Budget Overview

April 10, 2014

Agenda

- Introduction – Update
  - Dean Tistadt
- Discuss building a department and school line item budget
  - Jackson Zimmermann
  - Lisa Molinaro
  - Jim Asher
- Compensation/Compression/Market
  - Lorna Gerome
- Additional input/direction

Departments

- Operational expenses are balanced to the previous year's adopted budget

- Direction from School Board
  1. Align budgets with actual expenditures from the previous year
  2. Budget on how a department head plans

Department of Instruction Operations Line Item

Object Code	SB Adopted 14	SB Request	Changes to Baseline
1250001 - OT/WAGES-OFFICE CLERICAL	$14,000	$14,000	$0
1371001 - PT/WAGES-BUS DRIVERS	$600	$470	-$130
1521001 - SUB/WAGES-TEACHER	$17,400	$5,930	-$11,470
1603001 - STIPENDS-STAFF/CUR. DEVL	$155,700	$207,000	$51,300
2100002 – FICA	$14,360	$17,398	$3,038
3012103 - CONTRACT SERVICES	$67,000	$67,000	$0
3012603 - CATERING	$24,506	$30,305	$5,799
3125003 - PROF. SER. INSTRUCTIONAL	$8,000	$3,153	-$4,847
3127003 - PROF. SER. CONSULTANTS	$10,000	$10,000	$0
3200003 - TEMP. HELP SERVICE FEES	$1,200	$1,200	$0
3500003 - PRINT & BIND-EXTERNAL	$30,900	$26,547	-$4,353
3600003 - ADVERTISING	$800	$0	-$800
4201003 - FIELD TRIPS	$0	$375	$375
4400103 - PRINTING-COB COPY CENTER	$500	$500	$0
5201003 - POSTAL SERVICES	$4,750	$5,040	$290
5203013 - TELEPHONE-LOCAL	$5,700	$2,000	-$3,700
5401003 - LEASE/RENT-EQUIPMENT	$21,000	$22,000	$1,000
5501003 - TRAVEL/TRAINING/EDUCATION	$29,200	$34,600	$5,400
5501103 - TRAVEL-POOL CAR EXPENSES	$60	$0	-$60
5503003 - TRAVEL-OUT OF COUNTY	$9,500	$16,100	$6,600

Department of Instruction Operations Line Item

Object Code	SB Adopted 14	SB Request	Changes to Baseline
5503053 - TRAVEL-LODGING	$13,150	$16,150	$3,000
5503103 - TRAVEL-MEALS	$7,115	$8,600	$1,485
5504003 - TRAVEL-EDUCATION	$8,000	$1,700	-$6,300
5800003 - MISCELLANEOUS EXPENSES	$1,100	$220	-$880
5801003 - DUES & MEMBERSHIPS	$4,100	$3,207	-$893
5805003 - STAFF DEVELOPMENT	$126,883	$116,300	-$10,583
6000003 - MATERIALS & SUPPLIES	$1,500	$0	-$1,500
6001003 - OFFICE SUPPLIES	$8,040	$11,325	$3,285
6002023 - BOTTLED WATER	$0	$375	$375
6002203 - STUDENT SNACKS/MEALS	$1,245	$800	-$445
6002603 - FOOD/MEALS FOR MEETINGS	$8,000	$5,874	-$2,126
6012003 - BOOKS & SUBSCRIPTIONS	$39,900	$42,371	$2,471
6013003 - EDUC. & RECREATION SUP.	$176,329	$164,730	-$11,599
6014003 - OTHER OPERATING SUPPLIES	$0	$1,000	$1,000
6017003 - COPY EXPENSE	$1,000	$1,050	$50
8001004 - MACHINERY & EQUIPMENT	$130,000	$104,218	-$25,782
Totals	$942,038	$942,038	$0

Schools Allocations

- School allocations are determined by the number of projected pupils. These monies are adjusted based upon September 30th enrollment.
- Equitable allocation formula to ensure parity and support for site-based decision making.
- Beginning in FY 2013-2014, monies were budgeted in schools and removed from departments
- Projected capital return and projected donations are budgeted.

Principal's Decisions

Direction from School Board

1. Align budgets with actual expenditures from the previous year
2. Budget on how a principal plans

Woodbrook Elementary

Fiscal Year	Enrollment	School Size*	Per Pupil**	Totals
13-14	278	$30,023	$31,310	$61,333
14-15	327	$31,568	$36,827	$68,395
Difference	49	$1,545	$5,517	$7,062

School's base allocations are relative to school size for the operation of the building and then additional amounts are distributed on a per-pupil basis. Money follows students, if students are not at the school, the school does not receive the funds.

*Formula is shown on page C-25 of the School Board's Funding Request
**Per pupil costs for all elementary schools are $112.63

Woodbrook Elementary

		Directed Funding			
Fiscal Year	Per Pupil Allocation	Intervention Prevention	PALS	GRT Funds	SPED
13-14	$61,333	$23,800	$2,446	$215	$2,965
14-15	$68,395	$23,630	$2,446	$215	$3,058
Difference	$7,062	-$170	0	0	$93

Woodbrook receives additional school based funds that used to be distributed from departments. Based upon feedback from the Board, these funds have been allocated on a preliminary basis to schools and are included in their planning for the succeeding year.

Woodbrook Elementary

Fiscal Year	Per Pupil Allocation	Intervention Prevention	PALS	GRT Funds	SPED	Projected Capital Return*	Projected Donations	Total School Allocation
13-14	$61,333	$23,800	$2,446	$215	$2,965	$7,283	$0	$98,042
14-15	$68,395	$23,630	$2,446	$215	$3,058	$0	$0	$97,744
Difference	$7,062	-$170	$0	$0	$93	-$7,283	$0	-$298

Projected return of 10% carryover is now included in overall school budgets, as is projected donations for schools. These numbers may often vary significantly from year to year and projections are based solely upon the prior year's experience. These monies are not allocated unless available, however they are budgeted to provide a closer snapshot of year-long experience

*10% Carryover is a Joint Board policy permitting schools flexibility in planning across 2 fiscal years.

Sample Line Items for Woodbrook

Object Code	SB Adopted 14	SB Req.	Changes to Baseline
112100 – Salaries Teacher	$19,272	$20,272	$1,000
152100 – Sub/Wages Teacher	$14,000	$14,595	$595
301260 – Catering	$2,000	$0	-$2,000
600260 – Food Meals for Meetings	$0	$2,500	$2,500
580500 – Staff Development	$2,400	$1,400	-$1,000
601200 – Books and Subscriptions	$4,500	$4,750	$250
331100 – R&M Equip. – Office	$5,900	$250	-$5,650
540100 – Lease/Rent Equipment	$0	$8,818	$8,818
601300 – Ed & Rec Supplies	$14,403	$21,934	$7,531
601400 – Other Operating Supplies	$7,283	$0	-$7,283
Total	$69,758	$74,519	$4,761

Joint Board Adopted
Total Compensation Strategy

Attract, retain & reward high performing employees

Our Adopted Competitive Market is comprised of

- Cities/Counties and School Districts in our geographic region, or of similar size within Virginia
- Local private employers

Salary	Benefits
Target is at median of market	Target is slightly above median of market
Internal equity considerations	

Joint Board Adopted
Total Compensation Strategy

We had issues with recruitment and retention:

- Shallow pool of candidates for several positions
- Attracting and retaining qualified candidates
- Top candidates declining positions
- Candidates perceived high cost of living relative to salary
- Teachers salaries were losing ground

We adopted the following strategies to address:

- Teacher scale targets the top quartile of adopted market instead of median
- Nationally/regionally recruited jobs target the median of a subset of our adopted market

Step 1

Survey Market

Step2

Analyze data- do we lead, lag, or meet market ?

Step 3

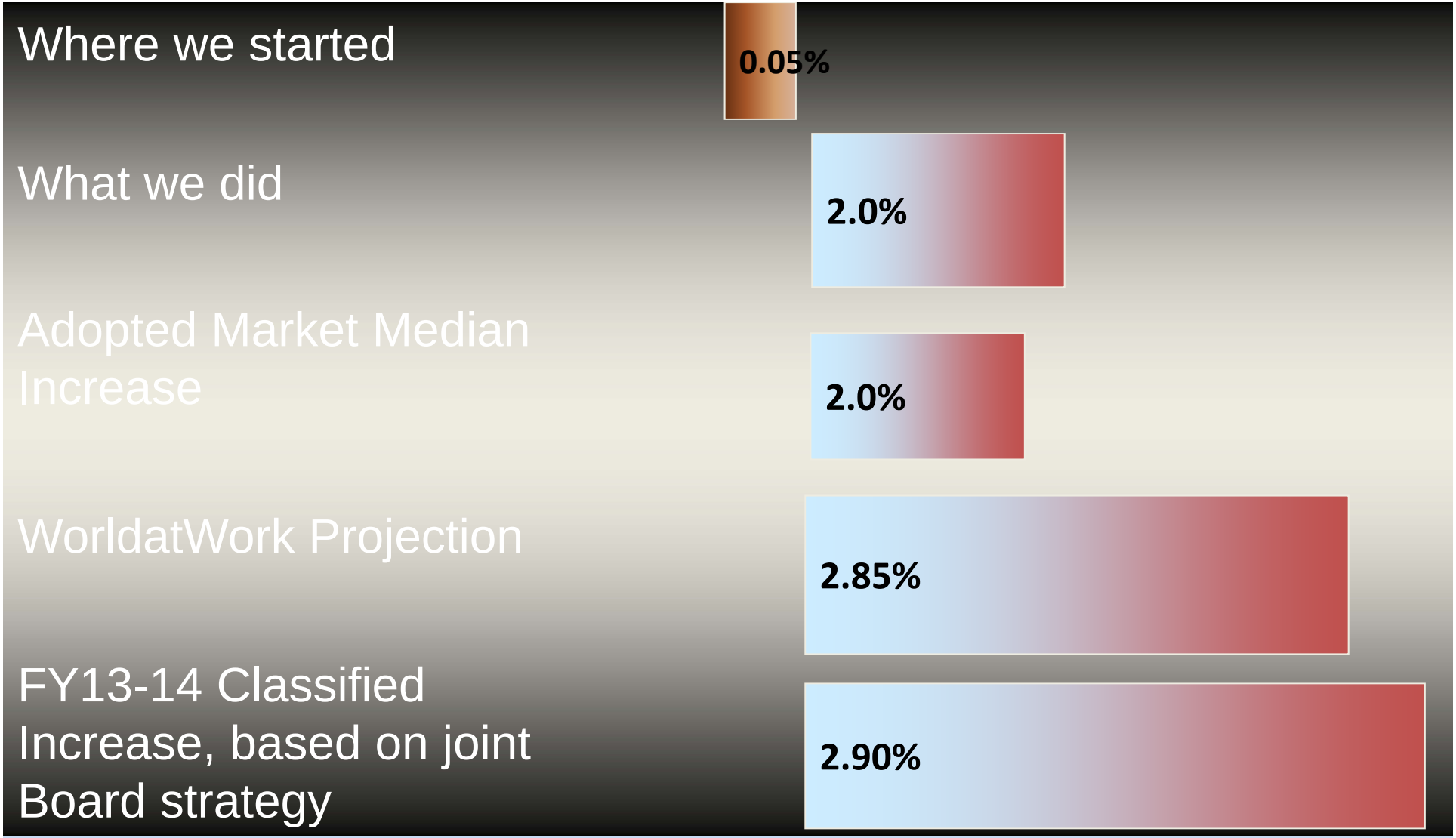
WorldatWork projections

Step 4

Project scale & salary increases

Total Compensation

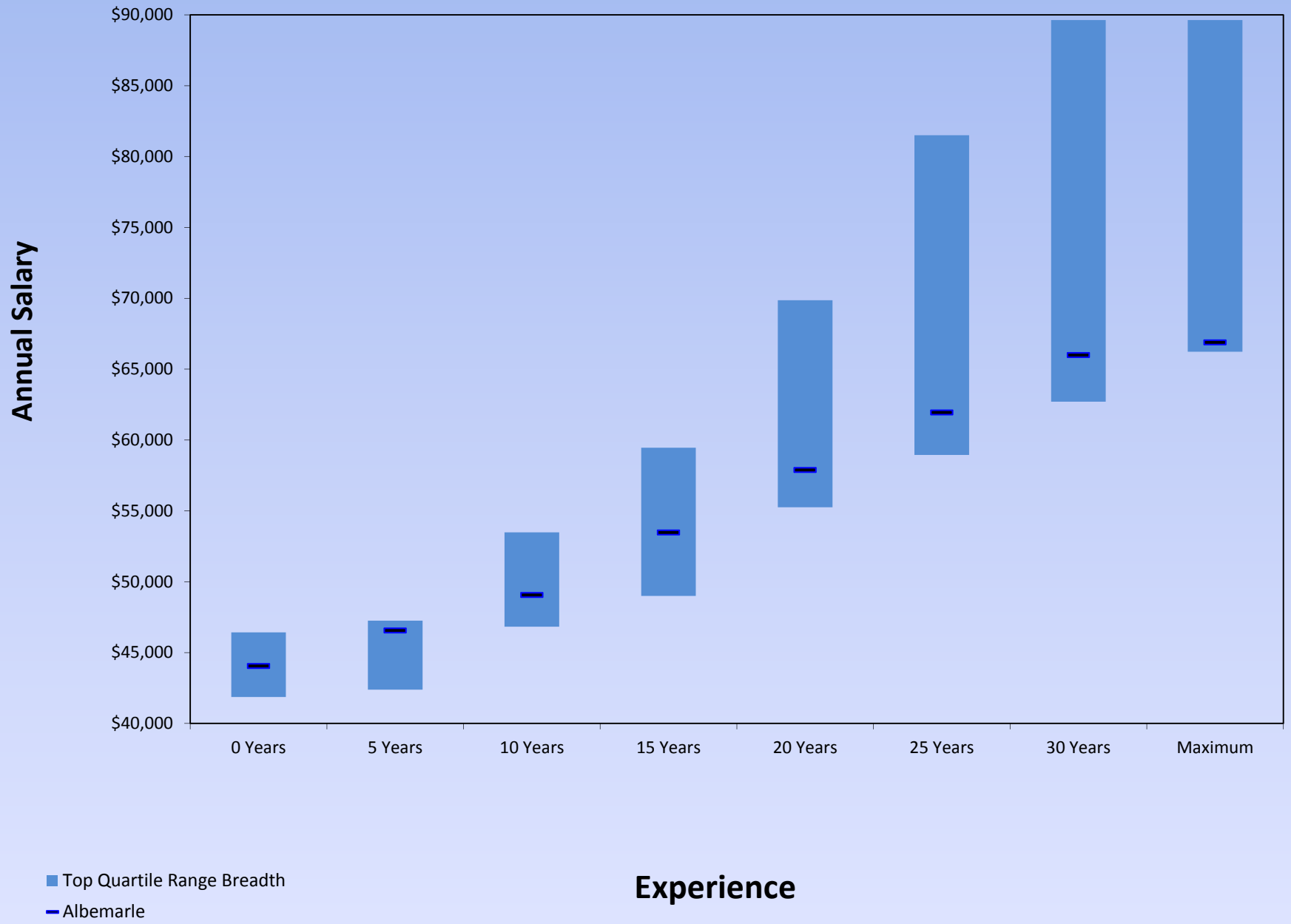
Board Adopted Process



Salary Projections

Classified Salary Increase

Teacher Salary Market Comparison 2013-2014



Total Compensation Strategy

Recommendations were:

– 2.9% Pay for performance for classified employees

– Build teacher scale to reflect market moving 2.85%

Approved actions were:

– 2% flat increase for classified employees

– Build teacher scale to reflect market moving 2%

Summary

Albemarle County Joint Board Meeting
October 10, 2013

Ideas for Salary Savings

What if we only gave increases to …

- Classified employees earning below their midpoint?
- Classified employees earning over a certain fixed salary amount?
- Any particular group of employees and not others?

… leads to **compression**

and/or ***commonality*** *issues*

Salary Compression

All employees hired to same full time position, similarly qualified at time of hire, brought in at pay grade minimum, and have had good performance her

Hired July 2010
at $39,575
Today at
$43,640

Hired July 2011 at
$39,575
Today at $43,207

Hired July 2009
at $39,575
Today at
$43,640

Hired July 2012
at $41,138
Today at
$42,372

Hired July
2008 at
$39,575

Hired July 2013
at $41,549
Today at

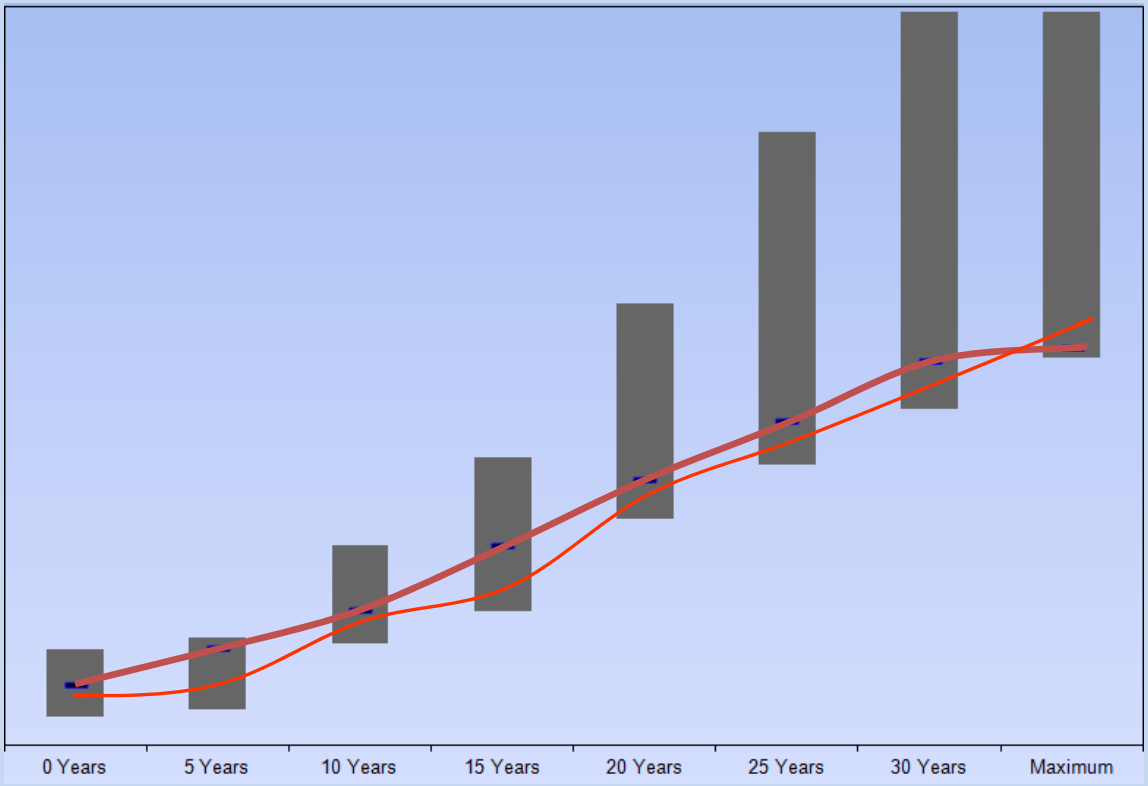
Classified Midpoint

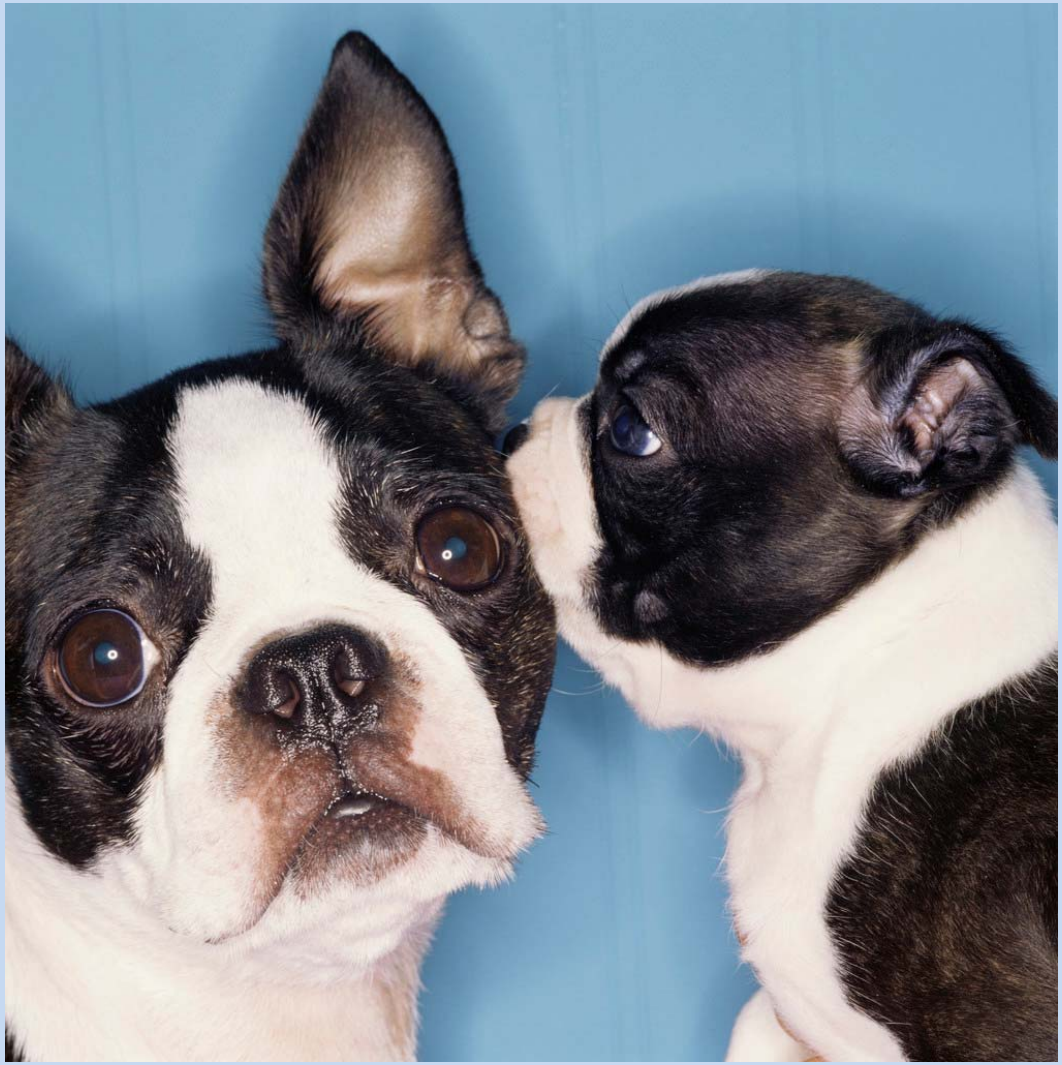
- Every classified employee is on a pay grade with a minimum, midpoint & maximum rate - *midpoint is the competitive market rate*
- Our retention strategy is to accelerate employees to midpoint, so we pay them a competitive salary sooner
- Since 2008, we have only done this acceleration once

If we only give raises to employees below midpoint, it just increases existing compression and retention issues

Teacher Scale Modifications

Some parts of the teacher scale are well above the bottom of the top quartile; what if we decreased just those steps?





What’s the word on the street?

Additional Input

- Teacher Advisory
- Leadership Team

Additional Input/Direction?

- Additions or Deletions to items for consideration?
- Additional guidance for staff for future meetings (April 17 & 24)?

Summary: Potential Reductions

	Low Range	Low FTE	High Range	High FTE
Increase Class Size (+0.25 Students in Grades 6-12 to +1.00 Students in Grades K-12)	$392K	-5.72	$2.91M	-42.48
Reduce Teacher Salary Increase (1% to Full Elimination)	$764K		$1.53M	
Reduce Classified Salary Increase (1% to Full Elimination)	$375K		$751K	
Reduce Dept and Schools Discretionary Funds (5% to 10%)	$467K		$934K	
Do Not Restore Strategic Plan Support and PD	$406K	-1.50	$406K	-1.50
Discontinue Strategic Plan: Safe Schools Grant Support	$250K	-3.82	$250K	-3.82
Eliminate Increase for Strategic Plan: Design 2015/Innovation Development	$250K		$250K	
Do Not Restore Learning Resources	$150K		$150K	
Eliminate Expansion of Elementary World Language Program	$137K	-2.00	$137K	-2.00
Eliminate Reclassification Monies	$90K		$90K	
Increase Athletic Participation Fees (Revenue)	$50K		$50K	
Do Not Restore Athletics Budget	$50K		$50K	
Eliminate Increase for Interpreter/Translator Services	$50K		$50K	
Eliminate Paperless Evaluation and Professional Growth Mgmt	$45K		$45K	