



## **School District of Indian River County**

**A Grade "A" School District**

**Dr. Harry J. La Cava, Superintendent**

### **PRESS RELEASE**

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**DATE: November 21, 2008**

**SUBJECT: Budget Update**

The School District of Indian River County has received notification from the Florida Department of Education that a further deterioration in State revenues has resulted in another \$2.3 million (1.93%) budget reduction to the school district's budget for this school year. This reduction is in addition to a \$5 million (3.96%) reduction our district has sustained since the beginning of the 2008-2009 school year.

In preparing the fiscal 2008-2009 budget, the district employed several budget reduction strategies that would enable us to offset the anticipated \$5 million budget reduction without any loss of jobs or harm to our educational programs. In addition, this latest round of reductions was also anticipated with the District budgeting in a responsible manner. This was accomplished by utilizing budgeted reserves and anticipated collection of additional property taxes, based on a conservative estimate, in order to position ourselves to absorb the \$2.3 million revenue reduction.

School districts across the State of Florida rely heavily on revenue collected from sales tax, and statewide revenue projections continue to miss their targets. These revenue collection targets formed the building blocks of the 2008-2009 statewide education budget. For example, October sales tax revenue collections were \$62.8 million less than predicted. If this shortfall experienced for the month of October continues each month for the rest of the year, the budget shortfall is expected to escalate an additional \$1 billion. As a result of this development we have been put on notice that a special session of the Legislature may be called sometime in the next couple of months to deal with the projected shortfall, at which time the Legislature may possibly enact further reductions to our School District Budget. Although there are currently no formal plans in place to address any further reductions to our budget for the remainder of this school year, district staff continues to assess the situation on an ongoing basis. ###

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