

GOVERNOR MCAULIFFE'S FY16 PROPOSED BUDGET

FY16 estimates are based an enrollment projection of 12,670 as compared to 12,420 for FY15

Composite index for FY15 AND FY16 is .4026

State Funding Source	School Operating Budget for FY15	Governor Proposed for FY16	Difference	
			\$	%
Sales Tax	12,142,279	12,482,106	339,827	2.80%
Basic Aid	34,107,650	34,710,412	602,762	1.77%
Compensation Supplement	0	0	-	N/A
Special Education - SOQ	3,206,387	3,269,833	63,446	1.98%
Textbooks	714,163	728,295	14,132	1.98%
Employer Shared Benefits (Note 1)	5,759,621	5,752,484	(7,137)	-0.12%
Technology Initiative - Regular Grant	544,000	544,000	-	0.00%
Technology Initiative - e-Learning Backpack	0	0	-	N/A
Prevention, Intervention, Remediation	348,843	355,746	6,903	1.98%
Other State Funds	<u>2,639,577</u>	<u>2,667,031</u>	<u>27,454</u>	1.04%
Total State Revenue	59,462,520	60,509,907	1,047,387	1.76%

Change in State revenue as compared to FY15 **1,047,387**

VRS expenditure decreases:

Professional Group (See note 1 for rates) **222,860**

NET INCREASE TO AVAILABLE RESOURCES **1,270,247**

Note 1:

Employer Shared Benefits reflect the following VRS rates.
The adjustments in the retirement rate also impacts the expenditure side of the budget.

Professional Group

	Retirement	RHCC	Group Life
Rates in FY15	15.50	1.06	1.19
Governor Proposed for FY16	<u>15.15</u>	<u>1.06</u>	<u>1.19</u>
Increase in rate	-0.35	0.00	0.00

Non-professional group

	Retirement	Group Life
Rates in FY15	9.80	1.19
VRS actuarial rate for FY16	<u>9.80</u>	<u>1.19</u>
Increase in rate	0.00	0.00

Note 2:

Increases or decreases for state and federal grants will be added to revenues and expenditures when the amounts are determined.

FY16 PRELIMINARY OUTLOOK

Analysis assumes the FY15 Original School Operating Budget as the base

REVENUE

State (Governor Proposed) (12,670 students)	1,047,387	
Federal - DOD, Impact Aid, and Medicaid		
Impact Aid (does not include 2nd year of sequestration)	(300,000)	
DOD (based on FY14 actual payment)	71,450	
Federal grants (Sequestration?)	unknown	
County	unknown	
Local Miscellaneous (leases, tuition, etc.)	50,206	
	Total Revenue Increase	<u>869,043</u>

Major operating expenditure reductions

Health Insurance reduction 3.6% (ER share) (includes Anthem changes in stop loss and, potentially, RX copays)	(381,600)	
Attrition savings	(1,200,000)	
Savings from VRS expenditure rate reduction - Gov Proposed Professional group	(222,860)	
	Total Expenditure Reductions	<u>(1,804,460)</u>

NET INCREASE IN RESOURCES AVAILABLE **2,673,503**

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