Montgomery County Schools

Proposed 2010-2011 Budgets

Proposed Budgets 2010-2011

Reductions in Funding	Amount
State Reduction	$ 875,907
Governor's Proposal (Additional State Reduction)	$ 467,460
Local Appropriation Reduction	$ 697,019
Decrease in Other Local Revenues	$ 57,467
Total Reduction	$2,097,853

Proposed Budgets 2010-2011

Increase in Employer 's Cost	Amount
• Increase in Employer's Retirement Rate from 8.75% to 10.51%	• $ 38,050
• Increase in Employer's Hospital Insurance from $4,527 to $4,930	• $261,950
Total Increase in Employer Cost	$300,000

Proposed Budgets 2010-2011

Reduction Needed	Amount
State Reduction	$ 875,907
Governor's Proposal	$ 467,460
Local Reduction	$ 697,019
Increase in Employer's Cost	$ 300,000
Decrease in Other Local Revenues	$ 57,467
Total Reduction Needed	$2,397,853

The Following Proposed Reductions Are Based Upon Number of Students in Montgomery County

These estimates are based upon the information received from the Department of Public Instruction indicating the areas in which funds will be reduced for the 2010-2011 budget. The Governor's budget proposal and the proposed allocation from the county are also included. The information currently provided is subject to change when actual budgets are adopted.

Governor's Proposed Budget 2010-2011

Additional Reductions According to Category	Position/ Amount
LEA Adjustment (Classroom Teachers)	4.0 Positions = $236,502
School Building Administrator	1.2 Positions = $ 79,742
At Risk Student Services	1.0 Position = $ 45,085
Central Office Administration	.5 Position = $ 35,183
Non-Instructional Support	1.0 Position = $ 31,538
Instructional Support	.5 Position = $ 30,419
Classroom Instructional Supplies	$ 8,991
Total Impact of Governor's Proposal	8.2 Positions = $467,460

Proposed Budgets 2010-2011

Carry Over Funds	Amount
Transfer Salaries to Federal	
• School Improvement Grant	• $ 100,000
• Title 1 (050)	• $ 320,034
• Title 1 (141)	• $ 88,000
• 21 Century Partners	• $ 25,000
Total Carry Over Funds	$ 533,034

Proposed Budgets 2010-2011

Proposed Adjustments	Amount
• Total Reductions Needed	• $2,397,853
• Proposed Cuts & Adjustments	• $ 989,819
• Proposed Carryover Funds	• $ 533,034
• Fund Balance Appropriated	• $ 875,000
Total Reductions & Adjustments	$2,397,853

Budget Comparison from 2008-2009 to 2010-2011

Reduction in Funding	Amount
• State Funding 2008-09	• $27,719,832
• Proposed State Funding 2010-11 (includes Governor's Proposal)	• $24,624,484
State Reduction in Funding	**$ 3,095,348**
• Local Funding 2008-09	• $ 6,474,608
• Proposed Local Funding 2010-11	• $ 5,100,000
Local Reduction in Funding	**$ 1,374,608**
Total Proposed Reduction	**$4,469,956**

Percentage of Reduction in Funding In Local and State Funds

Reduction	Amount
• State funds have been reduced for 2009-10 and 2010-11 (two year period)	• $3,095,348 = 12.57% of the state budget, 93.3% of state funds are salaries and benefits
• Local funds have been reduced for 2009-10 and 2010-11 (two year period)	• $1,374,608 = 26.95% of the local budget,54.7% of the local funds are salaries and benefits

Concern about effect on Low Wealth

State Budget by Category/Percent/Dollar

Expenses	Percent of State Budget and Dollar Amount
Teachers	58.5% = $14,402,775
Teacher Assistants	7.3% = $ 1,806,620
Instructional Support	7.2% = $ 1,756,436
Instructional Supplies/Equipment	5.6% = $ 1,334,663
School Administration	5.0% = $ 1,229,505
Bus Drivers/Transportation	3.8% = $ 928,402
Office Support	3.4% = $ 835,759
Custodians	2.8% = $ 705,954
Central Office Administration	2.7% = $ 688,359
Longevity/Disability Pay	2.6% = $ 650,000
Workshop Expense/Travel	1.1% =$ 286,011

Local Budget by Category/Percent/Dollar

Expenses	% of Local & Dollar Amount
Cost of Business/Operation	33.4% = $ 2,618,852
Teachers	12.2% = $ 957,654
Instructional Supplies/Equipment	10.5% = $ 826,280
Certified Supplements	10.4% = $ 816,310
Teacher Assistants	10.2% = $ 795,359
Office Support	8.4% = $ 658,626
Maintenance Department	6.5 % = $ 507,079
School Administration	2.8% = $ 216,838
Central Office Administration	1.8 % = $ 148,128
First Health Centers	1.4 % = $ 114,461
School Food Service	1.3% =$ 100,000
Instructional Support	1.1% =$ 87,361

Impact of Proposed Budgets 2010-11

Fewer Teachers and Staff Resulting in :

- Increased class sizes
- Less academic support
- Fewer after-school opportunities

PROJECTED LOCAL REVENUES

2010-2011

2.4110	COUNTY APPROPRIATION	5,100,000
2.3700.306	MEDICAID REIMBURSEMENT	32,000
2.4410	FINES & FORFEITURES	270,000
2.4491	TIMBER RECEIPTS	50,000
2.4880	INDIRECT COST ALLOCATED	35,000
2.4450	INTEREST EARNED ON INVESTMENTS	20,000
2.3320.413	MORE @ 4	650,603
2.3390.615	NURSE GRANT	100,000
2.4992	ERATE	180,000
2.3860	ROTC PROGRAM	93,000
2.4490.704	COMMUNITIES IN SCHOOLS	225,000
2.4490	MISCELLANEOUS RECEIPTS	4,200
2.4910	APPROPRIATED FUND BALANCE	875,000
TOTAL		**7,634,803**

Potential Montgomery County Schools Impact Governor's Budget FY 2010-2011

The following is an estimate of the impact the Governor's proposed budget for FY 2010-11 may have on Montgomery County Schools. The Governor's budget potentially increase that impact over what we originally projected by $467,460.

K-12 education reflects the largest reduction in the overall state budget of 2.2% in additional cuts. Both the Universities and the Community College reflect increases (1.8% for Universities and 7.3% for Community Colleges). Justice and Public Safety reflect a 1.5% reduction but all other primary areas of the state budget reflect increases under the Governor's proposal. See page 3 of the Governor's budget http://www.osbm.state.nc.us/files/pbf_files/2010_budget.pdf

It should be noted that the total state funds required for the teacher salary step ($61 million) and the repayment of the FY 2008-09 furlough ($62.5 million) total $123.6 million. The LEA adjustment increased by the Governor in the K12 Public School budget is $135 million. The LEA adjustment results in direct position reductions since 95% of the state budget is in personnel. The $123.6 million required for these salary payments equates to an estimated loss of 2,248 positions statewide in K-12 education.

In the program reductions, another item to note is that the total value of the reduction to the K-12 CTE program is $54,658,931. The same amount reflected in the state budget as an increase in funding to the University budget.

Salary recommendations:

- Teacher experience step increase – average of 1.83%
- School Administrators (principals/asst. principals) – average 1.6%
- Re-payment of .5% FY 2008-09 furlough as a 1- time bonus
- Bonus days for other state employees – 3 days plus a mandated day in December (currently the date specified is December 23rd).

The following are specific areas of key programs that are also being reduced at the state level that will have a direct impact on Montgomery County Schools:

Disadvantaged Student Supplemental Funding - $1,975,008
Low Wealth Funding - $10,081,042
Mentor Pay for Lead Teachers - $2,000,000
Instructional Support - $7,167,477
More at Four - $8,240,466

Summary of State Funding Reductions - Projected FY 2010-11

Program Area	2nd Year Biennial	Governor's Proposal	Total Est. Impact to MCS	#of Potential Positions Reductions
Textbooks	(176,635)		(176,635)	
School Technology	(222,982)		(222,982)	
Central Office Administration		(35,183)	(35,183)	(.5)
School Building Administration (Assistant Principals)		(79,742)	(79,742)	(1.2)
Instructional Support (Guidance, Media, Psychologists, etc.)	(86,849)	(30,419)	(117,268)	(2.0)
Career & Technical Education	(13,362)		(13,362)	(.2)
Classroom Instructional Supplies		(8,991)	(8,991)	
At-Risk Student Services	(30,010)	(45,085)	(75,095)	(2.1)
LEA Adjustment (Classroom Teachers)				
Non-Instructional Support	(1,601,732)	(31,538)	(1,633,270)	(41.5)
Salary and Benefit Impact				
LEA Adjustment (Classroom Teachers)	(274,998)	(236,502)	(511,500)	(8.7)
Total Estimated State Reduction	**(2,406,568)**	**(467,460)**	**(2,874,028)**	**(54.1)**
Federal ARRA Stabilization Funds to offset reductions	1,230,661		1,230,661	35.5
Net Impact of State Budget Reductions (before any salary or benefit adjustments)	**(1,175,907)**	**(467,460)**	**(1,643,367)**	**(18.6)**
Original Projections -April 2010	**(1,175,907)**		**(1,175,907)**	
Difference to Projection	**0**	**(467,460)**	**(467,460)**	**(7.6)**