

The Budget Deficit an Historical Perspective

Diane Fisk Johnson
Arlington Public Schools
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Assumptions

- Budgets are created by estimating both revenues and expenses for a future point in time
- Elements of a budget may not be known precisely at any given time
- As more information becomes available over time, budgets will change to reflect what is currently known or believed

Revenue Source: Local Aid from Town

- FY10 amount was 36.75m
- On December 1, 2009 our estimate was 37.3m
- By January 12, 2010 our estimate had dropped to 36.7m
- On February 1, 2010, based on the Governor's proposed state budget, our estimate became 38.3m

ARRA funding

- FY10 estimated funding of 1.65m
- December 1, best case estimate for FY11 – 1.2m
- December 1, worst case estimate for FY11 – no funding, which became the more likely scenario
- January 26, 0.7m unanticipated additional funding received, to be split evenly between FY10 and FY11

Grant Revenues

- FY10 Budget 2.7m
- As of February 1, FY10 Projected Actual 2.45m
- December 1, FY11 estimated at 2.5m
- January 12, estimate dropped to 2.0m
- January 26, estimate rose slightly to 2.1m
- As of February 1, estimate rose again to 2.2m

Circuit Breaker Reimbursements for Out of District Special Education Tuition Expenses

- FY10 budgeted at 1.3m, actual 0.85m
- On December 1, best case assumption restored funding to FY09 level of 1.3m, while worst case eliminated it entirely.
- On January 26, new information regarding state requirements for ARRA grants allowed us to restore funding estimates to 0.6m.
- February 1, Town Manager agreed to cover any potential shortfall up to 100K, allowing us to raise estimate to 0.7m.

Fees and Offsets

- FY10 budget was 2.45m, actual amounts estimated at 2.05 as of February 1.
- Existing fees and offsets are held at 2m in all versions to date.
- As of January 12, new or increased fees and offsets were estimated at 0.9m.
- February 1, new or increased fees and offsets estimates reduced to 0.55m

Revenue Summary

- December 1, Best Case – 44.3m
- December 1, Worst Case – 41.8m
- January 12, Conservative Estimate - 41.6m
- January 26, Conservative Estimate – 42.65m
- February 1, Best Case – 44.1m

Salary Expenses, Level Service

- FY10 Budget is 32.9m
- December 1, salaries estimated at 31.9m.
- This estimate omitted grant and fee funded salaries, by error.
- January 12, salaries estimated at 33.9m, including all school employees, step, lane and existing contract salary increases, but no cost of living increase.

Non-Salary Expense

- FY10 Budget 12.8m
- December 1, estimate for FY11, 15m.
- January 12, estimate for FY11, 14.5m.
- February 1, estimate for FY11 reduced to 14.2m due to out of district tuition freeze proposed by Governor's budget. Town Manager has agreed to cover the School up to 300K if this assumption changes.

Level Service Budget Summary

- December 1, 46.9m
- January 12, 48.4m
- February 1, 48.1m

The Moving Deficit

- December 1, Best Case – 2.6m
- December 1, Worst Case – 5.1m

- January 12, Conservative – 6.8m

- January 26, Conservative – 5.8m

- February 1, Best Case – 4.0m