




To: Members, Board of School Commissioners

From: Edward Carlon, Chief Operating Officer/Budget Director 

Subject: Third Reading - Proposed FY 2019-2020 General Fund Budget

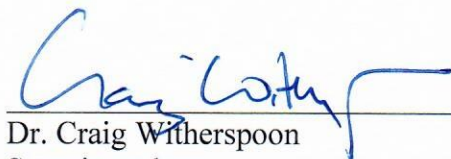
Date: July 23, 2019

Since the May 28, 2019 Second Reading of the Proposed FY 2019-2020 General Fund Budget, the Administration has made adjustments to the Revenue/Expenditure Budgets.

During the work session on June 24, we discussed the proposed increases and decreases in the revenue budget. The largest amount is the decrease in estimated County revenues of over \$11 million, with an increase in revenues for PEBA direct credit, use of fund balance and interest income just under \$3.8 million. Some of the reduction in expenditures included: Reduce central office FTEs, overstaffed positions above allocations (FTEs) while maintaining reduced class sizes, retirement cost, utility costs and the amount for fuel increases. Additional items that were decreased or suspended included: travel, recycling, departmental budgets as needed, a portion of supplemental magnet funding, freeze vacancies, portion summer reading books, a portion of technology allocation, and vehicle replacement. A step increase in the salary schedule is included in the budget for eligible staff, both certified and non-certified. The increase for new teachers from \$32,000 to \$35,000 and increases for all other teachers at a minimum of 4% is also included and mandated by the state. The old starting salary for first year teachers was \$35,887 and will go up to \$39,260 based on this mandated increase by the State.

The final projected Base Student Cost (BSC) by the Senate is \$2,487. **The BSC funding from the State is at the FY 2008 level.** The millage cap increased by 2.61% based on CPI and population growth and the total millage will be 274. The proposed budget is based on the millage cap, an increase of 7 mills. The value of the mill and millage will change due to the County going through reassessment. The overall budget increase being proposed including the state funding is 4.3%. The intent is to request an amended budget from the County if values increase in October to be able to add some suspended items back into the FY 2020 budget.

The Administration recommends third reading approval of the Proposed FY 2019-2020 General Fund Budget of \$337,458,642.



Dr. Craig Witherspoon
Superintendent

Richland County School District One
Proposed FY 2019-2020 General Fund Budget
Budget Summary

Line	Description	Estimated Budget
1.	FY 2018-2019 Amended General Fund Expenditure Budget as of Dec. 21, 2018	323,450,640
	<u>Estimated FY 2019-2020 Expenditure Budget</u>	
2.	<u>Proposed "Base Budget" changes</u>	
2a.	Increase/decrease School budgets	362,100
2b.	Increase in Utilities	103,000
2c.	Increase for health benefits	2,000,000
2d.	Increase/decrease department budgets	1,310,327
2e.	Increase Retirement - employer portion	2,550,000
2f.	Increase in Property Insurance	105,000
2g.	Increase staffing needs	553,046
2h.	Reduce District wide - additional amount for fuel increase	(626,090)
2i.	Change in staffing above allocations, while maintaining reduced class sizes	(2,070,000)
2j.	Decrease utilities, electric	(1,000,000)
2k.	Reduce central office FTEs	(540,000)
3.	Proposed changes before other increase/decrease	2,747,383
4.	Total Basic Proposed FY2018-19 Expenditure Budget RCSD1	326,198,023
5.	<u>Proposed Increases to Base Budget</u>	
	Increase for 1st yr teacher salary	
	increase to \$35,000 plus 4% increase	
5a.	for teachers	7,100,000
5b.	Step increase certified step (incl fringes)	3,200,000
5c.	Step increase non-certified step (incl fringes)	3,200,000
5d.	Language Immersion Program (2 Tea & 4 IAs)	240,000
5e.	Sanders Magnet grant (2 Tea)	130,000
5f.	RESET program expansion (10 FTEs including clerical asst)	600,000
5g.	ESOL change (3 FTEs, teachers)	225,000
5h.	Reduce Transportation to equal ESOL FTE increase	(225,000)
5i.	COMET (student use of city bus system)	15,000
5j.	Dual Enrollment Books	40,000
		14,525,000
6.	Total Basic Proposed FY 2019-2020 Expenditure Budget RCSD1	\$ 340,723,023
7.	Adjustments/reductions to balance to adjusted revenues	
7a.	Reduce Travel	600,000
7b.	Suspend Recycling	150,000
7c.	Reduce departmental budgets as needed	150,000
7d.	Suspend RIF	0
7e.	Suspend supplemental magnet funding	200,000
7f.	Suspend ElementarySTEM and Literacy initiative	0
7g.	Freeze vacancies	500,000
7h.	Suspend Summer reading books	250,000
7i.	Suspend part of Technology allocation	1,250,000
7j.	Suspend Vehicle replacement	250,000
7k.	Suspend additional RESET site	0
8.	Estimated FY 2019 Expenditures	\$ (3,350,000)
9.	Estimated FY 2020 Revenues Revised 7.9.19	\$ 337,458,642
9a.	Estimated additional County FY 2020 Revenues	0
9b.		
10.	Total Estimated FY 2019-2020 Revenues	\$ 337,458,642
11.	Excess of Revenues and (Expenditures)	\$ 85,619

Richland County School District One
FY 2019-2020 General Fund Budget
Base Budget

(1)		(2)	(3)	(4)	(5)
Line	Description	FY 2018-19 Proposed Budget	FY 2019-20 Proposed Budget	Difference (3) - (2)	% Change
1	School Allocations	\$14,642,044	\$15,004,144	362,100	2.81%
2	Summer School / Afterschool Remediation	2,500,000	2,500,000	0	0.00%
3	Chief Teaching & Learning	8,639,808	8,812,045	172,237	2.84%
4	Chief Human Resources Officer	399,462	463,462	64,000	16.02%
5	Chief Operations Officer	13,642,678	14,638,192	995,514	9.49%
6	Superintendent Services	1,873,579	1,952,155	78,576	4.08%
7	Charter School transfers, vehicle replacement, audit contract, Strategic plan, district wide communication maint, document storage contracts, other	4,341,090	3,715,000	(626,090)	-15.40%
8	Legal Services (Contractual)	329,839	329,839	0	0.00%
9	Adult Education (allocation)	44,353	44,353	0	0.00%
10	Property & Liability Insurance	1,695,000	1,800,000	105,000	6.19%
11	Utilities	\$13,485,615	\$12,588,615	(897,000)	-6.90%
12	Personnel Salaries	\$183,869,216	\$182,372,262	(1,496,954)	-0.86%
13	Supplemental Salaries, Tuition Reimb, Sick Leave, Annual Leave	\$6,777,873	\$6,777,873	0	0.00%
14	Fringe Benefits	\$68,460,083	\$72,450,083	3,990,000	6.86%
15	PC Replacement and Technology	2,750,000	2,750,000	0	0.00%
16.	Total	<u>\$323,450,640</u>	<u>\$326,198,023</u>	<u>\$2,747,383</u>	<u>0.94%</u>

Date: July 11, 2019 File: 2020 GFBud\2020 div bud 1a Sheet: Sum@7-11-19

Richland County School District One
FY 2019-2020 General Fund Budget
Estimated Revenue Budget

	(1)	(3)	(4)	(5)	(6)
Line	FY 2018-2019 Revenue Budget	ESTIMATED FY 2019-2020 Revenue Budget	Pct Change	DIFF. (3) - (2)	ASSUMPTIONS
1					
CARRYOVER BALANCE					
JULY 1st FUND BALANCE	\$0	\$1,000,000	#DIV/0!	\$1,000,000 (A)	(A): Amount from Fund Balance has not been used since FY 2018. Prior some amount was designated from Fund Balance After board worksession 6.24.19, Admin is requesting to use \$1 M to help balance budget to keep certain programs.
2					
DISTRICT GENERATED					
INVESTMENTS, RENTALS, ETC.	200,000	1,000,000	400.0%	\$800,000 (B)	Increased for better interest and other local revenue reductions
3					
STATE REVENUE					
EDUCATION FINANCE ACT	53,384,563	52,134,349	-2.3%	(\$1,250,214) (C)	(C): Projected Final BSC \$2487 Includes G&T EIA funds and some At Risk funds and additional weightings as passed by the House, for FY 2016 now includes Lottery Funds. Same for FY 2017.
State Aid to Classrooms	0	0		\$0	
Teacher Salary 4% increase		5,501,740	#DIV/0!	\$5,501,740	Increase 1st yr teacher to \$35,000 and 4% increase
State Aid to Classrooms Frings formula		23,854,278	#DIV/0!	\$23,854,278	Reduce \$1M -amount transferred to SNS - Includes 1% retirement increase
4					
FRINGE BENEFITS(now included in 3b)	23,468,948		-100.0%	(\$23,468,948) (D)	Moved to State Aid to Classrooms
5					
RETREE INSURANCE	7,763,303	8,420,800	8.5%	\$657,497 (D)	
6					
EDUC. IMPROVEMENT ACT (EIA)					
6a					
TEACHER SALARY SUPPLEMENT	6,794,767	6,683,908	-1.6%	(\$110,859) (D)	
6b					
FRINGE BENEFITS	1,317,174	1,470,551	11.6%	\$153,377 (D)	
6c					
PEBA credit retirement FY18 forward		1,986,000	#DIV/0!	\$1,986,000	Entry made to add to revenue for first qtr credit on retirement payment to PEBA, paid directly to PEBA
7					
BUS DRIVERS	1,349,438	1,349,438	0.0%	\$0 (D)	(D): Using FY18 Final projections
8					
Transportation - Workers Comp	99,853	99,853	0.0%	\$0 (D)	
9					
TOTAL STATE REVENUE	94,178,046	101,500,917		7,322,871	All State funding subject to change with final 135 Day count
10					
FEDERAL REVENUE					
IMPACT AID	0	0	#DIV/0!	\$0	
11					
TRANSFER - IN (INDIRECT COST)					
TITLE I	150,000	150,000	0.0%	\$0 (E)	(E): This is based on the assumption the
12					
STUDENT NUTRITION SERVICES	792,200	792,200	0.0%	\$0 (E)	FY 2017-18 budgets and indirect cost
13					
OTHER (SPECIAL REV. BUDGETS)	100,000	100,000	0.0%	\$0 (E)	rates for these projects will be similar to
14					
TOTAL TRANSFERS - IN	1,042,200	1,042,200		0	FY 2016-17 budgets and indirect cost.
15					
SUB-TOTAL: CARRYOVER BALANCE, DISTRICT GENERATED, STATE AND FEDERAL REVENUE, AND TRANSFERS - IN	95,420,246	104,543,117	9.6%	\$9,122,871 (F)	(F): Estimated non-property tax revenue based on A thru E above.
16					
RICHLAND COUNTY					
CARRYOVER	4,500,000	0	-100.0%	(\$4,500,000)	Determined by County Auditor/Treasurer
17					
SALES TAX /REIMBURSEMENTS					
17a					
TIER I	4,741,651	4,741,651	0.0%	\$0 (G)	Homestead Exemption
17b					
TIER II	13,184,415	13,184,415	0.0%	\$0 (G)	Property Tax Relief
17c					
TIER III	34,474,990	35,339,083	2.5%	\$864,093 (G)	Owner Occupied amount now paid by Sales Tax (Tier III)
18					
STATE REIMBURSEMENT	5,688,441	5,688,441	0.0%	\$0	
19					
PROPERTY TAX	165,492,325	173,961,935	5.1%	\$8,469,610	Using FY2020 estimated revenue from County Auditor at 3rd reading. Estimated value of Mill \$849,000 including owner occupied. Moved owner occupied to state portion as Tier III. Estimated Mill value w/o owner occupied \$620,000. FY2020 millage is 266 8, will increase to 274 if cap approved. An increase in assessed value for the June third reading will be based on prior years experience since County going thru reassessment. The millage will be determined in the fall when final assessed values are finalized. The District asked for the cap and was approved at County 3rd reading.
20					
TOTAL RICHLAND COUNTY	228,081,822	232,915,525	2.1%	4,833,703	The county amount is adjusted accordingly using the cap and adjusted for reassessment so there is not an increase because of the reassessment. At the County 3rd reading, it was agreed that if the value of the mill was higher that the District could come back for an amended budget as was done last year.
21					
TOTAL: ALL REVENUE SOURCES	\$323,502,068	\$337,458,642	4.3%	\$13,956,574	As of 4.25.19 the value of the mill is \$620,000 for operations and \$849,000 for Debt Service.

Date: July 9, 2019 FILE: 2020 REV BUD.xls Sheet: Est FY20 Cty Rev

Original Budget passed July 24, 2018	319,917,343
Amended amount passed Dec 4, 2018	3,584,725
	323,502,068

Current value of the mill is not known at this time due reassessment
Operating mill value - 620,000 as of 10.18.18
Debt Service mill value - 849,000 as of 10.18.18