

VIRGINIA: A CONTINUED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD JOINTLY WITH THE SURRY COUNTY SCHOOL BOARD AT THE SURRY COUNTY HIGH SCHOOL ON DECEMBER 18, 2012 AT 6:00P.M.

PRESENT: SUPERVISOR JUDY S. LYTTLE, CHAIRPERSON
SUPERVISOR JOHN M. SEWARD, VICE-CHAIR
SUPERVISOR ERNEST L. BLOUNT
SUPERVISOR KENNETH R. HOLMES
SUPERVISOR GIRON R. WOODEN, SR.

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR
MS. TERRI E. HALE, DIRECTOR OF FINANCE

SCHOOL BOARD MEMBERS

PRESENT: MS. ELSIE M. DENNIS, CHAIR
MRS. AUDREY BYRD, VICE-CHAIR
DR. MARION H. WILKINS
MRS. LAURA P. RUFFIN

ABSENT: MR. HAROLD L. JONES

ALSO

PRESENT: MR. LLOYD HAMLIN, SUPERINTENDENT, PUBLIC SCHOOLS
DR. SERBRENIA J. SIMS, ASSISTANT SUPERINTENDENT
MRS. MONIQUE G. BARNES, FINANCE DIRECTOR
MRS. RITA P. HOLMES, PRINCIPAL, SURRY COUNTY HIGH SCHOOL

CALL TO ORDER

Chairperson Lyttle called the meeting of the Board of Supervisors to order; Ms. Dennis, School Board Chair, called the meeting of the School Board to Order. A meal was served.

During the meal, discussion was held regarding the following topics:

- Safety concerns in response to the recent school shooting in Connecticut
- Factors affecting the development of the FY 13-14 School System budget (***Presentation is attached as an integral component of these minutes***)
- Decreasing enrollment
- Possible interest in a nursing program
- Need for additional handicapped transportation

Following the conclusion of the meal and discussion of topics enumerated above, School Board members and administrative staff made closing comments.

ADJOURNMENT

Chairperson Lyttle declared the Board of Supervisors meeting adjourned; Ms. Dennis declared the School Board meeting adjourned.

Surry County Public Schools FY2014 Budget Highlights



Tuesday, December 18, 2012

Agenda

- Comparison FY2012 to FY2013
- Reductions
- Revenue for FY2013
- Governor's FY2014 Amendments
- Required Increases
- Needs & Priorities



Original Reductions



• Original Request in April 2012	\$1,353,752
• Additional State Funding	(\$274,074)
• Reduction in VRS Rate	(\$398,581)
• Reduction in Expected Increase <u>for Healthcare Coverage</u>	<u>(\$140,760)</u>
Additional Local Funding Requested	\$540,337

Comparison



	ORIGINAL REQUESTS	AFTER REDUCTIONS	INCREASE (DECREASE)	PERCENTAGE CHANGE
Expenditures by Category				
Instruction	\$10,681,530	\$10,578,374	-\$103,156	-0.97%
Administration & Health	1,012,283	959,365	-52,918	-5.23%
Pupil Transportation	1,301,291	1,072,226	-229,065	-17.60%
Operation & Maintenance	1,890,563	1,843,563	-47,000	-2.49%
Food Services	606,401	601,409	-4,991	-0.82%
Debt Service	33,500	33,500	0	0.00%
Facilities/Capital Outlay	0	0	0	0.00%
Technology	808,052	704,847	-103,205	-12.77%
Total Budget	\$16,333,620	\$15,793,283	-\$540,337	-3.31%

Reductions

- Personnel
 - Removed 2 Leave Days – All Categories

\$104,491



Reductions



- Instruction

- Governor’s School Tuition
- Travel & Professional Development
- Mentor Teacher Funds
- Service Contracts
- Purchased Services
- Supplies
- Homebound
- Mentor Teachers
- Adult Ed
- Gifted Program
- Extracurricular Supplements

- Summer School
- Co-op program
- Substitute Teachers
- **2 Leave Days**

- Total Reduced =
\$103,156 < 1%

Reductions



- Administration & Health
 - Removal of Receptionist Position in Central Office
 - Purchased Services
 - Office Supplies & Books
 - Purchased Services
 - **2 Leave Days**

- Total Reduced = \$52,918 5.23%

Reductions



- Transportation
 - Removal of 2 New Busses
 - Auto Insurance to Actual Invoice
 - Extracurricular Trips
 - Supplies
 - Substitute Drivers
 - **2 Leave Days**

- Total Reduced = \$229,065 17.60%

Reductions



- Operation & Maintenance
 - Service Contracts
 - Supplies
 - Travel
 - **2 Leave Days**

- Total Reduced = \$47,000 2.49%

Reductions



- Technology
 - District-Wide Technology
 - Purchased Services
 - Travel
 - **2 Leave Days**

- Total Reduced = \$103,205 12.77%

Impact of Salary Increase



- Cost of 8% Raise \$928,558
(Includes FICA & VRS)
- Less 5% Withheld from Employee = \$478,441
- Total Increase (Net) to School Board = \$450,117

Overall Cuts



- Salary Increase = \$450,117
- Revenue Shortfall from State & Fed = \$222,189
- In effect, \$672,306 was cut
 - Includes cuts made to present balanced budget in January 2012 = \$131,969

Non-renewals



- Several Employees' Contracts Not Renewed
 - Deadline for notification
 - Did not have a budget at that time
 - Increased Unemployment Rate
 - 2009 paid \$14,061.60 in claims
 - 2010 paid \$15,508.22 in claims
 - 2011 paid \$448.33 in claims
 - 2012 paid **\$35,392.68** in claims
 - Rate increased from 1.18% to 1.63%-----→\$36/Employee

FY2013 Revenue



- What was cut

- Revenue

- State & Federal Funds = \$222,189 Budget from FY2012
 - Diminished ADM
 - » From 870 to 845
 - Additional loss of \$51,752 in revenue from state*
 - “Fiscal Cliff” – Sequestration
 - » Estimated \$28,000 – Title I and VIB
 - » Headstart- would impact expenditures
 - 21st Century Grant

* Based on Governor’s Proposed Budget Amendments 12/17/2012

Governor's FY2014 Budget



- Governor McDonnell 12/17/2012
 - Shortfall of \$72,408
 - 2% Raise to be Matched by Locality

Increases



- Healthcare Increase 5%
 - \$72,450
- Salary Increase*
 - 4% = \$441,800 (Salary & Fringes)
- Increased Unemployment Rate
 - 2009 paid \$14,061.60 in claims
 - 2010 paid \$15,508.22 in claims
 - 2011 paid \$448.33 in claims
 - 2012 paid **\$35,392.68** in claims
 - Rate increased from 1.18% to 1.63% → \$36/Employee
 - ~350 W-2 employees = \$12,600

*Based on current understanding of Gov's Proposed Amendments

Needs

- Without Providing Additional Services



Item	Budgetary Impact
4% Salary Increase*	\$441,800
Revenue Shortfall- State	72,408
5% Healthcare Premium	72,450
Unemployment	12,600
Total	\$599,258

*Based on current understanding of Gov's Proposed Amendments

Virginia Department of Education

**Projected FY 2013 and FY 2014 State Payments, Based on the Governor's
Introduced Amendments to the 2012-2014 Biennial Budget (HB 1500/SB 800)
Standards of Quality (SOQ), Incentive, Categorical, and Lottery-Funded Programs in Direct Aid to Public Education
As of December 17, 2012**

090 - SURRY

NUM	DIVISION	Projected FY 2013 Unadjusted ADM ²	Projected FY 2013 Adjusted ADM ²	Projected FY 2014 Unadjusted ADM ²	Projected FY 2014 Adjusted ADM ²
090	SURRY	845.00	845.00	820.00	820.00

**Please note: some accounts have been updated for local enrollment projections.
See footnotes for more details.**

2012-2014 Composite Index	FY 2013		FY 2014	
	FY 2013 State Share	FY 2013 Local Share	FY 2014 State Share	FY 2014 Local Share
0.7642				

Standards of Quality Programs:

⇒ <u>Basic Aid</u>	949,646	3,077,692	912,477	2,957,230
Sales Tax ⁷	1,021,536	N/A ¹	1,034,713	N/A ¹
⇒ Textbooks ⁸ (Split funded - See Lottery section below)	40	129	12,897	41,797
⇒ Vocational Education	85,080	275,735	82,370	266,950
⇒ Gifted Education	9,365	30,350	9,088	29,452
⇒ Special Education	147,446	477,854	143,277	464,343
⇒ Prevention, Intervention, & Remediation	36,264	117,526	35,191	114,049
⇒ VRS Retirement (Includes RHCC) ⁹	109,987	356,453	106,733	345,907
⇒ Social Security	65,952	213,743	64,001	207,419
⇒ Group Life	4,184	13,561	4,060	13,160
Remedial Summer School ^{5, 10}	12,380	N/A ¹	13,496	N/A ¹
Subtotal - SOQ Accounts ³	2,441,880	4,663,043	2,418,303	4,440,307

Incentive Programs:

Compensation Supplement	Not Funded in FY 2013		20,216	65,518
<u>Academic Year Governor's School</u> ⁴	0	N/A ¹	0	N/A ¹
Additional Assistance with Retirement, Inflation & Preschool Costs ¹³	25,378	N/A ¹	24,345	N/A ¹
EpiPen Grants ¹⁴	295	N/A ¹	Not Funded in FY 2014	
Early Reading Specialists Initiative	Not Funded in FY 2013		0	0
Technology - VPSA ⁶	128,000	25,600	128,000	25,600
Subtotal - Incentive Accounts ³	153,673	25,600	172,561	91,118

Categorical Programs:

Adult Education ⁵	2,280	N/A ¹	2,280	N/A ¹
Virtual Virginia ⁵	0	N/A ¹	0	N/A ¹
American Indian Treaty Commitment ⁵	0	N/A ¹	0	N/A ¹
School Lunch ⁵	4,909	N/A ¹	4,909	N/A ¹
Special Education - Homebound ⁵	0	N/A ¹	0	N/A ¹
Special Education - State-Operated Programs ⁵	0	N/A ¹	0	N/A ¹
Special Education - Jails ⁵	0	N/A ¹	0	N/A ¹
Subtotal - Categorical Accounts ³	7,189	0	7,189	0

Virginia Department of Education

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090 - SURRY

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090	SURRY	845.00	845.00	820.00	820.00
Please note: some accounts have been updated for local enrollment projections. See footnotes for more details.					
2012-2014 Composite Index		FY 2013		FY 2014	
0.7642		FY 2013 State Share	FY 2013 Local Share	FY 2014 State Share	FY 2014 Local Share
Lottery-Funded Programs					
	Foster Care ⁵	0	N/A ¹	0	N/A ¹
	At-Risk	46,599	151,022	45,267	146,705
	Virginia Preschool Initiative ¹¹	117,000	117,000	117,000	117,000
	Early Reading Intervention	2,945	9,544	2,945	9,544
	Mentor Teacher Program	736	N/A ¹	736	N/A ¹
	K-3 Primary Class Size Reduction	38,604	125,111	37,255	120,739
	School Breakfast ⁵	5,785	N/A ¹	6,621	N/A ¹
	SOL Algebra Readiness	5,258	17,041	4,522	14,655
	Alternative Education ^{4, 5}	0	N/A ¹	0	N/A ¹
	ISAEF	7,859	N/A ¹	7,859	N/A ¹
	Special Education-Regional Tuition ^{4, 5}	0	N/A ¹	0	N/A ¹
	Career and Technical Education ^{4, 5}	3,651	N/A ¹	3,651	N/A ¹
	Supplemental Basic Aid	0	N/A ¹	0	N/A ¹
⇒	English as a Second Language ¹²	0	0	0	0
⇒	Textbooks ⁸ (Split funded - See SOQ Programs above)	17,839	57,814	4,453	14,432
	Subtotal - Lottery-Funded Programs ³	246,276	477,532	230,309	423,075
Total State & Local Funds		\$2,849,017	\$5,066,175	\$2,828,361	\$4,954,500

¹ "N/A" = no local match required for this program

² ADM values shown are based on local projections of March 31 ADM for FY 2013 and FY 2014.

³ Columns may not add due to rounding.

⁴ Includes state funding for regional vocational, special, and alternative education programs and Academic Year Governor's Schools.

⁵ Projected state payment. Final payments will be based on actual expenditures, up to the projected state payment, subject to the availability of funds.

⁶ Payments for the VPSA Technology Grants are made from bond proceeds on a reimbursement basis and may begin following each bond issuance.

⁷ Projected revenue estimate. Semi-monthly payments will be based on actual sales tax receipts. Pursuant to the appropriation act, the Basic Aid state payment calculation is based on the appropriated sales tax distribution and is not adjusted for actual sales tax revenues received.

⁸ The Governor's amended budget assigns a portion of funding for Textbooks to the Lottery Service Area. Required Local Effort for Textbooks is based on the combined payments in the SOQ and Lottery Service Areas.

⁹ VRS Retirement includes payments for the Retiree Health Care Credit (RHCC). Please see the Budget Variables tab for the funded RHCC rate.

¹⁰ Payments for Remedial Summer School are based on actual FY 2013 enrollment and projected FY 2014 enrollment used in the Governor's Amended Budget.

¹¹ Payments for the Virginia Preschool Initiative are based on actual FY 2013 enrollment and projected FY 2014 enrollment used in the Governor's Amended Budget.

¹² Payments for English as a Second Language are based on actual FY 2013 enrollment and projected FY 2014 enrollment used in the Governor's Amended Budget.

¹³ The Additional Assistance with Retirement, Inflation & Preschool Costs account provides \$55.0 million in FY 2013 and FY 2014 for additional assistance to school divisions to support increased retirement employer contribution rates, inflation costs, and one-time costs associated with Virginia Preschool Initiative programs.

¹⁴ EpPen Grants are based on \$98.47 per school for all public schools, including district centers.

⇒ = SOQ accounts requiring a local match for purpose of meeting Required Local Effort.

BOLD = Account funding based on ADM; any changes in ADM numbers will result in a change in the state payment amount.