

GUILFORD COUNTY SCHOOLS
BUDGET REDUCTION PLAN
SUMMARY

NCDPI reversion amount =	\$ (2,834,665)	per NCDPI email of 11/17/08	
NCDPI ADM Decrease adjustment =	\$ (958,591)	based on 307 students per NCDPI	
	\$ (3,793,256)		
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(1) Charter School Adjustment (<i>school-based portion</i>) Weighted Student Formula (WSF) \$ and	\$ 581,328	\$ (3,211,928)	
(2) Visiting International Faculty (VIF) Supply \$	\$ 883,023	\$ (2,328,905)	
(3) Career & Technical Education (CTE) lapsed salary \$	\$ 277,554	\$ (2,051,351)	
(4) Medicaid Administrative Claim (MAC) Escrow \$	\$ 720,343	\$ (1,331,008)	
(5) Administrative Reductions (<i>includes non-instructional portion of charter school adjustment</i>)	\$ 1,331,008	\$ 0	
	\$ 1,741,905	45.92%	Schools
	\$ 2,051,351	54.08%	Administrative
	\$ 3,793,256		

NOTES:

- (1) The NC Dept of Public Instruction (NCDPI) made adjustments to our initial 2008-09 allotments based on the projected number of Guilford County students attending new charter schools and for existing charter schools growing over their planning ADM (*these adjustments were reflected on 2008-09 State Public School Fund Amendment #1 approved by the BOE on 10/30/08*). On Budget Allotment Revision #013 dated 11/20/08, NCDPI reinstated some of those dollars to our allotments because the projected number of charter school students upon which the initial adjustments were made was overstated. Given that we had already reduced our 2008-09 allotments to schools/administrative sites for the charter school adjustments reflected in State Public School Fund Amendment #1, we are including the amount of the charter school adjustments reinstated on 11/20/08 in our budget reduction plan.

- (2) This recommended budget reduction consists of \$217,615 in WSF \$ and \$665,408 in VIF Supply \$.
 WSF \$ - Decreasing the WSF \$ reduction from the 25% or \$2.9M currently held in abeyance to \$217,615 equates to schools receiving 98.1% of the \$11.7M in WSF \$ included in the 2008-09 budget approved by the board.
 VIF \$ - School districts may transfer regular instructional teacher positions to dollar equivalents to cover a contract for visiting international faculty teachers. The conversion consists of teacher salaries; fees/costs associated with bringing an international visiting faculty member to the district through the International Exchange Program; and the balance of the conversion amount is allotted as supplies/materials. Given that students served by VIF teachers are included in the ADM numbers used to calculate WSF \$ allotments (*which include instructional supplies/materials*), we are including \$665,408 of the VIF conversion in our budget reduction plan.

- (3) Robert White, GCS Director for CTE/Tech Prep, has calculated the amount of lapsed CTE salaries to be \$555,108. We will use one-half of that amount or \$277,554 to make needed software upgrades in CTE computer labs and use the remaining one-half in our budget reduction plan.

- (4) We recommend using the available balance of the Medicaid Administrative Claim (MAC) escrow \$ in our budget reduction plan. Our 2008-09 budget did not include any MAC Program escrow funds.

The North Carolina School Boards Association (NCSBA) Medicaid Administrative Claim (MAC) Program is an area of Medicaid financing under which schools can recover some of the money they are mandated to spend on special education services and administration. School systems are reimbursed for "outreach services" provided to students. The outreach provider categories include, but are not limited to, audiologists, diagnosticians, interpreters occupational/physical/speech therapists, psychologists and social workers. When the MAC Program was initially implemented in NC in 1999, the escrow fund was established by the NC Department of Public Instruction (NCDPI) to set aside a portion of the MAC claims to provide a safety net because (a) the MAC program was not yet approved and (b) there was a risk that a portion of the claims may not be approved. Claims from the April-June 1999 through the July-September 2003 quarters were subject to the escrow provision. Approximately 70% of the claims in the escrow account have been released to participating school districts. The remaining escrow funds continue to be held in abeyance to help mitigate future risk in the event there are any claim recoupment requests associated with audit exceptions. FYI, no claim recoupments are anticipated as there has not been a recoupment request or a failed audit in the 10 years that the program has been in place; however, participating school districts are obligated to repay a pro rata share within 10 days in the event that such a repayment is requested.

- (5) See document entitled "BUDGET REDUCTION PLAN - Central Office Budget Reductions - Line-Item Detail" for information regarding administrative budget reductions