



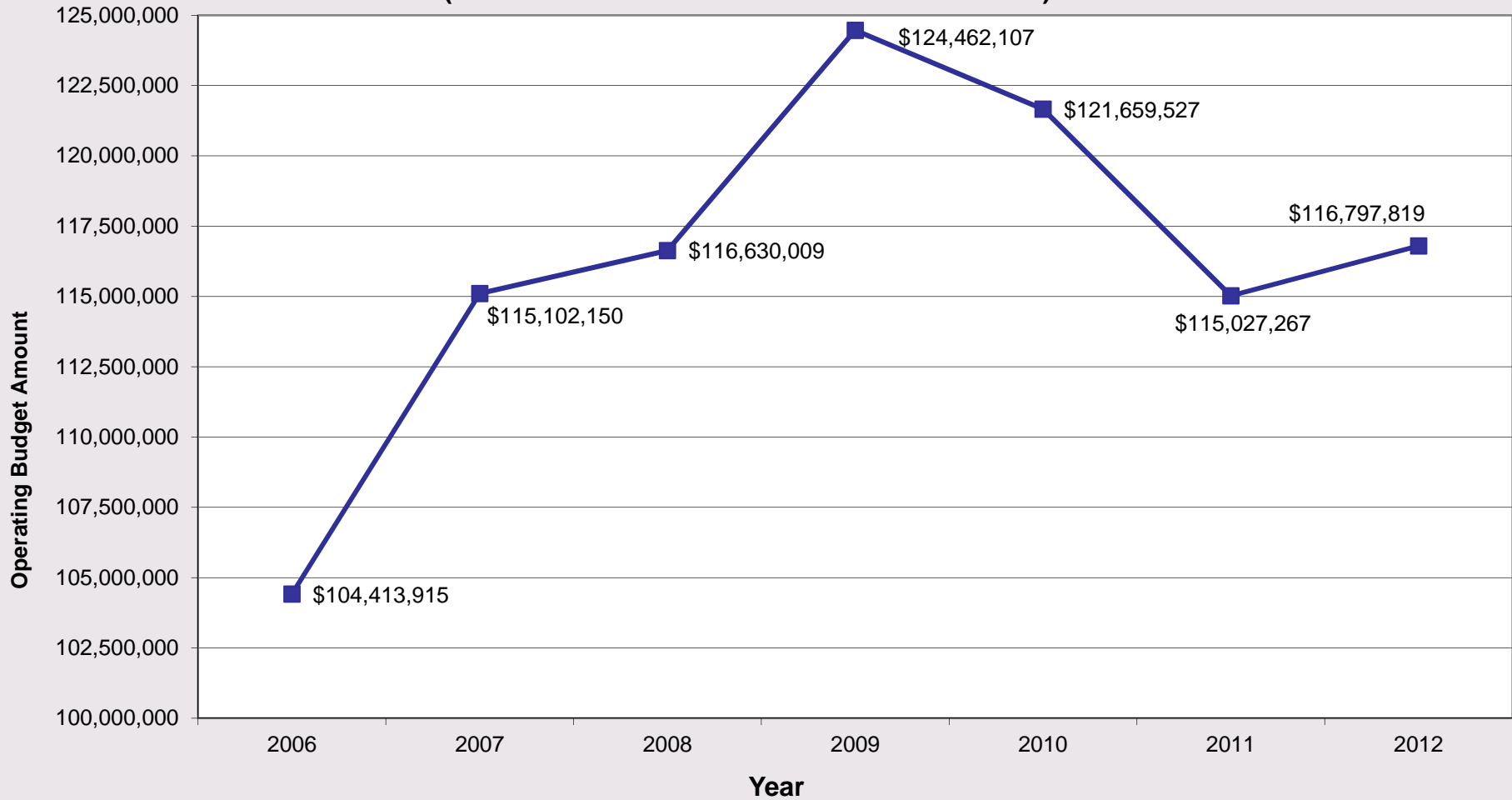
**Fiscal Year 2013  
Budget Outlook  
December 5, 2011**

A COMMUNITY OF LEARNERS IN A GREAT COMMUNITY

## **Recap of FY10, 11 and 12 Budgets**

- **State revenue down \$12.6m (20%)**
- **Total operating budget reduced \$7.7m (6.2%)**
- **Cut 62 permanent positions (not temporary positions) by attrition**
- **Provided no raises, no step increases and no position re-grades**

### Operating Budget Comparisons (Does Not Include Federal Stimulus Allocations)



## State Operating Fund Revenue



## **FY13 ADM Projection**

- FY12 Budgeted ADM 12,410\***
- FY13 Projected ADM 12,350\***
- Projected Decrease (60)**

**\*County Planning Department Estimates**

## **State Revenue - Backdrop**

- **State sales tax is showing modest growth**
- **State budget showing modest growth**
- **FY13 is the 1st year of the biennium. Long session (60 days) for General Assembly**
- **Will K-12 education funding be a priority?**

## **State Revenue – Backdrop (cont'd)**

- **Impact of re-benchmarking**
- **Changes in SOQ's (?)**
- **VRS rates: How much will rate (s) change?**

**Retirement**

**Retiree health care credit**

**Group life insurance**

## **State Revenue – Backdrop (cont'd)**

- **The Local Composite Index is changing:**

**FY12      .3727**

**FY13      .4049**

**(LCI is the measure of local ability to pay)**

**Will reduce State funding by over \$2.2 million.**



## **FY13 (decrease) in local composite index for select northern Va. school divisions**

<b>Fauquier</b>	<b>(0.0720)</b>	<b>.6097 to .5377</b>
<b>Manassas Park</b>	<b>(0.0711)</b>	
<b>Manassas</b>	<b>(0.0406)</b>	
<b>Fairfax County</b>	<b>(0.0337)</b>	
<b>Spotsylvania</b>	<b>(0.0267)</b>	
<b>Prince William</b>	<b>(0.0249)</b>	
<b>Frederick</b>	<b>(0.0215)</b>	
<b>Loudon</b>	<b>(0.0188)</b>	

## **FY13 increase in local composite index for Hampton Roads comparator school divisions**

<b>York</b>	<b>0.0322</b>
<b>Portsmouth</b>	<b>0.0258</b>
<b>Hampton</b>	<b>0.0222</b>
<b>Chesapeake</b>	<b>0.0213</b>
<b>Newport News</b>	<b>0.0156</b>
<b>Norfolk</b>	<b>0.0098</b>
<b>Suffolk</b>	<b>0.0098</b>
<b>Virginia Beach</b>	<b>0.0050</b>
<b>James City County</b>	<b>(0.0040)</b>

## **FY11-12 increase in local composite index for Hampton Roads comparator school divisions**

<b>Suffolk</b>	<b>0.0450</b>
<b>Chesapeake</b>	<b>0.0440</b>
<b>Norfolk</b>	<b>0.0416</b>
<b>Portsmouth</b>	<b>0.0385</b>
<b>James City County</b>	<b>0.0382</b>
<b>Virginia Beach</b>	<b>0.0356</b>
<b>Hampton</b>	<b>0.0332</b>
<b>Newport News</b>	<b>0.0247</b>
<b>York</b>	<b>0.0095</b>

## LCI Trend Analysis - Per Capita % Change

	York	State Avg
<b>True Value of Property (50%)</b>	<b>(1.43%)</b>	<b>(8.81%)</b>
<b>Adjusted Gross Income (40%)</b>	<b>(3.44%)</b>	<b>(8.86%)</b>
<b>Taxable Retail Sales (10%)</b>	<b>2.17%</b>	<b>(9.02%)</b>

**York County's ability to pay, per the LCI, increased greater than the state average**

## **FY13 local composite index for Hampton Roads comparator school divisions**

<b>Williamsburg</b>	<b>0.8000</b>
<b>James City County</b>	<b>0.5628</b>
<b>Virginia Beach</b>	<b>0.4110</b>
<b>York</b>	<b>0.4049</b>
<b>Chesapeake</b>	<b>0.3678</b>
<b>Suffolk</b>	<b>0.3530</b>
<b>Norfolk</b>	<b>0.3102</b>
<b>Newport News</b>	<b>0.2934</b>
<b>Hampton</b>	<b>0.2912</b>
<b>Portsmouth</b>	<b>0.2755</b>

## **State Revenue – Key Dates**

- **Governor releases his proposed FY13 budget on December 19, 2011**
- **General Assembly convenes on January 11, 2012**
- **General Assembly scheduled to close session on or about March 11, 2012**

## **Federal Impact Aid/DoD for FY13**

- **Level funding by Congress – currently under a *Continuing Resolution***
- **Continue counting students displaced by renovations at Bethel Manor**
- **FY13 impact aid preliminary estimate is \$9.45 million (level funding)**
- **Projecting an increase of \$29K in heavily impacted funds from DoD**

## **Federal Revenue for FY13 (cont'd)**

- **If sequestration occurs, impact aid would be cut over 7%**
- **Under sequestration other federal grants such as Title I would be cut**
- **No federal Jobs Fund are available in FY13. In FY13 14.41 Jobs Fund positions will go away that are funded in FY12**



## **FY13 County Funding**

- **Unknown at this time**
- **Continued impact of closing of oil refinery on school division funding is unknown at this time**
- **There is no funding formula for the County contribution to School Division**

## FY13 Revenue Outlook

In millions

State (increase to 6% reduction) \$1.5 - (3.3)

State - Local Composite Index (2.2)

Federal (DoD) .029

County ?

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Possible range in revenues \$ (.671) – (5.471m)

## FY13 Employee Compensation

**VRS Contribution (each 1% = \$675,500)**

**If the increase were 2% points \$1,351,000**

**Health Insurance (each 1% = \$106,225)**

**If the increase were 20% \$2,124,500**

**Cost of one step for all eligible staff \$1,225,000**

# **School Division New Funding Requirements**

- **Contractual services and bus fuel**

## **Examples of possible expenditure reductions – Staff reductions would be by attrition if possible**

- **Central office staff**
- **Contractual services for instruction and operations**
- **Custodial / maintenance / technology staff**
- **Equipment / bus purchases**
- **Para-educators**
- **Staff development**
- **Teachers – increase class size**
- **Technology refurbishment**
- **Supply purchases**

## **Key Dates in January (as of Dec. 5, 2011)**

- **January 9, 2012**      **School Board Work Session on FY12E and FY13 Operating Budget**
- **TBD**      **Joint work session with Board of Supervisors**
- **January 23, 2012**      **Public Forum on FY13 Operating Budget**

**THE END**