



FY17 School Board Budget Questions

Question 1: Why is the School division requesting additional funds with a declining student enrollment?

As a result of the recession, SCPS, like many other school divisions, were required to significantly reduce staff (over 300 positions) in order to balance budgets with steep declines in revenue at the state and local levels. Those reductions were needed regardless of increased or projected increases in enrollment.

In contrast to the declines in revenue, state and federal accountability assessments/measures increased in volume and rigor. So while requirements, mandates and expectations have risen, funding levels, even when our school division has increased enrollment (previous two years), have remained below pre-recession levels.

While our total K-12 enrollment went down by 139 students, our students with disabilities population, especially low incidence, high intensity of need and service has sharply increased over the past few years. These students require significantly more resources and are at a higher rate per pupil to educate. SPED Federal Mandates and Requirements remain significantly underfunded. In addition, our student population has become increasingly diverse over the past 5-10 years. With our Hispanic population and economically disadvantaged students tripling and doubling respectively, there are instructional support implications we must consider to meet these needs.

In alignment with our strategic plan, increasing employee compensation and targeting additional supports to the classroom are strategies intended to not only maintain quality services to our students and community, but to support higher quality and continuous improvement.

Capital Projects have been continuously deferred annually due to budget challenges and to lower debt service. With the vast majority of our facilities being 15 years or older, it is important that we address these needs as well as transportation and technology replacement/upgrades

Previous and Current revenues at the state and local level are not keeping pace with inflationary and mandatory cost increases. The past two years, we were fortunate that health insurance costs were lower and reserve funds were available to help offset some of the minor increases. This year, the increases in health insurance and VRS are too steep for the school division to offset with reserve funding and state increases were not enough to offset VRS increases.



Question 2: Why is the school division's health rate increasing?

The increase is attributable primarily to medical trends and prior year experience. First, Medical & Drug Trend - 8.5% Health and prescription costs vary from one year to the next but are clearly increasing over time. The State in their recent review of Public Employee Health programs (statewide) projected costs using 5% medical and 10% for prescription (6.25% combined). So the State actuaries expect 6.5% increases per year over time.

Finally, as it pertains to prior year experience - School claims from last year are higher than expected and therefore projections using those claims are higher than expected. (there was a significant rise in the number of large claimants over \$75,000 (these large claims can vary widely from one year to the next) and prescription drugs cost has increased faster than projected).



Question 3: Why are the school division's VRS/GLI rates increasing?

The Governor's introduced budget adopts higher employer contribution rates for instructional retirement benefits in 2016-2018 than was funded in Chapter 665 for fiscal year 2016 (14.06 percent to 14.66 percent) for fiscal year 2017 and (14.06 percent to 16.32 percent) for fiscal year 2018. The rates recommended by the Governor are based on 90 percent of the 2016- 2018 rates recommended by the VRS Board of Trustees in fiscal year 2017, and 100 percent of the rates recommended by VRS in fiscal year 2018. The prevailing non-professional VRS rate has been updated and is funded at 7.11 percent for both years of the biennium. This prevailing rate is used for state funding purposes only; the actual non-professional rate charged by VRS will vary by school division. For the retiree health care credit, the rates proposed for 2016-2018 reflect a rate change from fiscal year 2016 (1.06 percent to 1.11 percent) for fiscal year 2017 and (1.06 percent to 1.23 percent) for fiscal year 2018. The Group Life Insurance benefit provides life insurance two times ones creditable compensation salary rounded to the nearest thousand. The rate is increasing from 1.19% to 1.31%, which is a 10.1% increase for the FY17 budget year.



Question 4: What does the FY 2017 School Board budget request include?

The FY 2017 expenditure budget request consists of several components and they are as follows:

BUDGET IMPACT	COMPONENT
\$1,046,653.74	Baseline adjustments – Impact of Using One-time Health Reserve Funds for Recurring Expenses
\$5,214,236.15	Address frozen steps, Step increase & 1% COLA & , fully restore stipends, add ES Library Liaison Stipend
\$4,896,112.88	Mandatory Costs (VRS, GLI, Active/Retiree Health/Dental)
\$2,706,628.00	Debt service increase due to new borrowing for FY17 CIP
\$2,542,996.17	47 Additional FTEs and Hourly Café Monitors
\$751,562.00	Non-Comp Increases/Decreases
(\$183,549.28)	Other FTE Adjustments (Food Service, Math Specialist, ITA Budget Amendment #8)
\$297,833.50	Special Education items FY16 placed into FY17 budget
\$57,712.91	Reclass Transportation positions
(\$102,609.83)	Balance grants/funds/unencumbered compensation
\$60,838.00	Fleet expenditure adjustment for \$1 increase in labor rates
\$17.3 M	TOTAL INCREASE EXCLUDING CIP

- The FY2017 CIP reflects an increase of \$4,527,621.30



Question 5: Why is the school division requesting 12 additional general education teaching positions?

Two of the teaching positions are slated to support our ESOL students. Since January, our ESOL population has increased by 36 for a total of 1226. Additionally, we are seeing an increase in the number of high need students, such as Immigrant and Youth (IY) students and older, secondary level ESOL students with interrupted formal education. Several schools with increasing numbers are in need of more support. The following strategies within our Strategic Plan support this request:

- 1.1.4 Use evidence-based teaching and learning models that meet the individualized needs of diverse students.
- 1.3.4 Enhance compliance with local, state and federal laws and regulations

These positions would keep the ratio of teacher to student below 1:50 at all levels and ensure low level ESOL students are receiving optimum services.

The remaining ten positions are slated to possibly support various areas of classroom instruction as we update the curriculum, specifically mathematics at the middle school level (i.e. mathematics at the middle school level, foreign language at the high school level, etc.). The following strategies within our Strategic Plan support this request:

- 1.1 Students will demonstrate the skills necessary to meet college and career readiness standards
- 1.1.1 Develop and implement an innovative multidisciplinary guaranteed viable curriculum (content)
- 1.1.2 Expand program opportunities to enrich college and career readiness for all students
- 1.1.4 Use evidence-based teaching and learning models that meet the individualized needs of diverse students
- 1.1.6 Support college and career readiness through action plans that maximize professional learning networks, effective planning and high quality designs

Enhancing and updating the mathematics curriculum will better align the mathematics standards Kindergarten through eighth grade. Additionally, this curriculum move increases equity in student access to rigorous curriculum and opportunities for access to higher level math courses at the high school level. These efforts provide the students within the school system an increase of rigor, better preparing them for various assessments such as SOL, PSAT, and SAT. Current data indicates that our students do not surpass the state average on ACT tests. According to the SAT data, our students are outperformed at the state and national level.



Question 6: What are the average fuel costs? What are the estimated savings?

Our average cost per gallon for FY2016 YTD is \$1.50. Total fuel cost for FY2016 YTD is \$420,880. A review of FY2015 through January 31, 2015 showed fuel expenditures of \$663,697.00. This represents a difference of \$242,817.00.

Please note fuel cost will fluctuate greatly and there is no way to accurately predict the total fuel cost for FY2016 and out years.



Question 7: Why is the school division requesting additional special education personnel?

In SCPS the Child Count for students eligible for Special Education and Related Services has increased by 2.8% from 2014 to 2015

Since September 14, 2015 to February 5, 2016 SCPS has had 325 students with disabilities to transfer into the school division, with only 103 students with disabilities transferring out of the school division.

(1) School Social Worker

Rationale for Request -

- Review of SSW data on a quarterly basis to include students served, level of services provided, services coordination required and response to services.
- Review of Special Education referral data, eligibility components requiring a Social History and those students identified as having emotional disabilities and information provided by families regarding a mental health diagnosis.
- A review of the data indicates the following: 2015= 1521 served and first quarter of 2016= 585 served as of October 2015.
- Strategic Plan –
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.
 - 1.2.2 By 2019, the Mental Health Team will increase mental health services to students and families by 50%.

(1) School Psychologist

Rationale for Request -

- Monthly review of referrals for Special Education.
- Monthly reviewed of eligibilities.
- Compliance to State Timelines for initial evaluations - we are currently under Corrective Action by VDOE for not making 100% compliance, we are 94.65% with completion of initial evaluations.
- For the 2014-15 school year, the school psyc team completed 370 initial evaluations, 189 reevaluations, and 129 record reviews.
- Strategic Plan -
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.



- 1.2.2 By 2019, the Mental Health Team will increase mental health services to students and families by 50%.
- Compliance with State and Federal Laws
 - Compliance with the Regulations Governing Programs for Students with Disabilities in Virginia requires that all public school divisions meet 100% compliance for on-time evaluation for initial referrals to Special Education. The timeline that drives the referral for evaluation is 65 days. SCPS is currently not meeting this regulatory requirement at 94.65% for 2014-15.

(1) Occupational Therapist

Rationale for Request -

- Current caseloads of OT, we have a division average of 45 students per OT.
- Our projected need for an increase in SPED programs across the division to meet the needs of our student population and to maintain regulatory compliance to caseload standards.
- Strategic Plan -
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.

(1) Speech-Language Pathologist

Rationale for Request -

- Monthly review of SLP caseloads.
- State regulations cap SLP caseloads at 68 students.
- Monthly review of transfer students and newly eligible students.
- Strategic Plan-
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.
- Compliance to State and Federal Laws-
 - Compliance with the *Regulations Governing Programs for Students with Disabilities in Virginia*, requires that Speech-Language Pathologist carry a caseload of no more than 68 students. Student needs above the 68 require the addition of another SLP to provide services.



(1) Autism Coordinator

Rationale for Request-

- The division requires a supervising Board Certified Behavior Analyst (BCBA) to meet the growing needs of our students with Autism Spectrum Disorders. A BCBA is certified and highly trained in Functional Behavior Analysis and the creation of programs for students with ASD. This person would support the coordination of services and supports for the 3 Autism Specialists, provide observational support, support the creation of FBAs/BIPs for students with ASD, maintain the VCU-ACE practices, write and supervise ABA programs for students across the division, provide professional learning for staff working with students with ASD, and serve as the main point of contact for the OSSS on all ASD related matters.
- Monthly review of student information, programmatic needs, transfers, and students newly identified.
- Strategic Plan-
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.

(1) Program for Students with Intellectual Disabilities (1 teacher, 2 paras)

Rationale for Request-

- Monthly review of student information, service delivery across the division, standardized test performance, transfer information, newly eligible information, and SPED teacher caseloads.
- Compliance with the *Regulations Governing Programs for Students with Disabilities in Virginia* determines caseload compliance based on the student's eligibility classification and level of service.
 1. Students with services from 1% to 49% count can carry a point value from 1 to 2.5 based on disability and those with services from 50% to 100% can carry a point value from 2 to 3.3 dependent on disability. This caseload/staffing ratio is also impacted by the level of para support available to the student.
 2. ***** ID programs can service no more than 8 to 10 students depending on their eligibility classification, level of service, and level of para support.*****
- Strategic Plan-
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.
- Compliance with State and Federal Laws-
 - Compliance with the *Regulations Governing Programs for Students with Disabilities in Virginia* determines caseload compliance based on the student's eligibility classification and level of service. Students with



services from 1% to 49% count can carry a point value from 1 to 2.5 based on disability and those with services from 50% to 100% can carry a point value from 2 to 3.3 dependent on disability. This caseload/staffing ratio is also impacted by the level of para support available to the student.
***** ID programs can service no more than 8 to 10 students depending on their eligibility classification, level of service, and level of para support.*****

(1) Program for Students with Autism Spectrum Disorders (1 teacher, 2 paras)

Rationale for Request-

- Monthly review of student information, service delivery across the division, standardized test performance, transfer information, newly eligible information, and SPED teacher caseloads.
- Compliance with the *Regulations Governing Programs for Students with Disabilities in Virginia* determines caseload compliance based on the student's eligibility classification and level of service. Students with services from 1% to 49% count can carry a point value from 1 to 2.5 based on disability and those with services from 50% to 100% can carry a point value from 2 to 3.3 dependent on disability. This caseload/staffing ratio is also impacted by the level of para support available to the student.
- ***** Autism self-contained classrooms can service no more than 6 to 8 students dependent upon their eligibility classification, level of service, and level of para support.*****
- Strategic Plan-
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.
- Compliance with State and Federal Laws-
 - Compliance with the *Regulations Governing Programs for Students with Disabilities in Virginia* determines caseload compliance based on the student's eligibility classification and level of service. Students with services from 1% to 49% count can carry a point value from 1 to 2.5 based on disability and those with services from 50% to 100% can carry a point value from 2 to 3.3 dependent on disability. This caseload/staffing ratio is also impacted by the level of para support available to the student.
- ***** Autism self-contained classrooms can service no more than 6 to 8 students dependent upon their eligibility classification, level of service, and level of para support.*****



(4) Programs for Students in Early Childhood Special Education (4 teachers, 8 paras)

Rationale for Request-

- Currently SCPS has 123 students slated to transition to pediatric services to school based services for the 2016-17 school year.
- Monthly review of student information, service delivery across the division, standardized test performance, transfer information, newly eligible information, and SPED teacher caseloads.
- Compliance with the Regulations Governing Programs for Students with Disabilities in Virginia determines caseload compliance based on the student's eligibility classification and level of service. Students with services from 1% to 49% count can carry a point value from 1 to 2.5 based on disability and those with services from 50% to 100% can carry a point value from 2 to 3.3 dependent on disability. This caseload/staffing ratio is also impacted by the level of para support available to the student.
- ***** ECSE programs can service no more than 6 to 8 students at a time, dependent upon age, disability category, level of service, and level of para support.*****
- Strategic Plan-
 - 1.2 Provide support services that optimize the physical and mental well being of all students, staff, and families.
- Compliance with State and Federal Laws-
 - Compliance with the Regulations Governing Programs for Students with Disabilities in Virginia determines caseload compliance based on the student's eligibility classification and level of service. Students with services from 1% to 49% count can carry a point value from 1 to 2.5 based on disability and those with services from 50% to 100% can carry a point value from 2 to 3.3 dependent on disability. This caseload/staffing ratio is also impacted by the level of para support available to the student.
- ***** ECSE programs can service no more than 6 to 8 students at a time, dependent upon age, disability category, level of service, and level of para support.*****



Question 8: Why is the school division's student enrollment increasing significantly in years 2020 and 2021?

Starting with birth trends in the County, from 2002 to 2008 the number of babies born to residents averaged 1,671 per year. Those are the students who are now in grades 2 through 8.

From 2009 to 2013 the average dropped to 1,542 babies born annually. Children from these years are just starting or have not yet started school. So, kids born in 2009 show up in kindergarten in 2014 and so on. In 2014, births increased to 1,613 so it is in 2019 and 2020 and 2021 when you see increases in the total elementary school numbers. In addition, it is projected that new students will move into the County and attend Spotsylvania County Public Schools due to the build out of new housing developments.



Question 9: What are the state revenues increases that are correlated to expenditure increases?

The Governor's introduced budget adopts higher employer contribution rates for instructional retirement benefits in 2016-2018 than was funded in Chapter 665 for fiscal year 2016. The rates recommended by the Governor are based on 90 percent of the 2016-2018 rates recommended by the VRS Board of Trustees in fiscal year 2017, and 100 percent of the rates recommended by VRS in fiscal year 2018. The cost of the VRS rate increase in FY17 is \$834,717. The division is only receiving \$543,432 in additional state revenues to offset which leaves \$291,285 that must be made up locally.

In addition, the increase in the Group Life rate results in an additional \$165,725 of which only \$10,094 is being offset by additional state revenues leaving \$155,631 that must be made up locally.

In his proposed 2016-2018 Biennial Budget, the Governor also included the state portion of funding for 17 additional instructional positions. The state funding amount available if 17 new positions are added equals \$690,766. By comparison, the estimated cost of 17 teachers (including benefits) is approximately \$1,085,722 or \$394,956 more than the state share of support.



Question 10: Why did the division's local composite index (LCI) increase and what is the fiscal impact?

The Composite Index determines a school division's ability to pay education costs fundamental to the commonwealth's Standards of Quality (SOQ).

The Composite Index is calculated using three indicators of a locality's ability-to-pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

The LCI is calculated every two years by the Virginia Department of Education using base data provided by the Department of Taxation and Weldon Cooper Center in addition to ADM data reported by local school divisions. Calculated using 2013 base-year data, the 2016-2018 Composite Index is 0.3617 and reflects an increase of 0.0062 over the 2014-2016 Composite Index of 0.3555. This increase in the LCI alone, without consideration to the Governor's Proposed Budget or changes in Average Daily Membership (ADM), translates to a loss of state funding of about \$1.8 million over the 2 year biennium.

Our LCI has increased with each recalculation since the 2012-2014 biennium when it was 0.3326, using 2009 base-year data. According to the formula, the increasing Composite Index indicates that Spotsylvania has a greater ability-to-pay for education and thus our share of state revenues is reduced.



Question 11: Please share County salary trend data and other key budget data trends.

	FY 2012 Adopted	FY 2013 Adopted	FY 2014 Adopted	FY 2015 Adopted	FY 2016 Adopted	FY 2017 Proposed
New Expenditures	General Fund \$4,578,516	General Fund \$4,812,630	General Fund \$138,324	General Fund \$4,876,887	General Fund \$6,009,156	General Fund \$2,510,262
FTE Inc/(Dec)	10.0 Full Time 0 Part Time	13.0 Full Time 3.47 Part Time	16.0 Full Time (1.25) Part Time	19.0 Full Time 0.9 Part Time	15.0 Full Time 1.17 Part Time	13.0 Full Time 0.7 Part Time
Funding to Schools	\$114.8M	\$115.3M ¹	\$114.8M ²	\$116.4M	\$116.4M ³	\$119.1M
County Carryover Balances	\$4,015,120	\$3,861,405	\$3,533,188	\$3,485,264	N/A	N/A
Employer VRS Rate	14.26%	11.32% - hired 7/1/12+ 15.32% - hired before 7/1/12	11.32% - hired 7/1/12+ 14.32% - hired before 7/1/12	10.58% - hired 7/1/12+ 12.58% - hired before 7/1/12	10.58% - hired 7/1/12+ 11.58% - hired before 7/1/12	9.51%
County Salary Information	1.5% COLA	2% increase for \$90,999 and below 0% increase for those above \$91,000 (All employees received an additional 1% pay raise to offset the 1% VRS share pickup)	1% increase effective January 2014 (Mid-year) (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	2% increase (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	One-time 1% merit-based bonus; 2% merit-based pay increase (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	2% merit-based increase (all employees receive an additional 1% pay raise to offset the 1% VRS share pickup)
County Unreserved General Fund Balance	\$41,623,344	\$39,792,116	\$43,091,457	\$46,632,935	N/A	N/A

¹ The transfer to Schools included a \$114,830,339 base transfer plus an additional \$481,990 which was a one-time transfer of fund balance remaining from prior years' hold backs. In addition to the \$115.3 million shown here, a one-time transfer of \$6.7 million was allocated to the School Capital Projects Fund from the General Fund balance.

² In addition to the \$114.8 million transfer to the Schools shown here, the Board of Supervisors approved a one-time transfer of \$750K from the General Fund Balance to the Schools subsequent to the budget adoption.

³ In addition to the \$116.4 million shown here, a one-time transfer of \$3.7 million was allocated to the School Capital Projects Fund from the County Capital Projects Fund to return school bond proceeds that had previously been identified for improvements to Massaponax Church Road associated with the Special Use Permit for the construction of Cedar Forest Elementary School.



Question 12: Please share salary trend data and other key budget data trends for the Schools.

Description	FY 2012 Adopted	FY 2013 Adopted	FY 2014 Adopted	FY 2015 Adopted	FY 2016 Adopted	FY 2017 Approved
All Funds Less CIP	\$761,419.00	\$10,203,943.00	(\$2,484,434.00)	\$5,365,528.00	\$2,328,895.00	\$17,297,967 which includes a revenue gap of \$12,641,976
Adopted FTE Inc/(Dec)	(28.233)	0.9	(16.53)	8.0	60.625	58
Funding to Schools	\$114.8M	\$115.3M ¹	\$114.8M ²	\$116.4M	\$116.4M ³	\$119.1M
School Carryover Balances	\$1,450,564	\$2,726,521	\$2,226,752	\$2,514,851	N/A	N/A
Employer VRS Rate (Professional)	11.93%	17.77% (12.77% paid by employer) (5% paid by employee)	17.77% (12.77% paid by employer) (5% paid by employee)	20.56% (15.56% paid by employer) (5% paid by employee)	20.12% (15.12% paid by employer) (5% paid by employee)	20.77% (15.77% paid by employer) (5% paid by employee)
Salary Information	1% COLA & \$600 Pro-rata bonus	0.8% (Employees below director level) 0.0% (Employee director & above) Plus 5% VRS pay raise offset	\$900 Pro-rata bonus	Step & 1% COLA	3% COLA	Step & 1% COLA
OPEB Trust Fund as of 6/30 each year	\$1,389,946.02	\$1,532,606.99	\$1,727,336.09	\$2,793,281.18	N/A	N/A
Health Insurance Reserve as of 6/30 each year after IBNR projections	(\$1,433,601)	(\$27,053)	\$9,231,437	\$10,885,061	N/A	N/A

¹ The transfer to Schools included a \$114,830,339 base transfer plus an additional \$481,990 which was a one-time transfer of fund balance remaining from prior years' hold backs. In addition to the \$115.3 million shown here, a one-time transfer of \$6.7 million was allocated to the School Capital Projects Fund from the General Fund balance.

² In addition to the \$114.8 million transfer to the Schools shown here, the Board of Supervisors approved a one-time transfer of \$750K from the General Fund Balance to the Schools subsequent to the budget adoption.

³ In addition to the \$116.4 million shown here, a one-time transfer of \$3.7 million was allocated to the School Capital Projects Fund from the County Capital Projects Fund to return school bond proceeds that had previously been identified for improvements to Massaponax Church Road associated with the Special Use Permit for the construction of Cedar Forest Elementary School.



Question 13: What budget reductions have been made since the FY 2016 adopted budget?

The baseline increase was \$1 million primarily due to the utilization of one-time health insurance reserve funds to cover recurring expenditures. About \$400,000 in funds were reallocated to include several vacant positions for other expenses, in areas such as, instruction, transportation, food service and fleet.



Question 14: How many employees are enrolled in the Schools' health plans?

As of 10/1/15:

There were 2,265 employees participating in the health insurance plan or 73.2% of active employees.

There were 1533 members on the KeyCare Expanded plan (rich plan) or 67.68% of total participants.



Question 15: How many positions are paid from Special education funds?

There are 533.60 FTEs that are paid from Special Education funds (all revenue sources)
Of the 533.60 FTEs, 65.6 or 12% are paid from grant funds as follows:

- 61.45 - Title VIB
- 1.90 - Title I
- 1.00 - Fund 2 – Rappahannock Juvenile Detention Center
- 1.25 - Preschool Grant



Question 16: What is the income threshold in order to be approved for free lunch? What is the income threshold in order to be approved for reduced lunch?

**USDA INCOME ELIGIBILITY GUIDELINES
HOUSEHOLD SIZE AND INCOME SCALE
(Effective July 1, 2015 to June 30, 2016)**

MAXIMUM HOUSEHOLD INCOME FOR <u>FREE MEALS</u> (130% Federal Poverty Guidelines)						
HOUSEHOLD SIZE	YEARLY	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	HOUSEHOLD SIZE
1	\$15,301	\$1,276	\$638	\$589	\$295	1
2	\$20,709	\$1,726	\$863	\$797	\$399	2
3	\$26,117	\$2,177	\$1,089	\$1,005	\$503	3
4	\$31,525	\$2,628	\$1,314	\$1,213	\$607	4
5	\$36,933	\$3,078	\$1,539	\$1,421	\$711	5
6	\$42,341	\$3,529	\$1,765	\$1,629	\$815	6
7	\$47,749	\$3,980	\$1,990	\$1,837	\$919	7
8	\$53,157	\$4,430	\$2,215	\$2,045	\$1,023	8
For Each Additional Family Member - ADD	\$5,408	\$451	\$226	\$208	\$104	For Each Additional Family Member - ADD
HOUSEHOLD INCOME RANGE FOR <u>REDUCED PRICE MEALS</u> (185% Federal Poverty Guidelines)						
HOUSEHOLD SIZE	YEARLY	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	HOUSEHOLD SIZE
1	\$15,301.01 - \$21,775	\$1,276.01 - \$1,815	\$638.01 - \$908	\$589.01 - \$838	\$295.01 - \$419	1
2	\$20,709.01 - \$29,471	\$1,726.01 - \$2,456	\$863.01 - \$1,228	\$797.01 - \$1,134	\$399.01 - \$567	2
3	\$26,117.01 - \$37,167	\$2,177.01 - \$3,098	\$1,089.01 - \$1,549	\$1,005.01 - \$1,430	\$503.01 - \$715	3
4	\$31,525.01 - \$44,863	\$2,628.01 - \$3,739	\$1,314.01 - \$1,870	\$1,213.01 - \$1,726	\$607.01 - \$863	4
5	\$36,933.01 - \$52,559	\$3,078.01 - \$4,380	\$1,539.01 - \$2,190	\$1,421.01 - \$2,022	\$711.01 - \$1,011	5
6	\$42,341.01 - \$60,255	\$3,529.01 - \$5,022	\$1,765.01 - \$2,511	\$1,629.01 - \$2,318	\$815.01 - \$1,159	6
7	\$47,749.01 - \$67,951	\$3,980.01 - \$5,663	\$1,990.01 - \$2,832	\$1,837.01 - \$2,614	\$919.01 - \$1,307	7
8	\$53,157.01 - \$75,647	\$4,430.01 - \$6,304	\$2,215.01 - \$3,152	\$2,045.01 - \$2,910	\$1,023.01 - \$1,455	8
For Each Additional Family Member - ADD	\$7,696	\$642	\$321	\$296	\$148	For Each Additional Family Member - ADD
CONVERSION FACTORS -	USE ONLY TO CONVERT MULTIPLE FREQUENCY INCOME ON THE SAME APPLICATION INTO YEARLY INCOME FOR ELIGIBILITY DETERMINATION: IF paid WEEKLY: Salary X 52 IF paid EVERY 2 WEEKS: Salary X 26 IF paid TWICE PER MONTH: Salary x 24 IF paid MONTHLY: Salary X 12					



Question 17: What is the per pupil costs for special education students?

FY15 per pupil costs are reflected below on Schedule B from the Annual School Report.

SCHEDULE B			
Itemized Expenditures by Disability Category for Fiscal Year 2015 (Distribution of Fund Total from Schedule A)			
EXPENDITURES	DISABILITY CATEGORY	DEC 1, 2014 CHILD COUNT (Unduplicated , 0-22 years, serving)	FY 2015 PER PUPIL EXPENDITURE
3,707,013.98	1. INTELLECTUALLY DISABLED (formerly MR)	132	28,083.44
	Hide and Skip this line	-	
946,410.75	2. HEARING IMPAIRMENTS	21	45,067.18
2,342,979.85	3. SPEECH OR LANGUAGE IMPAIR	538	4,354.98
238,849.85	4. VISUAL IMPAIRMENTS	13	18,373.07
2,013,685.48	5. EMOTIONAL DISTURBANCE	105	19,177.96
171,118.80	6. ORTHOPEDIC IMPAIRMENTS	17	10,065.81
339,228.20	7. OTHER HEALTH IMPAIRMENTS	489	693.72
10,351,502.64	8. SPECIFIC LEARNING DISABILITIES	825	12,547.28
41,736.44	9. DEAF-BLINDNESS	2	20,868.22
329,937.43	10. MULTIPLE DISABILITIES	31	10,643.14
4,248,159.67	11. AUTISM	257	16,529.80
10,209.45	12. TRAUMATIC BRAIN INJURY	4	2,552.36
569,368.89	13. DEVELOPMENTALLY DELAYED	199	2,861.15
10,522,867.14	14. SUPPORT SERVICES	N/A	N/A
35,833,068.57	15. GRAND TOTAL (Must equal grand total in Schedule A)		



Question 18: Please share the status of the division's health insurance reserve.

Health/Prescription/Dental Reserve Update

Group	Amount
Anthem Health & RX Deficit as of 12/31/15	(\$283,482)
CFR Balance as of 12/31/15	\$10,920,070
Retiree Medicare Supplement Surplus held by Health Smart @ 12/31/15	\$1,405,273
Anthem Dental Deposit held by Anthem @12/31/15	<u>\$476,408</u>
Total Reserves Held	<u>\$12,518,269</u>
IBNR Reserve Requirement @ 9/30/2016	(\$3,634,382)
Retiree Medicare Supplement Surplus held by Health Smart @ 12/31/15	<u>(\$1,405,273)</u>
Subtotal – Projected Available Balance	<u>\$7,478,614</u>
FY16 Budget - Use of Health Insurance (HI) Reserve	(\$3,000,000)
FY16 Anticipated Use of Dental Reserve to Close Out FY16	<u>(\$136,500)</u>
Subtotal – Revised Projected Available Balance	<u>\$4,342,114</u>
FY16 Anticipated Additional Use of Health Insurance Reserve to Close out FY16	<u>(\$1,000,000)</u>
Subtotal – Projected Available Balance at 6/30/16	<u>\$3,342,114</u>



Question 19: Please share the school division's ADM trends.

Historical Analysis of March 31 ADM
VDOE Projected, Budgeted and Actual

	VDOE Projected March 31 ADM	Budgeted March 31 ADM Count	Sept. 30 ADM Count	Actual March 31 ADM Count	Sept. 30 to March 31 Variance	EOY ADM Count	31-Mar to EOY Variance	Budget to Actual 31-Mar Variance	Basic Aid PPA	*Estimated Impact on State Funding for Basic Aid State and Local Shares	Composite Index	**Estimated Impact on State Funding for State Share of Basic Aid ONLY
2003-04	22,534	22,276	21,893	21,888	(5)	21,831	(57)	(388)	4,098	(1,590,024)	0.3548	(1,025,883)
2004-05	22,636	22,747	22,754	22,800	46	22,588	(212)	53	4,609	244,277	0.3573	156,997
2005-06	23,701	23,833	23,526	23,505	(21)	23,309	(196)	(328)	4,665	(1,530,120)	0.3573	(983,408)
2006-07	24,831	23,852	23,846	23,810	(36)	23,637	(173)	(42)	5,317	(223,314)	0.3455	(146,159)
2007-08	24,369	24,193	24,079	23,936	(143)	23,736	(200)	(257)	5,398	(1,387,286)	0.3455	(907,979)
2008-09	24,381	24,125	23,906	23,714	(192)	23,538	(176)	(411)	6,168	(2,535,048)	0.3695	(1,598,348)
2009-10	23,801	23,609	23,873	23,710	(163)	23,626	(84)	101	5,661	571,761	0.3695	360,495
2010-11	23,672	22,741	23,503	23,376	(127)	23,296	(80)	635	5,189	3,295,015	0.3593	2,111,116
2011-12	23,149	23,241	23,425	23,265	(160)	23,179	(86)	24	5,200	125,996	0.3593	80,726
2012-13	23,139	23,139	23,384	23,264	(120)	23,308	44	125	5,271	658,137	0.3326	439,241
2013-14	23,127	23,127	23,334	23,290	(44)	23,339	49	163	5,244	852,832	0.3326	569,180
2014-15	23,425	23,374	23,358	23,315	(43)	23,348	33	(59)	5,562	(326,990)	0.3555	(210,745)
2015-16	23,328	23,374	23,164	23,125	(39)	23,157	33	(249)	5,559	(1,385,859)	0.3555	(893,186)
2016-17	22,816	23,143	23,301	23,143	(158)	23,176	33	-	5,721	-	0.3617	-

Italicized amounts represent estimated Basic Aid PPA. These figures are not yet finalized.

*Based on Basic Aid PPA (per pupil amount) only and reflects state AND local shares. It is necessary to use the applicable local composite index to determine the state share of the estimated impact to funding. Estimates also do not account for increases/decreases in sales tax or other state revenue accounts determined by ADM; therefore, figures do not represent total actual impact on final state revenues from original budgeted amounts.

** Figures in this column do not reflect changes in state revenues for any non-basic aid accounts such as sales tax, and other SOQ, categorical and incentive accounts. Potential revenue shortfall across ALL state accounts is estimated at \$1.7 million.



Question 20: With the FY 2017 School Board Approved Budget including a 5% increase in the employee health insurance premium, please share the potential fiscal impact on employees.

Health Insurance Rate - Estimated Employee Fiscal Impact					
Health Rates are Pre-Tax thus increase will not be taxable					
Plan	Plan Tier	Current Employee Monthly Premium	Monthly Increase 5%	Annualized Increase 5%	Revised Employee Monthly Premium 5%
Full-time Employees					
KeyCare Expanded	Employee Only	\$125.36	\$6.27	\$75.22	\$131.63
	Employee +1	\$350.34	\$17.52	\$210.20	\$367.86
	Family (Shared)	\$196.56	\$9.83	\$117.94	\$206.39
	Family	\$598.37	\$29.92	\$359.02	\$628.29
KeyCare 200	Employee Only	\$90.26	\$4.51	\$54.16	\$94.77
	Employee +1	\$285.31	\$14.27	\$171.19	\$299.58
	Family (Shared)	\$164.89	\$8.24	\$98.93	\$173.13
	Family	\$501.99	\$25.10	\$301.19	\$527.09
KeyCare 500	Employee Only	\$20.40	\$1.02	\$12.24	\$21.42
	Employee +1	\$156.51	\$7.83	\$93.91	\$164.34
	Family (Shared)	\$45.14	\$2.26	\$27.08	\$47.40
	Family	\$295.53	\$14.78	\$177.32	\$310.31
Part-time Employees					
KeyCare Expanded	Employee Only	\$228.66	\$11.43	\$137.20	\$240.09
	Employee +1	\$493.98	\$24.70	\$296.39	\$518.68
	Family	\$803.47	\$40.17	\$482.08	\$843.64
KeyCare 200	Employee Only	\$164.64	\$8.23	\$98.78	\$172.87
	Employee +1	\$402.29	\$20.11	\$241.37	\$422.40
	Family	\$674.05	\$33.70	\$404.43	\$707.75
KeyCare500	Employee Only	\$123.70	\$6.19	\$74.22	\$129.89
	Employee +1	\$300.15	\$15.01	\$180.09	\$315.16
	Family	\$500.63	\$25.03	\$300.38	\$525.66



Question 21: What is the average class size?

In our efforts for continuous improvement and high student achievement, the goal is to maintain or lower class sizes. For this school year, our average class sizes are as follows:

AVERAGE CLASS SIZE	PUPIL TEACHER RATIO
Grades K – 2	21:1
Grades 3 - 5	22:1
Grades 6 – 8 (Four Core)	24:1
Grades 9 – 12 (Four Core)	22:1



Question 22: By District, please document the voting results for the 2014 Bond Referendum?

Bond Referendum Questions						
Districts	Description	Question 1 - Public Roads	Question 2 - Environmental Solid Waste Need	Question 3 - Public Safety Needs	Question 4 - General Gov't Equipment & Facilities	Question 5 - School's Maintenance/Tech/ Transportation Needs
	Berkeley - 1	45.49%	40.87%	49.48%	28.10%	48.28%
	Chancellor - 2	51.75%	45.53%	52.39%	36.70%	50.01%
	Courtland - 3	51.29%	46.51%	53.98%	33.64%	55.46%
	Lee Hill - 4	62.57%	53.28%	57.63%	45.97%	64.91%
	Livingston - 5	41.51%	40.13%	45.73%	26.08%	45.17%
	Salem - 6	60.97%	53.45%	61.50%	38.33%	65.16%
	Battlefield - 7	59.37%	50.89%	59.48%	36.14%	62.58%
	Other (Provisional & Absentee)	62.06%	53.86%	61.87%	41.91%	57.92%
Total Votes	53.56%	47.44%	54.58%	35.20%	55.83%	



Question 23: What budget items can be funded with one-time money?

While there are several non-compensation items in the proposed FY17 budget, all are recurring expenditures (i.e., Special education purchased services, Maintenance fee for new financial system, Synergy maintenance fee, etc.). If there is one-time funding provided, it would be most effectively used to support the FY17 CIP thereby offsetting the debt service increase in the operating budget.



Question 24: Were there new teaching positions added in the FY16 Budget?

The following additional teaching positions were included as part of the FY16 Adopted Budget:

- 3 ESOL Teachers
- 9 General Education Teachers
- 1 Math Specialist
- 1 VPI Teacher (partially state funded)
- 1 Regional Specialist Teacher (grant funded)
- 2 ECSE Teachers
- 3 Autism Teachers



Question 25: Please list all mandated costs.

Budget development cycles for at least the last 7 years have been very challenging due to dramatic increases in mandatory costs outweighing the increases in revenues.

While the FY17 Governor's Proposed Budget included rebenchmarking adjustments and \$690,000 for additional instructional positions, the division experienced a decrease in student enrollment. The decrease in enrollment, coupled with a slightly higher composite index of 0.3617, translated to a net increase of approximately \$4.6 million in state revenue for FY17. Since FY13 total revenues have increased approximately \$10.1 million or 3.8%. The \$5.5 million loss in federal funds since FY13 has offset almost half of the increases in state revenues. City-County revenue remains flat in FY17 at \$116,432,746 which reflects a \$1.1 million increase or 0.97% since the FY13 funding level of \$115,312, 329.

Increases in mandatory costs for are numerous, to name a few, health benefits, VRS, staffing standards, required courses, etc. Instruction and finance staff will compile a comprehensive mandatory list and share in the near future.



Question 26: Please share the budget increase resulting from the FY2017-2021 CIP.

The Capital Improvement Plan (CIP) is a capital budget and planning document prepared annually for Spotsylvania County Public Schools. The CIP is developed as a budgeting document covering a five-year period (upcoming fiscal year + four years), which moves out one year each year. As the CIP is reviewed and updated on an annual basis, long range plans are adjusted to reflect changes in county demographics, circumstances, priorities, and educational mandates.

The CIP provides a forecast by which capital maintenance, capital technology, and capital transportation projects required to support Spotsylvania County Public Schools are planned, financed, and constructed. As a planning tool, the CIP addresses needs for the improvement of the division’s technology infrastructure, replacement of major equipment and vehicles, construction of new facilities as needed (including necessary land acquisition), as well as renovations and/or additions to existing school facilities. The capital projects included in the CIP are based on educational program requirements, School Board approved educational policy standards, and the adequacy of existing facilities and equipment to accommodate present and proposed educational programs. Student enrollment and county population trends influence project recommendations.

CIP 2017-2021 Summary Totals By Year

Category	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5-Yr Total*
Transportation	\$4.3m	\$4.1m	\$4.2m	\$3.7m	\$3.6m	\$20.0m
Maintenance	\$13.5m	\$16.2m	\$18.8m	\$6.5m	\$4.9m	\$59.9m
Technology	\$9.8m	\$4.5m	\$3.6m	\$2.5m	\$2.8m	\$23.2m
CIP Total*	\$27.6m	\$24.8m	\$26.7m	\$12.7m	\$11.3m	\$103.1m

* Due to rounding, may not appear to add to total.

The Capital Improvement Plan is updated annually enabling adjustments to be made based on the latest information. Residential projects and their potential impact on school enrollments will continue to be monitored and the school division will continue to work with the County Planning Department in this effort. Potential educational programming changes may also initiate changes in future CIP projects.



Question 27: Please share the budget impact on debt service resulting from the FY17 CIP.

The projected debt service budget for FY17 is \$25,922,930 and includes payments on the principal and interest on bonds issued for capital improvement projects, as well as some administrative fees required by the bank servicing the bonds. This is a net increase of \$2,706,628 from the FY16 Adopted Budget. The impact of the FY17 CIP borrowing which will take place in summer 2016 is estimated to be \$3,254,469; the final actual amount is dependent on interest rates at the time of issuance.

The schools work closely with County Finance to develop debt service projections and interest rates are updated based on the most recent issuance as well as advice from the County's bond counsel. The chart below shows the interest rate assumptions currently being used for budgeting purposes.

	2016	Out Years
7 years (Technology)	2.00%	3.00%
12 years (Transportation)	2.75%	3.75%
20 years (Maintenance)	3.75%	4.75%

Periodically, the County is able to refinance take advantage of lower interest rates by refunding existing debt, thereby generating cost savings. The 2007 refunding was estimated to yield interest savings of approximately \$6.3 million over the remaining term of the bonds.

School debt service in FY2013 was 28,899,073 and decreased to its lowest in FY15 when it was \$22,724,585. This net decrease of \$6.1 million was due to the maturity of existing debt outpacing the issuance of new debt to support a CIP with many projects being deferred.

Based on the Approved 2017-2021 CIP, debt service is estimated to increase by \$157,631 and \$1,465,953 in FY18 and FY19, respectively. Then, due to the retirement of old debt being greater than new debt issued, debt payments are projected to decrease by approximately \$712,891 in FY20.



Question 28: Please provide a cost/benefit analysis on the new positions.

Rationale for new positions is provided in earlier questions. Please refer to the response to question #5 for the ESOL and General Education positions. The response to question #7 relates to the additional positions in Special Education.