

## City of Falls Church FISCALS Model: Schools Methodology

### *How does the model handle school marginal and capital costs per student?*

Because the City has shifted grades from one school to another in the past, a system-wide approach is used to estimate the school facilities' capital expenditures. The base-year inventory is 2,266 total school seats in the entire school system. The September 30, 2008 membership count indicated that 1,941 of these seats were occupied; thus, the model assumes that 13% of the total seats, or 287 seats, are available for students generated by new development.

Because 287 seats are available, the FISCALS model will not generate capital costs for new school facilities until those 287 seats are filled. When the 288<sup>th</sup> student is generated by a development being examined with the model, FISCALS will trigger the need for an additional school seat; with each additional student generated, an additional school seat will be generated by the model.

This marginal approach does not show the cost of building an entire new school with the addition of 287 students but rather the equivalent cost per seat of adding school facility space. This approach is used because it is unlikely that the City would build a new school; rather, the City would add facility space to existing school facilities.

A capital cost of \$44,973 per school seat has been used based on the existing debt service for the Henderson and Mount Daniel schools' expansions.

Note that the total number of school seats, percentage of available school seats, and capital cost per seat can be easily changed on the Schools Capital Facilities output page. It is also possible to override the assumptions currently in the model to conduct what-if analyses. For example, FISCALS also has the capability of modeling the school facility needs by triggering the need for a new school facility when a certain capacity level is reached.

### *Is the model a citywide predictor of school population "ripple effects" of development?*

No, FISCALS only estimates an increase in the number of school students generated from the new development being considered in the model. For example, a development of 20 mid-rise apartments would generate 3 new students (20 units x 0.15 students per unit). FISCALS does not model the aging of students or new students generated by the turnover of existing housing units.

***How will the model help us know when we've reached tipping points that trigger new school capital expenses?***

When the model triggers the need for additional school seats or school vehicles and equipment, there will be capital costs shown in the Budget Summary page for Schools Capital Expenditures as well as in the table showing capital expenditures. When this occurs, the City should check whether more students have been generated by the model than the City has seats available.

Note that the model can also be set up to trigger the need for additional school seats or even the building of a new school at a point before all available seats are filled.

***Any other insights that you think would help us clarify the role and limitations of the model in measuring school impact from new development based on the questions that you heard.***

The FISCALS model analyzes the net fiscal impact of one or more proposed developments on the City's annual budget. Because it is not designed with a primary purpose of forecasting school students, it is important to analyze the forecasted need for new capital facilities together with data from the schools on enrollment and other factors impacting available capacity.

It is also very important to maintain current school enrollment figures in the base year module and updated available capacity in the school capital module of the model. These factors should be updated annually.