

EDUCATION - PUBLIC SCHOOLS**SECTIONAL SUMMARY**

<u>DEPARTMENT</u>	<u>FY 2005-06 Current</u>	<u>FY 2006-07 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
School Operating Fund*	342,240,523	384,029,522	41,788,999	12.21%
School Textbook Fund	4,418,415	7,594,742	3,176,327	71.89%
School Food Service Fund	11,536,867	12,554,288	1,017,421	8.82%
School Grants Fund	24,645,828	26,032,404	1,386,576	5.63%
School Capital Reserve	4,837,199	7,139,144	2,301,945	47.59%
SUB-TOTAL	387,678,832	437,350,100	49,671,268	12.81%
City In-Kind Support – General Fund**	1,870,787	1,900,558	29,771	1.59%
TOTAL	389,549,619	439,250,658	49,701,039	12.76%

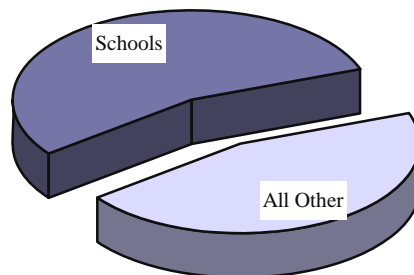
*Adjusted to reflect the transfer to the School Textbook Fund.

**Cost are included in the General Fund for School dumpster services, School Traffic Guards, School Resource Officers, and special traffic control assignments for school crossings.

The Education Section includes the operating costs associated with the City of Chesapeake's school system. The City's school system is operated under the direction of the City of Chesapeake School Board and the School Superintendent. The specific functions within this section, School Operating Fund, include Administration and Attendance/Health, Instruction, Facilities, Operation and Maintenance and Pupil Transportation.

The following chart illustrates that the total resources for the School System, including School Debt Service is \$471,187,713 or 54.62% of the City's total Operating Budget of \$862,594,393

**Education is
\$471,187,713 or 54.62% of Total Operating Budget**



Funding for the School Operating Fund is provided primarily through local funding, State General Fund support and State Share Sales Tax designated for local education. The Composite Index based on student population and fiscal stress is 0.3186 for State General Fund support. This means the City is required to provide a 31.9% match to State funds for K-12 education.

As do most localities in Virginia, Chesapeake provides more support to its schools than this minimum requirement. City General Fund resources represent 42.0% of the FY 2005-06 Schools Budget, *exclusive* of existing debt service and the Reserve for Future School Capital Needs.

EDUCATION - PUBLIC SCHOOLS

SECTIONAL SUMMARY

For FY 2006-07, the Superintendent has proposed a School Budget of \$ 392,891,059 which includes a \$21.1 million increase in General Fund support. State General Funds, Lottery Proceeds and State Share Sales tax are projected to increase by \$26.2 million. Resources for the Grants Fund, Textbook Fund and Food Service Funds are \$40,324,390. Given the increases in available local funds under the current revenue sharing practice, the General Fund increase is proposed at \$20.4 million. With this adjustment, the School Operating Fund resources are as follows:

	2004-05 Actual	2005-06 Adjusted Budget	FY 2006-07 Approved	Increase 05-06 to 06-07	
				Amount of Change	Percent of Change
State General Fund	138,021,918	146,493,664	165,695,216	19,201,007	13.11%
Lottery	6,383,363	6,686,763	6,306,193	-380,570	-5.69%
State Share Sales Tax	34,644,773	37,721,590	44,863,251	7,141,661	18.93%
Federal	3,377,188	3,100,000	3,362,640	262,640	8.47%
Local	1,966,702	2,337,000	2,409,000	72,000	3.08%
City General Fund	135,758,175	149,149,921	167,250,166	18,100,245	12.14%
TOTAL	320,152,119	345,488,938	389,886,466	44,397,528	12.85%

Data from School Board's Operating Budget FY 2006-07

City resources in the amount of \$7.1 million are set aside for the Reserve for School Capital of which \$5.5 million in Reserve resources are being directed to debt payments for Grassfield High School beginning in FY 2005-06.

	2005-06 Adjusted Budget		2006-07 Approved	
		% of Total		% of Total
State General Fund	157,044,817	40.31%	172,557,658	39.28%
Lottery	6,686,763	1.72%	6,306,193	1.44%
State Share Sales Tax	37,721,590	9.68%	44,863,251	10.21%
Federal	21,684,730	5.57%	27,341,602	6.22%
Local	8,947,596	2.30%	9,484,000	2.16%
Retained Earnings	1,623,671	0.42%	2,408,086	0.55%
City General Fund for Operations	149,149,921	38.29%	167,250,166	38.08%
City Funds to School Lock Box	4,837,199	1.24%	7,139,144	1.63%
City In-Kind Support - General Fund	1,870,787	0.48%	1,990,558	0.43%
TOTAL	389,567,074	100.00%	439,346,337	100.00%

***Cost are included in the General Fund for School dumpsters, School Traffic Guards paid by the City, School Resource Officers, and special traffic control assignments for school crossings.*

The proposed budget for Schools contains funds sufficient to provide a 5% salary increase for all employees and implementation of the recent salary study allowing Chesapeake Schools to meet the national average teacher salary. In addition, funds are provided for increases in fringe benefits for School employees. No growth in student population is anticipated.