

Franklin County Schools
Budget Update
May 9, 2011

What's going on????

- Great Recession
- Federal Budget Deficits
- Federal Debt
- Federal Stimulus Funds Expiring
- State Budget Shortfalls (\$4 to \$2.5 Billion – Governor says \$1.9B)
- State Budget Cuts (5%,10%,15%)
- 1 Cent Sales Tax Expiring Worth \$1.3 Billion
- Governor's Budget vs. House Budget
- Governor's Veto Power – Is House veto proof? – Senate is.
- House Budget vs. Senate Budget
- SB 8 Charter School Legislation
- Numerous Budget Proposals Floating Around
- A New Headline Every Day

How much would the proposed House Budget cost Franklin County Schools for the 2011-2012 school year?

- Approximately \$5.5 million which includes the new cuts and increased LEA Reversion proposed by the House. Much of this could be avoided by retaining the 1 cent sales tax set to expire. The additional 1 cent was enacted as a temporary increase effective September 1, 2009. The sales tax rate is currently 7.75% and would go back to 6.75% on July 1, 2011.

Where are the cuts being made?

- As we discussed during the public forums and in numerous other meetings, some cuts are proposed as direct cuts to specific allotment categories and the LEA Reversion amount has been increased by the House which means we would have to identify the areas to cut. The next slide shows the details.

House Budget Impact for 11/12

Note 1: This assumes the 8.8% reduction to public K-12 education as published earlier

Note 2: NCDPI projects our total ADM to be 8683 for 2011-2012 (Up by 180 - PMR Month 07 was 8503)

Allotment Category	State Budget for 2010-2011	Projected Continuation Budget	Projected Assuming House Budget	Notes on House Action Taken	Position Allotment Reductions	Funds Lost in Specific Allotments w/ House Budget
Personnel Allotments						
<i>Dollar Allotments</i>						
Central Office	\$ 800,907.00	\$ 800,907.00	\$ 720,816.30	10% Reduction 48% cut - K-1 ADM(1446) x \$1,145.79 vs. K-3(2785) x \$1,131.29		\$ 80,090.70
Teacher Assistants	\$ 3,123,258.00	\$ 3,150,642.65	\$ 1,656,812.34	15% cut - \$227.39 vs. \$267.57/ADM (8683 projected per DPI)		\$ 1,493,830.31
Non-Instructional Support	\$ 2,325,547.00	\$ 2,323,310.31	\$ 1,974,427.37	12% cut		\$ 348,882.94
At-Risk Student Services	\$ 1,406,370.00	\$ 1,406,370.00	\$ 1,237,605.60	9.17% cut - \$1083.52 vs. \$1192.92 per 4% of ADM		\$ 168,764.40
Academically Gifted	\$ 403,788.00	\$ 414,324.97	\$ 376,328.17	10% cut		\$ 37,996.81
Limited English Proficiency	\$ 289,840.00	\$ 289,840.00	\$ 260,856.00			\$ 28,984.00
<i>Position Allotments</i>						
Instructional Support (Pos.)	42.93	43.39	41.67	4% cut=1 per 208.37 in ADM vs. 1 per 200.10	1.72	\$ 82,329.52
School Bldg. Admin.(Months)	286.00	288.54	270.50	6% cut - Asst.Principals 1 mth/80ADM vs 1mth/100.56	18.04	\$ 89,749.00
Non-Personnel Allotments						
Classroom Materials/Supplies	\$ 549,288.55	\$ 549,288.55	\$ 289,493.19	47.33% cut=\$32.90/ADM vs. \$62.82/ADM (+\$2.69/Gr 8&9 ADM)		\$ 259,795.36
Textbooks	\$ 687,780.43	\$ 687,780.43	\$ 126,684.97	80% cut=\$14.59/ADM vs. \$79.21/ADM		\$ 561,095.46
Transportation	\$ 2,437,568.00	\$ 2,437,568.00	\$ 2,315,689.60	5% cut		\$ 121,878.40
Driver Training	\$ 165,196.00	\$ 179,595.60	\$ 131,396.40	27% cut = \$172.89/9th Gr. ADM vs. \$236.31/9th Gr. ADM		\$ 48,199.20
School Technology	\$ 118,355.00	\$ 58,610.25	-	100% cut - No Appropriation		\$ 58,610.25
Staff Development	\$ -	\$ 81,927.56	-	No Appropriation for 2011-2012		\$ 81,927.56
LEA Adjustment	\$ 1,767,098.00	\$ 1,786,874.57	\$ 2,033,819.09	13.82% Increase = \$234.23/ADM vs. \$205.79/ADM		\$ 246,944.52
Funds Lost by Allotment Category under House Budget						\$ 3,709,078.43
Add back LEA Adjustment Amount prior to House Increase						\$ 1,786,874.57
Funds Lost under House Budget Including LEA Adjustment (This does not include some allotments that never come to us directly)						\$ 5,495,953.00
Calculation of Percentage of Funds Lost						
Funds Lost/Approx. State Bud	\$ 3,709,078.43	\$ 45,000,000.00	8.24% Actually closer to 8.8% as stated in notes above			
LEA Adjust/Approx. State Bud	\$ 1,786,874.57	\$ 45,000,000.00	3.97%			
Approx. Amt. of State \$ Lost	\$ 5,495,953.00		12.21%			

FOCUS

We have to focus on all areas, but several areas have the potential to be catastrophic. It may not be catastrophic to legislators or others who are not affected as much, but it can be catastrophic to those most affected and extremely detrimental to the school system, especially for cuts made in 2011-2012 that carry over into 2012-2013.

Teacher Assistants

- The House proposal is to change the allotment formula and use a K-1 student count instead of a K-3 student count. The problem is that the “funding formula” does not actually provide a teacher assistant in every classroom for the grade level span used in the funding formula. This is a problem because when the General Assembly states that they are “funding” teacher assistants for grades K-1, most people logically assume there will be a teacher assistant in every K-1 classroom. This is not true and misrepresents reality.

Teacher Assistants Continued

- For 2010-2011, the state allotted \$1,131.29 per student in grades K-3. Our allotment was based on 2765 K-3 students (Gr. K = 725, Gr. 1 = 653, Gr. 2 = 656 and Gr. 3 = 731). After the reduction for charter schools, we received an allotment of \$3,123,258.00. This amount will not fund a teacher assistant in every K-3 classroom as evidenced below.
- We rely heavily on teacher assistants (Approx. 40%) to drive buses and transport students to school. This dual employment creates an overtime situation for these employees which dictates that we pay overtime pay to those employees working over 40 hours in a week. A pro-rata share of this overtime is attributed to the teacher assistant job and correctly charged to the state teacher assistant allotment. An estimate of this cost is approximately \$46,000 per year which reduces the total amount available to hire teacher assistants.
- There are approximately 941 children in the Exceptional Children's Program based on the April 2011 headcount. This equates to 10%-11% of the total student population. These children help generate the state teacher assistant allotment and are entitled to a fair amount of support from this allotment.
- We currently employ 8 elementary media assistants out of the state teacher assistant allotment. These assistants work with the Media Specialist in providing instructional services to students on a daily basis.
- Therefore, a total allotment of \$3,123,258 less overtime costs of \$46,000 per year leaves \$3,077,258 available to hire teacher assistants. \$3,077,258 divided by the average annual cost (salary plus benefits) for one teacher assistant \$29,500 means that there is the potential to hire approximately 104 teacher assistants. 104 potential teacher assistants less 10 EC teacher assistants and 8 elementary media assistants leaves 86 teacher assistants for the regular classroom.
- For 2010-2011, we have the following number of K-3 classrooms (Gr. K = 35, Gr. 1 = 34, Gr. 2 = 35 and Gr. 3 = 36). This totals to 140 regular education classroom for grades K-3. With 86 teacher assistants available for the regular classroom, you can cover all 35 kindergarten classes, all 34 1st grade classes and 17 2nd grade classes. This does not provide for any coverage at the 3rd grade.

Teacher Assistants Continued

2010-2011 Allotment	\$3,123,258.00
Less: Required Overtime	< 46,000.00>
Available to hire TAs	\$3,077,258.00
Divided by: Avg. Cost/TA	\$ 29,500.00
Potential TAs	104
Less: Exceptional Children's TAs	<10>
Less: Media Assistant @ Elem.	< 8>
Available for Regular Classroom	86

# Grade K Classes	35	# With TA	35 or 100%
# Grade 1 Classes	34	# With TA	34 or 100%
# Grade 2 Classes	35	# With TA	17 or 49%
# Grade 3 Classes	36	# With TA	0 or 0%

Teacher Assistants Continued

If teacher assistant funds are cut by 48% by the General Assembly to \$1,656,812 as shown earlier, the coverage by grade can be calculated. The proposal is to use K-1 ADM numbers only.

2011-2012 Allotment	\$1,656,812.00
Less: Required Overtime	< 46,000.00>
Available to hire TAs	\$1,610,812.00
Divided by: Avg. Cost/TA	\$ 29,500.00
Potential TAs	55
Less: Exceptional Children's TAs	<10>
Less: Media Assistant @ Elem.	< 8>
Available for Regular Classroom	37

Assuming Same Number of Classes as 2010-2011

# Grade K Classes	35	# With TA	35 or 100%
# Grade 1 Classes	34	# With TA	2 or 6%

Teacher Assistants Continued

The number of state allotted teacher assistant positions lost under the House proposal would be as follows.

# of potential TAs with current funding	104
# of potential TAs under House proposal	55
# of positions lost	49
Calculated Value at \$29,500 each	\$1,445,500.00

Note: The Education Jobs Fund (\$1,692,322.00) we have reserved could cover this loss for one year, but would be for one year only and would leave very little to help in any other area of reduction.

LEA Reversion to State

2010-2011

\$1,767,098.00 Reversion Amt.

< 385,336.00> 7 Vacant Tch.

< 103,320.00> 18 Vacant CTE

< 68,157.00> Leandro Funds

< 752,285.00> TAs paid with
Fed. Stimulus

< 200,000.00> Low Wealth

< 258,000.00> EC covered by
Fed. Stimulus

2011-2012

\$2,033,819 Reversion Amt.

We do not have the option of reverting state teacher assistant funds or exceptional children's funds which were both covered by federal stimulus funds. This is approx. \$1.28 million dollars in new reversions given the fact that stimulus funds will be gone and the LEA Reversion increased by \$267,000.

LEA Reversion to State Continued

Est. LEA Reversion for 11/12	\$2,033,819.00
Less: 7 Vacant Teaching Positions	< 385,336.00>
18 Vacant CTE Months	< 103,320.00>
Repeat 10/11 Leandro	< 68,157.00>
Repeat 10/11 Low Wealth	< 200,000.00>
New 11/12 Low Wealth	< 500,000.00>
New 11/12 Leandro	< 500,000.00>
Balance Represents Unidentified Reductions that must be made (Need to monitor vacancies, etc.)	277,006.00

Non-Instructional Support

This state allotment has historically funded the majority of our custodians, office support staff and substitute teachers. The projected reduction for this allotment is \$348,882.94. This would equate to approximately 10-12 employees or a large portion of contracted custodial services or some combination of expenditure reduction that could help us meet this proposed cut to non-instructional support.

Other Reductions

Other proposed cuts by the House would require some personnel reduction in specific areas and/or substantial limitations on the purchase of textbooks, instructional supplies, etc. A few allotments are guaranteed to be cut because there will be little resistance in light of the enormous cuts being proposed in this budget.

Haste makes Waste

Things do not look good for K-12 education, but the process is not over. Indications are that the Senate will make further reductions to K-12 in order to reduce the cuts to Higher Education. The Governor may be successful with a veto of the budget, but no one knows exactly what that action would yield in the end if she had the votes in the House to accomplish a veto. We do not need to prematurely make cuts in personnel or programs that are critical to our success.

One Cent can make a Huge Difference

We should continue to advocate for continuation of the additional one cent sales tax enacted in September 2009. This one thing would enable the state to pull out of the recession without as much carnage as there will be otherwise. The additional one cent in sales tax revenue would be a proactive move for 2012-2013 as well because LEAs won't have the Education Jobs Fund in 2012-2013.