*Fauquier County Public Schools*
*320 Hospital Drive, Suite 40*
*Warrenton, Virginia 20186*

February 11, 2002

Dear Members of the Board of Supervisors and Citizens of Fauquier County:

On behalf of the School Board and our entire school division, I am pleased to present our proposed FY 2002-2003 Operating Budget for Fauquier County Public Schools. This budget has been designed to meet the challenges of rising achievement for all students as well as the attraction and retention of a highly qualified staff. We believe this budget focuses on the Strategic Plan developed for the school division, reflects the commitment of the School Board towards it's goals, and also reflects the direction and influence of our new Superintendent, Dr. David Martin, and his senior administrators.

During the School Board/Administrative Retreat held in preparation of beginning this budget process, two concepts were established as our major goals for this year. These goals are increased student achievement, and the attraction and retention of highly qualified staff. We believe that these goals are reflective of the community at large. We recognized the correlation between increased student achievement, and the attraction and retention of quality staff, or said another way, we believe continued improvement in student learning cannot occur in the absence of high quality teachers. In this era of low unemployment, decreasing numbers of college students completing teacher preparation programs, increasing numbers of teacher retirements, and the increasing demand for teachers throughout the country, the competition to attract and retain highly qualified teachers has greatly intensified.

In response to these goals, this year's budget concentrates our resources in the areas of student achievement and the attraction and retention of high quality staff. Increased student achievement remains our fundamental and highest goal, and we believe that attracting and retaining a highly qualified staff is of paramount importance, if we are to achieve that goal. Towards this goal, we have focused our resources in the area of compensation for our staff. We are proposing a 9.79% average compensation adjustment for teachers, and at the same time, providing equity across all employee groups.

I would be remiss if I did not take this opportunity to thank my fellow Board members for their tireless dedication to our school division. They truly approach each task with the question on their minds "What is best for our children?". Our staff, led by Dr. David Martin, is among the finest that I've seen anywhere in the state, and constantly goes above and beyond the call of duty to meet the needs of our children. Many thanks to them for all of their hard work. I want to take this opportunity to thank the members of the Board of Supervisors for your continued support of public education in Fauquier County. This truly is a partnership between the two Boards, and we recognize and appreciate the significant role the Board of Supervisors play in the education of our children.

Last, but certainly not least, I want to extend my sincere thanks and appreciation to the citizens of Fauquier County for your continued support of our children and for public education in our county. I am constantly amazed at the depth of dedication that you display on a day-to-day basis in our schools or behind the scenes. From the Mom or Dad who seeks to take an active role in their child's education by helping out in their school, to the business leaders who may not have students in our system, but recognize the value of an education to our community and make donations to our schools, there are not enough words to express our gratitude. Given the continuing support for public education in Fauquier County, I am confident that we will meet the challenges of assuring rising achievement for all students.

Respectfully yours,

Ernest L. Gray, Jr., Chairman
Fauquier County Public Schools

# Executive Summary

The 202-2003 budget development process for Fauquier County Public Schools has been one of collaboration and inclusion. The School Board approved a budget development calendar in the early fall of 2001. However, an extension was requested and approved by the Board of Supervisors to allow additional time for the new school superintendent to work with all stakeholders in the budget development process. The budget development calendar outlined dates and processes. The beginning phase of the budget was to gather input from a variety of sources. At the building level, principals and teachers identified needs of the building in priority order.

The School Board and administrative staff had a retreat during the first part of December 2001. This was the first retreat in the history of the school division. During the retreat, participants reviewed beliefs and values in terms of the school division and the education process. Once belief systems were discussed, strategies and action steps emerged. From this point, two goals were discussed from the Strategic Plan as being the focus of the upcoming budget process. These goals were to attract and retain staff and to promote and maintain activities and processes to increase student achievement.

At the beginning of the 2001-2002 school year, the Superintendent established a Superintendent's Employee Advisory (SEAC). Membership of this group included a teacher from each building and an employee representing each employee group. SEAC was instrumental in disseminating information to teachers and various employee groups. Additionally, a pre-budget public hearing was held to receive input from the community on issues for budget consideration.

In order to advise the Superintendent about compensation and benefit issues, a Personnel Compensation Task Force was formed. Membership on the task force included a citizen from each of the magisterial districts, teachers, FEA representatives, administration, and an employee representative for custodians, bus drivers, food service, instructional assistants, and other classified employees. The task force reviewed each salary scale and employee group for comparability and equity. A compensation package, including all employee groups, was recommended to the Superintendent.

A significant part of the budget development process was the participation of the School Board. A number of work sessions were conducted to review goals and priorities of the school division and ensure a match with requested expenditures.

# Executive Summary

## Mission and Strategic Plan

The mission of the Fauquier County Public Schools is to cultivate the ability, intellect, and character of each student to ensure an educated citizenry. To accomplish this mission, in the fall of 1999, a strategic planning process was initiated. The purpose of this strategic planning was to assist teacher and administrators in shaping the school division's focus for the next three to five years. To accomplish this mission, the Strategic Plan outlines four desired and measurable goals. These goals address academic achievement; attraction and retention of staff; community partnerships and facilities.

During the 2001 School Board/Administrative Retreat, the strategic plan was reviewed and analyzed. During this process of review, the members of the School Board and administrative staff recommitted to a set of core values and shared beliefs. These include the importance of the individual; opportunities for all students; all students can learn; fair and equitable treatment of individuals; safe and secure environment; shared responsibility and accountability. From this discussion, priorities were set that centered around two goals previously identified in the Strategic Plan: student achievement and attraction and retention of staff.

The division's Strategic Plan provides guidance and direction for the School Board to facilitate appropriate funding decisions throughout the budget process. The focal point of the Plan is predicated on the first goal, achieving academic results. Several initiatives are incorporated in the Superintendent's Proposed Operating Budget for FY 2002-2003 to further this goal. Those initiatives include, but are not limited to, the addition of K-12 classroom teaching positions to accommodate the division's projected growth and commitment to maintain an appropriate student-teacher ratio.

The second goal, attraction and retention of staff, remains one of paramount importance as the school division strives for continued improvement. For this reason, the Superintendent's Proposed Operating Budget for FY 2002-2003 reflects the recommendations from the Personnel Compensation Task Force, with the exception of the teacher salary scale. The recommended teacher salary scale was enhanced and modified after Task Force had completed their work.

# Executive Summary

## Revenues

Revenue projections form one half of the budget equation; they represent estimates of the funds expected to be available during the fiscal year to pay for the estimated expenditures. Projected revenue is received from four primary sources: local, state, federal, and other local sources. Projected student enrollment is a critical factor in the development of the revenue budget. The FY 2002-2003 revenue budget is based on a projected student membership/enrollment of 9,643. This student projection was provided by the Virginia Department of Education in concert with the Weldon Cooper Center.

State Funds. The primary types of state revenues for Fauquier County Public Schools are: State Sales Tax, Standards of Quality (SOQ), and incentive-based and categorical aid.

State Sales Tax revenue is derived from a formula, which returns one percent (1%) of state sales tax collections to local school districts based upon the number of school age children residing in the locality.

State funds assist in implementing the Standards of Quality established by the General Assembly. This funding is based on a per pupil amount determined by the general Assembly, multiplied by the school district's Average Daily Membership (ADM), which is equalized by a factor known as the Local Composite Index (LCI). The LCI combines three separate measures of local fiscal capacity (assessed value of real property, adjusted gross income, and taxable retail sales) into a single index. The school division with a low LCI receives the greatest amount of state aid per pupil while those with a high index receive less state support. The state minimum LCI is .2000 and the maximum is .8000 The current composite index for the school division is .6115 but for the new biennium, the LCI will reduce to .5848.

Categorical funds are distributed as equalized reimbursements for state-mandated programs and initiatives such as dropout prevention, vocational and special education.

Federal funds. Money for federal aid for elementary and secondary education is appropriate by the U.S. Congress and distributed by the U.S. Department of Education. The federal funds are largely directed to categorical programs such as Education for the Economically Disadvantaged (Title I) and, Education for Individuals with Disabilities (Title VI-B). Based upon predetermined funding levels, these monies are received on a cost-reimbursement basis.

Other local funds. Other local revenues include monies received from rental music equipment, tuitions, etc.

# Executive Summary

## Expenditures

The Projected Expenditures section is comprised of cost estimates for the operation of the regular day school, special education, career/technical, gifted education, summer school, and adult education program offerings of the school division.

The organizational unit where the expenditures will take place is located in various departments throughout the school division. This approach allows and requires each department to develop its own budget request. These budget requests are collated by major state-mandated category to arrive at a budget for the entire school division.

The development of the expenditure budget began with calculation of the FY 2002-2003 base budget. This base budget is the result of identifying and eliminating those FY 2001-2002 budgeted costs that are deemed "one-time or nonrecurring". These one-time costs totaled $488,354, thus creating a FY 2002-2003 of $78,246,248. From this point, the budget was developed to incorporate new projected costs, which total $8,930,549 representing a 10.72% increase over the FY 2001-2002 budget. The new costs include a standardization process for all school division employees i.e., placement on a salary scale according years of experience; mandatory and required expenditures, i.e., vehicle fuel, utilities, etc.; addition of regular education and special education teaching staff due to student growth; and instructional increases to enhance existing programs or new initiatives.

## Enrollment Projections

The division has used a process to project student enrollment that draws upon both live birth rate and enrollment history. This process, called the Cohort Survival Method, generates cohorts based upon projection ratios calculated from a certain number of years of historical growth. For the coming year, we are basing our projections on two and five years of history. Based upon the results of this process, the school division is projecting 104 more students next year, 81 at the high school level, 89at the middle school level, and 66 fewer at the elementary level. The projected enrollment for K-12 for September 30, 2002, is 9727 compared to 9623 this current year.

While the September 30 enrollment is 9623, the school division has considered the enrollment projections from the Virginia Department of Education in conjunction with the Weldon Cooper Center of the University of Virginia. The projection supplied to the school division of 9,643 has been verified and adopted in the development of the FY 2002-2003 budget.

# Executive Summary

## Compensation & Benefits

Teacher salaries. Fauquier County Public Schools is committed to not only attracting the best and brightest teachers for our students, but also, to retaining quality teaching staff as well. To that end, the Personnel Compensation Task Force reviewed the competitive market for teachers in surrounding school divisions. The Task Force reviewed several options for teacher salary scales to ensure that two elements were incorporated into scale proposals. These elements included matching one's salary with actual years of experience and eliminating longevity steps as well as compression within the scale. Consensus was reached on a salary proposal for teachers that has a beginning salary of $30,500 with 2.5% increases between every step on the scale. Flat increase were established for each degree level at the following amounts above the BA scale: BA+15 = $500; MA = $2,000; MA+15 = $2,500 and MA+30 = $3,000. By placing teachers on this scale based on experience, it eliminated the effect of the experience cap that was lifted for the 2000-2001 school year for all teachers hired under that cap. Similarly, it eliminates the effect of the compression of the scale from the 1995-1996 school year. The replacement of the "T" steps with a continuous 2.5% increase recognizes veteran teachers. The new structure of the scale and the fact that some employees were placed on the current scale above their years of experience means that 51 employees are 'frozen' until the new scale catches up with their salary. Not counting those employees, the average increase is over 9.79% with an average increase for those teachers with more than 15 years experience over 15.71%.

The Superintendent, based on input from teachers and staff, adjusted the teacher salary proposal recommended by the Task Force. Rather than capping the BA+15 salary lane at step 15, the lane was extended to step 20. This captured more veteran teachers for an increase and mirrored the current salary scale cap before 'T' steps or longevity steps.

Instructional Assistants. The paraprofessional scale has been eliminated and these positions are placed on the classified pay scale as a grade 12. This increases the beginning step by 20%.

Food Nutrition, Bus Drivers and Bus Aides

Food Nutrition scales and Bus Aide scales are adjusted to reflect a starting hourly wage of $8.25, the current living wage. The Bus Aide scale has also been adjusted to have 2.5% increases between steps. The Bus Driver scale's starting step was increase by 2.2%.

Substitutes

The daily rate for aide substitutes and non-degreed teacher substitutes was increased from $43.50 to $70. The daily rate for degreed teacher substitutes was increased from $54.75 to $85.

Administrators, Custodians, Classified Employees

The scales were adjusted to ensure 2.5% increases between every step and every employee was placed on a scale according to years of experience.

Supplemental Salaries

Those student activities outside of the instructional day and supervised by staff require additional compensation in the form of a supplement. These are in academic and athletic areas. A sub-committee of the Personnel Compensation Task Force was formed to review supplemental salaries. This sub-committee reviewed comparable supplements in neighboring school divisions. The recommendations from the sub-committee focused on providing an increase to the base salary, increasing the experience factor, eliminating certain supplements, creating supplements, as well as, providing equity throughout. The final recommendation to the School Board concentrated on equity throughout the supplemental scale and at all levels.

## Fauquier County Public Schools
## 2002-2003 Budget Request Worksheet

| Description | Amount | Totals |
|---|---|---|
| **Current Operating Budget (2001-2002)** | $ 78,734,602.00 | **$ 78,734,602.00** |
| **Decreases to Current Operating Budget (2001-2002)** | | |
| Adjustments to actual salaries | $ (215,161.00) | |
| Reduction in insurance revenue | $ (30,000.00) | |
| Decrease in dedicated State funds | $ (243,193.00) | **$ (488,354.00)** |
| | | **$ 78,246,248.00** |
| **Increases to Current Operating Budget (2001-2002)** | | |
| Mandatory or Required | | |
| Adjustments in Federal grants | $ 188,018.00 | |
| Dedicated additional State funds | $ 236,344.00 | |
| Increase in debt service | $ 409,431.00 | |
| VRS health care credit (.14% to .24%) | $ 43,948.00 | |
| Group Life Insurance (.8% to .88%) | $ 36,726.00 | |
| Worker's compensation insurance (.1% increase) | $ 49,570.00 | |
| Insurance (public officials and liability) | $ 9,553.00 | |
| Internet filtering mandate | $ 10,800.00 | |
| Telecommunications service increase | $ 33,800.00 | |
| Bus Aide for special education | $ 7,000.00 | |
| Bus Driver field trips/substitute costs (to meet actua | $ 124,499.00 | |
| Bus routing software licensing increase | $ 1,500.00 | |
| Vehicle fuel | $ 100,000.00 | |
| Safety equipment and repair/maintenance (OSHA) | $ 4,150.00 | |
| Utilities (electrical and heating) | $ 352,000.00 | |
| Janitorial supplies (to meet actual) | $ 16,500.00 | |
| Textbooks (local support) | $ 437,548.00 | |
| Regular education growth positions | $ 566,400.00 | |
| Special education growth positions | $ 337,500.00 | **$ 2,965,287.00** |
| | | **$ 81,211,535.00** |
| Other Increases | | |
| Compensation | $ 5,659,462.00 | |
| 1 G/T elementary math teachers | $ 47,200.00 | |
| 1 Remedial math teachers | $ 47,200.00 | |
| 2 ITRTs | $ 94,400.00 | |
| 9th grade intervention teacher | $ 47,200.00 | |
| Regional Governor's School (TJHS) | $ 14,000.00 | |
| Transportation for extended learning | $ 55,800.00 | **$ 5,965,262.00** |
| | | **$ 87,176,797.00** |

## SUMMARY
## 2002-2003 Budget Request

### EXPENDITURES

| | FY 2002 | FY 2003 | Difference | % |
|---|---|---|---|---|
| Administration/Health | $ 3,211,895.00 | $ 3,312,932.00 | $ 101,037.00 | 3.15% |
| Transportation | $ 3,861,617.00 | $ 4,196,055.00 | $ 334,438.00 | 8.66% |
| Facilities/Bldg Service | $ 5,511,637.00 | $ 5,917,673.00 | $ 406,036.00 | 7.37% |
| Debt & Fund Transfer | $ 8,300,065.00 | $ 8,601,868.00 | $ 301,803.00 | 3.64% |
| Instruction | $57,849,388.00 | $59,488,807.00 | $1,639,419.00 | 2.83% |
| Compensation | | $ 5,659,462.00 | $5,659,462.00 | - |
| | $78,734,602.00 | $87,176,797.00 | $8,442,195.00 | 10.72% |

### REVENUES

| | FY 2002 | FY 2003 | Difference | |
|---|---|---|---|---|
| Other | $ 253,298.00 | $ 223,298.00 | $ (30,000.00) | -11.84% |
| State | $18,617,223.00 | $20,206,193.00 | $1,588,970.00 | 8.53% |
| State Sales Tax | $ 5,999,543.00 | $ 5,831,127.00 | $ (168,416.00) | -2.81% |
| Federal | $ 1,718,675.00 | $ 1,906,693.00 | $ 188,018.00 | 10.94% |
| Local - operating | $45,035,066.00 | $51,489,258.00 | $6,454,192.00 | 14.33% |
| Local - debt and capital | $ 7,110,797.00 | $ 7,520,228.00 | $ 409,431.00 | 5.76% |
| | $78,734,602.00 | $87,176,797.00 | $8,442,195.00 | 10.72% |