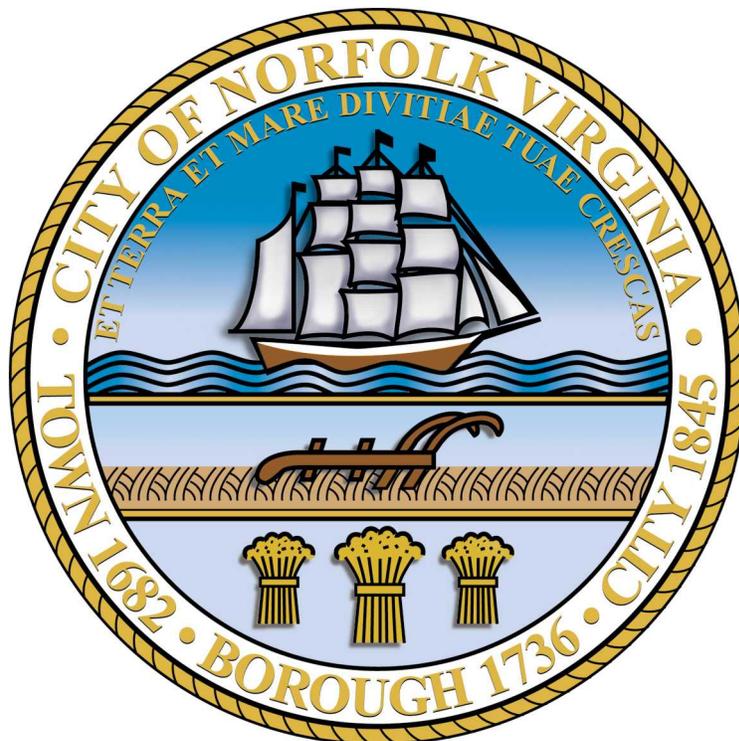

Education Funds



This page intentionally left blank

NORFOLK PUBLIC SCHOOLS

MISSION STATEMENT

Norfolk Public Schools' mission is to educate each student to be a successful, productive contributor to society by providing powerful teaching and learning opportunities. "Quality Teaching and Learning for ALL...ALL Means ALL."

DIVISION OVERVIEW

Norfolk Public Schools (NPS) is committed to becoming a "world class" educational system. In a world class district:

- All students possess the habits of powerful literacy
- All gaps are eliminated while increasing achievement for all
- All schools exceed local, state, national, and international benchmarks
- All students are prepared to access productive options and opportunities upon graduation

NPS is the largest urban school division and the seventh largest division overall in the Commonwealth. The division enrolls a racially and economically diverse population of approximately 33,000 students, supported by more than 4,600 employees in 55 facilities. The educational philosophy of the division is based on the belief that all children can achieve at high levels and that it is the responsibility of the staff and community to ensure each child reaches his/her highest potential.

NPS has a variety of programs to meet the needs of students. Programs within the traditional school setting include those for students with special needs, English as a Second Language, Title I, and Gifted Education. Auxiliary facilities house programs for students who need an alternate educational setting as well as opportunities for trade and technical education. There are full-day kindergarten programs in all elementary schools. There are two early childhood centers for three and four year old children and pre-kindergarten programs in most elementary schools.

LEGAL AUTHORIZATION

Pursuant to state law, all school divisions are fiscally dependent on the local government. As a fiscally dependent school division, NPS does not levy taxes or issue debt. All funds are appropriated to Norfolk Public Schools by the Norfolk City Council, which has authority to tax and incur debt.

The School Board derives its authority from the Commonwealth and has the constitutional responsibility to provide public education to the residents of Norfolk.

SCHOOL FUNDING

The division receives financial support from several sources:

- Commonwealth of Virginia
- City of Norfolk
- Federal Government
- Local Fees/Revenues

Commonwealth of Virginia: Support for public schools is a shared cost between the Commonwealth of Virginia and localities. Article VIII, Section 2 of the Constitution of Virginia authorizes the General Assembly to determine the cost of education as prescribed by the Standards of Quality (SOQ) and to establish the cost share between state and local governments. Sales tax revenue is used to offset Basic Aid costs. With one and ¼ cent of the Commonwealth's 5-cent sales and use tax is dedicated to public school funding. Also, 100 percent of lottery proceeds are dedicated to K-12 education.

The Standards of Quality (SOQ) have prescribed the minimum standards of education for public school divisions. The standards are established in the Constitution of Virginia and defined in the Code of Virginia. Only the State Board of Education and the General Assembly can alter the standards. SOQ rebenchmarking is completed every two years and coincides with the beginning of the Commonwealth's biennial budget cycle. SOQ accounts represent about 85 percent of the total state funding for direct aid to public education. Localities may choose to spend more than the required amounts at their own discretion. School divisions may offer additional programs and employ additional staff beyond what is required by the SOQ at their own discretion.

Average Daily Membership (ADM) is the student enrollment count that drives most state funds for public education. ADM is determined by the total days in membership for all students over the school year divided by the number of school days school was in session. For FY 2013, NPS projects an ADM decrease of 249 students for a total of 30,200.

City of Norfolk: Lifelong Learning is a priority for the city. The city provides funding for schools based on citywide needs. Identified needs by Norfolk Public Schools (NPS) are weighed against all other city needs.

The Composite Index (CI) was formulated by the state to measure a locality's ability to fund education. The CI is calculated using three measures of the local tax base: true real estate values (50 percent of measure); adjusted gross income (40 percent of measure); and local taxable retail sales (10 percent of measure). CI calculations for the 2013-2014 biennium are based on 2009 data from the Virginia Department of Taxation. Each of the local tax measures are combined with two per capita components: 2010 ADM and total population provided by the Weldon Cooper Center for Public Service. Each locality's ability to pay is evaluated relative to all other localities'. Norfolk's CI for FY 2013 is 0.3102, which means that the city's Required Local Effort (RLE) for SOQ and other state programs is approximately 31 percent of the total cost of education for Norfolk. The city consistently provides 100 percent more than the required amount.

Additionally, the city provides support for NPS capital related debt service, landscape maintenance, school nurses, school crossing guards and other services valued at over \$13.2 million in FY 2013. The city's FY 2013 Capital Improvement Plan (CIP) also includes \$3.8 million dedicated to schools and the five-year CIP includes \$53.8 million.

PERFORMANCE MEASURES

NORFOLK PUBLIC SCHOOLS (NPS) FY 2013 ACHIEVABLE RESULTS (GOALS)

- NPS will implement, annually monitor, and refine the comprehensive plan for improving on-time graduation for students
- NPS will implement, annually monitor, and refine a system of support so that all schools are fully accredited as defined by the Virginia Department of Education (VDOE)
- NPS will improve the climate of support for the achievement of all students through staff, family, and community engagement

Priority: Lifelong Learning

Goal

Norfolk Public Schools (NPS) will implement, annually monitor, and refine the comprehensive plan for improving on-time graduation for students

Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Goal	FY 2013 Goal
Increase No Child Left Behind (NCLB) Graduation Rate for the Division by 3 percent per year (Goal 80 percent)	69.9	81.8	80	80
Increase On-Time Graduation Rate for Division by 3 percent per year (Goal 85 percent)	73.8	73.7	85	85

Priority: Lifelong Learning

Goal

Norfolk Public Schools (NPS) will implement, annually monitor, and refine a system of support so that all schools are fully accredited as defined by the Virginia Department of Education (VDOE)

Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 State Benchmark	FY 2013 State Benchmark
Increase division level pass rates on SOLs (Standards of Learning)				
Grade 3 Reading	71.8	74.9	75	75
Grade 3 Mathematics	85.5	83.9	70	70
Grade 3 History and Social Science	84.0	72.7	50	50
Grade 3 Science	83.4	78.8	50	50
Grade 4 Reading	78.8	79.7	75	75
Grade 4 Mathematics	83.7	81.7	70	70
Grade 5 Reading	85.5	85.4	75	75
Grade 5 Writing	83.4	82.4	75	75

Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 State Benchmark	FY 2013 State Benchmark
Grade 5 Math	84.6	84.2	70	70
Grade 5 Virginia Studies	82.7	84.9	70	70
Grade 5 Science	80.4	75.6	70	70
Grade 6 Reading	73.0	68.1	70	70
Grade 6 Mathematics	64.1	58.4	70	70
Grade 6 History: US History I	53.3	62.7	70	70
Grade 7 Reading	76.0	74.1	70	70
Grade 7 Mathematics	11.1	N/A	70	70
Grade 7 History: US History II	79.4	69.3	70	70
Grade 8 English	76.0	77.3	70	70
Grade 8 Writing	82.1	79.9	70	70
Grade 8 Mathematics	61.8	45.6	70	70
Grade 8 Civics and Economics	71.9	74.6	70	70
Grade 8 Science	82.3	73.7	70	70
End-of-Course English: Reading	83.2	89.2	70	70
End-of-Course English: Writing	88.3	86.4	70	70
End-of-Course Algebra I	85.0	92.1	70	70
End-of-Course Geometry	69.2	75.8	70	70
End-of-Course Algebra II	79.8	77.7	70	70
End-of-Course Virginia & US History	85.9	50.0	70	70
End-of-Course World History I	72.1	64.1	70	70
End-of-Course World History II	73.2	57.4	70	70
End-of-Course Earth Science	74.4	78.6	70	70
End-of-Course Biology	77.8	79.8	70	70
End-of-Course Chemistry	90.8	84.9	70	70
End-of-Course World Geography	95.1	94.3	70	70

Adjustments shown below include a combination of the School Board's Proposed FY 2013 Budget and city actions. Per the Code of Virginia, the local governing body must appropriate all funds for expenditure. As a result all actions are shown below.

APPROVED FY 2013 BUDGET ACTIONS

• **Increase city contribution** **FY 2013: \$1,140,000**

Provide additional city funds to support education activities and school personnel. These additional funds will help meet the School Board's request for FY 2013.

• **Reappropriate school bus reserve to NPS's Operating Budget** **FY 2013: \$2,121,700**

Reappropriate school bus reserve to NPS's Operating Fund. In the past, the School Board set aside funds for the purchase of school buses. However, the city will take on the responsibility to purchase school buses to replace the aging fleet. As a result, \$2.1 million in unexpended school bus reserve funds are now available for use and can be carried forward to FY 2013.

• **Transfer funds for school health to NPS** **FY 2013: \$1,535,400**

Technical adjustment to transfer funds for school nurses to Norfolk Public Schools (NPS) from the Norfolk Department of Public Health (NDPH). This adjustment allows for the proper expenditure of school nurse funds from the school division as required by the Virginia Department of Education. This transfer does not result in a change to services. School health services will be provided through a joint agreement between NPS and NDPH. During FY 2013 NPS, NDPH and the city will examine the best practices to determine an appropriate model for school health services in Norfolk. A corresponding adjustment can be found in the Norfolk Public Health Department. This adjustment reflects updated personnel expenditure projections and therefore differs from the School Board's Proposed FY 2013 Budget.

• **Adjust FY 2013 sales tax estimate** **FY 2013: \$2,654,350**

Technical adjustment for the Commonwealth's sales and use tax revenues. The technical adjustment reflects $1\frac{1}{8}$ cent of the 5-cent state sales and use tax. In total, the state dedicates $1\frac{1}{4}$ cent of the Commonwealth's 5-cent sales and use tax to public school funding. The remaining 1/8-cent for public education goes directly to the Standards of Quality (SOQ) formula. The sales tax estimate was revised following the School Board's adoption of the division's Proposed FY 2013 Budget.

• **Reclassify program revenue to the General Fund** **FY 2013: \$1,652,111**

Reclassify funds provided by the Commonwealth currently classified outside the General Fund. This technical adjustment transfers Incentive, and Lottery-funded programs classified as grants by NPS back to the General Fund. Previously, these funds were classified as General Fund; however, with changes in administrative functions, these funds were more recently classified as special revenue. However, the Commonwealth provides these funds and they should be re-classified as General Fund. This change is being made following the School Board's Proposed FY 2013 Budget. This adjustment has been agreed upon by NPS administration. This adjustment does not result in any service level changes.

- Adjust budget for rebenchmarking** **FY 2013: \$4,079,259**

Technical adjustment for rebenchmarking. The General Assembly is charged with revising, determining costs and the cost sharing between the Commonwealth and localities for the Standards of Quality (SOQ) formula. Rebenchmarking for public education occurs with the beginning of the Commonwealth's biennial budget cycle. Rebenchmarking updates are technical in nature and do not involve changes in policy or funding methodology, other than those already approved and directed by the General Assembly. This adjustment reflects the passage of the state budget and therefore differs from the School Board's Proposed FY 2013 Budget.
- Reappropriate NPS carryforwards** **FY 2013: \$3,000,000**

Reappropriate FY 2010 balances and FY 2012 state funds for use in FY 2013. NPS set aside one million dollars to cover the cost of unemployment compensation for potential staff decreases in FY 2010. However, NPS was able to make significant staff reductions through attrition and retirement and did not need to utilize these funds for unemployment claims. In addition, NPS implemented cost-saving strategies in FY 2012 to carryforward two million dollars from FY 2012 state funds. As a result, three million in unexpended funds are now available for use and can be carried forward to FY 2013. This adjustment has been included in the School Board's Proposed FY 2013 Budget.
- Appropriate FY 2012 sales tax revenue** **FY 2013: \$1,000,000**

Appropriate additional FY 2012 sales tax revenue. Actual sales and use tax revenue received will be approximately one million dollars more than budgeted due to increased economic growth in FY 2012. The sales tax revenue estimate was revised following the School Board's Proposed FY 2013 Budget. This adjustment has been agreed upon by NPS administration.
- Reduce appropriation for Federal Impact Aid** **FY 2013: (\$1,500,000)**

Technical adjustment to reduce appropriation for Federal Impact Aid due to decreased Federal funding. Impact aid compensates school divisions for local revenue lost due to the presence of federally owned, and therefore tax-exempt property and costs incurred due to federally connected students, such as children of armed services personnel working on a military base. This reflects the latest projection provided by the federal government. This adjustment has been included in the School Board's Proposed FY 2013 Budget.
- Reduce appropriation for the Education Jobs Fund** **FY 2013: (\$4,200,000)**

Technical adjustment to remove temporary Federal Stimulus Education Jobs Fund money. The Education Jobs Fund provided funding to states to support elementary and secondary teacher, school-level administrator and other essential school-level staff salaries, and related costs in FY 2011 and FY 2012. This adjustment has been included in the School Board's Proposed FY 2013 Budget.

Norfolk Public Schools

Total: FY 2013: \$11,482,820

NORFOLK PUBLIC SCHOOLS SUMMARY

The School Board issues a separate, detailed budget document which identifies grant revenues in addition to the School Operating Budget. The FY 2010 and FY 2011 Actual amounts are provided by NPS. The FY 2012 and FY 2013 Approved amounts are the totals approved by City Council.

Revenue Summary

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Revenue from Commonwealth ¹	207,908,038	176,062,622	171,325,500	179,711,220
Revenue from Federal Funds	6,169,252	9,001,811	10,536,600	4,836,600
Revenue from City ¹	101,011,131	104,511,131	104,511,200	107,186,600
Revenue from Other Funds	3,639,954	2,758,801	4,177,200	4,177,200
Carryforwards	0	0	0	6,121,700
Total Operating Revenues	318,728,375	292,334,365	290,550,500	302,033,320
Total Grant Revenues and Child Nutrition Funds	53,998,825	47,546,912	61,944,132	50,352,098
Total Revenues Received by NPS	372,727,200	339,881,277	352,494,632	352,385,418
Additional Services Provided to NPS² (see next page for details)	19,380,627	20,212,449	19,227,900	16,226,586
Total support received by NPS	392,107,827	360,093,726	371,722,532	368,612,004

¹Revenue from the Commonwealth includes \$1.6 million in reclassified funds and Revenue from the City includes \$1.5 million for the transfer of school health nurses from the Norfolk Department of Public Health (NDPH).

²FY 2013 excludes school construction and reflects the reduction of school nurses from NDPH to NPS. This amount is now included in Revenue from the City.

Expenditure Summary

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
School Operating Budget	318,728,374	291,547,205	290,872,439	301,235,156
Grants & Special Programs	39,185,625	32,170,932	46,684,632	33,648,098
Child Nutrition Services	14,500,422	15,243,448	15,259,500	16,704,000
Total Expenditures	372,414,421	338,961,585	352,816,571	351,587,254

Additional Services Provided to Norfolk Public Schools (Excluding School Construction)

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Ongoing School Maintenance ¹	3,000,000	3,000,000	3,000,000	3,000,000
Debt Service for School Projects	11,631,500	12,600,000	11,600,000	9,300,000
School Resource Officers	751,832	699,170	777,500	721,584
School Crossing Guards	611,289	526,179	534,200	570,002
School Nurses ²	1,431,506	1,406,400	1,400,000	670,000
Facility Maintenance	1,255,700	1,255,700	1,266,200	1,266,200
Grounds Maintenance	698,800	725,000	650,000	698,800
Total City Support	19,380,627	20,212,449	19,227,900	16,226,586

In addition to the direct city support given to Norfolk Public Schools, the city provides the additional services listed above that are funded in the budgets of city departments. Debt service is included in the city's Debt Service budget, School Resource Officers and School Crossing Guards are included in the Police budget, School Nurses are in the Public Health budget, Facility Maintenance is in the General Services budget and Grounds Maintenance is in the Recreation, Parks & Open Space budget.

¹The FY 2010-2012 amounts for ongoing school maintenance has been changed to only include school maintenance funds. Funds provided for school construction and renovation are shown in the CIP.

²In FY 2013 approximately \$1.54 million in city funds will be transferred from the Norfolk Department of Public Health (NDPH) directly to Norfolk Public Schools (NPS) for school health services. In addition to the \$1.5 million, NDPH and the city provide \$1.77 million, of which the city provides 37 percent (\$670,000) and NDPH provides 63 percent (\$1.1 million), for a total of \$3.3 million in support of school health services. There is no reduction in city funding for school nurses.

SCHOOL OPERATING FUND

Operating Revenues

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Revenue from Commonwealth				
Standards of Quality Funds				
Basic Aid	98,277,604	81,867,819	83,316,049	81,833,770
Textbook Payments	1,247,959	351,489	17,255	1,568,020
Vocational Education Standards of Quality (SOQ)	1,594,405	1,866,347	1,831,982	1,395,740
Gifted Education	1,062,937	976,577	958,595	958,270
Special Education SOQ	12,477,956	11,111,276	10,885,384	10,665,970
Prevention, Intervention and Remediation	4,297,962	4,253,535	4,175,216	4,958,000
Fringe Benefits	12,062,023	9,223,227	10,800,174	15,186,490
English as a Second Language (ESL)	448,470	0	0	0
Remedial Summer School ¹	1,198,535	750,737	0	770,340
Total Standards of Quality Funds	132,667,851	110,401,007	111,984,655	117,336,600
State Sales Taxes	27,514,467	28,780,241	28,926,400	31,580,750
Lottery Funded Programs ²	28,187,814	24,346,592	25,994,344	26,854,750
Other State Funds ²	336,802	8,669,277	4,420,101	3,939,120
Federal Stimulus Funds from the Commonwealth	19,201,104	3,865,505	0	0
Total from Commonwealth¹	207,908,038	176,062,622	171,325,500	179,711,220
Total Federal	6,169,252	9,001,811	10,536,600	4,836,600
Total City Funds	101,011,131	104,511,131	104,511,200	107,186,600
Total Other Revenue	3,639,954	2,758,801	4,177,200	4,177,200
Total Carryforwards	0	0	0	6,121,700
Total Revenues	318,728,375	292,334,365	290,550,500	302,033,320

¹ English as a Second Language and Remedial Summer School were moved to Lottery Funds in FY 2011. Remedial Summer School moved back to Standards of Quality funds in FY 2013.

²In FY 2013 the city is recapturing Lottery Funds and Other State Funds provided by the Commonwealth that were previously classified as Grants and Special Programs to the General Fund

Operating Expenditures

Expenditures	Positions		FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
	FY 2012	FY 2013				
Instructional Services	3315	3201	247,521,183	224,152,280	223,636,097	231,489,176
Central Administration	92	90	9,154,538	8,793,728	9,388,166	9,624,105
Student Attendance and Health	46	49	3,957,827	3,591,762	3,764,682	5,437,039
Pupil Transportation	281	278	10,990,671	10,779,295	11,637,913	11,623,397
Operations/ Maintenance	409	398	35,260,223	35,188,292	33,925,604	34,610,293
Child Nutrition Services	0	0	0	112,494	0	0
Community Services	0	0	88,324	7,751	0	0
Facility Improvements	0	0	4,105,481	1,612,951	1,644,865	1,644,865
Information Technology	63	61	7,650,127	7,308,652	6,875,112	6,806,281
Total School Operating Budget	4,206	4,077	318,728,374	291,547,205	290,872,439	301,235,156
Difference from City Revenue						798,164
Total Expenditures						302,033,320

SCHOOL GRANTS

Grants and Special Programs Revenue Summary

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Federal Grants	34,072,248	27,165,327	41,074,767	29,529,014
Commonwealth of Virginia Grants	4,310,745	4,617,864	5,090,510	3,554,660
Corporate and Foundation Awards	130,853	127,269	180,355	215,424
Other Grants	671,779	260,472	339,000	349,000
Total Grant Revenues	39,185,625	32,170,932	46,684,632	33,648,098

Grants and Special Programs Expenditure Summary

FEDERAL GRANTS

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Compensatory Programs	20,326,472	19,926,978	30,489,411	19,530,202
Special Education	9,455,631	3,214,203	7,685,759	7,494,134
Career, Technical and Adult Education	1,238,367	1,224,727	1,326,044	1,163,771
Other Projects	3,051,778	2,799,419	1,573,553	1,340,907
Total Federal Grants	34,072,248	27,165,327	41,074,767	29,529,014

COMMONWEALTH OF VIRGINIA GRANTS

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Career, Technical and Adult Education	97,648	93,957	115,889	117,548
State Operated Facilities	2,555,014	2,844,832	3,121,648	3,053,732
Special Education	189,164	187,672	204,862	197,946
Virginia Technology Initiative ¹	1,372,722	1,378,418	1,454,000	0
Other Grants ¹	96,197	112,985	194,111	185,434
Total Commonwealth of Virginia	4,310,745	4,617,864	5,090,510	3,554,660

CORPORATE AND FOUNDATION AWARDS

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Corporate and Foundation Awards	130,853	127,269	180,355	215,424
Total Corporate and Foundation Awards	130,853	127,269	180,355	215,424

OTHER GRANTS

	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Other Grants	671,779	260,472	339,000	349,000
Total Other Grants	671,779	260,472	339,000	349,000
Total Grants and Special Programs	39,185,625	32,170,932	46,684,632	33,648,098

¹In FY 2013 the city is recapturing Lottery Funds and Other State Funds provided by the Commonwealth that were previously classified as Grants and Special Programs to the General Fund

CHILD NUTRITION SERVICES

Revenues	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Sales	2,580,078	2,603,674	2,545,000	2,664,000
Federal and State Food Program Reimbursements	11,199,151	11,632,694	11,770,000	13,025,000
Federal Commodities Donated	871,024	1,013,773	830,000	900,000
Interest Earned	0	41,612	10,000	15,000
Other Revenue	162,947	84,227	104,500	100,000
Total Revenues	14,813,200	15,375,980	15,259,500	16,704,000

Expenditures	FY 2010 Actual	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Cost of Goods Sold	6,516,805	7,495,857	7,116,000	8,321,000
Employee Compensation	6,849,452	6,550,205	6,944,000	7,123,500
Maintenance Costs	360,282	314,378	415,000	390,000
Supplies and Materials	100,653	144,760	135,000	125,000
Cafeteria and Other Equipment	497,889	447,509	440,000	513,000
Other Costs	175,341	290,739	209,500	231,500
Total Expenditures	14,500,422	15,243,448	15,259,500	16,704,000
Excess of Revenues Over Expenditures	312,778	132,531	0	0
Fund Balance – Beginning of Year	5,315,280	5,628,058	5,628,057	5,760,589
Fund Balance – End of Year	5,628,058	5,760,589	5,628,057	5,760,589

This page intentionally left blank