

# Charleston County School District FY2016 Budget

**1<sup>st</sup> Reading**  
**May 11, 2015**

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Acting Superintendent of Schools and  
Chief of Finance, Operations & Capital Programs

# Creating the 2016 Budget



**Allocate Resources  
to  
Mission Critical Strategies  
to  
Meet District Goals  
through  
Laser Focus on our Students  
=  
Charleston Achieving Excellence**

# Charleston Achieving Excellence

## BELIEF STATEMENT

“With high expectations, proper supports, and effective teaching, all students will graduate from high school prepared to succeed in college and the 21<sup>st</sup> Century workforce.”

### Three Core Goals

1. Elevate the Achievement of all Students
  2. Close the Achievement Gap
  3. Increase the Graduation Rate

### Core Values

Results, Access, Partnerships, Diversity

# Overview

- What expenditures are based on Operational cost increases
- What expenditures are based on Programmatic continuation, expansion or changes
- What expenditures are based on Student growth
- What decisions are needed for 2<sup>nd</sup> Reading
- Overview of other funds
- Next Steps

# What Expenditures are Based on Operational Increases?

**Operational increases are those based on contract language, State mandates or student growth: \$8,507,338**

- Retirement rate increase - \$746,527 (8.8%)
- Health insurance premium increase - \$1,003,943 (11.8%)
- Charter Schools - \$5,563,367 (65.4%)
  - Formula payment increases
  - Opening 2 new charter schools
- Utility increases - \$483,356 (5.7%)
- Contracted services increases:
  - Transportation - \$407,165 (4.8%)
  - Custodial & Grounds - \$412,161 (4.8%)

# What Expenditures are Based on Program Changes?

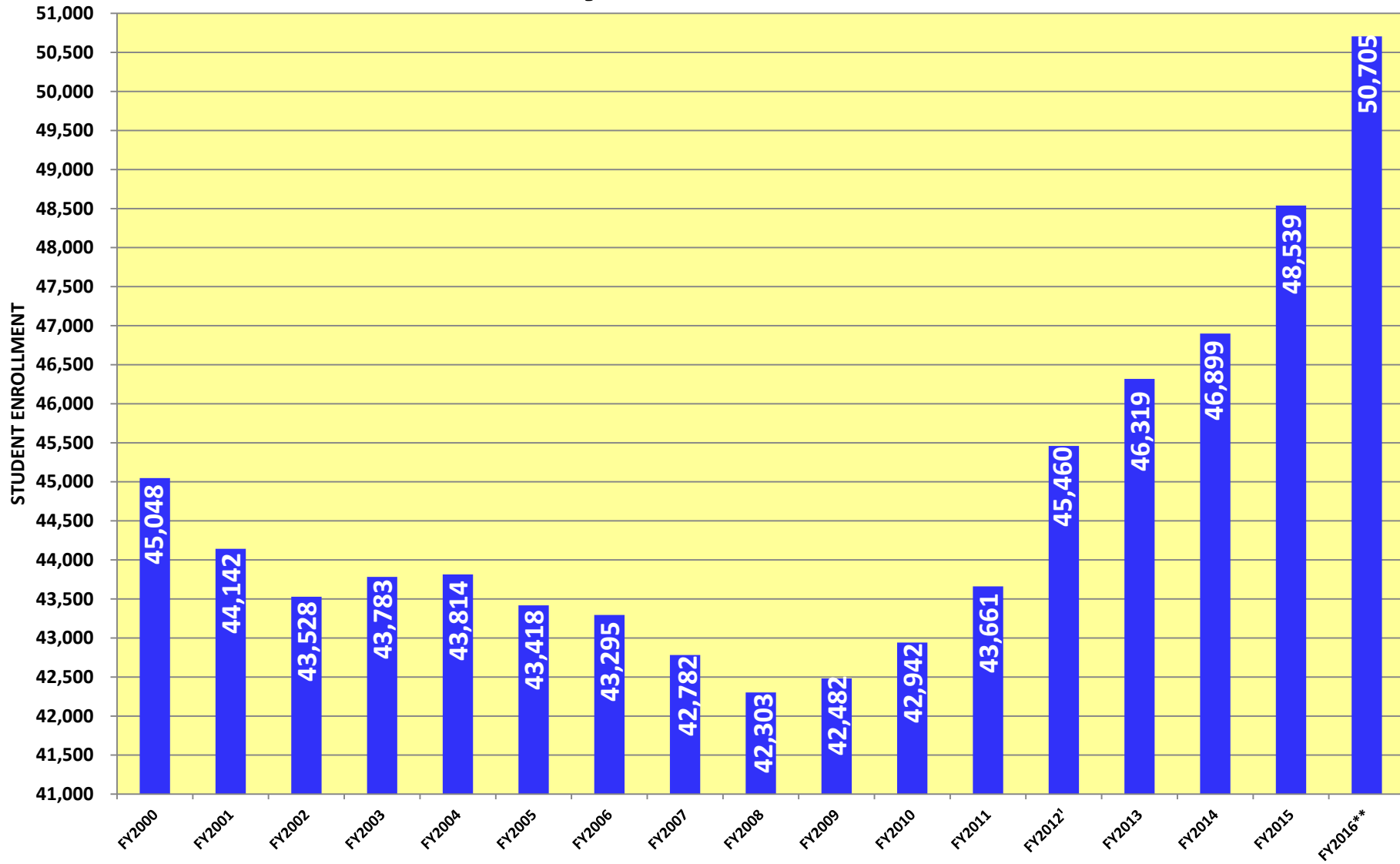
**Program changes are those based on Board action,  
District initiatives & priorities and State funding changes:  
\$12,745,500**

- New schools - \$1,720,500 (13.5%)
  - Opening Blaney and District 20 Middle
  - Adding grades to N. Chas. Creative Arts & Meeting Street @ Brentwood
  - Moving four schools back to original site
- Transportation (captured as Operational increase based on contract)
- Shift in funding from State - \$600,000 (4.7%)
  - Lottery expenditures must be reduced and moved to GOF

# What Expenditures are Based on Student Growth?

- Student Growth - \$6M (47.1%)
  - Projected 2,000 additional students (includes charter school growth and new schools)
- Increased classes due to allocation formula
  - Kindergarten is 25:1; First grade is 20:1 – more classes with increased students

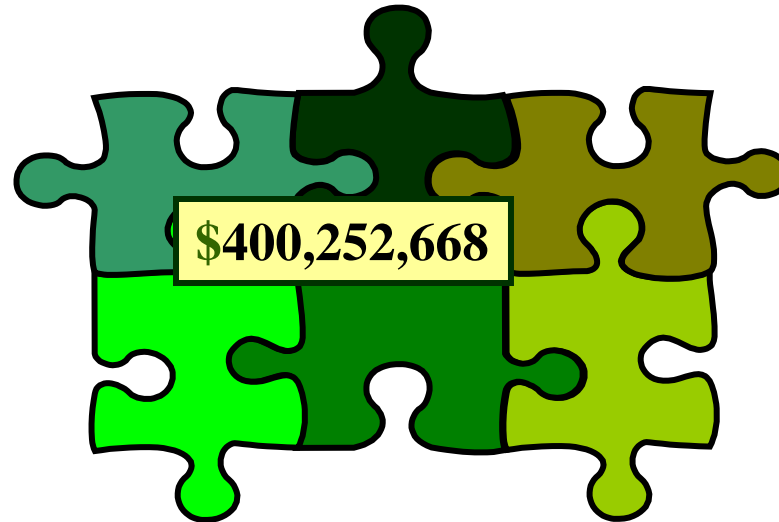
# 7-day Enrollment



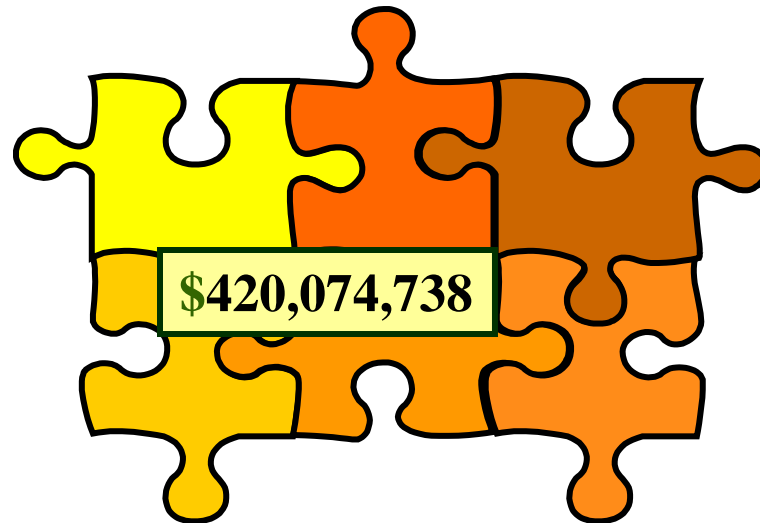


# General Operating Fund

Revenues



Expenditures



# General Operating Fund Preliminary Budget Balancing the Budget – FY 2016 (revised page 1)

	FY2015 Budget	FY2016 Projected	Projected Variance:
1 TOTAL ESTIMATED REVENUES	\$404,009,148	\$ 400,252,668	\$ (3,756,480)
2 TOTAL ESTIMATED EXPENDITURES	\$404,009,148	\$ 420,327,406	\$ 16,318,258
3 Variance for Revenues & Expenditures	\$0	(\$ 20,074,738)	

	FY2015 Revenue Budget	\$ 404,009,148
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**Changes in Revenue for FY2016**

4 Reduce Use of Fund Balance	\$ (7,424,722)
5 Decreased Ad Valorem taxes	(1,061,496)
6 Decreased Delinquent taxes	(1,000,000)
7 Tier 3 Sales tax revenue for school operations	1,263,301
8 Increased EFA revenues net of Hold Harmless	16,713
9 Increased Fringe Benefit revenues	4,141,096
10 Reductions & changes in several revenue lines (Local & State)	308,628

	FY2016 Revenue Budget	\$400,252,668
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# General Operating Fund Preliminary Budget

## Balancing the Budget – FY 2016 (revised page 1)

	FY2016 Projected Budget
1 TOTAL EXPENDITURES – BASE	\$ 412,516,486
2 REDUCTIONS IDENTIFIED TO-DATE (detail on next slide)	\$ (4,934,580)
3 TOTAL EXPENDITURES – “Must Do” Additions	\$ 12,745,500
4 TOTAL EXPENDITURE BUDGET	<u>\$ 420,327,406</u>

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Priority increases to budget are not included in the \$420.3M budget presented here.

# General Operating Fund Preliminary Budget

## Balancing the Budget – FY 2016 **Reductions** (page 6-7)

		<b>Decreases to Recommended Budget</b>	
31	Teach for America (Cohort 2)	\$	(120,000)
32	SIG School Sustainability - 5 schools		(450,000)
33	VIF Teachers		(12,250)
34	Transportation		(500,000)
35	Child & Family Development Center (CFDC) - Administration		(100,000)
36	Central Office reductions		(837,633)
37	Community Education - GOF support		(500,000)
38	Restrict Out-of-County travel		(150,000)
39	Eliminate Education Foundation support		(55,000)
40	Redirect expenditures to FCO		(320,000)
41	<b>Delay Openings</b>		
41A	A. Blaney Elementary School (net figure)		(839,697)
41B	B. Ctr for Advanced Studies @ North Charleston (transition FTEs)		(275,000)
41C	C. Ctr for Advanced Studies @ West Ashley (transition FTEs)		(275,000)
41D	D. D20 Middle School		(500,000)
42	Redirect expenditures to Special Revenue/EIA		TBD
43	<b>Other Reductions</b>		
43A	A. Property & Liability Insurance Premiums (reflected in 324 & 650 objects = \$3M reduction)		
43B	B. Custodial & Grounds Contract (reflected in object 320 = \$576K)		
43E	E. Other Reductions		TBD
<b>44</b>	<b>Decreases to Recommended Budget</b>	<b>\$</b>	<b>(4,934,580)</b>

NOTE: Additional reductions submitted by close of business 5/8/15 are being reviewed

**Increases to Recommended Budget (in priority order) Page 7****Amount****Mills needed**

## High Quality Staff - COLA/Step

A. Teachers - 2% COLA

\$ 3,800,000

2.00

B. All non-teacher employees - 2% COLA (no Step)

2,200,000

1.16

## Adjustments to bell times - Transportation

4,000,000

2.11

## New Superintendent use - First Year

2,000,000

1.05

## Academies - Literacy &amp; Numeracy

A. Math Interventions

1,500,000

0.79

B. Associate Reading Teachers

221,000

0.12

C. Associate Math Teachers

99,000

0.05

## Early Learning

A. Child Development Class Expansion

Mitchell Elementary

100,000

0.05

Laurel Hill Primary

105,000

0.06

Jennie Moore Elementary

105,000

0.06

Sanders Clyde Elementary

120,000

0.06

B. Child Development Assessments

151,000

0.08

C. Instructional Coach

65,000

0.03

## Support Pool elimination/Restore school office allocations

1,300,000

0.68

## TIF (Bridge) Grant Sustainability

A. Increased Observers/Evaluators

380,000

0.20

## Staffing Changes

A. ELL expansion (teachers/teacher assistants)

172,000

0.09

B. Bi-lingual secretaries - expansion

155,000

0.08

C. School Psychologists increased (includes interns)

380,000

0.20

D. Social Workers

115,000

0.06

## Program Redesign (due to change in EFA/EIA funding)

A. Gifted &amp; Talented

327,710

0.17

B. Advanced Placement (materials &amp; training)

140,000

0.07

C. Fine Arts

91,000

0.05

## Middle School Sports

300,000

0.16

# General Operating Fund Preliminary Budget

## Balancing the Budget – FY 2016 (revised page 1)

<b>Revenue/Expenditure Gap</b>	<b>\$20,074,738</b>
<b>Use of Fund Balance</b>	<b>\$ 7,400,000</b>
<b>Reassessment of Assessed Values (+5% being verified w/County)</b>	<b>\$ 9,905,618</b>
<b>Millage adjustment – 7.50 mills</b>	<b>\$14,250,000</b>
•1.75 mills     Teacher step	
•3.50 mills     Student growth	
•2.25 mills     Operational costs, charters & program costs	
<hr/>	
<b>Priority Initiatives that could be included in FY2016 Expenditure Budget</b>	<b>\$11,480,880</b>
•Teacher 2% COLA - \$3,800,000	
•Non-teacher 2% COLA - \$2,200,000	
•New Superintendent contingency - \$2,000,000	
•Math interventions, associate reading/math teachers - \$1,820,000	
•Early Childhood CD classes - \$646,000	
•Support Pool – Restore positions to school office - \$1,014,880	
<b>Revenue/Expenditure Gap</b>	<b>\$ <u>          0</u></b>

# Impact to Taxpayer

	2015		2016	
	Operating	Debt Service	Operating	Debt Service
<b>Assessed Value = \$100,000</b>			7.5 mill increase	2.0 mill increase
<b>Assessment Rate = 6% (\$6,000)</b>				
<b>Assessment</b>	\$6.00	\$6.00	\$6.00	\$6.00
<b>Millage Levy</b>	100.5	26.0	108.0	28.0
<b>Property Tax</b>	\$603.00	\$156.00	\$648.00	\$168.00
<b>Tax increase</b>			\$45.00	\$12.00

# Special Revenue Funds

(Page 10-12)

FY2015 - \$65,370,175

FY2016 - \$69,442,404

- Title I
- IDEA
- Vocational Education
- Adult Education
- Race to the Top
- TIF Grant
- Reading Coaches



# Education Improvement Act Funds

(Page 13-15)

FY2015 - \$22,569,788

FY2016 - \$24,213,825

- At-Risk Student Funding
- 4-year old CD program
- Teacher Supply check
- National Board Certified teacher pay

# Food Service Program

(Page 16-18)

FY2015 - \$24,231,393

FY2016 - \$25,589,790

- USDA School Breakfast & Lunch program
- Snacks for Head Start program
- Dinner program
- Summer feeding program

# Debt Service Funds

(Page 19-22)

FY2015 - \$84,217,107

FY2016 - \$90,417,107

- Alternative Financing payments
- Qualified School Construction Bond payments
- Fixed Cost of Ownership

# Program and Service Decisions Needed for 2<sup>nd</sup> Reading

## •Reductions that will not be considered?

- Delay openings – Blaney Elementary & District 20 Middle School
- Class size ratio changes (formula change by one student)
- Magnet routes – transportation
- Rural school travel incentive (mileage stipend)
- CFDC administration
- Community Education

## •Additional increases to be considered?

- Step & COLA – which group(s) of employees
- Bell times
- New Superintendent contingency
- Academy expansion – Literacy & Numeracy
- Early Childhood expansion
- Support Pool allocation
- Bridge Grant Sustainability
- Program Staffing changes
- Middle School sports

•Budget level

•Millage level

# General Operating Fund Budget Next Steps

Public Hearing – Wednesday, May 27, 2015

2<sup>nd</sup> Reading – Monday, June 8, 2015

# General Operating Fund Budget

## Moving forward

### Future Actions:

- Zero-based budget process
- Task force for Cost Control & Efficiency
  - Staffing study
- Roll out Citizen Transparency application
- Review
  - Processes for efficiencies
  - Vacancies
  - Overlays
  - Program results
  - Partnerships and return on investment

# Charleston County School District FY2016 Budget

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**May 11, 2015**

**QUESTIONS?**

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