



FY 2019 PRELIMINARY REVENUE PROJECTION

School Board Meeting April 19, 2018



95,215 Students	
59	Elementary Schools
19	Middle Schools
18	High Schools
10	Start Up Charters
106	Total

EMPLOYEES

- 14,325 employees including 6,955 teachers



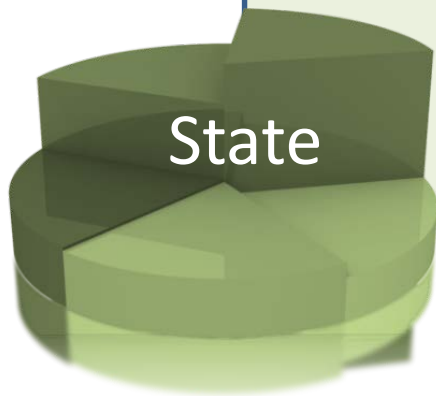


FY2019 Revenue Assumptions General Fund Budget

- Property assessment complies with Department of Revenue
- Current millage rate
- Other local revenue is within trend
- Increasing Interest rates



- Quality Basic Education Funding
 - Austerity
 - Local Fair Share
 - Charter System Grant



Revenue Principles

- **Make reasonable conservative assumptions for revenue forecast(including long-term)**
- Maximize revenue from non-residential property tax payer sources
- Accept grants that align to strategic plans and/or align to desired district outcomes.
- Administration should stay abreast and report issues that impact potential revenue to the district



FY2019 General Fund Projected Tax Digest

Tax Digest \$35.2 billion

Value of a mill \$35.2 million

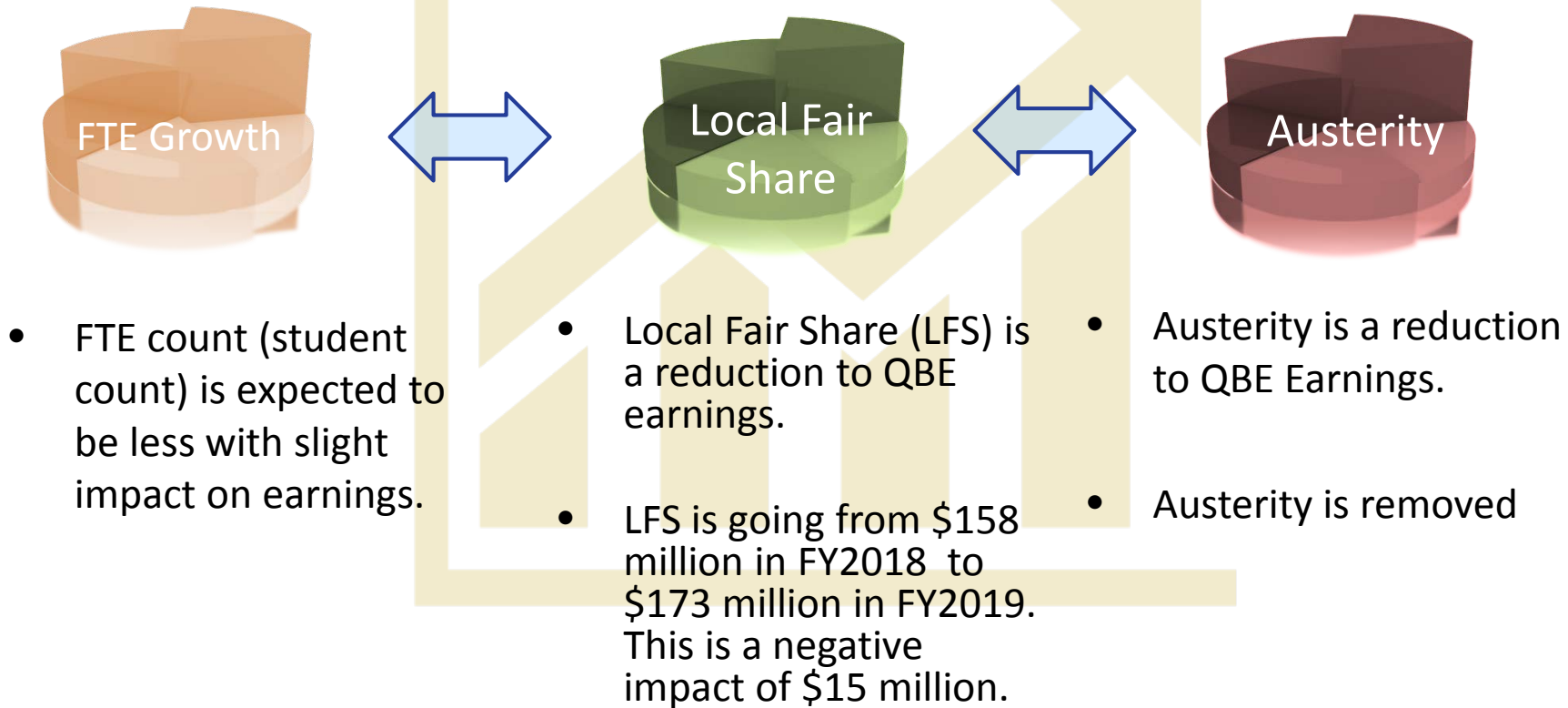
Consolidated School (M&O) Digest

	CY2013 FY2014	CY2014 FY2015	CY2015 FY2016	CY2016 FY2017	CY2017 FY2018 (est)	CY2018 FY2019 (est)
Real and Personal	\$ 27,334,292,726	\$ 27,966,096,990	\$ 30,513,963,811	\$ 31,928,406,862	\$ 32,575,485,293	\$ 37,095,782,292
Motor Vehicles	1,769,900,540	1,489,716,030	980,942,520	666,540,100	460,266,700	460,266,700
Mobile Homes	546,338	505,288	502,806	477,031	472,736	482,191
Timber		32,400	149,517	5,000	136,310	139,036
Heavy Duty Equipment	1,650	126,780	153,789	731,538	1,529,863	1,560,460
Gross Digest	\$ 29,104,741,254	\$ 29,456,477,488	\$ 31,495,712,443	\$ 32,596,160,531	\$ 33,037,890,902	\$ 37,558,230,679
Less Exemptions	(1,592,197,410)	(1,654,994,596)	(1,823,080,459)	(1,958,107,938)	(2,299,635,762)	\$ (2,299,635,762)
Net Digest	<u>\$ 27,512,543,844</u>	<u>\$ 27,801,482,892</u>	<u>\$ 29,672,631,984</u>	<u>\$ 30,638,052,593</u>	<u>\$ 30,738,255,140</u>	<u>\$ 35,258,594,917</u>
Millage	18.502	18.502	18.502	18.483	18.546	18.546
Net Levied	\$ 509,037,086	\$ 514,383,036	\$ 549,003,037	\$ 566,283,126	\$ 570,071,680	\$ 653,905,901
\$ Increase	\$ (1,312,336)	\$ 5,345,950	\$ 34,620,001	\$ 17,280,089	\$ 3,788,554	\$ 83,834,222
% Increase	-0.26%	1.05%	6.73%	3.15%	0.67%	14.71%



Quality Basic Education (QBE)

FY2019 QBE Revenue Projection \$373 million



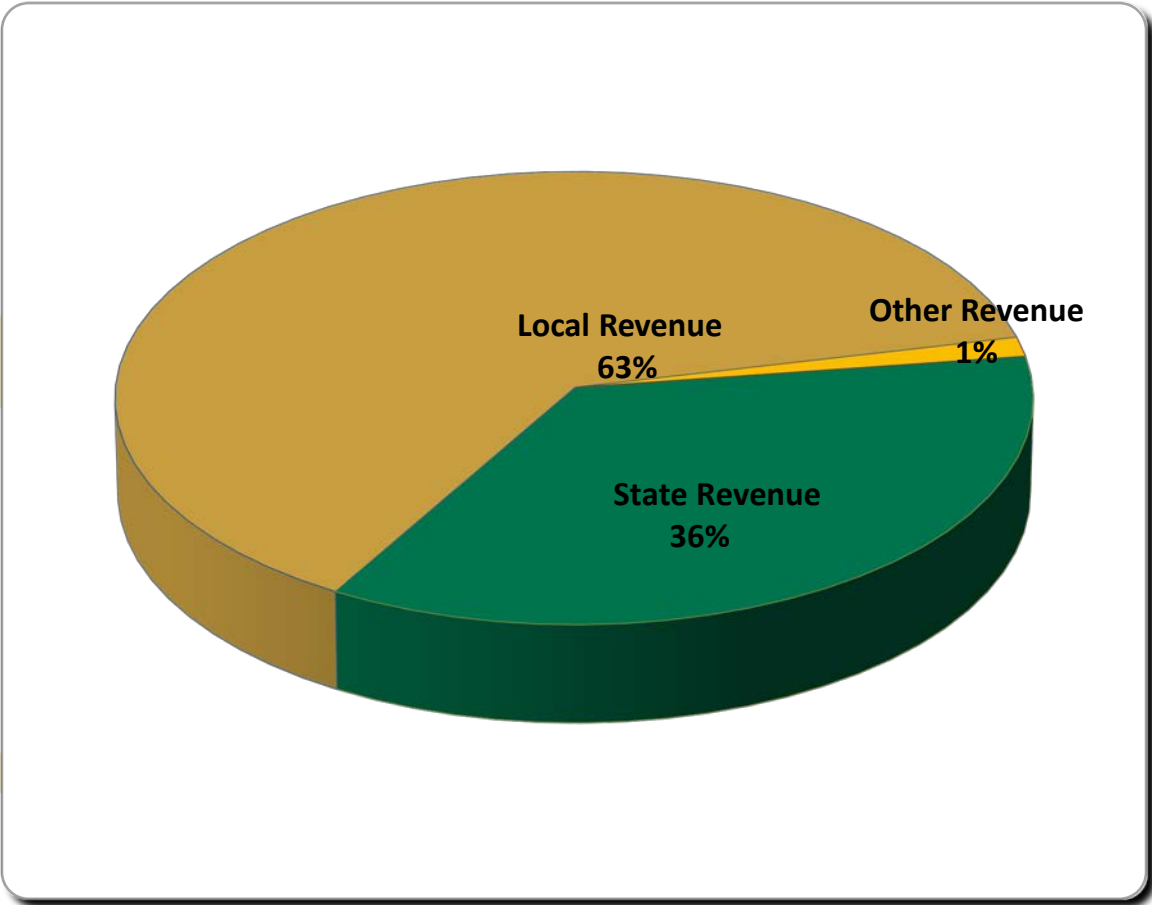
General Fund Revenue Forecast Comparison

Revenue	FY2018	FY2019	Dollar change	% change
Local Revenues	\$ 612,048,734	\$ 669,202,422	\$ 57,153,688	9.3%
Interest on Investments	1,080,000	1,990,000	910,000	84.3%
State Sources	371,148,192	377,365,878	6,217,686	1.7%
Federal Sources	685,000	685,000	-	-
Transfers and Other Local Revenue	12,647,269	11,367,478	(1,279,791)	-10.1%
Total Revenues	\$ 997,609,195	\$1,060,610,778	\$ 63,001,583	6.3%
Revenue Per Pupil	\$ 10,436	\$ 11,139	\$ 703	6.7%



FY2019 General Fund Revenue Forecast

- Local Revenue represents **63%** of the General Fund Revenue for FY2019
- State Revenue represents **36%** of the General Fund revenue for FY2019
- Other Revenue sources represent **1%**.





General Fund Long-term Tax Digest

Assumptions

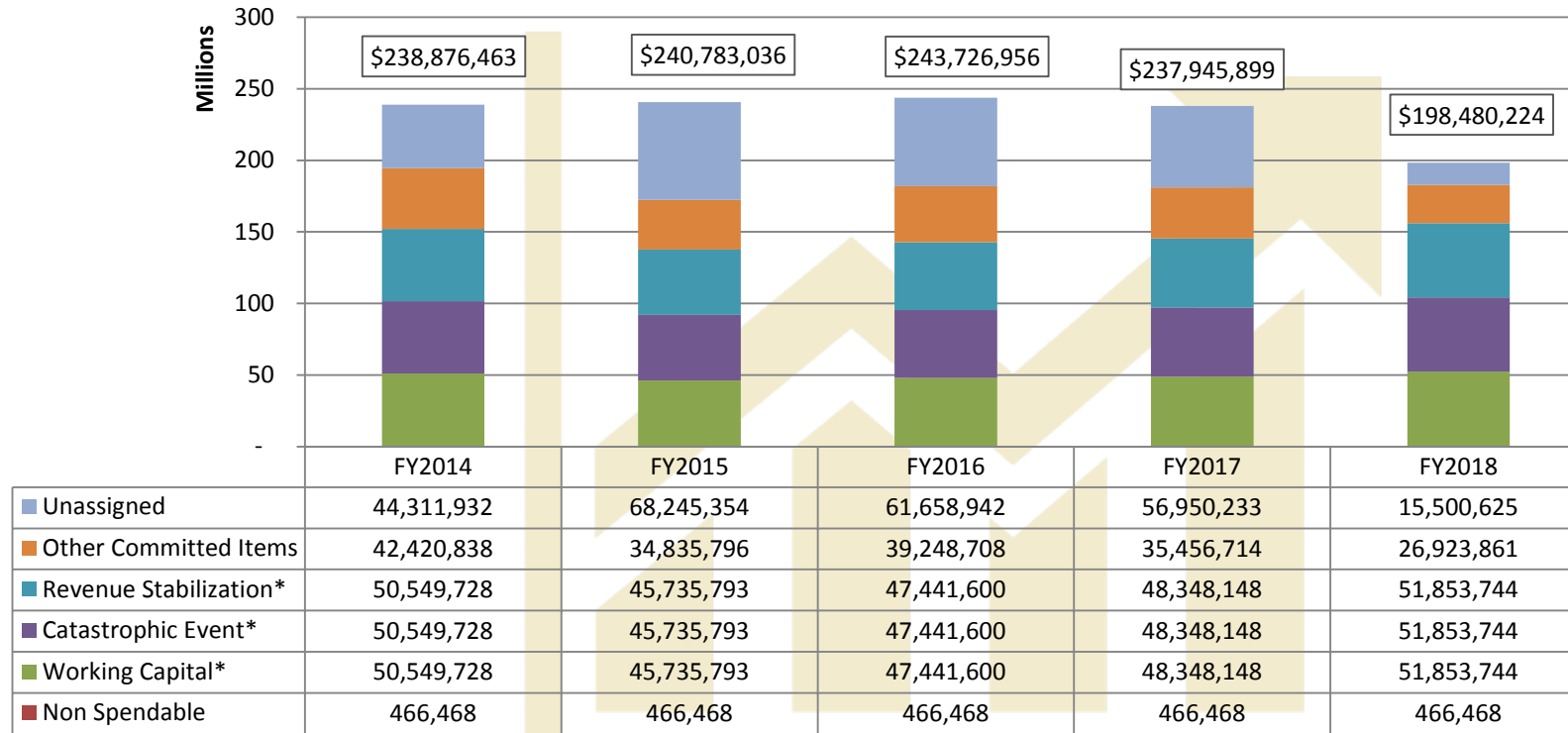
Growth in Digest -5%-14.93%
 CPI 2%-2.5%
 Maintain Millage at 18.546%
 Excludes Motor Vehicle and Delinquent taxes

<i>Fiscal Year</i>	2018	2019	2020	2021	2022	2023
<i>Tax Year</i>	2017	2018	2019	2020	2021	2022
Digest						
Real and Personal	32,575,485,293	37,095,782,292.2	38,950,636,857	40,898,235,460	42,943,215,328	44,660,990,245
Mobile Homes	472,736	482,191	491,835	501,671	511,705	521,939
Timber	136,310	139,036	141,817	144,653	147,546	150,497
Heavy Duty Equipment	1,529,863	1,560,460	1,591,669	1,623,503	1,655,973	1,689,092
Gross Digest	32,577,624,202	37,097,963,979	38,952,862,178	40,900,505,287	42,945,530,552	44,663,351,774
% Change		13.88%	5.00%	5.00%	5.00%	4.00%
Existing Exemptions	(2,299,635,762)	(2,299,635,762)	(2,299,635,762)	(2,299,635,762)	(2,299,635,762)	(2,299,635,762)
Homestead Cap	0	0	(3,596,351,213)	(4,310,905,709)	(5,072,218,425)	(5,655,509,985)
Net Digest	30,277,988,440	34,798,328,217	33,056,875,203	34,289,963,816	35,573,676,365	36,708,206,027
% Change		14.93%	-5.00%	3.73%	3.74%	3.19%





Fund Balance History



*Board Policy DIBA requires :

- a. **Working Capital Reserve** - This will be established based upon 5% of annual budgeted expenditures and is intended to be permanent in nature and not subject to draw down.
- b. **Catastrophic Event Reserve** - This reserve will also be established based upon 5% of budgeted annual expenditures and may be drawn down in the event of unanticipated catastrophic events.
- c. **Revenue Stabilization Reserve** - This will be established based upon 5% of budgeted annual expenditures and may be drawn down in the event of a decrease in the property tax digest or reduction to state funding.





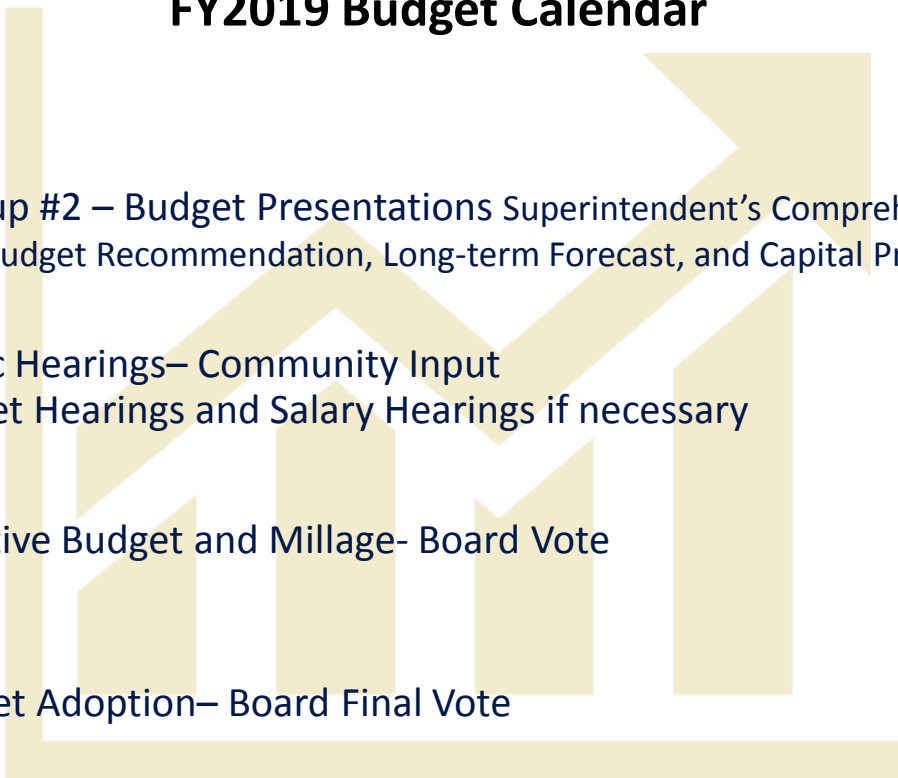
Financial Condition and Outlook

- Credit Ratings
 - Moody's Credit Rating Aaa
 - Standard and Poor's Credit Rating AA+
- The District's financial position will remain healthy given a demonstrated ability to maintain strong reserves despite revenue pressures in recent years.
- Multiple pieces of legislation were circulating through the General Assembly this year that impacted forecasting revenue for FY19 and the long-term.
- New legislation affects the way motor vehicle tax revenue is calculated. Actual impact will take a few years to clearly forecast.



Next Steps

FY2019 Budget Calendar



May 8	Markup #2 – Budget Presentations Superintendent’s Comprehensive General Fund Budget Recommendation, Long-term Forecast, and Capital Projects Fund
May 17 & June 12	Public Hearings– Community Input Budget Hearings and Salary Hearings if necessary
June 12	Tentative Budget and Millage- Board Vote
June 28	Budget Adoption– Board Final Vote