

Lexington County School District One

2019-2020

Proposed General Fund Operating Budget

Third Reading – June 25, 2019

Operating Budget

This is the proposed General Fund operating budget for the upcoming fiscal year. It lays out the district's revenues and expenditures we expect to receive and spend for the day-to-day operations of the district.

Capital Budget

The operating budget is different from a capital budget. A capital budget encompasses funds that have been designated by law, bond covenants and the district for major building, technology and renovation projects. Some other examples include buses, library books, and band instruments and uniforms.

135-Day Average Daily Membership

Year	*Membership	Increase	Percent
2013-2014	23,364	429	1.9%
2014-2015	23,953	589	2.5%
2015-2016	24,418	465	1.9%
2016-2017	24,895	477	2.0%
2017-2018	25,511	616	2.5%
2018-2019**	25,999	488	1.9%
2019-2020***	26,510	511	1.9%
** Final	*** Projected		

*Average Daily Membership (ADM) is the aggregate number of days in membership (total days that students have been enrolled during a specific time period) divided by the number of days school is in session.

Pre-K is not included in the above membership.

Considerations for the Budget Process

- ❖ Meet mandated expenditures without sufficient state funding to meet those expenditures
- ❖ Provide for student growth
- ❖ Meet state and federal requirements
- ❖ Meet inflationary costs (utilities, insurance, etc.)
- ❖ Ensure quality and support for students and staff

Priorities for the 2019–2020 Budget Process

- ❖ Drive to \$35,000
- ❖ State mandated 4% certified salary increase
- ❖ 2% support staff salary increase
- ❖ 1% administrative salary increase
- ❖ Step increase for all eligible certified, support and administrative employees
- ❖ Open Beechwood Middle School
- ❖ Supplemental student support
- ❖ Maintain current class ratios

Elementary Staffing Ratios

Grades	2016-2017	2017-2018	2018-2019	Proposed 2019-2020
5 Year Old Kindergarten	26 to 1	26 to 1	22 to 1*	22 to 1
1 st Grade	24 to 1	22 to 1**	22 to 1	22 to 1
2 nd Grade	25 to 1	22 to 1**	22 to 1	22 to 1
3 rd Grade	25 to 1	25 to 1	25 to 1	25 to 1
4 th and 5 th Grade	26 to 1	26 to 1	26 to 1	25 to 1

* As the year progressed, some classes exceeded 22 to 1.

** Pool positions were used to reduce the ratios to 22 to 1.

Arrived at 35

	2015-2016	2016-2017	2017-2018	2018-2019	Proposed 2019-20
Bachelor's Degree – No Experience	\$32,161	\$32,804	\$33,132	\$33,795	\$35,991

Changes from Second Reading to Third Reading

	Salaries and Related Costs	Programs and Services	Total
Second Reading	\$260,177,663	\$35,620,969	\$295,798,632
Recalculation of step increases	(1,201,000)		(1,201,000)
Increase in property and casualty insurance		85,509	85,509
Increase in worker's compensation insurance		280,608	280,608
Cost of additional mental health counselors		160,000	160,000
Third Reading Total	\$258,976,663	\$36,147,086	\$295,123,749

FY20 Recommended General Fund Certified Net Additions and Cuts By Category – District Totals

Category	FTE	
Elementary School Certified	7.00	
Middle School Certified and Licensed Professionals	29.80	
High School Certified and Licensed Professionals	9.50	
Special Needs Certified and Licensed Professionals	17.80	
Pool Positions	5.00	
	Total Certified	69.10

FY20 Recommended General Fund Net Staffing Changes Excluding Beechwood, Lexington and Pleasant Hill Middle Schools

Staff	*FTE	Amount
Certified and Licensed Professional Staff	43.30	\$3,177,548
Support Staff (net)	1.70	118,670
Central Services Administrative Staff	(3.00)	(488,044)
School Administrative Staff	1.00	118,052
Supplements, Additional Days and Temporary Salaries		517,965
Total Changes	43.00	\$3,444,191

Proposed Second Year Startup Costs for Beechwood Middle School

	FTE	Amount
Salaries and Related Costs for Beechwood Middle School (including \$106,222 of supplements)	86.00	\$5,765,442
Reductions at Lexington Middle School due to rezoning	(17.10)	(1,220,017)
Reductions at Pleasant Hill Middle School due to rezoning	<u>(34.35)</u>	<u>(2,236,539)</u>
Net Salaries and Related Costs for Opening of Beechwood Middle School	34.55	2,308,886
Program and Services	--	<u>75,000</u>
Total		\$2,383,886

FY20 Recommended General Fund Support Net Additions By Category

Category	FTE
School Support Instructional	(10.50)
School Support Special Needs	7.00
School Support Other	11.95
Central Services Support	2.00
Total Support	10.45

FY20 Recommended General Fund Net Staffing Changes District Totals

Staff	FTE	Cost
Certified and Licensed Professional Staff	69.10	\$5,071,016
Support Staff	10.45	437,130
Central Services Administrative Staff	(3.00)	(488,044)
School Administrative Staff	1.00	108,788
Supplements, Additional Days and Temporary Salaries		624,187
Total Changes	77.55	\$5,753,077

This slide excludes the funding shortfalls as presented on slide 16.

Layered Safety

	FTE	Amount
Board Certified Behavioral Analyst	1.00	\$92,459
Additional School Safety Officers and Related Costs – Contractual Services		326,362
Eight Additional Mental Health Counselors – Contractual Services		160,000
Total		\$578,821

State Funding Shortfalls

	Amount
Budget to cover additional anticipated shortfall of State funds to cover required Reading Coaches	\$ 64,325
Budget to cover additional anticipated shortfall of State funds to cover nursing positions	41,626
Total Changes	\$105,951

State Funding Shortfall for Mandated Expenditures

Total New State Revenues	\$7,031,892
Mandated Expenditures	
Retirement Increase for All Employees	2,055,619
Certified and Licensed Professionals 4% Increase	5,549,383
Certified Step Increase	1,651,897
Shortfall	(\$2,225,007)

Increases in Programs and Services

	Amount
Additional School Resource Officers	\$326,362
Contractual Services – Licensed Professionals	250,000
Funds to Replace Fee Reductions in Middle Schools	100,000
Human Resources – Background Checks	75,000
Code to the Future – Supplies	49,000
Mental Health Counselors	160,000
Utilities, Maintenance and Insurance	6,264
Total Increase Over Prior Year	\$966,626

Decreases in Programs and Services

	Amount
Start Up Supplies New Schools	\$111,024
Executive Leadership Program	122,440
Communications Expense – Telephones	59,930
IT Supplies	80,915
Total Decrease Over Prior Year	\$374,309

Projected Revenue Changes

	2018-2019 Approved Revenue	2019-2020 Projected Revenue	Projected Increase (Decrease)
Local – Growth and New Millage	\$101,553,141	\$104,014,745	\$ 2,461,604
State – EFA and Fringe Allocation	161,766,542	174,307,948	12,541,406
Transfers – EIA Transfer and Indirect Costs	8,241,793	8,545,497	303,704
Operational Balance	9,000,000	8,255,559	(744,441)
Total Projected Revenue	\$280,561,476	\$295,123,749	\$14,562,273

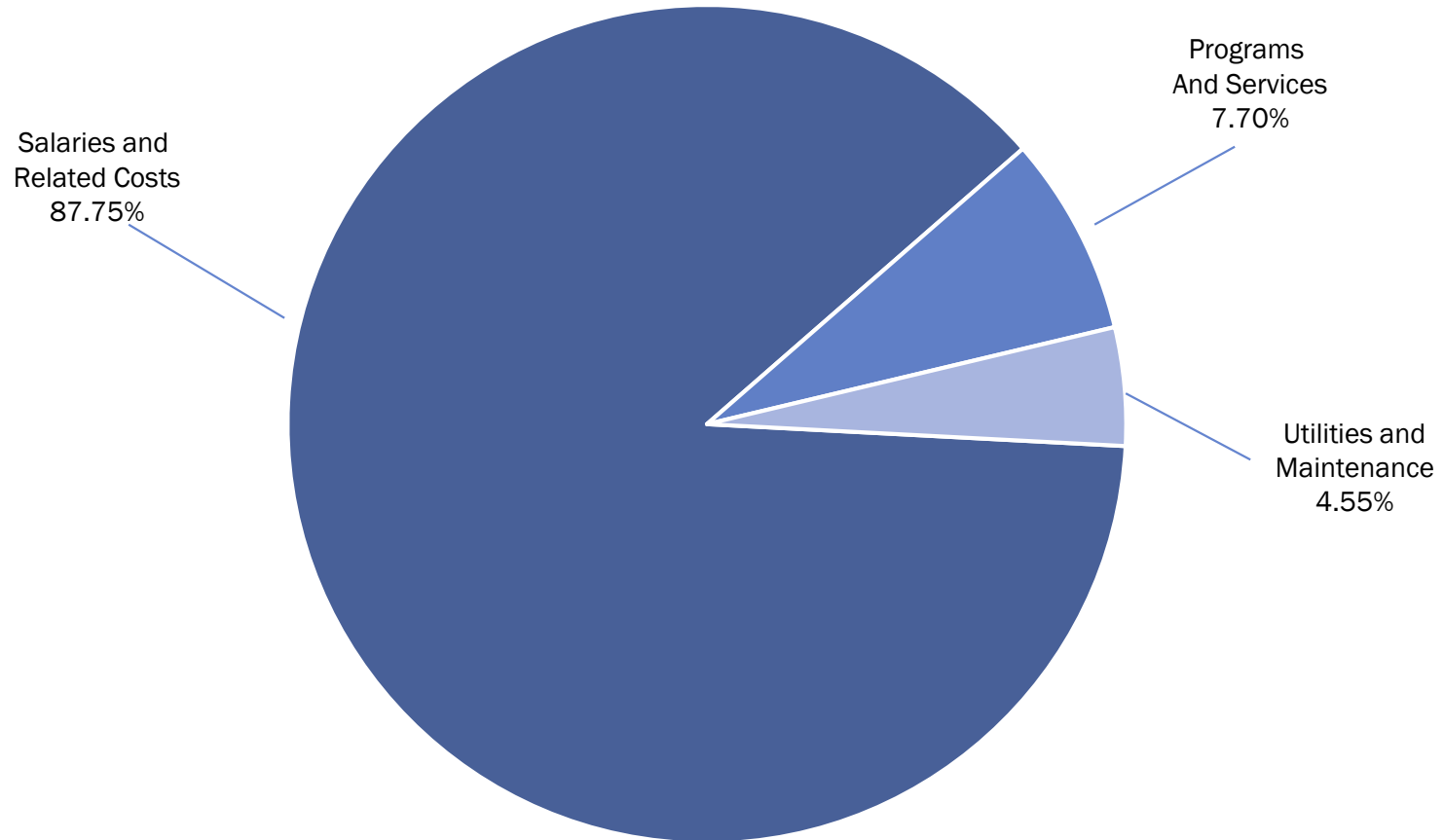
Act 388 Funding Loss

Fiscal Year	Cumulative Actual Shortfall
2007-2008	\$ -
2008-2009	(5,975,053)
2009-2010	(6,208,128)
2010-2011	(11,786,320)
2011-2012	(14,372,824)
2012-2013	(17,961,319)
2013-2014	(20,069,693)
2014-2015	(24,547,569)
2015-2016	(29,634,156)
2016-2017	(37,907,904)
2017-2018	(41,326,189)
Cumulative Total	\$(209,789,155)

Anticipated Operating Expenditures

	Approved Budget FY 2019	Proposed Budget FY 2020	Increase
Salaries and Related Costs	\$245,006,707	\$258,976,663	\$13,969,956
Programs and Services	35,554,769	36,147,086	592,317
Total Budget	\$280,561,476	\$295,123,749	\$14,562,273

Anticipated Operating Expenditures



Act 388 Allowable Millage Increase

Calculation of Allowable Millage Increase	
FY 2019 Millage Rate	322.40
x Allowable Percentage Increase	4.72%
FY 2020 Current Year Allowable Millage Increase	15.21
FY 2019 Total Recommended Millage Increase	0.00
x Value of a Mill	\$282,417
Revenue Generated by Millage Increase	\$0
Potential Revenue Generated Using Total Allowable	\$4,295,563

Summary

- ❖ Includes 77.55 positions for growth
- ❖ Includes a step increase for eligible employees
- ❖ Includes a 4% increase for staff paid on the teacher certified salary schedule
- ❖ Includes a 2% increase for support staff
- ❖ Includes a 1% increase for administrative staff
- ❖ Includes funding to meet state and federal requirements
- ❖ Includes funding to cover required inflationary costs
- ❖ Does not include proposed millage increase for operations

Questions?
