



**Osceola County Public Schools**  
**Michael A. Grego, Ed.D.**  
**Superintendent**

**Budget Update #7**  
**Year-End**  
**June 2009**

Dear Colleagues:

Thank you! Thank you for your hard work, patience, support and understanding. Thank you for overcoming challenges. Thank you for keeping the success of our students and the concerns of our parents foremost in everything you do. The end of the school year is a time to celebrate the year's successes and you have achieved too many to list. Thank you for each one.

This year the School Board and I have tried to keep you informed about the district's financial position. We believe that in hard economic times a steady flow of honest information helps reduce anxiety and encourage participation in solving our problems. Today's update has a lot of information, but when you read it you will know everything I know.

First I will give you some good financial news. The Legislature preserved the National Board Certified Teacher bonus at 8 percent of the state average teacher's salary and maintained the Teacher Lead program at about the same level as 2008/2009. We preserved the bonus funds for our AP and IB programs. School recognition awards were maintained at up to \$75 per student.

Florida did receive its share of the Federal stimulus money. In addition to more funding for Title 1 schools and IDEA programs, the stimulus money added about \$17.7 million to our operating budget. That helps provide short-term help for FY 2009/2010. A similar amount is expected for FY 2010/2011.

In addition to the Federal stimulus dollars the Legislature moved money from our local construction fund to our operating budget. This move added \$5.92 million to our local operating budget. It also gave us about \$1.5 million in extra state money because our property is less valuable than the state average. (Just so you know, the Legislature moved the same amount of construction money last year and therefore our money to build and repair our buildings is down about \$11.8 million per year.)

The Federal money plus the effect of moving the construction money provided about \$25.12 million for next year that we were not able to consider earlier in the spring. Even with these improvements we will have about \$2.9 million less than we have this year. In addition to this \$2.9 million revenue decrease, we have to find money to pay for cost increases for such items as insurance, fuel, utilities and other expenses.

In addition to working with the FY 2009/2010 budget we are also looking down the road to FY 2010/2011 and FY 2011/2012. We have been studying the revenue that is in the forecasts for the next three years.

We are concerned about whether all of the funds we are projected to receive in FY 2009/2010 will be available. The Osceola County Property Appraiser's Office has informed us that the value of property in the district will decline 17.28 percent. The information used to build our budget in Tallahassee predicted that our property values would decrease only 8.23 percent.

This information and the results of our study indicate our FY 2009/2010 funds could be about 1.9% lower than budgeted, which would require us to decrease spending by another \$6.5 million. The study also shows that the money we receive for FY 2010/2011 may be 3.7 percent less than the reduced amount for FY 2009/2010, and the revenue we expect for FY 2011/2012 may be 6.6 percent less than the reduced amount for FY 2010/2011.

To sum it all up, unless the economy gets a lot better a lot faster than is expected or the Legislature acts to increase revenue for public schools there will be no money to replace the Federal stimulus funds. Combined with no net revenue growth and other increased costs our 2011/2012 budget may be as much as 11.7 percent lower than the budget with which we are ending this year.

While we all know that every silver lining has a dark cloud, all is not doom and gloom. The Federal government and the Legislature bought us some time this year. The economy is sprouting more "green shoots" than was expected and we may indeed see a better economy faster than was projected. There will be two more sessions of the Legislature before the Federal money is gone, so we have time to work with the officials presently in office and those who may be elected in 2010 to improve the revenue base for our students.

In addition we continue to carefully implement our fiscal plans. We have worked hard to minimize both employee reductions and the elimination of critical programs. We will continue to work to protect the classroom to the greatest extent possible. We will work with our School Board, our unions, our Legislature and you to find solutions.

You are the brightest spots of all! You continue to perform miracles with our children every day. I hope you will have a restful and productive summer. Know that I miss the excitement of teachers and students during the summer, yet we have so many teacher growth opportunities planned that we will be strong next year. Have a great summer. Together we will solve these problems and emerge a better school district. Together there is nothing we can't do! Thank you again for a great effort and a wonderful school year!