Guilford County Schools

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2009-10 Budget Development Plan

Presented to
Guilford County Board of Education
March 10, 2009

Guilford County Schools

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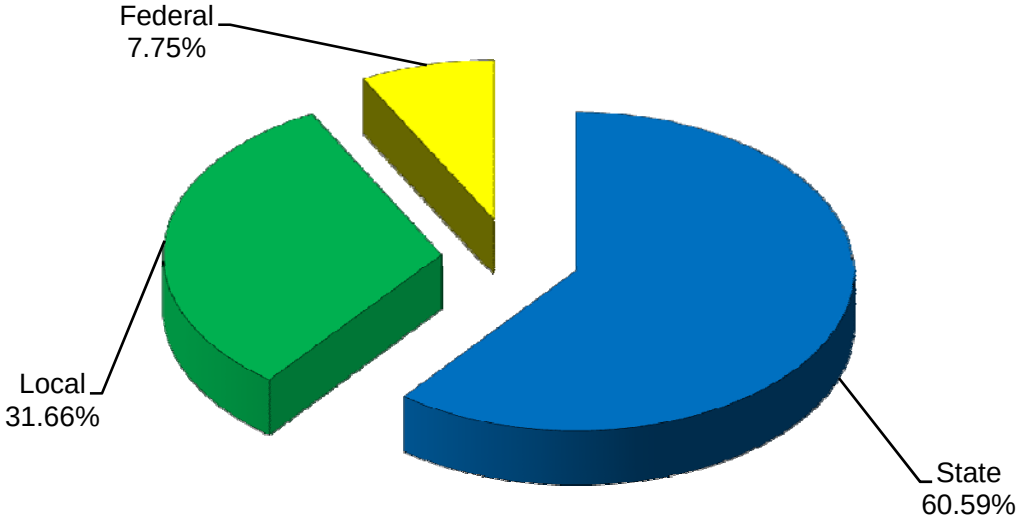
2008-09 OPERATING BUDGET

2008-09 Operating Budget Revenues/Sources Where The Money Comes From		
State	$	382,863,478
Local		200,043,269
Federal		49,001,687
Total	**$**	**631,908,434**



NOTES: Operating budget excludes capital outlay, school food service and After School Care Enrichment Services (ACES) funds.
Operating budget data is as of January 31, 2009.

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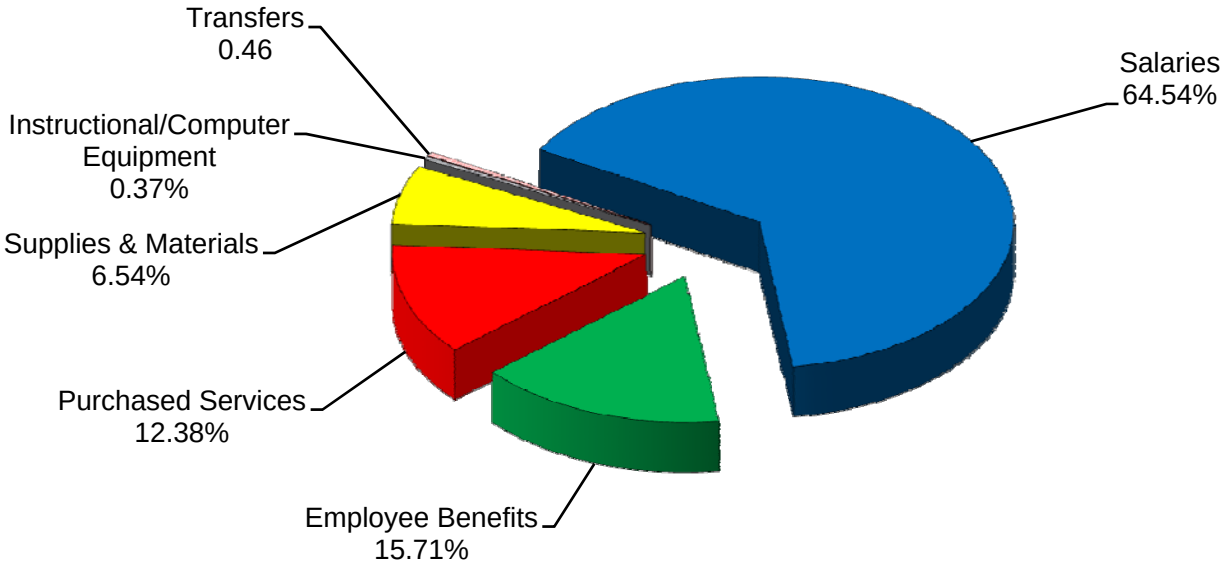
2008-09 OPERATING BUDGET

2008-09 Operating Budget Expenditures/Uses Where The Money Goes		
Salaries	$	407,851,908
Employee Benefits		99,329,887
Purchased Services		78,205,625
Supplies & Materials		41,324,795
Instructional/Computer Equipment		2,311,774
Transfers to Charter Schools		2,884,445
Total	**$**	**631,908,434**



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2008-09 OPERATING BUDGET

2008-09 Operating Budget Summary		
Schools	$	497,412,307
Administrative/ Support Services		134,496,128
Total	**$**	**631,908,434**

Approximately 79% of our resources are in schools and the remaining 21% are used to provide administrative/support services to schools.

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2008-09 BUDGET - PERSONNEL

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
School District	2008-09 First Month ADM	Admin	Ratio to Students (C/B)	Principals/ Assistant Principals	Ratio to Students (E/B)	Teachers	Ratio to Students (G/B)	Instructional Support	Ratio to Students (I/B)	Teacher Assistants	Ratio to Students (K/B)	Technicians	Ratio to Students (M/B)	Clerical Secretarial Workers	Ratio to Students (O/B)	Maintenance Transportation Custodial Workers	Ratio to Students (Q/B)	Total Full-Time Personnel
Durham	31,772	52	611.0	120	264.8	2,386	13.3	219	145.1	558	56.9	18	1,765.1	258	123.2	640	49.6	4,251
Forsyth	51,487	213	241.7	184	279.8	3,464	14.9	510	101.0	970	53.1	35	1,471.1	417	123.5	841	61.2	6,634
Cumberland	52,439	82	639.5	217	241.7	3,489	15.0	475	110.4	1,141	46.0	55	953.4	455	115.3	1,038	50.5	6,952
Guilford	70,794	101	700.9	233	303.8	4,976	14.2	854	82.9	1,204	58.8	78	907.6	508	139.4	1,432	49.4	9,386
Mecklenburg	132,751	314	422.8	515	257.8	9,044	14.7	1,194	111.2	2,214	60.0	262	506.7	789	168.3	2,928	45.3	17,260
Wake	136,099	105	1,296.2	438	310.7	9,204	14.8	1,062	128.2	2,292	59.4	98	1,388.8	1,071	127.1	2,296	59.3	16,566

Source: North Carolina Department of Public Instruction – 2008 Public School Full-Time Personnel Summary
Source: North Carolina Department of Public Instruction – First Month ADM by Local Education Agency Report

Admin includes officials, administrators, managers (i.e., superintendent, chief officers, executive directors, directors, and supervisors of district-wide programs) and other professional staff (i.e., speech therapists, social workers)

Instructional Support includes guidance counselors, psychologists and media specialists

Technicians includes computer programmers/operators, nurses

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2009-10 BUDGET DEVELOPMENT

FACTORS IMPACTING BUDGET DEVELOPMENT:

- salary increase percentage for teachers/licensed staff
- salary increase percentage for principals and assistant principals
- salary increase percentage for classified employees
- changes in employee benefit rates/amounts

  (social security, retirement, hospitalization, workers' compensation, unemployment, dental insurance, life insurance)

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2009-10 BUDGET DEVELOPMENT

FACTORS IMPACTING BUDGET DEVELOPMENT:

- percentage of increase for annual utility/energy and gas/diesel fuel costs

- percentage of increase for various risk management areas

  (i.e., liability, fleet, property and pupil scholastic accident insurance lines of coverage)

- additional energy costs for newly constructed/renovated and/or air conditioned square footage associated with the district's Capital Improvement Plan (CIP) Program

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2009-10 BUDGET DEVELOPMENT

FACTORS IMPACTING BUDGET DEVELOPMENT:

- additional maintenance/staffing costs for newly constructed and/or renovated square footage associated with the district's CIP Program
- student enrollment
- strategic plan initiatives

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2009-10 BUDGET DEVELOPMENT

SALARY INCREASE PERCENTAGES AND CHANGES IN EMPLOYEE BENEFIT RATES/AMOUNTS :

- NCDPI recommendation is only information currently available
  - step increase for teachers/principals/asst principals **($1.4M)**
  - 2% increase for classified employees **($768K)**
  - 7.3% increase in employer's hospitalization insurance cost
    - 2008-09 = $4,157 per Full-Time Equivalent (FTE)
    - 2009-10 = $4,460 per FTE **($466K)**
  - 5% increase in employer's contribution rate for retirement
    - 2008-09 = 8.14%
    - 2009-10 = 8.54% **($383K)**
- Governor plans to present her budget by mid-March
- NC House and Senate budgets will follow Governor's budget

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2009-10 BUDGET DEVELOPMENT

UTILITIES/ENERGY AND GAS/DIESEL FUEL:

Factors impacting 2009-10 costs:

- changes in unit costs (kilowatt hours/therms/gallons) [data collection/analysis ongoing]
- implementation of district-wide strategic energy master plan
- Will NC Department of Public Instruction have funds to make additional allotments if gas/diesel fuel prices increase?

RISK MANAGEMENT:

Factors impacting 2009-10 costs:

- increases in premiums (data collection/analysis ongoing)
- additional square footage coming on-line @ Union Hill ES
- additional square footage coming on-line @ Eastern HS

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2009-10 BUDGET DEVELOPMENT

STUDENT ENROLLMENT PROJECTIONS:

- We will use NC Department of Public Instruction 2009-10 State Planning Allotment projected ADM (Average Daily Membership) number of 71,079 students for budget development purposes

- Projected 2009-10 ADM numbers for other select districts are:
  - 31,867 for Durham
  - 51,526 for Forsyth
  - 53,264 for Cumberland
  - 134,121 for Mecklenburg
  - 141,194 for Wake

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2009-10 BUDGET DEVELOPMENT

STUDENT ENROLLMENT PROJECTIONS:

- Projected 2009-10 ADM numbers have been impacted by a change in the NC kindergarten cut-off age/date
  - Up through the 2008-2009 school year, the child must have reached his/her 5th birthday on or before October 16th of the school year for which the child was seeking kindergarten enrollment.
  - However, starting with the 2009-2010 school year, the child must have reached his/her 5th birthday on or before August 31st of the school year for which the child is seeking kindergarten enrollment.
  - NC General Statute 115C-364
  - Legislative analysts estimate that about 15,000 children in the state will have to start kindergarten a year later because of the change.

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2009-10 BUDGET DEVELOPMENT

STRATEGIC PLAN INITIATIVES:

- We plan to fund strategic plan initiatives having 2009-10 launch dates and/or budget implications through redirections of existing dollars or outside funding.

- Examples of such initiatives include:
  - reorganization of Academic Services and Regionalization
  - Character Education
  - Math textbook adoption
    (K-5 only; delay Middle School and High School)

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2009-10 BUDGET DEVELOPMENT

STATE FUNDING:

- Office of State Budget and Management (OSBM) requested 3%, 5% and 7% budget reduction options from all state agencies in preparation of OSBM submission of a 2009-11 biennial budget

- Per information provided by NC Department of Public Instruction, the impact of these percentage reductions if applied to our FY09 state allotments would equate to:
  - $10,857,461 @ 3%
  - $16,785,461 @ 5%
  - $23,736,302 @ 7%

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2009-10 BUDGET DEVELOPMENT

STATE FISCAL STABILIZATION FUND:

- The American Recovery and Reinvestment Act of 2009 divides this funding into three parts:
  - $48.6 billion for basic stabilization funds
  - $4.35 billion for State incentive grants
  - $650 million for local education agency grants

- Governor must submit application to Secretary of Education in order to receive funds

- Governor must divide state's allocation between education (81.8%) and other government services (18.2%), which may include education assistance/modernization, renovation/repair of buildings

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2009-10 BUDGET DEVELOPMENT

FEDERAL FUNDING:

- NC Department of Public Instruction (NCDPI) does not yet know specific impact of the economic stimulus package dollars for individual school districts
  - maintenance of effort requirements?
  - supplement versus supplant provisions?
  - reporting requirements?

- Per estimates provided by Council of Great City Schools, we should receive:
  - $17,030,000 in additional Title I funds
  - $15,859,000 in additional IDEA dollars
    (IDEA = Individuals with Disabilities Education Act)

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2009-10 BUDGET DEVELOPMENT

LOCAL FUNDING:

- County commissioners have asked the district to develop a 2009-10 budget that reflects flat or hold-the-line local funding

- It is staff's intent to strive to do so despite the following unknowns:
  - salary increases
  - changes in employee benefit rates/amounts
  - utility rate increases and/or utilities for additional square footage
  - state and federal funding levels

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2009-10 BUDGET DEVELOPMENT

LOCAL FUNDING:

- Strategies to be considered in developing a 2009-10 budget that reflects flat or hold-the-line local funding include:
  - soliciting budget reduction suggestions from staff members
    - currently compiling information and prioritizing cuts
  - making budget reductions across the organization
  - reviewing staffing formulas – particularly class size ratios
  - developing and implementing a district-wide strategic energy master plan (monitor consumption, increase efficiency)
  - identifying dollars available for redirection to fund strategic plan initiatives

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2009-10 BUDGET DEVELOPMENT

LOCAL FUNDING:

- Examples of programs or initiatives that may be eliminated or scaled back include:
  - SpringBoard **($296K)**
  - Talent Development Reform Model **($528K)** (discontinue contract with Johns Hopkins University)
  - Teachscape **($30K)**
  - Health Education textbook adoption – delayed **($1.2M)**

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2009-10 BUDGET DEVELOPMENT

LOCAL FUNDING:

- Examples of positions that will be eliminated include:
  - Instructional Improvement Officers (IIOs) *
    - 10 positions = $1,378,356 (salaries + benefits)
  - School Support Officers and Executive Director *
    - 3 positions = $353,543 (salaries + benefits)

* These positions will be eliminated to support the reorganization of Academic Services/Regionalization.

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2009-10 BUDGET DEVELOPMENT

Level	Class Size Changes	Positions	Budget Impact
Elementary	Raise class size by 1 student in grades K-3	61 teachers	$3,111,488
	Raise class size by 2 students in grades K-3	115 teachers	$5,865,920
Middle	Raise class sizes by 1 student in grades 7 and 8	35 teachers	$1,785,280
	Raise class sizes by 2 students in grades 7 and 8	67 teachers	$3,417,536
High	Raise class sizes in grades 10-12 to state maximum of 26.64	30 teachers	$1,530,240
	Raise class sizes by 2 students in grades 10-12	41 teachers	$2,091,328

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2009-10 BUDGET DEVELOPMENT

FINANCIAL CHALLENGES AND UNCERTAINTIES:

Due to the financial challenges and uncertainties that are impacting budget development, we will hold back a portion of our schools' 2009-10 staffing allotments and Weighted Student Formula dollars.

This strategy will help us manage possible future state funding reductions.

As the General Assembly makes final 2009-10 funding decisions, we will learn if we can release reserved resources such as those cited above, or if additional steps will be required to bring spending within anticipated state revenues.