

## Response to Questions on the FY 2012 Budget

**Request By:** Board of Supervisors

**Question:** Please provide an update to the school's FY 2011 budget, including changes at the state and federal levels subsequent to budget adoption.

**Response:** The following response was prepared by the Fairfax County Public Schools:

At the midyear budget review, we anticipate that the FY 2011 beginning balance will increase \$0.1 million due to audit adjustments made after the FY 2010 Final Budget Review. This primarily includes a revenue increase of \$1.2 million from sales tax revenue based on actual sales tax receipts as well as other revenue adjustments totaling \$0.7 million offset by expenditure adjustments totaling \$1.8 million.

In addition to the adjustments impacting the beginning balance, we are also anticipating an adjustment in the sales tax projections for FY 2011. In the approved budget, we projected \$140.1 million in sales tax, which is lower than the actual amount, \$144.9 million, received in FY 2010. Based on the first three months of FY 2011, we anticipate receiving revenue in excess of the projection. Sales tax receipts continue to fluctuate, and we will monitor receipts and update the projections through the mid-year and third quarter budget reviews as necessary.

In terms of state aid, decisions made as a result of the 2010-2012 Biennial Budget passed by the 2010 General Assembly were incorporated in the FY 2011 Approved Budget. Amendments to the 2010- 2012 Biennial Budget are presented by the Governor before a joint session of the Senate Finance, the House Appropriations, and the House Finance committees in December 2010. Amendments proposed by the Governor will be considered by the General Assembly which is scheduled to convene on January 12, 2011. Any changes in state aid for FY 2011 will be reflected in the third quarter budget review and any changes for FY 2012 will be reflected in the advertised budget.

The federal Education Jobs Fund legislation was signed into law on August 10, 2010, and provides \$10 billion to save or create education jobs. The purpose of this legislation is to retain existing employees, recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. The funding allocation for Virginia totals \$249.5 million, and FCPS is expecting to receive one-time funding of \$21.3 million. At present, the School Board is considering using this funding to address the FY 2012 budget.