

# Frequently Asked Questions

This document is designed to assist you with helpful tips for reading and understanding the budget document. The Norfolk Public Schools (NPS) budget document is comprised of four major sections:



**Executive Summary** - provides a general overview of the district's financial information. It highlights the significant changes from the current fiscal year and the district's priorities and issues for funding in the upcoming fiscal year.



**Organizational** - describes the school district's major goals and objectives and the process for developing the Operating Budget and timeline. It also documents the district's governing policies and procedures that guide the development of the annual budget, school information and demographics and list of members of the school board and senior-level administrative personnel.



**Financial** - includes charts and tables, which provide an overview of all revenues and appropriations included in the Operating Budget. It summarizes revenues and expenditures for all funds and discusses significant trends and initiatives.



**Informational** - provides historical, statistical and comparative information about the district. It includes student enrollment history and forecasts, provides benchmark data comparison, i.e. per-pupil expenditure, etc.

## What is an Operating Budget?

The Operating Budget funds all educational programs and related services serving approximately 30,000 students of NPS. It is on a fiscal year basis, which runs from July 1 through June 30. The NPS Operating Budget primarily supports employee salaries and benefits at approximately 84.7%.

## What is the total amount of the Operating Budget?

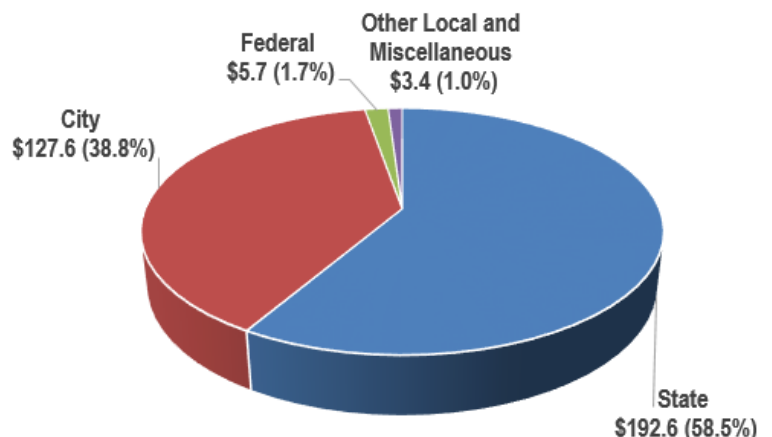
The total amount of the FY2018 School Board Approved Operating Budget is \$325,292,145.

## What are the sources of funds for the operating budget?

Norfolk Public Schools receives operating budget revenues from four sources:

### ➤ State

- Standards of Quality (SOQ) funding - provides funding to school divisions based on March 31<sup>st</sup> Average Daily Membership.
- Categorical funding – focuses on particular needs of special populations or fulfills particular state obligations. State or federal statutes and regulations mandate much of this funding, i.e. adult education, homebound, etc.
- Incentive-Based funding – programs are voluntary but, in order to receive state funds, school divisions must certify that

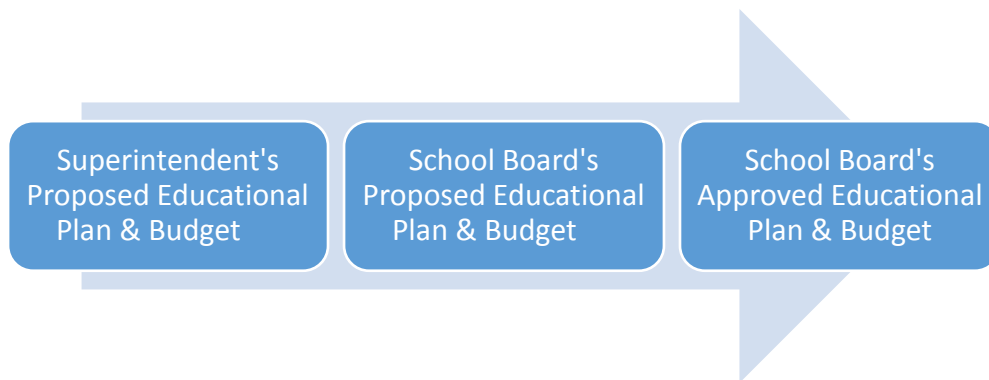


they will offer the program and provide a local match of funds for the program, i.e. compensation supplement, math/reading specialists initiative, at risk programs, etc.

- Lottery-Funded Programs – lottery proceeds allocated directly to school divisions to fund the state share of cost for the following programs: K-3 primary class size reduction, SOL Algebra Readiness, regional tuition, Virginia Pre-School Initiative, Early Reading Intervention, etc.
- **City** – appropriations are negotiated yearly between the Norfolk School Board and the Norfolk City Council.
- **Federal** – there are two major sources of federal revenues:
  - Federal Impact Aid - based on the number of children in Norfolk who are associated with or impacted by federal programs. Impact Aid helps to mitigate the loss of tax dollars due to income and property connected with the federal government that is not subject to local property tax. Children living in government-supplied housing on a military base are examples.
  - Medicaid reimbursement - based on Medicaid eligible students to whom approved services are rendered.
- **Other** – revenues collected for tuition, fees, indirect costs and in-school related services.

### What are the steps in developing the Operating Budget?

The development of the operating budget is a 12-month process beginning in October of each year that involves the collaborative effort of the School Board, Superintendent, District Leadership Team, teacher associations, the budget department, and the public. Detailed instructions and funding projections for the next fiscal year are provided to departments. As a prelude to developing the proposed budget, a public hearing is held to gather community input. Departments enter their requests into the financial system with explanation of funding needs at this time.



There are three phases in the budget approval process: **1)** Superintendent's Proposed Budget (Superintendent's recommendation presented to the School Board); **2)** School Board's Proposed Budget (School Board's recommendation to the City Council); and **3)** School Board's Approved Budget (School Board's approved budget based on funding authorization/appropriation by the City). In March, the School Board's Proposed Budget is approved and presented to City Council of Norfolk on April 1<sup>st</sup>. The state code requires that the School Board present a balanced budget, in which revenues equal expenditures, on or before **April 1, 2018**.

### Where can citizens view copies of the Operating Budget document?

The budget document can be viewed at city libraries or online at <https://www.npsk12.com/budget>.