

Update on 2016-2017 DCPS Budget

March 6, 2017

December 16, 2016 State Budget Adjustment

	Original Budget	Dec 16 Update	Difference
ADM 3/31/17 (Estimated)	2,123.45 *	2,084.05	-39.40
Budget - Entitlement Sheets	\$15,164,981	\$14,779,309	-\$385,672
Less Comp Supplement (2%)	-\$119,144		
Less Local Match on 2%	-\$63,965		
Adjusted Original Budget	\$14,981,872		-\$202,563

* Decreased 30 from State Entitlement Sheets

Potential Savings on 2016–2017 Budget

Difference in Original and Updated Budgets	-\$202,563
Savings on Unemployment	\$60,000
Savings on Staffing Changes	\$24,926
Adjusted Difference	-\$117,637

We are currently reviewing and projecting all revenues and expenditures for the remainder of FY–2017 to determine any other potential savings we have and any suggested changes to make for the remainder of this year in order to close this gap.

Savings on Staffing Changes 2016-2017

Full-Time Positions Lost (Retirements / Resignations)	-10
Full-Time Positions Added	+6
Part-Time Positions Lost (Resignation)	-1
Part-Time Positions Added	+8
Net Savings	\$24,926

Update on 2016-2017 Enrollment

Enrollment Changes Since June

Date	Enrollment	Below our Budget	Notes
Original State Budget 16/17	2,153.45		
Our Budget for 16/17	2,123.45		Decreased 30 from State Entitlement Sheets
State Updated Dec 16, 2016	2,084.5		
ADM 3/31/2016	2,182.5		
End of 15/16 School Year	2,158		
8/31/2016	2,103		Lost 55 Over Summer
2/28/2017	2,060	-63.45	Less than budgeted enrollment

Enrollment Changes Since June

Date	Enrollment	Monthly Diff	YTD Diff
8/31/2016	2,103	-55	-55
9/30/2016	2,106	3	-52
10/31/2016	2,101	-5	-57
11/30/2016	2,108	7	-50
12/31/2016	2,097	-11	-61
1/31/2017	2,083	-14	-75
2/28/2017	2,060	-23	-98

Proposed Amendments to the 2016–2018 State Budget

Conference Report (HB-1500):	Year 1 (16-17)	Year 2 (17-18)
Remove 1.5% one-time bonus – to Lottery PPA		-\$126,790
Add additional 34.1 million in new Lottery PPA		\$72,884
Add 2% Compensation Supplement (2/15/18)		\$72,448
Decrease Proj. Grad., Alg. Readiness, Sales Tax		-\$3,893
Add \$7.3M to Small Schools (>5% Loss 5 yr) Yr 1	\$147,963	
Total Budget Increase:	\$147,963	\$14,649
Dec 16, 2016 Budget per Entitlement Sheets	\$14,779,309	\$14,732,552
Adjusted Budget with House Amendment:	\$14,927,272	\$14,747,200

Anticipated Budget Issues for FY-2018

Increase in VRS Rates: \$180,000

- For FY-2018, our VRS Rates are increasing from 14.66% to 16.32%, an increase of 1.56%
- The original schedule for VRS to be fully funded for teachers would have been 14.76% for FY-18, then 15.68% for FY-19, this was changed with this budget cycle
- We have spoken with our Legislators on this and it doesn't appear we are going to get any relief on this increase

Need for Bus Replacement: \$90,000

- Virginia recommends replacing school buses every 15 years, we have 64 buses, 19 of these are 15+ years old
- 49 buses are on daily runs, 4 of these are 15–24 years old, with an average age of 11.89 years and average mileage of 100,459 miles
- We are experiencing very high maintenance costs for maintaining our aging fleet
- We still owe one more payment of \$55,000 on our last bus purchases from 2013 that will be paid in Fall, 2017
- We need to fund 1 bus purchase for the FY–18 Budget. Ideally, we would have to replace 3 per year to attempt to get back on schedule

Decrease in Title II – Part A Funding: \$70,000

- Last month, we were informed that we would be receiving a 37% cut in Title II-Part A Funding.
- Through ESSA, the “Hold Harmless” clause was removed, resulting in this decrease
- 9 School Divisions received cuts in excess of 30%, all of these divisions were located in Region 7

Total Decrease of these 3 Items: \$340,000

- Increase in VRS Rates \$180,000
- Need for Bus Replacement \$90,000
- Decrease in Title II – Part A \$70,000

Other Considerations:

- We anticipate additional reductions in our Federal Funding, but not to the extent of the Title II – Part A
- The increase in our Health Insurance Premiums has not yet been determined
- We are awaiting final approval from the Governor on the Conference Bill to get a better idea of what State Funding will look like for the remainder of this year and for next year.
- We are still projecting our enrollment for next year to better determine the additional decrease in our State Funding as a result of ADM loss