

AIKEN COUNTY PUBLIC SCHOOLS BUDGET WORKSHOP

March 15, 2011



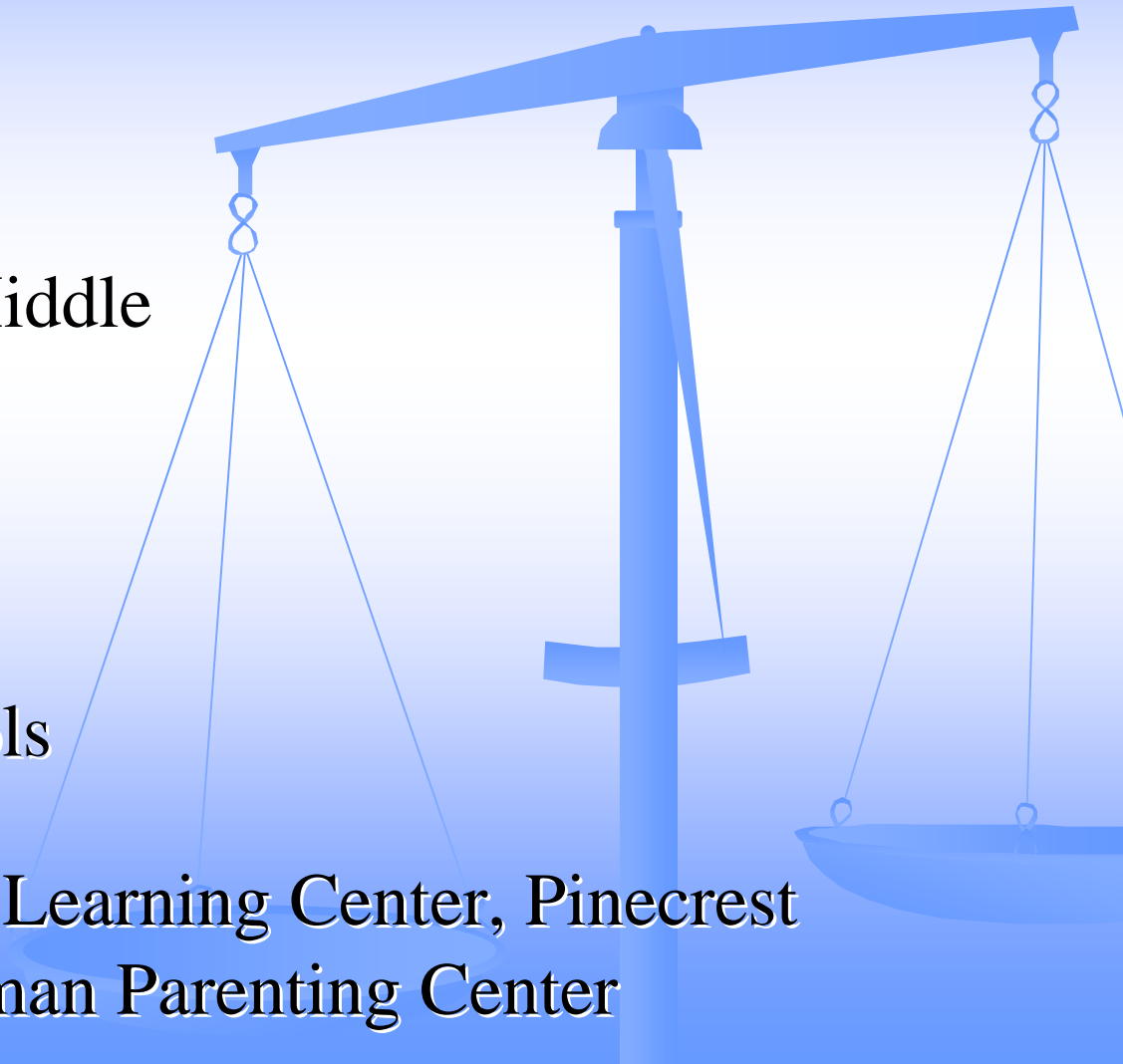
OUTLINE

- General Information
- Funds Overview
- Major Considerations for 2011-12
- Budget Feedback
- General Fund
- School Building Fund
- Important Dates
- Conclusion



GENERAL INFORMATION

- 40 Schools
 - 18 Elementary
 - 2 Elementary/Middle
 - 9 Middle
 - 7 High Schools
 - Career Center
 - 3 Charter Schools
- Also operate Byrd Learning Center, Pinecrest Center, and Freedman Parenting Center



GENERAL INFORMATION

■ K-12 Enrollment – Last 10 Years (135th Day)



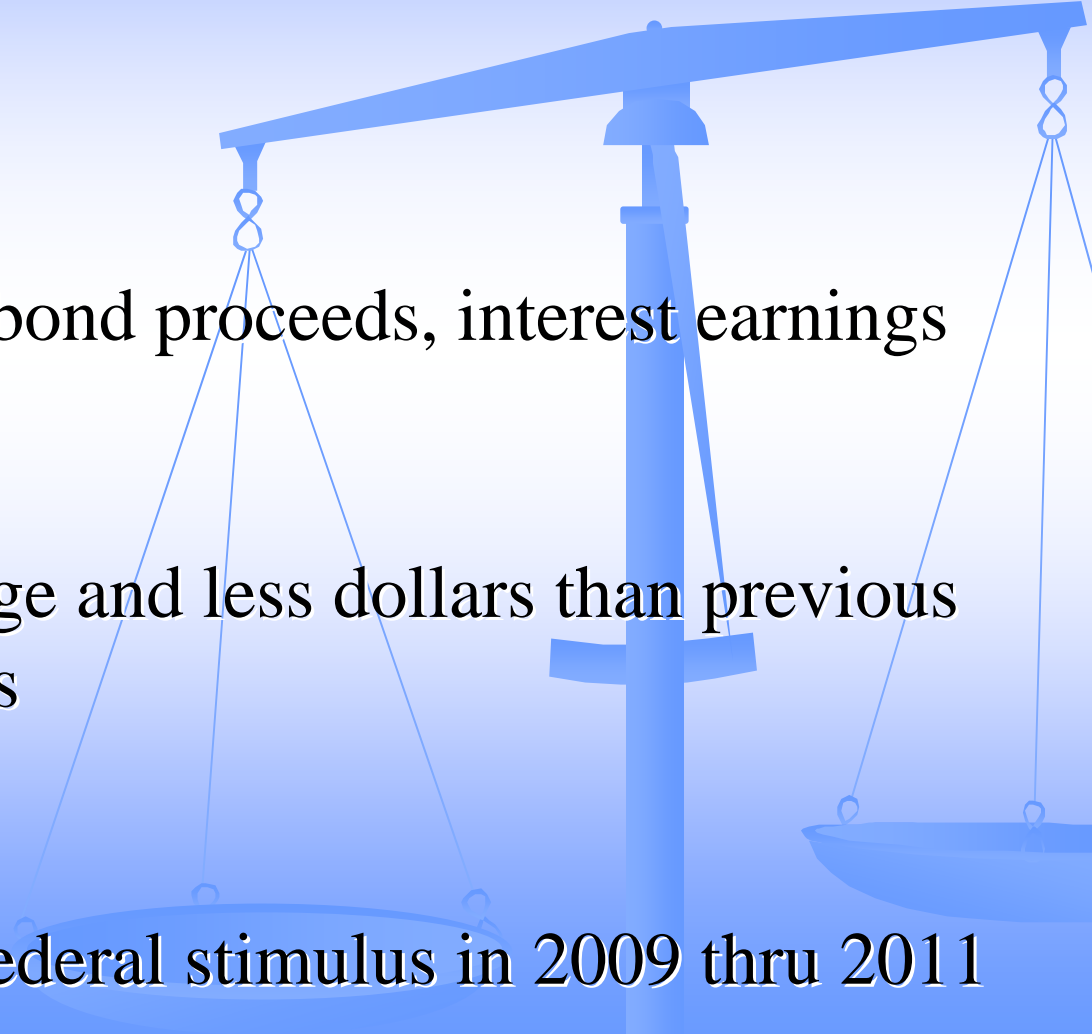
■ 2009-10	23,713
■ 2008-09	23,763
■ 2007-08	23,899
■ 2006-07	24,200
■ 2005-06	24,025
■ 2004-05	23,986
■ 2003-04	23,965
■ 2002-03	23,967
■ 2001-02	23,886
■ 2000-01	23,789

GENERAL INFORMATION

- K-12 Enrollment
 - Projected 2010-11 135th day ADM at 23,616
 - 2010-11 135th day has not passed – March 21
 - Based on 45th day information
 - Historical decreases from 45th to 135th days
 - Project 2011-12 135th day ADM at 23,623
 - Expect drops in enrollment in Areas 1, 4, and 5
 - Expect increases in enrollment in Areas 2 and 3
 - EFA allocation finalized based on 135th day

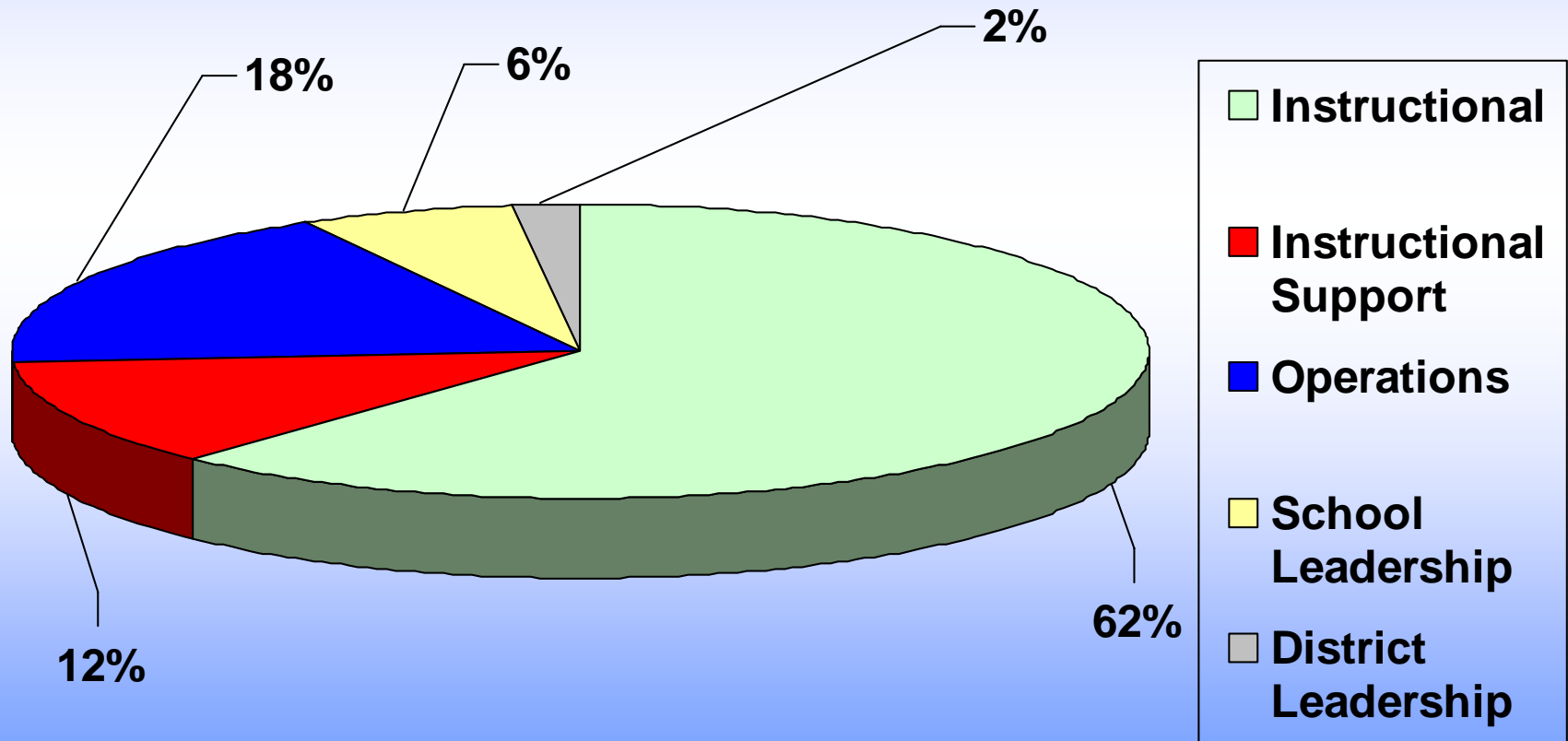
FUNDS OVERVIEW

How we are funded –

- Local
 - Property taxes, bond proceeds, interest earnings
 - State
 - Lower percentage and less dollars than previous years due to cuts
 - Federal
 - Title I, IDEA, federal stimulus in 2009 thru 2011
- 

FUNDS OVERVIEW

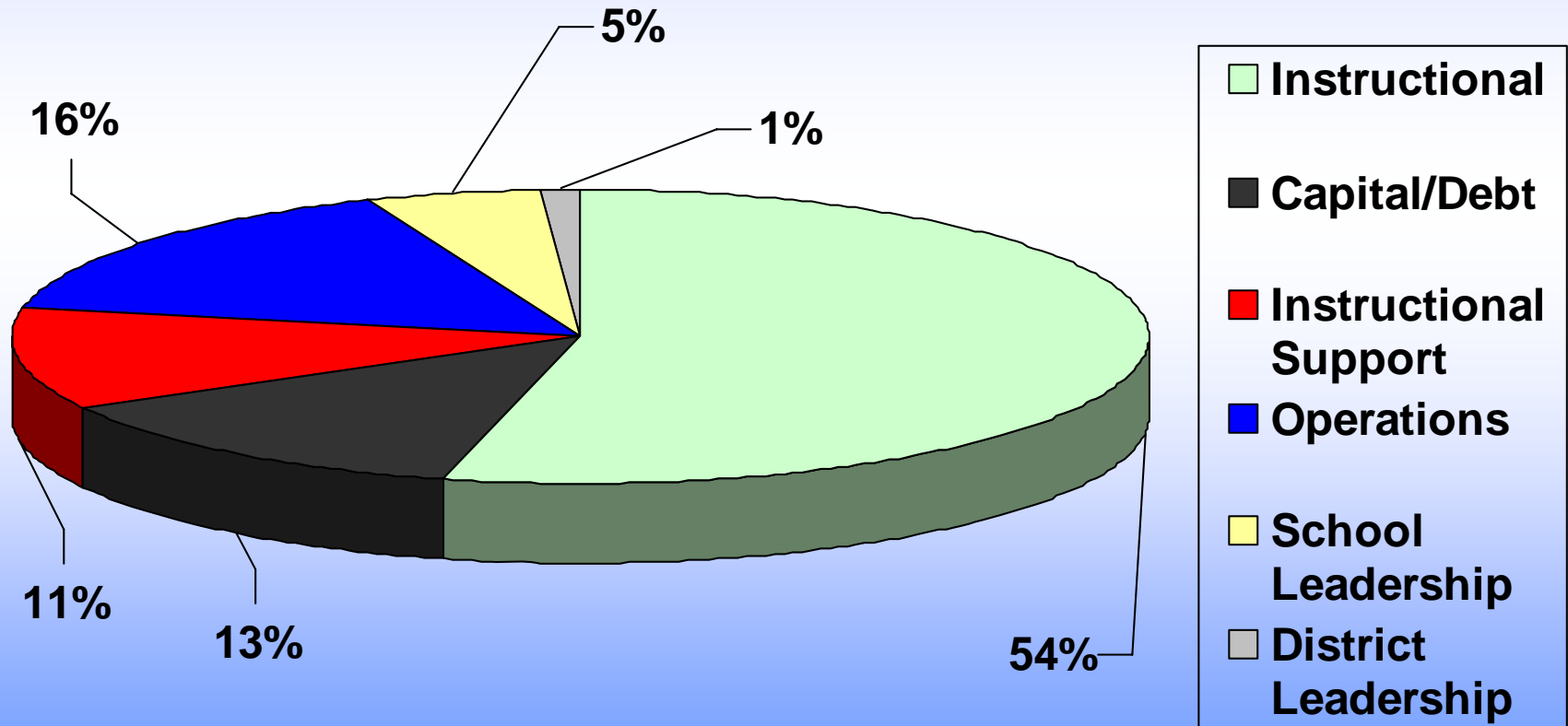
How funding is spent –



Operating Expenditures By Function

FUNDS OVERVIEW

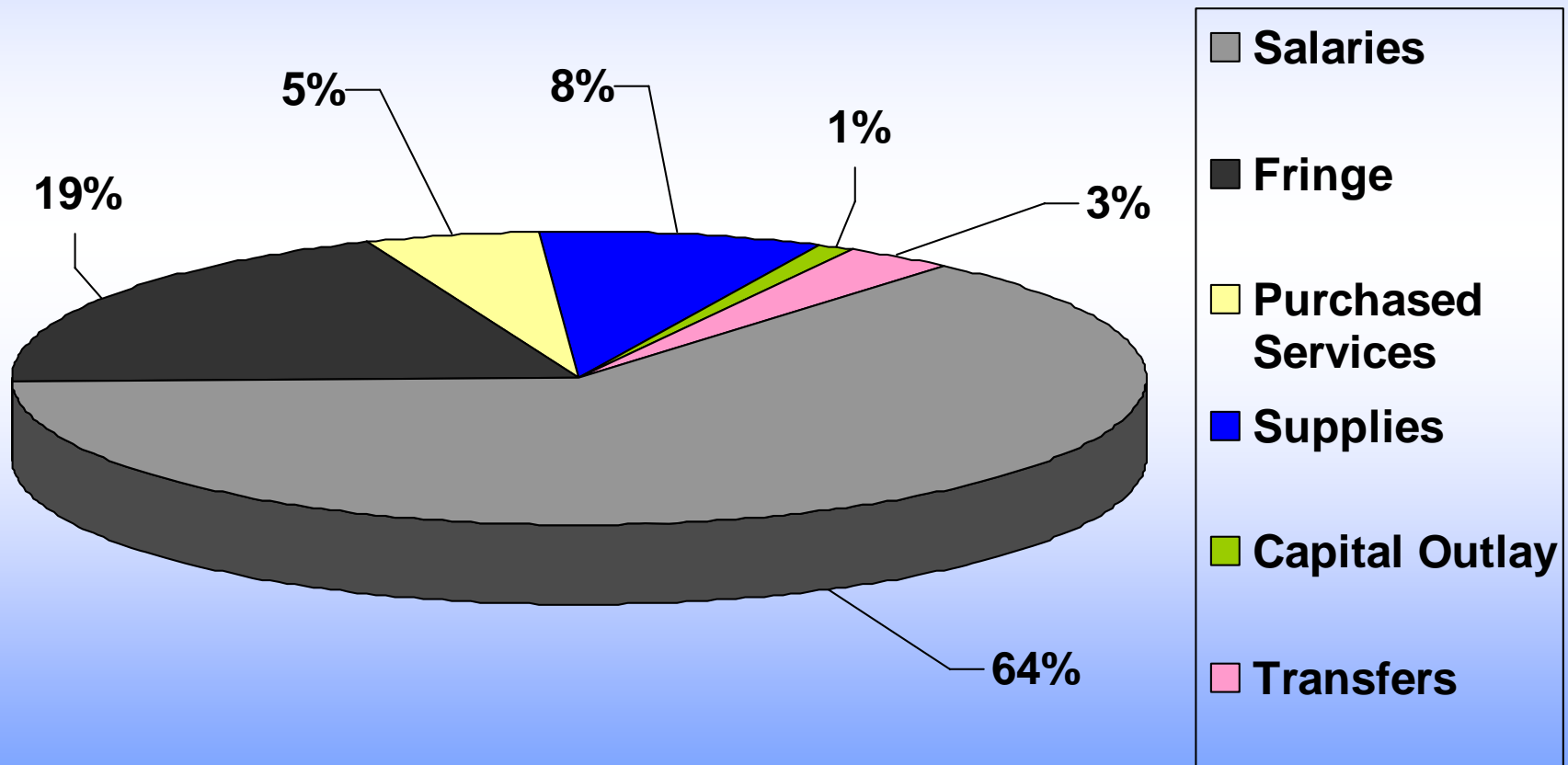
How funding is spent –



Total Expenditures By Function

FUNDS OVERVIEW

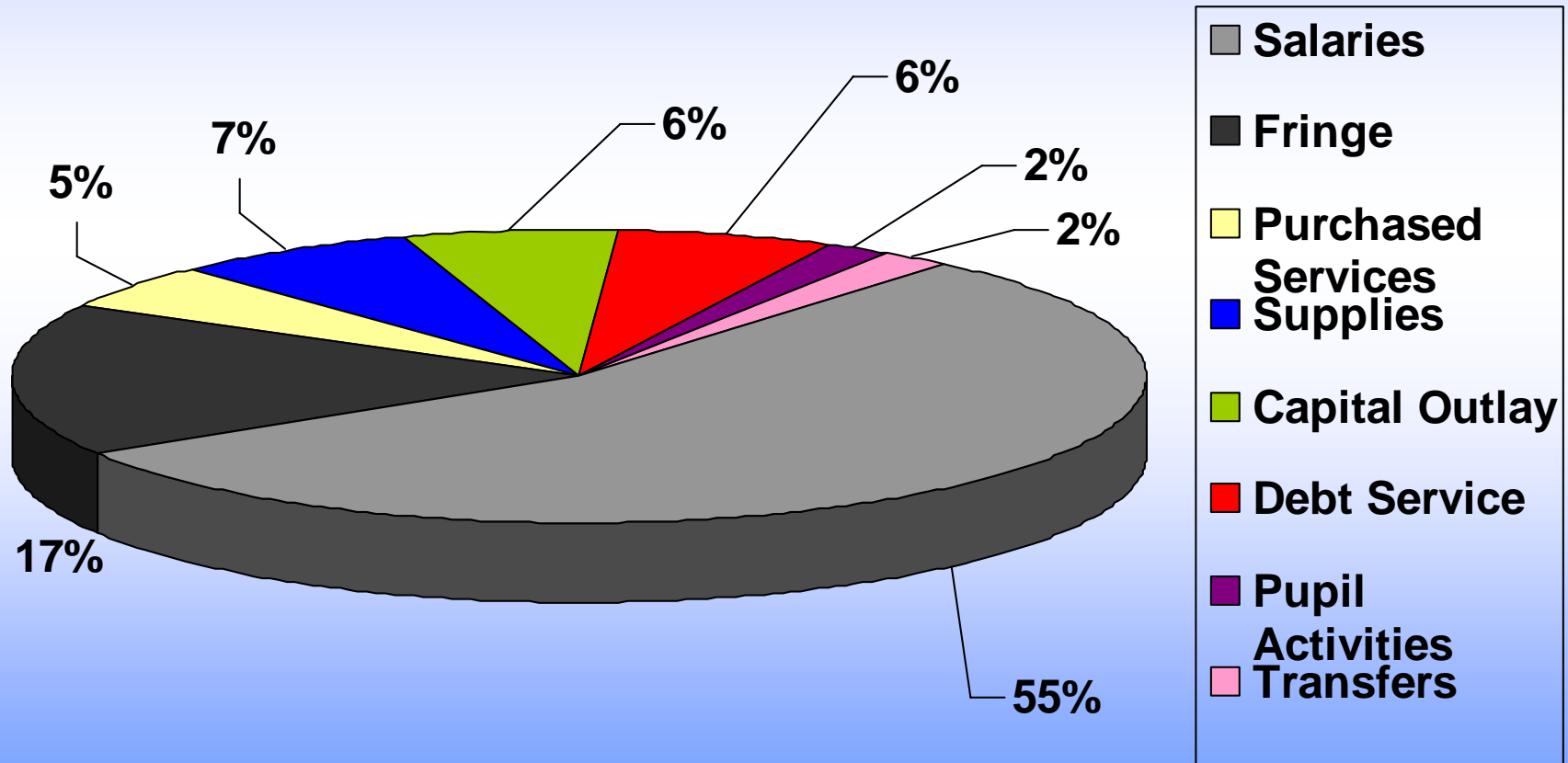
How funding is spent –



Operating Expenditures By Object

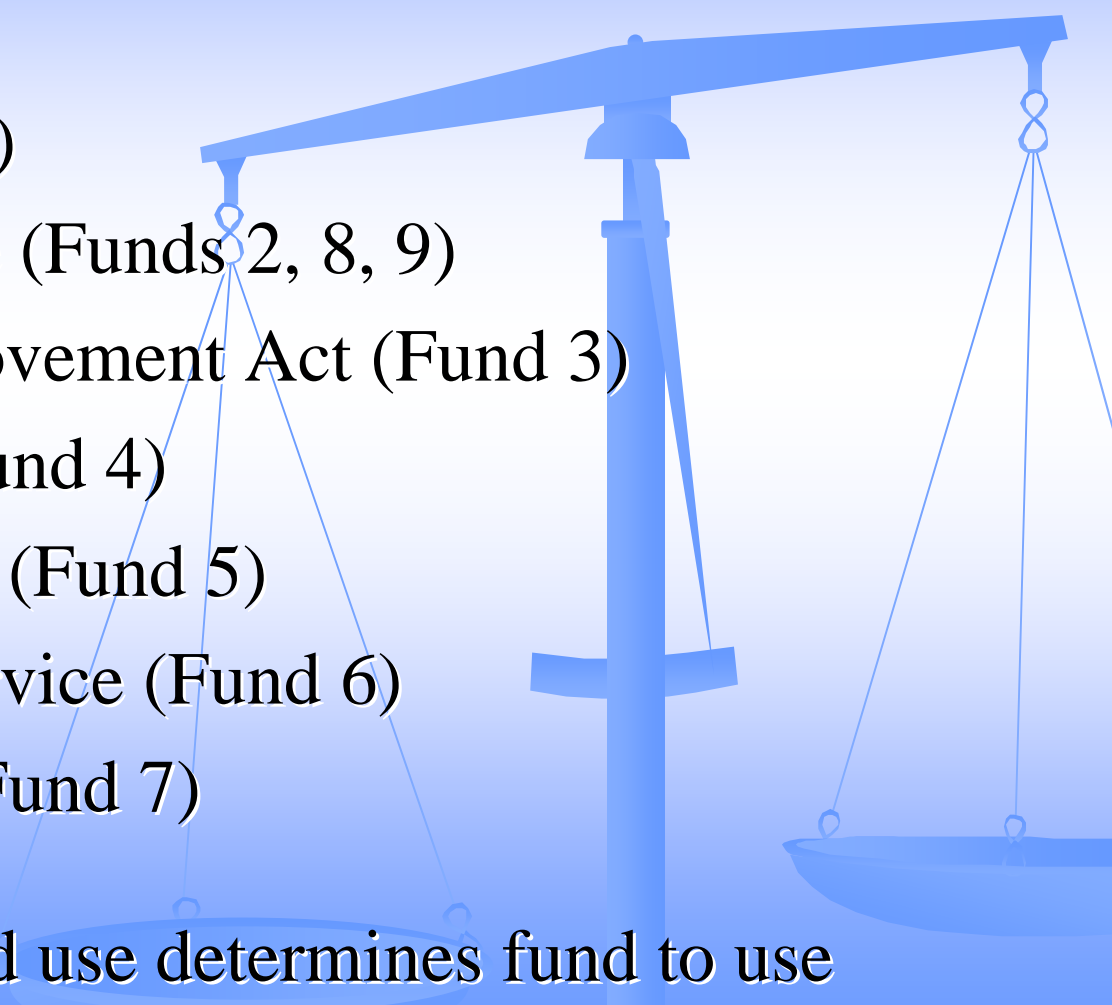
FUNDS OVERVIEW

How funding is spent –

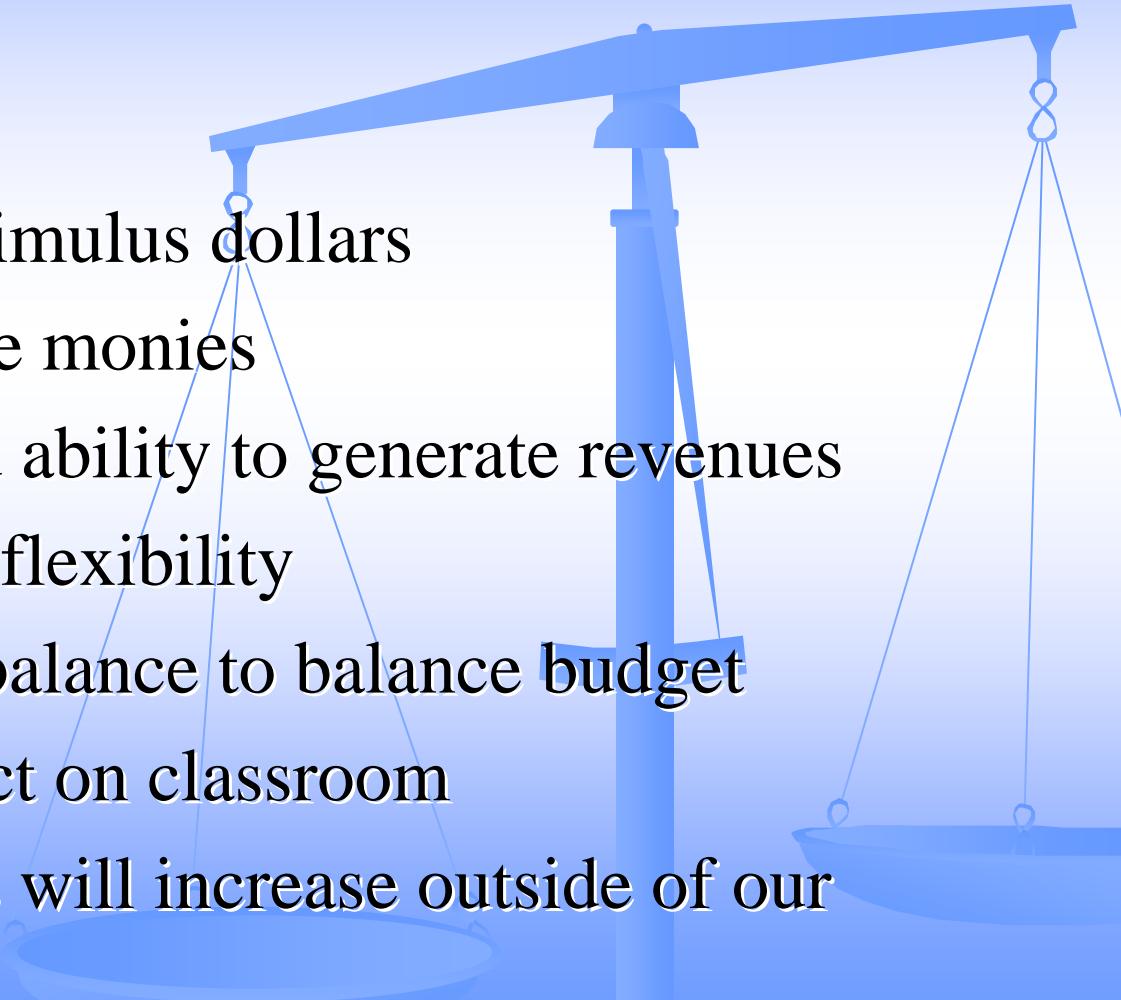


Total Expenditures By Object

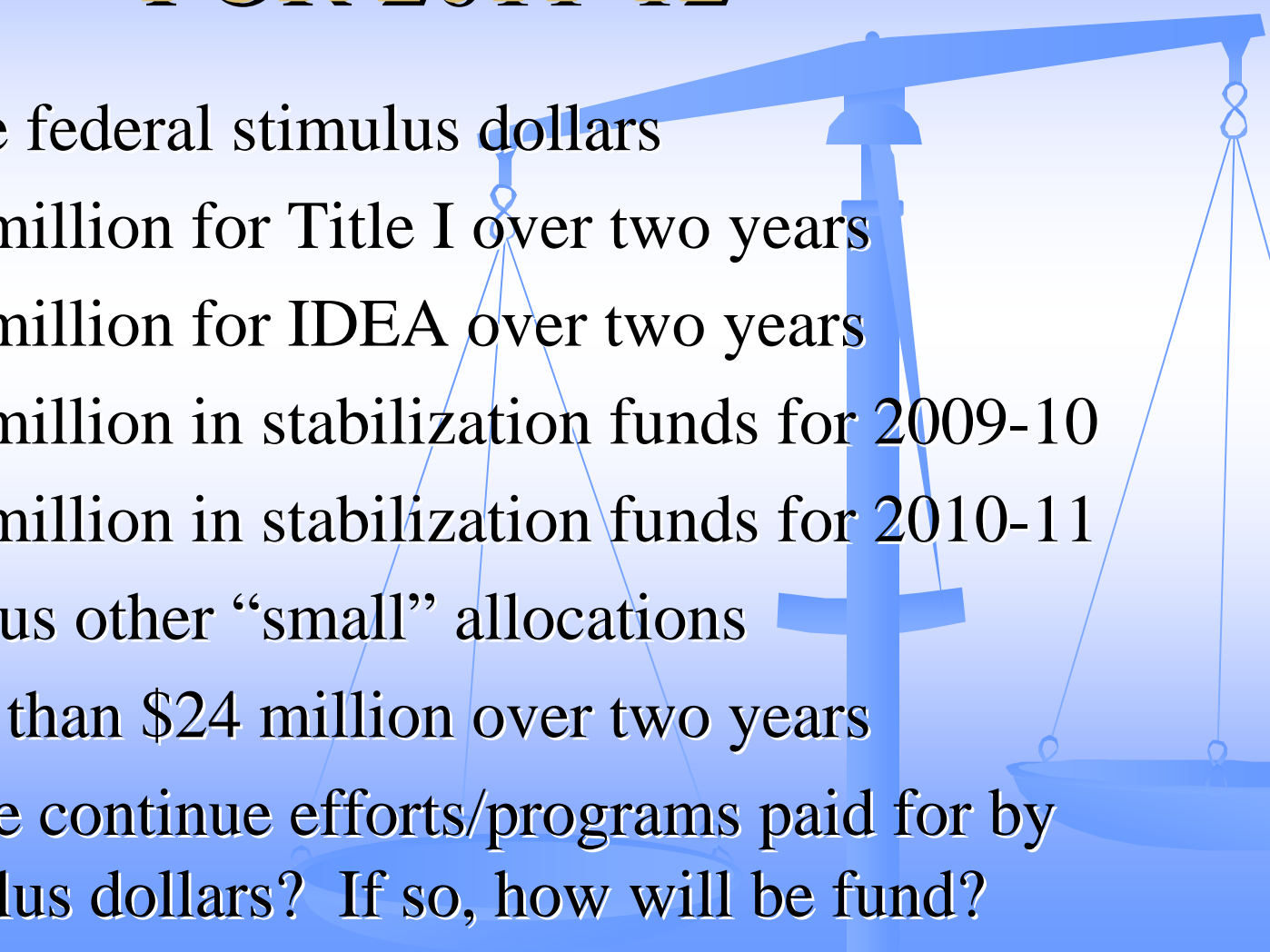
FUNDS OVERVIEW

- Funds
 - General (Fund 1)
 - Special Revenue (Funds 2, 8, 9)
 - Education Improvement Act (Fund 3)
 - Debt Service (Fund 4)
 - School Building (Fund 5)
 - School Food Service (Fund 6)
 - Pupil Activity (Fund 7)
 - Purpose or intended use determines fund to use
- 

MAJOR CONSIDERATIONS FOR 2011-12

- No more federal stimulus dollars
 - Allocations of State monies
 - District has limited ability to generate revenues
 - State has provided flexibility
 - Avoid using fund balance to balance budget
 - Minimize any effect on classroom
 - Some expenditures will increase outside of our control
- 

MAJOR CONSIDERATIONS FOR 2011-12

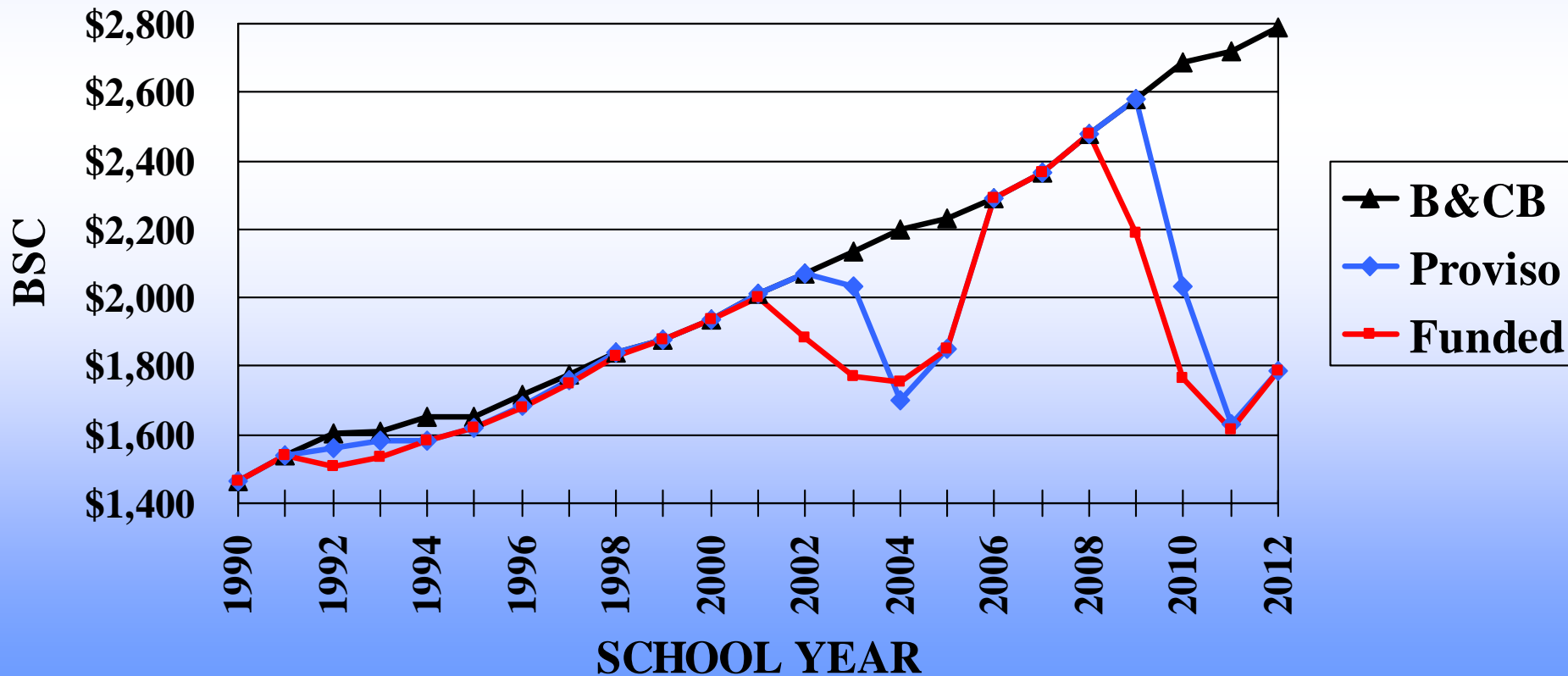
- No more federal stimulus dollars
 - \$5.6 million for Title I over two years
 - \$5.9 million for IDEA over two years
 - \$7.1 million in stabilization funds for 2009-10
 - \$5.4 million in stabilization funds for 2010-11
 - Various other “small” allocations
 - More than \$24 million over two years
 - Do we continue efforts/programs paid for by stimulus dollars? If so, how will be fund?
- 

MAJOR CONSIDERATIONS FOR 2011-12

- Allocations of State monies
 - \$700 million deficit as started 2011-12 budget
 - Current year base student cost (BSC) of \$1,617
 - BSC of \$1,788 proposed by the House Ways & Means
 - Some allocations eliminated or reduced, others increased or unchanged
 - Overall, House W&M not as severe as expected
 - State budget projections – subject to change

MAJOR CONSIDERATIONS FOR 2011-12

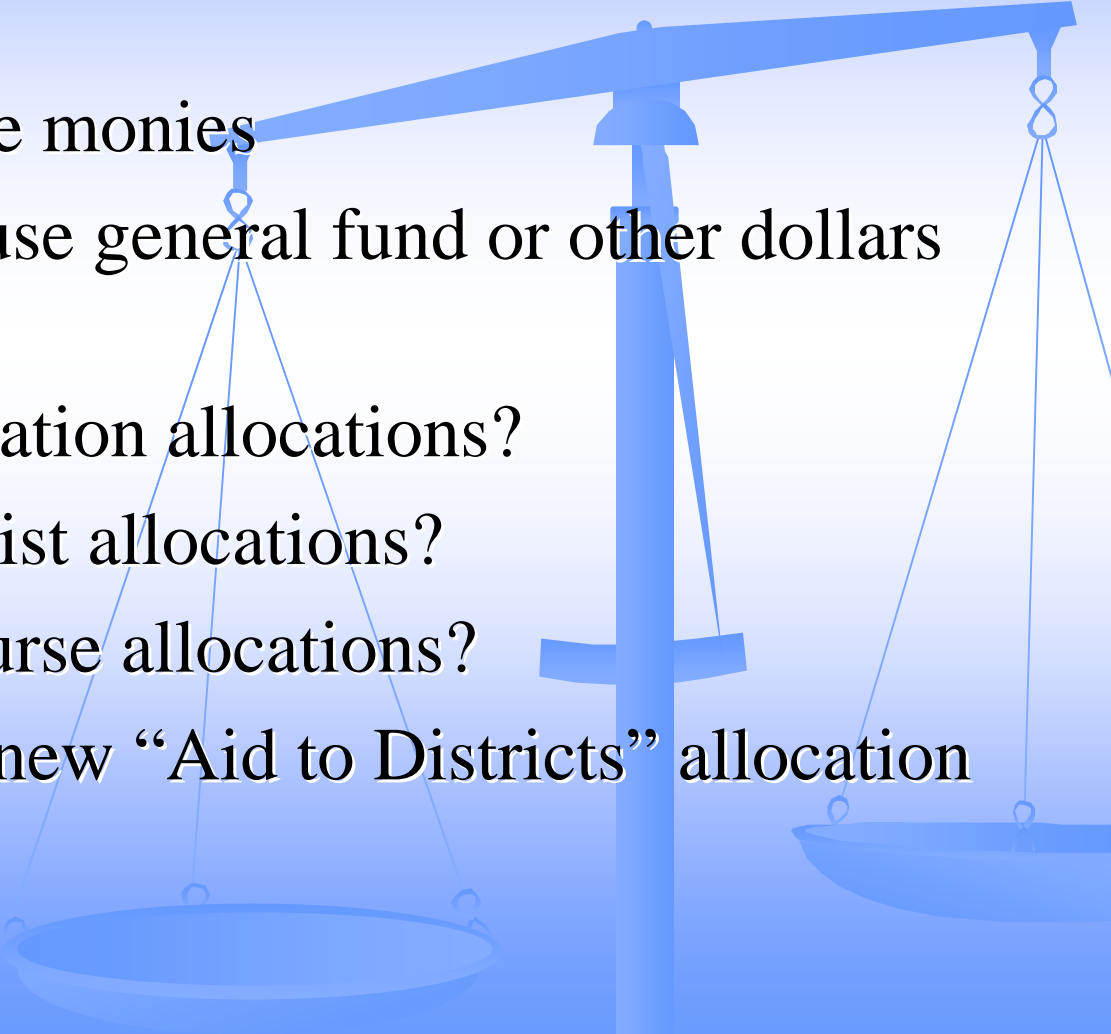
BSC - IDEAL VS. PROVISIO VS. FUNDED



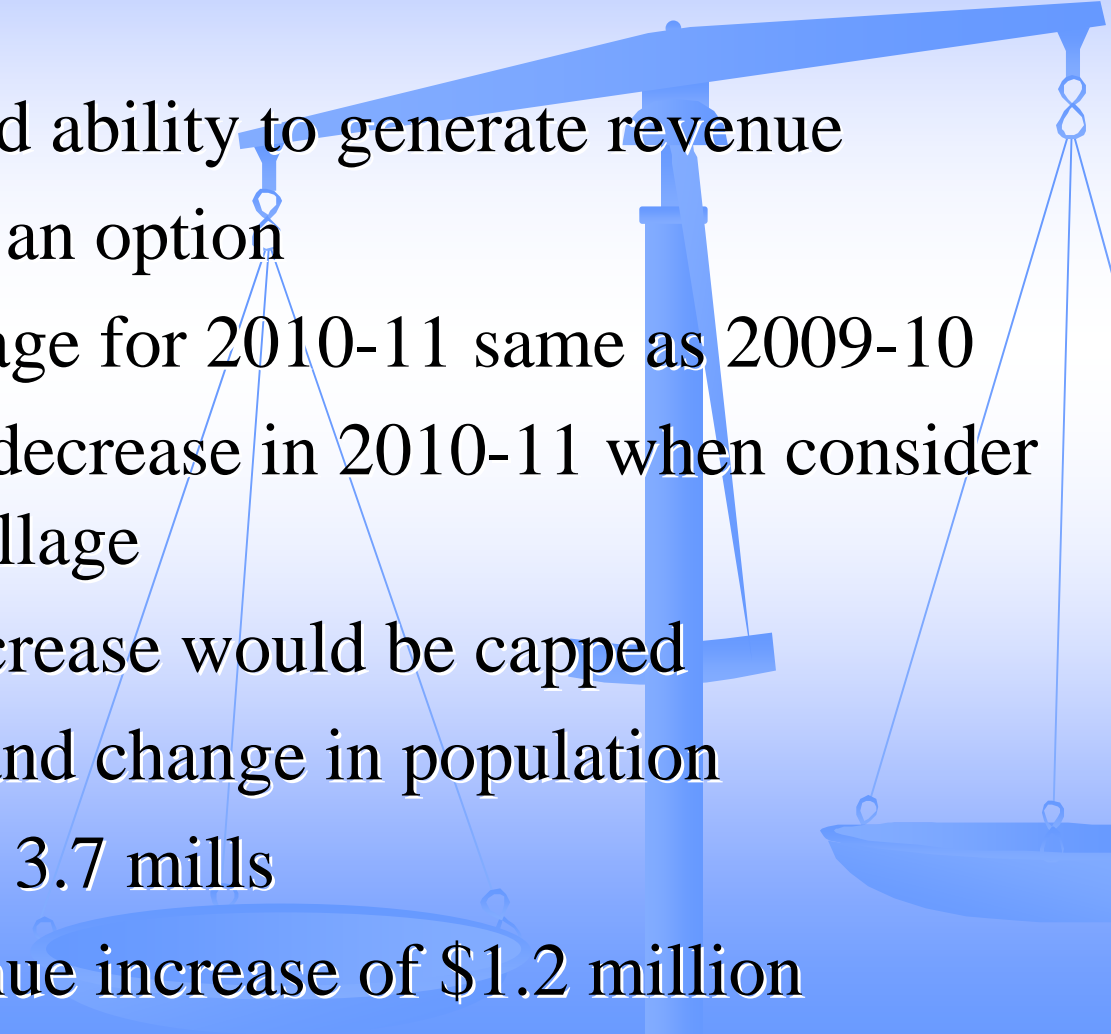
MAJOR CONSIDERATIONS FOR 2011-12

FUND	ALLOCATION	2010-11	2011-12	CHANGE
100	Fringe Benefits	\$ 21,843,303	\$ 21,403,925	\$ -439,378
100	Education Finance Act	37,928,486	40,927,533	2,999,047
100	Consolidated Funding	740,724	-	-740,724
EIA	Professional Development	162,979	162,285	-693
EIA	Handicapped Student Services	82,474	81,385	-1,089
EIA	At-Risk Student Learning	4,565,099	4,670,889	105,789
EIA	Aid to Districts	-	1,740,474	1,740,474
EIA	Technical Assistance	1,199,418	-?	-1,199,418
Spec Rev	K-5 Lottery	1,396,999	1,213,575	-183,424
Spec Rev	EEDA Career Specialists	774,207	658,076	-116,131
Spec Rev	Student Health & Fitness – P.E.	242,155	205,660	-36,496
Spec Rev	SH&F - Elementary Nurses	618,819	525,996	-92,823

MAJOR CONSIDERATIONS FOR 2011-12

- 
- Allocations of State monies
 - Would District use general fund or other dollars to offset loss of:
 - physical education allocations?
 - career specialist allocations?
 - elementary nurse allocations?
 - How would the new “Aid to Districts” allocation be used?

MAJOR CONSIDERATIONS FOR 2011-12

- District has limited ability to generate revenue
 - Tax increase is an option
 - Operating millage for 2010-11 same as 2009-10
 - An overall tax decrease in 2010-11 when consider debt service millage
 - By law, any increase would be capped
 - Based on CPI and change in population
 - Estimate cap at 3.7 mills
 - Projected revenue increase of \$1.2 million
- 


MAJOR CONSIDERATIONS FOR 2011-12

- District has limited ability to generate revenue
 - Primary residences not affected – Act 388
 - All other taxable properties would be affected
 - Ex. Rental property would increase \$22.20 per \$100,000
 - Ex. Vehicles would increase \$1.11 per \$5,000
 - 61 school districts had higher operating millage and 71 school districts had higher overall millage than Aiken in 2009-10

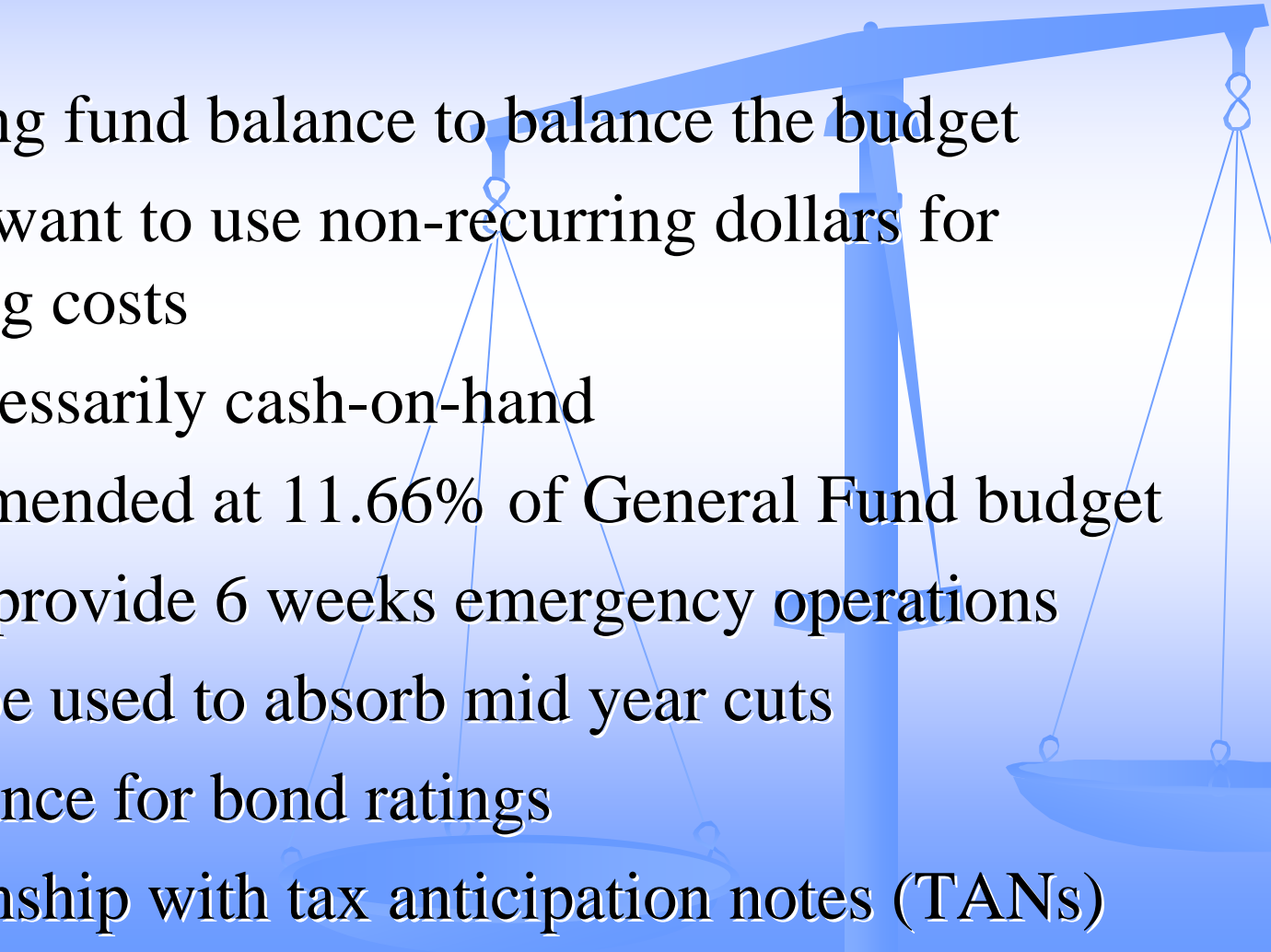
MAJOR CONSIDERATIONS FOR 2011-12

- State has provided flexibility
 - Legislation offers ways to cope with loss of funding
 - Can transfer many State allocations as needed
 - Can suspend professional staffing ratios
 - Can negotiate salaries with retirees
 - Can furlough
 - Step increase not required for teachers
 - Can withhold teacher supply checks
-

MAJOR CONSIDERATIONS FOR 2011-12

- 
- State has provided flexibility
 - Must meet 70% rule
 - Instruction
 - Instructional support
 - Principals salaries
 - Transportation, School Food Service, Safety
 - Quarterly reports
 - Certifications

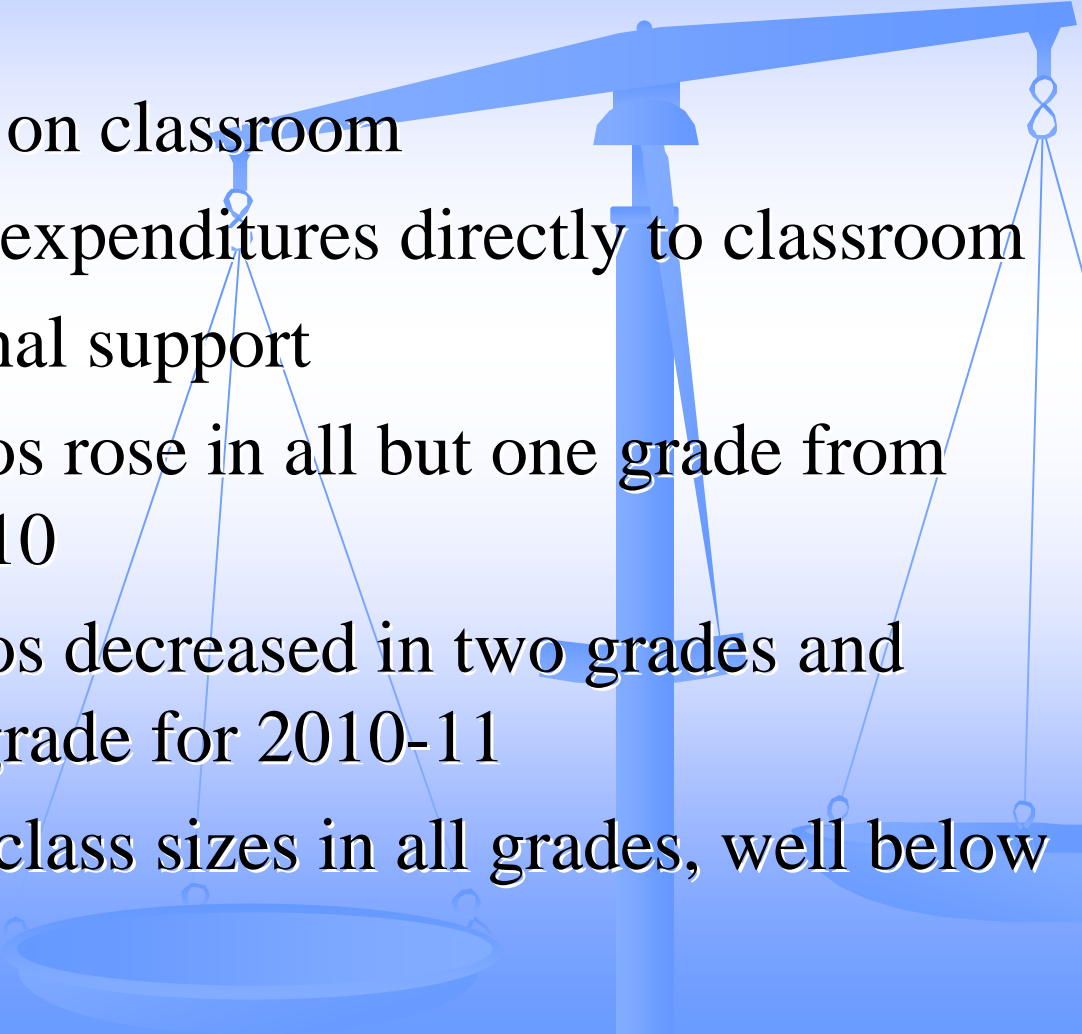
MAJOR CONSIDERATIONS FOR 2011-12

- Avoid using fund balance to balance the budget
 - Do not want to use non-recurring dollars for recurring costs
 - Not necessarily cash-on-hand
 - Recommended at 11.66% of General Fund budget
 - Would provide 6 weeks emergency operations
 - Could be used to absorb mid year cuts
 - Importance for bond ratings
 - Relationship with tax anticipation notes (TANs)
- 

MAJOR CONSIDERATIONS FOR 2011-12

Year	Original Budget	Beginning Fund Balance	%
2005-06	\$134,443,772	\$13,008,813	9.6%
2006-07	\$141,961,336	\$14,142,142	9.9%
2007-08	\$150,425,718	\$11,238,028	7.4%
2008-09	\$154,521,878	\$11,618,666	7.5%
2009-10	\$145,569,179	\$9,731,777	6.7%
2010-11	\$145,286,939	\$16,879,736	11.5%

MAJOR CONSIDERATIONS FOR 2011-12

- Minimize any effect on classroom
 - 62% of operating expenditures directly to classroom
 - 12% in instructional support
 - Pupil-teacher ratios rose in all but one grade from 2008-09 to 2009-10
 - Pupil-teacher ratios decreased in two grades and increased in one grade for 2010-11
 - Below State max class sizes in all grades, well below in many
- 

MAJOR CONSIDERATIONS FOR 2011-12

- Pupil-teacher ratios shown below

Grade (enrollment)	2009-10	2010-11	State Maximum
K	25	25	30
1	15	16	30
2 – 3 (> 400)	23	23	30
2 – 3 (< 400)	21	21	
4 – 5	26.5	25.5	30 ELA/Math 35 Other

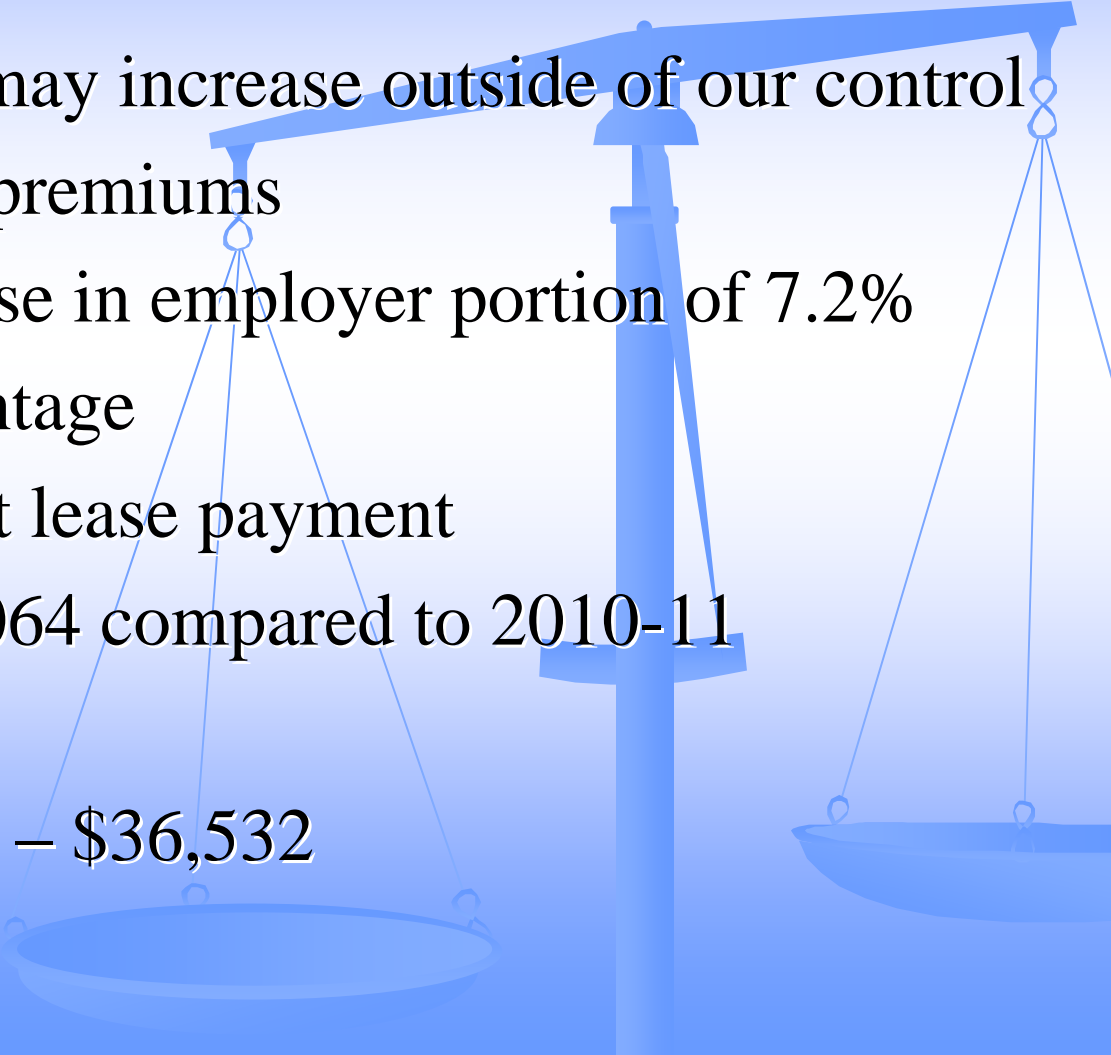
MAJOR CONSIDERATIONS FOR 2011-12

Grade (enrollment)	2009-10	2010-11	State Maximum
6 (> 500)	28.5	28.5	30 ELA/Math
6 (300-500)	27.5	27.5	35 Other
6 (< 300)	24.5	24.5	150 per day
7 (> 500)	27.5	27.5	35
7 (300-500)	26.5	26.5	
7 (< 300)	23.5	23.5	150 per day

MAJOR CONSIDERATIONS FOR 2011-12

Grade (enrollment)	2009-10	2009-10	State Maximum
8 (> 500)	29.5	29.5	35
8 (300-500)	28.5	28.5	
8 (< 300)	24.5	24.5	150 per day
9 – 12 (> 800)	31.5	31.5	35
9 – 12 (600 – 800)	30.0	30.0	
9 – 12 (< 600)	28.5	28.5	150 per day

MAJOR CONSIDERATIONS FOR 2011-12

- Some expenditures may increase outside of our control
 - Health insurance premiums
 - Possible increase in employer portion of 7.2%
 - Retirement percentage
 - Energy equipment lease payment
 - Increases \$14,064 compared to 2010-11
 - SC Energy Loan
 - Payment 1 of 4 – \$36,532
 - Electricity rates
- 

BUDGET FEEDBACK



- Comments and suggestions received to date from employees and the public include:
 - Increase janitorial supplies
 - Provide additional funds for maintenance of schools
 - Provide more funding to meet technology needs
 - Give “saved” English teacher allocations at ACCTC to high schools
 - Lower costs for short-term substitutes by having other teachers or administrations cover class time

BUDGET FEEDBACK

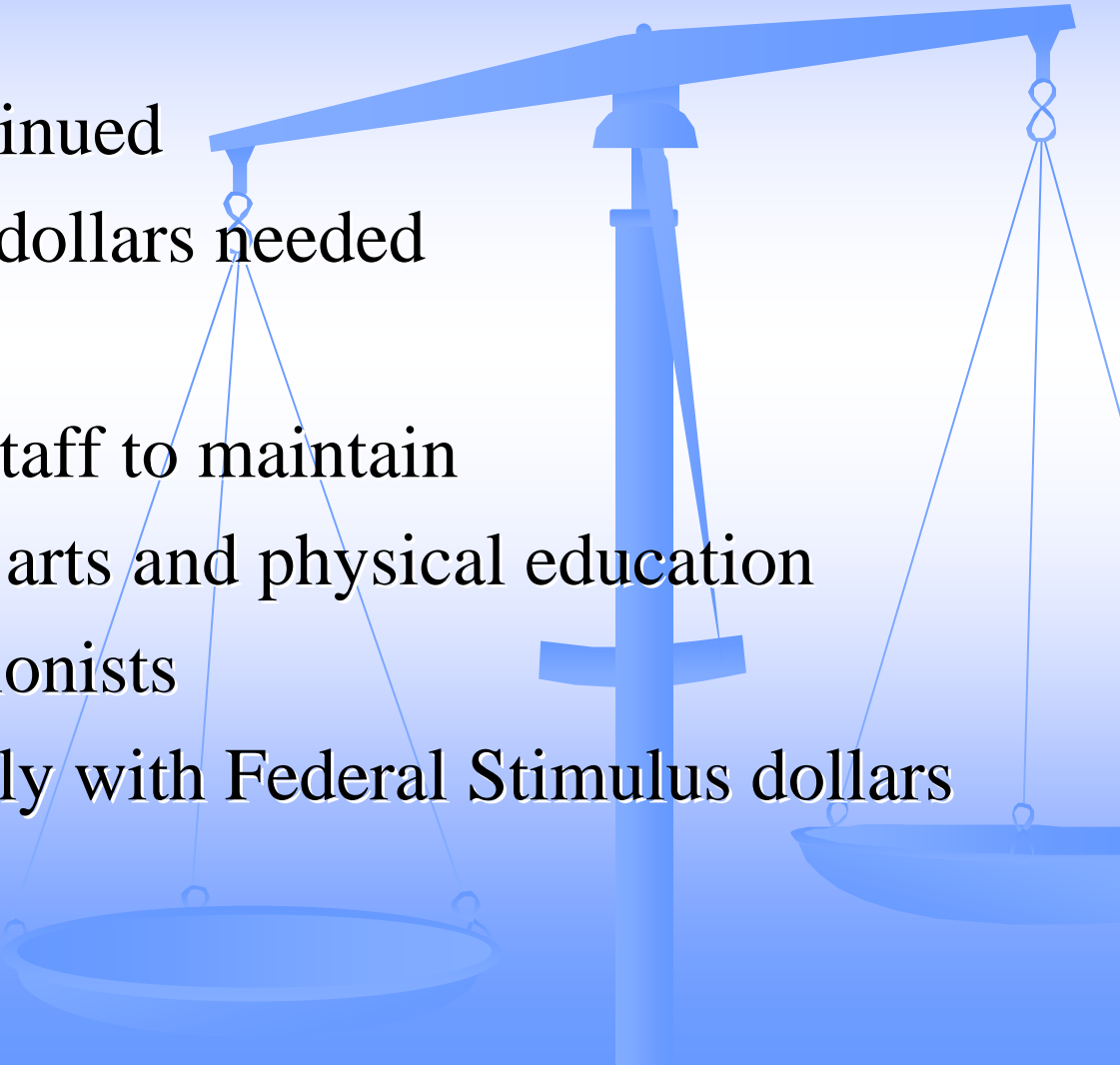
- Close buildings during holiday breaks
- Close area offices and relocate those operations to Brookhaven
- Use paperless systems where possible
- Give teachers a step then furlough, if needed, instead of no step and no furlough
- Contract out services (custodial, lunchroom, etc.)
- No make up for snow days if waived by legislation
- Reduce lunchroom menu options to save

BUDGET FEEDBACK



- Superintendent met with teacher groups
- Teacher input included:
 - More planning time needed
 - Reduce some class sizes
 - Save jobs
 - Avoid furloughs, if possible
 - Concerns about frozen salary schedule
 - Reduce some testing

BUDGET FEEDBACK

- 
- Teacher input – continued
 - More technology dollars needed
 - Hardware
 - Additional IT staff to maintain
 - Continue funding arts and physical education
 - Support interventionists
 - Funded currently with Federal Stimulus dollars

GENERAL FUND



- Revenue
 - Early estimates based on House Ways & Means
 - Property tax increase results from growth, not increase in operating millage
 - Used current BSC (\$1,617) for EFA allocation
 - Tier 3 - Act 388 increase per SC Department of Revenue
 - Consolidated funding would move back to EIA fund

GENERAL FUND

SOURCE	REVENUE DESCRIPTION	ORIGINAL 2010-11	POSSIBLE 2011-12	CHANGE
Local	Current property taxes	\$ 43,787,452	\$ 44,006,607	\$ 219,155
Local	Delinquent property taxes	2,400,000	2,400,000	-
Local	Payments in lieu of tax	5,500,000	5,500,000	-
Local	Tuition – out of district/state	12,000	20,000	8,000
Local	Interest	50,000	50,000	-
Local	Miscellaneous – local	50,000	50,000	-
State	Education Finance Act	38,057,631	37,928,486	-129,145
State	Fringe benefits	21,565,966	21,403,925	-162,041
State	Tier 1 - Property tax relief	8,147,500	8,147,500	-
State	Tier 2 - Property tax relief	2,659,778	2,659,778	-
State	Tier 3A - Act 388	14,870,483	15,509,102	638,619

GENERAL FUND

SOURCE	REVENUE DESCRIPTION	ORIGINAL 2010-11	POSSIBLE 2011-12	CHANGE
State	Tier 3B - Saluda County	180,000	180,000	-
State	School bus drivers salary/fringe	1,209,654	1,124,845	-84,809
State	Home schooling	16,000	7,000	-9,000
State	Handicapped transportation	10,000	10,000	-
State	Consolidated funding	740,724	-	-740,724
State	Miscellaneous - state	30,000	30,000	-
Fed	Impact Aid	90,000	90,000	-
Transfer	Teacher salary/fringe	2,750,223	2,750,223	-
Transfer	EIA carryover/flex	2,559,528	2,559,528	-
Transfer	Indirect costs	600,000	600,000	-
	Total revenue	145,286,939	145,026,994	-259,945

GENERAL FUND



- Expenditures
 - No salary or step increases reflected
 - No furloughs reflected
 - Fringe benefits and payroll tax estimates not yet finalized
 - Reflects increase in lease/loans installments
 - Payments to charter schools reflects only 3 locally sponsored schools
 - Other changes based on historical data

GENERAL FUND

EXPENDITURES DESCRIPTION <i>(Note: 2010-11 includes expenditures paid by Stabilization Funds)</i>	ORIGINAL 2010-11	POSSIBLE 2011-12	CHANGE
Regular salaries	\$ 100,977,252	\$ 100,977,252	TBD
Temporary salaries	1,000,000	1,000,000	-
Overtime salaries	385,000	385,000	-
Fringe benefits and payroll taxes	31,500,583	31,500,583	TBD
Unemployment compensation	225,000	200,000	-25,000
Workers compensation	955,218	850,000	-105,218
Purchased services - instruction	1,329,272	1,329,272	-
Purchased services - security	220,500	278,500	58,000
Management services	93,150	92,000	-1,150
Data processing services	234,647	234,647	-
Legal and audit fees	150,000	155,000	5,000
Water, sewer, and garbage	640,000	625,000	-15,000

GENERAL FUND

EXPENDITURES DESCRIPTION <i>(Note: 2010-11 includes expenditures paid by Stabilization Funds)</i>	ORIGINAL 2010-11	POSSIBLE 2011-12	CHANGE
Maintenance services	550,698	640,000	89,302
Property/liability insurance	783,137	804,047	20,910
Rentals	16,260	16,260	-
Equipment repairs	178,814	178,814	-
Other property services	1,620	1,620	-
Student transportation	45,000	35,000	-10,000
Travel	123,574	163,574	40,000
Telephone	435,000	420,000	-15,000
Purchased services - technology	100,189	100,189	-
Advertising	9,270	9,270	-
Printing and binding	5,865	5,865	-

GENERAL FUND

EXPENDITURES DESCRIPTION <i>(Note: 2010-11 includes expenditures paid by Stabilization Funds)</i>	ORIGINAL 2010-11	POSSIBLE 2011-12	CHANGE
Purchased services - other	95,434	95,434	-
Supplies - general	283,592	283,592	-
Supplies - instructional	705,933	705,933	-
Supplies - technology	168,554	168,554	-
Supplies - office	122,642	122,642	-
Supplies - janitorial	198,620	247,920	49,300
Supplies - health	10,272	10,272	-
Supplies - psychological tests	9,900	9,900	-
Supplies - library	223,704	223,704	-
Supplies - maintenance	659,340	709,340	50,000
Energy	4,700,000	4,700,000	-

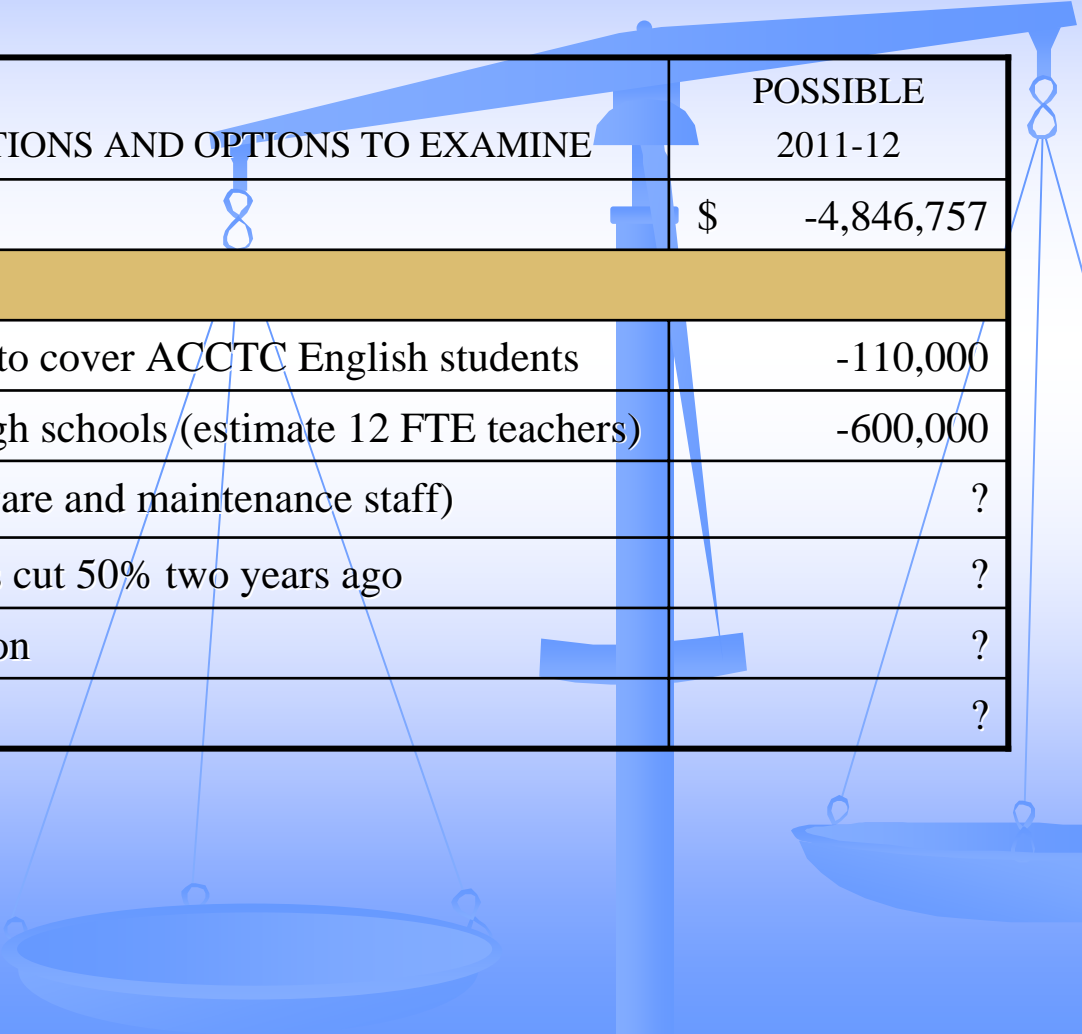
GENERAL FUND

EXPENDITURES DESCRIPTION <i>(Note: 2010-11 includes expenditures paid by Stabilization Funds)</i>	ORIGINAL 2010-11	POSSIBLE 2011-12	CHANGE
Installment on equipment lease	442,763	456,827	14,064
Installment on SC energy loan	-	36,532	36,532
Equipment	25,110	25,110	-
Technology and software	47,468	47,468	-
Vehicles	125,000	75,000	-50,000
Interest	75,000	75,000	-
Dues and fees	36,630	36,630	-
Transfers to other funds	507,000	82,000	-425,000
Transfers to other governments	110,000	110,000	-
Payments to charter schools	1,650,000	1,650,000	-
Total expenditures	150,157,011	149,873,751	-283,260

GENERAL FUND

OTHER POSSIBLE CONSIDERATIONS AND OPTIONS TO EXAMINE	POSSIBLE 2011-12
Shortfall from above	\$ -4,846,757
Increase operating millage by 3.70 mills	1,184,178
Flex additional EIA dollars	3,604,145
Possible increase in EFA allocation if BSC were \$1,788	2,999,047
Availability of new Aid to Districts allocation	1,740,474
Move all alternative expenditures to Fund 338 (no net effect overall)	199,633
Fund reading interventionist positions (formerly Title I - ARRA)	-1,594,000
Have Fund 1 cover 15% reduction in physical education allocation	-36,496
Have Fund 1 cover 15% reduction in EEDA career specialist allocation	-116,131
Have Fund 1 cover 15% reduction in nursing allocation	-92,823

GENERAL FUND



OTHER POSSIBLE CONSIDERATIONS AND OPTIONS TO EXAMINE	POSSIBLE 2011-12
Shortfall from above	\$ -4,846,757
Allocate 2.20 FTE to high schools to cover ACCTC English students	-110,000
Fully fund 9 th grade academy at high schools (estimate 12 FTE teachers)	-600,000
Increase technology budget (hardware and maintenance staff)	?
Replenish portion of travel budgets cut 50% two years ago	?
Other program changes or expansion	?
Other	?

SCHOOL BUILDING FUND



- Five Year Facilities Plan has bond issuance of \$14.5 million for 2011-12
- Bonds currently paid over 5 years
- If paid off over 4 years:
 - could borrow \$16 million in 2011-12
 - \$17.15 million in 2012-13
 - \$17.75 million in 2013-14
 - \$18.50 million in 2014-15
 - \$18.50 million thereafter

SCHOOL BUILDING FUND



- Would provide additional \$11.4 million over the next 4 years using conservative estimates
- Additional capacity would also be created with growth in tax base
- Would allow projects to commence earlier
- Preliminary estimates show 12.5 mill increase may be required
 - \$50 per \$100,000 value on primary residences
 - \$75 per \$100,000 value on 6% property

IMPORTANT DATES



- March 15 First budget workshop
- April 12 Second budget workshop, if needed
- April 19 Preliminary budget
- May 10 Tentative budget
- May 21 Budget advertised
- June 7 Public hearing on budget and millage rates
- June 21 Budget adopted
- July 1 Fiscal year 2011-12 begins

CONCLUSION

QUESTIONS/COMMENTS

