

Superintendent's Proposed 2018-2019 Budget

Presented by
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to the Moore County Board of Education
April 9, 2018



Priorities Defined by Mission

1. Ensure the safety, security and welfare of our students and employees;
2. Establish and sustain competitive classrooms;
3. Establish and sustain a competitive workforce;
4. Avoid any further reduction in current personnel, programs or service levels. Indeed, expand where necessary and possible; and
5. Mitigate facility deterioration.



Priorities Dictated by Reality

1. Reduce dependence on the county and school district fund balances.
2. Accommodate fixed cost increases associated with existing service levels.
3. Accommodate continued reductions in selected state allotments.



Priorities Dictated by Reality

4. Minimize cost growth as Moore County assesses local revenue potential associated with bond referendum (May, 2018), quarter-cent sales tax referendum (November, 2018) and property revaluation (Spring, 2019).
5. Establish sustainable local digital funding pattern based on the sustainability plan.
6. Establish sustainable local capital improvement funding pattern based on 20-year plan.



The FY 2018-19 Budget Challenge

How do we accommodate reality while preserving programs, services and staffing that are critical to our mission to serve students?





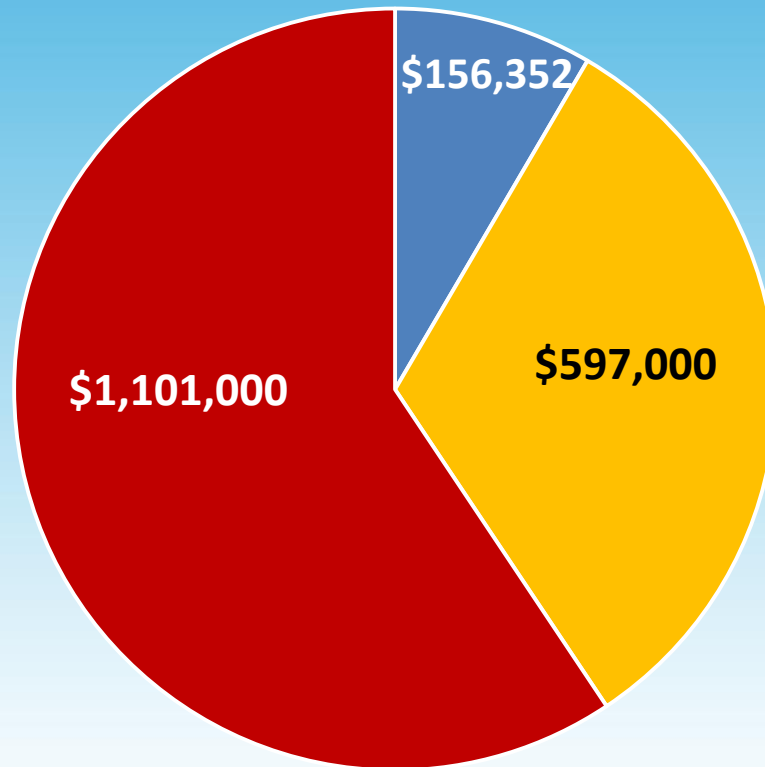
Final Costs For Which We Must Account

Cost Items	Amounts	Running Cost
Current operational costs that remain dependent on fund balances	\$931,352	\$931,352
Cost to shift from percentage-based to scale-based local supplement	\$250,000	\$1,181,352
Potential cost associated with final resolution of the FY 2018-19 state budget	\$500,000	\$1,681,352
Potential cost associated with unemployment benefits	\$50,000	\$1,731,352
Potential increase local obligation for Charter Schools (60 students x \$2,050)	\$123,000	\$1,854,352

Costs for Which We Must Account

As of today, March 5, 2018.

Total Budget Cost = \$1,854,352



- Revised Fund Balance Set-Aside
- Shift Costs to "Temporary Bridge" Sources
- Revised Cost Reductions

Recommended Budget Actions Intended to Accommodate Costs

Costs that depend on non-reoccurring revenues from County and School Board fund balances	Item Cost	Running Total
Maintain \$156,352 in maintenance allotment	\$156,352	\$156,352
Costs eliminated due to loss of state revenue associated primarily with reduction of student membership since FY 2014-15	Item Cost	Running Total
Eliminate 15 FTE teaching positions @ \$60,000 each	\$900,000	\$900,000
Eliminate 1 FTE assistant principal position	\$70,000	\$970,000
Eliminate 1 FTE digital integration facilitator (DIF)	\$66,000	\$1,036,000
Eliminate 1 FTE curriculum & instruction specialist	\$65,000	\$1,101,000
Costs transferred from local expense to Medicaid reimbursement or federal Title I or Impact Aid as "temporary bridge" for FY 2018-19 only	Item Cost	Running Total
Transfer administrative cost from local to Title 1 funds	\$45,000	\$45,000
Transfer 1 FTE assistant principal position to state at-risk funds	\$70,000	\$115,000
Transfer 2 psychologist/social worker/counselor FTEs (\$66,000 ea.) to Medicaid	\$132,000	\$247,000
Transfer 5 school nurse FTEs (\$60,000 ea.) to Medicaid	\$300,000	\$547,000
Transfer 1 FTE school resource officer to Impact Aid	\$50,000	\$597,000
Grand Total		\$1,854,352



Establish and Sustain a Formal Plan for Annual School Budget Stabilization

1. **Establish and sustain a sub-account within the County's General Fund Balance** to serve as a hedge for local cost obligations that result from General Assembly approval of state budget in late summer or early fall.
2. **Sustain the School Board's remaining Fund 2 balance at a minimum of \$2 million** to serve as a hedge for delayed fund transfers from the federal government. Such delays pose monthly risks to the School District's capacity to ensure timely administration of payroll and accounts payable.
3. Both funds **should be established by joint resolution** of the County Commissioners and the School Board.
4. Both funds should be managed by transparent procedures established and governed by a memorandum of agreement. **The agreement should be subject to annual review each October during a joint session of the two Boards.**



Total Proposed FY 2018-19 County Allotment Includes All Fund Types

Budget Year	County Funding	Annual Increase in Funding	% Change
2013/14	\$26,627,072		
2014/15	\$27,115,140	\$488,068	1.83
2015/16	\$27,765,140	\$650,000	2.39
2016/17	\$28,529,515	\$764,375	2.75
2017/18	\$31,841,352*	\$3,311,837*	11.61*
2018/19 Proposed	\$31,000,000	-\$841,352	-2.64

* 2017-18 Includes additional funding of \$1,250,000 from county fund balance.



Proposed 2018-19 Local Expense Fund

Revenue Type	Proposed Level
County Appropriation	\$29,500,000
Fines/ Forfeitures	\$450,000
Interest	\$30,000
Total	\$29,980,000



Proposed Budget FY 2018-19

Fund Type	Proposed Level
State – Fund 1	\$71,500,000
Local Expense – Fund 2	\$29,980,000
Federal – Fund 3	\$8,400,000
Capital Expense – Fund 4	\$750,000
School Nutrition – Fund 5	\$5,485,000
Local Operations – Fund 8	\$1,934,800
Proposed 2018/19 Budget	\$118,049,800



Proposed 2018-19 County Allotment by Fund Type

Fund Type	Original Request	Fund Balance Set Aside	Carry-Over / Supplemental Request	Total
Local Expense	\$29,500,000	\$156,352	0	\$29,656,352
Capital Expense	\$750,000	0	\$1,900,000	\$2,650,000
Digital Learning	\$750,000	0	\$225,000	\$975,000
Total	\$31,000,000	\$156,352	\$2,163,887	\$33,281,352



Proposed Budget Accomplishments

- Reduces reliance on non-recurring revenues to \$156,532 from past reliance which exceeded \$3 million. *(Still subject to outcome of NC General Assembly's final state budget resolution.)*
- Requests no increase in annual local funding for operations, capital and digital. *(A supplemental large-scale request for \$1.9 million in capital investment is noted but scheduled for formal presentation in fall.)*
- Recognizes Moore County's need to resolve revenue forecast in context of May and November 2018 referenda, and 2019 property revaluation.
- Restricts reductions in current programs, services and staffing to declines in student enrollment and selected state funding allotments.
- Provides increased-but-conservative investment of Medicaid reimbursements and Federal Impact Aid to preserve current support for student safety, health and welfare.
- Stabilizes local supplement cost increases while preserving the integrity of the employee's benefit.



Proposed Budget Drawbacks

- Fails to improve retention/recruitment of high quality teachers, support staff and leadership.
- Fails to accelerate our teachers' access to “base digital content.”
- Fails to expand 1:1 student-to-laptop ratio into grades 3-5.
- Fails to establish plan to address technology infrastructure obsolescence.
- Fails to reduce student-nurse ratio toward state-recommended 750:1, from current 900:1.
- Fails to expand support for student mental health needs.
- Fails to expand all assistant principal and data manager services to 12 months.
- Fails to create a separate and independent charter school fund.



Budget Process: Next Steps

- April 16 – School Board Action
- April 17 – Presentation to County Commissioners
- June 5 – Presentation of County Manager’s Proposed Budget
- June 19 – County Commissioners’ Budget Hearing & Final Budget Approval





MOORE COUNTY SCHOOLS
Growing to Greatness

DISCUSSION