

# School Finance and Budgeting Issues

September 9, 2009

# Zero Based Budgeting

(Accounting Public School Budgeting and Auditing – [education.stateuniversity.com](http://education.stateuniversity.com))

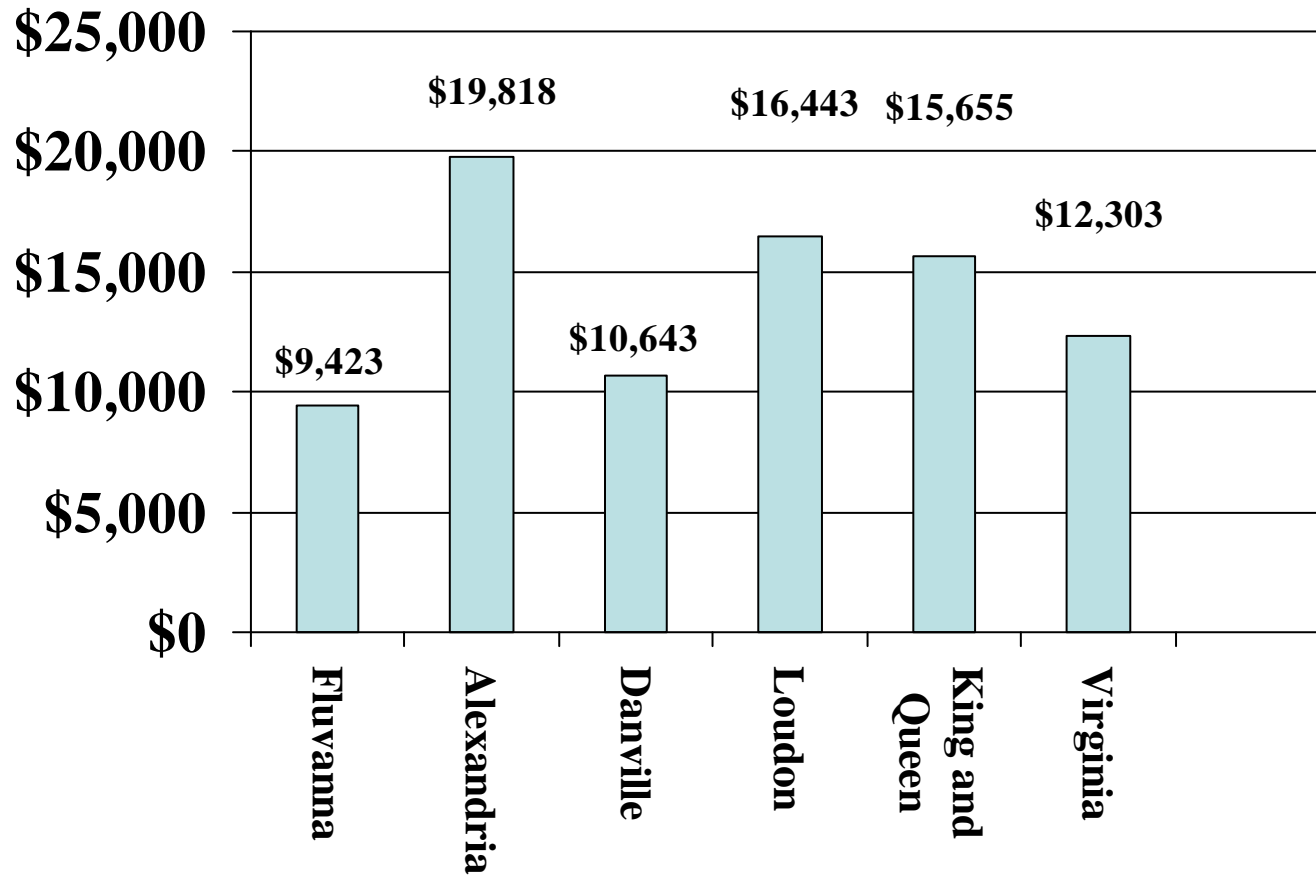
- Popular in the 1950s and 1960s.
- Each year the school system starts out with a clean slate.
- Each function or program has to justify its expenditures annually.
- Because many school costs are fixed from budget year to budget year, it becomes more of an exercise than a practical reality.
- It forces comparisons and choices among programs and activities that are often difficult to compare.
- Requires considerable staff training and time.
- Survey of School Divisions indicated four have used this method out of 134. Of these, the process is generally internal.
- Danville City, Alexandria City, King and Queen County, and Loudon County
- Currently, schools and departments are asked to review existing costs prior to the budget requests in November.

# Function/Object Budgeting – Site Based Budgeting

(Accounting Public School Budgeting and Auditing – [education.stateuniversity.com](http://education.stateuniversity.com))

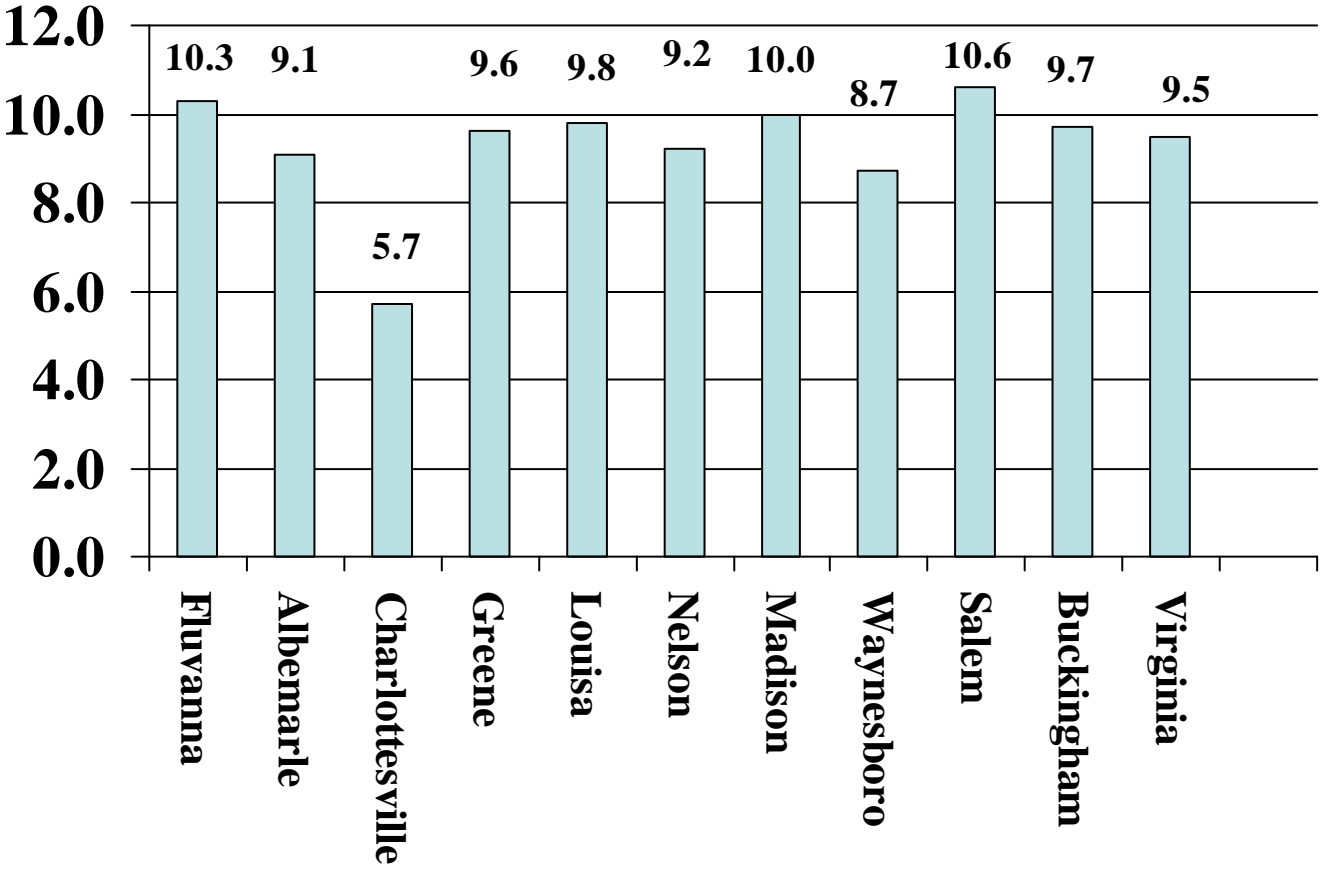
- Widely used by school divisions, since it organizes spending around basic functions of the systems (instruction, student support, operations, administration, and transportation)
- This attempts to bring the budget decisions closer to the student.
- It requires the decision makers in each school to review existing programs for effectiveness and needs.
- It places the decision of how to expend funds allocated to the schools to those involved in delivering the service.
- Those involved may use the foundations of other types of budgeting (zero based or program based) to make their decisions.
- This is used by most school divisions in Virginia.

# 2006-2007 Total Per Pupil



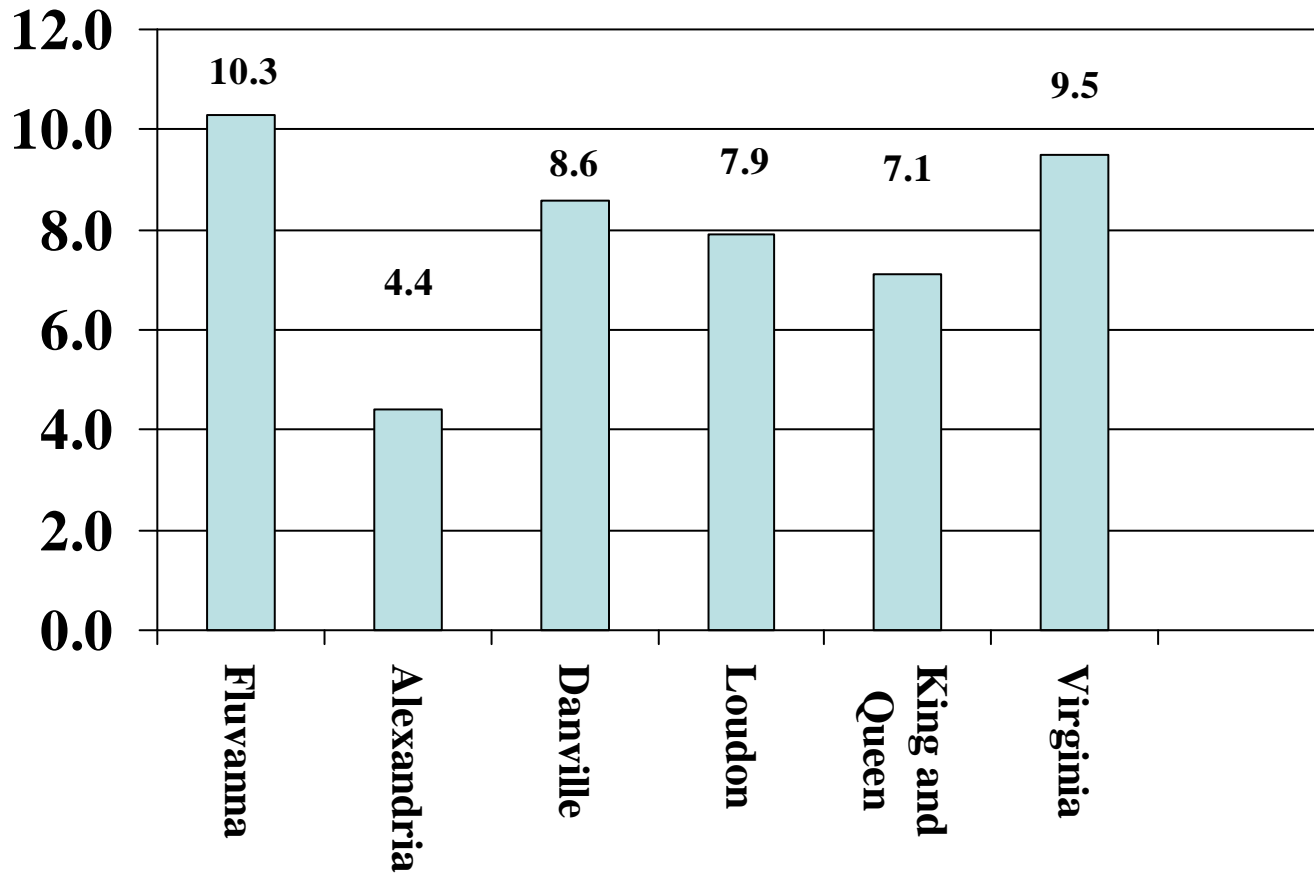
\* Information from Virginia Education Association

# 2006-2007 Return on Spending Index



\* Information from School Matters (Standards and Poors Rating Service)

# 2006-2007 Return on Spending Index

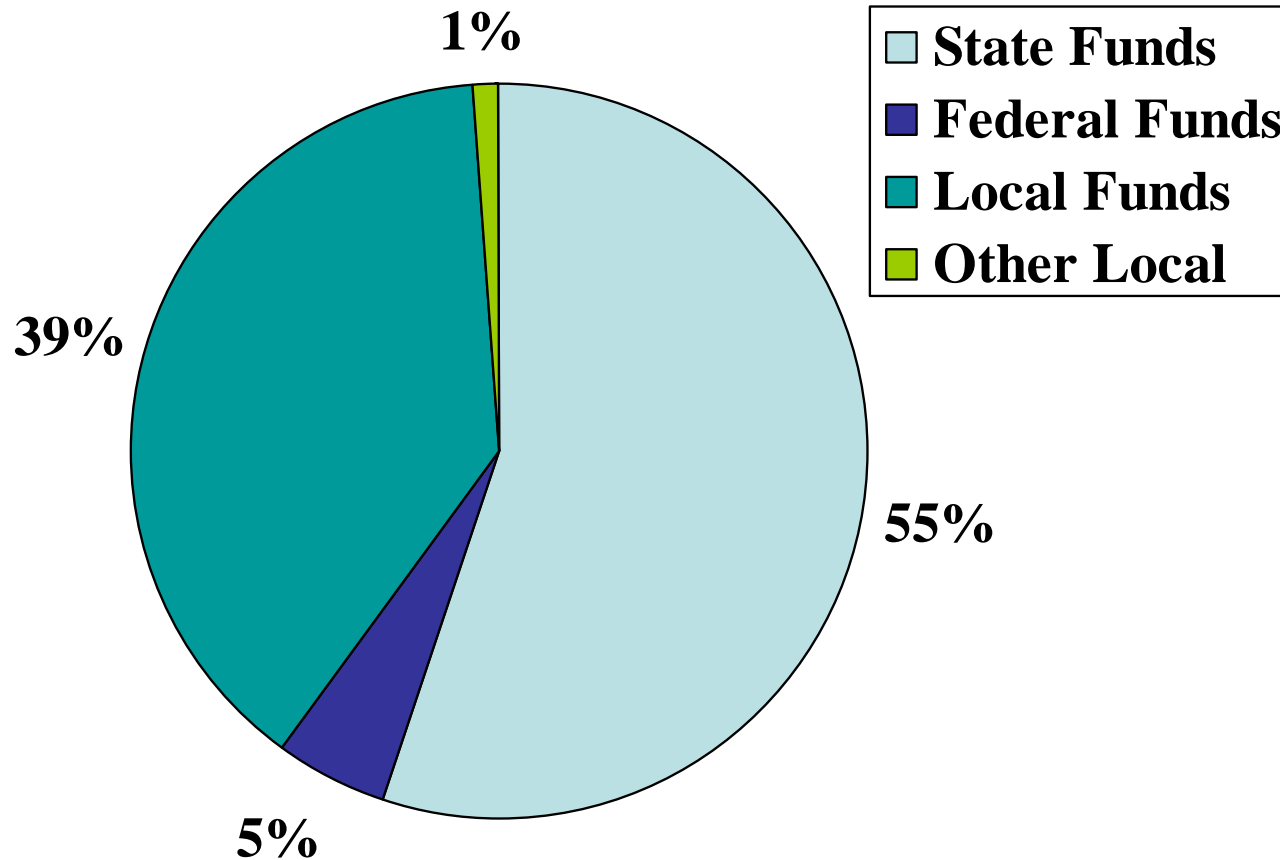


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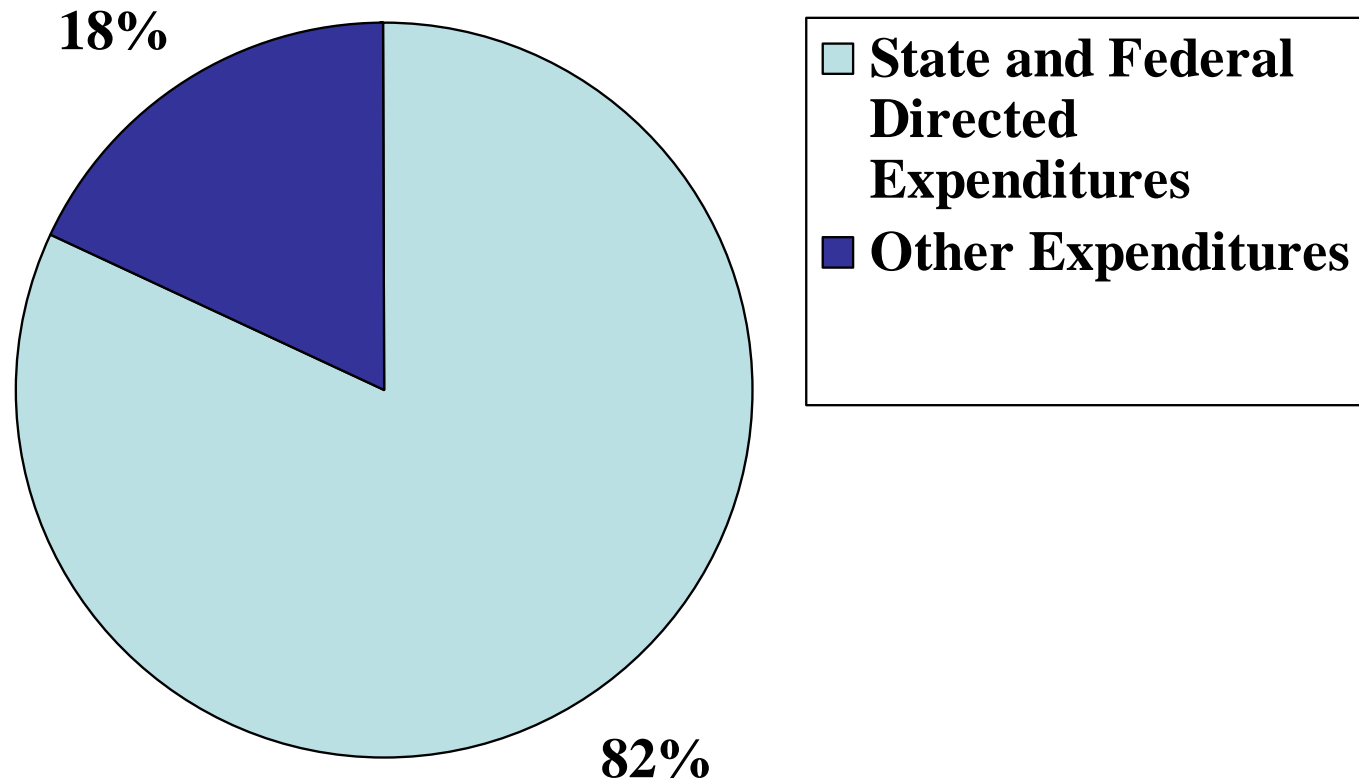
# 2009-2010 Revenue Estimates

2009-2010 School Budget	\$ 39,398,774
State Revenue -	\$ 21,087,712
Federal Revenue	\$ 2,389,126
Other Local	\$ 553,343
Local – includes funds for Central renovation.	\$ 15,366,795

# Funding For Education 2009-2010 School Budget



# Flexibility with Expenditures 2009-2010 School Budget

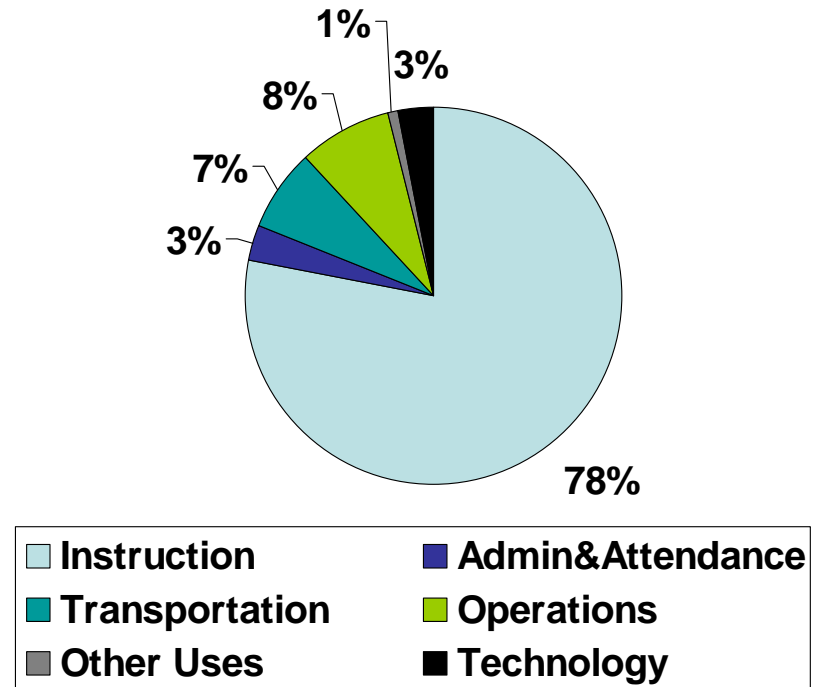


## 2009-2010 School Budget Categorical Totals

CATEGORY	2007-2008	2008-2009	2009-2010
INSTRUCTION	\$28,018,389	\$30,483,417	\$30,603,400
ADM.&ATT.	1,229,738	1,278,090	1,298,867
TRANSPORTATION	2,478,023	2,579,331	2,544,688
OPERATIONS	2,906,324	3,128,382	3,511,423
SCHOOL FOOD	SAME		
TECHNOLOGY	1,234,473	1,270,101	1,226,508
OTHER	477,029	477,029	213,888
TOTAL	\$36,343,976	\$39,216,350	\$39,458,998

# 2009-10 Fluvanna County School Budget Expenditures

- Instruction - \$ 30,603,400
- Admin.& Attendance - \$1,298,867
- Transportation - \$2,544,688
- Operations - \$3,511,423
- Other Uses - \$ 213,888
- Technology - \$1,226,506



# Budget Costs

- Salaries – 84%
- Special Education and Health Services – 3%
- Utilities and Insurance – 3%
- Instructional Supplies – 6%
- Debt Service – 1%
- Other Non-Instructional Supplies and Services – 3%

# School Based Per Student Allocations

- Total for 2008-09 - \$707,107
  - \$2,341 per teacher
- Spring for 2009-2010 - \$221,644
- Released July 1, 2009 - \$418,323
- Total as of July 1, 2009 - \$639,967
  - \$2,119 per teacher

# How Distributed

- Cunningham and Columbia Schools – Needs are identified by either grade and/or entire staff. These are then ranked for funding purposes.
- Central School – Teachers sent needs to the Principal. All purchase orders and requests for professional development during the 2008-2009 were approved.
- Fluvanna Middle School - Distributed by team with each teacher receiving \$641.
- Fluvanna High School distributed by department depending upon disbursement and requests.

# Other Budget Information



# Positions Funded

- 8 Classroom Teachers
- 1 School Psychologist
- 1 Technology Support
- 3 Bus Drivers
- 1 School Secretary
- 1 Custodian
- School Resource Officer

## 2005-2006 School Budget - Revised

2004-2005 Original Appropriation				\$28,657,776	
Growth Plus Inflation					
Growth Positions (9 Teaching, 2 Support)		\$568,818			
Salary Proposal (6%)		\$1,362,611			
Health Insurance(10%)		\$205,000			
VRS		\$80,000			
Prep		\$20,000			
Utilities		\$89,000			
Total		\$2,325,429			
Cost of Competing					
Materials and Supplies		\$0			
Personnel - Resource Officer		\$20,000			
Total 2005-2006 Estimated Expenditure Increase			\$2,345,429		
Total School Board Recommended Budget				\$31,003,205	
Estimated Revenues					
State				\$16,578,100	
Federal				\$1,300,100	
Board of Supervisors Recommendation				\$13,105,005	
Total				\$30,983,205	
Further Reductions				(\$20,000)	

# Positions Funded

- 6 Regular Classroom Teachers
- 2 Special Education Teachers
- 1 Elementary Guidance Position
- 1 Technology Support
- 1 Bus Driver
- School Resource Officer

# 2006-2007 School Board School Budget

2005-2006 Original Appropriation					\$30,956,006
Growth Plus Inflation					
Growth Positions			\$482,840		
Salary Proposal (5.5%)			\$1,575,644		
Classified Worker Salary Proposal (10%)			\$359,000		
Health Insurance			\$40,000		
VRS			\$315,811		
Group Life			\$250,000		
Special and Health Services			\$8,000		
Total			\$3,031,295		
Cost of Competing					
Materials and Supplies			\$0		
Personnel			\$322,160		
Total 2006-2007 New Expenditure Estimates			(10.8% increase)	\$3,353,455	
Total 2006-2007 Recommended Budget					\$34,309,461
Estimated Revenues					
State					\$18,809,865
Federal					\$1,301,100
Other Local					\$563,343
Current Local Recommendation by BOS				3.6% increase	\$13,550,012
Total				10.5% increase	\$34,224,320
Difference to be taken from Operations					(\$85,141)

# Growth Positions

- 6 Regular Classroom Teachers
- 2 Guidance Counselors (Elementary and Secondary)
- 1 Middle School Special Education Teacher
- 1 Secondary Media Aide
- 1 Bus Driver
- 1 Bus Mechanic

# Cost of Competing

- 2 Elementary Foreign Language Positions
- 1 Resource\IB Elementary Position
- 1 Middle School Reading Specialist
- 1 Distance Learning Support Position
- 1 Secondary Resource Teacher (Project Lead the Way)
- 1 Adult\Family Literacy Coordinator ( transfer from Even Start )
- Bullying Prevention Coordinator - stipend
- Materials and Supplies

# 2007-2008 School Budget Based Upon Board of Supervisors Action

April 19, 2007

2006-2007 Appropriation				\$34,309,320
Requests				
Professional Salary Proposal (3%)		\$826,241		
Classified Worker Salary Proposal (4%)		\$182,857		
Growth Positions (4 positions)		\$215,000		
Health Insurance		\$242,845		
VRS and Retiree Health Credit		\$278,015		
Operations		\$0		
Prep		\$269,698		
Nursing Services		\$20,000		
Cost of Competing		\$0		
Even Start Program		\$0		
Total		\$2,034,656		
Total 2007-2008			5.9 % Increase	\$36,343,976
Estimated Revenues				
State				\$19,832,193
Federal				\$1,386,100
Other Local				\$553,343
Local				\$14,572,340
Total				\$36,343,976
Difference				\$0

## 2008-2009 Superintendent's Recommended Budget Expenditure and Revenue Comparisons

2007-2008 Appropriation					\$36,343,976
Requests					
Professional Salaries (4% increase)			\$1,401,670		
Classified Worker Salaries (6% increase)			\$288,986		
Personnel (19 positions)			\$1,077,217		
Health Insurance			(\$165,872)		
VRS			(\$344,627)		
Non-Personnel Requests			\$300,000		
Special Education			\$215,000		
Governor's School			\$50,000		
Utilities			\$50,000		
Total			\$2,872,374	7.8% Increase	
Total 2008-2009 Expenditure Estimates					\$39,216,350
Estimated Revenues					
State					\$21,921,537
Federal					\$1,386,100
Other Local					\$553,343
Local					\$14,572,340
Total					\$38,433,320
Difference				5.2% Increase	-\$783,030

# Growth Positions

- 6 Regular Classroom Teachers
- 2 Bus Drivers
- 1 Elementary Special Education Teacher
- 1 Elementary Assistant Principal
- 2 High School Special Education Teachers
- 1 Maintenance Worker

# Cost of Competing

- 2 Elementary Resource Positions
- 4 Coordinator Positions (Reading, Mathematics, Data Management\Instructional Technology, and Teacher Mentorship)
- Materials and Supplies

# Changes in Personnel

	2004-2005	2008-2009
Professional Instructional Personnel (teachers, guidance, etc.)	268	321
Administrators	22	24

# 2009-2010 Budget Expenditure and Revenue Comparisons

## Federal Stimulus and Conference Report

2008-2009 Appropriation				\$39,216,350
Changes				
Personnel (15 Positions)			(\$749,321)	
Instructional Items			\$0	
Transportation			\$0	
Operations			\$0	
Technology			\$0	
Debt Service			(\$263,141)	
Summer School			\$0	
Adult Education			(\$60,000)	
Supplements and AP			\$0	
Health Insurance			\$229,267	
Total			(\$843,195)	
Total 2009-2010 Expenditure Estimates				\$38,373,155
Estimated Revenues				
State				\$21,087,712
Federal				\$1,732,100
Other Local				\$553,343
Local				\$15,000,000
Total				\$38,373,155
Difference				\$0

# Areas of Reduction

- Reduction in State Revenue Estimate
- Reduction in Local Revenue
- Debt Service
- Elimination of use of Cortez Math Lab Funds Directed to Other School Needs
- Eliminated Plan to Grandfather Existing Early Retirees in New Plan Covering Health Insurance
- Impact of Early Retirement Plan – 8 staff positions (6 professional staff and 2 classified staff)
- Reduction in Families Learning Together due to grants
- Reduction of 15 staff positions
  - 7 teaching positions
  - 1 coordinator position
  - 2 bus driver positions
  - 3 lab administrator positions
  - 1 volunteer coordinator
  - 1 instructional aid

# Budget Information Session with the Superintendent

September 22, 2009

7:00 pm

School Board Office