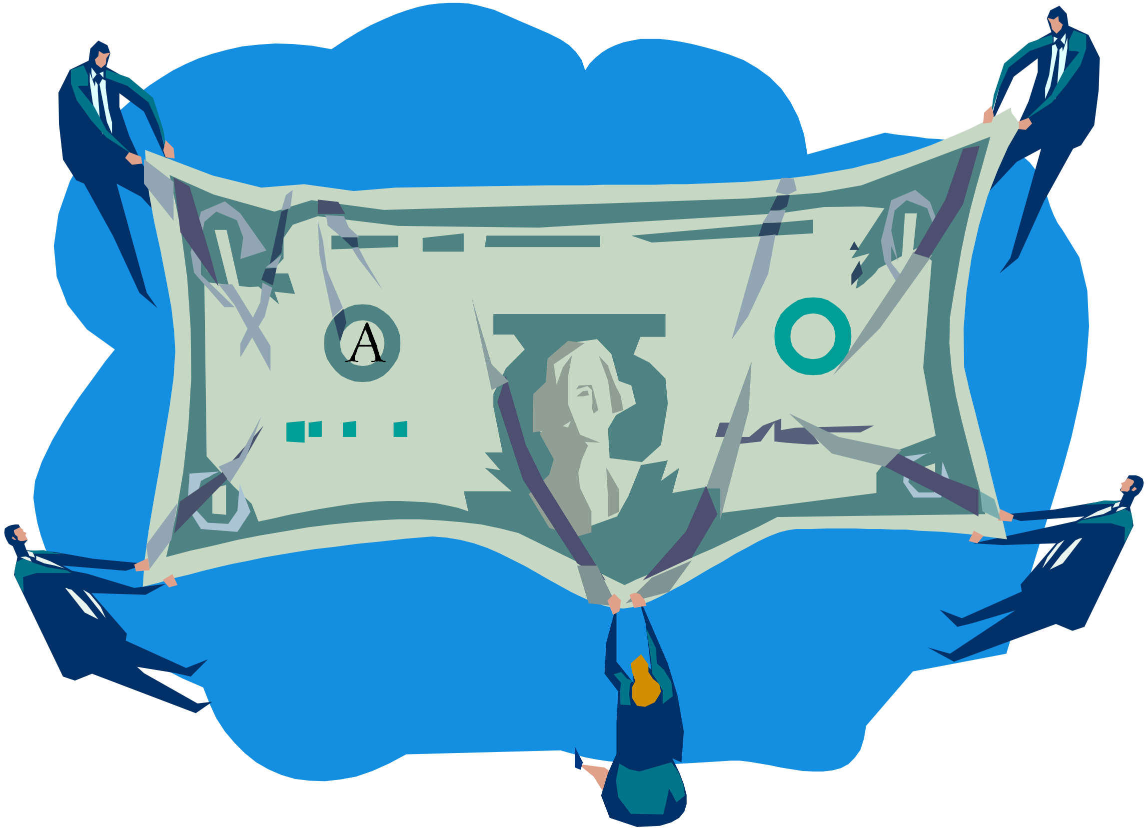
Wise County Board of Supervisors
March 3, 2010

1. Appreciation
2. Purpose of Presentation
   - 2.1 Provide Information
   - 2.2 Solicit feedback
   - 2.3 Answer questions
3. Primary Issues
   - 3.1 Budget
   - 3.2 Retirement Incentive
   - 3.3 Consolidation
4. Respond to Questions

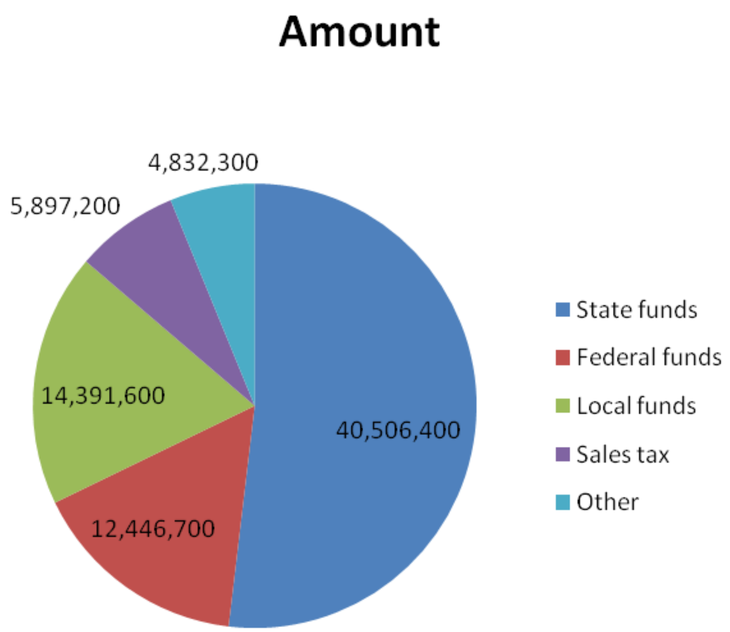
Objective 1: Budget



State Budget Cuts

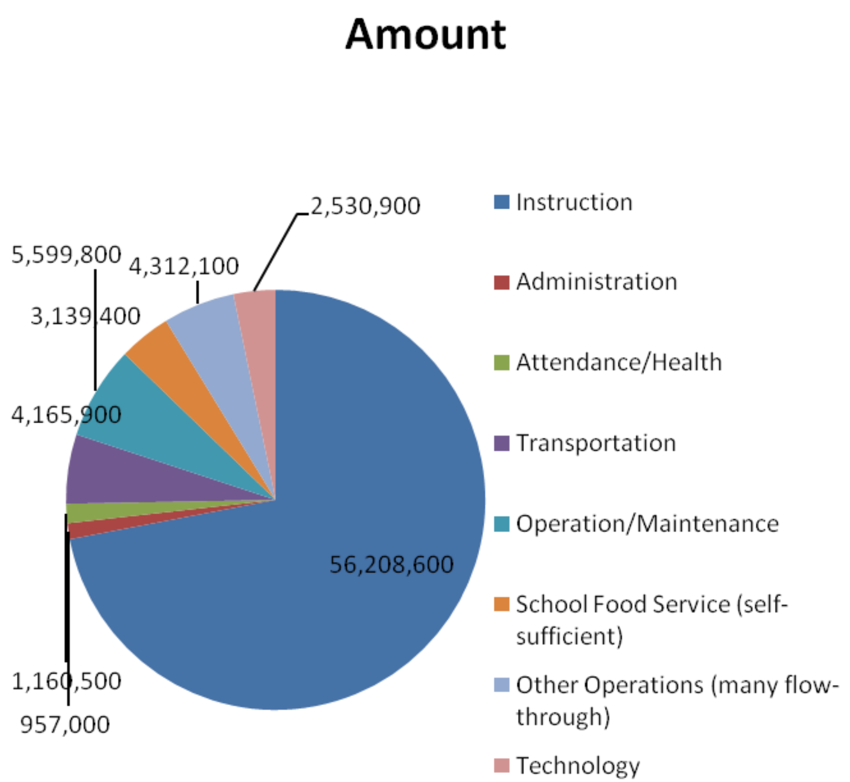
1. Challenge
   a. Decrease $4.5 million (January 2010)
   b. Anticipate additional cuts
   c. Increase on insurance ($750,000)
   d. Local composite index ($370,000)
2. Reduction Plan
   a. Safety
   b. Instruction
   c. Employment
3. Plan Elements
   a. Non-renew 15 certified staff
   b. Non-renew 10 classified staff
   c. Reduced extended contracts
   d. Forced all groups to make cuts
   e. Absorbed cuts in retirement plan
   f. Reduced transportation
   g. Reallocated Stimulus money
   f. Keep the high schools open (2010-11)

Operation Budget Revenues



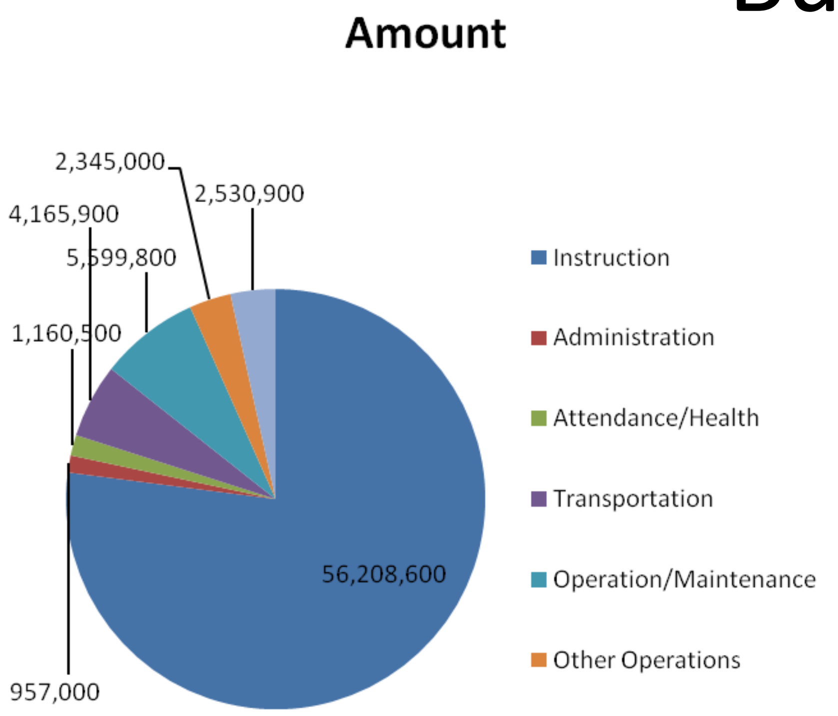
Line	Category	Amount	Percent
1	State funds	40,506,400	52
2	Federal funds	12,446,700	16
3	Local funds	14,391,600	18
4	Sales tax	5,897,200	8
5	Other	4,832,300	6
6	**Total**	**78,074,200**	**100**

Expenditure Budget



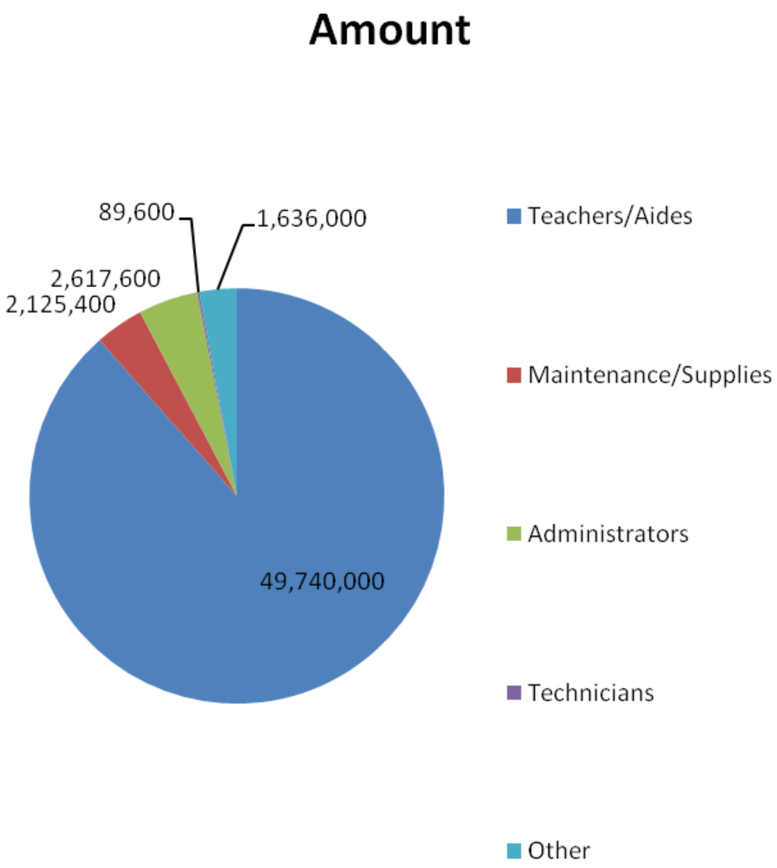
Line	Category	Amount	Percent
1	Instruction	56,208,600	72
2	Administration	957,000	1.2
3	Attendance/Health	1,160,500	1.49
4	Transportation	4,165,900	5.34
5	Operation/Maintenance	5,599,800	7.17
6	School Food Service (self-sufficient)	3,139,400	4.02
7	Other Operations (many flow-through)	4,312,100	5.52
8	Technology	2,530,900	3.24
9	**Total**	**78,074,200**	**100**

Adjusted Expenditure Budget



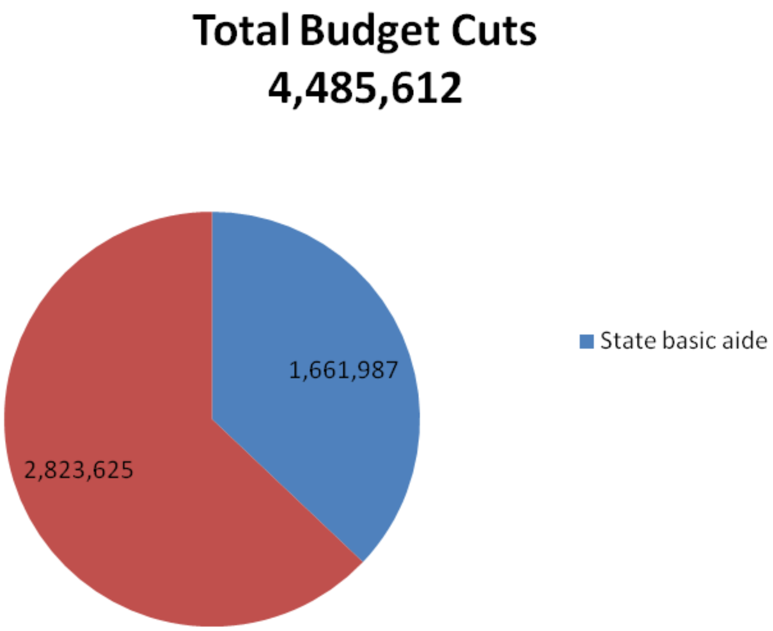
Line	Category	Amount	Percent
1	Instruction	56,208,600	77
2	Administration	957,000	1.3
3	Attendance/Health	1,160,500	1.5
4	Transportation	4,165,900	5.7
5	Operation/Maintenance	5,599,800	7.6
7	Other Operations	2,345,000	3.21
8	Technology	2,530,900	3.46
9	**Total**	**72,967,700**	**99.77**

Instructional Budget Analysis



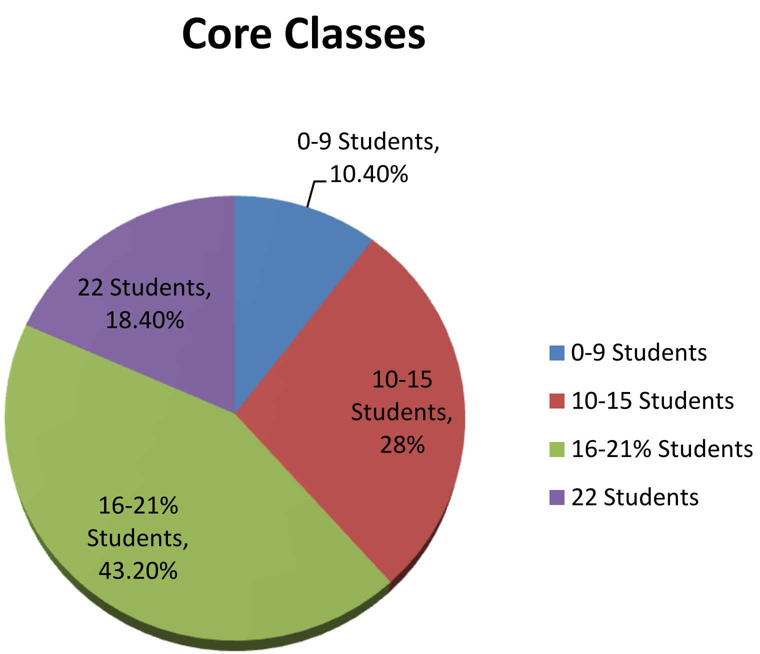
Line	Category	Amount	Percent
1	Teachers/Aides	49,740,000	88.49
2	Maintenance/Supplies	2,125,400	3.77
3	Administrators	2,617,600	4.65
4	Technicians	89,600	.16
5	Other	1,636,000	2.89
6	Total	56,208,600	99.96

State Budget Cuts



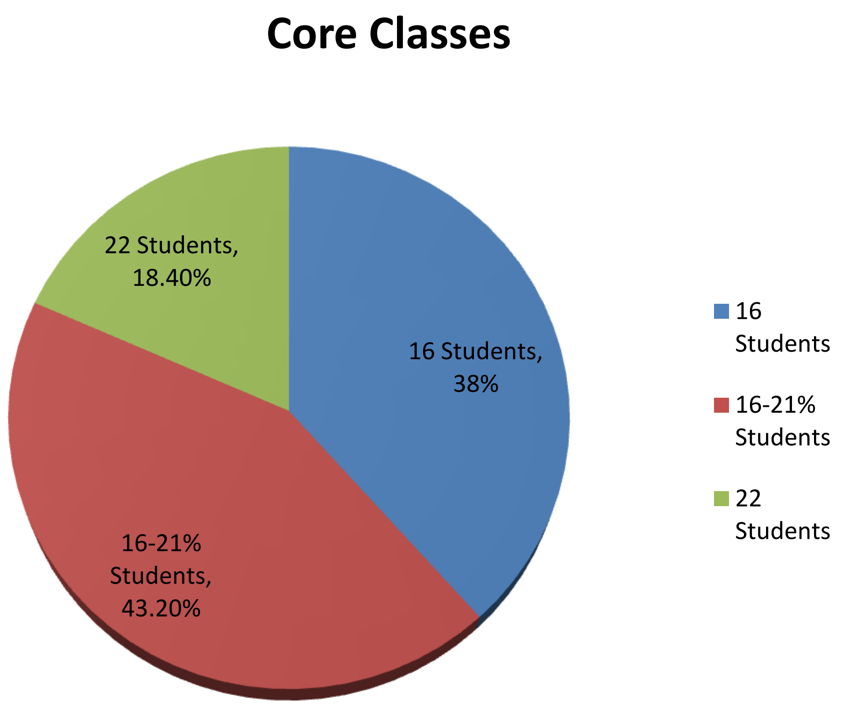
Line	Category	Amount	Percent
1	State basic aide	1,661,987	2.1%
2	Loss of Stimulus funds	2,823,625	3.6%
3	**Total**	**4,485,612**	**5.7%**

High School Enrollment Numbers Core Classes



Names of Schools	0-9 Students	10-15 Students	16-21 Students	> 22 Students
Division	10.4 %	28 %	43.2 %	18.4 %

High School Enrollment Numbers Core Classes



Names of Schools	< 16 Students	16-21 Students	> 22 Students
Division	38.4 %	43.2 %	18.4 %

Calculation of the 2009-2010 Composite Index for Wise

$$.5\ \frac{\dfrac{\text{Local True Values}}{\text{Local ADM}}}{\dfrac{\text{Total Local True Values}}{\text{Total State ADM}}} + .4\ \frac{\dfrac{\text{Local Adjusted Gross Income}}{\text{Local ADM}}}{\dfrac{\text{Total State Adjusted Gross Income}}{\text{Total State ADM}}} + .1\ \frac{\dfrac{\text{Local Taxable Retail Sales}}{\text{Local ADM}}}{\dfrac{\text{Total Taxable Retail Sales}}{\text{Total State ADM}\ (.6667)}} = \text{ADM Composite Index}$$

$$.5\ \frac{\dfrac{\text{Local True Values}}{\text{Local Population}}}{\dfrac{\text{Total Local True Values}}{\text{State Population}}} + .4\ \frac{\dfrac{\text{Local Adjusted Gross Income}}{\text{Local Population}}}{\dfrac{\text{Total State Adjusted Gross Income}}{\text{State Population}}} + .1\ \frac{\dfrac{\text{Local Taxable Retail Sales}}{\text{Local Population}}}{\dfrac{\text{Total Taxable Retail Sales}}{\text{State Population}\ (.4061)}} = \text{Per Capita Composite Index}$$

Combining of the Two 2009-2010 Indices of Ability to Pay

$$(.6667 \text{ X ADM Composite Index}) + (.3333 \text{ X Per Capita Composite Index}) = \text{Local Composite Index}$$

$$(\ .6667 \text{ X } .3963\ ) + (\ .3333 \text{ X } .4061) = \text{Local Composite Index}$$

$$.2642 + .1354 = \text{Local Composite Index}$$

Standards of Quality Funding

Grade Level Ratios			
1	Kindergarten	Ratio 24:1	no class over 29 and over 24 requires aide
2	Grades 1-3	Ratio 24:1	no class being larger than 30
3	Grades 4-6	Ratio 25:1	no class being larger than 35
4	English 6-12	Ratio 24:1	
5	Grades 6 - 12	Ratio not exceed 21:1	
Principals			
6	Elementary	Half to 299 students	1 full at 300 students
7	Middle	1 full on 12 month	
8	High	1 full on 12 month	
Assistant Principals			
9	Elementary	Half at 600 students	1 full at 900 students
10	Middle	1 full for each 600	1 additional full time for each 600 students
11	High	1 full for each 600	1 additional full time for each 600 students

Standards of Quality Funding

Librarians			
12	Elementary	1 part-time to 299 students	1 full time at 300 students/2 at 1,000
13	Middle	Half to 299 students	1 full time at 300 students/2 at 1,000
14	High	Half to 299 students	1 full time at 300 students/2 at 1,000
Counselors			
15	Elementary	1 hour per 100 students	1 full-time at 500 students
16	Middle	1 period per 80 students/1 full-time at 400 students	1 additional period per 80 students
17	High	1 period per 70 students/1 full-time at 350 students	1 additional period per 70 students
Clerical			
18	Elementary	Part-time to 299 students	1 full time at 300
19	Middle	1 full time	1 additional full time for each 600 students
20	High	1 full time	1 additional full time for each 600 students

Federal/State Funded

Line	Position	Comments
1	Instructional technology resource teachers	State funded
2	Nurses	State funded
3	Algebra readiness support	State funded
4	Virginia preschool initiative	Federal funded
5	Title I teachers	Federal funded
6	Virginia Preschool coordinator	Federal funded/state
7	Title coordinator	Federal funded/state
8	Math coaches	Federal funded
9	Title I bookkeeper	Federal funded/state
10	Title II – A aides	Federal funded
11	Title VI aides	Federal funded
12	Title X homeless aides	Federal funded
13	Staff development/speakers	Federal funded

Budget Schedule and Information

1. Time Schedule
   a. Receive entitlements this week
   b. Present reduction plan BOE
   c. Provide BOS info in late March
   d. Finalize budget in April
2. Important Information
   a. Retirement prevented massive cuts
   b. Cuts are not sustainable
   c. Can use textbook money
   d. ES & MS are at maximum levels
   e. Next cuts must be at HS
   f. Fate of high schools
   g. Must begin HS construction

Objective 2: Retirement

Retirement Incentive Plan

1. Retirement Demographics
   a. Certified 40
   b. Classified 15
   c. Health savings plan
2. Financials
   a. Total cost of plan ($2 mill)
   b. Total cost of retirees ($3.5 mill)
   c. Total savings ($1.5 mill)
   d. Prevent massive cuts
   e. Pay over next 4 years
3. Request
   a. Reinstate $500,000
   b. Requesting level funding

Objective 3: Consolidation

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1. PPEA Process
   a. Received 4 responses
   b. Reviewing financials
   c. Reviewing quality
   d. Price 750 ($28 m)
   e. Price 1,200 ($40 m)
   f. Select firm (March)

2. School Models
   a. Three school model
   b. Two school model
   c. Two on one site model
   d. Construction time (20 months)

Consolidation

1. Future of High Schools
   a. Keep open 2010 - 2011
   b. Concerns in 2011 – 2012
   c. Dependent on new construction
2. Important Elements
   a. Norton conversation
   b. Russell County conversation
   c. AES gym
   d. Quality School Construction Bonds
   e. Square footage costs
   f. Bond rates
   g. Open in 2012
3. Financials
   a. Request BOS to determine allocation
   b. Determine school model
   c. Present final plan to BOS

Conclusion

1. Closing remarks
   a. Understand difficult times
   b. Great construction market
   c. Need to resolve issue
   d. Quality facilities
2. Question/Answer