

5 Year Plan Fiscal Year 2012-2013



Informing the 5-Year Projection

- **Current Challenges:**

- Shifting Enrollment Patterns
- End of One-time Funding for Recurring Expenses
- VRS
- Compensation

- **Watch List**

- Capital Improvement Program
- Building Capacity
- Local Revenue
- SOQ Funding
- State Mandated On-Line Testing

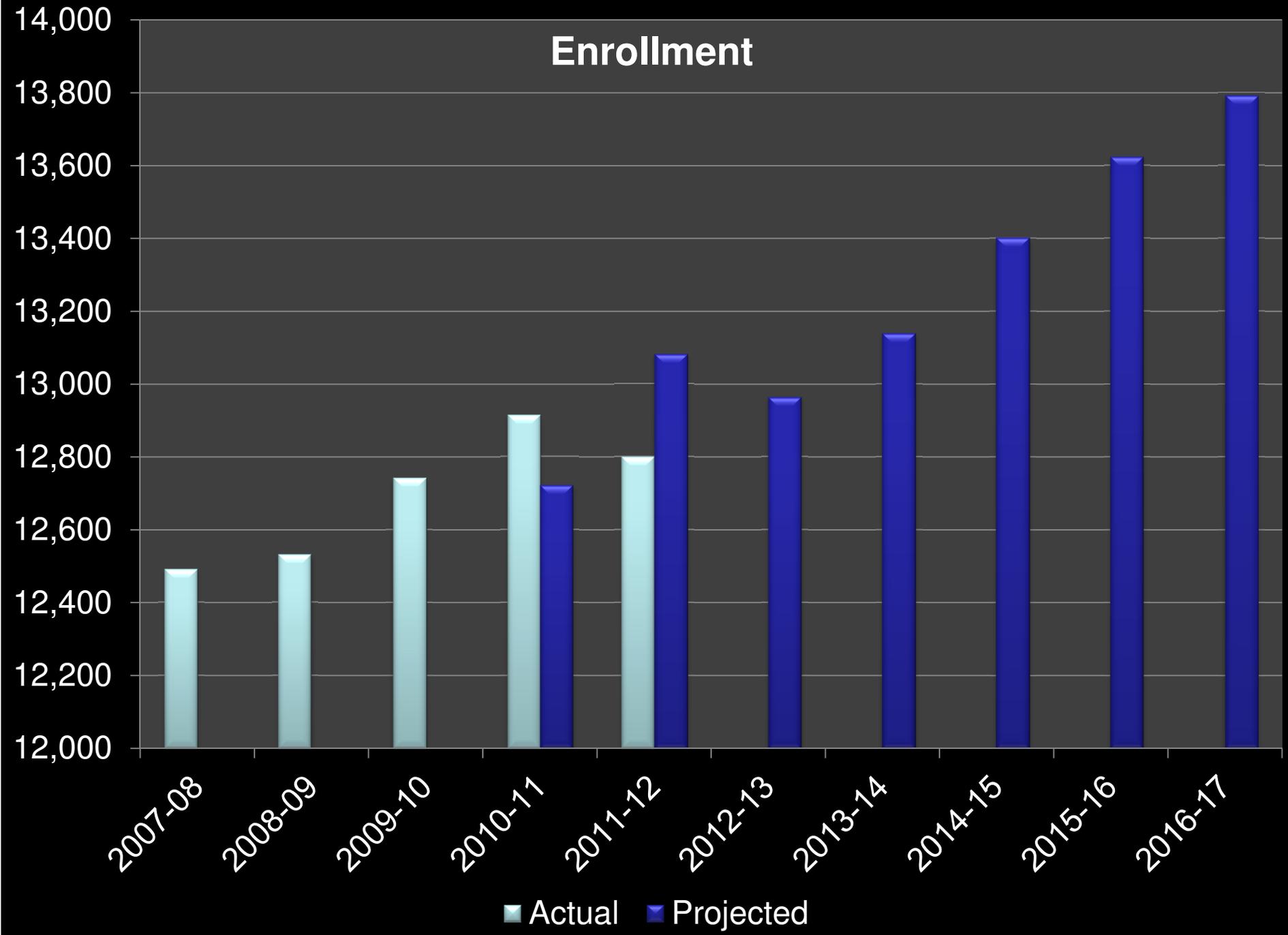
- **Future Challenges**

- Assessment beyond Virginia SOL – Workforce College Readiness Skills
- Staff Performance Appraisal Development
- Growth Assessment Model
- Continuous Improvement
- Composite Index

Systemic Assumptions

- Class size and schedule changes can have budgetary impacts
- Free/reduced lunch student numbers will likely increase
- Salaries – Next fiscal year is based upon recommendations as presented to the Joint Boards. Teachers scale will be based upon market and School Board direction
- School system budget will absorb recurring expenditure paid with one-time money in 2011-2012
- Tax rate impacts available revenues – projections based upon current rate

Enrollment



Revenue Assumptions

- **Local Revenues** – Will decline slightly in FY13 and increase by 1% thereafter
- **State Revenues** – Will decline in FY13 due to Composite Index Hold Harmless declines and mostly offset by improved composite index. Historic trend data indicates continued reduced commitments in this area
- **Federal Revenues** – Will decline in FY13 by more than 10% and thereafter may increase by 1%
- **Transfers** – Reflects local transfer as indicated by 5-year plan and continued annual use of \$1.8M in fund balance

Summary – Operational Revenue Assumptions

In FY13, \$2.4M decrease in revenue over FY12 Adopted and slowly increasing in out years

<u>Revenues</u>	<u>FY 12 Budgeted</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Local Schools	\$1.1M	1%	1%	1%	1%	1%
State	\$39.8M	-1.9%	1%	-0.4%	1.5%	-0.6%
Federal	\$3.2M	-11.5%	0%	1%	1%	1%
Transfers*	\$100.5M	-1.3%	1.2%	2.3%	3%	3%
Total	\$144.5M	-1.7%	1.1%	1.5%	2.5%	1.9%

*Includes Use of Local Gov't Transfer, Use of Fund Balance and Other Transfers

Expenditure Assumptions – Salaries

Salaries *

- FY13 – 2.00% Teacher Scale and Classified
- FY14-FY15 – 2.30% Teacher Scale and Classified
- FY16-FY17 – 3.00% Teacher Scale and Classified

Growth (Budget to Budget)

FY13 – Additional **-118** Students = 3.85 FTE (increased F/R Lunch)

FY14 – Additional 176 Students = 9.5 FTE

FY15 – Additional 263 Students = 17.24 FTE

FY16 – Additional 222 Students = 18.64 FTE

FY17 – Additional 168 Students = 11.09 FTE

*Based upon estimates of market requirements – Gov't assumes less than market to balance their presented 5 year plan

Expenditure Assumptions -Benefits

- VRS Currently 12.21% – Rate is projected to increase by 1.5 percentage points in the first year of each biennium and an additional 1 percentage point in the second year of each biennium
- Health Insurance – employer share; Base rate is reduced to \$6,745 per employee

Health Insurance Rates Calculation

- FY13 – 0%
- FY14-FY17 – 8%

Expenditure Assumptions -Operations

- Prior year reductions continued throughout the model
- Inflationary increase of 2% for all years
- Growth related operational costs included with one-time expenses removed in the following fiscal year

Revenues vs. Expenditures

- Expenditures exceed revenues based upon assumptions

FY 13: **-\$5,293,351**

FY 14: **-\$7,758,861**

FY 15: **-\$12,389,233**

FY 16: **-\$16,401,727**

FY 17: **-\$21,218,547**

Current Year vs. Previous Year Projections

Fiscal Year	Current Projected Revenue Shortfall	Previous Year Projected Revenue Shortfall*	Projected Shortfall Difference
FY 13	-\$5,293,351	-\$6,949,569	\$1,656,218
FY 14	-\$7,758,861	-\$8,506,205	\$747,344
FY 15	-\$12,389,233	-\$10,702,812	-\$1,686,421
FY 16	-\$16,401,727	-\$12,561,064	-\$3,840,663
FY 17	-\$21,218,547	Not Projected	N/A

*Based upon 2011/2012 Five-Year Budget Report

Current Year / Previous Year Projection Analysis

Projected Revenue Differences

Fiscal Year	Current Projected Transfer	Previous Year Projected Transfer*	Difference Local Transfer
FY 13	96,977,417	98,700,000	-1,722,583
FY 14	98,118,623	102,000,000	-3,881,377
FY 15	100,338,730	106,400,000	-6,061,270
FY 16	103,297,477	111,500,000	-8,202,523

*Based upon 2011/2012 Five-Year Budget Report

Reductions Made by the School Board since FY 2010/2011

Academic Leadership Stipend Reductions - 35%	Division Support/Planning Reductions
Reduce Elementary and Middle Summer School	Fiscal Services Reductions
Eliminate Middle School Assistant Principal	Transportation Efficiencies - Reduce Deadhead Mileage
Reduce Professional Development Reimbursement Pgm by 50%	Transportation Efficiencies - Redesign Bus Routes
Energy Policy Changes/Enforcement	Transportation Efficiencies - Special Education
Learning Resources Reduction (Textbooks)	Transportation Pay Reform
Restructure Leadership for Murray HS/Enter. Ctr./ Charter School	Class Size Increase (+1 @ 4-12)
10% Operational Reduction (Schools and Departments)	Athletics - Student Activity Fees and JV Coach Reductions
Reduce Instructional Coaching Positions	Restructuring of the Albemarle Resource Center
Instructional Support Reductions	Reduce Recurring Emergency Staffing by 1.00 FTE
Student Services Reductions	CATEC Reductions - 5% on Transfer
8 Period Day for MS & HS (-3.44 FTE for MS, -9.24 FTE for HS)	Federal Programs Reductions
Increase Building Rental Fees	Vocational Education Reductions
Educational Support Reductions	Community Engagement Reductions
Executive Services Reductions	SRO Transfer Decrease
Technology Position Eliminations (3.00 FTE)	Insurance Savings

Budget Development Considerations

- K-12 School Class Sizes/Total Student Load, Preparation and Assessment Work for Teachers
- Professional Development/Training
- Replacement Cycles – Bus and Technology
- Maintenance of Programs and Services
Important to Board Strategic Goals #1-5
- Redirection of Resources to Align with Board Goals #1-5