



York County

SCHOOL DIVISION

Fiscal Year 2016

Budget Outlook

December 8, 2014

Recap of FY10, 11, 12 and 13 Budgets

- State revenue down \$9.2m (14.2%) or \$11.7m (18%) if including effect of VRS increased costs
- Total operating budget reduced \$4m (3.2%) or \$6.5m (5.2%) if including effect of VRS increased costs
- Cut 124 permanent positions (not temporary positions) by attrition and layoffs
- Provided no raises, no step increases and no position re-grades

Recap of FY14 Budget

- State revenue increased \$0.3m or 0.6%
- County operating contribution increased \$1.2m or 2.4%
- Total operating budget increased by \$1.2m or 1%
- Health insurance rates increased 17.2% or \$1.9m
- Provided 2.0% or \$1.9m in raises (4.2% if VRS shift to employees is included) and no step increases
- Cut 19 permanent positions (not temporary positions) by attrition and other reductions

Recap of FY15 Budget

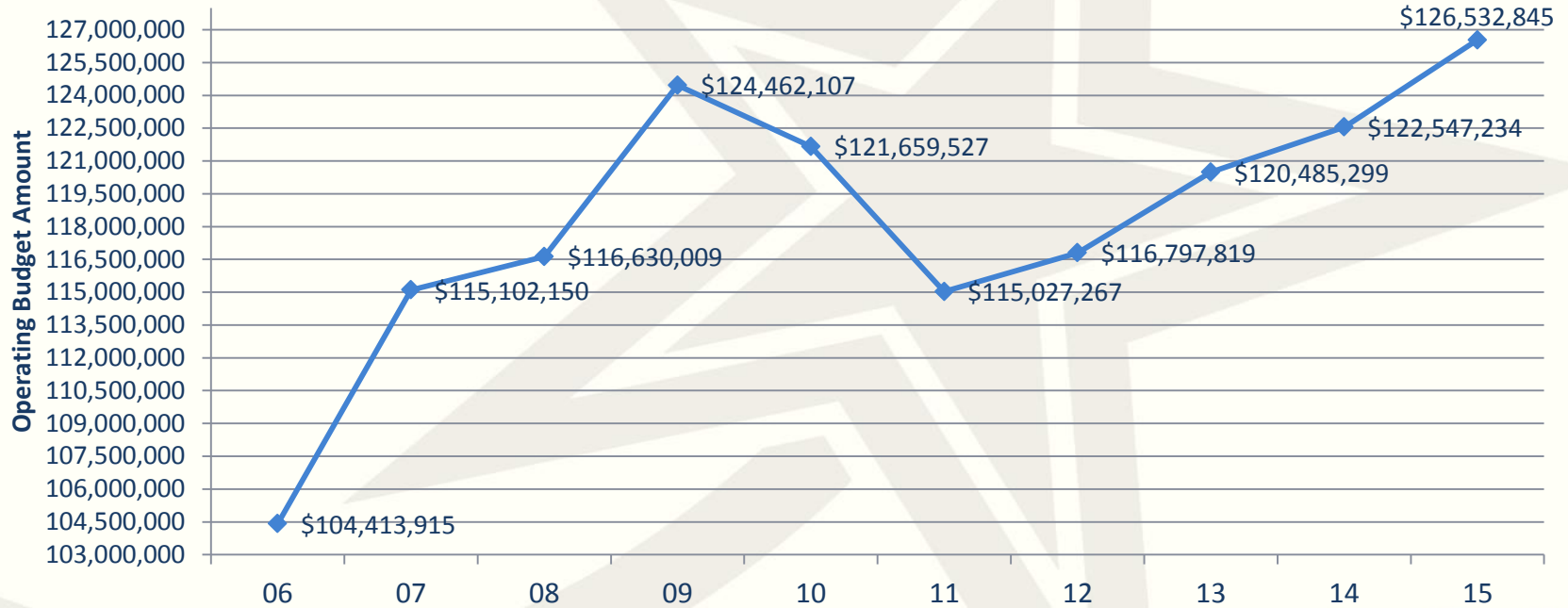
- State revenue increased \$2.9m or 5.2%
- State mandated VRS rate increase \$1.8m
- County operating contribution increased \$.88m or 1.76%
- Total operating budget increased by \$4.0m or 3.2%

Recap of FY15 Budget (continued)

- Health ins. rates decreased 3% (saved \$.318m)
- Provided 3.1% or \$2.5m in raises (4.1% if VRS shift to employees is included). Includes 1 step for all eligible, scale adjustment, and new pay plan for teachers
- Cut 16 permanent positions (not temporary positions) by attrition and other reductions

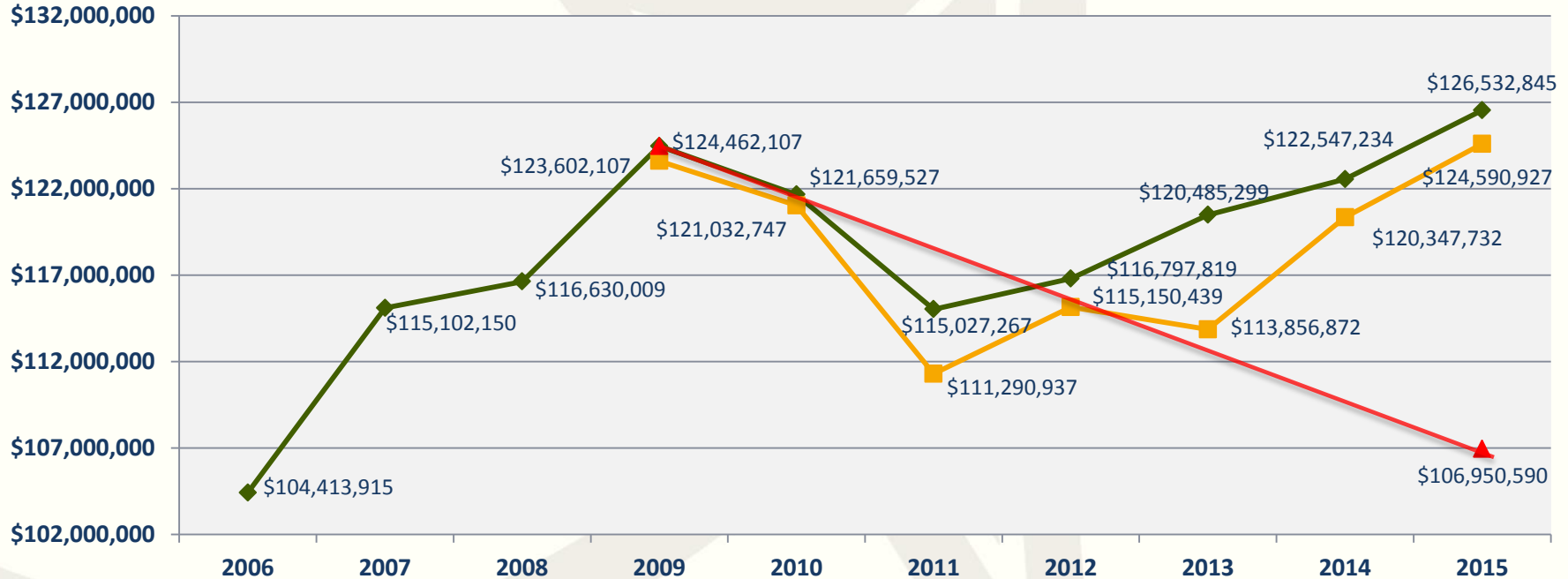
Operating Budget Comparisons

(Does Not Include Federal Stimulus Allocations)



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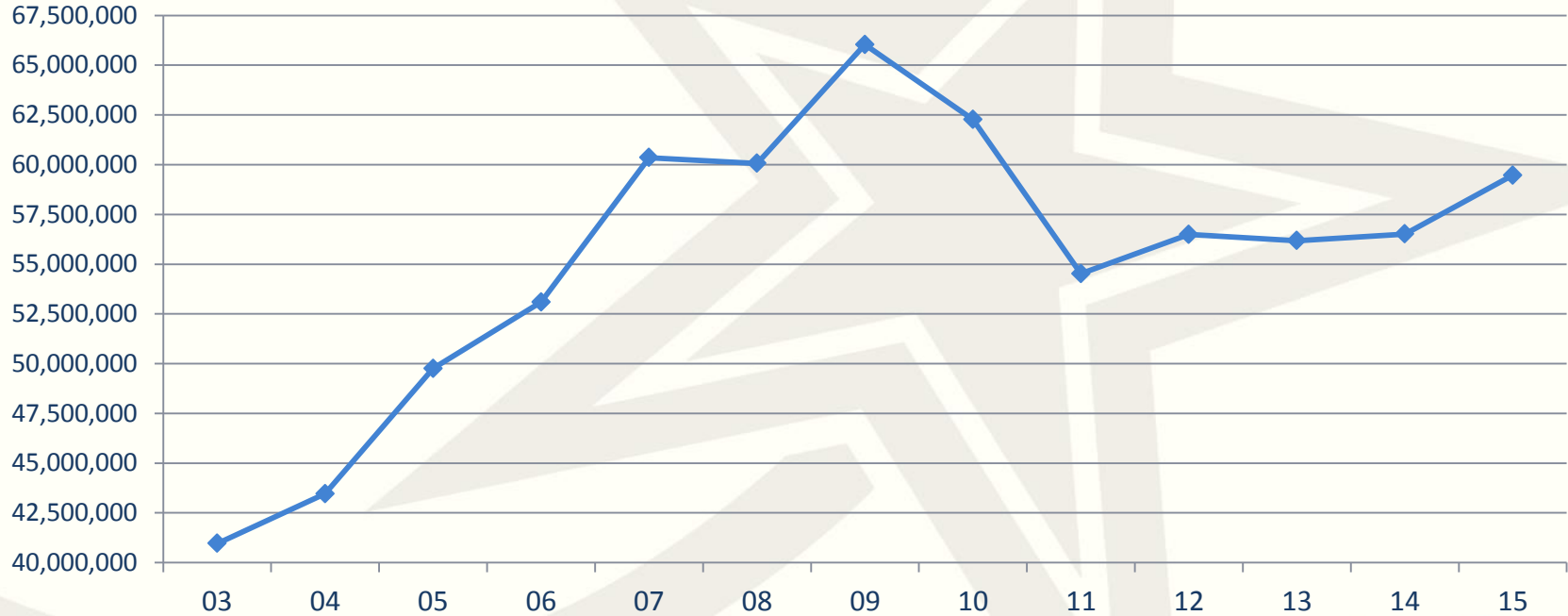


—◆— Actual unadjusted operating budget

—■— Operating budget adjusted for increases in VRS and health insurance

—▲— Comparison of FY09 base year to FY15 after adjusting FY15 for the cumulative impact of VRS and health insurance increases during the same period. Total adjustment is \$17,640,337.

YCSD State Operating Fund Revenue



FY16 ADM Projection

- FY15 Budgeted ADM 12,420*
- FY16 Projected ADM 12,670*
- Projected Increase 250

*County Planning Department Estimates

State Revenue - Backdrop

- State revenue growth for FY15 and FY16 is short of state projections
- State budget reductions are planned for FY16
- FY16 is the 2nd year of the biennium. Short session (45 days) for General Assembly
- Possible K-12 education funding will be reduced

State Revenue – Backdrop (cont'd)

- Changes in SOQ's (?)
- No re-benchmarking of SOQ's
- No VRS rate increases for FY16
- Must shift another 1% of VRS to employee in FY16

State Revenue – Backdrop (cont'd)

- The Local Composite Index will not change:

FY15 .4026

FY16 .4026

(LCI is the measure of local ability to pay)

(In FY14 increased from .3727 to .4049. Reduced State funding by over \$2.2 million.)

FY16 local composite index for Hampton Roads comparator school divisions

Williamsburg	0.8000
James City County	0.5632
Virginia Beach	0.4034
York	0.4026
Chesapeake	0.3610
Suffolk	0.3490
Norfolk	0.3123
Hampton	0.2978
Newport News	0.2908
Portsmouth	0.2678

State Revenue – Key Dates

- Governor releases his proposed FY16 budget on December 17, 2014
- General Assembly convenes on January 14, 2015
- General Assembly scheduled to close session on or about February 27, 2015

Federal Impact Aid/DoD for FY16

- FY15 – currently under a Continuing Resolution that ends December 11, 2014
- Last year to count students displaced by renovations at Bethel Manor
- FY16 impact aid preliminary estimate is \$9.15 million or \$300k less than FY15 budget
- Projecting an increase of \$71.45k in heavily impacted funds from DoD

Federal Revenue for FY16 (cont'd)

- Sequestration may return in FY16
- Under sequestration other federal grants such as Title I would be cut

FY16 County Funding

- Unknown at this time
- There is no funding formula for the County

FY16 Revenue Outlook

State (possible range of 2% increase to 3%
reduction)

\$1.3m to (\$1.9m)

Federal Impact Aid

\$(300k)

Federal (DoD Heavily Impacted)

\$71.45k

County

?

One possibility for range in federal and
state revenue changes

\$1.071m to (2.12m)

Based on information available.

FY16 Employee Compensation

VRS Contribution (each 1% shift to EE = \$150,000)

ER Cost if 1% VRS were shifted to EE	\$150,000
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Approx. cost to hold EE harmless (.1%)	\$76,000
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VRS Professional and Non-Professional Groups - No rate increases

FY16 Employee Compensation (cont'd)

Health Insurance (each 1% for employer = \$106,000)	
3.6% reduction in rates	\$ (381,600)
Cost of one step for all eligible staff	\$1,250,000
Market Adjustment (each 1% for all EE's)	\$760,000

School Division New Funding Requirements

EXAMPLES:

- Staff compensation
- Technology, replacement buses, vehicle parts
- Special Education teachers
- Teachers, Para-educators, materials for additional enrollment
- Textbooks, educational materials

Key Dates in Jan / Feb (as of Dec. 8, 2014)

- January 5, 2015 School Board Work Session on FY15E and FY16 Operating Budget
- January 26, 2015 Public Forum on FY16 Operating Budget
- February 3, 2015 Joint work session with Board of Supervisors



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December 3, 2014