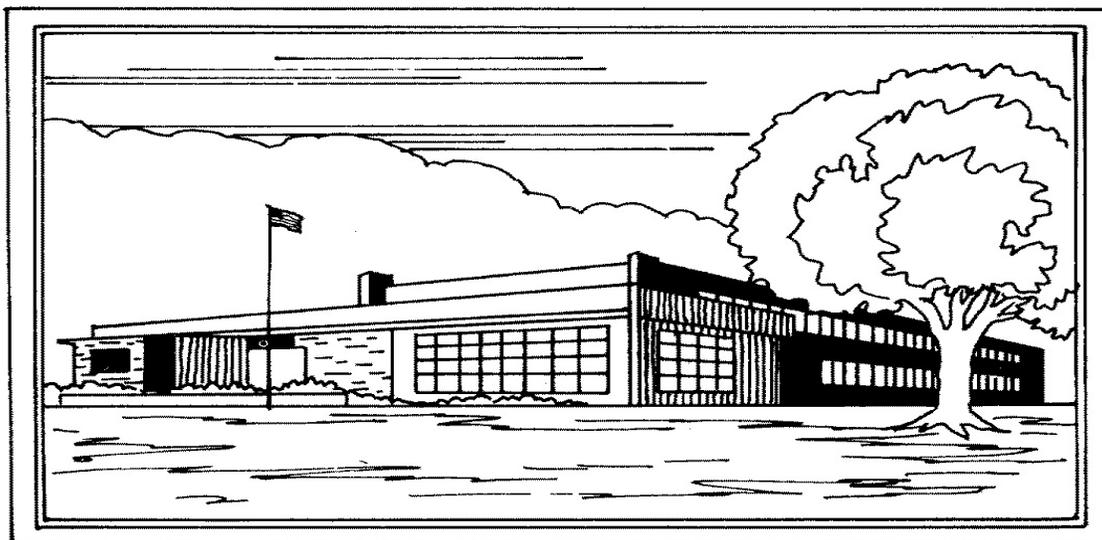


SCHOOL DIVISION FUNDS

General Operating	\$127,120,885
Debt Service – Capital	<u>\$13,930,199</u>
Total Operating Fund	\$141,051,084
School Textbook Fund	\$750,000
School Nutrition Program Fund	<u>\$4,529,547</u>
Total Schools	\$146,330,631



SCHOOL BUDGET BACKGROUND

The School Fund consists of three major funds: School Operating Fund, School Textbooks Fund and School Nutrition Program Fund. The School Operating Fund, a governmental fund, accounts for the operations of Fauquier County’s public school system. The School Textbooks Fund also a governmental fund, accounts for the revenues and expenditures associated with the purchase of textbooks. The School Nutrition Program Fund, a proprietary enterprise fund, accounts for the revenues and expenditures associated with the provisions of food service within the public school system.

It is the duty of the Division Superintendent of Schools, with the approval of the School Board, to prepare the public education budget estimates. These estimates must be approved by the School Board and submitted to the governing body. The estimate for public education submitted to the Board of Supervisors must show the amount of money deemed to be needed during the next fiscal year to support the public schools, including instruction, operating and maintenance and other costs. The Board of Supervisors can appropriate funds by individual categories or

SCHOOL DIVISION FUND

by lump sum. In adjusting the school budget, the governing body may make changes only in the total amount or in the amounts of major categories established by the State Board of Education. The Board of Supervisors may not adjust individual line items. The Board of Supervisors must adopt the School budget no later than May 1st.

For Fiscal Year 2009, the Schools Budget was increased \$10.8 million or 8.3 percent over the FY 2008 budget amount. The Board of Supervisors continued its emphasis on education by increasing support to education by \$ 11.3 million or 13.0 percent. This level of funding, along with increases for the joint departments supporting the schools, primarily for the opening of Kettle Run High School and Greenville Elementary represents 82.4 percent of new FY 2009 revenue. To accomplish the level of support provided, over 40 percent of the County departments and agencies received reductions or no additional funding for FY 2009. This action required unfunding or elimination of over 18 currently authorized positions. This is the second consecutive year of budget reductions for at least a third of the County organizations to support increased funding to the School Division. For FY 2009 the County will provide the Schools a lump-sum amount of \$98.1 million for operations, capital and debt service costs. The lump-sum appropriation option was approved to provide the School Division greater flexibility in budget management.

For FY 2009 the Board of Supervisors also appropriated \$4,529,547 for the School Division's Food Nutrition enterprise fund and \$750,000 for the School Division's Textbook fund.

This narrative on the School Division's budget is general in nature. Specific details can be obtained by accessing the School's computer web site at <http://www.fcps1.org/>.

STATEMENT OF PHILOSOPHY- FAUQUIER COUNTY PUBLIC SCHOOLS

The Fauquier County Public School Division is committed to excellence in education and accepts with the home, responsibility for the educational development of students as individuals and as members of society.

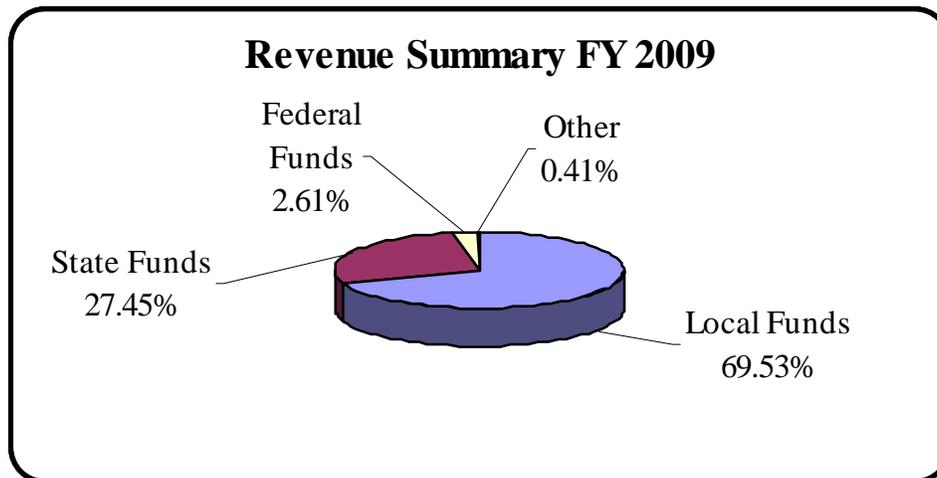
The basic purpose of the school system is to educate students in the knowledge, skills and values necessary to become self-sustaining and productive members of a democracy. The Fauquier County Public System will provide opportunities and resources to help individual students attain the level of achievement of which they are capable.



SCHOOL DIVISION FUND

Revenue

	FY 2007 <u>Actual</u>	FY 2008 <u>Adopted</u>	FY 2009 <u>Adopted</u>	<u>% Change</u>
Local Funds	\$ 82,914,628	\$ 86,801,214	\$ 98,070,037	13.0%
State Funds	\$ 36,843,956	\$ 38,571,992	\$ 38,719,834	0.4%
Federal Funds	\$ 4,016,946	\$ 3,844,016	\$ 3,683,213	-4.2%
Other	\$ 1,993,422	\$ 1,061,928	\$ 578,000	-45.6%
	\$ 125,768,952	\$ 130,279,150	\$ 141,051,084	8.3%



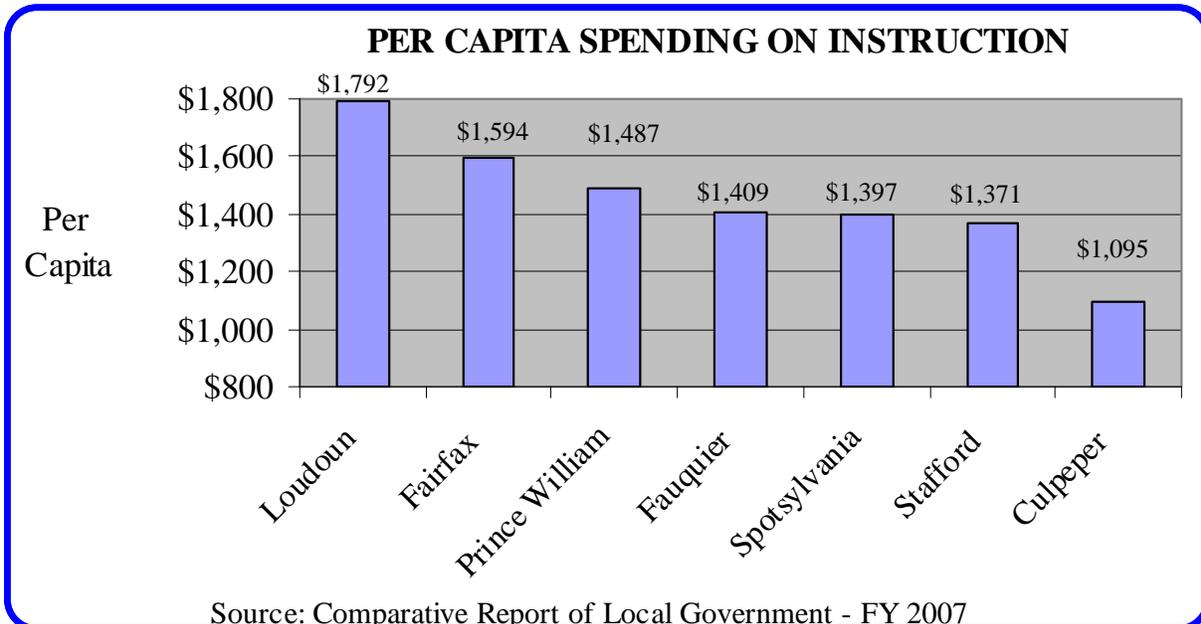
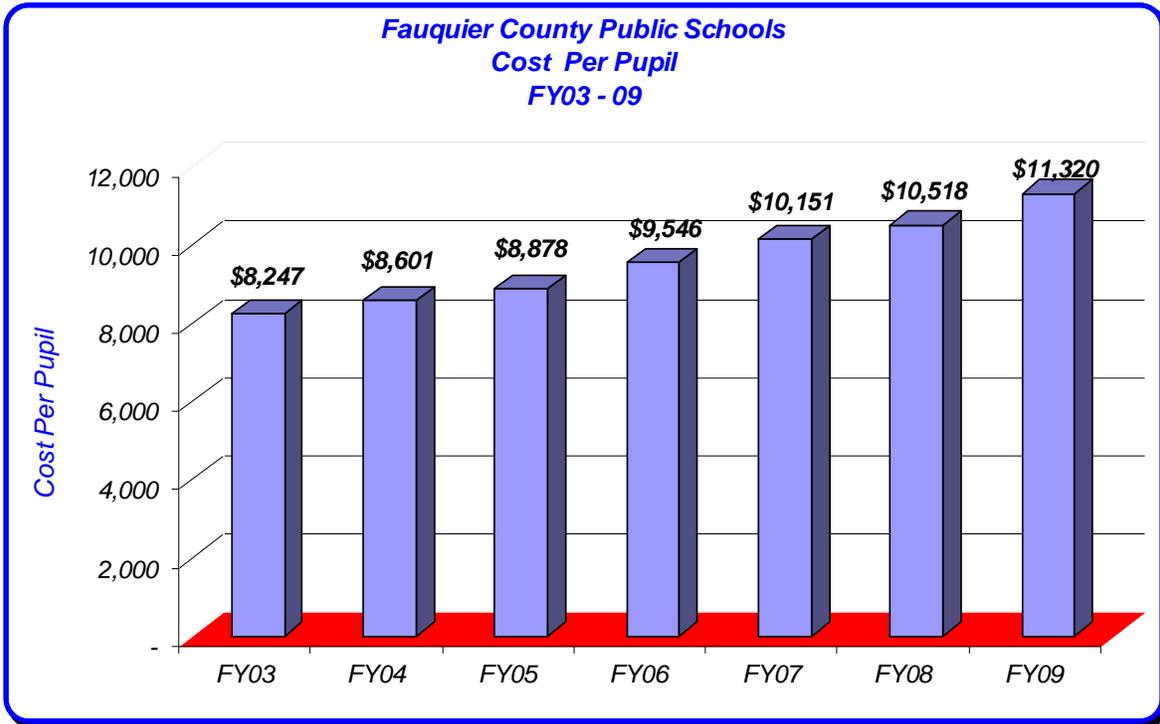
Summary:

State Funding: The General Assembly's initially identified small increase in support may drop by the beginning of the fiscal year due to a continuing decline in retail sales. This drop is due to the slowing economy and from an adjustment made to correct a previous overstatement of sales tax revenue. Sales tax revenue of 1¼ cents of local generated sales is provided to the School District. School funding is based primarily on a funding formula approved by the State General Assembly. This methodology includes student Average Daily Membership (ADM) in determining the bulk of State school funding. All State school funding is estimated by the State. Locally the only significant factor to consider is the accuracy of the State's estimated local School Districts ADM.

Federal Funding: Money for federal aid to education is appropriated by the U.S. Congress and distributed by the U.S. Department of Education. These Federal funds are largely received on a cost-reimbursement basis for support of children at risk. For FY 2009 the decrease in funding is due to the elimination of the Teaching American History Grant.

Other Local Funds: These revenues include monies received from E-Rate reimbursements, tuitions and funds received from participating school divisions in the newly formed Governor's School. The decrease in this element is primarily due to a loss in Driver's Education and High School Parking fees.

SCHOOL DIVISION FUND



Costs *have not* been adjusted for unified department expenditures supporting school operations.

SCHOOL DIVISION FUND

GENERAL INFORMATION

Fauquier County Public Schools is the largest employer in the County with over 1,600 employees. Fauquier County has three high schools (grades 9-12), five middle schools (grades 6 – 8), eleven elementary schools and an alternative education center. Student enrollment for FY 2009 is projected to be 11,524 students, an increase of 178 (1.57 percent) from FY 2008. Five elected School Board members govern the school system. The members are elected for four-year terms, one member representing each of the County's magisterial districts. The School Board is charged by Virginia law and the regulations of the Virginia Board of Education to establish guidelines and rules that will ensure the proper administration of the County's school programs.

GENERAL BUDGET HIGHLIGHTS

➤ **School Openings:**

The debt service and operating costs to open Kettle Run High School and Greenville Elementary School accounted for the bulk of the County's increased funding to the School Division. Approximately 77.9 percent or \$8.8 million of the County's \$11.3 million increase supported opening the two new schools.

➤ **Compensation Issues:**

Salaries – In order to remain competitive in attracting and retaining high quality staff, one of the School Division's goals, compensation issues are always of major consideration. Included for FY 2009 were:

- The starting teacher pay scale was increased by \$1,250 changing the starting amount from \$ 38,750 to \$40,000.
- The teacher scale was further adjusted by increasing all teacher salaries by \$1,500.
- The average teacher's salary increase was 2.7 percent.
- The administrative pay scale was adjusted by 2.0 percent.
- The pay scale for all other employee groups was adjusted by 3.0%.

Benefits – For FY 2009 the employer will absorb the projected growth in health care costs for all full time employees.

➤ **Staffing:**

The only staffing added for FY 2009 pertains to the opening of Kettle Run High and Greenville Elementary Schools.

SCHOOL DIVISION FUND

OTHER FUNDING INFORMATION

➤ **Capital Projects**

Beginning in FY 2004 a number of reoccurring projects included in the Capital Fund were moved to the Schools operating budget. These include personal computer and small equipment replacement and comprehensive maintenance funding. Beginning in FY 2007 the School Division transferred its cash funded projects to its operating budget. Cash projects for FY 2009 are as follows:

• Roof Replacement – Liberty High School	\$1,395,567
• Six Air Handling Units – Marshall Middle School	<u>\$ 180,000</u>
Total	\$1,575,567

There are no bond supported projects approved for FY 2009 in the Capital Fund Program.

➤ **Other information**

In addition to the General Operating Fund, the School Division receives significant indirect support from the joint service Departments of Human Resources, Finance, General Services, and the Office of Comprehensive Services Act. For FY 2009 joint service support for the School Division is approximately \$ 6.6 million, an increase of 6.8 percent from the FY 2008 amount.

➤ **Future**

FY 2010 and FY 2011 will be challenging years for both the County and the School Division. If the current downturn in the economy continues limited new revenue can be expected. These stagnate economic conditions can affect the quadrennial reassessment scheduled for calendar year 2010. It is possible that for the first time in the County reassessments will actual decrease thereby requiring operational reductions or a tax increase. Both the School Division and the County government have began planning on how to address this possibility.

SCHOOL NUTRITION PROGRAM FUND

FAUQUIER COUNTY SCHOOL NUTRITION PROGRAM

MISSION STATEMENT

The School Nutrition Program and its affiliated employees are dedicated to promoting safe, nutritious, and enjoyable meals with friendly service in a pleasant environment to all students and school personnel.

PHILOSOPHY

The School Nutrition Program, an extension of the school system's education curriculum, and its related services are operated under the federally funded National School Lunch Act and Child Nutrition Act of 1966, as amended. Federal laws regulating school nutrition programs are administered by the United States Department of Education. The program's objectives are to advocate optimal health and to improve nutritional status of all students by providing palatable, nutritious foods and promoting nutrition education while operating under sound financial status and accountability procedures.

All Fauquier County Public Schools participate in the National School Breakfast and Lunch Programs. A written agreement is finalized between the School Superintendent and the Virginia Department of Education for each individual federal lunch program and federal breakfast program. These agreements with the state agency ensure that all programs are in compliance with the regulations and qualify for the federal cash reimbursements as well as donated commodity foods.

FY 2009 BUDGET HIGHLIGHTS

- Lunch prices for students and children remain unchanged for FY 2009.
- All staff received a 3 percent salary increase.
- Budget uses 175 days a year for revenue purposes. This allows for early dismissal days where revenue based on meal counts are dramatically reduced.
- Emphasis for FY 2009 will be:
 - To increase lunch participation by 3% and breakfast participation by 5%
 - To maintain a balanced budget while not increasing the price of meals
 - To enhance training in sanitation and nutrition education for all staff members.



SCHOOL NUTRITION PROGRAM FUND

EXPENDITURES

(BY CATEGORY)

	Actual FY 2006	Actual FY 2007	Adopted FY 2008	Adopted FY 2009	Percent
SALARIES	\$1,405,655	\$1,497,290	\$1,542,655	\$1,779,877	15.4%
EMPLOYEE BENEFITS	\$433,297	\$529,122	\$658,254	\$729,830	10.9%
PURCHASED SERVICES	\$69,185	\$84,537	\$77,000	\$50,690	-34.2%
OTHER CHARGES	\$7,511	\$10,240	\$10,000	\$12,100	21.0%
MATERIALS & FOOD SUPPLIES	\$1,682,640	\$1,698,910	\$1,997,618	\$1,902,050	-4.8%
CAPITAL OUTLAY	\$57,047	\$72,178	\$70,000	\$55,000	-21.4%
Total	\$3,655,335	\$3,892,277	\$4,355,527	\$4,529,547	4.0%

REVENUE

SOURCE	ACTUAL FY 2006	ACTUAL FY 2007	ADOPTED FY 2008	ADOPTED FY 2009	ADJUSTMENT	PERCENT
STATE	\$58,419	\$59,837	\$64,000	\$60,427	(\$3,573)	-5.6%
FEDERAL	\$864,409	\$914,019	\$955,288	\$1,011,501	\$56,213	5.9%
LOCAL	\$2,910,739	\$2,993,608	\$3,336,239	\$3,457,619	\$121,380	3.6%
TOTALS	\$3,833,567	\$3,967,464	\$4,355,527	\$4,529,547	\$174,020	4.0%