

REVENUE - STATE

State support for the operation of the public schools is derived primarily from the Basic State Aid appropriation. The sum appropriated to each school division from this source is based on the application of an established cost-per-pupil (for each locality) as determined by the state for each pupil in average daily membership (ADM). This sum, minus the state sales and use tax, and the ability of the locality to support its public schools establishes the contribution by the state. Additional state aid is received in other categories according to specific guidelines established by the State Department of Education. Major sources of state revenue are highlighted below.

Basic Aid: Funding is established at \$5,972 per pupil in average daily membership minus the state sales and use tax, and the local share based on the financial ability of the locality (composite index at .3025) as prescribed by the state formula. Funding is \$5,222 per pupil for 2007-2008.

Career and Technical Education: Funding is established at \$114 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. A portion of the revenue in this category results from state support for adult education, occupational and technology education, and for on-site administration of a career and technical education high school. Funding is \$96 per pupil for 2007-2008.

Special Education: Funding is established at \$618 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding is \$532 for 2007-2008. Additionally, a portion of the revenue in this category results from state support for homebound instruction, foster home children, and regional tuition payments.

Gifted and Talented: Funding is established at \$45 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding is \$40 per pupil for 2007-2008.

VRS Contribution, Social Security Benefits, and Group Life Insurance: The state share of each payment is based upon a per-pupil amount for each student in average daily membership minus the local share based on the financial ability of the locality. The per-pupil amounts for 2008-2009 are as follows: VRS - \$335; FICA \$259; Group Life - \$11. Funding for 2007-2008 is VRS - \$345; FICA - \$230; Group Life - \$12.

Remedial Education: Funding is established at \$68 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding is \$64 per pupil for 2007-2008.

Remedial Summer School: Funding is established at \$464 per remedial student attending elementary or secondary summer school minus the local share based on the financial ability of the locality as prescribed by the state formula. The increase for 2008-2009 is not enough to offset the decrease in remedial summer school participation. For 2007-2008, funding is \$412 per remedial student.

REVENUE - STATE (continued)

Textbooks: Funding is established at \$118.52 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding is based on a system of free textbooks. Funding is \$100.28 per pupil for 2007-2008.

State Sales Tax: The state annually distributes to the school system a portion of the state sales tax revenue (1-1/8%) designated for the support of public education. The amount received each year is determined by the amount of total state collections and the triennial school census. The budgeted sales tax amount for 2008-2009 is based on an estimate by the state Department of Taxation of Chesapeake's share of statewide sales tax revenue.

Forest Reserve: The U.S. Fish and Wildlife and Minerals Management Service distribute funds generated from the leasing of lands required for flood control and navigation. In Virginia these funds are used in support of public education. The projected revenue is based on actual receipts in 2006-2007.

At Risk: Special funding is included to support programs for students who are educationally at risk. An additional allocation of Basic Aid is provided based on a percentage of students in Chesapeake who are eligible for the free lunch program.

ESL: Funding has been included to assist with students who speak English as a second language. The funding formula is based on the number of students served minus the local share based on the financial ability of the locality as prescribed by the state formula. The decrease in revenue is due to a decrease in ESL student participation.

Enrollment Loss: Funding provides supplemental revenue for the state share per pupil amount. The amount is determined by applying a weighted formula to the difference in adjusted ADM for the prior and current year.

Salary Supplement: A salary supplement is not funded for 2008-2009 but is included in the second year of the biennium.

Class Size: Funding is included to reduce class size in grades K-3 in all schools housing those grades. The pupil teacher ratios funded range from 14:1 to 20:1, with the lower ratios provided at schools with higher free and reduced lunch percentages.

Reading Intervention: Funding is provided for early intervention services to primary grade students. The number of eligible students is determined by PALS (Phonological and Literacy Screening) diagnostic test or free lunch eligibility if PALS is not available.

REVENUE - STATE

| REVENUE ACCOUNT | 2006-2007 BUDGET | 2006-2007 REVENUE | 2007-2008 BUDGET | 2008-2009 BUDGET | INCREASE/ DECREASE |
|--------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Basic Aid | 111,418,247 | 112,567,622 | 107,276,352 | 131,284,977 | 24,008,625 |
| Career and Technical Education | 2,938,903 | 2,780,306 | 2,744,480 | 3,395,070 | 650,590 |
| Special Education | 21,188,376 | 20,420,879 | 20,821,877 | 23,985,434 | 3,163,557 |
| Gifted and Talented | 1,083,399 | 1,075,333 | 1,044,014 | 1,210,804 | 166,790 |
| VRS Contributions | 8,028,981 | 7,849,933 | 9,004,619 | 9,079,765 | 75,146 |
| FICA Contributions | 6,229,543 | 6,183,166 | 6,003,079 | 6,968,851 | 965,772 |
| Group Life Insurance | 406,275 | 376,367 | 313,204 | 295,974 | -17,230 |
| Remedial Education | 1,745,125 | 1,720,533 | 1,681,150 | 1,829,660 | 148,510 |
| Remedial Summer School | 1,488,467 | 1,645,398 | 1,760,148 | 1,679,368 | -80,780 |
| Textbooks | 2,757,521 | 2,695,860 | 2,617,343 | 3,188,989 | 571,646 |
| State Sales Tax | 44,863,251 | 41,611,114 | 42,586,884 | 42,321,424 | -265,460 |
| Forest Reserve Payments | 17,455 | 60,188 | 2,300 | 1,800 | -500 |
| At Risk | 1,214,264 | 1,191,619 | 1,007,224 | 1,044,609 | 37,385 |
| ESL | 434,617 | 312,158 | 436,693 | 326,379 | -110,314 |

REVENUE - STATE

(continued)

Lottery Proceeds: Funding is provided for Chesapeake's share of lottery proceeds. Lottery funding increased in 2008-2009.

SOL Algebra Readiness: Funding is provided for math intervention services to students in grades 6, 7 and 8 who are at risk of failing the Algebra I test given at the end of the course.

School Construction: Funding provides for non-recurring costs including school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment. Funding is based on a formula using prior year actual ADM minus the local share based on the financial ability of the locality, as prescribed by state formula, times the remaining grant balance.

REVENUE - STATE

| REVENUE ACCOUNT | 2006-2007 BUDGET | 2006-2007 REVENUE | 2007-2008 BUDGET | 2008-2009 BUDGET | INCREASE/ DECREASE |
|------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Enrollment Loss | 795,956 | 337,303 | 1,589,696 | 1,042,678 | -547,018 |
| Salary Supplement | 2,383,477 | 2,903,400 | 7,229,796 | 0 | -7,229,796 |
| Class Size | 2,260,175 | 2,241,549 | 2,256,712 | 2,226,700 | -30,012 |
| Reading Intervention | 392,922 | 308,724 | 452,796 | 481,500 | 28,704 |
| Lottery Proceeds | 6,306,193 | 6,231,825 | 5,767,915 | 6,410,805 | 642,890 |
| SOL Algebra Readiness | 264,602 | 253,285 | 251,322 | 264,622 | 13,300 |
| School Construction | 664,366 | 661,388 | 652,420 | 660,350 | 7,930 |
| Miscellaneous | 0 | 42,730 | 0 | 0 | 0 |
| TOTALS | 216,882,115 | 213,470,680 | 215,500,024 | 237,699,759 | 22,199,735 |

REVENUE - FEDERAL

This revenue is anticipated from the federal government for our students that are federally connected. A federally connected student is one whose parents either 1) live and work on federal property, or 2) live or work on federal property.

For 2008-2009, the total amount of funding is projected to be \$3,250,000, due to an increase in the funding level for the Basic Support payments in the Impact Aid program funding.

REVENUE - FEDERAL

| REVENUE ACCOUNT | 2006-2007 BUDGET | 2006-2007 REVENUE | 2007-2008 BUDGET | 2008-2009 BUDGET | INCREASE/ DECREASE |
|---------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Aid to Federally Impacted Areas | 3,345,185 | 3,363,741 | 3,000,000 | 3,250,000 | 250,000 |
| TOTALS | 3,345,185 | 3,363,741 | 3,000,000 | 3,250,000 | 250,000 |

REVENUE - GENERAL FUND

Local support for the operation of the public schools is derived primarily from a general fund appropriation from the city. The general fund appropriation is comprised of money from local tax collections.

REVENUE - OTHER LOCAL

Other local funds are derived from sources generated by the school division such as rent, tuition, printing, and recoveries and rebates.

Rent: Revenue resulting from building and property rental; rate increase.

Sale of Materials: Charges for transcripts and lost diplomas. Adjusted to reflect historical receipts

Printing: Revenue resulting from the sale of printing services to the city, schools, and other governmental agencies.

Tuition - Regular: Tuition charges for nonresident pupils and pupils from the Southeastern Virginia Training Center.

Tuition - Summer School: 2008-2009 tuition charges for secondary pupils attending summer school will be:

Regular Program - \$135
Nonresident of Chesapeake, Regular Program - \$335
Driver Education (all phases) - \$150
Driver Education (classroom only) - \$75
WFOS Nonresident Tuition - \$170

Tuition - Adult Education: Tuition charges for adult classes are \$2.00/instructional hour. Nonresidents will pay \$4.00/instructional hour.

Insurance Claims: Insurance recoveries for damage to school property.

Recoveries and Rebates: Revenue resulting from miscellaneous sources (e.g., reimbursement for vandalized property, refunds for jury duty, worker compensation payments, planetarium fees, and ROTC reimbursement).

Sale of Equipment: Sale of obsolete service vehicles, school buses, and equipment.

REVENUE - LOCAL

| REVENUE ACCOUNT | 2006-2007 BUDGET | 2006-2007 REVENUE | 2007-2008 BUDGET | 2008-2009 BUDGET | INCREASE/ DECREASE |
|----------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|
| General Fund | 167,250,166 | 168,320,869 | 183,941,685 | 185,006,949 | 1,065,264 |
| Other Local | | | | | |
| Rent | 1,138,000 | 1,315,011 | 1,138,000 | 1,450,000 | 312,000 |
| Sale of Materials | 25,000 | 2,363 | 25,000 | 3,000 | -22,000 |
| Printing | 195,000 | 197,826 | 195,000 | 198,000 | 3,000 |
| Tuition - Regular School | 90,000 | 28,910 | 90,000 | 30,000 | -60,000 |
| Tuition - Summer School | 205,000 | 211,806 | 205,000 | 210,000 | 5,000 |
| Tuition - Adult Education | 71,000 | 113,552 | 71,000 | 113,000 | 42,000 |
| Insurance Claims | 35,000 | 51,992 | 35,000 | 40,000 | 5,000 |
| Recoveries and Rebates | 505,000 | 487,974 | 505,000 | 505,000 | 0 |
| Sale of Equipment | 30,000 | 29,483 | 30,000 | 30,000 | 0 |
| Driver Education Fee | 115,000 | 134,063 | 115,000 | 147,000 | 32,000 |
| Other Local Total | 2,409,000 | 2,572,980 | 2,409,000 | 2,726,000 | 317,000 |
| LOCAL REVENUE TOTAL | 169,659,166 | 170,893,849 | 186,350,685 | 187,732,949 | 1,382,264 |

BUDGET SUMMARY - REVENUE

| REVENUE SOURCE | 2006-2007 BUDGET | 2006-2007 REVENUE | 2007-2008 BUDGET | 2008-2009 BUDGET | INCREASE/ DECREASE |
|-----------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|
| State | 216,882,115 | 213,470,680 | 215,500,024 | 237,699,759 | 22,199,735 |
| Federal | 3,345,185 | 3,363,741 | 3,000,000 | 3,250,000 | 250,000 |
| Local: | | | | | |
| General Fund | 167,250,166 | 168,320,869 | 183,941,685 | 185,006,949 | 1,065,264 |
| Other | 2,409,000 | 2,572,980 | 2,409,000 | 2,726,000 | 317,000 |
| Local Total | 169,659,166 | 170,893,849 | 186,350,685 | 187,732,949 | 1,382,264 |
| GRAND TOTALS | 389,886,466 | 387,728,270 | 404,850,709 | 428,682,708 | 23,831,999 |