

Superintendent's FY2011 Financial Proposal



Supporting our Core Beliefs

January 26, 2010
Chesterfield County Public Schools
Marcus J. Newsome, Ed.D., Superintendent

Core Beliefs

- Learning is our core purpose.
- Effective teaching is the most essential factor in student learning.
- Effective leaders support learning.
- Trusting relationships and our core values foster learning.
- Our citizens, parents, students and employees are partners in sustaining competence and investing in excellence.
- Excellence requires planning and change.

Vision, Mission and Goals

Design for
Excellence

2007-2013 Strategic Plan for Continuous Improvement and Vision Achievement
adopted Dec. 11, 2007 • revised July 2009

Chesterfield County Public Schools

FY2011 Budget Guidelines

- Acknowledge current economic conditions
- Minimize student impact
- Minimize impact to employees – cut as many vacant positions as possible first
- Advocate for adequate resources

Communicating Our Federal, State, and Local Picture...

As part of our commitment to inform the community and our employees about the challenges we face:

- multiple public work sessions with school board
- 20 community meetings held jointly with county
- multiple presentations to the business community
- multiple presentations to staff and parent groups
- staff survey

“Public schools are the greatest invention
in the history of mankind.”

--Horace Mann

Our successes

Richmond Times-Dispatch

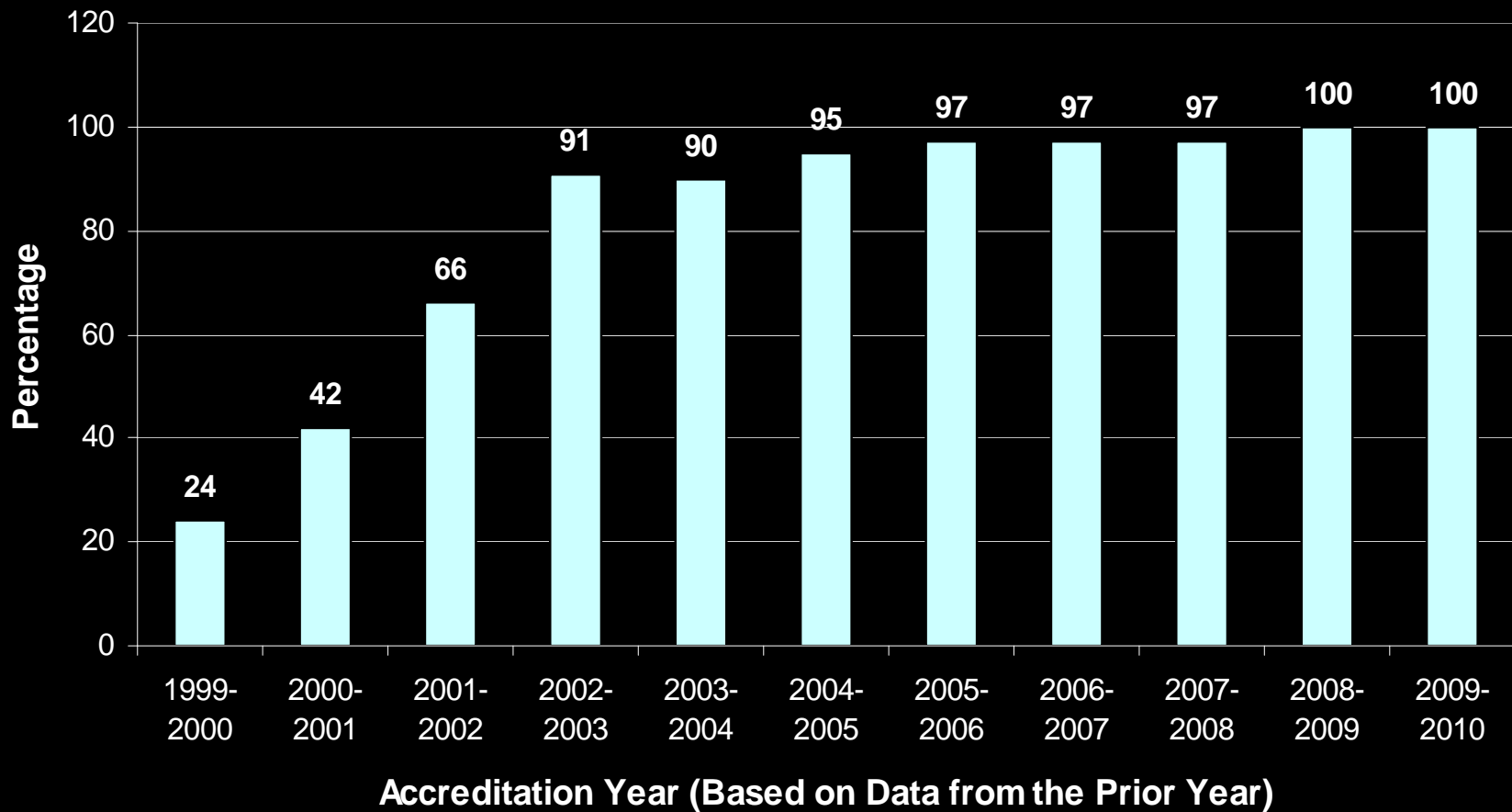
Chesterfield County Public Schools is the largest school division in Virginia with all schools fully accredited for two consecutive years!



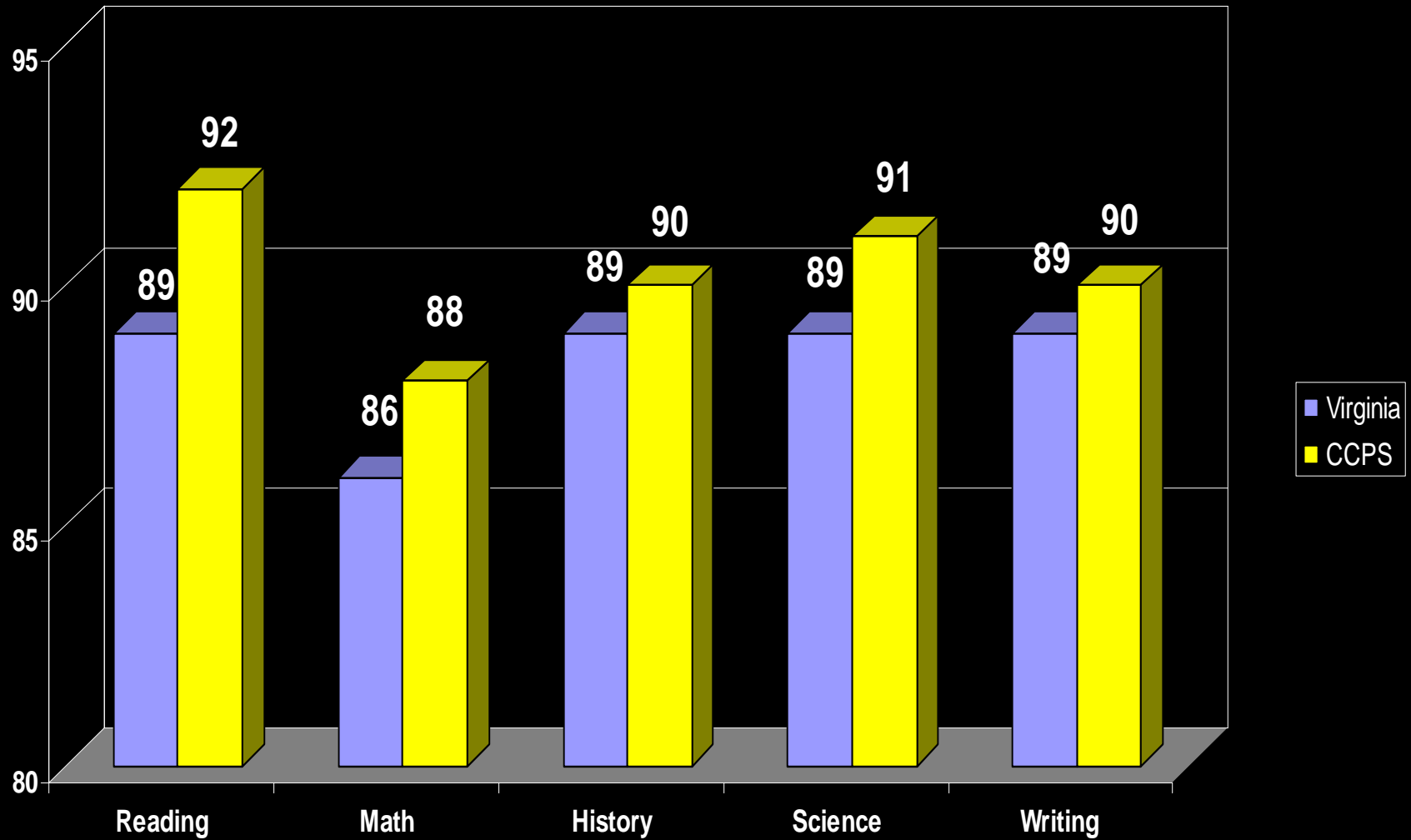
State Accountability

The Journey

Percentage of CCPS Schools Fully Accredited



CCPS SOL Results Compared to State of Virginia



School Board Key Measures

- We are meeting or exceeding the 2013 proficiency target in 14 of the 23 key measures of success.
- This is an increase of 9% from our 2007-2008 performance.
- The proficiency target was met for the first time in 2008 – 2009 with the following key measures of success:
 - On-time graduation rate;
 - Eighth grade students completing Algebra I; and
 - Graduates earning AP, IB, or Dual Enrollment Credits.

Citizen Satisfaction Survey

conducted by the University of Virginia

- 87% rated the overall quality of the school division as excellent or good
- 96% felt that the schools were safe or very safe
- 84% rated the school division's preparation of students for success beyond high school as excellent or good

Investments in Success

Increase in the CCPS Operating Fund

\$ in millions

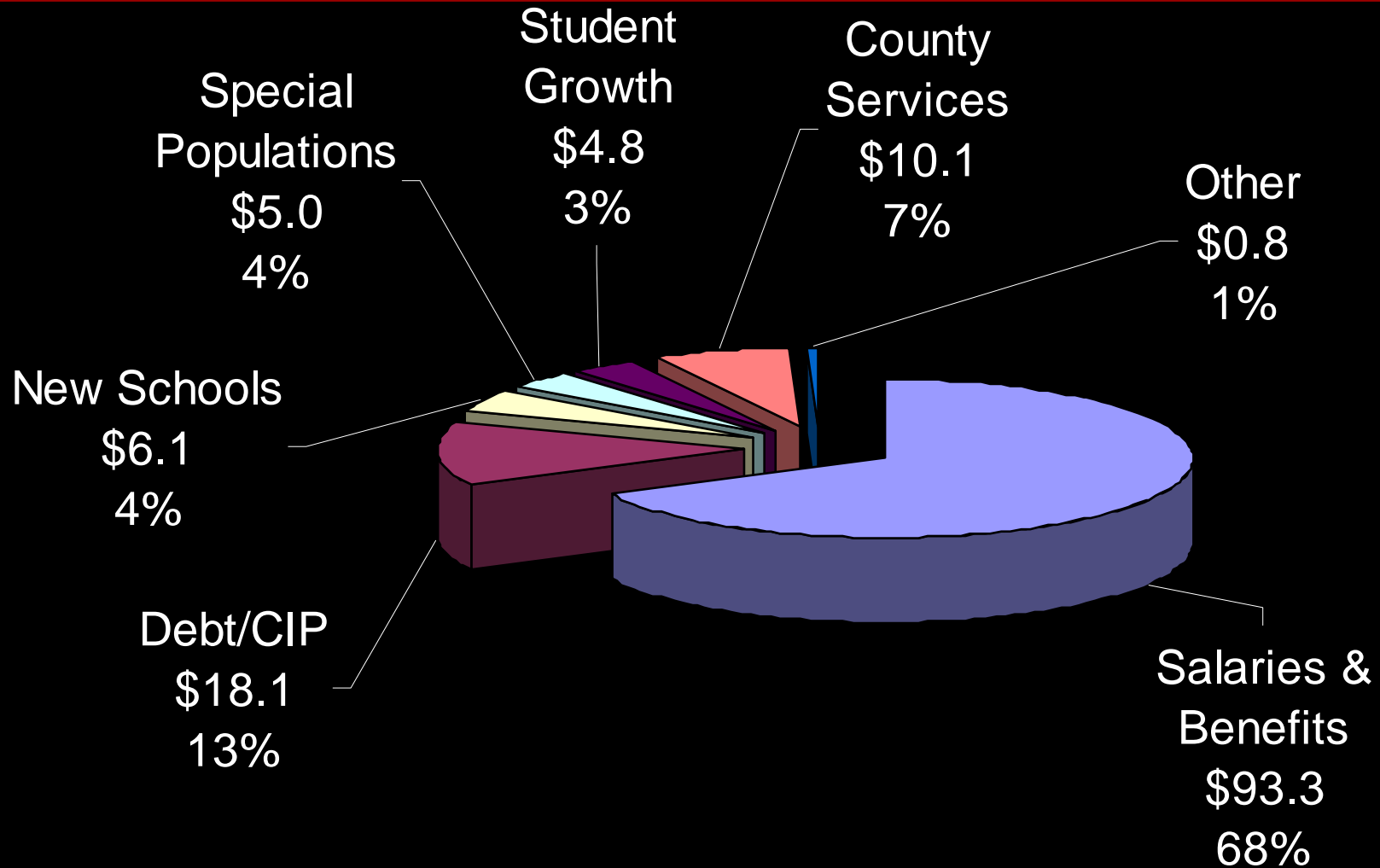
Year	Amount	\$ Change	% Change
FY2005	\$433.4		
FY2006	462.7	29.3	6.8
FY2007	520.1	57.4	12.4
FY2008	569.1	49.0	9.4
FY2009	594.5	25.4	4.5
FY2010	571.6	<u>(22.9)</u>	<u>(3.8)</u>
2005-2010		\$138.2	31.9%

Operating Fund Expenditure Increases FY2005 to FY2010 (\$ in millions)

	Amount	FTEs
Salaries/benefits	\$93.3	
Debt service/CIP reserve	18.1	
County services	10.1	
New schools	6.1	131.0
Special populations	5.0	192.0
Student growth	4.8	201.0
Technology SOQ/support	3.8	40.0
Elementary office staffing	1.6	35.0
Reading teachers	1.4	30.5
Secondary admin. staffing	0.9	10.5
Other	(6.9)	(54.2)
Total	138.2	585.8

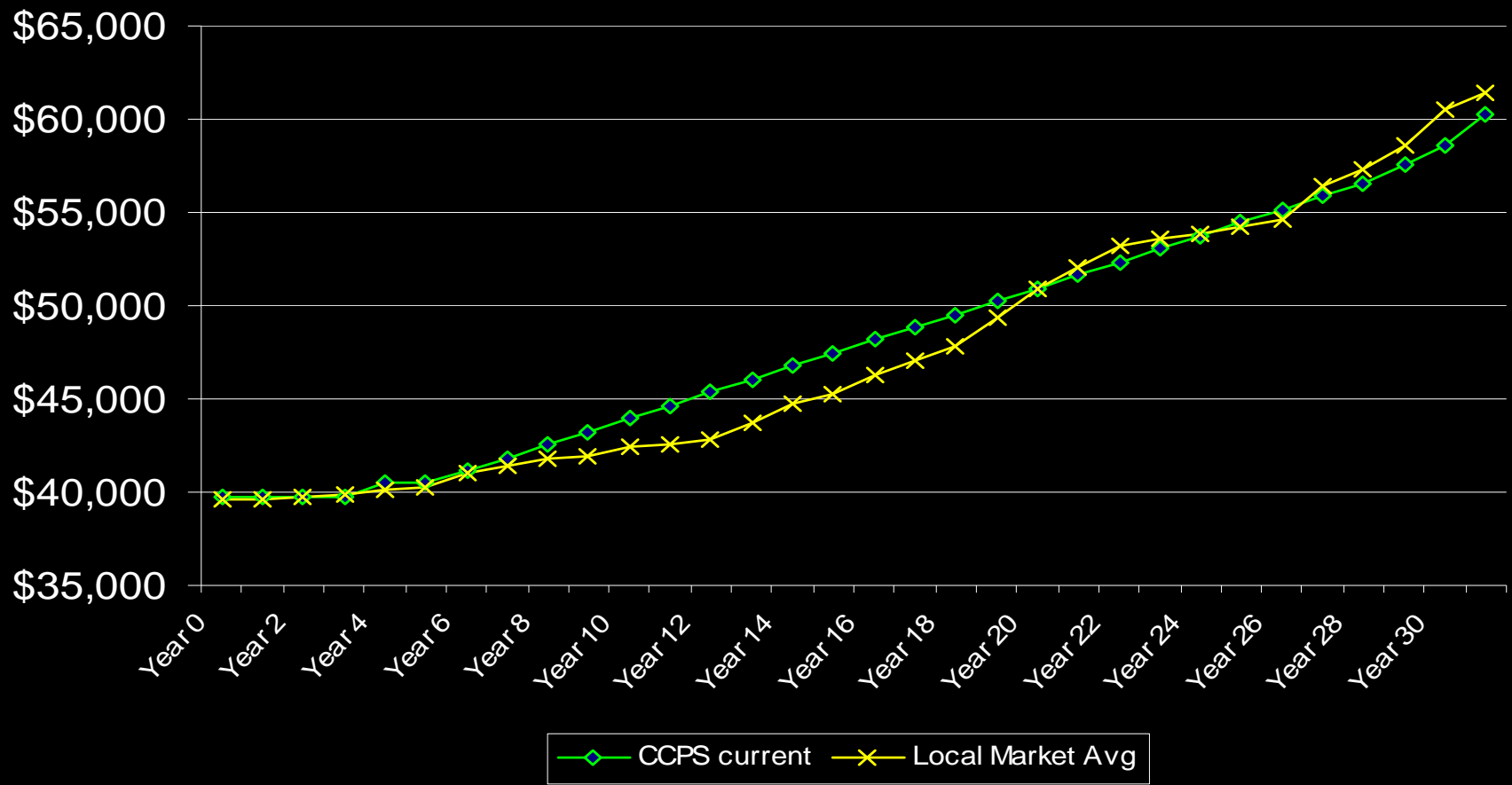
Operating Fund Expenditure Increases FY2005 to FY2010

(\$138.2 million)



Teacher salaries vs. market average

Bachelors Degree 2009-2010



Increase in Positions

- For FY2005, the # of positions per 1000 students = 118.9
- FY2005 to FY2010 increase in students = 3,084
- FY05 to FY10 total increase in positions=585.8
 - 367 positions to address student growth
 - 219 positions to support student achievement

CCPS Additional Position Analysis

Additional Staffing to Support Student Achievement

Total Additional Positions 219

FY2005 – FY2010

5 New Schools	131
Exceptional Education Teachers	50
Reading Teachers	31
Technology/SOQ	40
Elementary Office Staffing	35
Secondary Administrative Staffing	10
Other	<u>(78)</u>

Total 219

Are we spending our dollars
efficiently?

Measuring return on investment

The Commonwealth Weighs In:

In 2008, out of 132 school divisions in the Commonwealth of Virginia, CCPS ranked:

102 lowest in total per-pupil costs.

107 lowest in administrative per-pupil costs.

Source: APA Comparative Report of Local Government Revenues and Expenditures

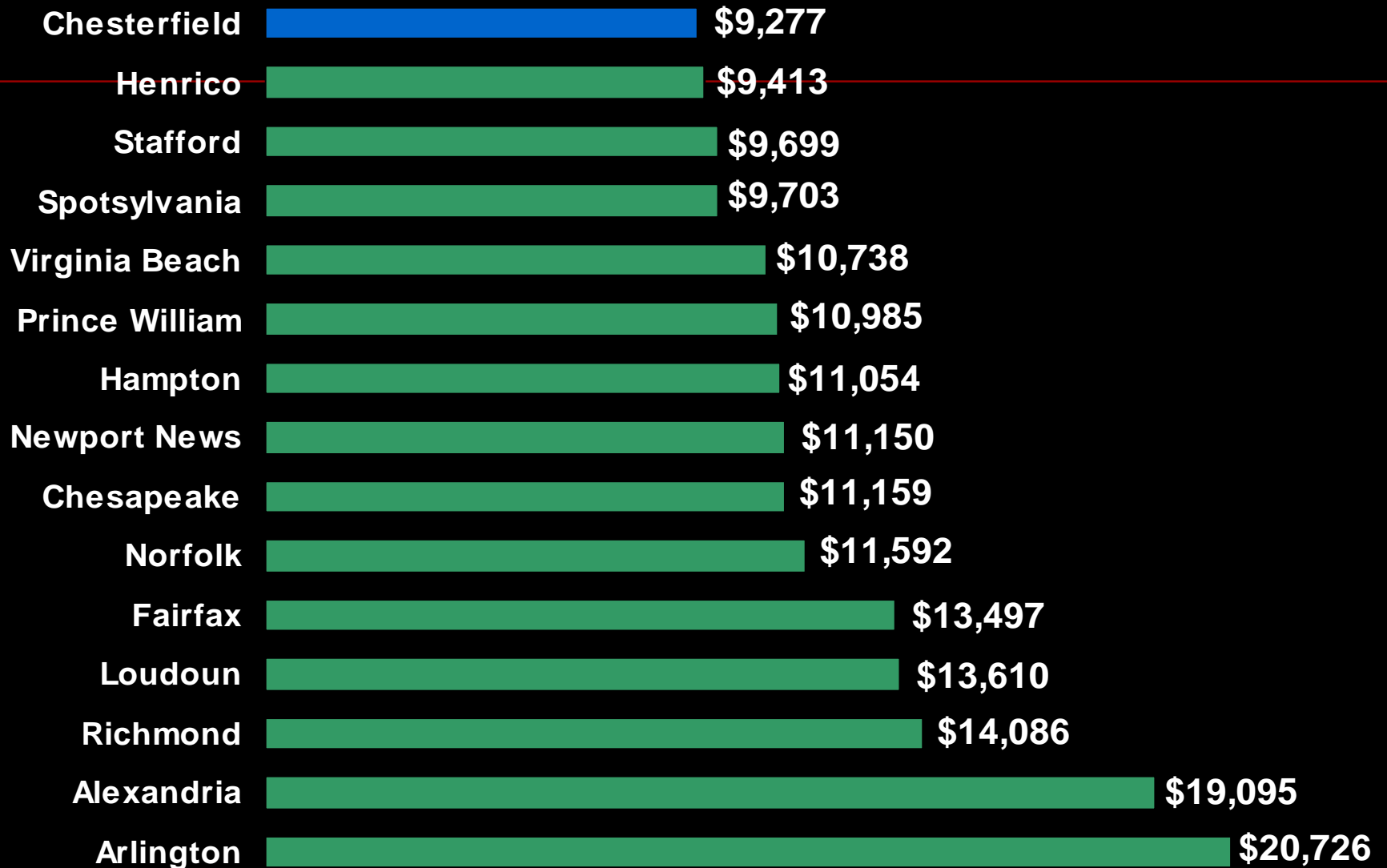
Total Cost Per Student

Year	CCPS	State Average	CCPS % less than State Avg.
FY2004	7,141	8,552	(16.5)
FY2005	7,467	9,202	(18.8)
FY2006	7,858	9,755	(19.4)
FY2007	8,626	10,584	(18.5)
FY2008	9,344	11,037	(15.3)

Administrative Cost Per Student

Year	CCPS	State Average	CCPS % less than State Avg.
FY2004	272	380	(28.5)
FY2005	284	409	(30.6)
FY2006	301	447	(32.7)
FY2007	312	460	(32.2)
FY2008	349	476	(26.7)

Expenditures per student



*2008 Auditor of Public Accounts (APA) data

Update on FY 2010

FY2010 Approved Budget

	<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>

FY2010 Approved Budget

- No salary increases or reductions
- Student-teacher ratio was not increased
- 250 positions eliminated
- Replacement funds for buses, vehicles and textbooks eliminated
- \$24 million of the \$32 million (or 75%) of the reductions were non-classroom

Federal government steps in

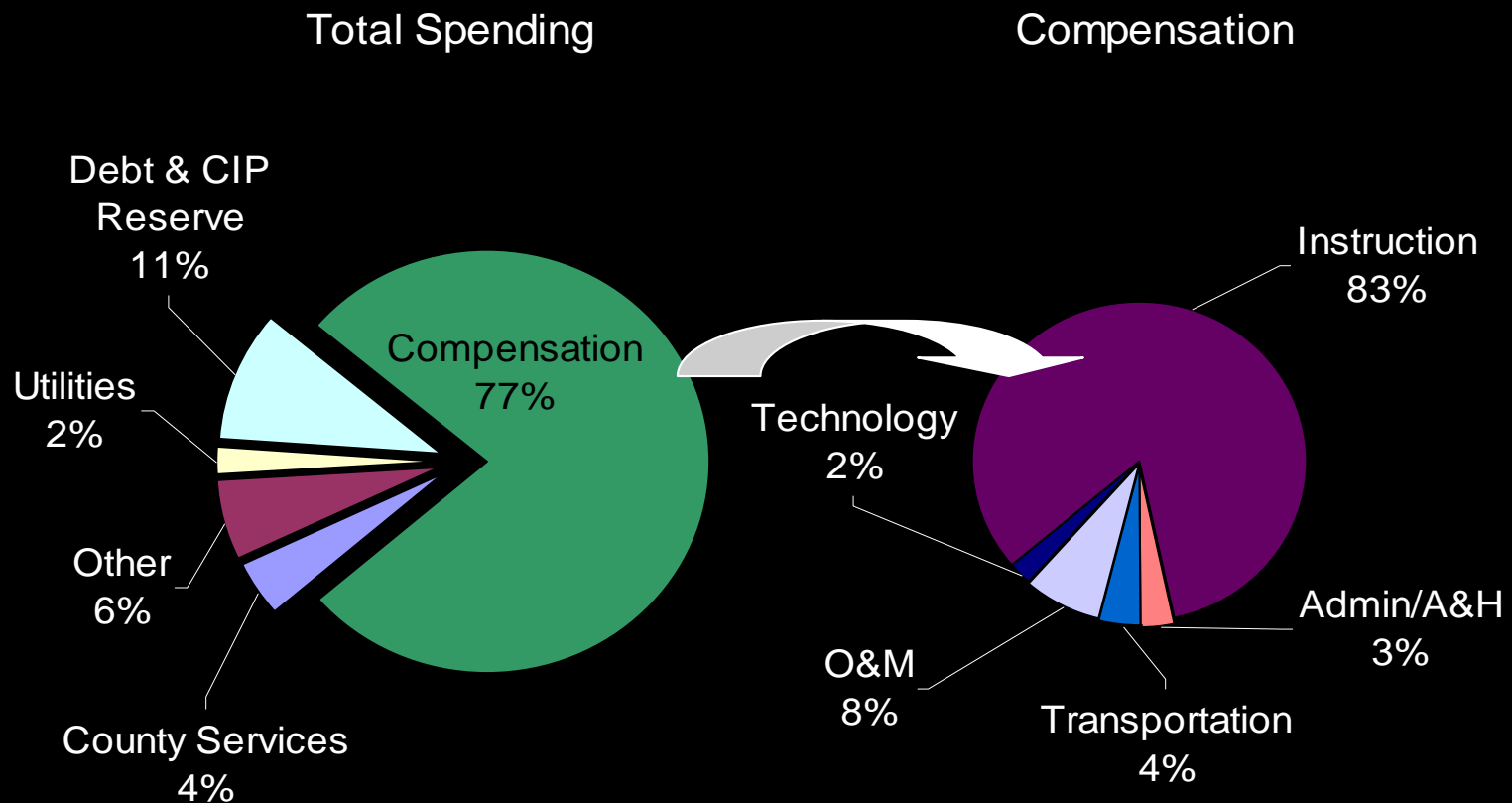
- Stimulus funding was provided by the federal government with guidelines including:
 - expend funds quickly to save and create jobs
- Stimulus funding was used to save 275 jobs that would otherwise have been lost and to maintain employee salaries.

Source: USDOE Guidance on the SFSF Program (April 2009)

FY2010 Revenues Decline

- Additional state revenue reductions proposed by Governor Kaine total \$11.5 million
- Savings will be realized in FY2010 through a modified hiring freeze and limiting non-instructional expenditures

How dollars are spent



FY2011 Proposed Budget

FY2011 Proposed Budget

- Maintains the integrity of our Core Beliefs.
- Does not provide the necessary resources to maintain the school division at the current level of service and quality.
- Presents significant challenges for our students and their families, our staff, and the community as a whole.

Fiscal realities will make continued gains in student performance challenging

- Fewer classroom teachers and instructional assistants
- Employees will have reduced salaries
- Schools will have fewer resources
- Classes will be larger
- Students will have fewer course options

FY2011 Budget Realities

- Proposed FY 2011 budget includes \$26.4 million in reductions.
- Reductions in excess of this \$26.4 million will fundamentally alter the delivery of services that are expected and deserved in a “First Choice” community.

Budget Reduction Summary

	<u>FTEs</u>	<u>Amount</u>
Reduce salaries - 1) grade 44+ by 4%		
2) teachers and grade 43 & below by 3%		\$10,845,800
Increase student-teacher ratio by 1	112	6,036,400
Reduce special ed staffing	44	2,008,300
Reduce reading teacher initiative	19	1,600,000
Reduce general ed instructional assistants	50	1,250,000
Eliminate FY2006 elementary secretary initiative	38	1,200,000
Reduce 10 secondary administrators (deans and AAs)	10	649,000
Reduce central office staffing	6	600,000
Reduce energy consumption	-	500,000
Eliminate security monitors	12	310,000
Reduce facility coordinators	7	290,000
Reduce travel - out of state and non-grant funded	-	250,000
Eliminate Tuition Reimbursement Program	-	250,000
Reduce contribution to regional programs 6%	-	235,000
Reduce elementary assistant principals	3	232,000
Relocate Perrymont Middle to Community High	3	146,400
	<u>304</u>	<u>\$26,402,900</u>

Budget Reductions Summary

<u>Total Reductions Required</u>		\$26,402,900	100.0%
Salaries and benefits		(11,095,800)	(42.3%)
Instructional Staffing	(225.0)	(10,894,700)	(41.3%)
Non-instructional staffing	(79.0)	(3,427,400)	(13.0%)
Non-classroom programs		(750,000)	(2.8%)
Regional programs		(235,000)	(0.9%)
	(304.0)	(\$26,402,900)	(100.0%)

Budget Reductions

Salaries and benefits

\$11,095,800

42.3% of the reduction

- Reduce salaries:
 - 4% for grades 44 and above
 - 3% for grades 43 and below
- Eliminate tuition reimbursement

Salary Reductions

- Includes reduction of 6 contract days for all employees.
- For example, the following days will be eliminated from a teacher contract:
 - Passport Day 1
 - Passport Day 2
 - October 11 (Columbus Day)
 - November 24
 - February 21 (President's Day)
 - June 17 (last day of school)

Budget Reductions

Instructional staffing

\$10,894,700

41.3% of the reduction

- Increase student teacher ratio by 1
- Reduce instructional assistant staffing
- Reduce special education staffing (teachers, aides, and coordinators)
- Reduce reading teacher initiative

Impact of an Increase in Student Teacher ratio by 1 at Elementary

- Not simply an increase of 1 student in each class
- Significantly larger class sizes at grades 4-5
- Diminished individualized instruction
- Greatest impact to special populations

Increase student teacher ratio by 1

Potential Significant Reduction in Secondary Course Offerings:

French	Advanced Placement:	SAT PREP
Latin	English	Yearbook
German	Math	Journalism
Japanese	History	
Chinese	Chemistry	
Chorus	Spanish	
Band	Physics	
Guitar	BC Calculus	
Orchestra	Psychology	
Computer Graphics	Various CTE Courses	
Computer Art	Dual Enrollment: Business,	
Creative Writing	Social Studies, English	

Budget Reductions

non-instructional staffing

\$3,427,400

13% of the reduction

- Reduce central office staffing
- Reduce deans at high schools and administrative assistants at middle schools
- Relocate Perrymont Middle School
- Eliminate security monitors
- Eliminate FY2006 elementary secretary initiative
- Reduce elementary assistant principals
- Reduce facility coordinators

Reduced Central Office Staffing

- A study of CCPS was conducted by MGT of America through the Virginia School Efficiency Review Program
- Recommendations included a revised division administration organizational structure
- Elimination of 6 Central Office positions:
 - Assistant Superintendents for Instructional Administration and Support (create Chief Academic Officer)
 - Assistant Director of School Improvement
 - Assistant Director of Staff Development
 - Teacher consultant
 - Central Office Clerical – HR
 - Central Office Clerical – School Improvement

CHESTERFIELD COUNTY SCHOOL BOARD

SCHOOL BOARD ATTORNEY

**EXECUTIVE ASSISTANT AND
CLERK TO THE SCHOOL BOARD**

SUPERINTENDENT OF SCHOOLS

**ASSISTANT DIRECTOR
INTERNAL AUDIT**

**CHIEF EXECUTIVE TO
THE SUPERINTENDENT**

**DIRECTOR
COMMUNITY RELATIONS**

**EXECUTIVE DIRECTOR
RESEARCH & PLANNING**

**DIRECTOR
PLANNING**

**HUMAN RESOURCES & ADMIN SVCS
ASSISTANT SUPERINTENDENT**

**CHIEF ACADEMIC OFFICER
INSTRUCTION**

**ASSISTANT SUPERINTENDENT
BUSINESS & FINANCE**

**DIRECTOR
PERSONNEL**

**DIRECTOR
COMPENSATION & BENEFITS**

**DIRECTOR
PROFESSIONAL DEVELOPMENT**

**DIRECTOR
TECHNOLOGY**

**DIRECTOR
HIGH SCHOOL EDUCATION**

**DIRECTOR
MIDDLE SCHOOL EDUCATION**

**DIRECTOR
ELEMENTARY EDUCATION**

**DIRECTOR
EXCEPTIONAL EDUCATION**

**DIRECTOR
CURRICULUM & INSTRUCTION**

**DIRECTOR
INSTRUCTIONAL SUPPORT**

**DIRECTOR
PUPIL PLACEMENT/STUDENT CONDUCT**

**DIRECTOR
MANAGEMENT & BUDGET**

**DIRECTOR
FINANCE**

**DIRECTOR
FOOD SERVICE**

**DIRECTOR
STUDENT TRANSPORTATION**

**DIRECTOR
CONSTRUCTION**

**DIRECTOR
FACILITIES**

Reduce High School Deans & Middle School Administrative Assistants

- Elimination of these positions will require principals and assistant principals to assume routine, day-to-day management of student behavior – a very time-consuming element; thereby, greatly reducing the time they can spend observing classes and meeting with teachers to improve instruction.

Reduce Elementary Secretaries

- Overall efficiency of the office staff and response time to requests for information will be greatly impacted by the elimination of the 11-month secretary positions

Budget Reductions

Non-classroom programs

\$750,000 *2.8% of the reduction*

- Reduce energy consumption
- Reduce out of state and nongrant-funded travel by one-half

Budget Reductions

Regional programs

\$235,000

0.9% of the reduction

- Reduce contributions to Maggie Walker and Appomattox Governor's Schools by 6%

Proposed FY2011 Budget

Insufficient resources
(revenue)
to support the identified requirements
(expenditures)

FY2011 Proposed Expenditures

\$ in millions

	<u>2010</u>	<u>2011</u>	<u>Change</u>
Salaries	317.8	295.7	(22.1)
Benefits	121.8	122.7	0.9
County Services	23.7	23.7	0.0
Supplies	13.6	13.6	0.0
Utilities	12.5	13.9	1.4
Debt/CIP Reserve	62.7	57.4	(5.3)
Other	<u>19.5</u>	<u>19.6</u>	<u>0.1</u>
Total Expenditures	571.6	546.6	(25.0)

FY2011 Proposed Revenue

\$ in millions

	<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)

FY2011 Proposed Budget Funding Shortfall

\$ in millions

Total Revenues	\$530.1
Total Expenditures	\$546.6
Funding Shortfall	\$ 16.5

FUNDING SOLUTIONS



CONSEQUENCE OF NO ADDITIONAL REVENUE...Additional Reductions

	FTEs	Amount
■ Increase student teacher ratio for a total of 2	112	6,036,400
■ Additional 1% pay cut for all staff	-	3,959,700
■ School Board contribution to dental plan eliminated	-	1,900,000
■ Reduce athletic & academic supplements by half	-	1,250,000
■ Safety net funding	15	725,000
■ Reduce technology integrators	10	706,000
■ Reduce microcomputer analysts (MCAs)	8	570,000
■ Eliminate transportation to CBGs & specialty centers	20	500,000
■ Reduce high school deans	5	315,000
■ Reduce middle school administrative assistants	5	315,000
■ Reduce summer stipends for guidance & asst. principals	-	110,000
■ Eliminate National Board Certification stipend	<u>-</u>	<u>100,000</u>
	175	\$16,487,100

Impact of Additional Reductions

- Employee pay cuts of 4%; other compensation adjustments could increase this to more than 7%
- Elimination of an additional 175 positions
- Significant reduction of core and elective course offerings; up to 40 class sections per high school eliminated, limiting student choices
- Reduced manpower to support student behavior and extra-curricular activities

Impact of Additional Reductions (con't)

- Teacher pay reduced below market average
- No locally-funded differentiated support for at-risk schools
- Limited support for instructional technology in classrooms
- Students will attend home school gifted programs and specialty centers unless they provide transportation

Additional Funding Options

■ Commonwealth of Virginia

- Remove support position cap from SOQ re-benchmarking
- Maintain VRS contribution at current year level (FY10)
- Fund health care at current year level (FY10)

Additional Funding Options

■ Chesterfield County

- County returns school system accrued savings
- County funds school at current percent of tax collections (61.3%)
- County increases Tax Rate to \$.99
(Revenue neutral for County is \$1.00)

Key Dates

- **School Board**

- 2/2 and 2/15 work sessions; 2/9 public hearing;
 - 2/23 budget approval; 4/27 budget adoption

- **Board of Supervisors**

- 2/24 advertises tax rate; 3/24 public hearing;
 - 4/14 budget adoption

- **General Assembly**

- 2/25 Senate and House of Delegates adopt budgets
 - 3/13 General Assembly adopts budget
 - 4/21 “veto” session

“I ask that you join me in making a personal and professional commitment to doing your very best....You are a role model for our message of lifelong learning, high academic expectations and affirming our shared core values of respect, responsibility, honesty and accountability.”

Marcus J. Newsome, Ed.D.,
Superintendent