

# *Equity & Excellence*



Five-Year Financial Forecast

**FY 19-23**

November 8, 2017

# DESIRED OUTCOMES FOR JOINT MEETING

## Board members will:

- ▶ Understand updated figures.
- ▶ Review major drivers of the budget.
- ▶ Consider the school division's Five-Year Financial Forecast as a framework for discussion.

# EQUITY & EXCELLENCE

## EQUALITY VS. EQUITY



**S M A R T**  
START MAKING A READER TODAY™

**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

# DEFINING “EQUITY”

The shared mission of our schools should be to end the predictive value of race, class, gender, and special capacities on student success by working together with families and communities to ensure each individual student's success.

[2016-17 State of the Division](#)

# HIGH SCHOOL 2022

A STRATEGY IN SUPPORT OF THE VIRGINIA & ACPS OBJECTIVE TO AFFORD STUDENTS THE HIGHEST POTENTIAL FOR SUCCESS AFTER HIGH SCHOOL

## Albemarle County graduates will be:

**RESPONSIBLE SELF-ADVOCATES** who demonstrate ownership and engagement of their future.

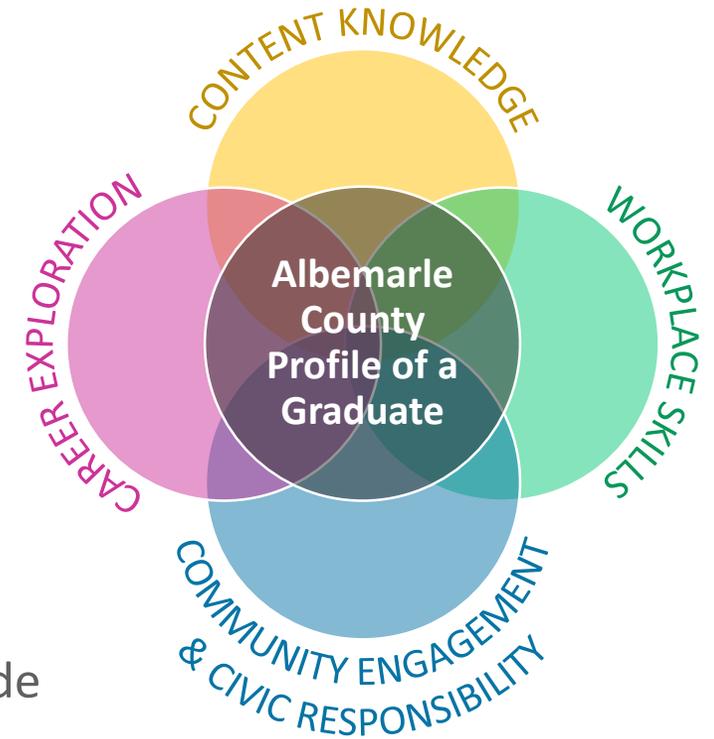
**EFFECTIVE COMMUNICATORS AND COLLABORATORS** who can work well with a diverse community.

**ACADEMICALLY ACCOMPLISHED** as demonstrated through a well-rounded instructional program inside and outside of “core” academics.

**RESPONSIBLE CITIZENS** who value and build connections with diverse communities.

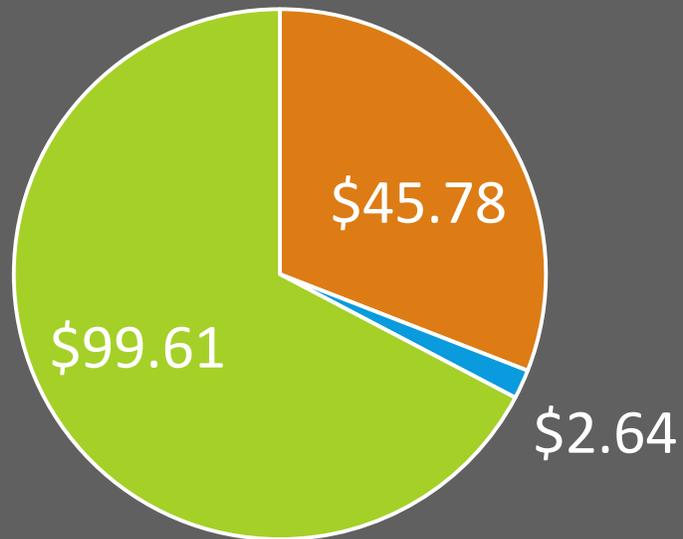
**CRITICAL THINKERS** who demonstrate an ability to analyze, assess and reconstruct issues related to any subject, content or problem.

**CREATIVE PROBLEM SOLVERS** who have experience solving authentic, community-based problems.

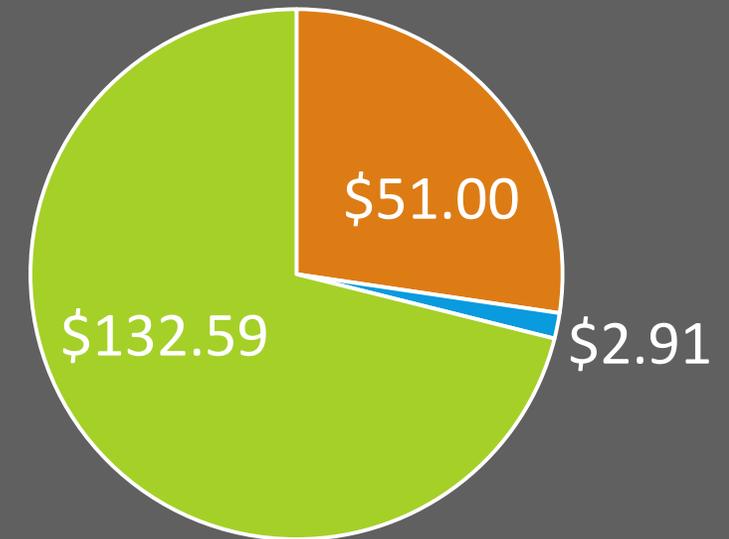


# REVENUES: 10-YEAR SNAPSHOT (IN MILLIONS)

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



**FY 18-19 Projected Revenues**  
(Projected Enrollment: 13,700)



State (30.9%) Federal (1.8%) Local (67.3%)

State (27.3%) Federal (1.6%) Local (71.1%)

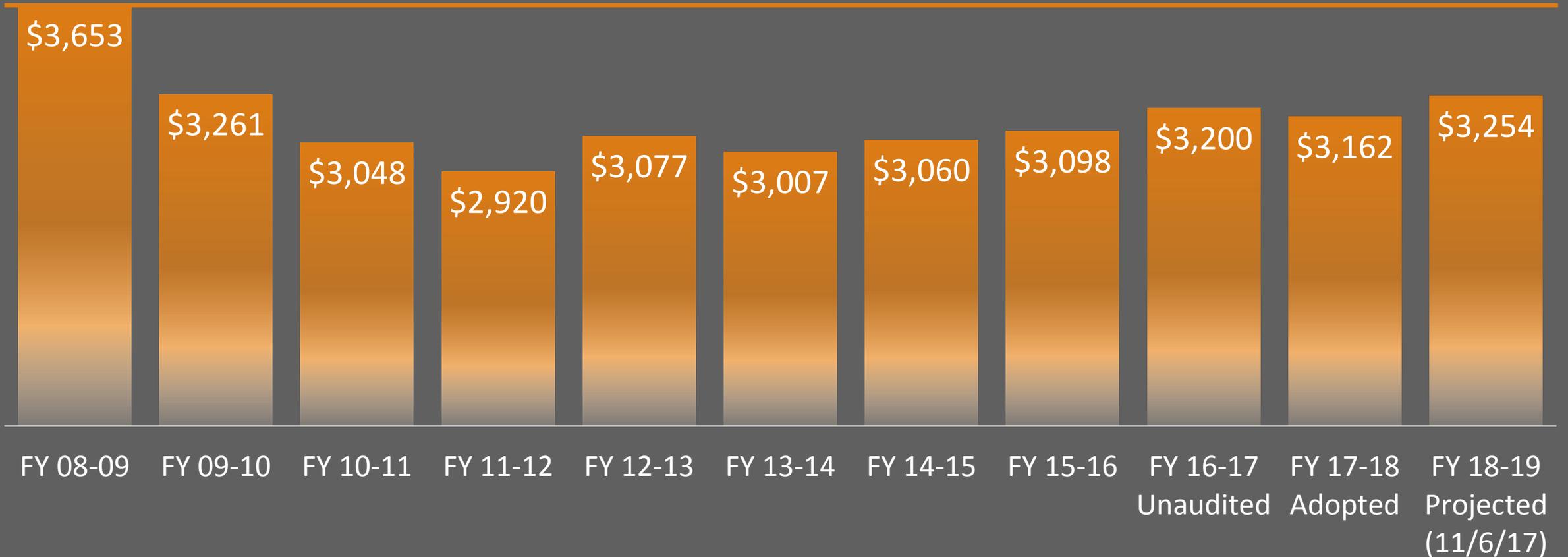
▼ 3.6%

▼ 0.2%

▲ 3.8%

# PER PUPIL STATE REVENUES

Since FY 08-09, per pupil state aid\* has DECLINED by \$399 per student



*\*Adjusted for Inflation (2008 Dollars)*

# REVENUE CONSIDERATIONS

## ▶ Preliminary **LOCAL** Revenues

## ▶ Preliminary **STATE** Revenues

- New biennial budget includes:
  - Adjustment of Composite Index (local relative ability to pay)
  - Standards of Quality (SOQ) Rebenchmarking – often results in improved revenues

## ▶ Preliminary **FEDERAL** Revenues

- Sequestration remains a concern – typically has a disproportionate impact upon Virginia
- Potential education cuts include Title I reductions and Title II elimination

# PRIMARY DRIVERS OF THE BUDGET

## ▶ Compensation & Benefits

- 2% Salary Increase for Teachers in Year 1
- 2% + Merit Increase for Classified Staff in Year 1
- Health Insurance: Year 1 rates projected to be 3.75% higher than current rates

## ▶ Enrollment Growth

## ▶ Changing Demographics

- Economically Disadvantaged
- English Learners
- Special Education

## ▶ Inflation

# COMPENSATION ASSUMPTIONS BASED ON COMMONALITY

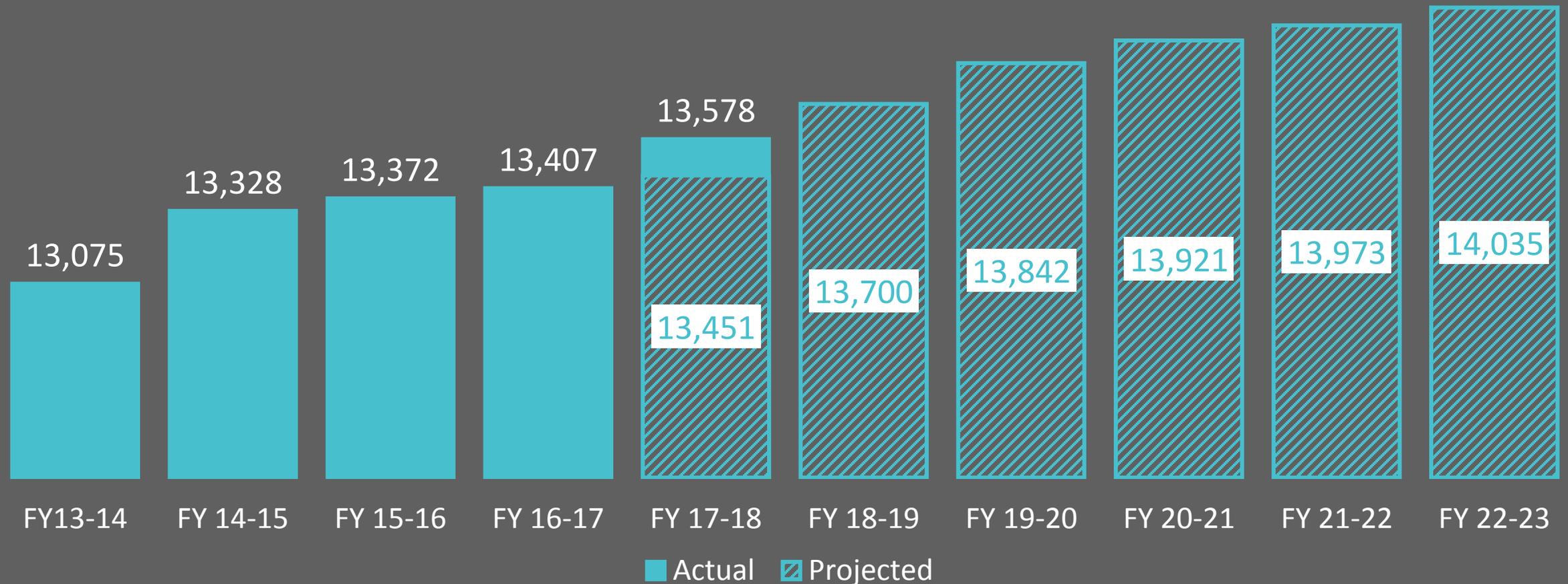
% Increase	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Salary*	2.00%	3.00%	3.00%	3.00%	3.00%
Health Insurance	3.75%	5.00%	6.00%	6.50%	7.00%
Virginia Retirement System (VRS)** and Group Life Insurance	-0.67%	0.00%	0.50%	0.00%	0.25%

*\*The School Board is considering market/methodology adjustments for teachers.*

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

# STUDENT ENROLLMENT, K-12

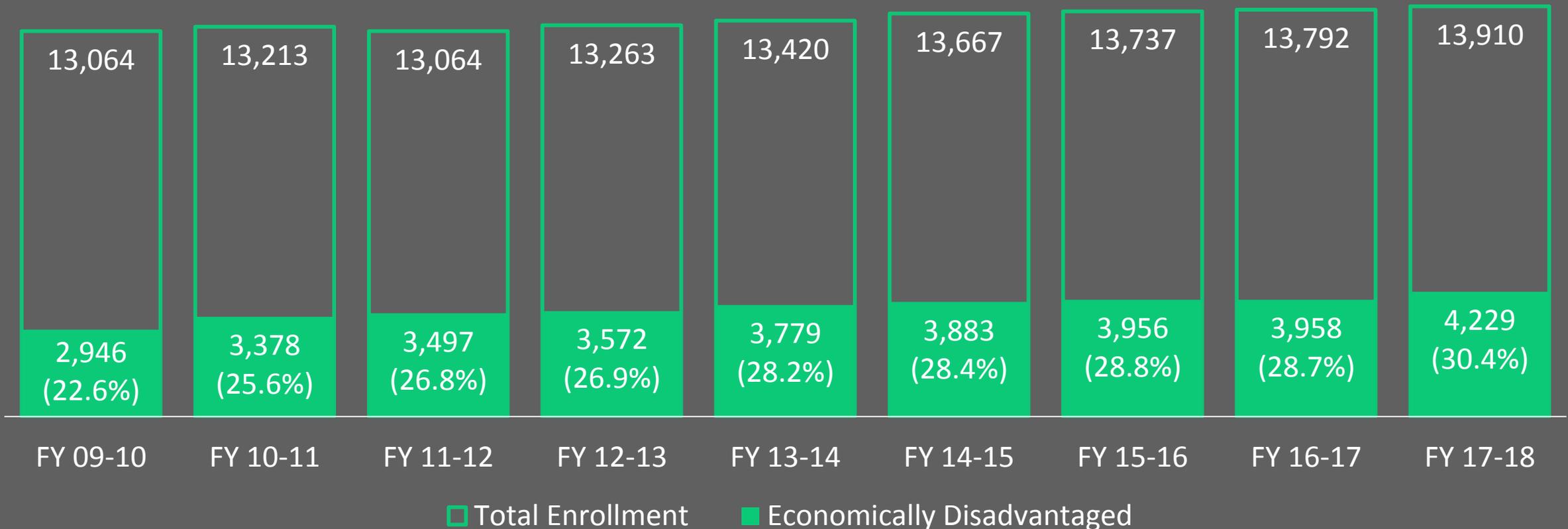
Budget to budget (FY 17-18 to FY 18-19), we're facing an increase of 249 students (13,451 to 13,700).



# ECONOMICALLY DISADVANTAGED STUDENTS, PK-12\*

FY 09-10 to FY 17-18:

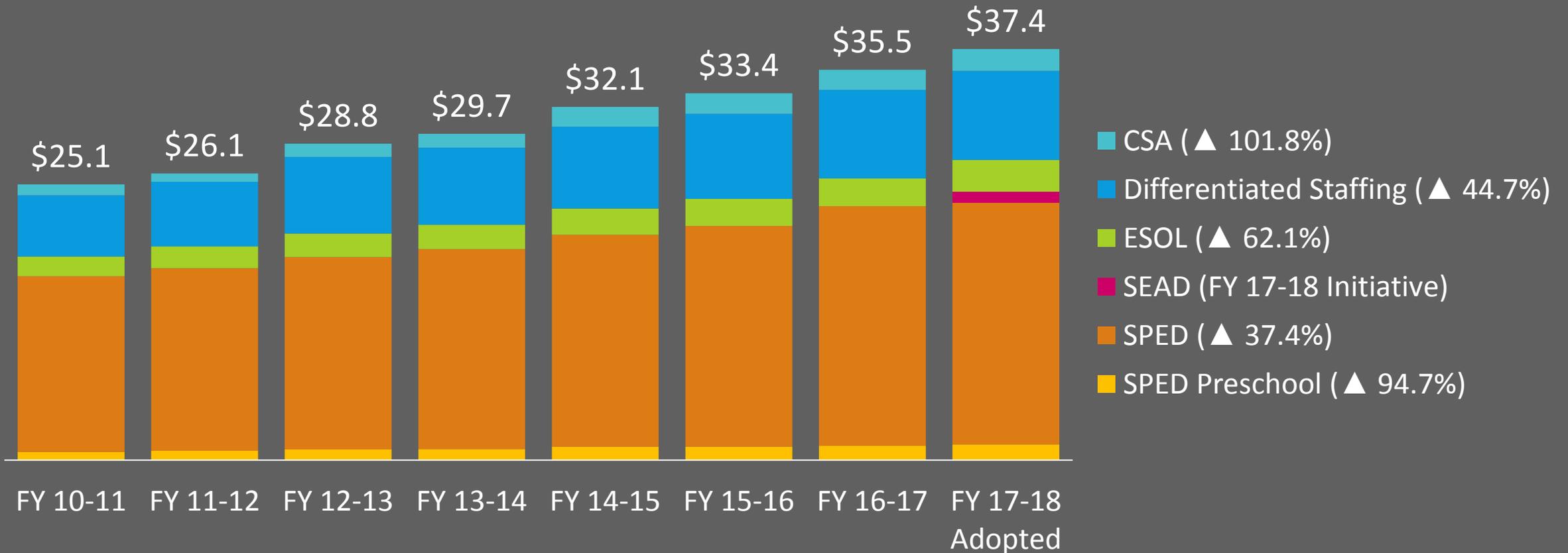
Student Enrollment ▲ 6.5% | Number of Economically Disadvantaged Students ▲ 43.6%



\*Based on September 30th enrollment data

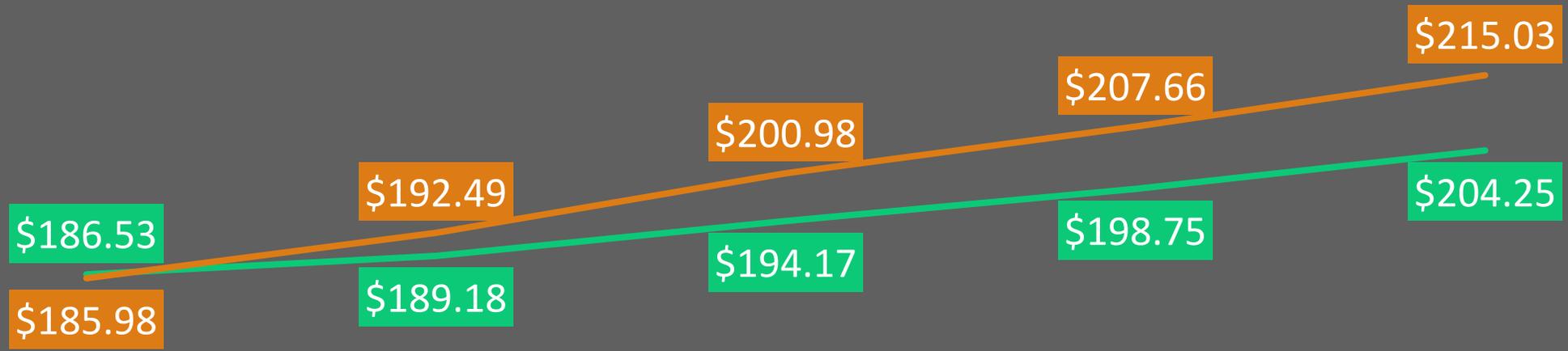
# SPECIAL PROGRAM COSTS OVER TIME

FY 10-11 to FY 17-18:  
\$12.3 Million Increase (▲ 49.0%)



# FIVE-YEAR FORECAST (IN MILLIONS)

— Revenues — Expenses



FY 18-19

FY 19-20

FY 20-21

FY 21-22

FY 22-23

Gap\*

\$0.55

-\$3.31

-\$6.81

-\$8.91

-\$10.78

*\*Includes common salary and benefit assumptions, growth, and no initiatives*

# FUNDING CONSIDERATIONS (NOT INCLUDED IN FIVE-YEAR FORECAST)

- ▶ Teacher Salary Scale Change
- ▶ Targeted Classified Compensation Strategies (for hard-to-fill positions)
- ▶ Social Emotional Academic Development (SEAD) Expansion
- ▶ High School 2022
- ▶ After-School Expansion
- ▶ Broadband Expansion (home access)
- ▶ Elementary & Middle School World Language Expansion

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