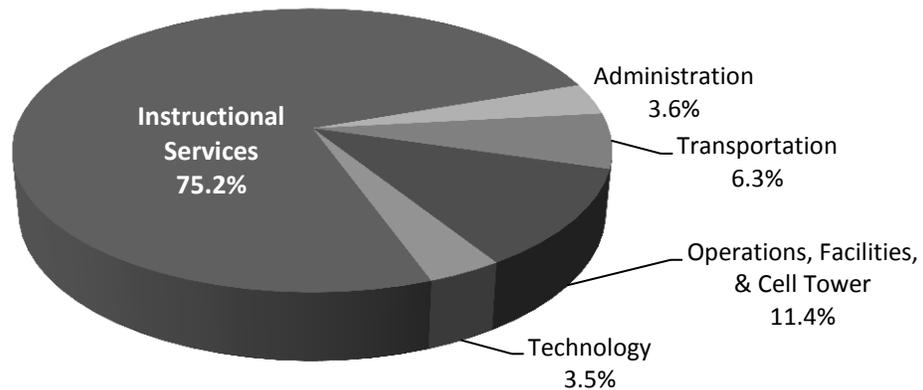


Education - School System

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 an independent School Board. The School Superintendent manages the system that provides free and appropriate education to over 38,000 students from pre-school through grade twelve.

Expenditures:	FY 10-11 Actual	FY 11-12 Budget	FY 12-13 Budget	Change from prior year
School General Fund:				
Instructional Services				
Classroom Instruction	230,529,405	228,650,307	235,793,243	3.1%
Instructional Support - students	10,843,605	10,837,412	11,163,059	3.0%
Instructional Support - staff	18,251,634	18,228,693	19,226,748	5.5%
Office of the Principal	21,501,479	20,912,619	17,584,551	-15.9%
Total Instructional Services	281,126,123	278,629,031	283,767,601	1.8%
Admin. Attendance and Health	12,577,141	12,614,143	13,567,387	7.6%
Pupil Transportation	24,112,494	24,451,808	23,690,851	-3.1%
Operation & Maintenance	38,691,460	42,633,174	41,933,314	-1.6%
Facilities	651,911	556,827	624,566	12.2%
Technology	11,008,078	13,062,477	13,218,295	1.2%
Total School General Fund	368,167,207	371,947,460	376,802,014	1.3%
less transfer to the Textbook Fund	-	(2,000,000)	-	
less transfer to City General Fund	(252,124)	-	-	
School Cell Tower Fund	-	280,000	370,000	32.1%
Textbook Fund	3,662	4,764,603	5,476,460	14.9%
Grants Fund	36,728,790	53,127,414	37,534,994	-29.3%
Food Service Fund	11,021,624	13,545,786	13,133,509	-3.0%
Total Expenses	415,669,159	441,665,263	433,316,977	-1.9%

Summary of General Fund Expenditures FY 2012-2013



Education - School System

Operating Revenues	FY 10-11 Actual	FY 11-12 Budget	FY 12-13 Budget	Change from prior year
School Funds				
Use of Money and Property	970,298	1,331,500	1,334,509	0.2%
Charges for Services	6,361,907	7,974,580	7,918,440	-0.7%
Miscellaneous Revenue	1,229,199	906,568	901,135	-0.6%
State Other Categorical Aid	197,333,512	207,325,190	209,585,348	1.1%
Federal Aid	42,807,986	51,526,342	36,434,493	-29.3%
Total Revenues	248,702,902	269,064,180	256,173,925	-4.8%
General Fund Support	166,488,283	169,600,054	171,438,112	1.1%
Use of (contribution to) Fund Balance	477,975	3,001,029	5,704,940	
Total Resources	415,669,159	441,665,263	433,316,977	-1.9%

The most notable reduction in School funding for FY 12-13 is in the Grants fund (-29.3%). This is due in large part to the expiration of the American Recovery and Reinvestment Act (ARRA) federal funds.

Funding for the School Operating Fund is provided primarily through local funding, State General Fund support, and State Sales Tax designated for local education. State funds are distributed to school districts based on the number of students (average daily membership) and each district's composite index (a measure of locality wealth and capacity). Chesapeake's composite index is .3678 meaning that the City is required to provide 36.78% of the basic cost of K-12 education.

As do most Virginia localities, Chesapeake provides more support to its schools than this minimum requirement. Chesapeake's efforts in this regard rank among the top 5 localities in the State. City resources represent 45.4% of the FY 2012-13 Schools General Fund budget, exclusive of existing debt service and the Reserve for Future School Capital Needs.

Performance Measures	FY 10-11 Actual	FY 11-12 Budget	FY 12-13 Budget	Change from prior year
K-12 Students enrolled (September 30)	38,864	38,125	38,548	1.1%
Career & Tech. Ed students	17,913	17,700	18,000	1.7%
Industry Certifications	1,500	1,928	2,352	22.0%
Advanced Placement Students	2,748	3,140	3,150	0.3%
International Baccalaureate Students	199	201	203	1.0%
Early College Scholars	275	320	300	-6.3%
Adult education students enrolled	2,300	2,370	2,370	0.0%
Elem. summer school enrolled	3,400	3,400	3,400	0.0%
Secondary summer school enrolled	1,800	1,800	1,800	0.0%
Students transported	29,885	29,885	29,885	0.0%

Education - School System

In addition to resources for School operations, the following additional City resources are provided for School purposes:

- o \$14.8 million are set aside for the Reserve for School Capital.
- o \$23.6 million in debt service for the construction of School facilities. (pre-lockbox debt)
- o \$ 0.9 million for School resources officers and School crossing guards.

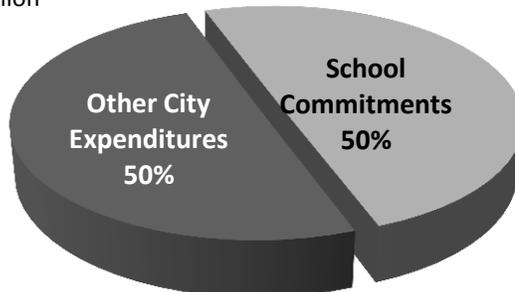
The total debt service for School issuances is \$36.4 million. However, funds are contributed annually to a Lockbox designated for School debt and future School capital projects. For FY 2012-13 the contribution to the Lockbox is \$14.8 million, \$11.9 million of which will be used to pay current debt service. The difference between the contribution and the Lockbox debt service, or \$3.0 million is available for cash funding of capital projects. The remaining \$23.6 million of School debt payments for FY 2012-13 is funded from the City's General Fund (current resources).

A summary of all resources dedicated to Schools is shown below:

SCHOOL OPERATIONS, DEBT & CAPITAL				
	FY 2011-12		FY 2012-13	
	Budget	% of Total	Budget	% of Total
State General Fund	156,889,007	32.38%	159,673,133	33.78%
State Share Sales Tax	39,383,744	8.13%	39,021,114	8.25%
Federal	3,000,600	0.62%	3,325,600	0.70%
Tuition, rent, other local	3,074,055	0.63%	3,344,055	0.71%
City General Fund for Operations	169,600,054	35.00%	171,438,112	36.27%
General Fund In-Kind Support	943,836	0.19%	943,836	0.20%
Funds for School Lock-Box	14,530,815	3.00%	14,832,735	3.14%
School Debt - other than Lockbox	25,403,784	5.24%	23,612,256	5.00%
School Textbook Fund	4,764,603	0.98%	5,476,460	1.16%
School Food Service Fund	13,545,786	2.80%	13,133,509	2.78%
Cell Tower Fund	280,000	0.06%	370,000	0.08%
School Grants Fund	53,127,414	10.96%	37,534,994	7.94%
TOTAL SCHOOL FUNDING	484,543,698	100.00%	472,705,804	100.00%

School Operations, Debt & Capital

Total City Budget - \$948.9 million



Education - School System

School Board Strategic Goals and Plans of the FY2012-13 Operating Budget

Positions and Employee Compensation

- Avoid layoffs, furloughs, and reduction in salary compensation to employees
- Reduces positions for increased class size, enrollment loss, program changes, and changes to the administrative and central office.
- Use of remaining Education Jobs Fund to offset operating salaries

Ensure School Safety

- Continue the Parent Alert System for emergency notification
- Fund repairs and maintenance costs for equipment
- Continue CPR training for school security monitors and nurses
- Fund maintenance and support for *Lobby Guard School Security System*
- Provide preventative maintenance for buses and vehicles
- Continue annual repairs and services to insure school buildings are safe and comfortable for students and employees

Ensure Rigorous Educational Standards

- Provides for the second year of the Science and Medicine Academy
- Fund a new automotive technician course in partnership with Tidewater Community College
- Continue the following programs: READ180, Virginia Preschool Initiative, International Baccalaureate Program, and Technology Academy
- Continue advanced placement course offerings and payment of test fees for those eligible for free and reduced meals
- Offer dual enrollment and tuition assistance for those eligible for free and reduced meals

Evaluate Effectiveness and Efficiency

- Continue the program evaluation effort
- Conducts internal financial audits for all schools

Optimize the use of Human Resources and Ensure Effective Staff Development

- Provide training to improve student achievement, teacher classroom management, and literacy
- Fund *Cohorts for Gifted Education* and teacher training for academies
- Continue training for school integration technology specialists and IT staff
- Provide teacher training for the READ 180 program
- Continues to absorb increased costs for employee hospitalization, the employee share of VRS, and provide an employee assistance program
- Continue to monitor vacancies as they occur

Education - School System

Optimize the use of Technology

- Provides software training to employees
- Continues support and maintenance of the Scholastic Reading Inventory pre-assessment test
- Support and maintain technology for the Science and Medicine Academy, Technology Academy, special programs, classroom instruction, and all departments and schools in the division
- Provide on-line learning software support and maintenance
- Provide media management system upgrades and maintenance

Enhance Parental and Community Involvement

- Continued updating of the CPS website to keep information about the division flowing to the community
- Continue the CPS television (WCPS) and radio (WFOS) stations to connect the community to school activities while providing media instruction to our students
- Offer free adult education classes for GED, ABE, "English for Speakers of Other Languages" (ESOL), and citizenship preparation
- Provides for meetings with community leaders to share information about the division and its accomplishments
- Provides clarifying information to news agencies

Provide Optimal School Facilities

- Fund custodial and building supply materials with some reductions
- Continue energy conservation measures and participation in the National Energy program
- Provides replacement tools for tradesmen and mechanics
- Provides replacement stock for intercom boards