

BOARD AGENDA ITEM

November 8, 2011

SUBJECT:

Fund Balance and Budget Considerations

BACKGROUND INFORMATION:

At its October 25, 2011 meeting, the Board asked the Administration to provide a listing of possible uses of fund balance and other budget considerations.

ADMINISTRATIVE CONSIDERATION:

A listing of possible fund balance and budget considerations is attached. The listing is segregated by recurring and non-recurring expenditures; however, certain expenditures identified as recurring or non-recurring could also fall in the other category at the discretion of the Board.

Furthermore, other considerations could be added to the listing as the budget process evolves.

Many items listed reflect budget reductions from past years.

RECOMMENDATION:

Accept as information the listing of fund balance and budget considerations.

ATTACHMENT:

Listing of fund balance and budget considerations

PREPARED BY:

Marion O. Traxler III

FUND BALANCE AND BUDGET CONSIDERATIONS

The financial audit for the year ended June 30, 2011 is due to the SDE by December 1, 2011. Upon completion, fund balance as a percentage of the Fund 1 budget is expected to exceed 16%.

Many of the items reflected below were reduced or eliminated in recent years in order to balance the budget.

Non-recurring

Certain items listed below as non-recurring could also be added to the budget as recurring costs.

1. \$500,000 (to fund 5) to a furniture account for one time replacements - unmet need; budgets for furniture replacements were eliminated at least 5 years ago and never restored
2. \$TBD (to fund 5) for cyclic maintenance
3. \$50,000 for custodial supplies - underfunded (may consider allocating on a cost-per-pupil basis or a flat amount based on the size of the school)
4. \$50,000 for instructional supplies - underfunded (may consider allocating on a cost per pupil basis or a flat amount based on the size of the school)
5. \$25,000 to restore marching band funds for 2011/2012 - supports community donations and involvement
6. \$25,000 for one time athletic expenses, such as uniforms and equipment-supports safety and community involvement

Recurring (ranked by estimated cost)

Additional items will be considered after input from the Board, schools and community.

1. Replenishing the teachers step increase - affects large numbers (\$1,133,000)
2. Absorb certain costs that might no longer covered by Title I and Title II allocations, resulting from rules changes and reductions in allocation (in excess of \$1,900,000)
3. Absorb loss of IDEA funding for the State's failure to meet maintenance of effort requirements (in excess of \$1,000,000 if allocations are reduced 20%. The District's Aid to District-Special Ed allocation from the State for the 2011/2012 school year can be carried over to 2012/2013 to absorb the potential loss of funds. If this allocation or similar allocations are not available after 2012/2013, these costs would need to be covered by other sources beginning in 2013/2014.)
4. Providing a step increase for non teachers (\$900,000)
5. Maintain allocations for pilots (strings, single gender, 9th grade academies, Center for Innovative Learning at Pinecrest) - supports district and admin priorities (\$TBD after needs assessments have been performed)
6. Reduce class size - (\$TBD, dependent on how much the PTRs were reduced and how many grades were affected)
7. Modify allocations for CATE classes and small school needs- provides for equal access to programs and services - (\$TBD after needs assessments have been performed)
8. Reinstate the IB program - (\$400,000 reduction from 2008/2009; current costs would be more for start up)
9. Fully fund full-time nurses at middle and high schools -reduced staffing to part-time beginning in 2009/2010 due to budget cuts (\$250,000)

10. Increase the salary schedule for Assistant Principals - low when considering duties/responsibilities and in comparison to ACPS teacher salary schedule and assistant principal salaries at other districts (\$200,000; estimated cost if salary schedule was adjusted 5%, plus related fringe)
 11. Reinstate athletic playoff supplements - supports coaches and community support (\$60,000)
 12. Reinstate athletic matching funds (approximately \$33,000 allocated in the final year, cut in the early 2000's)
 13. Reinstate signing bonus for hard to fill positions and as recruiting tool (\$20,000)
 14. Modify extracurricular, athletic and other supplements that have not increased since 2008/09 (approximately \$15,000 for a 1% increase)
 15. Pay half of the PSAT (\$15,000)
 16. Increase janitorial and other supplies (\$TBD)
-