

**BOARD APPROVED REDUCTIONS FOR 2011-2012: Includes Stakeholder Surveys items 1. (Change in high scheduling - \$2,820,000); 2. (Contract with Ombudsman - \$1,941,962); 3. (Implement 3-tier transportation - \$1,477,441); 5. (Reorganize/reduce maintenance-custodial \$954,000); 9. (Reduce 1% Board contribution to .5% - \$422,000); 10. (Eliminate two Asst. Principals - \$215,000); 11. (Reduce the number of SROs - \$171,428 plus \$42,857 for elimination of Sharp SRO); 12. Require a 10% cut in all Central Office budgets - \$160,000); 13. (Combine NCCA CEO and Director of CTAE - \$65,000); for a grand total of **\$8,269,688** in expenditure cuts.**

This chart is inclusive of the following updates:

1. The Special Education Maintenance of Effort amount as it stands now at \$798,070 is added to expenses in this fiscal year 2010-2011 (see number 8. below for the final amount).
2. The total amount of increase in classified employee insurance is \$911,601 per year; however food service will have to pay \$192,338 leaving \$719,263 per year to be paid from General Fund. \$719,263 was added to total expenses for each of the years beginning with 2011-2012.
3. A preliminary QBE allotment was received on May 4. The equalization grant increased by \$757,257. Our QBE T&E (training and experience) amount increased by \$99,947. The state QBE allotment in total is \$2,278,213 more than we originally expected it to be when we were told to prepare for a 4% cut.
4. Expenditures for FY 2012-2013 and 2013-2014 include \$1,000,000 for textbook adoptions. FY 2012-2013 includes a K-12 math adoption and FY 2013-2014 includes a K-12 science adoption.
5. Total revenues are adjusted as of June 27, 2011 for the final tax digest amount. The final digest totals \$2,177,437,258. This digest will generate an estimated \$40,337,025 in General Fund tax revenues after subtracting the 2.5% fee paid to the tax commissioner and assuming a 95% collection rate. This amount is \$2,704,246 more than the estimated taxes included in the approved 2012 budget.
6. The Newton County Tax Appraiser believes that the digest will lose another 8% to 10% in 2012. 2012-2013 and 2013-2014 tax revenues have been reduced by 9% in the amount of \$3,630,332.
7. State health benefit rates for classified employees have been raised beginning September 1, 2011. This will cost the General Fund another \$350,000 per year. Also, the employer contribution to the TRS retirement plan will increase from 10.28% to 11.41% in fiscal year 2012-2013. The gross cost of this increase to General Fund will be around \$900,000; however, the QBE formula should be adjusted and the system should receive around \$665,000 in increased state funds to help offset this cost.
8. The final ending fund balance for FY 2010-2011 is \$15,737,101. Total revenues for the year were \$631,630 more than budget and total expenditures came in at \$3,126,768 less than budget. Also, the \$798,070 that was at issue for the special education "Maintenance of Effort" requirement was remediated down to \$134,687.

GENERAL FUND	FINAL 2010-2011	PROJECTED 2011-2012	PROJECTED 2012-2013	PROJECTED 2013-2014
BEGINNING FUND BALANCE	\$8,967,465	\$15,737,101	\$14,168,531	\$7,734,629
TOTAL REVENUES	\$140,130,635	\$129,940,180	\$126,974,848	\$126,974,848
TOTAL EXPENDITURES	\$133,360,999	\$131,508,750	\$133,408,750	\$133,408,750
ENDING FUND BALANCE	\$15,737,101	\$14,168,531	\$7,734,629	\$1,300,727

\$7,734,629 represents 13.61 days of operating expenses

\$1,300,727 represents 2.29 days of operating expenses

We would need to cut **\$3,161,138** from the 2013-2014 budget to maintain a minimal fund balance of \$4,461,865 (3.34% of the total budget). Various experts throughout the state have recommended that we maintain a fund balance of at least 7% of budget which would amount to \$9,338,612. We would have to cut a total of **\$8,037,885** to meet this recommendation.