



2010-11 Budget UPDATE

Oct. 5, 2009

Vol. 1

In this time of economic uncertainty, and given the difficult budget decisions the Williamsburg-James City County School Division expects to face in the coming budget year, there is great sensitivity to budgetary issues in the community and among W-JCC employees.

To help provide a place where citizens can go for the most up-to-date information about the coming budget process, the W-JCC Communications Office introduces *2010-11 Budget Update*. Here you will find straightforward, easy-to-understand answers to questions we are being asked, and that we are hearing being asked and commented on in community.

We hope this is helpful as we progress through what promises to be a challenging budgetary process.

Greg Davy, W-JCC Communications Specialist
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■ The following message was prepared by W-JCC Superintendent Gary S. Mathews:

A member of the “James City County Budget Advisory Committee,” a group of concerned citizens, recently addressed a major civic club on the school budget and penned a “Reduce School Spending” opinion in one of our local newspapers. It is hoped that this communication will provide another perspective worthy of a larger audience’s consideration.

As our state’s K-12 educational community awaits, anxiously, for Governor Kaine’s budget address in December, it is important for us to communicate our own perspective on budget matters raised by members of the public in light of what will likely prove to be one of the most difficult budget years (FY 2010-2011) in recent memory.

Attached below, please find a memorandum authored by W-JCC's Assistant Superintendent for Finance/Human Resources Dr. Scott Burckbuchler, who addresses some of the issues raised by the citizens group. Among the points evident in Dr. Burckbuchler's memo are these:

- **W-JCC budget information is most transparent enabling the citizens group, and others, to make use of division financial data.** [In my 18 years as a school superintendent in major school systems around the United States, our W-JCC budget is the most informative, transparent, and well put together for both citizens and educators to comprehend. That's why, in recent years, W-JCC has been awarded both the "Meritorious Budget Award for Excellence" from the Association of School Business Officials (ASBO) International and the "Distinguished Budget Presentation Award" from the Government Finance Officers Association (GFOA). Neither of these recognitions is automatic. They are well earned by our Finance Department.]
- **W-JCC per pupil expenditures are higher than those of our sister division—an outstanding school division—York County—which we are often and understandably compared to by the citizens group, media, and others. But, it is important to understand the reasons why.** [See attached memo below, second paragraph.]
- **Administrative costs in W-JCC, for 2009-2010, are a mere 2.25% of the operating budget compared to 2.81% of York's 2009-2010 budget.** [York's administrative costs are quite favorable as are W-JCC's. Both divisions are most responsible in this area of expenditure, especially given economic conditions.]
- **Instructional costs in W-JCC, for 2009-2010, are 73.29% of the operating budget compared to 71.86% of York's 2009-2010 budget.** [Both York and W-JCC devote, by far, the largest percent of their respective budget dollars to the main mission of schools, i.e., instruction.]
- **Technology costs in W-JCC, for 2009-2010, are 5.30% (\$5.8 million) of the operating budget compared to 7.53% (\$8.9 million) of York's 2009-2010 budget.** While W-JCC has made great progress in the area of instructional technology as evident in receipt of "The Governor's Award for the Innovative Use of Technology in K-12 Education" and three WHRO "Geddy Awards for Technology Integration," the York investment in technology recognizes, clearly, the importance of this tool in learning in our contemporary classrooms. Both school divisions value technology for its students as evident by respective investments.
- **Whereas the overall budget in York is higher because of their size (12,580 vs. 10,513), the per pupil cost is lower in York. The reasons for the difference must be placed in context. W-JCC, as noted above, dedicates a greater percentage and per pupil amount in the instructional area.** [Examples of differences between the two school divisions include: lower pupil-teacher ratios (see <http://www.doe.virginia.gov/VDOE/Publications/asrstat/2007-08/Table02.pdf>), special education expenses (\$10.1

million vs. \$9.2 million), gifted education (\$1.3 million vs. \$400,000), summer school (\$500,000 vs. \$200,000), adult education (\$400,000 vs. \$88,000), speech services (\$1.1 million vs. \$650,000), and health services (\$1.9 million vs. \$1.5 million). However, W-JCC administrative expenses on a total, percentage of the budget, and on a per pupil basis, are all lower than those of York. (It should also be noted that W-JCC invests more than \$3 million per year, of local dollars, in pre-K education.)

- **W-JCC enrollment projections—like most—come in both under and over projections. At look at the last 10-year period—see graph in attached Burckbuchler memo below—reveals the overriding trend of continuous enrollment growth [and we are 145 students over projection in the current school year and **265 more** students enrolled than in 2008-2009].**
- **Two new schools—Matoaka and Warhill—were built largely to address past enrollment increases, while the two new schools now under construction—J. Blaine Blayton and Lois S. Hornsby—are needed for current overcrowding in our schools, especially at Stonehouse Elementary and in our middle schools which are now at capacity. [New construction eliminates the need for trailers at our schools and provides a home for the Academy for Life & Learning. New construction will also result in the elimination of lease and storage space costs, while at the same time provide additional space, which is educationally advantageous. The construction of Blayton and Hornsby allows W-JCC to meet expected enrollment growth and take advantage of competitive pricing saving the school division more than \$8 million.]**
- **It should be noted that the current W-JCC administration was the first to prepare a 5-year budget projection for the school division beginning with the 2006-2007 budget. [However, we did not do so with the preparation of the 2009-10 budget as the nation and state were in the thralls of the worst economic recession since the Great Depression. Variables were too uncertain and a 5-year budget plan a year ago would have been on paper only. Following Governor Kaine’s budget message in December, we will determine, once again, the efficacy of developing 5-year projections—or not.]**

In the newspaper opinion piece, “Reduce School Spending,” noted above, the following was indicated: “Performance—Is mediocre. An independent study released in 2008 rated WJC Schools 77th out of 132 statewide school districts, comparing student performance on SOLs against per pupil spending.” **Here’s what’s important to note: While the study was published in 2008 by the Clare Booth Luce Policy Institute, the data used in this 2008 publication were from the Virginia Department of Education in 2005.** As we all know, in 2009, W-JCC Schools are at an **all-time high** in SOL performance revealing English/Reading (90%), Writing (91%), Mathematics (91%), Science (91%), and History (90%). Furthermore, **the Black/White “achievement gap” has been cut in half** for both English/Reading and Mathematics since 2005 with both groups improving their respective performance. Much has changed, since 2005, in the performance of W-JCC students on the state’s SOL tests.

Still with respect to student achievement, we can look, as others are, at our performance

vis-à-vis our outstanding sister division in York County. So, here goes as I would rather give you the “correct” data rather than have others speak or publish to the contrary:

SOURCE FOR THE DATA BELOW: Virginia School Report Card for School Divisions (<http://www.doe.virginia.gov/VDOE/src/index.shtml>)

2009 SOLS	English/Reading	Writing	Mathematics	Science	History
York	93%	91%	91%	93%	90%
W-JCC	91%	91%	90%	91%	90%

Note: +3 or more is considered to be a “statistically significant” (not-by-chance) difference on Virginia’s SOL tests. As you can see, there is no “statistically significant” difference between York and W-JCC SOL results as of this past year.

STUDENTS TAKING DUAL ENROLLMENT COURSES (2008-09)

York 82 (1.87%)
W-JCC 146 (4.3%)

CTE COMPLETERS (2008-09)

York 253
W-JCC 292

Governor’s School at New Horizons (2008-09)

York 51
W-JCC Less than 20

AP Tests Taken % of Students (2008-09)

York 22.61%
W-JCC 24.23%

AP Course Enrollment % of Students (2008-09)

York 22.61%
W-JCC 24.79%

Advanced Diplomas % of Students (2008-09)

York 58.90%
W-JCC 58.88%

Seniors Enrolled in IB (2008-09)

York 21 (.48%)
W-JCC No IB Program in High School

Students Earning Industry Credentials (2007-08)

York 70
W-JCC 304

Note: New 2008-09 data for W-JCC shows 517 students earning industry credentials via

rigorous adult-world exams in specific career-technical fields. This places W-JCC 7th in the State of Virginia in this category exceeded only by much larger school divisions. (W-JCC first entered the state's Top 10 list in 2007-08, when the division ranked 9th out of 132 divisions.)

Finally, I hope the above information, and the attachment below, provide you with needed perspective as we approach this most challenging 2010-2011 budget year.

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September 29, 2009

To: School Board Members
Gary S. Mathews, Ph.D., Superintendent

From: Scott A. Burckbuchler

Subject: Response to David Jarman

The WJCC administration would like to offer a differing perspective in regard to comments recently made by David Jarman. In many respects, the fact that Mr. Jarman has been able to prepare a number of reports on various financial items is a reflection of how transparent the financial records are within the schools, as much of the information contained in the reports come from WJCC budget documents. Consequently, we welcome the opportunity to provide context to the numbers provided by Mr. Jarman, as we collectively know that numbers are of limited value in and of themselves.

In respect to the fact that per pupil expenditures at WJCC are higher than those of York Public Schools, it is important to understand the reasons. Attached you will find a document that demonstrates why this difference exists. As you will note, the added expenditure level is due to the instructional programming that is offered within WJCC. For example, WJCC costs are higher due to a number of programmatic offerings in comparison to what our neighboring county provides. Examples include: special education, speech and health services, gifted, summer school, etc. Also, not contained in these numbers is the impact of pre-kindergarten expenditures; WJCC invests over \$3 million dollars as a result of public demand and educational imperative. Simply put, the increased educational investment reflected in the per-pupil expenditure is a reflection of what the community expects, and the educational priorities of the WJCC School Board.

Much is said about administrative costs. The WJCC goal is to keep costs at a minimum while maintaining appropriate control over taxpayer resources. Therefore, administrative costs will always be necessary and essential as WJCC is like any business in the fact that we need to account for, control, and effectively manage our human and other resources - and by doing so, we honor the commitment that we have to protect the taxpayer dollars.

The Administration shares the concern over ensuring that resources are directed towards the primary purpose - teaching and learning. In this respect, WJCC has an excellent record. As noted on the attachment, in the state-defined area of administrative costs, WJCC devotes a mere 2.2% of the operating budget to administrative costs. As noted by Mr. Jarman, we reduced administrative costs to help address our revenue shortfall in this year's budget.

September 29, 2009

Subject: Response to David Jarman

Enrollment projections have been a subject of discussion for a number of years. It is important to note that actual results come in, under, or over projections (like all projections). I have attached a chart that gives a 10-year perspective as to actual enrollments versus projected enrollment. As you will note, the variance goes both ways – sometimes under and sometimes over. What is more important than the yearly comparisons is the overriding trend of continuous enrollment growth. As such, two schools have been built, and two more are currently in the construction phase. In general, the two schools that are on-line now (Warhill HS and Matoaka ES) were largely to address past enrollment increases, the two schools under construction (Blayton ES and Hornsby MS) are needed for current overcrowding in current schools (most notably at Stonehouse ES and to address the fact that the current middle schools are at capacity) and to provide sufficient space for future growth. New construction eliminates the need for trailers at the schools and provides a home for ALL, our Alternative Program. It will also result in the elimination of lease and storage space costs while at the same time provide additional space, which is educationally advantageous. The new schools also allowed us to meet the expected enrollment growth and take advantage of competitive pricing.

In regard to financial projections, it should be noted that this current administration began preparing five-year projections when we arrived. We plan to return to preparing financial projections in the upcoming budget cycle based on state, local, and other data. At budget production time last year, too many variables were uncertain to provide a credible estimate given the severity of the economic downturn (which was still revealing itself) and the fact that President Obama had just released the stimulus package which greatly impacted K-12 educational funding.

The Governor's budget proposal in December should give us some significant clues as to possible state revenue estimates and the status of the retirement system which is a major cost-driver for school systems. In 2010, local estimates should also be clearer. Simply put, we need credible, informed budgetary revenue estimates from all sources of funding to make budgetary projections that are useful. As we are very labor intensive (teachers, etc.), it is critical that we have credible information before making projections that may impact employment. WJCC School Board and administrators must be concerned with morale, and ensure that we are not sending mixed messages that result in disruption to the educational environment. The stakes are high in an educational environment and, consequently, we need to provide good information. In this case, we felt that we did not have the necessary information and, consequently, elected not to send out erroneous or unsubstantiated data.

Our test results and other indicators of success (e.g., State Accreditation) show that we have made significant progress over the past four years. WJCC will continue to advocate for our students in partnership with the community. The School Board and Administration appreciates the great challenges ahead of us but with your help we will continue down the path of continuous improvement. We appreciate the opportunity to share our perspective on these important matters.

Williamsburg-James City County Public Schools and York County Public Schools
Projected Operating Expenditures by State Function Categories (FY 2009/2010)

Comparisons between WJCC and York are made frequently because of proximity. One comparison often made is the per-pupil expenditures between the two districts. Whereas the overall budget in York is higher because of their size, the per pupil cost is lower in York. It is important to understand that what causes the difference should be placed in context. WJCC dedicates a greater percentage and per pupil amount in the instructional area as noted below. Examples of differences between the two districts include: lower pupil teacher ratios*, special education expenses (\$10.1M versus \$9.2M), gifted education (\$1.3 versus \$400K), summer school (+\$500K versus \$200K), adult education (\$400K versus \$88K), speech (\$1.1M versus \$650K), and health (\$1.9M versus \$1.5M). However, administrative expenses on a total, percentage of the budget, and on a per pupil basis, are all lower than York Public Schools.

Description	WJCC			York		
	10,513 (K-12) students			12,580 (K-12) students		
	Free and Reduced Lunch is 25%			Free and Reduced Lunch is 15%		
	FY2009-2010 Budget ****	WJCC % Budget Total	WJCC Per Pupil *****	FY2009-2010 Budget **	York % Budget Total	York Per Pupil ***
Instruction	\$ 81,228,294	73.29	\$ 7,726	\$ 85,519,338	71.86	\$ 6,798
Student Attendance and Health <i>(includes Psychological and Speech)</i>	3,517,829	3.17	335	2,700,487	2.27	215
Administration	2,497,002	2.25	238	3,339,096	2.81	265
Pupil Transportation Services	6,856,952	6.19	652	7,087,379	5.96	563
Operation and Maintenance Services	10,864,090	9.80	1,033	11,402,852	9.58	906
Technology*****	5,874,705	5.30	559	8,955,770	7.53	712
Total	\$ 110,838,872	100.00%	\$ 10,543	\$ 119,004,922	100.00%	\$ 9,460

* See VDOE report at: <http://www.doe.virginia.gov/VDOE/Publications/asrstat/2007-08/Table02.pdf>

** Operating budget minus Federal Title grants of \$2,654,605

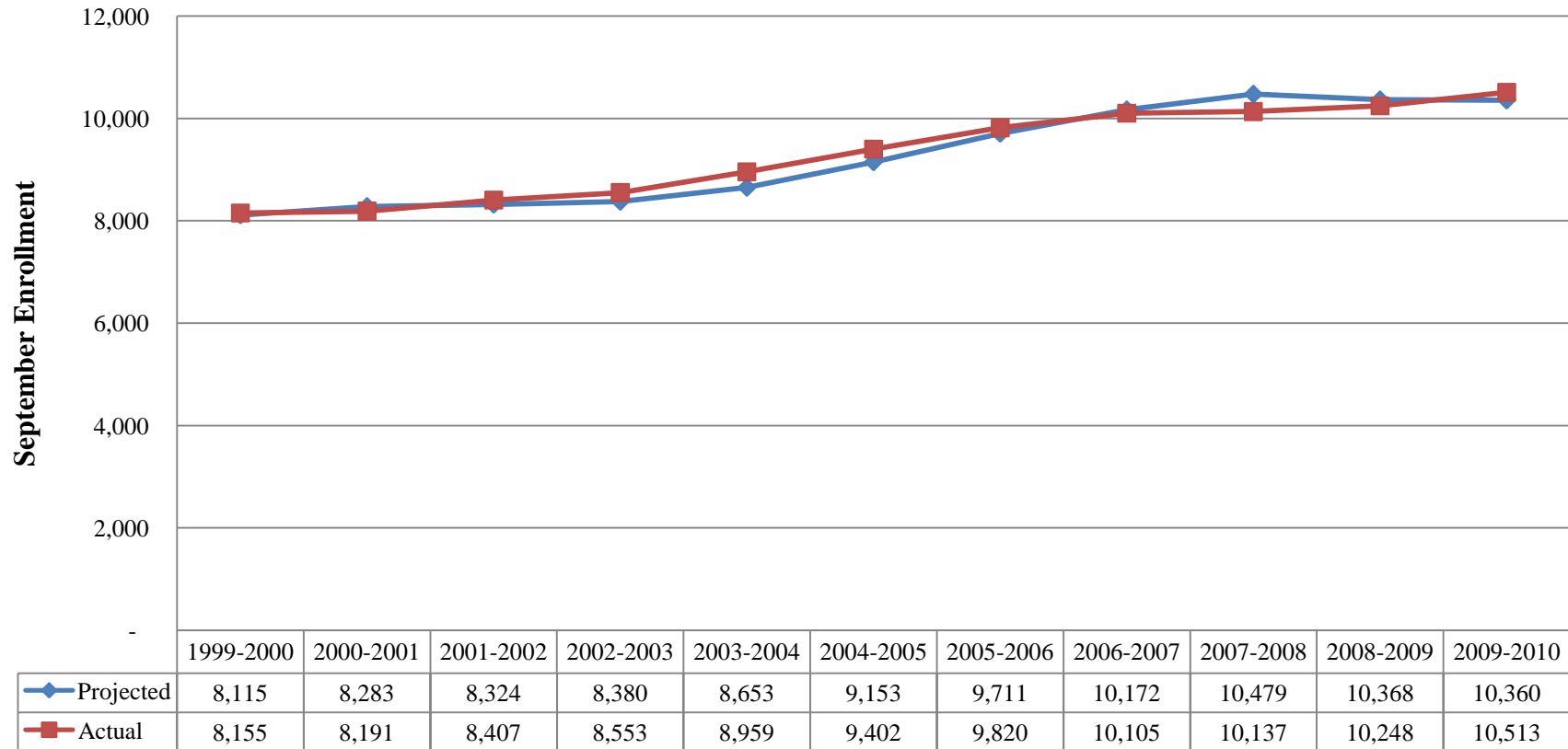
*** Based on actual enrollment of 12,580 (9/28/09)

**** Operating budget minus pre-K budget

***** Based on actual enrollment of 10,513 (9/28/09)

***** Function is required for state reporting purposes (includes classroom instruction, instructional support, administration costs).

WJCC Public Schools Projected and Actual Enrollment



NOTE: The most recent enrollment projections were done in 2009 by the firm DeJong-Healy. The full report can be viewed on the WJCC Public Schools' website: <http://www.wjcc.k12.va.us/content/admin/finance/Enrollment/110508-DeJongHealy%20Projection%202008%20Nov%202008.pdf>

The school division has historically also used internal enrollment projections based on the cohort survival method.