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Lynchburg City Schools

FY 2011-12 Operating Budget
DRAFT 03.11.11

Lynchburg City Schools
FY 2011-12 Adopted Budget

Lynchburg City Schools FY 2011-12 Adopted Budget

School Board

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Mr. Thomas H. Webb – Vice Chairman
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Mrs. Treney L. Tweedy
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Mr. Charles B. White

Executive Staff

Dr. Paul McKendrick, Superintendent
Mr. William A. Coleman, Assistant Superintendent
of Curriculum and Instruction
Mr. Edward R. Witt, Jr., Assistant Superintendent
of Operations and Administration
Mrs. Kimberly D. Lukanich, Assistant Director of Finance
Mrs. Wendie L. Sullivan, Clerk

Mission Statement

The Lynchburg City Schools, with its Tradition of Excellence, recognizes the uniqueness and work of all students and will teach each student the concepts, knowledge, and skills necessary to be a thinking, productive, and responsible citizen.

Lynchburg City Schools
FY 2011-12 Adopted Budget

TABLE OF CONTENTS

Section	Page Number
Table of Contents	I
Table of Charts	iii
Chairman's Budget Transmittal Letter to the Mayor	iv
Organization of Budget Document	vii
Organization Chart	viii
Budget Calendar	ix
Introductory Section	1
School District Overview and School Board Priorities	2
Executive Summary	3
Average Daily Membership	4
Expenditure Summary: 2011-12	5
Revenue Summary: 2011-12	5
Revenue Section	6
Operating Fund Revenue Summary	6
State Revenue: Operating Fund	7
Federal Revenue: Operating Fund	8
Other Revenue: Operating Fund	8
Budget Background: Operating Fund Revenue	9
Expenditure Section	19
Operating Fund Summary by Object	19
Operating Fund Expenditures by Object	20
Operating Fund Expenditures by Major Category	23
Informational Section	25
Standards of Learning and Accountability	25
Budget Document Format	32
School Division's Budget Guidelines	32
Definitions of Budget Terminology	36
School Nutrition Fund	41
Revenue	41
Expenditures	42
Grant Fund	43
Revenue	43
Expenditures	44
Salary Scales	45
Administrative	45
Classified	46
Teacher	53

Lynchburg City Schools
FY 2011-12 Adopted Budget

TABLE OF CHARTS

Section	Page Number
Average Daily Membership	3
Revenue by Funding Source	6
Expenditures by Object Code	22
Expenditures by Major Category	27
Accreditation Ratings – AYP Results – AYP Ratings	30

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

March 24, 2011

The Honorable Joan F. Foster
900 Church Street
Lynchburg, Virginia 24504

Dear Mayor Foster:

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

ORGANIZATION OF THE BUDGET DOCUMENT

The FY 2011-12 adopted budget follows a format that is easily readable and efficiently organized in order to present comprehensive information through the use of narrative, schedules, and graphs. The adopted budget is a reflection of school board priorities that are the result of input from staff, parents, students, and the Lynchburg City Schools community concerning the needs of our youth. The budget document consists of four major sections:

Introductory Section

This section provides an overview of the Lynchburg City Schools and contains the executive summary, a comprehensive review of the budget.

Revenue Section

This section details school revenue from all sources for the operating, food service, and grant funds. The revenue data include the FY 2011-12 proposed budget compared to the 1) FY 2010-11 adopted budget and 2) the actual and budgeted expenditures for FY 2009-10.

Expenditure Section

This section lists expenditures for the operating fund by program and by object. The expenditure data include the FY 2011-12 proposed budget compared to the 1) FY 2010-11 adopted budget and 2) the actual and budgeted expenditures for FY 2009-10.

Informational Section

This section includes additional information that would further enhance the reader's understanding of the budget and the Lynchburg City Schools. It consists of school accreditation information, budget accounts, budget policies, and budget terminology.

School Nutrition Fund Section

This section includes the revenue and expenditure details for the School Nutrition Fund.

Grants Fund Section

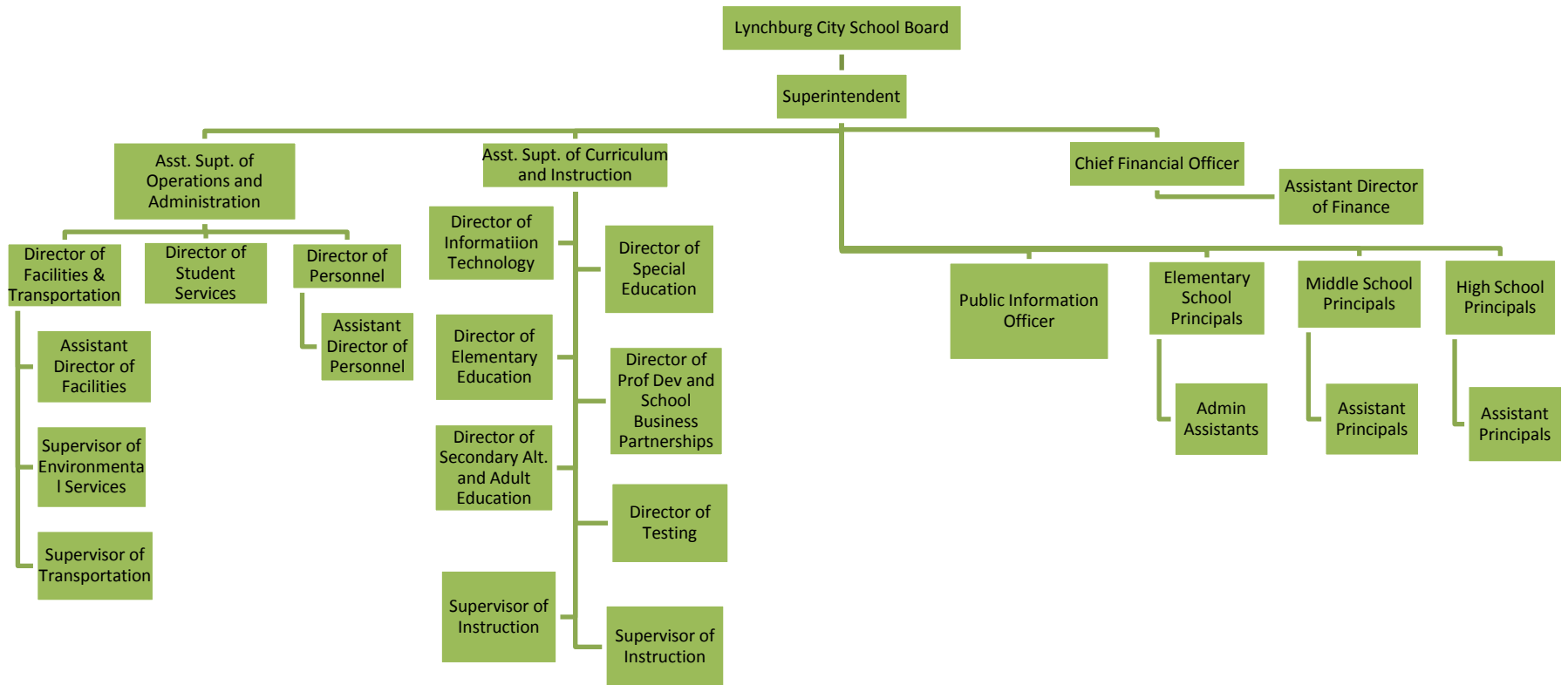
This section includes the revenue and expenditure details for the Grants Fund.

Salary Scales

This section includes the salary scales for administration, classified staff, and teachers.

Lynchburg City Schools
 FY 2011-12 Adopted Budget

ORGANIZATION CHART



**Lynchburg City Schools
FY 2011-12 Adopted Budget**

BUDGET CALENDAR 2010-11

<u>Date</u>	<u>Budget Activity</u>
September 2010	Administrative staff began budget discussions
November 2010	Administration meets with department heads to review current year budget and discuss 2011-12 budget Administration Consolidates and Summarizes budget requests for the superintendent and executive staff to review along with FTE staffing projections by program Superintendent and executive staff set priorities for staff budget requests
December 2010	Superintendent presents preliminary estimate of operating revenues and expenditures to the school board including employee compensation proposals School board holds budget workshop to review to review revenue and expenditure information Governor's introduced budget scheduled for release Staff and community forums – Linkhorne Middle School
January 2011	Superintendent receives letter from city manager – local funding recommendation School board receives updates state revenue information based on governor's proposed budget and local revenue based on city manager's proposal Public budget forum – Heritage High School Public budget forum – E. C. Glass High School
February 2011	School Board receives updated revenue and expenditure figures from school administration
March 2011	School board meeting – budget work sessions City manager released proposed budget for the city of Lynchburg, including the recommendation for school funding General Assembly approves final state budget Superintendent receives final state revenue projections from the Virginia Department of Education School board meeting – public budget hearing School board approves budget and forwards to city council

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

April 2011	City council holds public budget hearing Superintendent provides updates on state revenue along with required budget adjustments and unfunded priorities to the school board for approval School board provides updated budget adjustments along with unfunded priorities to city council
May 2011	City council's first reading of budget for adoption City council's second reading of budget for adoption
July 2011	Superintendent implements approved budget



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Lynchburg City Schools

FY 2011-12 Operating Budget
Introductory Section

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

OVERVIEW OF THE LYNCHBURG CITY SCHOOLS

The Lynchburg City Schools is a progressive urban school division located in Central Virginia. The school division serves approximately 8,200 students in Kindergarten through twelfth grade, the student population represents a diversity of cultures, languages, and ethnic groups.

The school division is comprised of two high schools, three middle schools, and 11 elementary schools. The school division's operations include the regional Central Virginia Governor's School for Science and Technology, an alternative education center for students with non-traditional learning needs, and a regional special education program (LAUREL Regional School). A number of schools also offer academic support and enrichment through after-school programs.

The Lynchburg City Schools is a fiscally dependent school division in which funds in excess of the budget appropriated by the Lynchburg City Council revert to the city of Lynchburg at the end of each fiscal year. Consequently, the school division does not carry beginning or ending balances in its operating funds. The Lynchburg City Schools operates three funds: operating fund, food service fund, and grant fund.

SCHOOL BOARD PRIORITIES

The Lynchburg City School Board adopted the following priorities on November 16, 2010:

1. Improve Achievement for All Students while Closing Achievement Gaps for Identified Student Groups
2. Improve Graduation Rates to Exceed State Standards
3. Offer Viable Alternative Education Instruction to Augment Educational Goals
4. Complete Comprehensive analysis of Facilities Usage and Long-term Facilities Needs
5. Conduct Division-wide Departmental Efficiency Review with Near-term Goals
6. Improve Staff Recruitment, Retention, Development, and Diversity
7. Continue to Enhance Marketing Communication
8. Bring Resolution to City/Schools Consolidation Analysis



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Lynchburg City Schools

FY 2011-12 Operating Budget
Revenue Detail

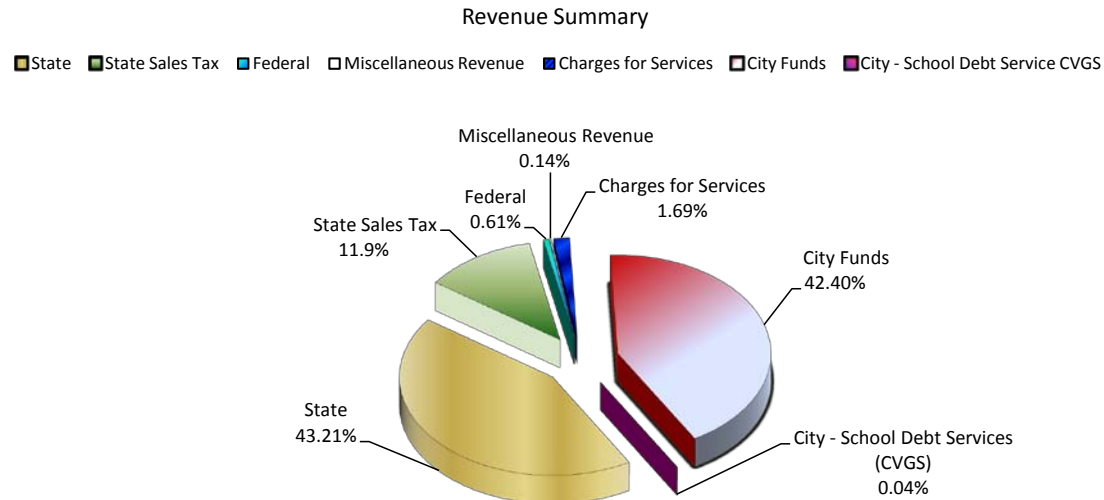
Lynchburg City Schools
 FY 2011-2012 Operating Fund Budget
REVENUE SUMMARY



The 2011-2012 budget is based on Virginia Department of Education projected ADM of 8,149.

REVENUE CATEGORY	2009-2010	2009-2010	2009-2010	2010-2011	2010-2011	2011-2012	Change	
	Adopted Budget	Amended Budget	Actual Revenue	Adopted Budget	Revised Budget	Proposed Budget	Dollar	Percent
State	39,013,024	39,013,024	37,299,825	33,485,484	33,485,484	32,550,377	(935,107)	-2.79%
State Sales Tax	8,736,195	8,736,195	8,268,429	8,321,436	8,321,436	8,965,522	644,086	7.74%
Federal Stimulus Funds	2,892,748	2,892,748	2,577,237	-	-	-	-	0.00%
Total State	50,641,967	50,641,967	48,145,491	41,806,920	41,806,920	41,515,899	(291,021)	-0.70%
Federal	2,373,000	2,373,000	4,612,161	2,627,383	461,000	461,000	-	0.00%
Miscellaneous Revenue	210,000	210,000	(202,966)	103,000	103,000	103,000	-	0.00%
Charges for Services	1,275,870	1,275,870	1,228,196	1,218,140	1,316,640	1,271,640	(45,000)	-3.42%
Use of Money	-	-	1,314	-	-	-	-	0.00%
Total Other	1,485,870	1,485,870	1,026,544	1,321,140	1,419,640	1,374,640	(45,000)	-3.17%
Total Non-City	54,500,837	54,500,837	53,784,196	45,755,443	43,687,560	43,351,539	(336,021)	-0.77%
City Funds	32,442,103	31,942,103	29,443,654	31,942,103	31,942,103	31,942,103	-	0.00%
City - School Debt Service (CVGS)	33,627	33,627	31,890	33,627	33,627	33,627	-	0.00%
Lease Purchase Proceeds	-	-	-	-	-	-	-	-
TOTAL OPERATING BUDGET	86,976,567	86,476,567	83,259,740	77,731,173	75,663,290	75,327,269	(336,021)	-0.44%

The chart below illustrates the percentage of FY 2011-2012 operating budget revenue to be received from each funding source:



**LYNCHBURG CITY SCHOOLS
OPERATING FUND REVENUE
STATE REVENUE
FY 2011-2012**

CATEGORY	2009-2010 Adopted Budget	2009-2010 Amended Budget	2009-2010 Actual Revenue	2010-2011 Adopted Budget	2010-2011 Revised Budget	2010-2011 Proposed Budget	Dollar Change	Percent Change	Percent of Total
State Sales Tax	\$ 8,736,195	\$ 8,736,195	\$ 8,268,429	\$ 8,321,436	\$ 8,321,436	\$ 8,965,522	\$ 644,086	7.74%	21.60%
SOQ Programs:									
Basic Aid	\$ 23,163,938	\$ 23,163,938	\$ 22,976,201	\$ 19,996,461	\$ 19,996,461	\$ 19,663,616	\$ (332,845)	-1.66%	47.36%
Textbooks	\$ 643,024	\$ 643,024	\$ 294,719	\$ 81,458	\$ 81,458	\$ 4,196	\$ (77,262)	-94.85%	0.01%
Vocational Education	\$ 314,676	\$ 314,676	\$ 317,204	\$ 305,466	\$ 305,466	\$ 305,641	\$ 175	0.06%	0.74%
Gifted Education	\$ 249,571	\$ 249,571	\$ 251,576	\$ 232,983	\$ 232,983	\$ 233,116	\$ 133	0.06%	0.56%
Special Education	\$ 3,586,222	\$ 3,586,222	\$ 3,615,034	\$ 2,583,520	\$ 2,583,520	\$ 2,584,995	\$ 1,475	0.06%	6.23%
Remediation	\$ 982,006	\$ 982,006	\$ 989,896	\$ 916,399	\$ 916,399	\$ 916,922	\$ 523	0.06%	2.21%
Fringe Benefits	\$ 3,445,160	\$ 3,445,160	\$ 2,975,156	\$ 2,179,683	\$ 2,179,683	\$ 2,600,536	\$ 420,853	19.31%	6.26%
English as a Second Language	\$ 128,081	\$ 128,081	\$ 120,097	Lottery Funded	Lottery Funded	Lottery Funded	\$ -	-	-
Remedial Summer School	\$ 215,497	\$ 215,497	\$ 211,765	Lottery Funded	Lottery Funded	Lottery Funded	\$ -	-	-
School Facilities:									
School Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Incentive Programs:									
Composite Index Hold Harmless	\$ -	\$ -	\$ -	\$ 1,744,519	\$ 1,744,519	\$ 112,302	\$ (1,632,217)	-93.56%	0.27%
Supplemental Support - Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 671,477	\$ 671,477	100.00%	1.62%
ISAEP (GED funding)	Lottery Funded	Lottery Funded	Lottery Funded	Lottery Funded	Lottery Funded	Lottery Funded	\$ -	-	-
Special Ed - Regional Tuition	Lottery Funded	Lottery Funded	Lottery Funded	Lottery Funded	Lottery Funded	Lottery Funded	\$ -	-	-
Categorical Programs:									
Adult Education	\$ 19,175	\$ 19,175	\$ 11,732	\$ 19,175	\$ 19,175	\$ 19,175	\$ -	0.00%	0.05%
Special Ed - Homebound	\$ 65,417	\$ 65,417	\$ 159,994	\$ 160,802	\$ 160,802	\$ 156,865	\$ (3,937)	-2.45%	0.38%
Reg Special Services	\$ 817,514	\$ 817,514	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Career & Tech Education	\$ -	\$ -	\$ -	\$ -	\$ -	Lottery Funded	\$ -	-	-
Lottery Funded Programs									
At-Risk	\$ 1,029,835	\$ 1,029,835	\$ 1,018,840	\$ 1,071,449	\$ 1,071,449	\$ 1,074,910	\$ 3,461	0.32%	2.59%
Early Reading Intervention	\$ 118,746	\$ 118,746	\$ 126,935	\$ 117,822	\$ 117,822	\$ 141,000	\$ 23,178	19.67%	0.34%
Enrollment Loss	\$ 174,302	\$ 174,302	\$ 68,539	\$ -	\$ -	\$ -	\$ -	-	-
Foster Care	\$ 205,262	\$ 205,262	\$ 126,535	\$ 150,118	\$ 150,118	\$ 145,135	\$ (4,983)	-3.32%	0.35%
K-3 Primary Class Size	\$ 1,386,843	\$ 1,386,843	\$ 1,377,979	\$ 1,174,904	\$ 1,174,904	\$ 1,190,402	\$ 15,498	1.32%	2.87%
Remedial Summer School	SOQ Programs	SOQ Programs	\$ -	\$ 206,426	\$ 206,426	\$ 148,487	\$ (57,939)	-28.07%	0.36%
SOL Algebra Readiness	\$ 110,877	\$ 110,877	\$ 108,654	\$ 110,760	\$ 110,760	\$ 114,911	\$ 4,151	3.75%	0.28%
VA Preschool Initiative	\$ 1,008,958	\$ 1,008,958	\$ 1,089,034	\$ 1,209,101	\$ 1,209,101	\$ 1,231,987	\$ 22,886	1.89%	2.97%
Lottery	\$ 493,011	\$ 493,011	\$ 631,400	\$ -	\$ -	\$ -	\$ -	-	-
ISAEP (GED funding)	\$ 23,576	\$ 23,576	\$ 23,576	\$ 23,576	\$ 23,576	\$ 23,576	\$ -	0.00%	0.06%
Special Ed - Regional Tuition	\$ 800,760	\$ 800,760	\$ 782,883	\$ 866,273	\$ 866,273	\$ 849,922	\$ (16,351)	-1.89%	2.05%
Career & Tech Education	\$ 30,573	\$ 30,573	\$ 22,077	\$ 29,073	\$ 29,073	\$ 33,809	\$ 4,736	16.29%	0.08%
Textbooks	\$ -	SOQ Programs	\$ -	\$ 190,563	\$ 190,563	\$ 205,919	\$ 15,356	8.06%	0.50%
English as a Second Language	\$ -	SOQ Programs	\$ -	\$ 114,953	\$ 114,953	\$ 106,053	\$ (8,900)	-7.74%	0.26%
Federal Stimulus Funds	\$ 2,892,748	\$ 2,892,748	\$ 2,577,237	\$ -	\$ -	\$ -	\$ -	-	-
Composite Index Hold Harmless	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,425	\$ 15,425	100.00%	0.04%
TOTAL STATE REVENUE	\$ 50,641,967	\$ 50,641,967	\$ 48,145,491	\$ 41,806,920	\$ 41,806,920	\$ 41,515,899	\$ (291,021)	-0.70%	100.00%

2011-2012 State Revenue is based on Virginia Department of Education's projected ADM of 8,149.

**LYNCHBURG CITY SCHOOLS
OPERATING FUND REVENUE - FEDERAL
FY 2011 - 2012**

<u>CATEGORY</u>	<u>2009-2010 Adopted Budget</u>	<u>2009-2010 Amended Budget</u>	<u>2009-2010 Actual Revenue</u>	<u>2010-2011 Adopted Budget</u>	<u>2010-2011 Revised Budget</u>	<u>2011-2012 Adopted Budget</u>	<u>Dollar Increase (Decrease)</u>	<u>Percent Change</u>	<u>Percent of Total</u>
Special Education - Title VI-B	\$ 2,067,000	\$ 2,067,000	\$ 3,756,218	\$ 2,166,383	\$ -	\$ -	\$ -	0.00%	0.00%
Basic Adult Education	\$ 80,000	\$ 80,000	\$ 96,051	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0.00%	10.85%
Impact Aid	\$ 6,000	\$ 6,000	\$ 13,892	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	0.00%	1.30%
Medicaid Reimbursement	\$ 180,000	\$ 180,000	\$ 629,579	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	0.00%	65.08%
Junior ROTC	\$ 40,000	\$ 40,000	\$ 116,421	\$ 105,000	\$ 105,000	\$ 105,000	\$ -	0.00%	22.78%
TOTAL FEDERAL	\$ 2,373,000	\$ 2,373,000	\$ 4,612,161	\$ 2,627,383	\$ 461,000	\$ 461,000	\$ -	0.00%	100.00%

**LYNCHBURG CITY SCHOOLS
OPERATING FUND REVENUE - OTHER
FY 2011 - 2012**

<u>CATEGORY</u>	<u>2009-2010 Adopted Budget</u>	<u>2009-2010 Amended Budget</u>	<u>2009-2010 Actual Revenue</u>	<u>2010-2011 Proposed Budget</u>	<u>2010-2011 Revised Budget</u>	<u>2011-2012 Adopted Budget</u>	<u>Dollar Increase (Decrease)</u>	<u>Percent Change</u>	<u>Percent of Total</u>
Miscellaneous:									
Other Funds	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Rebates & Refunds	\$ 115,000	\$ 115,000	\$ 38,028	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.00%	1.09%
Insurance Adjustments	\$ -	\$ -	\$ 19,432	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.00%	0.22%
E-Rate Reimbursements	\$ 85,000	\$ 85,000	\$ 172,620	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0.00%	6.18%
Transfer In/Out of Funds	\$ -	\$ -	\$ (433,046)	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
	\$ 210,000	\$ 210,000	\$ (202,966)	\$ 103,000	\$ 103,000	\$ 103,000	\$ -	0.00%	
Charges for Services:									
Rents	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 98,000	\$ (12,000)	-10.91%	7.13%
Tuition - Day School	\$ 189,000	\$ 189,000	\$ 170,086	\$ 189,000	\$ 189,000	\$ 160,000	\$ (29,000)	-15.34%	11.64%
Tuition - Adult	\$ 15,750	\$ 15,750	\$ 8,962	\$ 15,750	\$ 15,750	\$ 10,000	\$ (5,750)	-36.51%	0.73%
Tuition - Summer School	\$ 42,000	\$ 42,000	\$ 41,290	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Tuition - NonCenter Based	\$ 634,620	\$ 634,620	\$ 623,945	\$ 634,620	\$ 634,620	\$ 634,620	\$ -	0.00%	46.17%
Special Pupil Fees	\$ 35,000	\$ 35,000	\$ 35,960	\$ 50,000	\$ 50,000	\$ 45,000	\$ (5,000)	-10.00%	3.27%
Bus Rentals	\$ 122,500	\$ 122,500	\$ 122,500	\$ 122,500	\$ 122,500	\$ 130,500	\$ 8,000	6.53%	9.49%
Dual Enrollment	\$ 42,000	\$ 42,000	\$ 34,315	\$ 42,000	\$ 42,000	\$ 35,000	\$ (7,000)	-16.67%	2.55%
Facility Rentals	\$ 85,000	\$ 85,000	\$ 81,138	\$ 54,270	\$ 54,270	\$ 60,020	\$ 5,750	10.60%	4.37%
School Nutrition Utilities	\$ -	\$ -	\$ -	\$ -	\$ 98,500	\$ 98,500	\$ -	0.00%	7.17%
	\$ 1,275,870	\$ 1,275,870	\$ 1,228,196	\$ 1,218,140	\$ 1,316,640	\$ 1,271,640	\$ (45,000)	-3.42%	
Use of Money	\$ -	\$ -	\$ 1,314	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
TOTAL OTHER REVENUE	\$ 1,485,870	\$ 1,485,870	\$ 1,026,543	\$ 1,321,140	\$ 1,419,640	\$ 1,374,640	\$ (45,000)	-3.17%	100.00%

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP 1: SOQ PROGRAMS

BASIC SCHOOL AID

19,663,616

Basic Aid includes funding for the basic instructional positions derived from minimum student to teacher ratios required by the Standards of Quality (SOQ) {see §22.1-253.12:2, Code of Virginia} for each school division with a minimum ratio of 51 instructional personnel for each 1,000 pupils; plus all other personal and non-personal support costs funded through the SOQ.

$((\text{Per Pupil Amount} \times \text{Adjusted ADM}) - \text{Sales Tax}) \times (1 - \text{Composite Index}) = \text{State's Share}$

SALES TAX

8,965,522

A portion of net revenue from the state sales tax and use tax dedicated to public education is distributed to counties, cities, and towns in support of the Standards of Quality. The distributions are based on each locality's pro-rata share of school age population as based on the 2008 triennial census count of school aged population.

$((\text{School division's triennial Census count} / \text{Statewide total school age population}) \times \text{Total state } 1\text{-}1/8\% \text{ sales tax tax estimate}) = \text{Local Distribution.}$

TEXTBOOK (Split Funded in both SOQ and Lottery Service Areas)

4,196

State law requires that students attending public schools receive free textbooks. State funding is provided on a per pupil basis based on the funded per pupil amount for textbooks.

$((\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index})) = \text{State's Share}$

VOCATIONAL EDUCATION - (SOQ PROGRAM)

305,641

State funds are provided to support career and technical education courses for students in grades 6-12. The funding supports the salary cost of instructional positions based on the class size maximums established by the Board of Education {see 8VAC20-120-150}.

$((\text{Per Pupil Amount} \times \text{Unadjusted ADM}) \times (1 - \text{Composite Index})) = \text{State Share}$

GIFTED EDUCATION

233,116

Gifted education funding supports the state share of one full-time equivalent instructional position per 1,000 students in adjusted ADM.

$((\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index})) = \text{State's Share}$

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP 1: SOQ PROGRAMS, continued

SPECIAL EDUCATION

2,584,995

Funding for special education provides for the state share of salary costs of instructional positions generated based on the staffing standards for special education. Each special education student is counted in their respective school and up to three disabilities per student may be recognized for calculating instructional positions for funding.

$((\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index})) = \text{State's Share})$

PREVENTION, INTERVENTION AND REMEDIATION

916,922

SOQ Prevention, Intervention, and Remediation funding provides remedial services to children who need additional instruction. Funding is disbursed to local school divisions to support the state share of additional professional instructional positions ranging from a pupil teacher ratio of 10:1 to 18:1 based on the division-level failure rate on the SOL English and math tests for all students at risk of educational failure (the 3 year average free lunch eligibility date is used as a proxy for at risk students).

$\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index}) = \text{State's Share}$

VRS RETIREMENT

1,212,202

This funding supports the state share of cost of employer contributions to VRS for retirement benefits for funded SOQ instructional and professional support positions.

$((\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index})) = \text{State's Share})$

SOCIAL SECURITY

1,341,711

This funding supports the state share of cost of the employer share of Social Security costs for funded SOQ instructional and professional support positions.

$\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index}) = \text{State's Share}$

GROUP LIFE

46,623

This funding supports the state share of cost of employer contributions to the Virginia Retirement System (VRS) for Group Life benefits for funded SOQ instructional professional support positions.

$\text{Per Pupil Amount} \times \text{Adjusted ADM} \times (1 - \text{Composite Index}) = \text{State's Share}$

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP II: INCENTIVE-BASED PROGRAMS

COMPOSITE INDEX HOLD HARMLESS - (Split Funded in both SOQ and Lottery Service Areas) 112,302

This funding provides relief to school divisions whose state revenues decreased, as compared to HB/SB 30, as a result of funding the 2010-12 composite index in fiscal years 2011 and 2012. Payments for this program will total 100% of the amount of state revenues lost in FY 2011 and 50% of the amount of state revenues lost in FY 2012.

SUPPLEMENTAL SUPPORT FOR OPERATING COST 671,477

This funding represents a one time supplemental payment and must be used by school divisions solely for operational educational purposes based on the state's share of \$129.62 per pupil. These funds may not be used for capital expenditures.

STATE REVENUE GROUP III: CATEGORICAL PROGRAMS

ADULT EDUCATION 19,175

State funds are provided to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society. The program also enables adults to complete secondary school, obtain a GED, or to benefit from job training and retraining programs.

Reimbursements to school division adult education programs are based on 60% of the fixed cost-per-class of fixed cost-per-student.

SPECIAL EDUCATION - HOMEBOUND 156,865

Homebound funding provides for the continuation of educational services for students who are temporarily confined to their homes for medical reasons. State funds reimburse school divisions for a portion of the hourly rate paid to teachers employed to provide homebound instruction to eligible children.

These funds are based on prior year expenditure data. Divisions are reimbursed a percentage of hourly payments to teachers employed to provide homebound instruction to eligible children. The maximum hourly rate is established annually by the Department of Education, and the reimbursement percentage is based on each locality's composite index.

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP IV: LOTTERY FUNDED PROGRAMS

AT RISK

1,074,910

State payments for at-risk students are disbursed to school divisions based on the estimated number of federal free lunch participants in each school division to support programs for students who are educationally at-risk. Funding is provided as a percentage add-on to Basic Aid to support the additional costs of educating at-risk students.

Funding is based on the percentage of students eligible for free lunch x Current year undadjusted ADM = Estimated number of students eligible for free lunch x (Add-on weight ranging from 1% to 12% based on free lunch eligibility rate) x Basic aid per pupil amount x (1 - Composite Index) x 100% = State Share.

EARLY READING INTERVENTION

141,000

The Early Reading Intervention program is designed to reduce the number of students needing remedial reading services. Program funds are used by local school divisions for: special reading teachers; trained aides; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students.

Funding is based on a ratio of one teacher per five students in kindergarten through third grade at 100% of the estimated population for kindergarten and grades 1 and 2 and 25% of the estimated population for grade 3. The number of eligible students is based on the percentage of students needing services as determined by the PALS (Phonological and Literacy Screening) diagnostic or free lunch eligibility in the absence of PALS data. The 5:1 ratio The 5:1 ratio is applied to the eligible student population and then multiplied by 36 weeks x 2 1/2 hours per week = hours of service x hourly rate) x (1 - Composite Index) = State Share.

K-3 PRIMARY CLASS SIZE REDUCTION

1,190,402

State funding is disbursed to school divisions as an incentive payment for reducing class sizes in grades Kindergarten through three below the required SOQ standard of 24:1 pupil-teacher ratio. Payments are based on the incremental cost of providing the lower class sizes based on the lower of the statewide average per pupil cost of all divisions or the actual division per pupil cost. Schools with free lunch eligibility percentages of 16% and greater are eligible for funding. The required ratios range from 19:1 and may go as low as 14:1 based on the free lunch eligibility rate of the eligible school.

$((K-3 \text{ funded fall membership for eligible schools} \times \text{eligible per pupil amount}) \times (1 - \text{Composite Index})) = \text{State Share.}$

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP IV: LOTTERY FUNDED PROGRAMS

FOSTER CARE

145,135

Foster care funding provides reimbursement to localities for educating students in foster care that are not residents of their school district. State funds are provided for prior year local operations costs for each pupil not a resident of the school division providing his education if the student has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of the Commonwealth to place children. Funds also cover children who have been placed in an orphanage or children's home which exercises legal guardianship rights, or who is a resident of Virginia and has been placed, not solely for school purposes, in a child-caring institution or group home. Funds are also provided to support handicapped children attending public school who have been placed in foster care or other such custodial care across jurisdictional lines.

Prior year total per pupil expenditure for operations for each division from Table 15 of the Superintendent's Annual Report are divided by the number days of instruction in each division to yield a cost per day per division. Cost per day figure x Number of days eligible foster care students were served by the school division as reported by the division = Standard Foster Care Reimbursement Statewide weight for handicapping condition x Standard foster care cost per day = Total special education foster care cost per day. Total special education foster care cost per day x total number of student days reported in each handicapping condition = State cost for special education foster care. The sum of the cost for each handicapping condition = Special Education Foster Care Reimbursement

SOL ALGEBRA READINESS

114,911

Funding is based on the estimated number of 7th and 8th grade students who are at-risk of failing the Algebra I end-of-course. This number is approximated based on the free lunch eligibility percentage for the school division.

$((\text{Total number of students ineligible grades} \times \text{Division free lunch eligibility percentage}) / 10 \setminus \{ \text{student to teacher ratio of 10 to 1} \}) \times 36 \text{ weeks} \times 2 \text{ } 1/2 \text{ hours of instruction per week} = \text{Hours of service} \times \text{hourly costs of teaching services} \times (1 - \text{Composite Index}) = \text{State's Share.}$

ISAEP

23,576

An Individual Student Alternative Education Plan (ISAEP) may be developed when a student demonstrates substantial need for an alternative program, meets enrollment criteria, and demonstrates an ability to benefit from the program. The need is determined by a student's risk of dropping-out of school. Programs must comply with the provisions of §22,1-254D; Code of Virginia. Funding is based on submitted reimbursement requests, up to the approved allocation for the year.

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP IV: LOTTERY FUNDED PROGRAMS

VIRGINIA PRESCHOOL INITIATIVE

1,231,987

The Virginia Preschool Initiative provides funding for programs for unserved, at-risk four-year-old children, which include quality preschool education, health services, social services, parental involvement, and pupil transportation. Programs must provide full-day or half-day and, at least, school-year services. Educational services may be delivered by both public and private providers.

Projected number of four-year-olds x percent of students eligible for free lunch = Estimated number of four-year-olds at-risk (minus) the number of four-year-olds served by Head Start programs = 100% of at-risk four-year-olds. Estimated unserved at-risk four-year-olds x \$6,000 (or \$3,000 for half-day programs) x (1 - Composite Index [capped at 0.5000]) = State Share

SPECIAL EDUCATION - REGIONAL TUITION

849,922

Regional tuition reimbursement funding provides for students with low-incidence disabilities who can be served more appropriately and less expensively in a regional program than in more restrictive settings. A joint or a single school division operates regional special education programs. These programs accept eligible children with disabilities from other local school divisions. All reimbursement is in lieu of the per pupil basic operation cost and other state aid otherwise available.

Reimbursement of the state share (based on the composite index) of approved tuition costs for eligible students with disabilities at approved regional special education programs.

CAREER AND TECHNICAL EDUCATION

33,809

Adult Education funds provide adult education for persons who have academic or economic disadvantages, and who have limited English-speaking abilities. These funds pay for full-time and part-time teacher salaries and supplements to existing teacher salaries.

Funding is based on a pro-rata distribution of a fixed per pupil amount calculated based on prior year expenditures.

REMEDIAL SUMMER SCHOOL

148,487

Remedial Summer School programs provide additional education opportunities for at-risk students. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session, or during an intersession in the case of year-round schools.

((Per Pupil Amount x Adjusted ADM x (1 - Composite Index)) = State's Share

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

STATE REVENUE GROUP IV: LOTTERY FUNDED PROGRAMS

ENGLISH AS A SECOND LANGUAGE

106,053

State funds are provided to support local school divisions providing the necessary educational services to children not having English as their primary language. The funding supports the salary and benefits cost of instructional positions at a standard of 17 positions per 1,000 ESL students.

((Seventeen teachers per 1,000 ESL students x Average salary and fringe benefits) x (1-Composite Index)) = State Share.

TEXTBOOK (Split Funded in both SOQ and Lottery Service Areas)

205,919

State law requires that students attending public schools receive free textbooks. State funding is provided on a per pupil basis based on the funded per pupil amount for textbooks.

((Per Pupil Amount x Adjusted ADM x (1 - Composite Index)) = State's Share

COMPOSITE INDEX HOLD HARMLESS - (Split Funded in both SOQ and Lottery Service Areas)

15,425

This funding provides relief to school divisions whose state revenues decreased, as compared to HB/SB 30, as a result of funding the 2010-12 composite index in fiscal years 2011 and 2012. Payments for this program will total 100% of the amount of state revenues lost in FY 2011 and 50% of the amount of state revenues lost in FY 2012.

TOTAL STATE REVENUE

41,515,899

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

FEDERAL REVENUE

ADULT BASIC EDUCATION

50,000

Programs partially funded to help teach adults to speak, read, and write the English language so they can benefit from occupational training and meet their basic adult responsibilities.

IMPACT AID

6,000

MEDICAID REIMBURSEMENTS

300,000

Reimbursement for related services provided to Medicaid eligible students in accordance with Individualized Education Programs (IEP's).

JROTC PROGRAM

105,000

Reimbursement from the U.S. Marines and U.S. Air Force for program participation.

TOTAL FEDERAL REVENUE

461,000

LYNCHBURG CITY SCHOOLS
OPERATING FUND - REVENUE
BACKGROUND DATA
FY 2011-2012

OTHER REVENUE - MISCELLANEOUS

REBATES AND REFUNDS 15,000

This category accounts for any funds returned, rebated, or refunded from an expenditure made in the operating fund.

INSURANCE ADJUSTMENTS 3,000

Amounts received from insurance claims.

E-RATE REIMBURSEMENTS 85,000

TOTAL OTHER REVENUE - MISCELLANEOUS 103,000

OTHER REVENUE - CHARGES FOR SERVICES

RENTS 98,000

Payment received for rental of property.

TUITION - DAY SCHOOL 160,000

Charges for local cost of education non-resident students who attend Lynchburg City Schools

TUITION - ADULT 10,000

Charges for attending adult education classes

TUITION - SUMMER SCHOOL -

Charges for attending summer school.

TUITION - NON CENTER BASED 634,620

LYNCHBURG CITY SCHOOLS
 OPERATING FUND - REVENUE
 BACKGROUND DATA
 FY 2011-2012

OTHER REVENUE - CHARGES FOR SERVICES, continued

SPECIAL PUPIL FEES **45,000**

Amount of fees collected from students for behind-the-wheel training after program expenses.
 Amount of fees collected for transcript requests.

BUS RENTALS **130,500**

Amounts collected for field trip billings throughout the division.

DUAL ENROLLMENT **35,000**

Amount of tuition collected from students enrolled in dual enrollment classes.

FACILITIES RENTALS **60,020**

Payment received for facility rentals

SCHOOL NUTRITION UTILITIES **98,500**

School Nutrition's portion of their utility costs

TOTAL OTHER REVENUE - CHARGES FOR SERVICES **1,271,640**

CITY OF LYNCHBURG REVENUE

LOCAL CITY FUNDS **31,942,103**

Local funds required to meet minimum SOQ requirements for the Basic Aid program plus additional funds to meet capital outlay, debt service, and the balance of other educational programs funded in part by categorical aid. Also to meet other requirements established by accreditation standards, local share of matching grants, and additional services above State funding level (special education, transportation, elementary music, physical education, in-service, summer school, adult education, plant operations, etc.).

CITY FUNDS - DEBT SERVICE **33,627**

Debt service for Literary Loan paid by the City of Lynchburg

TOTAL CITY REVENUE **31,975,730**

TOTAL OPERATING FUND REVENUE **75,327,269**



The world starts *here.*

Lynchburg City Schools

FY 2011-12 Operating Budget
Expenditure Detail



The world starts *here.*

Lynchburg City Schools

FY 2011-12 Operating Budget
Informational

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

STANDARDS OF LEARNING AND ACCOUNTABILITY

Virginia's Standards of Quality and the *Regulations Establishing Standards of Accrediting Public Schools in Virginia* require schools to administer Standards of Learning (SOL) tests in English (both reading and writing), math, science, and social science/history. The Standards of Learning are academic content and skills that Virginia public schools students are expected to learn at each grade level in English, mathematics, science, and social science/history.

The SOL Assessment Program consists of state-developed, criterion-referenced tests designed to measure student mastery of the content and skills identified in the SOL. Beginning with the 1999-2000 school year, individual school accreditation has been based on the percentages of students passing the SOL tests. Beginning with the 2002-03 school year, the No Child Left Behind Act's (NCLB) federal Adequate Yearly Progress (AYP) has been calculated based on the percentages of subgroups of students taking and passing the reading and math SOL tests in each school. In addition, for the graduating class of 2004 and beyond, passing end-of-course SOL tests in high school is also a graduation requirement. Therefore, there are significant consequences for students, schools, and their communities if students do not pass the SOL tests.

Prior to 2005-06, SOL tests were required to be administered to all students in all four core content areas in the third, fifth, and eighth grades as well as at the completion of 12 high school courses. In 2005-06, Virginia added new math and reading SOL tests in grades four, six, and seven as required by NCLB. These new tests were very challenging, and the results on the grades six and seven math tests were lower than expected across the Commonwealth. Even so, the Lynchburg City Schools Board, administration, teachers, and staff remain committed to having fully accredited schools that make AYP and prepare students for graduation. In 2007-08, 15 of 16 schools earned full accreditation for 2008-09; however, Paul Laurence Dunbar Middle School for Innovation was accredited with warning for 2008-09, due solely to the math tests in grades six and seven. During 2008-09, the school division implemented several programs to improve these scores. In addition, a state team conducted an academic review of the math program at Paul Laurence Dunbar. After a great deal of work by all involved, we are proud to announce that once again all 16 of our schools are fully accredited by the State of Virginia for 2009-10.

Regarding AYP, even with increased passing rate requirements, eight schools made Adequate Yearly Progress for school year 2009-10, and the remaining eight, four met 27 of 29 targets, three met 26 of 29, and one met 25 of 29 targets.

Accountability standards have been raised based not only on the number of tests administered and an increase in required passing rates, but also on NCLB requirements to test students with disabilities and English Language Learners (ELL) students. Although the United States Department of Education has provided some flexibility in the testing programs for these students, many challenges still exist.

The Lynchburg City School Board, administration, and staff have worked diligently to help students meet the increasingly complex and rigorous standards set by the state and federal government. The school division has focused its efforts in the following areas:

Lynchburg City Schools
FY 2011-12 Adopted Budget

- ✓ As the state revises the SOL and the associated tests, the school division continues to incorporate the new information into LCS' division-wide teaching guides, professional development sessions, and division-wide assessment program. LCS administers these assessments each six weeks to students in grades one through eight in each of the four core content areas. These assessments are scored electronically, and specific data are reported to teachers, principals, parents and the administration. Data from these assessments assist teachers as they work to reteach students and to refine their lessons for the future.
- ✓ Instructional specialists for reading, math, and science continue to design, create, and share hands-on teaching resources. In addition, curriculum and instruction staff provided intensive, on-going professional development not only in the core content areas but also in cultural competency, assessment practices, technology integration, and differentiating instruction.
- ✓ During 2009-10, the school administration expanded the successful supplemental math program at Paul Laurence Dunbar Middle School for Innovation and at Sandusky Middle School to Linkhorne Middle School as well. Using a research-based computer-assisted instructional program recommended by the Virginia Department of Education staff, students are provided instructional support on the essential knowledge and skills of Virginia' math Standards of Learning. Currently there are about 20 students participating in each grade level at each middle schools, and the preliminary results are encouraging.
- ✓ During 2007-08, the school board and the Lynchburg City Schools approved the hiring of an instructional specialist for secondary mathematics. This position is funded through federal grants and supports building-level data analysis and instructional improvement. For 2008-09, the primary focus was middle school math and, more specifically, the needs of the students and teachers at Paul Laurence Dunbar Middle School for Innovation. This additional support was clearly related to the increased success at Dunbar. For 2009-10, the focus is on maintaining middle school math gains despite significant changes in faculty and on preparing students for increasing rigor in high school math courses.
- ✓ During 2009-10, all elementary teachers continue to receive professional development in teaching the Harcourt Reading program. The professional development focused on the five components of a balanced approach to teaching reading: phonemic awareness, phonics, vocabulary, comprehension, and fluency. In addition, teachers in upper elementary grades and in middle schools attended workshops on the "hamburger" writing model, the foursquare writing, method, and the rubric scoring.
- ✓ During 2009-10, LCS' Seventh Annual Best Practices Conference was held at E. C. Glass High School. This very successful local conference provided opportunities for all teachers to present and/or attend a wide array of workshops that focused on practical, research-based techniques to address a multitude of educational concerns. Thanks to donations from local businesses and many volunteers, the conference costs were minimal.
- ✓ High school guidance counselors continue to work aggressively to contact students and parents in writing, by telephone, and in face-to-face meetings to discuss the SOL test graduation requirements and the many opportunities students have for additional instruction and retesting. During the summer of 2009 and during the 2009-10 school year, the school division once again received state Project Graduation grants to help fund intensive courses to support students' efforts to pass the Standards of Learning tests.

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

- ✓ During 2009-10, all elementary and secondary schools were required to provide academic support and enrichment time within the typical school day. Pilot programs at Heritage High School and Linkhorne Middle School successfully increased passing rates in 2008-09, so this strategy was implemented division wide.
- ✓ The Promoting Excellence Through Accelerated Learning (PETAL) program continues to provide support for students. This program was created to help close the achievement gap between Caucasian American and African American students while at the same time providing acceleration opportunities for all students. From elementary and middle school summer acceleration programs to working with the Key Communicators Committee to mentor and advocate for students, to after-school club meetings and tutoring, to blocked classes in advanced mathematics in the high schools, to Saturday SAT preparation and workshops on the college application process, this program has been very successful.
- ✓ From 2002-09, overall enrollment numbers for career-technical education have risen for seven of eight years. In 2009, enrollment in career-technical program (grades 6-12) was 3,159 students, and 96 percent of career-technical students have transitioned from high school to employment, further education, or the military.
- ✓ For 2009-10, the career-technical programs were improved by strengthening the personal finance and economics course and making major improvements to the culinary arts lab at E. C. Glass High School. In addition, a new medical assistant program was put in place for 2009-10, and in the fall of 2010, a new computer networking and hardware course will be offered.
- ✓ During 2009-10, the central office curriculum and instruction staff conducted academic reviews at both Perrymont Elementary school and Linkhorne Elementary School. Each academic review included a thorough analysis of documents as well as a week-long site visit. The site visits included over 100 classroom observations, multiple surveys of faculty, staff, and parents, and dozens of interviews. The report of findings and essential actions for the academic reviews are used to guide instructional initiatives detailed in each schools' revised School Improvement Plan.
- ✓ In 2008-09, the school division implemented the High Expectations Initiative. This program, provided in cooperation with staff from the James Madison University Technical Assistance Center, provides a structure for professional development, discussion, strategic planning, and problem-solving related to the challenges of increasing expectations for, and inclusive experiences of, students with disabilities. The second phase of this implementation is ongoing during 2009-10.
- ✓ During 2009-10, parents, teachers, other staff members, administrators, and community members worked together to discuss the challenges facing the school division and to revise Lynchburg City Schools' Comprehensive Plan, the working document that guides the direction of the school division. Goals and strategies were developed under each of the school board's six focus areas: academic eminence; sound, honorable character; exemplary personnel; parental involvement and community investment; respect for diversity; and model facilities.
- ✓ In 2009-10, the school division received a 21st Century Community Learning Centers grant to provide additional programs and resources for the students and families at Linkhorne Middle School. In addition, the school division won renewal of 21st Century Community Learning Center grants at William Marvin Bass Elementary School and at Perrymont Elementary School and Paul Laurence Dunbar Middle School for Innovation.
- ✓ In 2010, the Lynchburg City Schools, in partnership with others, was awarded a \$400,000 grant to implement technology and provide staff development to enhance classroom instruction. the grant promoted the use of iPod Touches and their potential for increasing student achievement.

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

- ✓ During the 2009-10 school year, the department of information technology implemented new programs to allow more efficient assessment of student reading levels and core-content knowledge in grades 1-8. In addition, upgrades were implemented for division-wide email services, firewall services, and special education software.
- ✓ During 2009-10, the school division was again awarded funding from the State Council for Higher Education in Virginia (SCHEV) to continue to provide the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program.
- ✓ During 2009-10, the Skillful Teacher initiative, a comprehensive evidenced-based professional development program, continued to move forward, as several cohort groups of teachers worked through the training and began applying their new knowledge and skills in their classrooms. This program will continue to reach more and more teachers and students each year under a federal funded train-the-trainer model.

The school division is proud of its achievements. Even with increasingly rigorous and complex accountability systems, overall student achievement in the Lynchburg City Schools is high. In addition to our focus on academics and required standardized testing, LCS remains committed to enhancing the lives and experiences of students by continuing to offer many other programs including, but not limited to, career-technical, art, foreign language, music, theater, physical education, and athletics. The school division is grateful for the support of city leaders and community partners, the dedication of the faculty and staff of each school, and the hard work of students and parents. The table below depicts both state accreditation scores for each school, based on the testing during 2008-09, and the AYP status for each school.

Lynchburg City Schools
FY 2011-12 Adopted Budget

ACCREDITATION RATINGS, AYP RESULTS, AND AYP RATINGS (2010-11)

Please note that the passing rate targets in reading and math for Adequate Yearly Progress will continue to increase each year. The passing rate targets for first-time test takers in reading for tests given in 2009-10 was 81.1% and in math is now 79.1%. The passing rate target for 2010-11 will be 86% for reading and 85% for math and will increase by 5% each year until they are at 100% in 2014.

School	2010-11 School Accreditation	AYP Targets	Anticipated 2010-11 AYP Status
Bedford Hills	Fully Accredited	27 of 29	93% AYP
Dearington	Fully Accredited	29 of 29	100% AYP
Heritage	Fully Accredited	24 of 29	83% AYP
Linkhorne	Fully Accredited	26 of 29	90% AYP
Paul Munro	Fully Accredited	29 of 29	100% AYP
Perrymont	Fully Accredited	25 of 29	86% AYP
R. S. Payne	Fully Accredited	27 of 29	93% AYP
Sandusky	Fully Accredited	29 of 29	100% AYP
Sheffield	Fully Accredited	29 of 29	100% AYP
T. C. Miller	Fully Accredited	26 of 29	90% AYP
W. M. Bass	Fully Accredited	29 of 29	100% AYP

Lynchburg City Schools
FY 2011-12 Adopted Budget

Linkhorne Middle	Fully Accredited	22 of 29	76% AYP
P. L. Dunbar	Fully Accredited	25 of 29	86% AYP
Sandusky Middle	Fully Accredited	22 of 29	76% AYP
E. C. Glass High	Fully Accredited	27 of 29	93% AYP
Heritage High	Fully Accredited	28 of 29	97% AYP

Lynchburg City Schools
FY 2011-12 Adopted Budget

BUDGET DOCUMENT FORMAT AND GUIDELINES

Revenue and Expenditure Format

The revenues and expenditures sections of the budget are formatted to show actual revenues or expenditures for the prior fiscal year plus the appropriated revenue or expenditure for the current year. The budget request for FY 2011-12 is shown with the dollar and percentage changes in revenues or expenditures from FY 2010-11 to FY 2011-12. Expenditures are classified in accordance with guidelines established by the Virginia Department of Education.

Revenue Guidelines

- The projected Average Daily Membership (ADM) from the Virginia Department of Education (VDOE) will be the basis for the projection of state and federal revenue estimates.
- User fees will be established for cafeteria sales, adult education, building rent, transportation services, and other user-oriented activities that recover at least the direct cost to the school division.
- The school division will aggressively seek state and federal grant funds and determine the long-term local fiscal effect of such grants, including the amount of local match required to continue the grant program.
- The school division's year-end fund balance will not be used as a budget balancing mechanism, but it will be allocated for non-recurring capital requirements or to resolve emergency requirements.
- State revenue projections will be based on the funding appropriated in the state's biennium budget, using the Virginia Department of Education's projected ADM.

Operating Expenditure Guidelines

- Operating expenditures are expensed using the modified accrual basis of accounting.
- Encumbrances remaining open at year-end are closed out to the current year budget.
- The school division will comply with all city, state, and federal legal requirements pertaining to the budget and expenditures.
- The budget process will be structured to ensure comprehensive input from staff, students, parents, and patrons prior to school board budget adoption.

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

- Baseline budget programs required to meet Standards of Quality or accreditation standards will receive first priority for funding.
- Program enhancements will be correlated to school board priorities and objectives for educational improvements.
- Budget initiatives for technological improvements leading to improvement in student learning or reduced operating costs will receive high priority for funding.
- Employee salary increases will be in accordance with established LCS salary scales and will be competitive with other urban and neighboring Virginia School districts and local governments.
- In balancing the budget, the school division will endeavor to avoid the layoff of regular employees. Personnel reductions will be accomplished through attrition to the extent possible.
- The operating budget will provide for appropriate maintenance of school equipment, facilities and grounds as well as safe and efficient transportation services.
- Sufficient funds for annual debt service and lease-purchase costs will be included in the operating budget.
- The school division will utilize a budgetary control and encumbrance accounting system that provides monthly financial reports comparing revenues and expenditures to budget and actual amounts.
- An independent audit will be performed on an annual basis treating the school board as a separate reporting entity on the city's audited financial statements. The audit management letter will be furnished to the school board with actions and the time frame required to resolve any audit findings.
- All unsafe and/or obsolete equipment assets no longer used will be disposed of through a public surplus property sale unless otherwise specifically approved by the school board.

Reserve Guidelines

- When available, the school division's year-end fund balance will be reserved for the planned maintenance of school facilities and replacement of equipment.

**Lynchburg City Schools
FY 2011-12 Adopted Budget**

- A health insurance claims reserve will be maintained by the school board to meet unexpected claims increases and incurred claims to be paid after the conclusion of the current health insurance contract.
- A textbook reserve fund will be maintained for the purchase of new textbook adoptions.