



Greenville County Schools

FY 16

General Fund Budget

GREENVILLE COUNTY SCHOOLS
Public Hearing and
Second Reading of the FY 16 General Fund Budget
Tuesday, June 2, 2015
6:00 – 8:30 PM

6:00 PM – 6:30 PM

- **Call to Order – Public Hearing**
– *Lisa Wells, Board Chair*

6:30 PM

- **Call to Order – Second Reading**
– *Lisa Wells, Board Chair*

- **Recommended FY 16 General Fund Budget**
– *W. Burke Royster, Superintendent*

**Greenville County Schools
2015-2016 General Fund Proposed Budget
Second Reading**

Projected Revenue Summary

		Reference Page
Projected Revenue for FY 16		
Local Revenue *	\$ 178,605,000	2
State Revenue	342,780,000	2
Transfers In	15,291,000	2
Total Projected Revenue for FY 16	\$ 536,676,000	
Unassigned Fund Balance	0	
Required Amount to Equal Proposed Expenditures	\$ 536,676,000	

Proposed Expenditures Summary

		Reference Page
Budgeted Expenditures for FY 15	\$ 506,869,000	
Proposed Expenditures for FY 16		
State Mandated Expenditures	12,080,000	5
Local Required Expenditures	18,227,000	5
Reduction of Expenditures	(500,000)	5
Subtotal	29,807,000	
Total Proposed Expenditures for FY 16	\$ 536,676,000	

* Includes a recommended 4.5 mill increase which generates \$5,180,000

Greenville County Schools
2015-2016 Projected General Fund Revenue Budget
Second Reading

	State BSC \$2,109 GCS BSC \$1,542 FY 15 Revenue Budget	First Reading State BSC \$2,220 GCS BSC \$1,624 FY 16 Revenue Budget	Second Reading State BSC \$2,220 GCS BSC \$1,624 FY 16 Revenue Budget
1 Projected Local Revenue			
2 Property Taxes - Greenville, Laurens, Spartanburg	\$ 161,148,000	\$ 172,315,000	\$ 172,315,000
3 Act 388 Millage - 4.5 mills		5,180,000	5,180,000
4 Miscellaneous Local Revenue	1,110,000	1,110,000	1,110,000
Interest on Short Term Investments, Out of District Tuition, Lost & Damaged Books, Drivers Ed Fees Proviso for Handicapped Education, Summer School Tuition Contributions from Private Sources			
5 Total Projected Local Revenue	\$ 162,258,000	\$ 178,605,000	\$ 178,605,000
6 Projected State Revenue			
7 Employer Fringe Benefits	\$ 76,490,000	\$ 82,562,000	\$ 82,562,000
8 Education Finance Act (EFA) - BSC	150,857,000	161,943,000	161,943,000
9 Property Tax Relief (Tier I)	23,410,000	23,410,000	23,410,000
10 Homestead Exemption (Tier II)	5,900,000	5,900,000	5,900,000
11 Homestead Exemption Fund - Base Reimbursement (Tier III)	56,647,000	58,484,000	58,484,000
12 Homestead Exemption Fund - Annual Allocation (Tier III)	1,806,000	2,069,000	2,069,000
13 Special Education Transportation	170,000	170,000	170,000
14 Home School Instruction	20,000	20,000	20,000
15 School Bus Drivers Salaries/Work Comp	2,380,000	3,000,000	3,000,000
16 Merchants Inventory Tax	2,201,000	2,201,000	2,201,000
17 Manufacturers Depreciation	2,450,000	2,700,000	2,700,000
18 Motor Carriers Tax	321,000	321,000	321,000
19 Total Projected State Revenue	\$ 322,652,000	\$ 342,780,000	\$ 342,780,000
20 Projected Transfers In			
21 Transfer from EIA - Teacher Salary Supplement	\$ 11,379,000	\$ 12,032,000	\$ 12,032,000
22 Transfer from Food Service - Indirect Cost	2,123,000	1,859,000	1,859,000
23 Transfer from Special Revenue - Indirect Cost	1,400,000	1,400,000	1,400,000
24 Total Projected Transfers In	\$ 14,902,000	\$ 15,291,000	\$ 15,291,000
25 Unassigned Fund Balance	\$ 7,057,000	\$ -	\$ -
26 Total Projected Revenue Budget	\$ 506,869,000	\$ 536,676,000	\$ 536,676,000

Greenville County Schools
2015-2016 Projected General Fund Revenue Budget
Second Reading

Property Tax and Millage Information

The House and Senate approved the FY 16 Education Finance Act Base Student Cost allocation of \$2,220. We do not expect any material change in State revenue.

The FY 16 General Fund Revenue and Expenditure Budgets are balanced and include a millage increase, as specified by Act 388. The Administration is not recommending assigning a portion of the General Fund unassigned fund balance as a funding source.

Property Taxes *pg 2, line 2* **\$ 172,315,000**

As discussed during the recent First Reading, we have seen growth in the assessed values of property for the past three years (2013 - 2015), and growth in the mill value for two years (FY 13 & FY 14). Property taxes include all taxable property in the confines of Greenville County Schools including portions of Laurens and Spartanburg counties. We monitor property tax revenue and the property categories generating this revenue on a continuous basis. Based on our most recently updated information, we are now seeing a three year sustained growth in the value of a mill and the projected mill value for FY 16 reflects a 2.1% increase.

Act 388 Millage *pg 2, line 3* **\$ 5,180,000**

The annual millage rate calculated by the State Revenue and Fiscal Affairs Office to address growth and inflation is based on the average of the twelve monthly consumer price indices for the last calendar year and the population growth of Greenville County for the same period.

Per ACT 388, the annual millage rate increase provided for and calculated by the State to meet growth and inflation for FY 16 is 4.5 mills. In addition, State law provides school boards the authority to levy millage not used in the three preceding years. This means any operational millage increase allowed for FY 14 and FY 15 that was not levied may be used in FY 16. The total millage available is 10.3 (1.9 from FY 14, 3.9 from FY 15 and 4.5 for FY 16).

**Greenville County Schools
2015-2016 Projected General Fund Revenue Budget
Second Reading**

<u>Act 388 Millage</u>	<u>Available</u>	<u>Used</u>	<u>Cumulative Allowable</u>
FY 10	7.2 mills	0.0 mills	7.2
FY 11	2.2 mills	2.2 mills	7.2
FY 12	3.6 mills	4.7 mills	6.1
FY 13	5.8 mills	6.1 mills	5.8
FY 14	4.9 mills	3.9 mills	6.8
FY 15	3.9 mills	4.9 mills	5.8
FY 16	4.5 mills	4.5 proposed	10.3

The Act 388 millage formula provided for a millage increase of 5.8 mills for FY 13, but these mills were not used in FY 13. The formula provided for a millage increase of 4.9 mills in FY 14 and 3.9 mills were levied (using 3.9 mills from the 5.8 mills not used in FY 13) leaving an available 1.9 mills from FY 13 and 4.9 mills from FY 14. The formula provided for a millage increase of 3.9 mills in FY 15 and 4.9 mills were levied (using the last 1.9 mills from FY 13 and 3.0 mills from FY 14) leaving an available 1.9 mills from FY 14 and 3.9 mills from FY 15.

The Board has for FY 16 the authority, to meet the needs of growth and inflation as provided by State law, to levy a total of 10.3 mills.

To meet the demands of growth and inflation as provided for and calculated by the State, the Administration is proposing an operational millage increase of 4.5 mills for FY 16. This increase will use 1.9 mills from FY 14 and 2.6 mills from FY 15 millage.

**Greenville County Schools
2015-2016 Proposed General Fund Expenditure Budget
Second Reading**

	First Reading	Second Reading	Reference Page
	FY 16	FY 16	
	Proposed Expenditure Budget	Proposed Expenditure Budget	
1 Budgeted Expenditures for FY 15	\$ 506,869,000	\$ 506,869,000	
State Mandated Expenditures for FY 16			
<u>Goal 1: Raise the Academic Challenge and Performance of Each Student</u>			
2 Teachers for English Language Learners (move from Lottery Funding)	\$ 2,015,000	\$ 2,015,000	A 6
3 Special Education Teachers (9.0 FTE)	600,000	600,000	6
<u>Goal 2: Ensure Quality Personnel in All Positions</u>			
4 Teacher Salary Steps	4,420,000	4,420,000	6
5 Teacher Certificate Upgrades	700,000	700,000	6
6 State Health Employer Insurance Increase of 3.9% (Effective Jan. 1, 2015)	630,000	630,000	7
7 State Health Employer Insurance Increase of 4.5% (Effective Jan. 1, 2016)	1,088,000	1,088,000	7
8 State Retirement Employer Rate Increase (Effective July 1, 2015)	1,235,000	1,235,000	7
<u>Goal 4: Effectively Manage and Further Develop Financial Resources</u>			
9 Payments to Charter Schools	1,265,000	1,265,000	7
10 Brashier Middle College Charter High School (increase enrollment from 420 to 440)	127,000	127,000	7
11 Total State Mandated Expenditures for FY 16	\$ 12,080,000	\$ 12,080,000	
Local Required Expenditures for FY 16			
<u>Goal 1: Raise the Academic Challenge and Performance of Each Student</u>			
12 Increases Associated with Student Growth	\$ 2,000,000	\$ 2,000,000	7
13 Teachers for English Language Learners - 115:1 ratio (11.5 FTE)	742,000	742,000	8
14 Restore .5 as Baseline Allocation to All Schools for Academic Improvements	3,870,000	3,870,000	8
15 Discovery Education	159,000	159,000	9
16 Instructional Supplies for Roper Mountain Science Center	5,000	5,000	9
<u>Goal 2: Ensure Quality Personnel in All Positions</u>			
17 Teacher Salary Steps (recover frozen step)	3,990,000	3,990,000	9
18 Increase in Local Portion of the Teacher Salary Schedule	1,191,000	1,191,000	9
19 Salary Increase for Support Personnel	3,780,000	3,780,000	10
20 School Nurse Salary Step and Grade Adjustment	265,000	265,000	10
21 Modification to Bus Driver Salary Schedule	596,000	596,000	11
22 Assistant Band Directors Supplement	135,000	135,000	11
23 Athletic Supplements	352,000	352,000	12
24 Employee Assistance Program	123,000	123,000	12
25 Evaluation Specialist (1.0 FTE)	92,000	92,000	13
26 Applicant Tracking System Specialist (1.0 FTE)	69,000	69,000	13
27 Audio Visual Security Maintenance Technician (1.0 FTE)	65,000	65,000	13
28 Preventative Maintenance Technicians (2.0 FTE)	126,000	126,000	13
29 Chiller Technician (1.0 FTE)	75,000	75,000	14
30 ETS Information Security Support Specialist (1.0 FTE)	98,000	98,000	14
31 ETS Field Support Personnel (5.0 FTE)	279,000	279,000	14
<u>Goal 3: Provide a school environment supportive of learning</u>			
32 Athletic Fields and Grounds Maintenance	215,000	215,000	15
33 Total Local Required Expenditures for FY 16	\$ 18,227,000	\$ 18,227,000	
Reduction of Expenditures for FY 16			
<u>Goal 4: Effectively Manage and Further Develop Financial Resources</u>			
34 Affordable Care Act (Health Care Reform)	\$ (250,000)	\$ (250,000)	15
35 Transfer Portion of Fringe Benefit Expenditures to Food Service Fund	(250,000)	(250,000)	15
36 Total Reduction of Expenditures for FY 16	\$ (500,000)	\$ (500,000)	
37 Total Proposed Budgeted Expenditures for FY 16	\$ 536,676,000	\$ 536,676,000	
A: State moved revenue from Lottery to fund increase in EFA BSC			

**Greenville County Schools
2015-2016 General Fund Budget Information
Second Reading**

State Mandates and Local Required Expenditures

State mandates are: 1) Legal requirements resulting from legislative acts which impose an enforceable duty, a new program, or demand an increased level of service in an existing program or 2) Mandates from the State Department of Education.

Local required expenditures refer to the services and support that facilitate the attainment and sustainability of our Education Plan goals.

State Mandates

Goal 1: Raise the Academic Challenge and Performance of Each Student

Teachers for English Language Learners *pg 5, line 2* **\$ 2,015,000**

The current FY 16 State budget has eliminated two Lottery Special Revenue funds, K-5 Enhancement and 6-8 Enhancement, to partially fund an increase in the FY 16 EFA base student cost. This moves teachers currently funded in a Special Revenue Lottery Fund into the General Fund.

Special Education Teachers *pg 5, line 3* **\$ 600,000**

IDEA revenue has declined over the past several years, resulting in the need for Special Education teachers to be moved from IDEA funds to the General Fund. This budget moves 9.0 FTE speech teachers currently funded in IDEA to the General Fund, allowing us to continue to provide services to our students and retain high-quality speech language therapists.

Goal 2: Ensure Quality Personnel in All Positions

Teacher Salary Steps *pg 5, line 4* **\$ 4,420,000**

This is the State mandated increase. Implementing a teacher salary step for FY 16 would allow Greenville County Schools to remain competitive in recruitment and retention of quality teachers

Teacher Certificate Upgrades *pg 5, line 5* **\$ 700,000**

This budget reflects pay increases for teachers upgrading current certificates to reflect higher education levels. Teachers are both required and encouraged to pursue additional training. When that training results in the attainment of an additional degree or certificate upgrade, a commensurate pay increase is mandated.

**Greenville County Schools
2015-2016 General Fund Budget Information
Second Reading**

(Local Requirements – continued)

Discovery Education *pg 5, line 15* **\$ 159,000**

Over the last 10 years, the state of South Carolina maintained a contract with Discovery Education Streamline Video. District teachers depend on this resource, and they have created countless lesson plans, activities, assessments and other instructional resources in the Discovery Education system. Effective August, 2014, the state did not renew the contract. With the District's purchase of a subscription, teachers can access the content they have dedicated the time to build, including those that are tied to our curriculum in Rubicon Atlas.

Instructional Supplies for Roper Mountain Science Center **\$ 5,000**
pg 5, line 16

To support the Center's initiatives providing more, improved, hands-on, inquiry-based learning labs, additional supplies will be required. This budget will fund additional supplies for expanding hands-on STEM learning labs and materials for hands-on elementary and middle school offerings.

Goal 2: Ensure Quality Personnel in All Positions

Teacher Salary Steps (recover frozen steps) *pg 5, line 17* **\$ 3,990,000**

This budget recovers the step for those teachers who were affected by the freezing of a step in FY 11 and who are currently paid one step lower than what would show on their certificate. In line with Goal 2, this increase will ensure our teacher salaries remain in the top 25 for South Carolina school districts and that the average remains above the southeastern average teacher salary. Single teacher steps range in percentage from .92% to 2.96%. Our experienced teachers are, on average, earning **\$1,261** less than they would in surrounding districts.

Increase in Local Portion of the Teacher Salary Schedule **\$ 1,191,000**

pg 5, line 18

This budgeted amount is the projected cost to increase the local portion of some of the steps on the teacher salary schedule to ensure **all** teachers receive at least a 3% increase with step movement. This also creates new steps 27 and 28 so teachers currently on the highest step also receive at least a 3% total increase.

**Greenville County Schools
2015-2016 General Fund Budget Information
Second Reading**

(Local Requirements – continued)

Salary Increase for Support Personnel (Minimum 3%) **\$ 3,780,000**
pg 5, line 19

This line reflects the cost of providing all other employees (those not on teacher salary scale) with a raise of at least 3%. Under this budget item, each eligible support employee will receive a step for the first time since 2013; all others will receive a 3% increase. In situations where the difference between steps is less than 3%, the next step will be adjusted to reflect a total increase of 3%. Since the average value of two teacher steps is 3.8%, this provides all employees with a reasonably equitable raise. It also recognizes that, when considering inflation and required increases to the state retirement fund, these salaries remain 3.86% behind actual cost of living increases since FY 09. This adjustment continues the District's goal of ensuring quality personnel in all positions and reaffirms throughout all levels of the organization the importance of all employees to the instructional program, and their roles in the District's Excellent Rating on the State Report Card.

The District's hourly support salary schedule currently has steps one through nine and is collapsing into five steps by removing steps one through four, because we are unable to fill vacancies at these lower rates. This is similar to the restructuring of the bus driver salary schedule.

School Nurse Salary Step and Grade Adjustment *pg 5, line 20* **\$ 265,000**

This budget item is the projected cost to adjust school nurse salaries to a recommended step and grade based on professional certification and experience. The District is experiencing increased difficulty retaining qualified nurses due to lack of competitive salaries. In FY 14, there were 18 resignations. To date in FY 15, there have been 22 nurse resignations, which is approximately one-fifth of the total number of nurses employed. Our current salary does not allow us to retain our nurses or to build an adequate applicant pool for our vacant positions.

**Greenville County Schools
2015-2016 General Fund Budget Information
Second Reading**

(Local Requirements – continued)

Athletic Supplements *pg 5, line 23* **\$ 352,000**

This budget item includes additional supplements for football, baseball and softball assistant coach supplements and extended duty pay for coaches when teams qualify for and participate in post-season play. The average number of football supplements in similar districts is 15.8 supplements, compared to our maximum of 8 football supplements per school. Currently, schools rely on volunteers and supplements funded with locally raised monies to provide some additional supervision for our students, but are still well below programs in similar districts. We have a similar scenario in baseball and softball, where we are relying on volunteers and fundraising to provide some additional coaching and supervision. Reliance on local fundraising creates inequity among schools. Adding supplements that are calculated by number of teams and number of players, provides proper supervision of athletes, increases quality of coaching, enhances safety, and reduces the risk of liability, injury and inadequate instruction. Extending supplement pay when coaches lead their team into playoffs provides pay for significant additional coaching time. This will add and more equitably compensate our coaches and help us to retain our most effective and successful coaches. This is year one of a three-year plan to adjust all athletic and non-athletic supplements so we are comparable with similar districts.

Employee Assistance Program *pg 5, line 24* **\$ 123,000**

An Employee Assistance Program (EAP) is an employer-sponsored service designed to provide support for employees experiencing individual or family problems. EAP services supplement or provide benefits not available through the State Health Plan. EAP programs help employees address their personal issues to enable them to remain actively at work. An EAP is an effective way to protect a valuable investment in human resources and to prevent potential performance problems through early intervention.

**Greenville County Schools
2015-2016 General Fund Budget Information
Second Reading**

(Local Requirements – continued)

Chiller Technician *pg 5, line 29* **\$ 75,000**

This 1.0 FTE position is for a chiller technician to repair and maintain the District's aging, highly-sophisticated chillers. As facilities and equipment age and warranties expire, there is an increased need for the technical skill to repair and maintain this equipment. There are currently 62 chillers now operating in the District. This technician would be dedicated to chiller repair and would assist in preventative maintenance when not repairing equipment.

ETS Information Security Support Specialist *pg 5, line 30* **\$ 98,000**

This 1.0 FTE position will assist with the ongoing monitoring and general upkeep of existing systems to ensure that data integrity and basic data processing rules are followed. It will also provide guidance and assist with strategic planning for Firewalls, IDS devices, and other security related systems, train users, promote security awareness to ensure system security, improve server and network efficiency, develop plans to safeguard computer files against accidental or unauthorized modification, destruction, or disclosure, and to meet emergency data processing needs. Continual testing and security measures are needed to ensure a safe environment for students and employees.

ETS Field Support Personnel *pg 5, line 31* **\$ 279,000**

This budget item is for 4.0 FTE Network Technicians and 1.0 FTE Program Manager. As the District has increased in size and the use of technology has expanded, the need for on-site technicians to service the equipment has grown. The Network Technicians will be responsible for the prompt and efficient diagnosis and repair of all District-supported technology hardware. They will assist in the diagnosis and resolution of network hardware issues for students and employees. The Work Session material included a 1.0 FTE Program Manager to assist in bids and hardware specs, auditing of equipment patches, alerts and researching of new technologies. The responsibilities of this position were reevaluated and the position reclassified at a lower level.

**Greenville County Schools
2015-2016 General Fund Budget Information
Second Reading**

(Local Requirements – continued)

Goal 3: Provide a School Environment Supportive of Learning

Athletic Fields and Grounds Maintenance *pg 5, line 32* **\$ 215,000**

This request is to provide additional funds to maintain District athletic fields and school grounds. Currently the District provides only technical advice and project management for high school athletic fields. All middle school athletic fields are maintained by the District. Of this additional allocation, \$140,000 is included to assist high schools through procurement of needed materials and services in this extremely costly portion of their athletic budgets. As athletic opportunities continue to expand, the revenue is not increasing proportionately. The maintenance required for the fields used increases regardless of revenue generated by the sport. Since 2005, 524 additional acres of grounds have been added. This additional acreage must be maintained to provide a safe environment for students and staff, free from hazards such as pests and falling tree limbs.

Reduction of Expenditure Budget

Goal 4: Effectively Manage and Further Develop Financial Resources

Affordable Care Act (Health Care Reform) *pg 5, line 34* **(\$ 250,000)**

The District's mandated compliance with the Affordable Care Act (ACA) started with the January 1, 2015 benefit year. For the defined measurement periods to date, the District has "measured" 298 temporary, hourly employees according to the guidelines. Of the 298, 63 employees were determined to be eligible for and offered coverage. Thirteen employees have enrolled for health and/or dental insurance. The current budget of \$453,000 may be reduced by \$250,000 leaving a \$203,000 budget which is sufficient to cover the current need.

Transfer Portion of Fringe Benefit Expenditures to Food Service Fund **(\$ 250,000)
*pg 5, line 35***

State guidelines allow Districts to charge a portion of food service fringe benefits to the Food Service Budget when the State's fringe benefit allocation is not sufficient to fund these expenditures for the General Fund and Food Service Funds. The amount that may be charged to Food Service is formula driven and the District will charge \$250,000. This is in addition to the \$750,000 included in the FY 15 General Fund budget that is currently being charged.