



AIKEN COUNTY
PUBLIC SCHOOLS

**SUPERINTENDENT'S PROPOSED
2017 – 2018 BUDGET**

TUESDAY, JUNE 27, 2017

C-3
Attachment 1

PROPOSED BUDGET OVERVIEW

Millage Rates

- No change in operating millage
- 137.3 operating millage
- 28.7 debt service millage*
**not including property tax relief resulting from sales tax*

Budget Highlights & Other Significant Matters

- Proposed general fund budget = \$191,709,461
- Base student cost = \$2,425
- Teacher and JROTC scale – added the second of a two-step phase-in (now a 25 step, 0 to 24 scale)
- A step increase for all eligible employees
- All supplements increased by 5%
- Reinstatement of playoff supplements
- One-time, lump-sum 1% payment to current teachers at steps 0 through 2. [Teacher salaries at steps 0, 1, and 2 are equal to the salaries at step 3. Despite a step increase for a year's experience, those teacher would otherwise receive no additional pay in 2017-18 compared to 2016-17.]
- Approval of service credit phase II to include the following scales: bus drivers, clerk & office staff, support IV, support V, support VI, administrative assistant to the Board/Superintendent, foreman/maintenance manager, professional I, professional II, nurse, supervisor and coordinator.
- Employer retirement increasing from 16.89% to 18.89%
- One-time funds for technology

**FUND #1 - OPERATIONS
FOR THE 2017 - 2018 SCHOOL YEAR
REVENUE BUDGET**

	<u>2016 - 2017 Budget</u>	<u>Proposed 2017 - 2018 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Local:				
Levies For Current Operations (no tax increase)	\$ 53,229,372	\$ 55,144,780	\$ 1,915,408	3.60%
Delinquent Taxes - Operations	2,788,620	2,300,000	(488,620)	-17.52%
Payment In Lieu Of Taxes	6,000,000	6,200,000	200,000	3.33%
Tuition - Out of District/Out of State/Age Requirements	15,000	15,000	-	0.00%
Interest On Investments	50,000	100,000	50,000	100.00%
Other Local	50,000	50,000	-	0.00%
Total Local Revenue	<u>62,132,992</u>	<u>63,809,780</u>	<u>1,676,788</u>	<u>2.70%</u>
State:				
Education Finance Act (EFA)	55,854,928	59,488,829	3,633,901	6.51%
EFA Hold Harmless (Proviso 1.94)	-	257,316	257,316	100.00%
Fringe Benefits	28,393,830	30,426,541	2,032,711	7.16%
Tier 1 - Property Tax Relief	8,147,500	8,147,500	-	0.00%
Tier 2 - Homestead Exemption	2,659,778	2,659,778	-	0.00%
Tier 3A - Act 388	18,723,702	19,314,767	591,065	3.16%
Tier 3B - Saluda	90,000	90,000	-	0.00%
School Bus Drivers	1,881,013	1,597,061	(283,952)	-15.10%
Total State Revenue	<u>115,750,751</u>	<u>121,981,792</u>	<u>6,231,041</u>	<u>5.38%</u>
Transfers and Non-Revenue Items:				
Transfer From Fund #3 - TSS + TSS Fringe	5,009,870	5,217,889	208,019	4.15%
Transfer from Funds #3 and Fund #9 - Flex Available Prior Year Carryover Allocations	1,416,133	-	(1,416,133)	-100.00%
Indirect Costs - Fund #2 and Fund #6	700,000	700,000	-	0.00%
Total Transfers and Non-Revenue Items	<u>7,126,003</u>	<u>5,917,889</u>	<u>(1,208,114)</u>	<u>-16.95%</u>
Total - General Fund Revenue	<u>\$ 185,009,746</u>	<u>\$ 191,709,461</u>	<u>\$ 6,699,715</u>	<u>3.62%</u>

**FUND #1 - OPERATIONS
FOR THE 2017 - 2018 SCHOOL YEAR
EXPENDITURES BUDGET**

	2016 - 2017 Budget	Proposed 2017 - 2018 Budget	Increase/ (Decrease)	Percent Change
Regular Salaries	\$ 119,376,876	\$ 121,043,538	\$ 1,666,662 ⁽¹⁾	1.40%
Temporary Salaries	1,070,868	1,070,868	-	0.00%
Overtime/Extra Duty Salaries	645,000	1,044,892	399,892 ⁽²⁾	62.00%
Fringe Benefits and Payroll Taxes	44,044,042	47,101,170	3,057,128 ⁽³⁾	6.94%
Retirement - PEBA Credit for 2017 - 2018	-	(1,292,296)	(1,292,296) ⁽¹¹⁾	-100.00%
Unemployment Compensation	65,000	65,000	-	0.00%
Workers Compensation Insurance	1,135,000	1,152,307	17,307	1.52%
Purchased Services - Instructional	232,474	284,099	51,625	22.21%
Purchased Services - Security	298,200	447,522	149,322 ⁽⁴⁾	50.07%
Management Services	28,000	28,000	-	0.00%
Data Processing Services	108,374	217,629	109,255 ⁽⁵⁾	100.81%
Audit Fees	95,000	64,000	(31,000) ⁽⁶⁾	-32.63%
Legal Fees	147,953	147,953	-	0.00%
Water, Sewer And Garbage	704,272	784,272	80,000 ⁽⁷⁾	11.36%
Maintenance Services	746,535	696,675	(49,860)	-6.68%
Property/Liability Insurance	1,024,701	1,031,930	7,229 ⁽⁸⁾	0.71%
Rentals	25,012	30,012	5,000	19.99%
Equipment Repairs	315,683	310,736	(4,947)	-1.57%
Other Property Services	2,475	2,475	-	0.00%
Student Transportation	75,000	75,000	-	0.00%
Travel	294,664	311,135	16,471	5.59%
Athletics Transportation	50,000	56,709	6,709	13.42%
Telephone	326,549	331,549	5,000	1.53%
Purchased Services - Technology	1,041,839	1,043,386	1,547	0.15%
Advertising	14,972	15,472	500	3.34%
Printing and Binding	33,865	38,265	4,400	12.99%
Purchased Services - Other	196,163	251,163	55,000	28.04%
Supplies - General	258,103	268,650	10,547	4.09%
Supplies - Instructional	602,327	601,160	(1,167)	-0.19%
Supplies - Vocational	47,901	47,901	-	0.00%
Supplies - Robotics	9,000	9,000	-	0.00%
Supplies - STEM/STEAM Instructional Materials	5,000	5,000	-	100.00%
Supplies - Office and Postage	145,172	156,410	11,238	7.74%
Supplies - Janitorial	339,519	389,519	50,000	14.73%
Supplies - Maintenance	2,438	2,438	-	100.00%
Supplies - Maintenance Repairs	613,518	613,518	-	0.00%
Supplies - Tools	24,143	24,143	-	0.00%
Supplies - Gasoline/Lubricants	80,024	100,024	20,000	24.99%
Supplies - Vehicle Repairs	60,000	60,000	-	0.00%
Supplies - Electronic Repairs	45,000	45,000	-	0.00%
Supplies - Landscaping	100,000	100,000	-	100.00%
Supplies - Uniforms	60,000	60,000	-	100.00%
Supplies - Health	22,219	22,371	152	0.68%
Supplies - Library	218,407	224,081	5,674	2.60%
Supplies - Technology	789,796	789,796	-	0.00%
Energy	5,300,000	5,800,000	500,000 ⁽⁹⁾	9.43%
Equipment	28,900	18,900	(10,000)	-34.60%
Technology and Software	47,700	47,700	-	0.00%
Technology - One-Time	-	1,373,697	1,373,697 ⁽¹²⁾	100.00%
Dues and Fees	73,050	88,660	15,610	21.37%
Transfer to Other Funds - Activity Funds	115,000	115,000	-	0.00%
Transfer to Other Governments	86,000	86,000	-	0.00%
Payments to Charter Schools	3,838,012	4,307,032	469,020 ⁽¹⁰⁾	12.22%
Total - General Fund	<u>\$ 185,009,746</u>	<u>\$ 191,709,461</u>	<u>\$ 6,699,715</u>	3.62%

**FUND #1 - OPERATIONS
FOR THE 2017 - 2018 SCHOOL YEAR
EXPENDITURES BUDGET**

Footnotes (largest contributors to budget changes):

- (1) - reflects step increase, no COLA; Phase II service credit; addition of 24th teacher step; playoff supplements; supplement adjustment
- (2) - majority reflects shift of significant portion of Homebound salaries from "regular" to "extra duty" as result of restructuring
- (3) - significant portion results from 2.0% increase in retirement contribution percentage
- (4) - anticipated increases in costs for school resource officers and funds budgeted for security at middle school athletic events
- (5) - annual fees related to automation and time & attendance
- (6) - estimate based on results from RFP for audit services
- (7) - based on trend and result of anticipated rate increases and additional usage from landscaping/irrigation improvements
- (8) - pending official notification from SCSBIT
- (9) - based on trend, additional square footage from new construction projects, and costs of operating the new Operations Center
- (10) - additional allocations to charter school based on SCDE formula (estimated)
- (11) - State assistance to offset a portion of large increase in employer retirement
- (12) - One-time funds to address technology needs and District technology plan

**FUNDS #2, #8 AND #9 - SPECIAL REVENUE
FOR THE 2017 - 2018 SCHOOL YEAR
REVENUE AND EXPENDITURES BUDGET**

	<u>2016 - 2017 Budget*</u>	<u>Proposed 2017 - 2018 Budget*</u>	<u>Increase/ (Decrease)</u>
Federal Funds:			
Title I	\$ 7,376,228	\$ 7,007,417	\$ (368,811)
Individuals with Disabilities Act (IDEA)	4,739,292	4,739,292	-
Preschool Handicapped	185,428	185,428	-
Vocational Education/Perkins	384,396	384,396	-
Neglected and Delinquent	43,975	43,975	-
Title I - Focus Schools	254,000	254,000	-
Adult Education - Federal	237,342	237,342	-
Title III - Language Instruction	114,566	108,838	(5,728)
Title II - Improving Teacher Quality	903,550	932,082	28,532
Total Federal Funds	<u>14,238,777</u>	<u>13,892,770</u>	<u>(346,007)</u>
Other/Local Funds:			
NJROTC	388,284	388,284	-
Twelve Month Agriculture	24,788	24,788	-
Medicaid Program	500,000	500,000	-
Total Local Funds	<u>913,072</u>	<u>913,072</u>	<u>-</u>
State Funds:			
Child Development Education Program (CDEP)	1,756,339	1,756,339	-
Summer Reading Program	209,460	209,460	-
EEDA Career Specialists	943,060	943,060	-
Reading Coaches	1,317,330	1,317,330	-
Student Health and Fitness - Nurses	638,742	638,742	-
Student Health and Fitness - Physical Education	180,662	180,571	(91)
Adult Education Supplemental Nutrition (SNAPP)	3,797	3,797	-
Technology Initiative	784,067	-	(784,067)
Total State Funds	<u>5,833,457</u>	<u>5,049,299</u>	<u>(784,158)</u>
Total Special Revenue Funds	<u>\$ 20,985,306</u>	<u>\$ 19,855,141</u>	<u>\$ (1,130,165)</u>

*Reflects current allocations only; no carryovers

**FUND #3 - EDUCATION IMPROVEMENT ACT
FOR THE 2017 - 2018 SCHOOL YEAR
REVENUE AND EXPENDITURES BUDGET**

	2016 - 2017 Budget*	Proposed 2017 - 2018 Budget*	Increase/ (Decrease)
ADEPT	\$ 27,353	\$ 27,353	\$ -
Arts in Education	32,600	54,000	21,400
Professional Development	131,933	217,291	85,358
Technology Professional Development	129,344	-	(129,344)
CATE Equipment	414,022	-	(414,022)
Refurbishment of Science Kits	79,644	79,644	-
Industry Certificates	55,094	55,094	-
National Board Certified Teachers (Pass Through)	679,325	679,325	-
District Teacher of the Year Award (Pass Through)	1,000	1,000	-
At Risk Student Learning	2,710,335	2,755,679	45,344
Teacher Salary Supplement (TSS)	4,527,050	4,527,050	-
TSS Fringe	570,693	690,839	120,146
Adult Education	460,311	460,311	-
Reading	105,142	105,693	551
Teacher Supplies (Pass Through)**	465,300	465,300	-
High Schools That Work/Making Middle Grades Work	95,000	-	(95,000)
School-to-Work Transition Act	86,497	-	(86,497)
Career and Technology Education (NEW)	-	532,233	532,233
EEDA Supplemental	150,000	150,000	-
EEDA Supplies & Materials	64,994	64,994	-
Aid to Districts	320,915	463,876	142,961
Aid to Districts - Technology (NEW)	-	314,106	314,106
Total Education Improvement Act Fund	\$ 11,106,552	\$ 11,643,788	\$ 537,236

*Reflects current allocations only; no carryovers

**FUND #4 - DEBT SERVICE
FOR THE 2017 - 2018 SCHOOL YEAR
REVENUE AND EXPENDITURES BUDGET**

	2017 - 2018 Proposed Budget		
	8% G.O. Bond Issuances	Sales Tax-Related G.O. Bond Issuance	Total
Revenue:			
Levies for debt service	\$ 17,483,800	\$ -	\$ 17,483,800
Sales tax collections utilized for debt service	1,750,000 *	7,631,000	9,231,000
Total Revenue	\$ 19,233,800	\$ 7,631,000	\$ 26,864,800
Expenditures:			
Principal payments			
Series 2013	\$ 3,710,000	\$ -	\$ 3,710,000
Series 2014	3,475,000	-	3,475,000
Series 2015	3,135,000	-	3,135,000
Series 2016A	-	4,370,000	4,370,000
Series 2016B	2,315,000	-	2,315,000
Series 2017 (est)	4,500,000	-	4,500,000
Interest Payments			
Series 2013	185,500	-	185,500
Series 2014	303,650	-	303,650
Series 2015	442,400	-	442,400
Series 2016A	-	3,261,000	3,261,000
Series 2016B	667,250	-	667,250
Series 2017 (est)	375,000	-	375,000
Issuance Costs and Other Fees	125,000	-	125,000
Total Expenditures	\$ 19,233,800	\$ 7,631,000	\$ 26,864,800

Note:

The 8% general obligation bonds are paid-off over five years. The Series 2016A general obligation bonds are to be serviced entirely by sales tax collections over ten years.

**one year lag; 2017-18 property tax relief on 8% bonds reflects 10% of 2016-17 sales tax collections*

**FUND #5 - SCHOOL BUILDING
FOR THE 2017 - 2018 SCHOOL YEAR
REVENUE AND EXPENDITURES BUDGET**

	<u>Proposed 2017 - 2018 Budget</u>
Revenue:	
General Obligation Bonds, Series 2016B (8% bonds)	\$ 18,000,000
Bond premium amount (estimated)	1,000,000
Interest on Investments	<u>100,000</u>
Total Revenue	\$ <u>19,100,000</u>
Expenditures:	
Projects approved in the Five Year Facilities Plan and the Athletics Facilities Funding Plan (excludes sales tax related projects)	\$ <u>19,100,000</u>
Total Expenditures	\$ <u>19,100,000</u>

Note:

Based upon the Board's decision at its March 31, 2015 special called meeting, bond premiums have been earmarked to address identified athletics facilities needs.

Ninety percent of sales tax collections is earmarked for approved school building projects. Collections are expected to total \$15,641,241 (90%) in 2017-18. That amount is not reflected above in the one-year facilities budget.

**FUND #6 - SCHOOL FOOD SERVICE
FOR THE 2017 - 2018 SCHOOL YEAR
REVENUE AND EXPENSES BUDGET**

	<u>2016 - 2017 Budget</u>	<u>Proposed 2017 - 2018 Budget</u>	<u>Increase/ (Decrease)</u>
Revenue:			
Lunch - Students	\$ 599,037	\$ 599,037	\$ -
Special Sales - Students	149,413	115,000	(34,413)
Breakfast - Students	42,740	43,000	260
Lunch - Adults	79,699	75,000	(4,699)
Special Sales - Adults	17,115	17,115	-
Breakfast - Adults	973	1,000	27
Interest on Investments	8,000	-	(8,000)
USDA Reimbursement - Lunch	5,618,669	5,618,669	-
USDA Reimbursement - Breakfast	1,675,743	1,675,743	-
Other Income	25,000	25,000	-
Use of carryover	1,437,952	504,752	(933,200)
Total Revenue	<u>\$ 9,654,341</u>	<u>\$ 8,674,316</u>	<u>\$ (980,025)</u>
Expenses:			
Regular Salaries	\$ 2,992,987	\$ 3,024,816	\$ 31,829
Temporary Salaries	136,405	80,000	(56,405)
Fringe Benefits	657,171	350,000	(307,171)
Staff Services	-	-	-
Maintenance Repairs	10,000	10,000	-
Travel	17,000	19,000	2,000
Telephone	6,200	-	(6,200)
Technology	20,000	-	(20,000)
Printing and Binding	15,000	15,000	-
Purchased Services	2,500	22,500	20,000
Supplies	450,000	450,000	-
Food	4,744,082	4,351,500	(392,582)
Expendable Equipment	-	-	-
Non-Expendable Equipment	-	10,000	10,000
Dues/Fees	4,000	4,000	-
Sales Taxes	6,000	7,500	1,500
Indirect Costs	592,996	330,000	(262,996)
Other Expenses	-	-	-
Total Expenses	<u>\$ 9,654,341</u>	<u>\$ 8,674,316</u>	<u>\$ (980,025)</u>