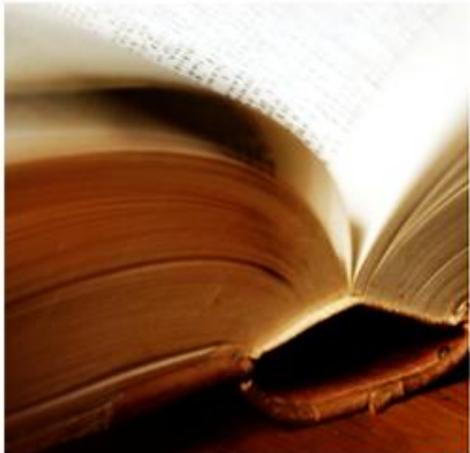
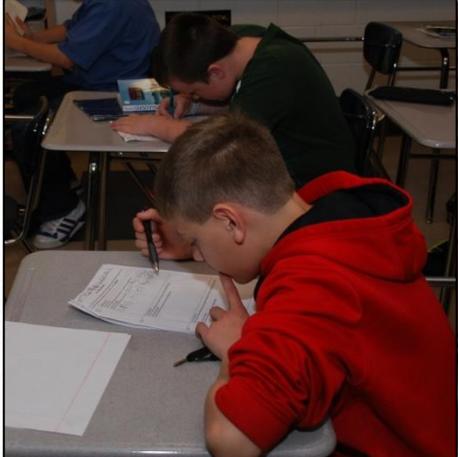




SPOTSYLVANIA  
COUNTY PUBLIC SCHOOLS

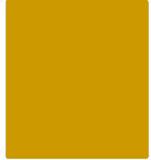
# FY17 Board Approved Budget

February 16, 2016



# Presentation Overview

- Strategic Planning
- Achievements
- Student Demographics
- Budget Needs
- Next Steps





# STRATEGIC PLANNING



# SCPS Mission Statement

Together, we prepare our students  
for their future.



# Vision Statement

**SCPS is a leading school division that inspires and empowers all students to become creative thinkers, problem solvers and effective communicators.**

# Vision Statement, continued

Ensuring an engaging and supportive learning environment

Providing a broad spectrum of innovative opportunities

Building lasting partnerships with the community to educate our students

# SCPS Strategic Goals



## Goal 1: Teaching & Learning

- Prepare all students to be college and career ready.

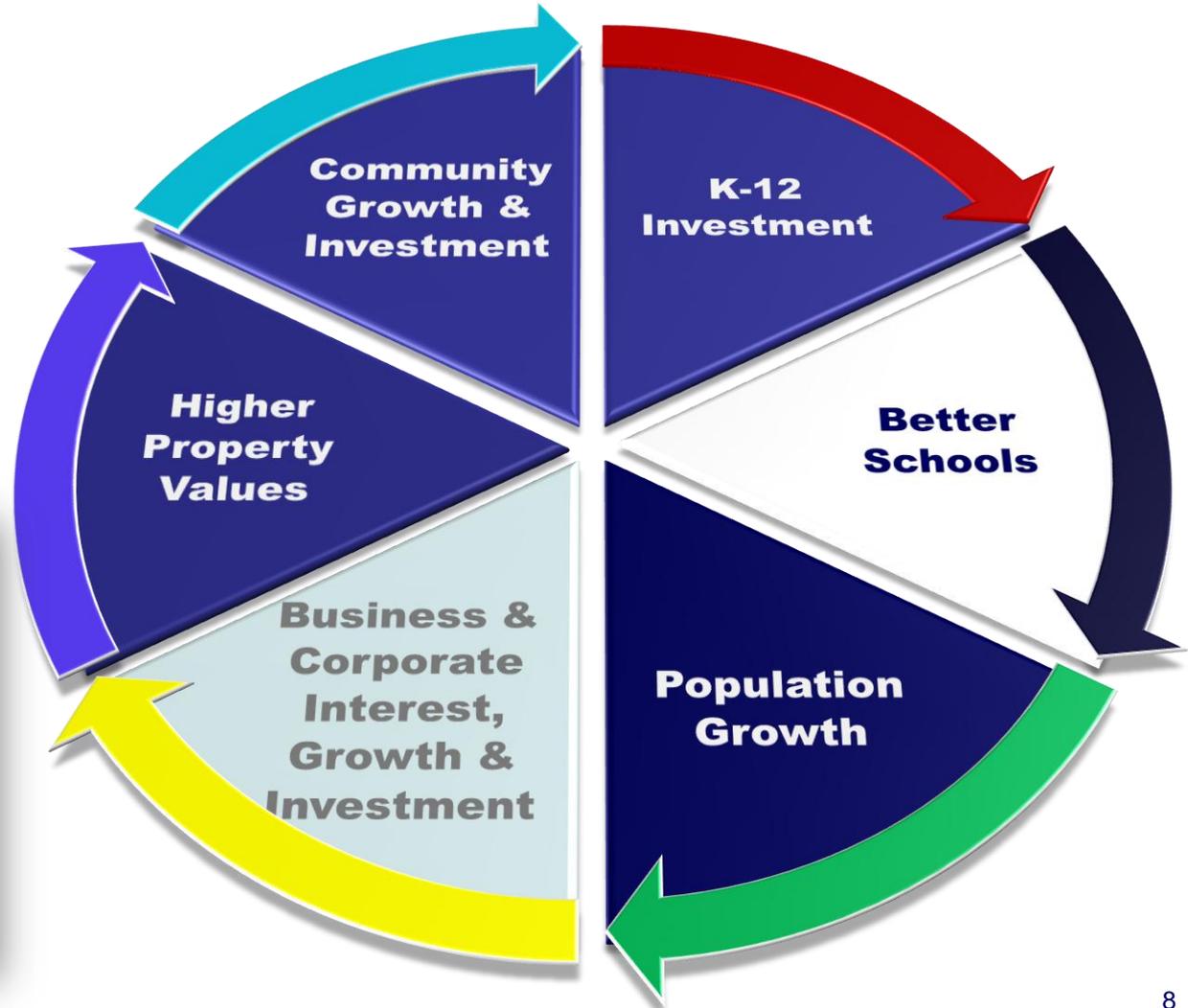
## Goal 2: Community Engagement & Partnerships

- Family, students, staff and the entire community actively engage to seek resources and to develop opportunities that meet future educational challenges and workforce needs.

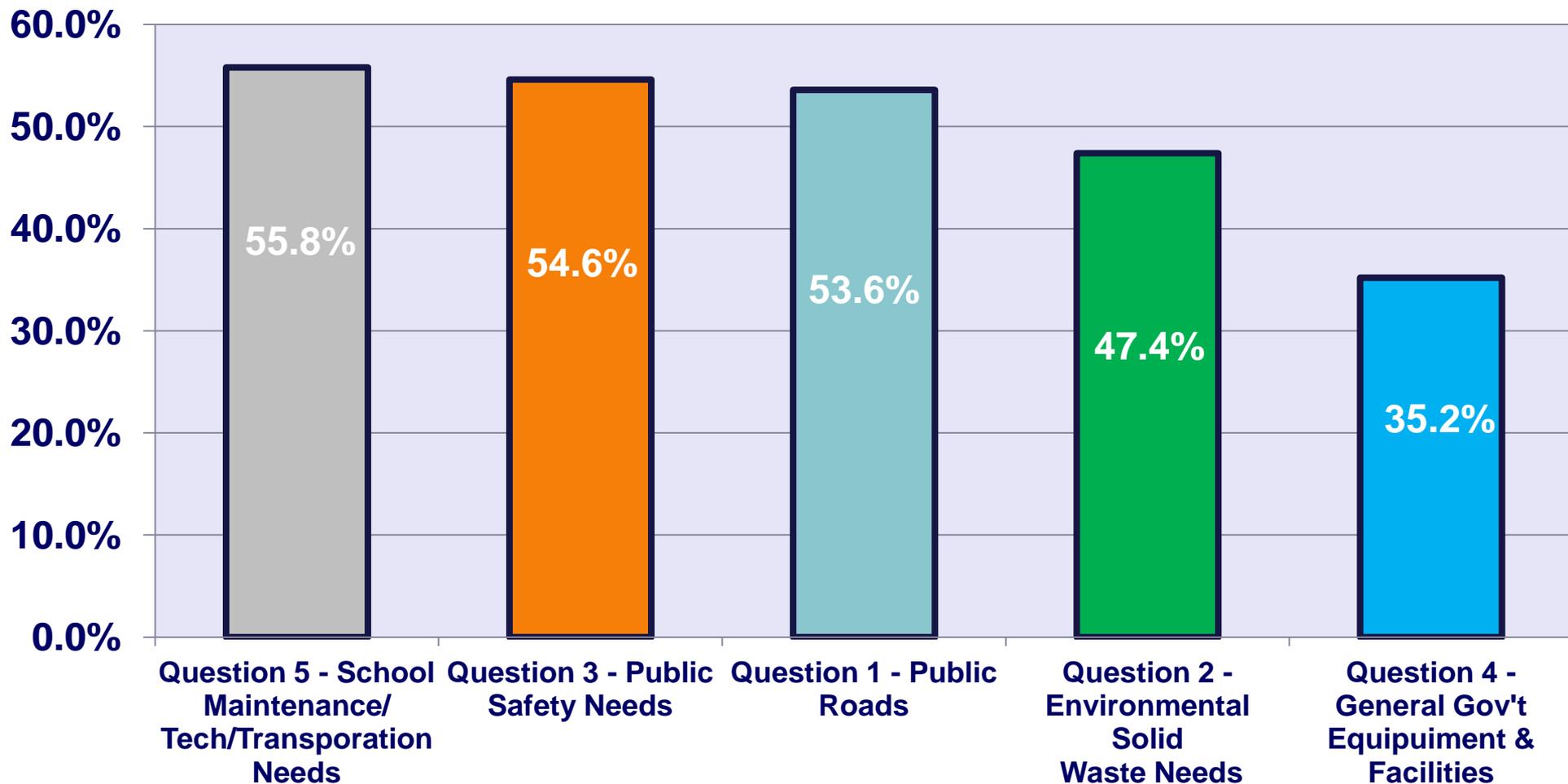
## Goal 3: Organization Climate & School Safety

- The learning and working environment is safe, caring, healthy and values diversity.

# K-12 Investment = Community/Locality Investment



# Investing in Education 2014 Referendum



# SCPS Instructional Framework





# ACHIEVEMENTS



# Quality Staff

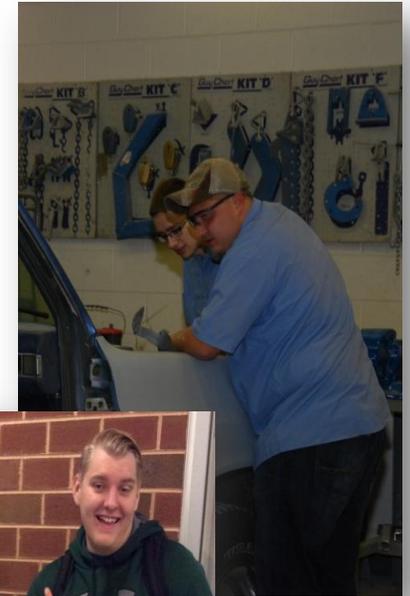
- ◆ Teachers: 1,758 (includes object code 1121)
- ◆ 99% of teachers are “highly qualified”
- ◆ 57% of teaching staff holds advanced degrees
- ◆ Average teacher years of experience: 13 years
- ◆ Admin & support staff: 1,338
- ◆ 71% of SCPS staff reside in Spotsylvania County
- ◆ 49 National Board Certified Teachers



*Note: Revised FY2016 FTE Count of January 2016*

# Quality Results & Achievement

- ◆ District Accredited by AdvancED
- ◆ All Schools Accredited by Virginia DOE
- ◆ 90.24 % On-Time Graduation Rate – Highest ever achieved
- ◆ 4.6% Virginia On-Time Drop Out Rate – 2<sup>nd</sup> Lowest achieved
- ◆ Low Annual Drop Out Rate – Approx.1.4%
- ◆ Steady increase in Advanced Placement participation and scores
- ◆ Career and Technical Education Completers – 847
- ◆ Rank in the bottom-third in the state in cost per pupil funding



# Quality Results & Achievement, continued

- ◆ Division increased overall mathematics Standards of Learning (SOL) pass rates from 73% to 80%
- ◆ Performance in all Gap Groups increased overall in math by at least 3%
- ◆ Division met all Federal Annual Measurable Objectives (FAMOs) for Math
- ◆ Division increased overall reading and writing SOL pass rates from 74% overall to 78%
- ◆ Division increased by at least 3% in all subgroups in the area of Reading
- ◆ Division met all FAMOs for reading with the exception of the Limited English Proficient (LEP) and Students with Disability (SWD) subgroups, although both subgroups showed gains



# Quality Results & Achievement, continued

## 2014-2015

- ◆ 10 Schools were designated as Accredited with Warning

## 2015-2016

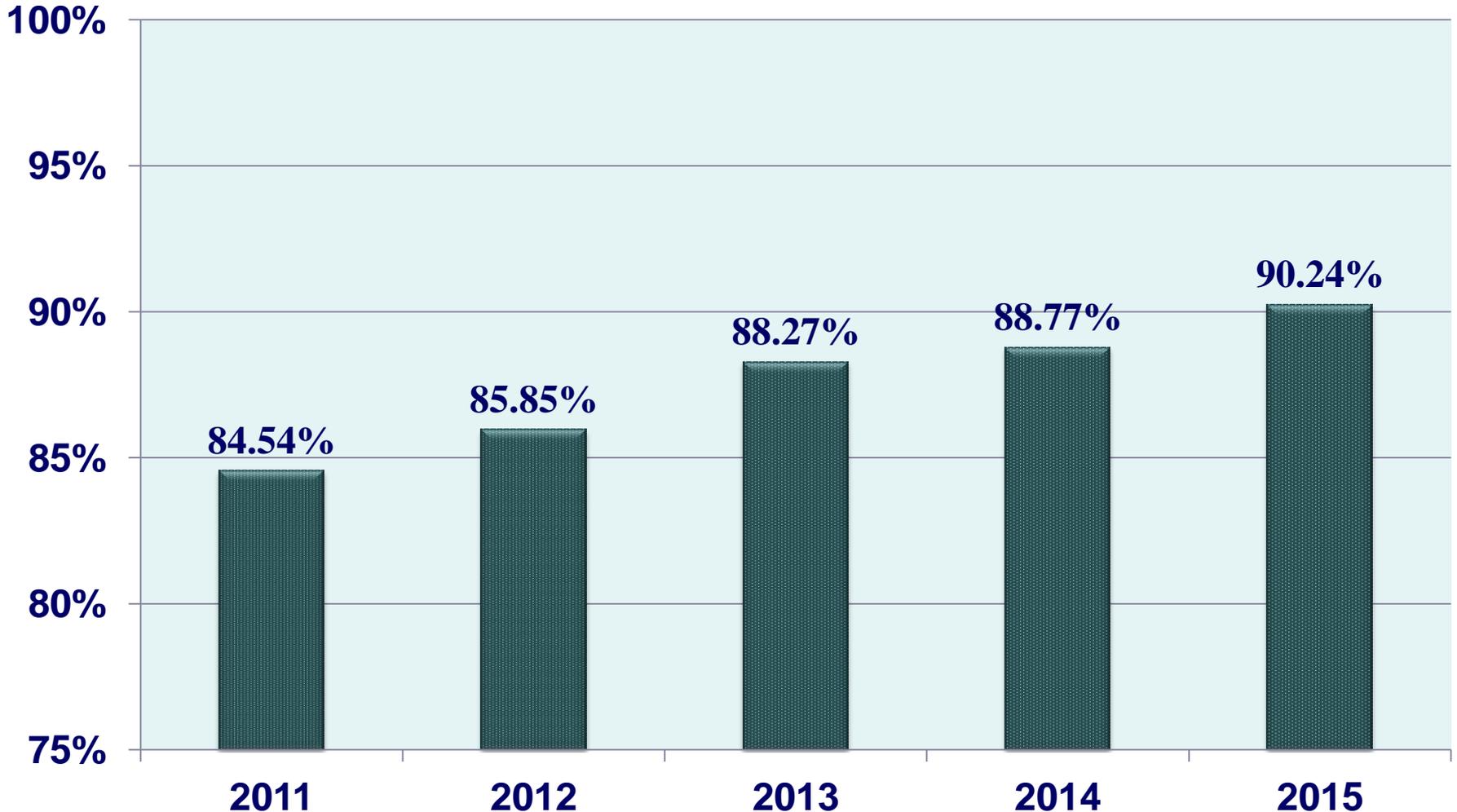
- ◆ 27 of our 29 Spotsylvania Schools **ARE** fully Accredited
- ◆ Two are partially accredited
- ◆ 9 out of the 10 that were Accredited with Warning in 2014-15 are now designated as Fully Accredited
- ◆ 29 of our 29 Schools met or exceeded state accreditation benchmarks in Math



# Systemic Response to Higher Standards

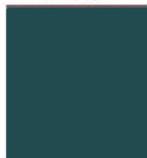
Year	Percentage of SCPS Schools Fully Accredited
<u>2014</u>	<u>66%</u>
<u>2015</u>	<u>93%</u>

# On-Time Graduation Rate - SCPS





# STUDENT DEMOGRAPHICS

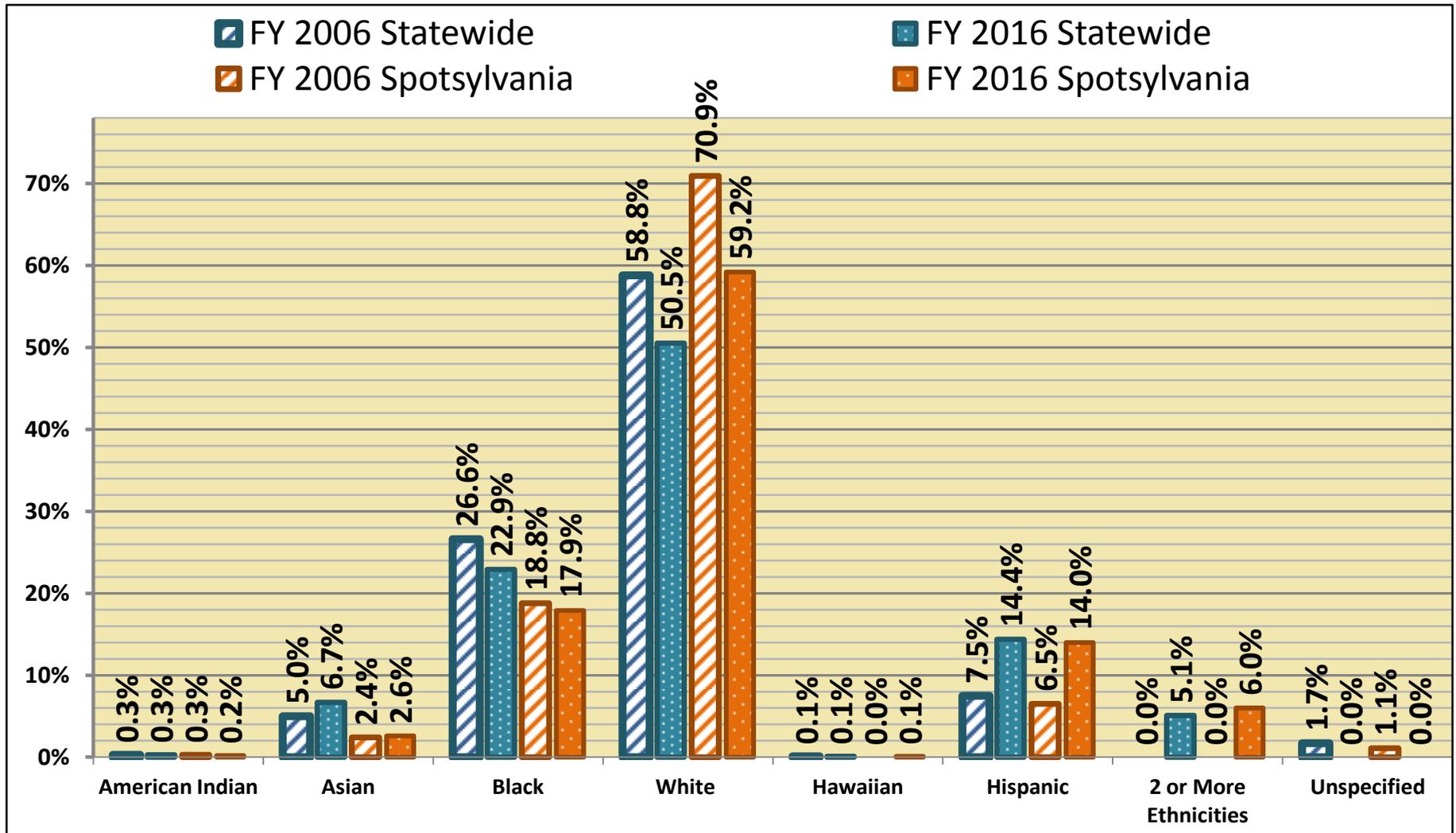


# Our Students

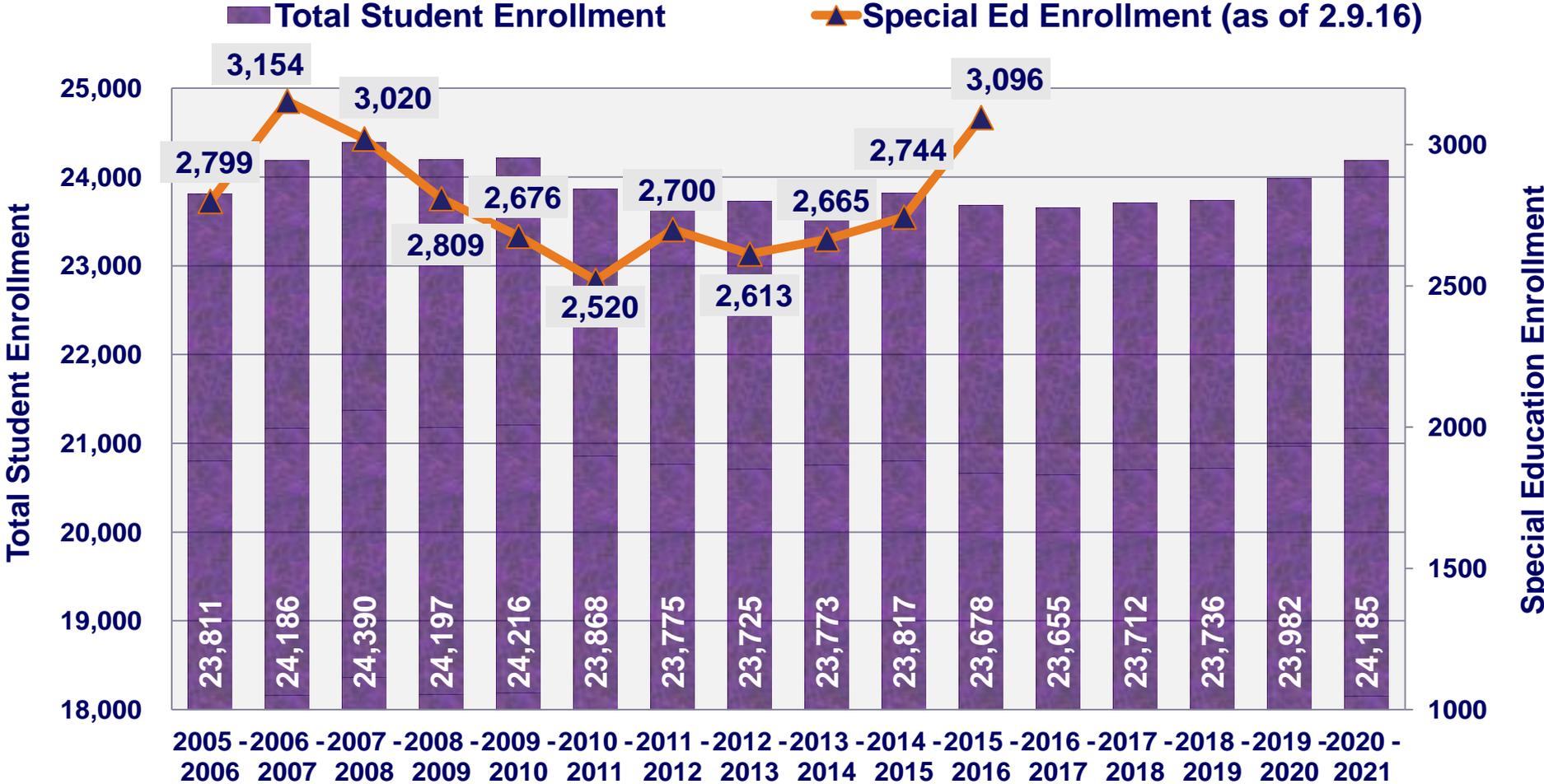
<b>Enrollment</b>	<b>~23,678 Students in grades preK-12</b>
<b>Demographically</b>	<p><b>0.2% American Indian/Alaskan Native</b></p> <p><b>3% Asian</b></p> <p><b>18% Black or African American</b></p> <p><b>14% Hispanic</b></p> <p><b>59% White</b></p> <p><b>0.1% Native Hawaiian/Pacific Islander</b></p> <p><b>6% Two or more races – Unspecified</b></p> <p><b>12% Special Education Students</b></p> <p><b>14% Gifted Students</b></p> <p><b>5% English Speakers of Other Languages (ESOL)</b></p>
<b>Economically</b>	<b>37% Students receive free/reduced lunch</b>

*Note: As of January, 2016*

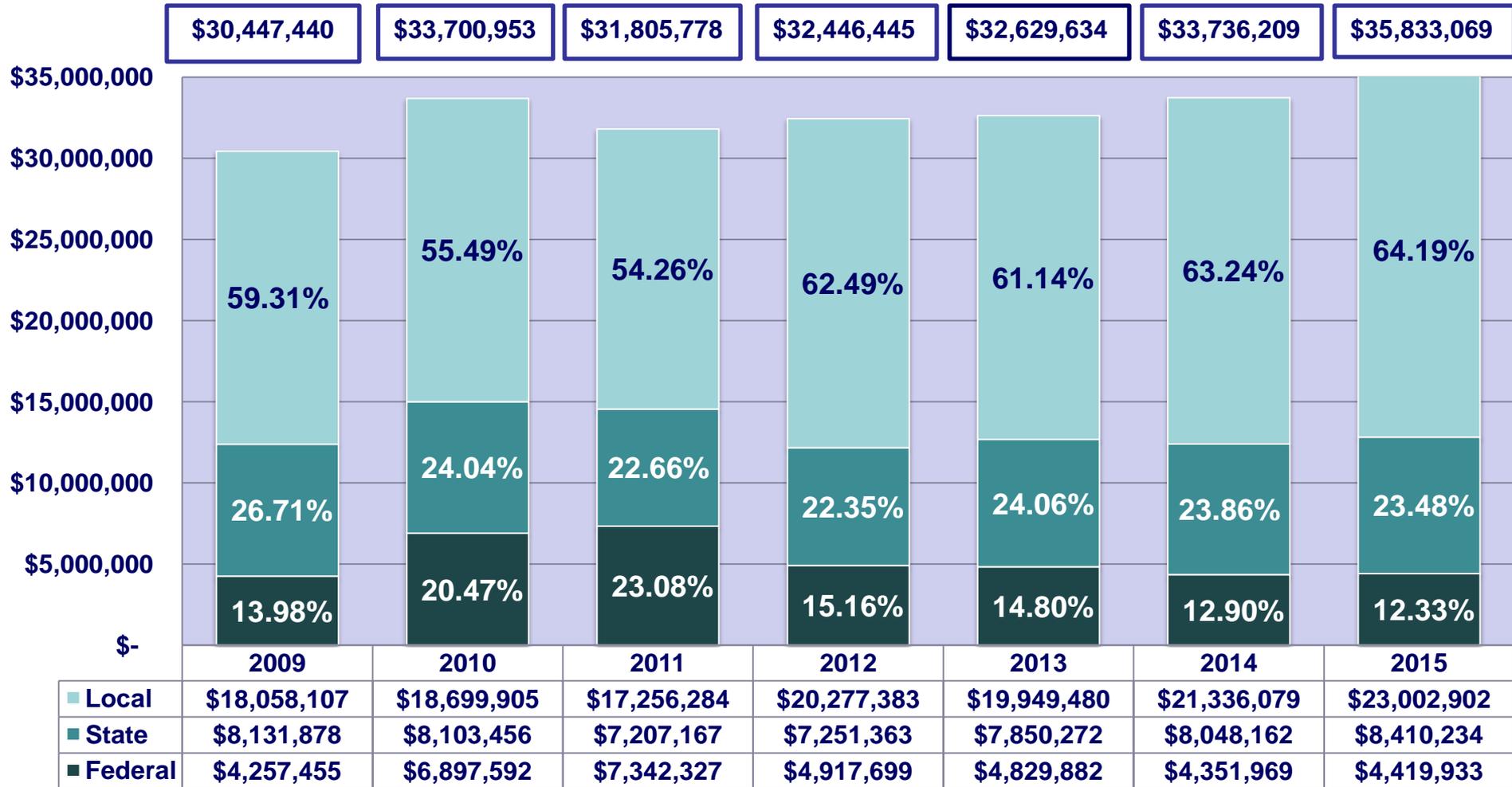
# Student Ethnicity Trends



# Student Enrollment Trend Data

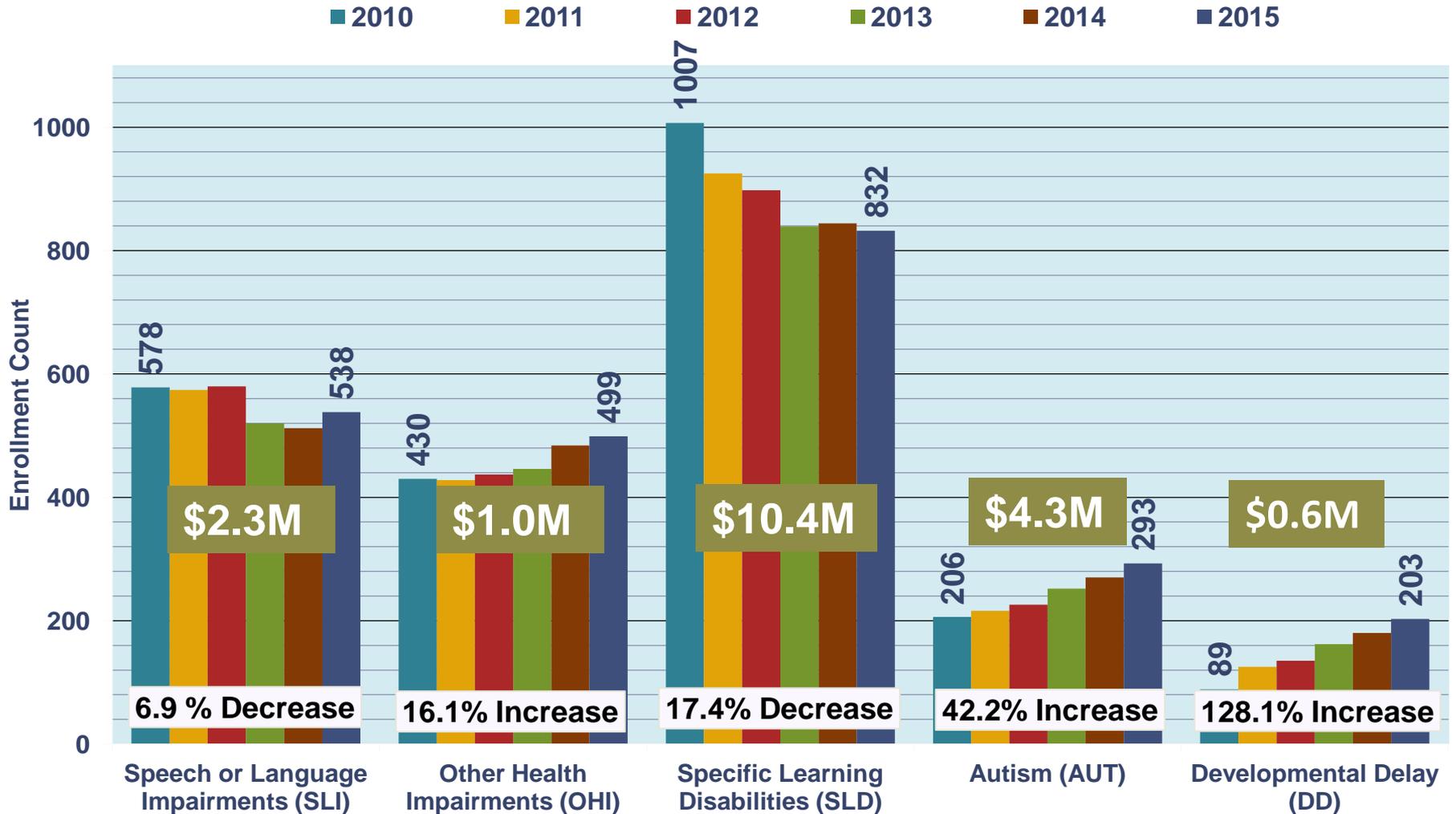


# Special Education Expenditure Trend FY09 – FY15



Source: VDOE – Annual School Report

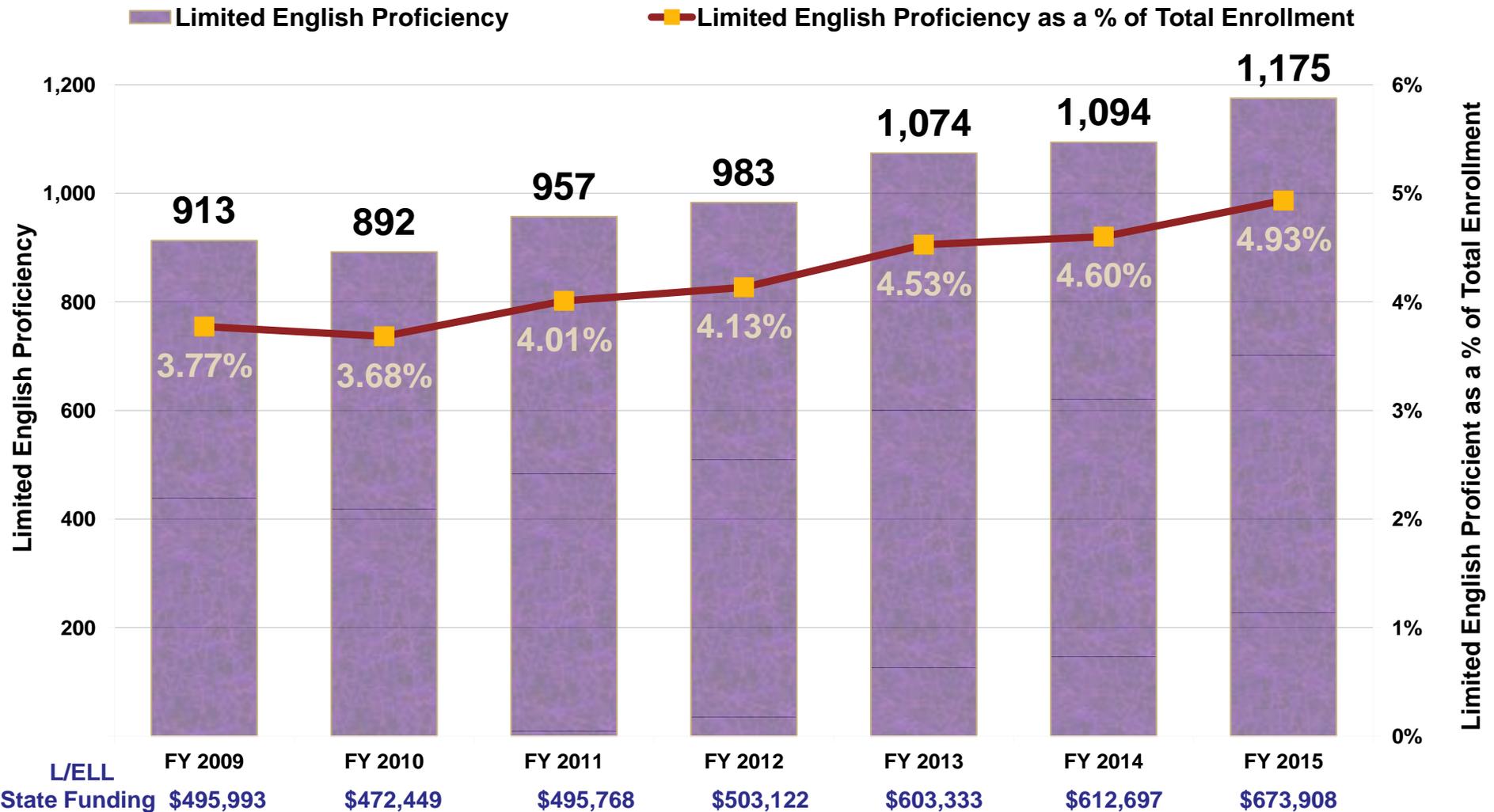
# Top 5 Student Disability Categories & FY15 Costs



# Students with Disabilities Achievement

Performance Area	2014	2015	All Students in SCPS	Virginia Performance Targets	Federal Annual Measurable Objectives for SWD
English: Reading	39%	<b>42%</b>	78%	75%	54%
Mathematics	37%	<b>46%</b>	80%	70%	57%
History and Social Studies	50%	<b>49%</b>	85%	70%	
Science	43%	<b>46%</b>	82%	70%	
Writing	29%	<b>34%</b>	78%	Combined with Reading	

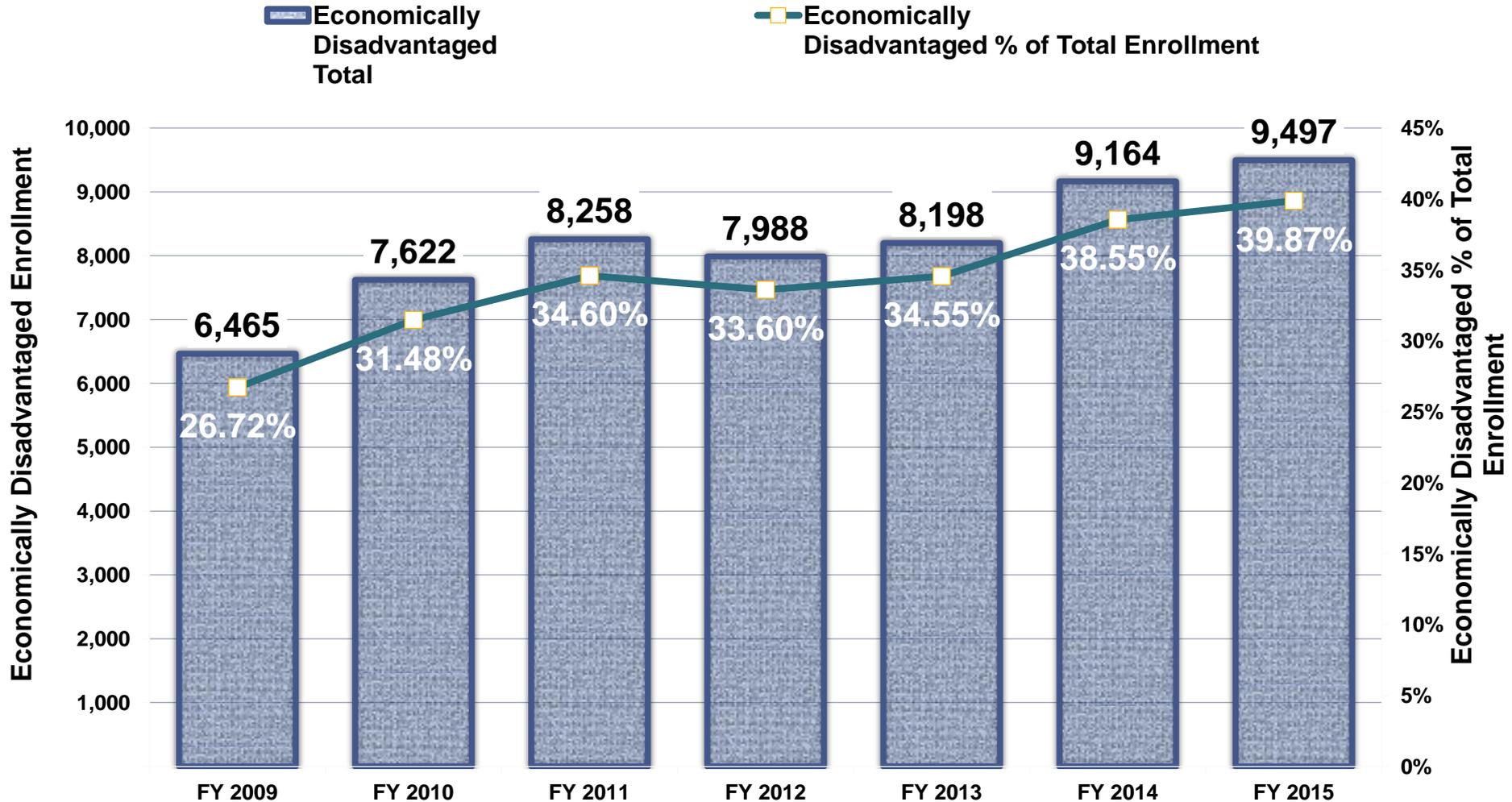
# Limited English Proficiency Enrollment as a % of Total Enrollment



# Limited English Proficient Student Achievement

Performance Area	2014	2015	All Students in SCPS	Virginia Performance Targets	Federal Annual Measurable Objectives for LEP
English: Reading	46%	<b>51%</b>	78%	75%	61%
Mathematics	54%	<b>63%</b>	80%	70%	59%
History and Social Studies	63%	<b>63%</b>	85%	70%	
Science	51%	<b>42%</b>	82%	70%	
Writing	50%	<b>47%</b>	78%	Combined with Reading	

# Economically Disadvantaged as a % of Total Enrollment



Note: ECD includes free/reduced students and other factors



# BUDGET NEEDS

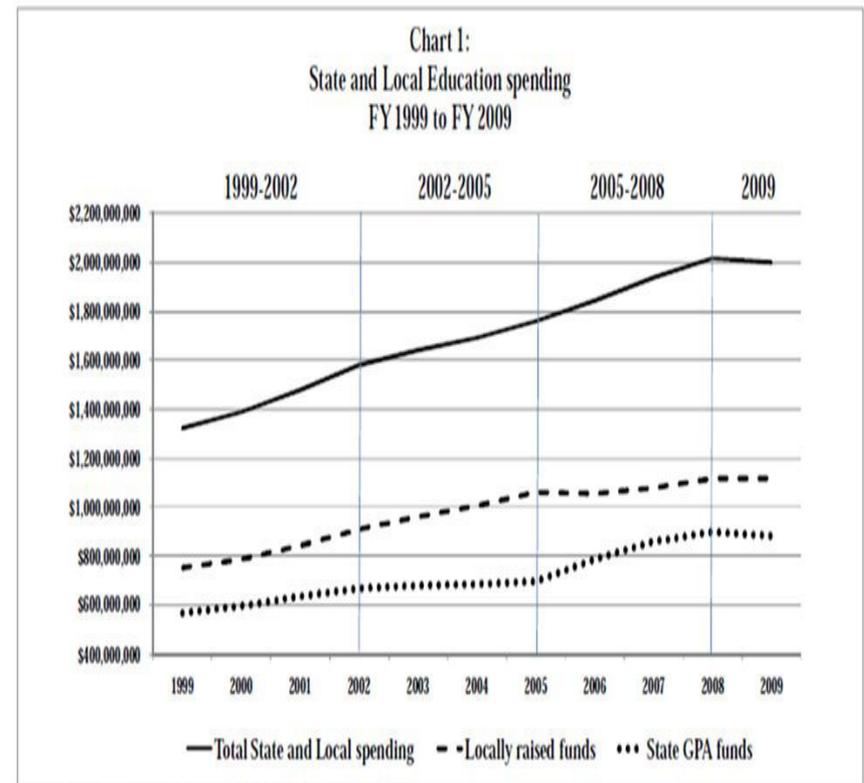


# Connecting the Budget Process to Strategic Planning

## Strategic Planning



## Budget Development & Execution



Source: Maine Department of Education, The Maine Heritage Policy Center

# FY 2017 Major Budget Influences

- ◆ Sustain focus and maintain competitiveness in attracting and retaining highly skilled, dedicated, and essential employees through increasing compensation
- ◆ Address the increasing levels of mandated and required services for our rising students with disabilities and students with limited English
- ◆ Increase, sustain and restore classroom and school positions to support curriculum rigor and intervention in math and literacy for an increasingly diverse population
- ◆ Need for increased and timely technology support
- ◆ Managing significant mandatory cost increases in Health Insurance and Virginia Retirement System (VRS) rates
- ◆ Decreased enrollment
- ◆ Increased Local Composite Index (LCI)



# MANDATORY COSTS



# Mandatory Costs

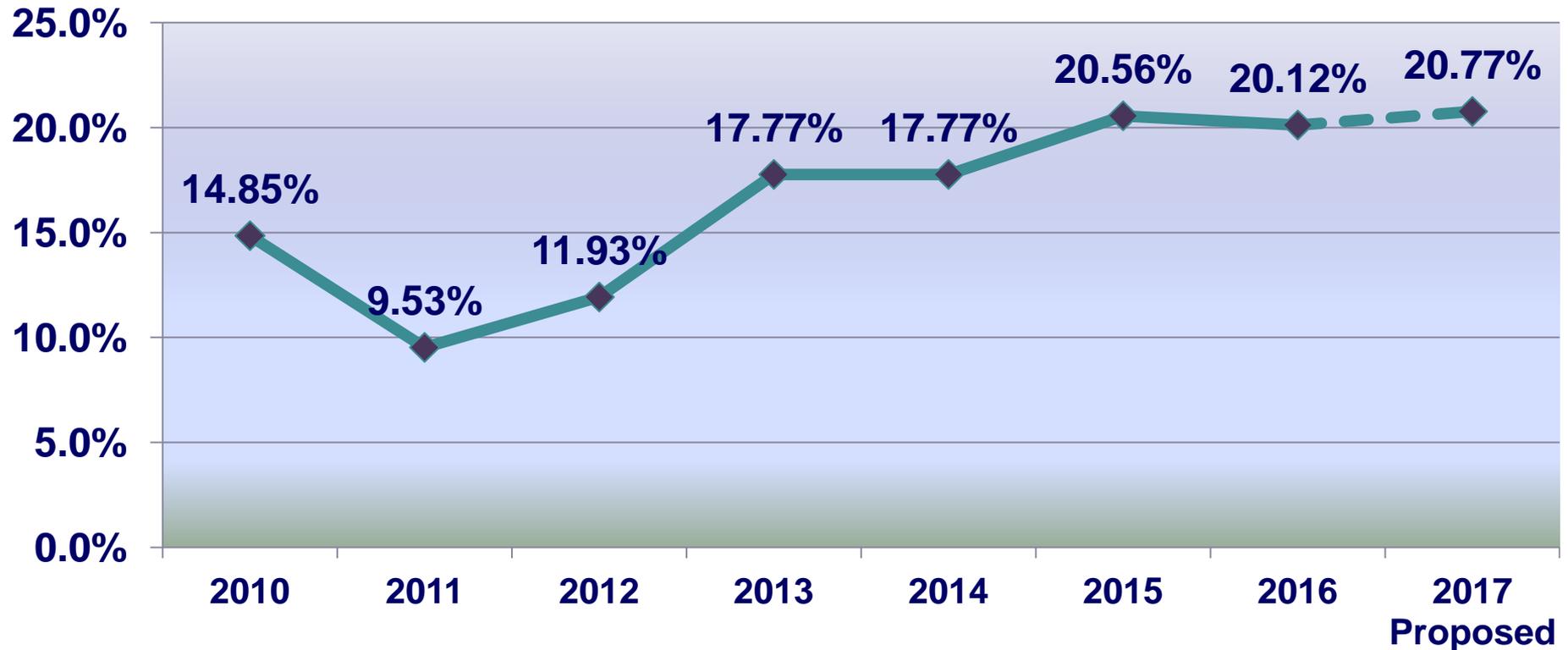
<b>Total \$4.9 Million</b>	<b>Fiscal Impact</b>
19% VRS Non-Professional Group Rate Reduction from 8.17% to 6.62%	(\$150,131)
15% Dental Insurance Rate Increase	\$221,608
11.8% Health Insurance Rate Increase	\$3,824,195
10% VRS Group Life Insurance Rate (GLI) Increase from 1.19% to 1.31%	\$165,725
5% VRS Retiree Health Credit Rate Increase	\$64,209
4% VRS Professional (Teachers) Group Rate Increase from 14.06% to 14.66%	\$770,507
5% Health Insurance Rate Increase (KeyCare Expanded Plan example) - monthly	Single \$6.27 Family 29.92

# Employee Benefits Trend

Description	2010	2011	2012	2013	2014	2015	2016	2017 Proposed
VRS/Retiree Health Credit Rate (Professional Group)	14.85%	9.53%	11.93%	17.77%	17.77%	20.56%	20.12%	20.77%
VRS Rates (Non-Professional Group)	13.84%	13.33%	13.33%	13.33%	15.19%	13.17%	13.17%	11.62%
Health Insurance Rate Increases	10.70%	7.60%	3.50%	20.3% paid by the employer, 2% paid by the employee	9.3% paid by the employer. Max increase 39% paid by employee	2% Paid by the employer 1% paid by the employee	No increases	11.8% Paid by the employer 5% paid by the employee
Group Life Insurance Rate Increases	.79%	.28%	.28%	1.19%	1.19%	1.19%	1.19%	1.31%

**In FY13, employees began to pay 5% of the VRS rate.**

# VRS Rate Trends



Note: FY 2018 Projected Rate  
is **22.55%**.

# Health Insurance Rate Trends (Employer)



# Impact of Health Insurance Premium Rate Increase - Full-time Employees

Plan	Plan Tier	Current Employee Monthly Premium	Monthly Increase 5%	Annualized Increase 5%	Revised Employee Monthly Premium 5%
<b>Full-time Employees</b>					
KeyCare Expanded	Employee Only	\$125.36	\$6.27	\$75.22	\$131.63
	Employee +1	\$350.34	\$17.52	\$210.20	\$367.86
	Family (Shared)	\$196.56	\$9.83	\$117.94	\$206.39
	Family	\$598.37	\$29.92	\$359.02	\$628.29
KeyCare 200	Employee Only	\$90.26	\$4.51	\$54.16	\$94.77
	Employee +1	\$285.31	\$14.27	\$171.19	\$299.58
	Family (Shared)	\$164.89	\$8.24	\$98.93	\$173.13
	Family	\$501.99	\$25.10	\$301.19	\$527.09
KeyCare 500	Employee Only	\$20.40	\$1.02	\$12.24	\$21.42
	Employee +1	\$156.51	\$7.83	\$93.91	\$164.34
	Family (Shared)	\$45.14	\$2.26	\$27.08	\$47.40
	Family	\$295.53	\$14.78	\$177.32	\$310.31

# Impact of Health Insurance Premium Rate Increase - Part-time Employees

Plan	Plan Tier	Current Employee Monthly Premium	Monthly Increase 5%	Annualized Increase 5%	Revised Employee Monthly Premium 5%
Part-time Employees					
KeyCare Expanded	Employee Only	\$228.66	\$11.43	\$137.20	\$240.09
	Employee +1	\$493.98	\$24.70	\$296.39	\$518.68
	Family	\$803.47	\$40.17	\$482.08	\$843.64
KeyCare 200	Employee Only	\$164.64	\$8.23	\$98.78	\$172.87
	Employee +1	\$402.29	\$20.11	\$241.37	\$422.40
	Family	\$674.05	\$33.70	\$404.43	\$707.75
KeyCare500	Employee Only	\$123.70	\$6.19	\$74.22	\$129.89
	Employee +1	\$300.15	\$15.01	\$180.09	\$315.16
	Family	\$500.63	\$25.03	\$300.38	\$525.66



# EMPLOYEE COMPENSATION



# Budget Highlights

<b>Total \$5.2 Million</b>	<b>Fiscal Impact</b>
Step and 1% Pay Increase for all Eligible Employees	\$3,209,669 \$1,730,503
<b>Total Compensation</b>	<b>\$4,940,172</b>
Frozen Scales Adjusted by a 1% Increase	\$191,411
7% Academic & Athletic Stipend Restoration	\$78,905

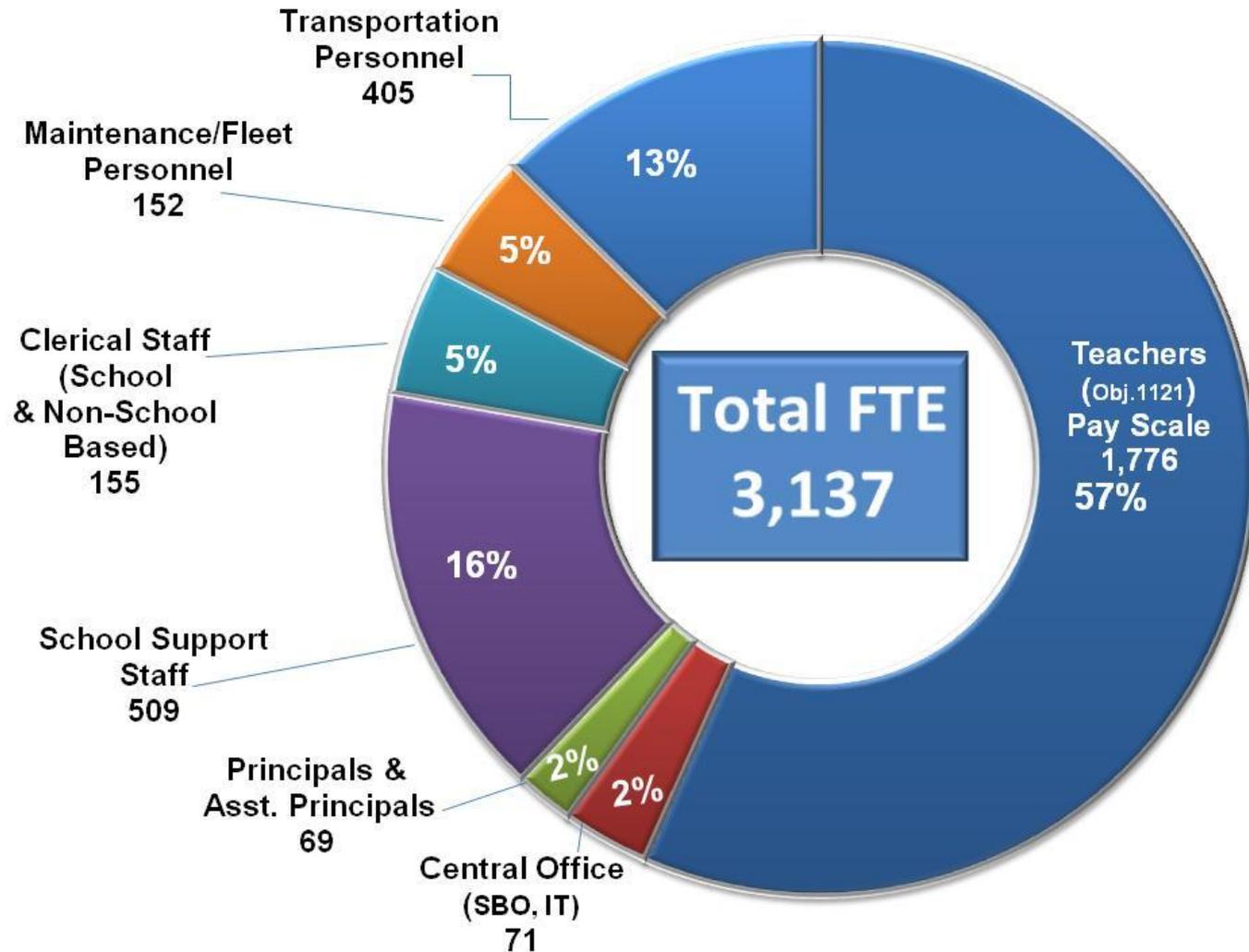
# FY16 Teacher Salary Comparisons with Surrounding Divisions

School Districts	BA-No Exp.	BA-5 Years of Exp.	BA-10 Years of Exp.	BA-15 Years of Exp.	BA-20 Years of Exp.	BA-25 Years of Exp.	BA-30 Years of Exp.
King George	38,204	40,357	43,464	47,986	52,981	58,495	64,584
Culpeper	39,000	42,221	45,712	49,495	53,582	58,009	62,806
Orange	39,050	42,211	45,372	48,533	51,694	54,855	58,015
Caroline	39,200	43,200	47,200	51,200	55,200	61,000	65,000
Stafford	40,000	41,808	46,298	51,848	58,467	65,989	74,478
Spotsylvania	40,402	42,228	45,019	49,563	56,077	63,445	71,781
Fredericksburg	41,400	43,900	47,600	53,800	60,800	68,600	78,000
Louisa	42,424	43,377	44,810	47,744	52,029	57,024	62,039

# Salary Adjustment Trends

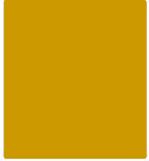
<b>Fiscal Year</b>	<b>Salary Adjustments</b>
2009	2.5% COLA
2010 & 2011	None (Pay Reduction - 3 Furloughs Days - Directors & Above)
2012	1% COLA & \$600 Prorata Bonus
2013	.8 % (EE below director level) 0% (EE director & above) Plus 5% VRS pay raise offset
2014	\$900 Prorata Bonus
2015	Step & 1% COLA
2016	3% COLA
<b>2017</b>	<b>Step &amp; 1% COLA (Proposed)</b>

# FY 2017 Approved FTE – Contracted Full-Time Equivalents





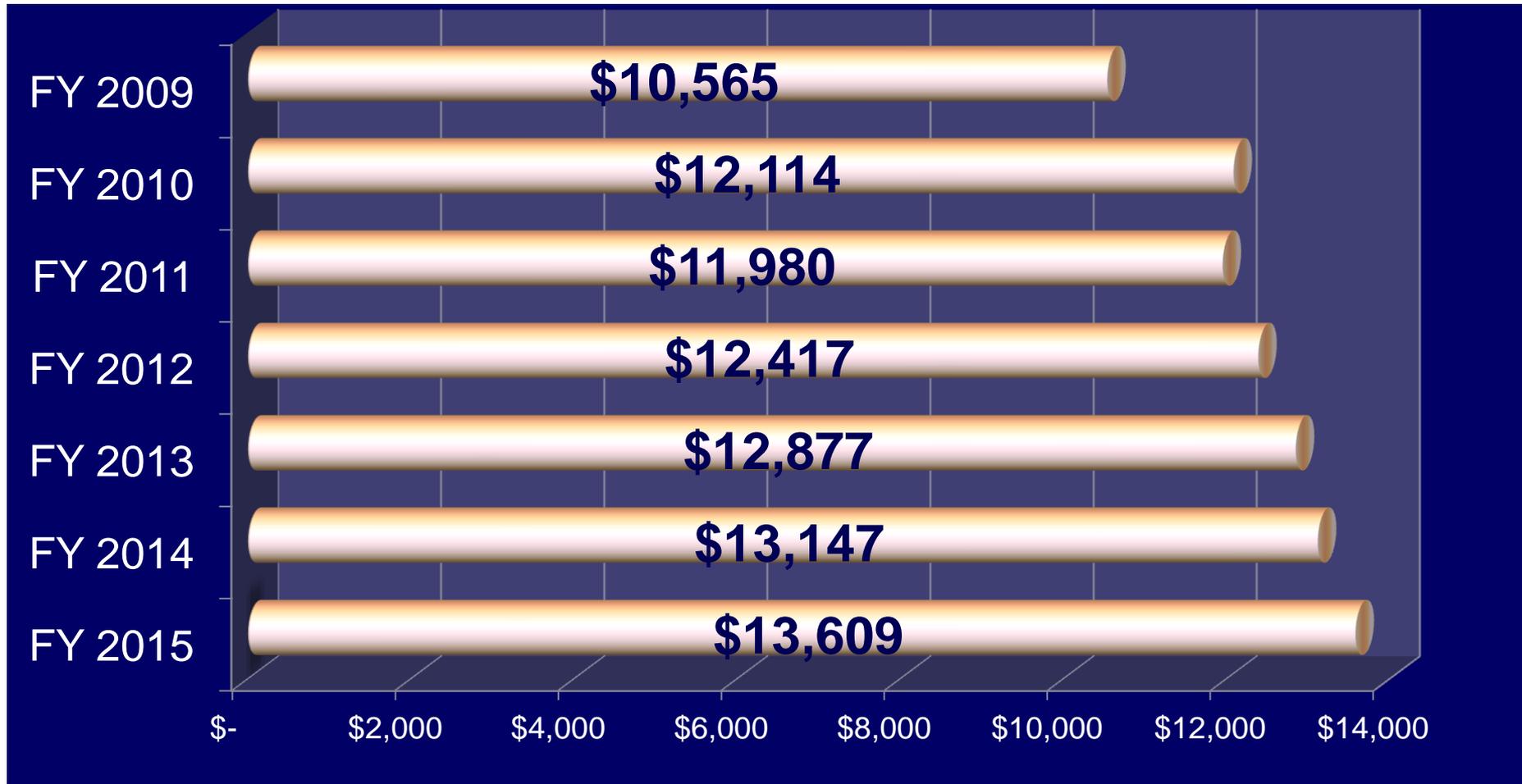
# CLASSROOM INSTRUCTIONAL NEEDS AND OTHER SUPPORTS



# Budget Highlights

Total \$2.5 Million	Fiscal Impact
12 General Education Teachers	\$766,390
10 Middle School Teachers	\$638,658
2 ESOL Teachers	\$127,732
<b>24 Special Education Personnel</b>	<b>\$1,195,656</b>
1 ID Mild Teacher and 2 ID Mild Para-educators	\$133,009
1 Autism Teacher and 2 Autism Para-educators	\$133,009
4 ECSE Teachers and 8 ECSE Para-educators	\$532,034
1 Social Worker	\$67,434
1 Psychologist	\$70,739
1 Occupational Therapist	\$70,078
1 Speech Therapist	\$70,739
1 Autism Coordinator	\$72,889
1 Transportation Dispatcher	\$45,725
<b>11 Instructional Technology Assistants (ITA's)</b>	<b>\$393,190</b>
<b>Hourly Elementary Café Monitors (34 in total)</b>	<b>\$187,763</b>

# Special Education Cost per Pupil Trend

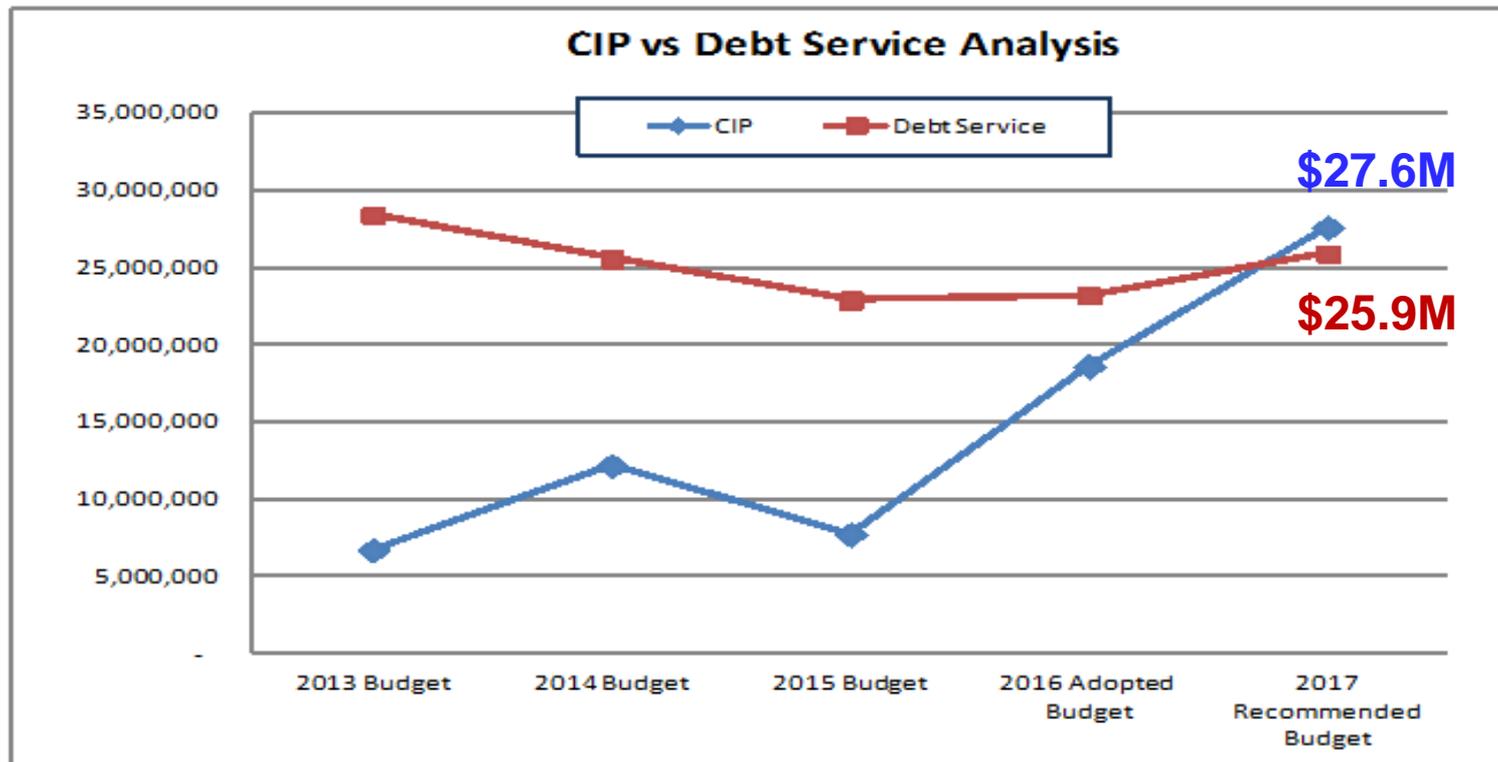


# Budget Highlights

<b>Total - \$1.9 Million</b>	<b>Fiscal Impact</b>
Lower Athletic Fee from \$75 to \$50 per sport	\$93,092
Impact of Using Health Insurance Reserve in FY16 on the FY 17 Budget <small>(Started the FY17 budget with a deficit)</small>	\$1,046,653.74
Remove Bridges Grant Funding (FTE position)	(\$113,137.42)
Non-Compensation Increases/Decreases	\$751,562.00
Other FTE Adjustments (Food Service, Math Specialist, ITA)	(\$183,549.28)
Special Education Items Approved in FY16 placed into FY17	\$297,833.50
Reclass Transportation Positions	\$57,912.91
Balance Grants/Funds/Unencumbered Compensation	(\$102,609.83)
Fleet Expenditure Adjustment for \$1 increase in Revenues	\$60,838.00

# Budget Highlights

**Total \$2.7 Million – Debt Service**



# Investment in Education – Response by District

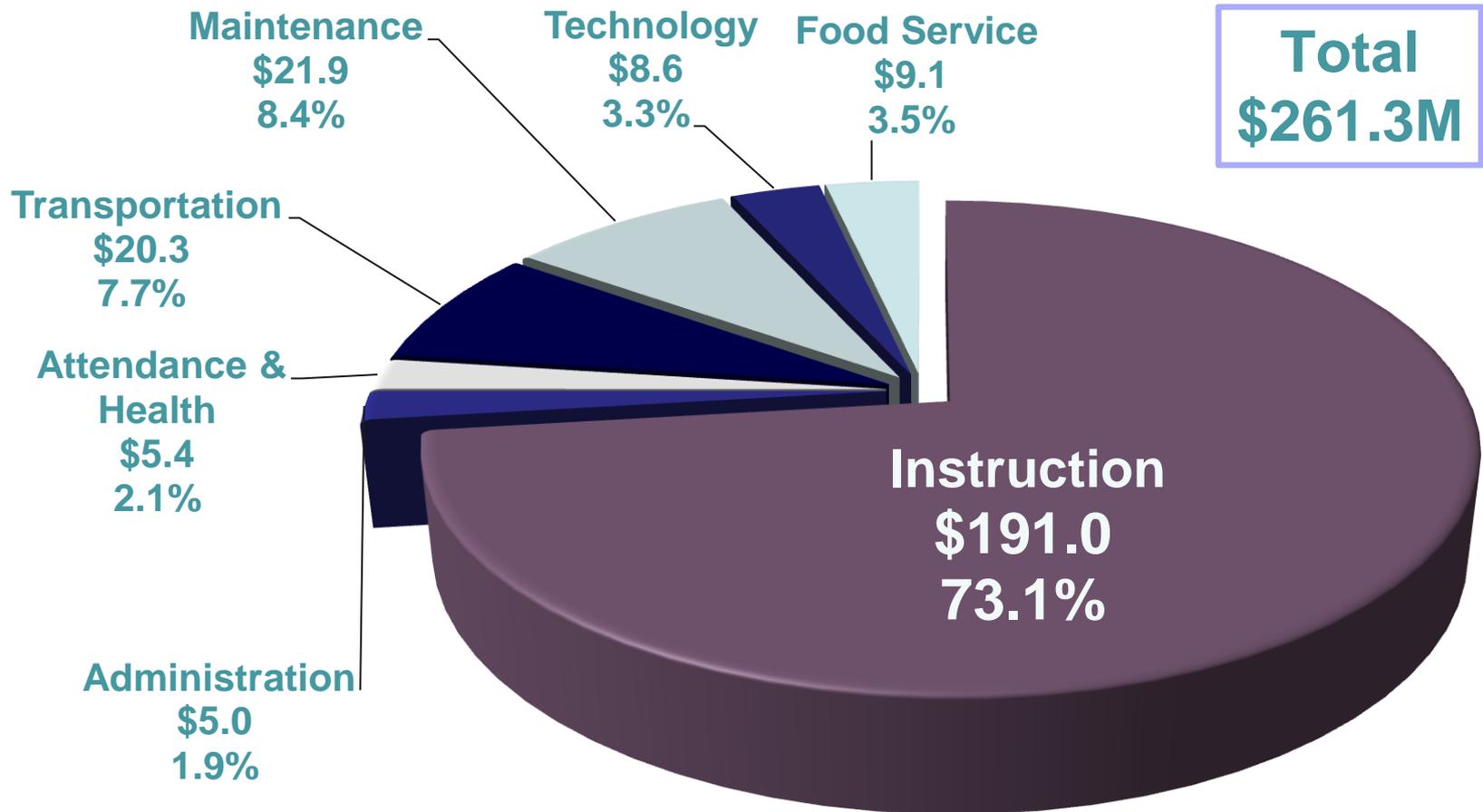
November 4, 2014 Ballot - Public Improvement Bonds

## Bond Referendum Questions

Districts	Description	Question 1 - Public Roads	Question 2 - Environmental Solid Waste Need	Question 3 - Public Safety Needs	Question 4 - General Gov't Equipment & Facilities	Question 5 - School's Maintenance/Tech Transportation Needs
	Berkeley - 1	No	No	No	No	No
	Chancellor - 2	Yes	No	Yes	No	Yes
	Courtland - 3	Yes	No	Yes	No	Yes
	Lee Hill - 4	Yes	Yes	Yes	No	Yes
	Livingston - 5	No	No	No	No	No
	Salem - 6	Yes	Yes	Yes	No	Yes
	Battlefield - 7	Yes	Yes	Yes	No	Yes
	Other (Provisional & Absentee)	Yes	Yes	Yes	No	Yes
<b>Total Votes</b>	Yes	No	Yes	No	Yes	

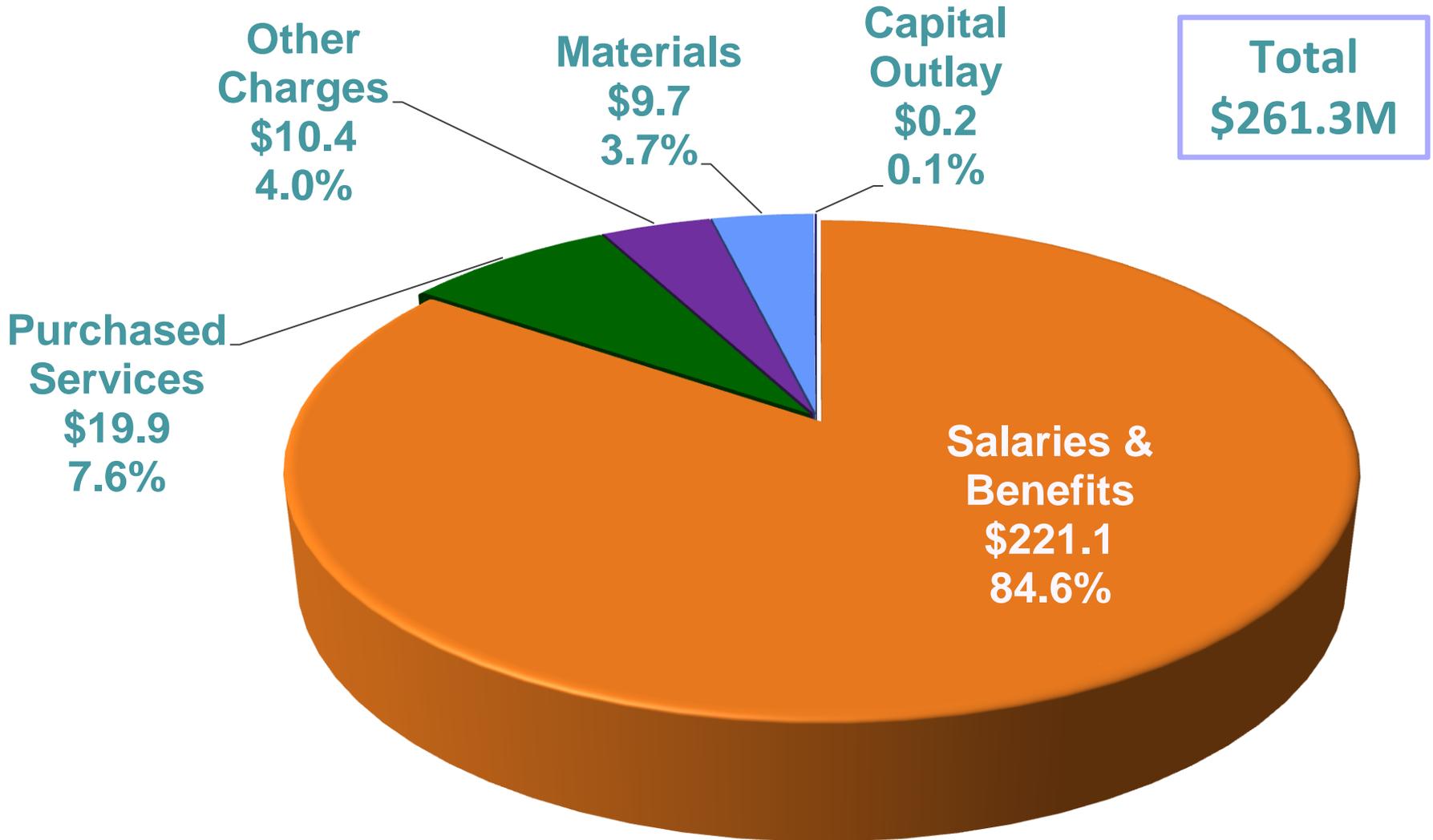
# FY 17 Budget by Category

(Less CIP & Debt Service)



# FY 17 Budget by Object

(Less CIP & Debt Services)

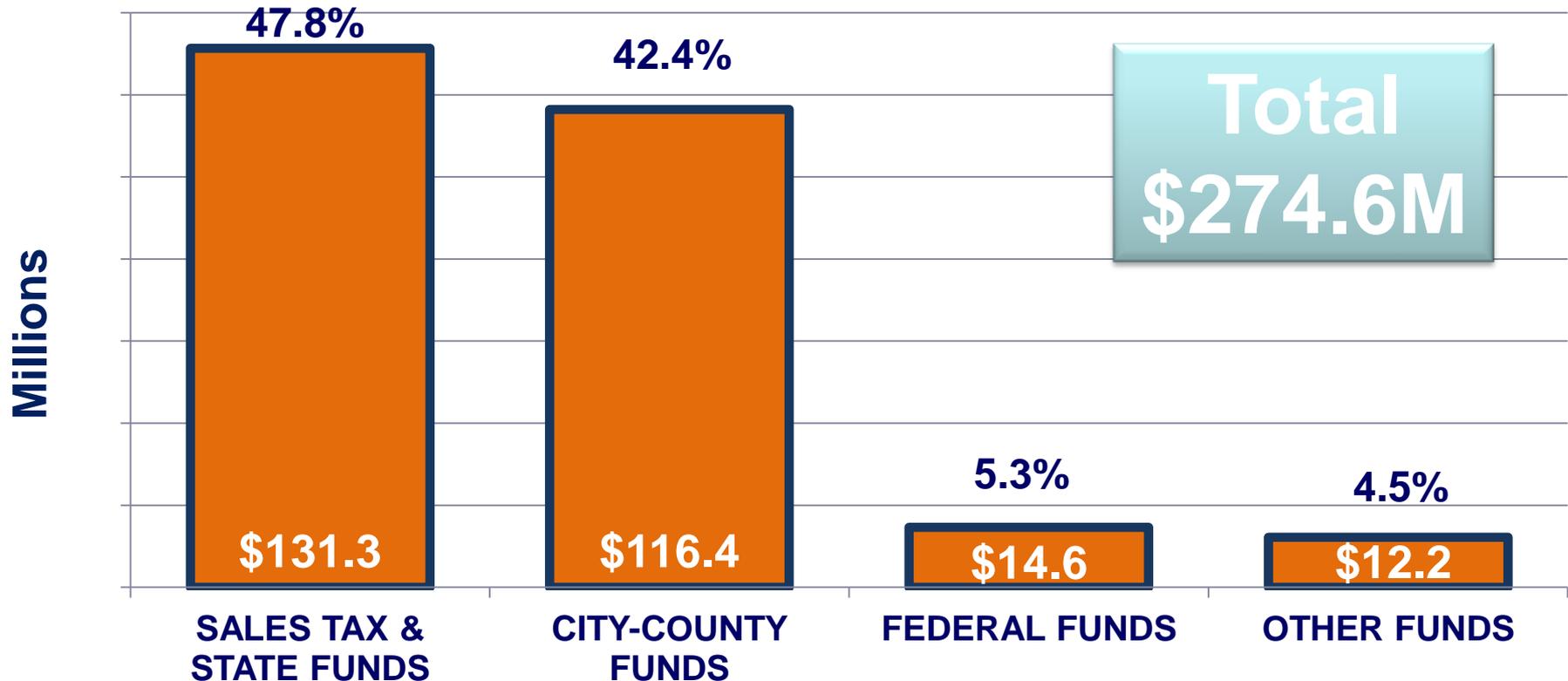




# REVENUE HIGHLIGHTS



# FY17 Budgeted Revenues (Less CIP & Revenue Gap)



***The Revenue Gap is \$12.6 million.***

***Note: Difference due to rounding***

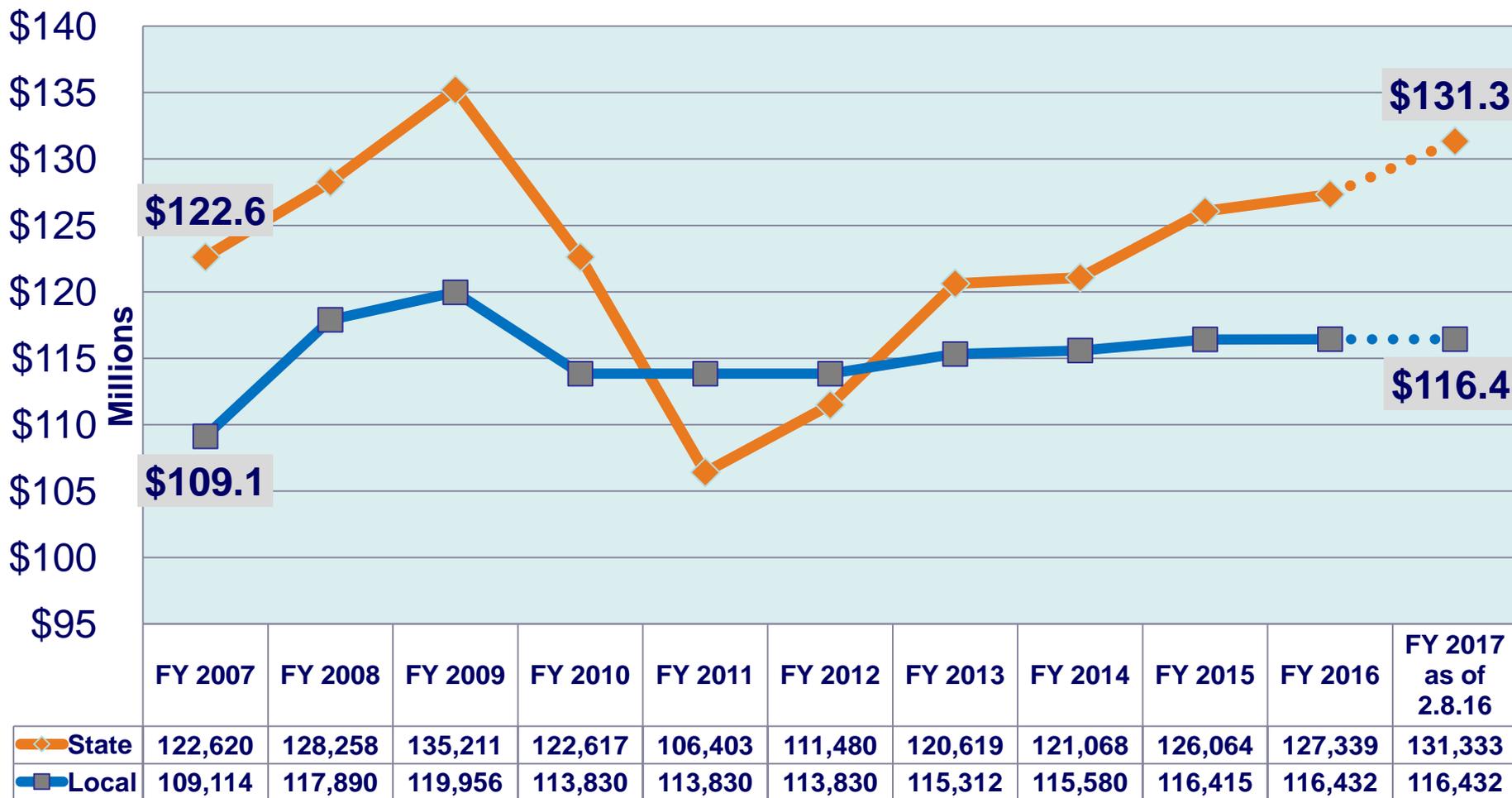
# Two Year Revenue Trend (Excluding CIP)

Revenue	FY16	FY17	\$	%
	Adopted Budget	Approved Budget		
State Sales Tax	24,600,677	25,587,202	986,525	4.01%
State Funds	102,738,548	105,746,098	3,007,550	2.93%
<b>Total State Funds</b>	<b>\$ 127,339,225</b>	<b>\$ 131,333,300</b>	<b>\$ 3,994,075</b>	<b>3.14%</b>
Federal Funds	14,278,587	14,601,500	322,913	2.26%
City-County Funds	116,432,747	116,432,747	-	0.00%
Other Funds	11,847,104	12,186,107	339,003	2.86%
	<b>\$ 269,897,663</b>	<b>\$ 274,553,654</b>	<b>\$ 4,655,991</b>	<b>1.73%</b>

# FY17 Budgeted Expenditures

Four Major Categories	Costs
FY 2017 Revenue Increases (All Sources Except CIP)	\$4.7M
Mandatory Costs	(\$4.9M)
Debt Service Costs	(\$2.7M)
<b>Subtotal</b>	<b>(\$2.9M)</b>
Compensation	(\$5.2M)
Classroom Instructional Needs and Other Supports (47 FTEs, Hourly Staff)	(\$2.6M)
Learning Needs, Other Supports, Baseline Adjustment (Use of Health Reserve)	(\$1.9M)
<b>Budget Gap as of 2.8.16</b>	<b>(\$12.6M)</b>

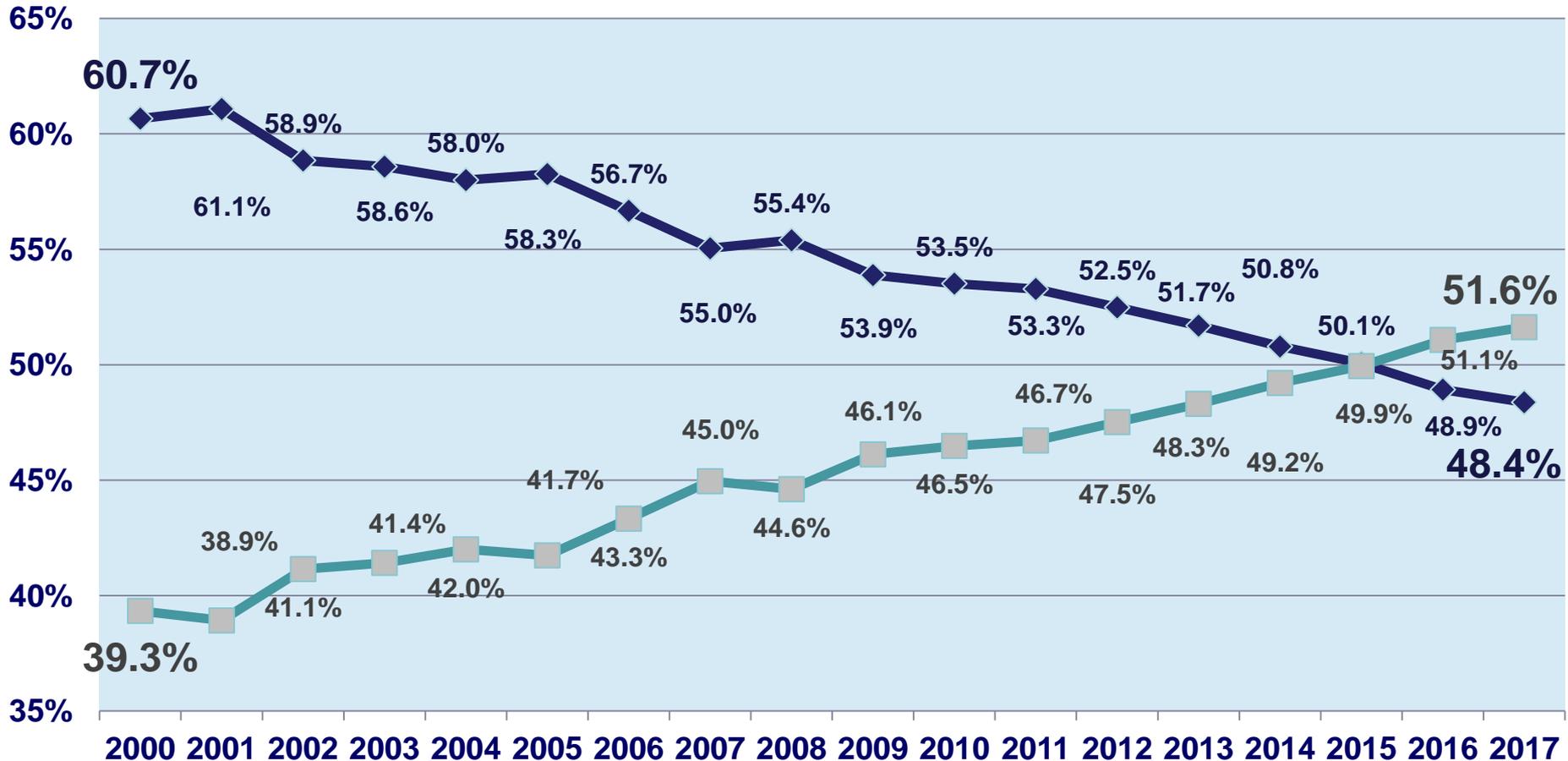
# Local & State Fund Trends



Note: FY 2017 Board Approved Budget assumes level funding of \$116.4M.

# School Transfer as % of County's General Fund

◆ SCHOOL COUNTY TRANSFER % OF GENERAL FUND  
 ■ GENERAL FUND %



Note: FY 2017 County Admin Proposed Local Transfer- \$119.1 M or 48.4%

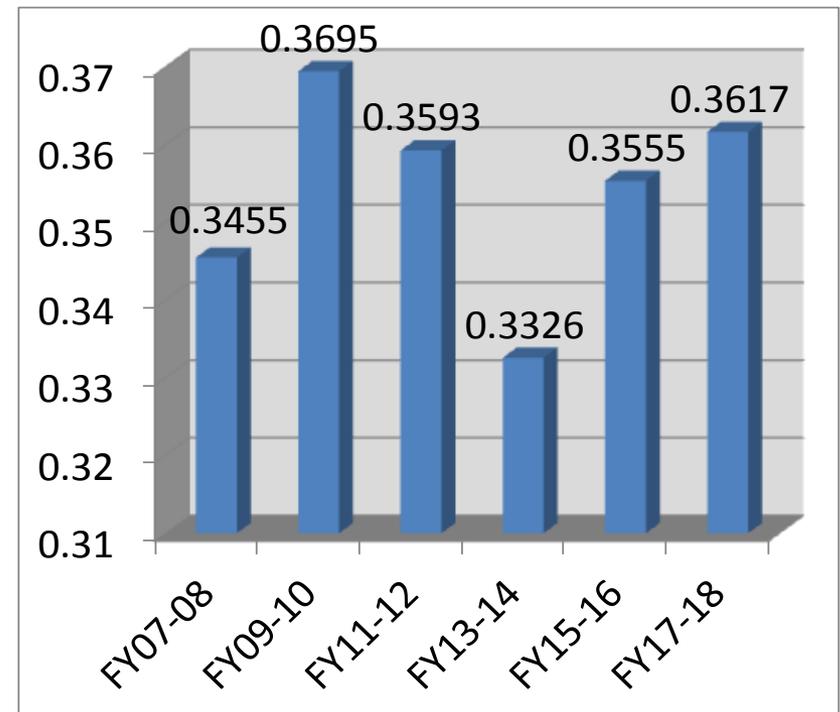
# Local Composite Index (LCI)

(Locality's Ability to Pay)

## FY17 Impact of the LCI

When the LCI increases, it is expected that the local revenue share will increase as the state revenue declines. The loss of state revenues attributed to SCPS having a higher LCI for the 2016-2018 biennium is estimated at **\$1.8M**.

## LCI Trend Data



# Factors Leading to Decreased SCPS Budget Capacity

**Since 2013, what factors have lowered the divisions budget capacity?**

- ◆ Increases in Mandatory costs
- ◆ Increase in students with significant disabilities
- ◆ Flat/Declining Enrollment
- ◆ Increases in the Local Composite Index (Less funding from the State that was not fully backfilled by the County)

Metrics	Actual FY 2013	Project. FY17
VRS/GLI	\$17.7M	\$21.7M
Special Education Costs	\$32.6M	\$39.6M
Sped Ed Enrollment	2,613	3,096 (As of 2.9.16)
Student Enrollment	23,725	23,655
Local Composite Index	.3326	.3617

# FY 17 Budget Requests That Were Not Included

Description	Amount
Teacher Pay Scale Adjustments (starting salary at \$41,700 and incremental step Increases)	\$2,835,137.00
Localized Student Assessments	\$230,000.00
K-12 Curriculum Resources	\$1,100,000.00
3.0 FTE College & Career Counselors	\$218,666.64
2.0 FTE Foreign Language Teachers - HS	\$127,731.60
3.0 FTE Math Specialist – HS	\$218,666.64
\$1,200 Stipend for Elementary Curriculum (17 Total)	\$21,960.60
6.0 FTE Administrative Interns	\$420,968.82
1.0 FTE Social Worker	\$67,434.07
6.0 FTE LD/High Incidence Teachers (SPED)	\$383,194.80
1.0 FTE LD/Mild Teacher & 2.0 LD/Mild Para-educators - HS	\$133,008.50
2.0 FTE ED/BSP Para-educators – MS	\$69,142.70
Restoration of Employee Tuition Assistance	\$500,000.00
<b>Total</b>	<b>\$6,325.911</b>

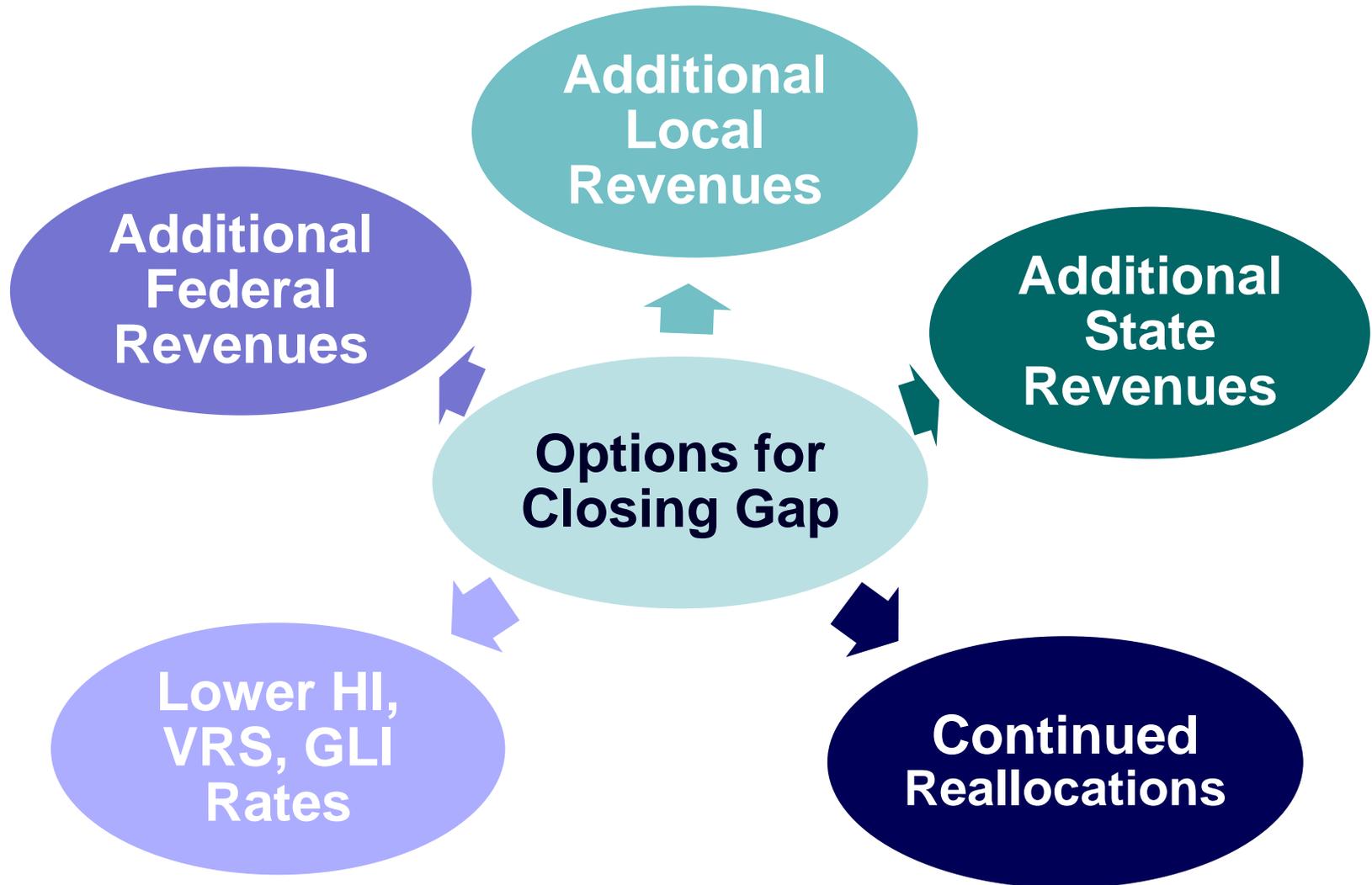
# Budget Challenge (2.8.16)

Budget	Amount
Revenue Increase	\$4.7M
Expenditures Increase	
<ul style="list-style-type: none"><li>•Mandatory Costs</li><li>•Compensation</li><li>•Benefits</li><li>•FTEs</li><li>•Non-compensation</li></ul>	<u>(\$17.3M)</u>
<b>Budget Gap</b>	<u>(\$12.6M)</u>

# Significant Gap Closing Measures

Description	10	11	12	13	14	15	16	17
1. Restructuring/Eliminate Positions (Gross)	X	X	X	X	X	X	X	X
2. Comp & Non-Comp Reallocations	X	X	X	X	X	X	X	X
3. Delay Capital Purchases		X	X	X	X	X	X	X
4. Early Retirement Program	X	X					X	
5. Refinance Debt				X	X	X	X	
6. Salary Freezes/Minimal Pay Raises/Pay Reductions	X	X	X	X	X			
7. Increase in the Employee Health Premium Rate	X			X	X	X		X
8. Eliminate Extracurricular Activities / Instructional Programs	X	X						
9. Outsourcing Services	X	X	X	X	X	X	X	X
10. Implement New Fee (Athletics)		X						
11. Use of the Division's Health Insurance Reserve							X	

# Options for Closing the Gap





# NEXT STEPS



# Next Steps

- ◆ February 11-14 – General Assembly Crossover
- ◆ February 16 – School Board Presents FY17 Approved Budget to Board of Supervisors
- ◆ February 23 – County Approves Tax Rate Advertisement Decision
- ◆ March 12 – (Tentative) General Assembly Approves State FY17 Budget
- ◆ March 22 – Board of Supervisor and School Board Joint Budget Work Session
- ◆ April 5 – Board of Supervisor Budget Public Hearing at Courtland High (New Date)
- ◆ April 12 – Board of Supervisors Adopt FY17 Budget and Tax Rates
- ◆ May 9 – School Board Adopts FY17 Budget
- ◆ FY 2018 Budget Planning





“Educate and inform the whole mass  
of the people...they are the only  
sure reliance for the  
preservation of our liberty.”

–Thomas Jefferson



“Leadership and learning are indispensable to each other.”

–John F. Kennedy