></u>

Capital Improvement Program (CIP)





CAPITAL PROJECTS 2015-2020



FISCAL YEAR	NUMBER OF CIP PROJECTS REQUESTED	VALUE OF CIP PROJECTS REQUESTED		NUMBER OF CIP PROJECTS APPROVED / FUNDED	VALUE OF CIP PROJECTS APPROVED / FUNDED
		<i>Year 1</i>	<i>5 Years</i>		<i>Year 1</i>
2014-15	18	\$9,881,552	\$31,683,227	7	\$1,700,000
2015-16	43	\$14,343,553	\$52,690,777	???	???



Funded Capital Projects FY2014-15

- **Wilson High**
 - *Public Address System*
 - *Roof*
 - *Fire Alarm*
- **Churchland High**
 - *Public Address System*
 - *HVAC*
- **Westhaven Elementary Roof**
- **School Bus replacement**

FY15-16 CIP Project Summary

=Attached=

Next Steps for Schools

- **Public Hearing**
- **School Board Approves Budget**
- **Work with City on Best Path to Improve PreK-12 Education in Portsmouth**