

# Spotsylvania County Public Schools School Board Approved FY 2015 Budget



*Navigating the Future...*

Setting our course as a

***“LEADING SCHOOL DIVISION”***



Presented: February 18, 2014



**SPOTSYLVANIA**  
COUNTY PUBLIC SCHOOLS

# Presentation Overview

- Strategic Planning
- Division Profile/Performance Highlights
- Funding Challenges/Cost Cutting Measures
- Budget Priorities/Focus
- Local Budget Request
- Budget Timeline

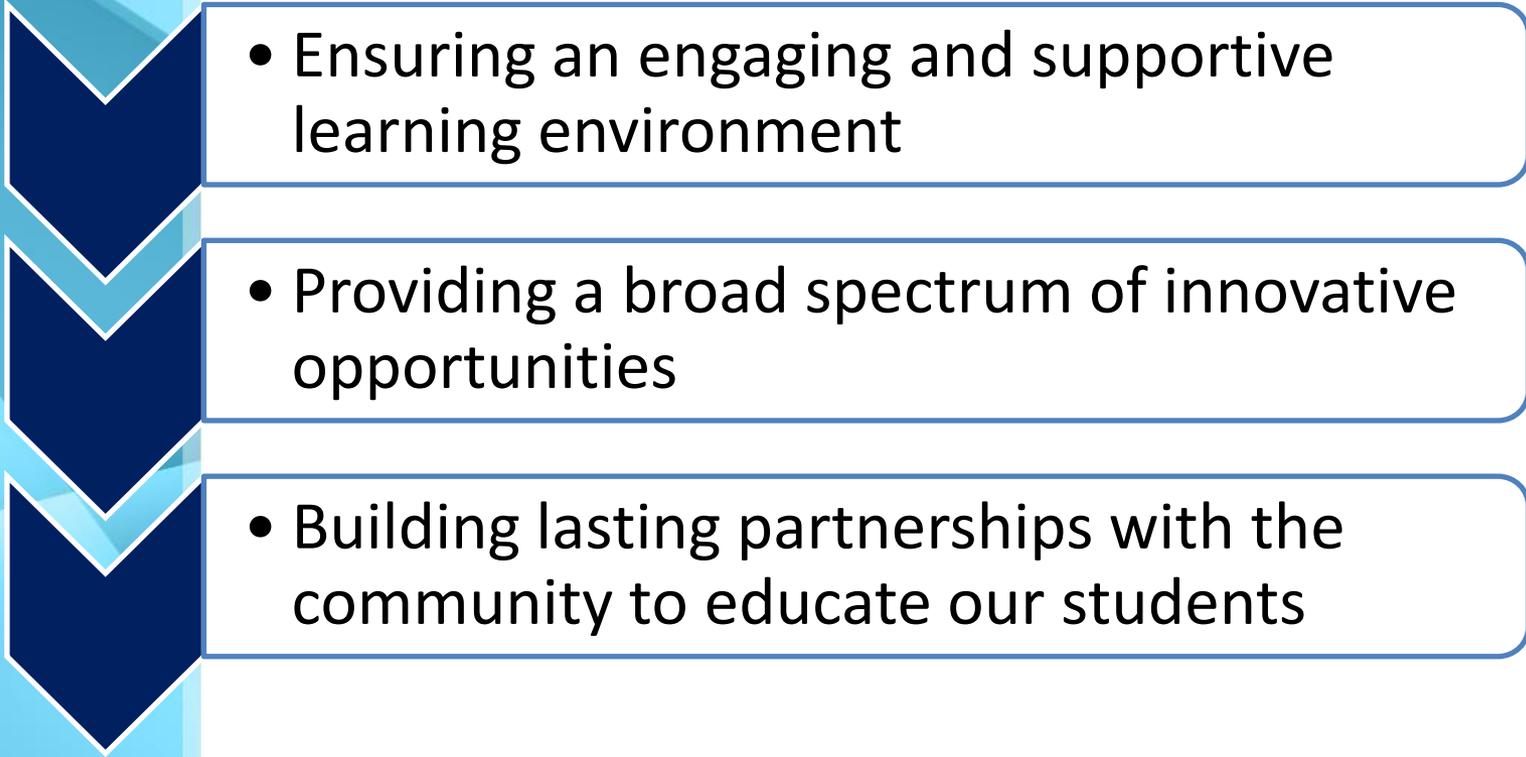
# Navigating the Future



# Vision Statement

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

# 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 Mission Statement

Together - we prepare our students for their future.



# SCPS Strategic Goals

## Goal 1: Teaching & Learning

- All students will graduate 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.

A close-up photograph of a single, ripe red apple with a small stem, resting on the pages of an open book. The background is dark and out of focus. The text 'Division Profile/Student Performance Highlights' is overlaid on the right side of the image in a white, sans-serif font.

# Division Profile/Student Performance Highlights

# FY 14 SCPS Profile

- 31 schools and centers
  - Elementary - 17
  - Middle - 7
  - High - 5
  - Other - 2
- 3,010 employees
  - 70% reside in the county
- 1,713 teachers
  - 57% hold a Master's Degree or Doctorate
  - 99% are Highly Qualified
  - 59 are National Board Certified



# Student Demographics

|                        |  |
|------------------------|--|
| <b>Enrollment</b>      | 23,838 Students in grades pre K-12<br>11 <sup>th</sup> largest of Virginia's 132 school districts  |
| <b>Demographically</b> | <ul style="list-style-type: none"> <li>2.7% Asian</li> <li>18.4% Black or African American</li> <li>11.4% Hispanic</li> <li>62.4% White</li> <li>5.1% Other</li> <li>10.6% Special Education Students</li> <li>12.5% Gifted Students</li> <li>3.7% English Speakers of Other Languages (ESOL)</li> </ul> |
| <b>Economically</b>    | 32% Students receive free/reduced lunch  |
| <b>Physically</b>      | <ul style="list-style-type: none"> <li>25,106 miles traveled daily – 7,837 bus stops</li> <li>3.6 million meals served annually</li> <li>Total structural square footage 3,800,012</li> <li>Total acreage maintained 1,342.6</li> </ul>  |

# Performance Highlights

- 100% of schools achieved state accreditation
- 88.3% on-time Graduation Rate (three-year high)
- 84% of Graduates pursuing higher education (a 10% increase from FY12 to FY 13)



# Performance Highlights, *Continued*

- 55.7% of 2013 seniors graduated with an Advanced Studies Diploma
- Virtual Learning: Outstanding completion rates in both credit recovery and online course work
- Numerous District, Regional, and State Fine Arts, Career and Tech, and Athletic achievements



# Performance Highlights, *Continued*

- 99.84% Program Completion Rate (i.e., Advanced, Standard, GED, Modified Diploma, etc.) for 2012-13
- The total amount of college scholarships received in 2013 was \$31,727,664 (a \$12,203,023 increase from 2012).



# Funding Challenges/ Cost Cutting Measures



# Budget Challenge

## Budget

Revenue

Expenditures:

- Compensation & Benefits
- Class Size & Programs
- Instructional Materials
- Buses, Computers, Equipment
- Maintenance/Repairs

## Budget Gap

Amount

(Less)

More

(??????????)



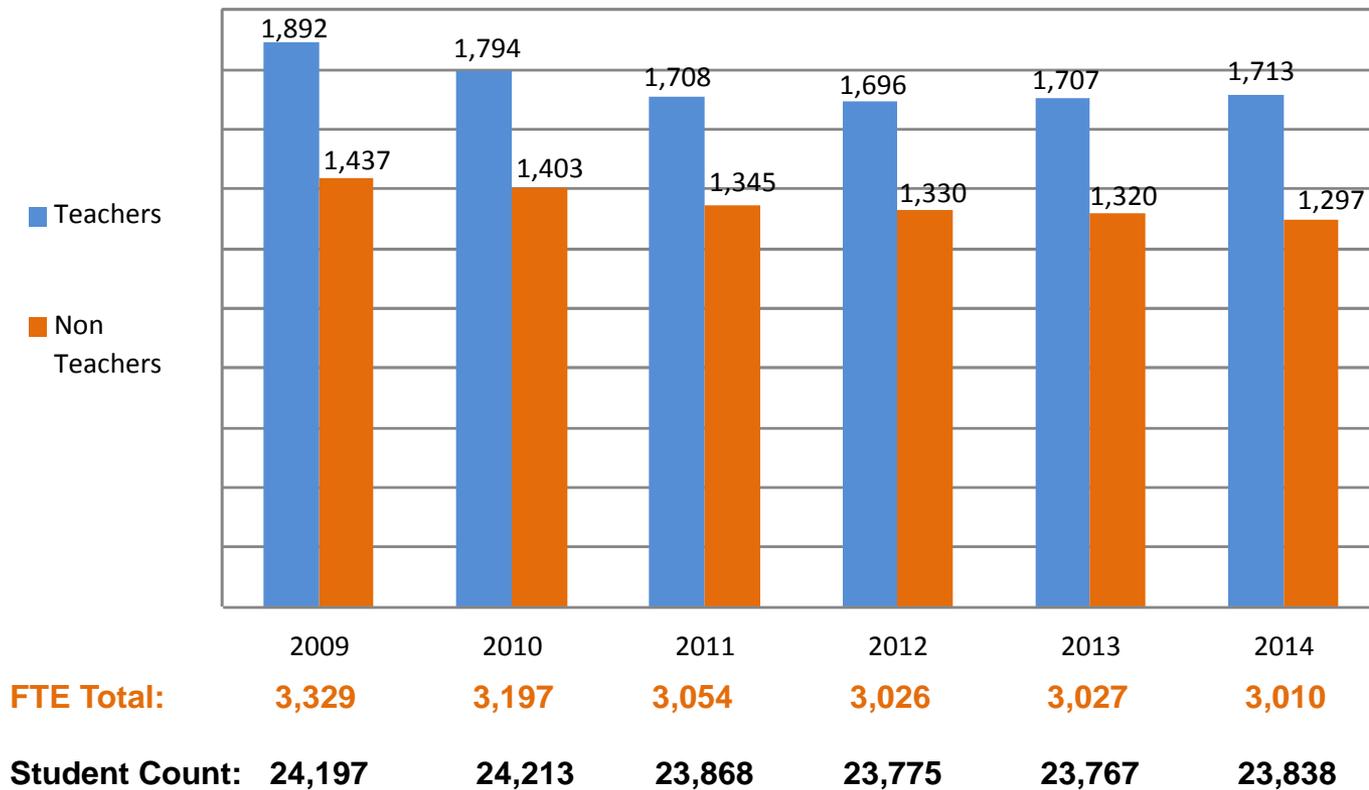
# 7-Year Trend - Tough Budget Choices

| Description  | 09 | 10 | 11 | 12 | 13 | 14 | 15 |
|--|----|----|----|----|----|----|----|
| 1. Eliminate Positions (Gross)/Vacancies                           | X  | X  | X  | X  | X  | X  |    |
| 2. Across-the-Board Non-Comp Cuts                                  |    | X  | X  | X  | X  | X  | X  |
| 3. Delay/Defer Capital Purchases                                   | X  | X  | X  | X  | X  | X  | X  |
| 4. Early Retirement Incentive                                      | X  | X  | X  |    |    |    |    |
| 5. Renegotiate Debt  |    |    |    |    | X  | X  |    |
| 6. Salary Freezes  |    | X  | X  |    |    |    |    |
| 7. Significant increase in the Employees' Share of Health Premiums |    | X  |    |    |    | X  |    |
| 8. Eliminate Extracurricular Activities and Instructional Programs |    | X  | X  |    |    |    |    |
| 9. Furlough of Directors and above                                 |    |    | X  |    |    |    |    |
| 10. Implement New Fee (Athletics)                                  |    |    | X  |    |    |    |    |

# 3-Year Trend - Staff Reductions

| Fiscal Year  | Net Savings   | FTE - Central Office | FTE - Teachers |
|--------------|---------------|----------------------|----------------|
| 2012         | \$0.7M        | (9.2)                | 0              |
| 2013         | \$1.1M        | (10.533)             | 0              |
| 2014         | <u>\$1.2M</u> | <u>(13.4)</u>        | <u>0</u>       |
|              |               |                      |                |
| <b>Total</b> | <b>\$3.0M</b> | <b>(33.133)</b>      | <b>0</b>       |

# Full-Time Equivalent (FTE) Trends

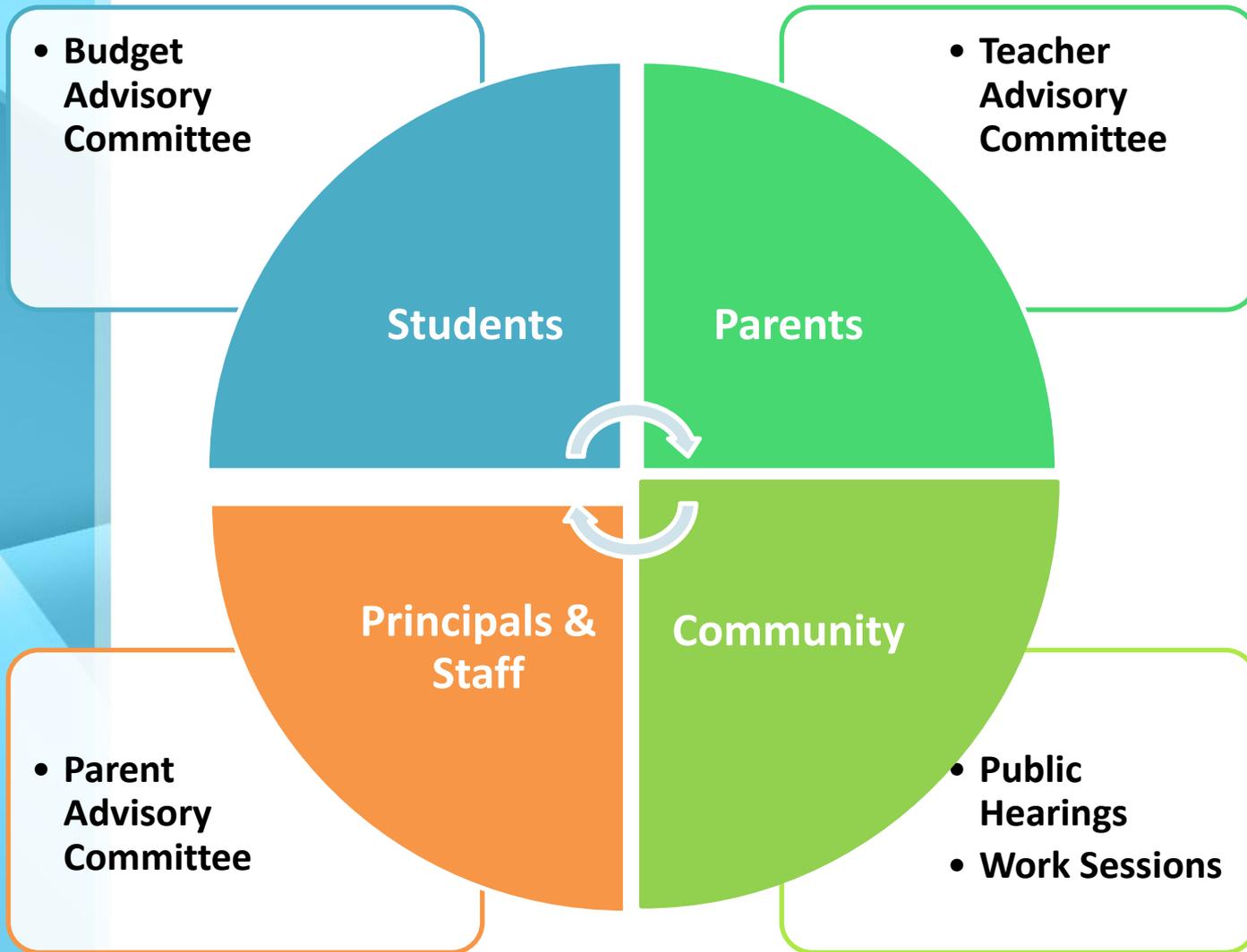


*Note: Positions were eliminated primarily through attrition.*



# Budget Priorities/ Focus

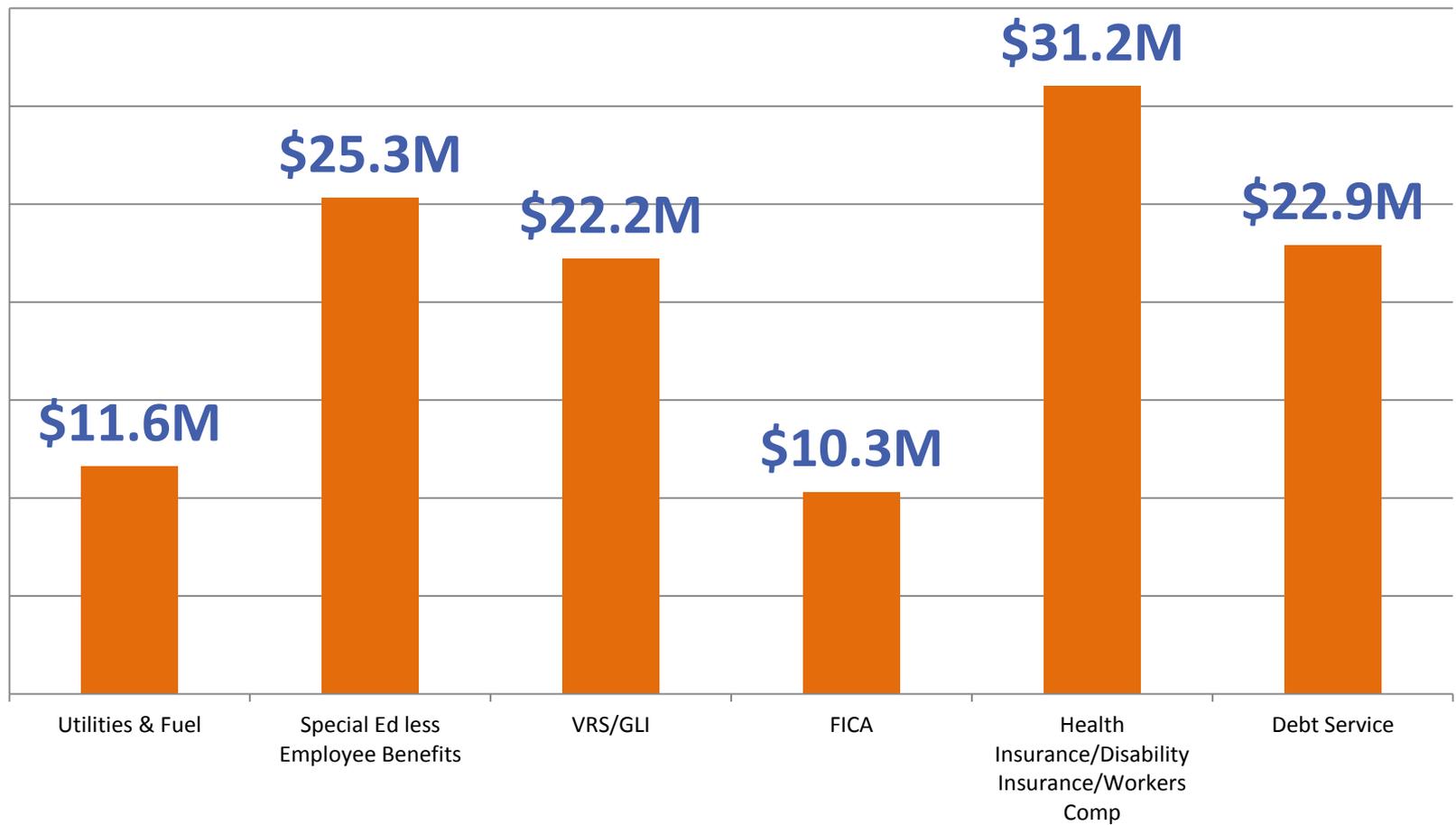
# Communication & Feedback



# FY15 Major Budget Drivers

## All Funds Except CIP

Total \$267.6M  
Budget less  
CIP



# School Board Budget Focus

**Provide employee compensation adjustment, a Step plus 1% COLA**

**Maintain pupil-teacher ratios**

**Preserve and enhance student learning programs**

# School Board Budget Focus, *Continued*

**Address mandated increases in VRS, GLI, and federal healthcare costs**

**Support staff in the implementation of the 6-year division-wide strategic plan**

**Ensure long-term financial stability**

# Employee Compensation Trend Data

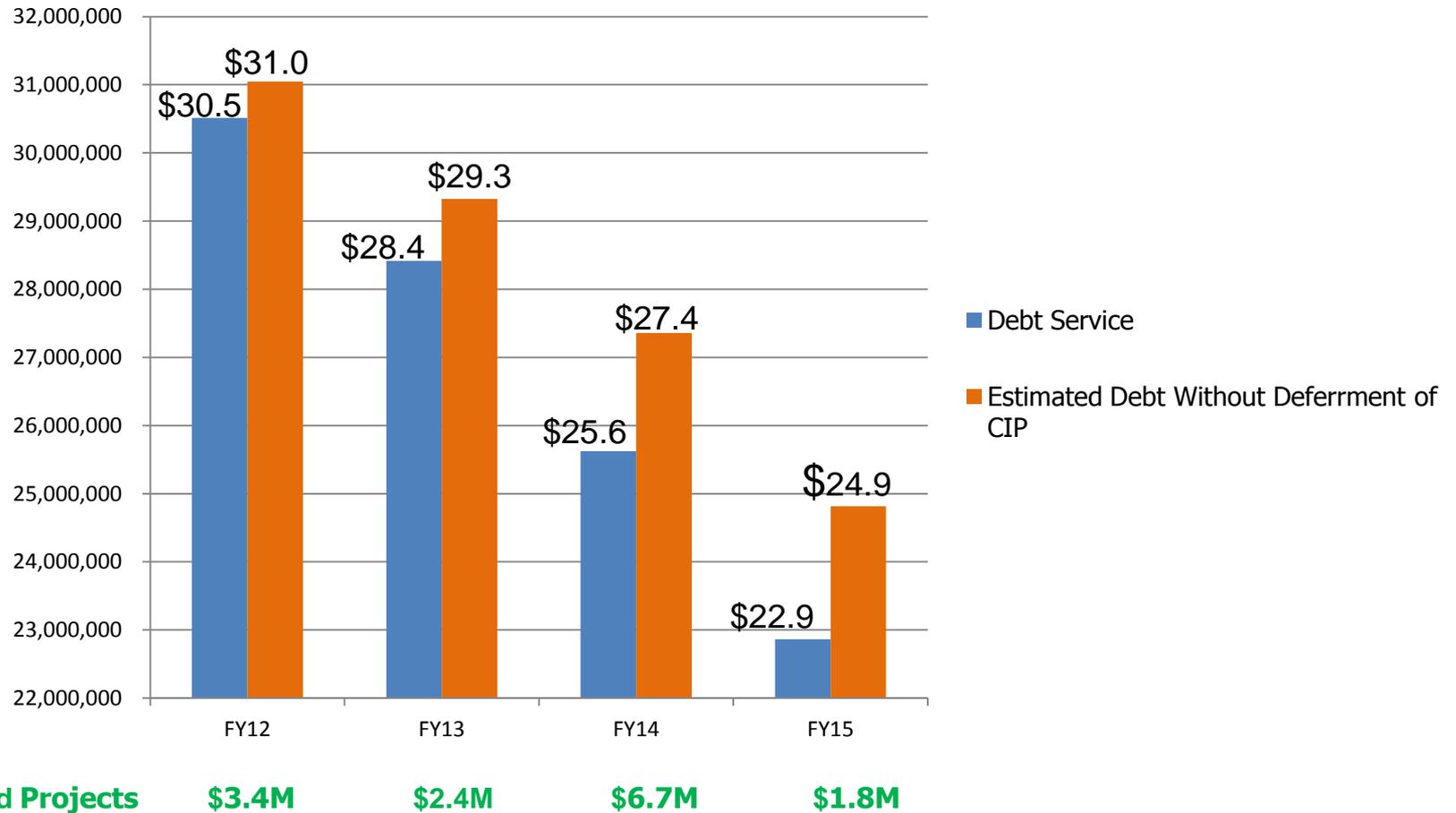
| FY          | SALARY ADJUSTMENTS   |
|-------------|--|
| 2009        | 2.5% COLA  |
| 2010        | None   |
| 2011        | None   |
| 2012        | 1% COLA & \$600 Prorata Bonus  |
| 2013        | .8 % (EE below director level)<br>0% (EE director & above)<br>Plus 5% VRS pay raise offset |
| 2014        | \$900 Prorata Bonus  |
| <b>2015</b> | <b>Step &amp; 1% COLA</b>  |

# FY 2015 Budget Shortfall

| Description  | Estimated Amounts      |
|--|------------------------|
| <i>Original Budget Shortfall (Oct. 2013)</i>       | (\$8.2)                |
| Debt Service Savings                               | <u>2.7</u>             |
| <i>Revised Budget Shortfall (Nov. 2013)</i>        | (\$5.5)                |
| Additional State Funding                           | 1.0                    |
| Additional Federal Grant Funding                   | 1.0                    |
| Lower Increase in Employee Benefit Costs           | 1.3                    |
| Reduced Non-Compensation Costs                     | <u>.3</u>              |
| <b><i>Revised Budget Shortfall (Jan. 2014)</i></b> | <b><u>(\$1.9M)</u></b> |

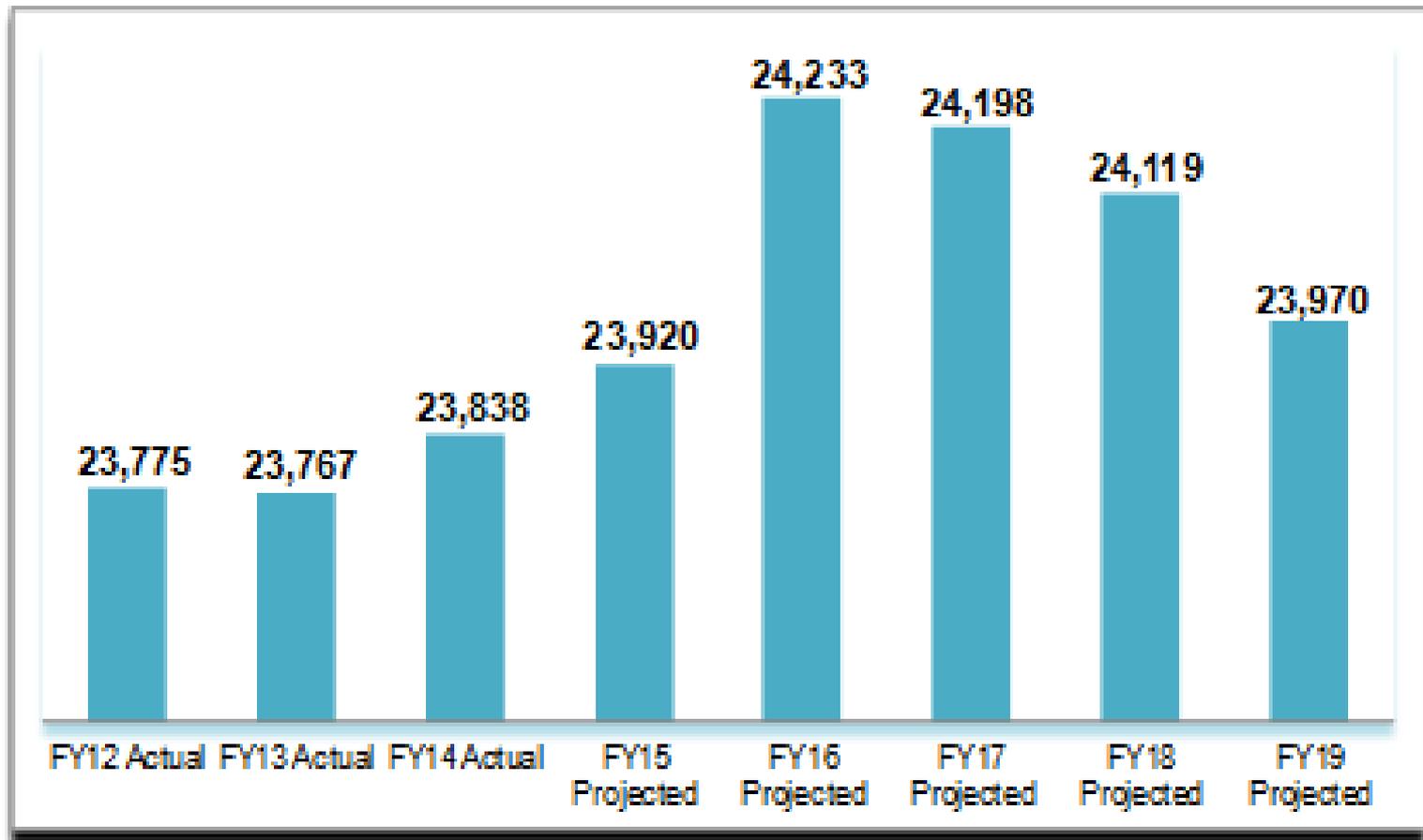
*Note: Differences due to rounding.*

# Impact of Deferred CIP on Debt Service (in millions)



| <b>EXECUTIVE SUMMARY</b>                    | <b>Amounts</b> | <b>Totals</b>   |
|---|----------------|-----------------|
| <b>Revenue Increases/Savings</b>            |                |                 |
| Net State Revenue Increase                  | 5.0 M          |                 |
| Debt Service Savings                        | 2.7 M          |                 |
| Non-Compensation Reductions                 | <u>.3M</u>     | 8.0M            |
| <b>Expenditure Increases</b>                |                |                 |
| Net Pay Increase, Net (\$4.7M Fully Funded) | (4.0M)         |                 |
| Health Insurance/Other Benefits             | (1.7M)         |                 |
| Utilities/Fuel                              | (.4M)          |                 |
| VRS/GLI (only partially funded)             | (3.7M)         |                 |
| Special Ed Transportation Costs             | <u>(.1M)</u>   | <u>(9.9M)</u>   |
| <b>Budget Shortfall</b>                     |                | <b>(\$1.9M)</b> |

# Student Enrollment Trends



# Local Budget Request



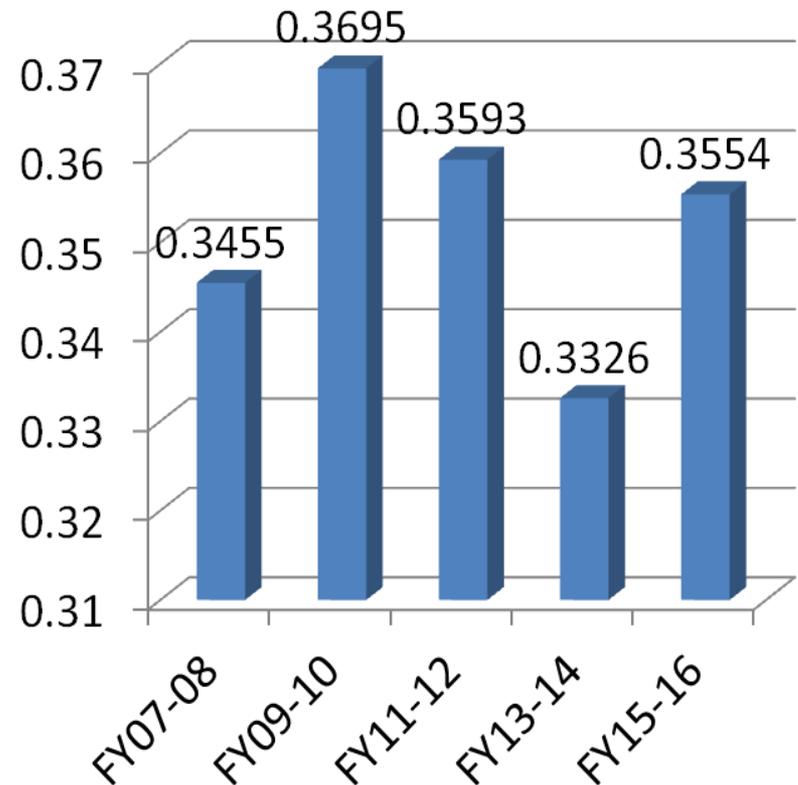
|       |           |    |     |         |         |
|-------|-----------|----|-----|---------|---------|
| 491   | 1 181 579 | .. | 305 | 3 699   | 119     |
| 701   | 2 370     | .. | 804 | 155 080 | 195     |
| 202   | 19 598    | .. | 384 | 390     | 1 339   |
| 408   | 92 774    | .. | 4   | 7       | 239 677 |
| 300   | 295       | .. | 138 | 7       | 44 252  |
| 44    | 87        | .. | 41  | 7       | 044     |
| 1 243 |           |    |     |         |         |
| 1 144 |           |    |     |         |         |
| 11    |           |    |     |         |         |
| 65    |           |    |     |         |         |

# Local Composite Index (LCI) (Locality's Ability to Pay)

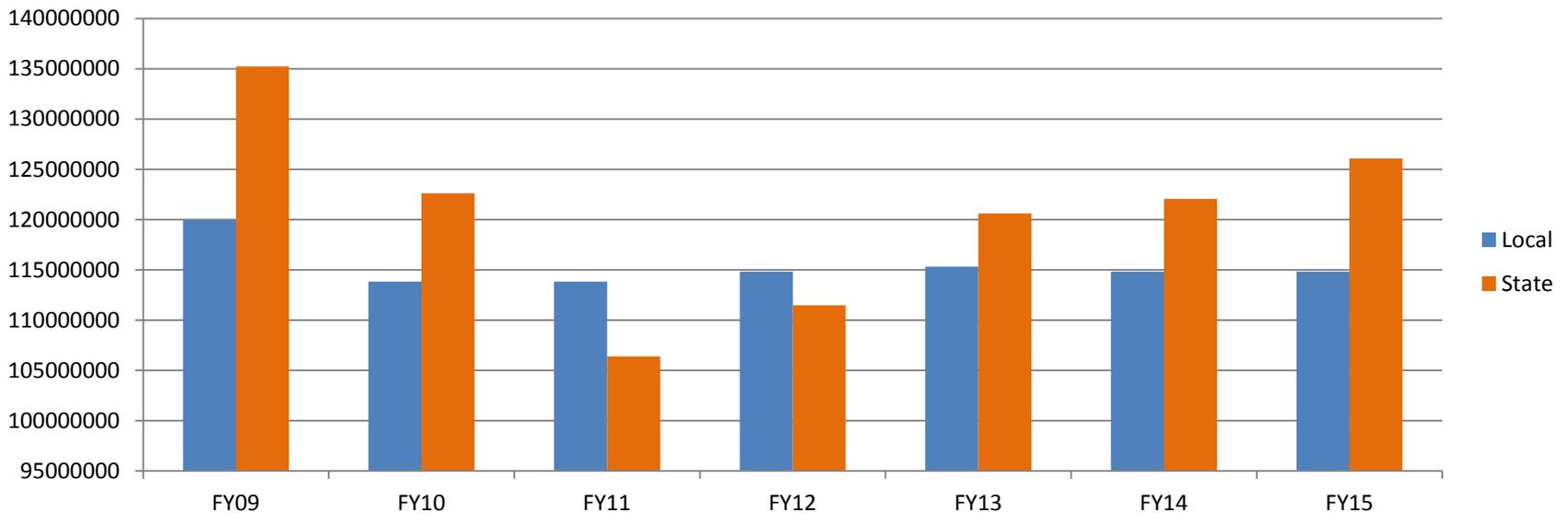
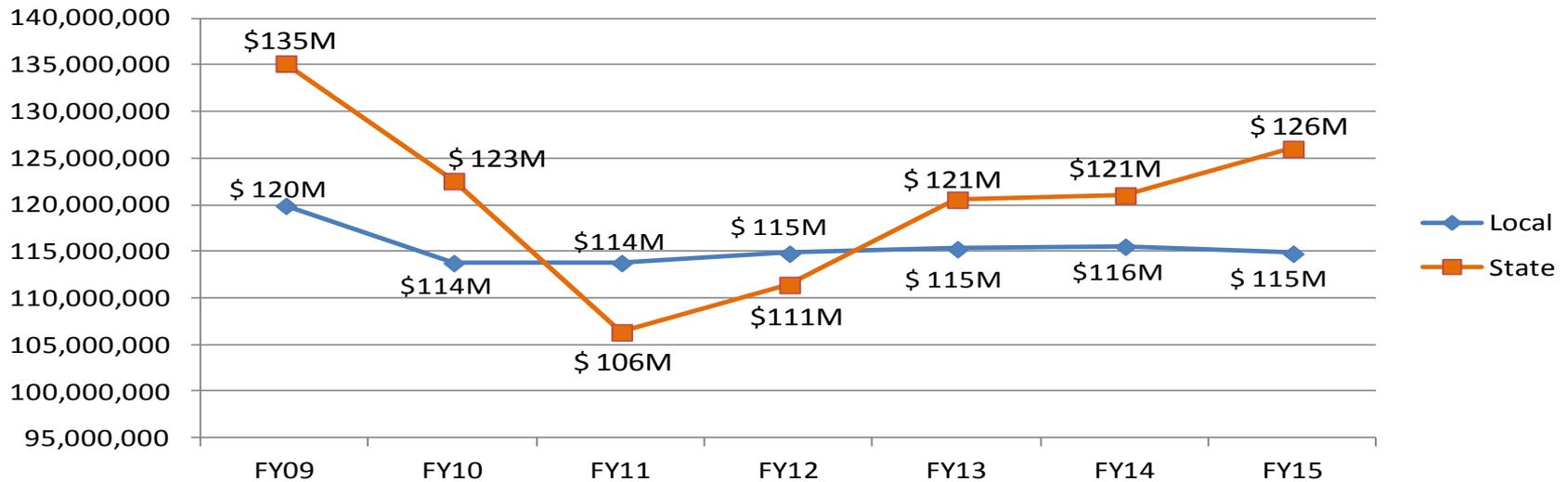
## FY15 Impact of the LCI

The loss of state revenues attributed to SCPS having a higher local Composite index for the 2014-2016 biennium is estimated at **\$3.5 M.**

## LCI Trend Data



# Local & State Revenue Trends



# FY 15 VRS Rate Increase

|   |                 |
|---|-----------------|
| VRS Payment Increase                      | (\$3.5 M)       |
| State Portion Funded                      | 1.5M            |
| Local Portion Funded through Reallocation | \$0.1M          |
|   |                 |
| <b>Unfunded Local Portion</b>             | <b>(\$1.9M)</b> |

FY15 VRS rate increase of 23% or \$3.5 million, of which \$1.5M was funded by the state, leaving an unfunded local portion of \$1.9M.

# FY 15 School Board Budget Request

|                                    |                         |
|------------------------------------|-------------------------|
| Local Transfer Baseline            | <b>\$114.8 M</b>        |
| FY 15 Requested Increase*          | <u>1.9 M</u>            |
| <b>FY 15 Total Local Request *</b> | <b><u>\$116.7 M</u></b> |

\* Recurring Revenues

*NOTE: Differences due to rounding.*



# FY 2015 Budget Timeline

- **Mid March** - General Assembly adopts the State budget
- **March 25** - BOS and School Board Joint Work Session
- **April 15** - BOS approves County and School budget and County tax rates
- **April 17** - School Board Budget Work Session
- **May 1** - School Board Budget Work Session
- **May 12** - School Board adopts budget

Together - we prepare our students for their future.

