

FORMER GOVERNOR KAINE'S FY11 PROPOSED BUDGET COMPARED TO HOUSE AND SENATE PROPOSALS

FY11 estimates are based an enrollment projection of 12,600 as compared to 12,750 for FY10

Composite index for FY11 (Note 1)

State Funding Source	School Operating Budget for FY10	Governor Proposed for FY11	House Proposed	Senate Proposed
Sales Tax	11,930,331	11,363,928	11,363,928	11,377,823
Basic Aid	37,764,736	34,816,695	31,903,847	32,725,048
Composite Index Hold Harmless	0	0	508,402	635,502
Lottery Block Grant (Note 2)	0	0	1,574,176	0
Special Education - SOQ	3,101,534	3,177,377	2,307,962	3,129,976
Voc Ed - SOQ	389,722	449,326	316,159	442,623
Textbooks	962,288	606,189	597,146	597,146
K-3 Primary Class	202,013	195,397	177,751	182,661
Employer Shared Benefits	4,465,560	4,862,350	4,505,269	3,319,671
Technology Initiative	544,000	0	0	544,000
At Risk	51,742	78,391	0	74,447
Additional Support for Schools	737,792	413,403	0	151,628
Limited English Proficiency	149,430	99,694	98,207	93,584
Other State Funds	<u>1,971,542</u>	<u>2,203,433</u>	<u>2,094,194</u>	<u>2,181,677</u>
Total State Revenue (Note 4)	62,270,690	58,266,183	55,447,041	55,455,786
Potential reduction in local share of SOQ costs (County contribution)		<u>0</u>	<u>(1,906,418)</u>	<u>0</u>
	NET REVENUE AVAILABLE	58,266,183	53,540,623	55,455,786
Change in State revenue and potential reduction in local share of SOQ's as compared to Governor Kaine's proposal			(4,725,560)	(2,810,397)
VRS expenditure savings for House and Senate proposals:				
	Retirement and RHCC		4,464,900	3,474,750
	Group life insurance		<u>0</u>	<u>625,000</u>
			4,464,900	4,099,750
NET REDUCTION OR ADDITION TO AVAILABLE RESOURCES			<u>(260,660)</u>	<u>1,289,353</u>

SUMMARY OF STATE BUDGET PROPOSALS

Governor Kaine's Proposed State Revenue Reductions	(4,005,507)	(4,005,507)
(Reductions) Increases proposed by House and Senate	<u>(260,660)</u>	<u>1,289,353</u>
Net reductions including Governor Kaine's proposed budget	<u>(4,266,167)</u>	<u>(2,716,154)</u>

Notes:

1. Governor proposed budget holds the composite index to the FY10 percentage of .3632 for FY11 only. House and Senate use the updated composite index of .3727 and include a hold harmless payment. The hold harmless payment applies to FY11 under the House proposal and to FY11 and FY12 with the Senate proposal.
2. The Lottery Block Grant proposed by the House eliminates the current funding formula for At Risk, Pre-school Initiative, Early Reading Intervention, Support for School Construction and Operating Costs and Enrollment Loss. The Lottery Block grants would be required to be used for either Pre-school initiative, At-Risk Add-On, or Early Reading Intervention programs.
3. Employer Shared Benefits reflect the VRS rates (not including the employee share):

	Retirement and RHCC	Group life insurance
Governor	11.50	1.02
House	expenditures 4.24	1.02
House	state revenue 11.50	N/A
Senate	5.85	premium holiday

The adjustments in these rates also impact the expenditure side of the budget. For the House budget it also assumes the local share of the SOQ's (County contribution) is potentially reduced by \$1,906,418 and the County returns the funds to the State treasury.

4. Not included in the revenue projections above for FY11 for all proposals is \$1,491,267 in federal stimulus stabilization funds.