

EDUCATION

Description

The Henrico County Public School system is responsible for the construction, operation and maintenance of educational facilities and programs in the County. In November, 1995, voters in Henrico County for the first time elected School Board members to four-year terms. Previously, the School Board had been appointed by the County Board of Supervisors. The School Board is charged with providing a total educational environment to prepare the students of today for the world of tomorrow.

The Divisions of Instruction, Administrative Services, Operations, Finance, and School Board and Superintendent have been established to accomplish the educational objectives of the County. A description of each follows:

In FY2010-11, the Division of Instruction will provide instructional programs to 22,360 elementary school students (grades K-5); 10,934 middle school students (grades 6-8) and 15,330 high school students (grades 9-12). This Division includes the departments of Elementary Education, Middle School Education, High School Education, Career and Technical Education, Nontraditional Programs, Exceptional Education, Technology and Information Services, and Staff Development.

The Division of Administrative Services provides support to instructional and non-instructional programs through recruitment, selection, assignment, and

evaluation of personnel. Additionally, this Division provides support to the other Divisions in the School system. This includes educational research, evaluation, student testing and assessment, program audit services, curriculum development, records management, facility monitoring, system-wide planning services, and coordination of programs promoting International Education. Finally, the Division provides support systems for employees in Human Resources and Student Health Services; and analyzes current regulatory/legal and economic development for their affect on schools.

The Division of Operations provides support for building construction and maintenance, warehousing, and pupil transportation.

The Division of Finance includes the areas of School Finance, Budget, Payroll, General Services, and the student breakfast and lunch programs for all schools.

The Division of the School Board and the Superintendent is responsible for compliance requirements of Federal and State laws, regulations, and standards. The Superintendent, appointed by the School Board as the Chief Administrative Officer, is charged with establishing and supervising the policies of the Henrico County Public Schools in accordance with the laws of the Commonwealth of Virginia, the regulations adopted by the State Board of Education, and the directives of the Henrico County School Board.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 386,839,659	\$ 397,845,696	\$ 378,255,002	(4.9%)
Operation	61,180,868	66,574,113	66,196,525	(0.6%)
Capital	16,876,304	13,960,231	13,605,826	(2.5%)
Debt Service	34,732,807	40,054,789	36,522,774	(8.8%)
Total	<u>\$ 499,629,638</u>	<u>\$ 518,434,829</u>	<u>\$ 494,580,127</u>	<u>(4.6%)</u>

Personnel Complement	6,587.80	6,629.80	6,584.80 *	(45.00)
Average Daily Membership	48,285	48,509	48,624	115

* The personnel complement in FY2009-10 reflects the Superintendent's Proposed Budget. Schools' Approved Budget includes 60 new positions for Glen Allen High School and Holman Middle School.

Education (cont'd)

Objectives

- To strengthen instruction across the curriculum and improve student performance at all grade levels in reading, writing, math, and analytical skills.
- To expand opportunities for adults.
- To ensure a level of staffing consistent with programmatic and support service needs.
- To meet compliance requirements of Federal and State laws, regulations, and standards.
- To operate and maintain all facilities and equipment in a manner to ensure optimal returns on the public investment.

Budget Highlights

The Approved Budget includes a total General Fund appropriation of \$402,409,019 for Education in FY2010-11. This amount represents a decrease of \$21,840,981, or 5.1 percent over the FY2009-10 Approved Annual Fiscal Plan. Of the \$402,409,019, \$202,803,019 (50.4 percent) will be provided from General Fund revenues, which reflects an increase of \$5.5 million from the FY2009-10 adopted budget. The Approved Budget estimates \$199,606,000 (49.6 percent) in revenues from the State and Federal Governments to support Education. Projected State revenues of \$199,131,000 reflect a reduction of \$27.3 million from the FY2009-10 budget, a 12.1 percent reduction.

It should be noted that Education will receive significant savings in their Virginia Retirement System (VRS) costs in FY2010-11 due to reduced rates the General Assembly has adopted. Excluding the impact of the VRS reduction, the budget for Education would decline by \$8.5 million or 2.0 percent from FY2009-10 adopted budget levels.

The local amount above does not include expenditures for Education debt service, which is funded entirely with local dollars. In the FY2010-11 budget, local Education debt service expenditures will total \$36,522,774, which is a decrease of \$3,532,015 as compared to the FY2009-10 Approved Annual Fiscal Plan.

Education's FY2010-11 budget for the Special Revenue Fund totals \$55,648,334, which is a 2.8 percent increase over the FY2009-10 Approved Annual Fiscal Plan, mostly due to increased federal Title-IA funding. In total, with all funds (General Fund, Special Revenue Fund, and Debt Service Fund) included, the FY2010-11 budget for Education totals \$494,580,127, which is a decrease of \$23,854,702 or 4.6 percent as compared to the FY2009-10 Approved Annual Fiscal Plan.

A total of \$10,659,019 will fund operating costs for the new Glen Allen High School and Holman Middle School, projects funded through the March 2005 General Obligation Bond referendum.

In the FY2010-11 budget, Education is increasing the average pupil-teacher-ratio (PTR) by 0.75. To achieve this PTR level, Education will eliminate approximately 98 teachers through attrition and leave three instructional positions vacant. Also included in the FY2010-11 budget is the elimination of approximately 22 Central Office positions, which will also be reduced through attrition. Offsetting these position reductions are 60 new positions associated with the opening of Glen Allen High School and Holman Middle School. This proposed staffing level will change the average class size in County elementary schools to 20.5:1, middle schools to 21.7:1, and high schools to 22.0:1.

In addition to increasing the average PTR, Education has also conserved funding in FY2010-11 through the following actions:

- Replacement of 16 buses deferred for one year.
- Replacement textbooks and textbooks for growth will be purchased as needed.
- Reduced operating costs for each cost center by 20.0 percent.
- Utilized cost efficiencies in the areas of utilities and middle school laptops, and lowered fuel costs to better reflect actual expenditures.
- Reduced funding for the MathScience Innovation Center and Maggie L. Walker Governor's School by 6.0 percent.
- Reduced Central Office take-home vehicles.

Education (cont'd)

In the technology area, Education's FY2010-11 General Fund Budget includes \$11.5 million of funding for technology equipment, which includes funding for the Dell and Apple laptop leases. The laptop initiative began in FY2001-02 when the School system entered into an agreement with Apple Corporation to provide iBook laptop computers to all high school students and 7th and 8th graders. In FY2002-03, the agreement was amended to include 6th grade students. In FY2005-06, Dell began providing laptops to the high school students while Apple continues to provide laptops to the middle school students. The projected cost for the laptop initiative in FY2010-11 is \$7.0 million. An additional \$4.5 million is allocated for computer and printer replacement at elementary schools. The FY2010-11 budget also includes \$1.7 million for the cost of high speed internet access as well as operating and maintenance costs associated with the local and wide area networks.

The School Resource Officer (SRO) Program, which is a joint effort with the Division of Police, assigns a Uniformed Police Officer to each middle and high school in the County. A total of 27 Police Officers participate in the program, including requests for two new SRO's associated with the opening of Glen Allen High School and Holman Middle School. The School Resource Officer provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students.

The passage of the General Obligation (GO) Bond Referendum in November 2000 by County voters resulted in the authorization of \$170.5 million of GO Bond funding for school capital projects in fiscal years 2000-01 through 2006-07. The original proposal included the use of \$9.0 million of interest earnings from prior school Virginia Public School Authority (VPSA) bonds to fund project costs. A revised financing plan included in the FY2001-02 Approved Annual Fiscal Plan, utilized \$12.6 million of VPSA interest earnings.

Approved in the referendum was funding to complete the construction of a new high school, build three new elementary schools, a new middle school, and an alternative middle school. Also funded were renovations at seven elementary schools, one middle

school, and two high schools. Five of the elementary school renovations included additions. The referendum projects also included funding for asbestos abatement, tennis court replacements, and ADA enhancements.

GO Bonds were issued six times since November 2000 associated with this Referendum. The following table provides a summary of each GO Bond issue and the total debt issued for Education projects. The November 2006, FY2006-07, debt issue was the final issue associated with the November 2000 Referendum.

Fiscal Year	Amount	Issue Date
FY2000-01	\$37,110,000	May 2001
FY2001-02	\$8,674,055	February 2002
FY2002-03	\$41,597,975	January 2003
FY2003-04	\$12,549,826	May 2004
FY2005-06	\$39,883,931	August 2005
FY2006-07	\$26,691,167	November 2006
Total	\$166,506,954	

In March 2005, County voters approved a GO Bond Referendum, which resulted in the authorization of \$220.0 million of GO Bond funding for school capital projects in fiscal years 2005-06 through 2011-12. The approved funding in the March 2005 referendum will build a new high school, two new middle schools, and two new elementary schools, as well as provide funding for planning and design of a third new middle school and second new high school. Also funded are additions and renovations at two high schools, the renovation of two middle schools, and the renovation of five elementary schools, two of which will include additions.

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds. The FY2010-11 Approved Budget assumes the issuance of these bonds. By delaying the issuance of these G.O. Bonds in FY2009-10, the County avoided incremental debt service costs that would have placed additional strain on the budget. It should be noted that the County has \$88.6 million in outstanding GO Bond authorization for Education projects from the GO Bond Referendum approved in March 2005.

Education (cont'd)

The table below depicts the amount of Education funding in the GO Bond issues to date as well as the new schedule for the remaining GO Bond issues approved on the March 2005 referendum.

Fiscal Year	Amount	Issue Date
FY2005-06	\$22,878,432	August 2005
FY2006-07	\$20,320,013	November 2006
FY2007-08	\$25,115,892	January 2008
FY2008-09	\$59,386,186	November 2008
FY2009-10	\$0	Delayed to FY11.
FY2010-11	\$65,656,903	Projected Spring '11
FY2011-12	\$22,931,208	Projected Spring '12

The FY2010-11 capital budget for Education is \$68,156,903, which includes \$65,656,903 in G.O. Bond projects including the final funding phase for Glen Allen High School, construction funding for the renovations of Varina High School, Brookland Middle School, and Johnson Elementary School, construction funding for a new West Area Elementary

School, and planning funding for the renovation of Pinchbeck Elementary School. Also included is \$6,218,366 to establish an Education Bond Project Reserve to continue previously funded G.O. Bond projects that may be underfunded. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens in the March 2005 G.O. Bond Referendum for Education projects. Since there are higher priority projects with identified funding shortfalls, these funds are being placed into a reserve for future allocation. The Proposed Capital Budget also includes the annual \$2,500,000 General Fund allocation for roof replacements and mechanical improvement projects. The initiative to provide local funds for these maintenance needs began in FY1998-99. These County cash allocations for infrastructure repairs - specifically roof replacements and HVAC improvements - ensure that School facilities are maintained at the level expected by the citizens.