Revenue Sharing

Albemarle County has a revenue sharing agreement with the City of Charlottesville. This revenue sharing agreement predates the General Assembly's moratorium on annexation by cities. The revenue sharing agreement is complex; however the general impact is to provide $0.10 of the County's tax rate to Charlottesville. The current calculation of the Composite Index does not account for this payment to Charlottesville and thereby overestimates the available revenues to fund education via property taxes.

Power Points Attached

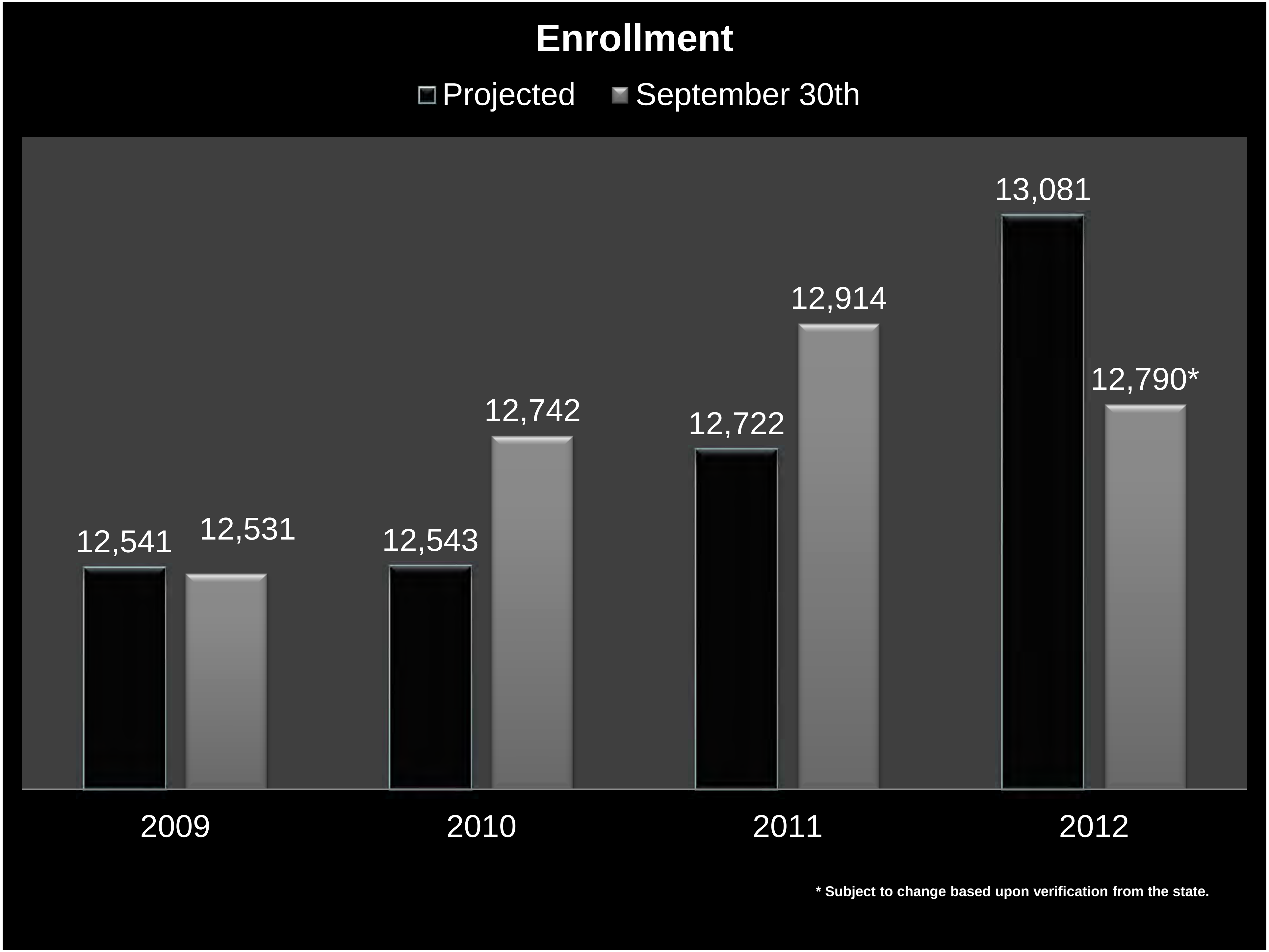
Action Available

Request effort to adjust Albemarle's composite index to recognize revenue sharing agreement payment to Charlottesville.

Oppose effort to adjust Albemarle's composite index to recognize revenue sharing agreement payment to Charlottesville.

No Position

Legislative Considerations
Fiscal Year 2012-2013


Enrollment
Projected
September 30th
13,081
12,914
12,790*
12,742
12,722
12,541
12,531
12,543
2009
2010
2011
2012
* Subject to change based upon verification from the state.

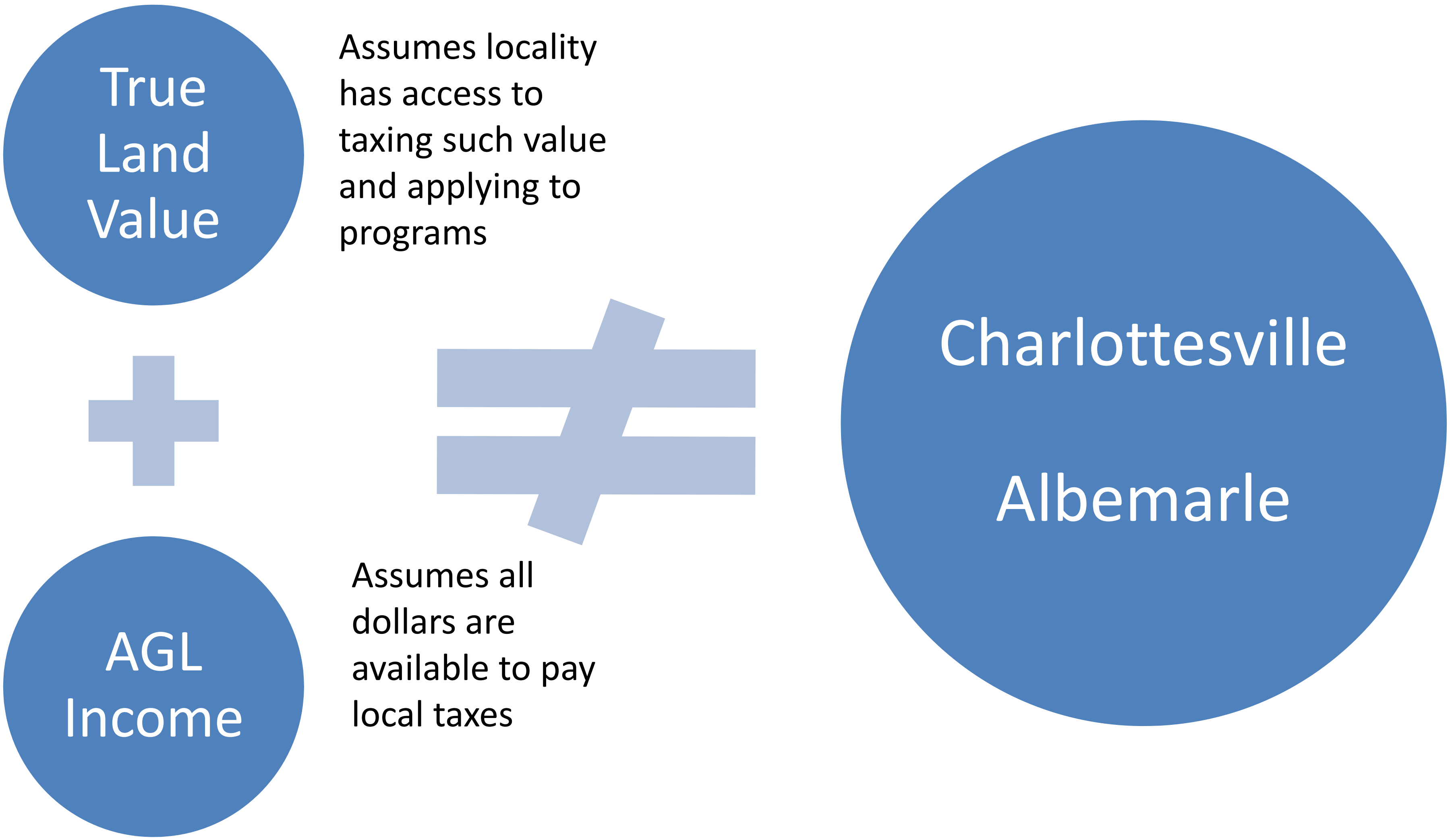
Adopted Local Transfer and State Revenue Compared to FY 2009

Revenue Sharing Agreement

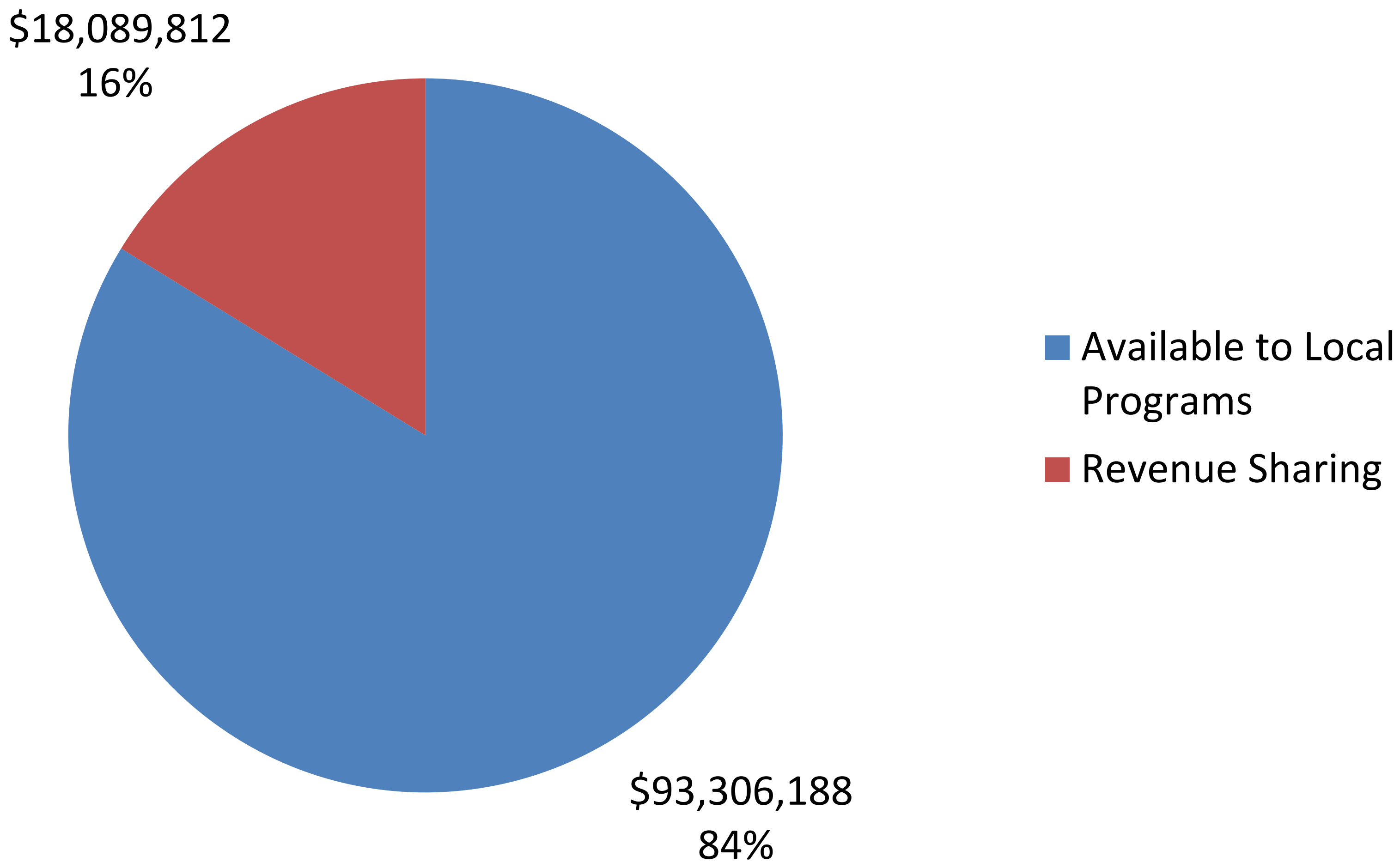
- Legally binding agreement
- Provides 1/10 of 1% of total assessed property value
- Cash payment equals approximately $0.10 of current tax rate
- Reduces local ability to fund operations
- State Composite Index (Local Ability to Pay) overstates Albemarle's available resources

Composite Index

(Local Ability to Pay)

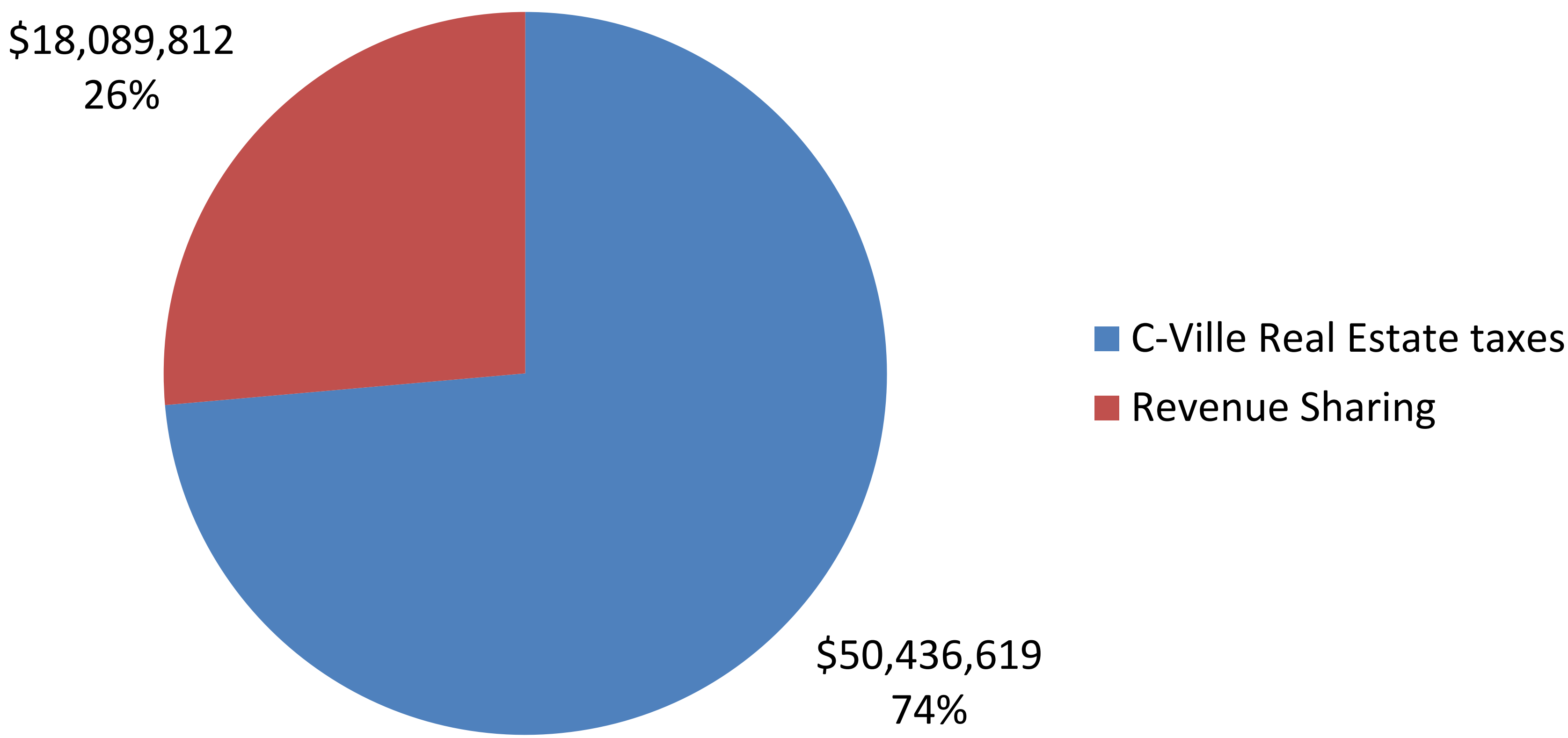


Albemarle’s Real Estate Taxes



Albemarle’s Estimated September 30th Enrollment: 12,800

Charlottesville's Resources from Real Estate Taxes



Charlottesville’s Estimated September 30th Enrollment: 3,755

Composite Index Adjustment Requested

- Adjust True Local Value to account for revenues unavailable for school use
- Adjusted Gross Income should be modified to reflect reduced ability to pay
- Estimated Range of Adjustments
  – $2M to $3M

FY 2012/13 Revenue Considerations

ARRA Funding Sunset: - $1.3M

Composite Index:
Hold Harmless: -$2.5M
New Biennium Recalculations: N/A

SOQ Re-Benchmarking: N/A

General Fund Transfer (based upon the current 74.2c tax rate): – $1.3M*

Overall Revenues Supporting Operations Anticipated to Decline at Least $5.1M (3.5%)

*** Preliminary Data as of 10/20/2011. Compared to 2012 adopted budget.**

FY 2012/13 Expense Considerations

VRS (Per Percentage Point): $850K

Actuarial Data indicates a 10.44 percentage point increase.

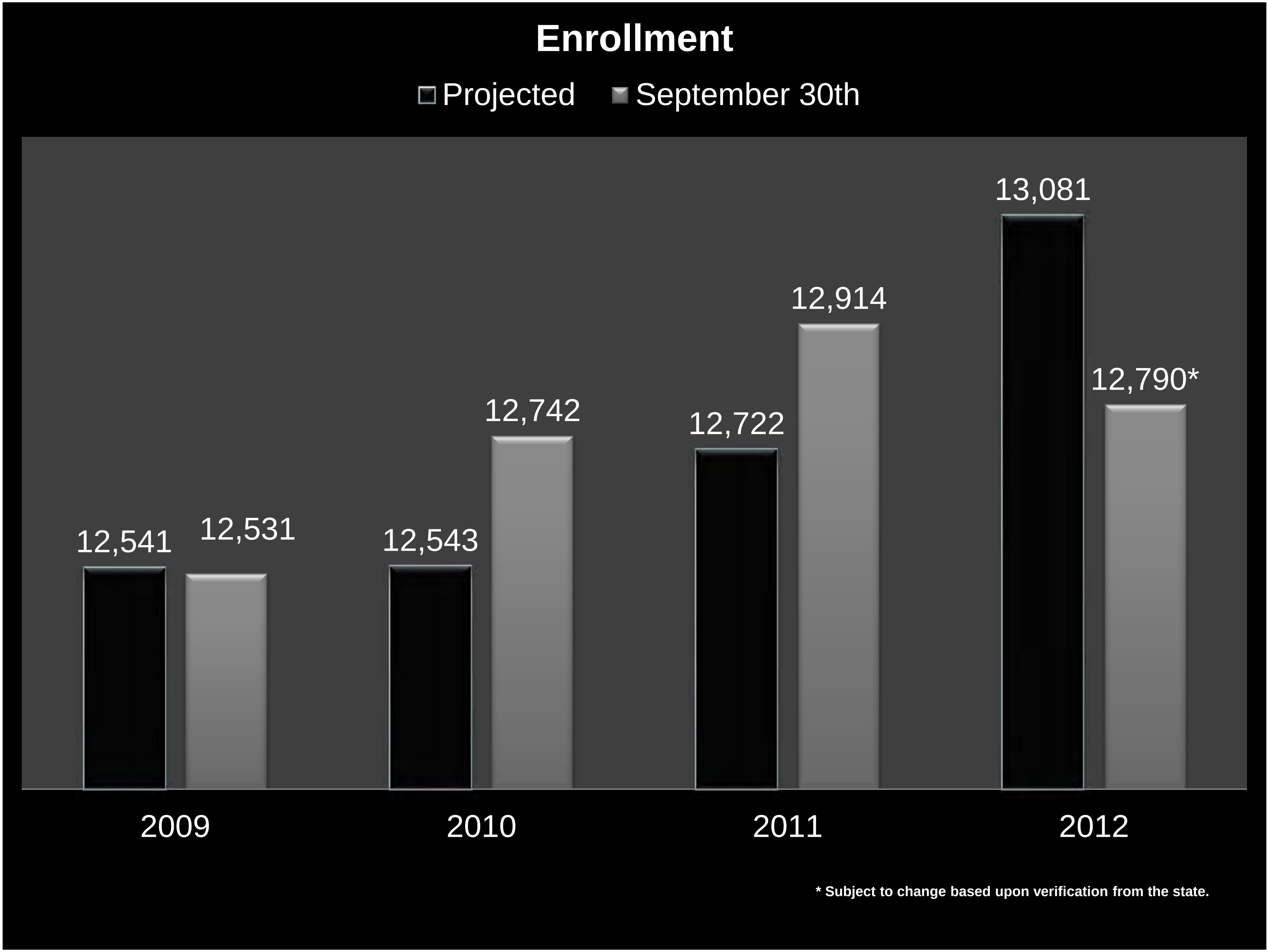
Enrollment Projections: N/A
Staffing Standards Adjustments: $66K Per FTE
Teacher Salary (Per Percentage Point): $580K
Classified Salary (Per Percentage Point): $425K
Technology Staffing*: $170K

Teacher Workload (ARRA Funding): $1.3M
7-Prd. Day (5 Classes Taught): 12 to 16 FTE
8 Prd. Day (5 Classes Taught): 40 to 50 FTE

*Funded with one time money after budget adoption

Too many variables to predict total costs. Expenses expected to increase at least $2M

Budget Considerations
Fiscal Year 2012-2013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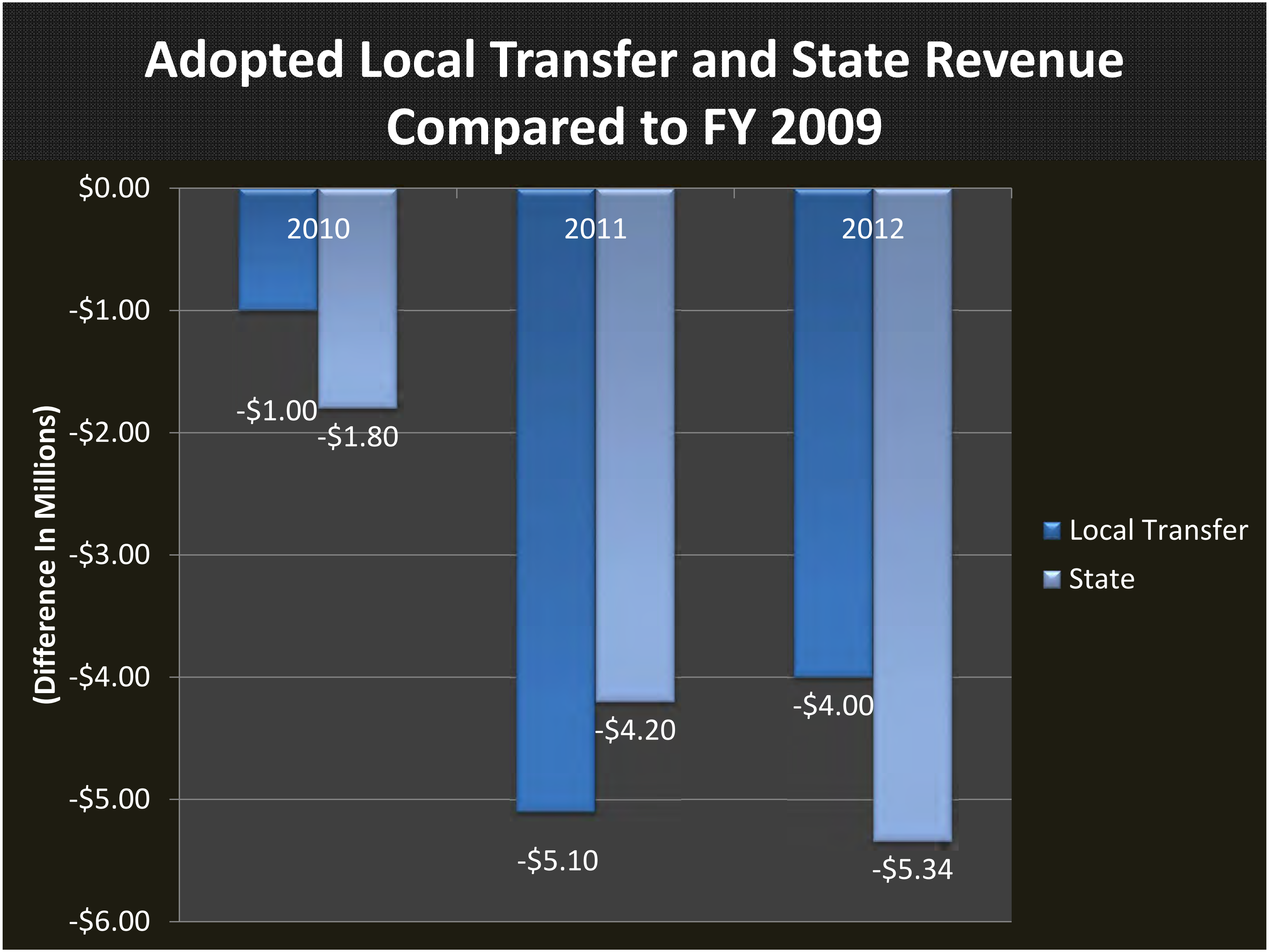
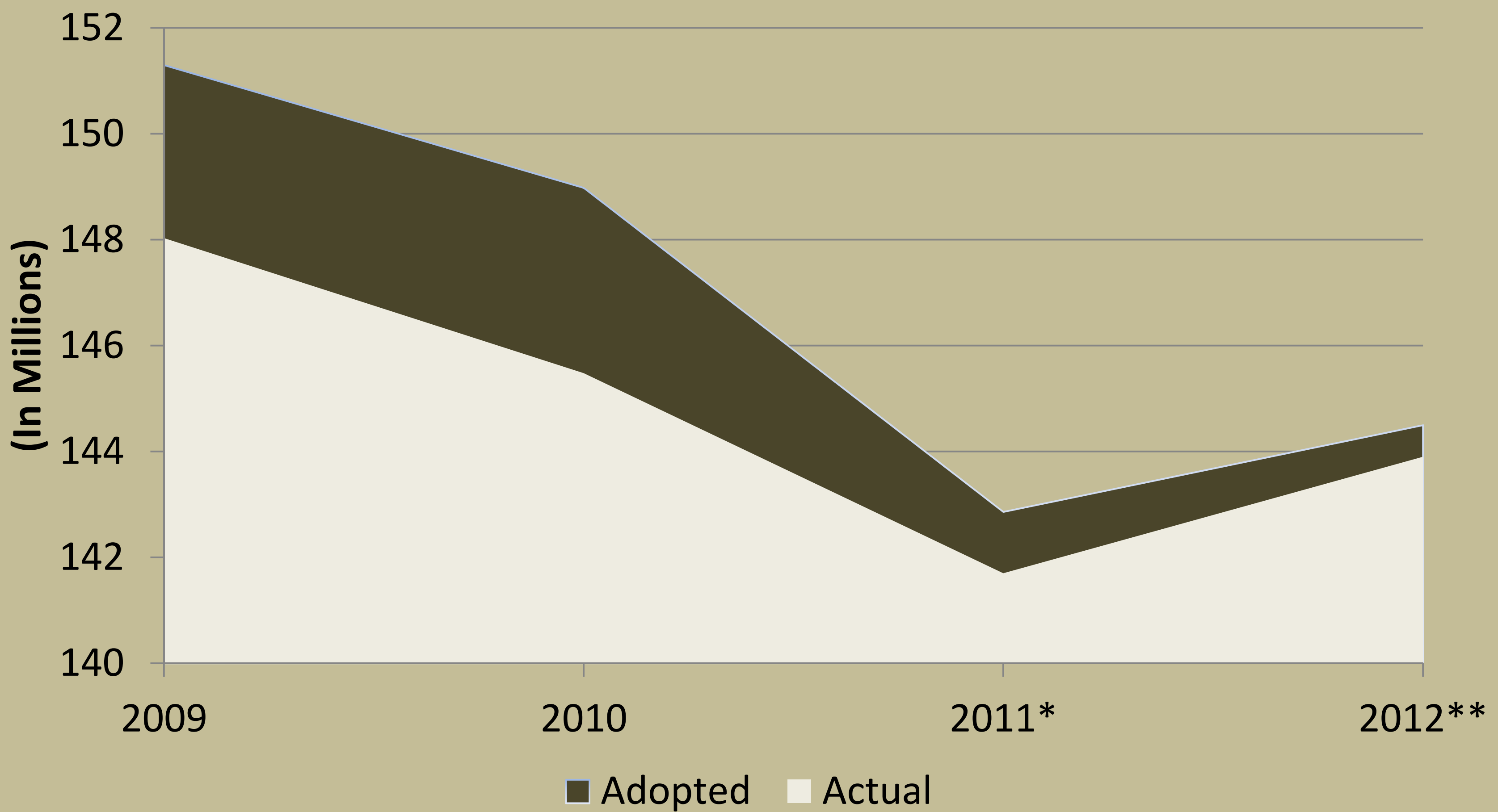

Adopted Local Transfer and State Revenue
Compared to FY 2009
$0.00
-$1.00
-$2.00
-$3.00
-$4.00
-$5.00
-$6.00
(Difference In Millions)
2010
2011
2012
-$1.00
-$1.80
-$5.10
-$4.20
-$4.00
-$5.34
Local Transfer
State

4 Year Revenues



*2011 actuals are unaudited

**2012 actuals are preliminary estimates

FY 2012/13 Revenue Considerations

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Board Considerations