

# Charleston County School District Budget FY2012

June 13, 2011  
2<sup>nd</sup> & Final Reading

Charleston > excellence is our standard  
County SCHOOL DISTRICT

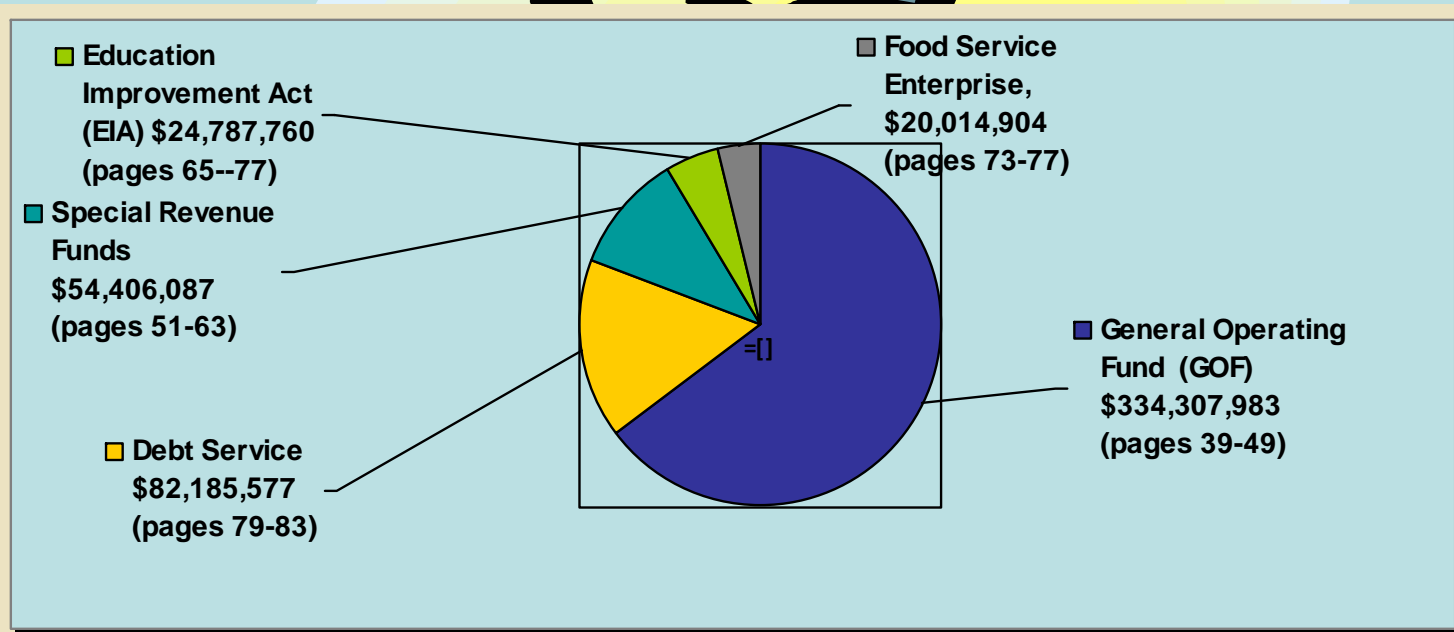
# **Goals of the Budget Process For FY 2012**

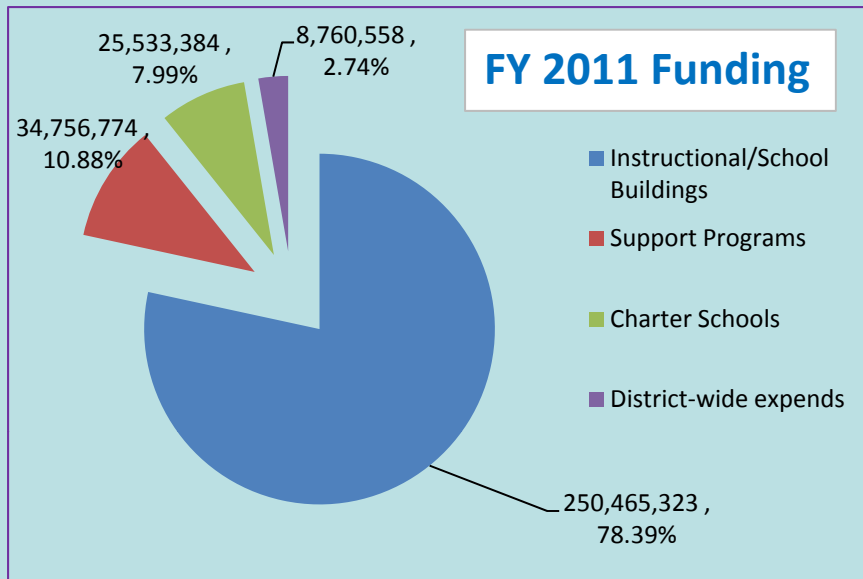
- Resources placed to achieve district goals through district priorities
- Minimize impact of scarcity of resources on students and staff
- Preserve programs and opportunity for students
- Retain/place staffing and supports to deliver programs and opportunities for students

# The Big Picture

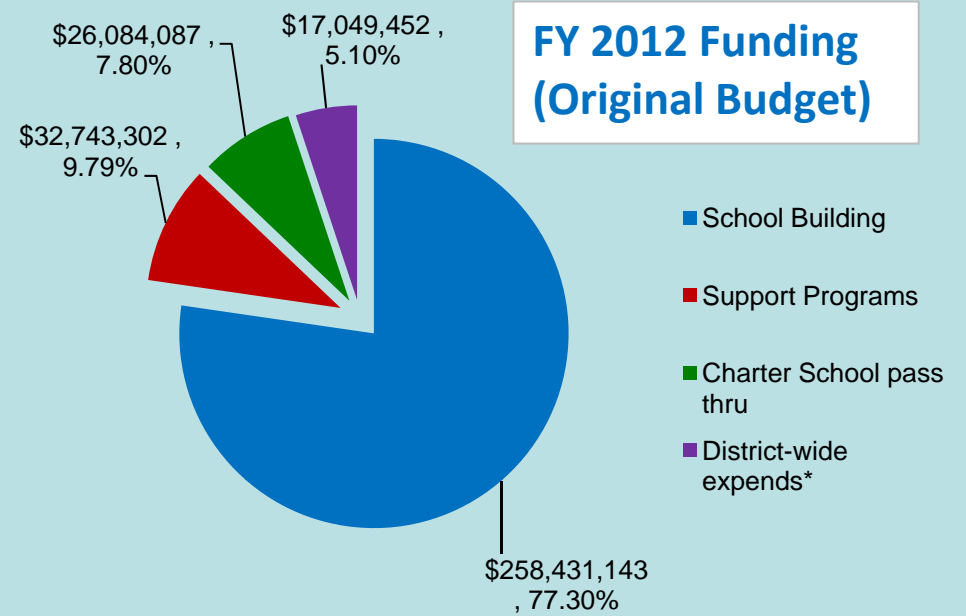
## Charleston County School District

### Achieving Excellence





78.39% funding from the General Operating fund are focused at the school building for FY2011. (Charter school disbursements of \$25.5 million and "district-wide" expenditures of \$8.7 million have been included separately for this presentation)



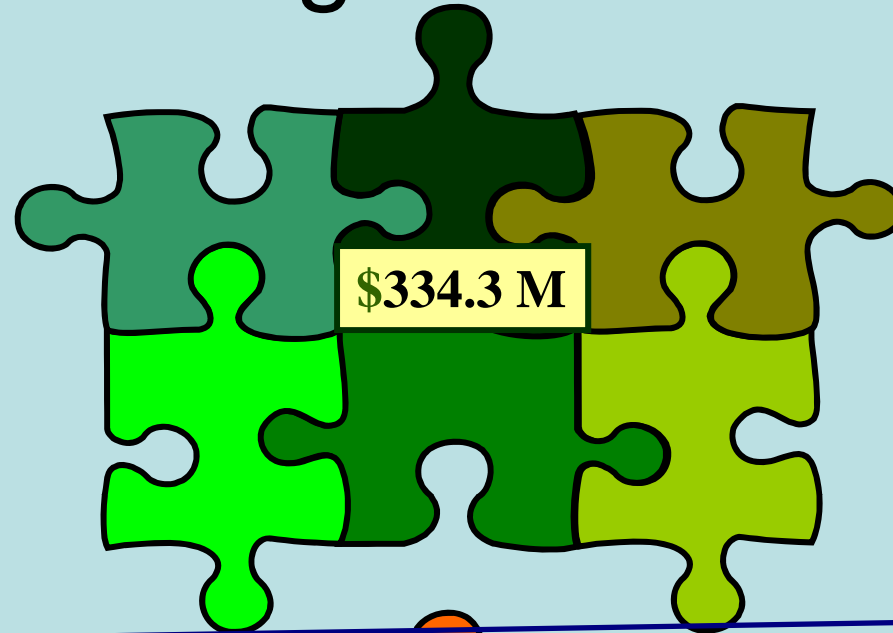
**FY2012 Funding:**

77.3% of every dollar flows thru to the school building level.  
 \*District-wide expenditures of (\$17 million) are those items budgeted at a high-level and later allocated to schools, programs, and offices;

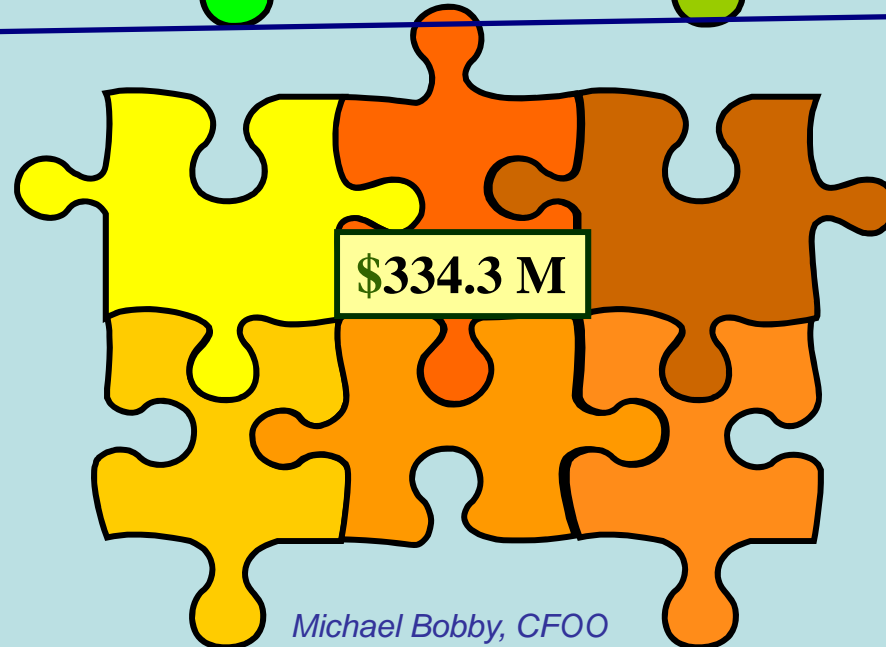
**NOTE:** The FY2011 (left graph) comparison is that of a "revised" budgetary view, and may include some of the 999 funds transferred throughout the year - so may not align with the 2012 original budgetary comparison until the end of FY2012

# Budget Puzzle

Revenues

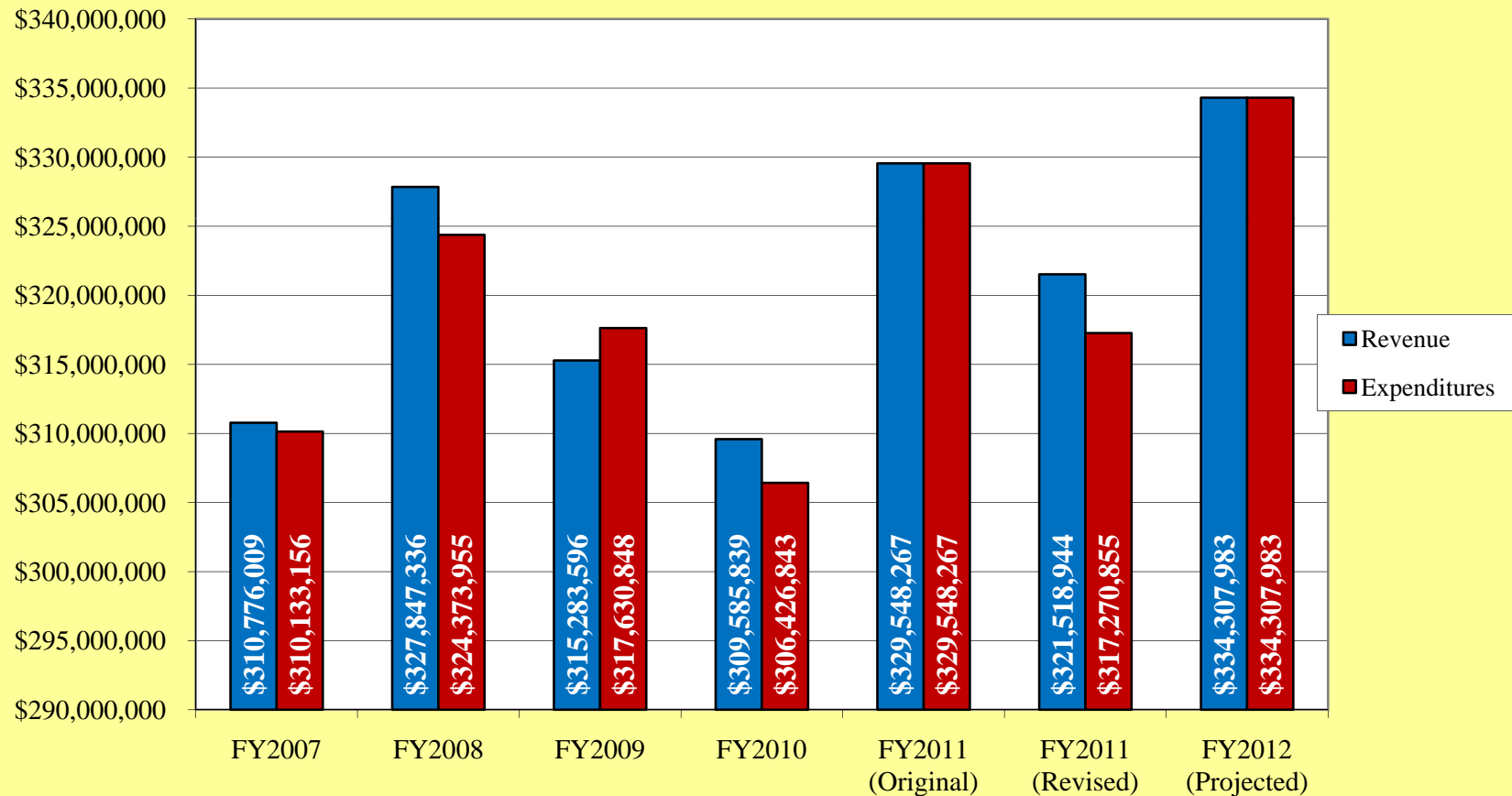


Expenditures



# General Operating Fund

## Revenues & Expenditures



# FY2012 Revenue Budget Assumptions

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- EFA revenue reflects a Base Student Cost (BSC) of \$1,788 and uses the imputed FY2011 Index of Taxpaying Ability (ITA) as revised by the SC Department of Revenue.
- No other increases in Federal or Transfer revenue have been projected.
- Stimulus Funds generally ended in FY2011. There are some carry over funds that will be used through the final expenditure date of September 30, 2011.
  - State Stabilization Funds – budgeted to use \$3.5 million through 9/30/2011 in the General Fund.
- Special Revenue Funds have decreased \$24.4 million due mainly to Stimulus Funds ending.
- 0% growth factor applied to real property for new construction and Assessable Transfer of Interest (ATI). **NOTE:** The County Assessor's Office indicates that growth will be flat at best.
- EIA Funds have decreased \$1.8 million due mainly to reductions in Technical Assistance funding.

# FY2012 GOF Revenue Budget

	Revenue Category	FY2011 Adopted Budget	FY2012 projected Revenue	Variance
1	Local Sources (incl taxes)	\$184,088,402	\$184,088,402	\$0
2	State – Fringe items	13,355,282	17,405,933	4,050,651
3	State – EFA	17,232,340	26,811,285	9,578,945
4	State – Sales Tax	62,688,334	63,936,310	1,247,976
5	State – Other	25,268,473	24,005,180	(1,263,293)
6	Federal Sources	281,292	281,292	0
7	Other Sources	19,726,410	12,079,581	(7,646,829)
8	Fund Balance Use	6,907,735	5,700,000	(1,207,735)
9	<b>Grand Total</b>	<b>\$329,548,267</b>	<b>\$334,307,983</b>	<b>\$4,759,716</b>



# FY2012 Expenditure Budget Assumptions

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- No Cost of Living Adjustment (COLA) or Step increase has been applied for any employee group.
  
- Several categories of expenditures have been increased by the percentage indicated either by contract or agency increases:
  - Health & Dental insurance – 3.7%
  - Transportation – 5.1%
  - Property insurance – 14.9%
  - Energy – 5.6%
  - Transfers – 2.1%

# FY2012 GOF Expenditure Budget

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	<b>Expenditure Category</b>	<b>FY2011 Adopted Budget</b>	<b>FY2012 projected Expenses</b>	<b>Variance</b>
1	Salaries & Fringe	\$239,616,219	\$239,236,259	(\$379,960)
2	Purchased Services	41,344,269	44,190,623	2,846,354
3	Supplies & Materials	18,234,097	18,809,255	575,128
4	Capital Outlay	12,769	6,300	(6,469)
5	Other Objects	3,075,739	3,592,145	516,407
6	Transfers Out	26,615,175	27,573,330	958,155
7	Reserves	650,000	900,000	250,000
8	<b>Grand Total</b>	<b>\$329,548,267</b>	<b>\$3334,307,983</b>	<b>\$4,759,716</b>

# FY20112 Budget General Operating Fund

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Revenue Budget FY2012	\$334,307,983
Expenditure Budget FY2012	<u>\$334,307,983</u>
Expenditures over Revenue	<b>\$0</b>

# Balancing the Budget

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<b>Revenue – FY2011</b>	<b>\$329,548,267</b>
Eliminate one-time funding sources	<b>(\$18,804,563)</b>
E-Rate @ \$750,000	
Stimulus Stabilization Funds @ \$11,146,828	
Use of Fund Balance @ \$6,907,735	
Reduce sunseting State revenue source	<b>(\$1,263,293)</b>
24-credit High School Diploma @ \$1,263,293	
Increased Revenue sources	<b>\$24,827,572</b>
Stimulus Stabilization Funds @ \$3,500,000	
eRate @ \$750,000	
Tier 3 Sales Tax @ \$1,247,976	
EFA @ \$9,578,945	
State Fringe Benefit @ \$4,050,651	
Use of Fund Balance @ \$5,700,000	
<b>FY2012 Projected Revenue</b>	<b>\$334,307,983</b>

# Balancing the Budget

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<b>Expenditure – FY2011</b>	<b>\$329,548,267</b>
Add back one-time cost control measures	\$9,800,000
EIA redirect @ \$1.2 million	
Technical Assistance flex @ \$600,000	
10-day staffing adjustment @ \$800,000	
Furloughs @ \$5.5 million	
IDEA stimulus for GOF @ \$1.7 million	
Reductions	<b>(\$10,945,096)</b>
Eliminate positions, reduction to central office non-salary accounts, Close or restructure programs and offices, eliminate drivers' education, day porter.	
Additions	\$5,904,812
Added teaching positions, teacher support positions, funding for additional supports, rate increases in retirement, health insurance, property insurance and additional payments to charter schools	
<b>FY2012 Projected Expenditure</b>	<b>\$334,307,983</b>

# Impact on Staff

1. No Cost-of-Living or Step Increases - All Staff - N=5,500 (est.)
  - a) For 2010: NO employees received COLA, teachers received step increase
  - b) For 2011: NO COLA, NO Step
2. Reduction in Pay – Furloughs – NO Furlough for 2012
  - a) For 2010: NO Staff furloughs for 2010
  - b) For 2011: Admin. – (9) days; teachers, classified – (4) days (see contract reduction in item #3)
3. Contract Reductions - # of Contract Reductions
  - a) For 2010 = 1,200 Contract reductions
  - b) For 2011: N= 50 (Those whose workdays are reduced will not be furloughed in 2011)
4. Staff Reductions – 60 – 70 Admin., Classified Staff & (Displacement of all Certificated Stimulus Funded Positions)
  - a) For 2010: Administrators, classified, teachers (class size increase)
  - b) For 2011: Administrators, classified, teachers
5. Retiree Salary Reduction continues: 15% - applies to teachers (same for 2010 & 2011)

# Sustainability of Resources Needed to Operate

- Tax increases have been applied in a frugal manner (Compare to other districts)
- Assessed Valuation (A.V.)  
(Have benefited from consistent and positive A.V. growth)
- A.V. growth limited by re-assessment cap of 15%
- Economy impacts A.V. growth two or more years
- Act 388 limited ability to offset loss of revenue from State

It is recommended that the Charleston County School District Board of Trustees approve the 2<sup>nd</sup> and final reading of the fiscal year 2012 budget as amended with the following qualifications:

1. As has been presented, the General Operating Fund budget was provided with a zero tax increase. At the same time the Debt Service budget is presented with a zero tax increase.
  - a) The budget approval includes a Special Revenue budget in the amount of \$63,012,463, Education Improvement Act funding budget in the amount of \$24,876,225, and a Food Service budget in the amount of \$20,014,904.
2. The strategies for rebuilding fund balance from the current fiscal year 2011 budget adoption shall continue and can include sale or lease of Charleston County School District real property. Proceeds from sale(s) will be returned to the Reserve fund to replenish the same. Any and all proceeds from real estate sales and/or lease would be applied to the fund balance to ensure maintenance of an undesignated fund balance of not less than 5% of the total operating budget per board policy..



2. (continued). In addition, funds could be applied directly to the maintenance of buildings that we currently spent out of the General Fund for closed/shuttered buildings.
3. The board will expect the superintendent and staff to continue to seek improvements in the efficacy of resources and continue with redesign/restructuring analyses. This should include developing fee for service models (example: magnet transportation, strings, drivers' education, etc.). The analysis may lead to proposals to eliminate programs based upon cost effectiveness.
4. Should an unfunded mandated be created by a court action (such as: the creation of a charter school) the board expects the superintendent and staff to bring forth to the board at such time as the unfunded mandated is created, a proposal to utilize one of the exceptions written into legislative action of Act 388 and include in the subsequent fiscal year budget an action to use the exception to generate the funds necessary to pay for such unfunded mandate.

# Balancing the Budget



**REVENUES = EXPENDITURES**

**Resources to students**

**=**

**Charleston Achieving Excellence**

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