



FISCAL YEAR 2015-16 BUDGET PORTSMOUTH CITY SCHOOL BOARD

**801 Crawford Street
Portsmouth, VA 23704**

<http://ppsk12.va>

APPROVED MAY 21, 2015

PORTSMOUTH CITY SCHOOL BOARD

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

PORTSMOUTH CITY SCHOOL BOARD

For excellence in the preparation and issuance of its school entity's budget
for the Fiscal Year 2014-2015.

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading '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, 2014

Executive Director



Introductory Section

PORTSMOUTH CITY SCHOOL BOARD

Budget for Fiscal Year 2015-16

Executive Summary

Changes to the Proposed Budget adopted March 26, 2015

On Tuesday, May 12, the Portsmouth City Council approved Ordinance 2015-29 appropriating \$168.7 million by categories for all funds to the School Board for fiscal year 2015-16. The City Council considered this appropriation level funding compared to 2014-15 due to an additional \$1 million in state funding anticipated due to increased enrollment. We had included that additional funding in our budget projections for 2015-16. In order to maintain the same services, we plan to pay ahead the 2016 payment (approximately \$1 million) on the capital lease from funds available at year end for 2014-15. Not only will this amount to level funding for 2015-16 but the division will also see a savings in interest owed on the capital lease.

In addition, approval of the final School Board Budget for 2015-16 authorized an increase in the price for school lunches for 2015-16 by \$0.05 to \$1.50.

Charts, graphs, and the narrative has been updated to reflect the appropriation. Some formatting and typographical errors have also been corrected. Additional updated background information to include budget forecasts and additional accomplishments were added to the final document.

City of Portsmouth, Virginia



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

The City of Portsmouth was settled in 1752 and incorporated by the Virginia General Assembly in 1858. Over 250 years old, the city is home to one of the world's greatest natural harbors, situated on the James and Elizabeth Rivers, which empties into the Chesapeake Bay. Portsmouth, with a land area of approximately 33 square miles and a population of 100,565 people is located in the hub of the Hampton Roads Region. It is bordered by the cities of Chesapeake and Suffolk respectively to the south and west, and by the City of Norfolk to the east.

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

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

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



Portsmouth City School Board



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

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



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



Mrs. Sarah D. Hinds
Member since 2014
Current Term expires
December 31, 2016
Career Educator



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



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



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



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



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

Superintendent's Cabinet

Dr. Elie Bracy, III
Division Superintendent

Christopher P. Steele
*Assistant Superintendent
Budget & Planning*

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

Derrick A. Nottingham
Director of Research and Evaluation

Dean M. Schlaepfer
Director of Information Technology

Scott A. Ziegler
Director of Human Resources

Brittany T. Dortch, CPA
Director of Accounting/Controller

Mr. Joseph L. Wiggins
Executive Administrator to the Superintendent

MISSION & GOALS OF THE SCHOOL BOARD

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

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

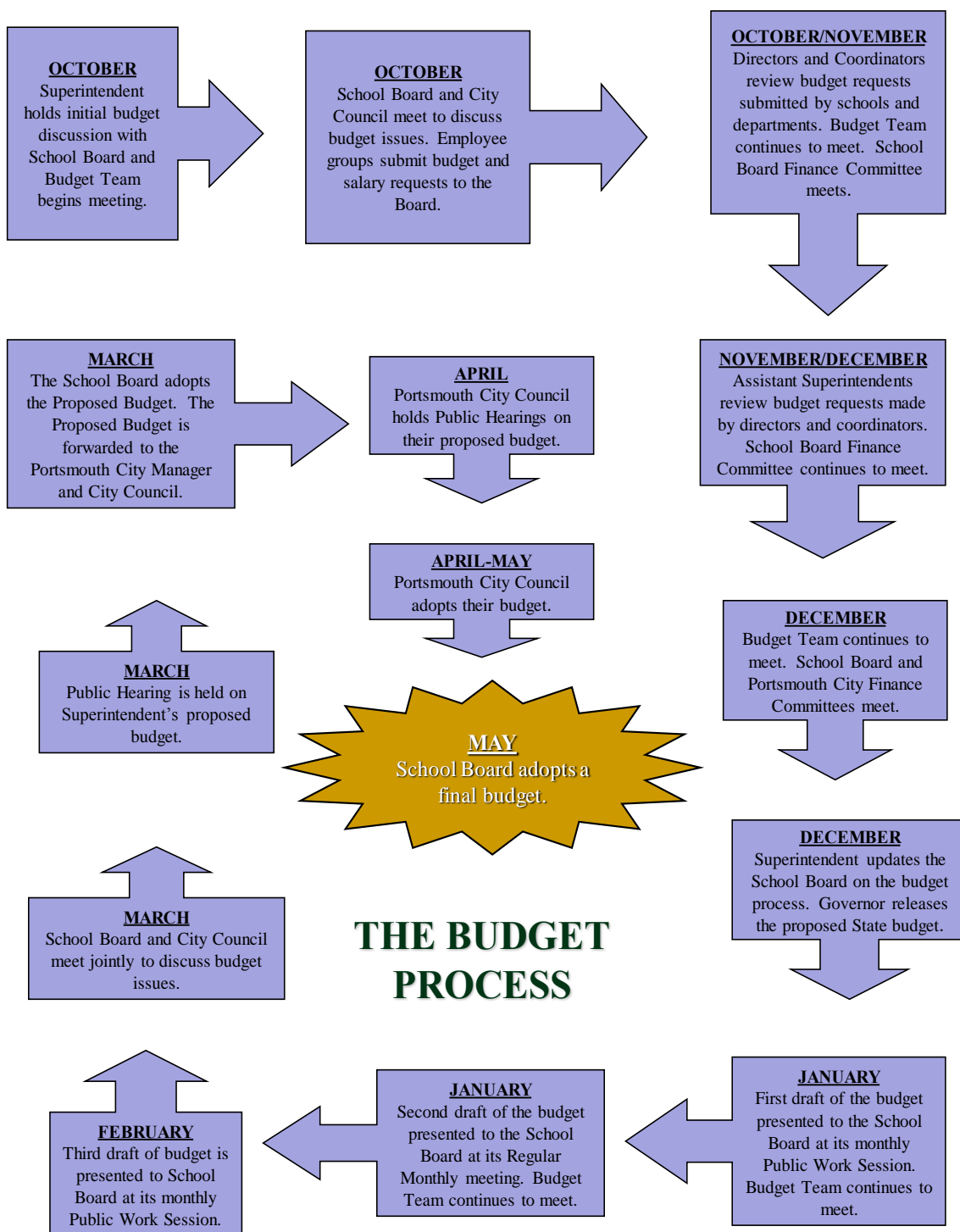
1. By 2017 the Portsmouth School Board will be a leading force for community advancement.
2. By 2017 all parents of Portsmouth Public School students will be excited about and claim ownership of their children’s education.
3. By 2017 all graduates of Portsmouth Public Schools will be highly sought after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

THE BUDGET PROCESS

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

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

Again this school year, desired expenditures were expected to exceed anticipated revenue. The Board felt that they should develop a budget that reflects the full needs of the division in light of the challenges they have faced maintaining accreditation for all schools while monetary resources have declined. In an effort to provide excellent education opportunities for its students, the School Board directed the Superintendent to add to the budget those quality improvement items that were School Board priorities left unfunded in last year’s budget (to include step increases, a COLA increase, and holiday pay for 10-month, non-exempt employees).



SIGNIFICANT TRENDS AND CHANGES

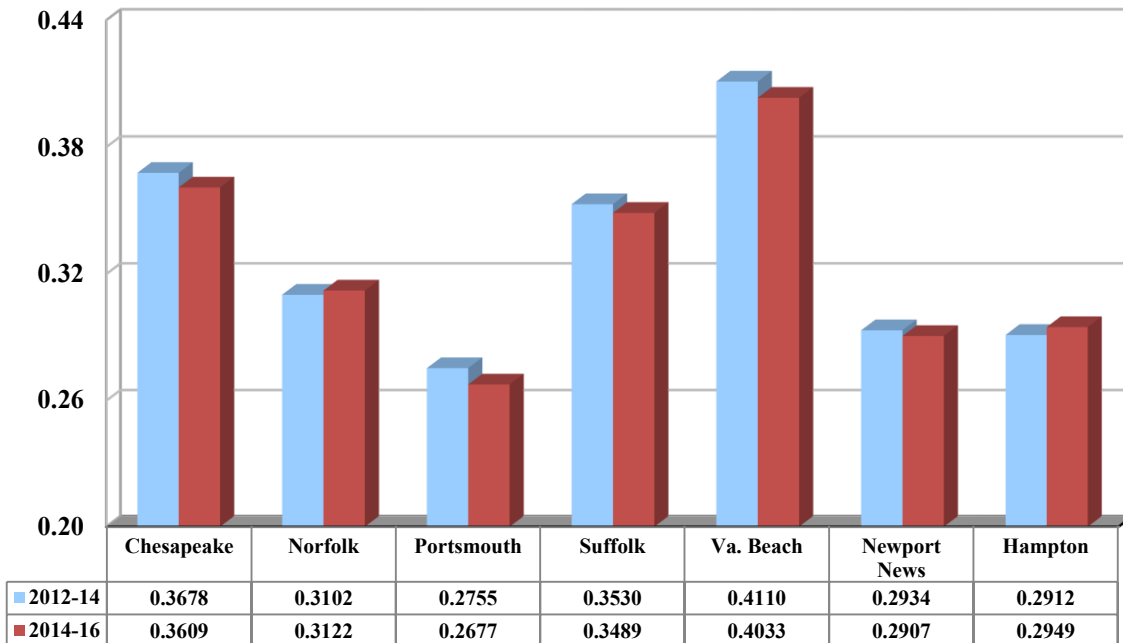
Portsmouth Public Schools receives revenues from local (city), state, and federal sources. State and City funds are our two largest sources of revenue.

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

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

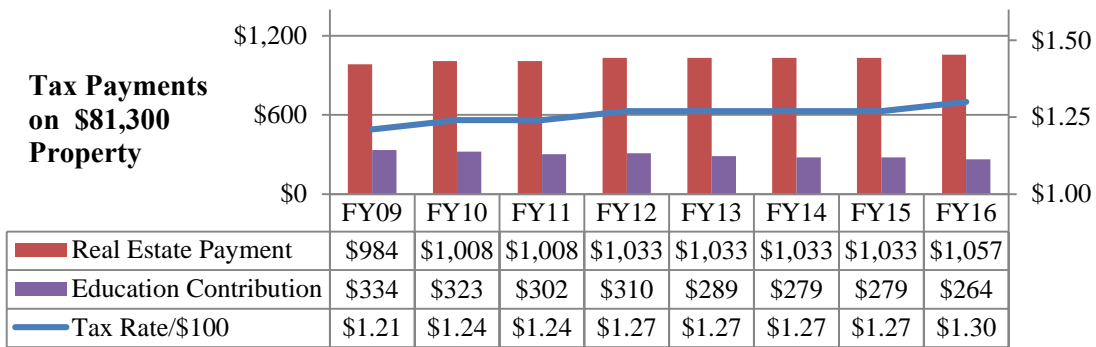
The Composite Index of Local Ability to Pay determines a school division’s ability to pay education costs fundamental to the commonwealth’s Standards of Quality (SOQ). It is calculated using three indicators of a locality’s ability-to-pay: true value of real property (weighted 50%), adjusted gross income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

Composite Index of Local Ability to Pay



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

For 2015-16, the allocation to schools in the City budget is approximately 25% of the entire budget. According to the 2010 Census, the median value of a home in Portsmouth is \$81,300. The owner of such a home will owe a tax bill in 2016 of \$1,057 based on the \$1.30 tax per \$100 of assessed value and that homeowner contributed approximately \$264 toward education. The following graph illustrates the changes in tax obligations of the owner of that \$81,300 home since 2009. As you can see, the tax rate increased by \$0.09 causing the taxpayer’s real estate payment to increase by \$73.00 but the contribution to education decreased by \$70.00.



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

In addition to federal general funding, significant federal funding is received in the form of grants associated with No Child Left Behind, Title I, Title VI-B, Special Education, and Education Technology. These grants allow the division to offer or supplement programs not funded through the general fund. In addition to these large grants, the division aggressively seeks competitive grant funds to further its mission. In an effort to maximize the division's access to grant opportunities, the Superintendent proposed adding a Grants Writer position in the fiscal year 2016 budget. Revenue and expenses related to these and other grants are detailed in the Grants Fund.

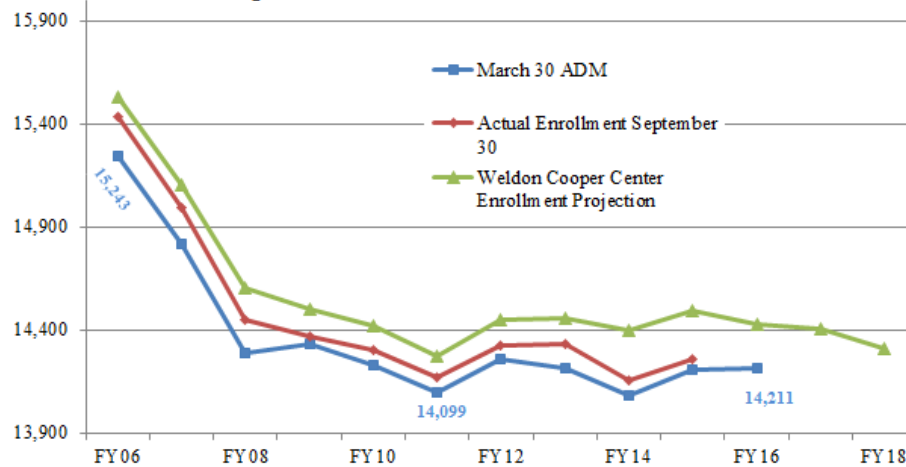
Other Revenue Funds consist of monies from the rental of our facilities, non-resident tuition, summer school tuition, P-Card/Travel credit card and other rebates, refunds, proceeds from the sale of surplus property, and e-Rate. The e-Rate program is part of the Universal Services subsidy program of the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

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

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

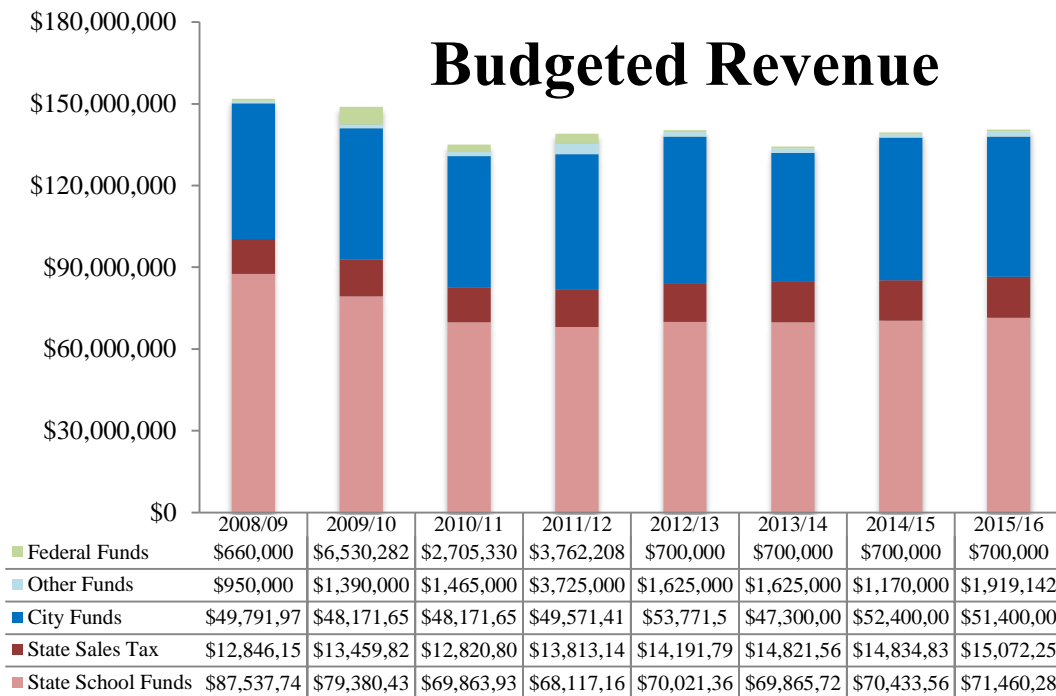
The Center forecasts a slight increase in enrollment in Portsmouth over the next few years. The following graph compares March 30 ADM, September 30 enrollment, and the Center's projected enrollment through 2017-18. While the Center's projected enrollment has historically been higher than our ADM or actual enrollment, the trend lines are nearly parallel. For 2015-16, we are using the ADM estimate from VDOE to predict state funding.

Comparison of ADM and Enrollment K-12



State and City funds represent 98.13% of our total general fund budget for fiscal year 2016. As you can see from the next graph, although state funding has fluctuated very little since 2011, the portion of our budget that it represented decreased. This gap became critical when state school funds decreased by \$8.1 million and \$9.5 million for fiscal years 2010 and 2011 while the City’s appropriation for education was reduced in 2010 and remained level for 2011. As the Local Composite Index declines, the portion that the City of Portsmouth is required to provide also declines but we are dependent on the City to appropriate additional funding above the required amount to allow the school division to provide first rate education opportunities as state revenue declines. Note, these annual amounts are not adjusted for inflation, which would these decreases even greater in terms of constant dollars.

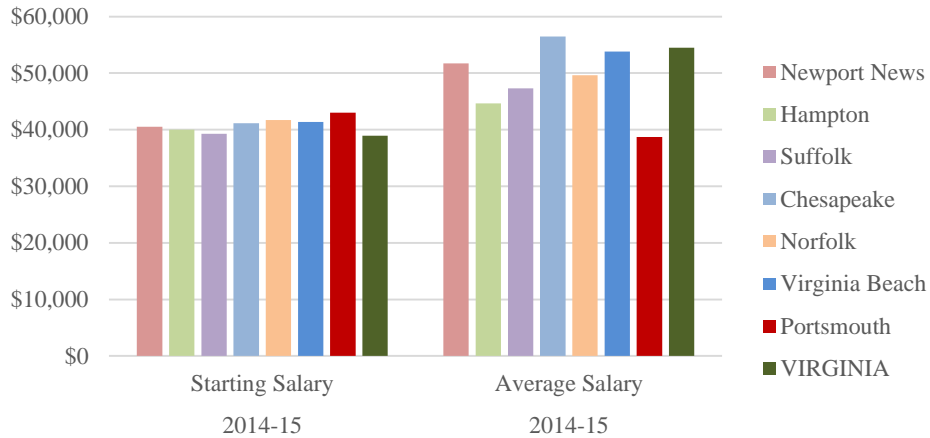
Budgeted Revenue



The major expenditure incurred by Portsmouth Public Schools is for salaries and benefits. These expenses make up 81% of our budget. While Portsmouth Public Schools was able to increase teacher salaries for several years to be more competitive in Hampton Roads, for fiscal years 2011 and 2012 the Board was not able to offer any raises. The Board gave employees a 2% raise in 2013-14 and the 2014-15 proposed budget included a 2% increase for all employees that was removed when the City Council did not appropriate the School Board’s full budget request. The division was able to provide the 2% salary increase for a portion of the 2014-15 school year following the re-appropriation of unspent funds

from the 2013-14 school year. In addition, the fiscal year 2016 budget includes a 1.5% COLA increase for all employees as well as a step increase. The following graph compares starting salaries to average salaries among the school divisions in our area. While our starting teacher salaries are highly competitive with our neighboring divisions, we fall behind when average salaries are compared.

Regional Comparison Teacher Starting Salary and Average Salary



The following graph compares the different teacher pay scales throughout our region. The picture is skewed because it assumes that step increases have occurred in all divisions. In Portsmouth, we have not been able to give employees a step increase for several years putting us even further behind our neighbors. Using our 5-year experience step of \$42,929, we drop to next to last place among our neighbors at the 10 years' experience level.

Comparison of Regional Teacher Salary Scales

Experience	Entry Level		5 Years		10 Years		15 Years		20 Years		25 Years		30 Years	
	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary
Chesapeake	4	\$41,149	1	\$43,433	1	\$46,916	1	\$51,798	1	\$57,189	2	\$60,689	2	\$65,004
Hampton	6	\$40,000	6	\$41,834	6	\$43,353	7	\$45,629	7	\$48,422	7	\$51,005	6	\$56,733
Newport News	5	\$40,500	3	\$42,557	5	\$44,023	5	\$46,959	5	\$50,588	5	\$54,498	5	\$58,708
Norfolk	2	\$41,724	5	\$42,120	4	\$44,912	4	\$47,654	6	\$49,580	6	\$54,182	7	\$55,798
Portsmouth	1	\$42,134	2	\$42,929	2	\$46,526	3	\$50,518	3	\$54,852	3	\$58,552	4	\$60,487
Suffolk	7	\$39,290	7	\$41,285	7	\$41,810	6	\$46,525	4	\$52,402	5	\$57,890	3	\$60,798
Virginia Beach	3	\$41,362	4	\$42,324	3	\$46,202	2	\$51,198	2	\$56,135	1	\$61,101	1	\$66,067

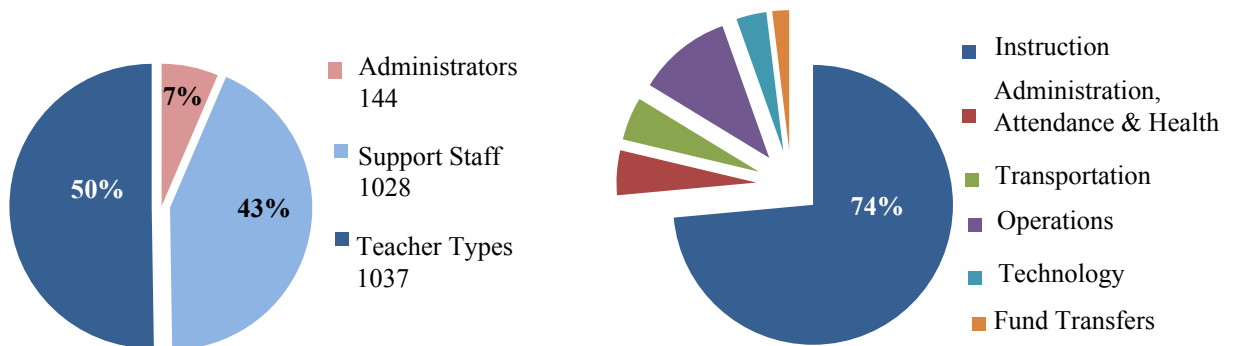
Because of the opportunities for teachers to take advantage of higher pay in surrounding divisions, our turnover rate is quite high. The graph below illustrates the turnover rate among our neighbors for school years 2008-2011 (the last year that this comparison is available from VDOE). In 2013-14, Portsmouth's turnover rate was 9.1%.

REGIONAL COMPARISON OF TURNOVER

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Chesapeake	6.6%	5.1%	6.3%
Hampton	14.7%	11.4%	10.5%
Newport News	12.4%	8.6%	9.8%
Norfolk	15.0%	10.0%	12.2%
Portsmouth	13.2%	10.2%	9.7%
Suffolk	12.2%	8.5%	10.2%
Virginia Beach	8.2%	6.3%	7.1%
STATE AVG	9.2%	7.8%	8.8%

Source: Annual Instructional Personnel (IPAL) Data Collection (excludes Principals and Assistant Principals)

Portsmouth Public Schools is committed to applying the bulk of our funding to instruction by adequately staffing our schools and centers. Since effective instruction will facilitate the school division achieving its goals as outlined by the visions in the comprehensive plan, 93% of our personnel are teacher types and support staff and 74% of our funding is focused on instruction.



Source: Portsmouth Public Schools Budget Office.
Chart reflects 2015-16 active positions only.

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

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

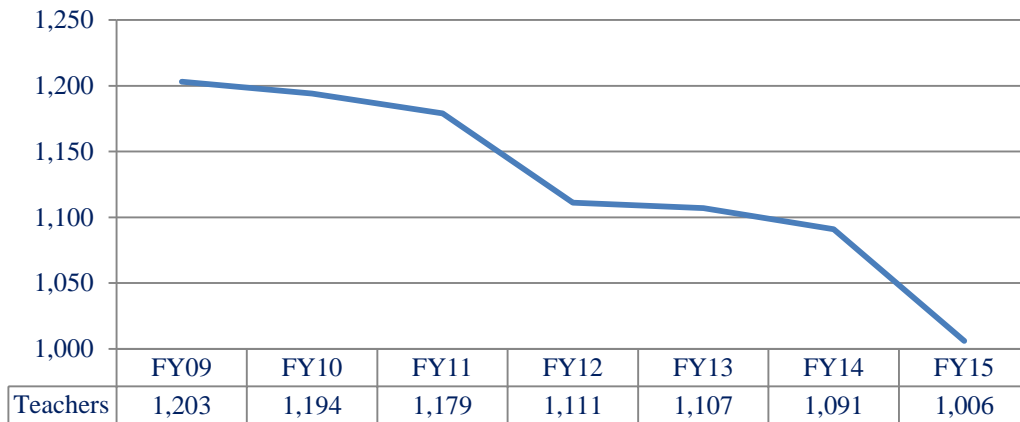
State regulations also determine class sizes as illustrated in the following chart.

Minimum Pupil to Teacher Ratios

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

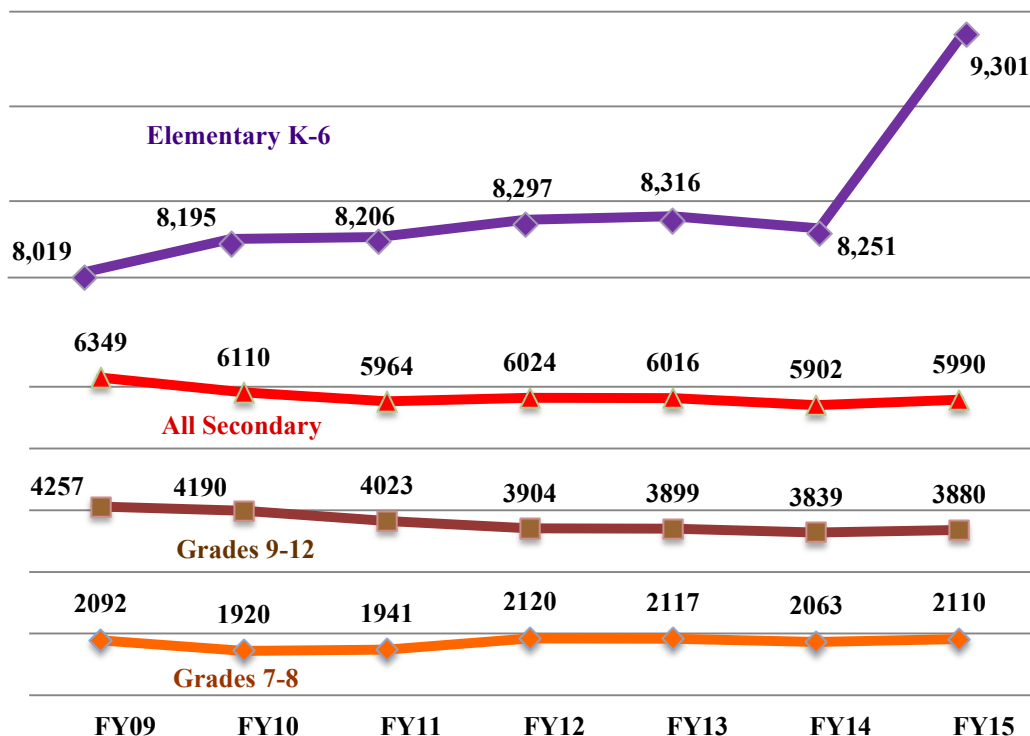
Unfortunately, when available funds are not adequate the teacher to pupil ratio suffers. When discretionary spending reductions are insufficient to balance the budget, staffing reductions are necessary since payroll constitutes the greatest portion of our expenses. If a reduction in staffing is necessary due to funding shortfalls, the Superintendent identifies positions that are above the required state standards and, with input from instructional administrators, he flags those positions for elimination. Additionally, he looks at all support personnel to determine any positions that can also be eliminated. Over the past few years, staffing has been reduced significantly through attrition rather than layoffs. As you can see from the graph below, significant cuts in budgeted teaching positions were made between 2009 and 2015. For the 2015-16 school year, the School Board directed that the budget reflect staffing that will maintain or lower the pupil to teacher ratio. The Superintendent’s budget included additional Instructional Assistants, elementary school teachers, middle school Reading Specialists, and Grade 7 Life Science teachers.

Portsmouth Teachers 2009-2015



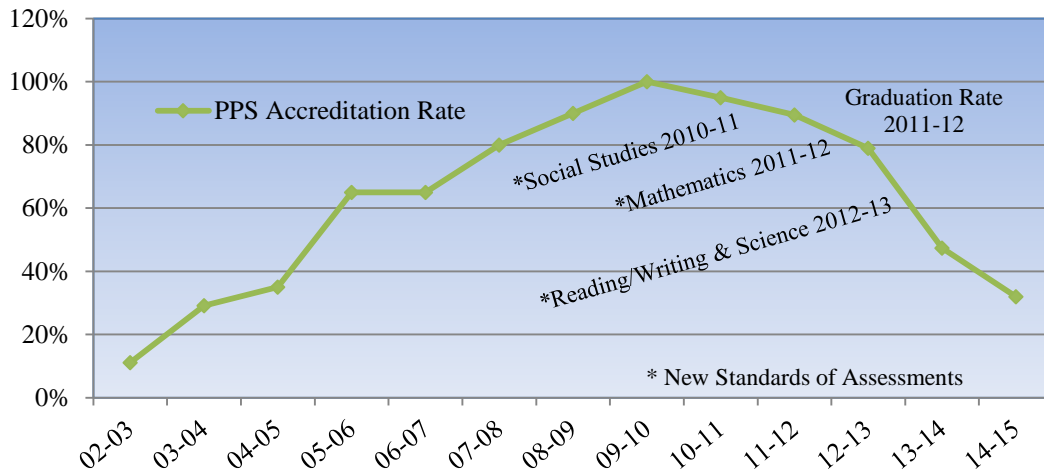
Despite a decrease in enrollment over the last few years, division officials remain encouraged by generally higher enrollment since 2008-09 in the elementary grades indicating the City's school age population may be rebounding from the sharp decline experienced between the 2006-07 and 2007-08 school years. A new military housing project, Gosport, opened in Portsmouth and we are beginning to see an influx of students from that area. Enrollment in the secondary grades is holding relatively steady but we expect that will also begin to increase as the elementary age students enter the secondary levels. The enrollment trend over the 2008-09 through 2014-15 school years is illustrated in the following graphs. The numbers reflect the September 30 enrollment reports for those years.

Enrollment Trends



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

Accreditation Rate by Year

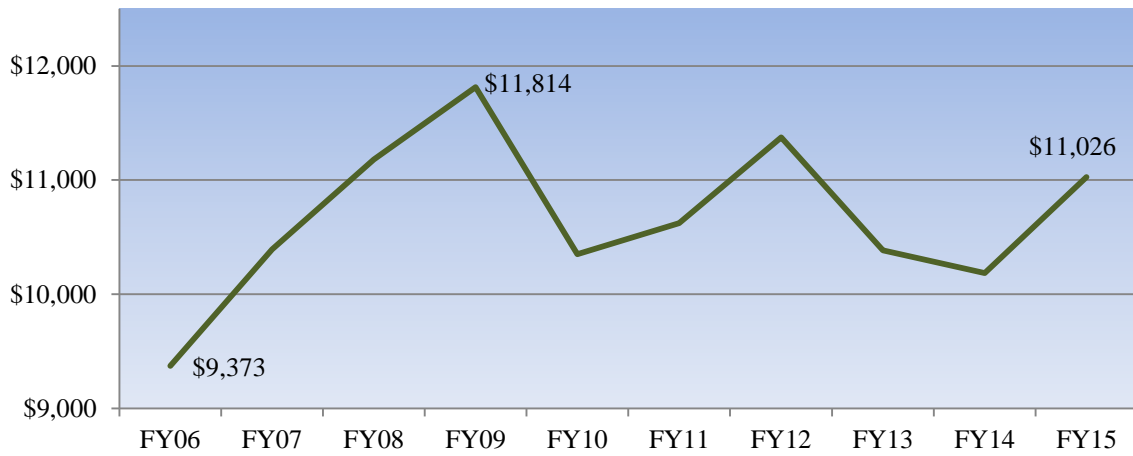


Source: VDOE School Accreditation Ratings (accreditation is based on prior-year SOL tests)

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

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

Per Pupil Cost



BUDGET HIGHLIGHTS

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

Must-fund Items:

- Increases in employer contribution to Health Insurance (7%)
- Providing Health Insurance for part-time employees as required under the Affordable Care Act
- Carrying forward the FY15 mid-year 2% employee raise

Reductions:

- DAC Facility Closing
- 15% across the board cut to discretionary non-payroll (non-schools)
- Healthcare Costs (implementing the Onsite Nurse/Pharmacy Program with earliest start: Jan 2016)

Savings (Revenue Increases):

- Print Shop Closing (transfer of fund balance to General Fund)
- Maximize Medicaid Reimbursements
- Credit Card Payment Rebate

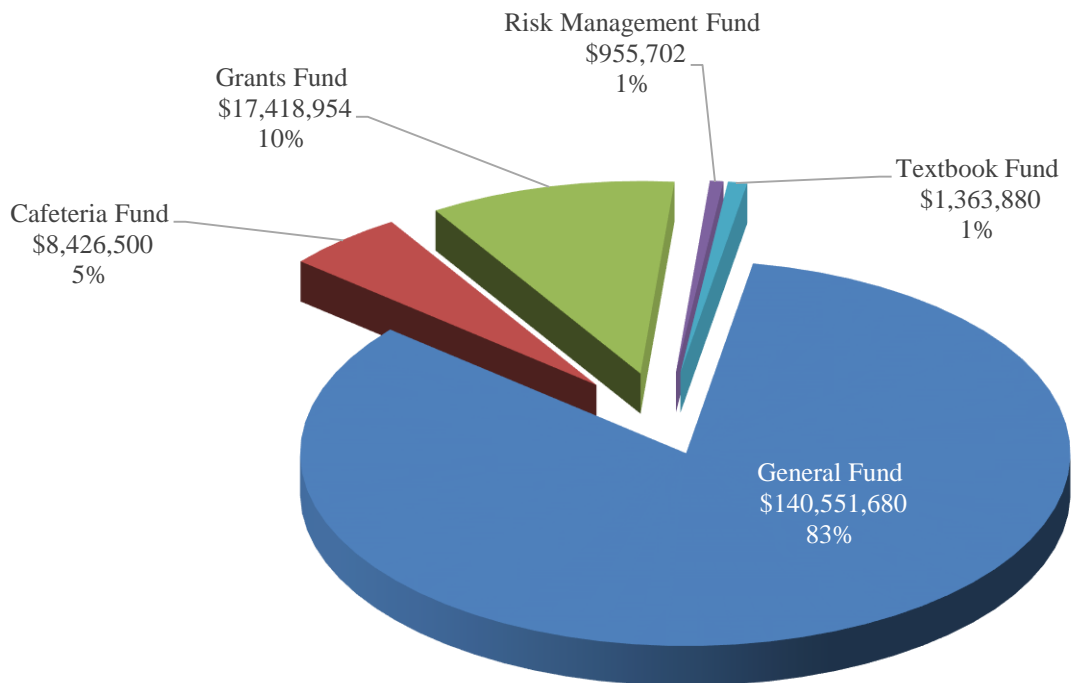
Quality improvement recommendations:

- 1.5% COLA Increase plus a step increase for all employees effective January 4, 2016
- No increase to class size preserving current staffing ratios/requirements
- Preserved STARBASE and STEM activities (including Robotics)
- Additional Instructional Assistants
- Holiday pay for 10-month, non-exempt employees for winter break (2 weeks)
- Additional Instructional Support (additional teachers/reading specialists)
- Additional Operations and Finance support staff
- Increased Security Officer/SRO coverage
- Increase all Clerical and Security personnel to 8 hours
- Academic Program Improvements – e.g., Dual Enrollment and Saturday Tutoring
- No reduction to funding for Dual Enrollment/First College, New Directions/Project Uplift, or Porte Towne Magic
- Teachers for expanded Alternative Education Programs
- Additional Preschool teachers
- Increase Substitute pay to the regional average
- Restore prior-year cuts in Academic Professional Development
- Transportation for the homeless
- District-wide Athletic Director and Athletic Trainers
- Increased allocations to high school and middle school athletics and bands
- Increase Bus Driver/Monitor standard workweek
- Additional SECEP TRAEP slots for General Education

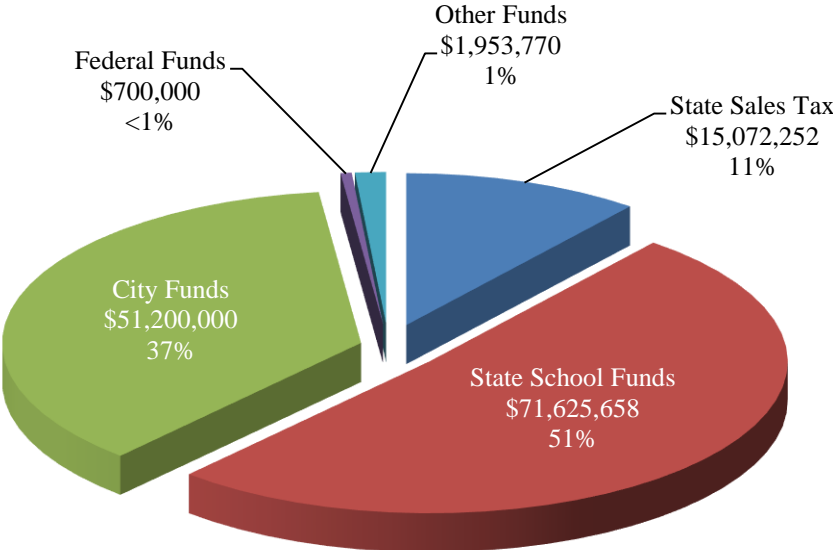
ALL FUNDS EXPENDITURES OVERVIEW

<u>FUNDS</u>	<u>2011-12 BUDGET</u>	<u>2012-13 BUDGET</u>	<u>2013-14 BUDGET</u>	<u>2014-15 BUDGET</u>	<u>2015-16 BUDGET</u>
GENERAL FUND	138,988,935	140,309,693	134,312,293	139,538,403	140,551,680
REPROGRAPHICS FUND	701,699	691,708	981,511	755,866	-
CAFETERIA FUND	7,156,803	7,604,000	8,220,504	8,477,000	8,426,500
GRANTS FUND	23,001,044	19,357,340	17,146,860	16,629,307	17,418,954
RISK MANAGEMENT & INSURANCE FUND	955,702	955,702	955,702	955,702	955,702
TEXTBOOK FUND	567,840	1,297,980	1,278,948	1,347,080	1,363,880
GRAND TOTAL EXPENDITURES ALL FUNDS	<u>171,372,023</u>	<u>170,216,423</u>	<u>162,895,818</u>	<u>167,703,358</u>	<u>168,716,716</u>

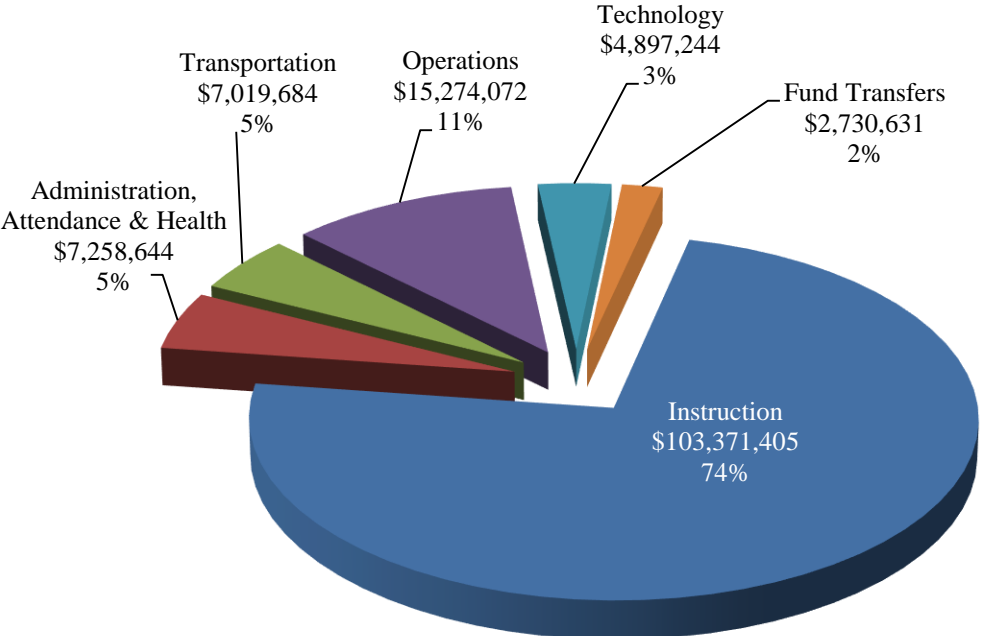
BUDGET - ALL FUNDS 2015-16 \$168,716,716



GENERAL FUND REVENUE OVERVIEW



GENERAL FUND EXPENDITURES OVERVIEW



FORECASTING THE FUTURE

Eighty-one per cent of the School Board’s expenditures are for salaries and benefits. The School Board does not want to release any personnel because our staffing is close to the minimum state requirements already. Any personnel cuts would certainly erode the quality of the education we are providing which would be unacceptable. In fact, the School Board desired to increase staffing to not only maintain the quality of education that can be offered but to improve it. In anticipation of City funding below the level requested in fiscal year 2015, the Superintendent was prepared to cut non-core, quality instructional programs, materials and supplies, staff development, and facilities expenditures. Certain maintenance expenditures and equipment purchases could be postponed in the short term, but to do so over a long period would also erode the quality of the education environment. The District prides itself on many quality instructional programs above SOQ (e.g. First College/Dual Enrollment, STARBASE, STEM, Porte Towne Magic, etc.). Due to level funding from the City for 2016, these programs were preserved.

During these recent volatile and challenging economic times (at federal, state and local levels), the task of forecasting a budget has been more difficult. Funding that was available in FY2010 through FY2012 from federal ARRA and job stimulus funds expired leaving the division with a deficit of more than \$3 million starting with FY2013. The Superintendent could not recommend any salary increases for several years because he could not foresee recurring funds to support such a raise. For FY16, State funding is expected to increase slightly due to increasing ADM. Although property values in the City remain level or may decline, it is critical that funding for education from the City does not decline.

The City’s Economic Development Department mounted a campaign over the past few years to attract new residents and businesses to the City. City officials report that the population is edging upward now, in part, due to affordable housing. This appears to translate into additional school age population numbers based on preliminary ADM reports from the state. Surrounding cities are experiencing significant drops in ADM while Portsmouth’s ADM is increasing. Those increases represent additional tax dollars that translate into increased funding to support educating the future leaders of our City.

The following table illustrates our forecast for future expenditures. We are guardedly optimistic that revenue will continue to meet our expenditure needs. The Weldon Cooper Center predicts our enrollment to decrease by 0.18% in 2016-17, by 0.64% in 2017-18 and by 0.13% in 2018-19 compared to 2015-16. Since our major funding from the state is based on average daily membership, we are using these percentages to forecast our future expenditures.

	16/17 Forecast	17/18 Forecast		18/19 Forecast
GENERAL FUND				
TOTAL EXPENDITURES	\$ 140,392,107	\$ 139,825,757		\$ 139,711,454
CAFETERIA FUND				
TOTAL EXPENDITURES	\$ 8,424,610	\$ 8,417,902		\$ 8,416,548
GRANT FUND				
TOTAL EXPENDITURES	\$ 17,410,451	\$ 17,380,270		\$ 17,374,179
RISK MANAGEMENT & INSURANCE FUND				
TOTAL EXPENDITURES	\$ 955,702	\$ 955,702		\$ 955,702
TEXTBOOK FUND				
TOTAL EXPENDITURES	\$ 1,784,022	\$ 1,352,711		\$ 1,350,953

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

We are proud of the following division accomplishments:

- The Portsmouth School Board received the 2010 Board of Distinction Award from the Virginia School Boards Association (VSBA).
- The National School Boards Association's National School Board Member recognition program honored the Portsmouth School Board Vice-Chair, Dr. Elizabeth Daniels, for her outstanding commitment to public education as demonstrated by her proven leadership and service as a dedicated school board member.
- The Portsmouth School Board received an honorable mention citation from the Council of Urban Boards of Education (CUBE) and was recognized as one of four finalists for the 2010 CUBE Annual Award for Urban School Board Excellence.
- The Portsmouth School Board Vice-Chair, Dr. Elizabeth Daniels, was recognized at the CUBE Annual Business Meeting for her service on the CUBE Steering Committee from April 2006 through April 2013.
- The Instructional Personnel Verification Survey reported 97.03% highly qualified teachers in 2014-15. Twelve of our schools reported 100% highly qualified teachers. Portsmouth has consistently reported 97-98% highly qualified teachers.
- The First College Program has grown from 19 students in 2006 to 191 scholars in 2015. In May 2015, the students achieved a C or better in 82% of the courses they attempted and were able to transfer that as college credit to 4-year universities. In the 10 years that this program has operated, 1,140 students took advantage of the opportunity to get a jumpstart to college while still in high school.
- Received the Certificate of Excellence in Financial Reporting from ASBO for the ninth consecutive time and the Certificate of Achievement in Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the eighth time for the comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014.
- Received the ASBO Meritorious Budget Award for excellence in the preparation and issuance of the school system budget for the seventh time for fiscal year 2014-15.
- Received the Government Finance Officers Association's Distinguished Budget Presentation Award for 2014-15.
- Implemented a School-to-Work program in collaboration with the Virginia Department of Aging and Rehabilitative Services and with Goodwill Industries to provide disabled students a community-based paid work experience.
- The I. C. Norcom High School Robotics Team won the regional VEX Robotics Competition in December 2013 and hosted the 2014 Spring Regional VEX Robotics Competition.
- The annual STEM (Science, Technology, Engineering, and Mathematics) Expo was held on March 26, 2015 showcasing the STEM Pathway Program which exposes every fourth through sixth grade student to exciting science concepts. Students are further challenged in follow-on programs as they advance through the 7th-12th grades.
- Named to the College Board's Third Annual Advance Placement Honor Roll in 2013 for expanding opportunities and improving performance for Advance Placement students; recognized as one of the 12 Virginia school divisions that were among the 539 districts nationwide designated to receive this honor.
- Honored by WHRO and Dominion Virginia Power as a recipient of the 2013 Community Impact Award; presented to Rear Admiral William Hayden, USN Retired, for his stellar work with StarBase Victory housed at Victory Elementary School.
- Superintendent David C. Stuckwisch received the 2014 Silver Star for Education Legacies Award from the Urban League of Hampton Roads.
- Accepted the VSBA Green School Challenge and was recognized as a VSBA Certified Green School Division for the fourth time in 2013.

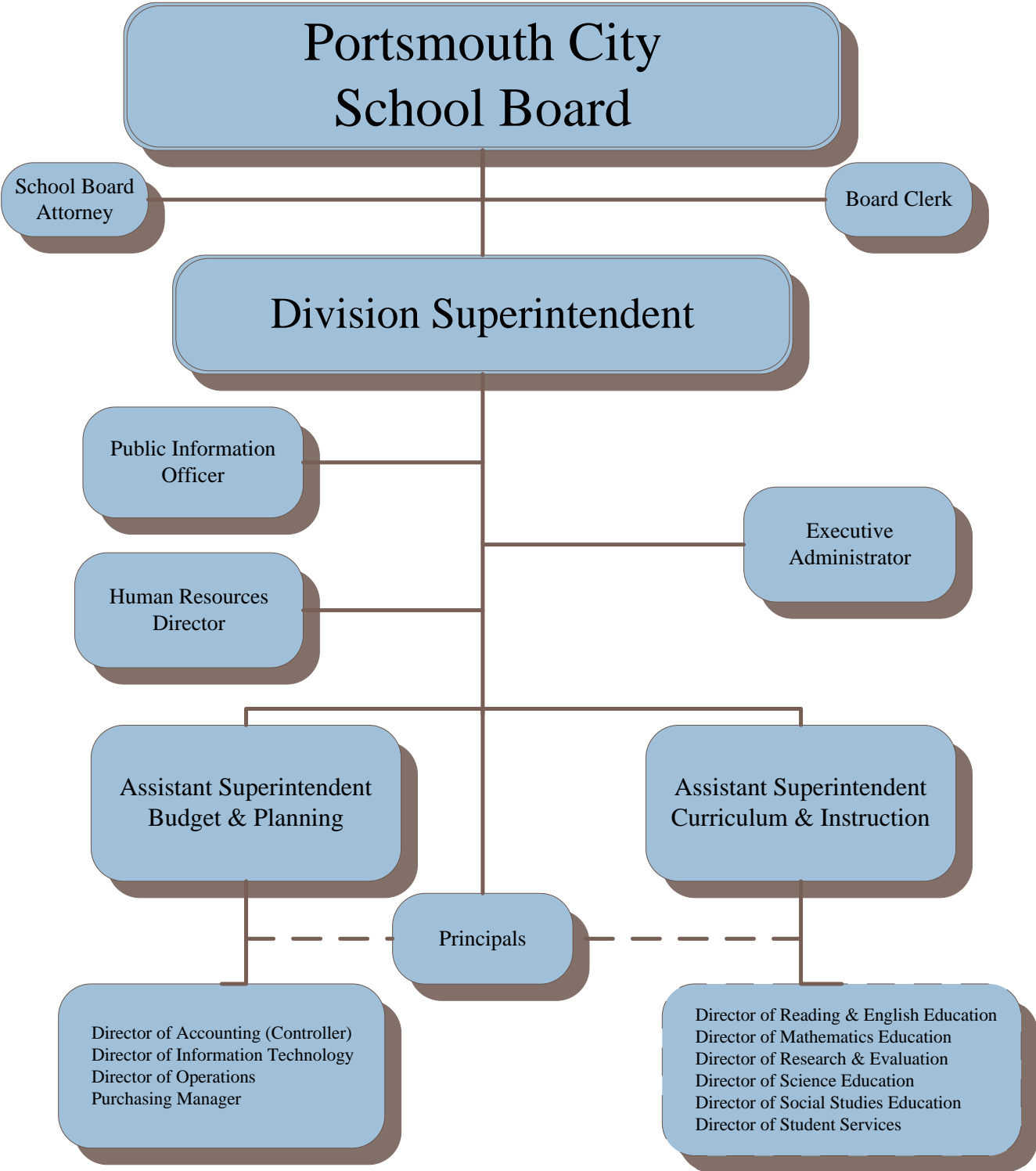
- Awarded first place in the Meal Access to Fight Hunger category of the 2013 VSBA Food for Thought Competition.
- The PPS Operations Department achieved the Platinum Level for the 2013 Facility Masters Award from the Virginia School Plant Managers Association.
- Churchland Primary and Intermediate School was recognized as a 2015 Distinguished Title I School by the Virginia Board of Education based on student achievement during the 2012-13 and 2013-14 school years.
- Victory Elementary School was recognized as a 2013 Distinguished Title I School by the Virginia Board of Education for meeting all state and federal accountability requirements and for achieving SOL scores at the 60th percentile or higher in the areas of reading and mathematics.
- Of the 847 members of the Class of 2014, 40.14% received Advanced Studies Diplomas and 35.42% graduated with Honors. Scholarships were awarded in the amount of \$9,781,795.00.
- Our Science Department is offering student summer camps that are grant-funded or in partnership with local organizations and educational institutions. These camps offer varied opportunities for students to explore their interests in science, mathematics, and engineering. A listing of some of the camps follows:
 - LEGO WEDO for rising 4th grade students – an introduction to robot design and programming
 - SPACEBASE Atlas (rising 5th grade students) – Students learn how math, science, and technology skills are used in geo-referencing Portsmouth’s historic Old Towne to create a tourism brochure.
 - ENVIROBASE Aquarius (rising 6th grade students) – Students use math, science, technology, and visual arts skills in experimental design, collecting weather data, and environmental stewardship.
 - Hampton Roads STEM Summer Academy (rising 7th and 8th grade students) – Student teams work together to solve STEM challenges, engaging in engineering, robotics, ballistics, rocketry, electronics, biology and chemistry, and environmental science.
 - DISCOVERYBASE CSI (rising 8th and 9th grade students) – Students learn how forensic scientists process a crime scene.
 - DISCOVERYBASE Maker Camp (rising 9th grade students) – The camp gives students the opportunity to function as modern-day inventors and engineers using critical thinking, engineering, and problem-solving skills to address local and global issues. At the conclusion of the 12-day cam, student give a professional design presentation to an audience consisting of their parents and community leaders.
 - RIVERQUEST (rising 9th grade students) – Students explore college and careers in Environmental Science, Oceanography, Maritime Industry, and more.
 - SPEED Academy (rising 11th & 12 grade students) – Students learn about design elements in the context of remote control care racing. They build a track, design and build remote control cars, and develop marketing materials to support the racing team as they enter competitions.
 - Green Ships and Ports (high school students) – STEM-related careers are emphasized in an educational game that models applications and equipment used in environmentally friendly, self-sustainable ports and ships.
 - Norfolk State University Cyber Security Summer Academy (high school students) – Students explore forensic techniques universally used to fight cyber criminals.

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Organizational Section



Division Organizational Chart 2014-15



Rev. 03/2015 Please note: at the time of publication, the Superintendent is considering reorganization for 2015-16. This reorganization will be expenditure neutral and within the appropriated categories.

ORGANIZATION

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

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

Each year, in accordance with the policies mentioned above, the Division Superintendent prepares and presents a budget to the Board for adoption. The budget document presented to the School Board for approval explains the division's financial situation in clear, simple terms. It is the financial outline of the division's education program and the primary means of managing expenditures during the fiscal year, July 1 through June 30. The budget is an estimate of the amount of money needed during the next fiscal year for the support of the public schools of the division. It also represents the proposed plan of expenditures and the expected means of financing those expenditures. The Superintendent prepares a budget calendar identifying the milestones for the annual budgetary process to include at least one public hearing on the budget. With that community input, the budget represents a reasonable compromise between academic expectations and economic realities. Presentations are given to the Board at least monthly and these presentations are broadcast on the division's public television station as a means of allowing the community to understand the budget and, even more importantly, to understand the division's educational priorities and objectives. When the Superintendent first presents his budget to the School Board it is not a balanced document but a snapshot of the anticipated revenue and proposed expenditures for the budget year. The final budget is balanced so that expenditures will not exceed revenue.

Once the budget is adopted, the Superintendent is responsible for administering it in accordance with Board policies and applicable local, state, and federal regulations and laws. In the past, City Council appropriated funds to the School Board by an annual lump sum, and the Superintendent was authorized to make transfers between categories within the budget. Starting in the 2013-14 fiscal year, the Portsmouth City Council appropriated funds by category: Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Facilities; Technology; and Debt and Fund Transfers. The School Board authorized the Superintendent to move funds between the accounts within each category as necessary but the School Board must seek approval from the City Council to move funds between categories. After mid-year and again near the end of the fiscal year the School Board may submit a request to the City Council to allow a redistribution of the appropriated funds between the categories in order to meet projected expenditures, while still meeting the goals of the approved budget. While the Superintendent has final approval for all expenditures, the various departments administer the funds allotted to them. Whether funds are moved between accounts or categories, authorized budget adjustments are required. The workflow process is in place for the appropriate personnel to approve budget amendments and expenditures in the category for which they are responsible. Approvers are expected to ensure applicable rules have been followed in accordance with acceptable accounting procedures and in compliance with the Virginia Public Procurement Act and School Board Policies and Regulations. For the 2014-2015 fiscal year, the Portsmouth City Council continued to appropriate funds on a categorical basis, but also expanded the categorical appropriation to other funds (e.g., grant fund, food service fund) and, additionally, appropriated funds on a quarterly basis versus annual basis. This caused inflexibility in adapting to changes in expected revenue and actual expenses, which required additional monitoring, difficulty in meeting requirements in a timely manner, and adjustments for year-end to account for contingencies. For 2015-16, the Council continued to appropriate funds not only on a categorical basis but also on a quarterly basis. City Ordinances [2015-29](#) and [2015-28](#) approved May 12, 2015 are included in the Informational Section.

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

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

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

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

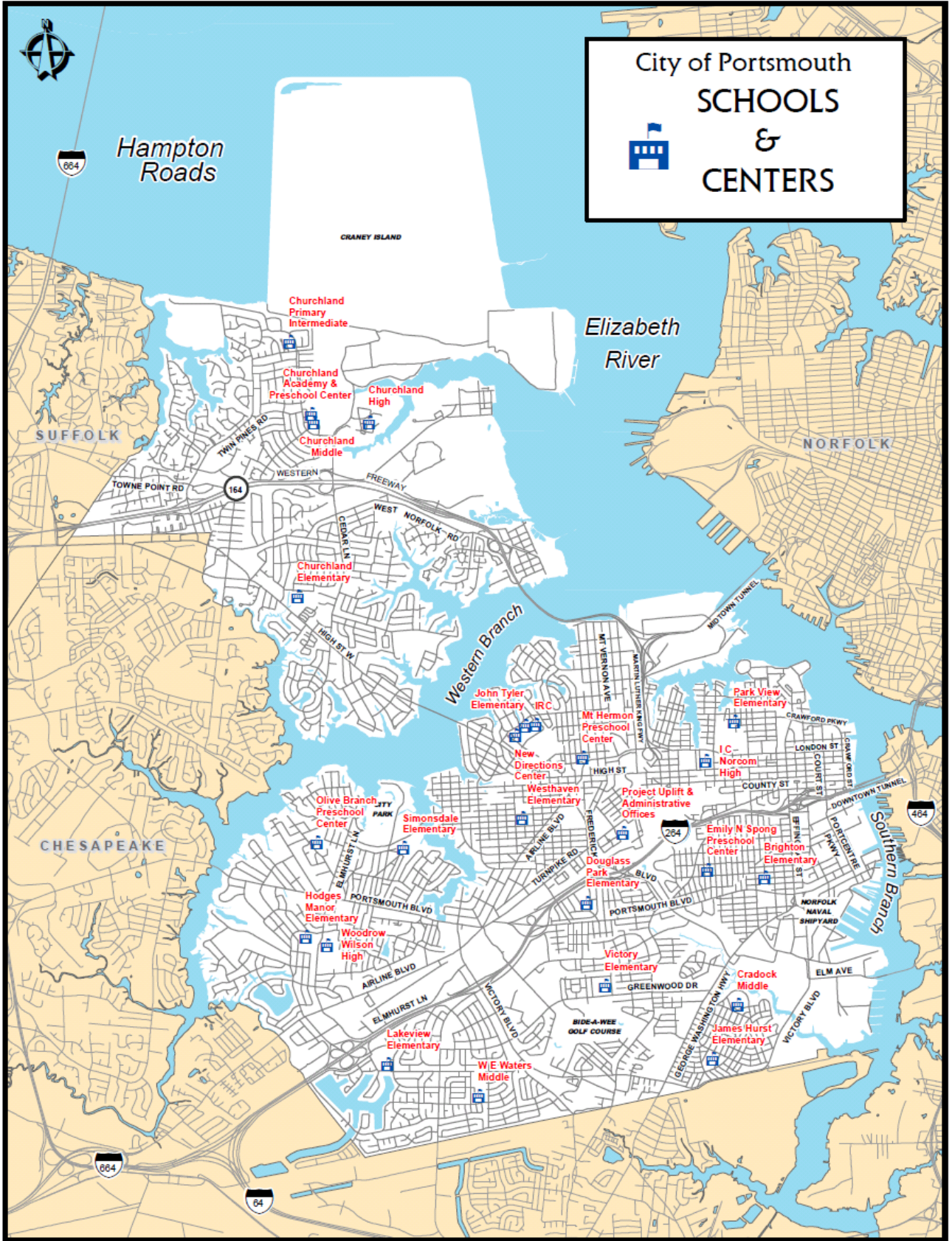
Upon the recommendation of our health benefits consultant, USI, the Portsmouth School Board adopted a self-funded health insurance plan effective January 1, 2015. Previously, under a fully-insured plan, premiums were set by the insurer projecting claims, expenses, and necessary reserves. Under the self-funded plan, a third party administrator charges a fee for administration of claims but payment is made from an account set up by the employer. The payment account is funded by premiums collected from employees and may require a couple of years to build the reserve necessary. 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 carrier's margin. Typically, the employer purchases stop loss insurance to protect against catastrophic claims.

Even with the purchase of a stop-loss insurance policy against catastrophic claims, the School Board was reluctant to move forward with self-funding employee health benefits because of the potential to exceed their budget by \$2,000,000.00 before the stop-loss policy would take effect. Due to tightening budget restraints over the past few years, the School Board did not want to risk a \$2,000,000.00 loss. Recognizing the long-term savings to the School Board's budget by employing self-funding, the Portsmouth City Council assured the School Board that Council would cover any costs that exceed the School Board's budget during the first couple of years that self-funding was in effect. Fortunately, it appears that claims so far in 2015 may not exceed the budgeted amount.

The Portsmouth City School Division serves students who live within the borders of the independent city of Portsmouth, Virginia. This urban city, settled in 1752 and incorporated by the Virginia General Assembly in 1858, has a population of 100,565 consisting of just over 46,000 households living within its 33 square miles. According to the 2010 Census, the ethnic population is approximately 54% black, 42% white, and 4% other. Portsmouth is bordered by the cities of Chesapeake and Suffolk respectively to the south and west, and by the City of Norfolk to the east across the Elizabeth River.

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





City of Portsmouth
SCHOOLS
 &
CENTERS

● ● ●

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

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MISSION AND VISIONS

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

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

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

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

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

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

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

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

To continue to provide excellent education opportunities for our students, the School Board identified a number of priorities in the fiscal year 2015 budget. The top four were: 1) a 1.5% COLA salary increase with benefits along with a step increase for all employees, 2) additional instructional assistants, 3) holiday pay for 10-month, non-exempt employees, and 4) hiring additional teachers. The funds appropriated for fiscal year 2015-16 will enable the School Board to implement these top priorities as well as other improvements to the education services.

FACILITIES AND PROGRAMS

Enrollment in Portsmouth Public Schools is just under 15,000 PreK-12 students at 23 sites. There are three high schools, three middle schools, and thirteen elementary schools. Services previously provided at the Diagnostic, Adjustive, and Corrective Center (DAC) for preschool students, ages 2 through 4 who have special disabilities or developmental needs, are now provided at four preschool centers throughout the division. Four-year old preschool students are served at these same locations acquiring skills to ensure success in kindergarten and throughout their educational career. Students in kindergarten through sixth grade receive traditional instruction at the 13 elementary schools. Regular instruction continues through the three middle schools (grades 7-8) and three high schools (grades 9-12). Alternative placement through the New Directions Center for students in grades K-8 is provided at the former DAC building. Alternative placement for students in grades 9-12 will continue to be provided through Project Uplift and the Individual Student Alternative Education Plan (ISAEP) at the Clarke facility.

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

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

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

Portsmouth Public Schools has partnered with Tidewater Community College to offer First College to second-semester seniors who have completed the coursework for their high school diplomas and plan to attend a college or university after graduation. These students take classes at the local campus of Tidewater Community College and earn up to 14 semester hours of post-secondary credit. This program began in the spring of 2006 with 19 students and has grown each year since. In spring 2015, 191 students took advantage of the program.

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

FUNDING

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

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

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

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

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

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

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

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

ALLOCATIONS TO SCHOOLS

For FY16, school funding in the following areas will be allocated as described. The projected March, 2016 ADM will be used for per student allocation calculations.

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

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

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

EQUIPMENT (REPLACEMENT) – Funds are allocated at a rate of \$4.27 per student.

REMEDIATION –SOL remediation money is allocated to schools as follows:

Elementary Tutoring.....	\$6,000 per school
Middle Tutoring.....	\$4,000 per school
High Tutoring	\$5,000 per school

MAGNET SCHOOLS – Funds are allocated at a rate of \$7.86 per student at each high school.

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

ATHLETIC ACTIVITIES – Division funds are allocated to each school to provide additional support to athletic program requirements for equipment, uniforms, and other necessary items.

Middle School Athletics	\$6,000 per school
High School Athletics.....	\$20,000 per school

HIGH SCHOOL MARCHING BAND – Each high school is allotted \$10,000 to fund their Marching Band requirements.

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

STAFF DEVELOPMENT – Funds are allotted at a rate of \$27.25 per teacher type in each school.

SUBSTITUTE TEACHERS – The Division allots \$737,002 for Substitute Teachers. The amount is based on the number of teachers assigned to schools.

SCHOOL BOARD FUNDS

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

Reprographics Fund – This enterprise fund accounts for the revenues and expenditures of the Portsmouth City Public Schools’ Printing Center. The Fund supplies printing and graphic services to the City of Portsmouth, outside entities, and functional units in the School Board on a cost reimbursement basis. Due to declining revenue, the Printing Center will be closed at the conclusion of the 2014-15 school year. Remaining Reprographics funds will be transferred to the General Fund.

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

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

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

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

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

REVENUE CATEGORIES

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

CITY FUNDS includes the appropriation approved by the City Council. The locality is required to match a portion of the funding from the State. For fiscal year 2015-16 Portsmouth’s local share is just under \$23 million based on a projected ADM of 14,211 students.

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

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

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

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

EXPENDITURE CATEGORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BUDGET CALENDAR FOR THE FISCAL YEAR 2016 BUDGET CYCLE

September, 2014	School Board Finance Sub-Committee begins to meet. The committee continues to meet at least monthly throughout the budget cycle.
October 27, 2014	Joint Meeting between School Board and City Council
October, 2014	Administrative Budget Team begins to meet. Meetings continue throughout the budget cycle.
November 13, 2014	Employee Groups present budget & salary requests to School Board
December 4, 2014	Issues list presented to School Board
December 17, 2014	Final input received from schools and departments
December 17, 2014	Governor proposes amendments to the Biennial Budget
January, 2015	School Board receives updates on the proposed 2015-16 budget
February 12, 2015	Superintendent presents Proposed Budget to School Board
February 28, 2015	General Assembly sends approved budget to Governor for signature.
March 3, 2015	Joint Meeting between School Board and City Council
March 19, 2015	Public Hearing on the FY 2016 Proposed budget
March 26, 2015	School Board adopts FY 2016 Proposed Operating Budget
March 27, 2015	FY 2016 Proposed Budget forwarded to City Manager
March 30, 2015	City Manager introduces FY 2016 Proposed City Operating and CIP Budgets
April 28, 2015	City Council Public Work Session/Public Hearing on the Annual Operating Budget
May 12, 2015	City Council adopts the Annual Operating and CIP Budgets
May 7, 2015	School Board discusses final adjustments to Proposed FY 2016 Operating Budget
May 21, 2015	School Board adopts FY 2016 Operating Budget

CAPITAL IMPROVEMENT PLAN

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

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

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

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

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

The chart below compares the City’s total operating and CIP budgets with their spending on capital projects for the schools. For 2014-15, PPS requested \$9,881,552 from the City for 18 CIP projects but only \$2,260,000 was appropriated for seven projects (Note: Of this amount, \$560,000 was financing for a completed prior year Simonsdale project – therefore, only \$1,700,000 was the actual amount provided for 7 projects). For 2015-16, PPS submitted 43 projects with an estimated value of nearly \$53 million for the 2015-2020 CIP budget but only \$2.6 million was appropriated.

	11-12	12-13	13-14	14-15	15-16
*City Adopted Budget	\$553,631,327	\$594,830,878	\$614,478,112	\$632,415,946	\$444,333,941
*City Total CIP	\$64,156,182	\$38,508,337	\$59,997,923	\$72,532,757	\$55,569,887
School Budget	\$138,988,935	\$140,309,693	\$134,312,293	\$139,538,403	\$140,551,680
City Funds Portion of School Budget	\$51,671,413	\$53,771,532	\$47,300,000	\$52,400,000	\$51,400,000
*City CIP for Schools	\$1,375,000	\$1,375,000	\$2,760,000	\$2,260,000	\$2,639,132
% of City CIP Funding for Schools CIP	2.14%	3.57%	4.60%	3.12%	4.75%

*Source: City Budget Books



Financial Section

SIGNIFICANT TRENDS

State and City funds are our two largest sources of revenue representing 98% of our total General Fund budget for fiscal year 2016. Although the dollar amount of state funding has increased in the past, the portion of our budget that it represented decreased. We are dependent on the City to make up the difference. This gap became critical when state school funds decreased by \$8.1 million and \$9.5 million for fiscal years 2009 and 2010 while the City's appropriation for education was reduced in 2010 and remained level for 2011. As the local composite index rises and the City appropriation does not make up the difference in state funding, providing a first-rate education for the students in Portsmouth becomes a challenge.

Our state monies are determined by our Average Daily Membership (ADM) and the local composite index. State sales tax revenues represent 1¼% which is the educational component of the tax that is distributed to all school districts based upon the number of school-age children who reside in the division. State School Funds consist of the Standards of Quality (SOQ) payments, incentive funds, and categorical amounts established by the State General Assembly.

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

City funds consist of monies appropriated by the City of Portsmouth. Since the school division is fiscally dependent on the City, we cannot levy taxes to directly support education. The allocation to schools in the City's 2016 budget was approximately 25%. According to the 2010 Census, the median value of a home in Portsmouth is \$81,300. The owner of such a home owed a tax bill of \$1,057 based on the \$1.30 tax per \$100 of assessed value and that homeowner contributed approximately \$264 toward education.

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

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

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

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

BUDGET ITEMS NOT APPROVED

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

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

Again, in 2014, anticipated revenue provided no funds for those paraprofessional positions nor for a raise. Facing additional expenses for retirement expenses, health care costs, liability insurance, homeless transportation, technology improvements, and student assessments, the School Board needed approximately \$6 million dollars over the FY2014 appropriation just to cover “must-fund” items. In order to balance the budget, the Board considered cutting some vital, successful programs such as the Science, Technology, Engineering and Mathematics Pathways (STEM) Program, the StarBase Program, the Porte Towne Magic performing troupe, some First College expenses, and Alternative Education Programs. In addition to approving the City Manager’s recommended appropriation, the City Council appropriated an additional \$6 million to ensure that these valuable programs would continue. For fiscal year 2016, the City Council appropriated level funding allowing these valuable programs to continue and for the Board to implement other quality improvements.

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, 2014 health plan membership consisted of 2,033 active service participants and 49 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 2014 Comprehensive Annual Financial Report:

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2014	\$ 379,064	\$ -	0%	\$ (5,394,422)
2013	\$ 766,102	\$ -	0%	\$ (5,773,486)
2012	\$ 1,050,365	\$ 7,002,500	667%	\$ (6,539,588)

CAPITAL IMPROVEMENT PLAN 2016-2020
EDUCATION REQUIREMENTS FOR CITY CAPITAL IMPROVEMENT PLAN

Project Title	FY 2016	FY 2017	FY 2018	FY2019	FY2020	5 Year
School Bus Replacement	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		\$ 4,000,000
Upgrades Honeywell controls from R2 to AX	\$ 245,000					\$ 245,000
White Vehicle Fleet Replacement	\$ 75,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 315,000
School Parking Lot Paving Projects		\$ 500,000				\$ 500,000
Technology Infrastructure upgrades	\$ 2,003,373	\$ 2,003,373	\$ 2,003,373	\$ 2,003,373	\$ 2,003,373	\$ 10,016,865
Wi-Fi upgrades for all schools	\$ 1,306,923	\$ 1,306,923				\$ 2,613,846
Data Center Cooling and UPS	\$ 300,000					\$ 300,000
Churchland High Gym Locker Replacement		\$ 80,000				\$ 80,000
Churchland High HVAC	\$ 5,000,000	\$ 4,000,000	\$ 1,500,000	\$ 1,500,000		\$ 12,000,000
Churchland High PA						\$ -
Churchland High Stage, Sound, Lighting		\$ 25,000	\$ 315,420			\$ 340,420
Norcom High Gym Locker Replacement		\$ 80,000				\$ 80,000
Wilson High Fire Alarm						\$ -
Wilson High Gym Lockers		\$ 80,000				\$ 80,000
Wilson High PA	\$ 150,000					\$ 150,000
Wilson High School Roof		\$ 1,030,000	\$ 1,500,000			\$ 2,530,000
Wilson High Stage, Sound, Lighting		\$ 20,000	\$ 225,000			\$ 245,000
Football Stadium Field Houses/Storage for 3 HSs			\$ 1,800,000			\$ 1,800,000
Artificial Turf HS Football Fields				\$ 2,400,000		\$ 2,400,000
Baseball & Softball HSs Field Lights					\$ 1,120,000	\$ 1,120,000
Waters Middle Gym Bleachers	\$ 75,000					\$ 75,000
Churchland Middle Bleachers		\$ 75,000				\$ 75,000

CAPITAL IMPROVEMENT PLAN 2016-2020 (continued)

Project Title	FY 2016	FY 2017	FY 2018	FY2019	FY2020	5 Year
Churchland Middle (Replace Pneumatic Dual Duct VAVs)		\$ 445,000				\$ 445,000
Brighton Roof Renovation	\$ 973,000					\$ 973,000
Churchland Academy Bus Loop Replacement		\$ 100,000				\$ 100,000
Churchland Academy Ceramic Tiles Installation		\$ 120,000				\$ 120,000
Hodges Manor RTU Replacement		\$ 285,866				\$ 285,866
James Hurst (Replace Pneumatic Dual Duct VAVs/Damaged Ductwork)		\$ 162,250				\$ 162,250
Lakeview Gym		\$ 500,000	\$ 3,000,000			\$ 3,500,000
Lakeview-Elect. Reheat for 10 RTUs	\$ 129,950					\$ 129,950
Westhaven Elementary Roof	\$ 929,132					\$ 929,132
Clarke (Additional Thermostat-Controlled Zone Dampers)				\$ 209,000		\$ 209,000
Clarke (Install School Bus Parking Lot)				\$ 2,600,000		\$ 2,600,000
Clarke (Replace Gas Piping on Roof)			\$ 165,600			\$ 165,600
Clarke (Replace RTUs)	\$ 700,175					\$ 700,175
DAC* (Replace Nesbit Units)	\$ 468,000					\$ 468,000
Emily Spong Ceiling Replacement			\$ 330,000			\$ 330,000
Mount Hermon (Replace Classroom RTUs)		\$ 250,000				\$ 250,000
Mount Hermon Bus Loop Replacement		\$ 125,000				\$ 125,000
Mount Hermon Ceiling Replacement			\$ 380,000			\$ 380,000
Mount Hermon Roof		\$ 863,673				\$ 863,673
Olive Branch PreK (21 Carrier Classroom RTUs)	\$ 225,000					\$ 225,000
Olive Branch PreK Roof	\$ 763,000					\$ 763,000
Totals	\$ 14,343,553	\$ 13,112,085	\$ 12,279,393	\$ 9,772,373	\$ 3,183,373	\$ 52,690,777

* DAC may be recommended for closure this year

CAPITAL EXPENDITURES

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

The previous chart depicts the education projects submitted for inclusion in the City's CIP over the next five years. Most of the projects will extend the useful economic life of our facilities or protect them from deterioration.

Of the \$14.3 million in projects that the School Board submitted for inclusion in the City's 2016-2020 CIP, only \$1.6 million was funded. The City Manager proposed that some of the FY16 projects be funded in later years but that funding is dependent on appropriation in subsequent years. Our capital needs are increasing but due to the City's inability to fund the projects, we face difficult decisions regarding repair and maintenance of our facilities. As available, some projects funding may be sourced through the General Fund, but given the division's tight budget it is anticipated that little funding will be available and only the most critical projects may be funded. Those projects will be identified and ranked by the Facilities/Maintenance Department.

DEBT OBLIGATIONS

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

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

SCHOOL BOARD FUNDS

Portsmouth Public Schools reports the following major funds:

General Fund - The School Board General Fund is the basic funding plan for the schools. It includes funds for the fiscal operation of the school system and is used to account for all financial resources except those required to be accounted for in another fund. Since the expiration of federal stimulus funds, revenue for the general fund has declined yearly. The budget proposed by the School Board to the City Council requested help in the form of increased city appropriation so that we could begin to return many of the items cut from previous budgets. The City Manager recommended level funding for FY2015. Those previously cut items could not be added. Additional cuts of over \$5 million to core programs were considered to balance the budget in light of increases in VRS expenses, liability and health insurance costs, homeless transportation, technology improvements, and improvements to the student assessment system. The City Council appropriated \$6.4 million over the amount the City Manager recommended to ensure that cuts to core programs would not be necessary. For 2015-16, the City Council appropriated \$1 million less than 2014-15 because we anticipated an additional \$1 million in state funding due to increased enrollment. We had included that additional funding in our budget projections for 2015-16. In order to maintain the same services, we plan to pay ahead the 2016 payment on the capital lease from funds available at year end for 2014-15. This payment is a little over \$1 million dollars. Not only will this amount to level funding for 2015-16 but the division will also see a savings in interest owed on the capital lease.

Reprographics Fund – This enterprise fund accounts for the revenues and expenditures of the Portsmouth City Public Schools' Printing Center. The Fund supplies printing and graphic services to the City of Portsmouth, outside entities, and functional units in the School Board on a cost reimbursement basis. Due to “green” efforts of the City and the School Board to use more electronic documents, anticipated printing services spending and revenue have continued to decline. As a result, the printing operation closed at the end of the 2014-15 school year.

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

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

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

Textbook Fund - The Textbook fund records revenues and expenditures for textbooks. On average, textbooks for each subject are adopted on a six- or seven-year cycle. Funds to purchase textbooks are appropriated by the General Assembly each year, and require a local match based on the local composite index (calculated each biennium). Since textbook adoptions do not always align with a fiscal year, the School Board established the Textbook Fund to allow purchases to be made over more than one fiscal year and to keep textbook funds separate from the general fund. In prior years the Virginia General Assembly

authorized school divisions to carry forward unexpended textbook funds with re-appropriation. The Virginia Department of Education (VDOE) annually encourages local governing bodies to re-appropriate those local funds designated for textbooks. A copy of the most recent [Superintendent's memo](#) concerning this re-appropriation is in the Information Section.

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

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

FUND BALANCES

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

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

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

Historical Comparison of Fund Balances for Portsmouth School Board Funds

	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 7,254,071	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	559,924	135,575	300,259	152,853
Assigned	-	6,370,824	8,582,212	397,077	2,359,913
Unassigned	-	-	-	-	2,361,295
Total General Fund	<u>\$ 7,254,071</u>	<u>\$ 6,930,748</u>	<u>\$ 8,717,787</u>	<u>\$ 697,336</u>	<u>\$ 4,874,061</u>
Cafeteria Fund					
Reserved	\$ 733,982	\$ -	\$ -	\$ -	\$ -
Unreserved	1,559,686	-	-	-	-
Nonspendable	-	41,708	38,325	94,404	43,656
Restricted	-	2,146,211	2,036,930	1,804,974	1,690,710
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Cafeteria Fund	<u>\$ 2,293,668</u>	<u>\$ 2,187,919</u>	<u>\$ 2,075,255</u>	<u>\$ 1,899,378</u>	<u>\$ 1,734,366</u>
Grants Fund					
Reserved					
Unreserved	\$ 438,124	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-
Restricted	-	449,844	527,586	296,628	526,847
Committed	-	-	-	-	-
Assigned	-	-	244,606	124,215	665,444
Unassigned	-	(585,465)	-	-	-
Total Grants Fund	<u>\$ 438,124</u>	<u>\$ (135,621)</u>	<u>\$ 772,192</u>	<u>\$ 420,843</u>	<u>\$ 1,192,291</u>
Textbook Fund					
Reserved	\$ 193,393	\$ -	\$ -	\$ -	\$ -
Unreserved	1,448,082	-	-	-	-
Nonspendable	-	144,567	61,027	346	-
Restricted	-	1,181,316	375,765	843,673	862,997
Committed	-	-	1,038,858	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Textbook Fund	<u>\$ 1,641,475</u>	<u>\$ 1,325,883</u>	<u>\$ 1,475,650</u>	<u>\$ 844,019</u>	<u>\$ 862,997</u>
Construction Fund					
Reserved	\$ 19,866,538	\$ -	\$ -	\$ -	\$ -
Unreserved	(1,618,469)	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	509,246	505,998	-	-
Committed	-	11,368,937	6,778,417	1,156,185	-
Assigned	-	9,943,797	36,707	-	-
Unassigned	-	-	-	-	-
Total Construction Fund	<u>\$ 18,248,069</u>	<u>\$ 21,821,980</u>	<u>\$ 7,321,122</u>	<u>\$ 1,156,185</u>	<u>\$ -</u>
Grand Total	<u>\$ 29,875,407</u>	<u>\$ 32,130,909</u>	<u>\$ 20,362,006</u>	<u>\$ 5,017,761</u>	<u>\$ 8,663,715</u>

Source: Comprehensive Annual Financial Report for each relevant year

Fund balances are not shown for the Reprographics Fund which is an internal service fund and not a governmental fund. Likewise, the Risk Management and Insurance Fund is an internal service fund and not a governmental fund.

From fiscal year 2013 to fiscal year 2014 overall, the fund balance experienced an increase. The decrease in the Cafeteria Fund balance can be attributed to a decline in charges for services because of a decrease in enrollment. The increase in the Grants fund balance was due to decreased instructional expenditures reimbursed from Title I funding. The balance in the Textbook Fund increased due to the return of previous year funding from the City of Portsmouth and increased purchases of new textbook adoptions. The decrease in the Construction Fund was due to the transfer of the Construction fund and all open projects at the end of fiscal year 2013 to the City. The General Fund's increase from 0.7 million to \$4.9 million was related to the increase in funding from the City of Portsmouth compared to fiscal year 2013 and the timing of expenditures incurred using fiscal year 2014 appropriations. Assigned fund balances represent year end encumbrances.

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

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School Board Budget All Funds

FUNDS	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 ACTUAL	2014 - 15 BUDGET	2015 - 16 BUDGET
GENERAL FUND	136,537,776	134,551,351	127,140,994	139,538,403	140,551,680
CAFETERIA FUND	7,156,803	7,604,000	7,907,351	8,477,000	8,426,500
GRANTS FUND	23,001,044	19,357,340	16,291,459	16,629,307	17,418,954
REPROGRAPHICS FUND	612,840	626,871	570,527	755,866	-
RISK MANAGEMENT & INSURANCE FUND	955,702	955,702	409,007	955,702	955,702
TEXTBOOK FUND	<u>567,840</u>	<u>1,297,980</u>	<u>3,349,274</u>	<u>1,347,080</u>	<u>1,363,880</u>
GRAND TOTAL OF EXPENDITURES ALL FUNDS	<u><u>168,832,005</u></u>	<u><u>164,393,244</u></u>	<u><u>155,668,612</u></u>	<u><u>167,703,358</u></u>	<u><u>168,716,716</u></u>

GENERAL FUND REVENUE CATEGORIES

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

CITY FUNDS includes the appropriation approved by the City Council. The locality is required to match a portion of the funding from the State. As revenue from other government sources continues to fall, the School Board's only source of funding for the critical needs of the division has been falling on City Council. For 2014-15, the School Board requested additional funding from the City to allow positions and budgets that had been cut from budgets over the previous few years to be restored. The City Manager did not recommend increased funding for FY2015. The City Council appropriated \$6.4 million over the amount the City Manager recommended to ensure that cuts to core programs would not be necessary. For 2015-16, the City Council appropriated \$1 million less than 2014-15 because we anticipated an additional \$1 million in state funding due to increased enrollment. We had included that additional funding in our budget projections for 2015-16. In order to maintain the same services, we plan to pay ahead the 2016 payment on the capital lease from funds available at year end for 2014-15. This payment is a little over \$1 million dollars. Not only will this amount to level funding for 2015-16 but the division will also see a savings in interest owed on the capital lease.

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

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

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

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

State and City funds represent 98.3% of our total general fund budget for fiscal year 2016. State funding has fluctuated very little since 2011 but the portion of our budget that it represented decreased. The gap became critical when state school funds decreased significantly in 2010 and 2011. The City's appropriation for education declined in 2010 and remained level in 2011. As Portsmouth's Local Composite Index declines, the portion the City Council is required to provide also declines. In order to continue to provide first rate education opportunities for Portsmouth students, we are dependent on the City to continue to provide funding that exceeds the minimum they are required to appropriate.

GENERAL FUND REVENUE OVERVIEW

REVENUE CATEGORIES	2011 - 12 BUDGET	2012 - 13 BUDGET	2013 - 14 BUDGET	2014 - 15 BUDGET	2015 - 16 BUDGET
CITY FUNDS	49,571,413	48,871,532	43,900,000	52,400,000	51,200,000
REAPPROPRIATION OF CONSTRUCTION FUND	-	4,900,000	-	-	-
REAPPROPRIATION OF CITY FUNDS	-		3,400,000	-	-
FEDERAL FUNDS	700,000	700,000	700,000	700,000	700,000
FEDERAL JOBS FUND	3,062,208	-	-	-	-
FEDERAL STIMULUS	-	-	-	-	-
OTHER FUNDS	1,625,000	1,625,000	1,625,000	1,170,000	1,953,770
REAPPROPRIATION OF RISK MGMT FUND	2,100,000	-	-	-	-
SALES TAX	13,813,146	14,191,795	14,821,566	14,834,837	15,072,252
STATE FUNDS	68,117,168	70,021,366	69,865,727	70,433,566	71,625,658
TOTAL REVENUE	<u>138,988,935</u>	<u>140,309,693</u>	<u>134,312,293</u>	<u>139,538,403</u>	<u>140,551,680</u>

GENERAL FUND REVENUE DETAIL 2015-16

CITY FUNDS	
APPROP – OPERATIONS	51,200
TOTAL CITY FUNDS	\$ 51,200
 FEDERAL FUNDS	
IMPACT AID	525,000
JROTC	175,000
TOTAL FEDERAL FUNDS	\$ 700,000
 OTHER FUNDS	
BADGE REVENUE	355
FROM OTHER FUNDS	399,005
INDIRECT COSTS	500,000
INTEREST ON INVESTMENT	400
MISC REVENUE	293,500
OTHER REFUNDS/REBATES	740
RENTS	17,412
SALE OF OTHER EQUIPMENT	17,637
TRANSPORTATION STUDENT	111,553
TUITION FROM ANOTHER COUNTY OR CITY	155,000
TUITION – SUMMER SCHOOL	32,068
VA MEDICAL ASSISTANCE PROGRAM	426,100
TOTAL OTHER FUNDS	\$ 1,953,770
 STATE SALES TAX	
SALES TAX RECEIPTS	15,072,252
TOTAL STATE SALES TAX	\$ 15,072,252
 STATE FUNDS	
ADULT EDUCATION	134,706
AT RISK	2,764,269
BASIC AID	43,470,064
COMPENSATION SUPPLEMENT	762,925
CTE – ADULT	17,233
ESL	60,913
GIFTED EDUCATION SOQ	489,044
GROUP LIFE INS INSTR	176,888
HOMEBOUND	94,435
K-3 PRIM CLASS REDUCT	3,672,957
MENTOR TEACHER PROGRAM	8,132
OTHER STATE FUNDS	94,130
PREV/INTERV/REMED SOQ	2,736,563
REGIONAL TUITION PROGRAM	2,653,340
REGULAR FOSTER CHILDREN	136,475
REMEDIAL SUMMER SCHOOL	160,912
SOCIAL SECURITY INSTR	2,798,995
SPECIAL EDUCATION SOQ	5,088,135
TEACHER RETIREMENT-INSTR	5,566,774
VOCATIONAL ED SOQ	738,768
TOTAL STATE FUNDS	\$ 71,625,658
 TOTAL REVENUE	 \$ 140,551,680

GENERAL FUND EXPENDITURE CATEGORIES

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

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

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

FRINGE BENEFITS provides for all fringe benefits including Social Security, life insurance, retirement, medical insurance, and unemployment. For fiscal years 2015 and 2016, the Virginia Retirement System (VRS) Board of Trustees adopted an employer contribution rate of 14.06% for retirement, 0.48% for Group Life Insurance, and 1.19% for retiree health insurance credit. Throughout the financial schedules, the expenditures for fringe benefits increased. Since salaries and benefits make up such a large part of our budget, these increases are significant in certain categories.

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

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

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

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

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

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

GENERAL FUND EXPENDITURE OVERVIEW

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
INSTRUCTION	94,242,270	93,160,266	93,754,920	103,064,521	103,371,405
ADMINISTRATION	13,470,907	6,422,653	6,404,294	6,476,471	7,258,644
TRANSPORTATION	6,583,955	5,338,602	5,822,713	6,352,637	7,019,684
OPERATIONS	13,811,914	15,645,414	13,935,196	15,551,234	15,274,072
FACILITIES	269,283	87,104	110,189	-	-
TECHNOLOGY	4,042,518	5,213,236	3,552,393	4,516,578	4,897,244
FUND TRANSFERS	4,116,929	8,684,076	3,561,289	3,576,962	2,730,631
TOTAL EXPENDITURES	<u>136,537,776</u>	<u>134,551,351</u>	<u>127,140,994</u>	<u>139,538,403</u>	<u>140,551,680</u>

GENERAL FUND INSTRUCTION OVERVIEW

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT PRINCIPAL	2,172,693	2,188,347	2,152,862	2,061,884	2,132,029
ASSISTANT SUPERINTENDENT	126,136	141,071	145,815	145,815	114,019
CLERICAL	2,415,615	2,421,247	2,429,047	2,424,375	2,430,857
DIR / SUPV / MNGR / COORD	1,544,081	1,656,941	1,396,774	1,356,712	1,453,111
LIBRARIAN	1,220,465	1,230,273	1,177,159	1,136,709	1,252,351
OTHER PROFESSIONAL	883,894	1,010,217	1,030,044	1,042,932	962,856
INSTRUCTIONAL ASSISTANT	3,087,174	3,036,016	3,011,819	3,071,592	3,166,899
PRINCIPAL	2,139,980	2,276,334	2,272,834	2,297,706	2,325,843
SECURITY GUARD	7,976	8,517	5,803	6,800	6,800
SUB INSTRUCTIONAL ASSISTANT	2,175	420	-	-	-
SUB TEACHER	704,353	637,357	635,408	649,905	794,914
SUB CLERICAL	232	-	-	-	-
SUB LIBRARIAN	70	140	105	-	-
SUPPLEMENTS	631,231	720,371	612,250	741,147	665,935
TEACHER	45,822,652	48,349,032	49,084,855	51,516,188	51,895,593
TECHNICAL SUPPORT	673,337	673,178	686,885	684,090	728,501
BENEFITS:					
FICA	4,628,733	4,818,727	4,860,013	4,285,508	4,436,086
HEALTH INSURANCE	9,029,239	8,043,494	9,863,378	13,299,241	11,471,875
LIFE INSURANCE	164,131	738,718	746,713	831,120	775,169
UNEMPLOYMENT COMPENSATION	217,365	73,237	73,716	100,000	74,000
VLDP VA LOCAL DISABILTY PROG	-	-	133	45	11,900
VRS	6,641,852	7,227,944	7,297,723	9,060,199	8,511,655
VRS HEALTH INSURANCE CREDIT	351,679	688,218	695,243	743,232	690,584
VRS HYBRID PLAN	-	-	5,350	1,790	575,598
TOTAL SALARY AND BENEFITS:	<u>82,465,063</u>	<u>85,939,799</u>	<u>88,183,929</u>	<u>95,456,990</u>	<u>94,476,575</u>
NON-SALARY:					
PURCHASED SERVICES	1,475,424	1,193,179	1,256,234	1,320,312	1,613,396
OTHER CHARGES	703,730	525,169	220,876	534,786	822,343
MATERIALS AND SUPPLIES	4,935,715	731,759	2,139,177	1,342,183	1,239,618
EQUIPMENT	302,393	509,828	141,140	351,979	300,499
TUITION	4,359,945	4,260,532	1,813,564	4,058,271	4,918,974
TOTAL NON-SALARY:	<u>11,777,207</u>	<u>7,220,467</u>	<u>5,570,991</u>	<u>7,607,531</u>	<u>8,894,830</u>
TOTAL EXPENDITURES	<u>94,242,270</u>	<u>93,160,266</u>	<u>93,754,920</u>	<u>103,064,521</u>	<u>103,371,405</u>

INSTRUCTION CLASSROOM INSTRUCTION

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	15,002	12,345	11,420	15,000	13,000
DIR / SUPV / MNGR / COORD	-	-	-	-	-
LIBRARIAN	15,994	16,425	15,794	17,000	17,000
OTHER PROFESSIONAL	142,481	213,987	237,054	237,056	230,404
INSTRUCTIONAL ASSISTANT	3,087,174	3,036,016	3,011,819	3,071,592	3,166,899
PRINCIPAL	8,580	8,336	8,706	9,000	9,000
SECURITY GUARD	7,976	8,517	5,803	6,800	6,800
SUB INSTRUCTIONAL ASSISTANT	2,175	420	-	-	-
SUB TEACHER	693,976	631,295	634,428	649,905	794,914
SUPPLEMENTS	629,669	720,351	612,742	741,147	665,935
TEACHER	43,146,001	45,630,762	46,261,723	48,651,516	48,957,784
BENEFITS:					
FICA	3,607,857	3,767,125	3,821,502	3,312,141	3,423,887
HEALTH INSURANCE	7,247,772	6,264,807	7,973,915	10,728,377	9,226,585
LIFE INSURANCE	127,427	576,804	586,774	654,209	610,291
UNEMPLOYMENT	209,191	63,692	69,793	100,000	74,000
VLPD VA LOCAL DISABILITY	-	-	133	45	10,880
VRS	5,156,162	5,642,646	5,730,187	7,126,969	6,648,156
VRS HEALTH INSURANCE CREDIT	273,022	537,287	546,055	585,041	543,714
VRS HYBRID PLAN	-	-	5,350	1,790	525,419
TOTAL SALARY AND BENEFITS:	<u>64,370,459</u>	<u>67,130,815</u>	<u>69,533,198</u>	<u>75,907,588</u>	<u>74,924,668</u>
NON-SALARY:					
PURCHASED SERVICES	1,168,084	864,363	921,267	956,345	996,812
OTHER CHARGES	433,239	406,611	141,643	417,557	469,323
MATERIALS AND SUPPLIES	3,630,337	(332,622)	1,715,688	678,662	558,708
EQUIPMENT	223,079	75,232	66,248	88,197	81,554
TUITION - OTHER	70,000	1,243	68,713	70,000	535,222
TUITION - SECEP	4,289,945	4,259,289	1,744,851	3,988,271	4,383,752
TOTAL NON-SALARY:	<u>9,814,684</u>	<u>5,274,116</u>	<u>4,658,410</u>	<u>6,199,032</u>	<u>7,025,371</u>
TOTAL EXPENDITURES	<u><u>74,185,143</u></u>	<u><u>72,404,931</u></u>	<u><u>74,191,608</u></u>	<u><u>82,106,620</u></u>	<u><u>81,950,039</u></u>

INSTRUCTION GUIDANCE SERVICES

Expenditures under Guidance Services are those associated with counseling students and parents, evaluating abilities of students, as they make educational and career plans, and working with staff members in planning and conducting guidance programs for students. Guidance Counselors in each school help students set personal goals and support students who might be experiencing difficulties in their homes. They connect students with resources to enable them to succeed and to deal with any personal difficulties that might cause them to stumble as they travel toward their personal and academic goals.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	167,175	163,006	168,903	160,522	150,842
TEACHER	1,882,220	1,904,931	2,004,282	2,023,046	1,985,541
SUB TEACHER	10,377	6,062	980	-	-
BENEFITS:					
FICA	154,233	155,254	162,205	145,649	142,005
HEALTH INSURANCE	274,178	263,648	291,555	394,984	324,763
LIFE INSURANCE	5,622	24,562	25,627	28,845	25,446
UNEMPLOYMENT	6,408	8,300	-	-	-
VRS	227,616	240,664	251,091	316,638	297,755
VRS HEALTH INSURANCE CREDIT	12,048	22,911	23,903	25,784	22,664
VRS HYBRID	-	-	-	-	2,939
VRS DISABILITY	-	-	-	-	59
TOTAL SALARY AND BENEFITS:	<u>2,739,877</u>	<u>2,789,338</u>	<u>2,928,546</u>	<u>3,095,468</u>	<u>2,952,014</u>
NON-SALARY:					
OTHER CHARGES	3,178	3,533	351	2,350	1,050
MATERIALS AND SUPPLIES	18,309	15,559	5,713	10,356	8,418
EQUIPMENT	1,619	1,600	1,421	1,626	-
TOTAL NON-SALARY:	<u>23,106</u>	<u>20,692</u>	<u>7,485</u>	<u>14,332</u>	<u>9,468</u>
TOTAL EXPENDITURES	<u>2,762,983</u>	<u>2,810,030</u>	<u>2,936,031</u>	<u>3,109,800</u>	<u>2,961,482</u>

INSTRUCTION SOCIAL WORKER SERVICES

Expenditures under School Social Worker Services are those associated with programs designed to improve student attendance at school and that attempt to prevent or solve student problems involving the home, the school, and the community. School Social Workers perform socio-cultural assessments of children suspected of or identified with having a disabling condition in order to mobilize school and community resources to enable students to receive maximum benefits from their educational program.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
OTHER PROFESSIONAL	441,697	491,973	461,890	501,268	515,042
BENEFITS:					
FICA	33,099	36,981	37,620	36,488	37,595
HEALTH INSURANCE	51,514	52,276	55,946	75,024	69,935
LIFE INSURANCE	1,227	5,855	5,965	6,620	6,134
VRS	49,624	57,364	58,447	72,688	72,469
VRS HEALTH INSURANCE CREDIT	2,629	5,461	5,564	5,918	5,463
TOTAL SALARY AND BENEFITS:	<u>579,790</u>	<u>649,910</u>	<u>625,432</u>	<u>698,006</u>	<u>706,638</u>
NON-SALARY:					
OTHER CHARGES	1,279	1,784	2,410	2,411	2,410
MATERIALS AND SUPPLIES	84	-	-	-	-
TOTAL NON-SALARY:	<u>1,363</u>	<u>1,784</u>	<u>2,410</u>	<u>2,411</u>	<u>2,410</u>
TOTAL EXPENDITURES	<u>581,153</u>	<u>651,694</u>	<u>627,842</u>	<u>700,417</u>	<u>709,048</u>

INSTRUCTION HOMEBOUND SERVICES

Expenditures under Homebound Instruction are those associated with activities designed to meet the educational needs of qualifying students who are unable to attend regular school whether for health or behavioral reasons. These services provide unbroken educational services whether the student is confined to his home or to a healthcare facility.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	-	-	-	-	-
TEACHER	72,664	86,522	55,840	73,058	56,000
BENEFITS:					
FICA	5,523	6,554	4,228	5,589	4,284
HEALTH INSURANCE	-	-	-	-	-
LIFE INSURANCE	-	-	-	-	-
VRS	157	-	-	-	-
VRS HEALTH INSURANCE CREDIT	-	-	-	-	-
TOTAL SALARY AND BENEFITS:	<u>78,344</u>	<u>93,076</u>	<u>60,068</u>	<u>78,647</u>	<u>60,284</u>
NON-SALARY:					
MATERIALS AND SUPPLIES	-	-	-	222	-
TOTAL NON-SALARY:	<u>-</u>	<u>-</u>	<u>-</u>	<u>222</u>	<u>-</u>
TOTAL EXPENDITURES	<u><u>78,344</u></u>	<u><u>93,076</u></u>	<u><u>60,068</u></u>	<u><u>78,869</u></u>	<u><u>60,284</u></u>

INSTRUCTION IMPROVEMENT OF INSTRUCTION

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT SUPERINTENDENT	126,136	141,071	145,815	145,815	114,019
CLERICAL	744,693	743,303	733,829	705,362	693,338
DIR / SUPV / MNGR / COORD	1,459,542	1,580,479	1,331,632	1,278,721	1,392,655
OTHER PROFESSIONAL	189,410	196,589	220,923	202,784	111,434
PRINCIPAL	-	-	-	-	-
SUPPLEMENTS	1,562	20	(492)	-	-
TEACHER	651,646	651,988	763,010	768,568	896,268
TECHNICAL SUPPORT	633,985	634,585	647,047	647,067	689,965
BENEFITS:					
FICA	281,622	293,049	282,743	265,976	283,473
HEALTH INSURANCE	484,787	485,492	491,193	687,770	564,273
LIFE INSURANCE	10,464	46,025	44,564	48,940	46,235
VRS	423,392	450,034	437,047	530,335	502,325
VRS HYBRID	-	-	-	-	24,425
VRS HEALTH INSURANCE CREDIT	22,423	42,860	41,569	43,780	41,186
VLDP DISABILITY	-	-	-	-	489
TOTAL SALARY AND BENEFITS:	<u>5,029,662</u>	<u>5,265,495</u>	<u>5,138,880</u>	<u>5,325,118</u>	<u>5,360,085</u>
NON-SALARY:					
PURCHASED SERVICES	284,051	304,771	333,129	362,708	616,545
OTHER CHARGES	226,621	66,582	56,323	85,610	338,030
MATERIALS AND SUPPLIES	1,186,607	923,831	364,515	469,018	534,188
EQUIPMENT	23,490	387,467	7,801	209,347	179,860
TOTAL NON-SALARY:	<u>1,720,769</u>	<u>1,682,651</u>	<u>761,768</u>	<u>1,126,683</u>	<u>1,668,623</u>
TOTAL EXPENDITURES	<u>6,750,431</u>	<u>6,948,146</u>	<u>5,900,648</u>	<u>6,451,801</u>	<u>7,028,708</u>

INSTRUCTION MEDIA SERVICES

Expenditures under Media Services are those associated with activities concerned with the use of all teaching and learning resources, including hardware, software, and content materials. School Media Centers are staffed with professional personnel who provide students with the skills necessary for the effective use of the centers and, ultimately, for independent study. Students gain experience using state of the art technology. Media services enhance and extend the instructional program.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	159,065	177,486	176,507	171,187	168,745
DIR / SUPV / MNGR / COORD	84,539	76,462	65,142	77,991	60,456
LIBRARIAN	1,204,471	1,213,848	1,161,365	1,119,709	1,235,351
OTHER PROFESSIONAL	110,306	107,668	110,177	101,824	105,976
TEACHER	70,121	74,829	-	-	-
TECHNICAL SUPPORT	39,352	38,593	39,838	37,023	38,536
SUB LIBRARIAN	70	140	105	-	-
BENEFITS:					
FICA	125,108	126,289	117,107	100,681	108,430
HEALTH INSURANCE	242,888	247,127	251,852	342,127	298,716
LIFE INSURANCE	4,471	19,689	17,787	19,918	19,165
VRS	180,939	192,925	174,287	218,636	190,706
VRS HYBRID	-	-	-	-	20,734
VLDP DISABILITY	-	-	-	-	429
VRS HEALTH INSURANCE CREDIT	9,583	18,366	16,591	17,808	17,069
UNEMPLOYMENT	-	-	3,231	-	-
TOTAL SALARY AND BENEFITS:	<u>2,230,913</u>	<u>2,293,422</u>	<u>2,133,989</u>	<u>2,206,904</u>	<u>2,264,313</u>
NON-SALARY:					
PURCHASED SERVICES	21,226	21,727	39	39	39
OTHER CHARGES	3,583	3,256	1,256	1,448	1,156
MATERIALS AND SUPPLIES	59,922	76,432	36,671	64,225	50,738
EQUIPMENT	18,581	12,457	28,478	12,649	3,467
TOTAL NON-SALARY:	<u>103,312</u>	<u>113,872</u>	<u>66,444</u>	<u>78,361</u>	<u>55,400</u>
TOTAL EXPENDITURES	<u><u>2,334,225</u></u>	<u><u>2,407,294</u></u>	<u><u>2,200,433</u></u>	<u><u>2,285,265</u></u>	<u><u>2,319,713</u></u>

**INSTRUCTION
OFFICE OF THE PRINCIPAL**

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

EXPENDITURE CATEGORIES	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 ACTUAL	2014 - 15 BUDGET	2015 - 16 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT PRINCIPAL	2,172,693	2,188,347	2,152,862	2,061,884	2,132,029
CLERICAL	1,329,680	1,325,107	1,338,388	1,372,304	1,404,932
PRINCIPAL	2,131,400	2,267,998	2,264,128	2,288,706	2,316,843
SUB CLERICAL	232	-	-	-	-
BENEFITS:					
FICA	421,291	433,475	434,608	418,984	436,412
HEALTH INSURANCE	728,100	730,144	798,917	1,070,959	987,603
LIFE INSURANCE	14,920	65,783	65,996	72,588	67,898
UNEMPLOYMENT	1,766	1,245	692	-	-
VRS	603,962	644,311	646,664	794,933	800,244
VRS HYBRID	-	-	-	-	2,081
V LDP DISABILITY	-	-	-	-	43
VRS HEALTH INSURANCE CREDIT	31,974	61,333	61,561	64,901	60,488
TOTAL SALARY AND BENEFITS:	7,436,018	7,717,743	7,763,816	8,145,259	8,208,573
NON-SALARY:					
PURCHASED SERVICES	2,063	2,318	1,799	1,220	-
OTHER CHARGES	35,830	43,403	18,893	25,410	10,374
MATERIALS AND SUPPLIES	40,456	48,559	16,590	119,700	87,566
EQUIPMENT	35,624	33,072	37,192	40,160	35,618
TOTAL NON-SALARY:	113,973	127,352	74,474	186,490	133,558
TOTAL EXPENDITURES	7,549,991	7,845,095	7,838,290	8,331,749	8,342,131

GENERAL FUND

ADMINISTRATION ATTENDANCE AND HEALTH OVERVIEW

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT SUPERINTENDENT	108,724	34,002	80,779	113,352	117,789
BOARD MEMBER	50,599	50,262	49,399	50,600	50,600
CLERICAL	1,106,909	1,138,974	1,090,527	1,028,702	1,171,108
DIR / SUPV / MNGR / COORD	894,022	951,509	953,958	841,471	956,223
NURSE	881,581	921,409	888,690	565,429	965,702
OTHER PROFESSIONAL	13,541	12,837	-	12,838	57,245
PSYCHOLOGIST-DISTRICT	327,811	343,879	350,152	381,876	338,349
SUB NURSE	5,367	1,445	17,127	-	-
SUPERINTENDENT	212,514	228,813	233,389	228,813	243,550
TEACHER	224,500	260,657	252,002	245,116	252,531
BENEFITS:					
FICA	276,903	285,658	284,723	267,116	317,049
HEALTH INSURANCE	492,664	482,633	524,984	740,631	684,751
HEALTH INSURANCE RETIREE	6,999,800	(500)	(450)	-	-
LIFE INSURANCE	10,072	44,519	43,713	47,384	51,732
UNEMPLOYMENT COMPENSATION	756	-	894	-	6,000
VLDP VA LOCAL DISABILTY PROG	-	-	65	174	1,934
VRS	407,335	436,259	424,807	487,438	479,696
VRS HEALTH INSURANCE CREDIT	21,584	41,524	40,692	42,457	46,076
VRS HYBRID PLAN	-	-	2,601	6,959	95,588
TOTAL SALARY AND BENEFITS:	<u>12,034,682</u>	<u>5,233,880</u>	<u>5,238,052</u>	<u>5,060,356</u>	<u>5,835,923</u>
NON-SALARY:					
PURCHASED SERVICES	910,195	805,907	695,291	950,602	882,488
OTHER CHARGES	441,965	278,387	446,090	414,262	465,692
MATERIALS AND SUPPLIES	65,849	45,687	24,660	45,887	41,247
EQUIPMENT	18,216	58,792	201	5,364	33,294
TOTAL NON-SALARY:	<u>1,436,225</u>	<u>1,188,773</u>	<u>1,166,242</u>	<u>1,416,115</u>	<u>1,422,721</u>
TOTAL EXPENDITURES	<u>13,470,907</u>	<u>6,422,653</u>	<u>6,404,294</u>	<u>6,476,471</u>	<u>7,258,644</u>

ADMINISTRATION ATTENDANCE AND HEALTH BOARD SERVICES

Expenditures under Board Services are those associated with the activities of the nine-member School Board which is the policy-making body for the division.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
BOARD MEMBER	50,599	50,262	49,399	50,600	50,600
BENEFITS:					
FICA	3,836	3,831	3,780	3,874	3,874
HEALTH INSURANCE	8,469	3,669	-	-	-
TOTAL SALARY AND BENEFITS:	<u>62,904</u>	<u>57,762</u>	<u>53,179</u>	<u>54,474</u>	<u>54,474</u>
NON-SALARY:					
PURCHASED SERVICES	234,473	124,554	198,629	283,683	247,598
OTHER CHARGES	47,827	38,313	59,499	36,138	61,286
MATERIALS AND SUPPLIES	11,785	9,415	6,795	8,487	8,486
EQUIPMENT	-	-	274	275	276
TOTAL NON-SALARY:	<u>294,085</u>	<u>172,282</u>	<u>265,197</u>	<u>328,583</u>	<u>317,646</u>
TOTAL EXPENDITURES	<u>356,989</u>	<u>230,044</u>	<u>318,376</u>	<u>383,057</u>	<u>372,120</u>

ADMINISTRATION ATTENDANCE AND HEALTH EXECUTIVE ADMIN SERVICES

Expenditures under Executive Administration are those associated with executive responsibility of the school division. These include the Superintendent's office and the Executive Administrator as well as their clerical support.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	148,549	137,494	142,753	157,551	162,867
DIR / SUPV / MNGR / COORD	96,691	103,524	105,545	105,546	120,849
OTHER PROFESSIONAL	12,910	12,837	-	12,838	-
SUPERINTENDENT	212,514	228,813	233,389	228,813	243,550
BENEFITS:					
FICA	29,600	30,154	29,817	26,299	30,910
HEALTH INSURANCE	56,243	52,604	54,689	73,773	63,220
LIFE INSURANCE	1,233	5,519	5,586	4,202	5,483
VRS	49,887	54,036	54,739	38,646	34,544
VRS HEALTH INSURANCE CREDIT	2,642	5,148	5,211	3,783	4,884
VLDP DISABILITY	-	-	-	-	624
VRS HYBRID	-	-	-	-	31,175
TOTAL SALARY AND BENEFITS:	<u>610,269</u>	<u>630,129</u>	<u>631,729</u>	<u>651,451</u>	<u>698,106</u>
NON-SALARY:					
PURCHASED SERVICES	34,052	38,064	31,396	33,010	35,901
OTHER CHARGES	36,728	55,371	58,703	44,712	56,300
MATERIALS AND SUPPLIES	11,488	7,320	2,378	4,110	2,616
TOTAL NON-SALARY:	<u>82,268</u>	<u>100,755</u>	<u>92,477</u>	<u>81,832</u>	<u>94,817</u>
TOTAL EXPENDITURES	<u>692,537</u>	<u>730,884</u>	<u>724,206</u>	<u>733,283</u>	<u>792,923</u>

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

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
ASSISTANT SUPERINTENDENT	108,724	34,002	80,779	113,352	117,789
CLERICAL	79,430	82,963	85,647	81,389	84,706
BENEFITS:					
FICA	14,131	8,602	12,558	14,454	15,056
HEALTH INSURANCE	24,604	17,760	19,142	25,822	24,328
LIFE INSURANCE	509	1,068	1,876	2,572	2,411
VRS	20,614	10,385	18,378	28,239	28,492
VRS HEALTH INSURANCE CREDIT	1,092	996	1,751	2,299	2,148
TOTAL SALARY AND BENEFITS:	<u>249,104</u>	<u>155,776</u>	<u>220,131</u>	<u>268,127</u>	<u>274,930</u>
NON-SALARY:					
PURCHASED SERVICES	48,376	28,161	(3,129)	3,129	36,420
OTHER CHARGES	2,371	1,301	1,157	1,081	3,734
MATERIALS AND SUPPLIES	875	(78)	329	800	1,444
EQUIPMENT	-	-	12	445	444
TOTAL NON-SALARY:	<u>51,622</u>	<u>29,384</u>	<u>(1,631)</u>	<u>5,455</u>	<u>42,042</u>
TOTAL EXPENDITURES	<u>300,726</u>	<u>185,160</u>	<u>218,500</u>	<u>273,582</u>	<u>316,972</u>

**ADMINISTRATION ATTENDANCE AND HEALTH
PUBLIC INFORMATION SERVICES**

The office of Public Information Services was eliminated in 2012-13. The duties of a Community Liaison were added to another position. The Superintendent recommended that the position of Public Information Officer (PIO) be returned to the budget for 2015-16. The position is still being finalized at publication.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	-	-	-	-	-
DIR / SUPV / MNGR / COORD	-	-	-	-	-
BENEFITS:					
FICA	-	-	-	-	-
LIFE INSURANCE	-	-	-	-	-
UNEMPLOYMENT	756	-	-	-	-
VRS	-	-	-	-	-
VRS HEALTH INSURANCE CREDIT	-	-	-	-	-
TOTAL SALARY AND BENEFITS:	<u>756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NON-SALARY:					
PURCHASED SERVICES	-	-	-	-	-
TOTAL NON-SALARY:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ADMINISTRATION ATTENDANCE AND HEALTH HUMAN RESOURCES

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	256,816	255,713	255,730	262,020	271,799
DIR / SUPV / MNGR / COORD	335,621	359,262	329,863	235,844	330,468
BENEFITS:					
FICA	44,719	46,234	44,110	36,703	43,848
HEALTH INSURANCE	66,574	69,578	71,477	76,652	82,553
LIFE INSURANCE	1,605	7,214	6,345	6,441	7,026
VRS	64,961	70,656	62,169	57,171	64,659
VRS HEALTH INSURANCE CREDIT	3,440	6,728	5,918	5,807	6,257
VRS HYBRID	-	-	-	-	18,915
VLDP DISABILITY	-	-	-	-	380
TOTAL SALARY AND BENEFITS:	<u>773,736</u>	<u>815,385</u>	<u>775,612</u>	<u>680,638</u>	<u>825,905</u>
NON-SALARY:					
PURCHASED SERVICES	98,351	53,218	53,589	66,007	61,007
OTHER CHARGES	98,110	98,492	95,991	97,935	89,133
MATERIALS AND SUPPLIES	12,445	15,223	1,688	8,411	8,047
EQUIPMENT	17,250	-	-	-	-
TOTAL NON-SALARY:	<u>226,156</u>	<u>166,933</u>	<u>151,268</u>	<u>172,353</u>	<u>158,187</u>
TOTAL EXPENDITURES	<u>999,892</u>	<u>982,318</u>	<u>926,880</u>	<u>852,991</u>	<u>984,092</u>

**ADMINISTRATION ATTENDANCE AND HEALTH
FINANCIAL SERVICES**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	442,548	489,169	434,597	356,427	470,720
DIR / SUPV / MNGR / COORD	324,775	336,543	369,911	344,078	340,137
BENEFITS:					
FICA	56,180	60,869	59,785	54,827	58,961
HEALTH INSURANCE	105,599	97,513	105,946	144,820	115,010
HEALTH INSURANCE RETIREE	6,999,800	(500)	(450)	-	-
LIFE INSURANCE	2,057	9,603	9,178	10,047	9,659
VRS	82,753	94,172	89,931	110,282	95,797
VRS HEALTH INSURANCE CREDIT	4,408	8,957	8,561	8,982	8,602
UNEMPLOYMENT COMPENSATION	-	-	-	-	6,000
VRS HYBRID	-	-	-	-	18,859
VLDP DISABILITY	-	-	-	-	378
TOTAL SALARY AND BENEFITS:	<u>8,018,120</u>	<u>1,096,326</u>	<u>1,077,459</u>	<u>1,029,463</u>	<u>1,124,123</u>
NON-SALARY:					
PURCHASED SERVICES	151,337	190,107	98,953	209,207	144,525
OTHER CHARGES	232,830	60,492	206,623	211,523	211,522
MATERIALS AND SUPPLIES	8,383	1,368	4,191	7,087	7,087
EQUIPMENT	404	57,816	(164)	4,565	4,565
TOTAL NON-SALARY:	<u>392,954</u>	<u>309,783</u>	<u>309,603</u>	<u>432,382</u>	<u>367,699</u>
TOTAL EXPENDITURES	<u>8,411,074</u>	<u>1,406,109</u>	<u>1,387,062</u>	<u>1,461,845</u>	<u>1,491,822</u>

**ADMINISTRATION ATTENDANCE AND HEALTH
PURCHASING SERVICES**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	154,623	148,357	146,014	145,439	154,075
DIR / SUPV / MNGR / COORD	64,420	74,600	69,516	76,880	82,888
BENEFITS:					
FICA	15,887	16,742	16,377	16,357	17,525
HEALTH INSURANCE	41,776	33,080	45,868	61,727	46,060
LIFE INSURANCE	561	2,475	2,574	2,937	2,822
VRS	22,695	24,365	25,174	32,238	21,681
VRS HEALTH INSURANCE CREDIT	1,201	2,309	2,401	2,626	2,514
TOTAL SALARY AND BENEFITS:	<u>301,163</u>	<u>301,928</u>	<u>307,924</u>	<u>338,204</u>	<u>327,565</u>
NON-SALARY:					
PURCHASED SERVICES	-	2,198	248	3,114	1,205
OTHER CHARGES	-	-	-	-	4,851
MATERIALS AND SUPPLIES	-	-	-	-	600
EQUIPMENT	155	779	-	-	-
TOTAL NON-SALARY:	<u>155</u>	<u>2,977</u>	<u>248</u>	<u>3,114</u>	<u>6,656</u>
TOTAL EXPENDITURES	<u>301,318</u>	<u>304,905</u>	<u>308,172</u>	<u>341,318</u>	<u>334,221</u>

**ADMINISTRATION ATTENDANCE AND HEALTH
ATTENDANCE SERVICES**

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	-	-	-	-	-
OTHER PROFESSIONAL	-	-	-	-	57,245
BENEFITS:					
FICA	-	-	-	-	4,335
HEALTH INSURANCE	-	-	-	-	11,151
LIFE INSURANCE	-	-	-	-	682
UNEMPLOYMENT	-	-	-	-	-
VRS	-	-	-	-	8,055
VRS HEALTH INSURANCE CREDIT	-	-	-	-	607
TOTAL SALARY AND BENEFITS:	-	-	-	-	82,075

ADMINISTRATION ATTENDANCE AND HEALTH HEALTH SERVICES

Expenditures under Health Services are those for activities associated with providing students with appropriate medical, dental, and nursing services in order to minimize absences due to illness and to promote overall wellness.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	24,943	25,278	25,786	25,876	26,941
DIR / SUPV / MNGR / COORD	72,515	77,580	79,123	79,123	81,881
NURSE	881,581	921,409	888,690	565,429	965,702
OTHER PROFESSIONAL	631	-	-	-	-
SUB NURSE	5,367	1,445	17,127	-	-
BENEFITS:					
FICA	73,330	76,328	75,064	71,925	73,179
HEALTH INSURANCE	138,610	149,788	167,196	219,072	212,615
LIFE INSURANCE	2,577	11,697	11,082	12,903	11,912
UNEMPLOYMENT COMPENSATION	-	-	894	-	-
VLDP VA LOCAL DISABILITY	-	-	65	174	552
VRS	104,269	114,608	105,120	129,942	114,049
VRS HEALTH INSURANCE CREDIT	5,523	10,910	10,254	11,556	10,611
VRS HYBRID PLAN	-	-	2,601	6,959	26,639
TOTAL SALARY AND BENEFITS:	<u>1,309,346</u>	<u>1,389,043</u>	<u>1,383,002</u>	<u>1,122,959</u>	<u>1,524,081</u>
NON-SALARY:					
PURCHASED SERVICES	131,166	128,378	119,726	133,317	153,133
OTHER CHARGES	1,619	2,784	1,511	2,279	3,272
MATERIALS AND SUPPLIES	20,873	12,439	9,279	16,992	12,967
EQUIPMENT	407	197	79	79	28,009
TOTAL NON-SALARY:	<u>154,065</u>	<u>143,798</u>	<u>130,595</u>	<u>152,667</u>	<u>197,381</u>
TOTAL EXPENDITURES	<u>1,463,411</u>	<u>1,532,841</u>	<u>1,513,597</u>	<u>1,275,626</u>	<u>1,721,462</u>

ADMINISTRATION ATTENDANCE AND HEALTH PSYCHOLOGICAL SERVICES

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
PSYCHOLOGIST - DISTRICT	327,811	343,879	350,152	381,876	338,349
TEACHER	224,500	260,657	252,002	245,116	252,531
BENEFITS:					
FICA	39,220	42,898	43,232	42,677	69,361
HEALTH INSURANCE	50,789	58,641	60,666	138,765	129,814
LIFE INSURANCE	1,530	6,943	7,072	8,282	11,737
VRS	62,156	68,037	69,296	90,920	112,419
VRS HEALTH INSURANCE CREDIT	3,278	6,476	6,596	7,404	10,453
TOTAL SALARY AND BENEFITS:	<u>709,284</u>	<u>787,531</u>	<u>789,016</u>	<u>915,040</u>	<u>924,664</u>
NON-SALARY:					
PURCHASED SERVICES	212,440	241,227	195,879	219,135	202,699
OTHER CHARGES	22,480	21,634	22,606	20,594	35,594
TOTAL NON-SALARY:	<u>234,920</u>	<u>262,861</u>	<u>218,485</u>	<u>239,729</u>	<u>238,293</u>
TOTAL EXPENDITURES	<u>944,204</u>	<u>1,050,392</u>	<u>1,007,501</u>	<u>1,154,769</u>	<u>1,162,957</u>

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GENERAL FUND TRANSPORTATION OVERVIEW

Pupil Transportation includes activities concerned with transporting students to and from school. This includes trips between home and school, and trips to and from school activities. The budget for equipment will increase significantly to permit the purchase of cameras and radios to improve safety on our buses.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
BUS DRIVER	2,294,257	2,374,171	2,340,660	2,165,370	3,074,702
BUS MONITOR	551,523	559,738	536,570	411,679	523,444
CLERICAL	128,761	132,169	103,516	98,740	154,276
DIR / SUPV / MNGR / COORD	75,901	58,887	60,065	60,065	63,616
OTHER PROFESSIONAL	39,890	41,975	45,584	38,970	40,557
BENEFITS:					
FICA	227,353	233,226	224,606	216,897	165,049
HEALTH INSURANCE	1,013,445	253,558	1,104,070	1,456,938	1,221,719
LIFE INSURANCE	5,446	24,949	24,709	28,338	27,636
UNEMPLOYMENT COMPENSATION	8,576	205	798	10,000	40,000
VDLP VA LOCAL DISABILTY PROG	-	-	74	378	1,754
VRS	266,739	196,344	192,218	236,168	219,502
VRS HEALTH INSURANCE CREDIT	1,263	2,461	2,167	2,336	2,456
VRS HYBRID PLAN	-	-	1,122	5,714	30,270
TOTAL SALARY AND BENEFITS:	<u>4,613,154</u>	<u>3,877,683</u>	<u>4,636,159</u>	<u>4,731,593</u>	<u>5,564,981</u>
NON-SALARY:					
PURCHASED SERVICES	568,608	656,612	655,870	648,344	648,814
OTHER CHARGES	329,991	222	-	177,780	177,817
MATERIALS AND SUPPLIES	925,052	802,110	530,624	793,320	626,710
EQUIPMENT	147,150	1,975	60	1,600	1,362
TOTAL NON-SALARY:	<u>1,970,801</u>	<u>1,460,919</u>	<u>1,186,554</u>	<u>1,621,044</u>	<u>1,454,703</u>
TOTAL EXPENDITURES	<u>6,583,955</u>	<u>5,338,602</u>	<u>5,822,713</u>	<u>6,352,637</u>	<u>7,019,684</u>

**TRANSPORTATION
TRANSP - MGMT AND DIRECTION**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	128,761	132,169	103,516	98,740	154,276
DIR / SUPV / MNGR / COORD	75,901	58,887	60,065	60,065	63,616
OTHER PROFESSIONAL	39,890	41,975	45,584	38,970	40,557
BENEFITS:					
FICA	18,361	17,225	15,629	14,204	18,867
HEALTH INSURANCE	49,316	51,789	46,859	64,555	60,820
LIFE INSURANCE	590	2,639	2,323	2,613	2,758
VRS	23,851	25,771	22,761	28,680	32,567
VRS HEALTH INSURANCE CREDIT	1,263	2,461	2,167	2,336	2,456
TOTAL SALARY AND BENEFITS:	<u>337,933</u>	<u>332,916</u>	<u>298,904</u>	<u>310,163</u>	<u>375,917</u>
NON-SALARY:					
PURCHASED SERVICES	3,500	3,650	12,897	16,895	18,055
OTHER CHARGES	223	222	-	111	148
MATERIALS AND SUPPLIES	-	-	-	-	-
EQUIPMENT	147,150	1,975	60	1,600	1,362
TOTAL NON-SALARY:	<u>150,873</u>	<u>5,847</u>	<u>12,957</u>	<u>18,606</u>	<u>19,565</u>
TOTAL EXPENDITURES	<u>488,806</u>	<u>338,763</u>	<u>311,861</u>	<u>328,769</u>	<u>395,482</u>

**TRANSPORTATION
TRANSP - VEHICLE OPERATION**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
BUS DRIVER	2,294,257	2,374,171	2,340,660	2,165,370	3,074,702
BUS MONITOR	551,523	559,738	536,570	411,679	523,444
BENEFITS:					
FICA	208,992	216,001	208,977	202,693	146,182
HEALTH INSURANCE	964,129	201,769	1,057,211	1,392,383	1,160,899
LIFE INSURANCE	4,856	22,310	22,386	25,725	24,878
UNEMPLOYMENT	8,576	205	798	10,000	40,000
VLDP VA LOCAL DISABILITY	-	-	74	378	1,754
VRS	242,888	170,573	169,457	207,488	186,935
VRS HYBRID PLAN	-	-	1,122	5,714	30,270
TOTAL SALARY AND BENEFITS:	<u>4,275,221</u>	<u>3,544,767</u>	<u>4,337,255</u>	<u>4,421,430</u>	<u>5,189,064</u>
NON-SALARY:					
PURCHASED SERVICES	575	1,864	-	4,000	3,290
OTHER CHARGES	153,827	-	-	177,669	177,669
MATERIALS AND SUPPLIES	925,052	802,110	530,624	793,320	626,710
TOTAL NON-SALARY:	<u>1,079,454</u>	<u>803,974</u>	<u>530,624</u>	<u>974,989</u>	<u>807,669</u>
TOTAL EXPENDITURES	<u>5,354,675</u>	<u>4,348,741</u>	<u>4,867,879</u>	<u>5,396,419</u>	<u>5,996,733</u>

**TRANSPORTATION
TRANSP - VEHICLE MAINTENANCE**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
NON-SALARY:					
PURCHASED SERVICES	564,533	651,098	642,973	627,449	627,469
TOTAL NON-SALARY:	<u>564,533</u>	<u>651,098</u>	<u>642,973</u>	<u>627,449</u>	<u>627,469</u>
TOTAL EXPENDITURES	<u><u>564,533</u></u>	<u><u>651,098</u></u>	<u><u>642,973</u></u>	<u><u>627,449</u></u>	<u><u>627,469</u></u>

**TRANSPORTATION
TRANSP - BUS PURCHASE LEASE**

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

EXPENDITURE CATEGORIES	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 ACTUAL	2014 - 15 BUDGET	2015 - 16 BUDGET
NON-SALARY:					
OTHER CHARGES	175,941	-	-	-	-
TOTAL NON-SALARY:	<u>175,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u><u>175,941</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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GENERAL FUND OPERATIONS OVERVIEW

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	123,481	122,521	119,117	177,859	169,703
CROSSING GUARD	317,894	311,225	305,265	252,455	268,766
CUSTODIAN	2,588,973	2,616,600	2,635,487	2,588,630	2,965,283
DIR / SUPV / MNGR / COORD	420,373	477,513	334,528	369,858	363,924
OTHER PROFESSIONAL	-	-	-	-	-
SECURITY GUARD	455,762	482,520	462,532	416,570	653,726
SUB CROSSING GUARD	-	-	-	-	-
SUB CUSTODIAN	-	-	-	-	-
SUPPORT SERVICE - MISC	157,432	169,563	181,461	168,948	226,713
TRADES	936,746	899,871	960,382	1,026,301	938,380
BENEFITS:					
FICA	372,756	378,606	376,485	360,974	369,828
HEALTH INSURANCE	1,075,239	1,095,752	1,206,738	1,644,037	1,437,166
LIFE INSURANCE	11,976	54,333	52,922	60,620	56,532
UNEMPLOYMENT COMPENSATION	17,436	5,199	8,568	20,000	74,000
VDLP VA LOCAL DISABILTY PROG	-	-	195	475	2,380
VRS	575,879	441,723	422,321	509,832	459,735
VRS HEALTH INSURANCE CREDIT	5,419	11,208	8,959	10,777	9,814
VRS HYBRID PLAN	-	-	2,971	7,199	51,822
TOTAL SALARY AND BENEFITS:	<u>7,059,366</u>	<u>7,066,634</u>	<u>7,077,931</u>	<u>7,614,535</u>	<u>8,047,772</u>
NON-SALARY:					
PURCHASED SERVICES	1,650,651	3,066,371	2,545,959	2,115,591	1,971,938
OTHER CHARGES	4,332,131	4,506,955	3,502,364	4,762,489	4,435,507
MATERIALS AND SUPPLIES	537,113	617,589	630,066	684,614	560,674
EQUIPMENT	232,653	387,865	178,876	374,005	258,181
TOTAL NON-SALARY:	<u>6,752,548</u>	<u>8,578,780</u>	<u>6,857,265</u>	<u>7,936,699</u>	<u>7,226,300</u>
TOTAL EXPENDITURES	<u>13,811,914</u>	<u>15,645,414</u>	<u>13,935,196</u>	<u>15,551,234</u>	<u>15,274,072</u>

OPERATIONS
OPERATIONS - MGMT & DIRECTION

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	57,061	54,841	49,218	108,623	131,385
DIR / SUPV / MNGR / COORD	177,862	248,953	150,353	195,995	244,187
OTHER PROFESSIONAL	-	-	-	-	-
BENEFITS:					
FICA	17,750	23,039	15,100	22,592	23,300
HEALTH INSURANCE	8,703	8,545	18,502	35,091	44,162
LIFE INSURANCE	640	3,595	1,843	3,489	3,717
UNEMPLOYMENT	-	-	-	-	-
VRS	26,256	35,194	18,062	20,432	33,690
VRS HEALTH INSURANCE CREDIT	1,373	3,353	1,719	3,182	3,311
VDLP VA LOCAL DISABILTY	-	-	-	-	211
VRS HYBRID PLAN	-	-	-	-	10,544
TOTAL SALARY AND BENEFITS:	<u>289,645</u>	<u>377,520</u>	<u>254,797</u>	<u>389,404</u>	<u>494,507</u>
NON-SALARY:					
PURCHASED SERVICES	10,964	10,964	10,964	12,464	10,964
OTHER CHARGES	9,357	3,356	7,655	8,655	7,356
MATERIALS AND SUPPLIES	2,640	3,871	1,651	1,651	1,404
EQUIPMENT	-	-	-	-	-
TOTAL NON-SALARY:	<u>22,961</u>	<u>18,191</u>	<u>20,270</u>	<u>22,770</u>	<u>19,724</u>
TOTAL EXPENDITURES	<u>312,606</u>	<u>395,711</u>	<u>275,067</u>	<u>412,174</u>	<u>514,231</u>

OPERATIONS
OPERATIONS - BLDG MAINTENANCE

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	82,735	58,108	9,118	-	-
TRADES	936,746	899,871	960,382	1,026,301	938,380
BENEFITS:					
FICA	76,890	71,950	74,281	73,116	69,923
HEALTH INSURANCE	153,558	147,573	154,280	214,217	174,672
LIFE INSURANCE	2,699	11,147	11,300	12,441	11,177
UNEMPLOYMENT	7,938	756	-	10,000	-
VRS	132,844	86,531	86,294	103,606	88,391
VRS HEALTH INSURANCE CREDIT	490	645	110	-	-
VDLP VA LOCAL DISABILTY	-	-	-	-	542
VRS HYBRID PLAN	-	-	-	-	9,401
TOTAL SALARY AND BENEFITS:	<u>1,393,900</u>	<u>1,276,581</u>	<u>1,295,765</u>	<u>1,439,681</u>	<u>1,292,486</u>
NON-SALARY:					
PURCHASED SERVICES	1,436,253	2,866,961	2,290,530	1,878,935	1,767,539
OTHER CHARGES	4,203,159	4,405,475	3,387,998	4,534,540	4,325,641
MATERIALS AND SUPPLIES	194,067	278,086	245,386	273,890	220,917
EQUIPMENT	228,115	374,123	169,057	349,379	250,000
TOTAL NON-SALARY:	<u>6,061,594</u>	<u>7,924,645</u>	<u>6,092,971</u>	<u>7,036,744</u>	<u>6,564,097</u>
TOTAL EXPENDITURES	<u>7,455,494</u>	<u>9,201,226</u>	<u>7,388,736</u>	<u>8,476,425</u>	<u>7,856,583</u>

OPERATIONS
OPERATIONS - BLDG SERVICES

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	35,154	36,018	36,816	36,812	38,318
CUSTODIAN	2,588,973	2,616,600	2,635,487	2,588,630	2,965,283
DIR / SUPV / MNGR / COORD	159,776	170,452	175,057	173,863	119,737
SUB CUSTODIAN	-	-	-	-	-
BENEFITS:					
FICA	207,168	210,225	215,074	203,682	211,257
HEALTH INSURANCE	743,122	747,896	822,010	1,106,688	999,198
LIFE INSURANCE	7,094	32,343	32,613	36,744	34,176
UNEMPLOYMENT	7,614	4,443	8,568	10,000	74,000
VLDP VA DISABILTY PROG	-	-	195	475	1,507
VRS	350,304	253,191	252,349	304,560	269,673
VRS HEALTH INSURANCE CREDIT	1,147	2,291	2,350	2,488	1,677
VRS HYBRID PLAN	-	-	2,971	7,199	26,099
TOTAL SALARY AND BENEFITS:	<u>4,100,352</u>	<u>4,073,459</u>	<u>4,183,490</u>	<u>4,471,141</u>	<u>4,740,925</u>
NON-SALARY:					
PURCHASED SERVICES	71,526	67,256	65,915	91,709	60,952
OTHER CHARGES	112,206	91,615	103,111	210,486	93,913
MATERIALS AND SUPPLIES	274,791	237,096	286,741	305,749	251,586
EQUIPMENT	4,538	13,472	8,730	23,776	7,459
TOTAL NON-SALARY:	<u>463,061</u>	<u>409,439</u>	<u>464,497</u>	<u>631,720</u>	<u>413,910</u>
TOTAL EXPENDITURES	<u>4,563,413</u>	<u>4,482,898</u>	<u>4,647,987</u>	<u>5,102,861</u>	<u>5,154,835</u>

**OPERATIONS
OPERATIONS - VEH SERVICES**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
NON-SALARY:					
PURCHASED SERVICES	131,908	121,190	178,550	131,908	131,908
MATERIALS AND SUPPLIES	50,052	84,467	81,755	92,343	69,782
TOTAL NON-SALARY:	<u>181,960</u>	<u>205,657</u>	<u>260,305</u>	<u>224,251</u>	<u>201,690</u>
TOTAL EXPENDITURES	<u>181,960</u>	<u>205,657</u>	<u>260,305</u>	<u>224,251</u>	<u>201,690</u>

**OPERATIONS
OPERATIONS - SECURITY SERVICES**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
SECURITY GUARD	455,762	482,520	462,532	416,570	653,726
BENEFITS:					
FICA	32,971	34,714	32,567	27,720	28,181
HEALTH INSURANCE	120,482	135,397	149,429	203,706	172,376
LIFE INSURANCE	1,042	4,908	4,770	5,285	4,761
UNEMPLOYMENT	-	-	-	-	-
VRS	42,203	48,051	46,414	57,944	50,403
VRS HEALTH INSURANCE CREDIT	2,232	4,567	4,420	4,724	4,240
VLDP DISABILITY	-	-	-	-	120
VRS HYBRID PLAN	-	-	-	-	5,778
TOTAL SALARY AND BENEFITS:	<u>654,692</u>	<u>710,157</u>	<u>700,132</u>	<u>715,949</u>	<u>919,585</u>
NON-SALARY:					
PURCHASED SERVICES	-	-	-	575	575
OTHER CHARGES	4,045	1,210	-	1,406	1,196
MATERIALS AND SUPPLIES	2,927	1,801	855	1,128	959
EQUIPMENT	-	270	1,089	850	722
TOTAL NON-SALARY:	<u>6,972</u>	<u>3,281</u>	<u>1,944</u>	<u>3,959</u>	<u>3,452</u>
TOTAL EXPENDITURES	<u>661,664</u>	<u>713,438</u>	<u>702,076</u>	<u>719,908</u>	<u>923,037</u>

OPERATIONS
OPERATIONS - CROSSING GUARDS

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12</u> <u>ACTUAL</u>	<u>2012 - 13</u> <u>ACTUAL</u>	<u>2013 - 14</u> <u>ACTUAL</u>	<u>2014 - 15</u> <u>BUDGET</u>	<u>2015 - 16</u> <u>BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CROSSING GUARD	317,894	311,225	305,265	252,455	268,766
SUB CROSSING GUARD	-	-	-	-	-
BENEFITS:					
FICA	24,319	23,809	23,229	19,094	20,221
LIFE INSURANCE	-	-	-	-	-
UNEMPLOYMENT	1,884	-	-	-	-
VRS	-	-	-	-	-
VRS HEALTH INSURANCE CREDIT	-	-	-	-	-
TOTAL SALARY AND BENEFITS:	<u>344,097</u>	<u>335,034</u>	<u>328,494</u>	<u>271,549</u>	<u>288,987</u>
NON-SALARY:					
MATERIALS AND SUPPLIES	2,138	3,978	3,136	3,700	7,022
TOTAL NON-SALARY:	<u>2,138</u>	<u>3,978</u>	<u>3,136</u>	<u>3,700</u>	<u>7,022</u>
TOTAL EXPENDITURES	<u><u>346,235</u></u>	<u><u>339,012</u></u>	<u><u>331,630</u></u>	<u><u>275,249</u></u>	<u><u>296,009</u></u>

**OPERATIONS
OPERATIONS - WAREHOUSE**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	31,266	31,662	33,083	32,424	-
DIR / SUPV / MNGR / COORD	-	-	-	-	-
SUPPORT SERVICE - MISC	157,432	169,563	181,461	168,948	226,713
BENEFITS:					
FICA	13,658	14,869	16,234	14,770	16,946
HEALTH INSURANCE	49,374	56,341	62,517	84,335	46,758
LIFE INSURANCE	501	2,340	2,396	2,661	2,701
VRS	24,272	18,756	19,202	23,290	17,578
VRS HEALTH INSURANCE CREDIT	177	352	360	383	586
TOTAL SALARY AND BENEFITS:	<u>276,680</u>	<u>293,883</u>	<u>315,253</u>	<u>326,811</u>	<u>311,282</u>
NON-SALARY:					
OTHER CHARGES	3,364	5,299	3,600	7,402	7,401
MATERIALS AND SUPPLIES	10,498	8,290	10,542	6,153	9,004
EQUIPMENT	-	-	-	-	-
TOTAL NON-SALARY:	<u>13,862</u>	<u>13,589</u>	<u>14,142</u>	<u>13,555</u>	<u>16,405</u>
TOTAL EXPENDITURES	<u>290,542</u>	<u>307,472</u>	<u>329,395</u>	<u>340,366</u>	<u>327,687</u>

GENERAL FUND FACILITIES OVERVIEW

Expenditures related to Facilities were previously related to construction projects. With all funding for Capital Projects resting within the City Capital Budget, the position of Construction Coordinator was eliminated in 2013-14. In prior budgets, the City appropriated funds for custodial services within the Facilities budget. The Commonwealth of Virginia recognizes those costs as associated with Operations and Maintenance and those expenses are now reported in that category.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	75,564	9,831	-	-	-
OTHER PROFESSIONAL	44,907	49,797	43,128	-	-
BENEFITS:					
FICA	9,089	4,401	3,109	-	-
HEALTH INSURANCE	17,171	8,545	8,138	-	-
LIFE INSURANCE	334	569	532	-	-
VRS	13,502	5,573	5,210	-	-
VRS HEALTH INSURANCE CREDIT	715	531	496	-	-
UNEMPLOYMENT COMPENSATION	-	7,182	-	-	-
TOTAL SALARY AND BENEFITS:	<u>161,282</u>	<u>86,429</u>	<u>60,613</u>	<u>-</u>	<u>-</u>
NON-SALARY:					
PURCHASED SERVICES	107,453	626	49,576	-	-
OTHER CHARGES	548	49	-	-	-
TOTAL NON-SALARY:	<u>108,001</u>	<u>675</u>	<u>49,576</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>269,283</u>	<u>87,104</u>	<u>110,189</u>	<u>-</u>	<u>-</u>

**FACILITIES
FACILITIES-BLDG ACQUISITION**

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	75,564	9,831	-	-	-
OTHER PROFESSIONAL	44,907	49,797	43,128	-	-
BENEFITS:					
FICA	9,089	4,401	3,109	-	-
HEALTH INSURANCE	17,171	8,545	8,138	-	-
LIFE INSURANCE	334	569	532	-	-
UNEMPLOYMENT	-	7,182	-	-	-
VRS	13,502	5,573	5,210	-	-
VRS HEALTH INSURANCE CREDIT	715	531	496	-	-
TOTAL SALARY AND BENEFITS:	<u>161,282</u>	<u>86,429</u>	<u>60,613</u>	<u>-</u>	<u>-</u>
NON-SALARY:					
OTHER CHARGES	548	49	-	-	-
TOTAL NON-SALARY:	<u>548</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>161,830</u>	<u>86,478</u>	<u>60,613</u>	<u>-</u>	<u>-</u>

FACILITIES
FACILITIES - BLDG ADDT AND IMP

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
NON-SALARY:					
PURCHASED SERVICES	107,453	626	49,576	-	-
TOTAL NON-SALARY:	<u>107,453</u>	<u>626</u>	<u>49,576</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u><u>107,453</u></u>	<u><u>626</u></u>	<u><u>49,576</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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GENERAL FUND TECHNOLOGY OVERVIEW

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

EXPENDITURE CATEGORIES	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 ACTUAL	2014 - 15 BUDGET	2015 - 16 BUDGET
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	135,189	137,950	100,762	99,008	99,947
DIR / SUPV / MNGR / COORD	237,447	254,338	259,424	259,425	269,065
PARAPROFESSIONAL	-	-	-	-	-
TECHNICAL SUPPORT	1,000,464	998,375	975,614	979,262	1,093,635
BENEFITS:					
FICA	101,167	102,523	98,112	95,595	103,115
HEALTH INSURANCE	215,124	66,252	223,239	283,744	266,824
LIFE INSURANCE	3,720	16,539	15,817	17,627	16,966
UNEMPLOYMENT COMPENSATION	-	-	-	3,000	6,000
VLDP VA LOCAL DISABILTY PROG	-	-	26	95	433
VRS	150,511	162,047	153,221	189,226	179,557
VRS HEALTH INSURANCE CREDIT	7,972	15,427	14,687	15,772	15,116
VRS HYBRID PLAN	-	-	1,042	3,819	21,590
TOTAL SALARY AND BENEFITS:	1,851,594	1,753,451	1,841,944	1,946,573	2,072,248
NON-SALARY:					
PURCHASED SERVICES	649,055	632,817	557,121	592,230	707,165
OTHER CHARGES	35,063	218,992	196,299	925,475	286,647
MATERIALS AND SUPPLIES	1,000,405	1,124,960	230,885	980,630	889,190
EQUIPMENT	506,401	1,483,016	726,144	71,670	941,994
TOTAL NON-SALARY:	2,190,924	3,459,785	1,710,449	2,570,005	2,824,996
TOTAL EXPENDITURES	<u>4,042,518</u>	<u>5,213,236</u>	<u>3,552,393</u>	<u>4,516,578</u>	<u>4,897,244</u>

**TECHNOLOGY
TECH - CLASSROOM INSTRUCTION**

The budget was increased in this non-salary area for both 2014-15 and 2015-16 because of the need for additional instructional software.

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
NON-SALARY:					
PURCHASED SERVICES	94,000	126,000	93,451	87,130	112,552
OTHER CHARGES	1,231	824	744	692,680	6,000
MATERIALS AND SUPPLIES	351,364	619,514	(56,549)	565,688	465,688
EQUIPMENT	506,401	1,483,016	726,144	71,670	941,994
TOTAL NON-SALARY:	<u>952,996</u>	<u>2,229,354</u>	<u>763,790</u>	<u>1,417,168</u>	<u>1,526,234</u>
TOTAL EXPENDITURES	<u>952,996</u>	<u>2,229,354</u>	<u>763,790</u>	<u>1,417,168</u>	<u>1,526,234</u>

**TECHNOLOGY
TECH - INSTRUCTIONAL SUPPORT**

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
CLERICAL	135,189	137,950	100,762	99,008	99,947
DIR / SUPV / MNGR / COORD	145,526	155,765	158,879	158,880	164,485
PARAPROFESSIONAL	-	-	-	-	-
TECHNICAL SUPPORT	1,000,464	998,375	975,614	979,262	1,093,635
BENEFITS:					
FICA	94,652	95,431	90,991	88,759	95,919
HEALTH INSURANCE	204,585	55,272	211,669	268,433	252,260
LIFE INSURANCE	3,464	15,366	14,621	16,299	15,721
UNEMPLOYMENT	-	-	-	3,000	6,000
VLPD VA LOCAL DISABILITY PROG	-	-	26	95	433
VRS	140,172	150,553	141,497	174,647	164,842
VRS HEALTH INSURANCE CREDIT	7,424	14,333	13,571	14,585	14,007
VRS HYBRID PLAN	-	-	1,042	3,819	21,590
TOTAL SALARY AND BENEFITS:	<u>1,731,476</u>	<u>1,623,045</u>	<u>1,708,672</u>	<u>1,806,787</u>	<u>1,928,839</u>
NON-SALARY:					
PURCHASED SERVICES	555,055	197,452	112,259	187,600	277,113
OTHER CHARGES	-	171,555	199,964	201,495	249,347
MATERIALS AND SUPPLIES	600,069	447,964	248,825	363,651	372,213
TOTAL NON-SALARY:	<u>1,155,124</u>	<u>816,971</u>	<u>561,048</u>	<u>752,746</u>	<u>898,673</u>
TOTAL EXPENDITURES	<u>2,886,600</u>	<u>2,440,016</u>	<u>2,269,720</u>	<u>2,559,533</u>	<u>2,827,512</u>

TECHNOLOGY
TECH - ADMINISTRATION

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12</u> <u>ACTUAL</u>	<u>2012 - 13</u> <u>ACTUAL</u>	<u>2013 - 14</u> <u>ACTUAL</u>	<u>2014 - 15</u> <u>BUDGET</u>	<u>2015 - 16</u> <u>BUDGET</u>
SALARY AND BENEFITS:					
SALARIES:					
DIR / SUPV / MNGR / COORD	91,921	98,573	100,545	100,545	104,580
BENEFITS:					
FICA	6,515	7,092	7,121	6,836	7,196
HEALTH INSURANCE	10,539	10,980	11,570	15,311	14,564
LIFE INSURANCE	256	1,173	1,196	1,328	1,245
VRS	10,339	11,494	11,724	14,579	14,715
VRS HEALTH INSURANCE CREDIT	548	1,094	1,116	1,187	1,109
TOTAL SALARY AND BENEFITS:	<u>120,118</u>	<u>130,406</u>	<u>133,272</u>	<u>139,786</u>	<u>143,409</u>
NON-SALARY:					
PURCHASED SERVICES	-	309,365	351,411	317,500	317,500
OTHER CHARGES	33,832	46,613	(4,409)	31,300	31,300
MATERIALS AND SUPPLIES	37,115	52,327	37,300	42,260	42,259
EQUIPMENT	-	-	-	-	-
TOTAL NON-SALARY:	<u>70,947</u>	<u>408,305</u>	<u>384,302</u>	<u>391,060</u>	<u>391,059</u>
TOTAL EXPENDITURES	<u>191,065</u>	<u>538,711</u>	<u>517,574</u>	<u>530,846</u>	<u>534,468</u>

**TECHNOLOGY
TECH - OPERATIONS AND MAINT**

EXPENDITURE CATEGORIES	2011 - 12 ACTUAL	2012 - 13 ACTUAL	2013 - 14 ACTUAL	2014 - 15 BUDGET	2015 - 16 BUDGET
NON-SALARY:					
MATERIALS AND SUPPLIES	11,857	5,155	1,309	9,031	9,030
TOTAL NON-SALARY:	<u>11,857</u>	<u>5,155</u>	<u>1,309</u>	<u>9,031</u>	<u>9,030</u>
TOTAL EXPENDITURES	<u><u>11,857</u></u>	<u><u>5,155</u></u>	<u><u>1,309</u></u>	<u><u>9,031</u></u>	<u><u>9,030</u></u>

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
INTEREST - ENERGY	437,433	176,992	146,251	146,195	113,123
LOCAL MATCH - ABE GRANT	20,000	-	-	-	-
LOCAL MATCH - ERLY READING	105,458	129,300	166,007	125,580	149,444
LOCAL MATCH - EVEN START	-	-	-	10,000	-
LOCAL MATCH - ALGEBRA	82,384	102,108	98,586	100,388	102,670
LOCAL MATCH - VA PRESCHOOL	1,072,386	1,023,207	1,023,207	1,023,207	968,900
LOCAL MATCH - SCHOOL SECURITY	-	-	-	24,988	25,000
MATH/READING SPECIALIST	-	-	-	-	34,428
PRINCIPAL - ENERGY	1,393,566	779,908	839,356	838,552	15,176
RISK MGMT - CURRENT CLAIMS	-	955,702	921,894	955,702	955,702
TRANSFER TO CITY	-	3,400,000	-	-	-
TRANSFER TO CONSTRUCTION	1,005,702	559,266	-	-	-
TRANSFER TO TEXTBOOK FUND	-	1,557,593	348,032	352,350	366,188
TOTAL EXPENDITURES	<u>4,116,929</u>	<u>8,684,076</u>	<u>3,543,333</u>	<u>3,576,962</u>	<u>2,730,631</u>

**GENERAL FUND
DEBT SERVICE**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
NON-SALARY:					
INTEREST - ENERGY	437,433	176,992	146,251	146,195	113,123
PRINCIPAL - ENERGY	1,393,566	779,908	839,356	838,552	15,176
TOTAL NON-SALARY:	<u>1,830,999</u>	<u>956,900</u>	<u>985,607</u>	<u>984,747</u>	<u>128,299</u>
TOTAL EXPENDITURES	<u><u>1,830,999</u></u>	<u><u>956,900</u></u>	<u><u>985,607</u></u>	<u><u>984,747</u></u>	<u><u>128,299</u></u>

**GENERAL FUND
LOCAL MATCHES**

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

<u>EXPENDITURE CATEGORIES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
NON-SALARY:					
LOCAL MATCH-ABE GRANT	20,000	-	-	-	-
LOCAL MATCH-EARLY READING	105,458	129,300	166,007	125,580	149,444
LOCAL MATCH-MSP INSTITUTE	-	-	-	10,000	-
LOCAL MATCH-ALGEBRA	82,384	102,108	98,586	100,388	102,670
LOCAL MATCH-VA PRESCHOOL	1,072,386	1,023,207	1,023,207	1,023,207	968,900
LOCAL MATCH-SCHOOL SECURITY	-	-	17,956	24,988	25,000
MATH/READING SPECIALIST	-	-	-	-	34,428
RISK MGMT-CURRENT CLAIMS	-	955,702	921,894	955,702	955,702
TO CITY	-	3,400,000	-	-	-
TO CONSTRUCTION FUND	1,005,702	559,266	-	-	-
TO TEXTBOOK FUND	-	1,557,593	348,032	352,350	366,188
TO TEXTBOOK FUND	-	-	-	-	-
TOTAL NON-SALARY:	<u>2,285,930</u>	<u>7,727,176</u>	<u>2,575,682</u>	<u>2,592,215</u>	<u>2,602,332</u>
TOTAL EXPENDITURES	<u>2,285,930</u>	<u>7,727,176</u>	<u>2,575,682</u>	<u>2,592,215</u>	<u>2,602,332</u>

REPROGRAPHICS FUND

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

Revenue for the Reprographics Fund has declined over the past few years. One reason for the decline could be the use of "greener" methods of communication, including more on-line forms and computer-based testing. In spite of streamlining the printing process and implementing an online system for ordering print jobs, the Printing Center revenues continue to decline. Administration recommended that the Printing Center be closed at the end of the 2014-15 school year and rely on commercial printing services for remaining printing requirements.

<u>REVENUES</u>	<u>2011 - 12</u> <u>ACTUAL</u>	<u>2012 - 13</u> <u>ACTUAL</u>	<u>2013 - 14</u> <u>ACTUAL</u>	<u>2014 - 15</u> <u>BUDGET</u>	<u>2015 - 16</u> <u>BUDGET</u>
PORTSMOUTH PUBLIC SCHOOLS	344,797	326,642	307,324	264,553	CLOSED 6/30/2015
CITY OF PORTSMOUTH	191,732	153,731	91,572	151,173	
OTHER (OUTSIDE SOURCES)	28,755	10,185	27,685	340,140	
TOTAL REVENUES	<u>565,284</u>	<u>490,558</u>	<u>426,581</u>	<u>755,866</u>	<u>-</u>
<u>EXPENDITURES</u>	<u>2011 - 12</u> <u>ACTUAL</u>	<u>2012 - 13</u> <u>ACTUAL</u>	<u>2013 - 14</u> <u>ACTUAL</u>	<u>2014 - 15</u> <u>BUDGET</u>	<u>2015 - 16</u> <u>BUDGET</u>
SALARIES & BENEFITS	342,658	371,873	303,034	327,169	CLOSED 6/30/2015
CONTRACTUAL SERVICES	131,459	166,019	119,993	77,420	
SUPPLIES & EXPENSES	131,448	82,674	142,756	209,080	
REPAIRS & MAINTENANCE	-	1,695	-	142,197	
DEPRECIATION	7,275	4,610	4,744	-	
TOTAL EXPENDITURES	<u>612,840</u>	<u>626,871</u>	<u>570,527</u>	<u>755,866</u>	<u>-</u>

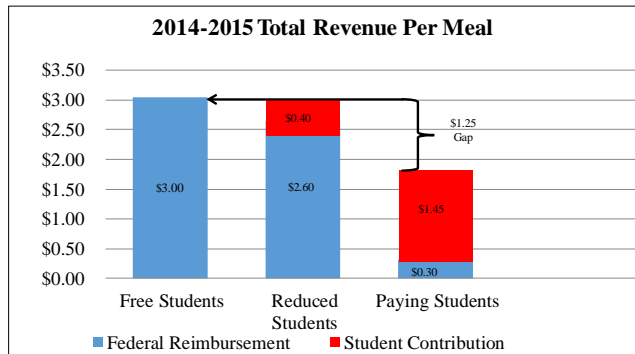
SCHOOL CAFETERIA FUND

The cafeteria fund is a special revenue fund that supports food services operations at the division's schools. Charges for Services revenue continue to fall due to fewer adult meals being served and a reduction in a la carte menu items being offered. Federal government revenue is increasing due to the total number of student meals being served. The Food Service Coordinator recommends a \$0.05 increase to \$1.50 per meal for the 2015-16 school year with a \$0.05 increase per year until the full amount has been reached.

In 2010, the Healthy, Hunger-Free Kids Act went into effect. The purpose of the legislation was to ensure that students receiving free lunches received the full advantage of the funding for their meals. At the same time, higher nutrition standards were also put in place. Since all students were to receive the same nutritious meals, paying students would be expected to pay the equivalent price for their meals. Historically, in some divisions, lunches for paying students were subsidized by the reimbursements for the free and reduced price lunches while nutrition content suffered for all. The Healthy, Hunger-Free Kids Act prohibited this subsidy. A formula for determining the equitable price for paying students was incorporated into the act. The next graph shows how the full price is determined based on the difference in the reimbursement for free students and the amount paying students are charged. As you can see, paying students should be charged \$2.70 for their meals (\$3.00 less \$0.30) but they were charged \$1.45 during the 2014-15 school year.

If the amount being charged paying students multiplied by the inflation rate (2.19%) plus 2% is less than \$0.05, then no price increase is required under the Act. If it is greater, then the price must increase. Divisions may not increase the amount charged to paying students by more than a dime in one year. The first year this law was enacted, the Portsmouth Public School Division increased student prices by \$0.10 but did not increase them for the second year. For 2013-14 and 2014-15, lunch prices for paying students were increased another \$0.05 per year to \$1.45. Applying the formula contained in the act produces a price increase of \$0.06 for the 2014-15 school year: $\$1.45 \times (2.19\% + 2\%) = \0.060 or \$0.06

District	Current Lunch Prices		2015-16 Proposed Prices		
	Elem	Sec	INCREASE	Elem	Sec
Norfolk	1.80	1.95	None	1.80	1.95
Newport News	2.15	2.25	.10	2.25	2.35
Hampton	1.70	1.90	.10	1.80	2.00
Suffolk	1.60	1.75	None	1.60	1.75
Virginia Beach	2.50	2.50	.10	2.60	2.60
Chesapeake	2.30	2.30	.10	2.40	2.40
PORTSMOUTH	1.45	1.45	.05	1.50	1.50



For the 2014-15 school year the Portsmouth Public Schools Food Services became one of the first districts in the state of Virginia to participate in the Community Eligibility Provision Program (CEP). The program was established to provide an alternative to applications for free and reduced price meals, offering free meals to all students in high poverty local education agencies. Schools must have at least 40% identified free students in the school year prior to implementing the CEP Program. Portsmouth Public Schools had 44% identified free students. Portsmouth chose the option to implement the program in a group of schools that not only have the minimum percentage of identified students but at least 62.5% identified students in order to receive full funding at the free rate without requiring the School Board to provide non-Federal funds. Following the success in 2014-15 at Brighton and Douglass Park Elementary Schools and Project Uplift, Food Services plans to add six more schools to the CEP Program in 2015-16: Mt. Hermon Preschool; James Hurst, John Tyler, Parkview, and Westhaven Elementary Schools; and Cradock Middle School.

SCHOOL CAFETERIA FUND (continued)

<u>REVENUES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
FROM THE FEDERAL GOVERNMENT	5,444,996	5,528,135	5,467,899	5,700,000	5,700,000
FROM THE COMMONWEALTH	132,078	119,543	104,848	125,000	125,000
CHARGES FOR SERVICES	1,137,316	913,852	799,064	1,150,000	1,050,000
DONATED COMMODITIES	355,290	431,169	435,202	400,000	400,000
OTHER REVENUE	477,849	766,622	935,326	1,102,000	1,151,500
TOTAL REVENUES	<u>7,547,529</u>	<u>7,759,321</u>	<u>7,742,339</u>	<u>8,477,000</u>	<u>8,426,500</u>
<u>EXPENDITURES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
SALARIES AND WAGES	2,284,110	2,500,436	2,533,600	2,158,172	2,299,478
FRINGE BENEFITS	1,262,723	1,272,912	1,353,872	1,691,328	1,767,892
PURCHASE OF FOODS	2,947,960	2,969,565	2,956,399	3,200,000	3,010,630
DONATED COMMODITIES		422,921	441,987	400,000	400,000
REPAIRS	166,048	174,437	106,605	-	-
EQUIPMENT	195,140	159,937	138,453	-	-
OTHER	807,865	434,990	376,435	1,027,500	948,500
TOTAL EXPENDITURES	<u>7,663,846</u>	<u>7,935,198</u>	<u>7,907,351</u>	<u>8,477,000</u>	<u>8,426,500</u>

SCHOOL GRANTS FUND

The Grants Fund provides assistance for particular federal, state, and local programs. These grants encourage recipient divisions to expand expenditures to support certain instructional and instructional support programs. Significant funding from the federal government is received in the form of grants associated with No Child Left Behind, Title I, Title V A-B, Special Education, and Education Technology. The grants allow the division to offer programs that might be funded through the general fund. In addition to these large grants, the division aggressively seeks competitive grant funds to further its mission.

<u>REVENUES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
FEDERAL	17,810,615	11,528,042	11,665,994	10,888,345	11,075,105
STATE	3,610,381	3,880,104	3,877,280	4,271,899	4,724,291
OTHER	179,084	173,163	213,876	267,657	251,049
LOCAL MATCH	1,280,228	1,254,615	1,305,757	1,101,406	1,268,509
ANTICIPATED GRANTS	-	-	-	100,000	100,000
TOTAL REVENUES	<u>22,880,308</u>	<u>16,835,924</u>	<u>17,062,907</u>	<u>16,629,307</u>	<u>17,418,954</u>
<u>EXPENDITURES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
INSTRUCTION	18,245,759	16,309,113	15,169,394	13,980,787	14,549,843
ADMINISTRATION ATTENDANCE & HEALTH	1,058,526	485,810	807,490	623,301	636,460
PUPIL TRANSPORTATION	260,091	313,766	228,166	199,294	207,406
OPERATIONS AND MAINTENANCE	-	-	37,543	-	125,000
TECHNOLOGY	-	-	48,866	1,825,925	1,900,245
CAPTIAL OUTLAY	2,382,941	78,584	-	-	-
TOTAL EXPENDITURES	<u>21,947,317</u>	<u>17,187,273</u>	<u>16,291,459</u>	<u>16,629,307</u>	<u>17,418,954</u>

RISK MANAGEMENT & INSURANCE FUND

The Risk Management and Insurance Fund is an internal service fund that accounts for all insurance premiums and worker compensation claims for which the School Board is liable and for the payment of claims and legal fees, if necessary, on public liability claims arising from the operations of the School Board. Starting in FY15, the appropriation for this fund was allocated by expenditure category.

<u>REVENUES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
FROM CUSTOMERS AND USERS	-	955,702	955,702	-	-
LOCAL MATCH	-	-	-	955,702	955,702
INSURANCE RECOVERY	-	-	-	-	-
INTEREST INCOME	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955,702</u>
<u>EXPENDITURES</u>	<u>2011 - 12 ACTUAL</u>	<u>2012 - 13 ACTUAL</u>	<u>2013 - 14 ACTUAL</u>	<u>2014 - 15 BUDGET</u>	<u>2015 - 16 BUDGET</u>
WORKMEN'S COMP INS. PREMIUM	-	225,639	409,007	-	-
WORKMEN'S COMP & CLAIMS	936,725	730,063	-	-	-
TO LOCAL GOVERNMENT	2,100,000	-	-	-	-
INSTRUCTION	-	-	-	270,523	270,523
ADMINISTRATION ATTENDANCE & HEALTH	-	-	-	512,337	512,337
PUPIL TRANSPORTATION	-	-	-	79,557	79,557
OPERATIONS AND MAINTENANCE	-	-	-	92,911	92,911
TECHNOLOGY	-	-	-	374	374
TOTAL EXPENDITURES	<u>3,036,725</u>	<u>955,702</u>	<u>409,007</u>	<u>955,702</u>	<u>955,702</u>

TEXTBOOK FUND

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

It takes approximately one year for VDOE to review books submitted for adoption. Local Education agencies also review the books during the next year. Local school boards adopt new books during the third year and place orders as soon as the divisions are financially able to make the purchases. Annually, replacement books are purchased as well. The Portsmouth School Board approved the adoption of new history books in 2010-11 after the VDOE review began in 2009. The Board approved the adoption of mathematics textbooks in 2011-2012 after the VDOE review in 2010. VDOE began reviewing new English reading and writing textbooks and new science textbooks in 2011. Our division reviewed the textbooks during the 2012-13 school year and our School Board adopted the new textbooks for both subject areas in the spring of 2014 which were purchased over the summer. There will be a new adoption for Art and Physical Education textbooks in 2015-16 and a new adoption for Social Studies is planned for 2016-17.

<u>REVENUES</u>	<u>2011 - 12</u> <u>ACTUAL</u>	<u>2012 - 13</u> <u>ACTUAL</u>	<u>2013 - 14</u> <u>ACTUAL</u>	<u>2014 - 15</u> <u>BUDGET</u>	<u>2015 - 16</u> <u>BUDGET</u>
STATE	433,841	924,094	915,243	986,467	997,692
LOCAL MATCH	-	-	2,100,000	360,613	366,188
OTHER	9,399	4,052	-	-	-
TRANSFERS IN	1,100,000	1,557,593	-	-	-
TOTAL REVENUES	<u>1,543,240</u>	<u>2,485,739</u>	<u>3,015,243</u>	<u>1,347,080</u>	<u>1,363,880</u>
<u>EXPENDITURES</u>	<u>2011 - 12</u> <u>ACTUAL</u>	<u>2012 - 13</u> <u>ACTUAL</u>	<u>2013 - 14</u> <u>ACTUAL</u>	<u>2014 - 15</u> <u>BUDGET</u>	<u>2015 - 16</u> <u>BUDGET</u>
TEXTBOOKS	1,393,473	378,521	3,349,274	1,347,080	1,363,880
TRANSFERS OUT	-	2,738,849	-	-	-
TOTAL EXPENDITURES	<u>1,393,473</u>	<u>3,117,370</u>	<u>3,349,274</u>	<u>1,347,080</u>	<u>1,363,880</u>



Information Section

BUDGET FORECASTS

Our major funding from the state is based on average daily membership. The Weldon Cooper Center predicts our enrollment to decrease by 0.18% in 2016-17, by 0.0064% in 2017-18, and by 0.13% in 2018-19. We used these same percentages in creating the following forecasts. No forecast is included for the Reprographics Fund since it closed at the end of the 2014-15 school year.

GENERAL FUND

	16/17 Forecast	17/18 Forecast	18/19 Forecast
Revenues			
City Funds	51,200,000	51,200,000	51,200,000
Federal Funds	700,000	700,000	700,000
Other Funds	1,950,253	1,937,772	1,935,252
Sales Tax	15,045,122	14,948,833	14,929,400
State Funds	71,496,732	71,039,153	70,946,802
Total revenues	140,392,107	139,825,757	139,711,454
Expenditures			
Instruction	103,254,044	102,837,511	102,753,445
Administration Attendance & Health	7,250,403	7,221,154	7,215,251
Transportation	7,011,714	6,983,429	6,977,720
Operations Maintenance	15,256,731	15,195,184	15,182,763
Technology	2,727,531	2,716,528	2,714,307
Fund Transfers	4,891,684	4,871,951	4,867,968
Total Expenditures	140,392,107	139,825,757	139,711,454

CAFETERIA FUND

	16/17 Forecast	17/18 Forecast	18/19 Forecast
Revenues			
Intergovernmental			
From Commonwealth of Virginia	25,000	125,000	125,000
From Federal Government	5,700,000	5,700,000	5,700,000
Total intergovernmental	5,825,000	5,825,000	5,825,000
Charges for services	1,048,110	1,041,402	1,040,048
Donated Commodities	400,000	400,000	400,000
Miscellaneous	1,151,500	1,151,500	1,151,500
Total revenues	8,424,610	8,417,902	8,416,548
Expenditures			
Food Services	8,024,610	8,017,902	8,016,548
Donated Commodities	400,000	400,000	400,000
Total Expenditures	8,424,610	8,417,902	8,416,548

GRANTS FUND

	16/17 Forecast	17/18 Forecast	18/19 Forecast
Revenues			
Intergovernmental			
From Commonwealth of Virginia	4,715,788	4,685,607	4,679,516
From Federal Government	11,075,105	11,075,105	11,075,105
Total Intergovernmental	15,790,893	15,760,712	15,754,621
Transfers in	1,268,509	1,268,509	1,268,509
Miscellaneous	351,049	351,049	351,049
Total Revenues	17,410,451	17,380,270	17,374,179
Expenditures			
Instruction	14,542,741	14,517,531	14,512,443
Administration Attendance and Health Services	636,149	635,047	634,824
Information Technology	1,899,317	1,896,025	1,895,360
Operations and Maintenance	332,244	331,668	331,552
Total Expenditures	17,410,451	17,380,270	17,374,179

RISK MANAGEMENT & INSURANCE FUND

Based on past performance, we anticipate that our revenue and expenses in this fund will remain constant.

	16/17 Forecast	17/18 Forecast	18/19 Forecast
Revenues			
Transfers In	955,702	955,702	955,702
Total Revenues	955,702	955,702	955,702
Expenditures			
Insurance Claims and Expenses	955,702	955,702	955,702
Total Expenditures	955,702	955,702	955,702

TEXTBOOK FUND

We anticipate future adoptions for Social Studies and Encore subjects (Art, Music, and Physical Education) in 2016-17, Mathematics in 2017-18, and Science in 2018-19.

	15/16 Forecast	16/17 Forecast	17/18 Forecast
Revenues			
Intergovernmental			
From Commonwealth of Virginia	995,896	989,522	988,236
From Match Requirement	365,529	363,189	362,717
Total Revenues	1,361,425	1,352,711	1,350,953
Expenditures			
Instruction	1,361,425	1,352,711	1,350,953
Total Expenditures	1,361,425	1,352,711	1,350,953

SOURCES OF REVENUE

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

City Funds

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

Federal Funds

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

Other Funds

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

State Sales Taxes

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

State Funds

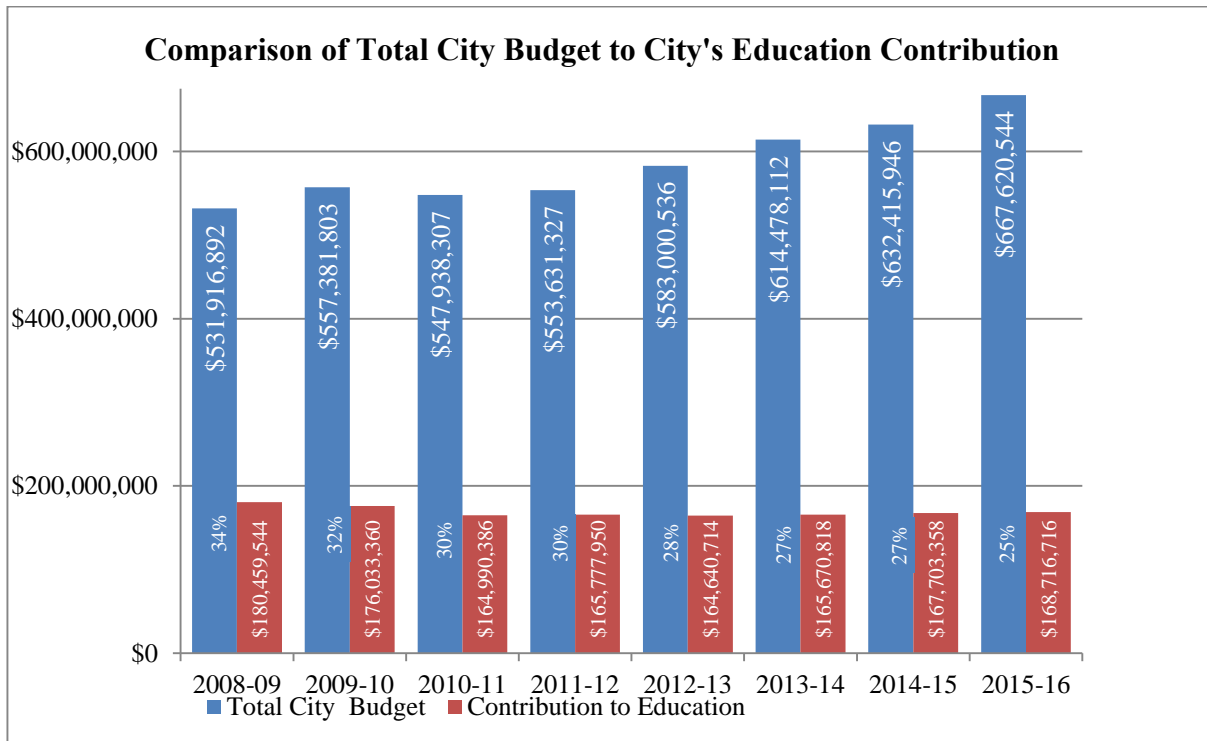
State revenue includes funding for basic aid to support the Standards of Quality (SOQ), categorical aid, and incentive program revenue to support specific programs and initiatives. One factor used to determine the State's level of support for education in a locality is the Local Composite Index (LCI). This factor combines three measures of local fiscal capacity (assessed value of real property, adjusted gross income, and taxable retail sales) into a single index in an effort to measure each locality's ability to pay for education. The LCI is adjusted at the beginning of each biennium. In addition, the locality is required to match a portion of the funding from the State. For fiscal year 15 and fiscal year 16, Portsmouth's local share is \$22.9million.

Categories of State School Funds

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

Taxpayers and the School Board Budget

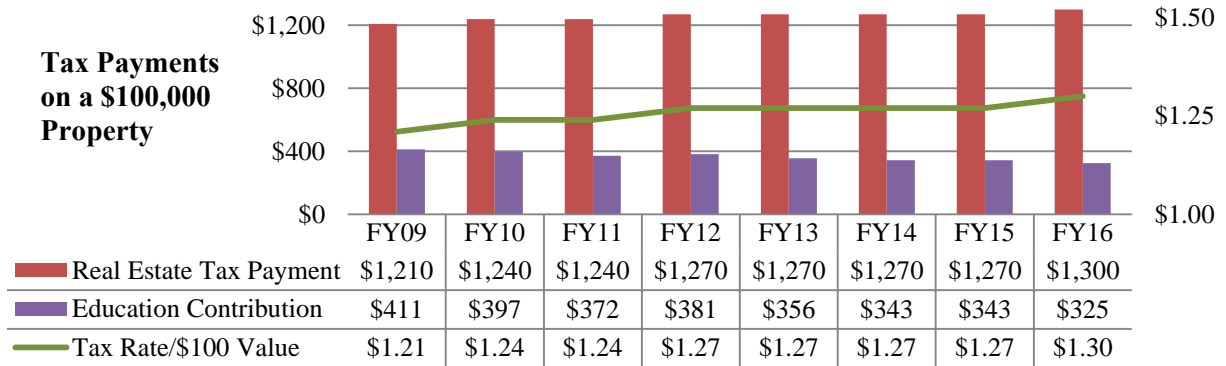
The greatest portion of our revenue comes from state and local funding. The dollar figure we receive from the state is declining. Overall, funding from the City of Portsmouth declined since the 2008-09 school year. As illustrated in the chart that follows, the total City Budget has increased 25.5% since fiscal year 2009 but the portion allotted to education dropped from 34% of the City's total budget to 25% of it. The dollar amount allotted to education dropped 6.2%.



Assessed Value of Taxable Property

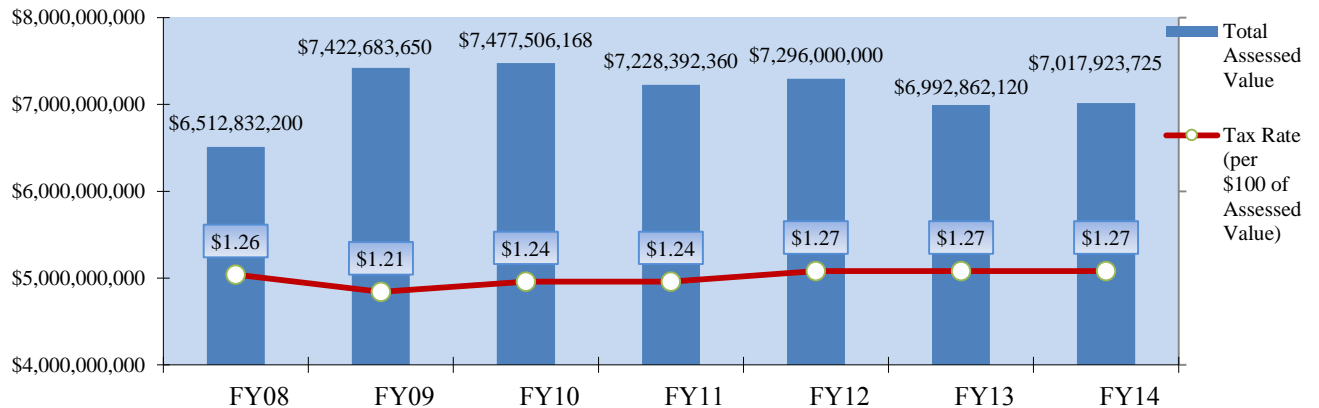
According to Virginia code, cities are required to assess property at 100% of the estimated market value. A story on HamptonRoads.com/PilotOnline.com in April 2014 reported that close to half of the residential properties in Portsmouth saw a reduction in their assessed value while nine percent saw an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

The tax rate of \$1.27 per \$100 of assessed value for real property for FY2015 was increased to \$1.30 per \$100 for FY2016. In today's tight economy, the city is struggling to maintain quality services within the city without overly burdening its citizens. Tax revenue represents 69% of the city's revenue. The 2015 allocation to schools in the City budget is approximately 25% of the City's total budget. Using a \$100,000 property as an example, that homeowner contributed approximately \$325 of his \$1300 tax bill to education. The following graph exhibits the cost to homeowners for education over the past few years.



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

Taxable Property in Portsmouth, VA



Total Assessed Value for FY2015 not available at publication; the tax rate will increase to \$1.30 per \$100 of Assessed Value for FY2016.

Property Tax Rates, Levies, and Collections

Real Estate rate is per \$100 of assessed value

<u>FY</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Percent of Taxes Collected in Year of Levy</u>
2016	1.30	<i>In his budget presentation for FY 2016, the City Manager estimated real estate tax revenue of \$88,270,194 for FY2015 and \$100,254,882 for FY2016.</i>	
2015	1.27		
2014	1.27	89,135,633	93.1
2013	1.27	88,808,682	93.8
2012	1.27	92,659,186	92.5
2011	1.24	89,613,578	94.4
2010	1.24	92,594,347	95.3
2009	1.21	89,813,809	95.5

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

Personal Property rate is per \$100 of assessed value

<u>FY</u>	<u>Tax Rate⁽¹⁾ Vehicles</u>	<u>Tax Rate⁽¹⁾ Boats</u>	<u>Tax Levy⁽²⁾</u>	<u>Percent of Taxes Collected in Year of Levy⁽³⁾</u>
2016	5.00	0.50	<i>In his budget presentation for FY2016, the City Manager estimated personal property tax revenue of \$24,221,203 for FY2015 and \$24,342,997 for FY2016.</i>	
2015	5.00	0.50		
2014	5.00	0.50	23,014,501	75.8
2013	5.00	0.50	23,241,660	75.3
2012	5.00	0.50	21,841,734	78.7
2011	5.00	0.50	18,093,172	75.5
2010	5.00	0.50	19,582,168	75.8
2009	5.00	0.50	19,030,247	74.4
2008	5.00	0.50	20,213,758	68.3

(1) Most personal property, primarily vehicles and boats, is assessed at 100% of the National Automobile Dealer Association (NADA) average loan values and BUC Boat Price Guide values. Business personal property is assessed using a predetermined depreciation schedule.

(2) Excludes tax credit and collection tax credit from the Commonwealth.

(3) Personal property taxes are assessed on property owned as of January 1 and become due June 5th of each year. Because the due date falls so near the last day of the fiscal year, there is normally a substantial amount of delinquent taxes receivable as of the close of the fiscal year, the majority of which is collected in the following fiscal year.

Source: City of Portsmouth CAFR 2014 and Proposed FY 2015 Budget Presentation

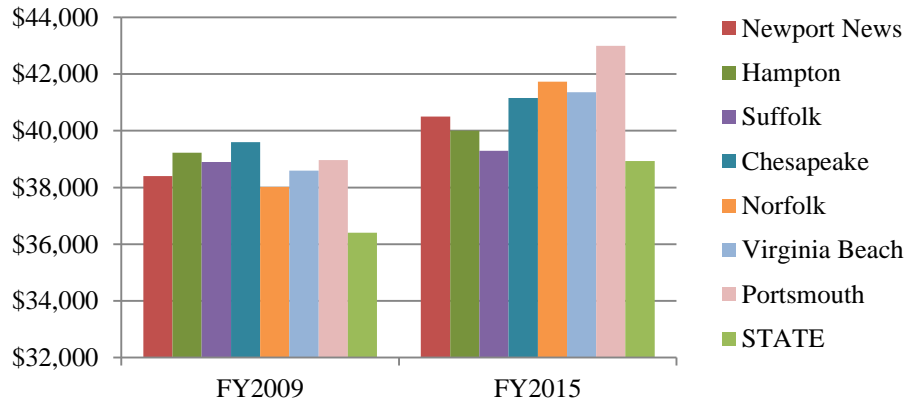
Staffing and Teacher Retention

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

Improved teacher retention factors greatly into maintaining full accreditation and improving test scores. As we were able to raise and maintain the compensation level for our teachers compared to the surrounding divisions, we retained better teachers who are experiencing success in educating our students. For FY2014, the School Board’s budget included a 2% cost-of-living raise for all employees but employees also saw an average increase of 10% in health insurance premiums. This additional cost, due to additional taxes imposed on employers and health insurance providers by to the Affordable Care Act, was passed along to employees. For FY2015, the Board again wanted to provide an additional 2% cost-of-living raise along with holiday pay for 10-month, non-exempt employees, but due to the limited funds appropriated by the City Council, the raise and holiday pay were not implemented. After City Council re-appropriated unexpended funds from fiscal year 2014, the School Board was able to implement a 2% raise for all employees for part of fiscal year 2015 and to include payments for holiday pay.

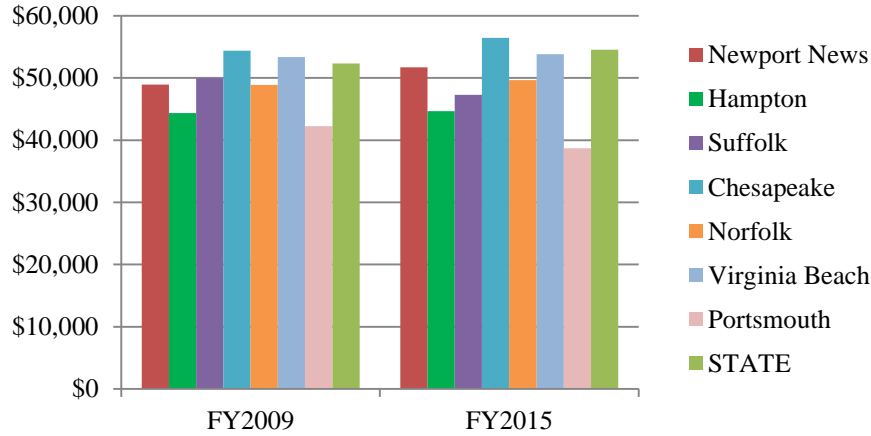
The following graphs illustrate part of the problem Portsmouth faces in retaining quality teachers. While our starting salary for new teachers is competitive in the region, our average teacher salary is the lowest.

**Teacher Salary Comparison
(Starting Salaries)**



The VDOE average salary calculated in the next graph includes licensed elementary and secondary classroom teachers regardless of fund source and is based on actual salaries paid rather than salaries budgeted in a division’s pay plan. The positions include regular K-12 teachers and those teaching art, music, physical education, technology, remedial, gifted, mathematics, reading, special education, and English as a Second Language classes. Not included in the calculation are teacher aides, guidance counselors, or librarians. Because the calculation is based on actual salaries paid, our average salary has dropped due to the number of teachers on the high end of the scale who either retired or accepted positions elsewhere.

(Average Salary)



The next chart illustrates the pay scales for our neighboring public school divisions. The figures in green highlight the division with the highest teacher salary at the experience level. As you can see, Portsmouth ranks #1 for entry level salaries and remains #2 at the 5- and 10-year experience level. Using this chart for comparison assumes that yearly step increases are employed. Portsmouth has not been able to give its employees a step increase for several years. At the 5-year experience level, Portsmouth's \$42,134 salary drops to sixth place and by the 15-year mark Portsmouth has dropped to dead last.

Naturally, with lagging salaries, retention is a significant problem. Portsmouth's turnover rate of 13.2% was the highest in the region in 2009. It was 10.2% in 2010, the last time that a step increase was given. By 2011, our turnover rate had decreased to 9.7% but was still well ahead of the state average turnover rate, 8.8%. The turnover rate at the end of the 2013-14 school year was still large at 9.1%. Nearly half of the teachers who left that year indicated their reasons for leaving were retirement and other employment.

District Comparison of Teacher Salary Schedules (assumes a yearly step increase)														
Experience	Rank	Entry Level	Rank	5 Years	Rank	10 Years	Rank	15 Years	Rank	20 Years	Rank	25 Years	Rank	30 Years
	Chesapeake	4	\$41,149	1	\$43,433	1	\$46,916	1	\$51,798	1	\$57,189	2	\$60,689	2
Hampton	6	\$40,000	6	\$41,834	6	\$43,353	7	\$45,629	7	\$48,422	7	\$51,005	6	\$56,733
Newport News	5	\$40,500	3	\$42,557	5	\$44,023	5	\$46,959	5	\$50,588	5	\$54,498	5	\$58,708
Norfolk	2	\$41,724	5	\$42,120	4	\$44,912	4	\$47,654	6	\$49,580	6	\$54,182	7	\$55,798
Portsmouth	1	\$42,134	2	\$42,929	2	\$46,526	3	\$50,518	3	\$54,852	3	\$58,552	4	\$60,487
Suffolk	7	\$39,290	7	\$41,285	7	\$41,810	6	\$46,525	4	\$52,402	5	\$57,890	3	\$60,798
Virginia Beach	3	\$41,362	4	\$42,324	3	\$46,202	2	\$51,198	2	\$56,135	1	\$61,101	1	\$66,067

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

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

Comparison of Employee Benefits for Health and Dental Insurance									
School Division	Employee Share					(A) Total These Benefits (Self only Health)	(B) Total These Benefits Employee & Children)	Cost of (A) Benefits as % of Salary	Cost of (B) Benefits as % of Salary
	2013-14 Salary with 20 yrs Exp.	Health Insurance (Self only)	Health Insurance (Self & Children)	Dental Insurance (Employee & Children)	VRS				
Chesapeake	\$57,189	\$156	\$1,368	\$306	\$2,859	\$3,321	\$4,533	5.81%	7.93%
Norfolk¹	\$50,064	\$770	\$2,830	\$567	\$2,503	\$3,840	\$5,900	7.67%	11.79%
Hampton	\$49,021	\$654	\$2,304	\$712	\$2,451	\$3,817	\$5,467	7.79%	11.15%
Newport News²	\$49,135	\$655	\$3,583	\$953	\$2,457	\$4,065	\$6,993	8.27%	14.23%
Suffolk	\$52,386	\$693	\$4,991	\$819	\$1,572	\$3,084	\$7,382	5.89%	14.09%
Virginia Beach	\$55,464	\$1,100	\$4,530	\$1,185	\$1,664	\$3,949	\$7,379	7.12%	13.30%
Portsmouth³	\$55,762	\$523	\$6,615	\$885	\$2,788	\$4,196	\$10,288	7.53%	18.45%

Source: 2013-14 VEA Salary and Insurance Reports

¹Norfolk did not respond to the VEA Insurance and Benefits Survey. Rates are from division website.

²Salary information from 2013-14 Salary Scales

³Portsmouth does not offer Employee Plus Children Dental so *Family* Dental rate is shown.

The Portsmouth School Board adopted a self-funded health insurance plan effective January 1, 2015. The Board hopes that the anticipated administrative savings will enable them to keep health insurance premiums at a competitive level.

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

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

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

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

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

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

<u>Student Subgroups</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Total Enrollment PreK-12	15,184	15,169	15,019	15,131	15,131	14,851	14,971
Economically Disadvantaged Students	7,964	8,340	8,753	9,596	9,976	8,740	9,963
% of total students	52.45%	54.98%	58.28%	63.42%	65.93%	58.85%	66.55%
Students with Disabilities	1,820	1,853	1,821	1,729	1,736	1,666	1,628
% of total students	11.99%	12.22%	12.12%	11.43%	11.47%	11.22%	10.87%
English-As-Second Language (ESL)	57	49	68	66	82	65	33
% of total students	0.38%	0.32%	0.45%	0.44%	0.54%	0.44%	0.22%
Homeless Students	28	38	93	54	64	71	34

Source: VDOE Fall Membership Reports

Between 2009 and 2015, the number of economically disadvantaged students increased by more than 25%. Through fiscal year 2014 Title I funding, intended to supplement the educational program for these students, declined 20% – from \$6.7M to \$5.4M. Fortunately, the number of students who are considered homeless is nearly the 2009 level after increasing substantially through 2014.

Another indicator of economic disadvantage is the number of students who qualify for free or reduced-price lunches. The number of students who qualify in Portsmouth has grown from nearly 58% in 2008-09 to over 64% in the current school year. Portsmouth has the second highest percentage of students who qualify among the school divisions in the region. Effective July 2014, alternative means of identifying 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. While all of the Portsmouth schools meet the minimum criteria, we chose to

only apply it in a limited group of schools that exceed 62.5% identified free students. These schools receive full free funding and all students in these schools receive lunch and breakfast at no charge. In 2014-15, we implemented the program at three sites. We are adding six additional sites for 2015-16. If we were 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 2008-2015			
School Year	NSLP Membership	TOTAL Free/Reduced Lunch Eligible	TOTAL Free/Reduced %
2008-09	15,285	8825	57.74%
2009-10	15,223	9068	59.57%
2010-11	14,894	9008	60.48%
2011-12	15,544	10601	68.20%
2012-13	15,163	9419	62.12%
2013-14	15,108	9529	63.07%
2014-15	15,146	9736	64.28%

Source: VDOE NSLP Free & Reduced Price Eligibility Report and Fall Membership Reports

Data is reported in principals' report to Food Services, October 31 of each school year

VDOE National School Lunch Program (NSLP) Regional Comparison 2014							
Division	NSLP Membership	Free Eligibility	FREE %	Reduced Eligibility	REDUCED %	TOTAL F/R Eligible	TOTAL F/R %
Chesapeake	37,951	10,589	27.76%	2,037	5.34%	12,626	33.10%
Suffolk*	14,465	5,459	37.70%	1,072	7.40%	6,531	45.10%
Virginia Beach	70,091	17,531	25.26%	5,269	7.59%	22,800	32.85%
Hampton*	20,839	10,168	48.17%	2,008	9.51%	12,176	57.68%
Newport News	29,292	15,249	51.69%	2,571	8.71%	17,820	60.40%
Norfolk*	32,651	19,371	57.70%	2,805	8.35%	22,176	66.05%
Portsmouth*	15,146	8,410	55.46%	1,009	6.65%	9,419	62.12%

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

*This division is operating under USDA Community Eligibility Provision (CEP). Free eligibility is based on USDA guidance.

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

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

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

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

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

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

Acknowledging that our most important product is our graduates, the Board’s third vision was for all graduates to be highly sought-after by both employers and institutions of higher learning. They have set a goal of 100% of PPS students graduating and entering post high school education programs or jobs that require specific training. Beginning with the 2011-12 school year state accreditation standards required a school division to achieve a graduation index of 85% and the index rises each following year. This complex index measures the on-time graduation rate of a cohort of students who entered high school four years before. The division is exploring ways to reduce the dropout rate in order to meet the additional on-time graduation requirement. The state on-time graduation rate for our three high schools has improved since 2009, as has the dropout rate. In the Class of 2014, 328 of the graduates received Advanced Studies Diplomas and 300 students graduated with honors.

Dropout and Graduation Rates

	Class of 2012			Class of 2013			Class of 2014		
	First-time 9th Grade Cohort 2008-09			First-time 9th Grade Cohort 2009-10			First-time 9th Grade Cohort 2010-11		
	Dropouts	Dropout Rate	Virginia On-time Graduation Rate	Dropouts	Dropout Rate	Virginia On-time Graduation Rate	Dropouts	Dropout Rate	Virginia On-time Graduation Rate
SCHOOLS									
CHURCHLAND HIGH	17	4.30%	91.90%	26	6.40%	88.90%	12	3.30%	91.70%
I. C. NORCOM HIGH	58	17%	76%	48	14%	74.40%	29	9.60%	78.10%
WOODROW WILSON HIGH	52	15.00%	72.70%	42	11.60%	78%	21	6.50%	84%

Source: Virginia Department of Education

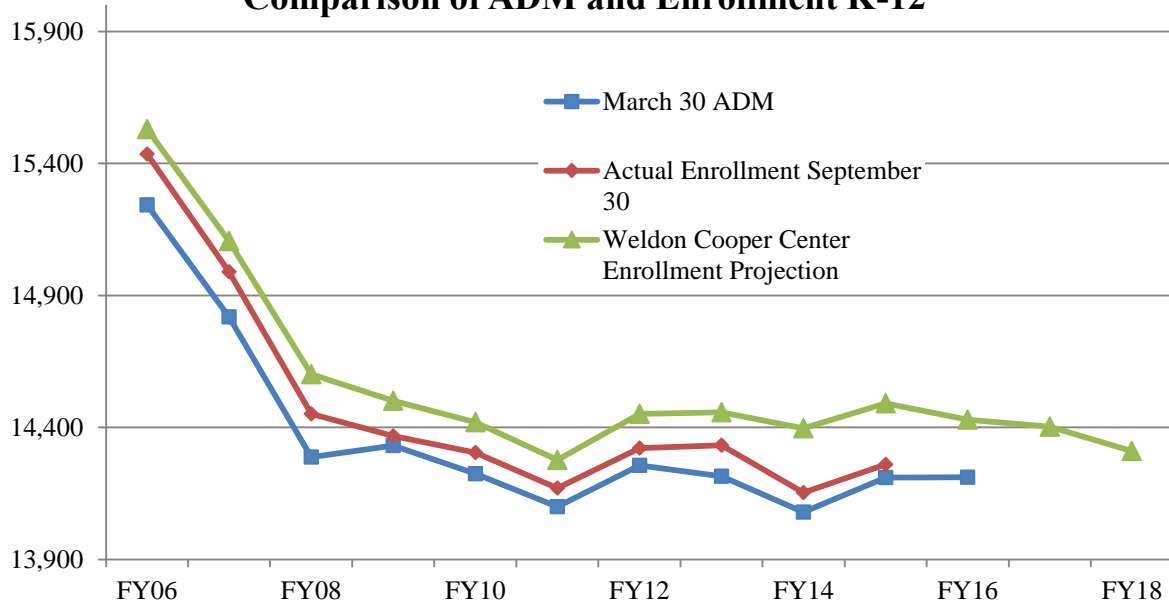
The Board's fourth vision is an augmentation of program evaluation. The Board expects PPS to be recognized by educational organizations and institutions of higher learning for its innovative and effective programs. Many of these programs have already been mentioned elsewhere in this document: preschool programs, alternative education programs, career and technical programs, post high school coursework, etc. Recognizing that some of the course completion goals they previously set for graduation exceeded state standards, the Board aligned the goals for this vision to parallel state standards. Facing rising on-time graduation rate requirements for accreditation, the Board wanted to ensure that students were not penalized because of the higher standards, causing students to delay or miss graduation. At the same time, additional elective courses in the areas of mathematics, science, and foreign languages are offered to better prepare our students for their post-graduation world.

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

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

Basic school aid from the state is based on ADM and is a significant portion of the revenue we receive. For the 2014-15 school year, the Weldon Cooper Center for Public Service of the University of Virginia predicts the fall membership in Portsmouth Public Schools will be 14,491. Their projection does not factor in the military population which fluctuates in our city. To compensate and more accurately predict enrollment for budgeting and planning purposes, we use historical data along with the projections of the Cooper Center. For the 2015-16 school year, we based our budget on the state's estimated average daily membership (ADM) of 14,211 students. Since a large portion of our budget revenue is based on the ADM, we are able to predict, with some certainty, our total revenue for state basic aid.

Comparison of ADM and Enrollment K-12



As you can see from the previous graph, the three enrollment trends parallel each other. Typically, actual ADM is lower than actual September 30 enrollment which is below the Weldon Cooper enrollment projection. The projected ADM for 2016 is 14,211 which we are using as the basis for estimating the state basic aid for fiscal year 2016.

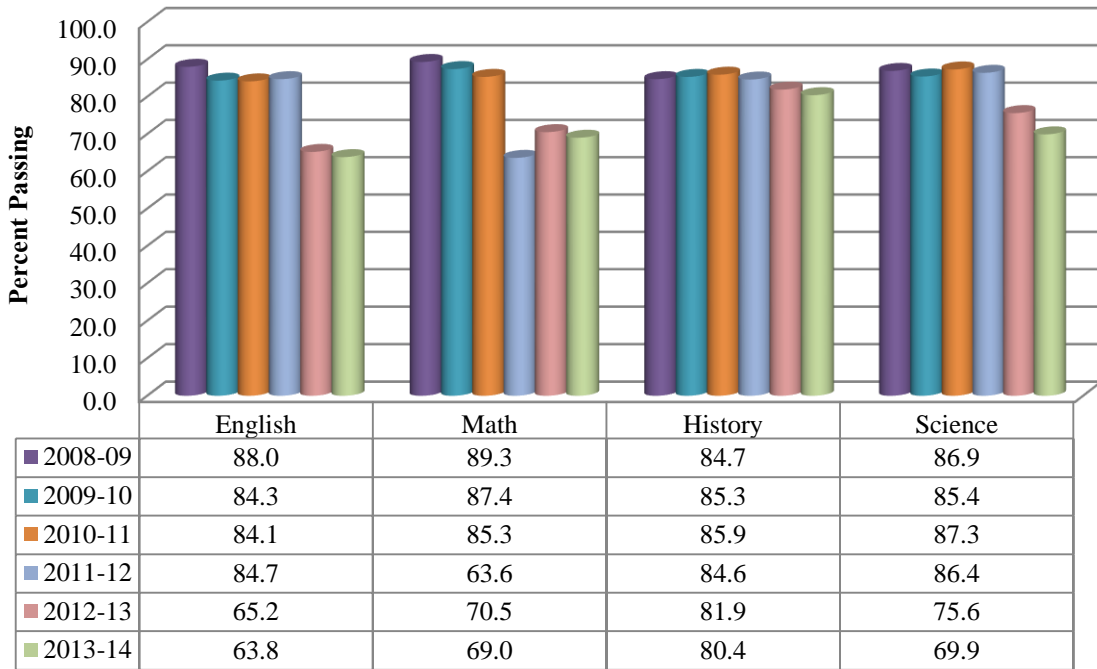
PRE-K - GRADE 12 ENROLLMENT BY SCHOOL

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>	Projected <u>2018-19</u>
ELEMENTARY SCHOOLS								
Brighton	488	511	549	514	522	543	516	505
Churchland Academy	689	722	702	724	725	748	767	764
Churchland	804	803	830	819	839	839	847	876
Churchland Primary & Intermediate	616	612	569	575	581	571	569	548
Douglass Park	638	666	719	771	793	830	828	882
Hodges Manor	556	544	548	544	535	517	520	493
James Hurst	758	714	697	707	669	650	629	591
Lakeview	530	547	509	522	546	542	539	561
Park View	637	622	620	593	580	564	538	529
Simonsdale	731	744	729	716	707	698	716	714
John Tyler	719	686	732	707	699	685	689	695
Victory	564	582	528	530	532	554	529	553
Westhaven	571	563	519	547	539	520	502	480
MIDDLE SCHOOLS								
Churchland	918	902	897	905	916	866	872	865
Craddock	603	619	576	612	641	617	618	640
William E. Waters	592	594	590	593	605	611	618	603
HIGH SCHOOLS								
Churchland	1410	1366	1371	1351	1410	1408	1390	1385
I. C. Norcom	1208	1138	1125	1185	1201	1195	1225	1233
Woodrow Wilson	1232	1339	1314	1344	1375	1378	1363	1371
SPECIALITY CENTERS								
Churchland Preschool Center	174	169	178	180	180	180	180	180
Emily N. Spong Preschool	242	230	124	149	149	149	149	149
EXCEL Campus		(reported at home school)						
Mt. Hermon Preschool	233	216	217	186	186	186	186	186
Olive Branch Preschool Center	157	184	179	197	197	197	197	197
New Directions Center		(reported at home school)						
Project Uplift	61	58	29	(reported at home school beginning in 2014-15)				
TOTAL Enrollment	15131	15131	14851	14971	15127	15048	14987	15000

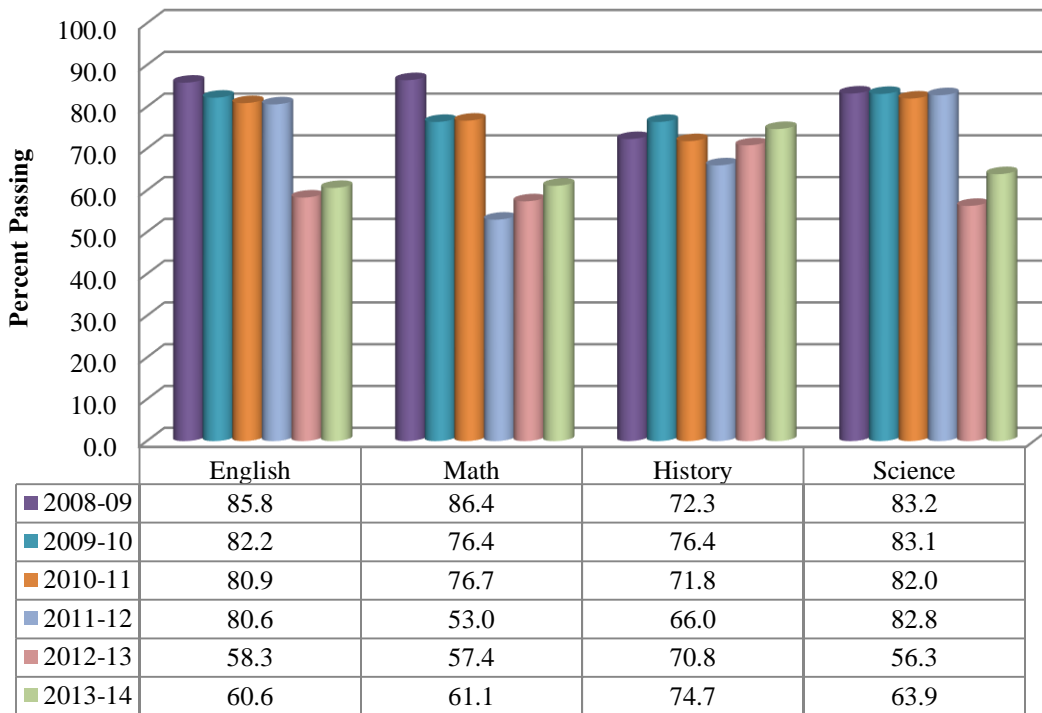
Projections based on report from Weldon Cooper except for Preschool student enrollment which is expected to remain level.

SOL PASS RATES OVER TIME BY CORE AREAS

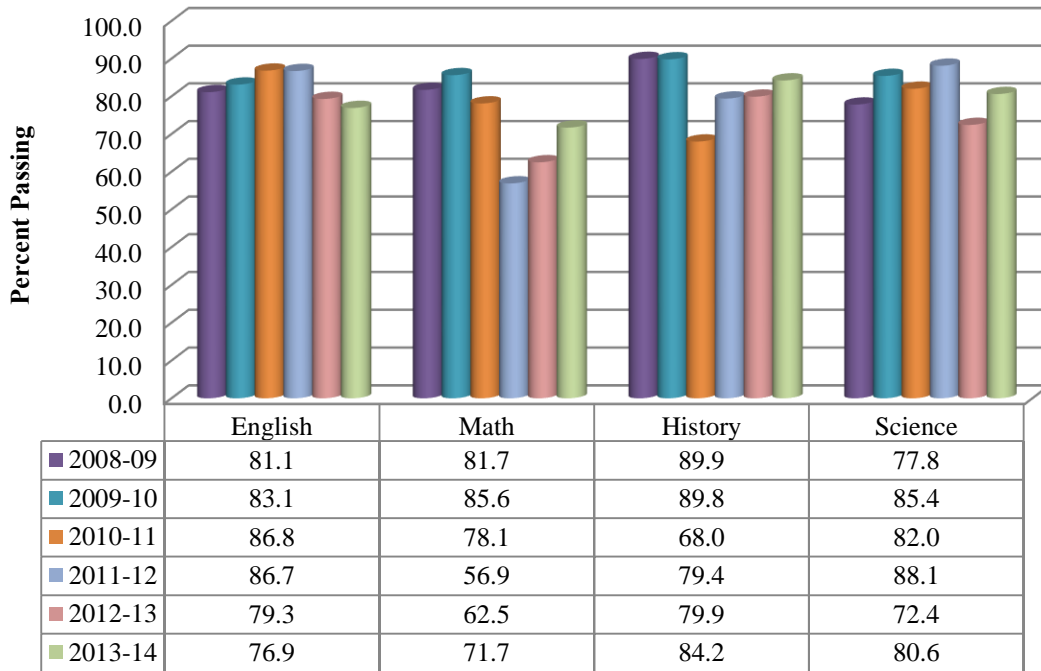
ELEMENTARY SCHOOLS SUMMARY



MIDDLE SCHOOLS SUMMARY

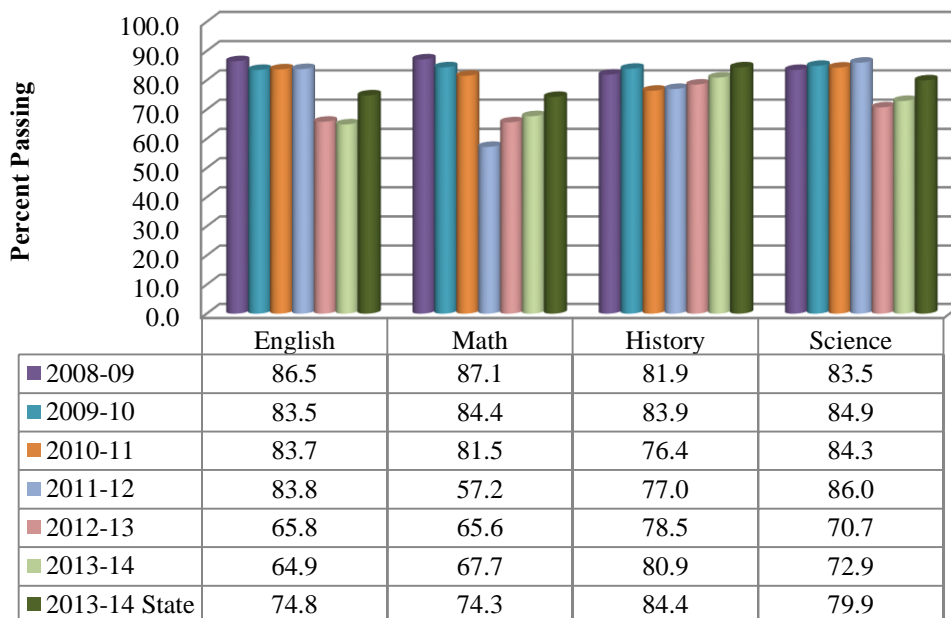


HIGH SCHOOLS SUMMARY



Division wide scores mirror the results at the elementary, middle, and high schools. An examination of the scores below reveals the challenges that our teachers have grappled with over the past few years. Scores slipped a little after 2009 but noticeable drops occurred in 2011-12 in Math and in 2012-13 in English and Science. The Standards of Learning tests administered in those areas were revised by the state. School divisions across the state saw similar dips in scores. Our administrators went to work assisting teachers with new teaching strategies and, as you can see, division-wide Math scores showed improvement in 2012-13 and 2013-14. While our division wide scores do not reach the statewide scores, we are encouraged that scores have improved in almost all areas and we are confident that the increased scores will continue.

DIVISION WIDE SUMMARY



POSITION CONTROL ALLOCATIONS BY FUND

At the time of publication, the Superintendent was reorganizing his staff. The changes are not reflected in this table. All changes will be revenue neutral and within appropriated categories. The approved budget includes additional instructional assistants and teaching positions in the General Fund which will directly impact instruction. In addition, all School Security Officers and associates will work 8-hour days.

	09- 10	10- 11	11- 12	12- 13	13- 14	14- 15	Projected 15-16
CAFETERIA FUND							
ASSOCIATE 200 DAY - 7 HOUR	0	0	1	1	1	1	1
ASSOCIATE 260 DAY - 8 HOUR	2	2	2	2	2	3	3
COORDINATOR	1	1	1	1	1	1	1
FOOD SERVICES 4.5 HRS	8	4	4	4	4	3	3
FOOD SERVICES 5.5 HRS	46	45	45	45	45	45	45
FOOD SERVICES 6.0 HRS	48	48	48	48	48	49	49
FOOD SERVICES 6.5 HRS	0	0	0	0	0	0	0
FOOD PRODUCTION CHEF	0	0	0	0	0	0	0
FOOD SERVICES MAINTENANCE	0	0	0	0	0	0	0
FOOD SERVICES MANAGER	23	23	23	23	23	23	23
PART TIME WITH POSITION	27	32	35	35	35	37	37
SUPERVISOR	3	3	3	3	3	3	3
TOTAL FOR FUND	158	158	162	162	162	165	165
GENERAL FUND							
ASSISTANT DIRECTOR	1	1	2	2	1	0	0
ASSISTANT SUPERINTENDENT	2	2	2	2	0	1	1
ASSOCIATE 200 DAY - 8 HOUR	34	31	30	30	29	27	27
ASSOCIATE 260 DAY - 7 HOUR	27	19	18	18	17	14	0
ASSOCIATE 260 DAY - 8 HOUR	67	64	64	66	64	61	93
ASSOCIATE 260 DAY - 7.25 HOUR	8	19	17	17	17	17	0
ATTENDANCE OFFICERS	3	3	3	3	3	3	3
BUS DRIVER	123	122	122	122	126	119	119
BUS MONITOR	43	43	43	43	43	39	39
CLINIC ASSISTANT	1	1	0	0	0	0	0
COORDINATOR	5	6	5	4	3	4	4
CROSSING GUARD 10 MTH	36	36	30	30	30	29	29
CUSTODIAN	74	61	64	64	64	64	64
CUSTODIAN, HEAD	22	18	17	17	17	17	17
CUSTODIAN, LEAD	25	23	23	23	23	23	23
DELIVERY PERSONNEL	2	2	2	2	2	2	2
DIRECTOR	11	11	11	11	10	10	11
DEPUTY SUPERINTENDENT	0	0	0	0	1	1	1
ELEMENTARY SCHOOL PRINCIPAL	17	16	14	14	17	16	16
ELEM SCHOOL ASST PRINCIPAL	16	14	16	16	13	13	13
EXECUTIVE ADMINISTRATOR	0	0	0	0	1	1	1
GRADUATION COACH	0	0	0	0	2	2	2
GUIDANCE COUNSELOR	26	26	25	25	23	23	23
GUIDANCE COUNSELOR 10+1	6	6	4	6	6	6	6
GUIDANCE COUNSELOR 10+2	3	3	3	3	3	4	4
HIGH SCHOOL ASST PRINCIPAL	9	9	9	9	9	9	9
HIGH SCHOOL PRINCIPAL	3	3	3	3	3	3	3
HOME SCHOOL LIAISON	2	2	0	0	0	0	0

POSITION CONTROL ALLOCATIONS BY FUND (continued)

	09- 10	10- 11	11- 12	12- 13	13- 14	14- 15	Projected 15-16
IN-SCHOOL SUSPENSION I	4	4	4	4	4	4	4
IN-SCHOOL SUSPENSION II	3	3	3	3	3	3	3
INSTRUCTIONAL ASSISTANT	39	4	3	3	0	2	10
INSTRUCTIONAL ASSISTANT SPED	155	153	148	147	151	143	143
INSTRUCTIONAL ASSIST SEVERE & PROF	0	0	0	0	0	0	0
INTERPRETER	6	6	6	6	6	6	6
LIBRARY MEDIA SPECIALIST	25	24	23	23	22	22	22
MAINTENANCE PERSONNEL	25	24	23	23	23	22	30
MAINTENANCE PERSONNEL EXEMPT	1	1	1	1	1	0	0
MANAGER	3	3	5	5	6	5	7
MEDIA PERSONNEL	1	1	0	0	0	0	0
MIDDLE SCHOOL PRINCIPAL	4	4	4	4	4	4	4
MIDDLE SCHOOL ASST PRINCIPAL	9	8	8	7	7	6	6
NURSE	25	26	26	26	26	27	27
NURSE 10+2	1	0	0	0	0	0	0
OCCUPATIONAL/PHYSICAL TH 10+1	2	1	1	1	1	1	1
OCCUPATIONAL/PHYSICAL TH 10+2	1	1	1	1	1	1	1
OCCUPATIONAL/PHYSICAL THERPST	2	2	1	1	1	1	1
OFFICERS	1	1	1	1	0	0	0
OTHER PROFESSIONAL STAFF	3	4	3	3	3	1	1
PART TIME WITH POSITION	3	3	3	3	4	4	4
PROGRAM SPECIALIST	8	9	8	8	9	11	11
PSYCHOLOGIST	3	2	5	5	0	6	6
PSYCHOLOGIST 10+2	2	2	4	0	0	0	0
PURCHASING PERSONNEL - NON EXE	1	1	1	1	1	1	1
PURCHASING PERSONNEL- EXEMPT	1	1	1	1	1	1	1
ROTC INSTRUCTORS	7	7	7	7	7	7	7
SCHOOL BOARD	9	9	9	9	9	9	9
SECURITY OFFICERS – 8 HOUR	18	18	17	17	17	16	16
SENIOR SUPERVISOR	11	11	11	11	9	9	9
SOCIAL WORKER	1	1	1	1	1	1	1
SOCIAL WORKER 10+1	2	2	3	3	3	3	3
SOCIAL WORKER 10+2	5	5	4	4	4	4	4
SPEECH / HEARING / SIGHT THERP	21	20	17	16	16	17	17
SPEECH/HEARING/SIGHT TH 10+2	1	1	1	1	1	1	1
STUDENT RESOURCE LIAISON	3	3	3	3	3	3	3
SUPERINTENDENT	1	1	1	1	1	1	1
SUPERVISOR	11	11	11	11	10	11	11
SUPERVISOR 10+1	0	0	0	0	0	0	0
TEACHER	772	752	739	739	756	754	773
TEACHER SPECIAL ED	160	159	146	146	148	142	142
TEACHER 10+2	14	12	10	10	8	7	7
TEACHER 10+1	3	3	2	2	1	1	1
TEACHER SPECIALIST	1	1	0	0	0	1	1
TEACHER SPECIALIST 10+1	0	0	0	0	0	0	0
TECHNOLOGY PERSONNEL - NON EXE	8	8	8	8	7	6	6
TECHNOLOGY PERSONNEL EXEMPT	14	14	12	12	12	13	13
WAREHOUSE PERSONNEL	4	3	3	3	3	3	3
TOTAL FOR FUND	1960	1870	1815	1811	1817	1788	1827

POSITION CONTROL ALLOCATIONS BY FUND (continued)

	09- 10	10- 11	11- 12	12- 13	13- 14	14- 15	Projected 15-16
GRANT FUND							
ASSOCIATE 200 DAY - 7 HOUR	0	0	1	1	1	1	1
ASSOCIATE 260 DAY - 7 HOUR	4	3	3	3	3	3	3
ASSOCIATE 260 DAY - 8 HOUR	3	3	3	3	3	3	3
ASSOCIATE 260 DAY - 7.25 HOUR	0	0	1	1	1	1	1
COORDINATOR	2	2	2	3	2	2	2
ELEMENTARY SCHOOL PRINCIPAL	2	2	2	2	2	2	2
HOME SCHOOL LIAISON	1	1	1	1	1	1	1
HOME SCHOOL LIAISON 12 MTH	1	1	1	1	1	1	1
INTERPRETER	0	1	0	0	0	0	0
INSTRUCTIONAL ASSISTANT	57	54	58	58	69	58	58
INSTRUCTIONAL ASSISTANT SPED	6	8	9	9	0	9	9
MAINTENANCE PERSONNEL	1	1	1	1	1	1	1
OTHER PROFESSIONAL STAFF	0	0	1	1	1	1	1
PART TIME WITH POSITION	0	0	2	2	3	4	4
PROGRAM SPECIALIST	7	7	7	7	9	8	8
PSYCHOLOGIST	3	4	0	0	0	0	0
PSYCHOLOGIST 10+2	3	2	0	5	4	4	4
RESEARCH SPECIALIST						0	0
SENIOR SUPERVISOR	6	6	6	6	5	5	5
SOCIAL WORKER 10+1	0	0	0	0	0	0	0
SOCIAL WORKER 10+2	0	0	0	0	0	0	0
SPEECH / HEARING / SIGHT THERP	0	1	1	1	1	1	1
STUDENT RESOURCE LIAISON	4	4	1	1	1	0	0
TEACHER	89	91	93	90	90	83	83
TEACHER SPECIAL ED	10	13	14	14	14	14	14
TEACHER 10+1	9	8	4	4	3	2	2
TEACHER 10+2	4	4	3	3	3	2	2
TEACHER 10+2 SPECIAL ED	2	1	0	0	0	0	0
TEACHER SPECIALIST	7	10	11	11	11	10	10
TOTAL FOR FUND	221	227	225	228	229	216	216
REPROGRAPHICS FUND							
ASSOCIATE 260 DAY - 8 HOUR	2	2	1	1	1	1	0
PRINT SHOP PERSONNEL	4	4	4	4	4	1	0
SUPERVISOR	1	1	1	1	1	1	0
TOTAL FOR FUND	7	7	6	6	6	3	0
STIMULUS FUNDS							
TOTAL FOR FUND	34	25	0	0	0	0	0
TEXTBOOK FUND							
ASSOCIATE 260 DAY - 8 HOUR	1	1	1	1	1	1	1
TOTAL FOR FUND	1	1	1	1	1	1	1
TOTAL FOR ALL FUNDS	2381	2288	2209	2208	2215	2173	2209

Code of Virginia, 1950 (excerpts)

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

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

§ 22.1-89. Management of Funds.

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

§ 22.1-91. Limitation on Expenditures; Penalty.

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

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

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

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

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

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

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

Notwithstanding any other provision of law, including but not limited to Chapter 25 (§ 15.2-2500 et seq.) of Title 15.2, the governing body of a county shall prepare and approve an annual budget for educational purposes by May first or within thirty days of the receipt by the county of the estimates of state funds, whichever shall later occur, and the governing body of a municipality shall prepare and approve an annual budget for educational purposes by May fifteen or within thirty days of the receipt by the municipality of the estimates of state funds, whichever shall later occur. Upon approval, each local school division shall publish the approved annual budget 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 redivision outside of the locality in which they were raised.

Superintendent's Memo #095-15



COMMONWEALTH of VIRGINIA Department of Education

April 17, 2015

TO: Division Superintendents

FROM: Steven R. Staples, Superintendent of Public Instruction

SUBJECT: State Direct Aid to Public Education Funds Permitted to be Carried Forward from Fiscal Year 2015 to Fiscal Year 2016

Section 22.1-100, *Code of Virginia*, requires school divisions to return unexpended state funds to the Commonwealth at the close of each fiscal year. However, Chapter 665, 2015 Acts of Assembly (i.e., 2015 Appropriation Act), permits school divisions that have met required local effort and required local match for fiscal year 2015 to carry forward to fiscal year 2016 any remaining state fund balances that are unexpended as of June 30, 2015. Specifically, the appropriation act language (Item 136 B.24.a.) for fiscal year 2015 reads as follows:

“Any locality that has met its required local effort for the Standards of Quality accounts for FY 2015 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2015 may carry over into FY 2016 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2016 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2016.”

This language permits school divisions to use carry forward funds to address any revenue shortfall related adjustments in state funding to the locality, regardless of the original purpose of such funds. The adopted language requires the state carry forward funds to be reappropriated by the local governing body to the school division's budget for fiscal year 2016.

This provision does not alter the existing requirement that school divisions must spend the fiscal year 2015 required local effort and required local match amounts before the end of fiscal year 2015, which ends on June 30, 2015.

The General Assembly's adopted budget also encourages certain local funds to be carried over into fiscal year 2016 by including the following language (Item 136 B.25.):

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

To be eligible to carry forward any local fund balances from fiscal year 2015 to fiscal year 2016, school divisions must meet their required local effort and required local match expenditure obligations in fiscal year 2015.

The General Assembly’s adopted budget provides separate carry forward authority (Item 136 C.5.f.4) for the Textbooks account, which reads as follows:

“Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2015, or June 30, 2016, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose.”

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

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

SRS/cps

MANAGEMENT OF FUNDS

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.

ANNUAL BUDGET

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

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

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

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

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

Adopted: December 19, 1996

Revised: April 19, 2001

Revised: April 17, 2003

Revised: May 22, 2008

Revised: February 26, 2009

Revised: July 2, 2009

Revised: September 22, 2011

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

Code of the City of Portsmouth, Virginia

Sec. 12-4. Lapse of Appropriations.

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

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

ORDINANCE NO 2015-29

AN ORDINANCE APPROVING THE FISCAL YEAR 2015 – 2016 OPERATING BUDGET FOR THE PORTSMOUTH PUBLIC SCHOOL SYSTEM IN THE AMOUNT OF \$168,716,716 AND APPROPRIATING THE NECESSARY FUNDS BY CLASSIFICATIONS TO IMPLEMENT SAID BUDGET FOR THE FIRST QUARTER OF FISCAL YEAR 2015-2016.

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

1. The Fiscal Year 2015 – 2016 Operating Budget in the amount of \$168,716,716 for the Portsmouth Public Schools is hereby approved in the following revenue and expenditure classifications:

Revenues:

School General Fund	\$ 140,551,680
School Grant Fund	17,418,954
School Food Services Fund	8,426,500
School Risk Management Fund	955,702
School Textbook Fund	1,363,880
Total Revenues	\$ 168,716,716

Expenditures:

General Fund:

Total General Fund	\$ 140,551,680
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Other Funds:

Grant Fund:

Instruction	\$ 14,549,843
Administration, Attendance, and Health	636,460
Pupil Transportation	207,406
Operations and Maintenance	125,000
Technology	1,900,245
Total Grant Funds	\$ 17,418,954

Food Services Fund:

School Food Service and Other Non-Instructional Operations	\$ 8,426,500
Total Food Service Fund	\$ 8,426,500

Risk Management Fund:		
Instruction		\$ 270,523
Administration, Attendance, and Health		512,337
Pupil Transportation		79,557
Operation and Maintenance		92,911
Technology		374
	Total Risk Management Fund:	\$ 955,702

Textbook Fund:		
Instruction		\$ 1,363,880
	Total Textbook Fund	\$ 1,363,880

Total Expenditures 168,716,716

2. In order to provide the funding for the first quarter of the Portsmouth Public Schools' Fiscal Year 2015-2016 Operating Budget, that the sum of \$42,179,179 be, and the same hereby is appropriated to the following classifications to fund the first quarter of the Fiscal Year 2015 -2016 which begins on July 1, 2015 and ends on September 30, 2015:

Instruction		\$ 25,842,851
Administration, Attendance, and Health		1,814,661
Pupil Transportation		1,754,921
Operation and Maintenance		3,818,518
Debt and Fund Transfers		682,658
Technology		1,224,311
	Total General Fund	\$ 35,137,920

Other Funds:

Grant Fund:

Instruction		\$ 3,637,461
Administration, Attendance, and Health		159,115
Pupil Transportation		51,250
Operation and Maintenance		31,250
Technology		475,061
	Total Grant Funds	\$ 4,354,739

Food Services Fund

School Food Service and Other Non-Instructional Operations		\$ 2,106,625
	Total Food Service Fund	\$ 2,106,625

Risk Management Fund:

Instruction	\$	67,631
Administration, Attendance, and Health		128,084
Pupil Transportation		19,889
Operation and Maintenance		32,228
Technology		93
Total Risk Management Fund:	\$	238,925

Textbook Fund:		
Instruction	\$	340,970
Total Textbook Fund	\$	340,970

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

4. That this ordinance shall take effect on July 1, 2015.

ADOPTED by the Council of the City of Portsmouth, Virginia at a meeting held on May 12, 2015.

Teste:

City Clerk

ORDINANCE NO 2015-28

AN ORDINANCE APPROVING THE FY 2016-2020 CAPITAL IMPROVEMENT PROGRAM AND APPROPRIATING \$33,419,887 IN THE FY 2015-16 CAPITAL IMPROVEMENT FUND, \$150,000 IN THE FY 2015-16 PORTSMOUTH PARKING AUTHORITY CAPITAL IMPROVEMENT FUND, AND \$22,000,000 IN THE FY 2015-16 PUBLIC UTILITIES CAPITAL IMPROVEMENT FUND.

WHEREAS, the City Manager has submitted to the City Council the Capital Improvement Program for FY 2016 through 2020 and the funding for Year One of the Capital Improvement Program; and

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

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

1. The estimated revenues and revenue contributions and the appropriation of funds to finance the Capital Improvement budgets of and for the City of Portsmouth, Virginia, for the period beginning July 1, 2015 and ending June 30, 2016, be, and the same hereby are, as follows:

Capital Improvement Fund Revenue

State Categorical Aid	\$ 5,323,600
Charges for Services	35,000
Operating Transfers In	9,811,287
Bond Proceeds	<u>18,250,000</u>
Total Revenues	\$ 33,419,887

Portsmouth Parking Authority CIP

Operating Transfers In	<u>\$ 150,000</u>
Total Revenues	\$ 150,000

Public Utility CIP Fund Revenue

Bond Proceeds	\$ 5,000,000
Operating Transfer In	<u>17,000,000</u>
Total Revenues	\$ 22,000,000

2. That the five-year FY 2016-2020 Capital Improvement Program is hereby approved with fiscal years 2017 through 2020 being non-appropriated subsequent planning years.

3. That the sums of \$33,419,887 in the FY 2015-16 Capital Improvement Fund, \$150,000 in the FY 2015-16 Parking Authority Capital Improvement Fund and \$22,000,000 in the FY 2015-16 Public Utilities Capital Improvement Fund, be, and the same hereby are, appropriated for expenditure in the following categories and amounts to implement the FY 2016 2020 Capital Improvement Program:

Capital Improvement Fund

Drainage and Street Improvements	\$ 15,136,580
Education	2,639,132
Leisure Services	800,000
Municipal Facilities	<u>14,844,175</u>
Total Capital Improvement Fund	\$ 33,419,887

Total Parking Authority Capital Improvement Fund **\$ 150,000**

Public Utilities Capital Improvement Fund:

Water	\$ 17,500,000
Sewer	<u>5,000,000</u>
Total Public Utilities Capital Improvement Fund	\$ 22,000,000

4. That it is the intent of the City to make certain expenditures in connection with the planning, design, acquisition, construction and equipping of the projects herein approved which the City reasonably expects to be reimbursed as permitted by Section 1.150 2 of the regulations pursuant to the Internal Revenue Code of 1986, as amended, from the proceeds of one or more issues of bonds issued to fund the projects. As of the date of this ordinance, the maximum projected amount of general obligation bonds and notes to be issued is not expected to exceed \$23,250,000.

5. That the City Manager is hereby authorized and directed to do all things necessary to implement the FY 2016-2020 Capital Improvement Program.

6. That this ordinance shall take effect on July 1, 2015.

ADOPTED by the Council of the City of Portsmouth, Virginia, at a meeting held on May 12, 2015.

Teste:

City Clerk

GLOSSARY

AC=13	Academics and Career After High School = 13th Year
ADM	Average Daily Membership reported to Virginia Department of Education yearly as of March 31
Appropriation	A legal authorization to incur obligations and to make expenditures for specific purposes
Attrition	A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs
ARRA	American Recovery & Reinvestment Act of 2009
AYP	Adequate Yearly Progress under No Child Left Behind guidelines
Authorized Positions	Employee positions, which are authorized in the adopted budget, to be filled during the year
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.
Comprehensive Plan	Ten-year vision of the Portsmouth School Board for the Portsmouth School Division. Adopted in 2007, revised 2009, 2011, and 2013.
Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule
Disbursement	The expenditure of monies from an account
Encumbrances	Obligations in the form of purchase orders, contracts, or other commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved.
E-Rate	Schools and libraries universal service support mechanism for discount telecommunication services, and Internet access
Expenditure	An outlay or the creation of a liability for an asset or an expense item
Expense	Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges

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

