

# FY 2017-18 Adopted Budget

## Portsmouth City School Board

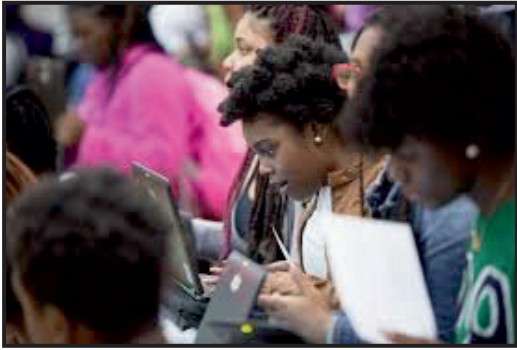


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[www.ppsk12.us](http://www.ppsk12.us)



Approved May 25, 2017

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A message from School Board Chairman Claude C. Parent

On behalf of the Portsmouth City School Board, I present to you the 2017-18 Fiscal Year Budget.

Each year, we assemble a budget that puts students first. We want our students to succeed in school and beyond. This spending plan also supports the Board's mission, which is "To engage all students in learning that will foster academic excellence and responsible citizenship."

Our budget has been developed with input from teachers, staff, students, parents and the community. It strives to keep up with changing educational trends, such as the use of more classroom technology, while focusing on the basics, such as retaining a strong teaching staff. It also absorbs the bulk of the division's healthcare and retirement costs, which typically increase each year.

We do not determine our own funding, and must rely on Commonwealth of Virginia and City Council to provide the money that our schools need. This year, we requested \$5.4 million in additional city funding for a variety of needs, including an expansion of our career and technical education program, teaching assistants, and staff raises. Despite our advocacy, the City Council voted against our request.

Due to a lack of additional support from the city, we did not meet our funding goals and had to make painful cuts, including consolidating one preschool center. We are committed to doing all we can to ensure students have the best teachers and staff in their buildings. Therefore, we will provide a two percent staff raise.

Despite the challenges, our efforts make a difference. We offer advanced academic classes and specialty programs in robotics and coding. We boast nationally-ranked high schools. We have expanded a dual enrollment partnership with Tidewater Community College. Outside of the classroom, we also have captured athletic victories, including a consecutive four-year state basketball championship.

Our students and staff continue to excel, in part, because of the investments we make in them. While economic challenges remain, the School Board pledges to be good stewards of our resources. We are committed to helping all of our students and staff. It is an honor to serve and present this budget.

Sincerely,

A handwritten signature in black ink that reads "Claude C. Parent". The signature is written in a cursive style with a long horizontal stroke at the end.

Claude C. Parent  
Chairman, Portsmouth City School Board

# Division Accomplishments



U.S. NEWS honored Woodrow Wilson High School and Churchland High School as among the best in the nation for the high academic achievement, graduation rates, and advanced placement opportunities for the second consecutive year.

The Portsmouth City School Board received the ASBO Meritorious Budget Award for Excellence in the preparation and issuance of the school system budget for the ninth time for fiscal year 2016-17.

The Portsmouth City School Board received the Government Finance Officers Association's Distinguished Budget Presentation Award for 2016-17.



Of the 935 members of the Class of 2016, 331 received Advanced Studies Diplomas and 319 graduated with Honors. The Class of 2016 earned 2,772 college credits. Merit-based scholarships were awarded in the amount of \$18,457,138.

The division hosted its first Special Olympics event since the 1970s. Over the course of 2 days, 700 students (which included 125 with disabilities) participated in Young Athletes Day promoting social inclusiveness through sports.

The 21st Century Community Learning Center grant was awarded to the division to support each middle schools though after school remediation and enrichment programs.

Jason Learning, an online curriculum resource which connects world class partners such as National Geographic, NASA, NOAA, Jet Propulsion Laboratory, Ocean Exploration Trust, and the Smithsonian to bring real life science to classrooms was introduced.

STARBASE Victory hosted a "Build a Bridge Challenge" tent in which students (and some parents) used DUPLO LEGOS® to build a bridge that could hold various weights. Students whose bridges did not hold entry weights were encouraged to redesign their bridges using engineering design processes to make their bridges stronger. The strongest bridge held 54 lbs.

A total of 5,168 students participated in the Hour of Code event through their math classes. Each student created projects and formulas using coding.

ClassFlow, the all in one teaching and lesson orchestration tool for delivering multi-media lessons was introduced to teachers.

In collaboration with Norfolk State University and the VDOE CyberCamp grant, 30 students participated in a hands-on, project-driven cybersecurity camp and Governor Terry McAuliffe spoke to the students to encourage them to consider a career in cybersecurity.

During the 2015-16 school year, CTE offered the following industry certifications: Greenhouse Operations, Early Childhood Education, Food Handling, CPR, Registered Pesticide Technician, Microsoft Specialists, Customer Service/Sales, Workplace Readiness, Hospitality Management, and Adobe with a total of 693 certifications earned.



The School Board appointed its first School Board Student Representative, Mykalya Moore. In the event MyKayla is unable to attend meetings, the School Board appointed Teagan Rogers to serve as the Student Representative Alternate.

The IC Norcom Greyhounds boys basketball team became the first boys or girls basketball team in Virginia High School League history to win four consecutive state championships.



The VDOE Region 2 Business and Industry Partnership Award was presented to Goodwill Industries for exceptional and extraordinary contributions in support of Career and Technical Education, Portsmouth City Public Schools on June 9, 2016.



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 budget  
for the Fiscal Year 2016-2017.

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



A handwritten signature in black ink that reads 'Brenda Burkett'.

**Brenda R. Burkett, CPA, CSBA, SFO**  
President

A handwritten signature in black ink that reads 'John D. Musso'.

**John D. Musso, CAE, RSBA**  
Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Portsmouth City School Board  
Virginia**

For the Fiscal Year Beginning

**July 1, 2016**

Executive Director

# INTRODUCTORY SECTION



**PORTSMOUTH**  
PUBLIC  
SCHOOLS



## DIVISION OVERVIEW

The Portsmouth City School Board (the School Board) is located in historic Portsmouth, Virginia which was settled in 1751 and incorporated by the Virginia General Assembly in 1858. Over 250 years old and situated on the James and Elizabeth Rivers, Portsmouth is one of the world's greatest natural harbors.

The School Board is a component unit of the City of Portsmouth. 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.

The School Board (also referred to as Portsmouth Public Schools or PPS), enrolls over 14,000 students each year. PPS offers pre-kindergarten through grade 12 education. There are three high schools, three middle schools, thirteen elementary schools, and four preschool centers within the division.

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18*
Pre-K and Specialty Center	727	712	712	679	679
K- 12	14,272	14,368	14,217	13,799	13,771
<b>Total Enrollment</b>	<b>14,999</b>	<b>15,080</b>	<b>14,929</b>	<b>14,478</b>	<b>14,450</b>

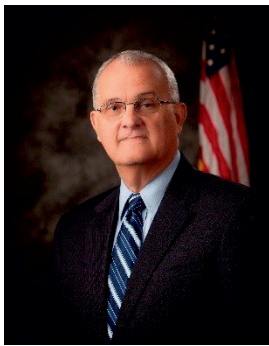
\*Projection for Fiscal Year (FY) 2017-18

For preschool students, ages 2 through 4, who have special disabilities or developmental needs, education is provided at the four preschool centers. Four-year old preschool students acquire skills to ensure success in kindergarten and throughout their educational careers. Kindergarten through sixth grade students receive instruction at the 13 elementary schools. Grades 7 and 8 receive instruction in the three middle schools, and three high schools serve grades 9-12. Alternative placement, through the New Directions Center for students in grades K-8, is also available.

In addition to traditional instruction for students in grades K-12, high school students have the option of applying for acceptance to the magnet programs that are home-based at each high school. The division also operates a Science, Technology, Engineering, and Mathematics (STEM) pathways program for all elementary students and offers an adult education program which includes night courses at one of the high schools. The night courses are designed to prepare adult students for the GED test, to learn new hobbies, and to gain knowledge simply for personal enrichment. Adults who want to learn English as a second language can also receive instruction through the adult education program.

Portsmouth Public Schools began the AC=13 Program (Academics Plus Career After High School=13th Year) in 2006 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. The Career and Technical Education Program offers courses in Practical Nursing, Hotel 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 they also receive certification that enables them to earn a living while still determining their educational journeys.

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



# PORTSMOUTH CITY SCHOOL BOARD



Mr. Claude C. Parent  
*School Board Chairman*  
Member of the School Board since 2010  
Current Term expires December 31, 2018  
Minister of Church Administration, Retired Educator

Mrs. Costella B. Williams  
*School Board Vice-Chairman*  
Member of the School Board since 2008  
Current Term expires December 31, 2020  
Retired Supervisor and Community Volunteer



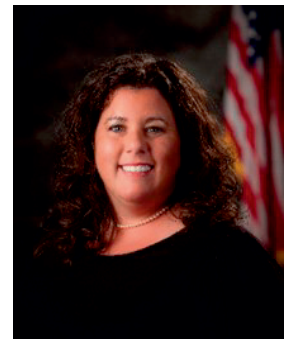
Ms. Angelia N. Allen  
Member since 2016  
Current Term expires  
December 31, 2020  
Healthcare Professional



Ms. Lakeesha S. "Klu" Atkinson  
Member since 2016  
Current Term expires  
December 31, 2020



Rev. Joseph A. Fleming  
Member since July 2012  
Current Term expires  
December 31, 2018  
Senior Pastor,  
Former Teacher



Mrs. Sarah D. Hinds  
Member since 2014  
Current Term expires  
December 31, 2020  
Career Educator



Mr. Ted J. Lamb  
Member since 2013  
Current Term expires  
December 31, 2020  
Career Educator



Rev. Cardell C. Patillo  
Member since 2015  
Current Term expires  
December 31, 2018  
Youth Pastor



Dr. Ingrid P. Whitaker  
Member since 2015  
Current Term expires  
December 31, 2018  
Associate Professor

# Superintendent's Cabinet

Elie Bracy, III, Ed.D  
*Division Superintendent*

Dr. Anita W. Taylor  
*Assistant Superintendent  
Curriculum and Instruction*

Mr. Joseph L. Wiggins  
*Executive Administrator to the Superintendent*

Scott A. Ziegler  
*Director of Human Resources/Operations*

Brittany T. Dortch, CPA  
*Chief Financial Officer*

Dr. Michael T. Cromartie  
*Director of School Programs  
Curriculum and Instruction*

Derrick A. Nottingham  
*Director of Research and Evaluation*

Dean M. Schlaepfer  
*Director of Information Technology*

Cherise M. Newsome  
*Public Information Officer*

## MISSION AND GOALS

*The mission of the Portsmouth Public School Division is to engage all students in learning that will foster academic excellence and responsible citizenship.*

During FY 2016-17, this Mission Statement and a new five year Strategic Plan was adopted with the help of nationally-recognized consultant, Ann Cunningham-Morris, M.Ed. Specific actions taken to develop the Strategic Plan included:

- Investigation of trends that will impact the future of education in the school division
- Examination of present school division data and practices
- Deployment of a survey released in April 2016
- Review survey feedback from over 840 community/staff members and over 50 district leaders
- Determination of educational and financial priorities based on answers to survey questions
- Review Mission Statement to ensure alignment with community feedback
- Categorization of top priorities into five goals
- Outline of objectives to help meet the five goals
- Define action steps to achieve the objectives
- Establish measures to gauge progress toward meeting objectives and goals
- Determine who will be responsible for recording measurements and documenting division success

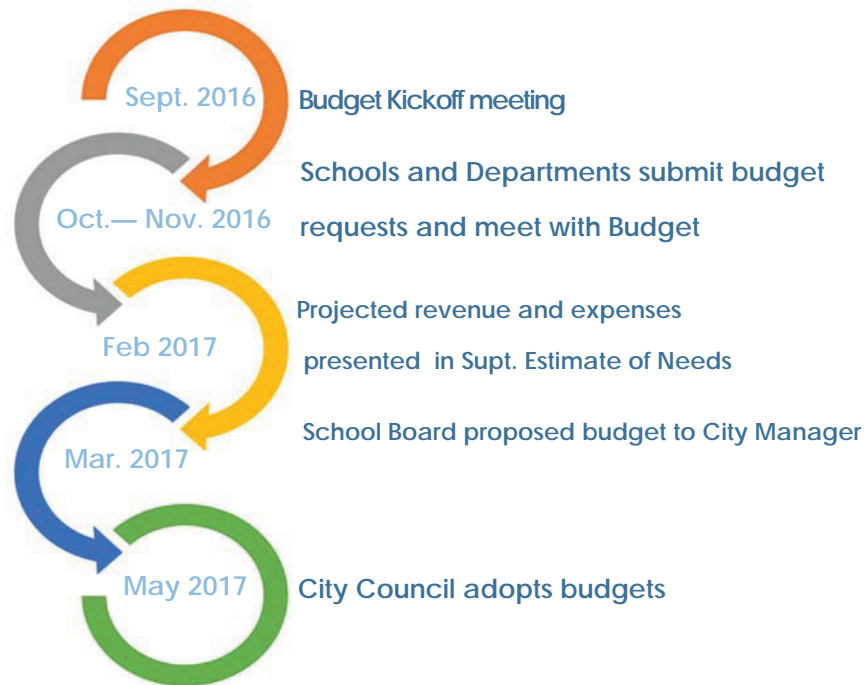
With these specific actions, the five year Strategic Plan was developed with the following five goals to accomplish the new mission:

1. **Curriculum, Instruction and Assessment:** Provide educational opportunities to assure all students achieve high academic growth
2. **Social-Emotional Development:** Strengthen practices and policies focused on social-emotional development
3. **High-Quality Personnel:** Recruit, retain, and develop highly qualified personnel
4. **Family and Community Engagement:** Strengthen school, family, and community involvement and perceptions
5. **Finance and Operations:** Ensure fiscal stability through sound financial practices and ensure high-quality school facilities

The full text of the Strategic Plan, including measurable objectives for each goal, is available in a separate publication on the Portsmouth Public Schools website, <http://ppsk12.us/>. Click the “About PPS” tab, and double-click “Strategic Plan” from the drop-down list.

It is this mission and five goals which drive the decision making of the School Board and provides the basis for the development of the budget for FY 2017-18. See Organizational Section for full Strategic Plan.

## BUDGET PROCESS AND TIMELINE



Throughout the process, the Office of Budget and Planning (budget office) periodically reviews staffing levels, revenue and expenditure projections, and monitors state legislation. This year, the budget office conducted an online survey in the fall to solicit community, employee, and student feedback. The budget office incorporated the feedback with the School Board’s mission and goals to develop the FY 2017-18 budget.

Meetings are held with the Division Superintendent, School Board Finance committee, and the School Board throughout the process to provide a timely, detailed overview of the budget process. The budget office presents categorical breakdowns of the adopted budget, programs included/excluded, projects staffing level changes, must funds items, recommended budget items, and unfunded initiatives.

Information concerning projected revenues and expenditures, related to the Grants fund and the Food Services fund, are obtained from the Finance and Food Services departments, respectively. The projected Grants fund revenue is based on current grants awarded with the anticipation that the school division will receive the same grant funding in the upcoming year and anticipated new grant awards currently being pursued by the division. The Textbook fund budget is based on the projected state revenue and the minimum required local match as directed by the state.

### *September*

In September, the budget office meets with the Superintendent’s budget team to discuss the budget process, goals, and budget calendar. This year’s team consisted of the following:

Division Superintendent	Assistant Superintendent of Curriculum and Instruction
Chief Financial Officer	Director of Curriculum and Instruction
Director of Human Resources/Operations	Director of Information Technology
Budget Analyst	Division Wide Athletic Director

### *October/November*

In mid-October, the budget office releases an online community survey to gather employee, student, and citizen feedback. The survey closes in mid-November.

During October and November, departments and schools submit their non-payroll budgets. Simultaneously, the budget office conducts individual budget meetings with schools and departments to understand the needs for the upcoming budget year. This meeting also is an opportunity for the budget office to learn how effective the previous year budget was in allowing the schools and departments to meet their objectives. Changes are incorporated in the budget as needed. The Assistant Superintendent of Curriculum and Instruction is included in the budget discussions.

The budget office meets with Operations leadership and City leaders to identify potential changes to the Capital Improvement Plan. The Capital Improvement Plan budget is controlled and maintained by the City; funds for the School Board's capital projects are not appropriated to the School Board, however, the School Board and the City meet (individually and jointly) throughout the capital improvement budget process.

The budget office also gathers information, from the Benefits department on any changes to healthcare costs, retirement benefits, and other payroll related costs. An initial projection of payroll is done utilizing an in-house staffing tool to determine the proper staffing ratios based on the state's Standards of Quality requirements, projected average daily membership (ADM), and division goals.

The budget office meets with personnel from the Office of Curriculum and Instruction and the Human Resources department to review current staffing levels and open vacancies to determine if any adjustments are needed.

### *December*

In mid-December, an initial projection of budgeted revenues is done based on the most recent available information which includes the Governor's proposed budget for the next fiscal year. The budget office performs a detail review of all non-payroll requests from schools and departments and payroll costs and makes revisions/adjustments to align with the goals outlined in the Strategic Plan. The budget office also meets with the Division Grant Writer to help identify additional grant revenue sources that may be available for the division to pursue based on the requests from the division.

The budget office then compares projected payroll and non-payroll costs for the next fiscal year to the initial revenue projection as of December. Any must fund items, such as Virginia Retirement System rate increases are included in the budget first. Any projected costs not covered under the initial revenue projection are accumulated and analyzed with the Superintendent and Finance Committee and are deemed unfunded needs.

### *January/February*

In January, the projected revenue, projected expenditures, and unfunded needs are presented to the School Board. The School Board then prioritizes which unfunded needs will be requested from the City for additional funding.

The budget office continues to review initial projection of costs for any changes and communicates the changes in a timely manner to the Superintendent and School Board.

The City and the School Board also collaborate and host community engagement meetings at each of the three high schools in the city. These meetings include a presentation from the Superintendent and City Manager and a live survey on school and city related issues. The School Board and City Council also hold a joint council meeting to discuss budgetary concerns.

The budget office incorporates the projected revenues, payroll projection, and approved non-payroll requests and unfunded needs into the Superintendent's Estimate of Needs (SEON). The SEON is submitted and presented to the School Board in February. Any changes requested by the School Board are incorporated into the SEON and serves as the basis for the School Board's Proposed Budget.

As required by Virginia State Code, the School Board holds a public hearing on the Proposed Budget.

The School Board and City Council also hold a joint meeting to discuss budgetary concerns.

### ***March***

The School Board formally adopts the Proposed Budget and these figures are sent to the City Manager for inclusion into the City Manager's Proposed Budget to City Council.

### ***April***

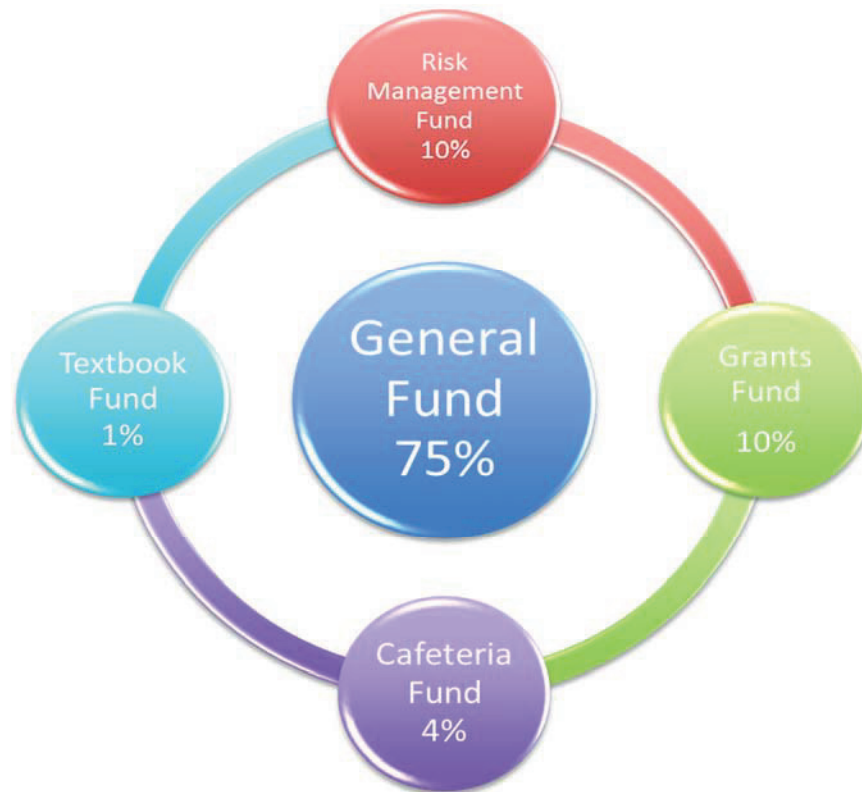
The City hosts public work sessions to address the City budget which includes the School Board budget. Any changes to local funding are communicated to the School Board and any necessary changes are incorporated.

### ***May***

City Council approves the City's budget (which includes the School Board budget) and the School Board adopts the final budget by the end of May.

## FUND OVERVIEW

The funds of the School Board consist of the General fund, Grants fund, Cafeteria fund, Textbook fund, and Risk Management fund. The former Construction fund was transferred to the City of Portsmouth in September 2014. All school division construction and building improvement needs, in excess of \$50,000, are now part of the City's Capital Improvement Program (CIP) budget.



**GENERAL FUND** - The General Fund is the *main operating fund* for the division. It includes funds from state, local, federal and other sources for the fiscal operation of the school system.

**GRANTS FUND** - The Grants fund is a special revenue fund which consists of federal, state, and local grant funding to be used for specific purposes that support and allow divisions to primarily expand expenditures to support instructional programs.

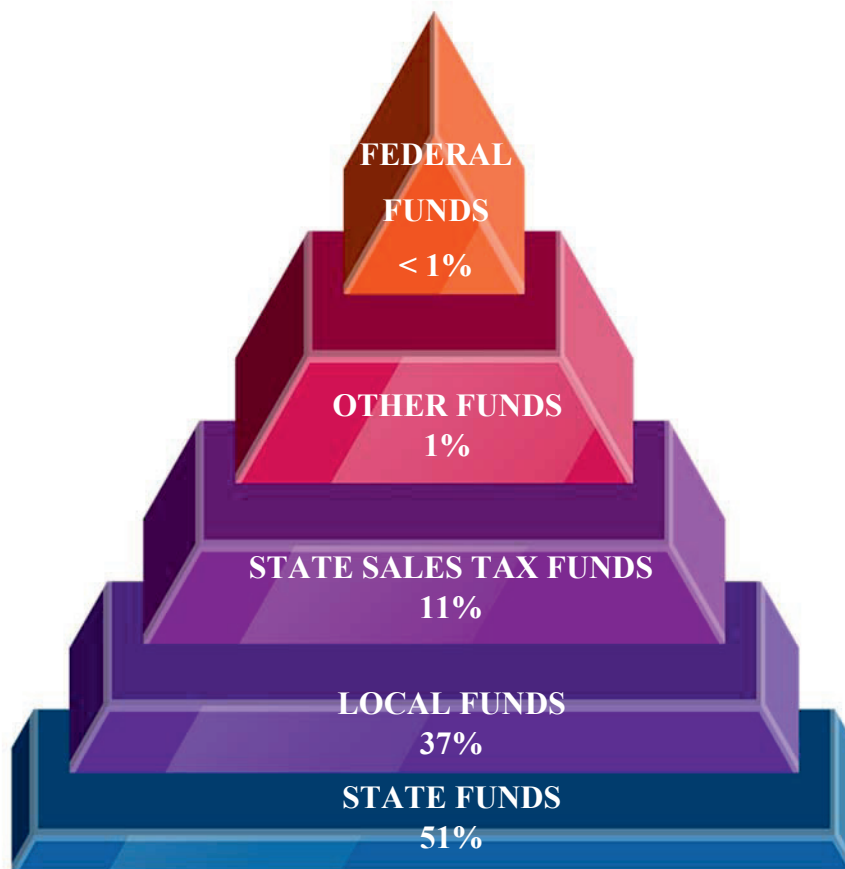
**CAFETERIA FUND** - The Cafeteria fund is a special revenue fund that supports food service operations at the division's schools.

**TEXTBOOK FUND** - The Textbook fund is a special revenue fund which is used primarily for textbook expenditures.

**RISK MANAGEMENT FUND** - The Risk Management fund is an internal service fund that accounts for all expenditures, associated with the Portsmouth Public Schools' Health Self Insurance Plan, 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.



## GENERAL FUND REVENUE SOURCES



\*\*Percentages are based on the Fiscal Year 2016-17 adopted budget.

The main operating fund has five major types of revenues: Federal, Local, State, State Sales Tax and Other Revenue Funds.

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

**STATE SALES TAX** 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 locality.

**CITY FUNDS** include the appropriation approved by the City Council. The locality is required to match a portion of the funding from the State.

**FEDERAL FUNDS** include federal impact aid and Junior Reserve Officer Training Corps (JROTC) funds.

**OTHER REVENUE FUNDS** include Medicaid reimbursements, non-resident tuition, fees and rents from the use of school buildings, proceeds from the sale of surplus property, rebates, refunds, and grant indirect cost reimbursements.

## OTHER FUNDS REVENUE SOURCES

### **GRANT FUND:**

**Federal Grants**

**State Grants**

**Other Grants**

**Local Match—From General Fund**

**GRANTS** include Federal, State, and Other grant funds awarded to the division. The majority of the grant revenue is earned on a reimbursement basis. The division incurs expenses and requests reimbursement from the applicable grantor.

For specific grants, the General Fund is required to provide the grant a minimum amount of local funds (also referred to as local match) to support the purpose and use of the grant in the division.

### **CAFETERIA FUND:**

**Federal**

**State**

**Other**

**Charges for Services**

**FEDERAL** funds make up the majority of revenue and comes from the United States Drug Administration (USDA). A portion of funding comes from the state for the division's breakfast and lunch program. Funds are also received from students who pay for lunch. Additional funding is also earned through catering events/meetings.

### **RISK MANAGEMENT FUND:**

**Charges for Services:**

**General Fund**

**Grants Fund**

**Cafeteria Fund**

**Employee (Healthcare premium – portion)**

**Retirees (Healthcare premium 100%)**

**CHARGES FOR SERVICES** include a fee based charge to the other funds and employees as part of the internal service funds to support workers compensation and healthcare expenses. Employees pay a portion of the healthcare fee only. Retirees pay 100% of the healthcare fee.

### **TEXTBOOK FUND:**

**State Funds**

**Local Match—From General Fund**

**STATE** funds are provided to divisions as part of the Standards of Quality for textbooks. The State requires the General fund to provide a minimum amount of local funds (also referred to as local match) for textbook purchases.

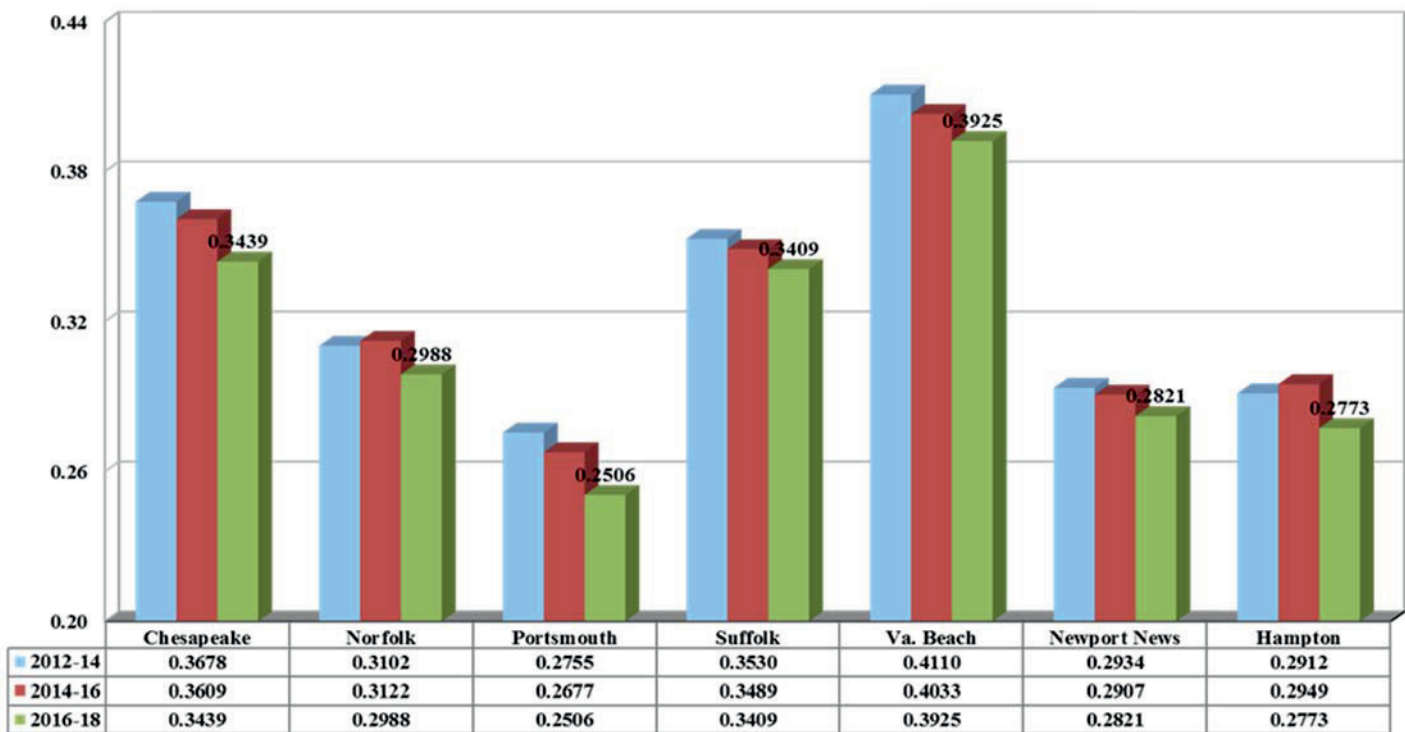
## STATE FUNDS

State funding is the largest funding source for the division and helps support expenses for all School Board funds. State funding is primarily determined by the division's Average Daily Membership (ADM) and the local composite index (LCI). Virginia distributes 1⅛ percent of sales tax revenue to the state's school districts based upon the number of school-age children in each division.

The LCI determines a locality's ability to pay for education costs to meet the Commonwealth's fundamental SOQ goals. Local ability to pay is calculated using three indicators: 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 local share of 45 percent statewide with the Commonwealth covering the remaining 55 percent. The index is recalculated every two years. The chart below compares the composite index among the surrounding school divisions. For the biennium 2016-2018, Portsmouth's LCI of .2506 remains the lowest amongst major Hampton Roads cities and has experienced a decline from the previous fiscal year.

### Local Composite Index 2012-2018

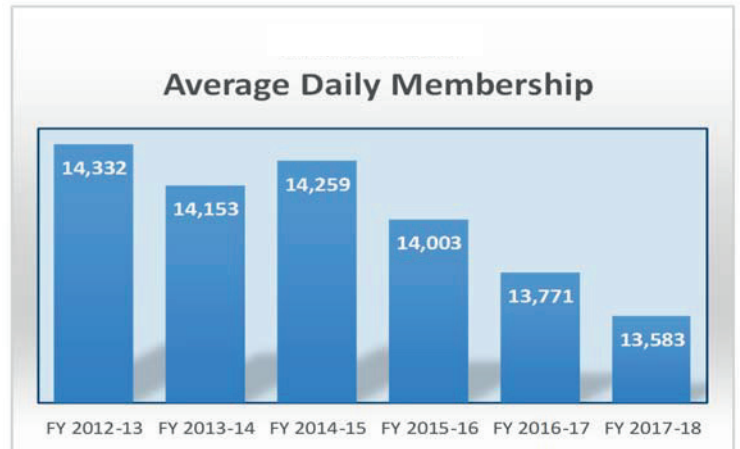


Source: Budget Office, Virginia Department of Education, December 2015

As the local composite index for the city decreases, the amount of state revenue received per student increases. The other component that effects state revenue, as previously mentioned, is ADM. ADM is the aggregate number of days of membership of all students during a specified period of time divided by the number of days school is in session for the same period of time.

The state utilizes the March 31st ADM to determine state funding. The division has experienced an overall decline in ADM the last 5

years. The state and the division both expect enrollment to continue to decline year over year. The FY 2016-17 budget expected 13,959 students; current preliminary ADM is estimated at 13,771 for fiscal year 2016-17. In response to projected decreases, the FY 2017-18 budget is based on expected March 31, 2018 ADM of 13,583.



The overall decrease in ADM is likely due to a variety of factors which include the early (January) completion of course requirements of approximately 100 high school seniors. Once these students finish course requirements they no longer attend school for the second half of the school year. This directly impacts the March 31st ADM. Additionally, the division has not replenished the number of graduates with new students to the division. For example, at the end of FY 2015-16, 935 students graduated. As of the first half of FY 2016-17, there were approximately 1,364 new students (excluding pre k students) and 638 withdrawals for a net increase of 726. This is less than the 935 students who graduated the previous fiscal year. The division is also located in a large military area which causes the population to be more transient. Defense spending in Hampton Roads has remained fairly stable which could translate to fewer new military families coming into the area.

Another likely factor for declining ADM, is the stable population within the City of Portsmouth. The City as whole is not experiencing significant growth which directly impacts the number of potential new students to the division. According to the July 1, 2015 statistics from the U.S. Census Bureau, Portsmouth had a population of 96,201. This is a slight increase of 197 as compared to the July 1, 2014 statistics. At the height of the recession (2008) the population was 99,542.

## EXPENDITURE CATEGORIES

Estimated expenditures consist of cost estimates for the operation of regular day school, summer school, adult education programs, other education programs, and support services. The expenditure categories are as follows:

WHAT WE  
SPEND THE  
MOST MONEY  
ON  
**74%**

**INSTRUCTION** includes the activities that deal directly with the interaction between teachers and students. These activities include classroom instruction, guidance services, school social workers, homebound services, improvement of instruction, media services, and expenditures of the office of the principal. Seventy-four percent (74%) of the General fund is allocated to instruction.

**ADMINISTRATION, ATTENDANCE AND HEALTH** includes activities associated with establishing and administering policy for Administration, Attendance and Health. Administration includes activities concerned with establishing and administering policy for the school division such as school board services, executive administration services, budget and planning, public information, human resources, financial services, and purchasing services. Attendance and Health Services includes 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 and therapy services.



**PUPIL TRANSPORTATION** includes activities associated 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 keeping facilities and vehicles 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 keeping the physical facilities clean and ready for daily use, are also included in the this area.

**TECHNOLOGY** includes 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 division.

**DEBT AND FUND TRANSFERS** include payments for both principal and interest that service the debt of the school division and transfers between funds such as from the General fund to the Grant fund to satisfy local match requirements for grant programs.

## EXPENDITURE TYPES

Within each expenditure classification are expenditure types. Expenditure types either comprise payroll or non-payroll costs. Payroll costs include salaries and benefits, such as employer Virginia Retirement System (VRS) contributions, health care costs, and FICA. Non-payroll costs include capital outlay, materials and supplies, purchased services, other charges, and fund transfers. Equipment and materials and supplies cover tangible goods while purchased services covers intangible offerings provided by vendors. Examples of these services include occupational and speech therapy, consulting, and maintenance. Other charges capture costs such as dues and memberships, energy and utility costs, and postage. Joint Operations cover tuition for SECEP and the DUAL ENROLLMENT/FIRST COLLEGE program. A brief description of each expenditure type is as follows:

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

**BENEFITS** include fringe benefits including Social Security, life insurance, retirement, medical insurance, and unemployment.

**PURCHASED SERVICES** include contractual services required by the division i.e., printing, maintenance agreements, advertising expenses, and other contracted services.

**JOINT OPERATIONS** include tuition costs paid by the division for special needs students and high school students.

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

**MATERIALS AND SUPPLIES** include expenditures for commodities which are consumed such as instructional materials, custodial supplies, building supplies, etc.

**EQUIPMENT** includes expenditures for new equipment and replacement equipment such as 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.

**DEBT/FUND TRANSFERS** account for the conveying of monies to and from one fund (e.g., School General Fund) to another fund (e.g., Textbook Fund, Grants Fund, or Risk Management Fund). There is no outstanding debt for the division. Prior years debt expenditures consisted of an energy saving lease.

## FISCAL YEAR (FY) 2017-18 ADOPTED BUDGET

The following is the FY 2017-18 Budget. A breakout of each fund is provided below and on the next pages. The FY 2016-17 Adopted Budget has been adjusted to remove the State Compensation Supplement that was originally approved by the State but subsequently defunded due to lower State revenues than projected.

### ALL FUNDS

FUND	FY 2016 - 17 ADOPTED BUDGET (less compensation supplement)	FY 2017 - 18 ADOPTED BUDGET	DOLLAR CHANGE	PERCENT CHANGE
GENERAL FUND	\$ 142,851,907	\$ 144,303,313	\$ 1,451,406	1.02%
GRANTS FUND	18,650,117	18,867,500	217,383	1.17%
CAFETERIA FUND	8,420,100	8,618,790	198,690	2.36%
TEXTBOOK FUND	1,532,441	1,496,186	(36,255)	-2.37%
RISK MANAGEMENT FUND	19,656,132	19,700,000	43,868	0.22%
<b>TOTAL ALL FUNDS</b>	<b>\$ 191,110,697</b>	<b>\$ 192,985,789</b>	<b>\$ 1,875,092</b>	<b>0.98%</b>

### GENERAL FUND

REVENUES	FY 2016 - 17 ADOPTED BUDGET (less compensation supplement)	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
CITY FUNDS	\$ 52,400,000	\$ 52,400,000	\$ -	0%
FEDERAL FUNDS	600,000	600,000	-	0%
OTHER REVENUE FUNDS	1,548,995	1,707,495	158,500	10%
SALES TAX	15,612,710	15,395,174	(217,536)	-1%
STATE FUNDS	72,690,202	74,200,644	1,510,442	2%
<b>TOTAL REVENUE</b>	<b>\$ 142,851,907</b>	<b>\$ 144,303,313</b>	<b>\$ 1,451,406</b>	<b>1.02%</b>

EXPENDITURES	FY 2016 - 17 ADOPTED BUDGET (less compensation supplement)	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
INSTRUCTION	\$ 105,767,610	\$ 106,446,910	\$ 679,300	0.64%
ADMINISTRATION ATTENDANCE & HEALTH	8,191,512	8,619,319	427,807	5.22%
PUPIL TRANSPORTATION	6,404,615	6,433,474	28,859	0.45%
OPERATIONS AND MAINTENANCE	14,472,059	14,144,522	(327,537)	-2.26%
INFORMATION TECHNOLOGY	4,891,279	5,572,166	680,887	13.92%
DEBT/FUND TRANSFERS	3,124,832	3,086,922	(37,910)	-1.21%
<b>TOTAL EXPENDITURES</b>	<b>\$ 142,851,907</b>	<b>\$ 144,303,313</b>	<b>\$ 1,451,406</b>	<b>1.02%</b>

## GRANTS FUND

REVENUES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
FEDERAL	\$ 11,668,429	\$ 11,781,236	\$ 112,807	0.97%
STATE	4,921,464	4,928,223	6,759	0.14%
OTHER	274,432	253,182	(21,250)	-7.74%
LOCAL MATCH	1,375,792	1,169,901	(205,891)	-14.97%
ANTICIPATED GRANTS	410,000	734,958	324,958	79.26%
<b>TOTAL REVENUES</b>	<b>\$ 18,650,117</b>	<b>\$ 18,867,500</b>	<b>\$ 217,383</b>	<b>1.17%</b>

EXPENDITURES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
INSTRUCTION	\$ 15,050,379	\$ 16,148,814	\$ 1,098,435	7.30%
ADMINISTRATION ATTENDANCE & HEALTH	1,380,708	872,368	(508,340)	-36.82%
PUPIL TRANSPORTATION	274,085	254,527	(19,558)	-7.14%
OPERATIONS AND MAINTENANCE	36,527	146,513	109,986	301.11%
INFORMATION TECHNOLOGY	1,908,418	1,445,278	(463,140)	-24.27%
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,650,117</b>	<b>\$ 18,867,500</b>	<b>\$ 217,383</b>	<b>1.17%</b>

## CAFETERIA FUND

REVENUES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
FROM THE FEDERAL GOVERNMENT	\$ 6,654,600	\$ 6,970,824	\$ 316,224	4.75%
FROM THE COMMONWEALTH	110,000	95,966	(14,034)	-12.76%
CHARGES FOR SERVICES	675,000	560,000	(115,000)	-17.04%
DONATED COMMODITIES	400,000	415,000	15,000	3.75%
OTHER REVENUE	580,500	577,000	(3,500)	-0.60%
<b>TOTAL REVENUES</b>	<b>\$ 8,420,100</b>	<b>\$ 8,618,790</b>	<b>\$ 198,690</b>	<b>2.36%</b>

EXPENDITURES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUD- GET	Dollar Change	Percent Change
SALARIES	\$ 2,072,000	\$ 2,327,967	\$ 255,967	12.35%
BENEFITS	1,628,000	1,343,712	(284,288)	-17.46%
PURCHASE OF FOODS	3,335,000	3,650,000	315,000	9.45%
DONATED COMMODITIES	400,000	415,000	15,000	3.75%
OTHER	985,100	882,111	(102,989)	-10.45%
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,420,100</b>	<b>\$ 8,618,790</b>	<b>\$ 198,690</b>	<b>2.36%</b>



## TEXTBOOK FUND

REVENUES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
STATE	\$ 1,148,411	\$ 1,117,495	\$ (30,916)	-2.69%
OTHER REVENUE	\$ -	\$ 5,000	\$ 5,000	100.00%
LOCAL MATCH	384,030	373,691	(10,339)	-2.69%
<b>TOTAL REVENUES</b>	<b>\$ 1,532,441</b>	<b>\$ 1,496,186</b>	<b>\$ (36,255)</b>	<b>-2.37%</b>

EXPENDITURES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
TEXTBOOKS	\$ 1,532,441	\$ 1,496,186	\$ (36,255)	-2.37%
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,532,441</b>	<b>\$ 1,496,186</b>	<b>\$ (36,255)</b>	<b>-2.37%</b>

## RISK MANAGEMENT FUND

REVENUES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
WORKER'S COMP. CHARGE FOR SERVICES	\$ 1,425,200	\$ 1,425,200	\$ -	0.00%
SELF HEALTH PLAN CHARGE FOR SERVICES	18,230,872	18,274,800	43,928	0.24%
<b>TOTAL REVENUES</b>	<b>\$ 19,656,072</b>	<b>\$ 19,700,000</b>	<b>\$ 43,928</b>	<b>0.22%</b>

EXPENDITURES	FY 2016 - 17 ADOPTED BUDGET	FY 2017 - 18 ADOPTED BUDGET	Dollar Change	Percent Change
WORKER'S COMP. AND INSURANCE PREMIUM	\$ 975,260	\$ 975,260	\$ -	0.00%
WORKER'S COMP & CLAIMS	449,940	449,940	-	0.00%
SELF HEALTH PLAN EXPENSES	18,230,872	18,274,800	43,928	0.24%
<b>TOTAL EXPENDITURES</b>	<b>\$ 19,656,072</b>	<b>\$ 19,700,000</b>	<b>\$ 43,928</b>	<b>0.22%</b>

## FISCAL YEAR (FY) 2017-18 ADOPTED BUDGET HIGHLIGHTS (FUNDED)

The following list are funded highlights from the FY 2017-18 Adopted Budget. Budget estimates have been rounded to the nearest ten thousand.

### **Goal 1: Curriculum, Instruction and Assessment: Provide educational opportunities to assure all students achieve high academic growth**

- Over \$68,000,000 in teacher total compensation including the hiring of 10 additional Elementary School Teachers (**Objective 3**)
- \$1,500,000 in instructional supplies and materials (**Objective 2 and 3**)
- \$390,000 to hire 3 additional Instructional Technology Resource Teachers and 3 additional Technology Support Technicians (**Objective 2**)
- Continued funding of all additional instructional programs (i.e. STARBASE, ROBOTICS, PORTE TOWNE MAGIC, etc.) (**Objective 1 and 3**)
- \$290,000 for Standards of Learning Tutoring and Transportation (**Objective 3**)
- Over \$5,000,000 in continued funding for First College/Dual Enrollment and Southeastern Cooperative Educational Program (SECEP) tuition (**Objective 1**)
- \$1,600,000 in funding of local match grant requirements (**Objective 2 and 3**)
- Hire additional Career and Technical Education (CTE) teachers in the area of Cybersecurity, Sports Medicine, TV Production and Nail Technician to expand the CTE program within current schools (**Objective 1**)

### **Goal 2: Social– Emotional Development: Strengthen practices and policies focused on social-emotional development**

- \$43,000 to support Positive Behavioral Interventions and Support (PBIS) program (**Objective 1**)

### **Goal 3: High-Quality Personnel: Recruit, retain, and develop highly-qualified personnel**

- \$1,000,000 increase for mandatory employer contributions to the Virginia Retirement System (VRS) (**Objective 1**)
- \$2,000,000 increase for a 2% raise for all employees (**Objective 1**)
- Additional 2% raise for all nurse positions (**Objective 1**)
- \$450,000 to provide paid Winter Break for 10 month non-exempt (hourly) employees (**Objective 1**)
- \$340,000 for continued funding of staff development through the General fund and Grant fund (**Objective 3 and 4**)
- \$45,000 for recruitment of teachers and other staff (**Objective 2**)

## FISCAL YEAR (FY) 2017-18 ADOPTED BUDGET HIGHLIGHTS (FUNDED), cont.

### **Goal 4: Family & Community Engagement: Strengthen school, family, and community involvement and perceptions**

- \$16,000 for continued funding of communication resources and program used to reach parents and the community (**Objective 1 and 2**)
- \$60,000 for continued funding for parental involvement through Title I grant (**Objective 1**)

### **Goal 5: Finance and Operations: Ensure fiscal stability through sound financial practices and ensure high-quality school facilities**

- Realignment of personnel based on instructional needs (**Objective 2**)
- Reduction and realignment of non-payroll costs (**Objective 2**)
- \$1,400,000 for risk management (i.e. liability insurance/workers compensation) program (**Objective 1 and 3**)
- \$2,600,000 for maintenance of 24 facilities, maintenance vehicles and over 100 school buses. (**Objective 3**)
- Changes in food services department (Cafeteria fund) operations (i.e. utilizing more semi-homemade food products and realigning staff based on industry best practices) to earn more revenue and break-even (**Objective 1**)
- Over \$4,000,000 in utilities (i.e. electricity), fuel, and telecommunication costs (**Objective 3**)



## FY 2017-18 PERSONNEL ALLOCATION

The majority of division employees are allocated to the General fund. Within the General fund, 83% of the funds are allocated for salaries and benefits.

### Fiscal Year 2017-18 Staffing (Active and Vacancy Positions)

FUND	FY 2016-17 Positions	FY 2017-18 Positions	Position Change	Percent Change
General Fund	1,805	1,819	14	0.8%
Grants Fund	186	204	18	9.7%
Cafeteria Fund	157	157	0	0%
Textbook Fund	0	0	0	0%
Risk Management Fund	0	0	0	0%
<b>Total</b>	<b>2,148</b>	<b>2,180</b>	<b>32</b>	<b>1.5%</b>

In line with state SOQ requirements, school improvement plans, classroom support needs, and to increase revenue, the overall change in positions is a net increase of 32 FTE positions (14 General fund and 18 Grant fund). All but 4 positions are for the instructional program, such as Teachers to lower class sizes and Kindergarten Instructional Assistants. The remaining positions are the Medicaid Reimbursement Specialist and Technology Support Technicians.

The staffing for teachers is based on enrollment and meeting or exceeding Standards of Quality and K-3 Primary Class Size Reduction requirements, and for specific instructional program needs such as Career and Technical Education. The division has the second largest free and reduced lunch percentage in Hampton Roads (68.84%); this impacts class size requirements, specifically in grades K through 3. The adopted budget projects average K-3 class size to be 19.

As part of the budget process, all positions were analyzed and a number of them have been reduced, reassigned or adjusted. A total of 27 positions were reduced in the General Fund to balance the budget (which includes a 2% raise for all teachers and staff). Of the 27 positions, 16 are vacant positions which will not be filled. The remaining 11 positions will be reduced through re-assignment to vacant positions due to the following:

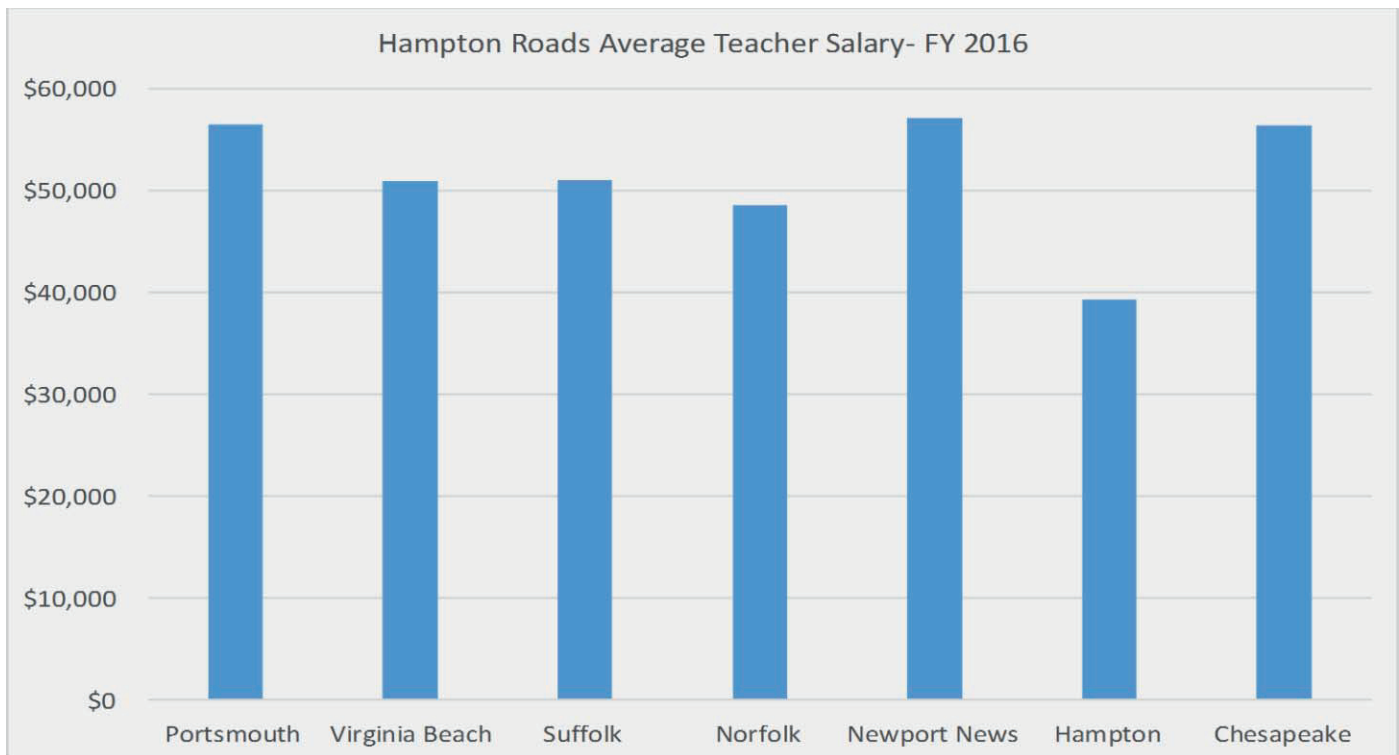
- ◆ Through the closing of the Portsmouth Public Schools (PPS) Planetarium housed at the City of Portsmouth Children’s Museum. PPS has a Planetarium Memorandum of Agreement with the City of Portsmouth in which PPS pays for the management, equipment, and supplies for the Planetarium.
- ◆ 4 positions (Administrative and Clerical) will be reduced through re-assignment to vacant positions.
- ◆ 6 positions will be reduced and reassigned through the consolidation of the preschool program. The preschool program is currently housed in 4 separate facilities. For FY 2017-18, the preschool program will be consolidated into 3 facilities. This consolidation does not impact the number of students that will be served, and it does not impact the number of teachers and instructional assistant positions. Consolidating the preschool centers reduces the number of non-classroom positions (i.e. Principal, Clerical, Custodian, Nurse). The 6 positions will be re-assigned to vacant positions within the division.

## FY 2017-18 PAY/COMPENSATION

Included in the adopted budget for FY 2017-18 is a 2% pay increase for teachers and all employees. This pay raise will allow the division to continue to stay competitive with surrounding divisions. Additionally, this pay raise will help with the current compression due to the six (6) year gap between the most recent step increase (January 2016) and the previous step increase (September 2009). Step increases are typically given as an employee's years of service increase (up to a max of 24 years). Below is a history of pay raises for the last 7 fiscal years:



Based on data submitted by individual school divisions as part of the VDOE Superintendent's Annual School Report, Portsmouth Public Schools had the highest average teacher salary in the Hampton Roads Area for FY 2015-16. In FY 2014-15, Portsmouth ranked third. The increase in average teacher salary is likely due to the last pay raise received in January 2016, long tenured teachers, and lower full time equivalent (FTE) teachers compared to larger divisions such as Chesapeake, Virginia Beach, and Norfolk.



The adopted budget also includes 10 month non-exempt employees paid Winter Break, which equates to an additional average 5% increase in pay.

## FY 2017-18 NON-PERSONNEL ALLOCATION

Along with gross salaries, the division has allocated up to approximately 26% in non-medical benefits per employee. This benefits percentage includes the additional 1.66% increase for mandatory VRS employer contributions. For each employee enrolled in the Portsmouth Public School Health Plan, the division, on average, pays an additional \$10,000 per employee for healthcare expenses. For FY 2017- 18, employer healthcare expenses for the division are expected to increase approximately 2.91%. Due to fewer employees enrolled in the Health Plan, the impact of this increase is minimal to the total budget.

Beyond salaries and benefits, money is allocated to non-payroll costs. Within the Grants fund, Cafeteria fund, and Textbook fund, non-payroll costs are primarily used for instructional supplies and technology, cafeteria food supplies, and textbooks, respectively.

The division is self insured for workers compensation and health expense claims. As such, the Risk Management fund, is utilized to account for these expenses. The Risk Management fund charges a fee to the other funds to generate revenue to pay for workers compensation and health expenses. Employees enrolled in the Health Plan are also charged a fee/premium to help cover their healthcare expenses.

Within the General fund, 17% is allocated to non-payroll costs. The majority of the non-payroll is allocated to the following costs for the division:

- ◆ Electricity for 24 buildings
- ◆ Fuel-School buses and maintenance vehicles
- ◆ Tuition- Regional Special Education Program
- ◆ Tuition- First College/Dual Enrollment
- ◆ Instructional Supplies
- ◆ Software

- ◆ Grant Local Match
- ◆ Division wide Copier Lease
- ◆ Contracted Facilities Maintenance
- ◆ Risk Management Charges for Services
- ◆ Equipment Replacement
- ◆ Fleet Maintenance

By law, the School Board may not issue bonds or enter into debt. The City as the appropriating body levies the necessary taxes to finance school operations and borrows money and issues bonds when necessary. For FY 2017-18, the division does not have any debt obligations.

## CAPITAL IMPROVEMENT PLAN

Expenditures related to capital projects are controlled and maintained by the City. The division developed a five year capital project plan in FY 2016-17 prior to the completion of the new Strategic Plan. For FY 2017-18, the following capital projects were submitted to the City and approved:

PROJECT	DESCRIPTION	ESTIMATED COST
Hodges Manor Elementary HVAC Replacement	Replacement of 36 HVAC roof top units which have exceeded their useful life.	FY 2017-18: \$380,000
Wilson High School Water Cooling Tower Replacement and Relocation	Replacement of Cooling Tower, which produces condensation and leaks that have negatively impacted the mechanical room, and relocate externally from the building and install supply and return piping underground, and reconnect the lines inside the facility's mechanical room.	FY 2017-18: \$550,000
Churchland Academy Parking Lot Addition	Add 100 space parking lot to be located in the front of the school, on the West side, between the current parent drop off area and River Shore Road.	FY 2017-18: \$77,500 FY 2018-18: \$300,000
Churchland High School Sound and Lighting Replacement	Modernize the stage and auditorium by the replacement of the sound and lighting on stage and house lights. Current system is obsolete.	FY 2017-18: \$345,000

Beginning in FY 2016-17, the division will have a facility study done to assess the conditions of all buildings. Once complete, updates will be made to the Capital Improvement Plan.

The City also approved and appropriated \$1 million for school bus replacement in FY 2017-18.

## Per Pupil Cost



Expenditures per pupil for the upcoming year are reported each year. This cost is determined by dividing the total operating budget expenditures by the average daily membership. The state requires certain expenses (i.e. capital outlay) to be excluded from the calculation. Based on the latest per pupil data available (shown below), Portsmouth per pupil cost (\$10,862) ranks fourth (4th) in Hampton Roads. In comparison to the other surrounding divisions, the division ranks second to last for local city funds per pupil and retail sales and use tax funds per pupil. This directly correlates to the LCI for the City of Portsmouth. The division ranked first in state per pupil funding.

Division	Local Per Pupil	Rank	State Per Pupil	Rank	Retail Sales and Use tax Per Pupil	Rank	Federal Per Pupil	Rank	Total Per Pupil Cost	Rank
Norfolk	\$4,014	3	\$4,578	4	\$1,002	5	\$1,523	1	\$11,297	1
Virginia Beach	5,392	1	3,828	7	1,016	4	914	5	11,149	2
Newport News	3,763	5	5,038	2	985	7	1,280	2	11,066	3
Portsmouth	<b>3,620</b>	<b>6</b>	<b>5,047</b>	<b>1</b>	<b>995</b>	<b>6</b>	<b>1,199</b>	<b>3</b>	<b>10,862</b>	<b>4</b>
Chesapeake	4,682	2	4,329	5	1,024	2	775	7	10,810	5
Hampton	3,818	4	4,860	3	1,020	3	1,031	4	10,730	6
Suffolk	3,589	7	4,267	6	1,066	1	808	6	9,730	7



## BUDGET FORECAST

The following table illustrates the budget forecast for future revenues for all funds.

	2016-2017 BUDGET****	2017-2018 BUDGET	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>General Fund</b>					
Revenues	142,851,907	144,303,313	144,256,136	143,620,635	142,993,225
<b>Grants Fund</b>					
Revenues	17,349,515	17,697,599	17,697,599	17,697,599	17,697,599
Other Financing Sources (Transfers in)	1,300,602	1,169,901	1,169,901	1,169,901	1,169,901
<b>Cafeteria Fund</b>					
Revenues	8,405,100	8,603,790	8,603,790	8,603,790	8,603,790
Other Financing Sources (Transfers in)	15,000	15,000	-	-	-
<b>Textbook Fund</b>					
Revenues	1,148,411	1,122,495	1,110,203	1,098,045	1,086,022
Other Financing Sources (Transfers in)	384,030	373,691	369,580	365,515	361,494
<b>Risk Management Fund</b>					
Revenues	19,656,072	19,700,000	21,600,000	21,600,000	21,600,000

\*\*\*\* FY2017 Original Budget less FY17 compensation supplement removed from state budget

### General Fund

State funding is primarily based on the minimum Standards of Quality (SOQ) that each division must meet. Because the Standards of Quality is formula based, it does not take into account all the costs of running a school division and meeting the specific needs of students with varying socioeconomic status and within different regions.

FY 2018-19 is the beginning of a new state biennium budget. As such it is unknown how state funding will be impacted. Additionally, changes in the state government as the result of upcoming November 2017 elections, such as the Governor's election, will likely have an impact on state funding starting in FY 2018-19.

Because of the many unknowns with the next biennium state budget, the forecast only includes a decrease to state revenue as the result of declines in ADM. The division expects a yearly decline of 150 in ADM over the next 3 years based on past trends. This downward trend appears to be due to a variety of factors as previously discussed.

No change in local funding is expected as a result of the current economic state of the City. Local funding is primarily derived from property taxes (i.e. real estate tax). The real estate tax in the City is the highest among all cities within Hampton Roads. Currently, it is not anticipated that this rate would increase. Additionally, property values have remained steady and significant increases in property values are not anticipated.

Federal funding is expected to stay flat in the event that federal funding is not reduced or cut (see discussion on the Proposed White House Budget on the next page).

## **Grant Fund**

Overall revenues are expected to be consistent assuming the re-award of current grants. The division continues to seek new grants and will request an increase to the appropriation as needed as new grants are awarded.

## **Cafeteria Fund**

Overall revenues are expected to be consistent with the FY 2017-18 projection based on operational changes and food offerings to students.

## **Textbook Fund**

The textbook fund is expected to experience slight decreases as the result of declines in ADM which is a component of textbook funding from the state and the local match requirement.

## **Risk Management Fund**

An overall increase in the risk management fund revenue is expected based on the anticipated increase in healthcare costs. The division will have to increase the charges for services to cover the rise in healthcare. The division continues to work with its benefit consultant in projecting future costs each upcoming plan year.

## **White House Proposed Education Budget**

All revenues projections (specifically in the General and Grant funds) are based on the continuation of current Federal programs. Under the White House proposed budget, programs such as Federal Impact Aid, Title II Improving Teacher Quality grant, and 21st Century Learning Center grant could possibly be eliminated. The elimination of these funds would adversely impact the instructional program by a total annual loss of between \$1.7 million and \$2.0 million. The division will continue to monitor and assess the impact of the Federal budget (on FY 2017-18 and future budgets) as it is finalized.

## Impact on Strategic Plan

With FY 2017-18 being the first fiscal year under the new Strategic Plan previously discussed, many of the goals, objectives and specific action steps will need to be sufficiently funded over the next 4 years to fulfill the plan. Some of these action steps include:

- ◆ Increasing the variety of technical and career course offerings to students
- ◆ Expanding the number of students earning college credit courses (i.e. expansion of First College Program, Dual Enrollment, and Advanced Placement courses)
- ◆ Continuing to leverage technology integration in the classroom and expand teacher and administration use of technology for data based instructional decision making (i.e. increasing classroom technology, timely replacement of technology, and training employees on technology usage within the curriculum)
- ◆ Offering competitive total compensation package
- ◆ Increasing professional learning and leadership development opportunities
- ◆ Monitoring and increasing safety, cleanliness, and overall appearance of facilities

The division is researching and compiling information, through student surveys, site visits (Career and Technical Education centers), third party assessments of facilities and internal assessments, to determine how to implement and accomplish the action steps listed above, and to determine the projected amount of funding that is needed.

It is anticipated that projects such as CTE expansion, facility/school upgrades and replacement, and keeping compensation competitive with surrounding school divisions will require substantial funding.

As part of the FY 2017-18 budget, several initiatives, in line with the Strategic Plan, went unfunded due to projected revenue:

### **Goal 1: Curriculum, Instruction and Assessment: Provide educational opportunities to assure all students achieve high academic growth**

- Hire additional Kindergarten Instructional Assistants to provide direct assistance to each Kindergarten class in the division (**Objective 3**)
- Hire additional Instructional Assistants to work directly on Phonological Awareness Literacy Screenings (PALS) with students in grades K-3 and provide targeted literacy support for these students (**Objective 2**)
- Hire Applied Behavioral Analysis Therapist (**Objective 3**)
- Strengthen the Middle School Music program through hiring additional personnel and equipment needed for music instruction (**Objective 2**)

### **Goal 2: Social– Emotional Development: Strengthen practices and policies focused on social-emotional development**

- Increase in all Athletic supplements to be more competitive with surrounding divisions, and add supplements for athletic assistants and a competition cheerleading coach at each high school (**Objective 1**)

**Goal 2: Social– Emotional Development: Strengthen practices and policies focused on social-emotional development (continued)**

- Hire 1 Hearing Officer to improve the current hearings process, and increase efforts to focus on preventive measures for discipline within the Youth Risk Department (**Objective 1**)
- Increase support to Athletic and Band programs due to rising costs of equipment, competitions, and events (**Objective 1**)

Based on the budget forecast and future expected increases in healthcare and VRS retirement costs, the division may not be able to fulfill all aspects of the Strategic Plan within the next 5 years. To meet operating needs, the division will have to continue to assess every expense, leverage grant funding (where possible), and work with City officials to help provide additional funding for division needs and initiatives.

# ORGANIZATIONAL SECTION



## ABOUT THE DIVISION

The title of the corporate body is the Portsmouth City School Board. Better known as Portsmouth Public Schools, the division's 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 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 appendix.

The school division is fiscally dependent, deriving most of its funding from the Commonwealth of Virginia and the City of Portsmouth. 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 to purchase new school buses to replace obsolete or worn out ones, but such loans must be repaid within 10 years. 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.

Portsmouth Public Schools serves students who live within the borders of the City of Portsmouth, Virginia. This urban city, settled in 1752 and incorporated by the Virginia General Assembly in 1858, has a current population of 96,201 within its 33 square miles. According to 2014 City data, 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.

Portsmouth Public Schools offers education from pre-K through the 12th grade and has an enrollment of over 14,000 students. There are three high schools, three middle schools, thirteen elementary schools, and four pre-K centers. Supplemented by state preschool initiative grant funding, the division educates four-year olds to ensure success in kindergarten and throughout their educational careers. Students in kindergarten through sixth grade receive instruction at the 13 elementary schools. Grades 7 and 8 receive instruction in the 3 middle schools, and 3 high schools serve grades 9-12. Alternative placement programs, for students in grades K-8, take place at the New Directions Center, while grades 9-12 alternative programs, such as the Individual Student Alternative Education Plan (ISAEP), are at the S.H. Clarke facility.

In addition to traditional instructional settings for students in grades K-12, the division offers a number of magnet and enrichment programs. Portsmouth Public Schools operates a Science, Technology, Engineering, and Mathematics (STEM) pathways program for all elementary students at Victory Elementary School. 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.

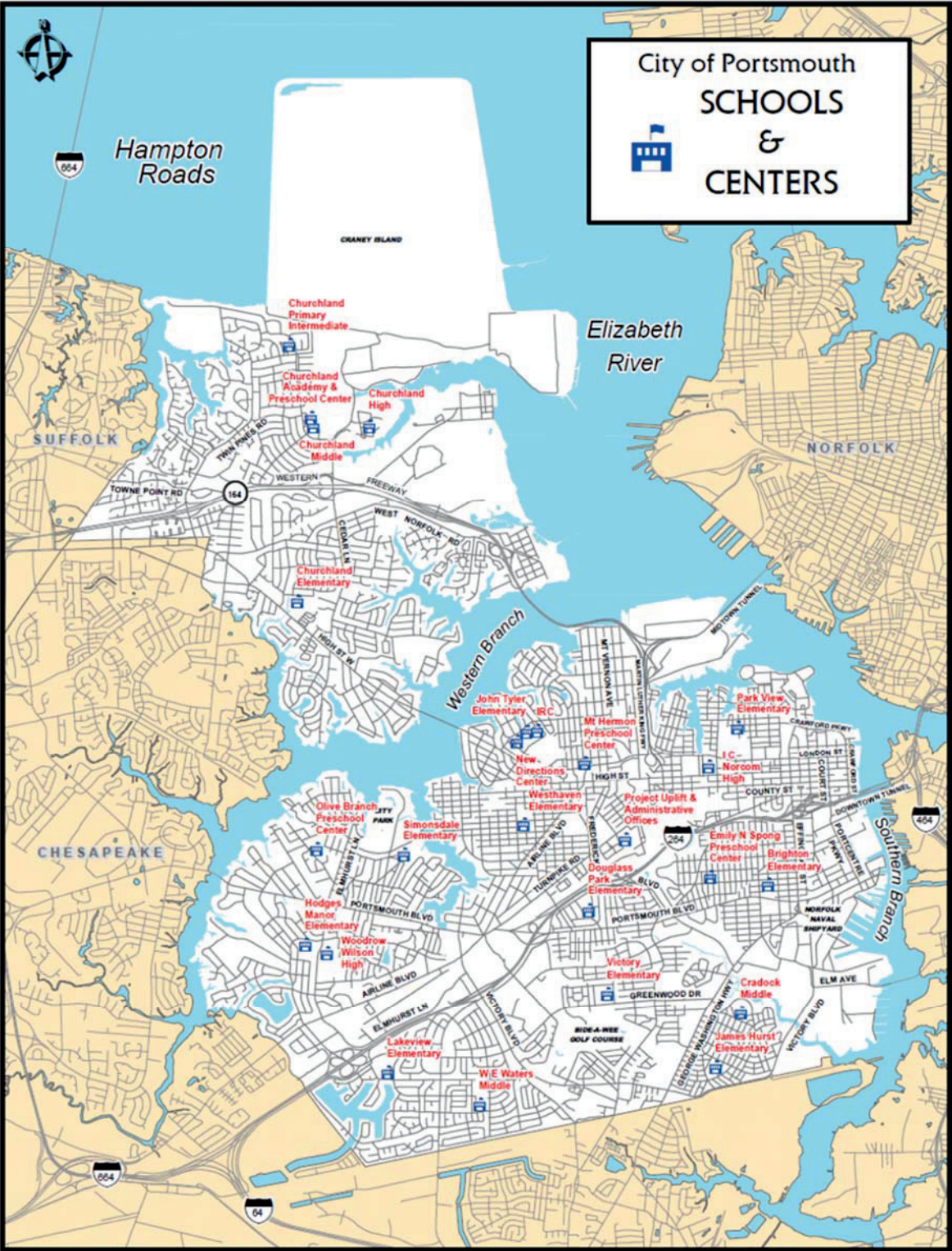
The division also strives to set students up for success after high school through Career and Technical Education (CTE), First College, and Dual Enrollment programs. The CTE program offers courses in Practical Nursing, Hotel Management, Early Childhood Education Exploration, Culinary Arts, Horticulture, Marine Electrical, Diesel Equipment Technology, and Automotive Repair. Upon completion of these courses, students not only possess workplace readiness skills, but also receive industry certifications. For those interested in continuing their education, Portsmouth Public Schools partnered with Tidewater Community College to offer First College to second-semester seniors who have completed coursework for their high school diplomas. 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 every year to over 200 students.

The Adult Education department offers night courses at the Excel Campus at Woodrow Wilson High School. Courses are designed to prepare adult students to pass the GED test, 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.

#### **Division Profile Link**

<https://sites.google.com/a/portsk12.com/portsmouth-public-schools-division-profile/>







## GOVERNANCE STRUCTURE

Portsmouth Public Schools is governed by a nine member school board, chaired by Mr. Claude C. Parent and vice-chaired by Mrs. Costella B. Williams. School Board members serve four year terms where they strategically direct and manage the division. The other School Board members are Rev. Joseph A. Fleming, Mrs. Sarah Duncan Hinds, Mr. Ted J. Lamb, Rev. Cardell C. Patillo, Dr. Ingrid P. Whitaker, Ms. Lakeesha S. “Klu” Atkinson, and Ms. Angelia Allen. Members of the School Board serve alongside school business and City leaders on various committees.

<b>School Board Committee Assignments</b>	
<b>Budget and Finance</b>	Mr. Claude C. Parent Rev. Cardell C. Patillo
<b>City Council Liaison</b>	Mr. Claude C. Parent Mrs. Costella B. Williams
<b>Curriculum and Instruction</b>	Mrs. Sarah D. Hinds Mrs. Costella B. Williams
<b>Human Resources</b>	Rev. Joseph A. Fleming Mrs. Costella B. Williams
<b>Minority Contractors Business Policy</b>	Dr. Ingrid P. Whitaker Ms. LaKeesha S. "Klu" Atkinson
<b>Legislative and Policy</b>	Ms. Angelia Allen Rev. Joseph A. Fleming
<b>Technology and Operations</b>	Ms. Angelia Allen Rev. Cardell C. Patillo
<b>Corporate Sponsorships</b>	Dr. Ingrid P. Whitaker Mr. Ted J. Lamb

### **Special Committees**

#### **Career and Technical Education Advisory**

Dr. Ingrid P. Whitaker

Mrs. Sarah D. Hinds

#### **Ad Hoc Student Disciplinary**

Mr. Claude C. Parent

Ms. Lakeesha S. “Klu” Atkinson

#### **Wellness**

Dr. Ingrid P. Whitaker

Ms. Lakeesha S. “Klu” Atkinson

These various committees allow the board to help school business officials align day to day initiatives with those of the School Board. The City Council Liaison committee serves as a bridge between Portsmouth City Council, the division’s appropriating body, and the school board. By working closely together, the board makes sure that the interests of their constituents are met as well as providing tangible leadership to school business leaders.

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 Commonwealth’s Board of Education and in accordance with policies and procedures approved by the School Board. His responsibilities related to budget preparation and administration are detailed in School Board Policies DA (Management of Funds), and DB (Annual Budget) which are included in the Appendix. 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. Other important positions that report directly to the school board include the School Board Attorney and the Board Clerk. The School Board Attorney protects the interests of the division while the Clerk assists with the administrative needs of the school board and acts as a gatekeeper between the board and the citizens of Portsmouth.



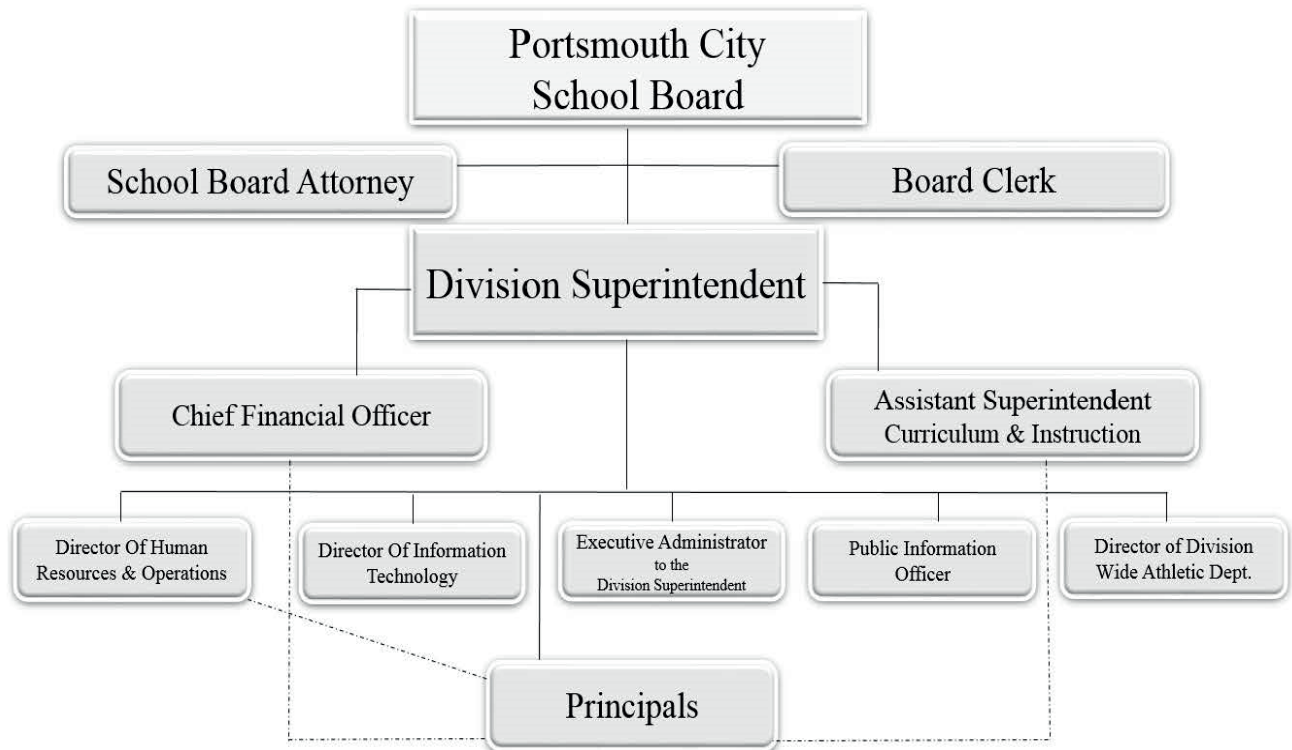
## DIVISION ORGANIZATIONAL CHARTS

The School Board empowers the Division Superintendent to appoint members of the cabinet to oversee the day-to-day operations of the division. The Executive Administrator provides administrative support to the Superintendent. The Director of Human Resources/Operations handles all of the human capital issues and operational aspect (i.e. facilities, transportation, etc.) of the division while the Public Information Officer manages communications and is the liaison between the division and the community at large. The Chief Financial Officer oversees the budget and finances of the division while the Assistant Superintendent of Curriculum and Instruction directs the instructional aspects of Portsmouth Public Schools. Finally, Principals (who manage instructional personnel within the schools) primarily report to the Division Superintendent but specific matters are provided oversight by the Assistant Superintendent, Chief Financial Officer, and Director of Human Resources and Operations.

Organizational charts for the four main organizational groups (Office of Curriculum and Instruction, Office of Budget and Planning, Office of Human Resources and Operations, and the Office of Information Technology) are included on the next pages.

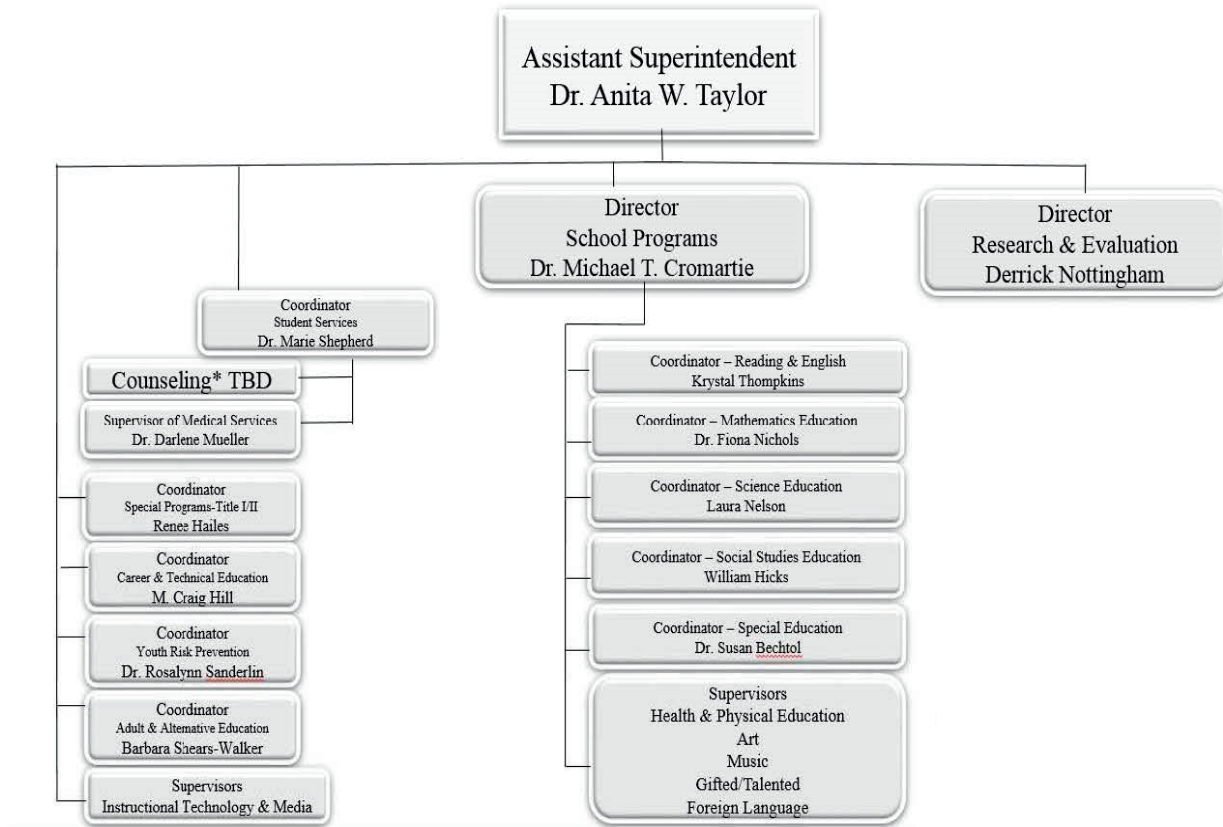
### Division Organizational Chart

FY 2017-18



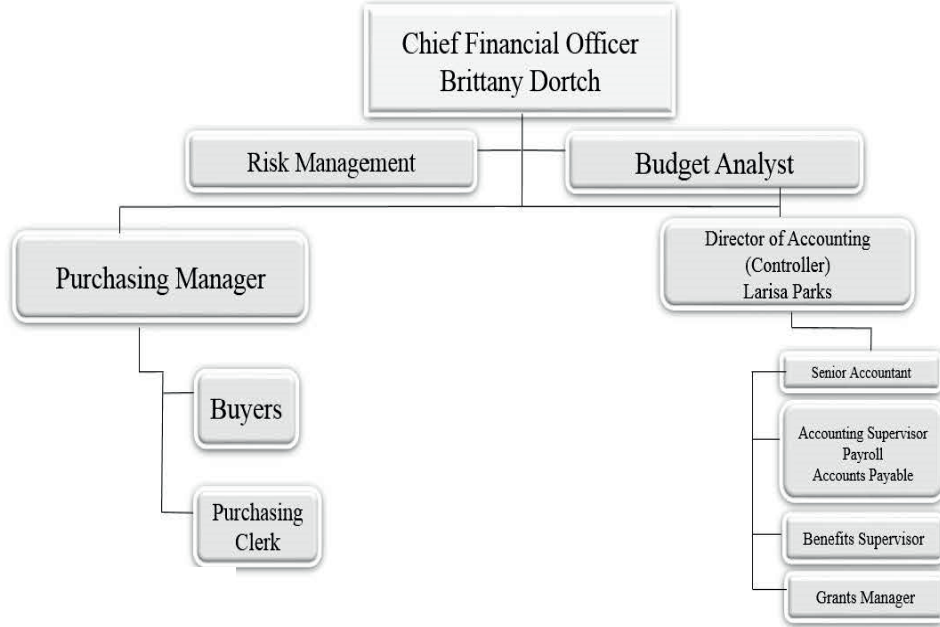
# Office of Curriculum & Instruction

TOTAL POSITIONS: 1,604 (includes school based staff)



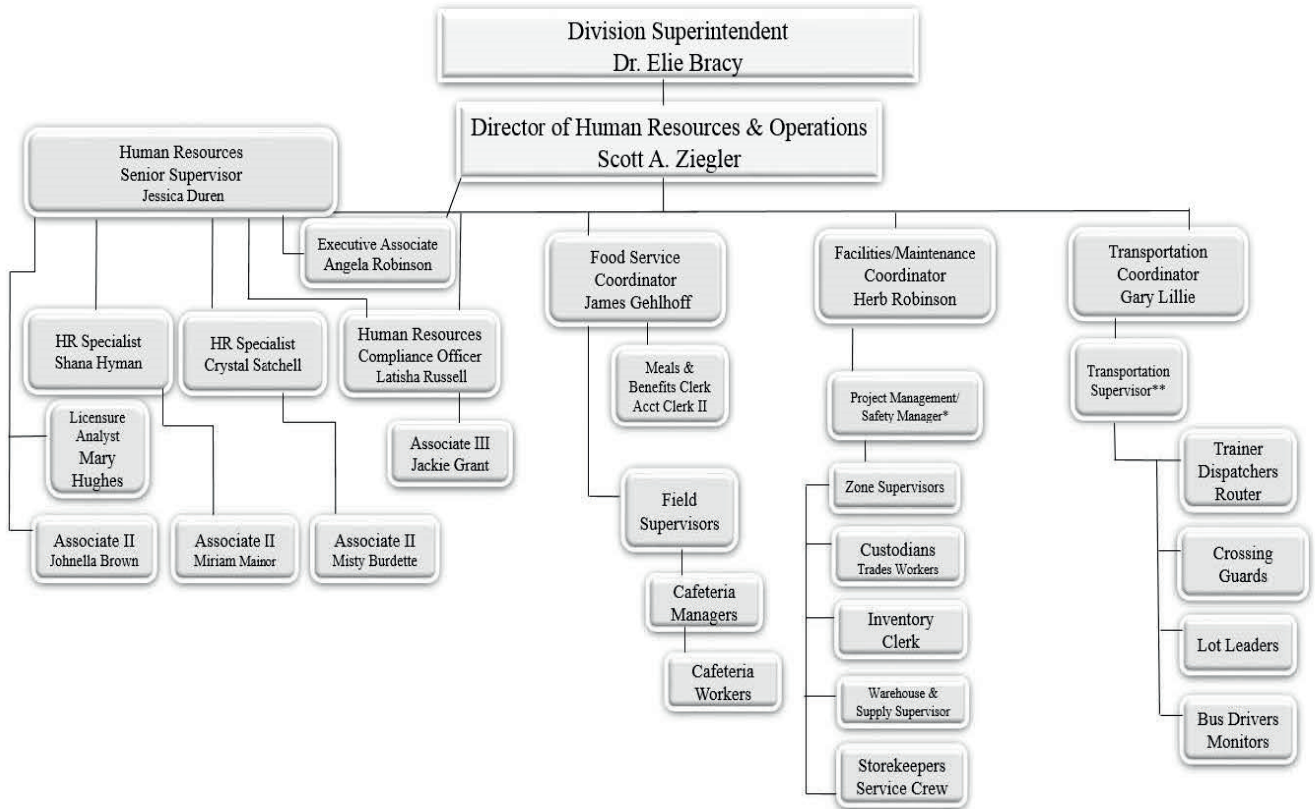
# Office of Budget & Planning

TOTAL POSITIONS: 24



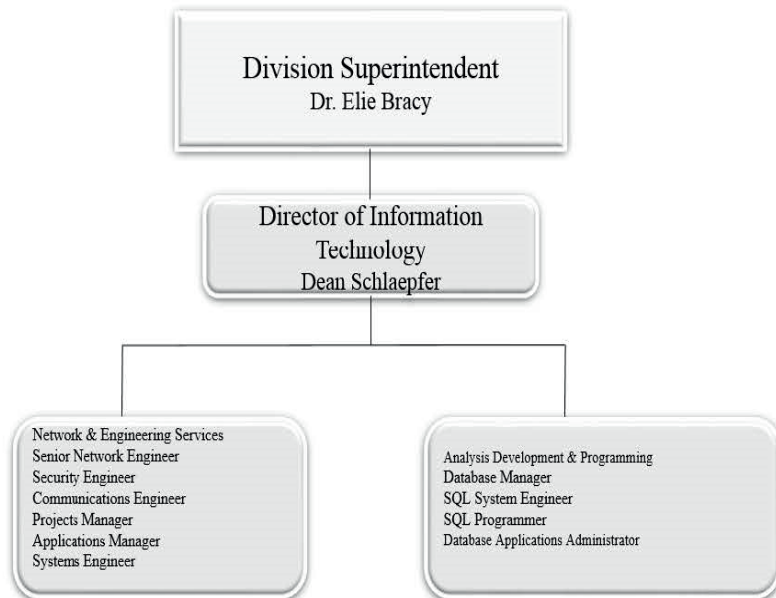
# Office of Human Resources & Operations

TOTAL POSITIONS: 511



# Office of Information Technology

TOTAL POSITIONS: 27



## FIVE YEAR STRATEGIC PLAN

During calendar year 2016, the division created a Strategic Planning team to reflect on strengths, challenges, and opportunities for the future. Feedback was also solicited from the community through an online survey to foster collaboration between the division and the citizens. From this process the following mission, goals, objectives, and action steps were adopted and utilized to develop the FY 2017-18 budget. Most of the cost associated with achieving the Strategic Plan are accommodated within the budget for the day to day operation of the various departments. Many of the action steps within each objective and goal can be accomplished through continued focus of improvement in processes/ practices while others require significant funding for example increasing career and technical course offerings, offering competitive compensation annually, and expansion of technology. With declining enrollment and average daily membership, funding may pose a challenge on the timeline of completing the goals however the division is committed to make the best use of resources to meet these goals.

*The mission of the Portsmouth Public School Division is to engage all students in learning that will foster academic excellence and responsible citizenship.*



### **Curriculum, Instruction & Assessment**

**Provide educational opportunities to assure all students achieve high academic growth.**

**Objective 1:** Graduates will be College and Career Ready.

**Action Steps:**

- a. Increase the number of students who exceed state expectations on the VA Standards of Learning assessments and decrease the number of students who do not meet state standards.
- b. Monitor and address achievement levels and gaps to assure all schools are recognized as fully accredited.
- c. Increase the percentage of students graduating from high school to be equal to or greater than the state average in all gap groups.
- d. Continue to promote and expand access to technical and career awareness programs.
- e. Increase the variety of technical and career offerings available to students.
- f. Increase student opportunities connected to higher education institutions in the region.
- g. Increase the number of students earning college credit by graduation.



**Objective 2:** Instructional personnel will implement highly effective, research-based curriculum, instruction and assessment practices.

**Action Steps:**

- a. Adopt and implement division-wide instructional practices that support rigor and student engagement across the curriculum.
- b. Continue to identify and implement instructional and assessment practices that increase student mastery of the four core content areas: English/Language Arts/Reading, Mathematics, Science and Social Studies.
- c. Integrate literacy across the curriculum practices and policies.
- d. Continue to develop and implement instructional accountability practices for school-based leaders and teachers that will benefit student learning.
- e. Implement a balanced assessment system that includes a focus on research-based formative and summative assessment strategies, including the use of performance tasks.
- f. Identify and implement inquiry-based teaching and learning practices that will increase student critical thinking and problem-solving abilities.
- g. Continue to leverage technology integration as a teaching, learning and assessment tool across the curriculum.
- h. Continue to expand teacher and administrative use of technology tools for data-based instructional decision-making.

**Objective 3:** The curriculum and related programs will meet the needs of all students.

**Action Steps:**

- a. Continue to implement policies and practices that assure the district-level K-12 curriculum remains aligned to standards, adheres to curriculum development best practices, and is accessible to all teachers and administrators.
- b. Implement division-wide practices that assure teacher unit and lesson plans are aligned to the district curriculum, identified standards, and identified research-based instruction and assessment practices.
- c. Increase instructional programs and related student services that will meet the needs of the diverse student population.
- d. Increase the opportunity for advanced content pathways and courses offered in elementary, middle and high schools.
- e. Continue to leverage technology and identify other research-based solutions to integrate personalized learning practices across the curriculum.



## Social-Emotional Development

**Strengthen practices and policies focused on social-emotional development.**

**Objective 1:** Implement social-emotional learning support and strategies.

**Action Steps:**

- a. Integrate social-emotional learning into curriculum and instruction.
- b. Adopt and effectively implement a research-based positive behavior program at each school.
- c. Evaluate and strengthen programs and practices designed to support the social-emotional development of high need students.

**Objective 2:** Implement practices and policies that support the student's ability to be a responsible, contributing citizen.

**Action Steps:**

- a. Identify and implement practices that will increase student's ability to work cooperatively with others, resolve conflicts, and respect other cultures and beliefs.
- b. Identify and implement practices that will increase the percentage of students demonstrating accountability for following rules and laws.
- c. Identify and implement practices that will increase student ability to filter and use information.
- d. Identify and implement practices that will increase student ability to use technology wisely.



## High-Quality Personnel

**Recruit, retain, and develop highly-qualified personnel.**

**Objective 1:** Provide a compensation package that is competitive with other school districts in the state of similar size and resources.

**Action Steps:**

- a. Continue to annually assess the district’s capacity to offer salary schedule adjustments for all positions.
- b. Continue to annually assess the total compensation package offered to employees.

**Objective 2:** Strengthen the teacher recruitment pipeline.

**Action Steps:**

- a. Continue to strengthen outreach and connections with regional university teacher education programs to engage with talented future teachers early in their university experience.
- b. Continue to explore and implement partnerships with alternative certification programs and pathways.

**Objective 3:** Provide effective, research-based, and differentiated professional learning opportunities tied directly to the district strategic plan and aligned school improvement plans.

**Action Steps:**

- a. Collaborate across all school division departments to develop a five-year professional learning plan aligned to the strategic plan categories and focus areas.
- b. Work with schools to support them in developing differentiated professional learning plans that include implementation follow-up support, job-embedded strategies and best practices for effective professional learning communities.
- c. Assure that district and school professional learning plans include research-based evaluation practices to determine if the professional learning is making a difference in employee performance and student achievement.

**Objective 4:** Implement ongoing research-based leadership development opportunities for educational and support personnel to ensure a healthy pipeline of high quality leaders.

**Action Steps:**

- a. Identify and implement leadership development opportunities for principals, assistant principals and aspiring principals that will build their capacity as instructional leaders, visionaries, community engagement practitioners, learners and collaborators.
- b. Develop and implement a teacher leadership program for teachers who want to remain in the classroom, lead the learning of their colleagues, and significantly impact education in the division; the program should include research-based teacher leadership practices, incentives and recognitions.
- c. Implement ongoing leadership development opportunities for operations and support personnel identified as high-flyers aligned with best practices in business leadership development and the future needs of the school division.

**Objective 5:** Continue to provide ongoing support for new teachers and administrators through a comprehensive induction plan.

**Action Steps:**

- a. Collaborate with new teachers and administrators regularly using face-to-face communities of practice, ongoing coaching and various virtual strategies to provide support.
- b. Continue to develop and implement an effective mentoring program for new teachers and administrators aligned with mentoring best practices.



## Family & Community Engagement

**Strengthen school, family, and community involvement and perceptions.**

**Objective 1:** Partner with families to strengthen understanding of academic standards, student progress, social-emotional development support and the importance of teachers and families working together.

### Action Steps:

- a. Continue to strengthen the resources and information provided to families to support their child's education.
- b. Introduce families to resources that assist with student and family social-emotional needs.
- c. Continue to use the Internet, social media, and other tools to enhance parent and community partnerships and communication.

**Objective 2:** Identify and implement practices to increase positive perception of schools among families and community members.

### Action Steps:

- a. Develop, implement and monitor consistent effective customer service practices across all schools in the division.
- b. Strengthen and monitor consistent positive school culture and climate practices across all schools in the division.
- c. Expand ongoing collaboration opportunities with businesses, military, faith-based, recreational, civic and city organizations to benefit students and families.



## Finance & Operations

**Ensure fiscal stability through sound financial practices and ensure high-quality school facilities.**

**Objective 1:** Continue to develop and sustain sound financial management practices, stability, and efficiency based on best practices.

**Action Step:**

- a. Develop, monitor and evaluate an annual financial and debt plan aligned to the District Strategic Plan.

**Objective 2:** Continue to develop and sustain process efficiencies that make the best use of available resources.

**Action Step:**

- a. Monitor, evaluate and update processes as needed to assure optimum resource availability to support student and staff success factors.

**Objective 3:** School facilities will be safe and inviting places for students, families, staff, and the community.

**Action Step:**

- a. Monitor and increase safety, cleanliness, and overall appearance factors of facilities.

**Objective 4:** Maintain equipment and infrastructure to support technology integration.

**Action Step:**

- a. Continue to update virtual servers, switches, bandwidth, wireless capacity, and storage to meet demand as needed.

## POLICIES, REGULATIONS, & PROCESS

Each year, Virginia State Code requires the Division Superintendent to prepare an itemized budget document to be presented to the School Board for adoption. This budget document serves as the financial outline of the division's education program and acts as the primary means of managing expenditures during the fiscal year (July 1 through June 30).

To manage the budget development process, the Superintendent prepares a calendar that identifies the necessary milestones to complete the next budget cycle. The budget calendar includes a number of public and private meetings between school leadership, the School Board, and the community. Towards the end of the budget calendar, the School Board hosts at least one advertised public hearing on the budget per State Code. To meet the advertisement requirement, the division purchases an ad, in the local newspaper, the *Virginian Pilot*, at least ten days prior to the public hearing. The division then incorporates the community feedback from the public hearing into the School Board's budget, representing a reasonable compromise between academic expectations and economic realities.

Once adopted, the Superintendent administers the budget in accordance with School Board policies and applicable local, state, and federal regulations and laws. During FY 2013-14, Portsmouth City Council appropriated the division funds by category. The categories are as follows: Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Facilities; Technology; and Debt and Fund Transfers.

### **Appropriations**

During FY 2014-15, Portsmouth City Council began appropriating funds on a quarterly basis instead of an annual basis. The School Board authorizes the Superintendent to move funds between the accounts within each category as necessary, but the School Board must seek approval from City Council to move funds between categories. The School Board may submit a request to the City Council to allow a redistribution of the appropriated funds between the categories 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 and schools manage the funds allotted to them. Whether funds are moved between accounts or categories, authorized budget adjustments are required. An automated 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 the Virginia Public Procurement Act and School Board Policies and Regulations are followed.

For FY 2016-17, the Portsmouth City Council continued to appropriate funds on a categorical basis and quarterly basis for all funds except the Grants and Risk Management funds. The Grants fund no longer requires categorical or quarterly appropriation as Grants spending is pre-authorized by the grantors. The Risk Management fund no longer requires categorical appropriations.

### **Monthly Budget Reporting**

Once the budget is formally adopted, the division maintains budgetary control through its Enterprise Resource Planning (ERP) financial system using encumbrance accounting. The budget is consistently monitored and reviewed by the budget office. Additionally, the budget office prepares a cash basis monthly report to the School Board that tracks revenue and expenses for all funds on a year-to-date basis. These reports compare revenue and expenditures to the same time period for the previous year to provide context for the division's spending patterns.

## **Annual Financial Reporting**

Additionally, management maintains an internal control structure designed to provide reasonable assurance that material errors or fraud are detected in a timely manner by employees in the normal course of performing their duties. The division is also audited annually by an external audit firm in conjunction with the production of its Comprehensive Annual Financial Report (CAFR). The modified accrual basis of accounting is used for financial reporting.

The modified accrual basis of accounting is a generally accepted accounting principal (GAAP) method under which revenues are recognized in the period they become available and measurable and expenditures are recognized in the period the associated liability was incurred. A revenue example would be the school division receiving revenue in July for state sales tax incurred in June. The sales tax would be recorded as June revenue under the modified accrual basis of accounting. An expenditure example would be the pay out of the last week of June payroll at the beginning of July. Since the expenditures are related to employee work at the end of June, the division must report the expenditures in June.

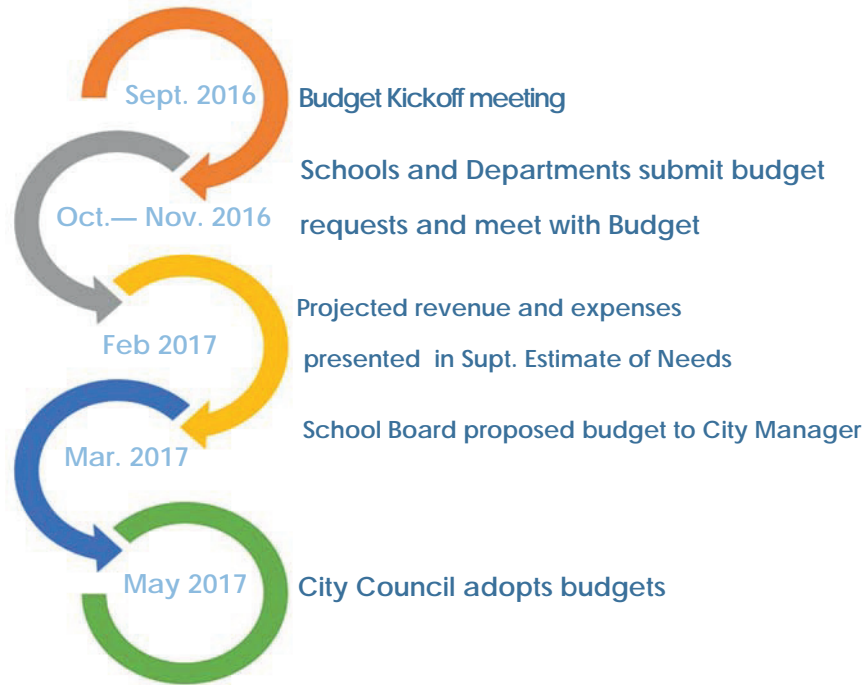
The modified accrual basis of accounting is different than the cash basis of accounting. The cash basis of accounting is a method of recording transactions for revenue and expenditures only when the corresponding cash is received or payments are made. Utilizing the same revenue and expenditure examples above, the sales tax received in July and the June payroll paid in July would both be reported as part of July financial results under the cash basis of accounting.

## **Encumbrances and Re-appropriation**

At the end of the fiscal year, the School Board is required to request re-appropriation of all unspent appropriated funds and are also required to request re-appropriation of funds encumbered at the end of the fiscal year from City Council. Additionally, in accordance with School Board Policy DA, any encumbrances not liquidated after 120 days have to be approved by the School Board to remain open.



## BUDGET DEVELOPMENT PROCESS



Throughout the process, the Office of Budget and Planning (budget office) periodically reviews staffing levels, revenue and expenditure projections, and monitors state legislation. This year, the budget office conducted an online survey in the fall to solicit feedback. The budget office incorporated the feedback with the School Board’s mission and goals to develop the FY 2017-18 budget.

Meetings are held with the Division Superintendent, School Board Finance committee, and the School Board throughout the process to provide a timely, detailed overview of the budget process. The budget office presents categorical breakdowns of the proposed budget, programs included/excluded, projects staffing level changes, must funds items, recommended budget items, and unfunded initiatives.

Information concerning projected revenues and expenditures, related to the Grants fund and the Food Services fund are obtained from the Finance and Food Services departments, respectively. The projected Grants fund revenue is based on current grants awarded with the anticipation that the school division will receive the same grant funding in the upcoming year and anticipated new grant awards currently being pursued by the division. The Textbook fund budget is based on the projected state revenue and the minimum required local match as directed by the state.

## Non-Payroll

During October through November, schools and departments submit their budget requests for non-payroll items for the upcoming year electronically through the division's ERP financial system. Simultaneously, the budget office meets with departments and schools to discuss funding needs for the upcoming year. The Assistant Superintendent of Curriculum and Instruction is involved with the discussions with the instructional administration. This step allows the budget office to gain greater insight into the proposed activities and changes from the current and preceding years for each school and department and assess how the request align with the Strategic Plan.

From the meetings with the schools, a change that was made from the previous year's budget was the allocation of resources such as instructional supplies, office supplies, replace equipment, dues and memberships, and staff development. During the past 3 previous budgets, allocations for these items were made based on student enrollment or the number of instructional staff in a school. This approach did not leave room for factors such as the age of building contents, population of students served, community partner donations, instructional practices with the school, school level programs, etc. For FY 2017-18, the budget office took an approach of providing the funding requested by each school while making adjustments, where necessary, based on any schools that were outliers compared to other schools serving the same grade level. High schools receive funds to offer a freshman orientation for rising 9<sup>th</sup> graders. The budget office will monitor how well this change in approach works for the schools.

On a per school basis, the budget office provides a lump sum per year for athletic and band programs. As the division continues to strive towards full accreditation, the FY 2017-18 budget includes funding for Commonwealth Standards of Learning (SOL) tutoring and other related expenses needed for the tutoring program. Substitutes are budgeted based on projected actual expenditures and the division offers tactile work experience through its Co-Operative Education (COE) Program. Managed by the Career and Technical Education (CTE) department, this budget allows for up to 18 students to earn money while developing work skills.

Non-payroll expenditures for the Cafeteria fund are estimated by the Food Service Coordinator. The budget office meets with the Coordinator to discuss anticipated changes in expenditures. For FY 2017-18, food costs are expected to increase as a result of moving away from making breakfast and lunch from scratch and buying more already prepared food that meet all required nutritional guidelines. It is anticipated that revenue and profit can be made as a result of less preparation time and anticipated increase in student participation (due to food changes).

## Payroll

During November/early December, the budget office gathers information on any changes to healthcare costs, retirement benefits, and other payroll related costs.

An initial projection of payroll is done based on current filled and vacant positions in place at that point in time and all necessary adjustments for benefits are incorporated into the payroll projection.

After the initial projection, an in-house staffing tool is utilized to determine the proper staffing ratios based on various factors such as state Standards of Quality requirements, projected average daily member (ADM), square footage etc.

The budget office meets with personnel, from the Office of Curriculum and Instruction, the Human Resources department and with the Superintendent, to review current staffing levels, open vacancies, and new positions proposed, during the department and school budget meetings, to determine adjustments needed.

For both non-payroll and payroll, information is also gathered from communication received from employee groups and the community. This information is gathered through presentations at monthly meetings, a budget survey, and joint community budget meetings with the City of Portsmouth.

The capital projects budget is based on the 5 year Capital Improvement Plan. The budget office meets with the Operations department and the Superintendent to discuss the projects that need to be requested and submitted for funding from the City. During these meetings, the operations department provides a status of previous funded projects and identifies which projects need to be requested for funding. The capital projects selected are presented to the School Board and to City leadership. During the FY 2017-18 budget process, it was determined that an independent facility condition/utilization study needed to be done in Spring 2017 and the results are to be used to update the Capital Improvement Plan starting with FY 2018-19.

An initial projection of budgeted revenues is done based on the most recent available information which includes the Governor's proposed budget for the next fiscal year (released in mid-December). The budget office also meets with the Division Grant Writer to help identify additional grant revenue sources, that may be available, for the division to pursue based on the requests from the division.

The budget office then compares projected payroll and non-payroll costs for the next fiscal year to the initial revenue projection as of December. Any must fund items, such as Virginia Retirement System rate increases are included in the budget first. Any projected costs not covered under the initial revenue projection are accumulated and analyzed with the Superintendent and Finance Committee and are deemed unfunded needs. These unfunded needs are presented to the School Board.

The City and the School Board collaborate and host community engagement meetings at each of the three high schools in the city. These meetings include a presentation from the Superintendent and City Manager and a live survey on school and city related issues. The School Board and City Council also hold a joint council meeting to discuss budgetary concerns.

The budget office incorporates the projected revenues, payroll projection, and approved non-payroll requests and unfunded needs into the Superintendent's Estimate of Needs (SEON). The SEON is submitted and presented to the School Board in February. Any changes requested by the School Board are incorporated into the SEON and serves as the basis for the School Board's Proposed Budget.

As required by Virginia State Code the School Board holds a public hearing on the Proposed Budget. The School Board and City Council also hold a joint meeting to discuss budgetary concerns.

The budget office continues to review initial projection of costs for any changes and communicates the changes in a timely manner to the Superintendent and School Board. Additionally, the budget office stays abreast of changes in the initial revenue projections with the release of the Senate, House, and eventually the final State budget.

The School Board formally adopts the Proposed Budget and these figures are sent to the City Manager for inclusion into the City Manager's Proposed Budget to City Council.

The City hosts public work sessions to address the City budget which includes the School Board budget. Any changes to local funding are communicated to the School Board and any necessary changes are incorporated.

City Council approves the City's budget (which includes the School Board budget) and the School Board adopts the final budget by the end of May.

Throughout the fiscal year, the Office of Budget and Planning monitors and controls the budget through its enterprise resource planning tool, MUNIS. The division uses the purchasing module and the purchasing department makes sure that money is spent in accordance with the Virginia Procurement Act. Additionally, large purchases must go through the formal requisition process which is also facilitated in MUNIS. Monthly reports are generated out of MUNIS in order to confirm that spending is within the division's quarterly appropriations, and these reports are sent to the School Board for approval. Once approved, the reports are sent to City Council.

On a day to day basis, the budget office relies on MUNIS electronic workflow to confirm that no account lines are overspent as well as monitoring budget transfer requests. Budget transfer requests, within categories, require the Chief Financial Officer's approval prior to being granted. The budget office also monitors for slow spending by departments and will contact departments/schools as deemed necessary.

Additionally, the budget office monitors revenue projections against actual revenue received. This step is vital especially with the trending decrease in ADM. The budget office may enact a temporary spending freeze in which all spending is temporarily centralized to help control spending in the event of significant changes in revenue projections versus actual.

The fill rate of vacancies can create savings in any budget year, and, as such, the budget department also reviews vacancies to determine additional funding that can be redirected to meet unfunded needs within a fiscal year.



## 2017-18 Budget Development Calendar

### September

Thursday, September 8, 2016	5:30 p.m.	School Board Public Works Session
Tuesday, September 13, 2016	3:00 p.m.	School Board Finance Committee Meeting City Council Meeting
Thursday, September 22, 2016	7:00 p.m.	School Board Meeting (Council Chambers)
Tuesday, September 27, 2016	7:00 p.m.	City Council Meeting
Friday, September 30, 2016	3:00 p.m.	PPS Budget Team Kick-Off Meeting

### October

\*Individual school and departmental budget meetings throughout the month\*

Thursday, October 6, 2016	5:30 p.m.	School Board Public Works Session
Tuesday, October 11, 2016	3:00 p.m. 7:00 p.m.	School Board Finance Committee Meeting City Council Meeting
Monday, October 17, 2016	6:00 p.m.	School & Department Budget instructions distributed; Schools & Departments begin entering their budgets
Thursday, October 20, 2016	7:00 p.m.	School Board Meeting (Council Chambers)
Friday, October 21, 2016		Budget Survey Released to Staff and Public
Tuesday, October 25, 2016	7:00 p.m.	City Council Meeting
Wednesday, October 26, 2016	11:00 a.m.	School Administration, City Administration, and Budget Staff meet to discuss FY18 Operating and CIP Budgets



## November

\*Individual school and departmental budget meetings throughout the month\*

Wednesday, November 2, 2016	3:30 p.m.	School Administration, City Administration, and Budget Staff meet to discuss FY18 Operating and CIP Budgets
Tuesday, November 1, 2016	3:00 p.m.	School Board Finance Committee Meeting
Thursday, November 10, 2016	7:00 p.m.	School Board Meeting (City Council Chambers) Input from employee groups presented to School Board
Friday, November 11, 2016	5:30 p.m.	FY 2018 CIP submissions due to City Budget Team
Friday, November 18, 2016		Budget Survey Closes
Wednesday, November 30, 2016		Final input due in MUNIS from schools and departments

## December

Thursday, December 1, 2016	5:30 p.m.	School Board Public Works Session
Tuesday, December 13, 2016	7:00 p.m.	City Council Meeting
Monday, December 5, 2016	10:00 a.m.	Chief Financial Officer and Assistant Superintendent-C&I begin entering/editing budget
Thursday, December 15, 2016	7:00 p.m.	School Board Meeting (Council Chambers) Governor submits his Executive Budget Document

## January

Tuesday, January 3, 2017	3:00 p.m.	School Board Finance Committee Meeting
Thursday, January 12, 2017	5:30 p.m.	School Board Annual Organizational Meeting FY18 Preliminary Budget Discussion
Thursday, January 26, 2017	7:00 p.m.	School Board Meeting (Council Chambers)
Friday, January 27, 2017	9:00 a.m.	City Budget Defense Meeting with School Superintendent and Budget Team
Saturday, January 28, 2017	9:00 a.m.	City-School Community Engagement Meeting Woodrow Wilson High School



## February

Thursday, February 2, 2017	6:30 p.m.	City-School Community Engagement Meeting I.C. Norcom High School
Saturday, February 4, 2017	9:00 a.m.	City-School Community Engagement Meeting Churchland High School
Thursday, February 9, 2017	5:30 p.m.	School Board Public Works Session Superintendent's FY18 Statement of Needs submitted to School Board
Thursday, February 23, 2017	7:00 p.m.	School Board Meeting (Council Chambers) School Board holds Public Hearing on FY18 Proposed Budget
Friday, February 17, 2017	1:00 p.m.	School Board Finance Committee Meeting
Monday, February 27, 2017	6:00 p.m.	Joint City Council Meeting with School Board

## March

Thursday, March 9, 2017	5:30 p.m.	School Board Public Works Session
Thursday, March 23, 2017	7:00 p.m.	School Board Meeting (Council Chambers) School Board adopts FY18 Proposed Operating Budget
Thursday, March 9, 2017	4:00 p.m.	School Board Finance Committee Meeting
Monday, March 27, 2017	6:00 p.m.	City Manager Presentation of Proposed Budget

## April

Thursday, April 6, 2017	5:30 p.m.	School Board Public Works Session
Thursday, April 27, 2017	7:00 p.m.	School Board Meeting (Council Chambers)
Wednesday, April 26, 2017	4:00 p.m.	School Board Finance Committee Meeting
Monday, April 10, 2017	6:00 p.m.	City Council Work Session - Proposed Budget
Monday, April 24, 2017	6:00 p.m.	City Council Work Session - Proposed Budget
Tuesday, April 25, 2017	7:00 p.m.	City Council Meeting-Public Hearing on FY18 Proposed Budget and Tax Rates

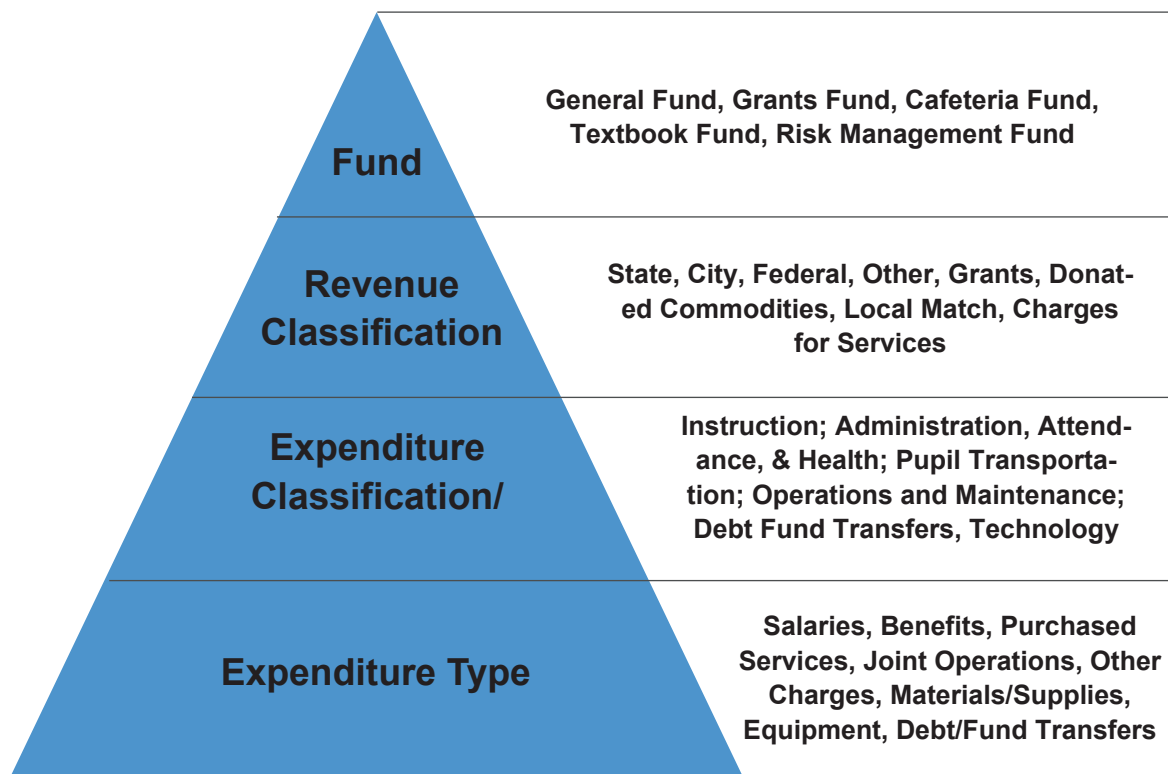


## May

Monday, May 8, 2017	6:00 p.m.	City Council Work Session - Proposed Budget
Tuesday, May 9, 2017	7:00 p.m.	Regular City Council Meeting - Adoption of Operating Budget, School Budget, CIP and Tax Rates
Wednesday, May 10, 2017	9:15 a.m.	School Board Finance Committee Meeting
Thursday, May 11, 2017	5:30 p.m.	School Board Public Works Session  School Board reviews priorities and discusses options for any adjustments to the City Council adopted FY18 Operating Budgets
Friday, May 19, 2017	10:00 a.m.	Final draft of School Board Operating Budget due
Tuesday, May 23, 2017	9:30 a.m.	School Board Finance Committee Meeting
Thursday, May 25, 2017	7:00 p.m.	School Board Meeting (Council Chambers) School Board adopts the final FY18 Operating Budget



## FINANCIAL STRUCTURE



### School Board Funds

The division's budget consists of the following five funds. All capital projects in excess of \$50,000 are budgeted and funded through the City's Capital Improvement Program, and, as such, the division does not have a capital projects fund. Projects less than \$50,000 are incorporated into the General fund.

**GENERAL FUND** - The General fund is the *main operating fund* for the division. It includes funds from state, local, federal and other sources for the fiscal operation of the school system.

**GRANTS FUND** - The Grants fund is a special revenue fund which consists of federal, state, and local grant funding to be used for specific purposes that support and allow divisions to primarily expand expenditures to support instructional programs.

**CAFETERIA FUND** - The Cafeteria fund is a special revenue fund that supports food services operations at the division's schools.

**TEXTBOOK FUND** - The Textbook fund is a special revenue fund which is used primarily for textbook expenditures.

**RISK MANAGEMENT FUND** - The Risk Management fund is an internal service fund that accounts for all expenditures, associated with the Portsmouth Public Schools Health Self Insurance Plan and 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.

## REVENUE CLASSIFICATIONS

Within each of the five school board funds the following are the types of revenue budgeted and received:

**STATE FUNDS** include funding for basic aid to support the Standards of Quality (SOQ), categorical aid, and incentive program revenue to support specific programs and initiatives. State funds provide revenue for the General, Grants, Cafeteria, Textbook, and Risk Management funds.

**STATE SALES TAX** 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 locality.

**CITY FUNDS** include the appropriation approved by the City Council. The locality is required to match a portion of the funding from the State.

**FEDERAL FUNDS** include federal impact aid and Junior Reserve Officer Training Corps (JROTC) funds. For the Cafeteria fund, reimbursement is received from the United States Drug Administration (USDA).

**OTHER REVENUE FUNDS** include Medicaid reimbursements, non-resident tuition, fees and rents from the use of school buildings, proceeds from the sale of surplus property, rebates, refunds, and grant indirect cost reimbursements. For the Cafeteria fund, other revenue primarily includes catering revenue for various event.

**GRANTS** include federal, state, and other grant funds awarded to the division. The majority of the grant revenue is earned on a reimbursement basis. The division incurs expenses and requests reimbursement from the applicable grantor.

**LOCAL MATCH** includes funds transferred from the General fund to the Grants and Textbook fund as required by the state or grantor to provide a minimum match of local funding .

**DONATED COMMODITIES** include food items donated to the division from the federal government.

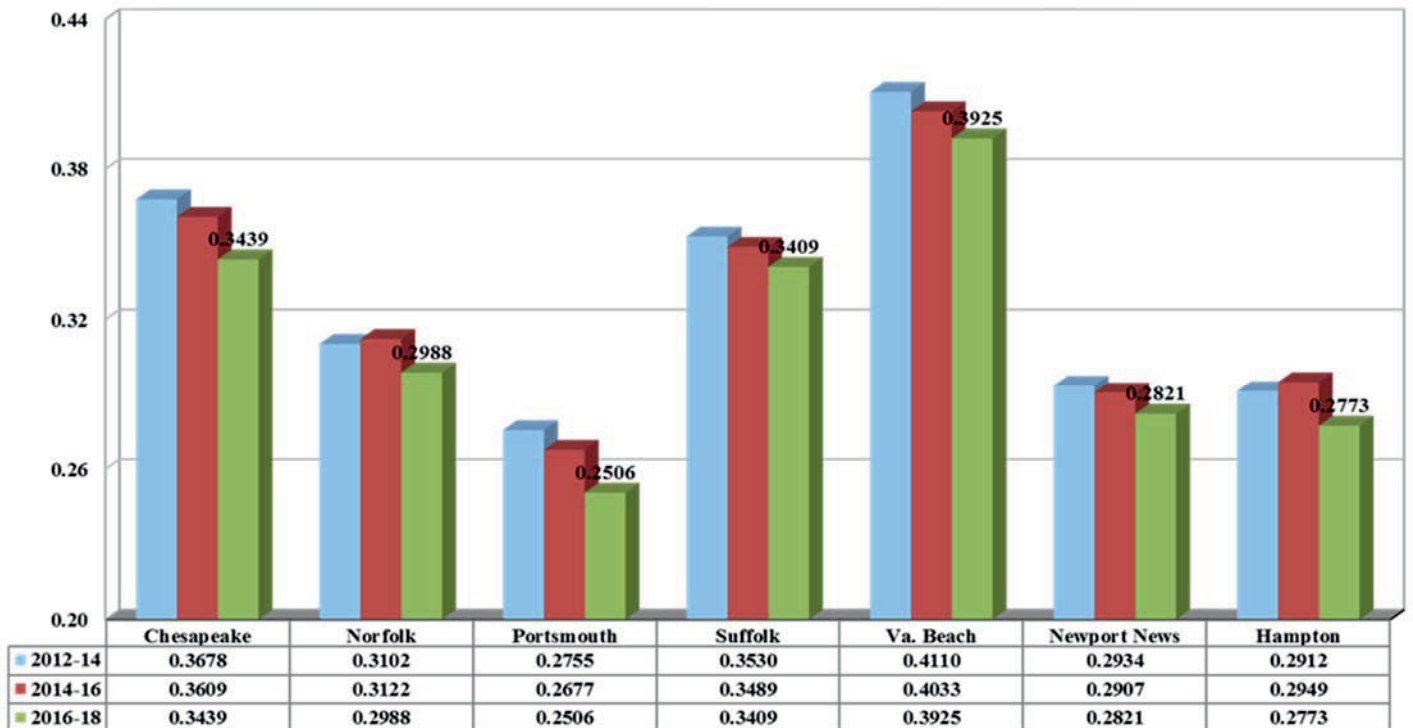
**CHARGES FOR SERVICES** include a fee based charge to the other funds and employees as part of the internal service funds to support workers compensation and healthcare expenses. Employees pay a portion of the healthcare fee only. Other charges for services include student lunch fees within the Cafeteria fund.



Of all the revenue sources, State funding is the largest revenue source and impacts all school board funds. State funding is determined by the division’s Average Daily Membership (ADM) and the local composite index (LCI). Virginia distributes 1⅛ percent of sales tax revenue to the state’s school districts based upon the number of school-age children in each division. State School Funds consist of Standards of Quality (SOQ) payments, incentive funds, and categorical amounts established by the State General Assembly.

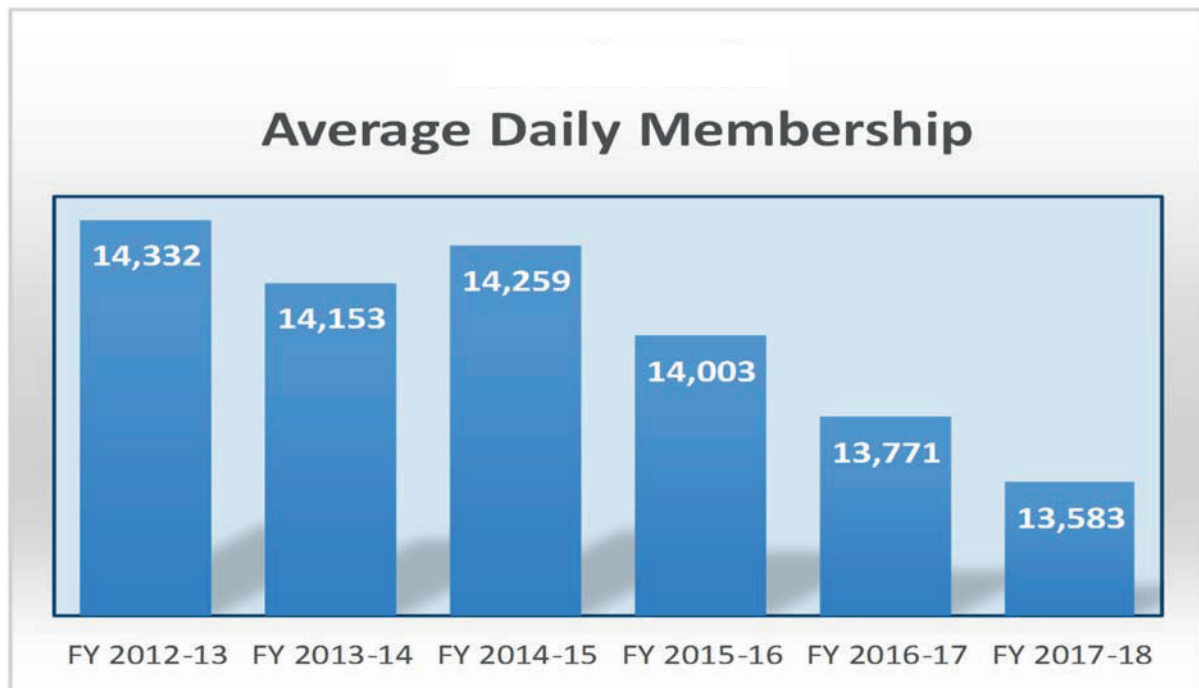
The LCI determines a locality’s ability to pay for education costs to meet the Commonwealth’s fundamental SOQ goals. Local ability to pay is calculated using three indicators: true value of real property (weighted 50%), adjusted gross income (weighted 40%), and taxable retail sales (weighted 10%). Each locality’s index is adjusted to maintain an overall local share of 45 percent statewide with the Commonwealth covering the remaining 55 percent. The index is recalculated every two years. The chart below compares the composite index among the surrounding school divisions. For the biennium 2016-2018, Portsmouth’s LCI of .2506 remains the lowest amongst major Hampton Roads cities and has experienced a decline from the previous fiscal year.

### Local Composite Index 2012-2018

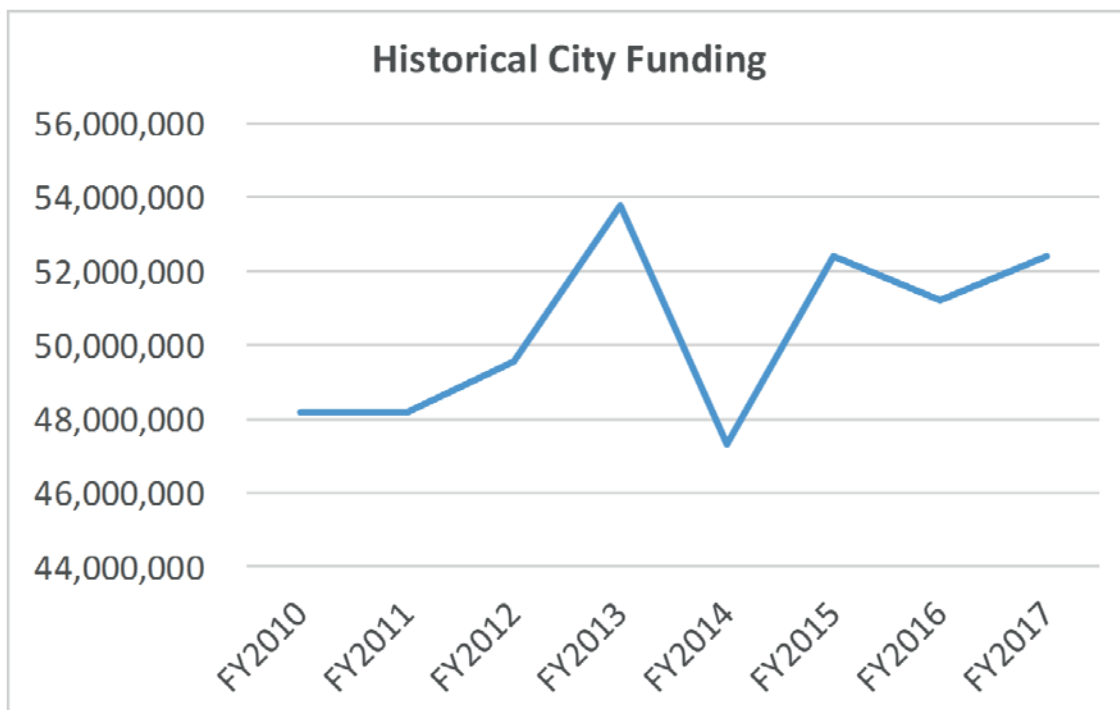


Source: Budget Office, Virginia Department of Education, December 2015

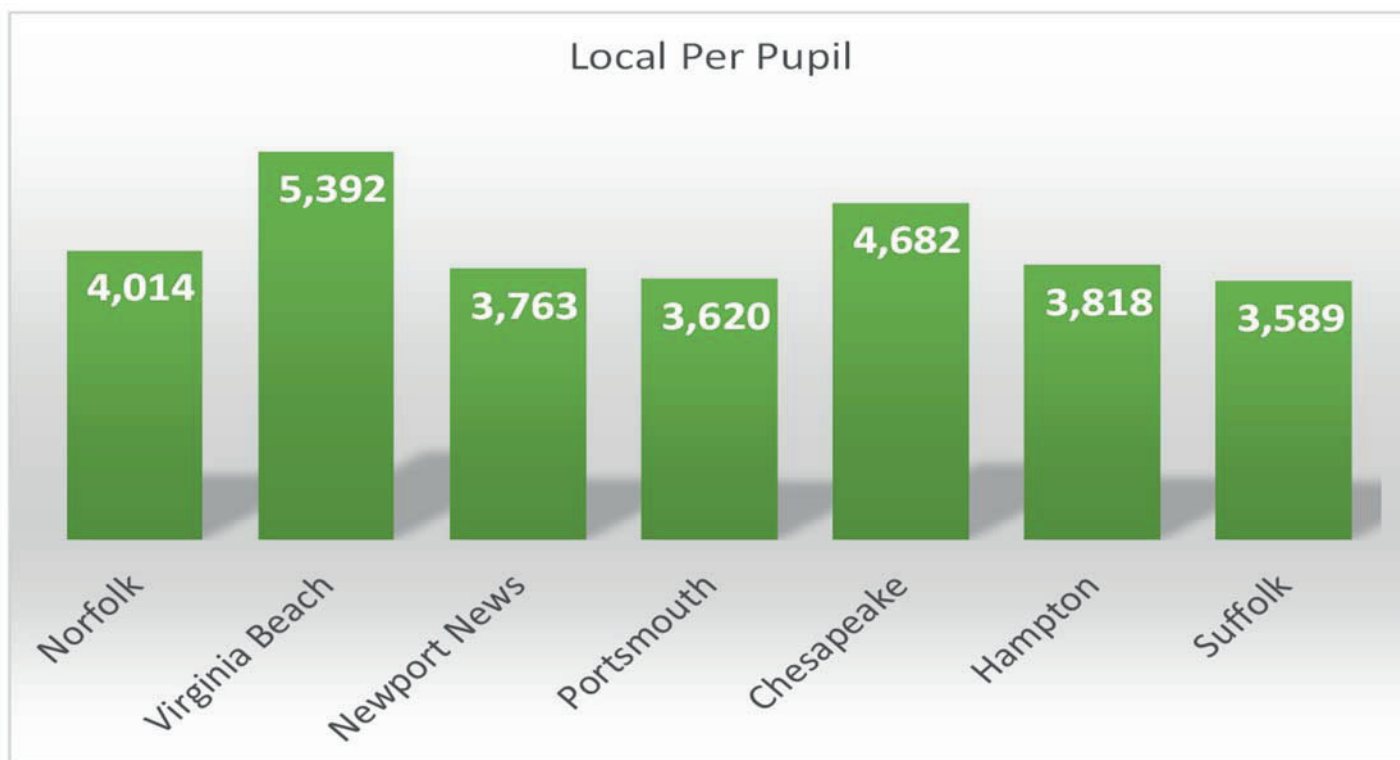
Total state funds is also driven by the March 31st ADM. As such, should ADM decline, state funds will decline. The FY 2017-18 budget is based on a projected ADM of 13,583. Below is a historical look at the trend in ADM since FY 2012-13 to the projected ADM for FY 2017-18.



Within the General fund, city funding is the second largest funding source. For FY 2016-17, the City of Portsmouth provided \$52.4 million which was approximately 8% of the City's entire budget or 22% of the City's general fund revenue. Local funding for FY 2017-18 remains flat at \$52.4 million.



While the City exceeds the minimum local contribution (\$25 million for FY 2016-17) required by the Commonwealth's Standards of Quality (SOQ), compared to surrounding divisions in our area, the City provided the second lowest amount of funding for education on a per pupil basis at \$3,620 in 2016. This is a slight decrease from the 2015 local per pupil amount of \$3,643.



With approximately 50% of property in the City being tax exempt, Portsmouth has a smaller tax base. The majority of these tax exempt properties are military installations, city and school properties, and right of ways. This smaller tax base directly impacts the City funding for the division. For the division to remain competitive, it is critical that City funding for education keep pace with the surrounding divisions as local funding makes up over one-third of Portsmouth Public Schools' revenue.

In addition to state and local funds, the division receives federal funds. The largest amount of federal funds is received from federal grants recorded in the Grants fund. The division's largest grants are Title I Part A– Improving Academic Achievement of the Disadvantaged, Virginia Preschool Initiative, Special Education (IDEA) Part B, Title II Improving Teacher Quality, and Virginia Public School Authority Technology grant. The division continually pursues new grant opportunities to improve public education.

The division also receives funding from the federal government on a reimbursement basis from the USDA as part of the division's Cafeteria fund which supports the food service operations within the schools.

## EXPENDITURE CATEGORIES

**INSTRUCTION** includes the activities that deal directly with the interaction between teachers and students. These activities include classroom instruction, guidance services, school social workers, homebound services, improvement of instruction, media services, and expenditures of the office of the principal. Seventy-four percent (74%) of the total General fund is allocated to instruction.

**ADMINISTRATION, ATTENDANCE AND HEALTH** includes activities associated with establishing and administering policy for Administration, Attendance and Health. Administration includes activities concerned with establishing and administering policy for the school division such as school board services, executive administration services, budget and planning, public information, human resources, financial services, and purchasing services. Attendance and Health Services includes 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 and therapy services.

**PUPIL TRANSPORTATION** includes activities associated 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 keeping facilities and vehicles 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 keeping the physical facilities clean and ready for daily use, are also included in the this area.

**TECHNOLOGY** includes 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 division.

**DEBT AND FUND TRANSFERS** includes payments for both principal and interest that service the debt of the school division and transfers between funds such as from the General fund to the Grant fund to satisfy local match requirements for grant programs.



## EXPENDITURE TYPES

Within each expenditure classification are expenditure types. Expenditure types either comprise payroll or non-payroll costs. Payroll costs include salaries and benefits, such as employer Virginia Retirement System (VRS) contributions, health care costs, and FICA. Non-payroll costs include capital outlay, materials and supplies, purchased services, other charges, and fund transfers. Equipment and materials and supplies cover tangible goods while purchased services cover intangible offerings provided by vendors. Examples of these services include occupational and speech therapy, consulting, and maintenance. Other charges capture costs such as dues and memberships, energy and utility costs, and postage. Joint Operations cover tuition for SECEP and the DUAL ENROLLMENT/FIRST COLLEGE program. A brief description of each expenditure type is as follows:

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

**BENEFITS** include fringe benefits including Social Security, life insurance, retirement, medical insurance, and unemployment.

**PURCHASED SERVICES** include contractual services required by the division i.e., printing, maintenance agreements, advertising expenses, and other contracted services.

**JOINT OPERATIONS** include tuition costs paid by the division for special needs students and high school students.

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

**MATERIALS AND SUPPLIES** include expenditures for commodities which are consumed such as instructional supplies, custodial supplies, building supplies, etc.

**EQUIPMENT** includes expenditures for new equipment and replacement equipment such as 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.

**DEBT/FUND TRANSFERS** account for the conveying of monies to and from one fund (e.g., School General Fund) to another fund (e.g., Textbook Fund, Grants Fund, or Risk Management Fund). There is no outstanding debt for the division. Prior years debt expenditures consisted of an energy saving lease.

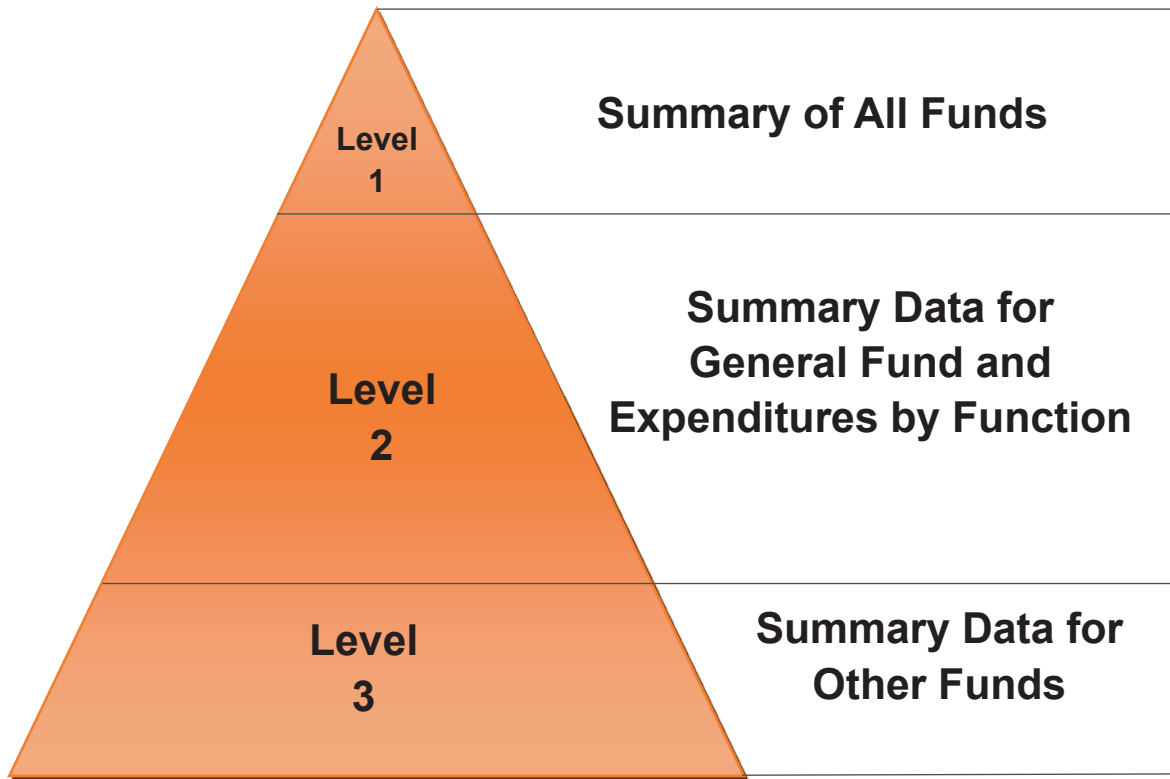
# FINANCIAL SECTION



**PORTSMOUTH**  
PUBLIC  
SCHOOLS



The Financial section is outlined in a pyramid approach starting with high level detail of the FY 2017-18 adopted budget for all funds and gradually progressing to detailed information by fund, revenue, and expenditures. For the general fund, additional detail is provided by function.



## SCHOOL BOARD FUNDS

**GENERAL FUND** - The General fund is the *main operating fund* for the division. It includes funds from state, local, federal and other sources for the fiscal operation of the school system.

**GRANTS FUND** - The Grants fund is a special revenue fund which consists of federal, state, and local grant funding to be used for specific purposes that support and allow divisions to primarily expand expenditures to support instructional programs.

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**RISK MANAGEMENT FUND** - The Risk Management fund is an internal service fund that accounts for all expenditures, associated with the Portsmouth Public Schools Health Self Insurance Plan and 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.

## All Revenues and Expenditures - Level 1

The following summary data for all funds (Level 1) includes actual amounts as reported in the Comprehensive Annual Financial Report which is presented using the modified accrual basis of accounting. Budget and proposed amounts are based on the FY 2016-17 Original Adopted Budget and the FY 2017-18 Proposed Budget, respectively.

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET****	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>General Fund</b>									
Revenues	133,159,992	153,606,173	137,400,506	142,851,907	144,303,313	1,451,406	144,256,136	143,620,635	142,993,225
Expenditures	127,376,163	143,843,179	138,221,642	141,152,275	142,744,721	1,592,446	142,697,544	142,062,043	141,434,633
Other Financing Sources (Transfers in)	46,685	608,720	301,433	-	-	-	-	-	-
Other Financing Uses (Transfers out)	(1,653,789)	(1,549,226)	(1,658,473)	(1,699,632)	(1,558,592)	141,040	(1,558,592)	(1,558,592)	(1,558,592)
Net activity	4,176,725	8,822,488	(2,178,176)	-	-	-	-	-	-
Beginning Fund Balance	697,336	4,874,061	7,932,853	-	-	-	-	-	-
Restatement Fund Balance***	-	(5,763,696)	-	-	-	-	-	-	-
Ending Fund Balance	4,874,061	7,932,853	5,754,677	-	-	-	-	-	-
<b>Grants Fund</b>									
Revenues	15,757,150	15,892,556	14,675,716	17,349,515	17,697,599	348,084	17,697,599	17,697,599	17,697,599
Expenditures	16,291,459	17,587,485	15,991,007	18,650,117	18,867,500	217,383	18,867,500	18,867,500	18,867,500
Other Financing Sources (Transfers in)	1,305,757	1,170,456	1,276,708	1,300,602	1,169,901	(130,701)	1,169,901	1,169,901	1,169,901
Other Financing Uses (Transfers out)	-	(382,872)	-	-	-	-	-	-	-
Net activity	771,448	(907,345)	(38,583)	-	-	-	-	-	-
Beginning Fund Balance	420,843	1,192,291	284,946	-	-	-	-	-	-
Ending Fund Balance	1,192,291	284,946	246,363	-	-	-	-	-	-
<b>Cafeteria Fund</b>									
Revenues	7,742,339	7,225,411	7,907,863	8,405,100	8,603,790	198,690	8,603,790	8,603,790	8,603,790
Expenditures	7,907,351	7,857,325	8,193,183	8,420,100	8,618,790	198,690	8,603,790	8,603,790	8,603,790
Other Financing Sources (Transfers in)	-	13,682	20,934	15,000	15,000	-	-	-	-
Other Financing Uses (Transfers out)	-	(218,756)	-	-	-	-	-	-	-
Net activity	(165,012)	(836,988)	(264,386)	-	-	-	-	-	-
Beginning Fund Balance	1,899,378	1,734,366	897,378	-	-	-	-	-	-
Ending Fund Balance	1,734,366	897,378	632,992	-	-	-	-	-	-

**Textbook Fund**

Revenues	3,020,220	1,005,673	991,094	1,148,411	1,122,495	(25,916)	1,110,203	1,098,045	1,086,022
Expenditures	3,349,274	1,237,968	897,901	1,532,441	1,496,186	(36,255)	1,479,783	1,463,560	1,447,516
Other Financing Sources (Transfers in)	348,032	365,088	360,831	384,030	373,691	(10,339)	369,580	365,515	361,494
Other Financing Uses (Transfers out)	-	(7,092)	-	-	-	-	-	-	-
Net activity	18,978	125,701	454,024	-	-	-	-	-	-
Beginning Fund Balance	844,019	862,997	988,698	-	-	-	-	-	-
Ending Fund Balance	862,997	988,698	1,442,722	-	-	-	-	-	-

**Risk Management Fund**

Revenues	955,702	955,702	17,167,412	19,656,072	19,700,000	43,928	21,600,000	21,600,000	21,600,000
Expenditures	409,007	232,788	19,645,221	19,656,072	19,700,000	43,928	21,600,000	21,600,000	21,600,000
Other Financing Sources/(uses)	-	-	-	-	-	-	-	-	-
Net activity	546,695	722,914	(2,477,809)	-	-	-	-	-	-
Beginning Fund Balance	401,367	948,062	7,434,672	4,956,863	-	-	-	-	-
Restatement Fund Balance***	-	5,763,696	-	-	-	-	-	-	-
Ending Fund Balance	948,062	7,434,672	4,956,863	4,956,863	-	-	-	-	-

**Construction Fund\***

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	1,109,500	-	-	-	-	-	-	-	-
Other Financing Sources/(uses)	(46,685)	-	-	-	-	-	-	-	-
Net activity	(1,156,185)	-	-	-	-	-	-	-	-
Beginning Fund Balance	1,156,185	-	-	-	-	-	-	-	-
Ending Fund Balance	-	-	-	-	-	-	-	-	-

**Reprographics Fund\*\***

Revenues	426,581	343,298	-	-	-	-	-	-	-
Expenditures	570,527	519,912	19,763	-	-	-	-	-	-
Nonoperating revenues/(expenses)	-	-	1,199	-	-	-	-	-	-
Transfer out	-	(19,561)	(301,433)	-	-	-	-	-	-
Net activity	(143,946)	(196,175)	(319,997)	-	-	-	-	-	-
Beginning Fund Balance	660,118	516,172	319,997	-	-	-	-	-	-
Ending Fund Balance	516,172	319,997	-	-	-	-	-	-	-

\* Construction Fund closed in FY2014

\*\* Reprographic Fund closed in FY2016. Remaining fund balance was transferred to the General Fund

\*\*\*FY2016 Beg. Fund Balance was restated for the Risk Management and General Fund due to the movement of the Health Self Insurance Plan

\*\*\*\* FY2017 Original Budget less FY17 compensation supplement removed from state budget plus prior year City re-appropriated fund balance

## FUND BALANCE CLASSIFICATIONS

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.

## HISTORICAL FUND BALANCE CLASSIFICATION

Below is the classification breakdown of the last three years fund balance amounts for each governmental fund previously presented. The decrease in the General fund balance was primarily due to over \$2 million of additional expenditures (as compared to FY 2014-15) with the majority of the expenditures being related to the January 2016 compensation increase. The decrease in Grants fund balance was due to the timing of reimbursement funds received versus when the expenditures were incurred. There is always a lag between when grant expenditures are paid and when reimbursement revenue is received from the grantors. The Cafeteria fund balance decrease was primarily due to increased food and payroll costs. The Textbook fund balance increased due to fewer textbook adoptions in FY 2015-16. New textbook adoptions are anticipated in FY 2017-18 for Social Studies, English, and Math.

		2013-2014	2014-2015	2015-2016
		ACTUALS	ACTUALS	ACTUALS
<b>General Fund</b>				
Non-spendable	\$	152,853	274,185	267,125
Restricted		-	-	-
Committed		-	-	-
Assigned		2,359,913	6,686,571	453,425
Unassigned		2,361,295	972,097	5,034,127
<b>Ending Fund Balance</b>	<b>\$</b>	<b>4,874,061</b>	<b>7,932,853</b>	<b>5,754,677</b>
<b>Grants Fund</b>				
Non-spendable	\$	-	-	-
Restricted		526,847	332,976	246,363
Committed		-	-	-
Assigned		665,444		
Unassigned		-	(48,030)	-
<b>Ending Fund Balance</b>	<b>\$</b>	<b>1,192,291</b>	<b>284,946</b>	<b>246,363</b>
<b>Cafeteria Fund</b>				
Non-spendable	\$	43,656	25,787	4,926
Restricted		1,690,710	871,591	628,066
Committed		-	-	-
Assigned		-	-	-
Unassigned		-	-	-
<b>Ending Fund Balance</b>	<b>\$</b>	<b>1,734,366</b>	<b>897,378</b>	<b>632,992</b>
<b>Textbook Fund</b>				
Non-spendable	\$	-	-	-
Restricted		862,997	988,698	1,442,722
Committed		-	-	-
Assigned		-	-	-
Unassigned		-	-	-
<b>Ending Fund Balance</b>	<b>\$</b>	<b>862,997</b>	<b>988,698</b>	<b>1,442,722</b>

## FY 2017-18 Adopted General Fund Budget

The General fund is the main operating fund for the division and funds the majority of the division's expenditures. The FY 2017-18 adopted General fund budget is \$144.3 million. The adopted budget is \$1.4 million or 1% greater than the FY 2016-17 original adopted budget.

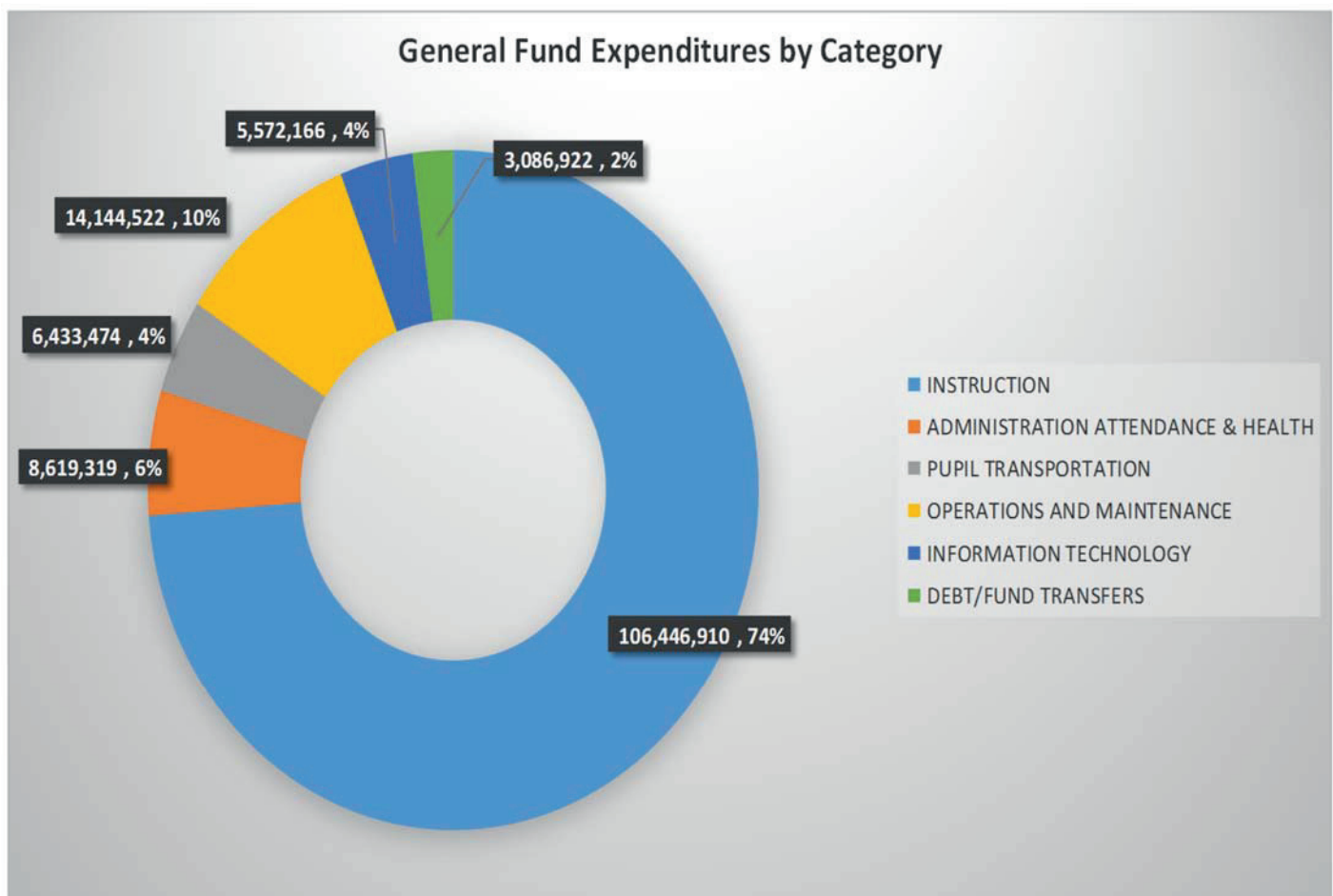
The largest revenue sources for the General fund are state funds and state sales tax. Projected state funds are \$89.5 million and are based on a projected ADM of 13,583. This is a \$1.2 million or 1.5% increase from the FY 2016-17 projected state funds. Of the total \$89.5 million, \$442,000 is required to be expended for a 2% pay raise for Standards of Quality funded positions.

The majority of state funds comes in the form of basic aid. The division projects to receive \$1.3 million less in basic aid compared to the FY 2016-17 projection, however an offset for this loss in funding is anticipated based on a projected \$2.2 million increase in supplemental lottery funds.

The second largest revenue source, for the General fund, is local funds from the city. City funding for FY 2017-18 is level with FY 2016-17 at \$52.4 million.

Federal and Other revenue sources, which comprise \$2.3 million of the adopted budget are projected to be fairly consistent with FY 2016-17. An increase of approximately \$158,000 is projected.

The adopted General fund expenditure budget focused primarily on increasing resources and personnel to support Goal 1: *Provide educational opportunities to assure all students achieve high academic growth* and Goal 3: *Recruit, retain, and develop highly qualified personnel*. A categorically breakout of the adopted budget is as follows:



## General Fund Revenues - Level 2

The following table is a breakout of General Fund revenues by classification.

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET****	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>State Revenues</b>									
SALES TAX RECEIPTS	\$ 14,282,418	\$ 14,878,325	\$ 15,046,394	\$ 15,496,493	\$ 15,395,174	\$ (101,319)	\$ 15,395,174	\$ 15,395,174	\$ 15,395,174
BASIC AID	40,712,351	43,325,854	42,599,805	44,614,935	43,268,746	(1,346,189)	\$ 42,792,790	42,322,069	41,856,526
COMPENSATION SUPPLEMENT	1,059,894	-	751,516	-	442,249	442,249	\$ 437,384	432,573	427,815
VOCATIONAL ED SOQ	866,997	736,563	727,974	763,655	743,096	(20,559)	\$ 734,922	726,838	718,843
GIFTED EDUCATION SOQ	469,199	487,584	481,898	502,129	488,611	(13,518)	\$ 483,236	477,921	472,664
SPECIAL EDUCATION SOQ	6,150,580	5,072,950	5,013,794	4,812,071	4,682,524	(129,547)	\$ 4,631,016	4,580,075	4,529,694
PREV/INTERV/REMED SOQ	2,254,193	2,728,397	2,696,580	2,855,860	2,778,976	(76,884)	\$ 2,748,407	2,718,175	2,688,275
REMEDIAL SUMMER SCHOOL	203,900	160,912	190,619	238,786	168,952	(69,834)	\$ 168,952	\$ 168,952	168,952
ESL	41,038	61,116	40,002	43,618	72,685	29,067	\$ 71,885	71,095	70,313
TCHR RETIREMENT-INSTR	4,630,785	5,685,024	5,454,680	5,900,018	6,392,663	492,645	\$ 6,322,344	6,252,798	6,184,017
SOCIAL SECURITY INSTR	2,774,391	2,790,641	2,758,099	2,866,321	2,789,156	(77,165)	\$ 2,758,475	2,728,132	2,698,123
GROUP LIFE INS INSTR	173,399	176,360	174,304	198,759	193,409	(5,350)	\$ 191,282	189,177	187,096
AT RISK	2,531,634	2,756,906	2,723,937	3,042,107	2,964,916	(77,191)	\$ 2,932,302	2,900,047	2,868,146
K-3 PRIM CLASS REDUCT	3,241,739	3,674,587	3,640,788	3,630,560	3,604,336	(26,224)	3,604,336	3,604,336	3,604,336
REGULAR FOSTER CHILDR	30,860	43,639	62,837	105,135	89,383	(15,752)	89,383	89,383	89,383
HOMEBOUND	119,975	92,583	102,120	106,609	113,601	6,992	113,601	113,601	113,601
REGIONAL TUITION PROG	2,597,768	2,503,643	2,418,259	2,577,489	2,616,964	39,475	2,616,964	2,616,964	2,616,964
CTE - EQUIP	17,233	17,417	-	-	-	-	-	-	-
CTE - OCCUPATION PREP	-	984	-	-	-	-	-	-	-
SP ED FOSTER CHILDREN	118,490	89,788	65,882	-	-	-	-	-	-
VIRTUAL ADVANCED PLACEMENT	2,700	2,220	2,378	-	-	-	-	-	-
PROJECT GRADUATION	-	-	33,302	-	-	-	-	-	-
INDUSTRY CERTIFICATION COSTS	13,726	14,468	-	-	-	-	-	-	-
WORKPLACE READINESS ASSESSMENT	3,247	3,234	-	-	-	-	-	-	-
ADD ASST RETIREMENT INFLATION	793,661	-	-	-	-	-	-	-	-
SUPPLEMENTAL LOTTERY PER PUPIL	-	-	-	548,367	2,790,377	2,242,010	2,759,683	2,729,326	2,699,304
<b>Total State Revenues</b>	<b>83,090,178</b>	<b>85,303,195</b>	<b>84,985,167</b>	<b>88,302,912</b>	<b>89,595,818</b>	<b>1,292,906</b>	<b>88,852,136</b>	<b>88,116,635</b>	<b>87,389,225</b>
<b>Local Revenues</b>									
CITY OF PORTSMOUTH	48,157,282	52,400,000	51,200,000	52,400,000	52,400,000	-	52,400,000	52,400,000	52,400,000
<b>Total Local Revenues</b>	<b>48,157,282</b>	<b>52,400,000</b>	<b>51,200,000</b>	<b>52,400,000</b>	<b>52,400,000</b>	<b>-</b>	<b>52,400,000</b>	<b>52,400,000</b>	<b>52,400,000</b>

**Federal Revenues**

IMPACT AID	522,484	322,103	376,654	400,000	400,000	-	400,000	400,000	400,000
JROTC	229,934	241,746	246,380	200,000	200,000	-	204,000	204,000	204,000
<b>Total Federal Revenues</b>	<b>752,418</b>	<b>563,849</b>	<b>623,034</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>	<b>604,000</b>	<b>604,000</b>	<b>604,000</b>

**Other Revenue**

MISCELLENOUS	1,153,937	1,110,826	589,679	1,548,995	1,707,495	158,500	2,400,000	2,500,000	2,600,000
INTEREST	6,177	223	2,626	-	-	-	-	-	-
<b>Total Other Revenues</b>	<b>1,160,114</b>	<b>1,111,049</b>	<b>592,305</b>	<b>1,548,995</b>	<b>1,707,495</b>	<b>158,500</b>	<b>2,400,000</b>	<b>2,500,000</b>	<b>2,600,000</b>

<b>Transfers In from Other Funds</b>	<b>46,685</b>	<b>608,720</b>	<b>301,433</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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**Charges for Services\*\*\***

HEALTH SELF INSURANCE PLAN	-	14,836,800	-	-	-	-	-	-	-
<b>Total Charges for Services</b>	<b>-</b>	<b>14,836,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total General Fund Revenue</b>	<b>\$ 133,206,677</b>	<b>\$ 154,823,614</b>	<b>\$ 137,701,938</b>	<b>\$ 142,851,907</b>	<b>\$ 144,303,313</b>	<b>\$1,451,406</b>	<b>\$144,256,136</b>	<b>\$ 143,620,635</b>	<b>\$ 142,993,225</b>
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\*\*\*Charges for Services were accounted for in Risk Management Fund starting July 1, 2015

\*\*\*\* FY2016-17 Original Budget less compensation supplement removed from state budget

State Funding impacted by changes in Average Daily Membership



## General Fund Expenditures by Category and Type - Level 2

The following table is a breakout of General Expenditures by Category and Expenditure Type.

Due to the unknown variables (i.e. next state biennium budget) that can not be addequately projected at this time, the budget forecast only includes the impact of projected ADM on the minimum SOQ funding formula currently used by the state.

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET****	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>Instruction</b>									
Salaries	\$ 64,430,010	\$ 64,713,057	\$ 67,183,653	\$ 70,382,661	\$ 70,529,775	\$ 147,114	\$ 70,529,775	\$ 70,529,775	\$ 70,529,775
Benefits	23,554,586	25,877,856	24,581,525	26,472,314	28,002,420	1,530,106	28,002,420	28,002,420	28,002,420
Purchased Services	867,604	820,342	1,028,141	1,245,325	816,498	(428,827)	816,498	816,498	816,498
Joint Operations	4,444,707	4,406,667	4,469,180	5,661,648	5,018,637	(643,011)	5,018,637	5,018,637	5,018,637
Other Charges	252,454	313,769	446,258	710,845	498,354	(212,491)	498,354	498,354	498,354
Materials/Supplies	1,164,896	1,913,177	1,793,747	1,185,212	1,552,727	367,515	1,552,727	1,552,727	1,552,727
Equipment	246,602	39,998	59,522	109,605	28,500	(81,105)	28,500	28,500	28,500
<b>Total Instruction</b>	<b>94,960,859</b>	<b>98,084,866</b>	<b>99,562,026</b>	<b>105,767,610</b>	<b>106,446,910</b>	<b>679,300</b>	<b>106,446,910</b>	<b>106,446,910</b>	<b>106,446,910</b>
<b>Administration, Attendance, Health</b>									
Salaries	3,916,023	3,839,331	4,147,937	4,460,161	4,929,565	469,404	4,929,565	4,929,565	4,929,565
Benefits	1,322,030	1,686,663	1,754,332	1,688,500	1,877,301	188,801	1,877,301	1,877,301	1,877,301
Purchased Services	800,100	895,462	925,557	1,536,286	1,471,994	(64,292)	1,471,994	1,471,994	1,471,994
Joint Operations	-	-	-	-	-	-	-	-	-
Other Charges	440,903	323,375	266,837	445,594	255,458	(190,136)	255,458	255,458	255,458
Materials/Supplies	28,374	43,342	40,559	38,486	45,597	7,111	45,597	45,597	45,597
Equipment	879	629	25,598	22,485	39,404	16,919	39,404	39,404	39,404
<b>Total Administration, Attendance, Health</b>	<b>6,508,309</b>	<b>6,788,801</b>	<b>7,160,819</b>	<b>8,191,512</b>	<b>8,619,319</b>	<b>427,807</b>	<b>8,619,319</b>	<b>8,619,319</b>	<b>8,619,319</b>
<b>Pupil Transportation</b>									
Salaries	3,086,396	3,042,161	3,416,837	3,357,312	3,306,097	(51,215)	3,306,097	3,306,097	3,306,097
Benefits	1,549,764	2,153,487	1,570,707	1,759,804	1,865,136	105,332	1,865,136	1,865,136	1,865,136
Purchased Services	637,360	649,790	663,471	684,019	759,106	75,087	759,106	759,106	759,106
Joint Operations	-	-	-	-	-	-	-	-	-
Other Charges	-	177,744	181,250	2,148	1,803	(345)	1,803	1,803	1,803
Materials/Supplies	679,140	479,723	405,971	600,000	500,000	(100,000)	500,000	500,000	500,000
Equipment	60	34,016	124,559	1,332	1,332	-	1,332	1,332	1,332
<b>Total Pupil Transportation</b>	<b>5,952,720</b>	<b>6,536,922</b>	<b>6,362,794</b>	<b>6,404,615</b>	<b>6,433,474</b>	<b>28,859</b>	<b>6,433,474</b>	<b>6,433,474</b>	<b>6,433,474</b>

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET****	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>Operations and Maintenance</b>									
Salaries	5,041,900	5,062,754	5,277,367	5,339,717	5,359,735	20,018	5,359,735	5,359,735	5,359,735
Benefits	2,096,645	2,361,362	2,114,102	2,546,093	2,369,039	(177,054)	2,369,039	2,369,039	2,369,039
Purchased Services	1,815,802	2,872,558	2,759,793	1,926,621	1,956,860	30,239	1,956,860	1,639,110	1,639,110
Joint Operations	-	-	-	-	-	-	-	-	-
Other Charges	4,180,218	4,287,039	3,959,530	3,839,503	3,539,394	(300,109)	3,539,394	3,539,394	3,275,689
Materials/Supplies	594,184	530,978	619,671	563,729	569,494	5,765	569,494	569,494	469,494
Equipment	290,241	158,134	1,256,257	256,396	350,000	93,604	350,000	350,000	350,000
<b>Total Operations and Maintenance</b>	<b>14,018,989</b>	<b>15,272,824</b>	<b>15,986,719</b>	<b>14,472,059</b>	<b>14,144,522</b>	<b>(327,537)</b>	<b>14,144,522</b>	<b>13,826,772</b>	<b>13,463,066</b>
<b>Technology</b>									
Salaries	1,335,801	1,351,161	1,510,003	1,497,614	1,595,740	98,126	1,595,740	1,595,740	1,595,740
Benefits	506,144	685,853	544,917	611,517	704,153	92,636	704,153	704,153	704,153
Purchased Services	541,895	734,981	954,238	707,165	1,188,822	481,657	1,188,822	1,188,822	1,188,822
Joint Operations	-	-	-	-	-	-	-	-	-
Other Charges	212,795	77,511	323,707	287,359	283,347	(4,012)	283,347	283,347	283,347
Materials/Supplies	468,909	779,360	923,478	845,630	858,110	12,480	858,110	858,110	594,405
Equipment	962,241	1,508,425	4,184,330	941,994	941,994	-	894,817	577,067	577,067
<b>Total Technology</b>	<b>4,027,785</b>	<b>5,137,292</b>	<b>8,440,672</b>	<b>4,891,279</b>	<b>5,572,166</b>	<b>680,887</b>	<b>5,524,989</b>	<b>5,207,239</b>	<b>4,943,533</b>
<b>Debt/Fund Transfers</b>	3,561,290	4,475,014	2,367,085	3,124,832	3,086,922	(37,910)	3,086,922	3,086,922	3,086,922
<b>Health Self Insurance Plan</b>	-	9,096,686	-	-	-	-	-	-	-
<b>Total General Fund Expenditures</b>	<b>\$ 129,029,952</b>	<b>\$ 145,392,405</b>	<b>\$ 139,880,115</b>	<b>\$ 142,851,907</b>	<b>\$ 144,303,313</b>	<b>\$ 1,451,406</b>	<b>144,256,136</b>	<b>143,620,636</b>	<b>142,993,225</b>

# **Instructional Expenditures by Function and Type**

### CLASSROOM INSTRUCTION

Expenditures under Classroom Instruction are those 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 Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	50,799,488	51,174,124	52,702,793	55,740,903	56,051,639	310,736
Benefits	18,746,039	20,769,676	19,517,129	20,845,034	22,454,300	1,609,266
Purchased services	532,140	485,657	482,218	544,244	145,960	(398,284)
joint operations	4,444,707	4,406,667	4,469,180	5,661,648	5,018,637	(643,011)
Other charges	165,075	224,287	334,773	521,649	308,465	(213,184)
materials/supplies	744,441	932,855	669,905	554,411	522,368	(32,043)
equipment	39,659	17,692	27,843	45,638	27,500	(18,138)
<b>Total</b>	<b>75,471,548</b>	<b>78,010,958</b>	<b>78,203,841</b>	<b>83,913,527</b>	<b>84,528,870</b>	<b>615,343</b>

### GUIDANCE SERVICES

Expenditures under Guidance Services are 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 Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	2,174,166	2,148,785	1,999,229	2,030,040	2,052,947	22,907
Benefits	754,380	801,580	720,794	759,867	792,768	32,901
Other charges	351	282	200	1,050	400	(650)
materials/supplies	5,713	4,674	1,259	8,418	8,668	250
equipment	976	-	-	-	-	-
<b>Total</b>	<b>2,935,587</b>	<b>2,955,321</b>	<b>2,721,482</b>	<b>2,799,375</b>	<b>2,854,783</b>	<b>55,408</b>

### HOMEBOUND INSTRUCTION

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.

Expenditure Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	55,840	63,500	72,728	60,000	85,000	25,000
Benefits	4,228	4,816	5,494	5,000	6,503	1,503
<b>Total</b>	<b>60,068</b>	<b>68,316</b>	<b>78,222</b>	<b>65,000</b>	<b>91,503</b>	<b>26,503</b>

### 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 Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	3,630,111	3,662,101	3,899,866	4,139,234	4,221,504	82,270
Benefits	1,297,109	1,343,957	1,330,857	1,583,531	1,587,765	4,234
Purchased services	333,625	334,685	545,767	701,042	670,538	(30,504)
Other charges	64,471	76,182	99,879	176,964	158,716	(18,248)
materials/supplies	353,877	769,062	1,004,645	509,694	844,568	334,874
equipment	152,986	12,413	15,116	30,244	1,000	(29,244)
<b>Total</b>	<b>5,832,179</b>	<b>6,198,401</b>	<b>6,896,131</b>	<b>7,140,709</b>	<b>7,484,092</b>	<b>343,383</b>

### MEDIA SERVICES

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

Expenditure Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	1,553,136	1,473,814	1,571,336	1,580,260	1,516,649	(63,611)
Benefits	580,849	611,822	623,599	649,163	622,624	(26,539)
Purchased services	39	-	-	39	-	(39)
Other charges	1,256	-	531	1,730	7,500	5,770
materials/supplies	44,633	91,816	62,730	50,738	52,000	1,262
equipment	17,843	4,144	3,730	2,920	-	(2,920)
<b>Total</b>	<b>2,197,756</b>	<b>2,181,595</b>	<b>2,261,926</b>	<b>2,284,850</b>	<b>2,198,773</b>	<b>(86,077)</b>

### 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 Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	increase/ (Decrease)
Salaries	5,755,379	5,683,506	6,435,770	6,306,137	6,065,976	(240,161)
Benefits	2,008,437	2,174,098	2,213,490	2,442,698	2,348,445	(94,253)
Purchased services	1,799	-	156	-	-	-
Other charges	18,892	12,025	8,605	7,042	23,273	16,231
materials/supplies	16,231	114,771	55,207	61,951	125,123	63,172
equipment	35,139	5,748	12,833	30,803	-	(30,803)
<b>Total</b>	<b>7,835,877</b>	<b>7,990,148</b>	<b>8,726,061</b>	<b>8,848,631</b>	<b>8,562,817</b>	<b>(285,814)</b>

**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.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	461,891	507,227	501,930	526,087	536,059	9,972
Benefits	163,543	171,907	170,162	187,021	190,014	2,993
Other charges	2,409	993	2,270	2,410	-	(2,410)
<b>Total</b>	<b>627,842</b>	<b>680,127</b>	<b>674,362</b>	<b>715,518</b>	<b>726,073</b>	<b>10,555</b>

**Administration Attendance and Health Expenditures by  
Function and Type**



### ATTENDANCE SERVICES

Expenditures related to attendance services are budgeted within Social Worker Services due to organization structure within Curriculum and Instruction

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	-	36,983	49,972	48,890	-		(48,890)
Benefits	-	15,751	20,522	22,890	-		(22,890)
<b>Total</b>	-	52,734	70,494	71,780	-		(71,780)

### BOARD SERVICES

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	49,399	50,600	50,596	50,600	50,600		-
Benefits	3,780	3,875	3,872	3,874	14,306		10,432
Purchased services	247,269	267,938	263,345	242,402	1,200		(241,202)
Other charges	59,565	65,641	54,570	55,340	56,000		660
materials/supplies	7,687	11,610	8,065	8,486	8,200		(286)
equipment	274	-	-	276	-		(276)
<b>Total</b>	<b>367,975</b>	<b>399,664</b>	<b>380,449</b>	<b>360,978</b>	<b>130,306</b>		<b>(230,672)</b>

### EXECUTIVE ADMIN SERVICES

Expenditures under Executive Administration are those associated with executive responsibility of the school division (i.e. Superintendent Office)

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	481,687	447,027	512,371	533,525	438,506		(95,019)
Benefits	150,043	131,457	155,687	173,921	129,994		(43,927)
Purchased services	31,396	36,929	36,233	36,386	10,178		(26,208)
Other charges	58,104	76,385	66,019	159,292	68,306		(90,986)
materials/supplies	2,378	2,737	6,738	2,471	3,800		1,329
<b>Total</b>	<b>723,608</b>	<b>694,534</b>	<b>777,048</b>	<b>905,595</b>	<b>650,784</b>		<b>(254,811)</b>

### FINANCIAL SERVICES

Expenditures under Financial Services are those associated with the fiscal operations of the school division. This includes activities such as financial reporting, receiving and disbursing funds, payroll processing, grants management and benefits administration.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	804,508	768,562	814,598	834,089	904,704		70,615
Benefits	272,951	572,508	599,945	321,866	363,919		42,053
Purchased services	140,552	139,736	142,798	166,000	192,493		26,493
Other charges	207,162	27,352	5,623	18,760	11,000		(7,760)
materials/supplies	5,081	5,910	4,471	4,800	5,100		300
equipment	514	558	312	3,000	1,000		(2,000)
<b>Total</b>	<b>1,430,769</b>	<b>1,514,625</b>	<b>1,567,747</b>	<b>1,348,515</b>	<b>1,478,215</b>		<b>129,700</b>

### HEALTH SERVICES

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	1,010,727	1,012,233	1,053,082	1,056,960	969,851		(87,109)
Benefits	372,276	418,674	398,851	429,674	390,933		(38,741)
Purchased services	121,946	127,230	127,453	177,133	173,869		(3,264)
Other charges	1,511	1,857	2,299	3,272	6,330		3,058
materials/supplies	9,815	15,609	13,815	12,967	13,500		533
equipment	79	71	25,286	19,209	38,404		19,195
<b>Total</b>	<b>1,516,355</b>	<b>1,575,674</b>	<b>1,620,786</b>	<b>1,699,215</b>	<b>1,592,887</b>		<b>(106,328)</b>

### 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, evaluations, compliance, and substitute management.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	585,593	526,743	606,408	655,034	705,939		50,905
Benefits	190,018	191,024	199,109	230,352	260,141		29,789
Purchased services	56,174	65,082	73,537	116,007	215,619		99,612
Other charges	98,939	104,694	90,776	147,370	71,932		(75,438)
materials/supplies	3,085	5,902	6,369	8,047	8,047		-
<b>Total</b>	<b>933,809</b>	<b>893,445</b>	<b>976,199</b>	<b>1,156,810</b>	<b>1,261,677</b>		<b>104,867</b>

### 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.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	166,426	209,106	229,953	253,029	268,286		15,257
Benefits	53,705	69,216	75,643	97,000	102,598		5,598
Purchased services	-	41,620	36,108	38,595	45,336		6,741
Other charges	1,158	7,468	2,189	5,174	11,018		5,844
materials/supplies	329	1,163	372	1,115	100		(1,015)
Equipment	12	-	-	-	-		-
<b>Total</b>	<b>221,630</b>	<b>328,572</b>	<b>344,265</b>	<b>394,913</b>	<b>427,337</b>		<b>32,424</b>

### PLANNING SERVICES

Expenditures under Planning Services are for activities other than general administration that support each of the other instructional and support service programs.

FY2017-18 budgeted expenditures are related to Special Education planning which does not fall under instruction or health services.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Purchased services	-	-	38,684	-	50,000		50,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>38,684</b>	<b>-</b>	<b>50,000</b>		<b>50,000</b>

**PSYCHOLOGICAL SERVICES**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	602,153	601,121	589,826	639,029	1,155,458		<b>516,429</b>
Benefits	186,862	198,761	198,815	262,601	459,692		<b>197,091</b>
Purchased services	202,514	214,314	204,772	751,019	758,296		<b>7,277</b>
Other charges	14,463	32,103	41,465	50,000	11,000		<b>(39,000)</b>
<b>Total</b>	<b>1,005,993</b>	<b>1,046,300</b>	<b>1,034,878</b>	<b>1,702,649</b>	<b>2,384,446</b>		<b>681,797</b>

**PUBLIC INFORMATION SERVICES**

Expenditures under Public Information Services are for activities associated with internal and external division communications.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	-	-	-	65,428	68,834		<b>3,406</b>
Benefits	-	-	1,014	28,082	29,017		<b>935</b>
Purchased services	-	-	-	5,000	21,000		<b>16,000</b>
Other charges	-	-	-	-	5,400		<b>5,400</b>
materials/supplies	-	-	-	-	5,000		<b>5,000</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,014</b>	<b>98,510</b>	<b>129,251</b>		<b>30,741</b>

**PURCHASING SERVICES**

Expenditures for Purchasing Services are related to procuring supplies, services, and equipment for the division and managing the Minority and Woman Business Enterprise program.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/</b>	<b>(Decrease)</b>
Salaries	215,530	186,957	241,130	323,577	367,388		<b>43,811</b>
Benefits	92,394	85,399	100,875	118,240	126,702		<b>8,462</b>
Purchased services	248	2,612	2,627	3,744	4,000		<b>256</b>
Other charges	-	7,875	3,895	6,386	14,471		<b>8,085</b>
materials/supplies	-	411	730	600	1,850		<b>1,250</b>
<b>Total</b>	<b>308,172</b>	<b>283,253</b>	<b>349,256</b>	<b>452,547</b>	<b>514,411</b>		<b>61,864</b>

# **Pupil Transportation Expenditures by Function and Type**

**TRANSPORTATION - MANAGEMENT AND DIRECTION**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	209,165	237,271	283,594	314,054	306,565	(7,489)
Benefits	89,739	104,264	111,607	93,035	118,973	25,938
Purchased services	11,023	17,266	12,763	11,500	19,427	7,927
Other charges	-	75	3,951	1,708	1,803	95
materials/supplies	-	34,016	-	-	-	-
equipment	60	-	124,559	1,332	1,332	-
<b>Total</b>	<b>309,987</b>	<b>392,892</b>	<b>536,474</b>	<b>421,629</b>	<b>448,100</b>	<b>26,471</b>

**TRANSPORTATION - MONITORING SERVICES**

Expenditures under Monitoring Services include activities concerned with supervising students in the process of being transported between home and school and between school and school activities.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	-	-	34,456	517,600	524,691	7,091
Benefits	-	-	2,636	368,776	374,692	5,916
<b>Total</b>	<b>-</b>	<b>-</b>	<b>37,092</b>	<b>886,376</b>	<b>899,383</b>	<b>13,007</b>

**TRANSPORTATION - VEHICLE MAINTENANCE**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Purchased services	626,338	629,246	647,452	657,469	727,779	70,310
<b>Total</b>	<b>626,338</b>	<b>629,246</b>	<b>647,452</b>	<b>657,469</b>	<b>727,779</b>	<b>70,310</b>

**TRANSPORTATION - VEHICLE OPERATION**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	2,877,231	2,804,890	3,098,787	2,525,658	2,474,841	(50,817)
Benefits	1,460,024	2,049,224	1,456,464	1,297,993	1,371,471	73,478
Purchased services	-	3,278	3,255	15,050	11,900	(3,150)
Other charges	-	177,669	177,299	440	-	(440)
materials/supplies	679,140	479,723	405,971	600,000	500,000	(100,000)
<b>Total</b>	<b>5,016,395</b>	<b>5,514,784</b>	<b>5,141,775</b>	<b>4,439,141</b>	<b>4,358,212</b>	<b>(80,929)</b>

# **Operations and Maintenance Expenditures by Function and Type**



### OPERATIONS - BUILDING MAINTENANCE

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

Expenditure Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	969,500	948,284	984,945	1,147,389	1,189,508	42,119
Benefits	326,262	514,883	314,191	366,990	455,746	88,756
Purchased services	1,559,241	2,649,233	2,581,056	1,708,297	1,730,000	21,703
Other charges	4,065,843	4,158,082	3,841,874	3,665,369	3,429,685	(235,684)
materials/supplies	220,476	231,510	302,413	224,045	237,445	13,400
equipment	291,136	143,984	1,247,370	250,000	250,000	-
<b>Total</b>	<b>7,432,458</b>	<b>8,645,976</b>	<b>9,271,850</b>	<b>7,362,090</b>	<b>7,292,384</b>	<b>(69,706)</b>

### OPERATIONS - BUILDING 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 Type	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Original	2017-18 Budget	Increase/ (Decrease)
Salaries	2,890,488	2,914,449	3,096,445	3,182,255	3,153,005	(29,250)
Benefits	1,353,618	1,389,069	1,394,332	1,756,789	1,515,279	(241,510)
Purchased services	113,689	75,567	35,868	66,360	76,360	10,000
Other charges	103,118	112,808	111,983	98,609	98,609	-
materials/supplies	280,878	235,947	262,063	263,506	263,506	-
equipment	-	13,563	8,887	5,496	100,000	94,504
<b>Total</b>	<b>4,741,791</b>	<b>4,741,403</b>	<b>4,909,578</b>	<b>5,373,015</b>	<b>5,206,759</b>	<b>(166,256)</b>

**OPERATIONS - CROSSING GUARDS**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	305,265	307,191	312,431	241,797	226,390	(15,407)
Benefits	23,229	23,442	23,817	18,519	16,995	(1,524)
materials/supplies	385	5,243	2,253	7,022	7,097	75
<b>Total</b>	<b>328,878</b>	<b>335,876</b>	<b>338,501</b>	<b>267,338</b>	<b>250,482</b>	<b>(16,856)</b>

**OPERATIONS - MANAGEMENT & 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.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	199,571	239,875	130,203	35,307	38,454	3,147
Benefits	55,226	87,410	45,967	18,729	18,059	(670)
Purchased services	10,964	10,964	10,964	10,964	-	(10,964)
Other charges	7,655	8,886	(1)	66,275	-	(66,275)
Materials/supplies	1,651	-	-	-	-	-
<b>Total</b>	<b>275,067</b>	<b>347,135</b>	<b>187,133</b>	<b>131,275</b>	<b>56,513</b>	<b>(74,762)</b>

**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.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	462,532	455,738	498,341	490,075	520,730	30,655
Benefits	237,601	253,141	245,144	277,588	264,429	(13,159)
Purchased services	-	4,886	-	1,000	500	(500)
Other charges	-	1,045	600	2,000	1,100	(900)
materials/supplies	855	2,566	-	3,000	-	(3,000)
equipment	1,089	587	-	900	-	(900)
<b>Total</b>	<b>702,076</b>	<b>717,962</b>	<b>744,085</b>	<b>774,563</b>	<b>786,759</b>	<b>12,196</b>

**OPERATIONS - VEHICLE SERVICES**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Purchased services	131,908	131,908	131,905	140,000	150,000	10,000
materials/supplies	81,231	49,760	46,880	60,000	55,290	(4,710)
<b>Total</b>	<b>213,139</b>	<b>181,668</b>	<b>178,785</b>	<b>200,000</b>	<b>205,290</b>	<b>5,290</b>

**OPERATIONS - WAREHOUSE**

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

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	214,544	197,217	255,001	242,894	231,648	(11,246)
Benefits	100,709	93,416	90,651	107,478	98,531	(8,947)
Other charges	3,602	6,218	5,074	7,250	10,000	2,750
materials/supplies	6,724	5,952	6,061	6,156	6,156	-
<b>Total</b>	<b>325,580</b>	<b>302,804</b>	<b>356,788</b>	<b>363,778</b>	<b>346,335</b>	<b>(17,443)</b>

# **Technology Expenditures by Function and Type**

**TECHNOLOGY - ADMINISTRATION**

Expenditures include technology-related expenditures that directly support activities concerned with establishing and administering policy within the division.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	100,544	101,704	104,460	106,683	106,683	-
Benefits	32,728	36,252	35,459	40,099	40,068	(31)
Purchased services	351,411	317,500	314,960	317,500	317,500	-
Other charges	10,891	11,646	23,082	31,300	25,500	(5,800)
materials/supplies	39,117	36,646	53,759	42,259	42,213	(46)
<b>Total</b>	<b>534,691</b>	<b>503,748</b>	<b>531,720</b>	<b>537,841</b>	<b>531,964</b>	<b>(5,877)</b>

**TECHNOLOGY - CLASSROOM INSTRUCTION**

Expenditures include technology expenditures directly related to the delivery of classroom instruction and the interaction between students and teachers, including actual instruction in technology.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Purchased services	93,501	155,540	491,967	112,552	594,209	481,657
Other charges	744	5,576	6,258	6,712	8,500	1,788
materials/supplies	196,337	367,528	632,424	422,688	437,688	15,000
equipment	962,241	1,508,425	4,184,330	941,994	941,994	-
<b>Total</b>	<b>1,252,823</b>	<b>2,037,069</b>	<b>5,314,979</b>	<b>1,483,946</b>	<b>1,982,391</b>	<b>498,445</b>

**TECHNOLOGY - INSTRUCTIONAL SUPPORT**

Expenditures include technology expenditures related to instructional support services for students, staff, and school administration.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Salaries	1,235,257	1,249,456	1,405,543	1,390,931	1,489,057	98,126
Benefits	473,416	649,601	509,458	571,418	664,085	92,667
Purchased services	96,983	261,941	147,311	277,113	277,113	-
Other charges	201,160	60,290	294,367	249,347	249,347	-
materials/supplies	232,115	370,158	231,984	372,213	372,213	-
<b>Total</b>	<b>2,238,931</b>	<b>2,591,447</b>	<b>2,588,662</b>	<b>2,861,022</b>	<b>3,051,815</b>	<b>190,793</b>

**TECHNOLOGY - OPERATIONS AND MAINT**

Expenditures include technology-related expenditures that directly support activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition.

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
materials/supplies	1,340	5,028	5,311	8,470	6,000	(2,470)
<b>Total</b>	<b>1,340</b>	<b>5,028</b>	<b>5,311</b>	<b>8,470</b>	<b>6,000</b>	<b>(2,470)</b>

## **Debt and Fund Transfers Expenditures by Function and Type**

**INTRA-AGENCY FUND TRANSFERS**

Expenditures for transfers from the operating fund to the other funds such as (i.e. transfers to grants fund to satisfy local match requirements for grant programs).

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Debt/Fund Transfer	2,575,683	2,491,820	2,289,473	3,124,832	3,086,922	<b>(37,910)</b>
<b>Total</b>	<b>2,575,683</b>	<b>2,491,820</b>	<b>2,289,473</b>	<b>3,124,832</b>	<b>3,086,922</b>	<b>(37,910)</b>

**DEBT SERVICE**

Expenditures related to debt service payments

<b>Expenditure Type</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Original</b>	<b>2017-18 Budget</b>	<b>Increase/ (Decrease)</b>
Debt/Fund Transfer	985,607	1,983,194	77,612	-	-	-
<b>Total</b>	<b>985,607</b>	<b>1,983,194</b>	<b>77,612</b>	<b>-</b>	<b>-</b>	<b>-</b>



## **General Fund**

### **Summary Line Item Detail by Object Code**

**(Object codes are the lowest level of detail in which division budgets expenditures)**

## Salaries Adopted Budget by Line Item

The table below provides the line item detail of the instructional and non-instructional adopted gross salaries budget for FY 2017-18 by object code.

Object Code Description	2015-16 Actual	2016-17 Original		Increase/ (Decrease)
		Budget	2017-18 Budget	
ASSISTANT PRINCIPAL	2,505,079	2,529,738	2,421,608	(108,130)
ASST SUPT	335,475	363,417	387,789	24,372
BOARD MEMBER	50,596	50,600	50,600	-
BUS DRIVER	2,541,623	2,525,658	2,546,776	21,118
BUS MONITOR	591,620	517,600	535,185	17,585
CLERICAL	3,986,870	4,226,734	4,079,322	(147,412)
CROSSING GUARD	312,431	241,797	230,918	(10,879)
CUSTODIAN	2,840,796	2,982,622	2,957,223	(25,399)
DIR / SUPV / MNGR / COORD	3,033,762	3,162,777	3,123,849	(38,928)
LIBRARIAN	1,191,068	1,246,584	1,252,576	5,992
NURSE	921,796	956,845	867,154	(89,691)
OTHER PROFESSIONAL	1,086,916	1,149,287	1,108,919	(40,369)
PARAPROFESSIONAL	3,205,005	3,298,618	3,300,267	1,649
PRINCIPAL	2,423,103	2,203,120	2,174,930	(28,190)
PSYCHOLOGIST - DISTRICT	336,011	379,569	774,363	394,794
SECURITY GUARD	507,646	498,075	539,305	41,230
SUB CLERICAL	18,430	15,000	-	(15,000)
SUB CUSTODIAN	74,919	40,000	70,000	30,000
SUB LIBRARY MEDIA SPECIALIST	170	-	-	-
SUB PARAPROFESSIONAL	4,605	250	-	(250)
SUB TEACHER	644,980	797,363	627,826	(169,537)
SUPERINTENDENT	245,700	247,850	247,850	-
SUPPLEMENTS	677,075	683,853	757,292	73,439
SUPPORT SERVICE - MISC	248,220	242,894	236,281	(6,613)
TEACHER	50,925,298	53,839,573	54,243,719	404,146
TECHNOLOGY SUPPORT	1,841,657	1,826,404	2,138,572	312,168
TRADES	984,945	1,011,237	1,048,590	37,353
<b>Grand Total</b>	<b>81,535,796</b>	<b>85,037,465</b>	<b>85,720,911</b>	<b>683,446</b>

### Instructional Salaries

**\$71 million**

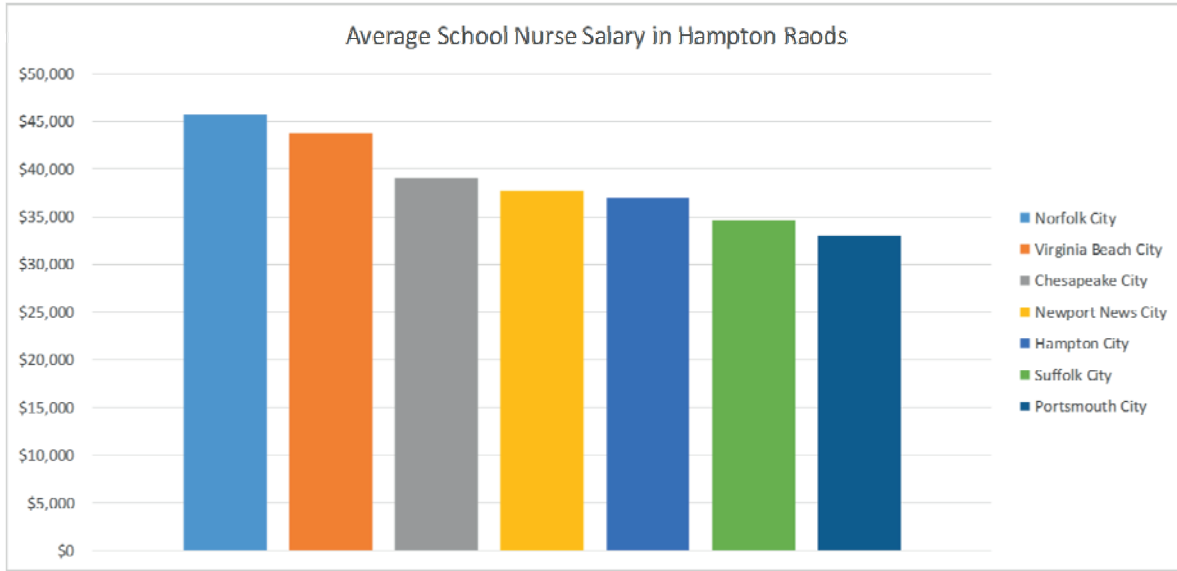
Instructional salaries include the gross pay for teachers, principals, assistant principals, librarians, technology resources teachers, clerical, coordinators, assistant superintendents of curriculum and instruction, content specialist, etc. Instructional salaries increased \$147,000. Despite a 2% raise and new positions, such as teachers, the change in the budget was incremental. This is due to the bonus paid out in FY 2016-17 and the reduction of positions through attrition and re-assignment (i.e. High School Deans).

### Non-instructional Salaries

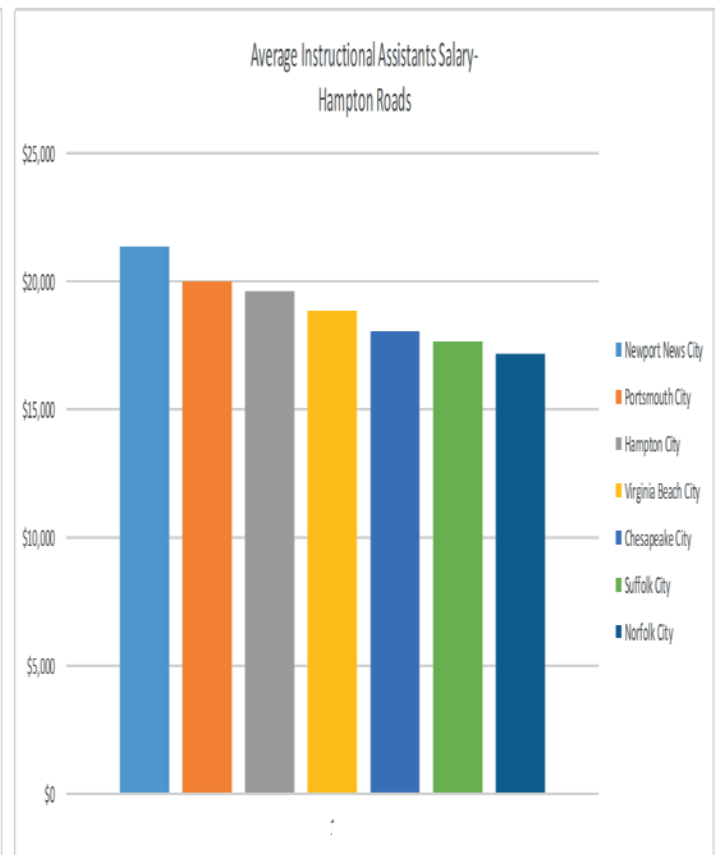
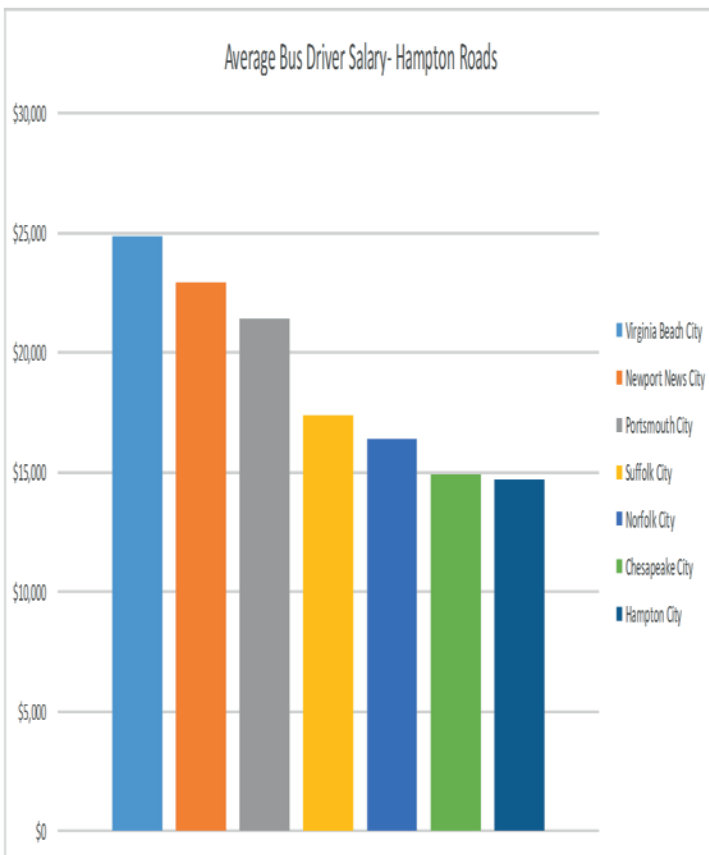
**\$15 million**

Non-instructional salaries include gross pay for bus drivers, bus monitors, nurses, custodians, superintendent, school board, human resources, budget and finance, maintenance personnel, technology support, crossing guards, clerical, psychologists, etc. Non-instructional salaries increased by \$536,000 primarily due to the 2% pay raise and changing psychologist from 50% to 100% funded in the General fund to increase Medicaid reimbursement revenue.

An additional 2% raise was included for School Nurses because the division’s School Nurse pay scale is the lowest in Hampton Roads. For FY 2016, the division had the lowest average school nurse salary in the Hampton Roads. This additional raise will help provide competitive salaries for school nurses within the division



Along with pay raises, the adopted budget includes Winter Break pay for all 10 month non-exempt (hourly) employees, which includes bus drivers, bus monitors, instructional assistants, clerical positions, etc. Paid Winter Break equates to an average 5% pay raise for 10 month non-exempt employees and is projected to cost \$450,000. The division ranked third and second in average salaries in Hampton Roads for bus drivers and instructional assistants, respectively in FY 2016.



## Benefits Adopted Budget by Line Item

The table below provides the line item detail of the fringe benefits budget for FY 2017-18 by object code.

Object Code Description	2015-16 Actual	2016-17 Original Budget	2017-18 Budget	Increase/ (Decrease)
FICA	6,093,939	5,599,242	5,687,205	87,963
HEALTH INSURANCE	12,169,597	14,036,986	14,435,190	398,204
LIFE INSURANCE	920,073	1,045,303	1,063,766	18,463
RETIREE INS	(150)	-	-	-
UNEMPLOYMENT COMPENSATION	29,013	25,000	-	(25,000)
VLDP VA LOCAL DISABILTY PROG	27,451	39,305	57,966	18,661
VRS	9,410,226	10,098,153	10,277,960	179,807
VRS HEALTH INSURANCE CREDIT	13,377	15,346	4,483	(10,863)
VRS HIC	735,707	798,250	824,816	26,566
VRS HYBRID PLAN	1,166,348	1,420,643	2,466,664	1,046,021
<b>Grand Total</b>	<b>30,565,582</b>	<b>33,078,228</b>	<b>34,818,049</b>	<b>1,739,821</b>

### Virginia Retirement System (VRS) Benefit Rates

**\$14 million**

The Virginia Retirement System (VRS) benefits include a defined benefit pension plan, a defined contribution pension plan (employees hired after January 1, 2014), and a health insurance credit. The majority of VRS benefits are associated with pension plan costs. The VRS employer contribution rate for FY 2017-18 is 16.32%; this is an increase of 1.66% from the FY 2016-17 rate of 14.66%. The employer contribution rate for the VRS retiree health care credit increased from 1.11% to 1.23% for FY 2017-18. These rate increases and the impact of the 2% raise for all employees result in additional expenditures of \$1.2 million for VRS.

### Health Insurance (Charge to Risk Management Fund)

**\$14 million**

The division is self insured for healthcare. All healthcare expenditures are paid from the Risk Management fund. The Risk Management fund charges a fee to all funds, including the General fund to generate revenue to cover healthcare claims and administrative fees. Healthcare expenditures are projected to increase by 2.91% for plan year 2018. The division has experienced a decline in enrollment in the healthcare plan of 1,656 to 1,580. The division expects increased healthcare costs for plan year 2019.

### Other Benefits

**\$7 million**

Other benefits include FICA (Social Security and Medicare tax), life insurance, and Virginia Local Disability Program (VDLP).

## Non-Payroll Adopted Budget by Line Item

The table below provides the line item detail of the instructional and non-instructional adopted non-payroll budget for FY 2017-18 by object code.

Object Code Description	2016-17		2017-18 Budget	Increase/ (Decrease)
	2015-16 Actual	Original Budget		
ADVERTISING	7,550	7,188	7,100	(88)
ATHLETIC SUPPLIES	415,770	114,722	115,500	778
AUDITS	100,955	104,000	104,000	-
BANK CHARGES	-	7,500	7,500	-
BOOKS / SUBSCRIPTIONS	52,327	42,149	59,689	17,540
BUILDING SUPPLIES	282,187	200,000	200,000	-
CITY SERVICES	407,625	393,426	420,936	27,510
CONSULTANTS	331,031	261,397	228,698	(32,699)
CONTRACTED - BUILDING	1,579,689	600,000	600,000	-
CONTRACTED - ELECTRICIAN	52,271	100,000	100,000	-
CONTRACTED - ELECTRONICS	-	1,925	5,500	3,575
CONTRACTED - ENVIRONMENT	15,121	20,000	30,000	10,000
CONTRACTED - EQUIPMENT	927,562	975,000	975,000	-
CONTRACTED - PLUMBING	6,415	10,000	20,000	10,000
CONTRACTED MAINT VEHICLES	779,357	797,469	877,779	80,310
CONTRACTED OPS	42,128	81,360	81,360	-
COPIER - LEASE	436,742	447,657	481,657	34,000
CUSTODIAN SUPPLIES	237,999	239,396	239,396	-
DUES / MEMBERSHIPS	66,844	80,819	94,140	13,321
ELECTRICAL SUPPLIES	3,394	12,000	12,000	-
ELECTRICITY	2,532,375	2,676,739	2,544,077	(132,662)
FIELD TRIPS	10,611	7,500	14,500	7,000
FOOD SUPPLIES	37,995	30,086	34,255	4,169
FUEL	676,713	1,060,945	885,478	(175,467)
HEALTH SERVICES	127,453	177,133	173,869	(3,264)
INSTRUCTIONAL SUPPLIES	809,768	676,462	741,089	64,627
LEASE/RENT	-	15,035	15,035	-
MARCHING BAND SUPPLIES	89,198	30,000	30,000	-
MEDICAL SUPPLIES	12,603	12,145	12,600	455
MISC SERVICES	273,423	285,513	307,498	21,985
MISCELLANEOUS	350,280	629,936	169,771	(460,165)
NEW - INFRASTRUCTURE ADDIT.	134,413	231,704	231,704	-
NEW EQUIPMENT	29,042	46,630	50,500	3,870
NEW HARDWARE	2,612,739	259,044	259,044	-
OFFICE SUPPLIES	117,583	130,663	166,941	36,278
OT/PT/SPEECH PROFESSIONAL SERVICES	204,772	751,019	758,296	7,277
OUTSIDE - LEGAL	130,430	95,000	154,000	59,000
OUTSIDE PRINTING	42,689	116,123	53,100	(63,023)
POSTAGE	59,636	78,177	59,360	(18,817)

## Adopted Budget by Line Item (Non-Payroll), cont.

Object Code Description	2016-17		2017-18 Budget	Increase/ (Decrease)
	2015-16 Actual	Original Budget		
PPS CARRIER	22,179	22,000	103,300	81,300
PROFESSIONAL SERVICES	136,880	251,119	210,419	(40,700)
PUBLIC CARRIER	117,665	190,000	145,000	(45,000)
RECRUITING	8,629	45,000	45,000	-
REPAIR EQUIPMENT	41,251	44,422	69,400	24,978
REPLACE - EQUIPMENT	1,436,894	343,188	370,736	27,548
REPLACE HARDWARE	1,437,178	451,246	449,246	(2,000)
RETIREMENT & TEACHER OF YEAR	-	-	13,000	13,000
SOFTWARE	1,110,932	914,901	1,190,901	276,000
STAFF DEVELOPMENT	143,762	304,236	199,337	(104,899)
STORM WATER	192,840	195,000	187,261	(7,739)
STUDENT LIAB INS	817,089	42,440	42,000	(440)
TECH CONSULTANTS	570,193	389,665	389,665	-
TECHNOLOGY-PARTS & MAINTENANCE	98,355	104,375	144,329	39,954
TELECOMMUNICATIONS	294,367	249,347	207,231	(42,116)
TRAVEL - LOCAL	19,007	23,728	30,656	6,928
TRAVEL - OUT OF TOWN	24,339	25,538	22,250	(3,288)
TUITION	4,469,180	5,661,648	5,018,637	(643,011)
UNIFORMS	62,001	65,213	65,113	(100)
WASTE REMOVAL	117,057	105,859	108,609	2,750
WATER	295,166	376,595	343,969	(32,626)
<b>Grand Total</b>	<b>25,411,651</b>	<b>21,611,382</b>	<b>20,677,431</b>	<b>(933,951)</b>

The overall change in the non-payroll budget is a net decrease of (\$934,000). Budget reductions were done based on reviewing actual costs in prior years (excluding one-time costs), budget meetings with schools and departments, and tightening estimates for variable costs such as fuel and tuition.

### Instructional Non-payroll

**\$7.9 million**

Instructional non-payroll expenditures consist of instructional materials, office supplies, staff development, equipment, Standards of Learning transportation costs, field trips, tuition costs, etc.

### Non-instructional Non-payroll

**\$12.8 million**

Non-instructional non-payroll expenditures consist of fuel, utilities, maintenance contracts, occupational therapy and speech services, technology equipment, telecommunications, medical supplies, custodian supplies, graduation, etc.

**Debt and Fund Transfers****\$3 million**

There is no debt for the division. Of the total adopted budget, \$1.6 million is budgeted to meet local match grant requirements, and as stipulated by individual grant awards (within the Grants fund) and \$1.4 million is the fee charged by the Risk Management fund for the general liability and workers compensation program.

	<b>2015-16 Actual</b>	<b>2016-17 Original Budget</b>	<b>2017-18 Budget</b>
RISK MGMT – GEN LIAB WKRS COMP	631,000	1,425,200	1,425,200
VA PRESCHOOL	968,901	906,671	847,278
TEXTBOOK	360,831	384,030	378,918
EARLY READING	147,746	141,559	171,835
ALGEBRA READINESS	100,971	99,176	95,040
LOCAL MATCH - SCHOOL SECURITY	24,662	70,000	70,000
ABE (ADULT EDUCATION)	-	40,000	40,000
LOCAL MATCH - MATH/READ SPEC	34,428	33,196	33,651
TRANSFER TO CAFE FUND	20,934	15,000	15,000
LOCAL MATCH - SAFE ROUTE	-	10,000	10,000
INTEREST ENERGY	77,612	-	-
<b>Total</b>	<b>2,367,085</b>	<b>3,124,832</b>	<b>3,086,922</b>

## FY 2017-18 Adopted Grant Fund Budget

The Grants fund provides assistance for particular federal, state, and local programs. Grantors encourage recipient divisions to expand expenditures to support certain instructional programs. Grant funds are intended to supplement, not supplant, divisional efforts and require additional reporting and in some cases require local matching of funds to help the grant program reach its intended goal.

The Grant fund budget is expected to increase by about \$217,000 and is based on anticipated re-award of current grant awards and an estimate for new grant awards. Both new and current grants are awarded throughout each fiscal year and often have a grant period which is different than the division's fiscal year. The grant period is the required timeline in which the specific grant funds have to be encumbered and subsequently spent. There are different grant periods for the over 20 grants currently awarded to the division. It is for this purpose that the Grant fund is a multi-year fund that carries funds forward through the life (grant period) of each grant.

Each grant also outlines the type of costs that are allowable. Most of the grant funds go towards the instruction category but the division receives grants that support each of the major categories. Though funds are coded to the other categories (i.e. school security equipment grant is coded to Operations and Maintenance) the grant funds support instruction (i.e. school security equipment grant puts equipment into specific schools as outlined by the grant).

Below are the top 5 largest grants received by the division. These grants make up 76% or \$14 million of the grants budget:

<b>No Child Left Behind Title I</b>	The Title I grant is the largest grant in the division. This grant is awarded to improve academic achievement for school with high poverty as primarily measured by the percentage of students receiving free and reduced lunch. Funding under this grant is received for 12 schools in the division.
<b>IDEA Section 611</b>	The IDEA Section 611 grant is used to support the education and additional resources for student with disabilities.
<b>Virginia Preschool Initiative (VPI)</b>	The VPI grant is used to fund resources (including teachers) for 552 preschool slots (determined by the state) for the divisions preschool program.
<b>VPSA Technology Grant</b>	This grant is used to fund resources necessary to implement and maintain improvement in instructional, remedial, and testing capabilities of the Standards of Learning tests via the internet as well as increasing internet connectivity at schools.
<b>No Child Left Behind Title II</b>	The Title II grant provides funding to improve teacher quality through providing additional resources (i.e. staff development, coaches, etc.) to help retain quality teachers.

Beyond FY 2017-18, the division expects grant funding to remain consistent within the next 3 years assuming grant programs are not cut as part of the Federal Budget. It is not known whether Federal programs such as Title II and 21st Century Learning Centers will be funded. In the event that Federal funding is cut, the Grants fund could lose as much as \$1.6 million. This would reduce funding to the instructional program. The division will continue to monitor the Federal Budget.



### Grant Fund Revenues - Level 3

The following table is a breakout of Grant Fund revenues by classification.

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Increase	2018-2019	2019-2020	2020-2021
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	(Decrease)	FORECAST	FORECAST	FORECAST
<b>Federal Revenues</b>									
Adult Literacy Services (AFLEA)	\$ 230,898	\$ 209,519	\$ 36,267	\$ 168,665	\$ 152,726	\$ (15,939)	152,726.00	152,726	152,726
Educational Opportunity Center (EOC)	-	-	-	-	235,468	235,468	235,468.00	235,468	235,468
IDEA - Part B - SWD Instructional Program Improvement	-	59,013	-	-	-	-	-	-	-
IDEA - Part B Section 619 - Special Education preschool	193,526	169,534	193,393	181,373	180,110	(1,263)	180,110.00	180,110	180,110
IDEA Part B Section 611 - Special Education	3,426,867	4,013,039	3,348,287	3,497,067	3,501,224	4,157	3,501,224.00	3,501,224	3,501,224
NCLB - Title I Part A - Improving Basic Programs	6,065,228	4,720,041	4,523,680	6,331,965	5,876,415	(455,550)	5,876,415.46	5,876,415	5,876,415
NCLB - Title I Part A - School Improvement 1003g	49,852	-	-	-	-	-	-	-	-
NCLB - Title I Part D - Prevention and Intervention Programs	-	-	-	-	89,554	89,554	89,553.75	89,554	89,554
NCLB - Title II Part A - Improving Teacher Quality	1,375,879	1,070,758	839,367	1,016,971	798,786	(218,185)	798,786.03	798,786	798,786
NCLB - Title III - Limited English Proficient	-	-	3,201	9,045	5,896	(3,149)	5,895.84	5,896	5,896
Perkins Career and Technical Education Act of 2006	258,534	287,309	458,916	391,244	322,533	(68,711)	322,533.15	322,533	322,533
Safe Route to School Local Match	-	-	-	-	10,000	10,000	10,000.00	10,000	10,000
Safe Route to Schools	15,062	41,517	72,144	53,560	40,000	(13,560)	40,000.00	40,000	40,000
SAIL Grant - Math and Science Partnership	35,412	13,779	26,947	24,383	24,383	-	24,383.00	24,383	24,383
Title IV - 21st Century Community Learning Centers	-	-	-	-	522,141	522,141	522,141.00	522,141	522,141
Title X Part C McKinney Vento Homeless Assistance Act	14,734	9,443	17,295	18,540	22,000	3,460	22,000.00	22,000	22,000
<b>Total Federal Revenues</b>	<b>11,665,993</b>	<b>10,593,952</b>	<b>9,519,497</b>	<b>11,692,813</b>	<b>11,781,236</b>	<b>88,423</b>	<b>11,781,236</b>	<b>11,781,236</b>	<b>11,781,236</b>
<b>State Revenues</b>									
Adult Education Regional Lead Agency	120,712	116,321	121,714	128,750	128,750	-	128,750	128,750	128,750
Career Switcher	3,000	10,000	21,000	6,180	6,180	-	6,180	6,180	6,180
Early Reading Initiative	436,559	406,278	403,956	423,321	513,858	90,537	513,858	513,858	513,858
General Adult Education	17,051	17,973	12,674	17,973	18,044	71	18,044	18,044	18,044
ISAEF - Individual Student Alternative Education Plan	46,033	40,793	42,783	39,293	39,293	-	39,293	39,293	39,293
Math/Reading Specialist	-	93,302	94,130	99,269	101,335	2,066	101,335	101,335	101,335
Mentor Teacher	10,450	8,132	11,975	8,132	13,269	5,137	13,269	13,269	13,269
Middle School Teacher	-	-	-	15,450	30,000	14,550	30,000	30,000	30,000
National Board Certification	2,500	7,500	7,500	7,725	7,500	(225)	7,500	7,500	7,500
Project Graduation Academic Year and Summer	32,295	18,423	-	44,913	23,265	(21,648)	23,265	23,265	23,265
Race to GED	8,202	44,962	45,222	50,467	48,840	(1,627)	48,840	48,840	48,840
School Security Equipment	69,127	28,156	98,648	98,880	93,303	(5,577)	93,303	93,303	93,303
SOL Algebra Readiness	259,257	278,274	276,069	296,579	279,830	(16,749)	279,830	279,830	279,830
Special Education in Jails	106,310	83,766	72,314	91,668	93,475	1,807	93,475	93,475	93,475
State Career and Technical Education	-	-	33,335	34,335	44,060	9,725	44,060	44,060	44,060
STEM-Teacher recruitment	6,000	1,000	11,000	-	32,000	32,000	32,000	32,000	32,000
Strategic Compensation Grants Initiative	33,372	-	-	-	-	-	-	-	-
VA Tiers System of Support (VTSS)-PBIS	-	-	-	-	25,000	25,000	25,000	25,000	25,000
Virginia Cybersecurity	-	-	62,500	-	62,500	62,500	62,500	62,500	62,500
Virginia Preschool Initiative	2,690,793	2,403,080	2,649,100	2,711,329	2,533,721	(177,608)	2,533,721	2,533,721	2,533,721
VPSA Educational Technology Notes	35,620	1,504,461	894,195	847,200	834,000	(13,200)	834,000	834,000	834,000
<b>Total State Revenues</b>	<b>3,877,279</b>	<b>5,062,421</b>	<b>4,858,115</b>	<b>4,921,464</b>	<b>4,928,223</b>	<b>6,759</b>	<b>4,928,223</b>	<b>4,928,223</b>	<b>4,928,223</b>

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Increase	2018-2019	2019-2020	2020-2021
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	(Decrease)	FORECAST	FORECAST	FORECAST
<b>Other Revenue</b>									
Adult Education -- Program Support	18,239	6,405	-	-	-	-	-	-	-
Hampton Roads Regional Jail	175,294	174,632	227,459	190,645	188,008	(2,637)	188,008	188,008	188,008
Portsmouth General Hospital Foundation - WELNET	1,250	-	-	-	-	-	-	-	-
Region 2 -- Superintendents Group	2,100	-	-	-	-	-	-	-	-
Regional Adult Ed Lead Agency Fee	16,995	55,146	43,256	59,404	57,674	(1,730)	57,674	57,674	57,674
Southeast VA Community Foundation - MINDS IN MOTION	-	-	-	-	7,500	7,500	7,500	7,500	7,500
Other Revenue (Miscellaneous)	-	-	27,389	-	-	-	-	-	-
Additional budget for unknown grants	-	-	-	579,439	734,958	155,519	734,958	734,958	734,958
<b>Total Other Revenues</b>	<b>213,878</b>	<b>236,183</b>	<b>298,104</b>	<b>829,488</b>	<b>988,140</b>	<b>158,652</b>	<b>988,140</b>	<b>988,140</b>	<b>988,140</b>
<b>Transfers In from Other Funds</b>									
SOL Algebra Readiness Local Match	98,586	101,778	100,971	99,176	93,575	(5,601)	93,575	93,575	93,575
Early Reading Initiative Local Match	166,007	148,595	147,746	141,559	171,835	30,276	171,835	171,835	171,835
Math/Reading Specialist Local Match	-	34,125	34,428	33,196	33,887	691	33,887	33,887	33,887
School Security Equipment Local Match	17,957	7,039	24,662	25,750	23,326	(2,424)	23,326	23,326	23,326
Virginia Preschool Initiative Local Match	1,023,207	878,919	968,901	906,671	847,278	(59,393)	847,278	847,278	847,278
<b>Total Transfers In from Other Funds</b>	<b>1,305,757</b>	<b>1,170,456</b>	<b>1,276,708</b>	<b>1,206,352</b>	<b>1,169,901</b>	<b>(36,451)</b>	<b>1,169,901</b>	<b>1,169,901</b>	<b>1,169,901</b>
<b>Total Grant Revenues</b>	<b>\$ 17,062,907</b>	<b>\$ 17,063,012</b>	<b>\$ 15,952,424</b>	<b>\$ 18,650,117</b>	<b>\$ 18,867,500</b>	<b>\$ 217,383</b>	<b>18,867,500</b>	<b>18,867,500</b>	<b>18,867,500</b>

## Grant Fund Expenditures - Level 3

The following table is breakout of Grant Fund expenditures by Type and a breakout of Grant Fund expenditures by Category.

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>Grant Expenditures by Type</b>									
Salaries	\$ 10,412,783	\$ 10,018,523	\$ 9,528,658	\$ 11,113,158	\$ 11,242,691	\$ 129,533	11,242,691	11,242,691	11,242,691
Benefits	3,662,061	4,006,081	3,370,356	3,930,805	3,976,622	45,817	3,976,622	3,976,622	3,976,622
Purchased Services	875,878	1,005,756	839,892	979,556	990,973	11,418	990,973	990,973	990,973
Joint Operations	-	-	-	-	-	-	-	-	-
Other Charges	661,823	450,846	168,383	196,383	198,672	2,289	198,672	198,672	198,672
Materials/Supplies	440,156	2,194,602	1,070,886	1,248,961	1,263,519	14,558	1,263,519	1,263,519	1,263,519
Equipment	238,758	294,549	1,012,832	1,181,254	1,195,022	13,769	1,195,022	1,195,022	1,195,022
<b>Total Expenditures</b>	<b>16,291,459</b>	<b>17,970,357</b>	<b>15,991,007</b>	<b>18,650,117</b>	<b>18,867,500</b>	<b>217,383</b>	<b>18,867,500</b>	<b>18,867,500</b>	<b>18,867,500</b>
<b>Grant Expenditures by Category</b>									
Instruction	15,169,394	14,192,850	13,702,874	15,050,379	16,148,814	1,098,435	16,148,814	16,148,814	16,148,814
Administration, Attendance, Health	807,490	1,302,039	734,213	1,380,708	872,368	(508,340)	872,368	872,368	872,368
Pupil Transportation	228,166	258,468	214,218	274,085	254,527	(19,558)	254,527	254,527	254,527
Operations and Maintenance	37,543	34,446	123,310	36,527	146,513	109,986	146,513	146,513	146,513
Technology	48,866	1,799,682	1,216,392	1,908,418	1,445,278	(463,140)	1,445,278	1,445,278	1,445,278
Transfers out	-	382,872	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 16,291,459</b>	<b>\$ 17,970,357</b>	<b>\$ 15,991,007</b>	<b>\$ 18,650,117</b>	<b>\$ 18,867,500</b>	<b>\$ 217,383</b>	<b>18,867,500</b>	<b>18,867,500</b>	<b>18,867,500</b>

## FY 2017-18 Adopted Cafeteria Fund Budget

The Cafeteria fund is a special revenue fund that supports the food services operations within the schools. The Cafeteria fund is a multi-year fund that carries a fund balance from year to year.

The Cafeteria fund's largest revenue source is the federal government through reimbursement for participating in USDA sponsored programs. The USDA programs are intended to increase the quality and nutritious value of the food the division serves. The Cafeteria fund also receives state funds, accepts food donations, and earns catering revenue for various events.

The division has a high percentage of free and reduced lunch students therefore many schools in the division qualify for the Community Eligibility Program (CEP), which allows a division to designate schools as a free and reduced lunch site so all students who attend the school can receive free breakfast and lunch. Under the program, the division is reimbursed for costs incurred at 12 schools.

For the remaining schools, students are charged a fee for lunch. This revenue is recorded as charges for services within the Cafeteria fund. For FY 2017-18, the school lunch price will increase by \$0.05. See school lunch price calculation on the next page.

From FY 2013-14 through FY 2015-16, the Cafeteria fund has experienced losses and had to utilized its fund balance to meet fiscal year expenditures. Beginning in the second half of FY 2016-17, the food services management team introduced changes to decrease costs such as utilizing part time food service personnel instead of full time personnel, and purchasing more higher priced food supplies that require less preparation time versus lower priced food supplies that require significant preparation time. With these changes, the Cafeteria fund is expected to break even or make a minimal profit.

For the next 3 years, the Cafeteria fund budget is expected to be consistent with FY 2017-18 as no major changes are currently anticipated; however the division will continue to monitor the impact of the Federal budget and Federal regulation changes to school lunch programs.



## School Lunch Prices

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. For FY 2017-2018, the calculation is as follows:

Step 1: What are critical price points?

A. Federal reimbursement for free students = \$3.24

B. Federal reimbursement for paying student = \$0.38

Step 2: What must the paying student actually pay for a lunch per the federal government?

**A-B** or  $\$3.24 - \$0.38 = \$2.86$

Based on the calculation at Step 2, the free student lunch has to be valued at \$3.24 in order to meet federal government's desired balanced meal nutrition standards.

Step 3: Compare \$2.86 to actual division lunch price (\$1.60 for FY 2016-17).

If the division lunch price is more than \$2.86 then this the division meets the federal government standard

If the division lunch price is less than \$2.86, then the division is required to consider a price increase

The division's current rounded price, \$1.60, is based on the allowance for rounding down from the "Unrounded Price Requirement" from FY 2016-17. The "Unrounded Price Requirement" from FY 2016-17 was \$1.61. The unrounded lunch price is required to be used to calculate a possible price increase for FY 2017-18.

Step 4: Calculate the required price increase.

$2\% + \text{inflation rate} = 2\% + 2.64\% = 4.64\%$

If the 4.64% increase multiplied by the unrounded lunch price is less than \$0.05 (5 Cents)

then no increase is required for the year.

a.  $\$1.61 \times 4.64\% = \$0.074$

C. Since \$0.074 is greater than \$0.05, then the increase must be added to the current unrounded lunch price.

then  $\$1.61 + \$0.074 = \$1.684$  (Divisions are allowed to round down to the nearest \$0.05)

Divisions may not increase the amount charged to paying students by more than 10 cents in one year. As such, based on the calculations above, the division is required by law to increase lunch prices by \$0.05 in FY 2017-18.

## Cafeteria Fund Revenues - Level 3

The following table is a breakout of Cafeteria Fund revenues by classification.

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>Federal Revenues</b>									
NATIONAL SCHOOL LUNCH PROGAM	\$ 5,271,469	\$ 5,276,344	\$ 6,256,691	\$ 6,454,600	\$ 6,820,824	\$ 366,224	\$ 6,820,824	\$ 6,820,824	\$ 6,820,824
FRESH FRUIT AND VEGETABLE PROGRAM	196,430	148,621	127,755	200,000	150,000	(50,000)	150,000	150,000	150,000
DONATED COMMODITIES	435,202	322,654	414,936	400,000	415,000	15,000	415,000	415,000	415,000
<b>Total Federal Revenues</b>	<b>5,903,101</b>	<b>5,747,619</b>	<b>6,799,382</b>	<b>7,054,600</b>	<b>7,385,824</b>	<b>331,224</b>	<b>7,385,824</b>	<b>7,385,824</b>	<b>7,385,824</b>
<b>State Revenues</b>									
SCHOOL NUTRITION - STATE	104,848	87,796	80,051	110,000	95,966	(14,034)	95,966	95,966	95,966
<b>Total State Revenues</b>	<b>104,848</b>	<b>87,796</b>	<b>80,051</b>	<b>110,000</b>	<b>95,966</b>	<b>(14,034)</b>	<b>95,966</b>	<b>95,966</b>	<b>95,966</b>
<b>Charges for Services</b>									
PAID SCHOOL BREAKFAST/LUNCH	799,064	552,766	454,957	675,000	560,000	(115,000)	560,000	560,000	560,000
<b>Total Charges for Services</b>	<b>799,064</b>	<b>552,766</b>	<b>454,957</b>	<b>675,000</b>	<b>560,000</b>	<b>(115,000)</b>	<b>560,000</b>	<b>560,000</b>	<b>560,000</b>
<b>Other Revenue</b>									
MISCELLENOUS	935,326	837,230	573,473	565,500	562,000	(3,500)	562,000	562,000	562,000
<b>Total Other Revenues</b>	<b>935,326</b>	<b>837,230</b>	<b>573,473</b>	<b>565,500</b>	<b>562,000</b>	<b>(3,500)</b>	<b>562,000</b>	<b>562,000</b>	<b>562,000</b>
<b>Transfers In from Other Funds</b>									
UNPAID LUNCH- GENERAL FUND	-	13,682	20,934	15,000	15,000	-	-	-	-
<b>Total Transfers In from Other Funds</b>	<b>-</b>	<b>13,682</b>	<b>20,934</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cafeteria Revenues</b>	<b>\$ 7,742,339</b>	<b>\$ 7,239,093</b>	<b>\$ 7,928,797</b>	<b>\$ 8,420,100</b>	<b>\$ 8,618,790</b>	<b>\$ 198,690</b>	<b>\$ 8,603,790</b>	<b>\$ 8,603,790</b>	<b>\$ 8,603,790</b>

## Cafeteria Fund Expenditures - Level 3

The following table is breakout of Cafeteria Fund expenditures by Type

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>Food Services</b>									
Salaries	\$ 2,533,725	\$ 2,518,533	\$ 2,616,033	\$ 2,325,720	\$ 2,327,967	\$ 2,247	\$ 2,327,967	\$ 2,327,967	\$ 2,327,967
Benefits	1,353,872	1,378,228	1,216,407	1,395,280	1,343,712	(51,568)	1,343,712	1,343,712	1,343,712
Purchased Services	10,357	10,500	6,363	13,700	15,000	1,300	15,000	15,000	15,000
Materials/Supplies	3,381,871	3,544,024	3,766,818	3,949,000	4,190,000	241,000	4,175,000	4,175,000	4,175,000
Other Charges	47,086	31,391	30,964	156,400	164,500	8,100	164,500	164,500	164,500
Equipment	138,453	254,128	139,266	180,000	162,611	(17,389)	162,611	162,611	162,611
Donated Commodities	441,987	339,277	417,333	400,000	415,000	15,000	415,000	415,000	415,000
<b>Total Expenditures</b>	<b>\$ 7,907,351</b>	<b>\$ 8,076,081</b>	<b>\$ 8,193,183</b>	<b>\$ 8,420,100</b>	<b>\$ 8,618,790</b>	<b>\$ 198,690</b>	<b>\$ 8,603,790</b>	<b>\$ 8,603,790</b>	<b>\$ 8,603,790</b>

## FY 2017-18 Adopted Textbook Fund Budget

The Textbook fund is a special revenue fund specifically for the purchase of textbooks for students. A portion of the Textbook funds can be used to purchase Standards of Learning instructional materials, electronic textbooks and other electronic media resources integral to the curriculum and classroom instruction, and technical equipment required to read and access the electronic textbooks and electronic curriculum materials.

Revenues are received exclusively from the state and the state requires a minimum local match. Any unspent funds within the Textbook fund, are authorized by the State General Assembly to be carried forward each fiscal year through re-appropriation by the locality.

The division did not adopt any new textbooks for FY 2015-16 or FY 2016-17, but is expected to adopt new textbook editions for Social Studies, Math, and English and potentially purchase electronic textbooks at the high school level.

Due to changes in ADM, Textbook fund revenues are expected to decrease over the next 3 years.





## Textbook Fund Revenue - Level 3

The following table is a breakout of Textbook Fund revenues by classification.

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>State Revenues</b>									
TEXTBOOKS	\$ 915,243	\$ 998,199	\$ 986,559	\$ 1,148,411	\$ 1,117,495	\$ (30,916)	\$ 1,105,203	\$ 1,093,045	\$ 1,081,022
<b>Total State Revenues</b>	<b>915,243</b>	<b>998,199</b>	<b>986,559</b>	<b>1,148,411</b>	<b>1,117,495</b>	<b>(30,916)</b>	<b>1,105,203</b>	<b>1,093,045</b>	<b>1,081,022</b>
<b>Local Revenues</b>									
CITY OF PORTSMOUTH	2,100,000	-	-	-	-	-	-	-	-
<b>Total Local Revenues</b>	<b>2,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Revenue</b>									
MISCELLENOUS	4,977	7,474	4,535	-	5,000	5,000	5,000	5,000	5,000
<b>Total Other Revenues</b>	<b>4,977</b>	<b>7,474</b>	<b>4,535</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Transfers In/Out from Other Funds</b>									
LOCAL MATCH	348,032	365,088	360,831	384,030	373,691	(10,339)	369,580	365,515	361,494
<b>Total Transfers In from Other Funds</b>	<b>348,032</b>	<b>365,088</b>	<b>360,831</b>	<b>384,030</b>	<b>373,691</b>	<b>(10,339)</b>	<b>369,580</b>	<b>365,515</b>	<b>361,494</b>
<b>Total Textbook Revenues</b>	<b>\$ 3,368,252</b>	<b>\$ 1,370,761</b>	<b>\$ 1,351,925</b>	<b>\$ 1,532,441</b>	<b>\$ 1,496,186</b>	<b>\$ (36,255)</b>	<b>\$ 1,479,783</b>	<b>\$ 1,463,560</b>	<b>\$ 1,447,516</b>

## Textbook Fund Expenditures - Level 3

The following table is breakout of Textbook Fund expenditures by Type

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b><i>Instruction</i></b>									
Salaries	\$ 31,882	\$ 32,254	\$ 33,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	16,382	17,875	17,102	-	-	-	-	-	-
Textbooks	3,301,010	1,187,839	847,582	1,532,441	1,496,186	(36,255)	1,479,783	1,463,560	1,447,516
<b>Total Expenditures</b>	<b>\$ 3,349,274</b>	<b>\$ 1,237,968</b>	<b>\$ 897,901</b>	<b>\$ 1,532,441</b>	<b>\$ 1,496,186</b>	<b>\$ (36,255)</b>	<b>\$ 1,479,783</b>	<b>\$ 1,463,560</b>	<b>\$ 1,447,516</b>

## **FY 2017-18 Adopted Risk Management Fund Budget**

The School Board is "fully insured" for auto liability and for general liability through the Virginia Association of Counties Group Self Insurance Risk Pool (VACoRP). For Workers Compensation, the School Board carries an excess policy, with a self-insured retention of \$500,000. Workers Compensation claims are handled by VACoRP, a third-party claims administrator.

The School Board adopted a self-funded health insurance plan effective January 1, 2015. Previously, under a fully-insured plan, premiums were set by the insurer projecting claims, expenses, and necessary reserves. Under the self-funded plan, a third party administrator charges a fee for administration of claims but payment of the claims are made from the Risk Management fund.

Fees charged to various School Board funds (departments) are based on expected claims liability and administrative costs for a full calendar year as provided by the third party health care benefit consultant. This method of funding employee health benefits offers state tax savings, avoidance of pass-through taxes under the Affordable Care Act, and a savings to the employer of the insurance carrier's profit margin.

Medical claim expenses paid, on behalf of each individual employee covered during a single policy year, are covered by excess loss insurance with a specific stop loss limit of \$150,000. The self-insured health plan also has aggregate stop loss coverage at 120% of expected medical claims during a single policy year.

The Risk Management fund is an internal service fund that accounts for all activity and reserves, associated with the health self insurance plan, insurance premiums and workers compensation claims and payment of claims and legal fees, if necessary, on public liability claims arising from the operations of the School Board.

The Risk Management fund is a multi-year fund that is supported by division contributions through charges for services to the governmental and special revenue funds. This fund is not self supporting, and, as such, in order for the Risk Management fund to pay for healthcare claims, workers compensations claims, etc., it has to charge a fee to the General fund, Grants fund, and Cafeteria fund, employees (healthcare only), and retirees (healthcare only) to earn revenue.

Beyond FY 2017-18, the budget forecast is currently expected to increase primarily due to changes and increases in healthcare costs.

## Risk Management Fund Revenues - Level 3

The following table is a breakout of Risk Management Fund revenues by classification

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b>Insurance Recovery</b>	\$ 33,808	\$ 13,108	\$ 88,163	\$ -	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
<b>Charges for Services</b>									
Risk and Workers Compensation Program	921,894	942,594	542,837	1,425,200	1,380,200	(45,000)	1,380,200	1,380,200	1,380,200
Health Self Insurance Plan	-	-	16,536,412	18,230,872	18,274,800	43,928	20,174,800	20,174,800	20,174,800
<b>Total Charges for Services</b>	921,894	942,594	17,079,249	19,656,072	19,655,000	(1,072)	21,555,000	21,555,000	21,555,000
<b>Total Revenues</b>	<b>\$ 955,702</b>	<b>\$ 955,702</b>	<b>\$17,167,412</b>	<b>\$ 19,656,072</b>	<b>\$ 19,700,000</b>	<b>\$ 43,928</b>	<b>\$21,600,000</b>	<b>\$21,600,000</b>	<b>\$21,600,000</b>

## Risk Management Fund Expenditures - Level 3

The following table is breakout of Risk Management Fund expenses by Type

	2013-2014 ACTUALS	2014-2015 ACTUALS	2015-2016 ACTUALS	2016-2017 BUDGET	2017-2018 BUDGET	Increase (Decrease)	2018-2019 FORECAST	2019-2020 FORECAST	2020-2021 FORECAST
<b><i>Risk Management</i></b>									
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-	-	-	-
Administrative Fees	290,052	110,460	231,289	3,516,850	3,516,850	-	3,516,850	3,516,850	3,516,850
Workers Compensation Claims	118,955	122,328	50,128	429,350	429,350	-	429,350	429,350	429,350
Healthcare Claims	-	-	19,363,804	15,709,872	15,753,800	43,928	17,653,800	17,653,800	17,653,800
<b>Total Expenditures</b>	<b>\$ 409,007</b>	<b>\$ 232,788</b>	<b>\$ 19,645,221</b>	<b>\$ 19,656,072</b>	<b>\$ 19,700,000</b>	<b>\$ 43,928</b>	<b>\$ 21,600,000</b>	<b>\$ 21,600,000</b>	<b>\$ 21,600,000</b>

## Capital Improvement Plan

Prior to FY 2013-14, the division's capital projects were appropriated and budgeted within the division's Construction fund. During the 2013-14 school year, funds remaining in the Construction fund to support the Capital Improvement Plan (CIP) were transferred to the City. All capital improvement projects must now be submitted to the City for inclusion in the City's CIP. The City appropriates funds as part of the City's CIP budget specifically for education and takes the lead on the procurement process (with the assistance of the division's operations and purchasing department) for each approved capital project.

The initial long range Capital Improvement Plan (for the period 1999-2014) was created in September 1999. The plan was updated several times since the initial adoption with the last update being done in January 2017 to cover FY 2018 through FY 2022. The current plan includes an estimated \$34 million in projects (including continued funding of projects fully or partially funded through Qualified Zone Academy Bonds).

During December 2016, the City and Schools were approved to receive funding through Qualified Zone Academy Bonds (QZAB). The QZAB program is a federal, zero interest bond program specifically for funding facilities renovation, energy efficiency, renewable energy, equipment, curriculum, and/or teacher training. The payback period for the bonds is anywhere from 10 to 25 years.

As the division is not able to issue debt, all bonds under QZAB were issued by the City. The following projects and amounts were approved for QZAB funding:

<b>Project-Description –QZAB</b>	<b>Amount Awarded</b>
<b>Westhaven Elementary School</b> —design and construction of a new roof for the school. The school dates back to 1924 with the current building started in 1954 with several annexes added throughout its life.	<b>1,031,807</b>
<b>Brighton Elementary School-</b> Water intrusion has compromised the roof decking and there have been continuous leaks in the facility. This project includes the design and construction of a new roof for the school. The current building was opened in November 2004.	<b>973,000</b>
<b>Churchland High School</b> – this project is for the evaluation of the existing HVAC system for recommended repairs and/or replacement.	<b>357,333</b>
<b>Waters and Churchland Middle Schools:</b> the bleachers have reached the end of their useful life; replacement needed for safety reasons.	<b>150,000</b>
<b>Wilson High School-</b> Repair of the school's public address system.	<b>200,000</b>
<b>Wilson High School</b> —includes the design and construction to replace the roof at the school. The building was constructed in 1972.	<b>3,308,000</b>

Many of these projects have or will be completed during FY 2016-17 (i.e. PA system repair and bleacher replacements). The roof and HVAC replacement projects will extend beyond FY 2016-17.

## Capital Improvement Plan, cont.

During the FY 2017-18 budget process, it was determined that a third party facility and usage study needed to be conducted due to the age and condition of the school buildings. The average age of school building, within the division is 48 years old. Twelve (12) of the buildings are over 50 years old and another nine (9) buildings will be 50 or older by FY 2017-18. Some of the buildings have additions or other major improvements. The average school building addition/major improvement is 10 years.

The facility condition/usage study is anticipated to begin in Spring 2017. The results of the study will be presented to the School Board and used to update the current CIP, establish new replacement schedules, and create a strategic timeline and approach to address the results.

Taking a fresh look and having a third party expert assess buildings will provide better information to budget for repairs and maintenance and improve learning conditions for students.

In light of the facility and usage study, the division looked at the items which were most critical to be fixed due to current conditions. As such, along with continued funding of previously approved projects funded using QZAB, for FY 2017-18, the division requested and was approved for funding from the City for the following new projects:

PROJECT	DESCRIPTION	ESTIMATED COST
Hodges Manor Elementary HVAC Replacement	Replacement of 36 HVAC roof top units which have exceeded their useful life and to replace with more energy efficient units.	FY 2017-18: \$380,000
Wilson High School Water Cooling Tower Replacement and Relocation	Replacement of Cooling Tower, which produces condensation and leaks that have negatively impacted the mechanical room, and relocate externally from the building and install supply and return piping underground, and reconnect the lines inside the facility's mechanical room.	FY 2017-18: \$550,000
Churchland Academy Parking Lot Addition	Add 100 space parking lot to the front of the school between the current parent drop off area and River Shore Road. This will help promote safety and reduce hazardous traffic conditions around the school.	FY 2017-18: \$77,500 FY 2018-18: \$300,000
Churchland High School Sound and Lighting Replacement	Modernize the stage and auditorium by the replacement of the sound and lighting on stage and house lights. Current system is obsolete.	FY 2017-18: \$345,000

The current CIP plan is provided on the next two pages. As of the approval and adoption of the FY 2017-18 budget, the facility study is still in progress, and, as such, no changes have been made to the current plan. It is anticipated that increased funding may be needed to address facility improvements.

The City also approved and appropriated \$1 million for school bus replacement for FY 2017-18.

# Capital Improvement Plan, cont.

FY2017-18 projects are highlighted in blue

<i>Project Title</i>	<b>Appropriated FY 2017</b>	<b>FY 2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
BES Roof Renovation	\$78,000	\$895,000					\$895,000
CA Additional Parking		\$77,500	\$300,000				\$377,500
CA Ceramic Tiles Installation			\$120,000				\$120,000
CES Upgrade Interior Lighting			\$500,000				\$500,000
CHMS Gym Bleachers	\$75,000						\$0
CHMS Gym Lighting Replacement w/LED			\$200,000				\$200,000
CHMS Replace Pneumatic Dual Duct VAV			\$475,000				\$475,000
CHMS Restroom Renovation			\$250,000				\$250,000
CHMS Site Lighting Replacement w/LED				\$325,000			\$325,000
CHS Baseball/ Softball Lighting			\$400,000				\$400,000
CHS HVAC	\$800,000	\$2,500,000	\$2,500,000				\$5,000,000
CHS New Fieldhouse				\$800,000			\$800,000
CHS Restroom Renovation			\$300,000				\$300,000
CHS Site Lighting Replacement w/LED				\$325,000			\$325,000
CHS Stage Lighting/Sound System/ Auditorium Lighting		\$345,000					\$345,000
CHS Synthetic Turf Football Fields						\$1,000,000	\$1,000,000
CHS TRT Bus Lots Improve Lighting			\$200,000				\$200,000
CMS Gym Lighting Replacement w/LED				\$200,000			\$200,000
CMS Restroom Renovation			\$200,000				\$200,000
CMS Site Lighting Replacement w/LED				\$325,000			\$325,000
ESPS Replacement of Ceiling					\$330,000		\$330,000
HMES RTU Replacement		\$380,000					\$380,000
ICN Baseball/ Softball Lighting				\$400,000			\$400,000
ICN New Fieldhouse					\$800,000		\$800,000
ICN Restroom Renovation				\$200,000			\$200,000
ICN Site Lighting Replacement w/LED					\$325,000		\$325,000



## Capital Improvement Plan, cont.

ICN Stage Lighting/Sound System/Auditorium Lighting							\$325,000	\$325,000
ICN Synthetic Turf Football Fields							\$1,000,000	\$1,000,000
IRC Data Center Cooling and UPS	\$300,000							\$0
JHES Replace Pneumatic Dual Duct VAV			\$165,000					\$165,000
LES Gym A&E/Construction			\$500,000	\$3,000,000				\$3,500,000
MHPS Bus Loop Project			\$76,500	\$300,000				\$376,500
MHPS Replace Classroom RTU's	\$250,000							\$0
MHPS Replacement of Ceiling						\$380,000		\$380,000
MHPS Roof	\$69,000	\$863,000						\$863,000
OBPS (21) Carrier Classroom RTU's			\$225,000					\$225,000
OBPS Roof			\$763,000					\$763,000
SHC Replace Gas Piping on Roof			\$200,000					\$200,000
SHC Replace RTU's			\$750,000					\$750,000
Transportation - School Bus Replacements	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000			\$4,000,000
Various School Parking Lot Paving			\$500,000					\$500,000
Various Storm water Repair			\$50,000	\$50,000				\$100,000
WES Roof								\$0
WMS Const. Athletic Field			\$300,000					\$300,000
WMS Gym Bleachers	\$75,000							\$0
WMS Gym Lighting Replacement w/LED						\$200,000		\$200,000
WMS Restroom Renovation			\$200,000					\$200,000
WMS Site Lighting Replacement w/LED						\$325,000		\$325,000
WMS Window Replacements			\$300,000					\$300,000
WWHS New Fieldhouse						\$800,000		\$800,000
WWHS Replace Cooling Tower		\$550,000						\$550,000
WWHS Restroom Renovation			\$200,000					\$200,000
WWHS Roof	\$1,419,000	\$1,889,000						\$1,889,000
WWHS Site Lighting Replacement w/LED						\$325,000		\$325,000
WWHS Stage Lighting/Sound System/Auditorium Lighting			\$25,000	\$300,000				\$325,000
WWHS Synthetic Turf Football Fields							\$1,000,000	\$1,000,000
<b>Totals</b>	<b>\$4,066,000</b>	<b>\$8,499,500</b>	<b>\$10,699,500</b>	<b>\$8,780,000</b>	<b>\$3,255,000</b>	<b>\$3,000,000</b>	<b>\$34,234,000</b>	

## Debt Obligations

By law, the School Board may not issue bonds or enter into debt. The division made the final payment on the previous \$8.5 million Energy Performance contract with Ameresco, Inc. which was funded by a lease with PNC Equipment Finance LLC during FY 2016-17. There are no debt obligations for the division.

## 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, 2016, health plan membership consisted of 1,852 active service participants and 42 retirees and beneficiaries receiving 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 2016 Comprehensive Annual Financial Report:

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2016	468,072	(521,798)	-111%	(5,031,798)
2015	416,350	-	0%	(4,978,072)
2014	379,064	-	0%	(5,394,422)

The employer contribution amount was not actually paid into the OPEB trust. This amount as determined by a third party actuary, represents an implicit subsidy. Annual costs for retirees are typically higher than those for the average covered life (due to being older than the covered group). Therefore, some of the expense for active coverage is subsidizing the cost of coverage for retirees. It is required that this subsidized retiree cost be reflected in OPEB accounting. The implicit subsidy or implied contribution towards retiree coverage made by the active/younger population was included as a contribution for FY 2016-17.

# INFORMATIONAL SECTION



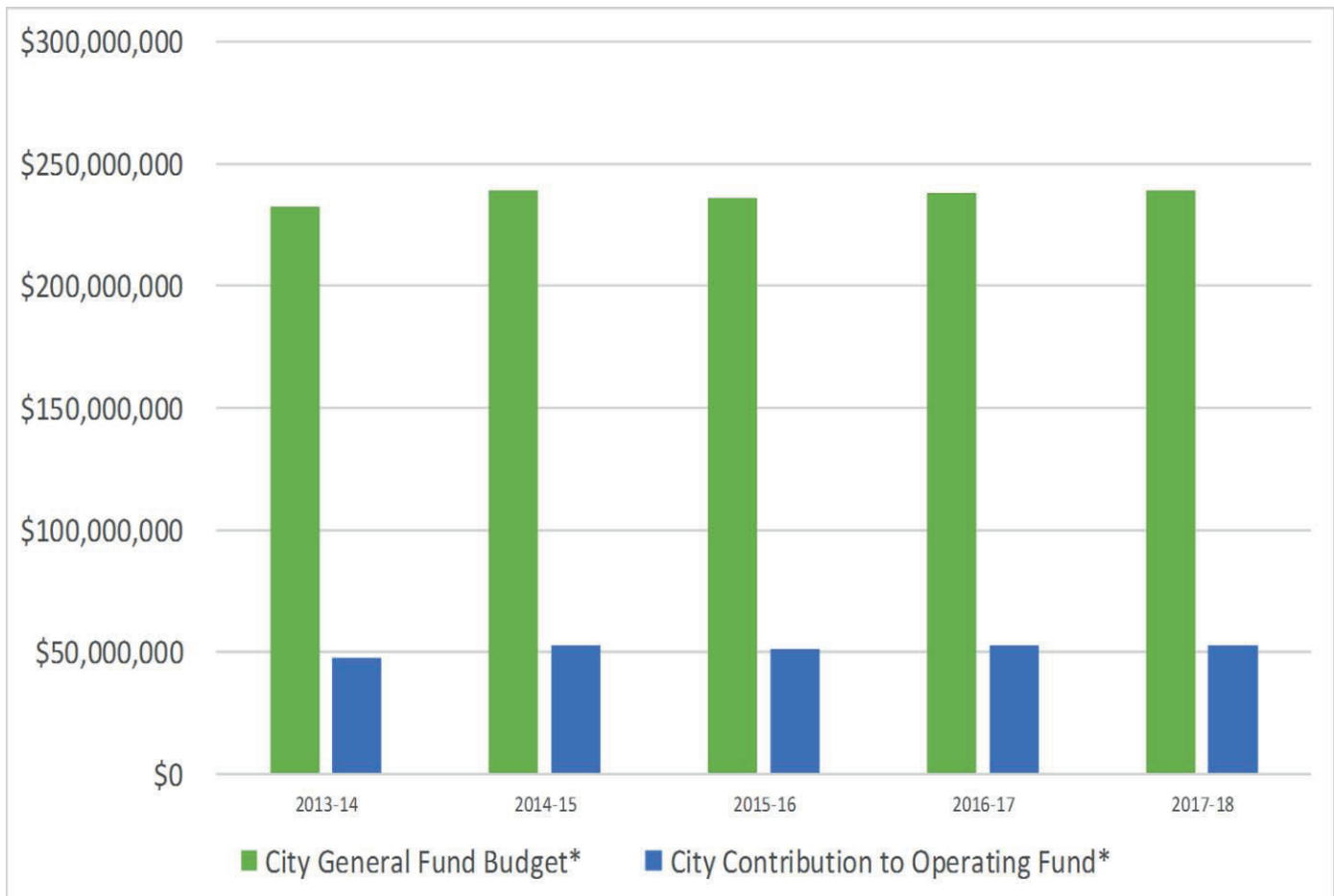
## Taxation

Per State Code, the City of Portsmouth acts as the school division’s appropriating body. Funds awarded to the division must be formally approved to be spent by the schools in the form of ordinances. All funds the division receives including state and grants funds, are included in the City’s budgeted allocation to the schools, but the actual City contribution to the schools is 36% of the total operating budget. The City’s allocation to the school division’s operating fund for FY 2017-18 is \$52.4 million. The following is a historical look at the city’s contribution to the division’s operating fund:

Fiscal Year	City General Fund Budget*	City Contribution* to School’s Operating Fund	% of Total General Fund Budget
2013-14	\$232,685,811	\$47,300,000	20%
2014-15	\$239,281,998	\$52,400,000	22%
2015-16	\$235,770,132	\$51,200,000	22%
2016-17	\$238,037,007	\$52,400,000	22%
2017-18	\$239,068,378	\$52,400,000	22%

\*Original Budget

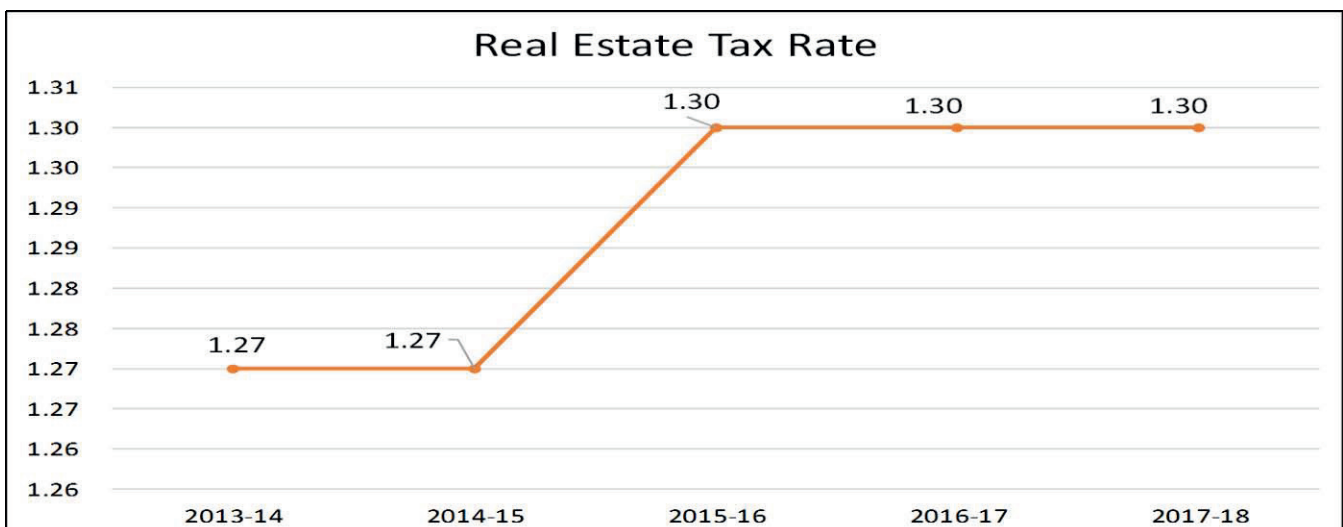
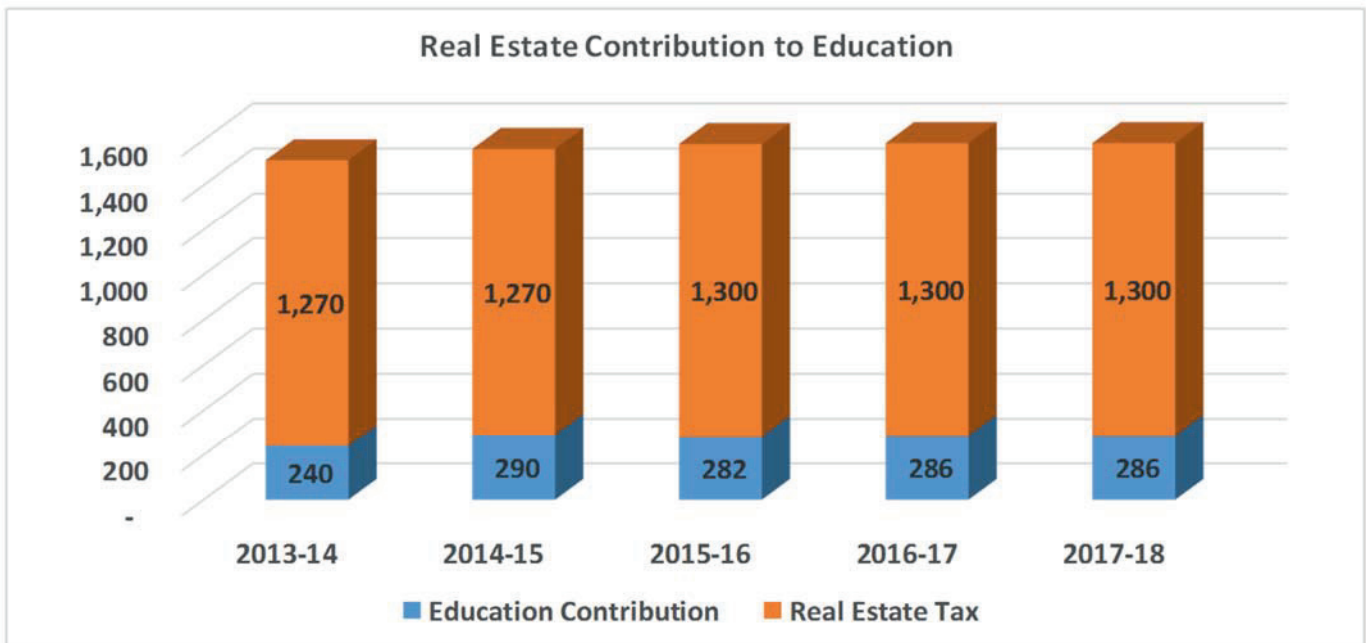
### City General Fund Budget vs. City Funding to School Operating Fund



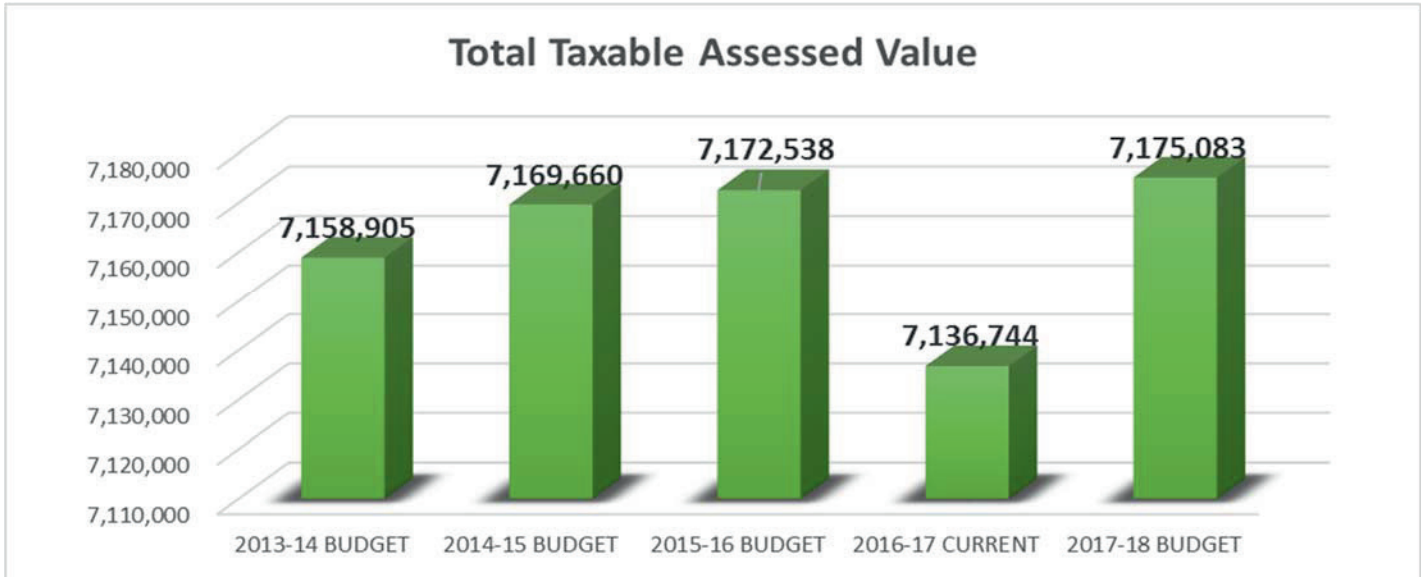
The Commonwealth of Virginia does not give school divisions the authority to levy taxes on citizens, making all public school divisions fiscally dependent upon the local appropriating bodies. The municipality collects revenue in a variety of ways including usage fees, fines, and property taxes. In turn, a portion of these revenues are shared with the school division.

For FY 2017-18, the allocation to schools in the City budget was approximately 22% of the City’s General Fund budget of \$239 million, which is generated primarily through property tax.

Therefore, with the current tax rate at \$1.30 tax per \$100 of assessed value, the owner of property assessed at \$100,000 would owe a property tax bill of \$1,300 with approximately \$286 of that bill funding education. The following graphs illustrates the changes in real estate property tax obligations, the contribution towards education, and the tax rate since 2014. While a \$0.03 tax rate hike increased the taxpayer’s obligation by \$30.00, the corresponding contribution to education decreased by \$8.00 in FY 2015-16. In FY 2016-17, the contribution to education increased by \$4.00 compared to the previous fiscal year. The following is an example of the real estate contribution to education and the real estate tax rate.



The following table is a five year look at the Assessed Property Values. A forecast of the next 3 years was not available.



Numbers in 000s

City funding for education is also derived from personal property tax and various other local taxes such as admission and amusement tax, bank franchise tax, business and professional licenses tax, licensing fees, lodging tax, cigarette tax, recordation tax, restaurant food tax, short term rental tax, and franchise tax.

The City also assesses a \$5.00 per \$100 vehicle property tax, a \$3.00 per \$100 machinery tax, as well as a \$0.50 per \$100 per assessed value of boats. The City estimates the value of personal property and typically collects on these taxes in June. The following is a summary of some of the tax rates assessed by the City:

Tax Type	Unit	2013-14	2014-15	2015-16	2016-17	2017-18
Real Estate	per \$100	\$ 1.27	\$ 1.27	\$ 1.30	\$ 1.30	\$ 1.30
Personal Property - Vehicles	per \$100	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Personal Property - Machinery	per \$100	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Personal Property - Boats	per \$100	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Admissions Tax	of sale price	10%	10%	10%	10%	10%
Restaurant Food	of sale price	6.5%	6.5%	6.5%	6.5%	6.5%
Lodging Tax	of sale price	8.0%	8.0%	8.0%	8.0%	8.0%
Sales Tax	of sale price	6.0%	6.0%	6.0%	6.0%	6.0%
Cigarette Tax	per pack	\$ 0.60	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90

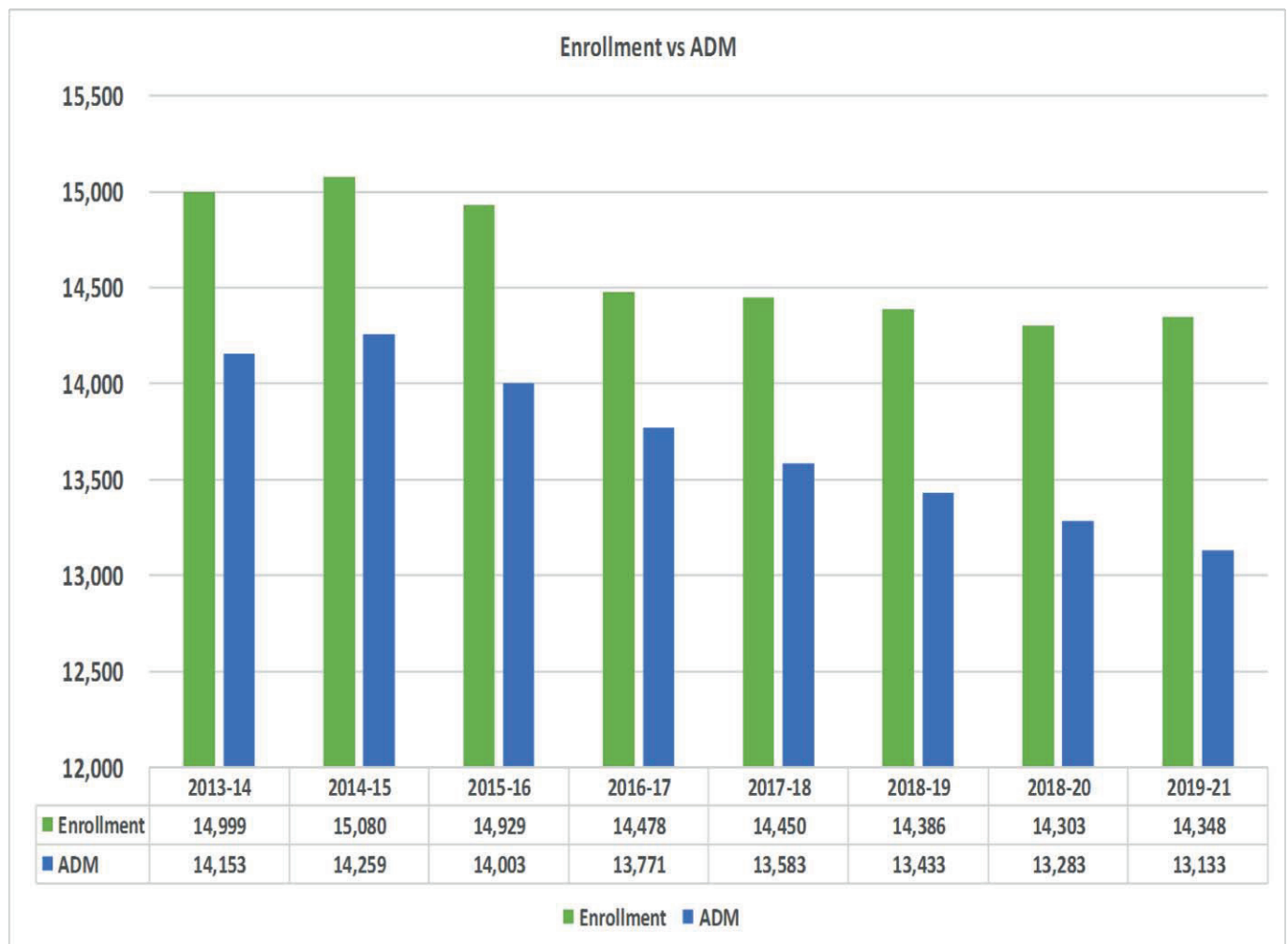
## DIVISION ENROLLMENT

Beginning with FY 2017-18, the division began utilizing Forecast 5 Analytics, Inc. for enrollment trends and projections. Previously, the division relied upon Weldon Cooper Center of the University of Virginia. Forecast 5 Analytics utilizes the Cohort Survival model. This model is considered very reliable and is utilized by several Departments of Education in student projections and U.S. Census Bureau reports. This model uses an “aging” approach that moves a group of students and adjusts amounts based on past history. The model also relies on historical enrollment, live birth data, housing changes, etc.

For FY 2017-18, division enrollment is projected to be 14,450. This includes 679 pre-kindergarten students plus the Forecast 5 Analytics projection of 13,771 students for grades K thru 12.

State funding is based on March 30th ADM and not actual enrollment. ADM is projected to be 13,583 for FY 2017-18.

Enrollment and ADM have both been trending down (as see in the graph below). This trend is expected to continue due to minimal population growth within the City, the expected number of high school seniors who complete graduation requirements in January, and fewer new students enrolled in the division compared to graduating seniors and withdrawals. This has a direct impact on March 31st ADM. Enrollment projections for FY 2018-19 and beyond were based on Forecast 5 Analytics Cohort Survival model and stable Pre-K slots from the Virginia Preschool Initiative. ADM projections were based on the average change in ADM (from FY 2013-14 thru FY 2016-17) of 150 being reduced from each year's projected ADM starting with FY 2018-19.



## Student Teacher Ratios

Virginia’s Standards of Quality (SOQ) requires certain average student teacher ratios throughout the state based on the grade level, content taught, and percentage of student population that qualifies for free and reduced lunch. At the elementary school level, as the proportion of free and reduced lunch students increases, the required SOQ student teacher ratio decreases.

At the secondary level, all non-English courses must adhere to an average student teacher ratio of 21:1; this figure includes career and technical education. English courses are allowed an average ratio of 24:1.

The above ratios dictate staffing levels and are incorporated in the divisions staffing tool. Please note, preschools are not included in the below list as they are funded by Virginia Preschool Initiative grant which limits the number of preschool slots allotted to the division.

Based on projected enrollment for FY 2017-18, the budget office, human resources, and curriculum and instruction departments analyzed teacher staffing levels to ensure the division continued to stay under and within the SOQ required student teacher ratios.

<b>Virginia SOQ-Required Student Teacher Ratios by School 2017-2018</b>				
<b>Elementary</b>	<b>Percentage of Free &amp; Reduced Lunch per State K-3 Initiative</b>	<b>Title I School</b>	<b>K-3</b>	<b>4-6</b>
Brighton	69.27%	Y	16	25
Churchland Academy	41.89%	Y	19	25
Churchland	84.64%	N	14	25
Churchland Primary & Intermediate	63.34%	Y	17	25
Douglass Park	63.76%	Y	17	25
Hodges Manor	44.47%	Y	19	25
James Hurst	52.92%	Y	18	25
John Tyler	27.83%	Y	19	25
Lakeview	71.86%	Y	15	25
Park View	56.41%	Y	17	25
Simonsdale	63.10%	Y	17	25
Victory	83.44%	Y	14	25
Westhaven	51.74%	Y	18	25

<b>Middle</b>	<b>Title I School</b>	<b>Secondary English</b>	<b>Secondary Non-English (including Career &amp; Technical Education)</b>
Churchland	N	24	21
Cradock	N	24	21
William E. Waters	N	24	21
<b>High School</b>	<b>Title I School</b>	<b>Secondary English</b>	<b>Secondary Non-English (including Career &amp; Technical Education)</b>
Churchland	N	24	21
I.C. Norcom	N	24	21
Woodrow Wilson	N	24	21



## Position Allocation by Organizational Unit

For FY 2017-18, the total positions, within the adopted budget, is 2,180 across all School Board Funds. The breakdown by organizational unit is summarized below. See the next pages for the breakdown by School Board Fund.

<b>ORGANIZATIONAL UNIT</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Position Change</b>
<b>School Board/ Superintendent Office</b>	<b>15</b>	<b>14</b>	<b>-1</b>
<b>Office of Budget and Planning</b>	<b>26</b>	<b>24</b>	<b>-2</b>
<b>Office of Curriculum and Instruction</b>	<b>1,570</b>	<b>1,604</b>	<b>34</b>
<b>Office of Human Resources and Operations</b>	<b>513</b>	<b>511</b>	<b>-2</b>
<b>Office of Information Technology</b>	<b>24</b>	<b>27</b>	<b>3</b>
<b>Total</b>	<b>2148</b>	<b>2180</b>	<b>32</b>

In line with state SOQ requirements, school improvement plans, classroom support needs, and to increase revenue, the overall change in positions is a net increase of 32 FTE positions (14 General fund and 18 Grant fund). All but 4 positions are for the instructional program such as Teachers to lower class sizes and Kindergarten Instructional Assistants. The remaining positions are the Medicaid Reimbursement Specialist and Technology Support Technicians.

As part of the budget process, all positions were analyzed and a number of them have been reduced, reassigned or adjusted. A total of 27 positions were reduced in the General Fund to balance the budget (which includes a 2% raise for all teachers and staff). Of the 27 positions, 16 are vacant positions which will not be filled. The remaining 11 positions will be reduced through re-assignment to vacant positions due to the following:

- ◆ Through the closing of the Portsmouth Public Schools (PPS) Planetarium housed at the City of Portsmouth Children’s Museum. PPS has a Planetarium Memorandum of Agreement with the City of Portsmouth in which PPS pays for the management, equipment, and supplies for the Planetarium.
- ◆ 4 positions (Administrative and Clerical) will be reduced through re-assignment to vacant positions.
- ◆ 6 positions will be reduced and reassigned through the consolidation of the preschool program. The preschool program is currently housed in 4 separate facilities;. For FY 2017-18, the preschool program will be consolidated into 3 facilities. This consolidation does not impact the number of students that will be served, and it does not impact the number of teachers and instructional assistant positions. Consolidating the preschool centers reduces the number of non-classroom positions (i.e. Principal, Clerical, Custodian, Nurse). The 6 positions will be re-assigned to vacant positions within the division.

## POSITION CONTROL ALLOCATIONS BY FUND

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 as of 1/5/17	Adopted Budget FY 2017-18
<b>CAFETERIA FUND</b>					
ASSOCIATE 200 DAY - 7 HOUR	1	1	1	1	1
ASSOCIATE 260 DAY - 8 HOUR	2	3	3	3	3
COORDINATOR	1	1	1	1	1
FOOD SERVICES 4.5 HRS	4	3	3	3	3
FOOD SERVICES 5.5 HRS	45	45	45	33	33
FOOD SERVICES 6.0 HRS	48	49	49	46	46
FOOD SERVICES MANAGER	23	23	23	23	23
PART TIME WITH POSITION	35	37	37	45	45
SUPERVISOR	3	3	3	2	2
<b>TOTAL FOR FUND</b>	<b>162</b>	<b>165</b>	<b>165</b>	<b>157</b>	<b>157</b>

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 as of 1/5/17	Adopted Budget FY 2017-18
<b>GENERAL FUND</b>					
ASSISTANT DIRECTOR	1	0	0	0	0
ASSISTANT SUPERINTENDENT	0	1	2	2	2
ASSOCIATE 200 DAY - 7 HOUR	29	27	27	27	25
ASSOCIATE 260 DAY - 7 HOUR	17	14	0	0	0
ASSOCIATE 260 DAY - 8 HOUR	64	61	92	91	87
ASSOCIATE 260 DAY - 7.25 HOUR	17	17	0	0	0
ATTENDANCE OFFICERS	3	3	3	4	4
BUS DRIVER	126	119	115	111	111
BUS MONITOR	43	39	39	39	39
BUS LOT LEADER	0	0	3	3	3
CLINIC ASSISTANT	0	0	0	0	0
COORDINATOR	3	4	9	9	9
CROSSING GUARD 10 MTH	30	29	29	26	26
CUSTODIAN	64	64	64	64	62
CUSTODIAN, HEAD	17	17	20	20	20
CUSTODIAN, LEAD	23	23	23	23	23
DEAN OF STUDENTS	0	0	4	4	0
DELIVERY PERSONNEL	2	2	2	2	2
DIRECTOR	10	10	5	5	5
DEPUTY SUPERINTENDENT	1	1	0	0	0
ELEMENTARY SCHOOL PRINCIPAL	17	16	16	16	15
ELEM SCHOOL ASST PRINCIPAL	13	13	13	13	13
EXECUTIVE ADMINISTRATOR	1	1	1	1	0
GRADUATION COACH	2	2	2	2	2
GUIDANCE COUNSELOR	23	23	23	23	23
GUIDANCE COUNSELOR 10-1	6	6	6	6	6
GUIDANCE COUNSELOR 10-2	3	4	3	3	3
HIGH SCHOOL ASST PRINCIPAL	9	9	9	9	9
HIGH SCHOOL PRINCIPAL	3	3	3	3	3
HOME SCHOOL LIAISON	0	0	0	0	0
IN-SCHOOL SUSPENSION I	4	4	4	4	4
IN-SCHOOL SUSPENSION II	3	3	3	3	3
INSTRUCTIONAL ASSISTANT	0	2	15	15	15
INSTRUCTIONAL ASSISTANT SPED	151	143	142	138	138

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 as of 1/5/17</b>	<b>Adopted Budget FY 2017-18</b>
INTERPRETER	6	6	6	6	5
LIBRARY MEDIA SPECIALIST	22	22	22	22	22
MAINTENANCE PERSONNEL	23	22	22	22	22
MAINTENANCE PERSONNEL EXEMPT	1	0	0	0	0
MANAGER	6	5	4	4	3
MIDDLE SCHOOL PRINCIPAL	4	4	4	4	4
MIDDLE SCHOOL ASST PRINCIPAL	7	6	6	6	6
NURSE	26	27	26	24	23
OCCUPATIONAL/PHYSICAL TH 10+1	1	1	1	1	1
OCCUPATIONAL/PHYSICAL TH 10+2	1	1	1	1	1
OCCUPATIONAL/PHYSICAL THERPST	1	1	1	1	1
OFFICERS	0	0	1	1	1
OTHER PROFESSIONAL STAFF	3	1	0	0	0
PART TIME WITH POSITION	4	4	5	5	5
PROGRAM SPECIALIST	9	11	13	14	10
PSYCHOLOGIST	0	6	6	6	6
PSYCHOLOGIST 10+2	0	0	0	0	4
PURCHASING PERSONNEL - NON EXE	1	1	1	1	1
PURCHASING PERSONNEL- EXEMPT	1	1	1	2	2
RESEARCH SPECIALIST	0	0	1	1	2
ROTC INSTRUCTORS	7	7	7	7	7
SCHOOL BOARD	9	9	9	9	9
SECURITY OFFICERS	17	16	16	16	16
SENIOR SUPERVISOR	9	9	8	8	8
SOCIAL WORKER	1	1	1	1	1
SOCIAL WORKER 10+1	3	3	3	3	3
SOCIAL WORKER 10+2	4	4	4	4	4
SPEECH / HEARING / SIGHT THERP	16	17	17	17	16
SPEECH/HEARING/SIGHT TH 10+2	1	1	1	1	1
STUDENT RESOURCE LIAISON	3	3	3	1	1
SUPERINTENDENT	1	1	1	1	1
SUPERVISOR	10	11	11	11	11
TEACHER	756	754	769	771	806
TEACHER SPECIAL ED	148	142	142	137	130
TEACHER 10+2	8	7	7	6	6
TEACHER 10+1	1	1	2	1	1
TEACHER SPECIALIST	0	1	1	1	1
TECHNOLOGY PERSONNEL - NON EXE	7	6	6	6	6
TECHNOLOGY PERSONNEL EXEMPT	12	13	14	14	17
WAREHOUSE PERSONNEL	3	3	3	3	3
<b>TOTAL FOR FUND</b>	<b>1817</b>	<b>1788</b>	<b>1823</b>	<b>1805</b>	<b>1819</b>

<b>GRANT FUND</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 as of 1/5/17</b>	<b>Adopted Budget FY 2017-18</b>
ASSOCIATE 200 DAY - 7 HOUR	1	1	1	1	1
ASSOCIATE 260 DAY - 7 HOUR	3	3	0	0	0
ASSOCIATE 260 DAY - 8 HOUR	3	3	6	6	6
ASSOCIATE 260 DAY - 7.25 HOUR	1	1	0	0	0
COORDINATOR	2	2	3	5	5
DIRECTOR	0	0	0	1	1
ELEMENTARY SCHOOL PRINCIPAL	2	2	1	1	1
HOME SCHOOL LIAISON	1	1	1	0	0
HOME SCHOOL LIAISON 12 MTH	1	1	1	2	2
INTERPRETER	0	0	0	0	0
INSTRUCTIONAL ASSISTANT	69	58	45	41	74
INSTRUCTIONAL ASSISTANT SPED	0	9	8	9	9
MAINTENANCE PERSONNEL	1	1	0	0	0
OTHER PROFESSIONAL STAFF	1	1	1	1	1
PART TIME WITH POSITION	3	4	3	6	6
PROGRAM SPECIALIST	9	8	5	5	9
PSYCHOLOGIST	0	0	0	0	0
PSYCHOLOGIST 10+2	4	4	4	4	0
RESEARCH SPECIALIST	0	0	0	0	0
SENIOR SUPERVISOR	5	5	5	5	5
SOCIAL WORKER 10+1	0	0	0	0	0
SOCIAL WORKER 10+2	0	0	0	0	0
SPEECH / HEARING / SIGHT THERP	1	1	1	1	1
STUDENT RESOURCE LIAISON	1	0	0	0	0
TEACHER	90	83	73	70	48
TEACHER SPECIAL ED	14	14	14	14	21
TEACHER 10+1	3	2	2	2	2
TEACHER 10+2	3	2	2	2	2
TEACHER 10+2 SPECIAL ED	0	0	0	0	0
TEACHER SPECIALIST	11	10	10	10	10
<b>TOTAL FOR FUND</b>	<b>229</b>	<b>216</b>	<b>186</b>	<b>186</b>	<b>204</b>

	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17 as of 1/5/17</b>	<b>Adopted Budget FY 2017-18</b>
<b>TOTAL FOR ALL FUNDS</b>	<b>2215</b>	<b>2170</b>	<b>2175</b>	<b>2148</b>	<b>2180</b>

## Standardized Testing

The Commonwealth uses Standards of Learning tests in order to ensure school divisions give students an adequate and challenging education. Starting in 1998, the division tested its students in order to reach state education requirements, earn accreditation, and maintain state funding.

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 a school by the state and the funding received for the students who attend that particular school would be lost. Detailed SOL pass rates are illustrated on the next pages.

Based on the historical look at the detailed SOL pass rates, the accreditation rate has slipped since the division 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 (Reading/Writing), and Science to better prepare students to compete in today's global economy. The new tests meet the higher expectations of national and international benchmark 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 were adjusted to better prepare students for the new testing formats. In 2009, the on-time graduation rate also became a factor in achieving accreditation. The division has made great strides since 2010 to improve the on-time graduation rate and does not expect that to be a factor in achieving full accreditation in the future.

Compared to FY 2014-15, SOL passing rates across the division have experienced slight declines in all subject matters in FY 2015-16 by an average of 3 points. The English pass rate division wide decreased by about 3 points. Math and Science pass rates division wide decreased by less than 2 points. History experienced the largest division wide decrease of around 6 points but has been a strong subject area for the division with over 80% of students passing in the previous two fiscal years.

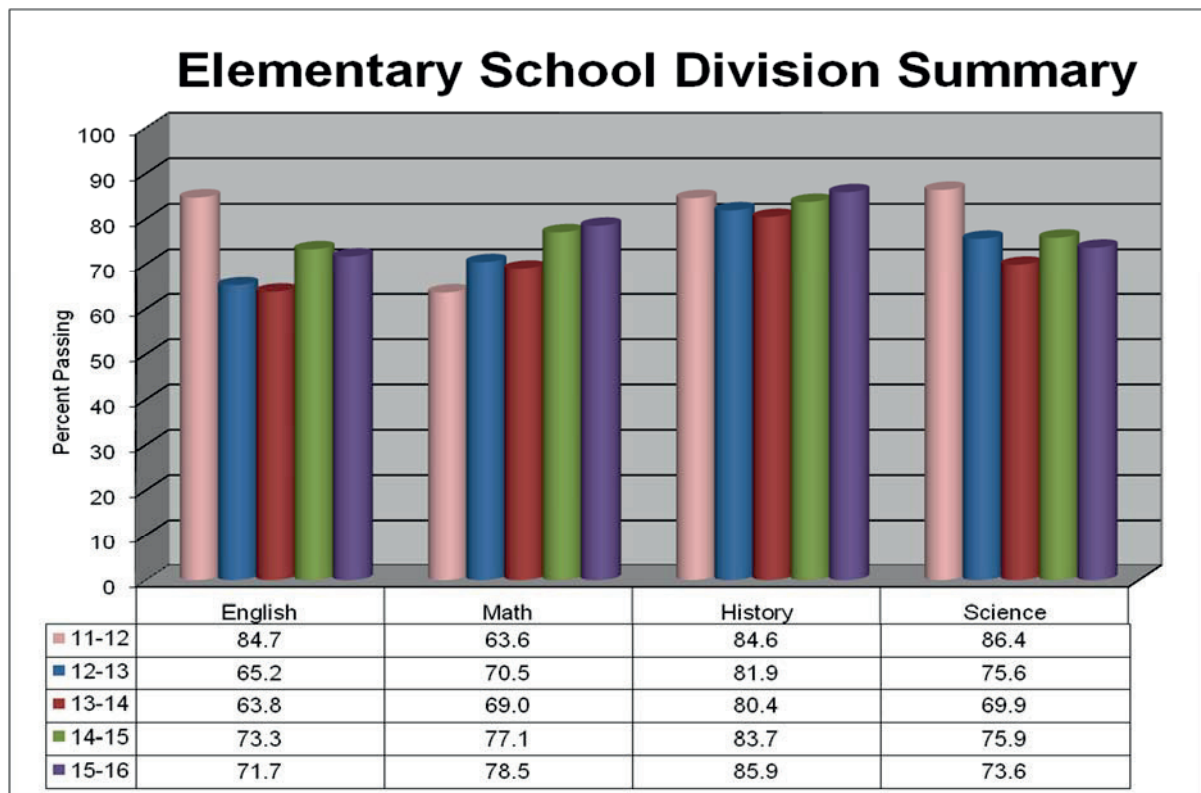
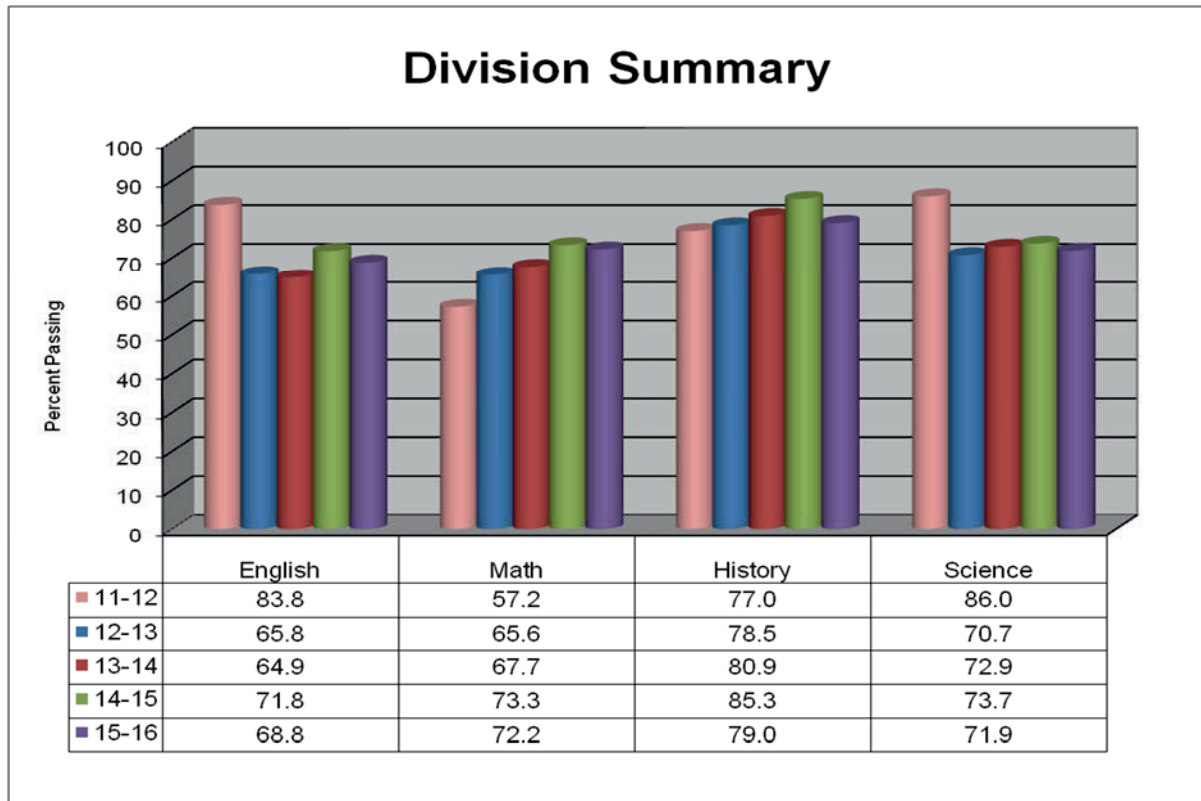
At the Elementary level (division wide), Math, History, and Science scores were above the required pass rate of 70. The English scores at this level were around 3 points away from the required 75 pass rate.

At the High School level (division wide), all subject areas are above the required pass rates. At the Middle School level (division wide), all subject areas except for History are below the pass rates. Improving passing rates and earning full accreditation for the middle schools continues to be a top priority for the division along with the other elementary schools and high school that did not meet full accreditation.

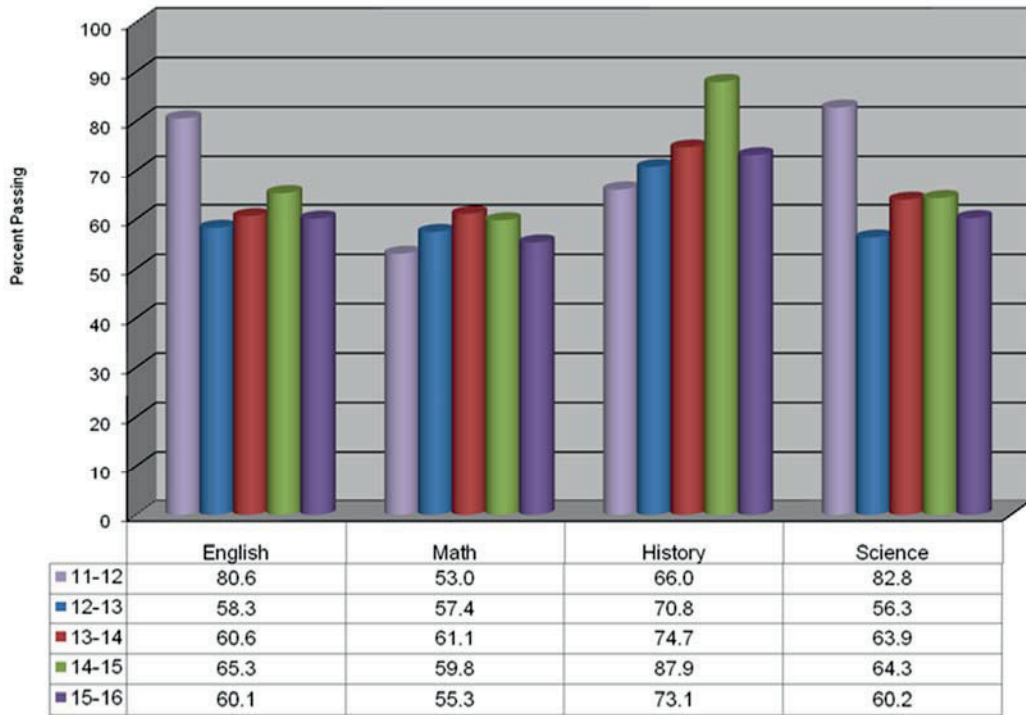
In 2015, VDOE revised the accreditation standards with the goal of better informing the public of the progress of schools to reach accreditation. The most significant change was the introduction of partially accredited ratings. This new designation identifies schools that are close to full accreditation or making acceptable progress. See accreditation status based on FY 2015-16 pass rates:

<b>Fully Accredited</b>	<b>Partially Accredited</b>	<b>Accreditation Denied</b>
<b>2 High Schools</b>	<b>1 High School</b>	<b>3 Middle Schools</b>
<b>6 Elementary Schools</b>	<b>3 Elementary Schools</b>	<b>4 Elementary Schools</b>

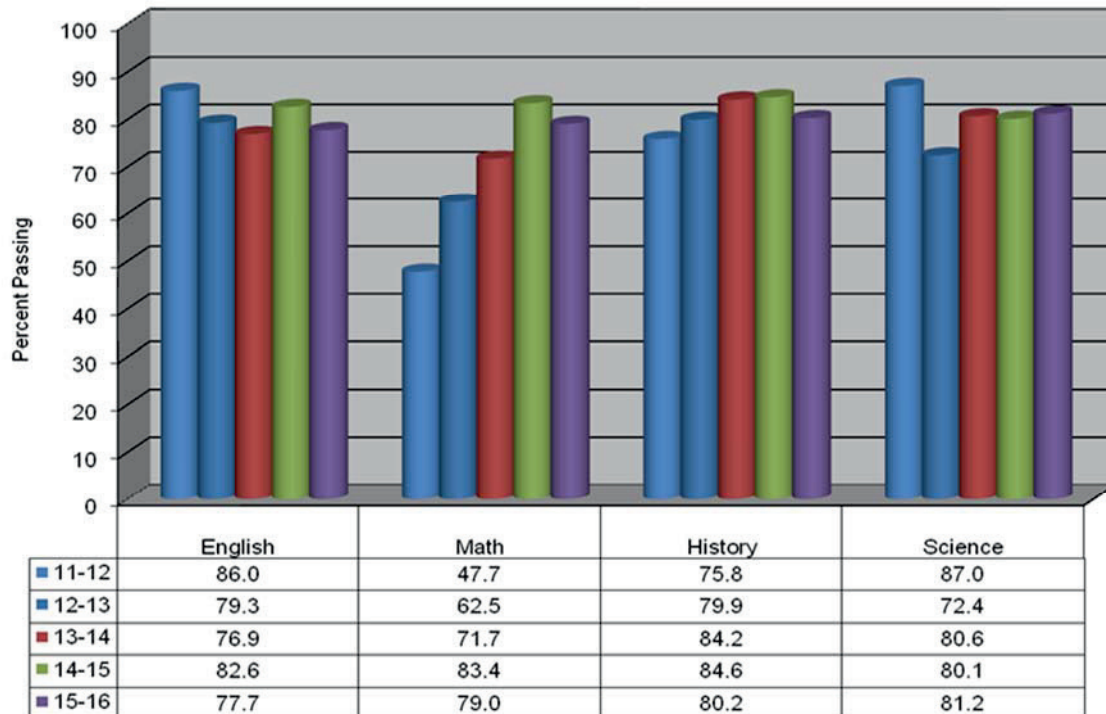
## SOL Pass Rates by Core Areas



## Middle School Division Summary



## High School Division Summary



## Graduation Rates

The division's most important product are graduates. The first objective under the Strategic Plan Goal 1 is that graduates will be college and career ready. Beginning with the 2012-13 school year, state accreditation standards required a school division to achieve a graduation index of 85%, with the index rising each of the following years. This complex index measures the on-time graduation rate of a cohort of students who entered high school four years before. The division continues to explore ways to reduce the dropout rate in order to meet the on-time graduation requirement.

SCHOOL	Class of 2014			Class of 2015			Class of 2016		
	First-time 9th Grade Cohort 2010-11			First-time 9th Grade Cohort 2011-12			First-time 9th Grade Cohort 2012-13		
	Dropouts	Dropout Rate	Virginia On-time Graduation Rate	Dropouts	Dropout Rate	Virginia On-time Graduation Rate	Dropouts	Dropout Rate	Virginia On-time Graduation Rate
CHURCHLAND HIGH	12	3.30%	91.70%	7	2.30%	93.80%	16	1.11%	92.8%
I. C. NORCOM	29	9.60%	78.10%	29	9.60%	82.50%	33	2.95%	89.2%
WOODROW WILSON	21	6.50%	84.00%	9	2.80%	84.90%	41	2.88%	84.6%

Source: Virginia Department of Education & Portsmouth Public Schools Department of Research



## Free and Reduced Lunch

Portsmouth educates children in an urban setting with a high percentage of students receiving free and reduced lunch. Portsmouth has the second largest percentage of students receiving free or reduced lunch in the Hampton Roads region.

### VDOE National School Lunch Program (NSLP) Regional Comparison

#### School Year 2016-17

	SNP Membership	FREE Eligibility	FREE %	RED Eligibility	RED %	TOTAL F/R Eligibility	TOTAL F/R %
<b>Public School Divisions</b>							
Chesapeake City *	38,467	12,443	32.35%	2,407	6.26%	14,850	38.60%
Hampton City *	20,304	10,630	52.35%	1,185	5.84%	11,815	58.19%
Newport News City *	28,618	16,799	58.70%	1,556	5.44%	18,355	64.14%
Norfolk City *	31,788	20,707	65.14%	1,628	5.12%	22,335	70.26%
Portsmouth City *	14,607	9,592	65.67%	463	3.17%	10,055	68.84%
Suffolk City *	14,329	5,883	41.06%	852	5.95%	6,735	47.00%
Virginia Beach City *	68,966	20,374	29.54%	5,281	7.66%	25,655	37.20%

\* One or more schools in this division operate under the USDA Community Eligibility Provision (CEP). The free eligible for those schools is calculated based on USDA guidance.

The number of students who qualify for free and reduced lunch in Portsmouth has grown from nearly 62% in 2012-13 to 68% in the current school year. Effective July 2014, alternative means of identifying eligible households that qualify for free or reduced price meals became available. If at least 40% of the identified free students at a particular school qualify during the prior school year, that school qualifies to use the alternate means of identification, the Community Eligibility Provision (CEP) program. Should the division nominate them for the program, these schools would receive full free funding and all students in these schools would receive lunch and breakfast at no charge. The division has eleven (11) total schools in the CEP program. If PPS was to implement the program in all schools, other non-federal funds would be required to fund the program. Implementation of this program saves money for the parents at the participating schools and participation in the School Nutrition Program increases. Food Services will continue to evaluate the identified student population of all schools each year to determine the possibility of adding new schools to the program.

### VDOE National School Lunch Program (NSLP) Portsmouth Free and Reduced Meals 2011-2016

School Year	NSLP Membership	Total Free/Reduced Lunch Eligible	Total Free/Reduced %
2012-13	15,163	9,419	62.12%
2013-14	15,108	9,529	63.07%
2014-15	15,146	9,736	64.28%
2015-16	14,959	10,490	70.13%
2016-17	14,607	10,055	68.84%

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

# APPENDIX



**§ 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 in line item form, 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 re-division outside of the locality in which they were raised.

## School Board Management of Funds Policy

The Division Superintendent or the Division Superintendent's designee responsible for administering the division budget in accordance with Board policies and applicable state and federal regulations and laws. The Division Superintendent or the Division Superintendent's designee uses 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 are 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 it for the public schools and incurs costs and expenses.

Adopted: December 19, 1996 - VSBA Revised: April  
19, 2001 – CEPI (R) Revised: May 22, 2008  
Revised: February 6, 2014  
Revised: May 22, 2014

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

## School Board Annual Budget Policy

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 superintendent prepares, with the approval of the School Board, and submits 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 sets 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 superintendent or superintendent's designee prepares a budget calendar identifying all deadlines for the annual budgetary process. The calendar includes 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 is 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 publishes the approved budget in line item form, including the estimated required local match, on its website and the document is also made available in hard copy as needed to citizens for inspection.

Adopted: December 19, 1996

Revised: April 9, 2001

Revised: April 17, 2003

Revised: May 22, 2008

Revised: February 26, 2009

Revised: July 2, 2009

Revised: September 22, 2011

Revised: September 24, 2015

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 APPROVING THE FISCAL YEAR 2018 OPERATING BUDGET FOR THE PORTSMOUTH PUBLIC SCHOOL SYSTEM IN THE AMOUNT OF \$192,985,789 AND APPROPRIATING THE NECESSARY FUNDS BY CLASSIFICATIONS TO IMPLEMENT (1) THE GRANT FUND CATEGORY OF SAID BUDGET FOR THE ENTIRE FISCAL YEAR 2018 AND (2) THE REMAINDER OF SAID BUDGET FOR THE FIRST QUARTER OF FISCAL YEAR 2018.**

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

1. The Fiscal Year 2018 Operating Budget in the amount of \$192,985,789 for the Portsmouth Public Schools is hereby approved in the following revenue and expenditure classifications:

Revenues:

School General Fund:

Federal Funds	\$	600,000
State Revenue		74,200,644
State Sales Tax		15,395,174
City Funds		52,400,000
Other Funds		1,707,495

	<b>School General Fund Total</b>	<b>\$</b>	<b>144,303,313</b>
School Grant Fund			18,867,500
School Food Services Fund			8,618,790
School Risk Management Fund			19,700,000
School Textbook Fund			1,496,186
	<b>Total Revenues</b>	<b>\$</b>	<b>192,985,789</b>

Expenditures:

General Fund:

Instruction	\$	106,446,910	
Administration, Attendance, and Health		8,619,319	
Pupil Transportation		6,433,474	
Operation and Maintenance		14,144,522	
Debt and Fund Transfers		3,086,922	
Technology		5,572,166	
	<b>Total General Fund</b>	<b>\$</b>	<b>144,303,313</b>

Other Funds:

School Grant Fund:	\$	18,867,500	
	<b>Total School Grant Fund</b>	<b>\$</b>	<b>18,867,500</b>



School Food Services Fund:	\$ 8,618,790
<b>Total School Food Service Fund</b>	<b>\$ 8,618,790</b>
School Textbook Fund:	\$ 1,496,186
<b>Total School Text Book Fund</b>	<b>\$ 1,496,186</b>
School Risk Management Fund:	\$ 19,700,000
<b>Total School Risk Management Fund</b>	<b>19,700,000</b>
<b>Total Expenditures</b>	<b>\$ 192,985,789</b>

2. In order to provide the funding for the first quarter of the Portsmouth Public Schools' Fiscal Year 2018 Operating Budget, that the sum of \$43,529,572 be, and the same hereby is appropriated to the following classifications to fund the first quarter of the Fiscal Year 2018 which begins on July 1, 2017 and ends on September 30, 2017:

Instruction	\$ 26,611,727
Administration, Attendance, and Health	2,154,830
Pupil Transportation	1,608,368
Operation and Maintenance	3,536,131
Debt and Fund Transfers	771,730
Technology	1,393,042
<b>Total General Fund</b>	<b>\$ 36,075,828</b>
Other Funds:	
School Food Services Fund:	\$ 2,154,697
<b>Total School Food Service Fund</b>	<b>2,154,697</b>
School Textbook Fund:	\$ 374,047
<b>Total School Text Book Fund</b>	<b>374,047</b>
School Risk Management Fund:	\$ 4,925,000
<b>Total School Risk Management Fund</b>	<b>4,925,000</b>
<b>Total Expenditures</b>	<b>\$ 43,529,572</b>

3. In order to provide the funding for the Portsmouth Public Schools' Fiscal Year 2018 Grant Fund, that the sum of \$18,867,500 be, and the same hereby is appropriated to the Grant Fund for Fiscal Year 2018 which begins on July 1, 2017 and ends on June 30, 2018.

School Grant Fund:	\$ 18,867,500
<b>Total Grant Fund</b>	<b>18,867,500</b>

4. Any realignment of funds across classifications during the fiscal year must be approved and realigned by City Council.

5. All unspent appropriations under this ordinance or any ordinance appropriating funds for the FY 2018 Portsmouth Public Schools budgets 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.

6. That this ordinance shall take effect on July 1, 2017.

**ADOPTED** by the Council of the City of Portsmouth, Virginia at a meeting held on May 9, 2017.

Teste:

City Clerk

**AN ORDINANCE APPROVING THE FY 2018-2022 CAPITAL IMPROVEMENT PROGRAM AND APPROPRIATING \$43,378,713 IN THE FY 2018 CAPITAL IMPROVEMENT FUND AND \$6,104,000 IN THE FY 2018 PUBLIC UTILITIES CAPITAL IMPROVEMENT FUND.**

**WHEREAS**, the City Manager has submitted to the City Council the Capital Improvement Program for FY 2018 through 2022 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. That 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, 2017 and ending June 30, 2018, be, and the same hereby are, as follows:

**Capital Improvement Fund Revenue**

State Categorical Aid	\$32,000
State Funding - VDOT	5,952,437
Charges for Services	50,000
Operating Transfers In	10,043,535
Project Closeouts - Contingency	500,000
Bond Proceeds	<u>26,800,741</u>
<b>Total Revenues</b>	<b>\$43,378,713</b>

**Public Utility CIP Fund Revenue**

Operating Transfer In	<u>\$ 6,104,000</u>
<b>Total Revenues</b>	<b>\$ 6,104,000</b>

2. That the five-year FY 2018-2022 Capital Improvement Program is hereby approved with fiscal years 2019 through 2022 being non-appropriated subsequent planning years.

3. That the sums of \$43,378,713 in the FY 2018 Capital Improvement Fund and \$6,104,000 in the FY 2018 Public Utilities Capital Improvement Fund, be, and the same hereby are, appropriated for expenditure in the following categories and amounts to implement the FY 2018-2022 Capital Improvement Program:

**Capital Improvement Fund**

Drainage and Street Improvements	\$ 14,513,312
Education	6,999,500
Industrial and Economic Development	350,000
Municipal Facilities	15,189,568
Fleet Management	4,933,020
Leisure Services	<u>1,393,313</u>
<b>Total Capital Improvement Fund</b>	<b>\$43,378,713</b>

**Public Utilities Capital Improvement Fund:**

Water	\$ 2,804,000
Sewer	3,200,000
Municipal Facilities	<u>100,000</u>
<b>Total Public Utilities Capital Improvement Fund</b>	<b>\$6,104,000</b>

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 bonds and notes to be issued is not expected to exceed \$26,800,741.

5. That the City Manager is hereby authorized and directed to do all things necessary to implement the FY 2018-2022 Capital Improvement Program.

6. That this ordinance shall take effect on July 1, 2017.

**ADOPTED** by the Council of the City of Portsmouth, Virginia, at a meeting held on May, 9 2017.

Teste:

City Clerk

## Select 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.

The full list of categories can be found on the Virginia Department of Education website.

## Glossary

AC=13	Academics and Career after High School = 13th Year
ADM	Average Daily Membership is the aggregate number of days of membership of all students enrolled during a specified period of time divided by the number of school days is in session for the same period of time.
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
Authorized Positions	Employee positions, which are authorized in the adopted budget, to be filled during the year
Balanced Budget	A budget in which revenues are equal to expenditures. The accounts balance, that is, neither a budget deficit nor a budget surplus exists.
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.
Cash Accounting	An accounting method where receipts are recorded during the period they are received, and expenses are recorded in the period in which they are actually paid.
Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule
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.
Enrollment	The total number of students officially registered in the school system
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	A twelve-month calendar period used for accounting and budgetary purposes. The fiscal year for Portsmouth Public Schools is July 1 through June 30.
Fiscally dependent	A fiscally dependent school division is 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 and is the main operating fund for the school system.
Grants	A contribution by a government or other organization to support a particular function.
Internal Service Fund	A fund used to report an activity that provides services or goods to other funds, departments, or agencies on a cost reimbursement basis
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	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	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
Self-Insurance	Insurance of one-self or an entity by maintaining a fund to cover possible losses/expenses rather than by purchasing an insurance policy
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