



The Coming Funding Challenge...

Projected Multi-Year Fiscal Impact of Increased School Enrollment and School Capital Investments

June 22, 2016

Overview

- ACPS operating and capital needs will grow significantly over the next five – ten years due to enrollment changes
- Discussion points:
 - City Council budget guidance to ACPS?
 - Estimated costs to address enrollment and capacity?
 - How do we close the gap?
 - How do we communicate to the public?



Council Budget Guidance

City Council adopts budget guidance in late November that impacts ACPS by authorizing:

- An appropriation equal to the amount approved by City Council for the previous fiscal year, except to address anticipated changes in student enrollment or other cost saving measures
- The development of options for potential funding of proposed public school capital needs over a ten year time period
- Information regarding any fiscal limitations to be provided to the School Board
- The timing by which the School Board is requested to adopt its budget



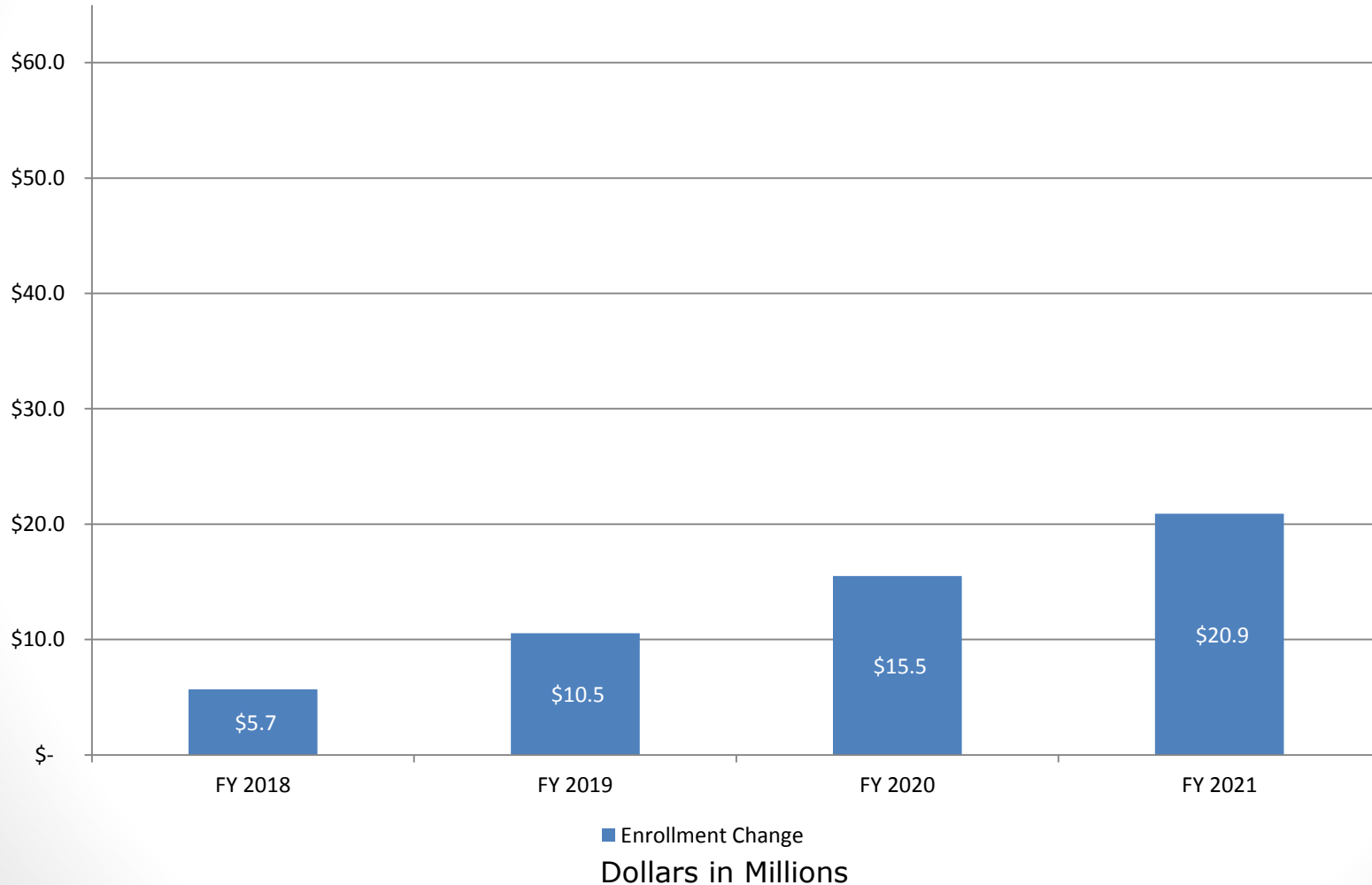
Cost to Fully Fund ACPS CIP and Enrollment Changes

- Five year cost estimate includes:
 - Instructional costs for additional students
 - Staff and lease operating costs for:
 - New Pre-K Facility
 - West End Elementary School
 - Swing Space Elementary School
 - Specialized Secondary Academy
 - Debt service to fully fund ACPS approved CIP
- Five year cost estimate does not include:
 - Compensation costs increases for salaries, medical benefits, pension costs, or other inflationary increases.
 - Costs to completely eliminate the ACPS seating/capacity gap as identified by the School Board



Enrollment Changes with No New/Expanded Facilities

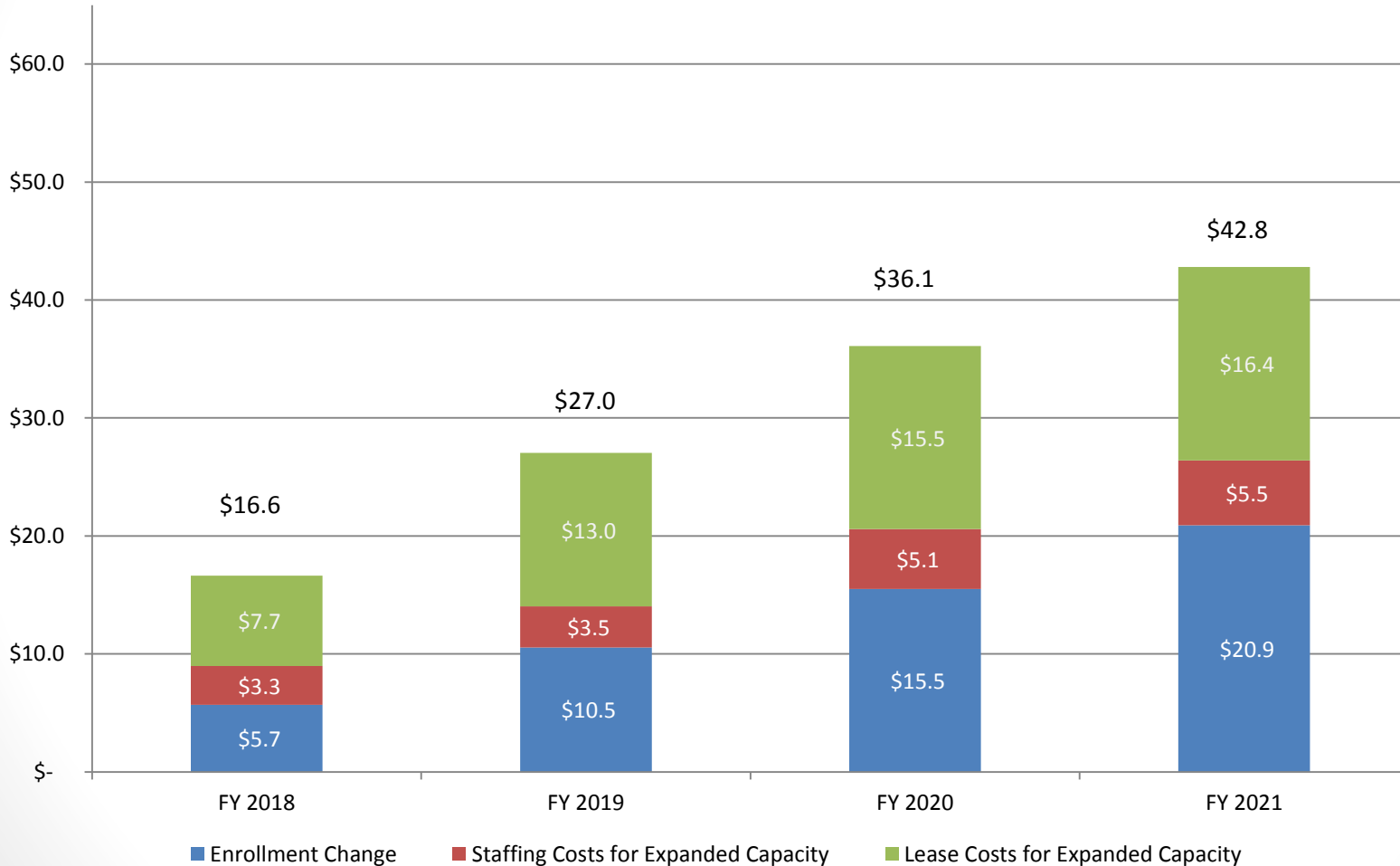
Cumulative Impact Based on ACPS Approved Operating Budget, CIP & Projected Enrollment



Enrollment Changes + Expanded Capacity Operating Costs



Cumulative Impact Based on ACPS Approved Operating Budget, CIP & Projected Enrollment

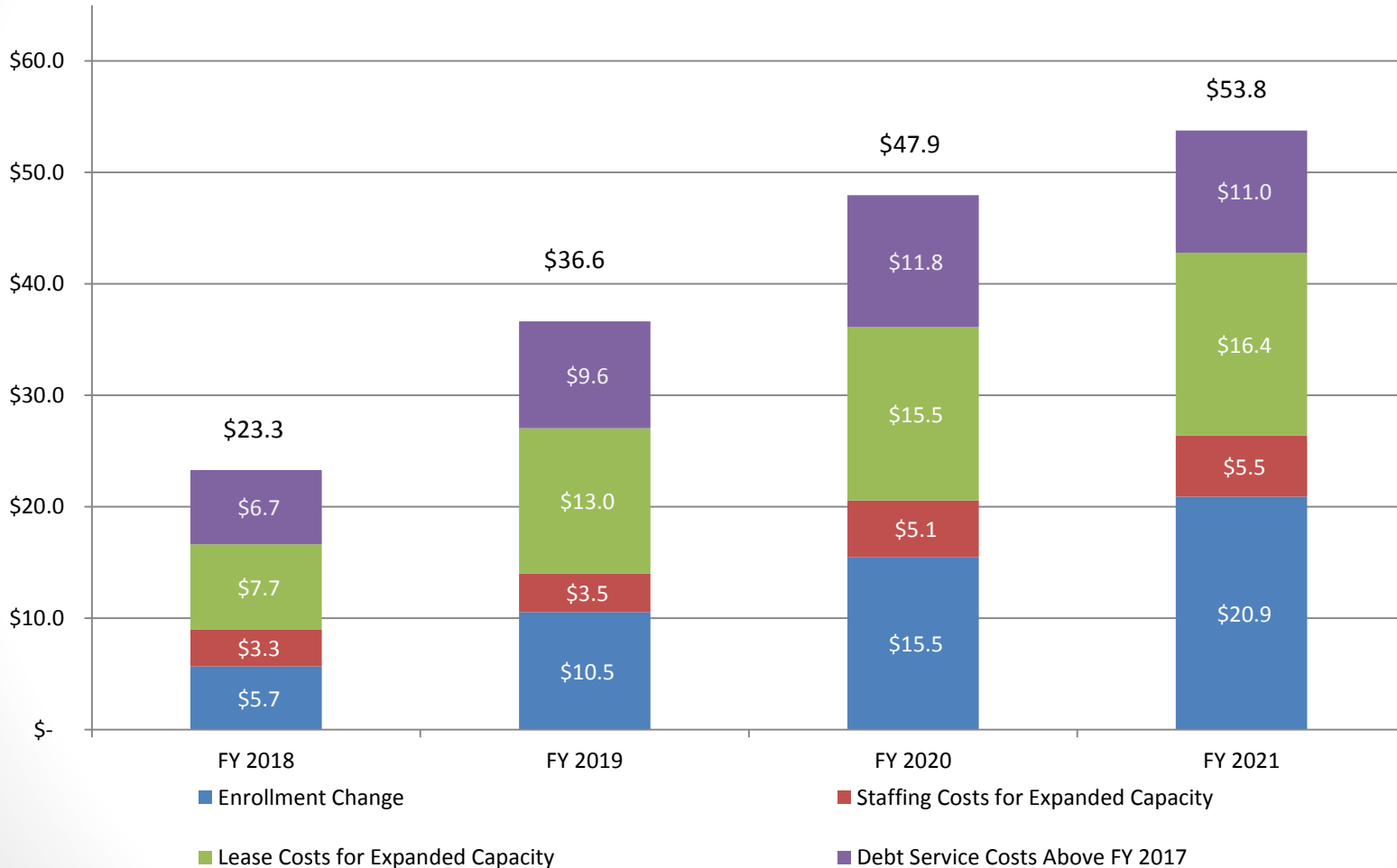


Dollars in Millions

Enrollment Changes + Expanded Capacity Operating + Fully Funded ACPS CIP



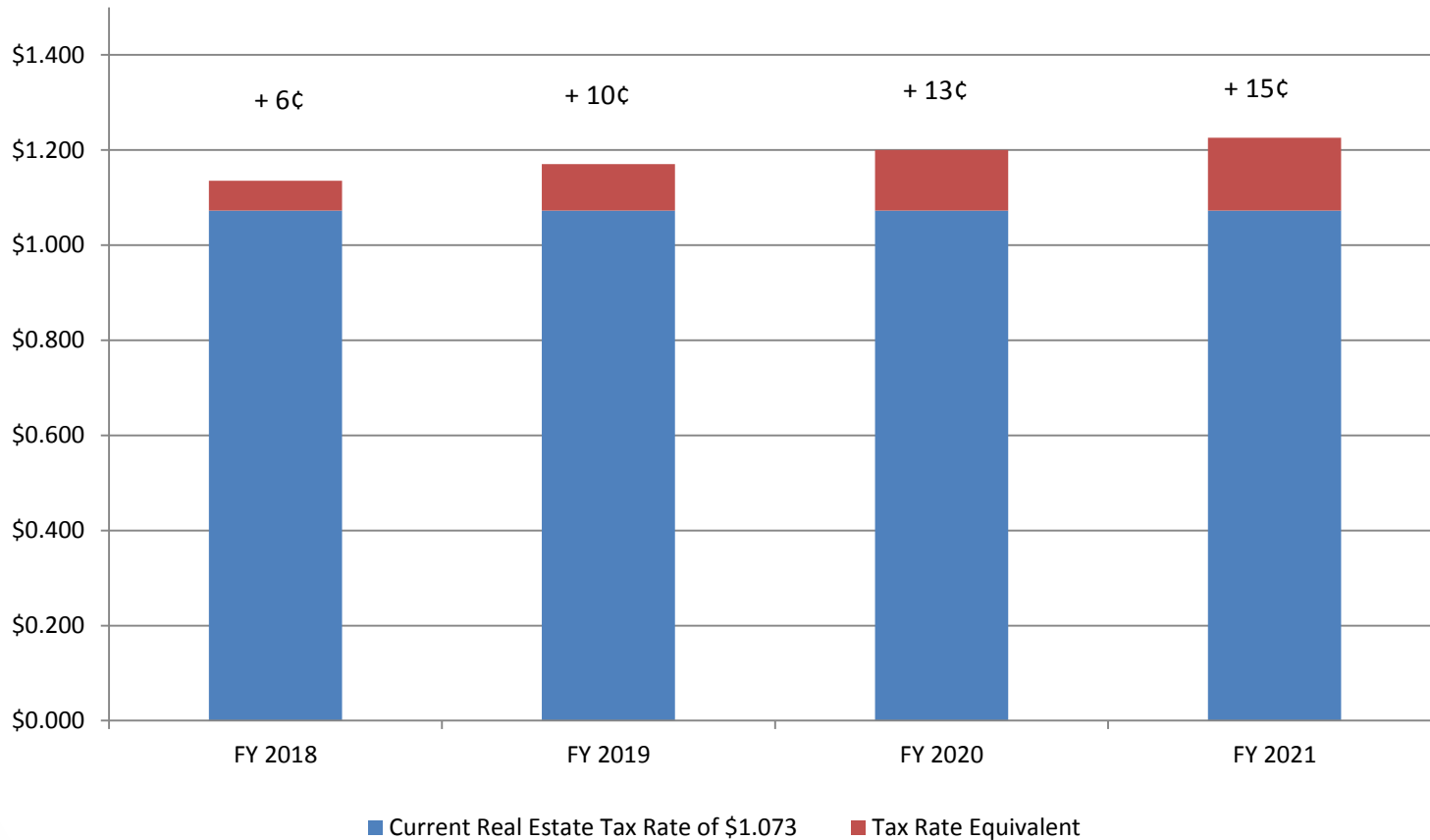
Cumulative Impact Based on ACPS Approved Operating Budget, CIP & Projected Enrollment



Dollars in Millions



Cumulative Real Estate Tax Rate Impact





FY 2017- FY 2021 Capital Improvement Program and \$60 Million Funding Shortfall

(\$ in millions)

Site	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
West-End Elementary School	\$16.1				
Central Pre-K School	8.3				9.2
James K. Polk	4.5				
Swing Space		18.8			
Douglas MacArthur			7.9	39.5	
Cora Kelly					4.6
George Mason					
TCW - Minnie Howard	4.8	25.0			
Specialized Academy			15.7		
Transportation Facility			6.1		
New Elementary School					
Non-Capacity Projects	10.5	7.3	6.8	6.4	6.9
Total ACPS CIP	\$44.2	\$51.1	\$36.5	\$45.9	\$20.7
City Council Adopted CIP	44.2	32.5	31.9	14.8	15.0
City - ACPS (Shortfall)	-	(\$18.6)	(\$4.6)	(\$31.1)	(\$5.7)

Funding Options

- Fully fund from increased tax rates
- Reduce ACPS and/or City capital projects
- Reschedule ACPS and/or City capital projects
- Reduce ACPS and/or City operating programs and services
- Combination of one or more of the above

Informing the Public

- Community Engagement for Long Range Educational Facilities Plan Update
- Informational Sessions/ Budget Forums
- Council's Budget and Fiscal Affairs Advisory Committee (BFAAC)
- School Board's Budget Advisory Committee (BAC)
- Joint Campaign to Raise Awareness