

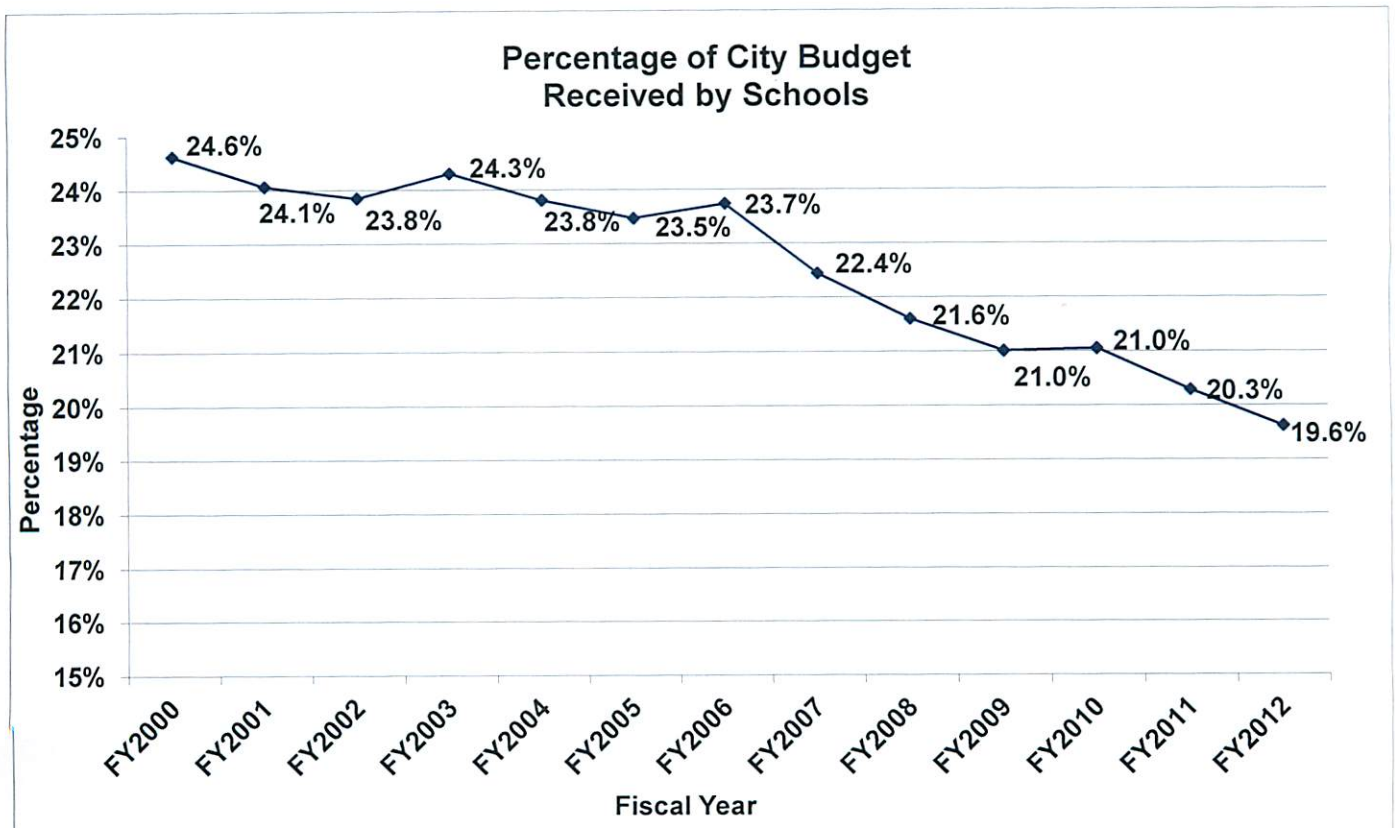
Budget Work Session
Tuesday, January 31, 2012

RICHMOND PUBLIC SCHOOLS Percentage of City Budget Received By Schools

Adopted Budget Year	Total City Revenue (General Fund)*	City Revenue % Change over Prior Year Revenue	State Shared Sales Tax for Schools	City Revenue to Schools		
				Operating Appropriation to Schools	% Change over Prior Year	% of Total City Revenue to Schools
FY2000	443,557,995	4.19%	18,370,357	109,238,719	-0.49%	24.6%
FY2001	461,151,361	3.97%	19,816,028	110,984,120	1.60%	24.1%
FY2002	490,317,544	6.32%	21,100,139	116,931,652	5.36%	23.8%
FY2003	497,751,768	1.52%	20,223,785	120,979,160	3.46%	24.3%
FY2004	514,066,329	3.28%	20,140,725	122,390,724	1.17%	23.8%
FY2005	535,599,981	4.19%	24,272,726	125,703,698	2.71%	23.5%
FY2006	557,806,771	4.15%	26,600,589	132,407,418	5.33%	23.7%
FY2007	588,372,744	5.48%	29,268,976	132,026,487	-0.29%	22.4%
FY2008	611,251,314	3.89%	27,970,646	132,026,487	0.00%	21.6%
FY2009	630,261,702	3.11%	27,877,447	132,397,899	0.28%	21.0%
FY2010	603,849,959	-4.19%	26,138,004	127,102,268	-4.00%	21.0%
FY2011	612,407,188	1.42%	24,897,079	124,234,268	-2.26%	20.3%
FY2012	630,764,867	3.00%	26,824,133	123,756,791	-0.38%	19.6%

*In FY2007, the City began including schools' share of sales tax in its general fund revenue, it has been removed from Total City Revenue shown above

FY2012 excludes \$52.4M rainy day/unassigned fund balance



Excludes State Sales Tax designated for Schools

SOURCES: City of Richmond Adopted General Fund Budget books

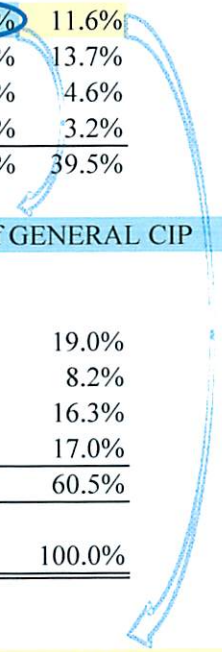
RICHMOND PUBLIC SCHOOLS
City of Richmond CIP Summary by Department

Revised 1/24/2012

	FY2012	FY2013	FY2014	FY2015	FY2016	Total	% of General CIP	% of Total CIP	
<u>GENERAL CIP</u>									
City Facility Maintenance & Improvem	5,229,786	4,577,171	2,900,000	2,400,000	7,250,000	22,356,957	7.0%	2.8%	
Culture & Recreation	4,735,000	4,477,000	4,485,000	4,200,000	3,175,000	21,072,000	6.6%	2.6%	
Economic & Community Development	2,999,346	3,129,346	300,000	800,000	300,000	7,528,692	2.4%	0.9%	
Education	36,482,419	21,059,181	22,300,000	12,976,261	500,000	93,317,861	29.3%	11.6%	
Public Safety	32,750,000	47,850,000	22,750,000	5,600,000	1,865,000	110,815,000	34.8%	13.7%	
Transportation	14,797,368	9,550,000	4,665,000	4,150,000	4,255,000	37,417,368	11.7%	4.6%	
City Equipment & Other	5,750,000	5,200,000	5,000,000	5,000,000	5,000,000	25,950,000	8.1%	3.2%	
						<u>Sub-Total GENERAL CIP</u>	<u>318,457,878</u>	<u>100%</u>	<u>39.5%</u>
<u>UTILITY CIP</u>									
Gas Utility	20,671,000	29,890,000	31,781,000	34,222,000	36,407,000	152,971,000		19.0%	
Stormwater Utility	3,500,000	3,500,000	27,558,000	15,285,000	16,613,000	66,456,000		8.2%	
Wastewater Utility	27,399,000	27,539,000	31,544,000	24,599,000	20,621,000	131,702,000		16.3%	
Water Utility	39,479,000	49,017,000	27,076,000	10,655,000	11,293,000	137,520,000		17.0%	
						<u>Sub-Total Utility CIP</u>	<u>488,649,000</u>		<u>60.5%</u>
						<u>Total Capital Improvement Plan</u>	<u>807,106,878</u>		<u>100.0%</u>

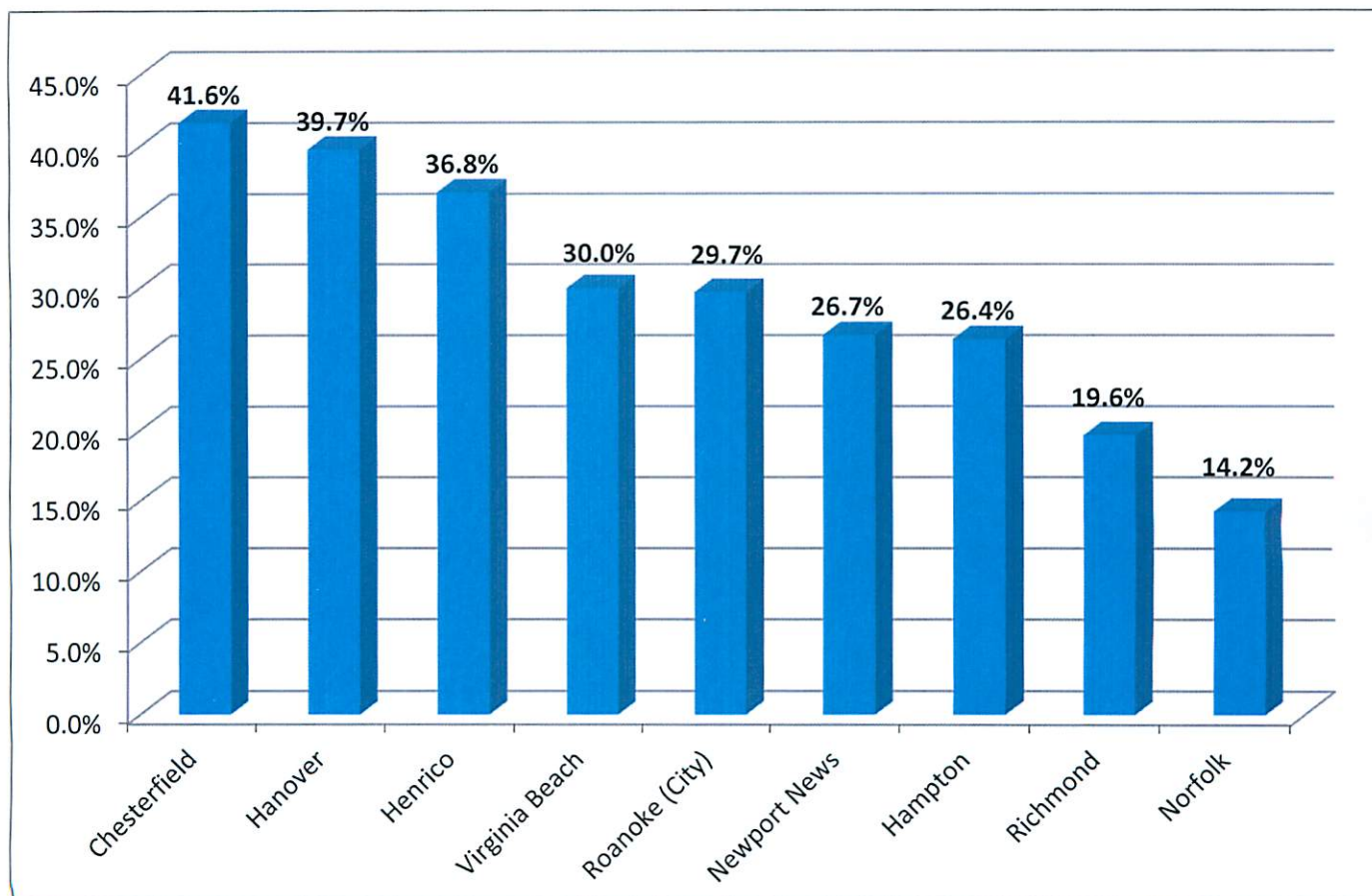
29.3% of GENERAL CIP

11.6% of TOTAL CIP



RICHMOND PUBLIC SCHOOLS
Percent of General Fund Budget to Schools FY2012

District	Adjusted County/City Operating Budget	Adjusted Schools' Operating Budget	Adjusted Local Contribution to Schools	Percent of Locality's Budget to Schools	Composite Index	
					2010-2012	2012-2014
Chesterfield	601,939,900	474,882,600	250,620,059	41.6%	0.3551	0.3539
Hanover	193,700,419	166,201,117	76,993,893	39.7%	0.2690	0.4203
Henrico	537,492,366	403,750,000	197,563,872	36.8%	0.4370	0.4276
Virginia Beach	956,646,997	636,132,960	286,634,655	30.0%	0.4060	0.4110
Roanoke (City)	258,697,000	144,404,880	76,770,914	29.7%	0.3582	0.3728
Newport News	414,580,000	279,026,498	110,547,071	26.7%	0.2778	0.2934
Hampton	243,898,430	182,891,473	64,345,093	26.4%	0.2690	0.2912
Richmond	630,764,867	249,057,316	123,756,791	19.6%	0.4945	0.4779
Norfolk	766,089,800	290,550,500	109,139,100	14.2%	0.3004	0.3102



Adjusted County/City Budget excludes fund balance, state revenue designated to schools
 Adjusted Schools' Budget excludes debt
 Adjusted Local Contribution to Schools excludes debt (if included in local appropriation)
 & includes additional contribution/services to schools from the locality

**Richmond Public Schools
Budget Work Session Review (January 24, 2012)**

Board Members Present: Ms. Page, Ms. Bridges, Dr. Murdoch-Kitt, Ms. Smith, Ms. Graham-Scott, Mr. Coleman

Q: Section Three, FY2012-2013 Expenditure Summary by State Object Code, Page 3, object codes 5441-tuition to other divisions, 5443-tuition private entities, and 5444-tuition.

A: 5441-tuition to other divisions consists of payments to the Southeastern Cooperative Education Program (SECEP) Norfolk Regional Program for nursing home students. Detail shown on page 169. 5443-tuition private entities pays for residential placements and behaviors aides. Detail shown on page 169.

5444-tuition pays CSA (page 169), Maggie Walker, Appomattox & Math Science Innovation Center (page 255). Overall tuition has not changes although there was a shift between object codes.

Q: Where is CCP tuition shown?

A: CCP payments are budgeted under Section Five, FY2012-2013 Expenditure Detail Transfers to Other Funds, listed as Alternative School. Payments are made as a "purchased educational service."

Q: What is the transfer for the "Literacy Program?"

A: The Literacy Program is located at ADCD and it supports Adult Education and ESL students.

Q: Are there any updates on health care estimates? Can additional savings be achieved through changes in health care?

A: Mr. Hawkins is meeting with the City and the consultant this week.

Q: Section One, PowerPoint Presentation, Page 6, who control the VRS Group Life rate? Are other localities seeing the same percentage increase?

A: Rates are set by VRS and approved by the General Assembly. Final rates will not be available until the General Assembly approves the budget.

Q: What are the rate changes for VRS and VRS Group Life? Are they based on the Governor's recommendation or the VRS board?

A: VRS is increasing from 11.93% to 17.77%, and VRS Group Life is increasing from 0.28% to 1.19%, based on the Governor's proposed budget. The VRS Board's recommendation was over 20%. Final numbers will be decided by the General Assembly.

Q: Section Four, FY2012-2013 Expenditure Detail by Area and School/Department, Page 128, the VRS change percentage is not consistent at 326%, why?

A: The line items for VRS Group Life are based on the current salary amount benched against the FY2012 salary amount. Turnover was applied to FY2012 reducing the overall salary amounts expected to be paid out, and was not applied to FY2013, thus showing a slight difference in the salary amount listed in FY2013. Any variance in salary from FY2012 to FY2013 will affect the change in percentage.

**Richmond Public Schools
Budget Work Session Review (January 24, 2012)**

Q: There is variability in raises and in salaries correlated to FTE. Why?

A: Turnover was applied to the FY2012 budget and not in FY2013. Turnover for RPS refers to the length of time a position is left vacant before being filled which equates to savings in salaries and benefits.

Q: Section One, PowerPoint Presentation, Page 9, Elementary Foreign Language Program-which program? How many FTE's are impacted?

A: Recommendation impacts all foreign language programs at the elementary level. The recommended change impacts 6 FTE's.

Q: Section One, PowerPoint Presentation, Pages 9-10, benefit adjustment proposals, are the recommendations layered on top of each other?

A: Yes, any employee with coverage other than single would experience an increase + any employee with dental coverage would see an additional increase + any employee with health care would see an increase in monthly premiums if the increase is passed along.

Q: Can employees increase their flexible spending amount?

A: RPS allows the maximum amount per law.

Q: How much can RPS save by passing the 5% employee-share of VRS to its employees?

A: \$7,000,000

Q: Benefit percentages are not evenly distributed. Salaries are changing although there is not raise, why?

A: Turnover was applied to the FY2012 budget and not in FY2013. Turnover for RPS refers to the length of time a position is open before being filled which equates to savings in salaries and benefits.

Q: Substitute teacher expenditures are shown at the school level although the budget is zero?

A: Substitute teacher dollars are budgeted at the Executive Director level (Section Four, pages 1 and 75). Expenditures are tracked and shown at the individual school level.

Q: Reduction in Force – who and how many employees would it affect?

A: Details have not been determined at this time.

Q: What is the status of consolidation of services as discussed in last years' budget deliberations?

A: The school district and City are in on-going discussions regarding consolidation of services. Several departments have been discussed and workloads are being examined. Procurement/purchasing is under consideration, although cost savings have not been quantified. Further, a reduction in FTE's may negatively impact service levels. The most recent consolidation, grounds, did not provide any savings to the district since the city reduced our budget by a corresponding amount.

**Richmond Public Schools
Budget Work Session Review (January 24, 2012)**

Q: Section Four, Page 183, object codes 5413-5415, is there a possible partnership with the city to consolidate copier leases?

A: The City has a contract with Xerox, however the contract does not contain cooperative language for schools to piggyback on their contract. RPS is researching its own lease which would include eliminating the need for fax machines. The new structure is expected to save RPS \$300-\$400K.

Q: What about combining fleet maintenance and legal services?

A: For the non-bus fleet, RPS uses City's services. The City is looking at other options for fleet maintenance and once a decision is made, RPS can determine if it wants to go another direction. Regarding the bus fleet, maintenance is provided by 1st Vehicle and they do an excellent job.

Q: How much will it save the district to equip buses with GPS as recommended in the Transportation Audit?

A: The cost is approximately \$250K. The savings are unknown at this time.

Q: It appears as though staff development funding is not distributed equitably. Why?

A: All general operating funds are allocated on a per pupil basis. RPS practices site-based management and the principal determines how funding is best distributed to enhance student achievement.

**RICHMOND PUBLIC SCHOOLS
 FY2012-2013 BUDGET BALANCING SUGGESTIONS
 BOARD PRIORITY LISTING**

Ms. Bridges

#	Description	Amount
1	Outsource facilities & transportation	4,000,000
2	Health insurance increase to employees	2,370,000
3	Health benefit structure changes	???
4	Dental eliminate employer share	900,000
5	VRS-new hires pay 5% employee share	62,500
6	Health insurance pay employee-only rate	3,884,100
7	Furlough, 3-days	2,700,000
8	Contract lengths (AP's guidance librarians)	898,548
9	Custodians - 49 positions	1,614,000
10	Security - 13 positions	442,613
11	Elementary foreign language program	450,000
12	Administration - 10 positions	500,000
13	Instructional Assistants - 80 positions	1,878,902
14	Regional/Local program support	144,778
15	Staff Development	116,000
16	Summer school - general fund support	892,500
17	Pay decrease - 2%	3,600,000
18	Health Insurance - retirees	2,720,700
19	Reduction in force - 100 positions	3,961,559
20	Class size increases - 138 positions	2,656,000
		<u>29,792,200</u>

Other Considerations

No 1% employee bonus	1,560,000
Benefit changes-target 50% or \$11M of deficit	11,000,000

Ms. Graham-Scott

#	Description	Amount
Priorities to Protect:		
1	Foreign language	
2	Arts	
3	Music	
4	Athletics	
Joe Morrissey		
	\$50 Million/day to keep school open for those last 10 days	