

Factors Contributing to FY 2010 Shortfall

Description	Amount	Approximate Date When Identified	Comments
Grant Revenue Loss	\$220,000	Throughout Fall, published in February	Grant Revenues averaged 9% reduction from FY10 Budget Estimates, which themselves had been based on a level funding expectation from FY09
Circuit Breaker	\$415,000	Mid-September, published in February, revised in June	Circuit Breaker was funded at a 42% rate, FY10 Budget expected 65%. FY09 was funded at 72%.
Germaine Lawrence/Tuited in Special Education	\$350,000	In February, estimates lowered by \$125,000, final amounts not known until close of year	The FY10 Budget increased expected amounts by \$200,000 over FY09. Collection of fees proved difficult. \$200,000 came in over the summer, too late to be applied to FY10. \$145,000 is still outstanding.
LABBB distribution and credit balances	\$450,000	In February, estimates lowered by \$200,000. Final reduction not known until June.	During the fall, LABBB board voted not to give distributions in FY10. FY10 Budget expected \$250,000 in old credit balances to be used. All balances were exhausted in FY09, but this was not known until June.
Various other Fees and offsets	\$365,000	Estimates lowered in February, final numbers not known until June.	Fee collections were below budget expectations in Kindergarten, Instrumental Music, Building Rental, Pre School, and Ticket Sales. Also Lunch program offsets and Sped savings initiatives were below budgeted amounts.

Arlington Public Schools
 August 26, 2010

Special Education Out of District Tuition	\$800,000	Expense trends evolved during FY10. \$400,000 was known in March, Remainder added as settlements lost during the spring and additional students placed out of district.	In March, FY11 Budget request included an increase to current expense level (\$6,000,000) and requested an additional reserve of \$400,000 to protect against future increases. The \$400,000 was reallocated to staffing needs, leaving FY11 \$400,000 over budget in Out of District Tuition as of July 1, 2010.
Total	\$2,600,000		

Proposed Measures for Managing FY 2010 Shortfall

Description	Amount	Confidence Level	Comments
Cost Containment Efforts in FY10	\$1,100,000	High	Completed during FY10, reducing the 2.6m problem outlined above to the 1.5m reported.
Germaine Lawrence / Tuitioned In Special Education	\$335,000	High	Legal efforts to enforce collections brought in \$190,000 in July and August. The additional \$145,000 in outstanding amounts owed can be collected before June, 2011.
Special Education Transportation Savings	\$250,000	High	At LABBB/EDCO meeting last week, cost information for FY11 shows significant savings over budgeted amounts.
Circuit Breaker Reimbursement	\$260,000	Moderately High	FY11 Budget anticipated a further reduction in allocation from FY10 actual amounts by reducing reimbursement rate to 32%. Current information indicates Circuit Breaker will be reimbursed at 38%. In addition, reimbursable costs for Arlington to claim increased by over \$400,000 from prior year.
FY11 Budget Cuts to supplies and contingencies	\$155,000	High	Schools were allocated only 70% of their supplies budgets to start FY11. A portion of the unallocated amount can be cut as needed, although not without consequences to the schools.
Jobs Bill	\$490,000	High	New Federal Funding will allow us to maintain staffing created through loss of Special Education reserve, and fund jobs not budgeted but needed to support new

			Special Education students.
Special Education Out of District Tuition Savings	\$410,000	Modest	Since July 1, reduction of some high cost out of district placements through family relocation has reduced out of district tuition to budgeted amount. However, out of district tuition is highly unpredictable and subject to drastic increases and decreases. Efforts must be made in the FY12 Budget to create a strategic reserve to protect against years like FY10.
Total	\$3,000,000		