

GOVERNOR PROPOSED BUDGET FOR FY10

FY10 estimates are based an enrollment projection of 12,750 as compared to 12,705 for FY09E

Composite index for FY10 is .3632 (FY09 .3632).

State Funding Source	School Operating Budget for FY09E	Governor Proposed for FY10	Increase (Decrease) From FY09E		
			\$	%	
Sales Tax	11,391,538	12,350,181	958,643	8.42%	
Basic Aid	41,823,109	37,497,375	(4,325,734)	-10.34%	
Teacher Salary Supplement	0	0	0	0.00%	(note 1)
Lottery	963,826	0	(963,826)	-100.0%	(note 2)
Funding Loss Gap - one time funding	0	419,697	419,697	New	(note 3)
Special Education - SOQ	3,090,588	3,101,534	10,946	0.4%	
Textbooks	958,891	962,288	3,397	0.4%	
K-3 Primary Class	189,811	202,013	12,202	6.4%	
Employer Shared Benefits	4,474,070	4,465,560	(8,510)	-0.2%	(note 4)
Technology Initiative	544,000	544,000	0	0.0%	
Limited English Proficiency	120,458	149,430	28,972	24.1%	
Other State Funds	<u>2,478,367</u>	<u>2,413,006</u>	(65,361)	-2.6%	
Total State Revenue	66,034,658	62,105,084	(3,929,574)	-6.0%	(note 5)

Notes:

- Governor's proposed budget eliminates the teacher salary adjustment originally planned for FY10 of 2% that would have been effective July 1, 2009.
- Recurring and non-recurring lottery funds are eliminated in FY10. The non-recurring funds are allocated to various state funded programs included in the above revenue estimates. Lottery funds now cover the costs of the following programs; Alternative Ed, ISAEP, Special Ed - regional tuition, CTE, At Risk, Early Reading Intervention, Foster Care, K-3 initiative, School Breakfast, SOL Algebra Readiness, Preschool Initiative Mentor Teacher and Funding Loss Gap.
- The Funding Loss Gap payment is a one-time payment for FY10. This payment is distributed by capping each division's per pupil funding level at \$403.90 for FY10 only.
- The small increase in Employer Shared Benefits results from a decrease in the VRS retiree health care credit, 1.08% to 1.04%. The VRS Group Life rate is proposed to decrease from .82% to .79%.

The adjustments in these rates will also impact the expenditure side of the budget
- State funding for construction grants would be eliminated in FY10. If the non-recurring lottery funds and the construction funds that were previously included in the CIP fund are added into the total state revenue reduction, the overall decrease in state revenue is \$5,160,607 or 7.67%.
The School Board exercised prudent financial management practices by including those items in the FY09 CIP for one-time costs and not including those funds in the operating budget.

FY10 FUNDING RESOURCES - SUPERINTENDENT'S DRAFT PROPOSED

Analysis assumes the FY09E School Operating Budget as the base

REVENUE

State (Governor Proposed) (12,750 students)	(3,929,574)	
State non-recurring lottery (for County debt service)	0	
Federal - Impact Aid / DOD	900,000	
County (Supt preliminary \$0 to \$100,242 plus)	100,242	
Local Miscellaneous (interest revenue)	100,000	
Total Revenue (see note 1)		(2,829,332)

OTHER RESOURCES AVAILABLE

*Reallocation of one-time expenditures in FY09E budget
(only \$25k of these expenditures will be spent in FY09)*

Educational technology consultant - 3rd phase of refurbishment	100,000	
5 vehicles - 3 trucks and 2 cargo vans	72,000	
Elementary math model - implementation and materials	85,000	
One time \$525 payment to licensed staff for FY09 only (1%)	475,000	
Bus lease funds	16,440	
		748,440

TOTAL REDUCTION IN RESOURCES **(2,080,892)**

Note 1: Increases for state and federal grants will be added to revenues and expenditures when the amounts are determined.

12-Jan-09

file: FY10 budget est

School Board Work Session - 1/12/09
Superintendent's Preliminary FY10 Budget Recommendations

Analysis assumes the FY09E School Operating Budget as the base

TOTAL REVENUE REDUCTION (2,829,332)

EXPENDITURES

Governor Proposed VRS rate reductions

VRS retiree health care credit	(32,000)	
VRS group life rate reduction	(24,000)	
		(56,000)

***Reallocation of one-time expenditures in FY09E budget
(only \$25k of these expenditures will be spent in FY09)***

Educational technology consultant - 3rd phase of refurbishment	(100,000)	FY09 one time cost
5 vehicles - 3 trucks and 2 cargo vans	(72,000)	FY09 one time cost
Elementary math model - implementation and materials	(85,000)	FY09 one time cost
One time \$525 payment to licensed staff for FY09 only (1%)	(475,000)	FY09 one time cost
Bus lease funds	(16,440)	
		(748,440)

SERVICE AND PROGRAM REDUCTIONS PROPOSED FOR FY10

School Board Office

Eliminate Human Resources Dir. position - 1 FTE (position vacant)	(130,000)	
Eliminate Graduate Assistants	(20,000)	
SBO materials and supplies	(20,000)	
Reduce HR recruiting costs	(5,000)	
Eliminate FY09 increase to non-licensed staff dev.	(5,000)	
Reduce Visiting International Faculty contract - 3rd year teachers	(25,000)	
		(205,000)

Operations and Maintenance

Reduce 3 IT computer tech positions - 3 FTE's (positions vacant)	(150,000)	
Reduce 3 custodian positions - 3 FTE's (positions vacant)	(66,000)	
Reduce 1 HVAC and 1 electrician position - 2 FTE's (positions vacant)	(80,000)	
Move to lease/purchase of buses (4 buses)	(230,000)	
Reduce 2 bus driver FTE's (attrition)	(32,000)	
Energy Education contract ends	(123,600)	
LCD projector bulbs replacement	(25,000)	
Technology hardware upgrades and additions - IT	(25,000)	

Reduce Kronos contract	(35,000)	
Reduce ASI security alarm contract	(20,000)	
Operations - telephone costs	(71,580)	
		(858,180)

Instruction

Interpreter 1 FTE (position vacant)	(55,000)	
Reduce Para-Educator positions - 10 FTE's (attrition)	(170,000)	
Reduce field trip expenditures by 50%	(30,000)	
Reduce professional development - administrators and SBO staff	(18,000)	
Eliminate Young Audiences program	(2,500)	
Eliminate Va Living Museum contract	(48,300)	
Eliminate IB, Honors, and CFMA student recognitions	(8,000)	
Instruction - New Horizons - Career & Technical Ed - lower costs	(5,396)	
Instruction - New Horizons - Governor's School - lower costs	(50,242)	
Eliminate majority of FY09 increase to licensed staff dev.	(76,990)	
		(464,428)

Technology Equipment / Software

Reduce cost of technology refurbishment	(300,000)	
		(300,000)

Division-wide reductions

FY09 staff turnover compensation savings (occurred)	(700,000)	
Reduce retiree health care transfer	(200,000)	
		(900,000)

(3,532,048)

Cost required to maintain current level of service

County shared service - grounds maintenance (subject to change)	71,244	(County directed amount)
County shared service - resource officers (subject to change)	(10,662)	(County directed amount)
County shared service - video services (subject to change)	(5,340)	(County directed amount)
Transfer to County - debt service from non-recurring lottery funds	0	
Utilities (water, sewer, electric, natural gas)	339,000	
Payroll Tax Accountant - 1 FTE - only need if School Division gets its own tax ID #	45,000	
HR contractual costs	11,859	
Communication Services - contractual services	5,700	
Unemployment compensation - HR	2,500	

Sub-total 459,301

Compensation

Licensed staff

Replace Teachers as Leaders program with National Board Certification Program (82,000)

Health and Dental Insurance (Note 1) 315,140

Non-licensed staff

Health and Dental Insurance (Note 1) 311,640

Sub-total 544,780

TOTAL EXPENDITURE REDUCTIONS (2,527,967)

SURPLUS (DEFICIT More reductions needed) (301,365)

Note 1: The health insurance amount is based on a 7% estimated increase in the premium and the employer paying 100% of the cost increase.
The increase in dental will also be borne by employer at 100%.

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