



**Fiscal Year 2011  
Budget Outlook  
December 7, 2009**

## **Recap of FY10 Budget**

- **State revenue down \$3.7m (5.7%)**
- **Total operating budget reduced \$2.8m (2.2%)**
- **Cut 22.8 positions, no teacher positions**
- **Provided no raises or step increases for any staff**

# **FY11 ADM Projection**

- **FY10 Budgeted ADM**                      **12,750\***
- **FY11 Projected ADM**                      **12,600\***
- **Projected Decrease**                      **(150)**

**\*County Planning Department Estimates**

# **State Revenue - Backdrop**

- **State continues to experience fiscal stress**
- **May receive further reductions in FY10**
- **1st year of the new biennium. Long session (60 days) for General Assembly**

# **State Revenue – Backdrop**

- **Governor has made it clear that K-12 education funding will be reduced in FY11 due to economic conditions in the State**
- **Amount of the reduction is unknown at this time**
- **For the school division 5% = \$2.5m, 10% = \$5m, 15% = \$7.5m**

# **State Revenue – Backdrop**

- **Changes in Standards of Quality (SOQ)?**
- **Impact of re-benchmarking**
- **VRS rates: Will rates change due to market conditions?**
- **Retirement**
- **Retiree health care credit**
- **Group life insurance**

## **State Revenue – Backdrop**

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

- **FY10      .3632**

- **FY11      .3727**

- **LCI is the measure of local ability to pay**
- **Will reduce State funding by over \$700,000**

# **(Decrease) in local composite index for select school divisions**

- Loudon (0.0854) .7650 to .7126
- Fauquier (0.0613)
- Manassas (0.0613)
- Manassas Park (0.0529)
- Fairfax County (0.0524)
- Prince William (0.0401)
- Frederick (0.0303)
- Stafford (0.0267)

# **Increase in local composite index for select school divisions**

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

# **State Revenue – Key Dates**

- **Governor releases his proposed FY11 budget on December 18, 2009**
- **General Assembly convenes on January 13, 2010**
- **General Assembly scheduled to close session on March 12, 2010**

# **Federal Impact Aid/DoD for FY11**

- **Level funding by Congress**
- **Continue counting students displaced by renovations at Bethel Manor**
- **FY11 impact aid preliminary estimate is \$9.3 million or same as budgeted in FY10**
- **Projecting an increase of \$190K in heavily impacted funds from DoD**

# **FY11 County Funding**

- **Unknown at this time**
- **County Administrator currently estimates that County revenue is likely to be flat or perhaps a slight decrease in FY11**
- **There is no funding formula for the County contribution to School Division**

# FY11 Revenue Outlook

In millions

State (no reduction to  
15% reduction)

\$ (0 – 7.5)

Federal (DoD)

.19

County

?

Local miscellaneous

.1

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Possible range in revenues

\$ +0.29 – (7.21m)

# FY11 Employee Compensation

## Licensed:

VRS Contribution	\$	?
Steps (\$650,000; average 1.5%)		?
Health Insurance		?

## Non-licensed:

VRS Contribution	\$	?
Steps (\$600,000; average 2%)		?
Health Insurance		?

# **New Funding Requirements**

- **Utilities**
- **General price increases in some areas**

## **Examples of likely expenditure reductions**

*All staff reductions would be by attrition*

- 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
- Textbook/supply purchases

## **Key Dates in January (as of 12/7)**

- **January 11, 2010:**
  - School Board Work Session on FY10E and FY11 Operating Budget
- **January 12, 2010:**
  - Joint work session with Board of Supervisors
- **January 25, 2010:**
  - Public Forum on FY11 Operating Budget



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