

FY2011

Economic Outlook

David Myers
Assistant Superintendent
School Board Presentation
January 12, 2010

HIGH SCHOOL XTRA Boys: Monacan 73, L.C. Bird 65 // Girls: Mills Godwin 70, J.P.

Richmond Times-Dispatch

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School sports teams at risk in Chesterfield



MARC GONKUS/TIMES-DISPATCH

Other extracurriculars could be on line if \$1.8 million is cut, activities director says

BY JEREMY SLAYTON AND HOLLY PRESTIDGE
Times-Dispatch Staff Writers

Cuts in athletic funding may wipe out sports programs next school year at all Chesterfield County schools, say those directly involved with those programs.

Ted Salmon, Cosby High School activities director, and Ron Paquette, L.C. Bird High School activities director, said that if \$1.8 million in athletic funding is cut from the school division's budget, sports teams may be eliminated at the county's 14 middle and 11 high schools.

**RT-D
FIRST**

The cut also might put an end to all extracurricular activities, Salmon added. He said 75 percent to 80 percent

Monacan High School girls basketball coach Larry Starr talks to his team during a game against L.C. Bird. Eliminating athletic funding is an option offered in a survey Chesterfield County school officials sent to employees.

If They Do

- Chesterfield confronts unhappy choices in its school budget. Editorial A6.

Cost-cutting survey backfires

- Instead of drawing staff members together to help find savings, the Chesterfield County Public Schools budget survey pits them

- Where were we?
- Where are we today?
- What's in our future for FY2011?
- What are we doing about it?
- What are the next steps?
- What are possible options?
- What happens in FY2012?

Presentation Overview

	<u>Amount</u>	<u>Change</u>
FY 2009 Budget	\$595.5m	
FY2010 Budget	\$571.6m	(\$22.9m)
added fixed costs: (healthcare, utilities, debt, other)		<u>(\$10.0m)</u>
		<u>(\$32.9m)</u>

No Salary Cuts or Increases

250 positions eliminated

Eliminated replacement funds for:

Buses

Vehicles

Textbooks

\$24m of \$32m (75%) reductions were non-classroom

Where were we?

Summary

<u>Total Reductions Required</u>		\$32,863,000	100.0%
Revise replacement schedules		(8,761,000)	(26.7%)
Revise central accounts		(3,530,300)	(10.7%)
Non-instructional staffing	(94.5)	(7,132,500)	(21.7%)
Non-classroom programs		(5,537,300)	(13.8%)
Instructional Staffing	(155.4)	(6,543,500)	(23.0%)
Classroom resources		(1,358,400)	(4.1%)
	<u>(249.9)</u>	<u>(\$32,863,000)</u>	<u>(100.0%)</u>

Amount

Current Year – FY2010

Revenue:

State Cuts (\$29.2m)

Federal Stimulus \$19.5m

County Reductions (\$13.2m)

added fixed costs:

(health care, debt, utilities, other) (\$10.0m)

(\$32.9m)

Additional current year revenue reductions:

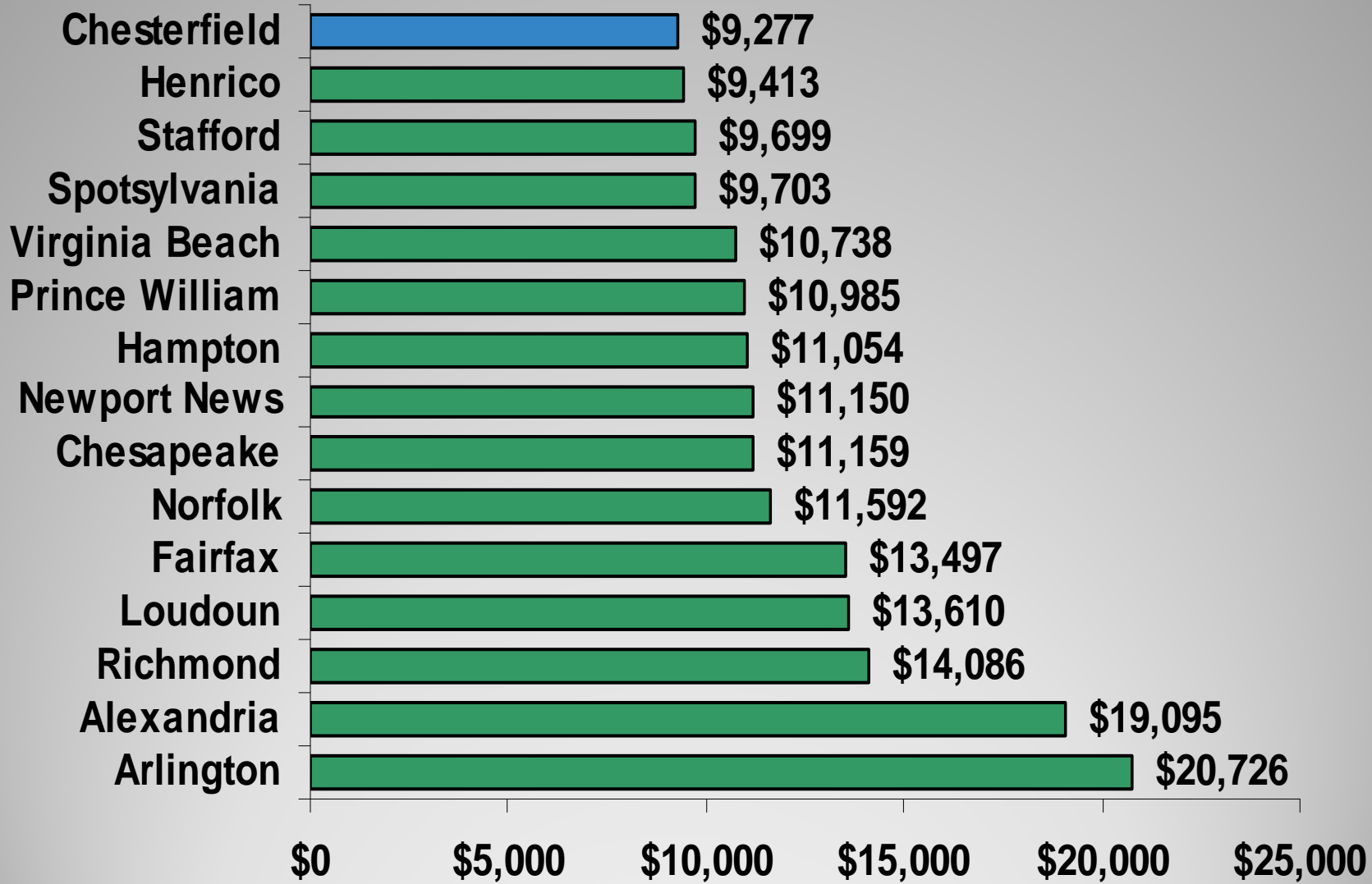
Governor's Proposal (\$11.5m)

(\$44.4m)

Additional reductions absorbed in current year

- Vacant positions remained unfilled
- Limited non-instructional expenditures

Where are we today?



Expenditures per student

State and local overview

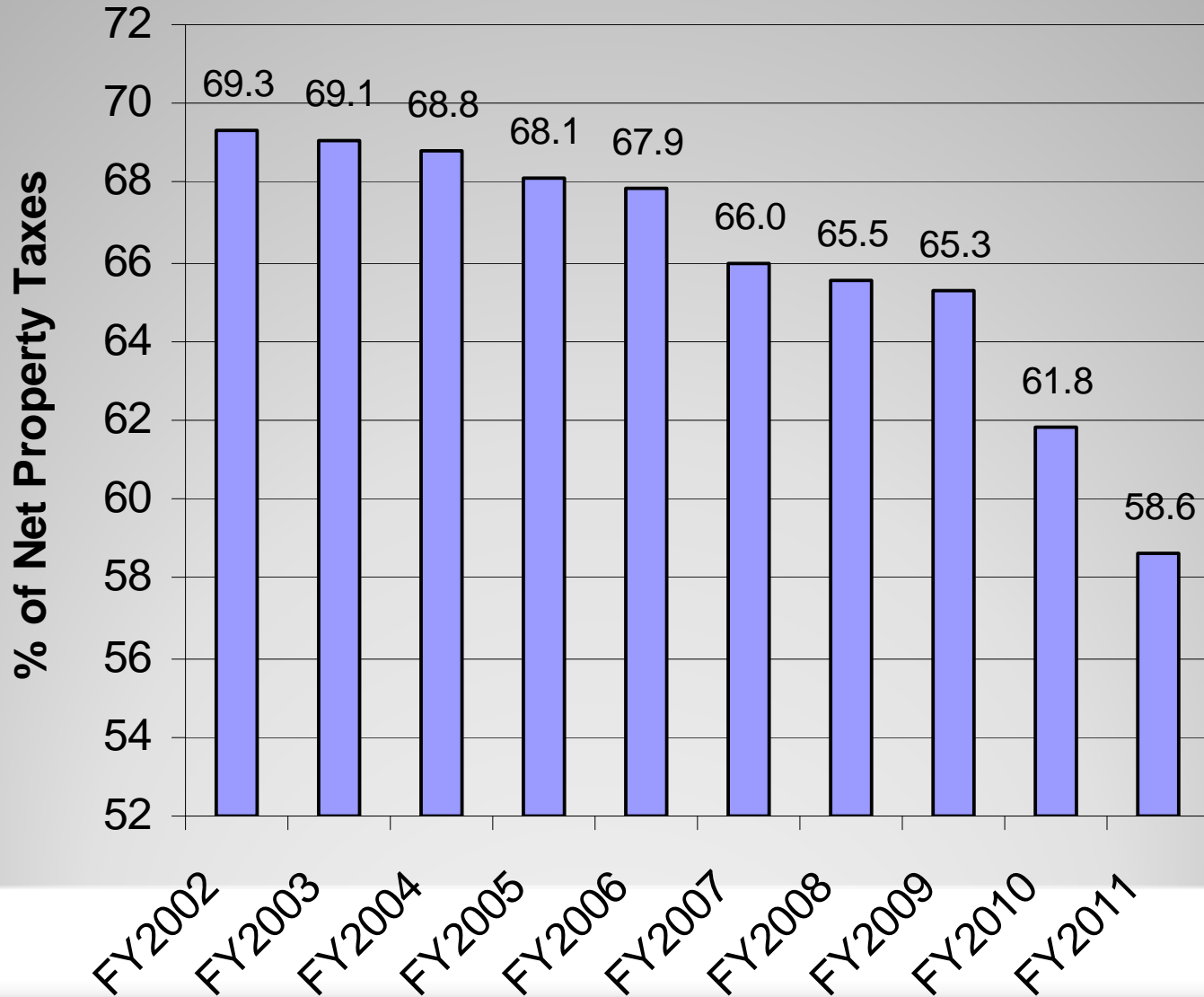
- Included the cap on support positions as part of the re-benchmarking of the SOQ (reduced state funding by \$376.1 million in FY11 and \$378.2 million in FY12)
- Removed funding from Basic Aid for non-personal inflation (reduced state funding by \$4.7 million in each year of the biennium)
- Deferred 2010-2012 composite index until FY2012 (reduced state funding by \$29.5 million in FY11)
- Increased VRS rates by 19% and group life rates by 29% for FY11 and FY12 (increased state funding by \$45.5 million in FY11 and \$45.7 million in FY12)

Governor Kaine's Proposed Budget

- Decreased funded health care premiums by 35% to reflect prevailing division-level participation (reduced state funding by \$134.2 million in FY11 and \$135.0 million in FY12)
- Removed other selected costs from recognized support costs (payments for sick and annual level, local pension costs and all capital outlay replacements) (reduced state funding by \$87.0 million in FY11 and \$87.3 million in FY12)
- Transferred a portion of Basic Aid from General Fund to state Fiscal Stabilization Funds (stimulus funding) in FY11 (reduced state funding by \$126.4 million in FY11)
- Included sales tax estimates that are lower in FY11 and FY12 than in FY10

Governor Kaine's Proposed Budget

Percent of Local Net Property Taxes



(\$ in millions)

Revenue	<u>2010</u>	<u>2011</u>	<u>Change</u>
Federal Stimulus	19.5	0.0	(19.5)
State	240.6	234.1	(6.5)
Sales Tax	48.7	46.4	(2.3)
Local	249.4	233.1	(16.3)
One-time	4.3	5.3	1.0
Other	<u>9.1</u>	<u>11.2</u>	<u>2.1</u>
Total Revenue	571.6	530.1	(41.5)
Additional anticipated expenditures (VRS, Healthcare, Debt, Other)			<u>1.2</u>
Total Anticipated Budget Adjustment			(42.7)

What's in our future for FY2011?

- Superintendent's Budget Advisory Committee
- ACTS
- County Council of PTAs
- Budget and Audit Committee
- Staff Survey

What are we doing about it?



Staff Budget Survey

1. Which of the following best describes your current position?

- Teacher
- School-Based Administrator
- School-Based Support Staff
- District Administrator
- District Support Staff

2. Please allocate \$30,000,000 based on cuts that you deem acceptable. For information concerning the impact of your selection, please scroll over the response option.

Staffing	Compensation/Benefits	Programs
<input type="checkbox"/> Increase Pupil-Teacher Ratio (PTR) by 1 - 112 positions, 6m (Please note: for PTR, you may only select one of two options) OR	<input type="checkbox"/> Employee furlough of 2 days - 3.5m (Please note: for the furlough options, you may only select one of four options) OR	<input type="checkbox"/> Reduce assignment of elementary assistant principals to SOG requirements (900+) students - 3 positions, 232k
<input type="checkbox"/> Increase Pupil-Teacher Ratio (PTR) by 2 - 224 positions, 12m	<input type="checkbox"/> Employee furlough of 4 days - 7m OR	<input type="checkbox"/> Reduce specialty center funding - 120k
<input type="checkbox"/> Reduce elementary school secretaries - 38 positions, 1.2m	<input type="checkbox"/> Employee furlough of 6 days - 10.5m OR	<input type="checkbox"/> Eliminate all financial support for athletics - 1.8m
<input type="checkbox"/> Reduce high school deans - 10 positions, 630k	<input type="checkbox"/> Employee furlough of 8 days - 14m	<input type="checkbox"/> Eliminate Connections program - 110k
<input type="checkbox"/> Eliminate middle school administrative assistants - 14	<input type="checkbox"/> Eliminate Tuition Reimbursement	<input type="checkbox"/> Eliminate Chesterfield Academy - 190k

Staff Budget Survey – January 5, 2010

Offers \$62m in reduction options to reach our \$42.7m FY2011 budget shortfall

Includes:

- 4% Employee Pay Cuts
- 4% Employee VRS Contribution
- 1% Benefit Reductions
- 497 Position Eliminations
- Elimination of Athletic Funding
- No participation in Governor's Schools
- Increased walk-zones up to 1.5 miles
- Increase elementary class size to near state maximums
- Potential Significant Reduction in Secondary Course Offerings

Increase in Elementary Class Size

- Increase of 2 PTR does not equate to only 2 additional students in each class
- Majority of the increase will be at grade 4 and 5 in order to meet state requirements
- Greatest impact likely will be felt by special populations

What does this mean?

Potential Significant Reduction in Secondary Course Offerings:

French

Latin

German

Japanese

Chinese

Chorus

Band

Guitar

Orchestra

Computer Graphics

Computer Art

Creative Writing

Advanced Placement:

English

Math

History

Chemistry

Spanish

Physics

BC Calculus

Psychology

Various CTE Courses

Dual Enrollment: Business

Social Studies, English

SAT PREP

Yearbook

Journalism

What does this mean?

CCPS FY2011 Budget Calendar

January

1/26th – Superintendent presents budget to School Board

February

2/2nd – School Board budget work session

2/9th – School Board public hearing

2/15th – School Board budget work session

2/23th – School Board approves the budget

March

3/1st – Transmittal of approved budget to County Administrator

April

4/14th – BOS approval of budget

4/27th – School board final approval

What are the next steps?

Projected Total Shortfall	(\$42m)
Re-benchmarking with no support cap	\$21m
Fund health care at FY2010 level	\$ 7m
Maintain VRS rate at FY2010 level	\$ 4m

What are possible options from the Commonwealth?

Projected Total Shortfall	(\$42m)
County returns school accrued savings	\$12m
County funds schools @ current percent of tax collections (61.8%)	\$10m
County increases Tax Rate to \$.99 (revenue neutral for County)	\$ 8m

What are possible options from the County?

- **Shortfall from one time funding**
- **Further reductions in state aid**
- **No bus, vehicle or textbook replacement funds**
- **Significantly reduced classroom material and supply funds**

What happens in FY2012?