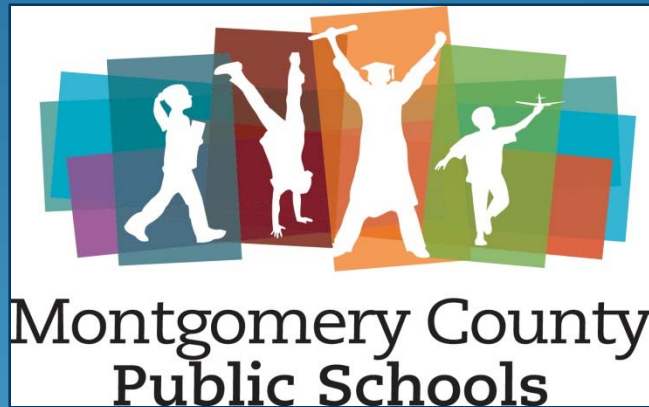


MCPS Budget for 2012-2013



Superintendent's Recommendations for Potential
Budget Reductions 2012-2013

(April 26, 2012)



New Information

- General Assembly Approved a Budget
- Board of Supervisors Approved Tax Rate for 2012-2013

	A	B	C	D	H	I	J
1	BUDGET PLANNING WORKSHEET						
2	BUDGET WORKSHEET FY 2012-2013						
3		As of February 7, 2012			As of APRIL 26, 2012		
4		SCHOOL BOARD BUDGET			BOS BUDGET WITH 12 CENT TAX INCREASE		
5	DESCRIPTION	FTE	COST	TOTAL	FTE	COST	TOTAL
6	Operating Budget FY 2011-12	1,514.89	INC./(DEC.)	91,280,803	1,514.89	INC./(DEC.)	91,280,803
7	Base Budget Adjustments:						
10	Reduce Instruction Supply Budget (-5.0%) for total of (-41.4%)		(47,759)			(47,759)	
11	Reduce Instructional Equipment Budget (-5.0%) for total of (-59.5%)		(22,985)			(22,985)	
12	Reduce Contract/Purchased Services Budget (-5.0) for total of (-55%)		(54,235)			(54,235)	
13	Reduce Travel Budget (-5.0%) for total of (-35%)		(10,072)			(10,072)	
14	Reduce Office Supply Budget (-5.0%) for total of (-55%)		(8,030)			(8,030)	
15	Reduce Administrative Vehicle Replacement Budget (-5.0%) for total of (-55%)		(1,562)			(1,562)	
16	Reduce Budget for Postage		(15,000)			(15,000)	
17	Increase Budget for Textbooks to Match State Increase		349,018			345,565	
18	Additional Utility Cost New EME & PFE		153,340			153,340	
20	Building Repair Budget		250,000			Reduce / Other Source One Time Funds	
21	Technology Budget Line		150,000			Reduce / Other Source One Time Funds	
22	Increase Budget for Replacement of Aging School Buses (4 ea)		350,000			Reduce / Other Source One Time Funds	
23	Furniture for Bldg. C (Request from other source, bond or capital)		# See Notes			# See Notes	
24	Cost to return BMS to Blacksburg (Will impact the 2013-14 budget)		* See Notes			* See Notes	
25	Start Up of BHS and AHS (Maximize the use of bond funds)		& See notes			& See notes	
26	Subtotal Base Budget Adjustments			1,092,716			339,263

	A	B	C	D	H	I	J
27	COMPENSATION CHANGES:						
28	Salary Schedule Changes (Step Inc.1.6%)		1,200,000			1,200,000	
29	Increase VRS Covered Positions for 1% VRS Change		-			527,874	
30	Additional Benefit Cost for VRS 1% Salary					136,192	
31	Additional Benefit Cost for VRS 5% Salary to new employees as of July 1, 2012					TBD	
32	VRS Contribution Rate Increase (4.33% professional + 1.43% Non-professional)		2,694,842			2,166,968	
33	VRS Group Health Ins Increase (-0.05% 0.51% professional only)		511,280			248,336	
34	VRS GLI Contribution Rate Increase (-0.20% 0.91% professional + non-professional)		139,965			480,366	
35	Increase Health Insurance (2.5%)		271,335			271,335	
36	Savings Health Insurance Retirement Incentive (20 @ \$19,756)		(395,120)			(395,120)	
38	Subtotal Compensation			4,422,302			4,635,951
44	TOTAL BUDGET INC./(DEC.)	-		5,515,018	-		4,975,214
45	PERCENT CHANGE IN BUDGET			6.04%			5.45%
46	TOTAL BUDGET WITH PROPOSED CHANGES	1,514.89		96,795,821	1,514.89		96,256,017
47							
48	PROJECTED REVENUE INC./(DEC.):	FY 2011-2012	Inc./(Dec.)	FY 2012-2013	FY 2011-2012	Inc./(Dec.)	FY 2012-2013
49	State	\$ 48,447,862	(1,722,235)	\$ 46,725,627	\$ 48,447,862	(1,301,207)	\$ 47,146,655
50	Jobs Stimulus Year 2 Plan	\$ 1,166,757	(1,166,757)	\$ -	\$ 1,166,757	(1,166,757)	\$ -
51	Federal	\$ 4,382,074	4,562	\$ 4,386,636	\$ 4,382,074	4,562	\$ 4,386,636
52	County	\$ 36,414,191	8,575,867	\$ 44,990,058	\$ 36,414,191	3,328,198	\$ 39,742,389
53	Recordation Tax	\$ 186,658	38,342	\$ 225,000	\$ 186,658	38,342	\$ 225,000
54	Local	\$ 420,000	48,500	\$ 468,500	\$ 420,000	48,500	\$ 468,500
55	Balance of 2008-09 Reserve	\$ 263,261	(263,261)	\$ -	\$ 263,261	(263,261)	\$ -
56	TOTAL PROJECTED STATE, FEDERAL, & LOCAL REVENUE	91,280,803	5,515,018	\$ 96,795,821	91,280,803	688,377	\$ 91,969,180
57	ADDITIONAL FUNDS REQUIRED			(0)			4,286,837
58							
59	# = Funds to move will need to come from bond accounts or County capital funds in lieu of operating budget.						
60	* = Budget impact cost to move BMS depends on the schedule. Difficult to make changes at BHS until they vacate building.						
61	& = Will need to maximize use of bond funds or other sources for start-up of new schools.						
62	Note: Cost of an FTE = \$58,400 and would require reduction of about 73.40 FTE's to balance this budget.						



Virginia Retirement Changes Impact Budget and Employees

- Employees hired before July 1, 2012 (5% transfer within 5 years)
- Hired July 1, 2012 and here forward (division decision to cover all or none of the cost and all employees will pay 5% beginning with the employment date)

**Details of the implementation guidelines are still under development. There are VRS webinars on May 2 and May 3, and additional written guidance is scheduled for release by the end of the week.*

DRAFT

VRS SHIFT 1.0% OF COST TO EMPLOYEE

DESCRIPTION	RATE Prof	RATE Non-P	COST
VRS Projected Increase	5.33%	2.43%	\$ 2,694,842
Employees Pay 1.0%	4.33%	1.43%	\$ 2,166,968
Reduction to Employer			\$ 527,874
Cost of 1.0% Salary Increase to All Eligible VRS Employees	1.00%		\$ 527,874
Cost Increase Pay			\$ -
Additional Employer Cost			
FICA on 1.0% Increase	0.0765		\$ 40,382
VRS	0.1423		\$ 75,116
VRS Health Credit	0.0111		\$ 5,859
GLI	0.0119		\$ 6,282
Unemployment	0.008801		\$ 4,646
Disability Insurance	0.0024		\$ 1,267
Worker's Comp	0.005		\$ 2,639
Total Additional Employer			\$ 136,192

Other Changes:

- Average Final Compensation to be based on highest 60 months
- COLA adjustment reduced to first 2% plus 1/2% not to exceed 3%
Hired after 7/1/2010 first 3% plus 1/2% not to exceed 5%
- Hybrid Retirement Program in Jan. 2014

DRAFT

VRS SHIFT 5.0% OF COST TO EMPLOYEE

DESCRIPTION	RATE Prof	RATE Non-P	COST
VRS Projected Increase	5.33%	2.43%	\$ 2,694,842
Employees Pay 5.0%	0.33%	-2.57%	\$ 55,469
Reduction to Employer			\$ 2,639,373
Cost of 5.0% Salary Increase to All Eligible VRS Employees	5.00%		\$ 2,639,373
Cost Increase Pay			\$ -
Additional Employer Cost			
FICA on 5.0% Increase	0.0765		\$ 201,912
VRS	0.1423		\$ 375,583
VRS Health Credit	0.0111		\$ 29,297
GLI	0.0119		\$ 31,409
Unemployment	0.008801		\$ 23,229
Disability Insurance	0.0024		\$ 6,334
Worker's Comp	0.005		\$ 13,197
Total Additional Employer			\$ 680,961

Other Changes:

- Average Final Compensation to be based on highest 60 months
- COLA adjustment reduced to first 2% plus 1/2% not to exceed 3%
Hired after 7/1/2010 first 3% plus 1/2% not to exceed 5%
- Hybrid Retirement Program in Jan. 2014



Budget Gap

•Needs Based Budget Request:	\$96,256,017
•Available Funds:	\$91,969,180
•Gap:	\$ 4,286,837



Criteria for Budget Reduction Recommendations

- Balanced Approach

- Safety

- Instruction



Desired Outcomes

- Direction from Board Regarding Budget Reduction Measures That You Could Support
 - Direction from the Board Regarding Budget Reduction Measures That You Could Not Support
- Request Any Additional Information Needed for the Board's Decision-Making Process

	A	B	C	D	E
1					
2		LIST OF ADDITIONAL BUDGET ADJUSTMENTS TO REDUCE EXPENDITURES			
3					
4		DESCRIPTION	SCHOOL BOARD ADOPTED BUDGET 02/07/12	PROPOSED BUDGET	SAVINGS
5		EDUCATIONAL PROGRAM			
6		Adult Education move to NRCC as part of regional program	\$ 227,091	\$ 44,253	\$ 182,838
7		Reduce cost of gifted screening in 2 nd grade	\$ 8,687	\$ -	\$ 8,687
8		Eliminate Governor's School summer programs (4 slots)	\$ 7,434	\$ -	\$ 7,434
9		Reduce budget for textbooks	\$ 849,162	\$ 649,162	\$ 200,000
10		Eliminate new students entering Governor's School (10 slots)	\$ 73,000	\$ 36,500	\$ 36,500
11		Reduce funding for field trips by 33%	\$ 113,352	\$ 75,946	\$ 37,406
12		Eliminate PSAT testing	\$ 7,761	\$ -	\$ 7,761
13		Eliminate Phoenix Program	\$ 63,809	\$ -	\$ 63,809
14		Eliminate all of Governor's School participation	\$ 73,000	\$ 36,500	\$ 36,500
15					
16		COMPENSATION/BENEFITS			
17		Delete step increase	\$ 1,200,000	\$ -	\$ 1,200,000
18		Increase part-time incentive eligibility time by one year (3 years in lieu of 2 years service; 33 employees)	\$ 1,601,958	\$ 1,469,958	\$ 132,000
19		Pay 90% of single health insurance premium for employees hired after July 1, 2012; add a Nurse Practitioner position to provide routine services and to reduce health insurance claims	\$ 77,600	\$ 50,000	\$ 27,600
20		12-month administrators (61 employees) two-day furlough (all 12 month employees 286 = \$90,560)	\$ 34,000	\$ -	\$ 34,000
21		Add \$100 deductible for prescription drugs for health insurance - reduces health insurance premium increase by 1% (2.5% to 1.5%); add a Nurse Practitioner position to provide routine services and to reduce health insurance claims	\$ 271,335	\$ 212,801	\$ 58,534
22		All employees pay 5% of the single health insurance premium cost - total annual single premiums \$8,381,874 (single premium = \$7760; cost to employee \$38.80 per month)			\$ 419,094
23					

	A	B	C	D	E
24		STAFFING			
		Decrease positions by 22.40 FTE (change class size, realign programs, reduce course offerings, include specialties; job stimulus funded positions are in this number) FTE cost = \$58,400			
25			\$ 1,308,217	\$ -	\$ 1,308,217
26		Do not hire replacements for two vacant maintenance positions	\$ 97,636	\$ -	\$ 97,636
27		Eliminate library aides: 4 elementary and 2 secondary	\$ 107,208	\$ -	\$ 107,208
28		Reduce school lunch aides at elementary schools by 50%	\$ 171,464	\$ 85,732	\$ 85,732
29		Reduce 1.5 FTE Central Office Administrators	\$ 81,038	\$ -	\$ 81,038
30		Institute four-day summer work week - reduce summer operation of buildings			\$ 60,000
31		Reduce 3.2 FTE for high school athletic directors and reassign duties to assistant principals	\$ 186,880	\$ -	\$ 186,880
32		Eliminate 2 assistant principals at large middle schools	\$ 116,800	\$ -	\$ 116,800
33		Reduce elementary assistant principals to 1.5 FTE (enrollment of at least 500 for .5 AP)	\$ 87,600	\$ -	\$ 87,600
34		Freeze non-instructional positions/vacancies and fill on case by case basis			TBD
35		Utilize job sharing as opportunities arise			TBD
36		Minimize substitutes for non-instructional absences			TBD
37		Eliminate staffing for In-School Suspension programs	\$ 129,531	\$ -	\$ 129,531
38					
39		SUPPORT PROGRAMS			
		Reduce bus stops by increasing walking distance to bus stops - 3/10th mile elementary; 1/2 mile for middle & high except for designated hazardous situations			\$ 50,000
40					
41		Reduce 50% of supplements for middle school athletics; eliminate interscholastic competition and add intramurals	\$ 57,918	\$ 28,959	\$ 28,959
42		Reduce middle school academic supplements by 50%	\$ 35,349	\$ 17,675	\$ 17,675
43					
44		BUILDINGS/TEMPORARY/REDISTRICTING ALTERNATIVES			
		Close SES save utilities and maintenance (Move Rivendell to space available at CMS or new PFE)	\$ 50,000	\$ -	\$ 50,000
45					

	A	B	C	D	E
46		Reduce heating and air conditioning to old BHS			\$ 75,000
47		Close MCPS buildings during winter break to greatest extent possible - 12/22/2012 to 1/1/2013			\$ 7,500
48		Move HAE to new PFE (276 students) or move BEL to new PFE (225 students)		\$ -	\$ 267,000
49		Close AMS building for two years (AHS - grades 8-12; move grades 6 & 7 to CMS)	\$ 340,837	\$ -	\$ 340,837
50		Close SMS (EMH grades 7-12; EME grades PK-6)	\$ 340,837	\$ -	\$ 340,837
51					
52		REVENUE			
53		Increase facility use charges by 10% and evaluate where facility use funds are funneled			\$ 5,000
54		Increase local revenue budget for e-rate reimbursements			\$ 60,000
55		Institute "Pay to Play" for VHSL athletics and activities at \$100 per sport/activity with cap of \$300			\$ 72,100
56		Review services for Medicaid eligible students for opportunities for additional reimbursement			TBD
57					
58		Grand Total	\$ 7,719,504	\$ 2,707,485	\$ 6,027,712
59					
60		Total Superintendent Recommendations			\$ 4,286,837

	A	B	C	D	E
61	ITEMS FOR STUDY in 2012-2013 to IMPLEMENT in 2013-2014:				
62					
63		Evaluate alternatives to MCPS summer programs delivery system			
64		Analyze Middle School scheduling model for possible cost savings			
65		Analyze High School scheduling model for possible cost savings			
66		Evaluate establishing a Virtual Academy to enhance course offerings and the efficiency of delivery			
67		Analysis of software for standardization and possible cost savings			
68		Analyze outsourcing services (custodial, transportation, nurses).			
69		Analyze sick leave bank for possible cost savings			
70		Evaluate extended year contracts based on necessity of services			
71		After relocation to County Government Center Bldg. C, study Central Office for reorganization (functions, staffing, shared services)			
72		Study change to length of school year (-10 days and increase length of school day) - Gloucester School Division model			



Next Steps

- Clarification of VRS Changes and Financial Impact
- Prepare Balanced Budget for Board's Consideration
- May 1, 2012 – School Board Approves Budget (with appropriate reductions to balance the budget) and advertise for a public hearing
- May 15, 2012 – School Board holds public hearing and approves balanced budget for 2012-2013

MCPS Budget for 2012-2013



Superintendent's Recommendations for Potential
Budget Reductions 2012-2013
(April 26, 2012)