

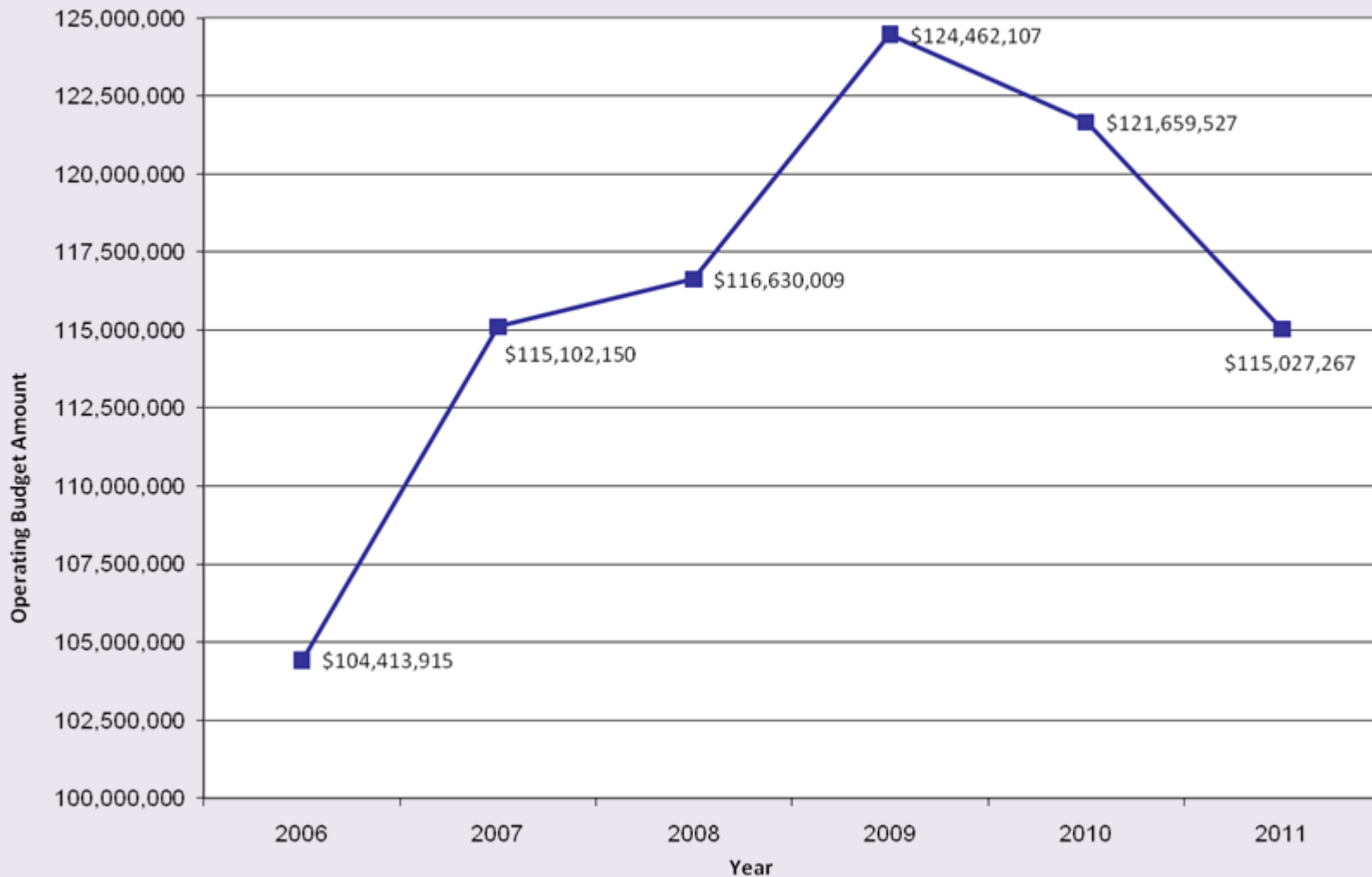


**Fiscal Year 2012
Budget Outlook
December 6, 2010**

Recap of FY10 and FY11 Budgets

- **State revenue down \$11.5m (17.4%)**
- **Total operating budget reduced \$9.4m (7.5%)**
- **Cut 47 positions by attrition**
29 SBO and operations, 10 teachers, 8 Para-educators
- **Provided no raises, no step increases and no position re-grades**

Operating Budget Comparisons (Does Not Include Federal Stimulus Allocations and Not Adjusted for Inflation)



FY12 ADM Projection

- FY11 Budgeted ADM 12,600***
- FY12 Projected ADM 12,410***
- Projected Decrease (190)**

***County Planning Department Estimates**

State Revenue - Backdrop

- **State sales tax is showing modest growth**
- **State continues to experience fiscal stress**
- **No indications from state of further reductions in FY11 (current fiscal year)**
- **FY12 is the 2nd year of the biennium. Short session (45 days) for General Assembly**

State Revenue – Backdrop (cont'd)

- **Governor has requested the VDOE to submit contingency plans for a 2%, 4%, and 6% reduction in direct aid to school divisions and the department for FY12**
- **Amount of the reduction is unknown at this time**
- **For the school division 2% = \$1.1m, 4% = \$2.2m, 6% = \$3.3m**

State Revenue – Backdrop (cont'd)

- Changes in SOQ's (?)
- VRS rates: Based on rates approved by GA last year

Retirement	FY11	FY12	Diff
	8.93%	10.16%	1.23%

- New rate drives an increase in expenditures of \$844k

State Revenue – Backdrop (concluded)

- **The Local Composite Index remains the same:**

FY10 .3632

FY11 .3727

FY12 .3727

(LCI is the measure of local ability to pay)

- **The increase in the LCI would have reduced state funding by \$635,000 if not for 100% hold harmless in FY11 and 50% hold harmless in FY12.**

Local composite index for select school divisions

Williamsburg	0.8000
James City County	0.5668
Virginia Beach	0.4060
York	0.3727
Chesapeake	0.3465
Suffolk	0.3432
Norfolk	0.3043
Newport News	0.2778
Hampton	0.2690
Portsmouth	0.2524

State Revenue – Key Dates

- **Governor releases his proposed FY12 budget on December 17, 2010**
- **General Assembly convenes on January 12, 2011**
- **General Assembly scheduled to close session on February 25, 2011**

Federal Impact Aid/DoD for FY12

- **Level funding by Congress – currently under a *Continuing Resolution***
- **Continue counting students displaced by renovations at Bethel Manor**
- **FY12 impact aid preliminary estimate is \$9.45 million or \$150k more than budgeted in FY11**
- **Projecting a decrease of \$111K in heavily impacted funds from DoD**

FY12 County Funding

- **Unknown at this time**
- **Impact of closing of oil refinery on school division funding is unknown at this time**
- **There is no funding formula for the County contribution to School Division**

FY12 Revenue Outlook

In millions

State (slight increase to
6% reduction)

\$.9 - (3.3)

Federal (IA and DoD)

.039

County

?

Possible range in revenues

\$ +0.939 – (3.26m)

FY12 Employee Compensation

Licensed:

VRS Contribution	\$ 506,400
Steps (\$650,000; average 1.5%)	?
Health Insurance	?

Non-licensed:

VRS Contribution	\$ 337,600
Steps (\$575,000; average 2%)	?
Health Insurance	?

School Division New Funding Requirements

- **Utilities**
- **Special education staffing requirements**
- **General price increases in some areas**

Examples of possible expenditure reductions – Staff reductions would be by attrition if possible

- **Central office staff**
- **Contractual services for instruction and operations**
- **Custodial / maintenance / technology staff**
- **Equipment / bus purchases**
- **Bus Fuel**
- **Para-educators**
- **Staff development**
- **Teachers – increase class size**
- **Technology refurbishment**
- **Textbook/supply purchases**

Key Dates in January (as of Dec. 6, 2010)

- **January 10, 2011** **School Board Work Session on FY11E and FY12 Operating Budget**

- **TBD** **Joint work session with Board of Supervisors**

- **January 24, 2011** **Public Forum on FY12 Operating Budget**

THE END