



Finance And Budget Committee Meeting

April 22, 2020

Agenda / Topics

- FY 2020 Budget
 - Budget Update
 - Stimulus Funding
- FY 2021 Budget
 - Revenue Update
 - Superintendent Proposed Options for SB Consideration
 - Responses to SB Member Questions





Budget Update: FY 2020



FY '20: Budget Update

- State Funding
 - Monitoring the sales tax payments. Will not see impacts on sales tax distribution until May/June.
- Maintaining nonessential spending restrictions
- Projected Savings – Approximately \$2.5M
 - Updated projections at end of April (May 1 payroll complete)



FY '20: Stimulus (CARES Act)

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - Estimated distribution to SCPS - \$1.46M
 - Expected payment later this month
 - State distributions based on Title I grant funds
 - Developing and implementing procedures and systems to improve LEA preparedness and response efforts related to disruption of learning
 - Targeted for summer learning and expanded learning recovery program for the 2020-2021 school year





Budget Update: FY 2021



FY '21: Revenue Adjustments/Uncertainty

- State Funding - Governor's Amendments
 - Reduction from General Assembly budget - \$4.0M
 - Reduction from Governor's budget (SB Approved) - \$1.5M
 - Based on ADM of 30,010 (reduced by 40 students) - \$200k
 - General Assembly reconvenes April 22nd
- *Local Transfer Reduction
 - Funding gap of \$8.5M based on the SB Approved Budget.
- *FY 2020 Carryover
 - Savings from FY 2020
 - Increases FY 2021 revenues by \$1.5M

*Based on recent presentations/discussion at BOS meetings



FY '21: Total Adjustments in Revenue

Revenue	Approved Budget	Adjustments	Amount
State*	\$ 16,649,738	\$ (1,531,368)	\$ 15,118,370
Local Government**	4,150,128	(2,352,970)	1,797,158
Prior Year (2020) Carryforward	-	1,500,000	1,500,000
Federal	397,000	-	397,000
Miscellaneous	39,532	-	39,532
Total Revenue Increase (Decrease)	\$ 21,236,398	\$ (2,384,338)	\$ 18,852,060

*Estimated. Final State calculations expected to be released with a week.

**Based on County Administrator's budget. SB budget had an additional funding gap of \$6.1M.

**Adjusted funding gap for SB budget is \$8.5M.



FY '21: Superintendent Proposed Options for SB Consideration

Expenditures	Amount
Elimination of Across the Board Increase	\$ 7,161,580
Reduction in Service Scale Enhancement	1,500,000
Reduction in New Positions	1,748,044
Elimination of New Stipends	1,094,491
Reduction in Capital Outlay	250,000
Position Freeze	125,000
Total Proposed Expenditure Decrease	\$ 11,879,115



FY '21: Superintendent Proposed Position Reductions

Position	Reduction	Amount
World Language Teachers	4.00	\$ 290,580
MS Athletic Trainer	1.00	72,645
Counselors	5.00	363,225
Family Engagement Liaison*	1.00	31,776
Bus Attendants	10.00	256,445
Elementary School Asst Principals	5.00	564,178
Safety & Security Coordinator	1.00	76,667
Teacher and Talent Development Coordinator*	1.00	51,539
Exec Dir of Transportation*	0.50	40,990
Total Proposed Expenditure Decrease		\$ 1,748,044

*Position will not be filled until mid year.

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FY '21: Superintendent Proposed Options for Teacher Scale

Option 1: Teacher Scale Enhancement and Condensed to Level 36

- No reduction in investment - \$3M
- Scale modified as it was designed assuming base 3% across the board increase

Option 2: 1% Across the Board for Teachers - \$1.5M

- No consolidation of top of scale

Option 3: Move all teachers up one “Level” on existing scale - \$2.4M

- Freeze top of scale
- No consolidation of scale
- Maintains accurate placement for years of experience



FY '21: Other Superintendent Proposed Adjustments for SB Consideration

- Decrease to budgeted salary lapse (\$500k)
 - Increases budgeted expenditures
 - Adjusted budgeted salary lapse: \$2.25M
- Capital Outlay / Security Infrastructure (\$250k)
- Stipend Reductions:
 - Math and low incidence SPED stipends
 - Additional sport/coach stipends
 - Club sponsor stipends
 - Adjustments to mentor teacher stipends



FY '21: Summary of Proposed Adjustments to Expenditures

Expenditures	Approved Budget	Adjustments	Amount
Across the Board Increase	\$ 7,161,580	\$ (7,161,580)	\$ -
VRS Rate	1,685,015	-	1,685,015
Teacher Scale Enhancement	3,000,000	-	3,000,000
Service Scale Enhancement	2,250,000	(1,500,000)	750,000
New Positions Added	8,682,717	(1,748,044)	6,934,673
Stipends	1,251,491	(1,094,491)	157,000
Expanded Summer Learning	-	500,000	500,000
Non Personnel Increases	4,384,457	(250,000)	4,134,457
Other Savings	(1,050,289)	375,000	(675,289)
Total Expenditure Increase (Decrease)	\$ 27,364,971	\$ (10,879,115)	\$ 16,485,856



FY '21: High Level Summary

Description	Approved Budget	Adjustments	Amount
Total Revenue Increase (Decrease)	\$ 21,236,398	\$ (2,384,338)	\$ 18,852,060
Total Expenditure Increase (Decrease)	27,364,971	(10,879,115)	16,485,856
Funding Surplus (Deficit)*	\$ (6,128,573)	\$ 8,494,777	\$ 2,366,204

*School Board's approved budget had a funding deficit (revenue shortfall).

*Projected surplus is to reserve for any unanticipated state revenue loss.



School Board Questions

Question: What are the savings for reducing the across the board increase by 1%?

Response:

The cost (savings) for each 1% across the board is approximately \$2.2M for salaries. In the approved budget, the across the board increase adjusted the hourly rates, substitutes, and stipends. Reducing to the FY '20 rates would result in approximately \$200k in savings. This is a total of approximately \$2.4M in savings for each 1% reduction.



School Board Questions

Question: What options do we have to condense the teacher's pay scale, given there is no across the board increase?

Response:

Staff provided options for the teacher scale during presentation. There is an option to condense the scale; however, there are drawbacks given the lack of investment. Other options may be more desirable. Any adjustments to the teacher scale will have a positive impact on market comparisons for FY '21 and beyond.



School Board Questions

Question: For best practice, we need 3.2 counselors. Does that give us a counselor 5 days a week at all schools, or just elementary?

Response:

The ratio for counselors was amended by the Governor. It will remain the same ratio as current year. Superintendent's proposed adjustments include reducing the school counselors. The additional counselors remaining (9.4) will eliminate partial counselors at all schools.



School Board Questions

Question: Can you provide options for the additional elementary school assistant principals?

Response:

Superintendent's proposed adjustments include leaving four (4) elementary assistant principals for targeted placement. Superintendent has concerns on the limitation of responsibilities that interns are able to complete.



School Board Questions

Question: What is the cost of delaying the MS curriculum change and deleting the new positions for another year or just reducing the world language positions and implementing an abbreviated MS curriculum?

Response:

The superintendent feels that the middle school model is critical to address the learning needs of all our students. However, reducing four (4) of the world language positions can be managed.



School Board Questions

Question: What is the cost of freezing existing stipends at 2019-2020 rates?

Response:

All new stipends were eliminated in the superintendent's recommendation. The Teacher Standard Load stipend remains (cost of \$145k) as it is required by the state. The elimination of new stipends is a reduction of \$1.1M.



School Board Questions

Question: Regarding health insurance: Are the rates for next year's employees healthcare premiums locked in? Are we starting to prepare to see an increase in staff taking insurance if their spouses become unemployed? Have employees been reminded that they can enroll in insurance if there has been a life altering event?

Response:

The School Board's approved budget proposed no increase in employee health insurance premiums. The premiums could still be adjusted. We have not seen a significant number of employees electing to add insurance. A staff FAQ document was posted and sent to all employees on April 9th. It reminds employees that they can make changes due to a life altering event.



FY '21 Budget Calendar – Proposed Amendments

- Tuesday, April 21st BOS adopted tax rate
- Wednesday, April 22nd FABC meeting
- Tuesday, May 5th BOS adopts budget
- Thursday, May 7th SB budget work session with an option for special called meeting to adopt budget or 2021 compensation
- Tuesday, May 12th SB adopts budget
- Week of May 18th Targeted distribution of contracts*

* Distribution on contracts will depend on when staff receive guidance on pay scales. Preferred distribution of contracts would be the week of May 11th.



Questions

