

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: September 10, 2012

AGENDA ITEM No. 12-09-14

ACTION ITEM: (Y/N) N

SUBJECT: Board Budget Subcommittee Report

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ATTACHMENTS: 1. 2012-2013 Additional Budget Considerations.

PURPOSE: The purpose of this agenda item is to receive a report and hear recommendations from the Board of Education's Budget Subcommittee.

BACKGROUND: The Board of Education last discussed the 2012-2013 budget during its August 13, 2012 meeting. The Board reviewed state, local and federal appropriations for the upcoming year. Also discussed was the system's fund balance and its related policy requirements. A number of items to be considered for possible funding were also noted.

It was agreed upon that the board's budget subcommittee should convene and present recommendations during the next scheduled board meeting. The budget subcommittee met on Thursday, August 30, 2012 and discussed both operational and capital budgetary items as the full board requested. A list of the operational items reviewed with background information and costs is included as an attachment. The capital recommendations will require additional review and will be presented at a future date.

Based on the feedback provided during the September 10, 2012 meeting, the finance director will prepare an adjusted final budget for the 2012-2013 school year. The board is scheduled to approve the final budget on September 24, 2012.

FINANCIAL IMPACT: Operational appropriations for 2012-2013:

	<u>Appropriation</u>	<u>Increase/Decrease</u>
State	\$ 38,995,483	\$ 629,811
Local	24,021,695	952,121
Federal	<u>4,193,020</u>	<u>(1,541,201)</u>
TOTAL	\$ 67,210,198	\$ 40,731

The total appropriation above does not include Board of Education approved appropriated fund balance of \$1.4 million. State mandated cost increases for all funds for 2012-2013 include:

\$ 700,000	1.2% salary increase (includes benefits)
500,000	Retirement rate increase from 13.12% to 14.23%
<u>235,000</u>	Hospitalization Insurance increase of \$261 per employee
\$1,435,000	

RECOMMENDATION: The Superintendent recommends the Board of Education discuss the recommendations of the budget subcommittee and provide direction to staff.

FY 2012-13 Additional Budget Considerations

The list below contains items that were not part of the Board approved budget that was forwarded to Commissioners in April 2012. Instead, it offers a list of additional priority items that potentially could be funded by additional Fund Balance appropriations. This list is not in priority order.

Item	Mandatory (M) /Discretionary (D)	Explanation/Description	Additional Funding	Recurring/Non-Recurring
1 Local Salary Increase of 1.2% (including benefits)	M	General Assembly awarded State employees a 1.2% salary increase for 2012-13. This recommendation funds the same increase for locally paid employees.	\$185,000	R
2 Restore Funding for Media Assistant Positions/Reclassify as tech support position.	M	The 1:1 Initiative promulgated the need for additional staff to trouble shoot and <i>provide tech support help</i> . As a remedy to this need, the Board approved a plan on August 13, 2012 to restore funding for 5 technology assistants in the district .	\$135,000	R
3 Restore Internal Control/Audit Functions	D	There is a need for fiscal internal control of <i>all aspects of school system finances</i> . This level of funding would incorporate salary for 1.0 FTE Internal Auditor and contractual services for audits of quasi-school functions such as Booster Clubs.	\$75,000	R
4 Restore Assistant Principal Months of Employment to 11	D	In order to comply with State discretionary funding reductions in 2011-12, months of employment for Assistant Principals at all levels were reduced from 11 or 12 months to 10 months. After assessing this staffing scenario at the end of the first year, the Superintendent recommends that funding be increased to return to 11 months of employment. This recommendation is based on principal feedback and school level needs.	\$18,182	R
5 One-Time Employee Bonus	D	Aside from the 1.2% increase awarded to employees by the General Assembly in June 2012, the most recent salary increase received by employees was in 2008. In addition, employees have witnessed health insurance increases in premiums, co-pays and increased inflation. This proposal would award a one-time (non-recurring) bonus of \$500 for all employees of the District (regardless of their funding source), recommended to be paid the first week of January 2013.	\$644,000	N

6	Exceptional Children	D	Historically, the Exceptional Children's Program has needed additional support through local funding to ensure that students with disabilities were served appropriately. The financial needs of the program can greatly vary depending upon specific needs of students as dictated by their IEPs. Some examples are a student with autism that needs his/her own individual teacher and teacher assistant, a medically fragile child that needs their own nurse, private evaluations, assistive technology needs, etc. The list of needs can never be anticipated and difficult to budget for. Additional dollars are needed to add to the local Exceptional Children's budget to help pay for possible unanticipated expenses	\$110,000	R
7	Efland Cheeks Refocus Initiative	D	Efland-Cheeks Elementary School during the 2011-2012 school year began exploring potential initiatives to improve their school's culturally diverse student achievement. They chose the focus to develop leadership skills in their students using The Seven Habits of Successful Students as their framework. The Board of Education approved the concept Spring of 2012. First year costs are \$42,000.00.	\$42,000	One Time Startup Cost
8	STEM Initiative Support	D	One of the Board of Education goals is to strengthen STEM initiatives K-12. These dollars will be used to continue to support EIE at Central Elementary, math and science initiatives, i.e. materials and supplies for Discover Ed., etc.	\$60,000	R
9	AIG/Rigor Support	D	These dollars will be spent to provide focused training to AIG teachers at the elementary/secondary levels and to send high school teachers to AP/IB trainings throughout the year.	\$50,000	R
10	Legal Expense Increase	D	This is an adjustment to reflect actual expenditures.	\$20,000	R
11	H.R. Recognitions and Contracted Services	D	Additional funding to support staff recognition programs, new teacher support, and digitizing files.	\$14,000	R
12	Testing Program Support	D	These dollars will be used to pay for reorganizing the existing testing staff to create a testing coordinator position and to employ an office support position. Other costs included in this amount	\$45,000	R
13	Employee Wellness	D	Funding to be provided to support employee wellness activities.	\$10,000	R
14	Drivers Ed. Vehicle Replacement	D	Due to state cuts to driver education, this appropriation is needed to provide vehicle replacement.	\$25,000	N
			TOTAL RECURRING FUNDING		\$762,182
			TOTAL NON-RECURRING FUNDING		\$671,000
			TOTAL	\$1,433,182	