

Recommended Adjustments FY 2010 Proposed Budget

At the request of the School Board at the work session on 1/26/09, ACPS staff have reviewed several recommendations made as part of the FY 2010 Proposed budget. This review was undertaken in the context of the guiding principles that have been used throughout the budget development process:

- Champion student achievement and instruction
- Respond to enrollment increases and changing needs of students
- Respect impact of economic downturn
- Identify efficiencies
- Eliminate or modify programs or activities that do not help us reach our goals
- Base determinations on research and data
- Strive to place affected employees in other positions

The FY 2010 Proposed budget is focused on student achievement and builds on a strong foundation. Many of our students achieve at exceptional levels. However, about 30% of our students do not meet the state's minimum performance standards, and it is in the best interests of our students, parents, and community that we be a division of high-performing schools with high performance by each and every student. The recently completed work of the School Board's strategic planning team succinctly states this vision and mission:

The ACPS vision is to:

- *Set the international standard for educational excellence, where all students achieve their potential and actively contribute to our local and global communities.*

The ACPS mission is to:

- *Provide the environment, resources, and commitment to ensure that each and every student succeeds—academically, emotionally, physically, and socially.*

The 1/27/09 review was also undertaken in acknowledgement that budget development is a process of rational estimation of unknown costs. In the best of times the level of uncertainty is low. In difficult times the level of uncertainty is high. The current areas in which we have the highest level of uncertainty are:

- **State formula-driven funding and sales tax revenue:** We believe we have reasonably projected our formula-driven funding levels, and we believe our conservative estimate of sales tax revenue is appropriate.
- **State-mandated VRS contribution rates:** As an increase in VRS contribution rates would increase costs for the state, the lower VRS rates included in the Governor's budget are likely to stand.
- **Possible grant funding included in the American Recovery and Reinvestment Act of 2009:** Under the most recent configuration of the House version of the economic stimulus package, ACPS stands to receive approximately \$6.3 million on July 1, 2009 in a combination of NCLB, IDEA, and construction funding, and another \$3.2 million in NCLB and IDEA funding on July 1, 2010. These funds are subject to supplement, not-supplant provisions and must therefore be used to fund items not previously included in the ACPS budget.

- **Health benefit claims history and the possible impact on the structure of health insurance costs and changes in copayments:** In collaboration with the City and based on our current claims history, we will explore the possibility of restructuring both the increases in co-payments and the increase in total insurance costs.
- **Enrollment and staffing projections for all schools, English language learners (ELL), and special education students:** Revised enrollment projections will be prepared in April with the accompanying staffing projections. Additional positions may be needed at that time if overall enrollment continues to increase or if ELL or special education enrollment projections change.

These uncertainties exist in the context of the continued worsening of the overall economic climate locally, nationally, and globally. The need for an aggressive approach to improvement of student achievement coupled with the need for a fiscally responsible budget lead us to recommend the following adjustments in the FY 2010 proposed budget:

- Recognize the net savings from the VRS rate reduction, partially offset by revenue shortfalls in the class-size reduction line item. The net savings will be used to fund the following items.
- Retain custodians and phase in the transition to an outside service provider. Savings will be obtained through a reduction of the work day to 7.5 hours for all custodians and the elimination of 4.0 FTE through attrition.
- Adjust the library media assistant allocation and contract length. This proposal increases the allocation from 8.5 to 10.6 FTE compared to the FY 2010 proposed budget and establishes a consistent formula for the allocation. Staff, including the library services curriculum specialist, feel that high quality library services can be obtained and maintained with the combination of library media specialists and library media assistants this provides.
- Modify the Super Summer fee schedule to three tiers, as provided in the response to budget question B-10-07, option 2. In addition, staff will aggressively pursue scholarship funding for students who cannot pay the full cost.
- Realign middle school elective staffing: Due to the remodeling of the middle school schedule there will be a reduction in the required number of elective teachers. The 1.0 Latin and 1.0 music teacher will be restored; 2.0 FTE will be reduced, with the course content area as yet unspecified. There will be no changes in programming and no reductions in course offerings except music appreciation.
- Modify the staffing formula for elementary ELL teachers to round up to a full day in each assigned school: Staff commit to making this adjustment to the staffing formula as part of the enrollment and staffing adjustments prepared in April for the FY 2010 Final budget. At that time final state revenue and health benefit costs will be known. Staff support making this formula consistent with that used for elementary art, vocal music, and physical education teachers.
- Fund exemplary programs:
 - Additional funding for existing exemplary programs:
 - Lyles-Crouch core knowledge program will receive an additional \$35,000 for the purchase of core knowledge materials and staff development. The annual recurring funding level will be \$20,000.
 - Samuel Tucker and Mount Vernon modified calendar programs will receive additional funding to cover the cost of a 20-day stipend for the assistant principal. Restoration of the funding for a full 1.0 FTE intersession coordinator at each school is not recommended. Staff

believe this is not warranted as the work load does not require a full-time position. Using flexible scheduling for the intersession coordinator and funding additional days for the assistant principals provides the necessary support for the program.

- Cora Kelly School for Math, Science, and Technology will receive an additional 1.0 math teacher. The Title I implementation plan audit noted that classroom teachers at Cora Kelly were too dependent on the delivery of math instruction in a lab. The instructional model will be modified to allow the math and classroom teachers to jointly deliver math instruction. This will be funded through the development of a staffing formula for reallocation of existing math coaches. The details of the formula will be provided prior to the approval of the FY 2010 Final budget. It is not recommended that the reduction of 2.0 focus school paraprofessionals be restored.
- New exemplary programs: No changes to the FY 2010 proposed funding levels are recommended.
- Use of the Principals' Promise Fund (PPF): Principals will work collaboratively to determine the most effective activities to be funded. Funding for the initial research into exemplary models a school might wish to undertake may be obtained from the PPF. Once an exemplary model is chosen, the school will request as part of the budget process the additional required funding to be included as a separate allocation in the school's base budget. This will allow middle schools to pursue the Middle Years Baccalaureate Program and elementary schools to explore other models, such as an inclusion or community school model.

The budget details of these changes are shown on the following page.

Recommended Adjustments to the FY 2010 Proposed Budget

Item	Original		New		Net Change	
	Amount	FTE	Amount	FTE	Amount	FTE
Available savings from VRS rate reduction	15,750,096		14,928,783		(821,313)	-
Offset by loss of class-size reduction revenue			411,442		411,442	-
Available for other uses	15,750,096		15,340,225		(409,871)	-
Adjustment for Custodians:						
Eliminate original proposal and restore all custodian positions	(500,422)	(61.00)			500,422	61.00
Reduce work day to 7.5 hours			(117,558)		(117,558)	-
Eliminate 4.0 FTE through attrition			(159,102)	(4.00)	(159,102)	(4.00)
Retiree health benefit retirement incentive			24,000		24,000	-
Eliminate TC Williams Work Study proposal			(50,000)		(50,000)	-
Net Change, Custodial Savings:	(500,422)	(61.00)	(302,660)	(4.00)	197,762	57.00
Adjustment for Library Media Assistant:						
Eliminate original proposal	(261,913)	(5.03)			261,913	5.03
Reduce contract length to 192 days			(21,063)		(21,063)	-
Reduce FTE by 2.93			(87,465)	(2.93)	(87,465)	(2.93)
Net Change, Library Media Assistant Saving:	(261,913)	(5.03)	(108,528)	(2.93)	153,385	2.10
Contract length adjustments: Career and Technical Education teachers to 202 days (6.0 FTE)			(37,621)		(37,621)	-
Realign middle school elective teachers: restore 1.0 FTE Latin and 1.0 FTE music teacher; eliminate 2.0 FTE elective teachers, subject areas TBD based on course enrollment	(122,212)	(2.00)	(122,212)	(2.00)	-	-
Establish three-tier fee schedule for super summer			42,969	-	42,969	-
Funding for Exemplary Programs						
1. Fund existing exemplary programs						
Cora Kelly School for Math, Science, and Technology - provide an additional classroom math teacher, funded via a realignment of math coaches			-	-	-	-
Lyles-Crouch Core Knowledge program materials and staff development			35,000		35,000	-
Modified Calendar assistant principal stipends (one stipend for each school at \$8,360 each plus benefits)			18,376		18,376	-
Net Change, Funding for Existing Exemplary Programs	-	-	53,376	-	53,376	-
2. Fund new exemplary programs						
No change recommended at this time						
3. Allocate the Principals' Promise Fund						
No change recommended at this time. Principals will consider funding initial research into exemplary programs, such as the Middle Years Baccalaureate Program, using the Principals Promise Fund.						
Grand Total, All Changes	14,865,549	(68.03)	14,865,549	(8.93)	0	59.10

FY 2010 Proposed Budget	197,236,360	1,859.96
Percent Change from FY 2009 Final Budget	-0.9%	-4.1%

FY 2010 Proposed Budget with Adjustments	197,236,360	1,919.06
Percent Change from FY 2009 Final Budget	-0.9%	-1.0%