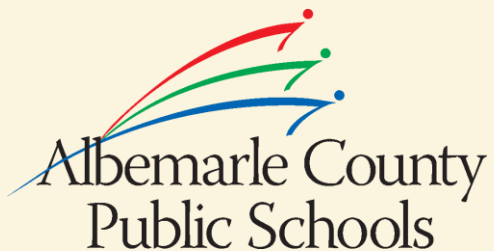


EQUITY & ACCESS



Five-Year Financial
Forecast, FY 18-22

November 9, 2016

Agenda

- ▶ School Division's Five-Year Financial Forecast, FY 18-22
 - **The school division is required by state code to provide a needs-based budget.**
- ▶ Capital Improvement Plan (CIP) Overview
- ▶ Community Policy Management Team (CPMT)
- ▶ Joint Resolution to Honor Veterans

Primary Drivers of the Budget

- ▶ Salary
- ▶ Benefits
- ▶ Growth
- ▶ Special Education
- ▶ Economic Need
- ▶ English as a Second or Other Language (ESOL)
- ▶ Inflation
- ▶ Children's Services Act (CSA)
- ▶ Pre-K

Desired Outcomes

Board members will:

- ▶ Understand updated figures, review major drivers, and consider the School Division's Five-Year Financial Forecast as a framework for discussion.
- ▶ Provide guidance to staff regarding your priorities for the county as a whole.
- ▶ Consider the School Division's needs-based forecast within the context of Local Government's Two-Year Plan.

EQUALITY

VS.

EQUITY

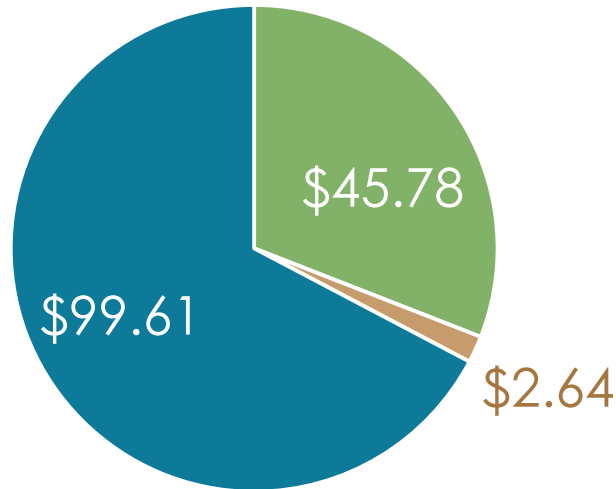


EQUALITY = SAMENESS
GIVING EVERYONE THE SAME THING
It only works if everyone starts from the same place

EQUITY = FAIRNESS
ACCESS TO SAME OPPORTUNITIES
We must ensure equity before we can enjoy equality

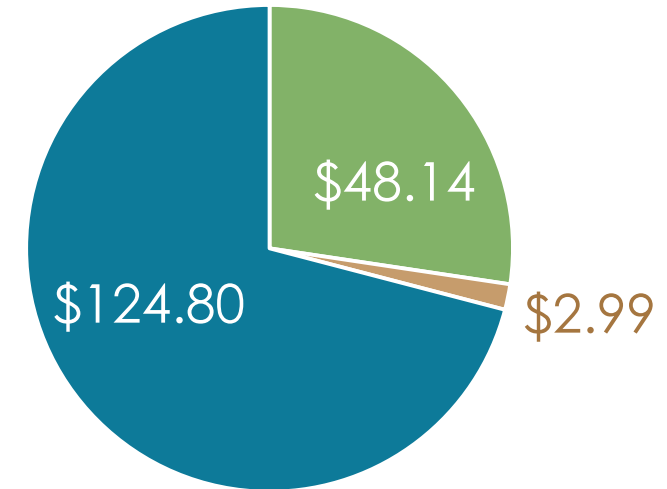
Revenues (in millions)

FY 08-09 Actual Revenues
(Actual Enrollment: 12,541)



■ State (30.93%) ■ Federal (1.78%) ■ Local (67.29%)

FY 17-18 Projected Revenues
(Projected Enrollment: 13,451)



■ State (27.36%) ■ Federal (1.70%) ■ Local (70.94%)

▼ 3.57%

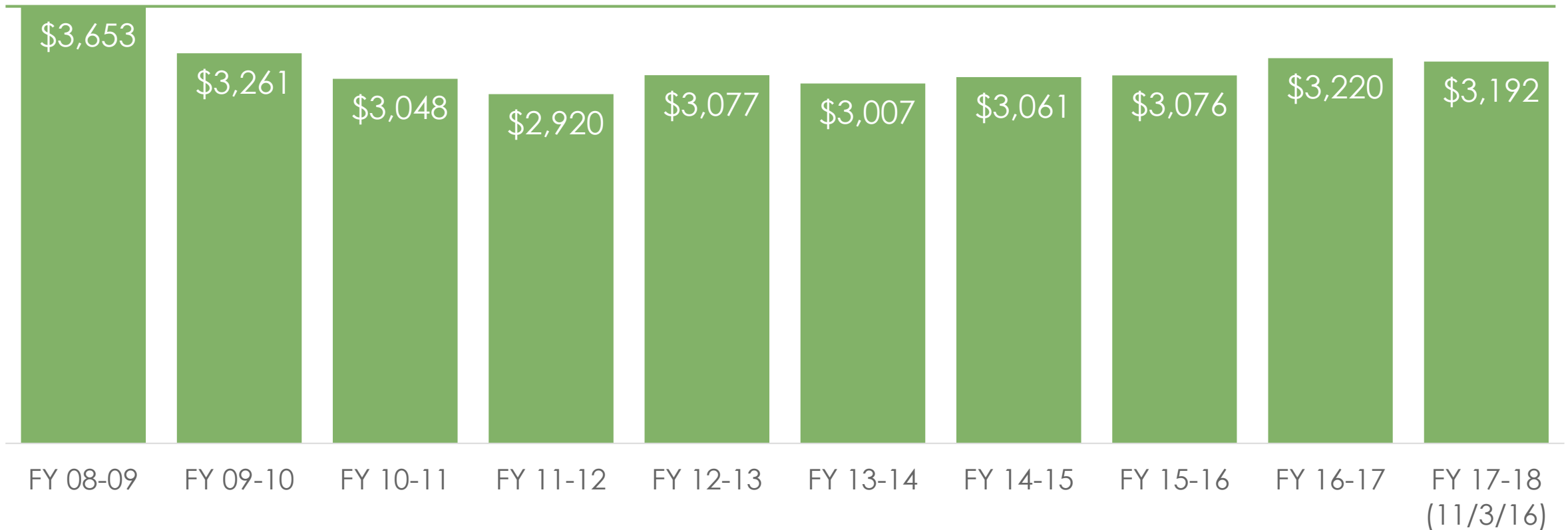
▼ 0.08%

▲ 3.65%

9 Years

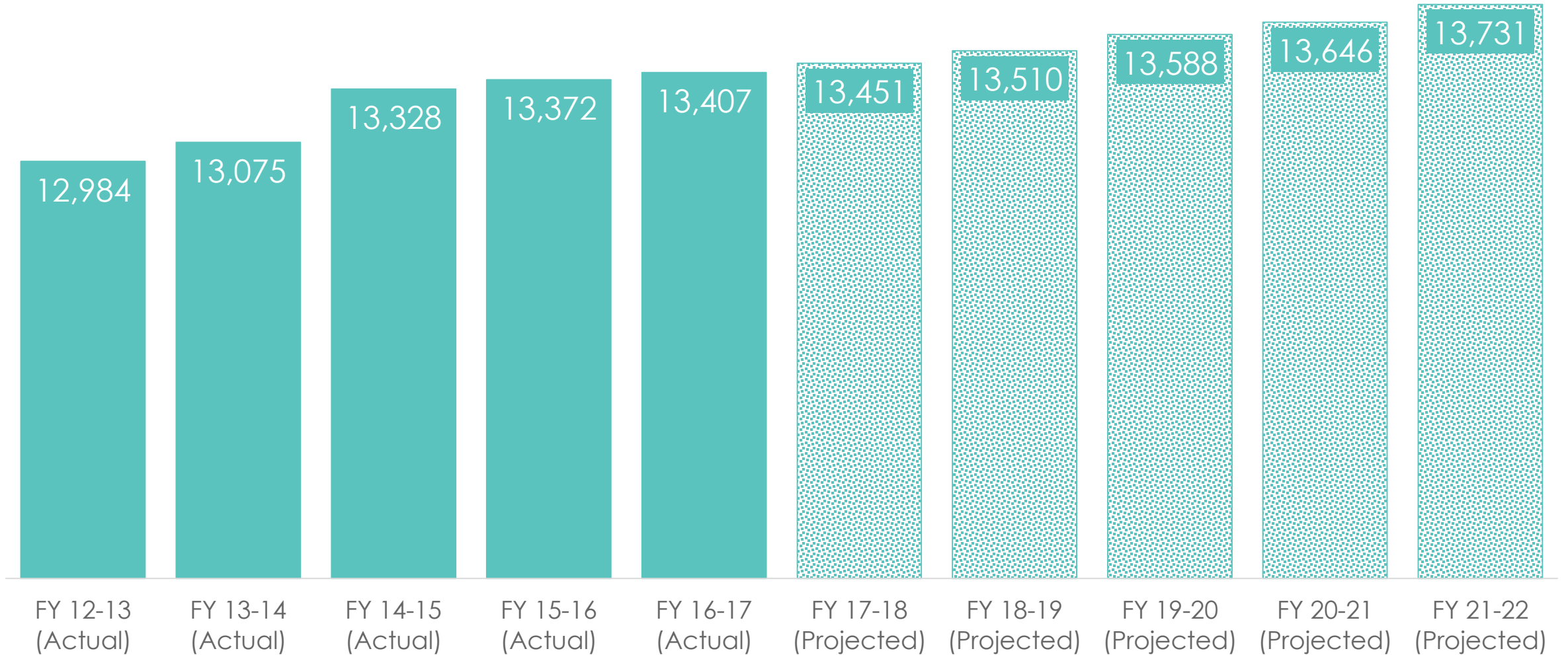
Per Pupil State Revenues

Since FY 08-09, per pupil state aid* has **declined by \$461 per student**



**Adjusted for inflation (2008 Dollars)*

Student Enrollment

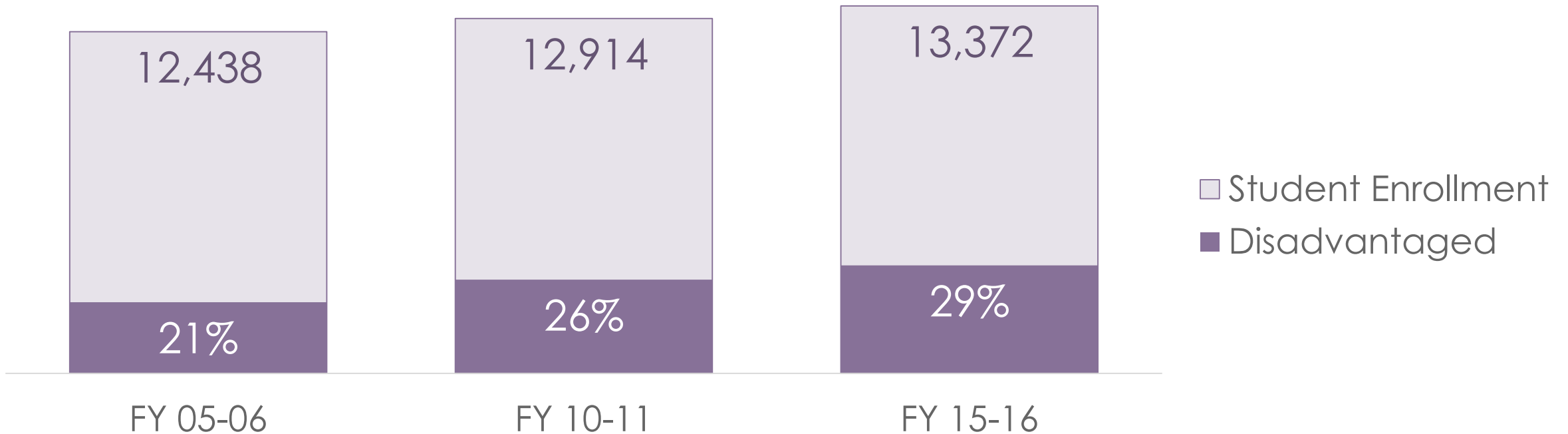


Economically Disadvantaged Students

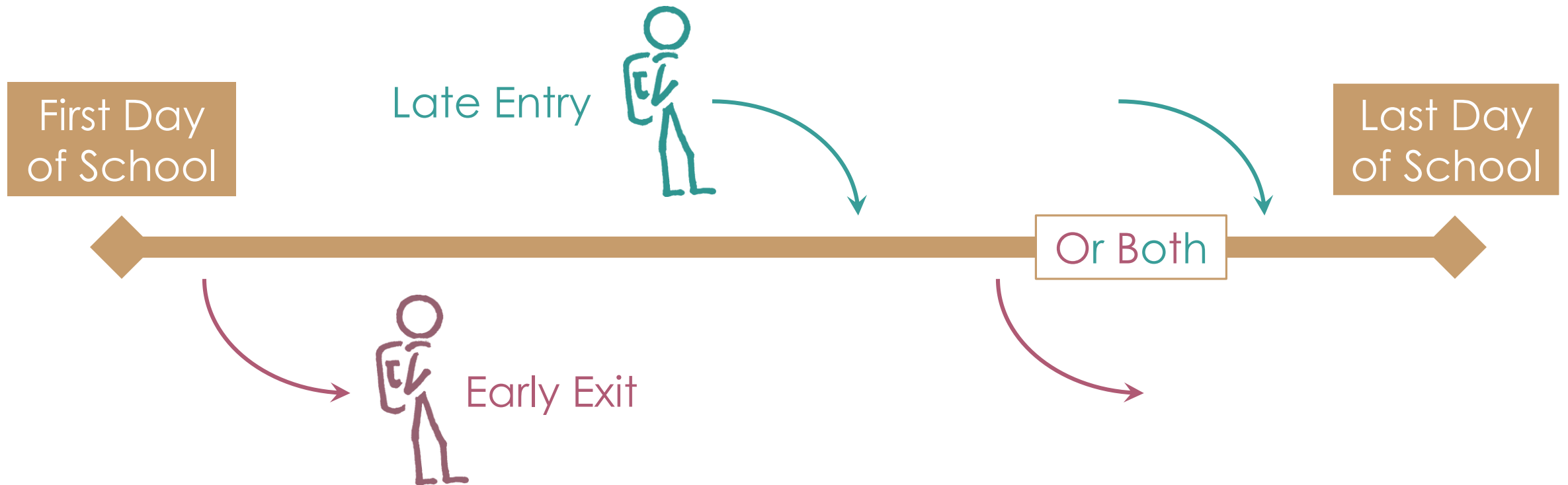
Over the Last 10 Years (FY 05-06 to FY 15-16):

Student Enrollment ▲ 7.5%

Percentage of Economically Disadvantaged Students ▲ 38.1%

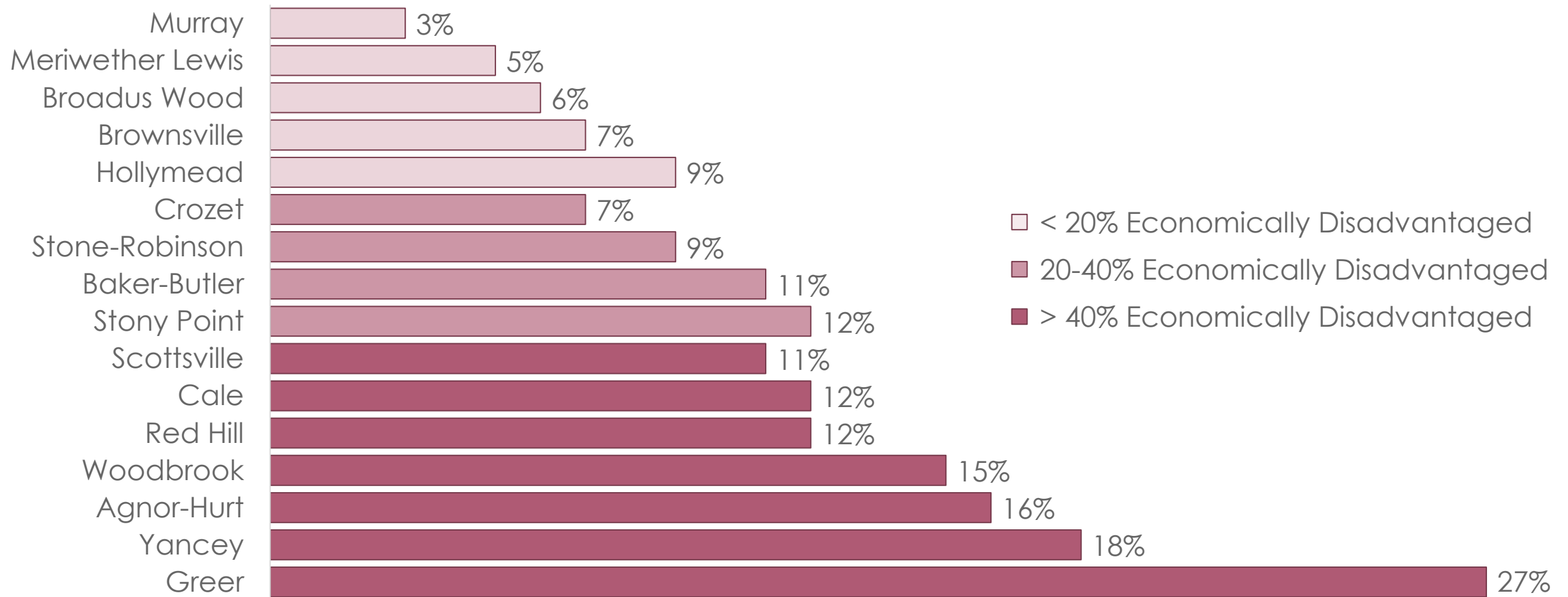


Mobility



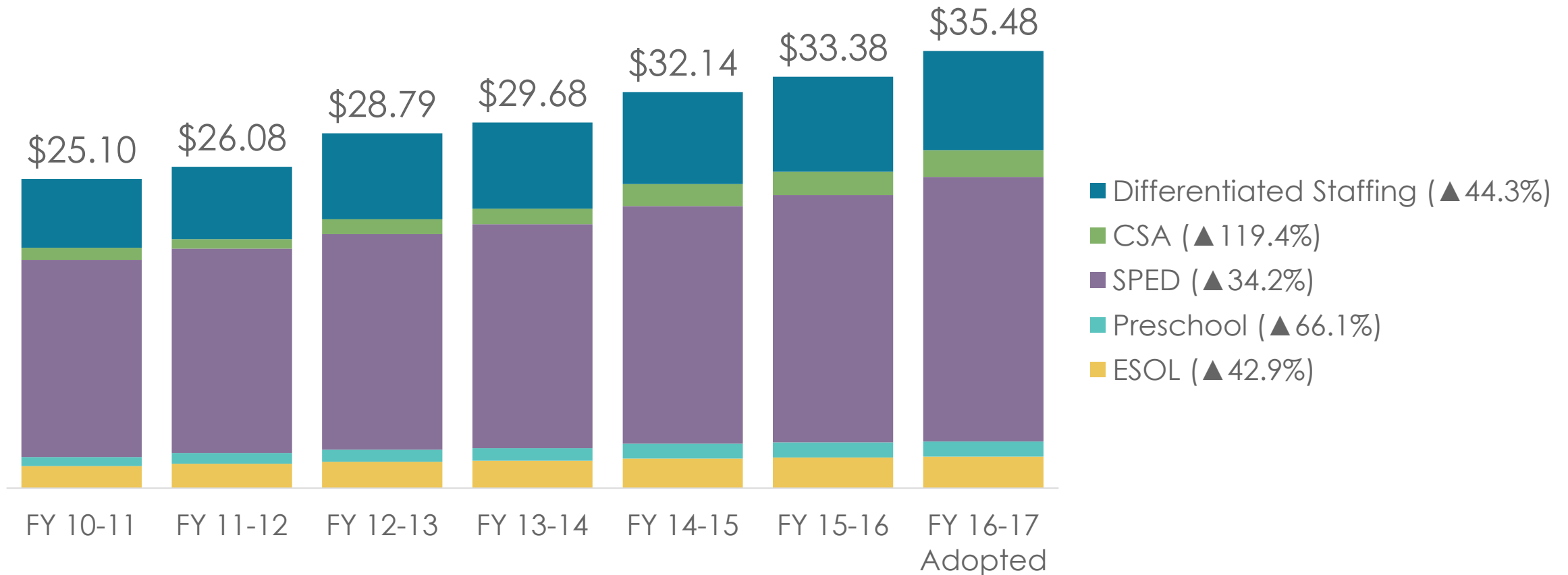
Elementary School Mobility (FY 15-16)

Late Entries, Early Exits, and Both (as a % of last day enrollment)



Special Program Costs Over Time

\$10.38 Million Increase



EQUALITY

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Major Year 1 Expenses

► Salary & Benefits

- 2% Salary Increase = \$2.4M
- 1.78% VRS Rate Increase (mandated by state) = \$1.6M
- Additional funds to address Salary Compression = \$424K
- 7% Health Care Increase (projected) = \$1.2M

► Student Population Growth & Changing Demographics

► Equity & Access Initiative

Common Salary & Benefit Assumptions

% Increase	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Salary	2.00%	2.00%	2.00%	2.00%	2.00%
Health Care	7.00%	8.00%	8.00%	8.00%	8.00%
Virginia Retirement System (VRS)* & Group Life Insurance	1.78%	1.00%	0.00%	0.50%	0.00%

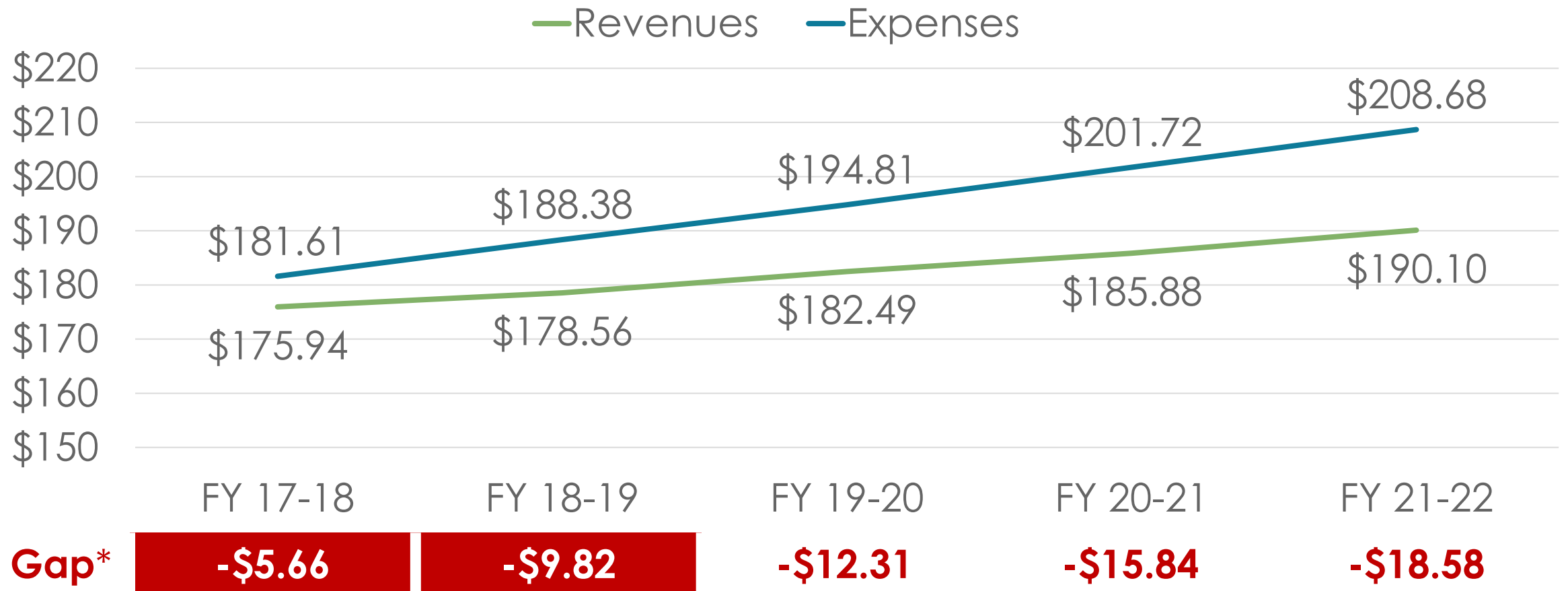
**School Division's VRS percent increase can vary significantly from Local Government's rate from year to year.*

Impact of Salary & Benefit Assumptions

Baseline Increases	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Common Comp	\$4.0M	\$4.0M	\$4.3M	\$4.5M	\$4.7M
VRS (mandated)	\$1.6M	\$0.9M	N/A	\$0.5M	N/A
TOTAL	\$5.6M	\$4.9M	\$4.3M	\$5.0M	\$4.7M
Revenue Increases	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
State/Federal	-\$0.5M	\$0.5M	\$1.1M	\$0.4M	\$1.1M
Local	\$3.8M	\$2.1M	\$2.8M	\$3.0M	\$3.1M
TOTAL	\$3.3M	\$2.6M	\$3.9M	\$3.4M	\$4.2M
REVENUE SHORTFALL*	-\$2.3M	-\$2.3M	-\$0.3M	-\$1.5M	-\$0.5M

*Does not include growth or initiatives

Five-Year Forecast (in millions)



**Includes common salary and benefit assumptions, growth, and initiatives*

Discussion

FY 17-18 REVENUE SHORTFALL	<u>Not</u> Including Growth & Initiatives	Including Growth & Initiatives
	-\$2.3M	-\$5.66M

- ▶ Relationship between the School Division's Five-Year Financial Forecast and Local Government's Two-Year Plan
- ▶ The school division requires additional revenues in order to maintain its current levels of service.
- ▶ The school division is working under the assumption that the Joint Board supports initiatives to address our changing demographics.