

	<u><b>AMOUNT</b></u>
<b>I. REVENUE ADJUSTMENTS</b>	
<b>A. Beginning Balance</b>	<b>\$8,000,000</b>
<p>After a review of the compensation accounts at the FY 2009 Third Quarter Review, \$8.0 million in savings was identified and set aside for the FY 2010 beginning balance. This brings the total budgeted beginning balance to \$28.0 million.</p>	
<b>B. County Transfer</b>	<b>(56,771,803)</b>
<p>The School Board's FY 2010 Advertised Budget included a request to increase the county transfer by \$56.8 million or 3.5 percent. However, in adopting its FY 2010 budget plan, the Board of Supervisors did not approve an increase.</p>	
<b>C. State Revenue</b>	<b>0</b>
<p>Based on final General Assembly actions and current year sales tax revenue, the sales tax estimate is reduced by \$2.1 million. A corresponding increase is projected in Basic Aid funding.</p>	
<b>D. Federal Revenue</b>	<b>42,630,474</b>
<p>As part of the American Recovery and Reinvestment Act (ARRA), FCPS will receive \$18.9 million in IDEA stimulus funding and \$23.7 million from the State Fiscal Stabilization Fund (SFSF). Additional Title I ARRA funding is recognized in the Grants and Self-Supporting Fund.</p>	
<b>E. City of Fairfax Tuition</b>	<b>(3,191,350)</b>
<p>Based on membership adjustments and lower operational costs than projected in the fiscal forecast, tuition due from the City of Fairfax is reduced by \$3.2 million.</p>	
<b>F. Grant Adjustments – IDEA Award</b>	<b>1,408,750</b>
<p>The annual award for IDEA, Section 611 (School Age) award is projected to increase \$1.4 million and the IDEA, Section 619 (Preschool) award is projected to decrease \$10,749, for a net increase of \$1.4 million. A corresponding expenditure adjustment is included in Section III. D. 7. of this agenda. The additional revenue and expenditures are reflected in the FCPS FY 2010 Special Education Plan.</p>	

<b>G. Student Parking Fees</b>	<b>250,000</b>
<p>The annual student parking fee will increase from \$150 to \$200.</p>	

<b>TOTAL REVENUE ADJUSTMENTS</b>	<b><u>(\$7,673,929)</u></b>
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	<u>AMOUNT</u>	<u>POSITIONS</u>
<b>II. THIRD QUARTER EXPENDITURE ADJUSTMENTS</b>		
<p>The following item recognizes a recurring expenditure adjustment from the FY 2009 Third Quarter Budget Review that needs to be included in the FY 2010 Approved Budget.</p>		
√ <b>A. Woodson Adult High School</b>	<b>\$100,000</b>	<b>0.0</b>
<p>Additional funding is required for the recurring expenditure for hourly teachers and instructional supplies to serve students on the waiting list at the Woodson Adult High School that the School Board approved at the FY 2009 Third Quarter Review.</p>		
<b>TOTAL THIRD-QUARTER EXPENDITURE ADJUSTMENTS</b>	<u><b>\$100,000</b></u>	<u><b>0.0</b></u>
<b>III. EXPENDITURE ADJUSTMENTS</b>		
<b>A. Advertised Reductions Restored</b>		
√ <b>1. Guidance and Career Services</b>	<b>\$2,558,839</b>	<b>37.0</b>
<p>IDEA ARRA funding will restore 17.0 middle school (MS) and 20.0 high school (HS) guidance counselor positions, eliminated as part of the FY 2010 advertised budget reductions, by adjusting the MS ratio from 330:1 to 320:1 and the HS ratio from 300:1 to 290:1.</p>		
√ <b>2. Elementary Special Education</b>	<b>1,562,787</b>	<b>30.0</b>
<p>The Category B minimum class size increase of 0.5 in the advertised budget will be restored from a 7:1 ratio to a 6.5:1 ratio using IDEA ARRA funding. In addition, a 1.0 resource teacher and a 1.0 adapted curriculum resource teacher will be added as a result of realignment within the Department of Special Services (DSS).</p>		
√ <b>3. Secondary Special Education</b>	<b>522,088</b>	<b>10.0</b>
<p>The Category B minimum class size increase of 0.5 in the advertised budget will be restored from a 7:1 ratio to a 6.5:1 ratio using IDEA ARRA funding.</p>		
√ <b>4. Elementary School Magnet Transportation</b>	<b>110,000</b>	<b>0.0</b>
<p>Elementary magnet transportation will be restored. In FY 2010, a team will be created to analyze options for determining countywide boundaries for transportation to magnet schools.</p>		

√ - Recurring  
X - Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>5. Psychologist and Social Worker Redesign</b></p> <p>Savings from converting all 11-month psychologists and social workers, except in the Preschool Diagnostic Center (PDC), to 10-month (209-day) contracts, along with other savings from the DSS redesign, will allow for the reduction of general education ratios from 2,350:1 to 2,325:1 for psychologists and 2,500:1 to 2,360:1 for social workers. The special education ratio will also change, increasing psychologist ratios from 35:1 to 38:1, and decreasing social worker ratios from 61:1 to 51:1. These changes reflect how psychology and social work services have been staffed for the last several years. Funding is also provided for a number of 11-month teacher leadership contracts to be used for summer programs.</p>	637,595	7.5
√	<p><b>6. Information Technology</b></p> <p>This will restore \$125,000 for the call out feature of Keep in Touch, a system that enables schools to notify parents of school activities, PTA meetings, and other special events that was eliminated in the FY 2010 Advertised Budget. I-Bistro, a library system software, that enhances the details displayed when students search the FCPS online library catalog, will also be restored at a cost of \$27,000. The I-Bistro restoration will be offset by a reduction in the library materials budget.</p> <p>Funding of \$30,800 will restore televised School Board meetings and \$25,000 will restore closed captioning for these productions. In addition, public school profiles will be restored at a cost of \$101,592. The profiles include information on membership, test scores, demographics, accreditation, staffing, and safety. A 1.0 database engineer position is included.</p>	309,392	1.0
√	<p><b>7. Other Special Services Programs</b></p> <p><b>a. Alternative High Schools</b></p> <p>Alternative High School reductions will be fully restored using IDEA ARRA funds.</p>	348,963	0.0
√	<p><b>b. Assistive Technology for Students with Disabilities (ATS)</b></p> <p>A 1.0 ATS teacher position will be restored using IDEA ARRA funding, limiting the overall budget reduction to 8.0 positions.</p>	74,268	1.0

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>c. Career and Transition Services (CTS)</b></p> <p>The ratio for employment transition representatives will be adjusted from 57:1 to 54:1; in addition, 34 of 38 CTS contracts will be restored from 198-day to 208-day. These partial restorations are provided through IDEA ARRA funding.</p>	190,074	1.0
√	<p><b>d. Preschool Diagnostic Center (PDC)</b></p> <p>Two PDC social worker positions will be restored using IDEA ARRA funding.</p>	152,839	2.0
√	<p><b>e. Therapy and Adapted Physical Education (APE)</b></p> <p>IDEA ARRA funding will be used to restore 3.0 APE positions by adjusting elementary and cluster site ratios from 9.5:1 to 9.0:1 and the itinerant ratio from 11.5:1 to 10.0:1.</p>	198,272	3.0
√	<p><b>8. Activities and Athletics</b></p> <p>Funding for girls gymnastics will be restored; corresponding reductions in police services and consolidation in VHSL field trips are included as an alternative cut.</p>	0	0.0
√	<p><b>9. After School Initiatives</b></p> <p>A budget reduction of \$0.3 million in the FY 2010 Fairfax County Adopted budget will reduce county funding available for the After School Initiatives program in FCPS' 27 middle schools by over \$12,000 per school.</p>	0	0.0
√	<p><b>10. Changing Education Through the Arts</b></p> <p>As indicated in the advertised budget, funding for 3.0 Time-to-Teach positions will be eliminated; however, schools can continue the program with internal funding. In addition, the Instructional Services Department will pay membership costs to the Kennedy Center, as well as some professional development costs for those CETA schools not receiving additional resources.</p>	0	0.0

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>11. College Success Program (program redesign)</b></p> <p>Recommendations for the program redesign of the Advancement via Individual Determination (AVID), College Partnership, Early Identification and Pathways to the Baccalaureate programs include a reduction of \$0.2 million and 2.0 positions. Funding was reduced in the advertised budget; only position reductions are required.</p>	(0)	(2.0)
√	<p><b>12. Elementary Focus (program redesign)</b></p> <p>As a result of the Elementary Focus program redesign, schools will apply and compete for funding for FY 2010. There is no change to the amount of the overall funding reduction included in the FY 2010 Advertised budget; however positions will no longer be automatically allocated. Schools may choose to convert Focus Program dollars to positions through the trade-off process or use funding as outlined in their Focus application.</p>	(0)	(15.5)
√	<p><b>13. Advanced Academic Centers Transportation</b></p> <p>Advanced Academic Center Transportation will be restored. This restoration will be funded by decreasing the energy volatility reserve.</p>	<b>208,000</b>	<b>0.0</b>
√	<p><b>14. TJHSST Transportation</b></p> <p>Thomas Jefferson High School for Science and Technology transportation will be restored, eliminating the proposed change to depot busing in the afternoon. This restoration will be funded by decreasing the energy volatility reserve.</p>	<b>358,080</b>	<b>0.0</b>
√	<p><b>15. Academy Transportation</b></p> <p>Funding of \$0.4 million for transportation of all academy students will be restored reducing the amount maintained in the energy volatility reserve by \$0.4 million.</p>	<b>440,810</b>	<b>0.0</b>

**B. Grim Reductions Averted**

√	<p><b>1. Extended Learning Opportunities</b></p> <p>ARRA funding will be used to provide new extended learning opportunities at 23 elementary schools. The Title I portion will be reflected in the Grants and Self Supporting Fund.</p>	<b>3,511,662</b>	<b>1.0</b>
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√ - Recurring  
X - Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>2. Modified School Calendar - Elementary</b></p> <p>This program was eliminated as part of the FY 2010 budget reductions. Instead, new extended learning opportunities will be provided using Title I &amp; IDEA ARRA funding. Title I ARRA funding is in the Grants and Self-Supporting Fund.</p>	(2,633,785)	(7.0)
√	<p><b>3. Project Excel</b></p> <p>This program was eliminated as part of the FY 2010 budget reductions. Instead, new extended learning opportunities will be provided using Title I &amp; IDEA ARRA funding. Title I ARRA funding is in the Grants and Self-Supporting Fund.</p>	(5,806,613)	(14.7)
√	<p><b>4. Other Grim Reductions Averted</b></p> <p>Other grim reductions, totaling more than \$32.2 million, were averted using ARRA funding. Because of this funding, general and special education class size was not increased further, the student accountability program was not eliminated, and budgets for equipment and logistics were not further reduced.</p>	0	0.0
	<b>C. Other Innovative Programs</b>		
√	<p><b>1. ASPIRE Software License</b></p> <p>IDEA ARRA funds will be used to purchase licenses for the ASPIRE student assessment software.</p>	820,000	0.0
√	<p><b>2. Assistive Technology</b></p> <p>IDEA ARRA funding will be used to purchase new and replacement assistive technology equipment for students with disabilities and Read Aloud software licenses for all schools.</p>	368,447	0.0
√	<p><b>3. Developmental Reading Assessment (DRA) Best Practices/Professional Development</b></p> <p>IDEA ARRA funds will be used to develop a system of training of DRA2 to support all elementary teachers (general education, ESOL and Special Education) with consistent reading training.</p>	100,000	0.0

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>4. Elementary &amp; Center Special Education Teacher Leadership</b></p> <p>IDEA ARRA funding will be used to provide an extended contract to one special education teacher-leader at each of the elementary schools and five special education centers.</p>	703,915	0.0
√	<p><b>5. IDEA ARRA Indirect Costs (611 &amp; 619)</b></p> <p>This reflects an increase in the recommended state restricted indirect cost rate for grants to 1.3 percent.</p>	245,671	0.0
√	<p><b>6. Preschool Diagnostic Center/Child Find Redesign</b></p> <p>IDEA ARRA funds will be used to implement a portion of the Department of Special Services redesign by expanding services provided to Fairfax County preschool students through the Preschool Diagnostic Center/Childfind/Preschool program. This funding will provide 3.0 additional preschool diagnosticians, as well as additional psychologists and social workers, creating a total of eight teams to serve the specific needs of each cluster.</p>	770,357	9.0
√	<p><b>7. Reading Recovery</b></p> <p>IDEA ARRA funds will be used to continue this program, which is designed to reduce the number of first-grade students who have difficulty learning to read and write and to reduce the long-term cost of these learners to educational systems.</p>	155,158	2.0
√	<p><b>8. SeaStars</b></p> <p>IDEA ARRA funds will be used to purchase and develop software to implement the student eligibility component of SeaStars. Similar to the improvements from the IEP component of SeaStars, automating the special education eligibility process will streamline operations and improve compliance. Without ARRA funding this implementation stage would not be available in FY 2010.</p>	261,290	0.0
√	<p><b>9. Special Education Mentor Coaches</b></p> <p>In conjunction with the Department of Professional Learning and Training, a new program will provide mentor-coaches to special education teachers. These positions will be funded by IDEA ARRA funds.</p>	331,611	4.0

	<u>AMOUNT</u>	<u>POSITIONS</u>
<p>√      <b>10. Student Learning Plan</b></p> <p>In response to the Student Achievement Goals, a Student Learning Plan (SLP) has been identified as an important tool for maximizing student success and as a means to focus on the "whole child." In addition, the Virginia Department of Education has mandated a student learning plan for middle school years by 2011. An SLP will be developed using IDEA ARRA funding.</p>	<b>887,290</b>	<b>0.0</b>
<p>√      <b>11. Summer Reading Program</b></p> <p>Project Lift is a summer reading program that provides support to at-risk readers. The goal is to prevent reading declines that occur over the summer. IDEA ARRA funding will be used to fund this program.</p>	<b>290,000</b>	<b>0.0</b>
<b>D. Approved Adjustments</b>		
<p>√      <b>1. Employee Compensation</b></p> <p>A decrease of \$4.6 million in employee compensation results from a decrease in the projected Fairfax County Employees Retirement System employer rate, an increase in the projected participation in health plans, and a decrease in compensation and FICA costs based on updated estimates and refined employee benefits calculations.</p>	<b>(4,551,020)</b>	<b>(0.0)</b>
<p>√      <b>2. Fuel</b></p> <p>The fuel budget will be reduced by <del>\$3.4</del> \$3.6 million as a result of updating the projected cost per gallon to \$2.77 and holding \$1.0 million as an energy volatility reserve. The \$1.0 million previously identified for the energy volatility reserve has been reallocated to restore Advanced Academic Center, TJHSST, and Academy Transportation.</p>	<b>(3,562,780)</b>	<b>(0.0)</b>
<p>√      <b>3. Bell Schedule Adjustments</b></p> <p>After completing iteration three from the transportation task force, it was requested that Facilities and Transportation calculate potential savings from adjusting the bell schedule without flipping the start times for elementary, middle, and high schools. Implementation of this plan would result in savings of \$4.7 million.</p>	<b>(4,749,352)</b>	<b>(0.0)</b>

√ - Recurring  
X - Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
√ <b>4. Transportation Reengineering</b>	<b>440,821</b>	<b>5.0</b>

This will provide funding for the reorganization of the Office of Transportation that will include the following changes: centralization of operations, centralization of routing, and decentralization of special education transportation. To ensure that the transportation office can initiate improved operational procedures, position approval is requested for the following new positions: 2.0 operations managers, 1.0 technical specialist, and 2.0 dispatchers. In addition, \$0.1 million is requested in non-recurring funding to overstaff positions for approximately six months in the transition period.

√ <b>5. Membership Adjustments</b>	<b>(3,751,501)</b>	<b>(24.0)</b>
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Updated spring membership projections result in a net decrease of 792 students from fall projections and reduce the cost of membership growth, including opening two new schools, from \$39.8 million to \$36.0 million. In addition to savings associated with the reduction of 24.0 positions, there are logistic savings related to per pupil allocations, classroom and teacher equipment, substitutes, dining room aides, and professional development. A student membership summary is listed below.

	<b>FY 2009 Approved Projections</b>	<b>FY 2010 Proposed Projections</b>	<b>FY 2010 Approved Projections</b>
Kindergarten	11,275	11,760	11,829
Grades 1-6	69,796	72,551	72,885
Grades 7-8	23,198	23,171	23,401
Grades 9-12	46,827	49,057	47,462
<b>Subtotal General Education</b>	<b>151,096</b>	<b>156,539</b>	<b>155,577</b>
Alternative Schools & Programs	2,191	2,294	2,297
Level 2 Students	13,809	14,244	14,411
<b>Subtotal</b>	<b>167,096</b>	<b>173,077</b>	<b>172,285</b>
<b>FECEP</b>	<b>1,288</b>	<b>1,288</b>	<b>1,288</b>
<b>TOTAL</b>	<b>168,384</b>	<b>174,365</b>	<b>173,573</b>
<b>ESOL</b>	<b>22,674</b>	<b>22,822</b>	<b>21,347</b>

**6. Other Adjustments**

√ <b>a. Accountability - Administration</b>	<b>(210,000)</b>	<b>(1.0)</b>
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The assistant superintendent position will be eliminated and the duties will be combined with the duties of the assistant superintendent of the Department of Professional Learning and Training.

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>b. AP/IB Test Increases</b></p> <p>Enrollment projections indicate an increase in the number of students taking tests, as well as the number of exams taken by each student. An additional \$0.2 million is required to cover the projected increase in costs.</p>	218,861	0.0
√	<p><b>c. Central Support to Schools</b></p> <p>Due to ARRA funding, logistics accounts within departments will be realigned to maximize usage of the additional support received from stimulus funding.</p>	(645,067)	(0.0)
√	<p><b>d. Cluster Services and Programs (Special Education)</b></p> <p>As part of the SS redesign, positions for a manager for the special education mentor-coach program, an IEP specialist, and a pyramid liaison specialist will be added. Costs are offset by other redesign expenditure reductions.</p>	364,281	3.0
√	<p><b>e. Core Elementary Instruction</b></p> <p>Due to efficiencies identified in the Instructional Services reorganization, a 1.0 nonschool-based position will be eliminated resulting in savings of \$76,568.</p>	(76,568)	(1.0)
√	<p><b>f. Core High School Instruction</b></p> <p>The high school assistant principal (AP) formula will be revised to provide a maximum of 5.0 positions for schools based on enrollment. To ensure that no school loses more than 1.0 AP position in FY 2010, 4.0 positions will be provided from the staffing reserve for one year. Schools that will receive a reserve position to ease the transition are Hayfield, Lake Braddock, South County, and Westfield. This results in a net decrease of 1.0 position from the advertised budget.</p> <p>In addition, efficiencies identified in the IS reorganization result in the elimination of 4.0 nonschool-based positions and savings of \$0.4 million.</p>	(441,176)	(5.0)

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>g. Library Information Systems (Library Media)</b></p> <p>The Library Information Systems budget was reduced by \$1.5 million and 13.5 positions, which represents a decrease of 4.5 position from the advertised budget. Eliminated positions include 11.0 clerical, 1.0 central office, 1.0 out-of-ratio position at Mt. Vernon HS, and a 0.5 media technician position at Hayfield. In addition, the contract length of high school head librarians was reduced from 218.0 to 208.0 days, and the contract length of head librarians at Burke Center, Cedar Lane, and Quander Road Center were reduced from 218.0 to 194 days. Contracts for elementary librarians (194.0 days) and middle school librarians (198.0 days) were not changed. The library materials was reduced by \$0.6 million, and \$27,000 will be transferred from the IS baseline to IT to restore the I-Bistro program that was proposed to be eliminated.</p>	<b>(27,000)</b>	<b>(4.5)</b>
√	<p><b>h. School Board Office</b></p> <p>The budget reduction taken by the School Board Office in FY 2010 is being realigned at no cost to better provide customer service. A 1.0 public information assistant position will be restored by eliminating a 0.5 office assistant position and reducing other operating expenditures.</p>	<b>0</b>	<b>0.5</b>
√	<p><b>i. Special Services</b></p> <p>The comprehensive redesign of Special Services will result in additional hourly reductions of \$0.1 million and a reduction of an additional 9.5 clerical positions totaling \$0.5 million. A 1.0 technology support teacher (\$74,268), will be added to the communications section.</p>	<b>(511,742)</b>	<b>(8.5)</b>
√	<p><b>j. Student Achievement Goals</b></p> <p>Additional funding will be provided to continue the student achievement goal projects currently in process and overseen by the Project Management Oversight Committee.</p>	<b>300,000</b>	<b>0.0</b>
√	<p><b>k. Student Registration</b></p> <p>The Department of Special Services realignment will result in the addition of a 1.0 specialist position for student transfers and home instruction. Costs are offset by other redesign expenditure reductions.</p>	<b>92,554</b>	<b>1.0</b>

	<u>AMOUNT</u>	<u>POSITIONS</u>
<p><b>7. Grant Adjustments – IDEA Award</b></p> <p>The annual IDEA awards for preschool and school age students will increase by \$1.4 million. Expenditure adjustments, including the creation of a Behavior Intervention Team (26.0 positions); 6.0 additional teacher positions for the conduct disorder program; development, implementation, and support of the eligibility software component of Sea Stars (3.0 positions); and an additional financial analyst position, have been made and incorporated in the Special Education Annual Plan. This expenditure increase is offset by a corresponding revenue increase in Section I. F. of this agenda.</p>	<b>1,408,750</b>	<b>36.0</b>
<p>√ <b>8. Transfer to Summer School</b></p> <p>Due to efficiencies achieved through the summer school redesign, there will be an available ending balance to carryover to FY 2010. Therefore, the summer school transfer will be reduced by \$0.9 million and the transfer to the Adult and Community Education Fund will be increased by that amount to maintain funding for Adult ESOL classes while the ACE programs are being redesigned in FY 2010.</p>	<b>(900,443)</b>	<b>(0.0)</b>
<p>√ <b>9. Transfer to Adult Education – Adult ESOL</b></p> <p>Due to efficiencies achieved through the summer school redesign, there will be an available ending balance to carryover to FY 2010. Therefore, the summer school transfer will be reduced by \$0.9 million and the transfer to the Adult and Community Education Fund will be increased by that amount to maintain funding for Adult ESOL classes while the ACE programs are being redesigned in FY 2010.</p>	<b>900,443</b>	<b>0.0</b>
<p>√ <b>10. Staffing Reserve</b></p> <p>The staffing reserve will increase from 210.5 to 214.1 authorized positions for the FY 2010 approved budget. The increase in the staffing reserve is funded by increasing the student parking fee. These positions will mitigate staffing issues that may arise due to compounding budget reductions and the effect of the increase in class size at small schools. Any unallocated positions will be returned to the School Board at the FY 2010 Third Quarter Budget Review.</p>	<b>250,000</b>	<b>3.6</b>
<p><b>TOTAL EXPENDITURES, TRANSFERS, AND THIRD QUARTER ADJUSTMENTS</b></p>	<b><u>(\$7,673,929)</u></b>	<b><u>74.4</u></b>

√ - Recurring  
X - Nonrecurring

**SUMMARY**

<b>TOTAL REVENUE ADJUSTMENTS</b>	<b>(\$7,673,929)</b>
<b>TOTAL EXPENDITURE ADJUSTMENTS</b>	<b><u>(\$7,673,929)</u></b>
<b>TOTAL FUNDS AVAILABLE</b>	<b><u><u>\$0</u></u></b>

I move that the Division Superintendent be authorized to take whatever actions are necessary to implement the decisions made by the School Board relative to its FY 2010 Approved Budget; and that all policies and regulations inconsistent with the budgetary motions passed tonight are hereby modified and amended accordingly; and the Division Superintendent is to be granted authority to make all necessary minor changes and technical modifications to the budget and to salary scales to comply with the intent of the School Board with regard to its budget actions.

**IV. OTHER FUNDS**

**FOOD AND NUTRITION SERVICES**

The FY 2010 Advertised Budget included a 25 cent price increase for both the breakfast and lunch programs. However, Food and Nutrition Services is eliminating the increase in breakfast prices to encourage students to start the day off with a nutritional breakfast. By leaving breakfast prices unchanged, it is Food and Nutrition Services' goal to maintain the current customer base and increase participation by obtaining new customers through the current population and enrollment growth. There is no change to the FY 2010 Approved Budget revenue projection because Food and Nutrition Services anticipates that the revenue that would have been generated by the 25 cent breakfast price increase will still be achieved as a result of increased participation.

The Food Service workers less-than-twelve month employee contract has been revised to reflect six "free" paid nonworking days in lieu of holiday pay, similar to the transportation employee contract. This revision was a collaborative effort between the Food Service Worker's Advisory Council, Food and Nutrition Services, and the assistant superintendents of Human Resources and Financial Services.

**GRANTS AND SELF-SUPPORTING PROGRAMS FUND**

**Grants Subfund:**

Revenue and expenditures are increasing by \$8.1 million and 37.0 positions. This increase is primarily due to an increase in regular Title I, Part A award and the American Recovery and Reinvestment Act of 2009 (ARRA) which provides additional funding for programs under Title I, Part A to include extended learning opportunities.

<b>Revised Grant Awards:</b>	<b>Amount</b>	<b>Positions</b>
<b>Federal</b>		
Title I, Part A (regular)	\$1,554,748	
Title I, Part A (ARRA)	6,729,274	37.0
Title II, Part A	(3,050)	
<b>State</b>		
State Technology Grant	(52,000)	0.0
<b>Private</b>		
Fairfax Network	<u>(85,000)</u>	<u>0.0</u>
<b>Total:</b>	<b>\$8,143,972</b>	<b>37.0</b>

The Virginia Department of Education requires that Fairfax County Public Schools' School Board authorize the Division Superintendent and the School Board Chairman to sign and file the FY 2010 No Child Left Behind (NCLB) entitlement applications. To comply with this requirement, the adoption of the FY 2010 budget grants this authority.

**Summer School Subfund:**

A budgeted beginning balance of \$1.7 million due to savings realized in FY 2009 will be set aside and carried over to FY 2010. Consequently, the transfer from the operating fund will be reduced by \$0.9 million. Two (2.0) full-time positions will be eliminated.

### **ADULT AND COMMUNITY EDUCATION FUND**

The Adult and Community Education fund includes a budgeted beginning balance of \$0.4 million from the FY 2009 projected ending balance that will be set aside and carried over to FY 2010. An increase in the transfer of \$0.9 million will be used to directly support the Adult ESOL program. An additional 3.62 positions have been eliminated. The position reductions include the elimination of 1.0 ACE Director; 1.12 ACE Instructional Program Specialists; 1.0 ACE Registration Center Supervisor; and a 0.5 Accounting Technician.

### **SCHOOL CONSTRUCTION FUND**

Revenue and expenditures decreased by \$0.9 million due to the elimination of the School Construction Grants program funding by the General Assembly's Adopted Budget.

### **SCHOOL INSURANCE FUND**

There are no changes to this fund.

### **HEALTH AND FLEXIBLE BENEFITS FUND**

The FY 2010 Approved Budget reflects a combined increase of \$6.0 million in employer and employee contributions due to a projected 2.9 percent increase in health benefits plan participation. Expenditures also reflect a \$6.0 million increase due to anticipated increases in premiums and health benefits paid.

The FY 2010 Approved beginning balance of \$52.3 million reflects a \$10.7 million decrease compared to the FY 2010 Advertised budget. The beginning balance decreased due to an anticipated payment of \$10.7 million from the Reserve for GASB 45 for other post employment benefits, which is scheduled to occur at FY 2009 year-end.

### **SCHOOL CENTRAL PROCUREMENT FUND**

There are no changes to this fund.

### **EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY (ERFC) FUND**

There are no changes to this fund at this time; however, an update will be provided to the School Board at the June work session.

### **SCHOOL OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND**

The FY 2010 Approved Budget reflects revenue and expenditure projections that were not available at the FY 2010 Advertised. The FY 2010 beginning balance of \$16.2 million reflects a net increase of \$8.2 million due to \$10.7 million received that was previously held in reserve in the Health and Flexible Benefits Fund and a FY 2009 projected net investment loss of \$2.5 million.

The FY 2010 annual required contribution (ARC) will be determined by an actuarial valuation scheduled to be completed in FY 2010. A portion of the ARC will be funded by existing employer contributions of \$26.0 million; however, it is estimated that this will be insufficient to meet ARC requirements for FY 2010.

Benefits paid reflect employer costs incurred due to implicit and explicit subsidies on retiree health benefits and are projected to be \$26.0 million. Assets of the School OPEB Trust Fund are invested in the Virginia Pooled Trust Fund administered by the Virginia Local Government Financial Corporation. Anticipated administrative expenses of \$0.01 million include an annual participants' fee and annual program fees.

## SCHOOL OPERATING FUND STATEMENT

	FY 2010 Advertised	FY 2010 Approved	Variance
<b>BEGINNING BALANCE, July 1:</b>	<b>\$20,000,000</b>	<b>\$28,000,000</b>	<b>\$8,000,000</b>
<b>RECEIPTS:</b>			
Sales Tax	\$155,185,870	\$153,051,225	(\$2,134,645)
State Aid	261,251,678	263,386,323	2,134,645
Federal Aid	39,930,484	83,969,708	44,039,224
City of Fairfax Tuition	38,305,949	35,114,599	(3,191,350)
Tuition, Fees, and Other	12,322,550	12,572,550	250,000
<b>Total Receipts</b>	<b>\$506,996,531</b>	<b>\$548,094,405</b>	<b>\$41,097,874</b>
<b>TRANSFERS IN:</b>			
Combined County General Fund	\$1,683,372,525	\$1,626,600,722	(\$56,771,803)
<b>Total Transfers In</b>	<b>\$1,683,372,525</b>	<b>\$1,626,600,722</b>	<b>(\$56,771,803)</b>
<b>Total Receipts &amp; Transfers</b>	<b>\$2,190,369,056</b>	<b>\$2,174,695,127</b>	<b>(\$15,673,929)</b>
<b>Total Funds Available</b>	<b>\$2,210,369,056</b>	<b>\$2,202,695,127</b>	<b>(\$7,673,929)</b>
<b>EXPENDITURES:</b>	<b>\$2,175,955,218</b>	<b>\$2,168,281,289</b>	<b>(\$7,673,929)</b>
<b>TRANSFERS OUT:</b>			
School Construction Fund	\$8,877,232	\$8,877,232	\$0
Grants & Self-Supporting Fund	21,702,888	20,802,445	(900,443)
Adult & Community Education Fund	58,393	958,836	900,443
Consolidated County & School Debt Fund	3,775,323	3,775,323	0
<b>Total Transfers Out</b>	<b>\$34,413,838</b>	<b>\$34,413,838</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$2,210,369,056</b>	<b>\$2,202,695,127</b>	<b>(\$7,673,929)</b>
<b>ENDING BALANCE, June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>

**FOOD AND NUTRITION SERVICES FUND STATEMENT**

	<b>FY 2010 Advertised</b>	<b>FY 2010 Approved</b>	<b>Variance</b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$7,423,084</b>	<b>\$7,423,084</b>	<b>\$0</b>
<b>REVENUE:</b>			
Food Sales	\$46,994,378	\$46,994,378	\$0
Federal Aid	20,458,075	20,458,075	0
State Aid	815,112	815,112	0
Other Revenue	260,000	260,000	0
<b>Total Revenue</b>	<b>\$68,527,565</b>	<b>\$68,527,565</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$75,950,649</b>	<b>\$75,950,649</b>	<b>\$0</b>
<b>EXPENDITURES:</b>			
Expenditures	\$67,938,171	\$67,938,171	\$0
Food and Nutrition Services General Reserve	8,012,478	8,012,478	0
<b>Total Disbursements</b>	<b>\$75,950,649</b>	<b>\$75,950,649</b>	<b>\$0</b>
Change in Inventory	\$0	\$0	\$0
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT**

	<b>FY 2010 Advertised</b>	<b>FY 2010 Approved</b>	<b>Variance</b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$0</b>	<b>\$1,655,721</b>	<b>\$1,655,721</b>
<b>RECEIPTS:</b>			
State Aid	\$10,627,102	\$10,575,102	(\$52,000)
Federal Aid	32,398,967	40,679,939	8,280,972
Tuition	2,950,191	2,194,913	(755,278)
Industry, Foundation, Other	111,421	26,421	(85,000)
<b>Total Receipts</b>	<b>\$46,087,681</b>	<b>\$53,476,375</b>	<b>\$7,388,694</b>
<b>TRANSFERS IN:</b>			
School Operating Fund (Grants)	\$8,865,952	\$8,865,952	\$0
County General Fund	0	0	0
School Operating Fund (Summer School)	12,836,936	11,936,493	(900,443)
Cable Communications Fund	2,927,759	2,927,759	0
<b>Total Transfers In</b>	<b>\$24,630,647</b>	<b>\$23,730,204</b>	<b>(\$900,443)</b>
<b>Total Funds Available</b>	<b>\$70,718,328</b>	<b>\$78,862,300</b>	<b>\$8,143,972</b>
<b>EXPENDITURES</b>	<b>\$70,718,328</b>	<b>\$78,862,300</b>	<b>\$8,143,972</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ADULT AND COMMUNITY EDUCATION FUND STATEMENT**

	<b>FY 2010 Advertised</b>	<b>FY 2010 Approved</b>	<b>Variance</b>
<b>BEGINNING BALANCE, July 1</b>	<b>\$0</b>	<b>\$440,110</b>	<b>\$440,110</b>
<b>REVENUE:</b>			
State Aid	\$684,016	\$684,016	\$0
Federal Aid	707,329	691,215	(16,114)
Tuition	8,807,263	8,045,410	(761,853)
Industry, Foundation, Other	1,116,176	480,168	(636,008)
<b>Total Revenue</b>	<b>\$11,314,784</b>	<b>\$9,900,809</b>	<b>(\$1,413,975)</b>
<b>TRANSFERS IN:</b>			
School Operating Fund	\$58,393	\$958,836	\$900,443
<b>Total Revenue and Transfers</b>	<b>\$11,373,177</b>	<b>\$10,859,645</b>	<b>(\$513,532)</b>
<b>Total Funds Available</b>	<b>\$11,373,177</b>	<b>\$11,299,755</b>	<b>(\$73,422)</b>
<b>EXPENDITURES</b>	<b>\$11,373,177</b>	<b>\$11,299,755</b>	<b>(\$73,422)</b>
<b>ENDING BALANCE, June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SCHOOL CONSTRUCTION FUND STATEMENT**

	<b>FY 2010 Advertised</b>	<b>FY 2010 Approved</b>	<b>Variance</b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RECEIPTS:</b>			
Bond Sales	\$155,000,000	\$155,000,000	\$0
State Construction Grant	873,617	0	(873,617)
City of Fairfax	150,000	150,000	0
Miscellaneous Revenue	36,000	36,000	0
PTA/PTO Donations	150,000	150,000	0
Other Donations	100,000	100,000	0
<b>Total Receipts</b>	<b>\$156,309,617</b>	<b>\$155,436,000</b>	<b>(\$873,617)</b>
<b>TRANSFERS IN:</b>			
<b>School Operating Fund</b>			
Building Maintenance	\$6,449,030	\$6,449,030	\$0
Classroom Equipment	1,828,202	1,828,202	0
Facility Modifications	600,000	600,000	0
<b>Total Transfers In</b>	<b>\$8,877,232</b>	<b>\$8,877,232</b>	<b>\$0</b>
<b>Total Receipts and Transfers</b>	<b>\$165,186,849</b>	<b>\$164,313,232</b>	<b>(\$873,617)</b>
<b>Total Funds Available</b>	<b>\$165,186,849</b>	<b>\$164,313,232</b>	<b>(\$873,617)</b>
<b>EXPENDITURES AND COMMITMENTS:</b>			
Expenditures	\$165,186,849	\$164,313,232	(\$873,617)
<b>Total Disbursements</b>	<b>\$165,186,849</b>	<b>\$164,313,232</b>	<b>(\$873,617)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## SCHOOL INSURANCE FUND STATEMENT

	FY 2010 Advertised	FY 2010 Approved	Variance
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$23,760,281</b>	<b>\$23,760,281</b>	<b>\$0</b>
<b>REVENUE:</b>			
Workers' Compensation			
School Operating Fund	\$5,771,502	\$5,771,502	\$0
Food & Nutrition Services Fund	277,166	277,166	0
Other Insurance			
School Operating Fund	5,968,127	5,968,127	0
Insurance Proceeds/ Rebates	50,000	50,000	0
<b>Total Revenue</b>	<b>\$12,066,795</b>	<b>\$12,066,795</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$35,827,076</b>	<b>\$35,827,076</b>	<b>\$0</b>
<b>EXPENDITURES:</b>			
Workers' Compensation			
Administration	\$655,707	\$655,707	\$0
Claims Paid	4,792,961	4,792,961	0
Claims Management	600,000	600,000	0
Other Insurance	6,018,127	6,018,127	0
Allocated Reserves	4,799,201	4,799,201	0
<b>Subtotal</b>	<b>\$16,865,996</b>	<b>\$16,865,996</b>	<b>\$0</b>
<b>Net Change in Accrued Liability</b>			
Workers' Compensation	\$0	\$0	\$0
Other Insurance	0	0	0
<b>Subtotal</b>	<b>\$16,865,996</b>	<b>\$16,865,996</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$16,865,996</b>	<b>\$16,865,996</b>	<b>\$0</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$18,961,080</b>	<b>\$18,961,080</b>	<b>\$0</b>
Restricted Reserves:			
Workers Comp Accrued Liability	\$16,347,000	\$16,347,000	\$0
Other Insurance Accrued Liability	2,614,080	2,614,080	0
Reserve for Catastrophic Occurrences	0	0	0
<b>Total Reserves</b>	<b>\$18,961,080</b>	<b>\$18,961,080</b>	<b>\$0</b>

## HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	FY 2010 Advertised	FY 2010 Approved	Variance
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$62,986,497</b>	<b>\$52,286,497</b>	<b>(\$10,700,000)</b>
<b>RECEIPTS:</b>			
Employer Contributions	\$162,049,000	\$166,711,271	\$4,662,271
Employee Contributions	46,696,479	48,050,677	1,354,198
Retiree/Other Contributions	33,530,640	33,530,640	0
Medicare Part D	2,400,000	2,400,000	0
Interest Income	2,936,000	2,936,000	0
<b>Subtotal</b>	<b>\$247,612,119</b>	<b>\$253,628,588</b>	<b>\$6,016,469</b>
Flexible Accounts Withholdings	\$6,200,000	\$6,200,000	\$0
<b>Total Receipts</b>	<b>\$253,812,119</b>	<b>\$259,828,588</b>	<b>\$6,016,469</b>
<b>Total Funds Available</b>	<b>\$316,798,616</b>	<b>\$312,115,085</b>	<b>(\$4,683,531)</b>
<b>EXPENDITURES/ PAYMENTS:</b>			
Health Benefits Paid	\$176,478,640	\$181,140,911	\$4,662,271
Premiums Paid	56,266,080	57,620,278	1,354,198
Claims Incurred but not Reported (IBNR)	17,157,000	17,157,000	0
IBNR Prior Year Credit	(16,176,000)	(16,176,000)	0
Health Administrative Expenses	13,231,971	13,231,971	0
<b>Subtotal</b>	<b>\$246,957,691</b>	<b>\$252,974,160</b>	<b>\$6,016,469</b>
Flexible Spending Accounts Reimbursement	\$6,200,000	\$6,200,000	\$0
FSA Administrative Expenses	117,000	117,000	0
<b>Subtotal</b>	<b>\$6,317,000</b>	<b>\$6,317,000</b>	<b>\$0</b>
Claims Stabilization Reserve <sup>/1</sup>	\$52,823,925	\$52,823,925	\$0
Reserve for GASB 45	\$10,700,000	\$0	(\$10,700,000)
<b>Total Disbursements</b>	<b>\$316,798,616</b>	<b>\$312,115,085</b>	<b>(\$4,683,531)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>/1</sup> The Claims Stabilization Reserve is appropriated for budgeting purposes to offset fluctuations in health insurance costs during the fiscal year. This reserve is to be carried forward as the beginning balance in the subsequent fiscal year.

**CENTRAL PROCUREMENT FUND STATEMENT**

	<b>FY 2010 Advertised</b>	<b>FY 2010 Approved</b>	<b>Variance</b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$423,873</b>	<b>\$423,873</b>	<b>\$0</b>
<b>REVENUE:</b>			
Sales to Schools/ Departments	<u>\$14,000,000</u>	<u>\$14,000,000</u>	<u>\$0</u>
<b>Total Funds Available</b>	<b>\$14,423,873</b>	<b>\$14,423,873</b>	<b>\$0</b>
<b>EXPENDITURES:</b>			
Purchase for Resale	<u>\$14,000,000</u>	<u>\$14,000,000</u>	<u>\$0</u>
<b>Total Disbursements</b>	<b>\$14,000,000</b>	<b>\$14,000,000</b>	<b>\$0</b>
<b>ENDING BALANCE, JUNE 30</b>	<b><u>\$423,873</u></b>	<b><u>\$423,873</u></b>	<b><u>\$0</u></b>

**EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT SYSTEM  
OF FAIRFAX COUNTY FUND STATEMENT**

	FY 2010 Advertised	FY 2010 Approved	Variance
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$1,915,483,626</b>	<b>\$1,915,483,626</b>	<b>\$0</b>
<b>REVENUE:</b>			
Contributions	\$93,632,000	\$93,632,000	\$0
Investment Income	147,123,000	147,123,000	0
<b>Total Revenue</b>	<b>\$240,755,000</b>	<b>\$240,755,000</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$2,156,238,626</b>	<b>\$2,156,238,626</b>	<b>\$0</b>
<b>EXPENDITURES</b>	<b>\$180,448,550</b>	<b>\$180,448,550</b>	<b>\$0</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$1,975,790,077</b>	<b>\$1,975,790,077</b>	<b>\$0</b>

**SCHOOL OPEB TRUST FUND STATEMENT**

	<b>FY 2010 Advertised</b>	<b>FY 2010 Approved</b>	<b>Variance</b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$7,995,517</b>	<b>\$16,185,517</b>	<b>\$8,190,000</b>
<b>REVENUE:</b>			
Employer Contributions	\$0	\$26,000,000	\$26,000,000
Net Investment Income	0	485,000	485,000
<b>Total Revenue</b>	<b>\$0</b>	<b>\$26,485,000</b>	<b>\$26,485,000</b>
<b>Total Funds Available</b>	<b>\$7,995,517</b>	<b>\$42,670,517</b>	<b>\$34,675,000</b>
<b>EXPENDITURES:</b>			
Benefits Paid	\$0	\$26,000,000	\$26,000,000
Administrative Expenses	0	10,000	10,000
<b>Total Disbursements</b>	<b>\$0</b>	<b>\$26,010,000</b>	<b>\$26,010,000</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$7,995,517</b>	<b>\$16,660,517</b>	<b>\$8,665,000</b>