



PORTSMOUTH CITY SCHOOL BOARD

801 CRAWFORD STREET—PORTSMOUTH, VA 23704

<http://ppsk12.va>



FISCAL YEAR 2014-2015 BUDGET



Adopted June 12, 2014

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PORTSMOUTH CITY SCHOOL BOARD

Budget for FY 2014-15

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Association of School Business Officials International



This Meritorious Budget Award is presented to

PORTSMOUTH CITY PUBLIC SCHOOLS

*For excellence in the preparation and issuance of its school entity's budget
for the Fiscal Year 2013-2014.*

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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Introductory Section

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PORTSMOUTH CITY SCHOOL BOARD

Budget for Fiscal Year 2014-15

Executive Summary

Changes to the Proposed Budget adopted March 20, 2014

On March 20, 2014, the School Board adopted a proposed budget for the 2014-15 school year in the amount of \$175,513,412. On May 27, 2014, the Portsmouth City Council appropriated \$167,703,358 to the School Board for the 2014-15 school year.

The March proposed budget was revised to incorporate the City Council appropriation. Included in the budget book presented to the School Board for consideration in June 2014 was additional information explaining various budget issues faced by the school division and statistical information used in formulating the budget and as a comparison to our surrounding school divisions. The School Board adopted the financial schedules as presented on June 12, 2014. The School Board also approved a mandatory lunch price increase of \$0.05 required by the provisions of the Healthy, Hunger-Free Kids act of 2010.

Additional updated background information to include allocations to schools, fund balance information, current VRS rates, and budget forecasts was added to the final document.

City of Portsmouth, Virginia



Portsmouth's small-town atmosphere is a pleasant contrast to its metropolitan Hampton Roads location. Tree-lined streets lead toward the picturesque downtown waterfront – the center of the city's many activities, and its heart.

The City of Portsmouth was settled in 1752 and incorporated by the Virginia General Assembly in 1858. Over 250 years old, the city is home to one of the world's greatest natural harbors, situated on the James and Elizabeth Rivers, which empties into the Chesapeake Bay. Portsmouth, with a land area of approximately 33 square miles and a population of 95,535 people is located in the hub of the Hampton Roads Region. It is bordered by the cities of Chesapeake and Suffolk respectively to the south and west, and by the City of Norfolk to the east.

With 75.8 miles of shoreline at the zero milepost of the Intercoastal Waterway, which runs from Boston to Florida, Portsmouth's location on navigable waterways has been a dominant force in the City's history and economy. Its location on the over 40 feet deep Hampton Roads shipping channel, and the presence of both the CSX and Norfolk Southern Railroads supports the national and international port commerce activities and military presence in the region.

Portsmouth derives its governing authority from a charter granted by the General Assembly of the Commonwealth of Virginia. The governing body of the City is the City Council, which formulates policies for the administration of the City. The City's charter provides for a Council-Manager form of government.

City of Portsmouth Web Site, Data Profile and U. S. Census 2010

Portsmouth City School Board



Mr. James E. Bridgeford
School Board Chairman
Member of the School Board since 1990
Current Term expires December 31, 2016
Retired Systems Accountant and Federal Auditor



Dr. Elizabeth Daniels
School Board Vice-Chair
Member of the School Board 1996-April 2014
Former Educator, Medical Chemist, Retired Dentist



Rev. Joseph A. Fleming
Member since July 2012
Current Term expires
December 31, 2014
Former Teacher, currently
an Assistant Pastor



Mr. Ted J. Lamb
Member since 2013
Current term expires
December 31, 2016
Career Educator



Mr. Brian K. Nance, Sr.
Member since 2009
Current Term expires
December 31, 2016
Consultant



Mr. Claude C. Parent
Member since 2010
Current Term expires
December 31, 2014
Minister of Church
Administration, Retired
Educator



Ms. Laurel J. Armstrong
Member since June 2014
Current Term expires
November 4, 2014
Retired Educator



Ms. Linda D. Ridenour
Member since 2013
Current Term expires
December 31, 2014
Retired Educator



Dr. Mark M. Whitaker
Member since 2002
Current Term expires
December 31, 2014
Associate Professor,
Assistant Pastor



Mrs. Costella B. Williams
Member since 2008
Current Term expires
December 31, 2016
Supervisor and Community
Volunteer

Superintendent's Cabinet

Dr. David C. Stuckwisch
Division Superintendent

Dr. Patricia H. Fisher
Deputy Superintendent

Christopher P. Steele
*Assistant Superintendent
Budget & Planning*

Derrick A. Nottingham
Director of Research and Evaluation

Dean M. Schlaepfer
Director of Information Technology

Dr. Robert Sheppard
Interim Director of Operations

Talitha Y. Talley-Parker
Human Resources Supervisor

Mr. Joseph L. Wiggins
Executive Administrator to the Superintendent

MISSION & GOALS OF THE SCHOOL BOARD

The mission of the Portsmouth Public Schools is to challenge the minds, challenge the bodies, and challenge the dreams of all students while focusing on excellence.

The School Board adopted this Mission Statement in August 2007. To accomplish its mission, the School Board approved a Comprehensive Plan in December 2007 and revised it in December 2009, 2011, and 2013. The plan covers the school years through 2017. Its six goals are listed below. They are the guiding principles used in making all decisions that affect the division, including the budget. The full text of the Comprehensive Plan, including measurable objectives for each goal, is available in a separate publication available on the Portsmouth Public Schools website, <http://ppsk12.us/>. Click on the “About PPS” tab, choose “School Board” from the drop-down list, and then choose [2007-17 Comprehensive Plan](#) from the menu.

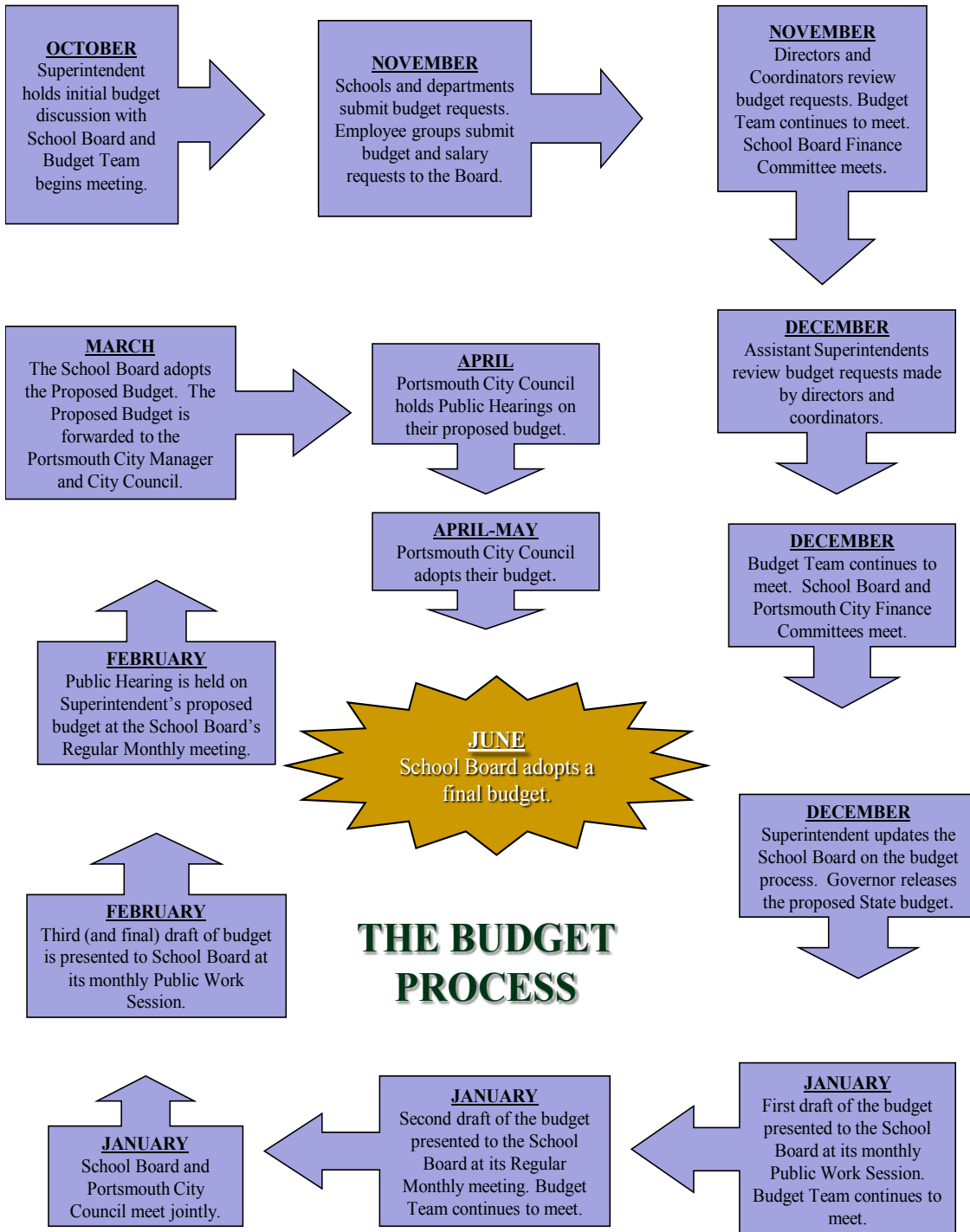
1. By 2017 the Portsmouth School Board will be a leading force for community advancement.
2. By 2017 all parents of Portsmouth Public School students will be excited about and claim ownership of their children’s education.
3. By 2017 all graduates of Portsmouth Public Schools will be highly sought after by both employers and institutions of higher learning.
4. By 2017 Portsmouth Public Schools will be recognized by educational organizations and institutions of higher learning for its innovative and effective programs.
5. By 2017 all Portsmouth Public Schools students will be socially responsible and respected as lights of inspiration for future generations.
6. By 2017, the Portsmouth City School Board will provide educational facilities – including technology – that contribute to the learning environment for students and provide safe and accessible facilities for students and staff.

THE BUDGET PROCESS

Developing a budget is an ongoing process. The Budget and Planning office constantly monitors sources of revenue and factors that affect revenue in order to advise the Superintendent’s budget team. In the early fall, schools and departments submit their budget requests for the upcoming year. Employee groups submit requests related to salary and benefits directly to the School Board at a monthly meeting during the first semester.

The Superintendent’s budget team meets throughout the school year to consider expense requirements and fluctuations in projected revenue. The team first identifies those items that are a “must-fund” priority for the division. Next, the Superintendent looks at enrollment and decides if any teaching and support positions should be eliminated or added. At this point, if anticipated revenue exceeds anticipated expenditures, the Superintendent, with School Board input, prioritizes additional projects or programs that could be funded for the upcoming school year in support of the goals outlined in the comprehensive Plan. The School Board Finance Sub-committee meets throughout the school year to review budget issues and advise the administrative budget team about the School Board’s priorities.

Again this school year, desired expenditures exceeded anticipated revenue. The Board felt that in light of the challenges they have faced maintaining accreditation for all schools while monetary resources have declined, they should develop a budget that reflects the full needs of the division. In an effort to provide excellent education opportunities for its students, the School Board directed the Superintendent to return to the budget certain items that had been eliminated over the past few budget cycles. Unfortunately, the City Manager felt that the school division has been over-funded for the past few years and recommended what he called “level” funding for the 2014-15 school year. The City Council appropriated \$6.4 million more than the City Manager recommended. While not the full amount requested by the School Board, this additional funding covered the additional “must-fund” expenses and some of the items the School Board felt must be funded in order to maintain accreditation and provide excellent education opportunities.



SIGNIFICANT TRENDS AND CHANGES

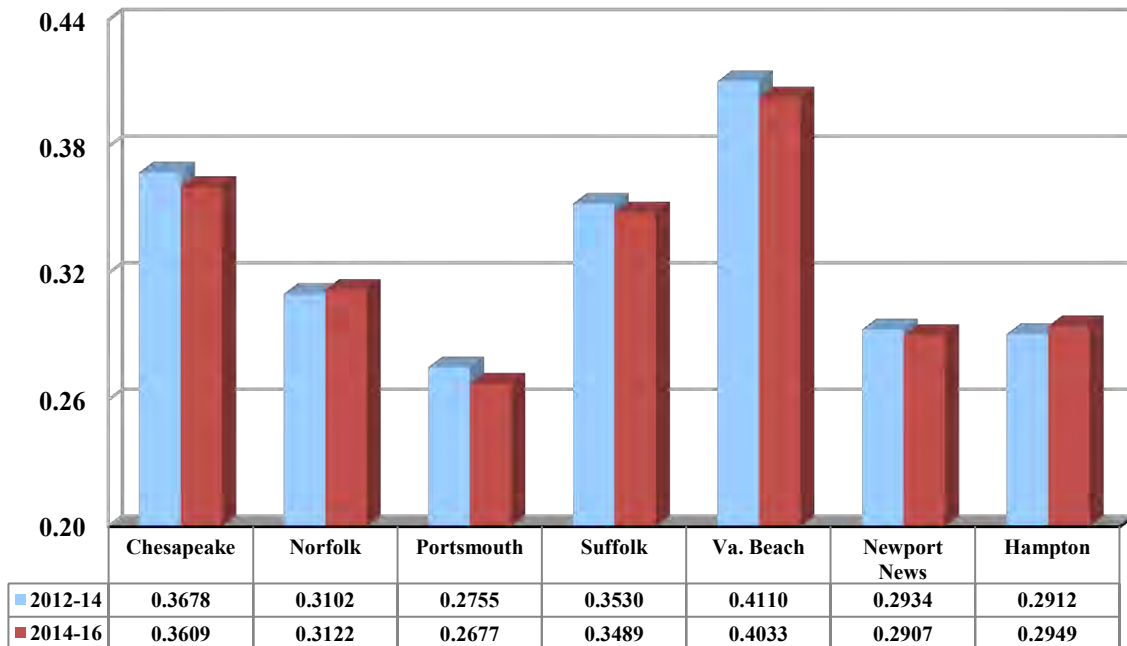
Portsmouth Public Schools receives revenues from local (city), state, and federal sources. State and City funds are our two largest sources of revenue.

City funds consist of monies appropriated by the City of Portsmouth. Since the school division is fiscally dependent on the City, we cannot levy taxes to directly support education.

Our state monies are determined by our Average Daily Membership (ADM) and the local composite index. State sales tax revenues represent 1⅛% which is the educational component of the tax that is distributed to all school districts based upon the number of school-age children who reside in the division. State School Funds consist of the Standards of Quality (SOQ) payments, incentive funds, and categorical amounts established by the State General Assembly.

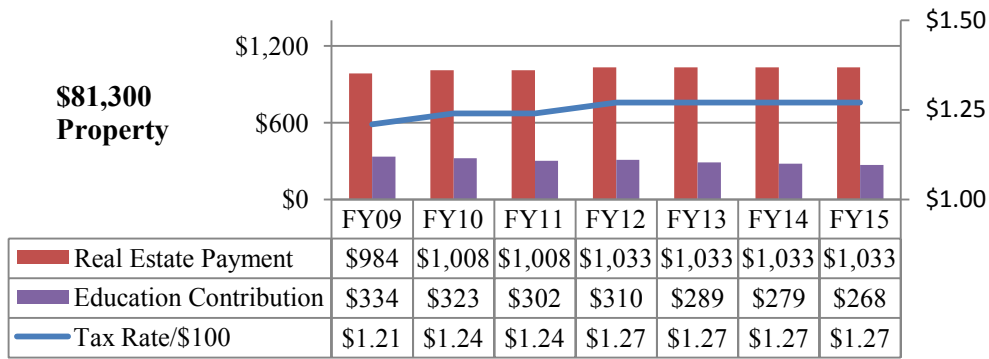
The Composite Index of Local Ability to Pay determines a school division’s ability to pay education costs fundamental to the commonwealth’s Standards of Quality (SOQ). It is calculated using three indicators of a locality’s ability-to-pay: true value of real property (weighted 50%), adjusted gross income (weighted 40%), and taxable retail sales (weighted 10%). Each locality’s index is adjusted to maintain an overall *statewide* local share of 45 percent and an overall state share of 55 percent. The index is recalculated every two years. As a locality’s index declines, the state’s share of its funding increases and the amount the locality should be able to pay decreases. The chart below compares the composite index among the surrounding school divisions. Only Norfolk’s and Hampton’s Local Composite Index (LCI) increased over the previous biennium and Portsmouth continues to have the lowest LCI in the region.

Composite Index of Local Ability to Pay



Source: Budget Office, Virginia Department of Education, November 2013

For 2014-15, the allocation to schools in the City budget is approximately 26% of their entire budget. According to the 2010 Census, the median value of a home in Portsmouth is \$81,300. The owner of such a home will owe a tax bill of \$1,033 based on the \$1.27 tax per \$100 of assessed value and that homeowner will contribute approximately \$268 toward education. The following graph illustrates the changes in tax obligations of the owner of that \$81,300 home since 2009. As you can see, the tax rate increased by \$0.06 causing the taxpayer’s real estate payment to increase by \$49.00 but the contribution to education decreased by \$66.00.



In addition to State and local funds, we receive Federal funding, which primarily consists of Impact Aid from the United States Government for the loss of tax revenue because federal property is not subject to local and state taxes. Approximately 54% of property in the City is tax exempt due in large part to military installations and religious organizations. Also included in federal funding in the general fund is money for the Junior Reserve Officer Training Corps.

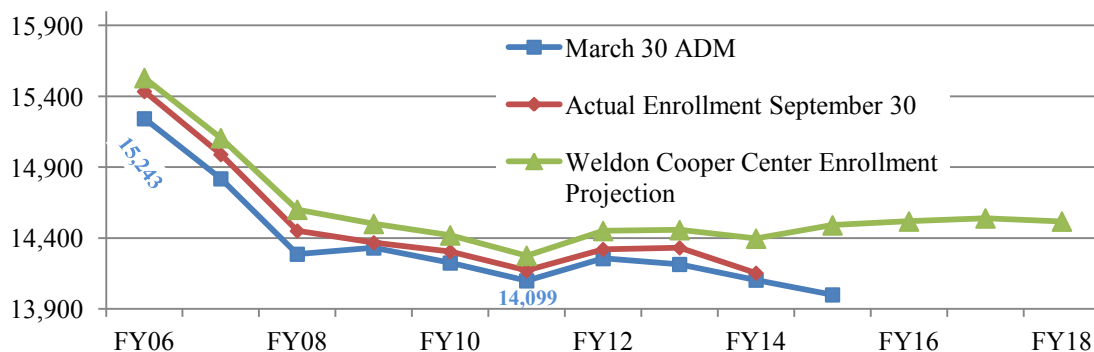
Significant funding from the federal government is received in the form of grants associated with No Child Left Behind, Title I, Title VI-B, Special Education, and Education Technology. These grants allow the division to offer programs that might not be funded through the general fund. In addition to these large grants, the division aggressively seeks competitive grant funds to further its mission. Revenue and expenses related to these and other grants are detailed in the Grants Fund.

Other Revenue Funds consist of monies from the rental of our facilities, non-resident tuition, summer school tuition, rebates, refunds, proceeds from the sale of surplus property, and E-Rate. The E-Rate program is part of the Universal Services subsidy program of the Telecommunications Act of 1996 and provides discounts on all telecommunications services and advanced telecommunications to schools, libraries, and rural health care organizations. The E-Rate program is regulated by the FCC and is funded by fees charged to interstate telecommunication providers.

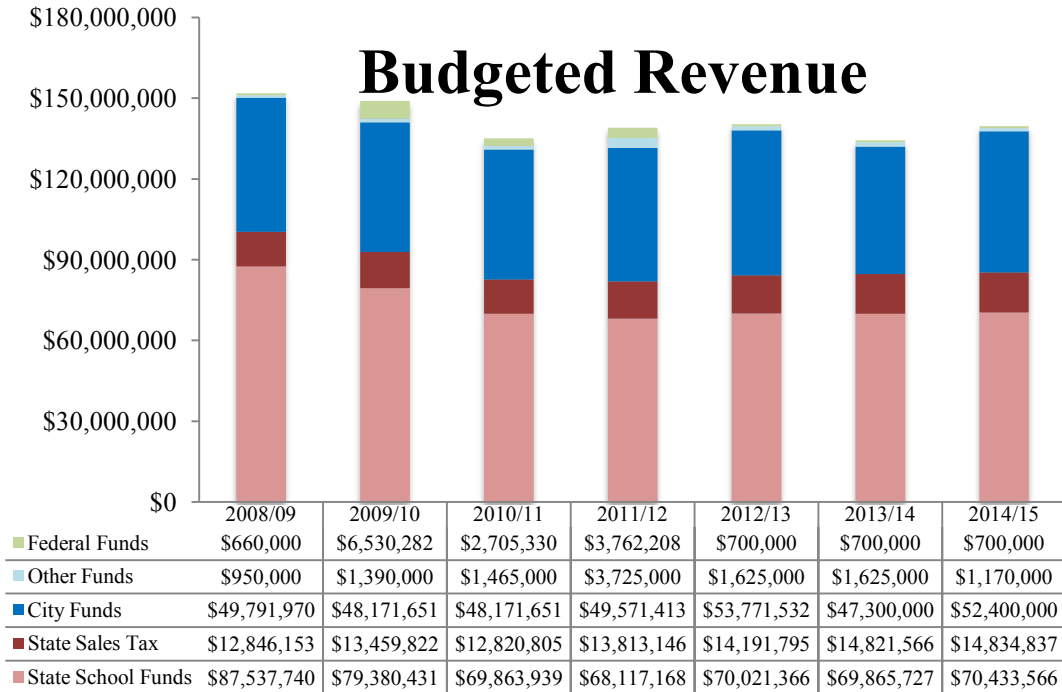
By law, the School Board may not enter into debt or issue bonds.

Although our state basic aid is dependent on ADM numbers, it is not the only source we use to project staffing needs and revenue expectations related to enrollment. One source of enrollment trends is the Weldon Cooper Center of the University of Virginia. It is a valuable resource for data related to change in many organizations throughout the Commonwealth. The Center gathers and analyzes data from varied sources; enrollment information is just one example of the information they provide. The General Assembly has decided to use the Weldon Cooper enrollment projections to distribute state sales tax revenue to school divisions rather than rely on a triennial census.

The Center forecasts a slight increase in enrollment in Portsmouth over the next few years. The following graph compares the March 30 ADM, September 30 enrollment, and the Center's projected enrollment through 2017-18. While the Center's projected enrollment has historically been higher than our ADM or actual enrollment, the trend lines are nearly parallel. While we are conservatively estimating the 2014-15 ADM to be 14,099 students, we expect our enrollment to trend upward over the next few years.

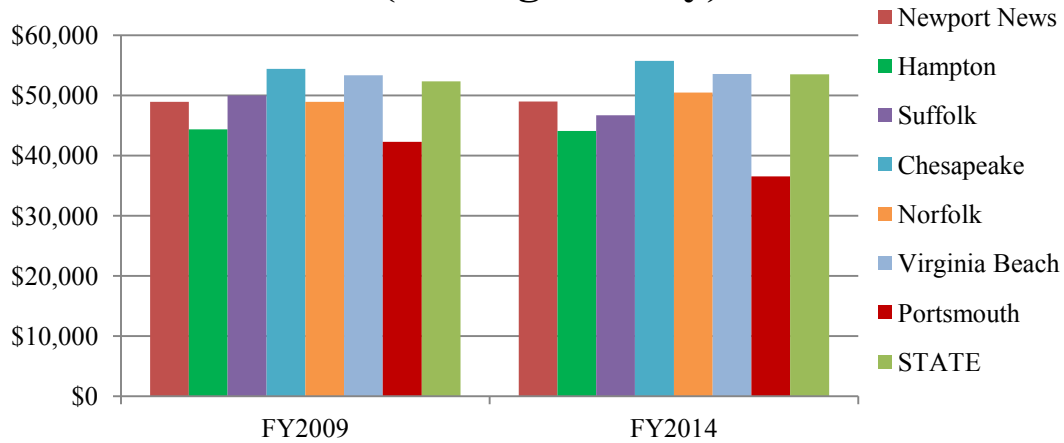


State and City funds represent 98.6% of our total budget for fiscal year 2015. As you can see from the next graph, although state funding has fluctuated very little since 2011, the portion of our budget that it represented decreased. This gap became critical when state school funds decreased by \$8.1 million and \$9.5 million for fiscal years 2010 and 2011 while the City's appropriation for education was reduced in 2010 and remained level for 2011. Since our local composite index has declined, the City is not required to provide as great a portion of the funding for education in Portsmouth but we are dependent on the City to provide additional funding needed to provide first-rate education opportunities as state revenue declines.

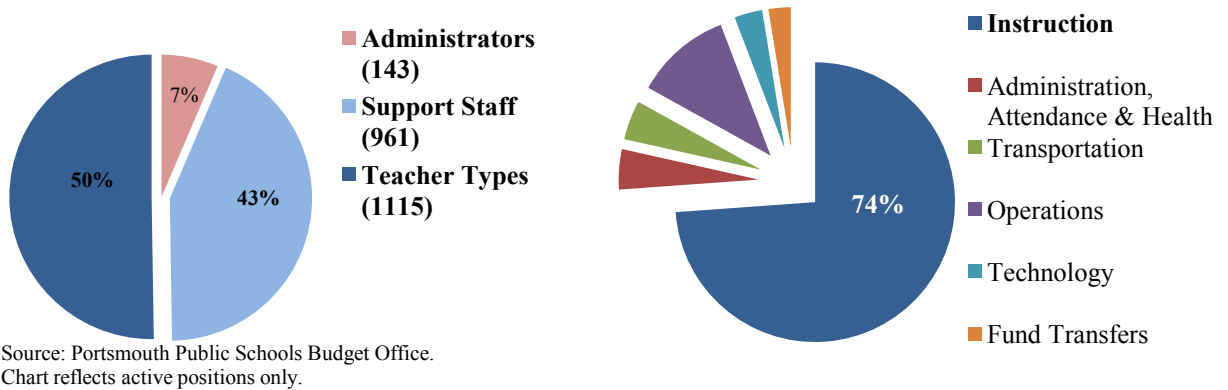


The major-expenditure incurred by Portsmouth Public Schools is for salaries and benefits. These expenses make up 81% of our budget. While Portsmouth Public Schools was able to increase teacher salaries for several years to be more competitive in Hampton Roads, for fiscal years 2011 and 2012 the Board was not able to offer any raises. The Board gave employees a 2% raise in 2013-14 and the 2014-15 proposed budget included a 2% increase for all employees that was removed when the City Council did not appropriate the School Board's full budget request. The following graph compares average teacher salaries among our neighboring divisions for 2009 and 2014. While our starting teacher salaries are highly competitive with our neighboring divisions, we fall behind when average salaries are compared.

Teacher Salary Comparison (Average Salary)



Portsmouth Public Schools is committed to applying the bulk of our funding to instruction by adequately staffing our schools and centers. Since effective instruction will facilitate the school division achieving its goals as outlined by the visions in the comprehensive plan, 74% of our funding is focused on instruction.



As part of the budget process each year, the Superintendent assesses the number of teaching and support positions that are required to meet the state standards and ensures that our teaching staff will be “right-sized” for the actual enrollment. While the Superintendent must staff classrooms at the required state standards he does make every attempt to keep the pupil to teacher ratio as low as financially feasible.

The state funding formula for basic aid is based on SOQ staffing standards. These are minimum standards and are intended only for determining state funding. The responsibility for education funding in Virginia is shared between the state and the locality and all localities staff above the state staffing standards. Virginia regulations require that each school have the required staff with proper licenses and endorsements.

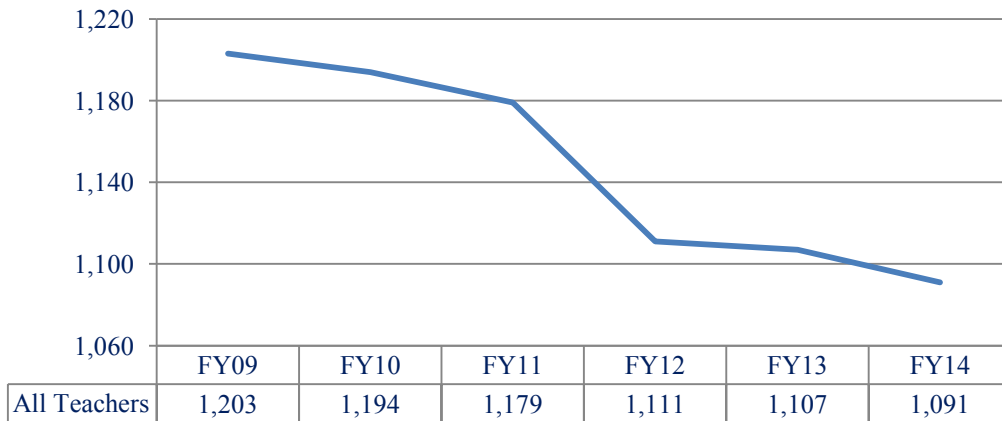
State regulations also determine class sizes as illustrated in the following chart.

Minimum Pupil to Teacher Ratios

Kindergarten	24:1 with no class larger than 29. If ADM exceeds 24 in any class, a full-time teacher's aide shall be assigned
Grades 1-3	24:1 with no class larger than 30
Grades 4-6	25:1 with no class larger than 35
Grades 6-12 (English)	24:1
Middle & High Schools	21:1 with all teachers provided an unencumbered planning period per day

Unfortunately, when available funds are not adequate the teacher to pupil ratio suffers. If a reduction in staffing will be necessary due to funding shortfalls, the Superintendent identifies positions that are above the required state standards and, with input from instructional administrators, he flags those positions for elimination. Additionally, he looks at all support personnel to determine any positions that can also be eliminated. Over the past few years, staffing has been reduced significantly but the reduction was accomplished through attrition rather than layoffs. As you can see from the graph below, significant cuts in budgeted teaching positions were made between 2009 and 2014. For the 2014-15 school year, the Superintendent planned to restore up to 27 teaching positions along with other support personnel who were eliminated over the past few years but due to the City Council appropriating less than the School Board requested for fiscal year 2015 that will not happen.

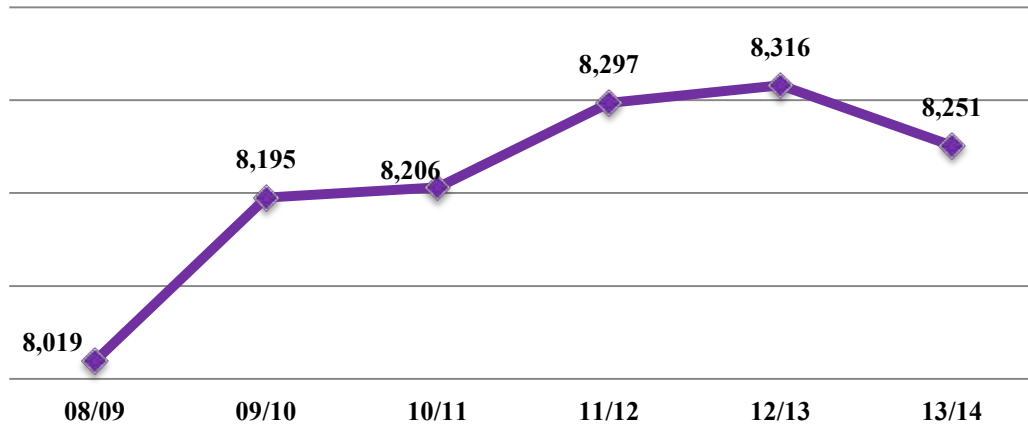
Portsmouth Teachers 2009-2014



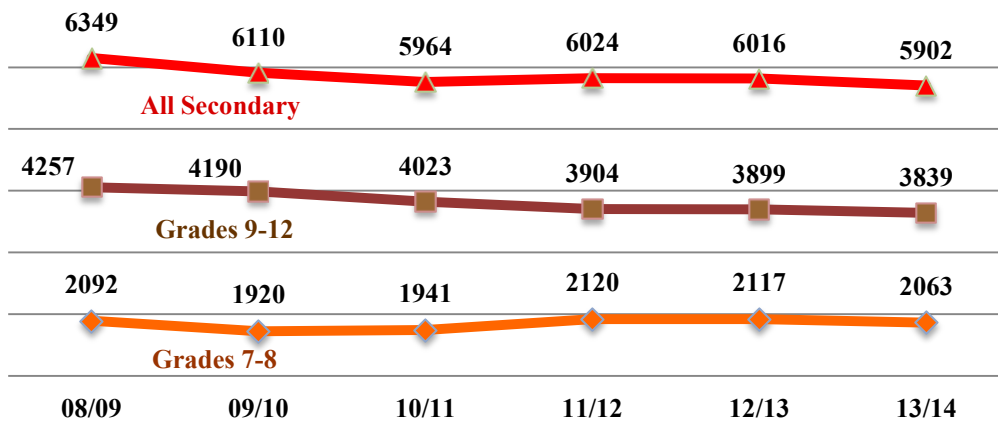
Despite a decrease in enrollment over the last few years, division officials remain encouraged by generally higher enrollment since 2008-09 in the elementary grades indicating the City's school age population may be rebounding from the sharp decline experienced between the 2006-07 and 2007-08 school

years. A new military housing project opened at Gosport in Portsmouth and we are beginning to see an influx of students from that area. Enrollment in the secondary grades is holding relatively steady but we expect that will also begin to increase as the elementary age students enter the secondary levels. The enrollment trend over the 2008-09 through 2013-14 school years is illustrated in the following graphs. The numbers reflect the September 30 enrollment reports for those years.

K-6 ELEMENTARY ENROLLMENT TRENDS

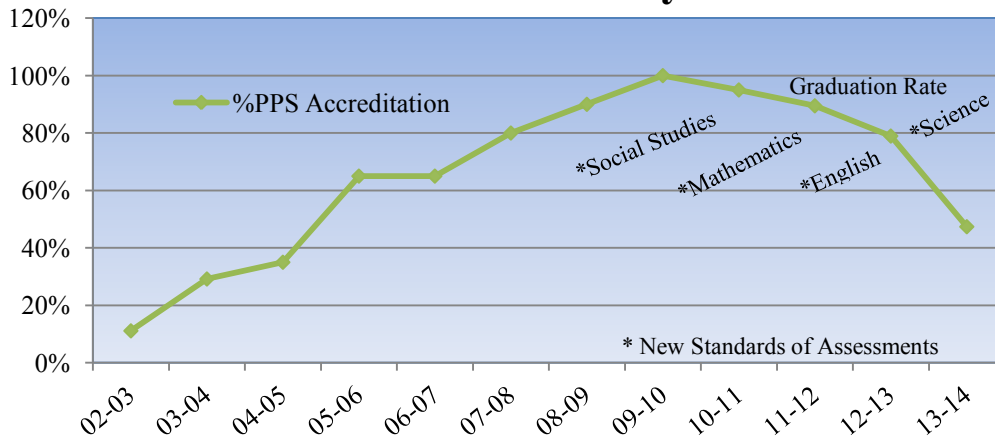


SECONDARY ENROLLMENT TRENDS



Student performance affects funding in two areas. Monies received from the Federal government through Title I are based on student performance and the division would lose some funding from the state if any or all of the schools do not meet the Standards of Learning (SOL) criteria for accreditation. While those funds are not withheld because of one year's poor performance, failing to improve would trigger a take-over of the school(s) by the state and the funding received for the pupils who attend that particular school would be lost. The division's accreditation rates for the past few years are illustrated in the chart that follows. Detailed SOL pass rates are illustrated in the Information Section.

Accreditation Rate by Year

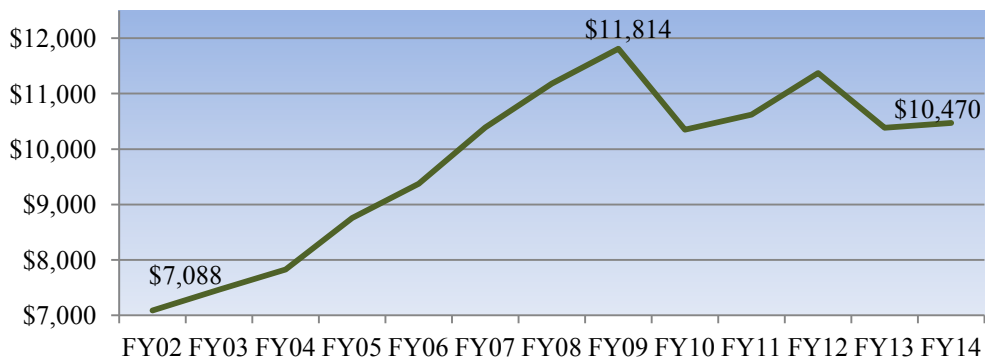


Source: VDOE School Accreditation Ratings (accreditation is based on prior-year SOL tests)

As you can see, our accreditation rate has slipped since we achieved full accreditation for all schools in 2010. Since that time, the state implemented new, more rigorous SOL tests in the areas of Social Studies, Mathematics, English, and Science to better prepare students to compete in today's global economy. The new tests meet the higher expectations of national and international benchmarks for college and career readiness. VDOE reported a decline in the scores in these areas statewide so Portsmouth's similar decline was no surprise. Teaching methods have been adjusted to better prepare students for the new testing formats and we are confident that scores will rebound. In 2009, the on-time graduation rate also became a factor in achieving accreditation. We have made great strides since 2010 to improve the on-time graduation rate and do not expect that to be a factor in achieving full accreditation in the future.

The per pupil expenditure for the upcoming school year is reported to parents each year. This cost is determined by dividing the total expenditures for operating the school division by the average daily end-of-year membership for the previous school year. The following graph illustrates our per pupil expenditures over the past few years. If you compare per pupil costs below to the accreditation rate above, you can see a relation between increased pupil expenditures and significantly improved scores. With stimulus funds no longer supplementing our revenue, we are heavily dependent on the City of Portsmouth to fill the funding gap.

Per Pupil Cost



BUDGET HIGHLIGHTS

The following budget highlights include items the District must fund to meet mandatory requirements, items designated for reduced funding and those items the School Board recommended to maintain or improve the quality of Portsmouth's educational mission:

Must fund Items - \$6.0M:

- Increases in VRS (3%), Health Insurance (12.8%), and Liability Insurance (10%)
- Homeless Transportation increase (McKinney-Vento Act mandate)
- IT Infrastructure and Improvements to support mandatory testing and instruction requirements
- Student Assessment Upgrade to meet new standards

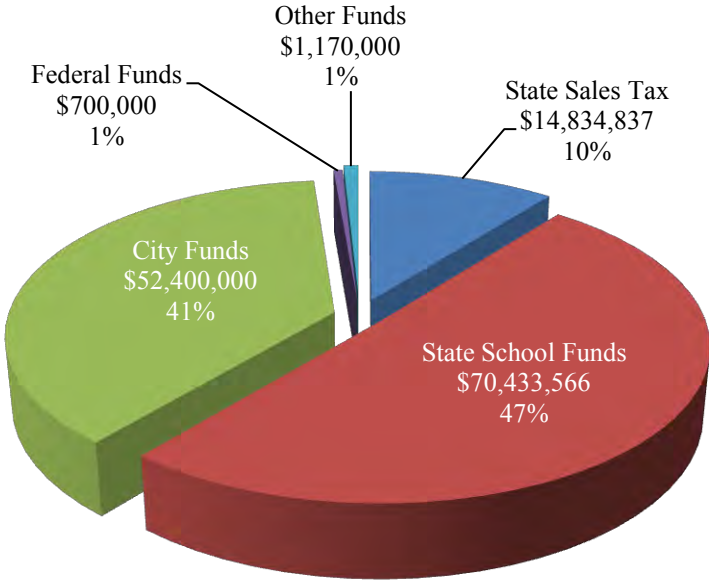
Reductions - \$2.1M:

- Burtons Point Facility Closing
- Elimination of 59 vacant positions

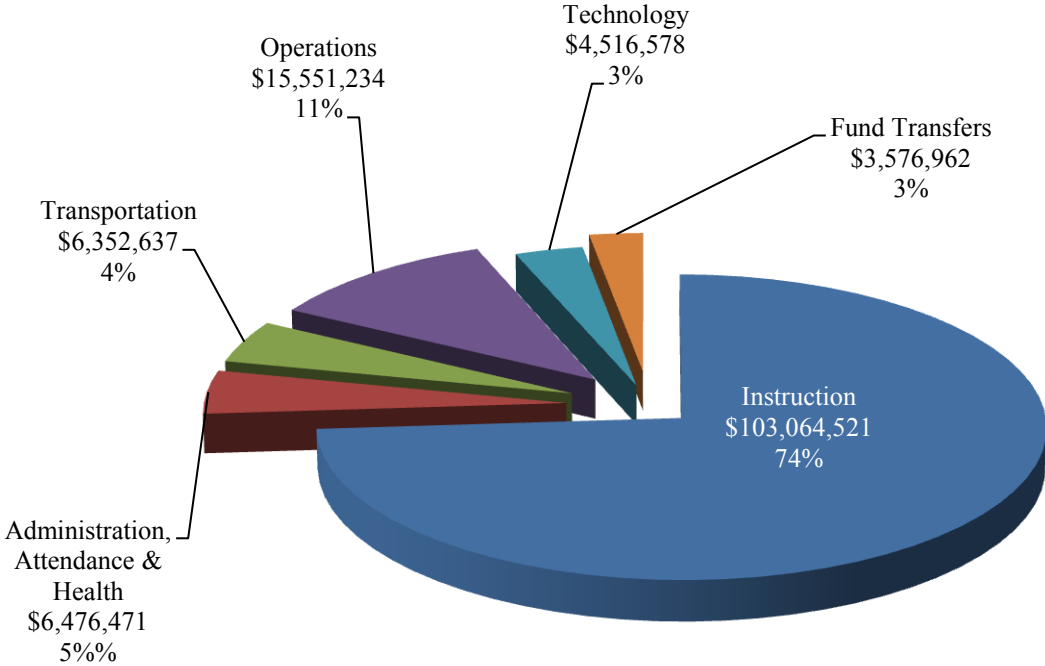
The following quality improvement recommendations totaling approximately \$9.0M were not funded for the 2014-15 school year:

- 2% Salary Increase
- 26 Additional Instructional Assistants/Reading Specialists
- Holiday pay for 10-month, non-exempt employees
- 27 additional teachers
- 18 additional Operations support staff
- Increase all Clerical and Security personnel to 8 hours
- Academic Program Improvements – e.g., Dual Enrollment and Saturday Tutoring
- Instructional Technology Software
- Increase Substitute pay to the regional average
- Restore prior-year cuts in Academic Professional Development
- Playground equipment for Hodges Manor, Victory, Douglass Park, and Churchland Academy Elementary Schools
- Restore prior-year cuts to Operations Materials and Supplies
- District-wide Athletic Director and Athletic Trainers

REVENUE OVERVIEW



EXPENDITURES OVERVIEW



ALL FUNDS OVERVIEW					
FUNDS	2010-11 BUDGET	2011-12 BUDGET	2012-13 BUDGET	2013-14 BUDGET	2014-15 BUDGET
GENERAL FUND	135,026,725	138,988,935	140,309,693	134,312,293	139,538,403
REPROGRAPHICS FUND	591,038	701,699	691,708	981,511	755,866
CAFETERIA FUND	6,884,101	7,156,803	7,604,000	8,220,504	8,477,000
GRANTS FUND	22,480,450	23,001,044	19,357,340	17,146,860	16,629,307
RISK MANAGEMENT & INSURANCE FUND	955,702	955,702	955,702	955,702	955,702
TEXTBOOK FUND	559,649	567,840	1,297,980	1,278,948	1,347,080
GRAND TOTAL EXPENDITURES-ALL FUNDS	166,497,665	171,372,023	170,216,423	162,895,818	167,703,358

FORECASTING THE FUTURE

Eighty-one per cent of the School Board's expenditures are for salaries and benefits. The School Board does not want to release any personnel because our staffing is close to the minimum state requirements already. Any personnel cuts would certainly erode the quality of the education we are providing which would be unacceptable. In fact, the School Board desired to increase staffing to not only maintain the quality of education that can be offered but to improve it. Since the City Manager recommended funding below the level requested, the Division was prepared to cut non-core, quality instructional programs, materials and supplies, staff development, and facilities expenditures. Certain maintenance expenditures and equipment purchases could be postponed in the short term, but to do so over a long period would also erode the quality of the education environment. The City Council appropriated \$6.4 million more than the City Manager recommended to ensure that the quality instructional programs would not be eliminated for the 2014-15 school year. Unless the City Council maintains the level of funding provided this school year, those same programs could again be in jeopardy.

During these recent volatile and challenging economic times (at federal, state and local levels), the task of forecasting a budget has been more difficult. Funding that was available in FY2010 through FY2012 from federal ARRA and job stimulus funds expired leaving the division with a deficit of more than \$3 million starting with FY2013. The Superintendent could not recommend any salary increases for several years because he could not foresee recurring funds to support such a raise. In order to present a balanced budget, the Superintendent has had to make tough budget decisions that included important quality improvement initiatives that could not be funded. Without any further degradation to academic support, the District anticipates no further decrease in state funding attributed to decreases in ADM. Although property values in the City remain level or may decline, it is critical that funding for education from the City does not decline also.

The City's Economic Development Department mounted a campaign over the past three years to attract new residents and businesses to the City. City officials report that the population is edging upward now, in part, due to affordable housing. If this translates into additional school age population numbers, Portsmouth may benefit if those students go to public schools with the related additional tax dollars available from increased enrollment. The Portsmouth School Board also hopes that this strength will translate into increased funding to support educating the future leaders of our City.

The following table illustrates our forecast for future expenditures. We are guardedly optimistic that revenue will continue to meet our expenditure needs. The Weldon Cooper Center predicts our enrollment to increase by 0.19% in 2015-16, by 0.15% in 2016-17, but decrease by approximately 0.15% in 2017-18 compared to 2016-17. Since our major funding from the state is based on average daily membership, we are using these percentages to forecast our future expenditures.

	15/16 Forecast	16/17 Forecast	17/18 Forecast
GENERAL FUND			
TOTAL EXPENDITURES	\$ 139,803,526	\$ 140,013,231	\$ 139,803,211
REPROGRAPHICS FUND			
TOTAL EXPENDITURES	\$ 757,302	\$ 758,438	\$ 757,300
CAFETERIA FUND			
TOTAL EXPENDITURES	\$ 8,493,106	\$ 8,505,846	\$ 8,493,087
GRANT FUND			
TOTAL EXPENDITURES	\$ 16,660,903	\$ 16,685,894	\$ 16,660,865
RISK MANAGEMENT & INSURANCE FUND			
TOTAL EXPENDITURES	\$ 955,702	\$ 955,702	\$ 955,702
TEXTBOOK FUND			
TOTAL EXPENDITURES	\$ 1,349,639	\$ 1,351,664	\$ 1,349,636

Our division has educated the youth of the city since 1847 and we are confident that we will be able to meet the financial challenge of continuing that mission well into the future. Our experiences weathering the difficult economic periods in our history have equipped us to meet those challenges. In summary, the Portsmouth Public School Division will continue to support the School Board's mission to "challenge the minds, challenge the bodies, and challenge the dreams of all students while focusing on excellence."

We are proud of the following division accomplishments:

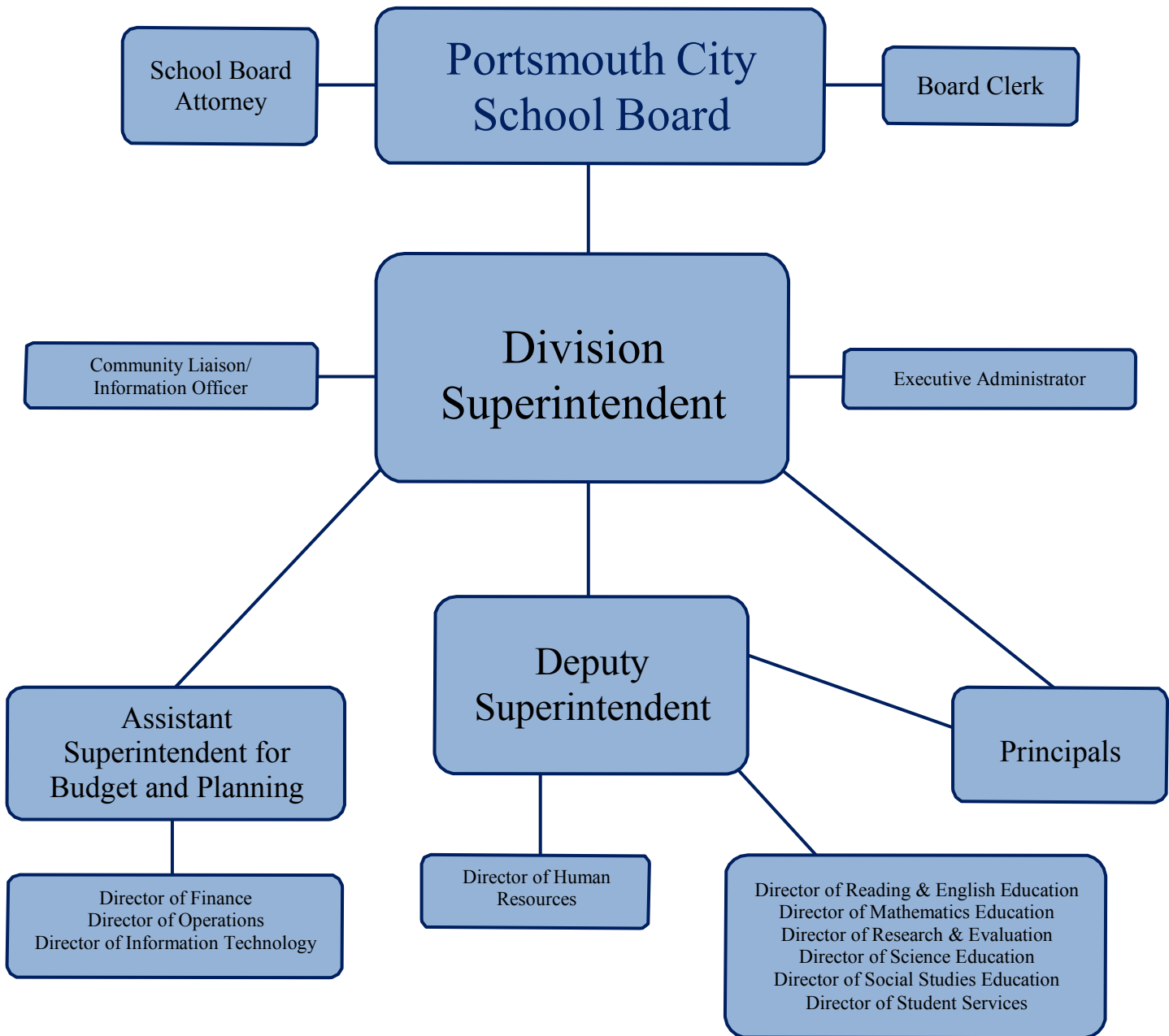
- The Portsmouth School Board received the 2010 Board of Distinction Award from the Virginia School Boards Association (VSBA).
- The National School Boards Association's National School Board Member recognition program honored the Portsmouth School Board Vice-Chair, Dr. Elizabeth Daniels, for her outstanding commitment to public education as demonstrated by her proven leadership and service as a dedicated school board member.
- The Portsmouth School Board received an honorable mention citation from the Council of Urban Boards of Education (CUBE) and was recognized as one of four finalists for the 2010 CUBE Annual Award for Urban School Board Excellence.
- The Portsmouth School Board Vice-Chair, Dr. Elizabeth Daniels, was recognized at the CUBE Annual Business Meeting for her service on the CUBE Steering Committee from April 2006 through April 2013.
- The Instructional Personnel Verification Survey reported 98.82% highly qualified teachers in 2013-14. Portsmouth has consistently reported a 98% or greater number of highly qualified teachers.
- The First College Program has grown from 19 students in 2006 to 167 scholars in 2014. In May 2014, the students achieved a C or better in 84% of the courses they attempted and were able to transfer that as college credit to 4-year universities.
- Received the Certificate of Excellence in Financial Reporting from ASBO for the seventh time and the Certificate of Achievement in Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the sixth time for the comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012.
- Received the ASBO Meritorious Budget Award for excellence in the preparation and issuance of the school system budget for the sixth time for fiscal year 2013-14.
- Implemented a School-to-Work program in collaboration with the Virginia Department of Aging and Rehabilitative Services and with Goodwill Industries to provide disabled students a community-based paid work experience.
- The I. C. Norcom High School Robotics Team won the regional VEX Robotics Competition in December 2013 and hosted the 2014 Spring Regional VEX Robotics Competition.
- Named to the College Board's Third Annual Advance Placement Honor Roll in 2013 for expanding opportunities and improving performance for Advance Placement students; recognized as one of the 12 Virginia school divisions that were among the 539 districts nationwide designated to receive this honor.
- Three culinary arts students competed in the Career through Culinary Arts Program Scholarship Competition at Strafford University in April 2014. They won partial scholarships up to \$7,500. One student won a full scholarship for \$49,344 to attend Monroe College in New Rochelle, NY.
- Honored by WHRO and Dominion Virginia Power as a recipient of the 2013 Community Impact Award; presented to Rear Admiral William Hayden, USN Retired, for his stellar work with StarBase Victory housed at Victory Elementary School.
- Superintendent David C. Stuckwisch received the 2014 Silver Star for Education Legacies Award from the Urban League of Hampton Roads.
- Accepted the VSBA Green School Challenge and was recognized as a VSBA Certified Green School Division for the fourth time in 2013.
- Awarded first place in the Meal Access to Fight Hunger category of the 2013 VSBA Food for Thought Competition.
- The PPS Operations Department achieved the Platinum Level for the 2013 Facility Masters Award from the Virginia School Plant Managers Association.
- Victory Elementary School was recognized as a 2013 Distinguished Title I School by the Virginia Board of Education for meeting all state and federal accountability requirements and for achieving SOL scores at the 60th percentile or higher in the areas of reading and mathematics.
- Of the 966 members of the Class of 2013, 35.7% received Advanced Studies Diplomas and 27.5% graduated with Honors. Merit-Based Scholarships were awarded in the amount of \$4,841,430.

Organizational Section



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DIVISION ORGANIZATIONAL CHART 2014-15



Rev. 03/14

ORGANIZATION

The title of the corporate body is the Portsmouth City School Board. The School Board derives its authority from the Constitution of Virginia, the Code of Virginia, and the regulations of the State Board of Education. The nine elected members of this corporate body are officers of the Commonwealth and govern the operations of the school division during their four-year terms. For the full text of the portion of the Code of Virginia that discusses the authority and duties of the School Board, visit the [Virginia General Assembly's Legislative Information System](#) and choose [§ 22.1-79](#), Powers and Duties. Other portions of the Virginia Code that refer to the School Board's budget responsibilities are included in the Information Section of this document.

One of the duties of the School Board is to appoint the Division Superintendent who is the executive and administrative head of the public school division. He manages the school division as prescribed in the regulations of the State Board of Education and in accordance with policies and procedures approved by the School Board. His responsibilities related to budget preparation and administration are spelled out in School Board Policies DA (Management of Funds), and DB (Annual Budget). These policies require that the Superintendent use appropriate fiscal planning and management methods modeled after accepted business practices and directed toward the educational goals of the division. The full text of policies DA and DB are included in the Information Section of this document.

Each year, in accordance with the policies mentioned above, the Division Superintendent prepares and presents a budget to the Board for adoption. The budget document presented to the School Board for approval explains the division's financial situation in clear, simple terms. It is the financial outline of the division's education program and the primary means of managing expenditures during the fiscal year, July 1 through June 30. The budget is an estimate of the amount of money needed during the next fiscal year for the support of the public schools of the division. It also represents the proposed plan of expenditures and the expected means of financing those expenditures. The Superintendent prepares a budget calendar identifying the milestones for the annual budgetary process to include at least one public hearing on the budget. With that community input, the budget represents a reasonable compromise between academic expectations and economic realities. Presentations are given to the Board at least monthly and these presentations are broadcast on the division's public television station as a means of allowing the community to understand the budget and, even more importantly, to understand the division's educational priorities and objectives.

Once the budget is adopted, the Superintendent is responsible for administering it in accordance with Board policies and applicable local, state, and federal regulations and laws. In the past, funds were appropriated to the School Board by total expenditures by the City Council and the Superintendent was authorized to make transfers between categories within the budget. For the 2013-14 fiscal year, the Portsmouth City Council appropriated funds by category: Instruction, Administration, Attendance and Health, Pupil Transportation, Operations and Maintenance, Facilities, Technology, and Debt and Fund Transfers. The School Board authorized the Superintendent to move funds between the accounts within each category as necessary but the School Board must seek approval from the City Council to move funds between categories. After mid-year and again near the end of the fiscal year the School Board may submit a request to the City Council to allow a redistribution of the appropriated funds between the categories in order to meet projected expenditures, while still meeting the goals of the approved budget. While the Superintendent has final approval for all expenditures, the various departments administer the funds allotted to them. Whether funds are moved between accounts or categories, authorized budget adjustments are required. The workflow process is in place for the appropriate personnel to approve budget amendments and expenditures in the category for which they are responsible. Approvers are expected to ensure applicable rules have been followed in accordance with acceptable accounting procedures and in compliance with the Virginia Public Procurement Act and School Board Policies and Regulations.

The school division is fiscally dependent; i.e., it does not have taxing or borrowing authority (except for purchase of school buses) and derives most of its funding from the Commonwealth of Virginia and the City of Portsmouth. The City Council appropriates funding for the School Board's Operating Budget, levies the necessary taxes to finance the operations, and borrows money and issues bonds when necessary.

The School Board management maintains budgetary controls to ensure compliance with the annual appropriated budget adopted by the School Board. The Finance Director prepares a monthly report to the School Board that lays out revenue and expenses to date for all funds as well as comparing revenue and expenditures to the same time period for the previous year. The division maintains an encumbrance accounting system as the method of accomplishing budgetary control, as does the City. After the end of the fiscal year, outstanding encumbrances in the form of purchase orders, contracts, and other commitments for the expenditure of funds are reported as fund balances and are carried forward to the next fiscal year. After 120 days, those outstanding encumbrances are liquidated and remaining funds are transferred to the City unless the School Board approves otherwise.

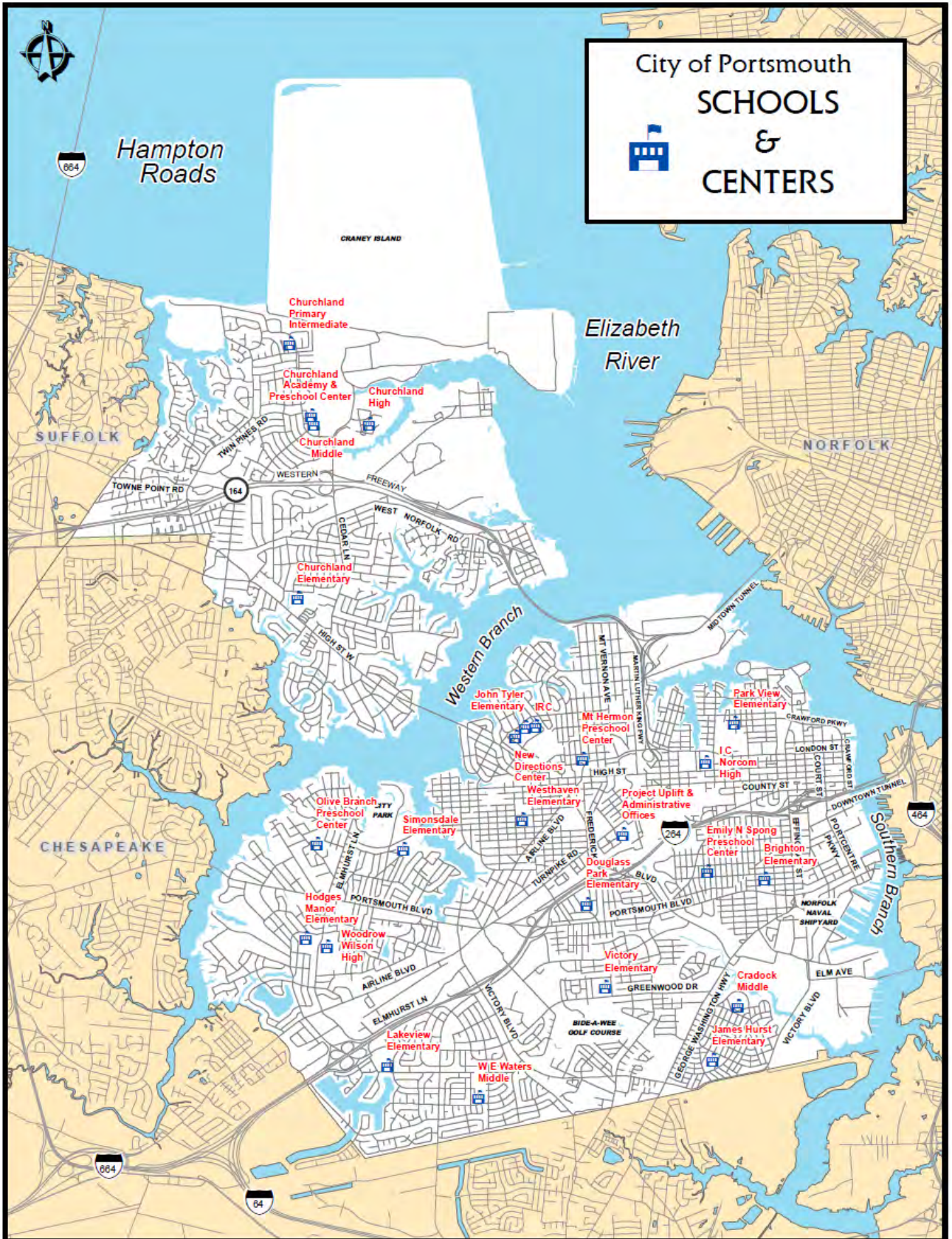
Additionally, management maintains an internal control structure designed to provide reasonable assurance that material errors or fraud that occur are detected in a timely manner by employees in the normal course of performing their duties.

The School Board pays a fee yearly to the City to manage the School Board's risk management program. It is fully insured for auto liability and for general liability through the Virginia School Boards Association (VSBA) Insurance Services. The School Board carries an excess policy, with self-insured retention of \$250,000 for Workers Compensation. PMA, a third party claims administrator, handles Workers Compensation claims. Effective July 1, 2013, the VSBA Insurance Services merged with the Virginia Association of Counties Self-Insurance Pool (VACoRP). VACoRP has agreed to continue coverage equal to or better than the terms of existing renewals at a savings to individual divisions of approximately 6%. Actual savings for Portsmouth will be determined at a later date.

The Portsmouth City School Division serves students who live within the borders of the independent city of Portsmouth, Virginia. This urban city, settled in 1752 and incorporated by the Virginia General Assembly in 1858, has a population of 95,535 consisting of just under 41,000 households living within its 33 square miles. According to the 2010 Census, the ethnic population is approximately 53% black, 42% white, and 5% other. Portsmouth is bordered by the cities of Chesapeake and Suffolk respectively to the south and west, and by the City of Norfolk to the east across the Elizabeth River.

The Superintendent and the School Board, as conscientious stewards of the public trust, study population and student trends to formulate a financial plan. They plan expenditures with a view toward reducing the overall costs associated with public education as much as possible while providing the very best educational experience for our students or, to quote the School Board mission, "while focusing on excellence".





City of Portsmouth
SCHOOLS
 &
CENTERS

● ● ●

The mission of the Portsmouth Public Schools is “to challenge the minds, challenge the bodies, and challenge the dreams of all students while focusing on excellence”.

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MISSION AND VISIONS

The School Board adopted the Mission Statement above in August 2007. To accomplish this mission, the School Board approved a 2007-2017 Comprehensive Plan in December 2007 with five visions which constituted the Board’s goals for the division. Every two years the School Board reviews the plan and revises it as necessary. They added a sixth vision in December 2009. Within the plan are measurable objectives for each vision but the full text of the Comprehensive Plan is too lengthy to reprint within this document. The full text is available at <http://ppsk12.us/>. (Click on the “About PPS” tab; choose “School Board” from the drop-down menu; and click on the “[Comprehensive Plan](#)” link on the left side of the page.) The plan’s six visions, or goals, are summarized below.

1. *By 2017 the Portsmouth School Board will be a leading force for community advancement.* To complete this Vision, the School Board will seek recognition by the Virginia School Boards Association (VSBA) as a “Board of Distinction”; they will implement technology to increase the efficiency of its operation; they will implement a minority business utilization program; and they will establish a PSET commission to direct and oversee the programming and operation of the school division’s television station.
2. *By 2017 all parents of Portsmouth Public School students will be excited about and claim ownership of their children’s education.* Schools will exhibit a parent-friendly environment and will invite parents into schools. Parent literacy programs will be expanded.
3. *By 2017 all graduates of Portsmouth Public Schools will be highly sought after by both employers and institutions of higher learning.* The Board envisions that 100% of Portsmouth Public Schools students will graduate and enter a post high school educational program or a job that requires specific training. They see high-quality teachers seeking our school division and growing within it. Portsmouth Public Schools will partner with local colleges and universities to establish or enhance teacher quality programs. At the same time, the school system will establish a program evaluation system that will indicate which programs merit expansion, modification, or deletion.
4. *By 2017 Portsmouth Public Schools will be recognized by educational organizations and institutions of higher learning for its innovative and effective programs.* To fulfill this Vision, all Portsmouth Public Schools graduates will successfully complete four credits of high school English, three or more credits of high school mathematics, and three credits of high school social studies. The School Board will enhance cultural awareness and learning experiences through the arts, Gifted services and foreign languages, and increase rigor, relevance, and relationships. Portsmouth Public Schools will strengthen athletic and other extracurricular programs to make our students more competitive on the state and national levels. Lastly, Portsmouth Public Schools will strengthen students’ basic skills in elementary school through the implementation of the *Early Up Initiative*.
5. *By 2017 all Portsmouth Public Schools students will be socially responsible and respected as lights of inspiration for future generations.* To accomplish this vision, Portsmouth Public Schools will provide leadership development programs for all students and teach them the value of being law-abiding citizens. Additionally, the emergence of violent behavior that could threaten the safety of students will be reduced.

6. *By 2017, the Portsmouth City School Board will provide educational facilities – including technology – that contribute to the learning environment for students and provide safe and accessible facilities for students and staff.* The Board expects to provide facilities that support the 21st Century Learning Environment and will participate in the Virginia School Boards Association (VSBA) Green Schools challenge by implementing environment-friendly solutions. In addition to providing and maintaining safe facilities and equipment, they will also build processes, responsibilities, and technologies that provide information to understand the past and present and enable the shaping of the future.

The School Board's budget is formulated to accomplish the visions listed above and supports implementation of the Comprehensive Plan. In the Plan document are listed numerous subordinate goals for each vision along with objectives for the goals. Most of the costs associated with achieving the goals are accommodated within the budget for the day-to-day operation of the various departments. With decreasing revenue, it has been difficult to fund some of the objectives; thus, they have been delayed or deleted. For example, under Vision 4, the Board identified a goal related to foreign languages. One objective was to include foreign language as part of the elementary school curriculum in grades 4-6. The cost for this objective involved paying supplements to curriculum writers, purchasing additional supplies, and hiring additional teaching staff. Since consistent funding cannot be identified to support this objective, it was removed from the plan when the plan was revised in December 2013.

Many other objectives require funding that simply is not available or cannot be supported on a continuing basis. While the School Board recognizes this limitation, it also expects the staff to diligently work toward achieving the visions and goals adopted in the Comprehensive Plan. Budget constraints continue to limit or postpone the implementation of some objectives but the division continues to strive toward achieving every goal possible with the funds appropriated.

One shining example of achieving the Board's visions and goals (specifically, Vision 4, Goal G of the 2011 revision to the plan) is the implementation of additional preschool centers to ensure that students entering kindergarten will make a seamless transition by possessing the readiness skills that ensure success in a public school setting. The division staffs four preschool centers with an adequate number of classrooms to serve all preschool students whose parents wish for them to attend. Because of this, the goal was removed from the plan when it was revised in December 2013.

Raising the level of publicity for athletics programs is a goal under Vision 4. The Portsmouth Schools Education Television (PSET) facilities are being upgraded to enable athletic events to be televised. This upgrade will also allow for expanded use of PSET resources in the classroom. Additionally, the School Board approved a program to solicit corporate sponsorships for athletic programs.

An objective under Vision 6 is to provide gymnasiums for all elementary schools to provide for indoor physical education classes for our students. That objective was met so it was removed from the plan in December 2013.

To continue to provide excellent education opportunities for our students, the School Board identified a number of priorities in the fiscal year 2015 budget. The top four were: 1) a 2% salary increase with benefits for all employees, 2) additional instructional staff, 3) holiday pay for 10-month, non-exempt employees, and 4) hiring additional teachers. The limited appropriation from the City Council meant that all of the items the School Board desired to fund in fiscal year 2015 were unable to be funded.

FACILITIES AND PROGRAMS

Enrollment in Portsmouth Public Schools is over 14,800 PreK-12 students at 23 sites. There are three high schools, three middle schools, and thirteen elementary schools. Services previously provided at the Diagnostic, Adjustive, and Corrective Center (DAC) for preschool students, ages 2 through 4 who have special disabilities or developmental needs, are now provided at four preschool centers throughout the division. Four-year old preschool students are served at these same locations acquiring skills to ensure success in kindergarten and throughout their educational career. Students in kindergarten through sixth grade receive traditional instruction at the 13 elementary schools. Regular instruction continues through the three middle schools (grades 7-8) and three high schools (grades 9-12). Alternative placement through the New Directions Center for students in grades K-8 is provided at the former DAC building. Alternative placement for students in grades 9-12 will continue to be provided through Project Uplift and the Individual Student Alternative Education Plan (ISAEP) at the Clarke facility.

The School Board is well on the way to meeting the goals envisioned in the 2013 revision of the Comprehensive Plan by implementing numerous programs throughout the school system. In addition to traditional instructional settings for students in grades K-12, high school students have the option of applying to attend magnet programs that are home-based at each high school. The Math and Science Magnet program is at Norcom High School, the International Studies Magnet Program operates at Wilson High School, and the Visual and Performing Arts Magnet program is based at Churchland High School.

Portsmouth Public Schools operates a Science, Technology, Engineering, and Mathematics (STEM) pathways program for all elementary students in laboratories located at Victory Elementary School.

Portsmouth Public Schools began the AC=13 Program (Academics Plus Career After High School=13th Year) in 2006 as a means to prepare students for the time immediately following high school graduation. The program erased the boundaries of traditional academic courses and career or technical courses and blurred the lines between high school and community college. Our Career and Technical Education Program offers courses in Practical Nursing, Hotel and Motel Management, Early Childhood Education Exploration, Culinary Arts, Horticulture, Marine Electrical, Diesel Equipment Technology, and Automotive Repair. Upon completion of these courses, students not only possess workplace readiness skills, but also receive certification that enables them to earn a living while deciding where their education journey will lead.

Portsmouth Public Schools has partnered with Tidewater Community College to offer First College to second-semester seniors who have completed the coursework for their high school diplomas and plan to attend a college or university after graduation. These students take classes at the local campus of Tidewater Community College and earn up to 14 semester hours of post-secondary credit. This program began in the spring of 2006 with 19 students and has grown each year since. In spring 2014, 167 students took advantage of the program.

The Adult Education department offers night courses at the Excel Campus which is located at Woodrow Wilson High School. Courses are designed to prepare adult students to pass the GED, to learn new hobbies, or to gain knowledge simply for personal enrichment. In addition, adults wishing to learn English as a second language receive instruction through the adult education department.

FUNDING

Portsmouth Public Schools receives revenues from state school funds designated to support the Standards of Quality (SOQ) and other programs identified by the State General Assembly; from 1-1/8% of state sales tax; from the City of Portsmouth; from federal funds, primarily in the form of Impact Aid and grants; and from miscellaneous funds such as rents, summer school tuition, rebates, and refunds. The School Board allocates these funds to provide educational programs for all students in the Portsmouth Public Schools.

According to the Code of Virginia [§22.1-110](#), school boards may not borrow any money without express authority of law. The main exception being that a school board may borrow in order to purchase new school buses to replace obsolete or worn out ones but such loans must be repaid within 10 years.

The School Board Chart of Accounts is organized on the basis of funds and account groups, each of which is considered a separate accounting entity with a separate set of self-balancing accounts. The funds of the School Board consist of the General fund, the School Grants fund (various categorical grants), the Reprographics fund, the Cafeteria fund, the Risk Management fund, and the Textbook fund. The Construction Fund was transferred to the City of Portsmouth in 2013. All school division construction and building improvement needs in excess of \$50,000 are now part of the city's Capital Improvement Program (CIP).

The school division utilizes the modified accrual basis for accounting and budgeting for all funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

Fund balance is categorized within one of five classifications based primarily on the extent to which the School Board is bound to observe constraints imposed upon the use of resources in the governmental funds.

- The *non-spendable fund balance* category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It includes the long-term amount of inter-fund loans.
- The *restricted fund balance* is reported as restricted when constraints are placed on the use of resources either externally by creditors, grantors, contributors, laws and regulations, or through enabling legislation.
- The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the School Board - the highest level of authority.
- The *assigned fund balance* classification is intended to be used by the School Board for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by School Board or the delegate – an authority delegated by appropriate action such as a resolution.
- The *unassigned fund balance* is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

A fund balance of the School Board may be committed for a specific source of formal action, e.g., the approval of a contract would commit that fund balance for that specific purpose. When it is appropriate for a fund balance to be assigned, the School Board has delegated the authority to the Superintendent or his designee to assign the fund balance. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

By law (Code of Virginia, as amended [Section 22.1-100](#)), all unexpended funds in the Operating Budget in any school year shall revert to the fund of the Commonwealth or the General fund of the City of Portsmouth depending on the funding source. According to the [City of Portsmouth, Virginia Code](#), unexpended unencumbered appropriations lapse at the end of the year. The School Board employs encumbrance accounting under which obligations in the form of purchase orders, contracts, and other commitments for the expenditure of funds are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Appropriations with outstanding commitments or encumbrances are carried in the following year. After 120 days, those outstanding encumbrances carried into the next fiscal year will be liquidated and funds will be transferred to the City unless the School Board approves otherwise.

ALLOCATIONS TO SCHOOLS

For FY15, school funding in the following areas will be allocated as described. The March 31st ADM from the previous fiscal year will be used for per student allocation calculations.

INSTRUCTIONAL FUNDS – These funds are allocated to schools on a per student basis. Funds are to be used for instructional materials and supplies including paper, science and math consumables, maps, art supplies, physical education materials and any specific program needs.

Elementary.....	\$35.44 per student
Middle	\$27.49 per student
High.....	\$29.63 per student

OFFICE SUPPLY – Funds are allocated at a rate of \$7.02 per student for all schools. These funds will be allocated to the Office of the Principal and can be further distributed to Guidance and Library at the principal’s discretion.

REMEDICATION – SOL remediation money is allocated to Middle and High schools as follows:

Middle Tutoring.....	\$4,000 per school
High Tutoring	\$5,000 per school

FRESHMAN ORIENTATION – High schools receive specific funding for incoming freshman orientation to include instruction, materials, and transportation. The allotment of funds is \$26.61 per incoming freshman student.

VIRGINIA HIGH SCHOOL LEAGUE ACTIVITIES – Division funds are allocated to each High School to provide additional support to athletic program requirements for equipment, uniforms, and other necessary items. The funds allotted to each high school are \$10,000. Marching Band requirements can also be funded under this allocation or schools may use Band Booster funds or other School Activity funds.

MIDDLE SCHOOLS ATHLETIC ACTIVITIES – The Division has allocated \$3,000 to each middle school in additional support of athletic program requirements for the equipment, uniforms, and other necessary supplies.

COE WORKERS – This program supports our Career and Technical COE program. The division has budgeted for 17 student COE workers, where students are offered the opportunity to utilize skills learned in a classroom in different educational support areas. Hours are determined by the Career and Technical Director and students are paid at minimum wage.

SUBSTITUTE TEACHERS – The Division allots \$701,907 for Substitute Teachers. The amount is based on the number of teachers assigned to schools.

SCHOOL BOARD FUNDS

General Fund - The School Board General Fund is the basic funding plan for the schools. It includes funds for the fiscal operation of the school system and is used to account for all financial resources except those required to be accounted for in another fund.

Reprographics Fund – This enterprise fund accounts for the revenues and expenditures of the Portsmouth City Public Schools’ Printing Center. The Fund supplies printing and graphic services to the City of Portsmouth, outside entities, and functional units in the School Board on a cost reimbursement basis.

Cafeteria Fund - The Cafeteria fund is a special revenue fund that supports food services operations at the division’s schools.

Grants Fund - The Grants fund provides assistance for particular federal, state, and local programs. These grants encourage recipient divisions to expand expenditures to support certain instructional programs.

Risk Management and Insurance Fund - The Risk Management and Insurance fund is an internal service fund that accounts for all insurance premiums and workers’ compensation claims for which the School Board is liable and for the payment of claims and legal fees, if necessary, on public liability claims arising from the operations of the School Board.

Textbook Fund - The Textbook fund records revenues and expenditures for textbooks. Historically, the State General Assembly authorizes the Textbook fund balance to be carried forward each fiscal year.

Construction Fund – The Construction fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. This fund was closed in December 2013. All construction projects will flow through the City Capital Improvement Program.

REVENUE CATEGORIES

Revenue for the school division is received from state, local, and federal governing bodies.

CITY FUNDS includes the appropriation approved by the City Council. The locality is required to match a portion of the funding from the State. For fiscal year 2014-15 Portsmouth’s local share will be just over \$26 million based on a projected ADM of 14,041 students.

FEDERAL FUNDS includes impact aid and is subject to the federal budget process. Funds authorized through the American Recovery and Reinvestment Act of 2009 (ARRA) expired in 2012. Categorical funds are for specific programs.

OTHER FUNDS includes E-Rate, non-resident tuition, fees and rents from the use of school buildings, and proceeds from sale of surplus property. The E-Rate program is part of the Universal Services subsidy program of the Telecommunications Act of 1996. The subsidy program is to provide discounts on all telecommunications services and advanced telecommunications to schools, libraries, and rural health care organizations. The E-Rate program is regulated by the FCC and calls for discounts of 20 to 90 percent on all telecommunications services, Internet access, and internal connections for schools and libraries, depending on the applicant’s location and economic status. The program is funded by fees charged to interstate telecommunication providers.

STATE SALES TAXES in the amount of one and one-eighth cent is distributed by the state for public education based on the school-aged population that resides within the city.

STATE FUNDS includes funding for basic aid to support the Standards of Quality (SOQ), categorical aid, and incentive program revenue to support specific programs and initiatives.

EXPENDITURE CATEGORIES

Projected expenditures consist of cost estimates for the operation of regular day school, summer school, adult education programs, and other education programs. The Operating Budget classifications are: Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Facilities; Debt and Fund Transfers; and Technology with subcategories under each classification.

INSTRUCTION includes the activities that deal directly with the interaction between teachers and students. These activities include classroom instruction, guidance services, school social workers, home-bound services, improvement of instruction, media services, and expenses of the office of the principal.

ADMINISTRATION, ATTENDANCE AND HEALTH includes activities associated with establishing and administering policy for Administration, Attendance and Health. Administration includes those activities concerned with establishing and administering policy for the school division such as board services, executive administration services, budget and planning, public information, human resources, financial services, and purchasing services. Attendance and Health Services includes those activities whose primary purpose is the promotion and improvement of children's attendance at school including activities associated with providing students with appropriate medical, dental, and nursing services as well as psychological services and therapy services.

PUPIL TRANSPORTATION includes activities concerned with transporting students to and from school as provided by state and federal law. This includes trips between home and school, and trips to and from school activities. Subcategories within pupil transportation include management, vehicle operation and maintenance services, and school bus purchases and leases.

OPERATIONS AND MAINTENANCE includes activities concerned with keeping the physical plant in good operating condition. This would include safety and security services, equipment services, vehicle services, and warehouse operations as well as management services. Costs associated with building services, mainly concerned with keeping the physical plant clean and ready for daily use are also included in the this area.

FACILITIES includes activities concerned with remodeling buildings, installing or extending service systems and other built-in equipment, and improving sites to the extent that such projects do not exceed \$50,000. All projects over that figure must be submitted for inclusion in the City's Capital Improvement Plan.

TECHNOLOGY activities are primarily concerned with the delivery of technology to the classroom in support of student instruction. In addition, technology supports other functional categories through the acquisition and maintenance of hardware and software as well as recommending policy and procedures that relate to technology activities in the School Division.

DEBT AND FUND TRANSFERS includes outlays of funds that are not properly classified as expenditures, but require budgetary or accounting control. This includes payments for both principal and interest that service the debt of the school division and transfers between funds such as from the operating fund to the grant fund to satisfy match requirements for grant programs.

Within each of the seven categories, Instruction; Administration, Attendance, and Health; Pupil Transportation; Operations and Maintenance; Facilities; Technology; and Debt and Fund Transfers, the following expenditure types are utilized. A brief description of each expenditure category follows:

SALARIES provides for all payroll costs for full-time and part-time employees, as well as overtime expenses, supplements and other allowances.

FRINGE BENEFITS provides for all benefits including Social Security, life insurance, retirement, medical insurance, and unemployment.

PURCHASED SERVICES provides for all contractual services required by the School Board; i.e., printing, maintenance agreements, advertising expenses, and other contracted services.

OTHER CHARGES provides for payments of utilities, postage, telecommunications, insurance, rentals, travel, and other miscellaneous charges.

MATERIALS AND SUPPLIES provides for expenditures for articles and commodities which are consumed.

CAPITAL OUTLAY provides expenditures for new equipment and replacement equipment. Items that are appropriate in this category include computer equipment, furniture, educational and audiovisual equipment, motor vehicles, communications equipment and medical equipment. This category excludes any major capital outlays associated with facilities acquired or constructed. Such capital outlays are included in the City's CIP Budget.

TRANSFER TO OTHER FUNDS accounts for the conveying of funds from one fund (e.g., School General Fund) to another fund (e.g., Textbook Fund, Grants Fund, and Risk Management Fund).

BUDGET CALENDAR FOR 2015 BUDGET CYCLE

November 14, 2013	Employee Groups present budget & salary requests to School Board
November 26, 2013	Administrative Budget Team meets
December 4, 2013	School Board Finance Sub-Committee meets
December 5, 2013	Issues list presented to School Board
December 16, 2013	Governor submits proposed Biennial Budget
January 7, 2014	Administrative Budget Team meets
January 7, 2014	School Board Finance Sub-Committee meets
January 9, 2014	First draft of FY 2015 Proposed Budget presented to School Board
January 14, 2014	Administrative Budget Team meets
January 21, 2014	School Board Finance Sub-Committee meets
January 23, 2014	Second draft of the FY 2015 Proposed Budget submitted to School Board
February 6, 2014	Final draft of Proposed Budget presented to School Board
February 20, 2014	Public Hearing on the FY 2015 Proposed budget
February 24, 2014	Joint Meeting between School Board and City Council
March 20, 2014	School Board adopts FY 2015 Proposed Operating Budget
March 21, 2014	FY 2015 Proposed Budget forwarded to City Manager
March 31, 2014	City Manager introduces FY 2015 Proposed City Operating and CIP Budgets
April 1, 2014	Administrative Budget Team meets
April 22, 2014	City Council Public Work Session/Public Hearing on the Annual Operating Budget
May 1, 2014	School Board reviews adjustments to Proposed FY 2015 Operating Budget
May 13, 2014	City Council holds a second public hearing
May 27, 2014	City Council adopts the Annual Operating and CIP Budgets
June 4, 2014	School Board makes final adjustments to Proposed FY 2015 Operating Budget
June 12, 2014	School Board adopts FY 2015 Operating Budget

The final State budget has not been approved. The final School Board budget for FY 2015 will be adopted after the final State budget is approved and the City Council approves a revised appropriation.

CAPITAL IMPROVEMENT PLAN

On September 23, 1999, the School Board adopted a long range Capital Improvement Plan (CIP) for the period 1999-2014. In the years that followed, the plan was updated or revised several times. The original Funding Plan laid out a 15 year execution period with Literary Fund Loans being obtained in years with funding shortfalls. In November 2000, voters approved a Virginia Constitutional amendment establishing a Lottery Proceeds Fund to be used for education. This additional source of construction funds shortened the original plan by 3 years.

In 2006, the plan was again updated to support the Superintendent’s instructional program including a new 700 student school to replace Olive Branch Elementary and Simonsdale Elementary rather than a renovation and addition to Olive Branch. The Olive Branch building, that had a new mechanical system and windows installed in 2002, would be converted to a Pre-K Center to support new initiatives in early childhood education. The plan schedule was extended through 2016. A new Simonsdale Elementary School was constructed using Qualified School Construction Bonds under the American Recovery and Reinvestment Act (ARRA). In 2006, an Energy Performance Contract funded \$8.5 million in Energy Conservation measures that would be paid back from guaranteed energy savings over a 12 year period.

In 2012, the plan was again updated to include the Superintendent’s instructional program goal of gymnasiums for all elementary schools. During the final years of the plan and due to the major changes in funding as a result of the economic downturn, the CIP focused largely on capital maintenance projects that extended the useful economic life of schools from 60 to 75 years.

During the 2013-14 school year, funds remaining in the Construction Fund intended to support the PPS Long Range Capital Improvement Plan were transferred to the City. All capital improvement projects now must be submitted to the City for inclusion in the City’s CIP.

PPS submitted projects totaling over \$31 million to the City for inclusion in their 5-year CIP. Most of the projects listed for inclusion in fiscal year 2015 addressed safety issues. The remaining projects in the plan will extend the useful economic life of our facilities or protect them from deterioration. During the 2013-14 school year, the City purchased 13 school buses for approximately \$1,000,000 bringing the total request to the City for the plan covering fiscal years 2014 through 2019 to \$32,683,227.

The chart below compares the City’s total operating and CIP budgets with their spending on capital projects for the schools. For 2014-15, PPS requested \$9,881,552 from the City for CIP projects but only \$2,260,000 was appropriated.

	10-11	11-12	12-13	13-14	14-15
*City Adopted Budget	\$547,938,307	\$553,631,327	\$544,492,199	\$614,478,112	\$626,015,946
*City Total CIP	\$54,595,023	\$64,156,182	\$38,508,337	\$59,997,923	\$72,532,757
School Budget	\$135,026,725	\$138,988,935	\$140,309,693	\$134,312,293	\$139,538,403
City Funds Portion of School Budget	\$48,171,651	\$49,571,413	\$53,771,532	\$47,300,000	\$52,400,000
*City CIP for Schools	\$1,375,000	\$1,375,000	\$1,375,000	\$2,760,000	\$2,260,000
% of City CIP Funding for Schools CIP	2.51%	2.14%	3.57%	4.60%	3.12%

*Source: City Budget Books and Ordinances

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Financial Section



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SIGNIFICANT TRENDS

State and City funds are our two largest sources of revenue representing 98% of our total General Fund budget for fiscal year 2015. Although the dollar amount of state funding has increased in the past, the portion of our budget that it represented decreased. We are dependent on the City to make up the difference. This gap became critical when state school funds decreased by \$8.1 million and \$9.5 million for fiscal years 2009 and 2010 while the City's appropriation for education was reduced in 2010 and remained level for 2011. As the local composite index rises and the City appropriation does not make up the difference in state funding, providing a first-rate education for the students in Portsmouth becomes a challenge.

Our state monies are determined by our Average Daily Membership (ADM) and the local composite index. State sales tax revenues represent 1½% which is the educational component of the tax that is distributed to all school districts based upon the number of school-age children who reside in the division. State School Funds consist of the Standards of Quality (SOQ) payments, incentive funds, and categorical amounts established by the State General Assembly.

The Composite Index of Local Ability to Pay is calculated using three indicators of a locality's ability-to-pay: true value of real property (weighted 50%), adjusted gross income (weighted 40%), and taxable retail sales (weighted 10%). Each locality's index is adjusted to maintain an overall *statewide* local share of 45 percent and an overall state share of 55 percent. The index is recalculated every two years. As a locality's index increases, the state's share of its funding declines and the amount the locality should be able to pay increases.

City funds consist of monies appropriated by the City of Portsmouth. Since the school division is fiscally dependent on the City, we cannot levy taxes to directly support education. The allocation to schools in the City budget is approximately 26%. According to the 2010 Census, the median value of a home in Portsmouth is \$81,300. The owner of such a home will owe a tax bill of \$1,032 based on the \$1.27 tax per \$100 of assessed value and that homeowner will contribute approximately \$279 toward education.

In addition to State and local funds, we receive Federal funding which primarily consists of Impact Aid from the United States Government for the loss of tax revenue because federal property is not subject to local and state taxes. Approximately 54% of the property in the City is tax exempt due in large part to military installations and religious organizations. Also included in federal funding in the general fund is money for the Junior Reserve Officer Training Corps (JROTC).

Significant funding from the federal government is received in the form of grants associated with No Child Left Behind, Title I, Title VI-B, Special Education, and Education Technology. These grants allow the division to offer programs that might not be funded through the general fund. In addition to these large grants, the division aggressively seeks competitive grant funds to further its mission. Revenue and expenditures related to these and other grants are detailed in the Grants Fund.

Other Funds consist of monies from rental of our facilities, non-resident tuition, summer school tuition, rebates, refunds, proceeds from the sale of surplus property, and E-Rate. The E-Rate program is part of the Universal Services subsidy program of the Telecommunications Act of 1996 and provides discounts on all telecommunications services and advanced telecommunications to schools, libraries, and rural health care organizations. The E-Rate program is regulated by the FCC and is funded by fees charged to interstate telecommunication providers.

By law, the School Board may not enter into debt or issue bonds.

BUDGET ITEMS NOT APPROVED

The Superintendent’s budget team meets throughout the school year to consider expense requirements and fluctuations in revenue available. The team first identifies those items that are a “must fund” priority for the division. After looking at projected enrollment, the Superintendent decides if any teaching and support positions should be eliminated. At this point, if anticipated revenue exceeds anticipated expenditures, the Superintendent (with School Board input) prioritizes additional projects or programs that could be funded for the upcoming year.

In 2013, when anticipated revenue was not expected to provide any excess, the Board felt that it was important to request funding for additional teaching positions to address growing class sizes, funding for kindergarten teaching assistants, and funding for a raise for all employees. These issues were the three major goals that principals asked the School Board to address. When the appropriation from the City Council did not include fully funding the additional paraprofessional positions, the School Board passed a resolution asking the City Council to specifically appropriate and fund these positions. The City Council did not act on that request and the paraprofessionals were not hired for the 2013-14 school year.

Again, in 2014, anticipated revenue provided no funds for those paraprofessional positions or for a raise. Facing additional expenses for retirement expenses, health care costs, liability insurance, homeless transportation, technology improvements, and student assessments, the School Board needed approximately \$6 million dollars over the FY2014 appropriation just to cover “must-fund” items. In order to balance the budget, the Board considered cutting some vital, successful programs such as the Science, Technology, Engineering and Mathematics Pathways (STEM) Program, the StarBase Program, the Porte Towne Magic performing troupe, some First College expenses, and Alternative Education Programs. Along with approving the City Manager’s recommended appropriation, the City Council appropriated an additional \$6 million to ensure that these valuable programs would continue.

POST-EMPLOYMENT HEALTH CARE BENEFITS

The School Board provides medical insurance benefits to eligible retirees and their spouses in accordance with the division’s personnel policies and procedures. An Other Post-employment Benefit (OPEB) trust was established for the purpose of accumulating and investing assets to fund the medical insurance benefits obligations. As of June 30, 2012 health plan membership consisted of 2,075 active service participants and 70 retirees and beneficiaries receiving benefits. For fiscal year ending June 30, 2012, the School Board contributed \$7,002,500 toward current benefits and to prefund benefits. The annual OPEB cost is based on the annual required contribution (ARC) which represents a level of funding that would cover normal costs each year over a thirty-year period.

The School Board’s annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset over the past three years are illustrated below from the School Board’s 2013 Comprehensive Annual Financial Report:

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2013	\$ 766,102	\$ -	0%	\$ (5,773,486)
2012	\$ 1,050,365	\$ 7,002,500	667%	\$ (6,539,588)
2011	\$ 1,005,217	\$ 1,000,000	99%	\$ (587,453)

CAPITAL IMPROVEMENT PLAN 2015-2019
EDUCATION REQUIREMENTS FOR CITY CAPITAL IMPROVEMENT PLAN

<u>PROJECT</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>TOTAL 5-YEAR</u>
Wilson High School Public Address System	\$50,000					\$50,000
Churchland High School Public Address System	\$150,000					\$150,000
Olive Branch PreK Roof		\$763,000				\$763,000
Mt. Hermon PreK Roof			\$863,675			\$863,675
Westhaven Elementary Roof	\$929,132					\$929,132
Woodrow Wilson High Roof	\$300,000	\$1,030,000	\$1,500,000			\$2,830,000
Churchland High Stage Lighting, Sound	\$348,420					\$348,420
Churchland High HVAC	\$500,000	\$5,000,000	\$4,000,000	\$1,500,000	\$1,500,000	\$12,500,000
Churchland Middle School Bleachers		\$72,000				\$72,000
Waters Middle School Bleachers			\$68,000			\$68,000
Hodges Manor RTU Replacement		\$30,000	\$380,000			\$410,000
School Bus Replacement (phased replacement based on age/mileage)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Woodrow Wilson Stage Lighting, Sound			\$20,000	\$225,000		\$245,000
Brighton Elementary Grounds	\$275,000					\$275,000
Lakeview Elementary Gym	\$3,500,000					\$3,500,000
White Fleet Replacement (phased replacement based on age/mileage)	\$164,000					\$164,000
S. H. Clarke Parking Lot	\$2,600,000					\$2,600,000
S. H. Clarke HVAC and gas pipes	\$65,000	\$300,000	\$300,000	\$250,000		\$915,000
TOTAL	\$9,881,552	\$8,195,000	\$8,131,675	\$2,975,000	\$2,500,000	\$31,683,227

CAPITAL EXPENDITURES

In Virginia, School Boards do not have the authority to incur debt for facility capital projects. Therefore, our capital projects are included in the City of Portsmouth's CIP Budget.

The previous chart depicts the education projects submitted for inclusion in the City's CIP over the next five years. Most of the projects listed for inclusion in fiscal year 2015 address safety issues. The remaining projects in the plan will extend the useful economic life of our facilities or protect them from deterioration. During the 2013-14 school year, the City purchased 13 school buses for approximately \$1,000,000 bringing the total for the plan covering fiscal years 2014 through 2019 to \$32,683,227.

The following chart restates the projects submitted for inclusion in the City's CIP, indicating the projects that were recommended for funding by the City Manager. The figures that are in shades of green represent projects we submitted and that are proposed for funding by the City but not necessarily at the amount requested. Lightest green = less than proposed; darkest green = greater funding than proposed.

CAPITAL IMPROVEMENT PLAN 2015-2019 EDUCATION REQUIREMENTS AND CITY PROPOSED PLAN

<u>PROJECT</u>	<u>FY 2015</u>		<u>TOTAL 5-YEAR</u>	
	PPS Request	City Proposal	PPS Request	City Proposal
Wilson High School Public Address System	\$50,000	\$50,000	\$50,000	\$50,000
Churchland High School Public Address System	\$150,000	\$150,000	\$150,000	\$150,000
Olive Branch PreK Roof			\$763,000	\$0
Mt. Hermon PreK Roof			\$863,675	\$0
Westhaven Elementary Roof	\$929,132	\$60,000	\$929,132	\$989,132
Woodrow Wilson High Roof	\$300,000	\$110,000	\$2,830,000	\$2,640,000
Churchland High Stage Lighting, Sound	\$348,420		\$348,420	\$0
Churchland High HVAC	\$500,000	\$185,200	\$12,500,000	\$185,200
Churchland Middle School Bleachers			\$72,000	\$0
Waters Middle School Bleachers			\$68,000	\$0
Hodges Manor RTU Replacement			\$410,000	\$0
School Bus Replacement (phased replacement based on age/mileage)	\$1,000,000	\$1,000,000	\$5,000,000	\$5,000,000
Woodrow Wilson Stage Lighting, Sound			\$245,000	\$0
Brighton Elementary Grounds	\$275,000		\$275,000	\$0
Lakeview Elementary Gym	\$3,500,000		\$3,500,000	\$0
White Fleet Replacement (phased replacement based on age/mileage)	\$164,000		\$164,000	\$0
S. H. Clarke Parking Lot	\$2,600,000		\$2,600,000	\$0
S. H. Clarke HVAC and gas pipes	\$65,000		\$915,000	\$0
Woodrow Wilson Fire Alarm		\$144,800	\$0	\$144,800
Transfer to General Fund (Capital Reserve Simonsdale School)		\$560,000	\$0	\$1,630,000
TOTAL	\$9,881,552	\$2,260,000	\$31,683,227	\$10,789,132

Of the \$9.9 million in projects that the School Board submitted for inclusion in the City's 2015 CIP, only recommended \$2.3 million was funded. The City Manager has proposed that some of the FY15 projects be funded in later years but that funding is dependent on appropriation in subsequent years. Some

of the projects submitted for inclusion in the City's 5-Year plan are also dependent on appropriation in future years. As you can see by the Total 5-Year columns, some projects have not been recommended for funding at all.

One project, repairs to the fire alarm system at Woodrow Wilson High School, is proposed for fiscal year 2015. The School Board requested funding for this repair during the 2014 school year due to the safety issue involved but that funding was never appropriated so this critical project has been delayed.

DEBT OBLIGATIONS

By law, the School Board may not issue bonds or enter into debt. In 2005, the School Board entered into an \$8.5 million Energy Performance contract with Ameresco, Inc. that was funded by a lease through Citimortgage, now PNC Equipment Finance LLC. The investment will be paid back from guaranteed energy savings over the 12-year period of the lease. The payment schedule follows.

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Payment</u>
2007 \$	388,468.88 \$	389,578.28 \$	778,047.15
2008	482,776.49	318,612.10	801,388.59
2009	525,847.61	299,582.68	825,430.29
2010	571,337.69	278,855.54	850,193.23
2011	619,363.73	256,335.33	875,699.06
2012	670,047.96	231,922.10	901,970.06
2013	723,518.12	205,511.06	929,029.18
2014	779,907.67	176,992.41	956,900.08
2015	839,356.05	146,251.08	985,607.13
2016	902,008.88	113,166.49	1,015,175.37
2017	968,018.32	77,612.33	1,045,630.65
2018	<u>1,001,006.60</u>	<u>39,456.31</u>	<u>1,040,462.91</u>
\$	8,471,658.00 \$	2,533,875.70 \$	11,005,533.70

SCHOOL BOARD FUNDS

Portsmouth Public Schools reports the following major funds:

General Fund - The School Board General Fund is the basic funding plan for the schools. It includes funds for the fiscal operation of the school system and is used to account for all financial resources except those required to be accounted for in another fund. Since the expiration of federal stimulus funds, revenue for the general fund has declined yearly. The budget proposed by the School Board to the City Council requested help in the form of increased city appropriation so that we could begin to return many of the items cut from previous budgets. The City Manager recommended level funding for FY2015. Those previously cut items could not be added. Additional cuts of over \$5 million to core programs were considered to balance the budget in light of increases in VRS expenses, liability and health insurance costs, homeless transportation, technology improvements, and improvements to the student assessment system. The City Council appropriated \$6.4 million over the amount the City Manager recommended to ensure that cuts to core programs would not be necessary.

Reprographics Fund – This enterprise fund accounts for the revenues and expenditures of the Portsmouth City Public Schools’ Printing Center. The Fund supplies printing and graphic services to the City of Portsmouth, outside entities, and functional units in the School Board on a cost reimbursement basis. Due to “green” efforts of the City and the School Board to use more electronic documents, anticipated printing services spending is expected to decrease in fiscal year 2015.

Cafeteria Fund - The Cafeteria fund is a special revenue fund that supports food services operations at the division’s schools. As the numbers of students who are identified as economically disadvantaged or homeless increase, it is logical that the budget for the cafeteria fund will also increase as more students qualify for free or reduced price meals.

Grants Fund - The Grants fund provides assistance for particular federal, state, and local programs. These grants encourage recipient divisions to expand expenditures to support certain instructional programs. Significant funding from the federal government is received in the form of grants associated with No Child Left Behind, Title I, Title VI-B, Special Education, and Education Technology. These grants allow the division to offer programs that might not be funded through the general fund. In addition to these large grants, the division aggressively seeks competitive grant funds to further its mission. Funding for some grants that were multi-year awards stopped due to sequestration at the end of FY2013. Funding for Title I continues to decrease causing the anticipated budget for the grants fund to diminish.

Risk Management and Insurance Fund - The Risk Management and Insurance fund is an internal service fund that accounts for all insurance premiums and workers’ compensation claims for which the School Board is liable and for the payment of claims and legal fees, if necessary, on public liability claims arising from the operations of the School Board. The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board is self-insured for liability and workers’ compensation claims with commercial insurance purchased to cover any liability above a \$250,000 per occurrence threshold for workers’ compensation. The insurance coverage is substantially the same for 2014-15 as it was in prior years although we do anticipate premium increases. No settlements exceeded our coverage in the past few years.

Textbook Fund - The Textbook fund records revenues and expenditures for textbooks. On average, textbooks for each subject are adopted on a six- or seven-year cycle. Funds to purchase textbooks are appropriated by the General Assembly each year, and require a local match based on the local composite index (calculated each biennium). Since textbook adoptions do not always align with a fiscal year, the School Board established the Textbook Fund to allow purchases to be made over more than one fiscal year and to keep textbook funds separate from the general fund. In prior years the Virginia General Assembly authorized school divisions to carry forward unexpended textbook funds with re-appropriation. The Virginia Department of Education (VDOE) annually encourages local governing bodies to re-appropriate those local funds designated for textbooks. A copy of the most recent Superintendent’s memo concerning this re-appropriation is in the Information Section.

It takes approximately one year for VDOE to review books submitted for adoption. Local Education agencies also review the books during the next year. Local school boards adopt new books during the third year and place orders as soon as the divisions are financially able to make the purchases. Annually, replacement books are purchased as well.

Construction Fund – This fund was closed as of June 30, 2013. It was used to account for financial resources used for the acquisition or construction of major capital facilities. Two projects continued that were in progress as of the date the fund was closed. Encumbered funds under work-in progress were transferred to the City. The monitoring of the two projects remained with the School Board Operations department. Future construction projects will flow through the City Capital Improvement Program. Projects valued less than \$50,000 to repair or maintain our buildings that might have previously been in the Construction Fund will now fall under Facilities as expenditure.

FUND BALANCES

Prior to 2011, fund balances were classified as Reserved or Unreserved, Undesignated. Reserved fund balances were legally segregated for specific purposes or were not available as expendable resources. Unreserved, Undesignated fund balances represented the remainder of the School Board's equity in governmental fund-type balances. In fiscal year 2011, GASB 54 changed the way that fund balances were reported. Under GASB 54, the following classifications designate the constraints imposed upon the use of resources in governmental funds.

- The *non-spendable fund balance* category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It includes the long-term amount of inter-fund loans.
- The *restricted fund balance* is reported as restricted when constraints are placed on the use of resources either externally by creditors, grantors, contributors, laws and regulations, or through enabling legislation.
- The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the School Board - the highest level of authority.
- The *assigned fund balance* classification is intended to be used by the School Board for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by School Board or the delegate – an authority delegated by appropriate action such as a resolution.
- The *unassigned fund balance* is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

A fund balance of the School Board may be committed for a specific source of formal action, e.g., the approval of a contract would commit that fund balance for that specific purpose. When it is appropriate for a fund balance to be assigned, the School Board has delegated the authority to the Superintendent or his designee to assign the fund balance. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The School Board does not have a minimum fund balance policy.

The following table shows the fund balances of various funds over the past few years. Fund balances are not shown for the Reprographics Fund which is an internal service fund and not a governmental fund. Likewise, the Risk Management and Insurance Fund is an internal service fund and not a governmental fund.

Historical Comparison of Fund Balances for Portsmouth School Board Funds

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 4,445,477	\$ 7,254,071	\$ -	\$ -	\$ -
Nonspendable	-	-	559,924	135,575	300,259
Assigned	-	-	6,370,824	8,582,212	397,077
Total General Fund	<u>\$ 4,445,477</u>	<u>\$ 7,254,071</u>	<u>\$ 6,930,748</u>	<u>\$ 8,717,787</u>	<u>\$ 697,336</u>
Cafeteria Fund					
Reserved	\$ 153,171	\$ 733,982	\$ -	\$ -	\$ -
Unreserved	1,471,298	1,559,686	-	-	-
Nonspendable	-	-	41,708	38,325	94,404
Restricted	-	-	2,146,211	2,036,930	1,804,974
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Cafeteria Fund	<u>\$ 1,624,469</u>	<u>\$ 2,293,668</u>	<u>\$ 2,187,919</u>	<u>\$ 2,075,255</u>	<u>\$ 1,899,378</u>
Grants Fund					
Reserved					
Unreserved	\$ (2,087,325)	\$ 438,124	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-
Restricted	-	-	449,844	527,586	296,628
Committed	-	-	-	-	-
Assigned	-	-	-	244,606	124,215
Unassigned	-	-	(585,465)	-	-
Total Grants Fund	<u>\$ (2,087,325)</u>	<u>\$ 438,124</u>	<u>\$ (135,621)</u>	<u>\$ 772,192</u>	<u>\$ 420,843</u>
Textbook Fund					
Reserved	\$ -	\$ 193,393	\$ -	\$ -	\$ -
Unreserved	-	1,448,082	-	-	-
Nonspendable	-	-	144,567	61,027	346
Restricted	-	-	1,181,316	375,765	843,673
Committed	-	-	-	1,038,858	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Textbook Fund	<u>\$ -</u>	<u>\$ 1,641,475</u>	<u>\$ 1,325,883</u>	<u>\$ 1,475,650</u>	<u>\$ 844,019</u>
Construction Fund					
Reserved	\$ 7,489,787	\$ 19,866,538	\$ -	\$ -	\$ -
Unreserved	10,893,729	(1,618,469)	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	509,246	505,998	-
Committed	-	-	11,368,937	6,778,417	1,156,185
Assigned	-	-	9,943,797	36,707	-
Unassigned	-	-	-	-	-
Total Construction Fund	<u>\$ 18,383,516</u>	<u>\$ 18,248,069</u>	<u>\$ 21,821,980</u>	<u>\$ 7,321,122</u>	<u>\$ 1,156,185</u>
Grant Total	<u>\$ 22,366,137</u>	<u>\$ 29,875,407</u>	<u>\$ 32,130,909</u>	<u>\$ 20,362,006</u>	<u>\$ 5,017,761</u>

Source: Comprehensive Annual Financial Report for each relevant year

From fiscal year 2012 to fiscal year 2013, all governmental funds experienced a decrease in fund balance. The decrease in the Cafeteria Fund balance can be attributed to a decline in charges for services because of a decrease in enrollment. The decrease in the Grants fund balance was due to sequestration – reduction in federal funds. The balance in the Textbook Fund declined due to the School Board being required to return funds to the City from the Textbook Fund. The decrease in the Construction Fund was due to a transfer of funds to the City as directed by City Council for bus bays and the Olive Branch ceiling replacement project. No new construction projects were funded although some projects that were funded in the prior fiscal year incurred expenditures in the 2013 fiscal year. The General Fund's decrease from \$8.7 million to \$0.7 million was due primarily to the changes in the City's School funding procedures. Assigned fund balances represent year end encumbrances.

It is anticipated that the General Fund balance should remain at the current level with little significant change. The Cafeteria Fund should also be stable or see a slight uptick due to increased enrollment. Barring significant changes in federal funding for Grants, we expect that fund will also remain level. With the purchase of newly-adopted textbooks during the 2014-15 school year, we do anticipate a decline in the Textbook Fund's balance with increases until the next new textbook adoption. The Construction Fund was closed as of June 13, 2013 and its fund balance was transferred to the City.

School Board Budget All Funds Overview

FUNDS	2010 - 11 ACTUALS	2011 - 12 ACTUALS	2012 - 13 ACTUALS	2013 - 14 BUDGET	2013 - 14 AMENDED	2014 - 15 BUDGET
GENERAL FUND	137,030,156	136,537,776	134,551,351	134,312,293	135,191,228	139,538,403
REPROGRAPHICS FUND	624,840	612,840	626,871	981,511	981,511	755,866
CAFETERIA FUND	7,446,198	7,156,803	7,604,000	8,220,504	8,220,504	8,477,000
GRANTS FUND	22,084,392	23,001,044	19,357,340	17,146,860	17,435,186	16,629,307
RISK MANAGEMENT & INSURANCE FUND	787,527	955,702	955,702	955,702	955,702	955,702
TEXTBOOK FUND	1,061,371	567,840	1,297,980	1,278,948	4,222,967	1,347,080
GRAND TOTAL OF EXPENDITURES ALL FUNDS	169,034,484	168,832,005	164,393,244	162,895,818	167,007,098	167,703,358

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GENERAL FUND REVENUE CATEGORIES

Revenue for the school division is received from state, local, and federal governing bodies.

CITY FUNDS includes the appropriation approved by the City Council. The locality is required to match a portion of the funding from the State. As revenue from other government sources continues to fall, the School Board's only source of funding for the critical needs of the division has been falling on City Council. For 2014-15, the School Board requested additional funding from the City to allow positions and budgets that had been cut from budgets over the previous few years to be restored. The City Manager did not recommend increased funding for FY2015. Those previously cut items could not be added. Additional cuts of approximately \$5 million to core programs were considered to balance the budget in light of increases in VRS expenses, liability and health insurance costs, homeless transportation, technology improvements, and improvements to the student assessment system. The City Council appropriated \$6.4 million over the amount the City Manager recommended to ensure that cuts to core programs would not be necessary.

FEDERAL FUNDS includes impact aid and is subject to the federal budget process. Funds authorized through the American Recovery and Reinvestment Act of 2009 (ARRA) expired in 2012. Categorical funds are for specific programs. Most of the funding received from the Federal government is in the form of grants and is reported within that fund.

OTHER FUNDS includes E-Rate, non-resident tuition, fees and rents from the use of school buildings, and proceeds from sale of surplus property. The E-Rate program is part of the Universal Services subsidy program of the Telecommunications Act of 1996. The subsidy program is to provide discounts on all telecommunications services and advanced telecommunications to schools, libraries, and rural health care organizations. The E-Rate program is regulated by the FCC and calls for discounts of 20 to 90 percent on all telecommunications services, Internet access, and internal connections for schools and libraries, depending on the applicant's location and economic status. The program is funded by fees charged to interstate telecommunication providers.

STATE SALES TAXES in the amount of one and one-eighth cent is distributed by the state for public education. Previously, a census was conducted every three years by each locality to determine the number of school-aged children who reside within the city to determine the distribution of sales tax to the school division. In 2010, the Virginia General Assembly voted to eliminate the triennial census and to base the distribution of sales tax on an annual estimate of the school-age population of a school division done by the Weldon Cooper Center for Public Service at the University of Virginia.

STATE FUNDS includes funding for basic aid to support the Standards of Quality (SOQ), categorical aid, and incentive program revenue to support specific programs and initiatives.

**GENERAL FUND
REVENUE OVERVIEW**

REVENUE CATEGORIES	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	2014-15 BUDGET
CITY FUNDS	48,171,651	49,571,413	44,008,292	43,900,000	52,400,000
REAPPROPRIATION OF CITY FUNDS	-	-	-	3,400,000	-
FEDERAL FUNDS	2,746,786	607,888	709,119	700,000	700,000
FEDERAL JOBS FUND	-	4,076,344	-	-	-
FEDERAL STIMULUS	5,496,109 *	-	-	-	-
OTHER FUNDS	1,676,961	1,350,556	1,173,017	1,625,000	1,170,000
REAPPROPRIATION OF RISK MGMT FUND	-	-	-	-	-
SALES TAX	13,382,728	13,882,886	14,181,321	14,821,566	14,834,837
STATE FUNDS	<u>67,186,905</u>	<u>68,835,739</u>	<u>68,762,748</u>	<u>69,865,727</u>	<u>70,433,566</u>
TOTAL REVENUE	<u>138,661,140</u>	<u>138,324,826</u>	<u>128,834,497</u>	<u>134,312,293</u>	<u>139,538,403</u>

Source (Actual Revenue) Portsmouth Public Schools CAFR-Statement of Revenues

State Sales Tax and State Funds are preliminary estimates for 2014-15. State funding will not be available until the Commonwealth adopts a final budget.

*Includes \$1,950,884 Federal Stimulus funds received through the Commonwealth of Virginia

GENERAL FUND REVENUE DETAIL 2014-15

CITY FUNDS	
APPROP - OPERATIONS	52,400,000
TOTAL CITY FUNDS	<u>\$ 52,400,000</u>
FEDERAL FUNDS	
IMPACT AID	525,000
JROTC	175,000
TOTAL FEDERAL FUNDS	<u>\$ 700,000</u>
OTHER FUNDS	
BADGE REVENUE	355
INDIRECT COSTS	409,253
INTEREST ON INVESTMENT	26,461
OTHER REFUNDS/REBATES	5,866
MISCELLANEOUS REVENUE	220,490
RENTS	17,412
SALE OF OTHER EQUIPMENT	17,637
TRANSPORTATION STUDENT	111,553
TUIT FR ANOTHER COUNTY OR CITY	129,343
TUITION - SUMMER SCHOOL	32,068
VA MEDICAL ASSISTANCE PROGRAM	199,562
TOTAL OTHER FUNDS	<u>\$ 1,170,000</u>
STATE SALES TAX	<u>\$ 14,834,837</u>
STATE SCHOOL FUNDS	
ADULT EDUCATION	46,635
AT RISK	2,724,799
BASIC AID	42,759,867
COMPENSATION SUPPLEMENT	1,073,532
CTE - ADULT	16,754
ESL	47,493
GIFTED EDUCATION SOQ	481,788
GROUP LIFE INSURANCE	194,765
HOMEBOUND	125,373
K-3 PRIM CLASS REDUCTION	3,172,810
MENTOR TEACHER PROGRAM	9,811
PREV/INTERV/REMED SOQ	2,695,960
REGIONAL TUITION PROGRAM	2,737,619
REGULAR FOSTER CHILDREN	155,933
REMEDIAL SUMMER SCHOOL	238,362
SOCIAL SECURITY	2,757,465
SPECIAL EDUCATION SOQ	5,012,641
TCHR RETIREMENT	5,454,152
VOCATIONAL ED SOQ	727,807
TOTAL STATE FUNDS	<u>\$ 70,433,566</u>
TOTAL REVENUES	<u>\$ 139,538,403</u>

GENERAL FUND EXPENDITURE CATEGORIES

Projected expenditures consist of cost estimates for the operation of regular day school, summer school, adult education programs, and other education programs. The Operating Budget classifications are: Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Facilities; Technology; and Debt and Fund Transfers. Each of these classifications is further broken into expenditure types. The largest expenditure in the General Fund is associated with personnel for salaries and benefits. The budget approved by the School Board for FY 2015 did not include any salary increase.

Within each of the seven categories, Instruction; Administration, Attendance, and Health; Pupil Transportation; Operations, Maintenance, and Facilities; Technology; and Debt Service and Fund Transfers, the following expenditure types are utilized. A brief description of each expenditure category follows:

SALARIES provides for all payroll costs for full-time and part-time employees, as well as overtime expenses, supplements and other allowances.

FRINGE BENEFITS provides for all fringe benefits including Social Security, life insurance, retirement, medical insurance, and unemployment. For fiscal years 2015 and 2016, the Virginia Retirement System (VRS) Board of Trustees adopted an employer contribution rate of 14.50% for retirement, 0.53% for Group Life Insurance, and 1.18% for retiree health insurance credit. Throughout the financial schedules, the expenditures for fringe benefits increased. Since salaries and benefits make up such a large part of our budget, these increases are significant in certain categories.

PURCHASED SERVICES provides for all contractual services required by the School Board; i.e., printing, maintenance agreements, advertising expenses, and other contracted services.

OTHER CHARGES provides for payments of utilities, postage, telecommunications, insurance, rentals, travel, and other miscellaneous charges.

MATERIALS AND SUPPLIES provides for expenditures for articles and commodities which are consumed.

CAPITAL OUTLAY provides expenditures for new equipment and replacement equipment. Items that are appropriate in this category include computer equipment, furniture, educational and audiovisual equipment, motor vehicles, communications equipment and medical equipment. This category excludes any capital outlays associated with facilities acquired or constructed that exceed \$50,000. Such capital outlays are included in the City's CIP Budget.

FUND TRANSFERS accounts for the conveying of funds between the seven expenditure categories and from one fund (e.g., School General Fund) to another fund (e.g., Textbook Fund, Grants Fund, or Risk Management Fund).

Please note: Actual expenditures represent unaudited expenditures as of June 30 each year and not information from the Comprehensive Annual Financial Report

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**GENERAL FUND
EXPENDITURE OVERVIEW**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2013 - 14 ESTIMATE	2014 - 15 BUDGET
INSTRUCTION	90,751,877	94,242,270	93,160,266	95,675,205	97,882,322	103,064,521
ADMINISTRATION	7,074,457	13,470,907	6,422,653	6,502,400	6,533,574	6,476,471
TRANSPORTATION	6,309,562	6,583,955	5,338,602	6,502,400	6,408,649	6,352,637
OPERATIONS	15,081,992	13,811,914	15,645,414	16,628,023	12,218,093	15,551,234
FACILITIES	174,122	269,283	87,104	278,217	4,999,974	0
TECHNOLOGY	3,599,079	4,042,518	5,213,236	5,201,920	4,556,401	4,516,578
FUND TRANSFERS	<u>14,039,067</u>	<u>4,116,929</u>	<u>8,684,076</u>	<u>3,524,128</u>	<u>2,592,215</u>	<u>3,576,962</u>
TOTAL EXPENDITURES	<u>137,030,156</u>	<u>136,537,776</u>	<u>134,551,351</u>	<u>134,312,293</u>	<u>135,191,228</u>	<u>139,538,403</u>

GENERAL FUND INSTRUCTION OVERVIEW

Instruction expenditures deal directly with the interaction between teachers and students.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT PRINCIPAL	2,221,923	2,172,693	2,188,347	2,173,516	2,061,884
ASSISTANT SUPERINTENDENT	125,986	126,136	141,071	145,815	145,815
CLERICAL	2,399,187	2,415,615	2,421,247	2,464,947	2,424,375
DIR / SUPV / MNGR / COORD	1,460,147	1,544,081	1,656,941	1,544,693	1,356,712
LIBRARIAN	1,251,022	1,220,465	1,230,273	1,205,456	1,136,709
OTHER PROFESSIONAL	842,293	883,894	1,010,217	1,042,542	1,042,932
INSTRUCTIONAL ASSISTANT	3,082,137	3,087,174	3,036,016	3,203,972	3,071,592
PRINCIPAL	2,140,519	2,139,980	2,276,334	2,308,526	2,297,706
SECURITY GUARD	6,795	7,976	8,517	6,800	6,800
SUB INSTRUCTIONAL ASSISTANT	4,874	2,175	420	0	0
SUB TEACHER	763,925	704,353	637,357	701,137	649,905
SUB CLERICAL	9,595	232	0	0	0
SUB LIBRARIAN	140	70	140	0	0
SUPPLEMENTS	699,079	631,231	720,371	764,072	741,147
TEACHER	46,383,593	45,822,652	48,349,032	50,021,731	51,516,188
TECHNICAL SUPPORT	740,381	673,337	673,178	683,313	684,090
BENEFITS:					
FICA	4,749,963	4,628,733	4,818,727	4,197,981	4,285,508
HEALTH INSURANCE	9,444,199	9,029,239	8,043,494	10,622,032	13,299,241
LIFE INSURANCE	169,309	164,131	738,718	722,472	831,120
UNEMPLOYMENT COMPENSATION	138,882	217,365	73,237	300,000	100,000
VLDP VA LOCAL DISABILTY PROG	0	0	0	0	45
VRS	5,391,880	6,641,852	7,227,944	7,073,990	9,060,199
VRS HEALTH INSURANCE CREDIT	362,230	351,679	688,218	673,987	743,232
VRS HYBRID PLAN	0	0	0	0	1,790
TOTAL SALARY AND BENEFITS:	<u>82,388,059</u>	<u>82,465,063</u>	<u>85,939,799</u>	<u>89,856,982</u>	<u>95,456,990</u>

**GENERAL FUND
INSTRUCTION OVERVIEW (continued)**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	1,678,630	1,475,424	1,193,179	1,301,039	1,320,312
OTHER CHARGES	579,857	703,730	525,169	589,533	534,786
MATERIALS AND SUPPLIES	1,270,772	4,935,715	731,759	1,235,443	1,342,183
EQUIPMENT	417,346	302,393	509,828	303,629	351,979
TUITION	4,417,213	4,359,945	4,260,532	2,388,579	4,058,271
TOTAL NON-SALARY:	<u>8,363,818</u>	<u>11,777,207</u>	<u>7,220,467</u>	<u>5,818,223</u>	<u>7,607,531</u>
TOTAL EXPENDITURES	<u><u>90,751,877</u></u>	<u><u>94,242,270</u></u>	<u><u>93,160,266</u></u>	<u><u>95,675,205</u></u>	<u><u>103,064,521</u></u>

INSTRUCTION CLASSROOM INSTRUCTION

Expenditures under Classroom Instruction are those that are associated with instruction in the classroom, including salaries for teachers and paraprofessionals. Also included are expenditures for instructional supplies, replacement equipment, and new equipment.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	6,529	15,002	12,345	15,000	15,000
DIR / SUPV / MNGR / COORD	0	0	0	0	
LIBRARIAN	16,737	15,994	16,425	17,000	17,000
OTHER PROFESSIONAL	201,116	142,481	213,987	237,056	237,056
INSTRUCTIONAL ASSISTANT	3,082,137	3,087,174	3,036,016	3,203,972	3,071,592
PRINCIPAL	7,423	8,580	8,336	9,000	9,000
SECURITY GUARD	6,795	7,976	8,517	6,800	6,800
SUB INSTRUCTIONAL ASSISTANT	4,874	2,175	420	0	0
SUB TEACHER	762,661	693,976	631,295	701,137	649,905
SUPPLEMENTS	687,079	629,669	720,351	752,072	741,147
TEACHER	43,641,803	43,146,001	45,630,762	47,264,762	48,651,516
BENEFITS:					
FICA	3,729,409	3,607,857	3,767,125	3,240,357	3,312,141
HEALTH INSURANCE	7,592,318	7,247,772	6,264,807	8,592,699	10,728,377
LIFE INSURANCE	132,402	127,427	576,804	566,112	654,209
UNEMPLOYMENT COMPENSATION	125,714	209,191	63,692	300,000	100,000
VLPD VA LOCAL DISABILITY PROG	0	0	0	0	45
VRS	4,214,744	5,156,162	5,642,646	5,542,966	7,126,969
VRS HEALTH INSURANCE CREDIT	283,179	273,022	537,287	528,126	585,041
VRS HYBRID PLAN	0	0	0	0	1,790
TOTAL SALARY AND BENEFITS:	64,494,920	64,370,459	67,130,815	70,977,059	75,907,588

INSTRUCTION
CLASSROOM INSTRUCTION (continued)

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	1,357,606	1,168,084	864,363	907,532	956,345
OTHER CHARGES	424,063	433,239	406,611	390,653	417,557
MATERIALS AND SUPPLIES	675,408	3,630,337	-332,622	673,802	678,662
EQUIPMENT	118,149	223,079	75,232	116,819	88,197
TUITION - OTHER	70,000	70,000	1,243	70,000	70,000
TUITION - SECEP	4,347,213	4,289,945	4,259,289	2,318,579	3,988,271
TOTAL NON-SALARY:	<u>6,992,439</u>	<u>9,814,684</u>	<u>5,274,116</u>	<u>4,477,385</u>	<u>6,199,032</u>
TOTAL EXPENDITURES	<u><u>71,487,359</u></u>	<u><u>74,185,143</u></u>	<u><u>72,404,931</u></u>	<u><u>75,454,444</u></u>	<u><u>82,106,620</u></u>

INSTRUCTION GUIDANCE SERVICES

Expenditures under Guidance Services are those associated with counseling students and parents, evaluating abilities of students, assisting students as they make educational and career plans, and working with staff members in planning and conducting guidance programs for students.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	158,253	167,175	163,006	164,837	160,522
TEACHER	1,951,025	1,882,220	1,904,931	1,912,411	2,023,046
SUB TEACHER	1,264	10,377	6,062	0	0
BENEFITS:					
FICA	157,878	154,233	155,254	129,491	145,649
HEALTH INSURANCE	288,764	274,178	263,648	300,348	394,984
LIFE INSURANCE	5,715	5,622	24,562	23,217	28,845
UNEMPLOYMENT COMPENSATION	9,828	6,408	8,300	0	0
VRS	182,105	227,616	240,664	227,310	316,638
VRS HEALTH INSURANCE CREDIT	12,252	12,048	22,911	21,657	25,784
TOTAL SALARY AND BENEFITS:	<u>2,767,084</u>	<u>2,739,877</u>	<u>2,789,338</u>	<u>2,779,271</u>	<u>3,095,468</u>
NON-SALARY:					
OTHER CHARGES	3,669	3,178	3,533	4,581	2,350
MATERIALS AND SUPPLIES	15,978	18,309	15,559	14,868	10,356
EQUIPMENT	1,061	1,619	1,600	2,125	1,626
TOTAL NON-SALARY:	<u>20,708</u>	<u>23,106</u>	<u>20,692</u>	<u>21,574</u>	<u>14,332</u>
TOTAL EXPENDITURES	<u><u>2,787,792</u></u>	<u><u>2,762,983</u></u>	<u><u>2,810,030</u></u>	<u><u>2,800,845</u></u>	<u><u>3,109,800</u></u>

INSTRUCTION SOCIAL WORKER SERVICES

Expenditures under School Social Worker Services are those associated with programs designed to improve student attendance at school and that attempt to prevent or solve student problems involving the home, the school, and the community.

<u>EXPENDITURE CATEGORIES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
OTHER PROFESSIONAL	288,102	441,697	491,973	501,268	501,268
BENEFITS:					
FICA	21,600	33,099	36,981	35,320	36,488
HEALTH INSURANCE	29,051	51,514	52,276	61,254	75,024
LIFE INSURANCE	797	1,227	5,855	5,858	6,620
VRS	25,415	49,624	57,364	57,368	72,688
VRS HEALTH INSURANCE CREDIT	1,708	2,629	5,461	5,464	5,918
TOTAL SALARY AND BENEFITS:	<u>366,673</u>	<u>579,790</u>	<u>649,910</u>	<u>666,532</u>	<u>698,006</u>
NON-SALARY:					
OTHER CHARGES	0	1,279	1,784	2,099	2,411
MATERIALS AND SUPPLIES	0	84	0	85	0
TOTAL NON-SALARY:	<u>0</u>	<u>1,363</u>	<u>1,784</u>	<u>2,184</u>	<u>2,411</u>
TOTAL EXPENDITURES	<u><u>366,673</u></u>	<u><u>581,153</u></u>	<u><u>651,694</u></u>	<u><u>668,716</u></u>	<u><u>700,417</u></u>

INSTRUCTION HOMEBOUND SERVICES

Expenditures under Homebound Instruction are those associated with activities designed to meet the educational needs of qualifying students who are unable to attend regular school.

<u>EXPENDITURE CATEGORIES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	0	0	0	0	0
TEACHER	71,682	72,664	86,522	73,058	73,058
BENEFITS:					
FICA	5,452	5,523	6,554	5,589	5,589
HEALTH INSURANCE	0	0	0	0	0
LIFE INSURANCE	0	0	0	0	0
VRS	0	157	0	0	0
VRS HEALTH INSURANCE CREDIT	0	0	0	0	0
TOTAL SALARY AND BENEFITS:	<u>77,134</u>	<u>78,344</u>	<u>93,076</u>	<u>78,647</u>	<u>78,647</u>
NON-SALARY:					
MATERIALS AND SUPPLIES	181	0	0	445	222
TOTAL NON-SALARY:	<u>181</u>	<u>0</u>	<u>0</u>	<u>445</u>	<u>222</u>
TOTAL EXPENDITURES	<u>77,315</u>	<u>78,344</u>	<u>93,076</u>	<u>79,092</u>	<u>78,869</u>

INSTRUCTION IMPROVEMENT OF INSTRUCTION

Expenditures in this area are those associated with assisting the instructional staff with the content and process of providing learning experiences for students. Activities may include curriculum development, techniques of instruction, and staff training.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT SUPERINTENDENT	125,986	126,136	141,071	145,815	145,815
CLERICAL	738,112	744,693	743,303	766,498	705,362
DIR / SUPV / MNGR / COORD	1,385,879	1,459,542	1,580,479	1,466,702	1,278,721
OTHER PROFESSIONAL	188,810	189,410	196,589	202,784	202,784
PRINCIPAL	0	0	0	0	0
SUPPLEMENTS	12,000	1,562	20	12,000	0
TEACHER	649,112	651,646	651,988	695,224	768,568
TECHNICAL SUPPORT	700,470	633,985	634,585	646,432	647,067
BENEFITS:					
FICA	279,987	281,622	293,049	272,429	265,976
HEALTH INSURANCE	490,139	484,787	485,492	564,343	687,770
LIFE INSURANCE	10,536	10,464	46,025	44,707	48,940
VRS	336,291	423,392	450,034	437,792	530,335
VRS HEALTH INSURANCE CREDIT	22,538	22,423	42,860	41,705	43,780
TOTAL SALARY AND BENEFITS:	4,939,860	5,029,662	5,265,495	5,296,431	5,325,118

**INSTRUCTION
IMPROVEMENT OF INSTRUCTION (continued)**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	296,676	284,051	304,771	370,601	362,708
OTHER CHARGES	113,758	226,621	66,582	139,469	85,610
MATERIALS AND SUPPLIES	465,082	1,186,607	923,831	441,473	469,018
EQUIPMENT	253,728	23,490	387,467	143,274	209,347
TOTAL NON-SALARY:	<u>1,129,244</u>	<u>1,720,769</u>	<u>1,682,651</u>	<u>1,094,817</u>	<u>1,126,683</u>
TOTAL EXPENDITURES	<u><u>6,069,104</u></u>	<u><u>6,750,431</u></u>	<u><u>6,948,146</u></u>	<u><u>6,391,248</u></u>	<u><u>6,451,801</u></u>

INSTRUCTION MEDIA SERVICES

Expenditures under Media Services are those associated with activities concerned with the use of all teaching and learning resources, including hardware, software, and content materials.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	175,698	159,065	177,486	170,570	171,187
DIR / SUPV / MNGR / COORD	74,268	84,539	76,462	77,991	77,991
LIBRARIAN	1,234,285	1,204,471	1,213,848	1,188,456	1,119,709
OTHER PROFESSIONAL	164,265	110,306	107,668	101,434	101,824
TEACHER	69,971	70,121	74,829	76,276	0
TECHNICAL SUPPORT	39,911	39,352	38,593	36,881	37,023
SUB LIBRARIAN	140	70	140	0	0
BENEFITS:					
FICA	131,909	125,108	126,289	98,397	100,681
HEALTH INSURANCE	270,143	242,888	247,127	255,594	342,127
LIFE INSURANCE	4,781	4,471	19,689	17,372	19,918
VRS	152,394	180,939	192,925	170,085	218,636
VRS HEALTH INSURANCE CREDIT	10,240	9,583	18,366	16,205	17,808
UNEMPLOYMENT COMPENSATION	3,340	0	0	0	
TOTAL SALARY AND BENEFITS:	2,331,345	2,230,913	2,293,422	2,209,261	2,206,904
NON-SALARY:					
PURCHASED SERVICES	21,728	21,226	21,727	20,536	39
OTHER CHARGES	5,206	3,583	3,256	3,521	1,448
MATERIALS AND SUPPLIES	64,813	59,922	76,432	60,762	64,225
EQUIPMENT	10,233	18,581	12,457	12,992	12,649
TOTAL NON-SALARY:	101,980	103,312	113,872	97,811	78,361
TOTAL EXPENDITURES	2,433,325	2,334,225	2,407,294	2,307,072	2,285,265

INSTRUCTION OFFICE OF THE PRINCIPAL

Expenditures under Office of the Principal are those associated with activities concerned with the overall administration of a school. This includes the activities performed by the principal, the assistant principal, and the clerical staff who work in a particular school to support teaching and administrative functions.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT PRINCIPAL	2,221,923	2,172,693	2,188,347	2,173,516	2,061,884
CLERICAL	1,320,595	1,329,680	1,325,107	1,348,042	1,372,304
PRINCIPAL	2,133,096	2,131,400	2,267,998	2,299,526	2,288,706
SUB CLERICAL	9,595	232	0	0	
BENEFITS:					
FICA	423,728	421,291	433,475	416,398	418,984
HEALTH INSURANCE	773,784	728,100	730,144	847,794	1,070,959
LIFE INSURANCE	15,078	14,920	65,783	65,206	72,588
UNEMPLOYMENT COMPENSATION	0	1,766	1,245	0	0
VRS	480,931	603,962	644,311	638,469	794,933
VRS HEALTH INSURANCE CREDIT	32,313	31,974	61,333	60,830	64,901
TOTAL SALARY AND BENEFITS:	7,411,043	7,436,018	7,717,743	7,849,781	8,145,259
NON-SALARY:					
PURCHASED SERVICES	2,620	2,063	2,318	2,370	1,220
OTHER CHARGES	33,161	35,830	43,403	49,210	25,410
MATERIALS AND SUPPLIES	49,310	40,456	48,559	44,008	119,700
EQUIPMENT	34,175	35,624	33,072	28,419	40,160
TOTAL NON-SALARY:	119,266	113,973	127,352	124,007	186,490
TOTAL EXPENDITURES	7,530,309	7,549,991	7,845,095	7,973,788	8,331,749

**GENERAL FUND
ADMINISTRATION ATTENDANCE AND HEALTH OVERVIEW**

Administration, Attendance and Health includes activities associated with establishing and administering policy for Administration, Attendance and Health. Administration includes those activities concerned with establishing and administering Policy for the school division. Attendance and Health Services includes those activities whose primary purpose is the promotion and improvement of children's attendance at school.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT SUPERINTENDENT	108,574	108,724	34,002	0	113,352
ATTORNEY	0	0	0	124,878	0
BOARD MEMBER	51,700	50,599	50,262	50,262	50,600
CLERICAL	1,074,497	1,106,909	1,138,974	1,026,886	1,028,702
DIR / SUPV / MNGR / COORD	892,705	894,022	951,509	863,912	841,471
NURSE	891,312	881,581	921,409	473,541	565,429
OTHER PROFESSIONAL	28,104	13,541	12,837	12,838	12,838
PSYCHOLOGIST-DISTRICT	489,649	327,811	343,879	691,189	381,876
SUB NURSE	2,380	5,367	1,445	0	0
SUPERINTENDENT	212,364	212,514	228,813	228,813	228,813
TEACHER	329,228	224,500	260,657	245,116	245,116
BENEFITS:					
FICA	294,622	276,903	285,658	290,909	267,116
HEALTH INSURANCE	530,954	492,664	482,633	611,769	740,631
HEALTH INSURANCE RETIREE	675,933	6,999,800	-500	0	0
LIFE INSURANCE	10,924	10,072	44,519	48,261	47,384
UNEMPLOYMENT COMPENSATION	4,158	756	0	0	0
VLDP VA LOCAL DISABILTY PROG	0	0	0	0	174
VRS	348,820	407,335	436,259	472,489	487,438
VRS HEALTH INSURANCE CREDIT	23,384	21,584	41,524	45,017	42,457
VRS HYBRID PLAN	0	0	0	0	6,959
TOTAL SALARY AND BENEFITS:	<u>5,969,308</u>	<u>12,034,682</u>	<u>5,233,880</u>	<u>5,185,880</u>	<u>5,060,356</u>

GENERAL FUND
ADMINISTRATION ATTENDANCE AND HEALTH OVERVIEW (continued)

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	663,265	910,195	805,907	803,751	950,602
OTHER CHARGES	365,734	441,965	278,387	447,834	414,262
MATERIALS AND SUPPLIES	73,826	65,849	45,687	59,699	45,887
EQUIPMENT	2,324	18,216	58,792	5,236	5,364
TOTAL NON-SALARY:	<u>1,105,149</u>	<u>1,436,225</u>	<u>1,188,773</u>	<u>1,316,520</u>	<u>1,416,115</u>
TOTAL EXPENDITURES	<u><u>7,074,457</u></u>	<u><u>13,470,907</u></u>	<u><u>6,422,653</u></u>	<u><u>6,502,400</u></u>	<u><u>6,476,471</u></u>

ADMINISTRATION ATTENDANCE AND HEALTH BOARD SERVICES

Expenditures under Board Services are those associated with the activities of the School Board.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
BOARD MEMBER	51,700	50,599	50,262	50,262	50,600
BENEFITS:					
FICA	3,922	3,836	3,831	3,849	3,874
HEALTH INSURANCE	8,390	8,469	3,669	0	0
TOTAL SALARY AND BENEFITS:	64,012	62,904	57,762	54,111	54,474
NON-SALARY:					
PURCHASED SERVICES	61,559	234,473	124,554	201,109	283,683
OTHER CHARGES	61,433	47,827	38,313	47,953	36,138
MATERIALS AND SUPPLIES	11,482	11,785	9,415	8,704	8,487
EQUIPMENT	0	0	0	425	275
TOTAL NON-SALARY:	134,474	294,085	172,282	258,191	328,583
TOTAL EXPENDITURES	198,486	356,989	230,044	312,302	383,057

ADMINISTRATION ATTENDANCE AND HEALTH EXECUTIVE ADMIN SERVICES

Expenditures under Executive Administration are those associated with executive responsibility of the school division.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ATTORNEY	0	0	0	124,878	0
CLERICAL	143,236	148,549	137,494	150,053	157,551
DIR / SUPV / MNGR / COORD	96,541	96,691	103,524	105,546	105,546
OTHER PROFESSIONAL	7,745	12,910	12,837	12,838	12,838
SUPERINTENDENT	212,364	212,514	228,813	228,813	228,813
BENEFITS:					
FICA	28,013	29,600	30,154	30,181	26,299
HEALTH INSURANCE	52,101	56,243	52,604	59,553	73,773
LIFE INSURANCE	1,239	1,233	5,519	5,474	4,202
VRS	39,509	49,887	54,036	53,621	38,646
VRS HEALTH INSURANCE CREDIT	2,655	2,642	5,148	5,107	3,783
TOTAL SALARY AND BENEFITS:	583,403	610,269	630,129	776,064	651,451
NON-SALARY:					
PURCHASED SERVICES	34,111	34,052	38,064	36,876	33,010
OTHER CHARGES	24,745	36,728	55,371	52,523	44,712
MATERIALS AND SUPPLIES	8,693	11,488	7,320	8,222	4,110
TOTAL NON-SALARY:	67,549	82,268	100,755	97,621	81,832
TOTAL EXPENDITURES	650,952	692,537	730,884	873,685	733,283

**ADMINISTRATION ATTENDANCE AND HEALTH
OFFICE OF BUDGET AND PLANNING**

Expenditures in this area relate to the preparation of the budget and activities in support of long range planning for the school division.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT SUPERINTENDENT	108,574	108,724	34,002	0	113,352
CLERICAL	76,691	79,430	82,963	84,255	81,389
BENEFITS:					
FICA	13,487	14,131	8,602	5,897	14,454
HEALTH INSURANCE	25,169	24,604	17,760	20,844	25,822
LIFE INSURANCE	509	509	1,068	984	2,572
VRS	16,223	20,614	10,385	9,633	28,239
VRS HEALTH INSURANCE CREDIT	1,090	1,092	996	918	2,299
TOTAL SALARY AND BENEFITS:	241,743	249,104	155,776	122,531	268,127
NON-SALARY:					
PURCHASED SERVICES	42,905	48,376	28,161	0	3,129
OTHER CHARGES	1,067	2,371	1,301	0	1,081
MATERIALS AND SUPPLIES	7	875	-78	0	800
EQUIPMENT	0	0	0	0	445
TOTAL NON-SALARY:	43,979	51,622	29,384	0	5,455
TOTAL EXPENDITURES	285,722	300,726	185,160	122,531	273,582

**ADMINISTRATION ATTENDANCE AND HEALTH
PUBLIC INFORMATION SERVICES**

Beginning with the 2012-13 school year, the office of Public Information Services was eliminated. The duties of a Community Liaison were added to another position so this office is no longer funded.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	0	0	0	0	0
DIR / SUPV / MNGR / COORD	0	0	0	0	0
BENEFITS:					
FICA	0	0	0	0	0
LIFE INSURANCE	0	0	0	0	0
UNEMPLOYMENT COMPENSATION	4,158	756	0	0	0
VRS	0	0	0	0	0
VRS HEALTH INSURANCE CREDIT	0	0	0	0	0
TOTAL SALARY AND BENEFITS:	<u>4,158</u>	<u>756</u>	<u>0</u>	<u>0</u>	<u>0</u>
NON-SALARY:					
PURCHASED SERVICES	0	0	0	0	0
TOTAL NON-SALARY:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u><u>4,158</u></u>	<u><u>756</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

ADMINISTRATION ATTENDANCE AND HEALTH HUMAN RESOURCES

Expenditures under Human Resources are those associated with maintaining the school division's staff. This includes activities such as recruitment and placement of staff, and employee benefits.

<u>EXPENDITURE CATEGORIES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	245,572	256,816	255,713	268,035	262,020
DIR / SUPV / MNGR / COORD	335,021	335,621	359,262	258,810	235,844
BENEFITS:					
FICA	43,430	44,719	46,234	42,183	36,703
HEALTH INSURANCE	71,834	66,574	69,578	82,524	76,652
LIFE INSURANCE	1,586	1,605	7,214	6,797	6,441
VRS	50,605	64,961	70,656	66,557	57,171
VRS HEALTH INSURANCE CREDIT	3,400	3,440	6,728	6,340	5,807
TOTAL SALARY AND BENEFITS:	<u>751,448</u>	<u>773,736</u>	<u>815,385</u>	<u>731,246</u>	<u>680,638</u>
NON-SALARY:					
PURCHASED SERVICES	38,054	98,351	53,218	66,388	66,007
OTHER CHARGES	124,653	98,110	98,492	122,041	97,935
MATERIALS AND SUPPLIES	17,686	12,445	15,223	13,500	8,411
EQUIPMENT	0	17,250	0	0	0
TOTAL NON-SALARY:	<u>180,393</u>	<u>226,156</u>	<u>166,933</u>	<u>201,929</u>	<u>172,353</u>
TOTAL EXPENDITURES	<u>931,841</u>	<u>999,892</u>	<u>982,318</u>	<u>933,175</u>	<u>852,991</u>

ADMINISTRATION ATTENDANCE AND HEALTH FINANCIAL SERVICES

Expenditures under Financial Services are those associated with the fiscal operations of the school division. This includes activities such as budgeting, receiving and disbursing funds, and payroll processing.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	444,425	442,548	489,169	353,884	356,427
DIR / SUPV / MNGR / COORD	324,744	324,775	336,543	344,078	344,078
BENEFITS:					
FICA	56,638	56,180	60,869	57,604	54,827
HEALTH INSURANCE	100,590	105,599	97,513	110,460	144,820
HEALTH INSURANCE RETIREE	675,933	6,999,800	-500	0	0
LIFE INSURANCE	2,082	2,057	9,603	9,429	10,047
VRS	66,407	82,753	94,172	92,331	110,282
VRS HEALTH INSURANCE CREDIT	4,462	4,408	8,957	8,799	8,982
UNEMPLOYMENT COMPENSATON	0	0	0	0	0
TOTAL SALARY AND BENEFITS:	<u>1,675,281</u>	<u>8,018,120</u>	<u>1,096,326</u>	<u>976,585</u>	<u>1,029,463</u>
NON-SALARY:					
PURCHASED SERVICES	140,900	151,337	190,107	157,182	209,207
OTHER CHARGES	128,872	232,830	60,492	199,513	211,523
MATERIALS AND SUPPLIES	7,088	8,383	1,368	12,395	7,087
EQUIPMENT	1,840	404	57,816	4,321	4,565
TOTAL NON-SALARY:	<u>278,700</u>	<u>392,954</u>	<u>309,783</u>	<u>373,411</u>	<u>432,382</u>
TOTAL EXPENDITURES	<u><u>1,953,981</u></u>	<u><u>8,411,074</u></u>	<u><u>1,406,109</u></u>	<u><u>1,349,996</u></u>	<u><u>1,461,845</u></u>

ADMINISTRATION ATTENDANCE AND HEALTH PURCHASING SERVICES

Expenditures for Purchasing Services are related to procuring supplies, services, and equipment for the division.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	141,463	154,623	148,357	144,882	145,439
DIR / SUPV / MNGR / COORD	64,034	64,420	74,600	76,355	76,880
BENEFITS:					
FICA	14,933	15,887	16,742	16,122	16,357
HEALTH INSURANCE	34,558	41,776	33,080	40,062	61,727
LIFE INSURANCE	567	561	2,475	2,584	2,937
VRS	18,090	22,695	24,365	25,293	32,238
VRS HEALTH INSURANCE CREDIT	1,215	1,201	2,309	2,409	2,626
TOTAL SALARY AND BENEFITS:	<u>274,860</u>	<u>301,163</u>	<u>301,928</u>	<u>307,707</u>	<u>338,204</u>
NON-SALARY:					
PURCHASED SERVICES	2,061	0	2,198	2,044	3,114
OTHER CHARGES	0	0	0	0	0
EQUIPMENT	67	155	779	0	0
TOTAL NON-SALARY:	<u>2,128</u>	<u>155</u>	<u>2,977</u>	<u>2,044</u>	<u>3,114</u>
TOTAL EXPENDITURES	<u><u>276,988</u></u>	<u><u>301,318</u></u>	<u><u>304,905</u></u>	<u><u>309,751</u></u>	<u><u>341,318</u></u>

ADMINISTRATION ATTENDANCE AND HEALTH HEALTH SERVICES

Expenditures under Health Services are those for activities associated with providing students with appropriate medical, dental, and nursing services.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	23,110	24,943	25,278	25,777	25,876
DIR / SUPV / MNGR / COORD	72,365	72,515	77,580	79,123	79,123
NURSE	891,312	881,581	921,409	473,541	565,429
OTHER PROFESSIONAL	20,359	631	0	0	0
SUB NURSE	2,380	5,367	1,445	0	0
BENEFITS:					
FICA	74,512	73,330	76,328	70,086	71,925
HEALTH INSURANCE	156,394	138,610	149,788	180,162	219,072
LIFE INSURANCE	2,673	2,577	11,697	11,775	12,903
VLDP VA LOCAL DISABILTY PROG					174
VRS	84,858	104,269	114,608	115,204	129,942
VRS HEALTH INSURANCE CREDIT	5,702	5,523	10,910	10,980	11,556
VRS HYBRID PLAN	0	0	0	0	6,959
TOTAL SALARY AND BENEFITS:	<u>1,333,665</u>	<u>1,309,346</u>	<u>1,389,043</u>	<u>966,648</u>	<u>1,122,959</u>
NON-SALARY:					
PURCHASED SERVICES	131,175	131,166	128,378	127,652	133,317
OTHER CHARGES	3,320	1,619	2,784	3,150	2,279
MATERIALS AND SUPPLIES	28,870	20,873	12,439	16,878	16,992
EQUIPMENT	417	407	197	490	79
TOTAL NON-SALARY:	<u>163,782</u>	<u>154,065</u>	<u>143,798</u>	<u>148,170</u>	<u>152,667</u>
TOTAL EXPENDITURES	<u><u>1,497,447</u></u>	<u><u>1,463,411</u></u>	<u><u>1,532,841</u></u>	<u><u>1,114,818</u></u>	<u><u>1,275,626</u></u>

**ADMINISTRATION ATTENDANCE AND HEALTH
PSYCHOLOGICAL SERVICES**

Expenditures under Psychological Services are those for activities associated with administering psychological tests and interpreting the results, and expenditures associated with providing occupational and physical therapy services for students.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
PSYCHOLOGIST - DISTRICT	489,649	327,811	343,879	691,189	381,876
TEACHER	329,228	224,500	260,657	245,116	245,116
BENEFITS:					
FICA	59,687	39,220	42,898	64,987	42,677
HEALTH INSURANCE	81,918	50,789	58,641	118,164	138,765
LIFE INSURANCE	2,268	1,530	6,943	11,218	8,282
VRS	73,128	62,156	68,037	109,850	90,920
VRS HEALTH INSURANCE CREDIT	4,860	3,278	6,476	10,464	7,404
TOTAL SALARY AND BENEFITS:	<u>1,040,738</u>	<u>709,284</u>	<u>787,531</u>	<u>1,250,988</u>	<u>915,040</u>
NON-SALARY:					
PURCHASED SERVICES	212,500	212,440	241,227	212,500	219,135
OTHER CHARGES	21,644	22,480	21,634	22,654	20,594
TOTAL NON-SALARY:	<u>234,144</u>	<u>234,920</u>	<u>262,861</u>	<u>235,154</u>	<u>239,729</u>
TOTAL EXPENDITURES	<u><u>1,274,882</u></u>	<u><u>944,204</u></u>	<u><u>1,050,392</u></u>	<u><u>1,486,142</u></u>	<u><u>1,154,769</u></u>

GENERAL FUND TRANSPORTATION OVERVIEW

Pupil Transportation includes activities concerned with transporting students to and from school. This includes trips between home and school, and trips to and from school activities.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
BUS DRIVER	2,325,948	2,294,257	2,374,171	2,522,305	2,165,370
BUS MONITOR	523,261	551,523	559,738	446,210	411,679
CLERICAL	128,409	128,761	132,169	141,514	98,740
DIR / SUPV / MNGR / COORD	72,019	75,901	58,887	60,065	60,065
OTHER PROFESSIONAL	39,154	39,890	41,975	38,821	38,970
BENEFITS:					
FICA	227,174	227,353	233,226	223,434	216,897
HEALTH INSURANCE	1,048,728	1,013,445	253,558	1,240,872	1,456,938
LIFE INSURANCE	5,485	5,446	24,949	26,066	28,338
UNEMPLOYMENT COMPENSATION	8,829	8,576	205	0	10,000
VDLP VA LOCAL DISABILTY PROG	0	0	0	0	378
VRS	263,096	266,739	196,344	205,089	236,168
VRS HEALTH INSURANCE CREDIT	1,332	1,263	2,461	2,493	2,336
VRS HYBRID PLAN	0	0	0	0	5,714
TOTAL SALARY AND BENEFITS:	4,643,435	4,613,154	3,877,683	4,906,869	4,731,593
NON-SALARY:					
PURCHASED SERVICES	898,061	568,608	656,612	652,823	648,344
OTHER CHARGES	439,529	329,991	222	177,892	177,780
MATERIALS AND SUPPLIES	320,664	925,052	802,110	763,216	793,320
EQUIPMENT	7,873	147,150	1,975	1,600	1,600
TOTAL NON-SALARY:	1,666,127	1,970,801	1,460,919	1,595,531	1,621,044
TOTAL EXPENDITURES	6,309,562	6,583,955	5,338,602	6,502,400	6,352,637

**TRANSPORTATION
TRANSP - MGMT AND DIRECTION**

Expenditures under Management and Direction are those associated with activities that pertain to directing and managing student transportation services.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	128,409	128,761	132,169	141,514	98,740
DIR / SUPV / MNGR / COORD	72,019	75,901	58,887	60,065	60,065
OTHER PROFESSIONAL	39,154	39,890	41,975	38,821	38,970
BENEFITS:					
FICA	18,145	18,361	17,225	17,091	14,204
HEALTH INSURANCE	44,011	49,316	51,789	62,106	64,555
LIFE INSURANCE	621	590	2,639	2,673	2,613
VRS	19,821	23,851	25,771	26,158	28,680
VRS HEALTH INSURANCE CREDIT	1,332	1,263	2,461	2,493	2,336
TOTAL SALARY AND BENEFITS:	323,512	337,933	332,916	350,921	310,163
NON-SALARY:					
PURCHASED SERVICES	1,814	3,500	3,650	21,354	16,895
OTHER CHARGES	218	223	222	223	111
MATERIALS AND SUPPLIES	0	0	0	0	0
EQUIPMENT	7,873	147,150	1,975	1,600	1,600
TOTAL NON-SALARY:	9,905	150,873	5,847	23,177	18,606
TOTAL EXPENDITURES	333,417	488,806	338,763	374,098	328,769

TRANSPORTATION TRANSP - VEHICLE OPERATION

Expenditures under Vehicle Operation are those associated with activities involved in operating vehicles for student transportation.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
BUS DRIVER	2,325,948	2,294,257	2,374,171	2,522,305	2,165,370
BUS MONITOR	523,261	551,523	559,738	446,210	411,679
BENEFITS:					
FICA	209,029	208,992	216,001	206,343	202,693
HEALTH INSURANCE	1,004,717	964,129	201,769	1,178,766	1,392,383
LIFE INSURANCE	4,864	4,856	22,310	23,393	25,725
UNEMPLOYMENT COMPENSATION	8,829	8,576	205	0	10,000
VLDP VA LOCAL DISABILITY PROG	0	0	0	0	378
VRS	243,275	242,888	170,573	178,931	207,488
VRS HYBRID PLAN	0	0	0	0	5,714
TOTAL SALARY AND BENEFITS:	4,319,923	4,275,221	3,544,767	4,555,948	4,421,430
NON-SALARY:					
PURCHASED SERVICES	0	575	1,864	4,000	4,000
OTHER CHARGES	172,107	153,827	0	177,669	177,669
MATERIALS AND SUPPLIES	320,664	925,052	802,110	763,216	793,320
TOTAL NON-SALARY:	492,771	1,079,454	803,974	944,885	974,989
TOTAL EXPENDITURES	4,812,694	5,354,675	4,348,741	5,500,833	5,396,419

**TRANSPORTATION
TRANSP - VEHICLE MAINTENANCE**

Expenditures under Vehicle Maintenance Services are those associated with activities involved in maintaining student transportation vehicles.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	896,247	564,533	651,098	627,469	627,449
TOTAL NON-SALARY:	<u>896,247</u>	<u>564,533</u>	<u>651,098</u>	<u>627,469</u>	<u>627,449</u>
TOTAL EXPENDITURES	<u><u>896,247</u></u>	<u><u>564,533</u></u>	<u><u>651,098</u></u>	<u><u>627,469</u></u>	<u><u>627,449</u></u>

**TRANSPORTATION
TRANSP - BUS PURCHASE LEASE**

Expenditures under Bus Regular Lease are for the lease of replacement or additional school buses.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
OTHER CHARGES	267,204	175,941	0	0	0
TOTAL NON-SALARY:	<u>267,204</u>	<u>175,941</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u><u>267,204</u></u>	<u><u>175,941</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

GENERAL FUND OPERATIONS OVERVIEW

Operations and Maintenance includes activities concerned with keeping the physical plant in good operating condition. This would include building safety, equipment services, vehicle services, warehouse operations, and security services.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	122,980	123,481	122,521	125,682	177,859
CROSSING GUARD	320,070	317,894	311,225	266,872	252,455
CUSTODIAN	2,786,841	2,588,973	2,616,600	1,781,786	2,588,630
DIR / SUPV / MNGR / COORD	408,744	420,373	477,513	487,067	369,858
OTHER PROFESSIONAL	0	0	0	3,531,161	0
SECURITY GUARD	446,133	455,762	482,520	442,754	416,570
SUB CROSSING GUARD	0	0	0	0	0
SUB CUSTODIAN	0	0	0	0	0
SUPPORT SERVICE - MISC	159,717	157,432	169,563	168,302	168,948
TRADES	909,220	936,746	899,871	1,018,321	1,026,301
BENEFITS:				0	0
FICA	383,762	372,756	378,606	363,393	360,974
HEALTH INSURANCE	1,140,303	1,075,239	1,095,752	1,091,889	1,644,037
LIFE INSURANCE	12,787	11,976	54,333	54,354	60,620
UNEMPLOYMENT COMPENSATION	46,288	17,436	5,199	0	20,000
VDLP VA LOCAL DISABILTY PROG	0	0	0	0	475
VRS	601,899	575,879	441,723	441,238	509,832
VRS HEALTH INSURANCE CREDIT	4,223	5,419	11,208	10,840	10,777
VRS HYBRID PLAN	0	0	0	0	7,199
TOTAL SALARY AND BENEFITS:	<u>7,342,967</u>	<u>7,059,366</u>	<u>7,066,634</u>	<u>9,783,659</u>	<u>7,614,535</u>
NON-SALARY:					
PURCHASED SERVICES	1,819,163	1,650,651	3,066,371	1,434,120	2,115,591
OTHER CHARGES	4,852,570	4,332,131	4,506,955	4,653,624	4,762,489
MATERIALS AND SUPPLIES	645,095	537,113	617,589	557,790	684,614
EQUIPMENT	422,197	232,653	387,865	198,830	374,005
TOTAL NON-SALARY:	<u>7,739,025</u>	<u>6,752,548</u>	<u>8,578,780</u>	<u>6,844,364</u>	<u>7,936,699</u>
TOTAL EXPENDITURES	<u><u>15,081,992</u></u>	<u><u>13,811,914</u></u>	<u><u>15,645,414</u></u>	<u><u>16,628,023</u></u>	<u><u>15,551,234</u></u>

OPERATIONS
OPERATIONS - MGMT & DIRECTION

Expenditures under Management and Direction are those associated with activities involved in directing, managing, and supervising the operation and maintenance of school plant facilities.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	59,294	57,061	54,841	56,712	108,623
DIR / SUPV / MNGR / COORD	170,558	177,862	248,953	253,933	195,995
OTHER PROFESSIONAL	0	0	0	3,531,161	0
BENEFITS:					
FICA	17,523	17,750	23,039	21,096	22,592
HEALTH INSURANCE	0	8,703	8,545	9,996	35,091
LIFE INSURANCE	638	640	3,595	3,347	3,489
UNEMPLOYMENT COMPENSATION	8,420	0	0	0	0
VRS	20,339	26,256	35,194	32,773	20,432
VRS HEALTH INSURANCE CREDIT	1,367	1,373	3,353	3,122	3,182
TOTAL SALARY AND BENEFITS:	<u>278,139</u>	<u>289,645</u>	<u>377,520</u>	<u>3,912,140</u>	<u>389,404</u>
NON-SALARY:					
PURCHASED SERVICES	10,964	10,964	10,964	10,964	12,464
OTHER CHARGES	5,120	9,357	3,356	5,960	8,655
MATERIALS AND SUPPLIES	4,000	2,640	3,871	3,303	1,651
EQUIPMENT	0	0	0	0	
TOTAL NON-SALARY:	<u>20,084</u>	<u>22,961</u>	<u>18,191</u>	<u>20,227</u>	<u>22,770</u>
TOTAL EXPENDITURES	<u>298,223</u>	<u>312,606</u>	<u>395,711</u>	<u>3,932,367</u>	<u>412,174</u>

OPERATIONS

OPERATIONS - BLDG MAINTENANCE

Expenditures under Building Maintenance are those associated with repairs and maintenance to the buildings other than routine cleaning and minor repairs.

<u>EXPENDITURE CATEGORIES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	99,309	82,735	58,108	59,271	0
TRADES	909,220	936,746	899,871	1,018,321	1,026,301
BENEFITS:					
FICA	75,961	76,890	71,950	75,945	73,116
HEALTH INSURANCE	161,814	153,558	147,573	181,015	214,217
LIFE INSURANCE	2,741	2,699	11,147	11,628	12,441
UNEMPLOYMENT COMPENSATION	9,828	7,938	756	0	10,000
VRS	132,122	132,844	86,531	90,629	103,606
VRS HEALTH INSURANCE CREDIT	589	490	645	645	0
TOTAL SALARY AND BENEFITS:	<u>1,391,584</u>	<u>1,393,900</u>	<u>1,276,581</u>	<u>1,437,454</u>	<u>1,439,681</u>
NON-SALARY:					
PURCHASED SERVICES	1,534,808	1,436,253	2,866,961	1,216,366	1,878,935
OTHER CHARGES	4,734,192	4,203,159	4,405,475	4,527,540	4,534,540
MATERIALS AND SUPPLIES	186,806	194,067	278,086	186,404	273,890
EQUIPMENT	362,013	228,115	374,123	184,480	349,379
TOTAL NON-SALARY:	<u>6,817,819</u>	<u>6,061,594</u>	<u>7,924,645</u>	<u>6,114,790</u>	<u>7,036,744</u>
TOTAL EXPENDITURES	<u><u>8,209,403</u></u>	<u><u>7,455,494</u></u>	<u><u>9,201,226</u></u>	<u><u>7,552,244</u></u>	<u><u>8,476,425</u></u>

OPERATIONS
OPERATIONS - BLDG SERVICES

Building Services expenditures cover routine cleaning and minor repairs to our buildings. In previous years, custodial expenditures were reported under Facilities but properly belong in Building Services.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	33,818	35,154	36,018	36,670	36,812
CUSTODIAN	2,786,841	2,588,973	2,616,600	1,781,786	2,588,630
DIR / SUPV / MNGR / COORD	138,877	159,776	170,452	173,863	173,863
SUB CUSTODIAN	0	0	0	0	0
BENEFITS:					
FICA	220,057	207,168	210,225	202,822	203,682
HEALTH INSURANCE	802,422	743,122	747,896	677,402	1,106,688
LIFE INSURANCE	7,840	7,094	32,343	32,287	36,744
UNEMPLOYMENT COMPENSATION	26,434	7,614	4,443	0	10,000
VLDP VA DISABILTY PROG	0	0	0	0	475
VRS	382,959	350,304	253,191	252,625	304,560
VRS HEALTH INSURANCE CREDIT	837	1,147	2,291	2,293	2,488
VRS HYBRID PLAN	0	0	0	0	7,199
TOTAL SALARY AND BENEFITS:	4,400,085	4,100,352	4,073,459	3,159,748	4,471,141
NON-SALARY:					
PURCHASED SERVICES	172,207	71,526	67,256	73,607	91,709
OTHER CHARGES	97,829	112,206	91,615	109,912	210,486
MATERIALS AND SUPPLIES	374,410	274,791	237,096	266,456	305,749
EQUIPMENT	51,519	4,538	13,472	13,500	23,776
TOTAL NON-SALARY:	695,965	463,061	409,439	463,475	631,720
TOTAL EXPENDITURES	5,096,050	4,563,413	4,482,898	3,623,223	5,102,861

OPERATIONS
OPERATIONS - VEH SERVICES

Expenditures under Vehicle Services are those associated with activities involved in maintaining vehicles other than school buses.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	101,165	131,908	121,190	131,908	131,908
MATERIALS AND SUPPLIES	65,000	50,052	84,467	84,467	92,343
TOTAL NON-SALARY:	<u>166,165</u>	<u>181,960</u>	<u>205,657</u>	<u>216,375</u>	<u>224,251</u>
TOTAL EXPENDITURES	<u><u>166,165</u></u>	<u><u>181,960</u></u>	<u><u>205,657</u></u>	<u><u>216,375</u></u>	<u><u>224,251</u></u>

OPERATIONS
OPERATIONS - SECURITY SERVICES

Expenditures under Security Services are those associated with activities concerned with maintaining order and safety in school buildings and on school grounds.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
SECURITY GUARD	446,133	455,762	482,520	442,754	416,570
BENEFITS:					
FICA	32,243	32,971	34,714	29,079	27,720
HEALTH INSURANCE	119,566	120,482	135,397	155,400	203,706
LIFE INSURANCE	1,064	1,042	4,908	4,749	5,285
UNEMPLOYMENT COMPENSATION	1,114	0	0	0	0
VRS	42,735	42,203	48,051	46,450	57,944
VRS HEALTH INSURANCE CREDIT	1,254	2,232	4,567	4,428	4,724
TOTAL SALARY AND BENEFITS:	<u>644,109</u>	<u>654,692</u>	<u>710,157</u>	<u>682,860</u>	<u>715,949</u>
NON-SALARY:					
PURCHASED SERVICES	19	0	0	1,275	575
OTHER CHARGES	3,601	4,045	1,210	2,812	1,406
MATERIALS AND SUPPLIES	4,209	2,927	1,801	3,607	1,128
EQUIPMENT	8,665	0	270	850	850
TOTAL NON-SALARY:	<u>16,494</u>	<u>6,972</u>	<u>3,281</u>	<u>8,544</u>	<u>3,959</u>
TOTAL EXPENDITURES	<u><u>660,603</u></u>	<u><u>661,664</u></u>	<u><u>713,438</u></u>	<u><u>691,404</u></u>	<u><u>719,908</u></u>

OPERATIONS
OPERATIONS - CROSSING GUARDS

Expenditures are for the Crossing Guards stationed at our schools to assist walking students to arrive safely at their school.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CROSSING GUARD	320,070	317,894	311,225	266,872	252,455
SUB CROSSING GUARD	0	0	0	0	
BENEFITS:					
FICA	24,485	24,319	23,809	19,961	19,094
LIFE INSURANCE	0	0	0	0	
UNEMPLOYMENT COMPENSATION	492	1,884	0	0	
VRS	0	0	0	0	
VRS HEALTH INSURANCE CREDIT	0	0	0	0	
TOTAL SALARY AND BENEFITS:	<u>345,047</u>	<u>344,097</u>	<u>335,034</u>	<u>286,833</u>	<u>271,549</u>
NON-SALARY:					
MATERIALS AND SUPPLIES	771	2,138	3,978	3,775	3,700
TOTAL NON-SALARY:	<u>771</u>	<u>2,138</u>	<u>3,978</u>	<u>3,775</u>	<u>3,700</u>
TOTAL EXPENDITURES	<u><u>345,818</u></u>	<u><u>346,235</u></u>	<u><u>339,012</u></u>	<u><u>290,608</u></u>	<u><u>275,249</u></u>

OPERATIONS
OPERATIONS - WAREHOUSE

Expenditures under Warehouse Services are those associated with activities such as receiving, storing, and distributing supplies, furniture, and equipment.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	29,868	31,266	31,662	32,300	32,424
DIR / SUPV / MNGR / COORD	0	0	0	0	0
SUPPORT SERVICE - MISC	159,717	157,432	169,563	168,302	168,948
BENEFITS:					
FICA	13,493	13,658	14,869	14,490	14,770
HEALTH INSURANCE	56,501	49,374	56,341	68,076	84,335
LIFE INSURANCE	504	501	2,340	2,343	2,661
VRS	23,744	24,272	18,756	18,761	23,290
VRS HEALTH INSURANCE CREDIT	176	177	352	352	383
TOTAL SALARY AND BENEFITS:	284,003	276,680	293,883	304,624	326,811
NON-SALARY:					
OTHER CHARGES	11,828	3,364	5,299	7,400	7,402
MATERIALS AND SUPPLIES	9,899	10,498	8,290	9,778	6,153
EQUIPMENT	0	0	0	0	
TOTAL NON-SALARY:	21,727	13,862	13,589	17,178	13,555
TOTAL EXPENDITURES	305,730	290,542	307,472	321,802	340,366

GENERAL FUND FACILITIES OVERVIEW

Expenditures related to Facilities were previously related to construction projects. With all funding for Capital Projects resting within the City Capital Budget, the position of Construction Coordinator was eliminated. In prior budgets, the City appropriated funds for custodial services within the Facilities budget. The Commonwealth of Virginia recognizes those costs as associated with Operations and Maintenance and those expenses are now reported in that category.

<u>EXPENDITURE CATEGORIES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	75,414	75,564	9,831	0	0
OTHER PROFESSIONAL	44,757	44,907	49,797	48,754	0
BENEFITS:					
FICA	8,995	9,089	4,401	3,438	0
HEALTH INSURANCE	17,779	17,171	8,545	9,996	0
LIFE INSURANCE	334	334	569	569	0
VRS	10,642	13,502	5,573	5,574	0
VRS HEALTH INSURANCE CREDIT	715	715	531	531	0
UNEMPLOYMENT COMPENSATION	0	0	7,182	0	0
TOTAL SALARY AND BENEFITS:	<u>158,636</u>	<u>161,282</u>	<u>86,429</u>	<u>68,862</u>	<u>0</u>
NON-SALARY:					
PURCHASED SERVICES	14,936	107,453	626	208,844	0
OTHER CHARGES	550	548	49	511	0
TOTAL NON-SALARY:	<u>15,486</u>	<u>108,001</u>	<u>675</u>	<u>209,355</u>	<u>0</u>
TOTAL EXPENDITURES	<u><u>174,122</u></u>	<u><u>269,283</u></u>	<u><u>87,104</u></u>	<u><u>278,217</u></u>	<u><u>0</u></u>

**FACILITIES
FACILITIES-BLDG ACQUISITION**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	75,414	75,564	9,831	0	0
OTHER PROFESSIONAL	44,757	44,907	49,797	48,754	0
BENEFITS:					
FICA	8,995	9,089	4,401	3,438	0
HEALTH INSURANCE	17,779	17,171	8,545	9,996	0
LIFE INSURANCE	334	334	569	569	0
UNEMPLOYMENT COMPENSATION	0	0	7,182		
VRS	10,642	13,502	5,573	5,574	0
VRS HEALTH INSURANCE CREDIT	715	715	531	531	0
TOTAL SALARY AND BENEFITS:	<u>158,636</u>	<u>161,282</u>	<u>86,429</u>	<u>68,862</u>	<u>0</u>
NON-SALARY:					
OTHER CHARGES	550	548	49	511	0
TOTAL NON-SALARY:	<u>550</u>	<u>548</u>	<u>49</u>	<u>511</u>	<u>0</u>
TOTAL EXPENDITURES	<u><u>159,186</u></u>	<u><u>161,830</u></u>	<u><u>86,478</u></u>	<u><u>69,373</u></u>	<u><u>0</u></u>

FACILITIES
FACILITIES - BLDG ADDT AND IMP

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	14,936	107,453	626	208,844	0
TOTAL NON-SALARY:	14,936	107,453	626	208,844	0
TOTAL EXPENDITURES	14,936	107,453	626	208,844	0

GENERAL FUND TECHNOLOGY OVERVIEW

Technology Activities are primarily concerned with the delivery of technology to the classroom in support of student instruction. Technology supports other functional categories through the acquisition and maintenance of hardware and software. They also assist in preparing data for storage, storing data, and retrieving it for management and reporting purposes.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	118,301	135,189	137,950	140,371	99,008
DIR / SUPV / MNGR / COORD	236,997	237,447	254,338	259,425	259,425
PARAPROFESSIONAL	0	0	0	0	0
TECHNICAL SUPPORT	1,043,832	1,000,464	998,375	2,319,627	979,262
BENEFITS:					
FICA	103,008	101,167	102,523	101,298	95,595
HEALTH INSURANCE	219,346	215,124	66,252	254,346	283,744
LIFE INSURANCE	3,880	3,720	16,539	16,550	17,627
UNEMPLOYMENT COMPENSATION	0	0	0	0	3,000
VLDP VA LOCAL DISABILTY PROG	0	0	0	0	95
VRS	123,719	150,511	162,047	162,060	189,226
VRS HEALTH INSURANCE CREDIT	8,314	7,972	15,427	15,442	15,772
VRS HYBRID PLAN	0	0	0	0	3,819
TOTAL SALARY AND BENEFITS:	<u>1,857,397</u>	<u>1,851,594</u>	<u>1,753,451</u>	<u>3,269,119</u>	<u>1,946,573</u>
NON-SALARY:					
PURCHASED SERVICES	801,544	649,055	632,817	629,100	592,230
OTHER CHARGES	24,839	35,063	218,992	334,300	925,475
MATERIALS AND SUPPLIES	784,161	1,000,405	1,124,960	844,401	980,630
EQUIPMENT	131,138	506,401	1,483,016	125,000	71,670
TOTAL NON-SALARY:	<u>1,741,682</u>	<u>2,190,924</u>	<u>3,459,785</u>	<u>1,932,801</u>	<u>2,570,005</u>
TOTAL EXPENDITURES	<u>3,599,079</u>	<u>4,042,518</u>	<u>5,213,236</u>	<u>5,201,920</u>	<u>4,516,578</u>

TECHNOLOGY
TECH - CLASSROOM INSTRUCTION

The budget was increased in this non-salary area because of the need for additional instructional software.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
PURCHASED SERVICES	78,527	94,000	126,000	94,000	87,130
OTHER CHARGES	1,213	1,231	824	2,000	692,680
MATERIALS AND SUPPLIES	367,401	351,364	619,514	362,750	565,688
EQUIPMENT	131,138	506,401	1,483,016	125,000	71,670
TOTAL NON-SALARY:	<u>578,279</u>	<u>952,996</u>	<u>2,229,354</u>	<u>583,750</u>	<u>1,417,168</u>
TOTAL EXPENDITURES	<u><u>578,279</u></u>	<u><u>952,996</u></u>	<u><u>2,229,354</u></u>	<u><u>583,750</u></u>	<u><u>1,417,168</u></u>

TECHNOLOGY TECH - INSTRUCTIONAL SUPPORT

For the 2014-15 school year, some support positions were eliminated.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	118,301	135,189	137,950	140,371	99,008
DIR / SUPV / MNGR / COORD	145,226	145,526	155,765	158,880	158,880
PARAPROFESSIONAL	0	0	0	0	0
TECHNICAL SUPPORT	1,043,832	1,000,464	998,375	2,319,627	979,262
BENEFITS:					
FICA	96,647	94,652	95,431	94,314	88,759
HEALTH INSURANCE	208,956	204,585	55,272	241,524	268,433
LIFE INSURANCE	3,624	3,464	15,366	15,376	16,299
UNEMPLOYMENT COMPENSATION	0	0	0	0	3,000
VLPD VA LOCAL DISABILITY PROG	0	0	0	0	95
VRS	115,568	140,172	150,553	150,566	174,647
VRS HEALTH INSURANCE CREDIT	7,766	7,424	14,333	14,347	14,585
VRS HYBRID PLAN	0	0	0	0	3,819
TOTAL SALARY AND BENEFITS:	1,739,920	1,731,476	1,623,045	3,135,005	1,806,787
NON-SALARY:					
PURCHASED SERVICES	723,017	555,055	197,452	207,600	187,600
OTHER CHARGES	0	0	171,555	300,300	201,495
MATERIALS AND SUPPLIES	405,809	600,069	447,964	393,651	363,651
TOTAL NON-SALARY:	1,128,826	1,155,124	816,971	901,551	752,746
TOTAL EXPENDITURES	2,868,746	2,886,600	2,440,016	4,036,556	2,559,533

**TECHNOLOGY
TECH - ADMINISTRATION**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	91,771	91,921	98,573	100,545	100,545
BENEFITS:					
FICA	6,361	6,515	7,092	6,984	6,836
HEALTH INSURANCE	10,390	10,539	10,980	12,822	15,311
LIFE INSURANCE	256	256	1,173	1,174	1,328
VRS	8,151	10,339	11,494	11,494	14,579
VRS HEALTH INSURANCE CREDIT	548	548	1,094	1,095	1,187
TOTAL SALARY AND BENEFITS:	<u>117,477</u>	<u>120,118</u>	<u>130,406</u>	<u>134,114</u>	<u>139,786</u>
NON-SALARY:					
PURCHASED SERVICES	0	0	309,365	327,500	317,500
OTHER CHARGES	23,626	33,832	46,613	32,000	31,300
MATERIALS AND SUPPLIES	0	37,115	52,327	50,000	42,260
EQUIPMENT	0	0	0	0	
TOTAL NON-SALARY:	<u>23,626</u>	<u>70,947</u>	<u>408,305</u>	<u>409,500</u>	<u>391,060</u>
TOTAL EXPENDITURES	<u><u>141,103</u></u>	<u><u>191,065</u></u>	<u><u>538,711</u></u>	<u><u>543,614</u></u>	<u><u>530,846</u></u>

**TECHNOLOGY
TECH - OPERATIONS AND MAINT**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
MATERIALS AND SUPPLIES	10,951	11,857	5,155	38,000	9,031
TOTAL NON-SALARY:	<u>10,951</u>	<u>11,857</u>	<u>5,155</u>	<u>38,000</u>	<u>9,031</u>
TOTAL EXPENDITURES	<u><u>10,951</u></u>	<u><u>11,857</u></u>	<u><u>5,155</u></u>	<u><u>38,000</u></u>	<u><u>9,031</u></u>

**GENERAL FUND
LOCAL MATCHES AND DEBT SERVICE OVERVIEW**

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
INTEREST - ENERGY	256,335	437,433	176,992	176,927	146,195
LOCAL MATCH - ABE GRANT	20,000	20,000	0	0	0
LOCAL MATCH - ERLY READING INT	92,560	105,458	129,300	125,580	125,580
LOCAL MATCH - EVEN START	0	0	0	10,000	10,000
LOCAL MATCH - ALGEBRA READINESS	75,330	82,384	102,108	100,388	100,388
LOCAL MATCH - VA PRESCHOOL INT	931,881	1,072,386	1,023,207	1,023,207	1,023,207
LOCAL MATCH - SCHOOL SECURITY	0	0	0	0	24,988
PRINCIPAL - ENERGY	619,364	1,393,566	779,908	779,974	838,552
RISK MGMT - CURRENT CLAIMS	0	0	955,702	955,702	955,702
TRANSFER TO CITY	80,837	0	3,400,000	0	0
TRANSFER TO CONSTRUCTION FUND	11,221,937	1,005,702	559,266	0	0
TRANSFER TO TEXTBOOK FUND	740,823	0	1,557,593	352,350	352,350
TOTAL EXPENDITURES	14,039,067	4,116,929	8,684,076	3,524,128	3,576,962

**GENERAL FUND
DEBT SERVICE**

The capital lease for energy savings is our only debt obligation.

EXPENDITURE CATEGORIES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 BUDGET	2014 - 15 BUDGET
NON-SALARY:					
INTEREST - ENERGY	256,335	437,433	176,992	176,927	146,195
PRINCIPAL - ENERGY	619,364	1,393,566	779,908	779,974	838,552
TOTAL NON-SALARY:	<u>875,699</u>	<u>1,830,999</u>	<u>956,900</u>	<u>956,901</u>	<u>984,747</u>
TOTAL EXPENDITURES	<u><u>875,699</u></u>	<u><u>1,830,999</u></u>	<u><u>956,900</u></u>	<u><u>956,901</u></u>	<u><u>984,747</u></u>

GENERAL FUND LOCAL MATCHES

Transfers from the operating fund to the grants fund satisfy local match requirements for grant programs. The other transfers include outlays of funds that are not properly classified as expenditures but require budgetary or accounting control.

<u>EXPENDITURE CATEGORIES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
NON-SALARY:					
LOCAL MATCH - ABE GRANT	20,000	20,000	0	0	
LOCAL MATCH - EARLY READING INT	92,560	105,458	129,300	125,580	125,580
LOCAL MATCH - MSP INSTITUTE	0	0	0	10,000	10,000
LOCAL MATCH- ALGEBRA READINESS	75,330	82,384	102,108	100,388	100,388
LOCAL MATCH - VA PRESCHOOL INT	931,881	1,072,386	1,023,207	1,023,207	1,023,207
LOCAL MATCH - SCHOOL SECURITY					24,988
RISK MGMT - CURRENT CLAIMS TO CITY	0 80,837	0	955,702 3,400,000	955,702 0	955,702 0
TO CONSTRUCTION FUND	11,221,937	1,005,702	559,266	0	0
TO TEXTBOOK FUND	740,823	0	1,557,593	352,350	352,350
TOTAL NON-SALARY:	<u>13,163,368</u>	<u>2,285,930</u>	<u>7,727,176</u>	<u>2,567,227</u>	<u>2,592,215</u>
TOTAL EXPENDITURES	<u><u>13,163,368</u></u>	<u><u>2,285,930</u></u>	<u><u>7,727,176</u></u>	<u><u>2,567,227</u></u>	<u><u>2,592,215</u></u>

Reprographics Fund

This enterprise fund accounts for the revenues and expenditures of the Portsmouth City Public Schools' Printing Center. The Center supplies printing and graphic services to the City of Portsmouth, outside entities, and functional units in the School Board on a cost reimbursement basis.

Revenue for the Reprographics Fund has declined over the past couple of years. As you can see, anticipated revenue from the school division is expected to be greatly reduced. This reduction can be attributed to efforts to use "greener" methods of communication. In an effort to streamline the printing process and to provide better, timelier, and more cost efficient service to its customers, the print shop implemented an online system for ordering print jobs. It is hoped that this will make the service more attractive to its current customers and will attract new customers from other school divisions and municipal entities.

<u>REVENUES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
PORTSMOUTH PUBLIC SCHOOLS	466,244	344,797	326,642	576,840	264,553
CITY OF PORTSMOUTH	119,134	191,732	153,731	146,763	151,173
OTHER (OUTSIDE SOURCES)	28,876	28,755	10,185	32,908	340,140
TOTAL REVENUES	<u>614,254</u>	<u>565,284</u>	<u>490,558</u>	<u>756,511</u>	<u>755,866</u>
<u>EXPENDITURES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
SALARIES & BENEFITS	365,240	342,658	371,873	380,149	327,169
CONTRACTUAL SERVICES	86,973	131,459	166,019	182,620	77,420
SUPPLIES & EXPENSES	164,570	131,448	82,674	193,742	209,080
REPAIRS & MAINTENANCE	0	0	1,695	0	142,197
DEPRECIATION	7,517	7,275	4,610		
TOTAL EXPENDITURES	<u>624,300</u>	<u>612,840</u>	<u>626,871</u>	<u>756,511</u>	<u>755,866</u>

School Cafeteria Fund

The cafeteria fund is a special revenue fund that supports food services operations at the division's schools.

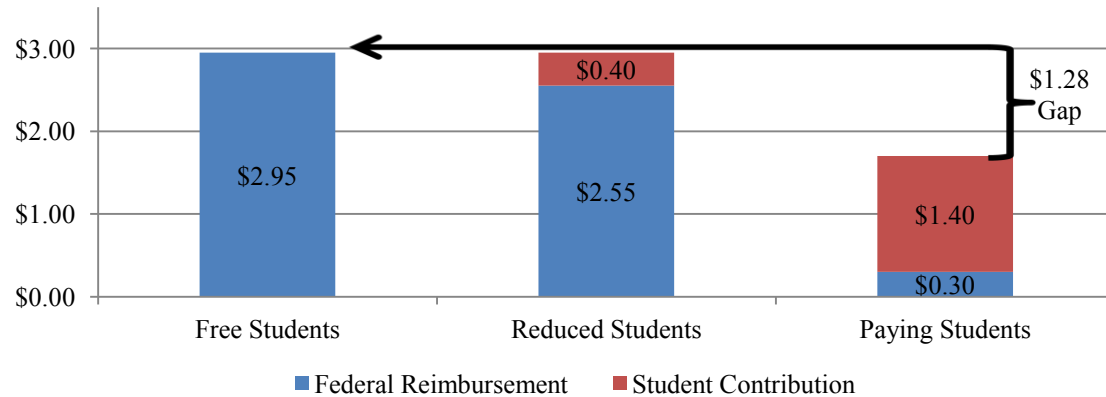
REVENUES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 BUDGET	2013 - 14 BUDGET	2014 - 15 BUDGET
FROM THE FEDERAL GOVERNMENT	5,178,450	5,444,996	5,364,000	5,756,183	5,700,000
FROM THE COMMONWEALTH	118,400	132,078	125,000	125,000	125,000
CHARGES FOR SERVICES	1,149,376	1,137,316	1,280,000	1,220,000	1,150,000
DONATED COMMODITIES	419,970	355,290	400,000	400,000	400,000
OTHER REVENUE	474,253	477,849	435,000	719,321	1,102,000
TOTAL REVENUES	7,340,449	7,547,529	7,604,000	8,220,504	8,477,000

EXPENDITURES	2010 - 11 ACTUAL	2011 - 12 ACTUAL	2012 - 13 BUDGET	2013 - 14 BUDGET	2014 - 15 BUDGET
SALARIES AND WAGES	2,304,970	2,284,110	2,094,796	2,442,791	2,158,172
FRINGE BENEFITS	1,234,533	1,262,723	1,584,204	1,262,723	1,691,328
PURCHASE OF FOODS	2,543,916	2,947,960	2,721,000	3,123,390	3,200,000
DONATED COMMODITIES					400,000
REPAIRS	235,409	166,048			
EQUIPMENT	312,924	195,140			
OTHER	814,446	807,865	804,000	991,600	1,027,500
TOTAL EXPENDITURES	7,446,198	7,663,846	7,204,000	7,820,504	8,477,000

In 2010, the Healthy, Hunger-Free Kids Act went into effect. The purpose of the legislation was to ensure that students receiving free lunches received the full advantage of the funding for their meals. At the same time, higher nutrition standards were also put in place. Since all students were to receive the same nutritious meals, paying students would be expected to pay the equivalent price for their meals. Historically, in some divisions, lunches for paying students were subsidized by the reimbursements for the free and reduced price lunches while nutrition content suffered for all. The Healthy, Hunger-Free Kids Act prohibited this subsidy. A formula for determining the equitable price for paying students was incorporated into the act. The next graph shows how the full price is determined based on the difference in the reimbursement for free students and the amount paying students are charged. As you can see, paying students should be charged \$2.65 for their meals (\$2.95 less \$0.30) but they were charged \$1.40 during the 2012-13 school year.

If the amount being charged paying students multiplied by the inflation rate (2.27%) plus 2% is less than \$0.05, then no price increase is required under the Act. If it is greater, then the price must increase. Divisions may not increase the amount charged to paying students by more than a dime in one year. The first year this law was enacted, the Portsmouth Public School Division increased student prices by \$0.10 but did not increase them for the second year. For 2013-14, lunch prices for paying students was increased another \$0.05 to \$1.40. Applying the formula contained in the act, produces a price increase of \$0.06 for the 2014-15 school year:

$$\$1.40 \times (2.27\% + 2\%) = \$0.059 \text{ or } \$0.06$$



The Food Services Coordinator recommended a \$0.05 increase to \$1.45 per meal for the 2014-15 school year with a \$0.05 increase per year until the full amount has been reached.

Regional Lunch Price Comparison

District	Current Prices		2014-15 Proposed Prices		
	Elementary	Secondary	INCREASE	Elementary	Secondary
Norfolk	\$1.70	\$1.85	None	\$1.70	\$1.85
Newport News	\$2.05	\$2.15	\$0.10	\$2.15	\$2.25
Hampton	\$1.65	\$1.85	\$0.05	\$1.70	\$1.90
Suffolk	\$1.55	\$1.70	None	\$1.55	\$1.70
Virginia Beach	\$2.40	\$2.40	None	\$2.40	\$2.40
Chesapeake	\$2.20	\$2.20	\$0.10	\$2.30	\$2.30
Portsmouth	\$1.40	\$1.40	\$0.05	\$1.45	\$1.45

In spite of the increased lunch prices, Charges for Services revenue continues to fall. This is due to fewer adult meals being served and a reduction in a la carte menu items being offered. Federal government revenue is increasing due to the total number of student meals being served.

School Grants Fund

The Grants Fund provides assistance for particular federal, state, and local programs. These grants encourage recipient divisions to expand expenditures to support certain instructional programs. Significant funding from the federal government is received in the form of grants associated with No Child Left Behind, Title I, Title VA-B, Special Education, and Education Technology. These grants allow the division to offer programs that might not be funded through the general fund. In addition to these large grants, the division aggressively seeks competitive grant funds to further its mission.

<u>REVENUES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
FEDERAL	16,106,115	17,810,615	11,528,042	11,524,468	10,888,345
STATE	3,893,646	3,610,381	3,880,104	4,437,664	4,271,899
OTHER	261,115	179,084	173,163	198,889	267,657
LOCAL MATCH	1,249,771	1,280,228	1,254,615	1,274,165	1,101,406
ANTICIPATED GRANTS					100,000
TOTAL REVENUES	<u>21,510,647</u>	<u>22,880,308</u>	<u>16,835,924</u>	<u>17,435,186</u>	<u>16,629,307</u>
<u>EXPENDITURES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
INSTRUCTION	17,992,889	18,245,759	16,309,113	14,494,628	13,980,787
ADMINISTRATION ATTENDANCE & HEALTH	1,054,775	1,058,526	485,810	840,904	623,301
PUPIL TRANSPORTATION	333,154	260,091	313,766	206,619	199,294
OPERATIONS AND MAINTENANCE	0	0	0	0	0
TECHNOLOGY	0	0	0	0	1,825,925
CAPTIAL OUTLAY	2,703,574	2,382,941	78,584	1,893,034	0
TOTAL EXPENDITURES	<u>22,084,392</u>	<u>21,947,317</u>	<u>17,187,273</u>	<u>17,435,185</u>	<u>16,629,307</u>

Risk Management & Insurance Fund

The Risk Management and Insurance Fund is an internal service fund that accounts for all insurance premiums and worker' compensation claims for which the School Board is liable and for the payment of claims and legal fees, if necessary, on public liability claims arising from the operations of the School Board.

<u>REVENUES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
FROM CUSTOMERS AND USERS			955,702		
LOCAL MATCH	0	0	0	955,702	955,702
INSURANCE RECOVERY	1,583	0	0	0	
INTEREST INCOME	7,360	0			
TOTAL REVENUES	<u>8,943</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>EXPENDITURES</u>	<u>2010 - 11 ACTUAL</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 BUDGET</u>	<u>2013 - 14 BUDGET</u>	<u>2014 - 15 BUDGET</u>
WORKMEN'S COMP INS. PREMIUM			225,639	225,639	
WORKMEN'S COMP & CLAIMS TO LOCAL GOVERNMENT	787,527	936,725	730,063	730,063	
INSTRUCTION		2,100,000			270,523
ADMINISTRATION ATTENDANCE & HEALTH PUPIL TRANSPORTATION OPERATIONS AND MAINTENANCE TECHNOLOGY					512,337
					79,557
					92,911
					374
TOTAL EXPENDITURES	<u>787,527</u>	<u>3,036,725</u>	<u>955,702</u>	<u>955,702</u>	<u>955,702</u>

Textbook Fund

The Textbook Fund records revenues and expenditures for textbooks.

REVENUES	2010 - 11 ACTUALS	2011 - 12 ACTUALS	2012 - 13 ACTUALS	2013 - 14 BUDGET	2014 - 15 BUDGET
STATE	740,823	433,841	924,094	926,598	986,467
LOCAL MATCH	0		0	352,350	360,613
OTHER	4,956	9,399	4,052		
TRANSFERS IN	0	1,100,000	1,557,593		
TOTAL REVENUES	745,779	1,543,240	2,485,739	1,278,948	1,347,080
EXPENDITURES	2010 - 11 ACTUALS	2011 - 12 ACTUALS	2012 - 13 ACTUALS	2013 - 14 BUDGET	2014 - 15 BUDGET
TEXTBOOKS	1,061,371	1,393,473	378,521	1,278,948	1,347,080
TRANSFERS OUT			2,738,849		
TOTAL EXPENDITURES	1,061,371	1,393,473	3,117,370	1,278,948	1,347,080

On average, textbooks for each subject are adopted on a six- or seven-year cycle. Funds to purchase textbooks are appropriated by the General Assembly each year, and require a local match based on the local composite index (calculated each biennium). Since textbook adoptions do not always align with a fiscal year, the School Board established a Textbook Fund to allow purchases to be made over more than one fiscal year and to keep textbook funds separate from the general fund. In prior years the Virginia General Assembly authorized school divisions to carry forward unexpended textbook funds as part of its budget appropriation. The Virginia Department of Education (VDOE) annually encourages local governing bodies to re-appropriate those funds until they are expended. A copy of the most recent Superintendent's memo concerning this re-appropriation is in the Information Section of this document.

It takes approximately one year for VDOE to review books submitted for adoption. Local Education agencies also review the books during the next year. Local school boards adopt new books during the third year and place orders as soon as the divisions are financially able to make the purchases. Annually, replacement books are purchased as well. The Portsmouth School Board approved the adoption of new history books in 2010-11 after the VDOE review began in 2009. The Board approved the adoption of mathematics textbooks in 2011-2012 after the VDOE review in 2010. VDOE began reviewing new English reading and writing textbook and new science textbooks in 2011. Our division reviewed the textbooks during the 2012-13 school year and our School Board adopted the new textbooks for both subject areas in the spring of 2014. These textbooks will be purchased and delivered over the summer.

Information Section



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BUDGET FORECASTS

Our major funding from the state is based on average daily membership. The Weldon Cooper Center predicts our enrollment to increase by 0.19% in 2015-16, and by 0.15% in 2016-17, but then decrease by 0.15% in 2017-18. We used these same percentages in creating the following forecasts.

GENERAL FUND

	<u>15/16</u> <u>Forecast</u>	<u>16/17</u> <u>Forecast</u>	<u>17/18</u> <u>Forecast</u>
Revenues			
City Funds	50,300,000	51,300,000	50,300,000
Federal Funds	700,000	700,000	700,000
Other Funds	1,625,000	1,625,000	1,625,000
Sales Tax	15,845,621	15,845,945	15,845,945
State Funds	<u>71,332,905</u>	<u>70,542,286</u>	<u>71,332,266</u>
Total revenues	<u>139,803,526</u>	<u>140,013,231</u>	<u>139,803,211</u>
Expenditures			
Instruction	99,586,797	99,736,177	99,586,572
Administration Attendance and Health	6,768,245	6,778,397	6,768,229
Transportation	6,768,245	6,778,397	6,768,229
Operations Maintenance	13,536,489	13,556,794	13,536,459
Facilities	4,060,947	4,067,038	4,060,938
Technology	5,414,596	5,422,718	5,414,583
Fund Transfers	<u>3,668,209</u>	<u>3,673,711</u>	<u>3,668,200</u>
Total Expenditures	<u>139,803,526</u>	<u>140,013,231</u>	<u>139,803,211</u>

REPROGRAPHICS FUND

	15/16	16/17	17/18
	Forecast	Forecast	Forecast
Revenues			
Portsmouth Public Schools	559,172	558,178	559,170
City of Portsmouth	148,920	150,558	148,920
Other (Outside Sources)	<u>49,210</u>	<u>49,702</u>	<u>49,210</u>
Total operating revenues	<u>757,302</u>	<u>758,438</u>	<u>757,300</u>
Expenditures			
Personnel services	444,357	442,947	444,355
Contractual Services	133,140	135,035	133,140
Other supplies and expenses	<u>179,805</u>	<u>180,456</u>	<u>179,805</u>
Total Expenditures	<u>757,302</u>	<u>758,438</u>	<u>757,300</u>

CAFETERIA FUND

	15/16	16/17	17/18
	Forecast	Forecast	Forecast
Revenues			
Intergovernmental			
From Commonwealth of Virginia	106,651	107,185	106,651
From Federal Government	<u>5,712,805</u>	<u>5,741,369</u>	<u>5,712,786</u>
Total intergovernmental	5,819,456	5,848,554	5,819,437
Charges for services	1,769,147	1,822,221	1,769,147
Miscellaneous	<u>904,503</u>	<u>835,071</u>	<u>904,503</u>
Total revenues	<u>8,493,106</u>	<u>8,505,846</u>	<u>8,493,087</u>
Expenditures			
Food Services	<u>8,493,106</u>	<u>8,505,846</u>	<u>8,493,087</u>
Total Expenditures	<u>8,493,106</u>	<u>8,505,846</u>	<u>8,493,087</u>

GRANTS FUND

	15/16	16/17	17/18
	Forecast	Forecast	Forecast
Revenues			
Intergovernmental			
From Commonwealth of Virginia	4,294,399	4,294,399	4,282,384
From Federal Government	<u>10,962,835</u>	<u>10,987,827</u>	<u>10,974,813</u>
Total Intergovernmental	15,257,235	15,282,226	15,257,197
Transfers in	1,205,218	1,205,218	1,205,218
Miscellaneous	<u>198,450</u>	<u>198,450</u>	<u>198,450</u>
Total Revenues	<u>16,660,903</u>	<u>16,685,894</u>	<u>16,660,865</u>
Expenditures			
Instruction	14,308,811	14,333,802	14,321,787
Administration Attendance and Health Services	945,765	945,765	945,765
Information Technology	1,182,396	1,182,396	1,169,382
Operations and Maintenance	<u>223,931</u>	<u>223,931</u>	<u>223,931</u>
Total Expenditures	<u>16,660,903</u>	<u>16,685,894</u>	<u>16,660,865</u>

RISK MANAGEMENT & INSURANCE FUND

	15/16	16/17	17/18
	Forecast	Forecast	Forecast
Revenues			
Transfers In	<u>955,702</u>	<u>955,702</u>	<u>955,702</u>
Total Revenues	<u>955,702</u>	<u>955,702</u>	<u>955,702</u>
Expenditures			
Insurance Claims and Expenses	<u>955,702</u>	<u>955,702</u>	<u>955,702</u>
Total Expenditures	<u>955,702</u>	<u>955,702</u>	<u>955,702</u>

TEXTBOOK FUND

	15/16	16/17	17/18
	Forecast	Forecast	Forecast
Revenues			
Intergovernmental			
From Match Requirement	374,655	374,655	374,655
From Commonwealth of Virginia	974,984	975,009	974,981
Total Revenues	<u>1,349,639</u>	<u>1,349,664</u>	<u>1,349,636</u>
Expenditures			
Instruction	1,349,639	1,351,664	1,349,636
Total Expenditures	<u>1,349,639</u>	<u>1,351,664</u>	<u>1,349,636</u>

SOURCES OF REVENUE

Revenue for the school division is received from state, local, and federal governing bodies.

City Funds

City Funds revenue includes the appropriation approved by the City Council. The City appropriation includes the required local share of state funding as determined by the Local Composite Index (LCI) which sets the proportion of education funds provided by the state and local governments. For example, Portsmouth's LCI for the 2014-16 biennium of .2677 means that for each \$100 required for education, Portsmouth will fund \$26.77 and the state will fund \$73.23. This is a decrease of \$0.78 in Portsmouth's LCI over the 2012-14 requirement.

Federal Funds

These funds are subject to the federal budget process. Categorical funds are for specific programs. Funds authorized through the American Recovery and Reinvestment Act of 2009 (ARRA) expired in 2012. We also expect to see reductions in certain federal grants, such as No Child Left Behind, Title I, Title VI-B, Special Education, and Education Technology.

Other Funds

Other Funds revenue includes E-Rate, non-resident tuition, fees and rents from the use of school buildings, and proceeds from the sale of surplus property. The E-Rate program is part of the Universal Services subsidy program of the Telecommunications Act of 1996. The subsidy program is to provide discounts on all telecommunications services and advanced telecommunications to schools, libraries, and rural health care organizations. The E-Rate program is regulated by the FCC and calls for discounts of 20 to 90 percent on all telecommunications services, Internet access, and internal connections for schools and libraries, depending on the applicant's location and economic status. The program is funded by fees charged to interstate telecommunication providers.

State Sales Taxes

A rate of one and one-eighth cent is distributed by the state for public education based on the number of school-aged children who reside within the city.

State Funds

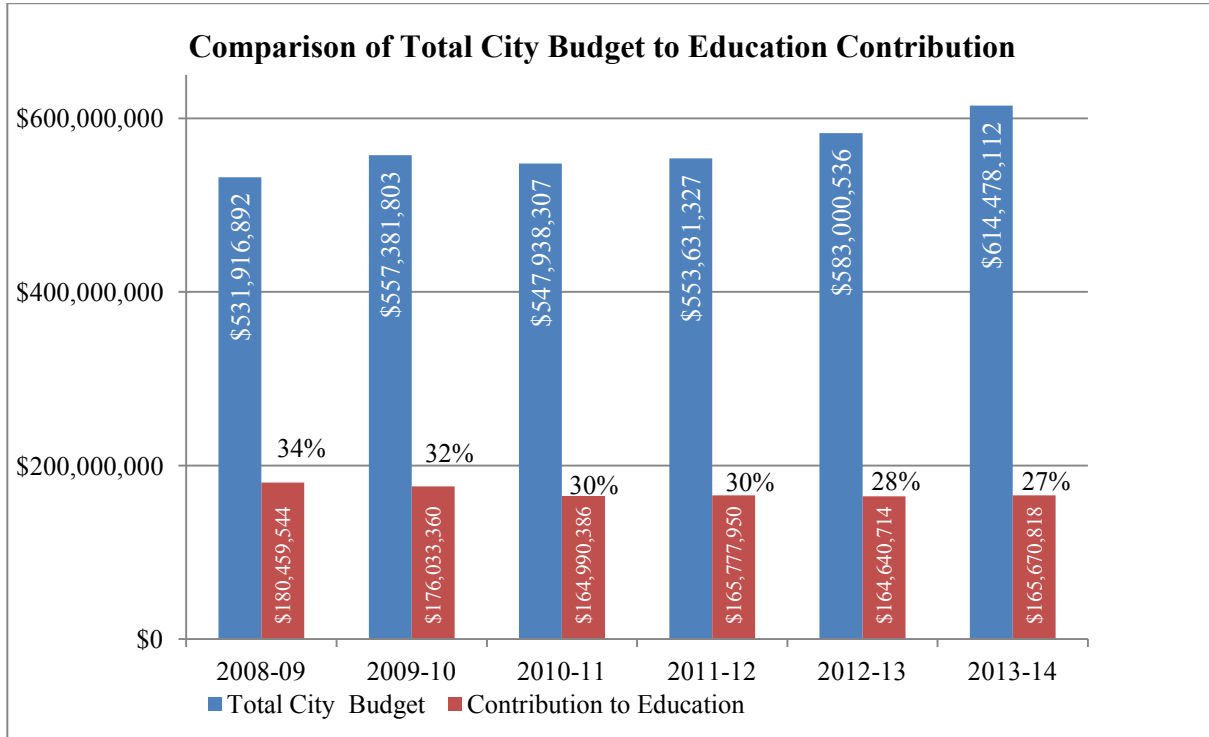
State revenue includes funding for basic aid to support the Standards of Quality (SOQ), categorical aid, and incentive program revenue to support specific programs and initiatives. One factor used to determine the State's level of support for education in a locality is the Local Composite Index (LCI). This factor combines three measures of local fiscal capacity (assessed value of real property, adjusted gross income, and taxable retail sales) into a single index in an effort to measure each locality's ability to pay for education. The LCI is adjusted at the beginning of each biennium. In addition, the locality is required to match a portion of the funding from the State. For fiscal year 2014-15, Portsmouth's local share is \$22.9million.

Categories of State School Funds

Adult Education	Funds provided to improve educational opportunities for adults to complete secondary school, obtain a GED, or to benefit from job training and retraining programs.
At-Risk	Funds to support the additional costs of educating at-risk students
Basic Aid (SOQ)	Funding for basic instructional positions calculated from minimum student to teacher ratios required by SOQ
CTE – Adult	Funds provided for adult persons who have academic or economic disadvantages
ESL	Funds support necessary education services to children not having English as their primary language.
Gifted Education (SOQ)	State share of support costs for the gifted education program
Group Life Insurance	State share of cost of employer contributions to the VRS for Group Life benefits
Homebound	Provides for continuation of educational services for special education students who are temporarily homebound for medical reasons
ISAEP	Funding for students in substantial need for an alternative program and at risk of dropping-out of school
K-3 Primary Class Reduction	Funding as an incentive for reducing class sizes below the required SOQ standard in kindergarten through grade 3
Mentor Teacher Program	Support programs for new teachers
Prevention/Intervention/Remediation (SOQ)	Funds for additional professional instructional personnel to provide remedial services to at-risk children
Regional Tuition Program	Reimbursement for tuition paid to regional programs where students with certain disabilities can be served more appropriately and less expensively than the division's setting
Regular Foster Children	Reimbursement to the locality for educating students in foster care that are not residents of the division
Remedial Summer School	Funds provide additional educational opportunities for at-risk students.
Sales Tax	Funds distributed to localities in support of public education based on the locality's pro-rata share of school age population Social Security State share of Social Security costs for funded SOQ positions
Special Education in Jails	Reimbursement for the instructional costs of providing special education and related services to children with disabilities in regional or local jails
Special Education (SOQ)	State reimbursement for additional cost for special education programs
Teacher Retirement	Supports the state share of the cost of employer contributions to VRS for SOQ personnel
Vocational Education (SOQ)	Funds support career and technical education courses for students in grades 6-12.

Taxpayers and the School Board Budget

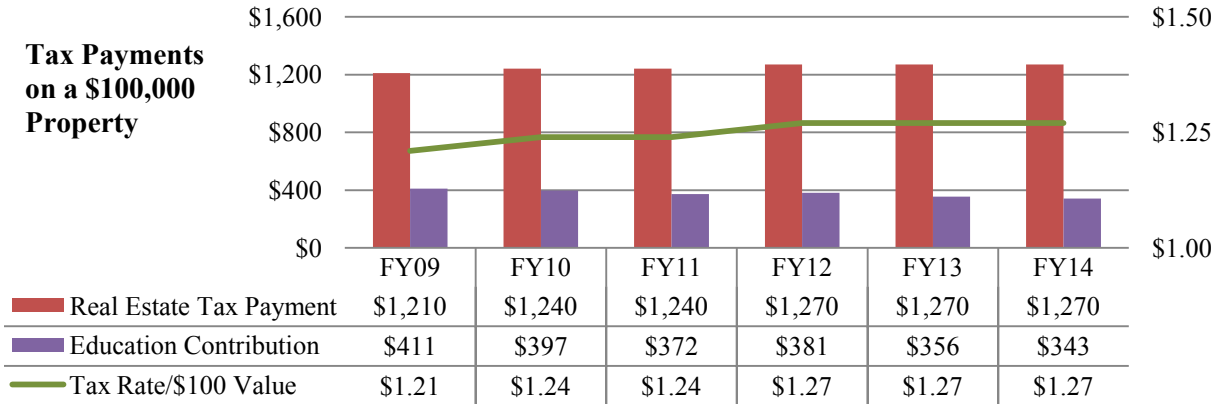
The greatest portion of our revenue comes from state and local funding. The dollar figure we receive from the state is declining. Funding from the City of Portsmouth decreased in 2013-14. As illustrated in the chart that follows, the total City Budget has increased over 15% since fiscal year 2009 but the portion allotted to education dropped from 34% of the City's total budget to 27% of it. The dollar amount allotted to education dropped 8.2%.



Assessed Value of Taxable Property

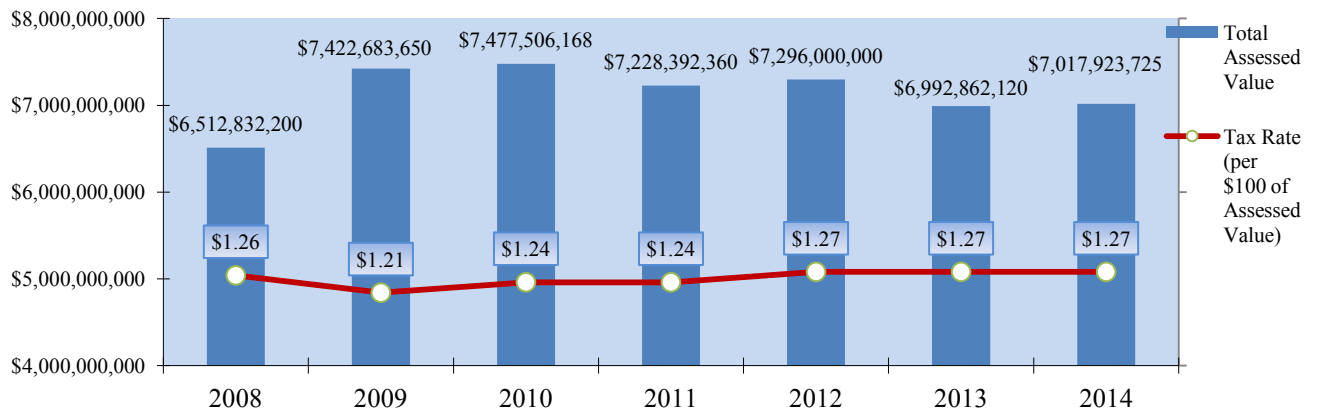
According to Virginia code, cities are required to assess property at 100% of the estimated market value. A story on HamptonRoads.com/PilotOnline.com in April 2014 reported that close to half of the residential properties in Portsmouth saw a reduction in their assessed value while nine percent saw an increase. Overall, Portsmouth's residential property values fell about one-third of a percent while surrounding cities expected their assessments to rise. According to the City Assessor, real estate sales are increasing while foreclosures are down.

The tax rate of \$1.27 per \$100 of assessed value for real property for FY2014 was unchanged. In today's tight economy, the city is struggling to maintain quality services within the city without overly burdening its citizens. Tax revenue represents 69% of the city's revenue. The allocation to schools in the City budget is approximately 22% of the City's total budget. Using a \$100,000 property as an example, that homeowner contributes approximately \$343 of his \$1270 tax bill to education. The following graph exhibits the cost to homeowners for education over the past few years.



For their contribution, the citizens of Portsmouth are seeing improvements in their school system: During this period, every school earned full accreditation, which is quite an improvement from only four fully-accredited schools in 2002. Our drop-out rate is declining and scores on the state Standards of Learning tests are rising. The following information illustrates the assessed value of taxable property in Portsmouth over the past few years and the tax rates, levies, and collections.

Taxable Property in Portsmouth, VA



Total Assessed Value for FY2015 not available at publication; the tax rate remains \$1.27 per \$100 of Assessed Value.

Property Tax Rates, Levies, and Collections

Real Estate rate is per \$100 of assessed value

<u>FY</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Percent of Taxes Collected in Year of Levy</u>
2015	1.27		
2014	1.27		
2013	1.27	88,808,682	93.8
2012	1.27	92,659,186	92.5
2011	1.24	89,613,578	94.4
2010	1.24	92,594,347	95.3
2009	1.21	89,813,809	95.5
2008	1.26	82,061,047	98.4

As required by State law, real estate is assessed at 100% of estimated fair market value.

Personal Property rate is per \$100 of assessed value

FY	Tax Rate⁽¹⁾			Tax	Percent of Taxes Collected in Year of Levy⁽³⁾
	Vehicles	Boats	RV's	Levy⁽²⁾	
2015	5.00	0.50	1.50		
2014	5.00	0.50	1.50		
2013	5.00	0.50	1.50	23,241,660	75.3
2012	5.00	0.50	1.50	21,841,734	78.7
2011	5.00	0.50	1.50	18,093,172	75.5
2010	5.00	0.50	1.50	19,582,168	75.8
2009	5.00	0.50	1.50	19,030,247	74.4
2008	5.00	0.50	1.50	20,213,758	68.3

In his Budget Presentation for FY2015, the City Manager estimated personal property tax revenue of \$23,774,403 for FY2014 and \$24,221,203 for FY2015.

- (1) Most personal property, primarily vehicles and boats, is assessed at 100% of the National Automobile Dealer Association (NADA) average loan values and BUC Boat Price Guide values. Business personal property is assessed using a predetermined depreciation schedule.
- (2) Excludes tax credit and collection tax credit from the Commonwealth.
- (3) Personal property taxes are assessed on property owned as of January 1 and become due June 5th of each year. Because the due date falls so near the last day of the fiscal year, there is normally a substantial amount of delinquent taxes receivable as of the close of the fiscal year, the majority of which is collected in the following fiscal year.

Source: City of Portsmouth CAFR 2013 and Proposed FY 2015 Budget Presentation

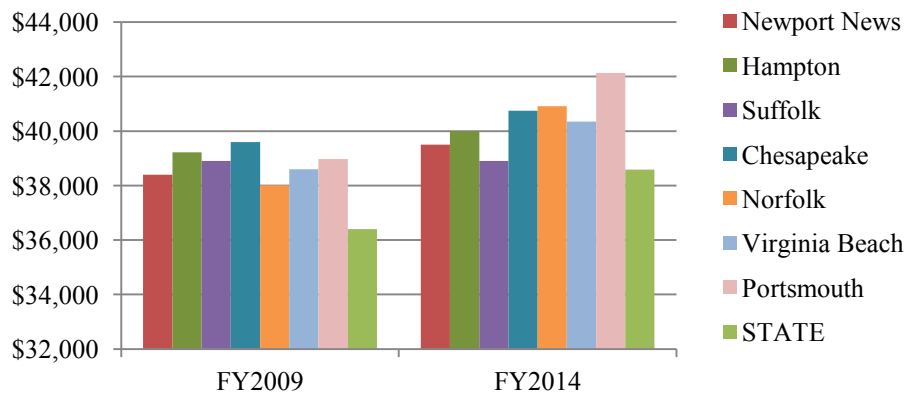
Staffing and Teacher Retention

In the spring of 2005, the School Board directed the school administration to execute an equity study of the salaries of all non-teaching personnel. A new pay and classification plan for Portsmouth Public Schools was generated using the equity study and Phase I was approved and implemented in September 2006. This phase addressed employees whose salaries were more than \$5,000 out of equity with their internal colleagues and the external market. Phase II was implemented for the 2007-08 school year and addressed all other non-teaching personnel. Phase III was implemented in 2008-09 bringing Portsmouth's teachers in line with the other area school divisions.

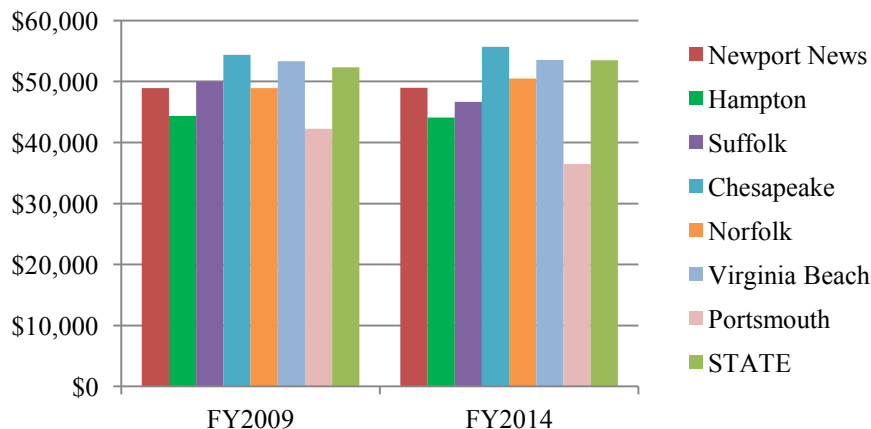
Improved teacher retention factors greatly into maintaining full accreditation and improving test scores. As we have been able to raise and maintain the compensation level for our teachers compared to the surrounding divisions, we have retained better teachers who are experiencing success in educating our students. For FY2014, the School Board's budget included a 2% cost-of-living raise for all employees but employees also saw an average increase of 10% in health insurance premiums. This additional cost, due to additional taxes imposed on employers and health insurance providers by to the Affordable Care Act, was passed along to employees. For FY2015, the Board again wanted to provide an additional 2% cost-of-living raise along with holiday pay for 10-month, non-exempt employees, but due to the limited funds appropriated by the City Council, the raise and holiday pay were not implemented.

The following graphs illustrate part of the problem Portsmouth faces in retaining quality teachers. While our starting salary for new teachers is competitive in the region, our average teacher salary is the lowest.

Teacher Salary Comparison (Starting Salaries)



(Average Salary)



The following charts compare our principals' compensation to others in the region. Again, Portsmouth's salaries are the lowest in the area. If retaining and attracting the best teachers is a factor in maintaining full accreditation and improving test scores, certainly having the best-qualified principals – the instructional leaders in each school - is equally important.

Position of Elementary School Principal

<u>School Division</u>	<u># Duty Days</u>	<u># Annual Hours</u>	<u>Minimum Salary</u>	<u>Mid-Range Salary</u>	<u>Maximum Salary</u>
Chesapeake Public Schools	260	1,820	\$68,741	\$79,716	\$109,892
Hampton City Public Schools	249	1,868	\$64,843	\$85,030	\$105,218
Newport News Public Schools	245	1,960	\$63,607	\$85,645	\$107,683
Norfolk Public Schools	252	1,890	\$68,632	\$85,607	\$115,051
Portsmouth Public Schools	252	2,016	\$57,956	\$75,431	\$92,905
Suffolk Public Schools	260	2,080	\$63,791	\$80,410	\$97,028
Virginia Beach Public Schools	252	2,016	\$62,700	\$85,140	\$107,580
Average			\$64,324	\$82,426	\$105,051
\$ Difference (PPS Compared to Average)			(\$6,368)	(\$6,995)	(\$12,146)
% PPS Compared to Average			90%	92%	88%

Position of Middle School Principal

<u>School Division</u>	<u># Duty Days</u>	<u># Annual Hours</u>	<u>Minimum Salary</u>	<u>Mid-Range Salary</u>	<u>Maximum Salary</u>
Chesapeake Public Schools	260	1,820	\$73,473	\$85,212	\$117,463
Hampton City Public Schools	249	1,868	\$69,368	\$90,969	\$112,569
Newport News Public Schools	245	1,960	\$66,146	\$89,057	\$111,968
Norfolk Public Schools	252	1,890	\$72,063	\$89,890	\$120,820
Portsmouth Public Schools	252	2,016	\$63,907	\$83,175	\$102,443
Suffolk Public Schools	260	2,080	\$67,028	\$84,478	\$101,927
Virginia Beach Public Schools	252	2,016	\$67,191	\$91,238	\$115,285
Average			\$68,454	\$87,717	\$111,782
\$ Difference (PPS Compared to Average)			(\$4,547)	(\$4,542)	(\$9,339)
% PPS Compared to Average			93%	95%	92%

Position of High School Principal

School Division	# Duty Days	# Annual Hours	Minimum Salary	Mid-Range Salary	Maximum Salary
Chesapeake Public Schools	260	1,820	\$78,551	\$91,091	\$125,580
Hampton City Public Schools	249	1,868	\$74,219	\$97,338	\$120,457
Newport News Public Schools	245	1,960	\$68,792	\$92,623	\$116,454
Norfolk Public Schools	252	1,890	\$79,449	\$99,102	\$133,185
Portsmouth Public Schools	252	2,016	\$67,086	\$87,321	\$107,556
Suffolk Public Schools	260	2,080	\$70,411	\$88,749	\$107,087
Virginia Beach Public Schools	252	2,016	\$71,990	\$97,755	\$123,520
Average			\$72,928	\$93,426	\$119,120
\$ Difference (PPS Compared to Average)			(\$5,842)	(\$6,105)	(\$11,564)
% PPS Compared to Average			92%	93%	90%

Source: Norfolk Public Schools School Board Presentation March 12, 2014

Another factor affecting employees is the Virginia Retirement System (VRS) hybrid plan that went into effect for all new hires on January 1, 2014. This plan combines the features of the current defined benefit plan (a monthly retirement benefit based on age, total service credit, and average final compensations) with features of a defined contribution plan (a retirement benefit based on contributions and investment performance of these contributions). Current VRS plan employees had the option to transfer to the hybrid plan during a one-time election period. If they chose the hybrid plan, the decision was irrevocable and will become effective July 1, 2014. Hybrid plan members will contribute 5%, similar to the current members, but they will also have the option of making additional contributions of 4%. This choice will also require an additional 2.5% cost to the school division at the most.

The chart below compares health and dental costs as a percentage of salary for employees with 20 years' experience. For self-only coverage, ours are the lowest dollar amount and percentage of salary. For an employee to include other family members, the cost for Portsmouth schools employees is the highest. Obviously, this additional cost for employees with families would also affect a teacher's decision to seek not only a higher salary but also more competitive insurance premiums.

Comparison of Employee Benefits for Health and Dental Insurance									
School Division	Employee Share					(A) Total These Benefits (Self only Health)	(B) Total These Benefits (Employee & Children)	Cost of (A) Benefits as % of Salary	Cost of (B) Benefits as % of Salary
	2012-13 Salary with 20 yrs Exp.	Health Insurance (Self only)	Health Insurance (Self & Children)	Dental Insurance (Employee & Children)	VRS				
Chesapeake	\$55,502	\$156	\$1,392	\$300	\$2,775	\$3,231	\$4,467	5.82%	8.05%
Norfolk	\$53,631	\$770	\$2,830	\$567	\$2,682	\$4,019	\$6,079	7.49%	11.33%
Hampton	\$46,593	\$499	\$1,898	\$885	\$932	\$2,316	\$3,715	4.97%	7.97%
Newport News	\$48,186	\$780	\$4,296	\$1,140	\$964	\$2,884	\$6,400	5.98%	13.28%
Portsmouth*	\$55,566	\$457	\$5,647	\$857	\$1,111	\$2,425	\$7,615	4.36%	13.70%

Source: 2012-13 VEA Salary and Insurance Reports

*Portsmouth does not offer Employee plus children Dental so rate is based on *Family* Dental

To more efficiently provide services to our students, we constantly revise our staffing requirements to match those mandated by the state while maintaining the highest quality services. The state funding formula for basic aid is based on SOQ staffing standards. These are minimum standards and are intended only for determining state funding. The responsibility for education funding in Virginia is shared between the state and the locality and all localities staff above the state staffing standards. Virginia regulations require that each school have the required staff with proper licenses and endorsements.

We continue to renovate our school buildings and replace those that have become antiquated to provide the finest learning environment possible for our students. Since sports are a recognized complement to the learning experience, we have expanded athletics programs at the middle school level and added or improved athletic facilities at all three high schools. The School Board voted to invite corporate sponsorships to enhance funding for athletics. Recognizing that exercise is an important component of good health, we have built gymnasiums at all of our elementary schools to allow for physical exercise activities without regard to inclement weather.

To better serve our preschool population we established preschool centers in an effort to give students the best start to their school careers as is possible. In 2010-11, we added a preschool center in the Churchland Academy building to serve those students living in the Churchland area. With the opening of the new Simonsdale Elementary School, the Olive Branch Elementary School building was converted to a preschool center and we closed the Diagnostic, Adjustive, and Correctional Center that served preschool-age, handicapped students. Those students now receive instruction under the inclusion model at the various preschool centers.

During the 2011-12 school year the Early Up program was implemented to identify students with reading problems in kindergarten and first grade. Statistics have shown that the best predictor for whether a student will become a drop-out is their third grade reading test. To further reduce the dropout rate and ensure that every student has the opportunity to complete their education we implemented Project Uplift in conjunction with ISAEP for older students. It serves as an alternative education setting for those students who cannot be allowed to remain in the regular classroom setting.

Our course offerings through the Career and Technical Education program provide opportunities for our students to explore numerous career paths, such as Hotel/Motel Management, Early Childhood Education, and the Culinary Arts, to name a few. Upon completion of many courses our students not only receive training but also hold certification that prepares them to enter the workplace shortly after graduation.

The programs mentioned will provide many opportunities for our students to not only get a firm foundation at the start of their education career but will also ensure that they are ready to enter the workplace or pursue higher education. The types of students that we serve present a special challenge in providing these services. The chart below illustrates some of the special groups of students who attend our schools.

<u>Student Subgroups</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Total Enrollment PreK-12	15,184	15,169	15,019	15,131	15,131	14,851
Economically Disadvantaged Students	7,964	8,340	8,753	9,596	9,976	8,740
% of total students	52.45%	54.98%	58.28%	63.42%	65.93%	58.85%
Students with Disabilities	1,820	1,853	1,821	1,729	1,736	1,666
% of total students	11.99%	12.22%	12.12%	11.43%	11.47%	11.22%
English-As-Second Language (ESL)	57	49	68	66	82	65
% of total students	0.38%	0.32%	0.45%	0.44%	0.54%	0.44%
Homeless Students	28	38	93	54	64	71

Source: VDOE Fall Membership Reports

Between 2009 and 2014, the number of economically disadvantaged students increased by nearly 10%. Title I funding, intended to supplement the educational program for these students, declined 20% over this time – from

\$6.7M to \$5.4M. Especially troubling is the 156% increase in students who are considered homeless. We expect to have to expend an additional \$200,000 in fiscal year 2015 to provide transportation for these students as required by the McKinney-Vento mandate.

Another indicator of economic disadvantage is the number of students who qualify for free or reduced-price lunches. The number of students who qualify in Portsmouth has grown from nearly 58% in 2008-09 to 63% in the current school year. Portsmouth has the second highest percentage of students who qualify among the school divisions in the region.

VDOE National School Lunch Program (NSLP) Portsmouth Free and Reduced Meals 2008-2014			
School Year	NSLP Membership	TOTAL Free/Reduced Lunch Eligible	TOTAL Free/Reduced %
2008-09	15,285	8825	57.74%
2009-10	15,223	9068	59.57%
2010-11	14,894	9008	60.48%
2011-12	15,544	10601	68.20%
2012-13	15,163	9419	62.12%
2013-14	15,108	9529	63.07%

Source: VDOE NSLP Free & Reduced Price Eligibility Report and Fall Membership Reports
Data is reported in principals' report to Food Services, October 31 of each school year

VDOE National School Lunch Program (NSLP) Regional Comparison 2013							
Division	NSLP Membership	Free Eligibility	FREE %	Reduced Eligibility	REDUCED %	TOTAL F/R Eligible	TOTAL F/R %
Chesapeake	38,142	10,589	27.76%	2,037	5.34%	12,626	33.10%
Suffolk	14,480	5,459	37.70%	1,072	7.40%	6,531	45.10%
Virginia Beach	69,403	17,531	25.26%	5,269	7.59%	22,800	32.85%
Hampton	21,108	10,168	48.17%	2,008	9.51%	12,176	57.68%
Newport News	29,502	15,249	51.69%	2,571	8.71%	17,820	60.40%
Norfolk	33,573	19,371	57.70%	2,805	8.35%	22,176	66.05%
Portsmouth	15,163	8,410	55.46%	1,009	6.65%	9,419	62.12%

Source: VDOE National School Lunch Program (NSLP) Free & Reduced Price Eligibility Report and Fall Membership Reports

In the spring and summer of 2004, Portsmouth Public Schools developed a strategic and comprehensive plan that addressed the most urgent needs of the school division. Late in 2006, it became increasingly evident that most of the critical goals of the 2004 plan had either been achieved or had morphed into different issues. With this understanding generally shared by the members of the Portsmouth City School Board, they met in a retreat in February 2007 for the express purpose of beginning the development of a new comprehensive plan for the school division. The result was a plan led by the School Board that charted the course for Portsmouth Public Schools for the next ten years.

The Board is required to review this plan every two years. At its retreat in summer 2009 the Board received an update on progress toward implementing the plan. In December 2009 they adopted a revised plan that included an additional vision of educational facilities that contribute to the learning environment and are both safe and accessible for students and staff. In the fall of 2011 the Board reviewed the plan and adopted it in December 2011 with only minor changes. The plan was again reviewed in the fall of 2013 and revisions were adopted in December.

The first vision the Board adopted reflected their commitment to strong board leadership: "By 2017 the Portsmouth City School Board will be a leading force in community advancement". To realize this vision, the Board set two goals:

- A) recognition as a “Board of Distinction” by the Virginia School Boards Association (VSBA)
- B) technology implementation to increase the efficiency of its operation.

The Board has met all requirements and was recognized by VSBA as a Board of Distinction at its state convention in the fall of 2010. The Board is exploring methods of automating School Board meetings to meet Goal B and will implement them as funding allows.

The Board’s second vision underscores its belief that students need committed and supportive parents and vows that all parents will be excited about and claim ownership of their children’s education. Schools are encouraging parental commitment and involvement by creating more parent-friendly environments. Recognizing the importance of keeping parents informed about activities throughout the school division, the School Board has encouraged increased use of the division’s television air time to promote events throughout the division, to share information with parents and community members, and to air School Board meetings. The division debuted an updated webpage during the 2013-14 school year to provide better delivery of information to the public. A division-wide telephone notification system quickly informs parents about emergencies or other important notices.

Acknowledging that our most important product is our graduates, the Board’s third vision was for all graduates to be highly sought-after by both employers and institutions of higher learning. They have set a goal of 100% of PPS students graduating and entering post high school education programs or jobs that require specific training. Beginning with the 2011-12 school year state accreditation standards required a school division to achieve a graduation index of 85% and the index rises each following year. This complex index measures the on-time graduation rate of a cohort of students who entered high school four years before. The division is exploring ways to reduce the dropout rate in order to meet the additional on-time graduation requirement. The state on-time graduation rate for our three high schools has improved since 2009, as has the dropout rate. In spite of greatly improving their graduation rate, only one high school met the on-time graduation requirement in 2013. Within that class, 35.7% received Advanced Studies Diplomas and 27.5% graduated with honors.

Dropout and Graduation Rates

	Class of 2011			Class of 2012			Class of 2013		
	First-time 9th Grade Cohort 2007-08			First-time 9th Grade Cohort 2008-09			First-time 9th Grade Cohort 2009-10		
	Dropouts	Dropout Rate	Virginia On-time Graduation Rate	Dropouts	Dropout Rate	Virginia On-time Graduation Rate	Dropouts	Dropout Rate	Virginia On-time Graduation Rate
SCHOOLS									
CHURCHLAND HIGH	23	5.90%	90.30%	17	4.30%	91.90%	26	6.40%	88.90%
I. C. NORCOM HIGH	66	17.50%	75.10%	58	17%	76%	48	14%	74.40%
WOODROW WILSON HIGH	62	18.20%	64.80%	52	15.00%	72.70%	42	11.60%	78%

Source: Virginia Department of Education

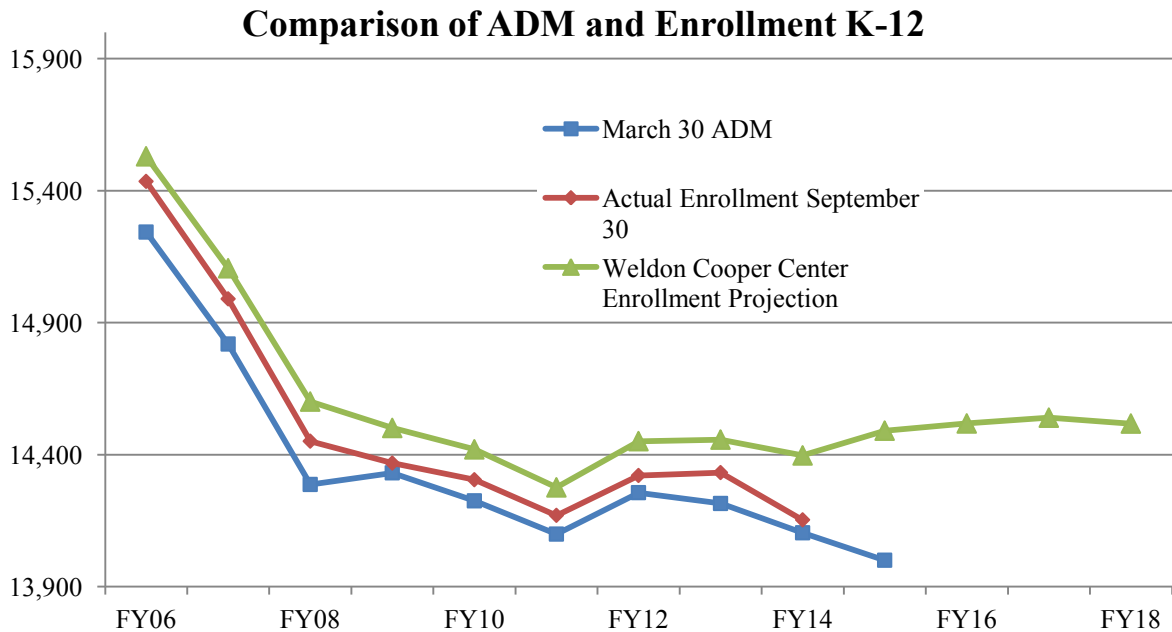
The Board’s fourth vision is an augmentation of program evaluation. The Board expects PPS to be recognized by educational organizations and institutions of higher learning for its innovative and effective programs. Many of these programs have already been mentioned elsewhere in this document: preschool programs, alternative education programs, career and technical programs, post high school coursework, etc. Recognizing that some of the course completion goals they previously set for graduation exceeded state

standards, the Board aligned the goals for this vision to parallel state standards. Facing rising on-time graduation rate requirements for accreditation, the Board wanted to ensure that students were not penalized because of the higher standards, causing students to delay or miss graduation. At the same time, additional elective courses in the areas of mathematics, science, and foreign languages are offered to better prepare our students for their post-graduation world.

Next, the School Board envisions that our students will be exemplary student citizens. PPS will provide leadership development programs for all students. Various activities are being implemented at elementary, middle, and high school levels that focus on political awareness, community service, and civic and social responsibility.

The School Board’s final vision, added in 2009, concerns facilities and technology that contribute to the learning environment for students and provide safe and accessible facilities for students and staff. The first step was constructing a new Simonsdale Elementary School and providing for gymnasium facilities at all elementary schools. The new Simonsdale Elementary School opened in fall 2011 precipitating other goals under this vision: elimination of mobile classrooms at all schools and a fourth preschool center housed at the Olive Branch building. Many of the visions and goals spelled-out in Vision VI were already being implemented such as effective, environmentally-friendly cleaning procedures and updating our technology infrastructure. The Board felt it was important to address these items in the comprehensive plan rather than assume that they were common practice.

Basic school aid from the state is based on ADM and is a significant portion of the revenue we receive. For the 2014-15 school year, the Weldon Cooper Center for Public Service of the University of Virginia predicts the fall membership in Portsmouth Public Schools will be 14,491. Their projection does not factor in the military population which fluctuates in our city. To compensate and more accurately predict enrollment for budgeting and planning purposes, we use historical data along with the projections of the Cooper Center. For the 2013-14 school year, we based our budget on the state’s estimated average daily membership (ADM) of 14,253 students. Since a large portion of our budget revenue is based on the ADM, we are able to predict, with some certainty, our total revenue for state basic aid.



As you can see from the previous graph, the three enrollment trends parallel each other. Typically, actual ADM is lower than actual September 30 enrollment which is below the Weldon Cooper enrollment projection. The projected ADM for 2015 is 14,172 but we are using a more conservative 14,000 as the basis for estimating the state basic aid for fiscal year 2015.

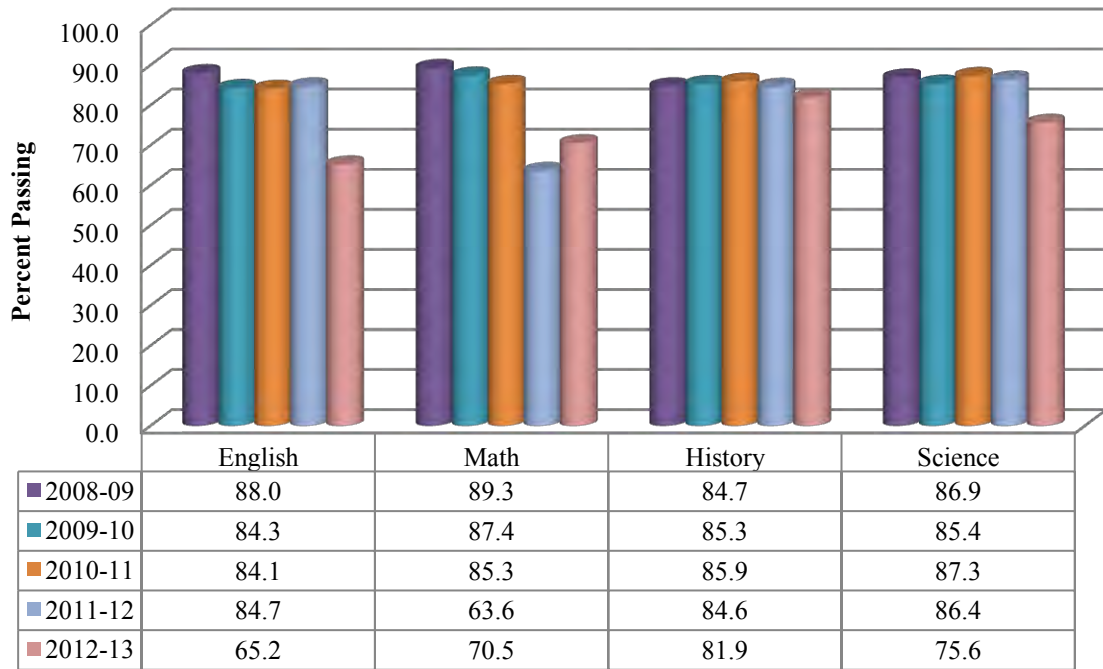
Pre-K - GRADE 12 ENROLLMENT BY SCHOOL

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	Projected <u>2014-15</u>
ELEMENTARY SCHOOLS					
Brighton	544	488	511	549	553
Churchland Academy	843	689	722	702	707
Churchland	742	804	803	830	835
Churchland Primary & Intermediate	562	616	612	569	573
Douglass Park	550	638	666	719	724
Hodges Manor	600	556	544	548	552
James Hurst	620	758	714	697	702
Lakeview	556	530	547	509	512
Olive Branch	355	(Closed 2011-12)			
Park View	635	637	622	620	624
Simonsdale	309	731	744	729	734
John Tyler	754	719	686	732	737
Victory	656	564	582	528	531
Westhaven	603	571	563	519	522
MIDDLE SCHOOLS					
Churchland	845	918	902	897	903
Cradock	550	603	619	576	580
William E. Waters	545	592	594	590	594
HIGH SCHOOLS					
Churchland	1448	1410	1366	1371	1380
I. C. Norcom	1288	1208	1138	1125	1132
Woodrow Wilson	1202	1232	1339	1314	1323
SPECIALITY CENTERS					
Churchland Preschool Center	159	174	169	178	179
D.A.C. Center	90	(Closed 2011-12)			
Emily N. Spong Preschool	267	242	230	124	125
EXCEL Campus	(reported at home school)				
Mt. Hermon Preschool	210	233	216	217	218
Olive Branch Preschool Center	(new 2011-12)	157	184	179	180
New Directions Center	(reported at home school)				
Project Uplift	86	61	58	29	29
TOTAL Enrollment	15019	15131	15131	14851	14948

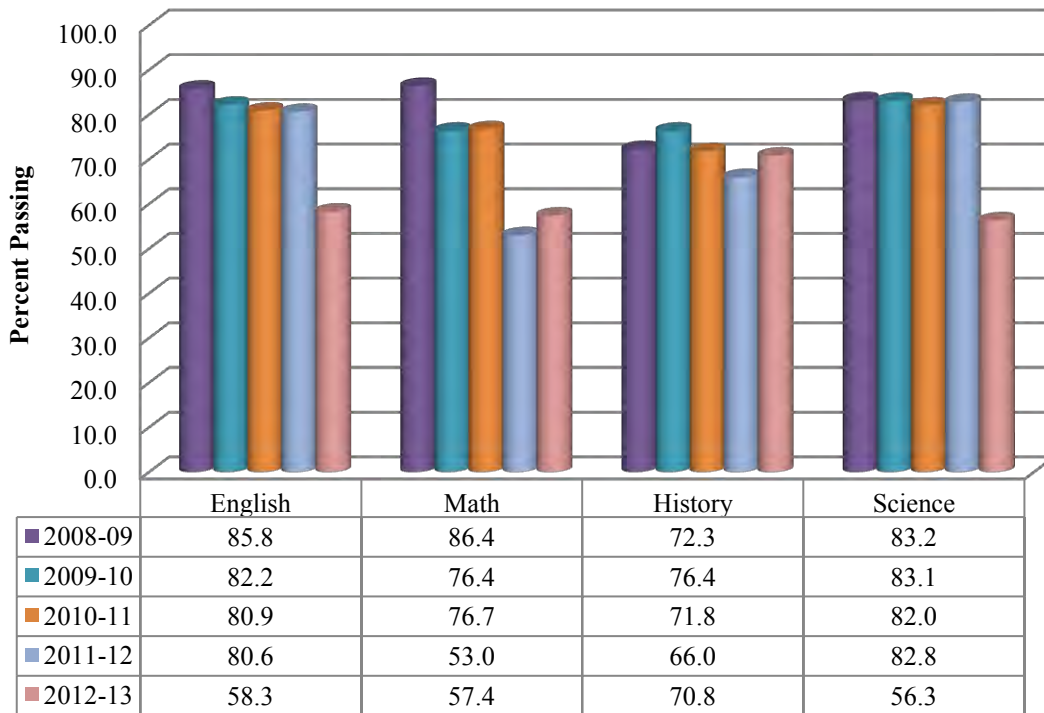
2014-15 Projection based on 0.65% enrollment trend projected by Weldon Cooper

SOL PASS RATES OVER TIME BY CORE AREAS

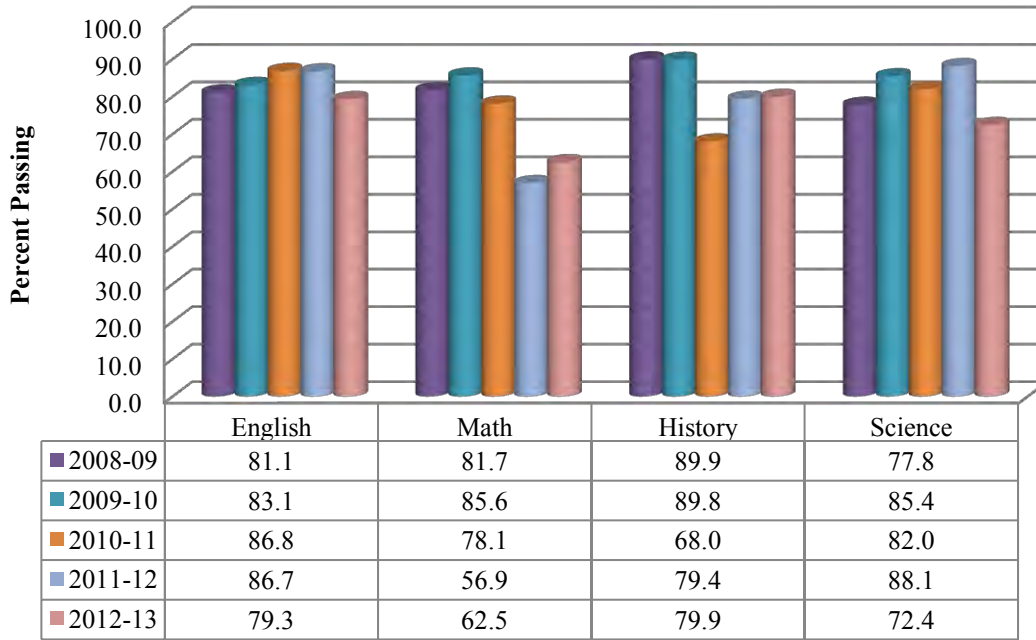
ELEMENTARY SCHOOLS SUMMARY



MIDDLE SCHOOLS SUMMARY

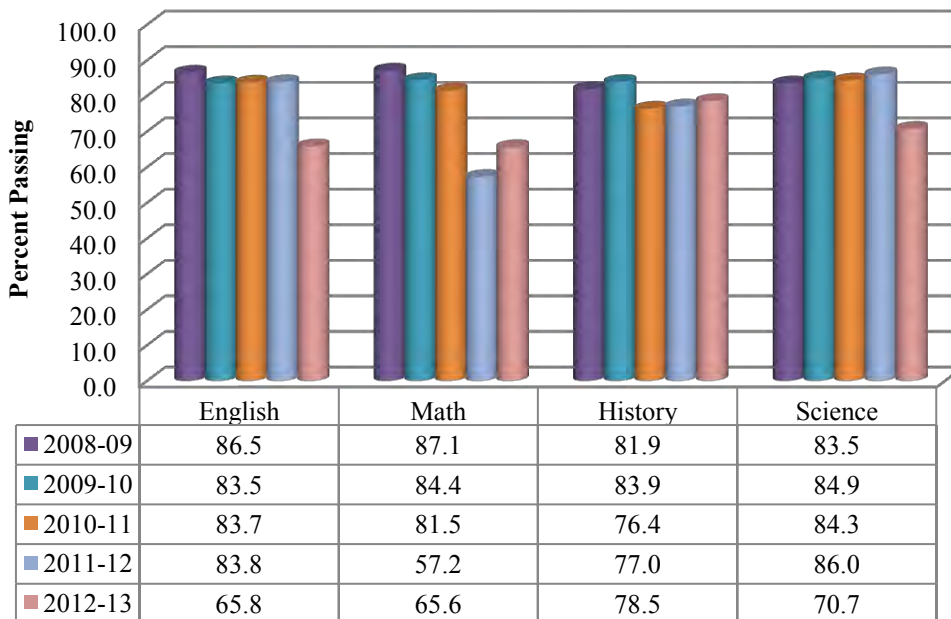


HIGH SCHOOLS SUMMARY



Division wide scores mirror the results at the elementary, middle, and high schools. An examination of the scores below reveals the challenges that our teachers have grappled with over the past few years. Scores slipped a little after 2009 but noticeable drops occurred in 2011-12 in Math and in 2012-13 in English and Science. The Standards of Learning tests administered in those areas were revised by the state. School divisions across the state saw similar dips in scores. Our administrators went to work assisting teachers with new teaching strategies and, as you can see, Math scores showed improvement in 2012-13. We expect to see similar improvement in English and Science when the scores for the 2013-14 school year are released over the summer.

DIVISION WIDE SUMMARY



POSITION CONTROL ALLOCATIONS BY FUND

Please note: projection for 2014-15 is preliminary. It is subject to revision after the state's budget is adopted.

	09-10	10-11	11-12	12-13	13-14	Projected 14-15*
CAFETERIA FUND						
ASSOCIATE 200 DAY - 7 HOUR	0	0	1	1	1	1
ASSOCIATE 260 DAY - 8 HOUR	2	2	2	2	2	2
COORDINATOR	1	1	1	1	1	1
FOOD SERVICES 4.5 HRS	8	4	4	4	4	4
FOOD SERVICES 5.5 HRS	46	45	45	45	45	45
FOOD SERVICES 6.0 HRS	48	48	48	48	48	48
FOOD SERVICES 6.5 HRS	0	0	0	0	0	0
FOOD PRODUCTION CHEF	0	0	0	0	0	0
FOOD SERVICES MAINTENANCE	0	0	0	0	0	0
FOOD SERVICES MANAGER	23	23	23	23	23	23
PART TIME WITH POSITION	27	32	35	35	35	35
SUPERVISOR	3	3	3	3	3	3
TOTAL FOR CAFETERIA FUND	158	158	162	162	162	162
GENERAL FUND						
ASSISTANT DIRECTOR	1	1	2	2	1	1
ASSISTANT SUPERINTENDENT	2	2	2	2	0	0
ASSOCIATE 200 DAY - 7 HOUR	34	31	30	30	29	28
ASSOCIATE 260 DAY - 7 HOUR	27	19	18	18	17	16
ASSOCIATE 260 DAY - 8 HOUR	67	64	64	66	64	59
ASSOCIATE 260 DAY - 7.25 HOUR	8	19	17	17	17	17
ATTENDANCE OFFICERS	3	3	3	3	3	3
BUS DRIVER	123	122	122	122	126	117
BUS MONITOR	43	43	43	43	43	39
CLINIC ASSISTANT	1	1	0	0	0	0
COORDINATOR	5	6	5	4	3	3
CROSSING GUARD 10 MTH	36	36	30	30	30	27
CUSTODIAN	74	61	64	64	64	61
CUSTODIAN, HEAD	22	18	17	17	17	17
CUSTODIAN, LEAD	25	23	23	23	23	23
DELIVERY PERSONNEL	2	2	2	2	2	2
DIRECTOR	11	11	11	11	10	10
DEPUTY SUPERINTENDENT	0	0	0	0	1	1
ELEMENTARY SCHOOL PRINCIPAL	17	16	14	14	17	16
ELEM SCHOOL ASST PRINCIPAL	16	14	16	16	13	13
EXECUTIVE ADMINISTRATOR	0	0	0	0	1	1
GRADUATION COACH	0	0	0	0	2	2
GUIDANCE COUNSELOR	26	26	25	25	23	23
GUIDANCE COUNSELOR 10+1	6	6	4	6	6	6
GUIDANCE COUNSELOR 10+2	3	3	3	3	3	3
HIGH SCHOOL ASST PRINCIPAL	9	9	9	9	9	9
HIGH SCHOOL PRINCIPAL	3	3	3	3	3	3
HOME SCHOOL LIAISON	2	2	0	0	0	0
IN-SCHOOL SUSPENSION I	4	4	4	4	4	4
IN-SCHOOL SUSPENSION II	3	3	3	3	3	3
INSTRUCTIONAL ASSISTANT	39	4	3	3	0	0
INSTRUCTIONAL ASSISTANT SPED	155	153	148	147	151	142

POSITION CONTROL ALLOCATIONS BY FUND

Please note: projection for 2014-15 is preliminary. It is subject to revision after the state's budget is adopted.

	09-10	10-11	11-12	12-13	13-14	Projected 14-15*
INSTRUCTIONAL ASSISTANT SEVERE & PROF	0	0	0	0	0	0
INTERPRETER	6	6	6	6	6	6
LIBRARY MEDIA SPECIALIST	25	24	23	23	22	20
MAINTENANCE PERSONNEL	25	24	23	23	23	22
MAINTENANCE PERSONNEL EXEMPT	1	1	1	1	1	1
MANAGER	3	3	5	5	6	6
MEDIA PERSONNEL	1	1	0	0	0	0
MIDDLE SCHOOL PRINCIPAL	4	4	4	4	4	4
MIDDLE SCHOOL ASST PRINCIPAL	9	8	8	7	7	6
NURSE	25	26	26	26	26	26
NURSE 10+2	1	0	0	0	0	0
OCCUPATIONAL/PHYSICAL TH 10+1	2	1	1	1	1	1
OCCUPATIONAL/PHYSICAL TH 10+2	1	1	1	1	1	1
OCCUPATIONAL/PHYSICAL THERPST	2	2	1	1	1	1
OFFICERS	1	1	1	1	0	0
OTHER PROFESSIONAL STAFF	3	4	3	3	3	2
PART TIME WITH POSITION	3	3	3	3	4	4
PROGRAM SPECIALIST	8	9	8	8	9	9
PSYCHOLOGIST	3	2	5	5	0	0
PSYCHOLOGIST 10+2	2	2	4	0	0	0
PURCHASING PERSONNEL - NON EXE	1	1	1	1	1	1
PURCHASING PERSONNEL- EXEMPT	1	1	1	1	1	1
ROTC INSTRUCTORS	7	7	7	7	7	7
SCHOOL BOARD	9	9	9	9	9	9
SECURITY OFFICERS	18	18	17	17	17	16
SENIOR SUPERVISOR	11	11	11	11	9	9
SOCIAL WORKER	1	1	1	1	1	1
SOCIAL WORKER 10+1	2	2	3	3	3	3
SOCIAL WORKER 10+2	5	5	4	4	4	4
SPEECH / HEARING / SIGHT THERP	21	20	17	16	16	16
SPEECH/HEARING/SIGHT TH 10+2	1	1	1	1	1	1
STUDENT RESOURCE LIAISON	3	3	3	3	3	3
SUPERINTENDENT	1	1	1	1	1	1
SUPERVISOR	11	11	11	11	10	9
SUPERVISOR 10+1	0	0	0	0	0	0
TEACHER	772	752	739	739	756	747
TEACHER SPECIAL ED	160	159	146	146	148	142
TEACHER 10+2	14	12	10	10	8	8
TEACHER 10+1	3	3	2	2	1	1
TEACHER SPECIALIST	1	1	0	0	0	0
TEACHER SPECIALIST 10+1	0	0	0	0	0	0
TECHNOLOGY PERSONNEL - NON EXE	8	8	8	8	7	6
TECHNOLOGY PERSONNEL EXEMPT	14	14	12	12	12	12
WAREHOUSE PERSONNEL	4	3	3	3	3	3
TOTAL FOR GENERAL FUND	1960	1870	1815	1811	1817	1758

POSITION CONTROL ALLOCATIONS BY FUND

Please note: projection for 2014-15 is preliminary. It is subject to revision after the state's budget is adopted.

	09-10	10-11	11-12	12-13	13-14	Projected 14-15*
GRANT FUND						
ASSOCIATE 200 DAY - 7 HOUR	0	0	1	1	1	1
ASSOCIATE 260 DAY - 7 HOUR	4	3	3	3	3	3
ASSOCIATE 260 DAY - 8 HOUR	3	3	3	3	3	3
ASSOCIATE 260 DAY - 7.25 HOUR	0	0	1	1	1	1
COORDINATOR	2	2	2	3	2	2
ELEMENTARY SCHOOL PRINCIPAL	2	2	2	2	2	2
HOME SCHOOL LIAISON	1	1	1	1	1	1
HOME SCHOOL LIAISON 12 MTH	1	1	1	1	1	1
INTERPRETER	0	1	0	0	0	0
INSTRUCTIONAL ASSISTANT	57	54	58	58	69	69
INSTRUCTIONAL ASSISTANT SPED	6	8	9	9	0	0
MAINTENANCE PERSONNEL	1	1	1	1	1	1
OTHER PROFESSIONAL STAFF	0	0	1	1	1	1
PART TIME WITH POSITION	0	0	2	2	3	3
PROGRAM SPECIALIST	7	7	7	7	9	9
PSYCHOLOGIST	3	4	0	0	0	0
PSYCHOLOGIST 10+2	3	2	0	5	4	4
SENIOR SUPERVISOR	6	6	6	6	5	5
SOCIAL WORKER 10+1	0	0	0	0	0	0
SOCIAL WORKER 10+2	0	0	0	0	0	0
SPEECH / HEARING / SIGHT THERP	0	1	1	1	1	1
STUDENT RESOURCE LIAISON	4	4	1	1	1	1
TEACHER	89	91	93	90	90	90
TEACHER SPECIAL ED	10	13	14	14	14	14
TEACHER 10+1	9	8	4	4	3	3
TEACHER 10+2	4	4	3	3	3	3
TEACHER 10+2 SPECIAL ED	2	1	0	0	0	0
TEACHER SPECIALIST	7	10	11	11	11	11
TOTAL FOR GRANT FUND	221	227	225	228	229	229
REPROGRAPHICS FUND						
ASSOCIATE 260 DAY - 8 HOUR	2	2	1	1	1	1
PRINT SHOP PERSONNEL	4	4	4	4	4	3
SUPERVISOR	1	1	1	1	1	1
TOTAL FOR REPROGRAPHICS FUND	7	7	6	6	6	5
STIMULUS FUNDS						
OCCUPATIONAL/PHYSICAL	1	1	0	0	0	0
OTHER PROFESSIONAL	0	1	0	0	0	0
PARAPROFESSIONAL	4	3	0	0	0	0
PROGRAM SPECIALIST	1	0	0	0	0	0
PSYCHOLOGIST 10+2	0	1	0	0	0	0
SENIOR SUPERVISOR	1	0	0	0	0	0
SOCIAL WORKER 10+1	1	1	0	0	0	0
SPECIAL ED PARAPROFESSIONAL	1	3	0	0	0	0
SPECIAL ED TEACHER	1	0	0	0	0	0

POSITION CONTROL ALLOCATIONS BY FUND

Please note: projection for 2014-15 is preliminary. It is subject to revision after the state's budget is adopted.

	09-10	10-11	11-12	12-13	13-14	Projected 14-15*
TEACHER	16	12	0	0	0	0
TEACHER SPECIALIST	8	3	0	0	0	0
	09-10	10-11	11-12	12-13	13-14	Projected 14-15*
TOTAL FOR STIMULUS FUND	34	25	0	0	0	0
TEXTBOOK FUND						
ASSOCIATE 260 DAY - 8 HOUR	1	1	1	1	1	1
TOTAL FOR TEXTBOOK FUND	1	1	1	1	1	1
TOTAL FOR ALL FUNDS	2381	2288	2209	2208	2215	2155

*Projected positions for 2014-15 are preliminary based on appropriation from the City of Portsmouth. Projected positions will be revised once the Commonwealth has adopted a budget.

Code of Virginia, 1950 (excerpts)

§ 22.1-88. Of What School Funds to Consist.

The funds available to the school board of a school division for the establishment, support and maintenance of the public schools in the school division shall consist of state funds appropriated for public school purposes and apportioned to the school board, federal funds appropriated for educational purposes and apportioned to the school board, local funds appropriated to the school board by a local governing body or such funds as shall be raised by local levy as authorized by law, donations or the income arising there from, and any other funds that may be set apart for public school purposes.

§ 22.1-89. Management of Funds.

Each school board shall manage and control the funds made available to the school board for public schools and may incur costs and expenses. If funds are appropriated to the school board by major classification as provided in § 22.1-94, no funds shall be expended by the school board except in accordance with such classifications without the consent of the governing body appropriating the funds.

§ 22.1-91. Limitation on Expenditures; Penalty.

No school board shall expend or contract to expend, in any fiscal year, any sum of money in excess of the funds available for school purposes for that fiscal year without the consent of the governing body or bodies appropriating funds to the school board. Any member of a school board or any division superintendent or other school officer violating, causing to be violated or voting to violate any provision of this section shall be guilty of malfeasance in office.

§ 22.1-92. Estimate of Moneys Needed for Public Schools; Notice of Costs to be Distributed.

A. It shall be the duty of each division superintendent to prepare, with the approval of the school board, and submit to the governing body or bodies appropriating funds for the school division, by the date specified in § 15.2-2503, the estimate of the amount of money deemed to be needed during the next fiscal year for the support of the public schools of the school division. The estimate shall set up the amount of money deemed to be needed for each major classification prescribed by the Board of Education and such other headings or items as may be necessary.

Upon preparing the estimate of the amount of money deemed to be needed during the next fiscal year for the support of the public schools of the school division, each division superintendent shall also prepare and distribute, within a reasonable time as prescribed by the Board of Education, notification of the estimated average per pupil cost for public education in the school division for the coming school year in accordance with the budget estimates provided to the local governing body or bodies. Such notification shall also include actual per pupil state and local education expenditures for the previous school year. The notice may also include federal funds expended for public education in the school division.

The notice shall be made available in a form provided by the Department of Education and shall be published on the school division's website or in hard copy upon request. To promote uniformity and allow for comparisons, the Department of Education shall develop a form for this notice and distribute such form to the school divisions for publication.

B. Before any school board gives final approval to its budget for submission to the governing body, the school board shall hold at least one public hearing to receive the views of citizens within the school division. A school board shall cause public notice to be given at least 10 days prior to any hearing by publication in a newspaper having a general circulation within the school division. The passage of the budget by the local government shall be conclusive evidence of compliance with the requirements of this section.

§ 22.1-93. Approval of Annual Budget for School Purposes.

Notwithstanding any other provision of law, including but not limited to Chapter 25 (§ 15.2-2500 et seq.) of Title 15.2, the governing body of a county shall prepare and approve an annual budget for educational purposes by May first or within thirty days of the receipt by the county of the estimates of state funds, whichever shall later occur, and the governing body of a municipality shall prepare and approve an annual budget for educational purposes by May fifteen or within thirty days of the receipt by the municipality of the estimates of state funds, whichever shall later occur. Upon approval, each local school division shall publish the approved annual budget, including the estimated required local match, on the division's website, and the document shall also be made available in hard copy as needed to citizens for inspection.

The Superintendent of Public Instruction shall, no later than the fifteenth day following final adjournment of the Virginia General Assembly in each session, submit estimates to be used for budgetary purposes relative to the Basic School Aid Formula to each school division and to the local governing body of each county, city and town that operates a separate school division. Such estimates shall be for each year of the next biennium or for the then next fiscal year.

§ 22.1-94. Appropriations by County, City or Town Governing Body for Public Schools.

A governing body may make appropriations to a school board from the funds derived from local levies and from any other funds available, for operation, capital outlay and debt service in the public schools. Such appropriations shall be not less than the cost apportioned to the governing body for maintaining an educational program meeting the standards of quality for the several school divisions prescribed as provided by law. The amount appropriated by the governing body for public schools shall relate to its total only or to such major classifications prescribed by the Board of Education pursuant to § 22.1-115. The appropriations may be made on the same periodic basis as the governing body makes appropriations to other departments and agencies.

§ 22.1-100. Unexpended School and Educational Funds.

All sums of money derived from the Commonwealth which are unexpended in any year in any school division shall revert to the fund of the Commonwealth from which derived unless the Board of Education directs otherwise. All sums derived from local funds unexpended in any year shall remain a part of the funds of the governing body appropriating the funds for use the next year, but no local funds shall be subject to redivision outside of the locality in which they were raised.



COMMONWEALTH of VIRGINIA
Department of Education

May 30, 2014

TO: Division Superintendents

FROM: Steven R. Staples, Superintendent of Public Instruction

SUBJECT: State Direct Aid to Public Education Funds Permitted to be Carried Forward from Fiscal Year 2014 to Fiscal Year 2015

Section 22.1-100, *Code of Virginia*, requires school divisions to return unexpended state funds to the Commonwealth at the close of each fiscal year. However, Chapter 1, 2014 Special Session I Acts of Assembly (Caboose Bill), permits school divisions that have met required local effort and required local match for fiscal year 2014 to carry forward to fiscal year 2015 any remaining state fund balances that are unexpended as of June 30, 2014. Specifically, the appropriation act language (Item 139 B.24.b.) for fiscal year 2014 reads as follows:

“Any locality that has met its required local effort for the Standards of Quality accounts for FY 2014 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2014 may carry over into FY 2015 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2015 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2015.”

This language permits school divisions to use carry forward funds to address any revenue shortfall related adjustments in state funding to the locality, regardless of the original purpose of such funds. The adopted language requires the state carry forward funds to be reappropriated by the local governing body to the school division's budget for fiscal year 2015.

This provision does not alter the existing requirement that school divisions must spend the fiscal year 2014 required local effort and required local match amounts before the end of fiscal year 2014, which ends on June 30, 2014.

The General Assembly's adopted budget also encourages certain local funds to be carried over into fiscal year 2015 by including the following language (Item 139 B.25.):

“Localities are encouraged to allow school boards to carry over any unspent local allocations into the next fiscal year.”

To be eligible to carry forward any local fund balances from fiscal year 2014 to fiscal year 2015, school divisions must meet their required local effort and required local match expenditure obligations in fiscal year 2014.

The General Assembly's adopted budget provides separate carry forward authority (Item 139 C.5.f.4) for the Textbooks account, which reads as follows:

“Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2013, or June 30, 2014, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose.”

A school division must first meet all required local effort and required local match obligations in the current fiscal year prior to carrying forward any portion of its state or local funds for Textbooks to the next fiscal year. If a division meets these requirements without spending all or a portion of its local matching funds for Textbooks (i.e., they meet their required local effort and required local match for all other required accounts), then the division is permitted to carry forward both the state and local shares of Textbooks funding.

The Department will notify school divisions regarding carry forward authority in the 2014-2016 biennial budget following enactment of the 2014-2016 budget.

If you have any questions regarding this information, please contact Kent Dickey, deputy superintendent for finance and operations, or budget office staff at (804) 225-2025.

SRS/lmf

MANAGEMENT OF FUNDS

The Division Superintendent or his/her designee shall be responsible for administering the division budget in accordance with Board policies and applicable state and federal regulations and laws; therefore, the Division Superintendent or his/her designee will use appropriate fiscal planning and management methods, modeled after the best accepted business practices and directed toward the educational goals of the division.

1. If the appropriating body approves the School Board budget by total expenditures, funds may be transferred by the School Board from one category to another. If funds are appropriated to the School Board by major classifications, no funds shall be expended by the School Board except in accordance with such classifications without the consent of the body appropriating the funds.
2. The Division Superintendent may be authorized by the School Board to make line item transfers within a category.
3. The school division will maintain an encumbrance accounting system as a method of accomplishing budgetary control. After the end of the fiscal year, outstanding encumbrances in the form of purchase orders, contracts, and other commitments for the expenditure of funds are reported as fund balances and carried forward to the next fiscal year. After 120 days, those outstanding encumbrances carried into the next fiscal year will be liquidated and funds will be transferred to the City unless the School Board approves otherwise.

The School Board shall manage and control the funds made available to the School Board for the public schools and may incur costs and expenses.

Adopted: December 19, 1996 - VSBA

Revised: April 19, 2001 – CEPI (R)

Revised: May 22, 2008

Revised: February 6, 2014

Legal Refs.: *The Code of Virginia*, 1950, as amended, §§ 22.1-78, 22.1-89, 22.1-94.

ANNUAL BUDGET

The annual school budget is the financial outline of the division's education program. It presents a proposed plan of expenditures and the expected means of financing those expenditures. After adoption, it provides the primary means of managing expenditures.

The fiscal year begins on the first day of July and ends on the thirtieth day of the following June.

The Division Superintendent shall prepare, with the approval of the School Board, and submit to the appropriating body, an estimate of the amount of money needed during the next fiscal year for the support of the public schools of the school division. The estimate shall set up the amount of money needed for each major classification prescribed by the Board of Education and such other headings or items as may be necessary.

The Division Superintendent or his/her designee shall prepare a budget calendar identifying all deadlines for the annual budgetary process. The calendar shall include at least one work session for reviewing the budget and at least one public hearing on the budget. Notice of the time and place for the public hearing must be published at least ten days in advance, in a newspaper having general circulation within the school division.

Upon approval of the school division's budget by the appropriating body, the school division shall publish the approved budget, including the estimated required local match, on its website and the document shall also be made available in hard copy as needed to citizens for inspection.

Adopted: December 19, 1996
Revised: April 19, 2001
Revised: April 17, 2003
Revised: May 22, 2008
Revised: February 26, 2009
Revised: July 2, 2009
Revised: September 22, 2011

Legal Refs.: The Code of Virginia, 1950, as amended, §§ 15.2-2500, 15.2-2503, 15.2-2504, 15.2-2506, 22.1-91, 22.1-92, 22.1-93, 22.1-94.

Code of the City of Portsmouth, Virginia

Sec. 12-4. Lapse of Appropriations.

Appropriations, to the extent they shall not have been expended or lawfully encumbered, shall lapse at the end of the period for which they were made. Grant appropriations made as a result of the operating budget shall lapse upon termination of the grant period, which shall include any extensions granted subsequent to the date of appropriation.

(Code 1973, § 11-5; Code 1988, § 12-4; Ord. No. 1998-19, § 1, 4-28-1998)

AN ORDINANCE TO APPROPRIATE THE ADDITIONAL SUM OF \$6.4 MILLION IN THE FY 2014-15 EDUCATION FUND.

1. That it hereby appropriates the additional sum of \$6.4 million in the "Instruction" classification of the FY 2014-15 Education Fund.
2. That the source of this one-time appropriation shall be the Undesignated Fund Balance.
3. That the appropriation shall be used to insure that the Portsmouth Public Schools has sufficient funds for those programs and personnel that it has identified as subject to possible elimination: Porte Towne Magic, First College (Textbooks), Summer School, Class Size (4-12), Early-Up Teaching Assistants, New Directions, Project Uplift, Starbase, Program Specialists, and the Science, Technology, Engineering and Mathematics Pathways (STEM) Program.
4. That estimated revenues in the FY 2014-15 Education Fund and the City's FY 2014-15 Operating Budget are increased by \$6.4 million.
5. All unspent appropriations under this ordinance shall lapse at the end of the fiscal year, as provided under Section 22.1-100 of the Code of Virginia. Funds encumbered but unpaid by the end of the fiscal year will be deemed unspent appropriation that will require re-appropriation by the City Council.
6. That this ordinance shall take effect on July 1, 2014.

ADOPTED by the Council of the City of Portsmouth, Virginia at a meeting held on May 27, 2014.

Teste:

City Clerk

AN ORDINANCE APPROVING THE FISCAL YEAR 2014-2015 OPERATING BUDGET FOR THE PORTSMOUTH PUBLIC SCHOOL SYSTEM IN THE AMOUNT OF \$161,303,358 AND APPROPRIATING THE NECESSARY FUNDS BY CLASSIFICATIONS TO IMPLEMENT SAID BUDGET FOR THE FIRST QUARTER OF FISCAL YEAR 2014-2015.

BE IT ORDAINED by the Council of the City of Portsmouth, Virginia:

1. The Fiscal Year 2014-2015 Operating Budget in the amount of \$161,303,358 for the Portsmouth Public Schools is hereby approved in the following revenue and expenditure classifications:

Revenues:

School General Fund	\$ 133,138,403
School Grants Fund	16,629,307
School Food Services Fund	8,477,000
School Risk Management Fund	955,702
School Print Shop Fund	755,866
School Textbook Fund	1,347,080
Total Revenues	\$ 161,303,358

Expenditures:

General Fund:

Instruction	\$ 96,664,521
Administration, Attendance and Health	6,476,471
Pupil transportation	6,352,637
Operation and maintenance	15,551,234
Debt and fund transfers	3,576,962
Technology	4,516,578
Total General Fund	\$ 133,138,403

Other Funds:

Grants Fund:

Instruction	\$ 13,980,787
Administration, Attendance and Health	623,301
Pupil transportation	199,294
Technology	1,825,925
Total Grants Fund	\$ 16,629,307

Food Services Fund:

School Food Service and Other Non-Instructional Operations	\$ 8,477,000
Total Food Services Fund	\$ 8,477,000

Risk Management Fund:	
Instruction	\$ 270,523
Administration, Attendance and Health	512,337
Pupil transportation	79,557
Operation and maintenance	92,911
Technology	<u>374</u>
Total Risk Management Fund	\$ 955,702
Print Shop Fund:	
Administration, Attendance and Health	<u>\$ 755,866</u>
Total Print Shop Fund	\$ 755,866
Textbook Fund:	
Instruction	<u>\$ 1,347,080</u>
Total Textbook Fund	\$ 1,347,080
Total Other Funds	\$ 28,164,955
Total Expenditures	\$ 161,303,358

2. In order to provide the funding for the first quarter of the Portsmouth Public Schools' Fiscal Year 2014-2015 Operating Budget, that the sum of \$40,325,841 be, and the same hereby is appropriated to the following classifications to fund the first quarter of the Fiscal Year 2014-2015 which begins on July 1, 2014 and ends on September 30, 2014:

Instruction	\$ 24,166,130
Administration, Attendance and Health	1,619,118
Pupil Transportation	1,588,159
Operation and Maintenance	3,887,808
Debt and Fund Transfers	894,241
Technology	<u>1,129,145</u>
Total General Fund	\$ 33,284,601

Other Funds:

Grants Fund:	
Instruction	\$ 3,495,197
Administration, Attendance and Health	155,825
Pupil transportation	49,824
Technology	<u>456,481</u>
Total Grants Fund	\$ 4,157,327
Food Services Fund:	
School Food Service and Other Non-Instructional Operations	<u>\$ 2,119,250</u>
Total Food Services Fund	\$ 2,119,250
Risk Management Fund:	
Instruction	\$ 67,631
Administration, Attendance and Health	128,084
Pupil transportation	19,889
Operation and maintenance	23,228
Technology	<u>94</u>
Total Risk Management Fund	\$ 238,926
Print Shop Fund:	
Administration, Attendance and Health	<u>\$ 188,967</u>
Total Print Shop Fund	\$ 188,967
Textbook Fund:	
Instruction	<u>\$ 366,770</u>
Total Textbook Fund	\$ 366,770
Total Other Funds	\$ 7,041,240
Total First Quarter Appropriation	\$ 40,325,841

3. All unspent appropriations under this ordinance shall lapse at the end of the fiscal year, as provided under Section 22.1-100 of the Code of Virginia. Funds encumbered but unpaid by the end of the fiscal year will be deemed unspent appropriations that will require re-appropriation by the City Council.

4. That this ordinance shall take effect on July 1, 2014.

ADOPTED by the Council of the City of Portsmouth, Virginia at a meeting held on May 27, 2014.

Teste:

City Clerk

AN ORDINANCE APPROVING THE FY 2015-19 CAPITAL IMPROVEMENT PROGRAM AND APPROPRIATING \$17,132,757 IN THE FY 2015 CAPITAL IMPROVEMENT FUND, \$400,000 IN THE FY 2015 PARKING AUTHORITY CAPITAL IMPROVEMENT FUND AND \$55,000,000 IN THE FY 2015 PUBLIC UTILITIES CAPITAL IMPROVEMENT FUND.

WHEREAS, the City Manager has submitted to the City Council the Capital Improvement Program for FY 2015 through 2019 and the funding for Year One of the Capital Improvement Program; and

WHEREAS, public hearings have been held to receive public comments on the five-year Capital Improvement Program and on funding for Year One of the Capital Improvement Program.

BE IT ORDAINED by the Council of the City of Portsmouth, Virginia:

1. The estimated revenues and revenue contributions and the appropriation of funds to finance the Capital Improvement budgets of and for the City of Portsmouth, Virginia, for the period beginning July 1, 2014 and ending June 30, 2015, be, and the same hereby are, as follows:

Capital Improvement Fund Revenue

State Categorical Aid		\$ 5,000,000
Charges for Services		50,000
State Other		105,600
Operating Transfer In		9,477,157
Fund Balance		2,500,000
Total Revenues		\$ 17,132,757

Portsmouth Parking Authority CIP

Operating Transfers In		\$ 400,000
Total Revenues		\$ 400,000

Public Utility CIP Fund Revenue

Bonds Proceeds		\$ 51,000,000
Operating Transfer In		\$ 4,000,000
Total Revenues		\$ 55,000,000

2. That the five-year FY 2015-19 Capital Improvement Program is hereby approved with fiscal years 2016 through 2019 being non-appropriated subsequent planning years.

3. That the sums of \$17,132,757 in the FY 2015 Capital Improvement Fund, \$400,000 in the FY 2015 Parking Authority Capital Improvement Fund and \$55,000,000 in the FY 2015 Public Utilities Capital Improvement Fund, be, and the same hereby are, appropriated

for expenditure in the following categories and amounts to implement the FY 2015-19 Capital Improvement Program:

Capital Improvement Fund

Drainage and Street Improvements	\$ 11,128,984
Education	2,260,000
Leisure Services	1,165,000
Fleet Management	983,908
Municipal Facilities	<u>1,594,864</u>
Total Capital Improvement Fund	\$ 17,132,757

Total Parking Authority Capital Improvement Fund **\$ 400,000**

Public Utilities Capital Improvement Fund:

Water	\$ 52,500,000
Sewer	<u>2,500,000</u>
Total Public Utilities Capital Improvement Fund	\$ 55,000,000

4. That it is the intent of the City to make certain expenditures in connection with the planning, design, acquisition, construction and equipping of the projects herein approved which the City reasonably expects to be reimbursed as permitted by Section 1.150-2 of the regulations pursuant to the Internal Revenue Code of 1986, as amended, from the proceeds of one or more issues of bonds issued to fund the projects. As of the date of this ordinance, the maximum projected amount of general obligation bonds and notes to be issued is not expected to exceed \$25,000,000.

5. That the City Manager is hereby authorized and directed to do all things necessary to implement the FY 2015-2019 Capital Improvement Program.

6. That this ordinance shall take effect on July 1, 2014.

ADOPTED by the Council of the City of Portsmouth, Virginia, at a meeting held on May 27, 2014.

Teste:

City Clerk

GLOSSARY

AC=13	Academics and Career After High School = 13th Year
ADM	Average Daily Membership reported to Virginia Department of Education yearly as of March 31
Appropriation	A legal authorization to incur obligations and to make expenditures for specific purposes
Attrition	A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs
ARRA	American Recovery & Reinvestment Act of 2009
AYP	Adequate Yearly Progress under No Child Left Behind guidelines
Authorized Positions	Employee positions, which are authorized in the adopted budget, to be filled during the year
Budget	A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period
Budget Process	A schedule of activities, responsibilities, and deadlines related to budget development and adoption
CAFR	Comprehensive Annual Financial Report
Capital Budget	Accounts for all financial resources used for the acquisition or construction of major capital facilities.
CIP	The Capital Improvements Program is a plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.
Comprehensive Plan	Ten-year vision of the Portsmouth School Board for the Portsmouth School Division. Adopted in 2007, revised 2009, 2011, and 2013.
Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule
Disbursement	The expenditure of monies from an account
Encumbrances	Obligations in the form of purchase orders, contracts, or other commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved.
E-Rate	Schools and libraries universal service support mechanism for discount telecommunication services, and Internet access
Expenditure	An outlay or the creation of a liability for an asset or an expense item
Expense	Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges

Fiscal Year (FY)	A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The fiscal year for Portsmouth Public Schools is July 1 through June 30.
Fiscally dependent school division	Fiscally dependent school divisions are dependent on general government for financial support and do not have taxing authority. Portsmouth is a fiscally dependent school division.
Fund	A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity
Fund Balance	The excess of the assets of a fund over its liabilities, reserves, and carryover
General Fund	The general fund of the School Board is used to account for all financial resources except for those accounted for in another fund.
Grants	A contribution by a government or other organization to support a particular function.
ISAEP	Individual Student Alternative Education Plan
LCI	Local Composite Index - Factor used by the state of Virginia to distribute state education dollars (the lower the index, the higher state aid). The main variables used to calculate this index are property values, ADM, population, retail sales, and adjusted gross income. It is adjusted at the beginning of each biennium.
Modified Accrual Basis	Revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable
No Child Left Behind Act	Federal legislation that enacts the theories of standards-based education reform. First enacted in 2002. Often abbreviated, NCLB
OPEB	Other Post-Employment Benefits
Revenue	Sources of income financing the operations of government
SFSF	State Fiscal Stabilization Funds from ARRA
SOL	Standards of Learning tests are the instruments for measuring student mastery of the Standards of Quality.
SOQ	Standards of Quality are state-mandated objectives for student achievement.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people.
VRS	Virginia Retirement System

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