Subject: FY 2008/09 Budget Update
Policy Reference DB
Strategic Plan Goal Reference 5

Date: September 10, 2008
Enclosures:

REASON FOR CONSIDERATION:
Action ___ Information X

Background

The Division’s two largest sources of revenue are experiencing shortfalls in their projections. Governor Kaine announced on August 18 that the Commonwealth is expecting a $1 billion shortfall in revenues. As part of the Governor’s announcement, he did identify that education funds may be reduced as a result. On Tuesday, September 2 Mr. Bob Tucker informed both the Board of Supervisors and the Superintendent of anticipated local revenue shortfalls. The school division’s share of these revenue shortfalls is approximately $2.4 million.

Administrative Consideration (Rationale)

Following the announcement of these shortfalls, the Superintendent provided direction to all schools and departments to increase operational holdbacks from 7.5% to 10%. The overall reduction in expenses associated with a 10% holdback is approximately $970,000. As further information becomes available, additional reductions will likely be necessary.

During the budget process for FY 2008/09, staff and the Board identified that $400,000 in salary and benefit cost savings would be realized from administrative staffing. The specific reductions to be included were not identified at the time of adoption. Positions were reduced and/or eliminated and responsibilities were reassigned. Listed below are the positions which composed the $400,000 of identified savings for FY 2008/09.

<table>
<thead>
<tr>
<th>Position</th>
<th>FTE</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinator of Equity and Diversity</td>
<td>-1</td>
<td>- $ 94,460</td>
</tr>
<tr>
<td>Assistant Director of Building Services</td>
<td>-1</td>
<td>- $ 88,496</td>
</tr>
<tr>
<td>Executive Director of Support Services</td>
<td>-1</td>
<td>- $151,239</td>
</tr>
<tr>
<td>Family Liaison</td>
<td>-0.5</td>
<td>- $ 58,393</td>
</tr>
<tr>
<td>Assessment Specialist</td>
<td>-0.07</td>
<td>- $ 7,412</td>
</tr>
<tr>
<td><strong>Total Reductions</strong></td>
<td>-3.57</td>
<td>- $400,000</td>
</tr>
</tbody>
</table>

Budget Implications (Short and Long Term)

The Board of Supervisors will be discussing the local revenue update on Wednesday, September 10. More specific information from the Commonwealth is unlikely to be available for discussion in the near future.

Based upon the revised revenue information from both local and state sources, it is very likely that future year revenues will be minimal, or may even be less than current year projections.
Recommendation/Future Direction/Time Line

This information is provided to detail the specific actions taken initially by the Superintendent to address a shortfall in revenues and to meet budgetary requirements. As further information becomes available, staff will provide updates to the School Board.

PREPARED: __________________________

REVIEWED: __________________________  ITEM NUMBER: _______

RECOMMENDED: __________________________