



5-Year Revenue/Expense Projections

November 23, 2010

Informing the 5-Year Projection

Current Challenges:

- Enrollment Growth
- Use of One-time Funding for Recurring Expenses
- Capital Improvement Program
- Compensation

Watch List:

- VRS
- Composite Index

Future Challenges:

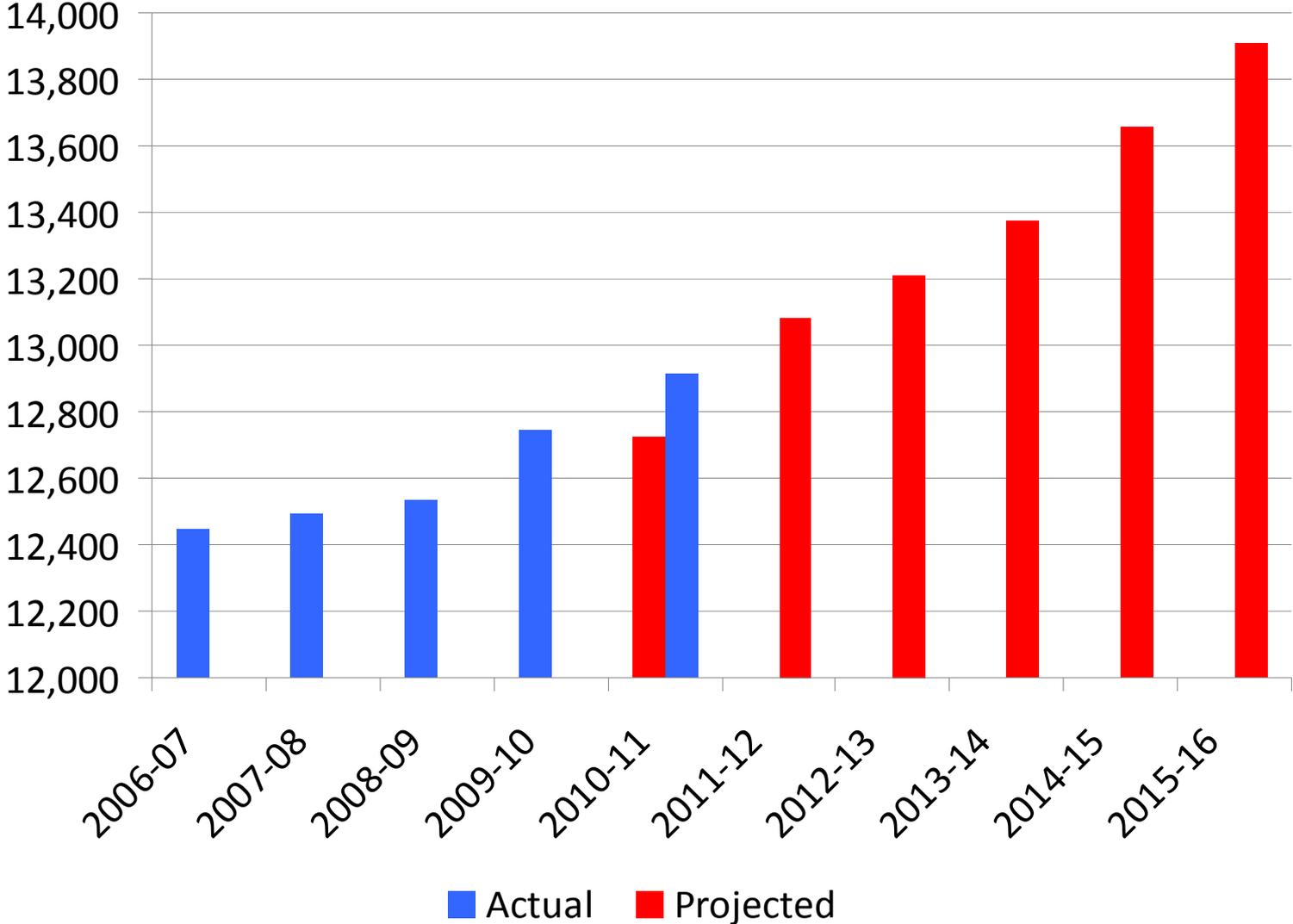
- Assessment beyond Virginia SOL - Workforce College Readiness Skills
- Human Capital Management and Professional Development
- Growth Assessment Model

Systemic Assumptions*

- Class size and schedule changes will have minimal budgetary impacts
- Staggered school openings will continue
- Schools will not be consolidated
- Free/Reduced Lunch student numbers will remain stable
- Salaries – Next fiscal year is based upon recommendations as presented to the Joint Boards, not upon the 1% classified as directed by the BOS. The succeeding years are based upon local government percentages contained within their presentation.

*School Board Direction will be made on December 9th

Enrollment



Summary – Operational Revenue Assumptions

Overall – In FY12, \$80,000 decrease in revenue over FY11 Budgeted, a further decline in FY12, and slowly increasing in out years

<u>Revenues</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Local Schools	0.00%	1.00%	1.00%	1.00%	1.00%
State	-3.24%	-5.06%	2.15%	3.11%	2.84%
Federal	0.00%	1.50%	1.50%	1.50%	1.50%
Transfers	1.26%	1.41%	3.27%	4.22%	4.70%
Total	-0.06%	-0.38%	2.92%	3.86%	4.13%

Revenue Assumptions

- **Local Revenues** – Will remain flat in FY12 and increase by 1% thereafter
- **State Revenues** – Will decline in FY12 and FY13 due to Composite Index Hold Harmless declines, FY 14 to FY 16 based upon enrollment growth and local government percentages
- **Federal Revenues** – Will remain flat in FY12 and thereafter increase by 1.5%
- **Transfers** – Reflects local transfer as indicated by 5 year plan and continued annual use of \$1.8M in fund balance

Expenditure Assumptions - Salaries

Salaries

- FY12 - 2.30% Teacher Scale and Classified
- FY13-FY14 – 2.70% Teacher Scale and Classified*
- FY15-FY16 – 3.70% Teacher Scale and Classified*

Growth (Budget to Budget)

FY12 – Additional 359 Students = 35.58 FTE

FY13 – Additional 128 Students = 7.89 FTE

FY14 – Additional 165 Students = 14.25 FTE

FY15 – Additional 282 Students = 24.01 FTE

FY16 – Additional 251 Students = 22.43 FTE

*Same percentages as used by local government

Expenditure Assumptions -Benefits

- VRS – Rate will increase to 10.76% for FY12 (included in biennial budget) and then assumed increase of 1% annually for the next 4 years
- Health Insurance –employer share
- Base rate is reduced to \$7,000* per employee
- FY13 – 4%*
- FY14-FY16 – 8%*

*Same percentages as used by local government

Expenditure Assumptions - Operations

- Prior year reductions continued throughout the model
- Inflationary increase of 1% in FY12 and 2% in each of the out years*
- Growth related operational costs included with one-time expenses removed in the following fiscal year

*Same percentages as used by local government

Revenues vs. Expenditures

Expenditures exceed revenues based upon assumptions

FY 12 –	-\$2,640,181
FY 13 –	-\$6,949,569
FY 14 –	-\$8,506,205
FY 15 –	-\$10,702,812
FY 16 –	-\$12,561,064

Reductions Made by the School Board for 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	

Superintendent's Concerns Regarding Impact of Reductions Made for FY 10/11

- High School Class Sizes/Total Student Load for Teachers
- Academic Leadership Compensation Model
- Professional Development
- Competitiveness of Bus Driver/Transportation compensation